

Regions in the Knowledge Economy

## Rural Change in a Northern & North-Western European Context



by John Bryden,  
Arkleton Centre for  
Rural Development Research,  
University of Aberdeen



Université du Québec  
**Institut national de la recherche scientifique**  
Urbanisation, Culture et Société



**INSTITUT CANADIEN DE RECHERCHE SUR LE DÉVELOPPEMENT RÉGIONAL**  
THE CANADIAN INSTITUTE FOR RESEARCH ON REGIONAL DEVELOPMENT

# RURAL CHANGE IN A NORTHERN AND NORTH- WESTERN EUROPEAN CONTEXT

**John Bryden**

Co-director of the Arkleton Centre for Rural Development Research  
Chair of Human Geography at the University of Aberdeen, Scotland  
Programme Director of The Arkleton Trust since 1980

INRS-UCS Workshop on Peripheral Regions  
University of Quebec at Montreal  
October 2001

## TABLE OF CONTENTS

Acknowledgements.....	ii
Introduction: What is 'rurality' in a Northern European Context, and why does it matter? .....	1
Contextual issues: agriculture and farmers dominate 'rural' policy in the EU.....	3
Economic and social changes in the northern Periphery .....	5
Demographic patterns and trends in rural areas .....	5
Employment changes in rural areas .....	7
Rural-Urban Relations.....	10
Political Economy .....	11
Policy responses and prospects.....	13
Conclusions .....	16
References .....	18

## **ACKNOWLEDGEMENTS**

This paper owes a great deal to many people. Most recently, I owe a particular debt of gratitude to my colleagues and friends on the EU funded DORA (Dynamics of Rural Areas Project) which has extended my understanding of rural processes of rural transformation, as well as provided much useful information of a more tangible kind. In the present context, Lars-Olof Persson's and Vania Ceccato's work on the Swedish case study areas in DORA has been invaluable, as has the work of Jane Atterton, Paul Courtney and Anja Timm on the Scottish case studies. In seeking to make sense of DORA at EU level, I am particularly indebted to Keith Hart, who collaborated with me on the International Comparative Analysis of that project. My friend Ottar Brox, of the NIBR in Oslo, has been a source of ideas and inspiration since my early days working in the Highlands and Islands of Scotland in the 1970's. Recently our collaboration on a collection of his works in English has been immensely valuable to me in seeking to understand the common, as well as differing, processes at work in Northern Norway and the Highlands and Islands of Scotland. The concept that 'people are doing it for themselves', originally used by Keith Hart and I in the International Comparative Analysis for DORA, comes from the Eurythmics song 'sisters are doing it for themselves' (Stewart/Lennox, 1985), but was not only inspired by the DORA findings, but also by my old friend and colleague, Elena Saraceno who since the early 1980's insisted on the importance of bottom up processes of pluriactivity and rural industrialisation in NE Italy.

## INTRODUCTION: WHAT IS 'RURALITY' IN A NORTHERN EUROPEAN CONTEXT, AND WHY DOES IT MATTER?

The social and political construction of 'rurality' in different times, regions and countries is a topic of never-ending fascination. Exactly why do we have so many different ideas of what is rural in Europe, and especially the sparsely populated countries of Northern Europe? Exactly why have people's ideas of what **is** rural - or what it is to **be** rural - changed so radically over time? And why does it matter if there are such differences and changes? What are the specific characteristics and issues in the Nordic countries and Northern Scotland?

We must first distinguish between definitions of rurality for statistical purposes, and notions of rurality in the popular discourse. I will deal briefly with the first, and with the second at greater length, and not only because those in the northern periphery have been encouraging the idea of the 'Northern Dimension' in rurality and rural policy in recent years. In Scandinavia, it is normal that 'urban settlements' are defined as those with 200 people or more, and so rural areas, being the residual, are those left over. Needless to say, they are very sparsely populated indeed! In practice, the definitions used by researchers and by policy have evolved, and there is recognition of the differences between the very sparsely populated and peripheral 'north' and those within the reach of agglomerated labour markets around larger cities. However, in Scandinavia, as in Scotland and Ireland, there are politics involved. If rurality means cash, then everyone wants to be a policy rentier! Definitions and boundaries get blurred, and the cash is spread more thinly, sometimes even grabbed by the least-deserving where they can bend these in their own interests. This is where ideas of rurality in the popular (or maybe media) discourse matter!

In the context of the Nordic countries and northern Scotland we can find notions of rurality which are based (a) on the alleged primary sector (agrarian/fishing/forestry/hunting) basis of rural society<sup>1</sup>, (b) on the notion of 'wilderness', (c) on ideas of lifespace and lifestyle choices, and (d) on specific types of territory which may involve some or all of the foregoing. At least outside those 'rural' areas which are in effect now largely commuting zones or dormitories to the large towns and cities, three

---

<sup>1</sup> We do not normally find a 'mining image', but clearly the mining of ores (not to mention oil and gas) has been important in Scotland, Norway and Sweden. This is not, however, something which people like to **imagine**.

dominant constructions today are those concerning agriculture, environment, and territory. Each of these is associated with emphases on different kinds of policy activity and client group for these policies. However, for people moving with their feet into or out of rural areas, ideas of lifespace and lifestyle choice, which go along with ideas of urbanity or rurality which are partly imagined and partly real, are critical and mobility of people is now a central issue in rural areas beyond the commuting zones.

