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# The future of upland Britain

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## 24 Opportunities for rural-based industries in upland Wales

W I SKEWIS

### INTRODUCTION

In this paper 'Upland Wales' has been interpreted as the area that has traditionally been referred to as Mid-Wales. The present population is 188 000, spread over 3238 square miles (8386 km<sup>2</sup>) in the districts of Ceredigion, Meirionnydd, Montgomery, Radnor and Brecon. It is one of the most sparsely populated areas of Great Britain with 8% of the population of Wales in 40% of its area. From the turn of the century until this decade the population had steadily declined; indeed between 1951 and 1971 it fell from 197 600 to 183 500. However, since 1971 the tide has shown signs of turning and by 1975 the population had risen to 188 900. It is into this positive atmosphere that the Development Board for Rural Wales has been born.

### RECENT DEVELOPMENTS

The Mid-Wales area has suffered from the usual range of interlinked rural problems of declining traditional industry, agricultural rationalisation, restricted job opportunities, falling population, and declining standards in social and public services.

These problems were bravely tackled by one of Britain's first regional development bodies, the Mid-Wales Industrial Development Association, which was founded in 1957 by the region's County Councils. The Association did not attempt to operate in all sectors of the economy. Its target was the attraction of new manufacturing industry to the region to create a range of attractive and well paid jobs that could retain part of the younger age group within the area. The Association also recognised that the successful development of new industry

in Mid-Wales could not be sustained by the sparse and scattered existing population. There had also to be a policy of attracting new population into the region along with the industry, by retaining more of the young people and by bringing in new population to repopulate the area.

In the first phase of the Association's life, from 1957 to 1964, it had to rely on persuading companies to commit themselves to the area and then build their own factories or have them built for them. Fourteen firms moved to the area in this phase. In 1964 the Association persuaded the Government and the Development Commission to begin building advance factories in Mid-Wales and two years later the region was given Development Area status and could then offer prospective industrialists both factories and attractive finance.

The effect of this work has been to create 4000 new jobs in the region in manufacturing industry, 55% for men, in 72 Government financed factories and 40 others from taking over existing premises or in factories that have been financed by the firms themselves. The figures exclude the work of the Mid-Wales Development Corporation in Newtown where another 42 factories have been built and over 1000 manufacturing jobs created.

#### THE DEVELOPMENT BOARD FOR RURAL WALES

The Mid-Wales Industrial Development Association, with modest resources, and Mid-Wales Development Corporation, with statutory backing, are two bodies that have achieved great success in their work, as have certain other organisations that have had responsibilities in rural Wales, but there was always a general feeling that some arrangement was required that brought greater resources to bear on the problem, although there was no general agreement on what sort of arrangement. The outcome has been the creation of the Development Board for Rural Wales as a statutory body with wide powers and responsibilities, though as yet modest resources. The discussion document that was circulated prior to the formation of the Board, after listing the various bodies who had been involved in rural Wales, said:

"While each of the above has made a vital contribution to dealing with the problems of rural Wales in the past, there has been the lack of one single minded agency with responsibility for co-ordinating the economic development of the area. Greater co-ordination is essential if full advantage is to be taken of the attractiveness of rural Wales as a place to live."

The Board has therefore been asked to try to co-ordinate and channel all the various efforts and initiatives towards set development targets and has also been given the powers to take action itself in many aspects of economic and social development.

In its early discussion the Board has made it clear that the creation of jobs in

manufacturing industry will continue to receive high priority and its first efforts are being aimed at finding occupants for the advance factories that are currently empty. The Board has also quickly endorsed the 'Growth Towns' policy, which was shaped by the Association 1965 and which was finalised with Government and became official policy in 1969. The Growth Towns were nominated as Aberystwyth, Bala, Brecon, Llandrindod Wells, Rhayader and Welshpool in addition to Newtown which had, at that time, been designated as a 'New Town' and the Mid-Wales Development Corporation had been founded. In 1974 Lampeter and Portmadoc/Penrhyndeudraeth were added to the list of growth towns, making nine in all, and at the same time a second tier of twelve centres were designated as 'Key Towns' which should be encouraged to grow through the normal processes of local government with such additional help as could be made available from central sources, without dilution of the Growth Towns priority. In fact advance factories have been built in several of these key towns.

The region is well aware of the difficulties that can arise from relying on incoming industry that leaves its roots elsewhere and, in times of difficulty, tends to retreat to its main plant where the management is based. This is doubly a problem in that it arises when the economy is low and any replacement firm is hard to find and for the workers alternative employment is scarce. Several of the advance factories that are currently empty in the Board area are victims of this process in the recent recession. That said, there is no doubt that the Board and the region will continue for some time to seek industry from outside and will often have to accept the branch factory operation, but will increasingly try to devise ways of bringing the whole plant and its management to Mid-Wales.

## THE RESOURCES OF THE REGION

What can Mid-Wales offer the businessman and his business? How marketable a 'product' can the Board offer its customers who are interested in investing in the area?:

Industrial land and buildings:

- (i) Land is not expensive but zoned land is limited and serviced land is very restricted at present.
- (ii) Most of the serviced land is in the public sector and normally has 'jobs created' criteria linked to it. There is a lack of private sector industrial land for service industry projects and for capital intensive projects that do not meet the job criteria.
- (iii) Attractive advance factories of all sizes from 1500 sq ft (139 m<sup>2</sup>) to 50 000 sq ft (4645 m<sup>2</sup>) are available and rent free concessions are normally offered. Bespoke factories can be built if necessary.

