



Nordic and Baltic Regions in a European Development and Policy Context

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The Potential of Rural Regions



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Dumfries
& Galloway



Notodden,
Norway



Amata,
Latvia

PURR: potential of rural regions

- 1. Introduction: context, aims and objectives of PURR**
- 2. PURR case study regions**
- 3. PURR 4-step methodology**
- 4. Spectrum of rural knowledges**
- 5. Rural potentials pyramid**
- 6. Scenario development**
- 7. Application of rural potentials pyramid**
- 8. Application of scenario building**
- 9. Concluding reflections**

PURR: potential of rural regions

Key characteristics

Population 591,000

74 inhabitants / KM2

Ageing but increasing population

Dispersed settlement structure

7 districts, 2 national parks and county council

Agriculture, tourism and SMEs

National north – south transport infrastructure



PURR: potential of rural regions

Key issues

- 2 economies
- Hidden deprivation
- Affordability, particularly housing
- Limited local control over the power and means to steer rural development
- Dissolution of regional knowledge networks and resources
- New governance arrangements?
- Rurality not made visible by current statistical categorisation

PURR: potential of rural regions

Key characteristics

Population 148,500

23 inhabitants / KM2

Dispersed settlement structure

Dumfries 31,600 Stranraer
10,000

Unitary authority

Ageing population with high
proportion of retired

Lagging economy in Scottish
context

Primary sector, SMEs and public
sector



PURR: potential of rural regions

Key issues

Regional development or rural development?

Rural character and problems less well recognised than other areas with stronger profiles and lobbying mechanisms

Nationally dominant city regions agenda

Seasonal tourism product

Close to devolved Scottish Government

Loss of services

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Key characteristics

Population 16,700

7 inhabitants / KM2

Extremely dispersed
settlement structure

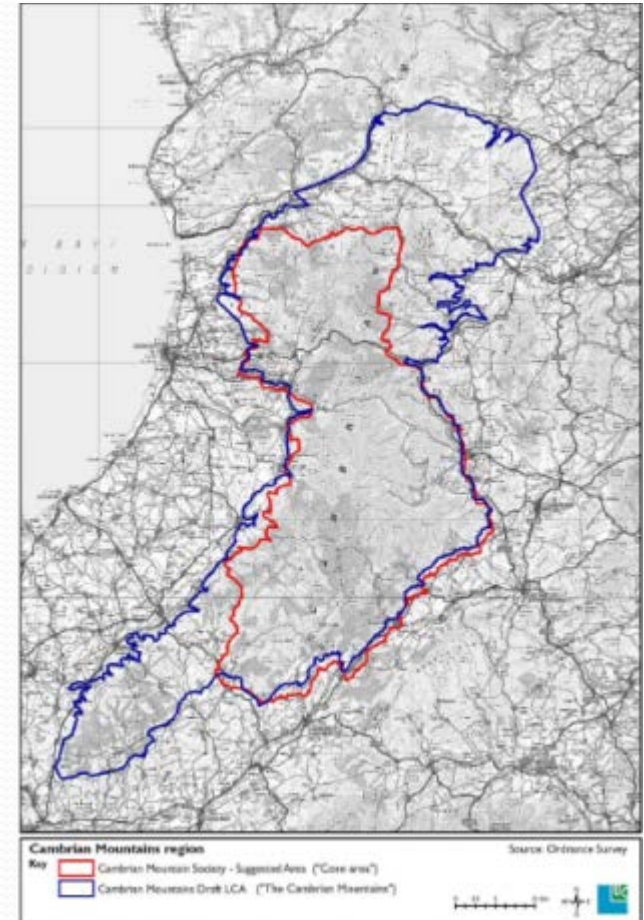
Necklace towns and villages

Agricultural economy

3 county council areas

Soft space

Cambrian Mountains initiative



PURR: potential of rural regions

Key issues

Ecosystem goods and services: how to extract, capture and retain value

Product marketing and branding

Tourism development

Sustainable communities

Laboratory for sustainable rural initiatives

Re-establishing links urban – rural, urban - urban and rural – rural

What type of designation?