An agrarian construction of rurality deliberately or accidentally reinforces the dominant EU, and often also national, focus on agricultural policy as the key issue for rural areas, very little thought being given to the situation and needs of rural citizens not engaged in agriculture or other primary activities, or indeed to the majority of farm households who derive income from off-farm work, or other non-agricultural enterprises. Partly, and especially in certain circumstances such as the Highlands of Scotland or the North of Norway, these constructions date back to a period when small, usually pluriactive, farm based families dominated the rural population and were able to make political alliances with urban workers for reasons of mutual interest in stemming urban migration (Brox, 1978).

An environmental construction of rurality goes along with a focus on urban consumption uses of rural areas, agri-environment policies, national parks and nature reserve policies, reintroduction of predators, and issues of access, tourism and recreation. It usually de-emphasises, or even ignores, the economic and social situation and needs to those living and working in rural areas. However, it is the new big policy idea – enshrined in notions of ‘multifunctionality’ and the ‘European model of agriculture’ around which the EU’s position in the International Trade Talks is formulated (Cahill, 2001, Mahe, 2001).

A territorial approach on the other hand emphasizes that a rural economy and society, like an urban economy and society, is a complex and diverse set of economic, social, environmental and political or power relations which need to be addressed together at the territorial level, and mainly by people who live in that territory. So it includes issues of aerial division of powers, and democratic participation, as well as inter-relations between territories (urban and rural). It goes along with territorial development policies which cover the urbanized areas within ‘rural’ territories as well as those defined more strictly as ‘rural’. It espouses a ‘joined up approach’

between sectors, agencies of government, and levels of governance, and a 'bottom-up' approach to local development with targeted and flexible support from central government and the EU (Bryden, 1999).

## **CONTEXTUAL ISSUES: AGRICULTURE AND FARMERS DOMINATE 'RURAL' POLICY IN THE EU**

In terms of EU policy it is clear that the agrarian construction of rurality remains absolutely dominant, despite much rhetoric around rural development in the 'second pillar' of the CAP and even research which shows how damaging this preoccupation is to rural economies and societies, and a certain amount of progress through Structural and Cohesion policies and LEADER. After all, the CAP still absorbs about 50% of the EU budget, and 99% of that is going to agricultural clients or closely related activities. Worse still, between 70 and 80% of that is going to 20% of the largest farmers in Europe who are far from the neediest social groups in European society. Yet still worse is the fact that most of this assistance leaks into higher land prices (and rents) and input costs from increasingly oligopolistic supply industries. The dominance of agricultural policy is frequently reflected also in national policies. Time and time again over the past decade and more, opportunities to shift the basis of rural policy away from agriculture towards a territorial approach have been lost<sup>2</sup>. Why should this be so?

The first point to note is the remarkably resilient power of vested interests locked into the CAP including in particular the main farmers' unions. These bodies make full use of representations of rurality which portray rural areas as dependent on agriculture, agriculture as the basis of rural society. In addition, although they effectively represent the larger farms, they ruthlessly use a rhetoric which relies on the now largely archaic images of European farming based on the small family or 'peasant' farm. It is obvious that there are also significant bureaucratic and media interests locked into the traditional agricultural policy. And there is a strong relationship between those vested interests in such bodies as CAP committees and

---

<sup>2</sup> The Structural Fund reforms of 1988 opened a door for the territorial approach in Objective 1 and 5b regions, and later Objective 6 regions. The idea of a territorial approach was also implicit in the Commission's own paper 'The Future of Rural Society' in 1989. The Maastricht Treaty of 1992 confirmed that rural development was an issue of economic and social cohesion. The Cork Conference in 1996 affirmed the need for a territorial approach. Agenda 2000 appeared to offer scope through the new 'rural development regulation'.

consultation mechanisms. The volume of public resources involved – both national and EU – at well over €60 billion a year gives a very powerful motive indeed to both the recipients and the givers to organise and defend the status quo.

The second point is that, in contrast with the agricultural lobby, the non-farming rural interests at national and EU levels are almost completely ineffective in terms of representation in politics and the media. The exception to this, which is important to note, is the mainly urban-based environmental interests who have become rather effective at both national and EU levels. I will argue that the kinds of alliances which were formed between rural people (especially small farmers and fishermen) and urban working class interests, for example in Norway and the Highlands and Islands, up until the 1970's have now been completely undermined, and they have yet to be effectively replaced. This vacuum of political economy over the past 20 or so years has played into the hands of the commercial agricultural lobby who have large interests to defend, and also to what might be termed the extreme end of the environmental lobby.

Thirdly, central bureaucracies are remote and isolated, and officials are with a few very notable exceptions absorbed with satisfying their political masters, and of course the media, all of whom are mainly based in the large seats of power and rather far from peripheral rural areas. They are locked into committee structures which give real power to the agricultural lobby, and they depend largely on the latter for support and advice. At EU level this problem is reinforced by the absence of adequate intelligence (data, analysis) of changes taking place in rural economy and society, and of an active media and organization of rural interests which could both promote the need for such intelligence and utilise it to inform policy changes. One important example is the total failure of EUROSTAT to provide an adequate database to support important indicators of rural social and economic change at even NUTS III geographical levels.

