
Realising the economic potential of rural areas in the UK

What could policymakers at national and regional level do to help rural enterprises reach their full potential?

What is the potential?

- The rural economy is varied and reaches far beyond traditional land management industries.
- Rural areas can contribute to all economic sectors but national and regional growth strategies often handle them separately.
- Rural areas display high levels of entrepreneurship with more businesses per head of population than in England's towns and cities.
- Rural businesses already make a significant contribution: around 28% of England's firms are rural and contribute at least 19% of Gross Value Added to the English economy.

What does research tell us?

Rural businesses want to grow as much as urban counterparts but are impeded by:

- Regulation/planning requirements
- Lack of access to:
 - Finance and advice
 - Infrastructure and services
 - Suitable premises
 - Markets and networks
 - Skilled staff

What are the implications for UK policy?

Effective rural proofing of growth plans and policies is necessary and should include:

- Rural growth measures that include but also look beyond the farming, forestry, food and environmental sectors.
- Treating rural economies as cross cutting and embedding them in mainstream plans for economic development.
- Taking into account the variations in spatial, sectoral and size profiles between urban and rural firms.
- Further demonstration of the ways in which firms can realise the value of the natural environment.
- A place-based approach, meeting local constraints and opportunities.
- A review of the needs and opportunities relating to micro-businesses.
- Investment in affordable housing and local services.
- Business associations and networks more proactively engaging, mentoring and advising small businesses.

Further information:

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- Defra (2013) Statistical Digest of Rural England 2013 https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/181814/pb13821-stats-digest-rural-20130131.pdf.pdf
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- OECD Rural Policy Reviews: England, United Kingdom 2011 <http://www.oecd.org/gov/regional-policy/oecdruralpolicyreviewsenglandunitedkingdom.htm>

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