PURR: Notodden



2. PURR case study regions, Notodden, Norway

PURR: Notodden

Key characteristics

12 500 inhabitants

14.5 inhabitants per km²

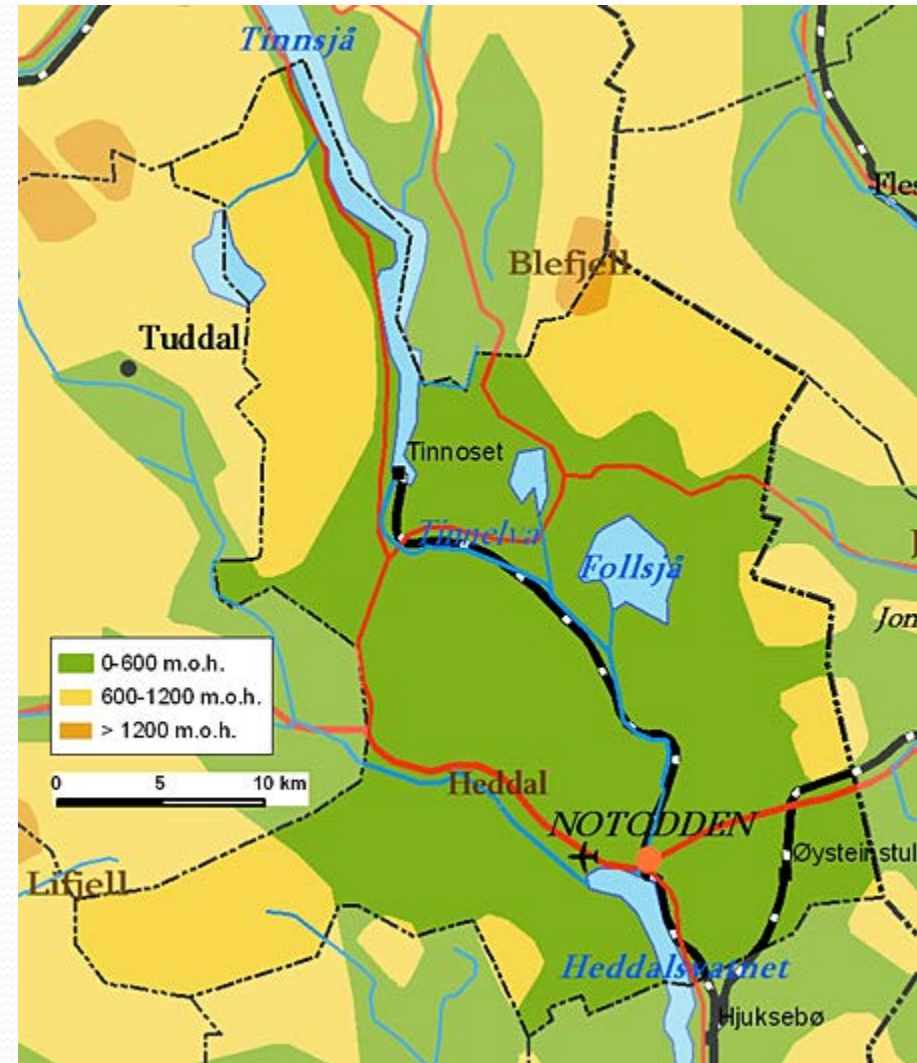
Rural municipality with
Notodden town as centre

Old industrial town (based
on hydro power)

Industrial change

OK access to services and
ok infrastructure

Notodden town is the
centre of East Telemark



PURR: potential of rural regions

Key issues

Industrial development: From large, dominating plant to SMEs within the manufacturing sector (a.o. sub-deliveries to Kongsberg producers)

Tourism based on Nature and Industrial heritage

Develop Notodden Town as regional centre and hub in regional transport infrastructure

Population: Important to keep the number intact. Housing (one-person household) and attractiveness