I now want to contrast this policy focus with the pressures and needs which are arising from the principal economic and social changes in the rural regions of Europe's northern and western periphery.



## **ECONOMIC AND SOCIAL CHANGES IN THE NORTHERN PERIPHERY**

I focus on four key changes which are however interconnected, namely:

- Demography and migration
- Employment
- Rural-urban relations
- Political economy

### ***Demographic patterns and trends in rural areas***

The most striking, and in some respects least noticed, demographic change in rural areas in Western Europe is their transformation from areas of relatively high to relatively low reproduction rates which are today commonly less than unity and falling rapidly. This has been caused not just by falling family sizes and later marriage, common throughout Europe, but also to inward and outward migration which has been differentiated by age. It has led in turn to negative natural changes in population, particularly in rural areas beyond the commuting zone to larger towns and cities. It means at least two things. First, that maintaining or increasing population in rural areas is now critically dependent on the nature and extent of migration flows. Second, that the traditional if unintended role of rural areas in providing a 'reserve army' of (youthful) labour for urban-based development is diminishing. I will return to this point later.

Migration flows differ in character between rural areas, and have implications for the social composition as well as emerging possibilities in the 'new economy'. Since most rural areas, and all of those in the Northern periphery, are characterised by youth out-migration, the most significant differences concern the extent and nature of inward migration. In rural areas with commuting possibilities, it is often younger families which move out to, or back to, rural areas for a broad set of reasons connected with lifestyle and quality of life, including access to cheaper housing. In rural areas beyond the commuting zone, the nature of migration flows is critically dependent on the scale and nature of employment and enterprise opportunities what we call 'new economy' sectors and in the public sector, even if quality of life/ lifestyle factors and housing costs remain very important in the migration motivation and decision.

Where employment is relatively available and the labour market diverse enough to offer opportunities for people in a range of occupations and with a range of skills, as well as entrepreneurship, then the return migration and inward migration of younger people, commonly with children, can be significant. Where it is not, positive migration balances depend on retirement age, or near-retirement age, people moving in. In all cases, in-migrants are moving back to, or into, rural areas because they perceive them as offering a higher quality of life or preferable lifestyle<sup>3</sup>, a greater sense of community, or some other less-tangible attribute. There is indeed a new interest in living in rural places, and not only amongst the elderly. From being recipients of what was thought of as a 'surplus' rural population, then, cities and towns have become a source of population, at least in the more successful cases, for rural areas.

Viewed over the longer term, we must recall that peripheral rural areas of Scandinavia, Ireland and Scotland were for a considerable period during the 19<sup>th</sup> and 20<sup>th</sup> centuries a principal source of people who migrated to towns or overseas in search of a better life. Fertility and reproduction rates were often higher than in urban areas. This, together with technological and structural changes in the primary sectors, and indeed losses of governance and primary processing functions, meant that rural people comprised a 'reserve army of labour' for urban industrialisation and service sector growth, and the expansion of what became known as the 'new world', especially North America. This is no longer the case. This fact has important implications for the political economy of northern rurality which I will return to later.

The new interest in living and recreating in rural space represent a new set of demands which Marsden et al. (1993) term 'consumption of rural space' which has led to 'commoditisation', for example of environment, culture and heritage. In another sense, these new values have led to new forms of comparative advantage for rural areas, and new economic activities, which both attract inward migrants and sometimes help retain young people in rural areas (Galson, 1992; Bryden et al., 1996). At the same time, new conflicts arise about property rights, access to housing and land, and in other ways. These conflicts are both substantive, arising from for example inward migrants forcing up housing prices for locals (Shucksmith, 1990) or

---

<sup>3</sup> Which includes lower crime rates, cleaner environment, outdoor recreational activities, scenic attributes, gardening opportunities, smaller schools, and in some cases a better health service (fewer patients per doctor, shorter waiting times for hospital treatment, for example).

increasing pressure for recreational access to land, and subjective in terms of different perceptions and representations of rurality acting out in local political and social conflicts (Marsden and Murdoch, 1993).

### ***Employment changes in rural areas***

Demographic changes, and especially migration patterns, are closely connected to changes in the scale and nature of employment and self-employment in rural areas.

It is useful to consider trends in three basic groups of economic sectors, namely:

- the 'traditional' rural sectors consisting of primary production (agriculture, forestry, fishing, mining and hunting) and related supply, service, and first-stage processing;
- what I call the 'new rural economy' sectors linked with new 'consumption demands' and including tourism and recreation activities and related services, with new service type activities linked to Information and Communications technologies, and new value-added activities linked to niche markets;
- the public sector, including public administration, social security, law and order, health and education.

It is clear to me that the peripheral rural areas remain far too heavily dependent on declining sectors of the 'traditional' rural economy, and in many cases on the now fragile public sector. Processes of general economic restructuring under conditions of globalisation and centralisation of public governance have favoured the larger cities and urban centres, and the rural areas which are accessible to these, and have discriminated against the remote and sparsely populated periphery. However, the degree of this discrimination has been influenced strongly by differences in institutional structures between countries. In this respect, Norway and Sweden stand apart from Scotland and Ireland, both of which are becoming increasingly centralised and lack comparable fiscal and other re-distribution and public service cultures which, despite reforms, remain powerful influences in the former (Bryden and Hart, 2001).

