

State of the Art Review

Rural Poverty

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Non-technical abstract

Rural poverty is often ignored because poverty tends to be viewed as an urban problem. Yet the Financial Conduct Authority recently found that 54% of rural dwellers were financially vulnerable, and analysis of the British Household Panel Survey revealed that 50% of rural dwellers experienced poverty at some point between 1990-2007. More recent analysis shows rural poverty has grown since 2010.

Our study (*Rural Poverty Today*) explores hidden poverty in rural Britain, revealing that many face fuel poverty, higher costs of living, insecure employment, unaffordable housing and deteriorating access to essential services. Meanwhile, the state's welfare systems are poorly adapted to rural circumstances, reflected in lower rates of benefit take-up and unnecessary hardship. Voluntary organisations provide vital help but are under resourced.

Addressing rural poverty and inequality will be challenging, but not impossible, for the new Government if evidence-based policies are pursued.

Summary

Recent research has investigated why and how people in rural Britain experience (and negotiate) poverty and social exclusion. While poverty is perceived as a predominantly urban problem, many people living in rural areas also face hardship and rural poverty is growing. Much rural employment is insecure and poorly paid, leading to volatile and irregular incomes. The cost of living is higher, and it is increasingly difficult to find affordable rural housing. Yet the UK's welfare system is poorly adapted to rural areas, with increasing conditionality and delays leaving growing numbers to debt, hardship and recourse to foodbanks. Voluntary organisations have provided crucial support to many, despite challenges of reach into rural areas and funding pressures, while services are increasingly centralised and digitalised. The Covid-19 pandemic exacerbated many of these pressures. Nevertheless, rural poverty can be addressed effectively through a combination of people-centred and place-based measures, such as applying a rural lens to the Department for Work and Pensions' (DWP) policies and practices alongside local support and advice.

Background

In Britain, unlike in most countries, poverty is often thought to be an urban phenomenon. Superficially, there is evidence to support this view: with 17% of residents of English urban districts in poverty compared to 14% of those in rural districts (DEFRA 2022). This has led to rural poverty often being neglected by research, policy and practice.

However, analysis of more fine-grained data from the British Household Panel Survey (BHPS) shows that 50% of rural households experienced poverty at some point between 1991 and 2008, compared to 54% of those in urban Britain (Vera-Toscano et al 2020). Surveys by the Financial Conduct Authority (2018) revealed that 54% of rural dwellers

were financially vulnerable in 2018. Poverty in rural areas is therefore a serious issue and more widespread than often assumed.

Moreover, it is now widely accepted that the indicators used to measure poverty and therefore target resources are less appropriate to a rural context. Place-based measures of poverty such as the Index of Multiple Deprivation underestimate the scale and extent of rural disadvantage mainly because people in poverty in rural areas tend to be dispersed amongst more affluent households. And poverty measures take no account of the higher cost of living in rural areas (beyond housing costs), which can be significant - particularly in remote rural areas (Scottish Government 2024).

Evidence

While many factors underlie poverty in both rural and urban areas, research suggests several additional factors which contribute to poverty in a rural context.

Low pay, precarious work

Many rural jobs are in low-paying sectors such as agriculture, tourism and social care. Analysis of the BHPS (Phimister et al 2000) showed that low pay is more prevalent and more persistent in rural areas. Our Rural Lives study (Shucksmith et al 2023) confirms this preponderance of low-paid, low-skill, precarious jobs, which are often unstable and seasonal. Rural poverty is also associated with self-employment, under-employment and seasonal and part-time working, with fewer opportunities for training and/or career progression. Poor public transport and a lack of childcare and eldercare services mean that many people are unable to travel to access better-paid jobs in urban areas, instead having to rely on local employment. These issues were highlighted in a recent House of Commons debate on rural depopulation (Hansard, 11 September 2024).