Further develop local networks and incubators

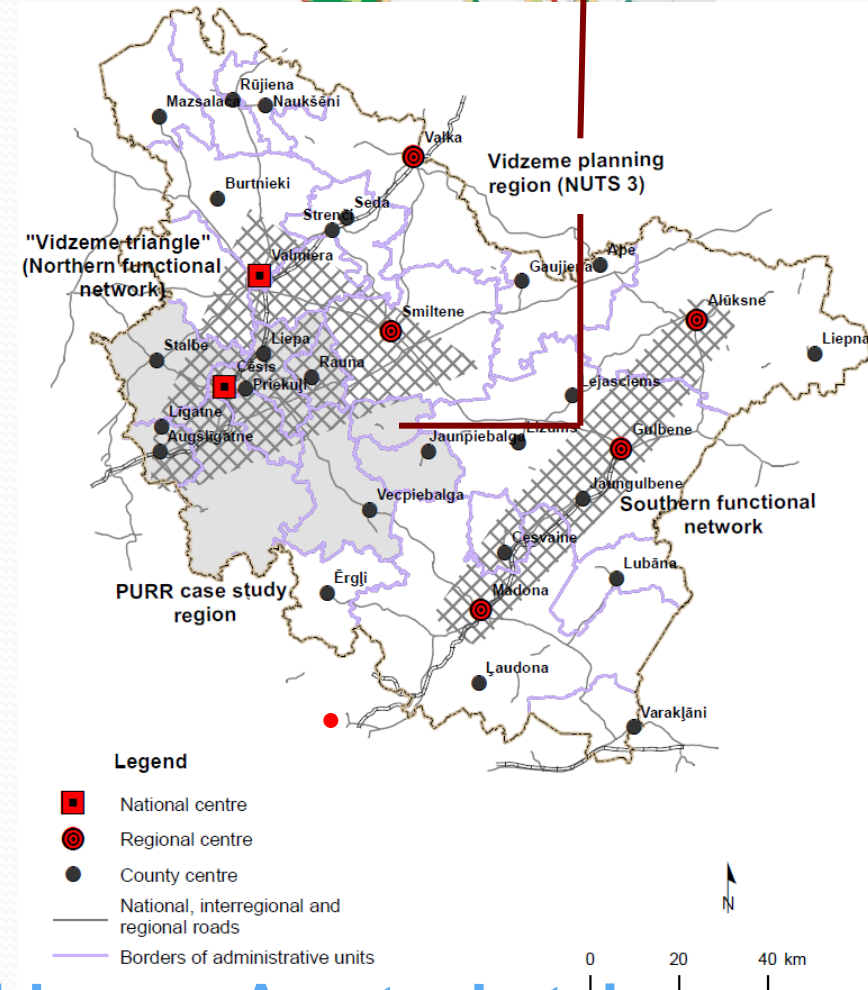
Lack of private capital

Outside Government support area: Local industrial funds exist (SMEs).

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Key characteristics:

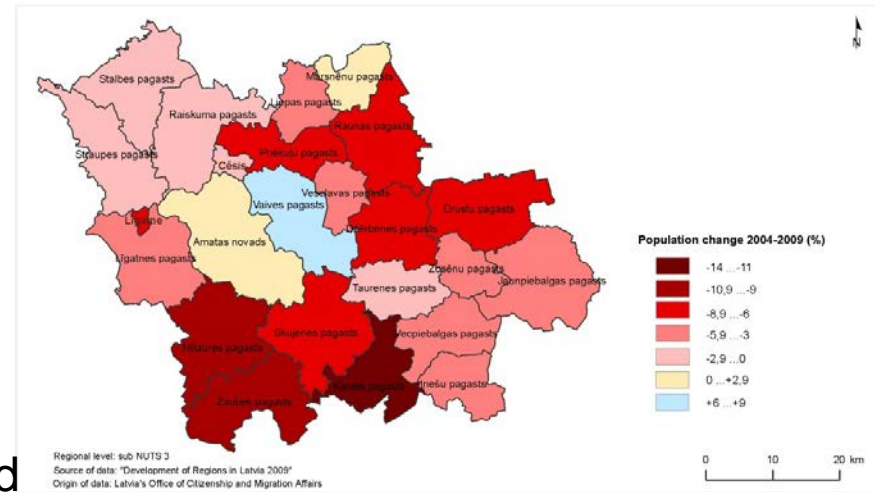
- Area: 2975 km².
- Population: 54,962 (2011).
- Population decline: -0,78% (428) a year.
- Density: - 17,2 /km² (from 113/km² to 8,5 km²).
- Residential structure: unevenly distributed. Half of the population is living in a small town - Cesis and surrounding areas close to motorways
- Land cover: 52% forest areas, 34% of agricultural land, river and a National Park.
- Economy: wholesale and retail, public sector, agriculture and forestry. Large potential of renewable energy sources.
- Administration: 8 counties, formerly a part of a single administrative district.



