



Spatial Economics Research Centre

Wednesday, 24 July 2013

Country Dwellers and the 'Rural Penalty'

Lots of coverage today for the Commons Rural Affairs Committee report suggesting that country dwellers pay a [rural penalty in access to services](#).

I accept that this is true for some services (e.g. broadband). However, the same report also tells us that many rural areas have very high house prices relative to income. This tells us that the countryside must provide a lot of amenities that make people willing to accept low real wages (as measured by the difference between house prices and incomes). In short, the data tell us that overall the countryside is a pretty nice place to live. I'm not sure in what sense this constitutes a rural penalty.

Of course, this is not to deny the fact that the countryside may not be such a nice place to live if you are poor. But then that's also true of most of our cities. What this teaches us is that, once again, simple comparisons between urban and rural areas are misleading and fairly pointless. We need to focus on individuals and families and understand the implications for different groups of different levels of public service provision.

[Related posts: [Rural Broadband](#); [Rural Cost of Living](#); [Rural Housing](#)]

Posted by [Prof Henry G. Overman](#) on [Wednesday, July 24, 2013](#)

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2 comments:

Sevrin said...

It's a good point about not comparing rural and urban. The bbc article says half the money per pupil is spent on schools in the countryside. But they don't mention whether it simply costs less (e.g. rents, wages) in the countryside to deliver the same level of education. Without this information it seems like cheap shot.

I don't agree with your point on house prices, though. Yes the countryside may be a nice place to live and house prices reflect. But I don't think we should allow local governments to point to nice trees and fields as a substitute for public services.

Also, I reckon if you compared land values rather than house prices you'd see a lower value placed on countryside amenities than on urban amenities. I think the high house prices in the countryside has a lot to do with the structural characteristics. Imagine the price of large detached house with huge garden in central London...

[24 July 2013 at 16:33](#)



Prof Henry G. Overman said...

Dear Sevrin,

Thanks - on your last point, see today's post: <http://spatial-economics.blogspot.co.uk/2013/07/urban-versus-rural-living.html>

[25 July 2013 at 13:26](#)

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