



# Spatial Economics Research Centre

Thursday, 4 March 2010

## The rural economy

The Rural Advocate has published his [2010 report](#). It focuses on how to keep young people in the countryside and includes a number of recommendations including around affordable housing, employment and skills, transport and communications.

I have written on [rural housing](#) and [Digital Britain](#) before and there is nothing new in the report that has changed my thinking on that.

My more fundamental question around this year's report is why should it be a policy objective to keep young people living in the countryside? It is hard create jobs in rural places because they are less productive (if they were as productive as jobs in urban areas, then why would firms ever pay downtown rents?). Overcoming this productivity disadvantage requires more than just (very expensive) investment in broadband and more mobile coverage. More (heavily subsidized) public transport can only do so much to allow people to commute to jobs - rural areas close to bigger cities are usually expensive, while smaller towns struggle to generate large numbers of jobs for surrounding rural areas.

In short, we can spend a large amount of money to equalizing coverage of broadband, mobile networks and public transport but (likely) failing to generate significant numbers of rural job opportunities. Alternatively, we can recognize that, at least since the industrial revolution, rural to urban migration has played a crucial role in improving many young people's life chances. Perhaps we should be focusing on what we can do to help encourage and support it.

Posted by [Prof Henry G. Overman](#) on [Thursday, March 04, 2010](#)

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## 2 comments:



**Tim said...**

The rural-urban wage and rent gap has been documented long before the industrial revolution. See the work of my late colleague Larry Epstein, for example.  
[9 March 2010 at 10:00](#)

**Eivan said...**

I still cannot understand, for example, why fishers can receive 20 pounds for approx. 25 kilograms of fish and the same fish is finally sold at least 15 times more expensive in supermarkets shelves. I think this is part of the problem.  
[9 March 2010 at 14:20](#)

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