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Key issues:

- Demographic decline due to negative natural balance and outmigration.
- Declining quality of human and social capital: structural unemployment, lack of qualified workers, weak entrepreneurial culture, low level of innovation.
- Increasing costs of service delivery and infrastructure maintenance.
- Growing social, economic disparities between remote rural areas and urbanized areas in around town of Cesis.
- Fragmented administration and different stakeholder perceptions and priorities makes common problem solving difficult.
- Limited public funds and instruments for local governments to steer development.



Rural landscape in Amata municipality



Cesis Art Festival

PURR: potential of rural regions

Key reflections from case studies

Stakeholder driven process

Diversity of rural typologies is a challenge but also an opportunity to develop more applicable template

Rural development agendas

Town vs. rural development

Making rural issues more visible

Building on past industrial heritage

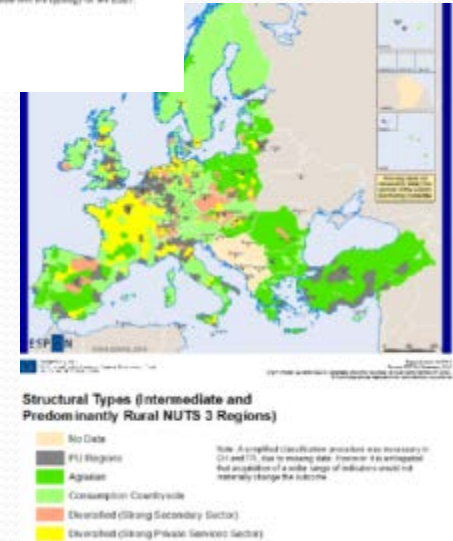
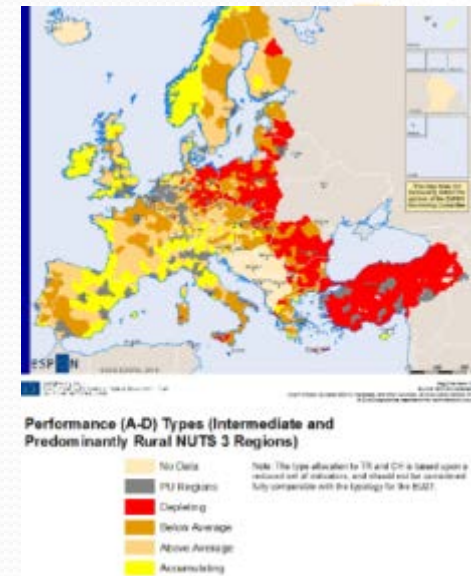
Dealing with economic, demographic situation and declining public funding



2. PURR case study regions

PURR: potential of rural regions

1. Benchmarking the Stakeholder Region in a European Perspective
2. The Regional Context and Stakeholder Perspective
3. Assessing the Region's Territorial Potential
4. Policy Options and Future Development

