



## Feasibility assessment

**Title of research:** After Brexit: 10 key questions for rural policy in Wales

**Publication date:** 2018

### Short summary of report:

The report is one of four publications, produced across the UK (one per nation) in the wake of the Brexit referendum of 2016. The Welsh report was written by academics from WISERD, (led by Aberystwyth University) in collaboration with the Centre for Rural Economy, Newcastle University and the Centre for Welsh Politics and Society. The questions are based on a workshop held at Aberystwyth University.

The report poses 10 key questions about rural policy for policy makers. Two of the 10 key questions are concerned with agriculture. Others are concerned with the food and drink sector, alternative products, future funding, urban/rural linkages and demographics. Each question has a number of sub questions. The tenth question focusses on support for new and innovative industries.

### Feasibility assessment by panel of how this will feed into the project work:

From the perspective of Arsyllfa and the LEADER programme, the following overarching themes are relevant.

Firstly, the extent to which rural opportunities are capitalised on and negative impacts addressed post Brexit. Will rural development funding, asks the report, lose out to public concern with public services after years of austerity?

Secondly, the potential impact on culture and distinctiveness. How Brexit will impact on the demographics in rural areas and the potential drain of young people away from the Welsh language “heartlands” is unclear, but so is how such trends will be countered.

Thirdly, in several parts of the report, questions are asked about the role of different stakeholders, whether from the public, private or community sector, and the role of local partnerships based on the LEADER model. Although not explicit, these questions open up areas of debate around community led innovation. A one size fits all approach is not seen as appropriate across rural Wales. The report asks how initiatives can be tailored to specific areas with varied histories and needs.

Fourthly, the call for an innovative, fresh approach. The report poses questions about the potential of new products and, in question 10 asks directly how policymakers can support new and innovative industries to establish and remain in rural Wales. The term “entrepreneur” is not used in the report, but is implicit in this focus on innovation and the need for a fresh approach.

In short, the report makes support for innovation one of its key questions and has within its other questions the basis for an interesting discussion about how this is taken forward in the context of a distinct culture within Wales.

## **What are its characteristics and how can they be applied to this project?**

The report states that the Welsh rural economy is firmly grounded in a rich natural environment. It recognises the importance of agriculture as the dominant land use, but points out that the economy is diverse. A careful balance needs to be struck between a celebration of heritage and environmental values, while maintaining and growing economic activity. The environmental value of the Welsh countryside is reflected in the designation of around 30 per cent of the land and marine area of Wales as protected landscapes or habitats.

The report recognises that the uplands of rural Wales are particularly vulnerable to the negative impacts of Brexit. Lamb is an iconic and important product of rural Wales and especially so in upland areas. The report points out that the impacts due to changes to support payments and trade remain unclear but could be significant.

Opportunities for future growth in tourism and premium food marketing are highlighted in the report, based on cultural heritage and sense of place in distinctive communities. Elsewhere it asks whether new products based on sustainable energy, adding value to primary products and local specialities can be developed. The report aims to raise the pertinent questions not to offer ways in which any of these opportunities can be capitalised on. It does however set the scene for implementation discussions by asking what the respective roles of local government and communities should be. The report warns that there are varying levels of local need and capacity to act. It questions whether the whole country can be treated uniformly in any approaches to support.

The report calls for a fresh and innovative approach to supporting new developments and industries post-Brexit. Working beyond the boundaries and traditional priorities of sectoral interests, it says is a key means of promoting innovation. A more integrative and place-based approach, which acknowledges the diversity of rural stakeholders, is seen as being particularly useful.

## **How can these principles and values interact with fostering an entrepreneurial culture?**

The term “entrepreneur” is not used in the report but question 10 is focussed explicitly on innovation. Elsewhere in the report the possibilities of a fresh, innovative approach to supporting new developments and industries is called for within a place-based setting.

In several places the report speculates on the possibility of new products (e.g. from wool) and new market opportunities. It asks whether there is scope for artisan, and mid-range areas of food production, for example for cheese and other dairy produce. In this respect

the report is highlighting sectors that could support increased entrepreneurial activity. It makes no mention of technology based entrepreneurial activity.

