

To: ECONOMIC DEVELOPMENT COMMITTEE		Subject: INQUIRY INTO THE IMPACT OF CHANGING EMPLOYMENT PATTERNS IN RURAL SCOTLAND
From: DIRECTOR OF PLANNING AND ENVIRONMENT		
Date: 8th June 2000	Ref: ABR/REP701	

1 Purpose of Report

- 1.1 The purpose of this report is to homologate the response provided by the Economic Development Unit to the Inquiry by the Rural Affairs Committee into the Impact of Changing Employment Patterns in Rural Scotland.

2 Background

- 2.1 The Rural Affairs Committee of the Scottish Parliament has agreed that investigation of employment, poverty and housing in rural areas is a priority. The Committee has now launched an inquiry into the impact of changing employment patterns in rural Scotland, and sent out a consultation document to invite views from as many people and organisations as possible. In particular the document asked for responses to the following questions:
- 2.2 What do you consider to be the most significant changes in rural employment patterns over the last decade? What has caused these changes? Do you think rural areas have fared better or worse than urban areas?
- 2.3 Employment in agriculture, manufacturing and other traditional rural industries, is declining while there is a substantial increase in jobs providing services (tourism, health and social work, education, public administration, retailing and internet-based, among others). How does this affect Scotland's rural areas and the labour market opportunities for those who live there?
- 2.4 Changes in labour markets affect the balance between male and female employment, between manual and non-manual work, between full-time and part-time, and between permanent and temporary jobs. How are these effects experienced in rural Scotland?
- 2.5 Some studies have suggested that key employment issues in rural Scotland include the quality of jobs, wage levels, transport, childcare, training opportunities, underemployment and job security. Do you agree that these are the main issues which policy should address?
- 2.6 Is the higher level of self-employment in rural areas indicative of a culture of entrepreneurship? What factors encourage or obstruct business start-ups in rural Scotland, and what influences the survival and growth of small firms?
- 2.7 How do changes in employment opportunities affect different groups within rural Scotland? How do these changes affect different areas of rural Scotland? What characteristics differentiate between areas that gain and areas that lose employment?

- 2.8 How do the changes in employment opportunities relate to poverty and social exclusion? What are the implications for access to housing and services in rural areas? How is employment decline related to service decline?
- 2.9 A number of national and local government measures seek to address employment issues, including sectoral policies. How effective are current policies in addressing employment issues in rural Scotland? Do you think there is a case for rural-specific employment policies?
- 2.10 Are there particular initiatives (perhaps at local level) which have been effective in addressing employment issues in rural Scotland? What lessons can be learned from both successes and failures in the past?
- 2.11 What do you think should be done to address employment issues in rural areas? Who should do it (eg. EU, UK Government, Scottish Executive, local councils, local enterprise companies, employment services, schools, or others)?
- 2.12 A copy of the responses provided for each of the above questions to the Rural Affairs Committee, prior to the deadline of 18th May, 2000, is attached to this report.

3 Recommendation

- 3.1 It is recommended that the Committee homologate the response provided by the Economic Development Unit on behalf of the Council.



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Director of Planning & Environment

9th May 2000

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RESPONSE TO INQUIRY INTO THE IMPACT OF CHANGING EMPLOYMENT PATTERNS IN RURAL SCOTLAND

With reference to your letter dated 31 March 2000 inviting comments on the consultation document for the Inquiry into the Impact of Changing Employment Patterns in Rural Scotland, I now provide such responses to each of the questions outlined in this document.