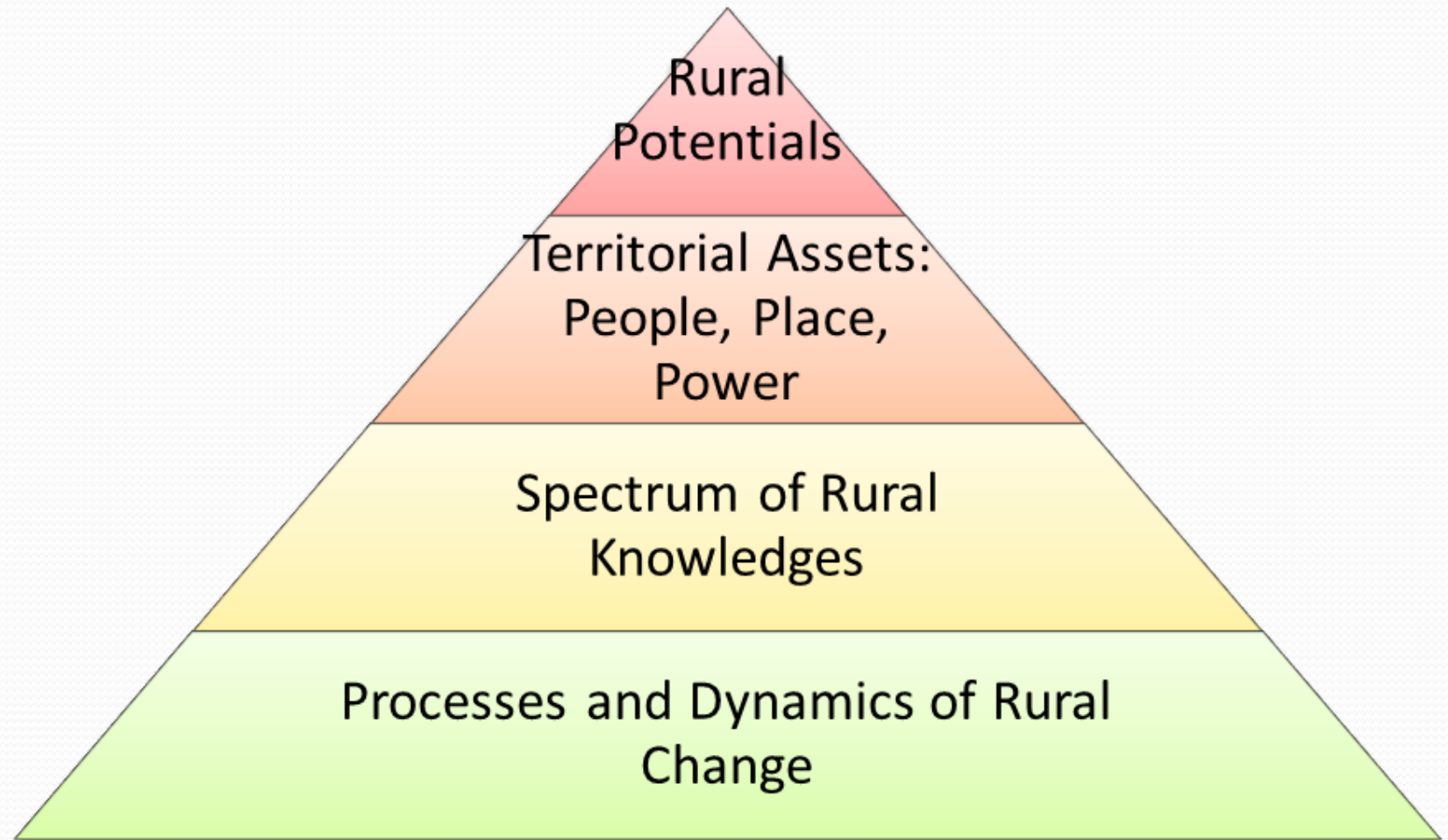


PURR: potential of rural regions



4. Spectrum of rural knowledges

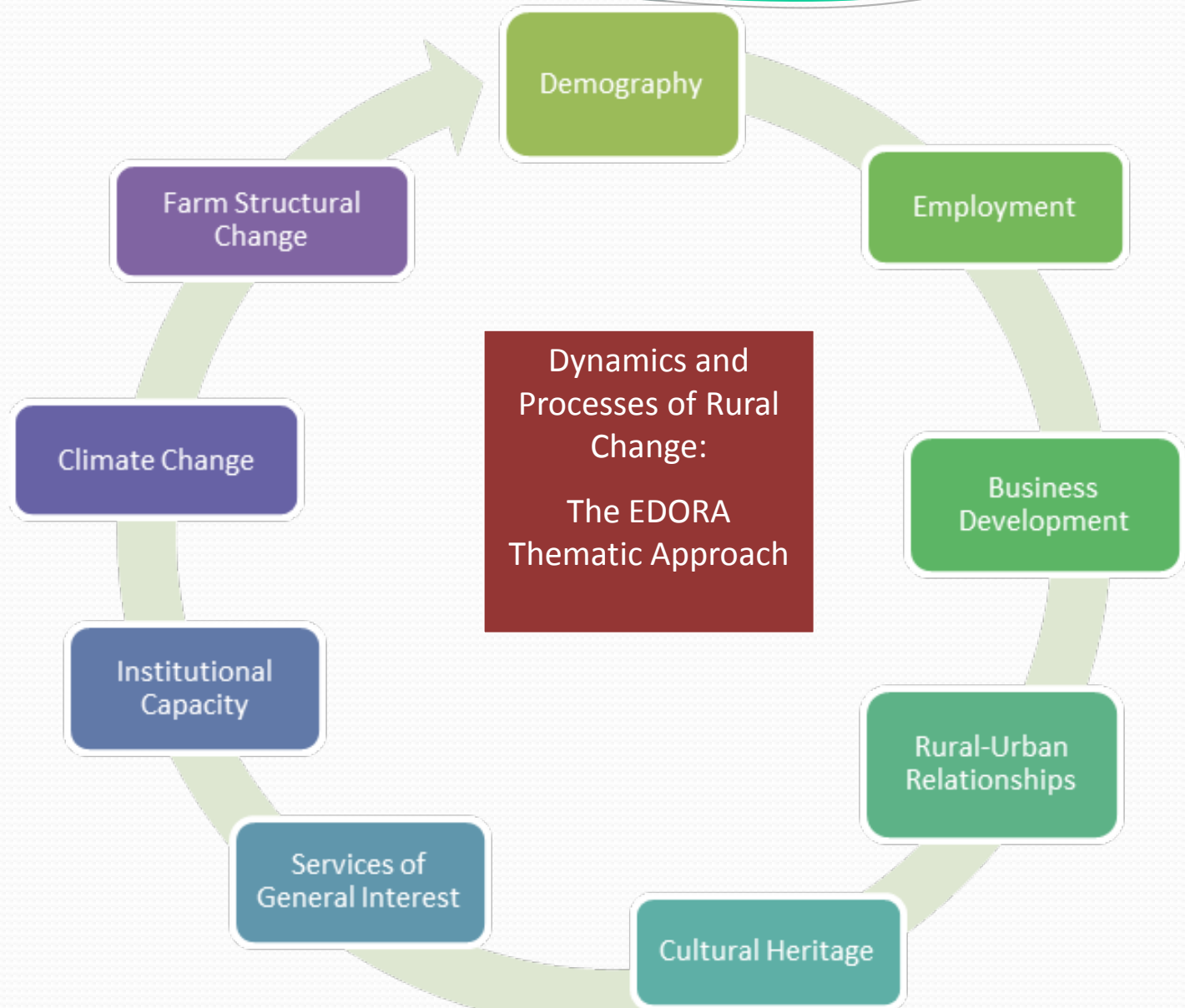
PURR: potential of rural regions



PURR: potential of rural regions

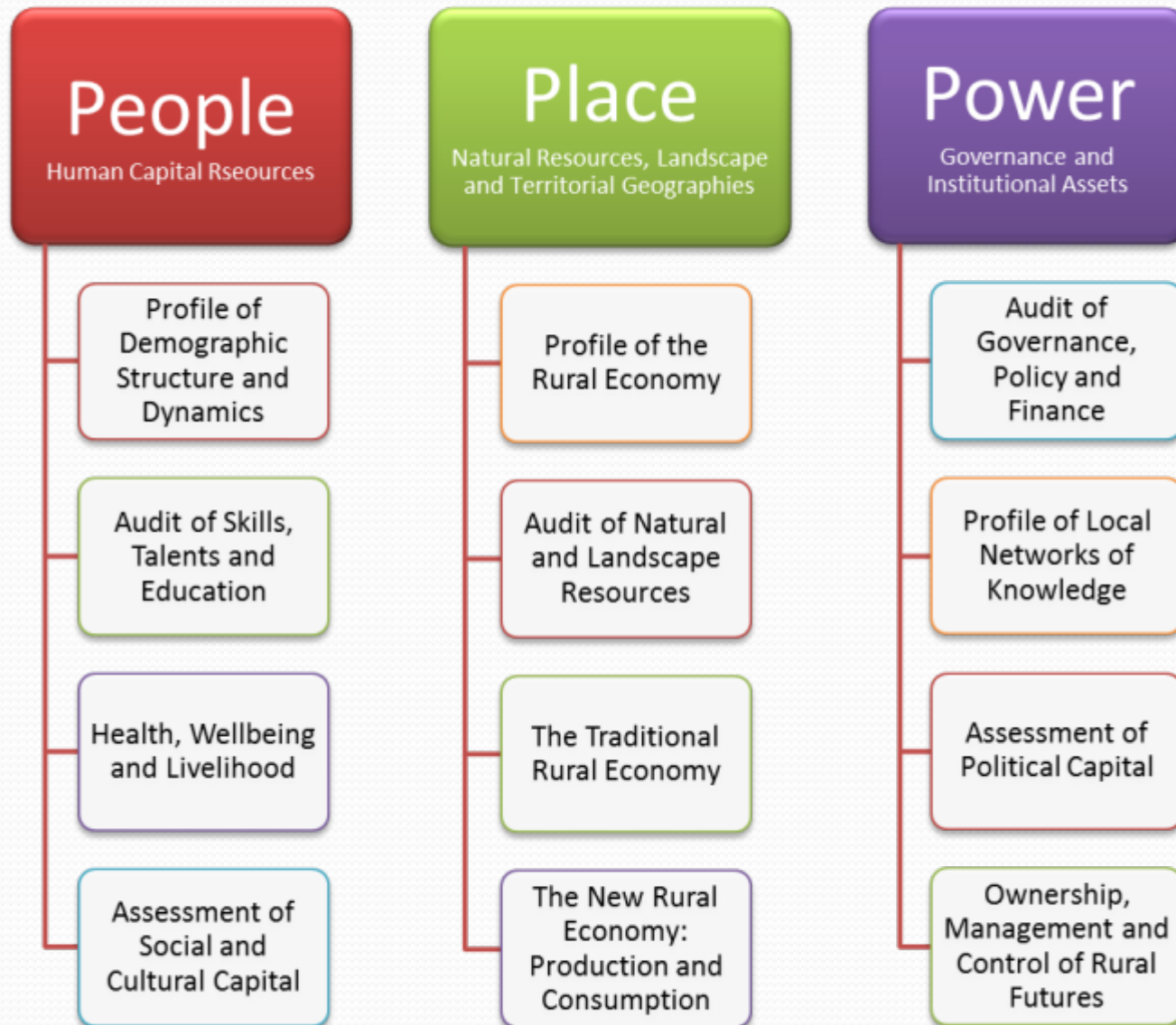


PURR: potential of rural regions