Welfare state not adapted to rural needs

Shucksmith et al (2023) revealed the inability of the welfare system to support those in rural areas who rely on multiple seasonal jobs or who do not have adequate digital connectivity and/or skills to access the DWP's online systems. Systems are complex and the smallest error can lead to delays or sanctions, either of which may lead to hardship, foodbanks, and debt. The centralisation of job centres, welfare services and sources of advice makes it harder for people in rural settlements to receive information and support. People with physical or mental health challenges face even greater difficulties in accessing support, whether online or face-to-face, and in attending distant Work Capability Assessment centres before they can receive Personal Independence Payments. Added to this is the stigma of claiming benefits in small communities. Together with increasing conditionality and sanctions, these failings of the welfare state to operate effectively in rural contexts, exacerbate precarity, rather than offsetting it.

Reliance on voluntary and community help

Rural households are therefore having to rely more heavily on the voluntary and community sector and charities for support. These highly-valued organisations are seen by many as a 'first port of call', but were already over-stretched before the current crisis,

facing funding pressures while struggling to cover large rural areas (Shucksmith et al, 2023). They now face soaring energy costs and increasing demand while still playing a vital role, supporting families, particularly as public services have been centralised.

Unaffordable housing, higher cost of living, declining services, digital exclusion

In many rural areas of the UK, local residents compete in the housing market with affluent incomers whether for a permanent or a holiday home. Research has shown that in rural areas there are fewer affordable homes to buy or to rent, with much lower investment in social housing. Poor households in rural areas are therefore more likely to resort to private renting, whereas more social housing is available in urban areas.

Poverty is exacerbated by declining service provision (Rural England 2024), leaving people without basic services (especially if they can't access digital alternatives) or having to travel long distances to access them. Studies have consistently found evidence of higher rural living costs due to higher fuel costs for heating and transport (Robinson and Mattioli 2022), and higher prices for food and other essentials (Smith et al 2010). The Scottish Government (2024) found that the cost of essentials in remote rural areas is typically 15 to 30% higher than in urban areas. Evidence from the Rural Lives project reveals the human impacts of the high cost of fuel: Shucksmith et al (2023) found older people unable to afford to put on their heating, others relying on collecting firewood, and families unable to afford to buy oil (minimum delivery 500 litres) after they ran out in midwinter.

But there are solutions

Nevertheless, policy and practice can be effective in addressing rural poverty. Research suggests this is best addressed through a combination of people-centred and place-based measures. The people-centred social policy reforms introduced between 1997 and 2010, such as tax credits and pension credits, proved effective in reducing poverty in rural and urban areas alike (Vera-Toscano et al 2020). Their impact in rural areas was diminished by lower claimant rates, however, and such measures could be even more effective if complemented by local place-based action to promote awareness and take-up (Shucksmith et al 2023).

Addressing the cost-of-living crisis facing so many rural households requires benefits and pensions to rise in line with inflation alongside initiatives to promote take-up of benefit entitlements in rural areas. Local initiatives such as Warm Hubs (Community Action Northumberland 2023) can be effective not only in providing a warm space for people but offering advice on benefit entitlements and support for home insulation and energy efficiency. Given the age of many rural houses and the predominance of off-grid properties, energy-related initiatives such as home insulation help with heating costs: such energy efficiency measures and advice should be expanded. In many cases there are successful local schemes (often run by the third sector) on which to build.

Final overview

We can summarise the key policy messages as follows:

- Many rural residents are at risk of poverty, but poverty is imagined as only urban. Policies need to address rural needs and circumstances.
- The welfare system, in particular, is not well adapted to rural lives. A rural lens should be applied to DWP's policies and practices.
- The cost-of-living crisis is hitting people in rural areas especially hard due to double energy vulnerability and higher living costs. Measures to address fuel poverty and to promote benefit take-up in rural areas are vital.
- Centralisation and digitalisation of services and support affect rural citizens unevenly, with damaging impacts on the wellbeing of the most vulnerable.
- More support is required for voluntary and community organisations to continue to reach into rural areas and to maintain essential social infrastructure.
- A lack of affordable housing opportunities in rural areas should be addressed through greater investment in social housing in villages and small towns.

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