



# Projecting rural employment

## Rural Evidence, Fit for Purpose?

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# Structure of presentation

- ***Introduction: changing employment structures***
  - main dimensions of change – generic trends
  - drivers of change
- ***Methodological approaches to looking at future employment trends***
  - different approaches
  - projecting employment – issues and methodologies
- ***Examples of employment projections:***
  - Local Economy Forecasting Model (LEFM)
  - Working Futures

# Changing employment structures:

## Main dimensions

- Sectoral structure
- Occupational structure
- Gender
- Employment status
- Changes in working practices

## Drivers of change

- Globalisation
- Demographic change
- Technological change
- Macro-economic conditions
- Legislation and policy
- Business strategies
- Infrastructure
- Realm of place
- Values and preferences
- Environmental trends

# Future employment trends: the dilemma

- knowledge is about the past but decisions are about the future
- there is a need to plan for the future, but the future is uncertain

# Future employment trends: methodological approaches (1)

## *Economic forecasts/ labour market projections*

- **projections** set out what is likely to happen, based on certain assumptions about key drivers and patterns of behaviour
  - identify key trends
  - based on assumptions about patterns of behaviour, using past and current behaviour as a guide
  - factor in current and likely future policy stances
- **forecast**: an attempt to predict what actually will happen

# Future employment trends: methodological approaches (2)

## **Scenarios**

- Visions of possible and plausible futures
- based on assumptions (like projections)
- an infinite number of scenarios can be imagined

## **Horizon scanning**

- considers ranges of possible, plausible futures
- draws out key trends on the margins of current thinking
- **Projections**  
concentrate on main features

# Projecting employment: How LEFM works

- Links local information (from Nomis – notably ABI, Census of Population and LFS) with CE/ IER's national and regional projections (Note: *Availability of data* is a binding constraint in model building and projections)
- ***Aim*** = to provide *benchmark* projections, based on assumption that the local area continues to perform in line with past trends – in this case relative to the regional level
- *Benchmark* projection may be customised by taking account of 'local knowledge'; (not done in example here – but it might be appropriate to take account of major closures/ new investments, character of stake in a particular industry at local level, etc)

# Projecting employment: LEFM for the East Midlands

- Use of East Midlands as an exemplar
- Separate LEFM for each urban-rural category (5 are represented), but constrained to match the East Midlands as a whole
- Results are reported for:
  - (1) urban-rural category\*,
  - (2) the region,
  - (3) the UK(\* represents an average)