4. Spectrum of rural knowledges

PURR: potential of rural regions



PURR: potential of rural regions

Drivers

Contextual: Demography, economy, rural development, energy, transport, climate change, value change etc.

Policy related: Global, EU, state, regional and local policy interventions



Strategy

Strategic postures and portfolio of actions

Scenarios:

...as general strategies and actions for developing potential

based on qualitative foresight

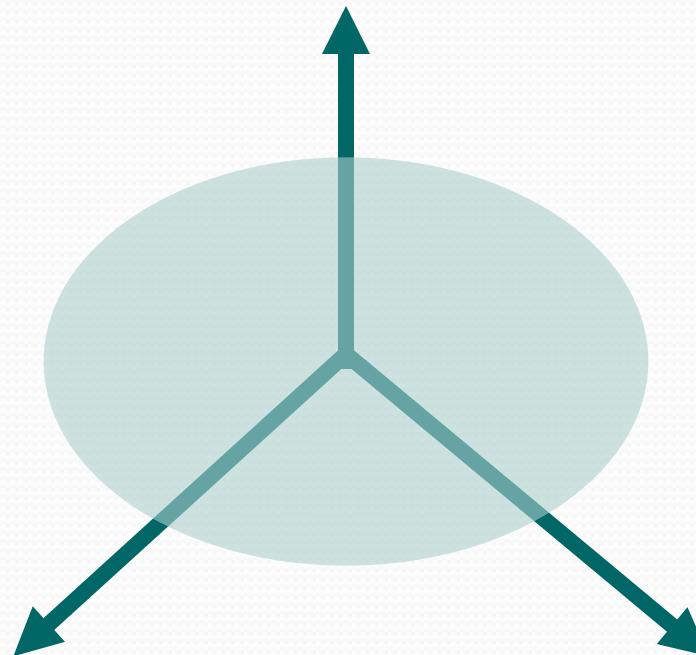
improving strategic decision making and consensus building