The proportion of the rural population and labour force engaged in agriculture and other primary sector activities has fallen steadily in all rural areas of Western Europe, the northern periphery included. In our Scottish DORA study areas, employment in agriculture, forestry and fishing was less than 20% of the working population. This compared with over 20% in distribution, hotels and restaurants and around 30% in public sector services and between 15 and 41% in industry (Bryden et al., 2001). In Sweden, public and private services dominate rural employment in all

of the study areas, especially in the North, and even there employment in agriculture, hunting, forestry and fishing accounts for less than 8% of employment, which is similar to tourism (Persson and Ceccato, 2001: 48). Agriculture is now, and has been for some time, a minority occupation and a diminishing element in rural economy and society, even in the more remote and poorest rural areas. Similar trends have taken place, if for different reasons, in forestry fishing and mining. In addition, many first stage processing activities related to mass markets in food (meat slaughtering, dairy products, etc.), forestry (saw milling etc.), and mining (ore production) have either diminished or have become heavily centralised, often in urban areas. It is probable that these trends will continue in future as structural, technological, and policy changes take effect.

This shift in employment, which is reflected also in enterprise structures and self-employment, is paralleled by shifts within agriculture itself, whereby some farm families – usually a minority in fact - have become larger and more commercial in operation, whilst many – usually most – have adapted either by leaving the industry altogether, or by letting others use their land and taking up non-farming employment or self-employment whilst remaining in the farm house, or, most commonly, by combining farming with non-farming employment or in some cases non-agricultural enterprises such as farm tourism on the farm. The growth in off-farm working in farm households, as well as engagement in activities like farm tourism, was particularly marked among farm women<sup>4</sup>. Most farm households today, in most Western European countries, as in the northern periphery, are therefore very dependent on opportunities for employment and enterprise which often have little or nothing to do with primary production, and are by no means solely reliant on income from farming.

The extent to which rural areas have been able to replace the loss of primary sector employment with secondary and tertiary employment, and the precise nature of that replacement, has been highly variable, as is confirmed by our DORA study areas and their differing performance. The critical features of our successful DORA study areas in these respects concern (a) the extent to which ‘new economy’ activities have emerged, (b) the importance of, and trends in, public sector employment, and (c) accessibility to urban employment centres. I do not believe that EU policy should

---

<sup>4</sup> It is now nearly a decade since a report of a major 12 country study of farm household adjustment and pluriactivity in Western Europe pointed this out (Bryden et al., 1993). Although more recent comprehensive data is not available on a comparable basis, it appears that this trend, established between 1981 and 1991, has continued.

involve itself in the commuting zones around major towns and cities, where the problems are tied up with growth, urban development, urban-suburban relations, planning and the like. Therefore, my main focus is on issues relating to 'new economy' and the public sector which are critical for the areas beyond the commuting zone.

The first point to note from our recent work on DORA is that although shift-share analysis in all our rural study areas predicted reductions in employment as a result of sectoral and national trends in labour productivity, the weight of declining sectors like agriculture, etc., relatively successful areas either bucked that trend completely by demonstrating employment growth, or did not do as badly as predicted.

The second point to note is that, although public sector employment remains an important factor, the more successful rural areas are those which have successfully developed 'new economy' activities. Nevertheless, successful areas also keep their public service sectors and employment, and it is always important. One public service in particular which seems to be increasing everywhere is health care, usually linked with the ageing of the population. In Norra Norland in Northern Sweden, for instance, employment in health care accounts for **a quarter** of all employment - up to **six times** as important than agriculture, forestry, fishing and hunting! In fact around **half** of the female labour force is engaged in education and health (Persson and Ceccato, 2001). An influx of elderly can also bring employment in this and other areas of service provision.

The purpose of DORA was to ask why some areas in much the same kind of geography (peripherality, physical characteristics, etc.) had been more successful than others. It is not my purpose here to report on the findings, which are still being analysed, but I will say that so far we have found the reasons, and associated processes, to be rooted in the following:-

- Cultural traditions and social arrangements in the shift from state to market
- Infrastructure and peripherality
- Governance, Institutions, and Investment
- Entrepreneurship
- Economic structures and organisation
- Human resources and demography

These are interconnected in very important ways (Bryden and Hart, 2001). Some preliminary indicators of more successful development of the new economy are:

- New forms of value-added linked to traditional activities, cultural heritage and environment, which are transformed, through effective place-marketing involving private-private and private-public co-operation at local levels. A good example is the Orkney Marketing Scheme.
- More effective development of tourism and recreation, and establishment of links with other sectors at local level, especially through use of local food and food products, cultural manifestations, and exploitation of cultural and environmental heritage and features including music, language, archeology, ecology. Frequently also this involves innovative use of ICT for marketing and tourist information, etc. Occupancy rates for tourism accommodation are commonly much higher in the successful areas, and hence profitability and employment.
- More effective application of ICT by local people.
- Cooperation between enterprises in different sectors to build critical mass for marketing and promotion, and add value in a number of areas.
- Significantly higher rates of employment and self-employment, and higher levels of education and training.
- Good local governance marked by an institutional structure which is open to private-public cooperation and third sector involvement, encourages inter-agency co-operation, and where institutional boundaries are common.
- Historical social and cultural, as well as structural, conditions which encourage independence rather than dependence, the former being a characteristic favoured by the ideological shift from State to market in the latter part of the 20<sup>th</sup> century. These include more widespread resource and property ownership by local people, absence of large scale, locally-divisive, central and regional government initiatives, and contiguous boundaries of local authorities, development and other public agencies.