Manpower:

- (i) At present unemployment percentages are high and there are sizeable pools

of labour at several centres.

- (ii) The labour almost always proves adaptable and effective when employed, but on paper it is largely unskilled and thus often unattractive when presented to customers.
- (iii) The area's policies are geared to bringing workers into the area with the new industry. This is wholly accepted locally for key workers and is broadly accepted for other workers, though there is perhaps an increasing feeling that every effort should be made to encourage ex-patriots to return to the area.
- (iv) The region, although well equipped educationally, lacks industrial training facilities.
- (v) It is unusual, in that although it is a rural area, it has the services and facilities of two Universities available within its boundaries.

#### Housing:

- (i) The Mid-Wales Industrial Development Association recognised that the policy of bringing population back to the area meant that houses had to be available in advance. In Newtown this has been achieved (with excellent results) but elsewhere the problems have been, and are still considerable.
- (ii) Attempts to work through Housing Associations have so far been unsuccessful, but the Board are now trying to turn plans begun in 1974 into Housing Association houses by 1978 and 1979.
- (iii) Local Authorities are struggling to meet their local needs, which has been increased by the region's happier population trends. They are willing to try to help but feel unable to keep houses empty awaiting incoming workers while they have a local waiting list. Their offers of priority for incoming key workers on house re-lets is not satisfactory for promotional purposes.
- (iv) The Board in its Act, has been given housing powers, and must decide how these can best be used to achieve the end of having houses ready to match available factory space.

#### Finance:

- (i) The region is a Development Area and there is a small area (Blaenau Ffestiniog) that is Special Development Area.
- (ii) The area is therefore eligible for the full range of Regional Development Grants on buildings, plant and machinery plus all the facilities of the Selective Assistance and other schemes under the Industry Act 1972.
- (iii) The Board has itself been given certain financing powers for helping the growth of industry and commerce. The details of these are being finalised but the powers will be as agents of the Welsh Development Agency though they will be promoted and operated directly by the Board.
- (iv) The problem for the Board is to select from this the best possible deal for

a customer from this range of financial assistance. To help customers, it is intended to offer advice on choosing and applying for finance as a part of the Board's overall development package.

Communications:

- (i) Geographically the region is well located on the doorstep of several of Britain's main industrial areas.
- (ii) Favourable geography is only of value however if it is made effective by suitable communications.
- (iii) The executive in the area depends on his motor car for most business trips and to give him access to air services and to Inter City rail facilities (though there are limited railway services available in the region).
- (iv) For the movement of goods, mileage is the important factor, and Britain's industry, its ports and its consumer markets are relatively accessible on that criteria.

Quality of life:

- (i) There is no more attractive environment in Britain. The region offers the perfect answer to the increasing desire for non-urban living.
- (ii) Educationally the region is excellent, both in schooling and by its ready access to Universities.
- (iii) There is every opportunity for active sport and recreation though there is a lack of spectator sport. Social and cultural societies are extensively developed at local and regional level.
- (iv) Several of the towns are well equipped with shopping but non can offer the highest grades of services (— there is no Marks & Spencer store in the area) and the region is therefore dependent, to some extent, on larger centres outside its boundaries, such as Shrewsbury, Wrexham, Chester, Hereford, Swansea and Cardiff.

## FUTURE PROSPECTS

The Board believe that they can build an attractive package from the resources described. Of course the ability to influence 'product development' is a vital part of any marketing operation and the Board should, through its responsibility to co-ordinate development in its region and its powers to take direct action, be able to exert some influence on the 'product' it offers.

The Mid-Wales Industrial Development Association's work was, for very sound reasons, directed largely at incoming industry. Their success has led to there being a range of businesses within the region which are now firmly established and, with other successful local firms, offer a real source of potential growth if the Board's facilities can be made attractive for them.

In addition there seems every likelihood that within the region's population,

there is a supply of embryo entrepreneurs who should be sought out and given the confidence, the resources and quite possibly the training, to found and run their businesses.

The Board already agreed that a substantial effort should be made to promote growth from within the region. It is likely that success will depend on the Board being able to make its Financial Scheme attractive to such projects and there is no doubt that some form of grant aid, to supplement the Board's loan funds, would be of great value. Apart from finance the Board will be offering a full range of technical advisory services similar to those formerly provided through CoSIRA, plus an expanded management and marketing advisory service. Particular attention will be paid to achieving growth by helping the company to develop its markets.

Traditionally the advance factory has been identified with incoming industry. It is hoped that the Board's future programme for industrial and commercial buildings will be widely based and will create space for both manufacturing and service industries and it may include buildings especially designed to service the needs of the embryo or expanding regional company. It may be possible for example to develop premises for businesses especially adapted to tap the £7 million spent annually by visitors to the area on gifts and souvenirs. This is expenditure that is currently supplied from goods that are mainly produced outside the region.

The Board believe that, in a World that is increasingly disenchanted with urban living, rural Wales offers sound opportunities that will prove more and more attractive to those from outside and that, if the Board can provide the means, there are many people at present within the region who will take the chance to establish themselves in business.