1. The most significant change to rural employment patterns over the last decade has undoubtedly been the continuing decline of agricultural employment. In Lanarkshire, the recent evaluation commissioned by North Lanarkshire Council, Lanarkshire Development Agency (now Scottish Enterprise Lanarkshire), and South Lanarkshire Council into the economic impact of agriculture in the area, revealed that agricultural employment in the area has declined by 7% since 1992 to its current level of 2,984 employees. In relative terms, rural areas have fared worse than urban areas as the traditional industries have been replaced by a burgeoning service sector in more urbanised areas, which although not completely countering the effect of decline of traditional manufacturing, has nevertheless gone some way to finding new employment for those living in urban areas. In rural areas the decline in agriculture and other primary sector employment (mining, forestry, fishing, etc.) has not been countered by any counter-balancing increase in any other type of employment. There have been attempts to stimulate craft and tourism industries in such areas, but the impact on employment has thus far remained limited. Therefore although the absolute number of people adversely affected by changes in employment patterns is probably greater in urban areas, the relative impact on communities has been greatest in rural areas, as these localities find far larger proportions of people out of work.
2. As stated above, the expansion in service sector employment has had limited impact in countering the effect of the decline in traditional industries in rural areas. Most new service sector employment is concentrated in urban areas, and it is extremely difficult for the rural population to access such jobs, with poor transport links between the rural areas and these sources of new employment. The one area where progress has been made in rural areas is in tourism, but as yet the effect of tourism in generating employment in rural localities is at development stage and is as yet unclear.
3. The increase in both female and part-time employment against the decrease in male and full-time employment experienced throughout Scotland in the last decade has undoubtedly been replicated in rural areas. The decline of male dominated agricultural and primary industry employment and the expansion in tourism related activity where female employment is extremely high has resulted in a similar employment pattern to the more urbanised areas.
4. Transport is undoubtedly a critical concern in addressing employment problems and particularly social exclusion in rural areas. The low frequency of public transport is a key concern, and inhabitants in Lanarkshire's rural areas have experienced serious difficulties in obtaining transport to employment sites. Any efforts to improve the frequency, timing and integration of public transport would be beneficial. Extending the range of skills of agricultural workers is another key issue, as is assisting farm businesses to achieve diverse income solutions. There is a need to provide some form of mobile training to increase skills in rural areas. Combining transport and training initiatives, perhaps by providing additional funding for transport to access training, would go some way to addressing the two main employment issues facing rural areas.
5. The higher level of self-employment in rural areas is not indicative of a culture of entrepreneurship but rather of self-sufficiency. With employment opportunities so limited,

self-employment is often the only option. Self-employment in rural areas tends to be concentrated in sole tradesmen and in the agricultural base which still exists.

6. Many rural areas have turned into commuter towns. Towns in the south of Lanarkshire, for instance, have lost much of their indigenous business base, with for example Lanark's status as a market town diminishing in line with the decline in agriculture, yet these towns lie reasonably close to urbanised areas with concentrations of employment and many residents therefore commute to these urban areas. Again this is dependent on the good road network linking towns such as these to urban areas, and a reasonable public transport infrastructure, with an hourly train service to Glasgow.
7. Employment decline is very much related to social exclusion in rural areas. Indeed the area's rural character accentuates these problems. Socially excluded people in rural areas, in addition to facing barriers of lack of skills and long-term unemployment, also find the physical barrier of distance from training institutions and sources of employment in their way to re-entering the labour force. Poor transport infrastructure makes the problems of social exclusion in rural areas even worse.
8. Current policy with regard to rural employment is improving. North Lanarkshire has recently been visited by the newly established Locate in Scotland Rural Inward Investment Team, in an attempt to find appropriate rural inward investment sites. Initiatives such as these should be developed in order to counter the decline in rural employment. There is most definitely a case for rural-specific employment policies and indeed North Lanarkshire Council has been proactive in establishing such policies in the development of the Lanarkshire Rural Strategy 'Reviving our Rural Area' as outlined further below.
9. North Lanarkshire Council, South Lanarkshire Council, Scottish Enterprise Lanarkshire and Scottish Homes have together formed the Lanarkshire Rural Partnership in order to develop initiatives to address employment issues in rural Scotland. The draft strategy produced by the Partnership, 'Reviving our Rural Area' promotes four key themes : building and attracting businesses; promoting learning to develop the workforce; enhancing rural places for living and work; and developing economically inclusive communities. This strategy is currently at the draft stage and therefore its success has yet to become apparent. North Lanarkshire Council also deliver the Environment Task Force across the whole of Lanarkshire and have met with some success in tackling rural employment issues, by allowing local people in rural areas to access training through local environmental enhancement projects. Many of these skills obtained are marketable in the labour market, and can provide a route into employment. However it should also be noted that ETF recruitment in rural areas has been beset with the transport problems noted in (4) above.
10. Rural economies throughout Scotland have many similar problems and many of these issues can be dealt with strategically at national level (for instance in attracting rural inward investment via Locate in Scotland, or developing a rural tourism strategy via the Scottish Tourist Board). However it must be recognised that rural communities also have many distinctive characteristics and rural policy making must reflect the different problems and needs in individual communities. Therefore there must be local involvement in the decision-making process. This is where members of the community, and local councils, as elected representatives and service providers for rural communities, must become directly involved. There is therefore a role for national bodies, local authorities and community groups (including schools) in addressing rural employment issues, and good partnership working is therefore of paramount importance.