### ***Rural-Urban Relations***

As can be readily seen from the foregoing, there have been radical changes in the relations between urban and rural areas. From being a source of raw materials and food, and a 'reserve army' of labour, for the urban areas, rural areas have often become a net recipient of urban migrants seeking 'the good life' which they imagine to be present there, as well as increasing numbers of urban people coming for tourism and recreation, heritage, culture, family connection, and simply to enjoy the

landscape and environment<sup>5</sup>. The importance of signs, symbols and styles of consumption to modern individualism and identity have also led to the emergence of new 'niche' markets. Close to towns, urban areas benefit from a mobile labour force in the surrounding rural areas, but suffer from pollution linked to commuting and congestion, and loss of tax revenues linked with the middle classes who are moving out. Urban and suburban middle classes take a considerable interest in rural areas, but mainly because of environment and landscapes, and recreational possibilities which can conflict with traditional rural activities and established property rights (over access issues, for example). As many of the welfare benefits to the consumers derive from 'public goods' which have no direct market, it is difficult for rural people to extract sufficient livelihood from such activities, and the jobs related to them are usually low-paid.

### ***Political Economy***

There has been an important change in the composition of the urban population, linked to immigration from third countries which has weakened urban ties with rural family connections. In addition, the general shift from direct to indirect taxation has shifted the incidence of taxation and reduced its re-distributional force in most countries. In this context, more powerful, and different, arguments need to be advanced to persuade the urban majority to support fiscal transfers to rural areas.

Political alliances around rural development support between the urban working class and small farmers, fishermen, hunters and foresters were based on the 'surplus' of labour generated in rural areas by a high reproduction rate and the structural and technological changes in the primary sectors. The logic was that if the flow of migrants could be stemmed by rural development then wage levels of the urban working class would be less threatened. Thus in both Norway and the UK, development initiatives towards the peripheral north were argued for and supported by the urban Trade Unions and the left-of centre political parties in the 20<sup>th</sup> century (see especially Brox 1978, 1991 and 1996 for the Norwegian case). The basis for this alliance has now gone because of falling rural reproduction rates, changing rural occupational and

---

<sup>5</sup> Marsden, Murdoch and others have emphasised that the role of the countryside has changed from one of 'production' to one of 'consumption' of its various non-tangible and partly or wholly imagined features.

class composition, loss of power of the working classes and the fact that the 'reserve army' of labour is now comprised of immigrant populations from third countries.

The character of the commuting areas around the towns and cities, which benefit from in-migration of middle class urban dwellers often with young families, has become sub-urban, and their functions are largely concerned with providing a professional labour force to the urban areas and surrounding satellite urban and service centres. Where these areas are not fiscally and administratively integrated with their main urban labour markets (and service centres), there are conflicting interests, with the urban areas suffering what they see as a loss of tax revenue.

Beyond the commuting areas, as I have argued, the old alliance between the rural small self-employed farmers and fishermen and the urban working class has disappeared. Meanwhile, the demographic composition of urban areas has become much more heterogeneous in social and cultural terms, and family and other roots in the rural hinterlands much more attenuated. The recreational and environmental interests, predominately urban and suburban in character, represent a powerful new set of interests, often with effective lobbying power at national and EU levels, and good media backing. Many of them take an interest in, or are actively involved in, rural activities. On the other hand, they need a resident rural population to maintain the environment in rural areas as they would wish, and to provide services to visitors, etc. Whilst their image of the future of rural areas, as well as some of their activities, has often been at odds with that of rural residents, they represent the main potential allies for rural people in future. The construction of these alliances is fraught with difficulty, but is absolutely necessary for both parties. It may be facilitated by inward migration flows.

However, that is only one side of the story. The other, and it is an important finding of DORA, is that 'people are doing it for themselves'. Or at least this was a common characteristic in the DORA study areas in all four countries, which included Sweden and Scotland. This is manifest in the fact that successful study areas are marked by a more vigorous, and small scale, local entrepreneurship in all of the areas of 'new economy'. However, entrepreneurs are not doing this alone. They are supported by more effective institutions which have, or have sought for themselves, greater fiscal and functional autonomy, and which are thus able to define and support local priorities, create local public goods related in important ways to new economy



activities, make effective use of universities, colleges and research centres, and tap external sources of funding. It is striking that none of our successful areas have become so through reliance on external initiatives and central government or EU decisions or structures alone. However, in most of the North, relative success still means absolute decline.