The report says that Welsh cultural heritage, a strong sense of place and community are distinctive attributes of rural Wales and present opportunities for future growth in tourism and premium food marketing. Although not explicit, it is implicit that these attributes could form the foundation of innovation.

The retention of innovative businesses also concerns the report's authors. The report asks how innovative industries will be encouraged to establish and be retained in rural Wales. As part of this it asks where the leadership will come from and how potential emerging winners will be identified.

## Key findings

The key questions and secondary questions cover a wide canvas, from land use to the impacts of demographic change on services and culture.

The 10 key questions are as follows.

1. What implications does Brexit have for Welsh agriculture and could / should policymakers mitigate these effects?
2. Should agriculture and provision of environmental goods in Wales be considered together after Brexit?
3. How can development policy be integrated across the range of rural needs?
4. Will Brexit offer new opportunities for the Welsh food and drink sector and how could these be developed?
5. What opportunities are there for new or alternative products from the land in Wales?
6. How might Brexit affect demographic trends in rural Wales?
7. How can we avoid rural areas losing out to urban centres in future funding support?
8. How can the positive links and relationships between rural and urban areas be nurtured?
9. How can rural development be supported and encouraged across the whole of rural Wales after Brexit?
10. How can policymakers support new and innovative industries to establish and also remain in Wales?

Each key question is introduced with a short overview of the current policy situation and early indications on how Brexit may impact on the theme under discussion. The 10 key questions have a total of 53 secondary questions.

Two of the 10 key questions address agricultural support directly, especially in relation to land use and payment of landowners for public goods. Future agricultural support has, the report points out, been firmly in the spotlight since the 2016 referendum.

In a wider context, this debate on public subsidy is set within a context of a reduced Welsh Government budget and cuts in funding for public services. The report recognises this framing of the debate as an opportunity for a wider conversation among policymakers, stakeholders and the public about the sustainability of rural communities and how public resources might best be deployed to support their social and economic development. Should, the report asks, there be more integration of planning and support for agriculture, environmental management, rural development and the provision of public services in rural

communities (e.g. health, education, public transport) in a holistic rural policy? Should agricultural subsidies be refocussed on wider rural needs and should resources be targeted at those communities most likely to be impacted by Brexit such as the uplands?

One question focusses on the opportunities and risks to the food and drink sector. Are there opportunities to create new markets and new products, to expand processing capacity and to strengthen the vision for Welsh produce? The report points out that the implications for quality designations if we lose European protected status for Welsh produce is unclear. Where will responsibility for branding lie and how will it impact on added value, traceability and the supply chain. All these questions are important to businesses, including entrepreneurs in this sector.

The report highlights the dangers to Welsh culture and the language that could result from demographic change if young people continue to leave rural areas to find work. The EU has been a positive supporter of the Welsh language and it is unclear to what extent this support will be maintained.

The report points out the danger of rural Wales losing out on funding under any new programmes due to political pressure to direct more funding to public services, especially health. In this context the report asks whether a revived cross-sectoral Wales Rural Forum / Partnership can play an important role in representing rural interests. It sees potential however in the development of linkages between rural and urban and questions and how this can be facilitated.

The report questions the respective role of communities and local authorities in rural development. It asks whether a renewed Welsh version of LEADER can support cross sectoral partnerships to support rural development. It questions the need for a better evidence base on which decisions above should be founded and whether rural development should be targeted. On what basis should any targeting happen? Should it be on measures of deprivation, economic development potential or subject to open competition?

Finally, the report asks how innovative industries can be encouraged to establish and stay in rural Wales.

## Conclusions

- The aim of the report is to highlight the questions that policymakers should address about rural development following the Brexit referendum of 2016. Its value rests partly in the fact that it highlights that there is a rural development dimension to policy. This is often forgotten.
- Although the term “entrepreneur” is not used in the report, it does nevertheless raise some fundamental questions about how innovative new businesses can be supported (and retained) in rural Wales. It highlights attributes such as distinctiveness on which such business can be developed.
- A place-based policy is at the heart of the new approach.

## Appendices

1. After Brexit: 10 key questions for rural policy in Wales
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