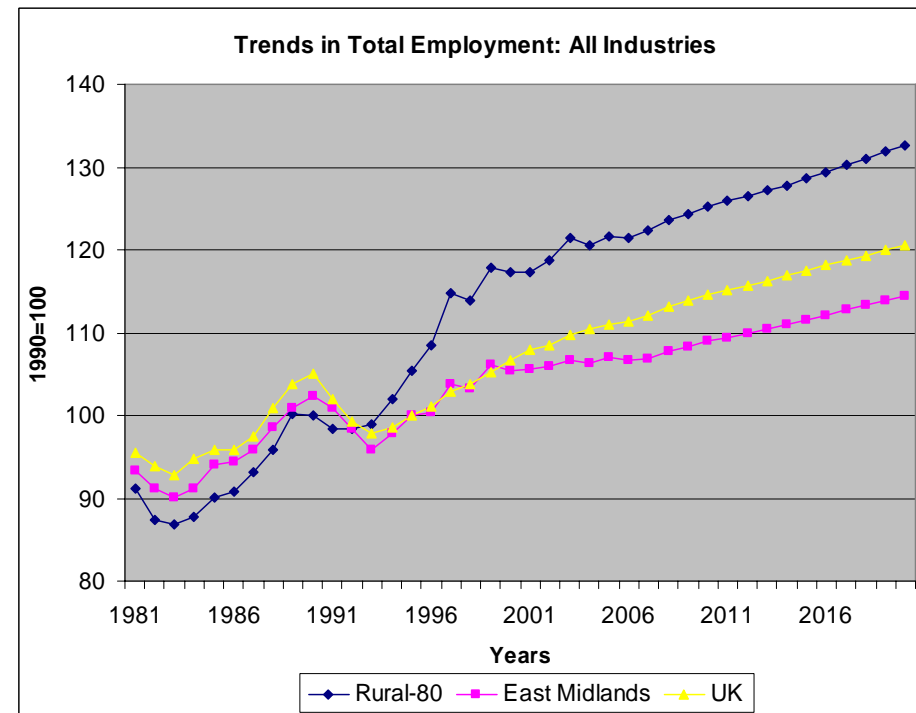
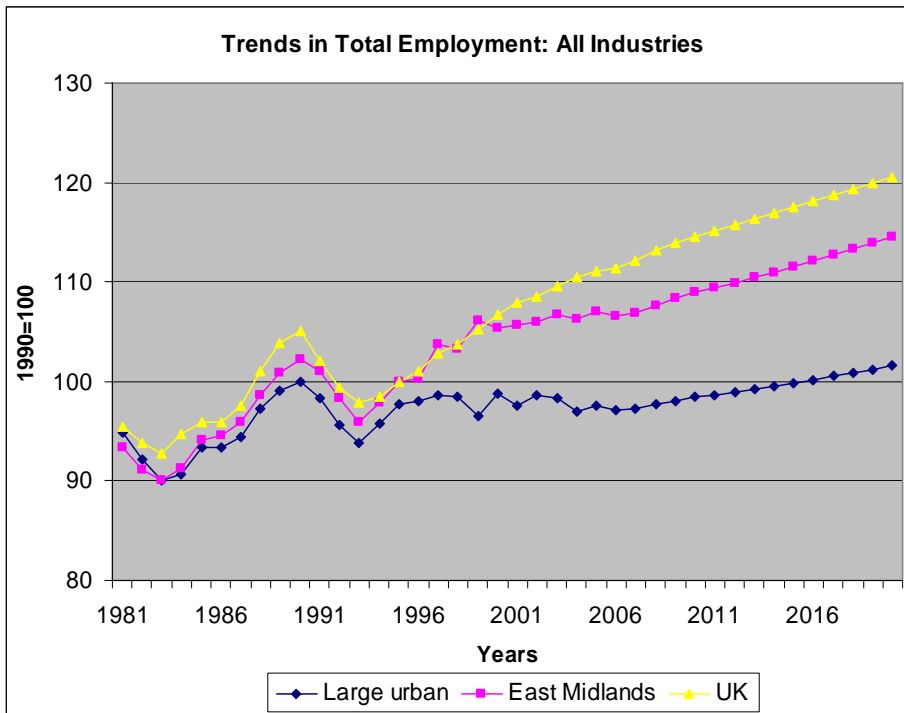
## ***Caveats relating to labour market projections outputs***

- not facts
- not inevitable
- subject to confidence intervals
- only as reliable as data and assumptions on which based
- can be readjusted
- past behaviour may not be a good guide to the future
- do not account for unexpected
- ***BUT*** do provide a benchmark of what future might look like in *broad terms*