## **POLICY RESPONSES AND PROSPECTS**

There has been a notable transition in the nature, content, and administration of rural policies in the EU during the 1980's and 1990's. The specific changes concern, in particular:

- a shift from sectoral to territorial policy involving attempts to integrate the various sectoral policies at regional and local levels, and define over-arching policy goals, particularly of 'sustainable rural development' especially within Objectives 1,2, 5b and 6 prior to 2000, and now in Objectives 1 and to a lesser extent 2, and through LEADER<sup>6</sup>.
- the decentralisation of policy administration and, within limits, policy design to those levels for example in the Regional Development Programmes under the EU Structural and Cohesion Policy and especially LEADER which focused on small rural areas with less than 100,000 people;
- an increased use of partnerships between public, private and voluntary sectors in the development and implementation of local and regional policies as in the Regional Development Programmes under the EU Structural and Cohesion Policy and LEADER;
- the establishment of the principal of vertical partnerships between EU, National and regional authorities with shared responsibilities for policy design, programming and implementation of objectives and measures, as well as monitoring and evaluation of results;
- the evolution of new, more flexible mechanisms for supporting regional and local policies, especially the Regional Development Programmes under the EU Structural and Cohesion Policy, LEADER, and the development of the 'menu' approach in the Rural Development Regulation (RDR);
- policy 'experimentation', again especially through LEADER in a rural context;

---

<sup>6</sup> LEADER: An EU Initiative to stimulate Local Action Groups, involving local partnerships, to develop and implement innovative local integrated development programmes using a 'bottom-up' approach. Started as LEADER 1 in 1990, enlarged as LEADER II in 1994, and evolved into LEADER+ in 2000. Regarded as highly successful in encouraging new initiatives. Coordination of transfer of experience, and practical learning, by the European LEADER Observatory. See the rural.europe website.

- the encouragement of a 'bottom-up' approach to rural development through LEADER 1, 2 and +;
- the evolution of means to transfer experience and learning from decentralised initiatives, with central levels playing a role in organising and encouraging exchanges and information networks, as in the European LEADER Observatory;
- a greater emphasis on diversification of rural economies with a particular stress on direct and indirect support for small and medium sized enterprises and local initiatives which build on existing resources and skills and stimulate networking between enterprises, for example within the RDPs, LEADER and RDR;
- a focus on local specificities which may provide new competitive advantages, such as amenities of an environmental or cultural nature, supported by the provision for, and regulation of, denominations d'origine, etc. through LEADER and the RDR;
- more attention to transport and communications infrastructure and to education and training as quasi public goods which can support enterprise indirectly; for example through the RDP's and Objectives 3 and 4 (since 2000, the 'new' Objective 3) of Structural and Cohesion Policy.

These changes particularly concern issues of governance and institutional frameworks; issues of the definition of 'development'; and issues of policy goals and content including 'integration' and, especially since the Amsterdam Treaty, 'sustainability'. Taken together they may be considered to constitute a 'new rural policy' supporting what is now termed a 'new model' of rural Europe. This is a model of multifunctional agriculture producing a range of public and private goods among which should be links to local economies through pluriactivity, positive environmental and cultural impacts, pleasant landscapes, safe and quality foodstuffs produced with due regard to animal welfare. Equally, it is a model of multifunctional rural areas with diversified economies developing new and innovative forms of work and income, whilst retaining traditional activities, distinctive environments and landscapes, and cultural heritage, together hopefully able to maintain rural populations and contribute to national and regional economies.

It is a tribute to the principles of the operation of the EU structural funds, and economic and social cohesion policy, that some Member States have incorporated the notion of partnership planning and shared financing between central and local levels in national policies, as in the Swedish Regional Growth Agreements. However, all of these vertical and horizontal partnerships work best where the local partners have resources to contribute, and hence wield economic power in the partnership.

Nevertheless, despite these policy changes, agriculture remains dominant, and even the so-called 'second pillar' of the CAP (the Rural Development Regulation agreed in 1999) in practice almost wholly assists farmers or closely related clients.

As to the future, the three most important factors underlying EU policy developments after the mid-term review in 2002 and the subsequent policy reviews covering the period after 2006 remain Eastern enlargement, the Millennium Round of trade talks and internal pressures arising from consumers, environmental organisations, and taxpayers. All are likely to further reduce the importance of sectoral agricultural and forestry policies and increase the importance of rural development policies, if for different reasons. Although the EU's negotiating position on the Trade Round makes it very clear that the 'European model' of agriculture and rural development is non-negotiable, in effect stressing the need to enlarge the 'green box' and include rural development within it<sup>7</sup>, the arguments for separating support for multiple functions of agriculture (MFA) and rural development further from agricultural policy are increasing. So too are the arguments for including MFA within a territorial rural development policy which is broader and more integrated.

Eastern enlargement will also mean reduced spending and population coverage under Structural and Cohesion policies in the existing member States after 2006, and many more areas will lose their priority status under Objectives 1 and 2. Thus, more attention will be focused on the Rural Development Regulation and its current limitations as a territorial development measure. These limitations are likely to be heavily criticised in the Mid-term Review of the CAP in 2003.

It is increasingly accepted that rural development is a territorial rather than a sectoral issue. Therefore, issues about agriculture as a sectoral question must not be conflated with issues concerning rural territories, economies, societies, and people. Agriculture's place in rural territories in terms of its contribution to local economy, environment, heritage, culture and society is the point of increasing interest for a territorial rural development perspective. In this context issues of agriculture's inter-relationships ('multifunctionality') with sustainable territorial development come to the fore. But even this statement fails to recognise the dramatic changes which have been and are taking place in rural economies and societies, and which must increas-

---

<sup>7</sup> Whilst this might not be acceptable to the Cairns group, many observers think that it could well be consistent with the current situation in the US.

ingly force policy makers to address the non-agricultural parts of the rural economy and society seriously.