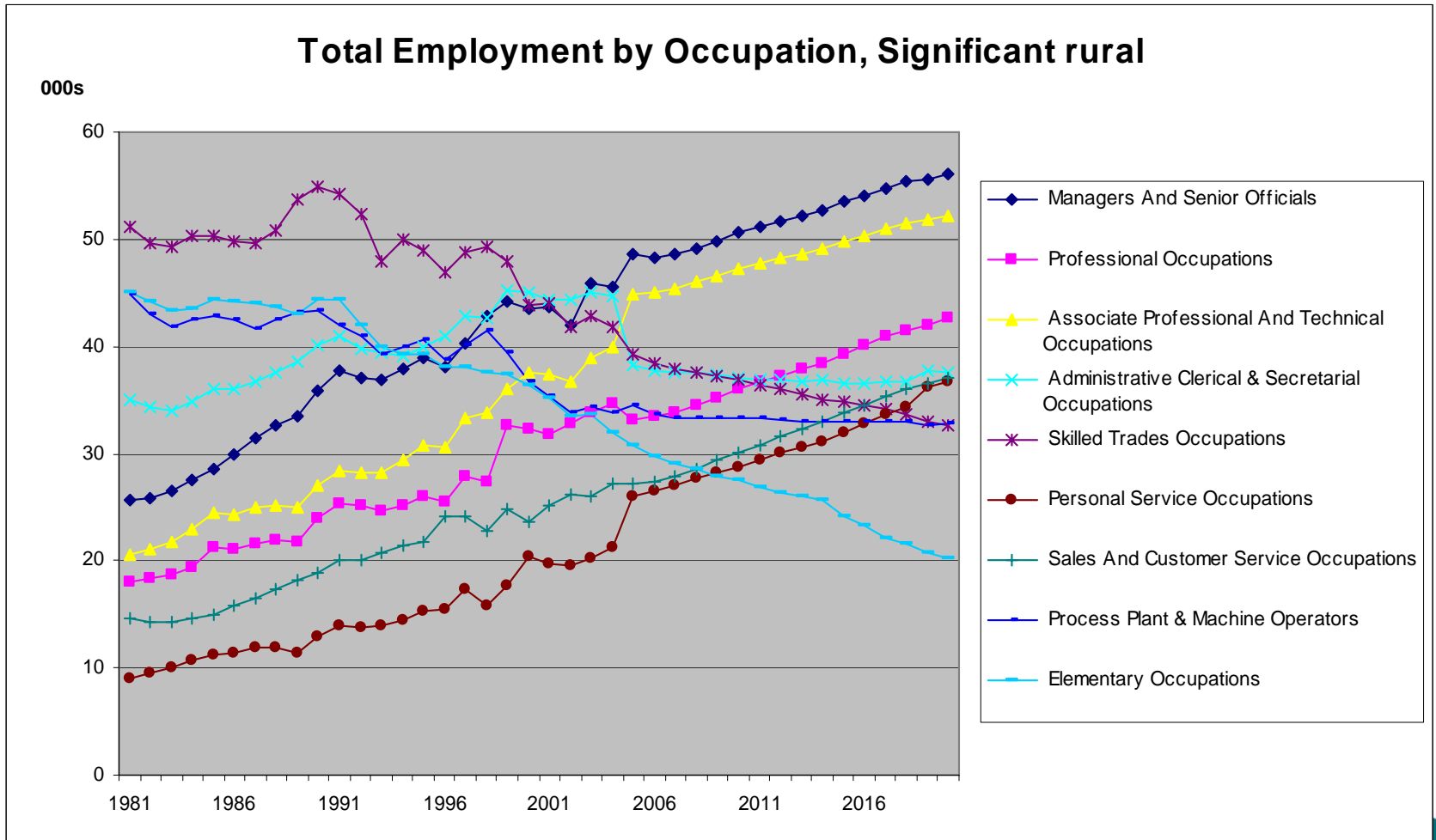
# Employment trends by urban-rural category (1990=100)