National policies are also evolving in the direction of 'broad' as opposed to 'narrow' rural development policies<sup>8</sup>. We are seeing new kinds of policy measures evolving in this context. These include measures to encourage in-migration, including the conversion of holiday homes to permanent homes, in Finland, and efforts to increase the economic power of rural communities through policies which enable them to acquire critical land and natural resource assets in Scotland<sup>9</sup>. Throughout, it is likely that support for rural areas will be more differentiated in future, and stress will be on the peripheral and ultra-peripheral areas beyond the reach of diversified urban and metropolitan labour markets.

## CONCLUSIONS

I have tried to show how the various notions of rurality in Northern Europe have arisen, and why they matter. It is clear that an agrarian construction of rurality has driven, and maintains, the enormously wasteful expenditure on the CAP and related national agricultural policies. Equally, I have reaffirmed that images of the 'good life' in rural areas are driving inward migration and tourism and recreation activities, as well as activities involving ICT and other entrepreneurship.

I have tried to demonstrate the demographic and employment changes which have taken place in rural areas, and how more successful rural areas are marked by positive migration flows and the development of 'new economy' activities, many of which exploit the new 'consumption' demands. However, many if not most peripheral rural areas of the North and West, even if relatively successful, are suffering from population decline and an ageing population. The central issue is that the peripheral rural areas as a whole have been unable to benefit from growing sectors in the 'new economy', and even where employment has been relatively buoyant it has been in relatively low wage sectors. Rather they have remained too dependant on declining

---

<sup>8</sup> Countryside for the People – rural policy based on will. Rural Policy Programme for 2001-2004: summary. Rural Policy Committee, Ministry of the Interior, Finland. 11/2000.

<sup>9</sup> There is a Land Reform Bill currently before the Scottish Parliament which includes a Community Right to buy, as well as a lottery-funded Scottish Land Fund to assist community groups to acquire land and property which is important for local development.

primary sectors, and on the public sector which has been vulnerable to ideological changes, and forces of centralisation.

Equally, I have explored, in a limited way, the changing political economy of rural areas and rural-urban relations. The central issue here is the shift from the rural-urban working class alliance to the highly problematic rural-suburban environmental middle class alliance in the late 20<sup>th</sup> century.

I have hinted at the conditions which encourage or inhibit relative rural economic success, highlighting the linked themes of culture, infrastructure and peripherality, governance and institutions, entrepreneurship, economic structures, and human resources and demography all of which emerged in our international comparison of the 16 DORA case study areas (Bryden and Hart, 2001).

At least in Europe, there are important implications for national and EU public policies. One is that there are far more important issues than agriculture to be addressed. Another is that the institutional and governance structure is critically important, and largely a national matter to resolve. There is little point pouring EU development money into situations where governance structures are inadequate. Yet another is that the support structures of the EU and national government need to be flexible and sensitive to local conditions and priorities which are highly variable. Another is that the scope of rural development policies needs to be enlarged to include issues of quality of life, institutional arrangements, and the quality of governance in general – in other words ‘broad’ rather than ‘narrow’ rural policy. Equally, there must be more ‘joined up thinking and action’ at all levels. Another is that the explicit and implicit support given to traditional lobbies, and especially the agricultural lobby, needs to be redirected to new rural interest groups which represent territories and not sectors. Finally, in this context, resource transfers and fiscal equalisation policies remain critical.

It may not, of course, be possible to turn around the decline of each and every rural place in the northern periphery, or indeed elsewhere. However, the important thing is that local people are given the power and responsibility to take action, and that they are given the appropriate financial and other support to do so by the EU and central authorities. There is another opportunity ahead in the next four years, starting with the mid-term review of CAP and structural policies in 2003, to turn EU policy around. It will be interesting to see whether this opportunity is grasped.