## Large Urban

## Rural-80



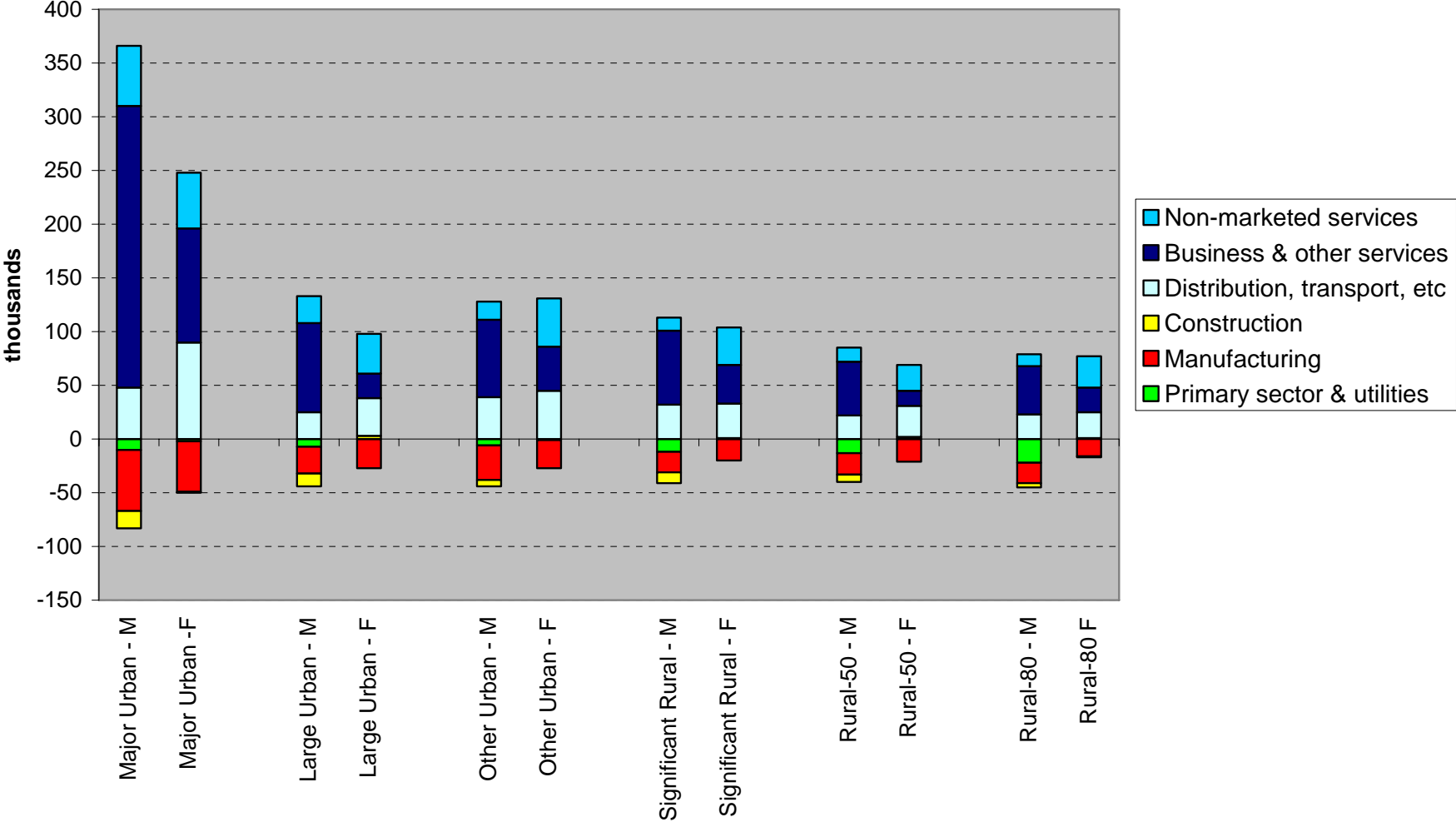
# employment trends by SOC Major Group , 1981-2020



# *Working Futures* projections

- Projections produced by IER for SSDA – covering period 2004-2014
- *Sectors*: 6 broad sectors; 15-fold disaggregation at regional level
- *Occupation*: 9 SOC Major Groups; 25 Sub-Major Groups
- *Gender*: male, female, total
- *Employment status* – full-time employees, part-time employees, self-employed
- *Geography* – UK, England, GORs, Wales, Scotland, NI, 47 local LSC areas
- Projections derived for England by urban-rural category by ‘apportionment’ of local LSC area employment

# projected employment change by broad sector and gender, 2004-14



Urban-Rural Category by Gender

# Concluding remarks

- It is possible to utilise existing projections (e.g. *Working Futures*) to gain insights into employment change at local LSC area level and to use this information to derive estimates for urban-rural categories
- LEFM has been used to derive benchmark projections for urban-rural categories in the East Midlands as an exemplar
- LEFM can be used in studies focusing on specific local areas and here there is scope for enhancement using 'local knowledge'
- In general, rural and urban areas display similar projected trends in employment
- Projections can provide a useful 'benchmark' of what the future might look like in broad terms – as such they provide a useful ingredient (alongside others) in looking at future trends