## REFERENCES

- Atterton, J., Bryden, J., Courtney, P. and Timm, A. (2001) *Dynamics of Rural Areas: National Report-Scotland*. Aberdeen, June 2001.
- Berglund, S., Johansson, M. and Persson, L-O (1996) *Public Sector and Depopulating Regions in Sweden*, In Johansson, M and Persson, L-O (eds) (1996) *Extending the Reach: Essays on Differing Mobility Patterns in Sweden*. Swedish Institute for Regional Research (SIR).
- Bor, W van den, Bryden, J.M. and Fuller, A.M. (1997) *Rethinking rural human resource management: The impact of globalisation and rural restructuring on rural education and training in Western Europe*. Mansholt Institute, Wageningen, Netherlands. Nov.
- Brox, O. (1978) *Phases in the Development of North Norwegian Settlement Structure in S. Saugestad Larsen (ed): The Local Unit in a Wider Context*. Mimeo. University of Tromsø.
- Brox, O. (1991) *Typical Patterns of Norwegian Rural Problems*.
- Brox, O. (1996) *Out of Poverty: The case of Norway*. Bakgrunnsrapport, UNDP-Mote I Oslo, Sept. 1996. Norwegian Institute for Urban and Regional Research.
- Bryden, J., Bell, C., Gilliat, J., Hawkins and MacKinnon, N. (1993) *Farm Household Adjustment in Western Europe 1987-1991*. Final report to the EC Commission on the research programme on farm structures and farm household pluriactivity. Published by EC Commission in its "Research Series" in 1994 in English and French.
- Bryden, J.M. (1994) *Interactions between Farm Households and the Rural Community*. In Dent and MacGregor: *Rural and Farming Systems Analysis, European Perspectives*. CAB International.
- Bryden, J., Salant, P., Shucksmith, M., Burnett, K., and Roberts, D. (1996). *Broken Traditions: Agriculture and Rural Society in England*. Report for the Ministry of Agriculture, Fisheries and Food, London, March 1996. Arkleton Centre, Occasional Report No 1.
- Bryden, J. and Bollman, R. *Rural Employment in Industrialised Countries*. *Agricultural Economics*, 1416 (1999) 1-13.
- Bryden, J.M. (1999) *Policies for Peripheral Rural Regions in the OECD countries*. Report for the OECD, TDC, December 1999. OECD, Paris.
- Bryden, J.M. and Munro, G.M. (2000) *New Approaches to Economic Development in Peripheral Rural Regions*. *Scottish Geographical Journal*, 116(2), 1-14.
- Bryden, J. and Hart, J.K. (2001) *Dynamics of Rural Areas: International Comparative Analysis*, Draft, August 2001. The Arkleton Centre for Rural Development Research.
- Cahill, C. (2001) *The Multifunctionality of Agriculture: What does it mean? Eurochoices*, Spring 2001.
- Cloke, P. and Little, J. (1990) *The Rural State? Limits to planning in rural society*. Clarendon Press: Oxford.

- Cloke, P. and Thrift, N.J. (1987) 'Intra-class conflict in rural areas'. *Journal of Rural Studies*, 3, 321-34.
- Dawe, S.P. and Bryden, J.M. (2000) *Competitive Advantage in Frontier Regions of Europe: Redefining the Global-Local Nexus*. In Lithwick, H and Gradus, Y (2000) *Developing Frontier Cities*. Kluwer Academic Publishers.
- Galston W.A. (1992) *Rural America in the 1990's: Trends and Choices in Policies Studies Journal* Vol. 20, No. 2.
- Halfacree, K.H. (1994) *The importance of 'the rural' in the contitution of counterurbanization: Evidence from England in the 1980's*. *Sociologia Ruralis* 34, 2/3, 164-189.
- Johansson, M. (1996) *Residence, Employment, and Migration in Four Types of Swedish Localities 1972-1992*. In Johansson, M and Persson, L-O (eds) (1996) *Extending the Reach: Essays on Differing Mobility Patterns in Sweden*. Swedish Institute for Regional Research (SIR).
- Johansson, M. and Persson, L.O. (eds) (1996) *Extending the Reach: Essays on Differing Mobility Patterns in Sweden*. Swedish Institute for Regional Research (SIR).
- Long, A. and Douwe van der Ploeg, J. (1994) "Endogenous Development: Practices and Perspectives" in *Born From Within: Practice and Perspectives of Endogenous Rural Development*. Van Gorcum, Assen.
- Lowe, P. (1977) "Access and amenity: a review of local environmental pressure groups in Britain", *Environment and planning* 9, 35 - 58.
- Mahe, L.P. (2001) *Can the European Model be Negotiable in the WTO?* Eurochoices, Spring 2001.
- Marsden, T., Murdoch, J., Lowe, P., Munton, R. and Flynn, A, (1993) *Constructing the countryside* London: University College London Press.
- Meyer, H von (1996) *Rural employment in OECD countries: Structure and Dynamics of Regional Labour Markets*. In Bollman, RD and Bryden, JM (1996) *Rural Employment: An International Perspective*. CAB International.
- Murdoch, J. and Marsden, T. (1994) *Reconstituting Rurality* London: University College London Press.
- Newby, H. (1979) *Green and Pleasant Land? Social Change in Rural England* London: Wildwood House.
- Persson, L.O., Westholm, E. and Fuller, A.M. (1996) *Two contexts, One outcome: The importance of lifestyle choices in creating rural jobs in Canada and Sweden*. In Bollman, RD and Bryden, JM (1996) *Rural Employment: An International Perspective*. CAB International.
- Persson, L.O. and Ceccato, V. (2001) *Dynamics of Rural Areas: National Report-Sweden*. Stockholm, June 2001.
- Saraceno, E. (2000) *Alternative Models of Urban development in Frontier Regions: The Case of Friuli, Italy*. In Lithwick, H and Gradus, Y (2000) *Developing Frontier Cities*. Kluwer Academic Publishers.
- Shucksmith, M. (1990) *Housebuilding in Britains countryside*. Routledge, London.

- Shucksmith, M. (1994) *Conceptualizing Post-Industrial Rurality*. In Bryden, J. (ed) Towards Sustainable Rural Communities. Published in English and French in October 1994. University of Guelph, Ontario.
- Sproull, A., Bryden, J. and Black, J.S. *Telematics, rural economic development and SMEs: Some demand side evidence*. Informationen zur Raumentwicklung, Bonn. Special Issue on Rural Issues, 1997.
- Terluin, I.J. and Post, J.H. (2000) *Employment Dynamics in Rural Europe*. CABI.