Based on:

Key issues and potentials in regions

Ex-ante impact assessment of existing scenarios

Stakeholder perspective



Development narratives

Prevailing development paradigms and values

Implementation

Governance, frameworks of policy implementation

Development narratives

Meta narratives

Agri-centric development
Urban-rural relations
Global competition
(EDORA)

Territorial rural development alternatives

Amenity based development
Diffuse industrialization
Exploitation of natural resources
Major public expenditure projects
(Pezzini, 2003).

General policy responses in:

Demography and migration
Regional economy
Transport
Energy
Agriculture
Climate change
Social and cultural integration
Transformations of governance
(ESPON 3.2, ReRisk)

Policy implementation

The role of the state and the market in rural development

Development state
Smart planning and regulation
Project State
Development Despite the State
(Hague, et. al., 2011)

Visions of policy implementation

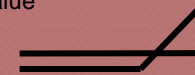
Top-down vs. Bottom-up
Inter-generational equality
Social justice
Participation
Holistic
(Courtney, et. al., 1999)

Strategic choices and postures

No-regrets moves (win-win)
Options (it depends)
Big bets (dilemmas)
(Haughton et. al., 1998)

Scenario Value

| | |
|---------|---|
| 1. | + |
| 2. | + |
| 3. | + |
| 4. | + |



Shape the future
Adapt to future
Reserve the right to play
(Courtney et. al., 1999)

| People | |
|---|--|
| Strengths | Weaknesses |
| Positive overall population trends | Ageing population and lack of opportunities for young people |
| Strong identity / identities and extensive informal social networks | Reliance on public sector employment |
| Low unemployment and high economic activity rates | Limited opportunities or employment growth in key sectors |
| | Predominantly low wage economy and hidden deprivation |
| | Limited investment capacity of agricultural businesses and SME's |
| Opportunities | Threats |
| Stimulating the dynamic and resilient SME sector | Increasingly unbalanced demographic structure and outmigration of young people |
| | Counter-urbanisation processes diluting local identities |
| | Increasing economic and social disparities |
| | Reduction in public sector employment |
| | Limited opportunities for employment growth in key sectors |
| | |
| | High car dependency and rising fuel prices |
| 7. | Increasing cost of living due to fuel and energy prices |

| Place | |
|--|--|
| Strengths | Weaknesses |
| Extremely diverse territorial capital with lowland, upland and coastal areas | Limited east – west connectivity |
| High quality assets in terms of landscape, heritage and natural environment | Limited infrastructure in more remote areas |
| Attractive and traditional market towns and villages with a quintessentially English rural character | |
| Nationally important transport links | |
| Diverse tourism infrastructure | |
| Opportunities | Threats |
| Exploitation of territorial capital and promotion of regional identity and assets | Overreliance on tourism and agriculture in upland areas |
| Development of market towns | Vulnerability to external shocks and eternally determined commodity process (lamb) |
| Proximity to major urban centres and national transport | |
| Further development of the new rural economy | |
| Landscape and nature development | |
| Promoting renewable energy, energy crops and the low carbon economy | |
| Development of rural Broadband NYNet | |

| Power | |
|---|---|
| Strengths | Weaknesses |
| Considerable knowledge and expertise within existing governance networks | Limited local control over the power and means to steer rural development, potentially exacerbated due to the current further centralisation of power |
| | Limited capacity exacerbated by dissolution of regional knowledge networks and resources |
| | Lack of recognition of rurality in European context |
| Opportunities | Threats |
| Facilitating the evolution of appropriate and dynamic knowledge networks, communities and arenas and stimulating the production of relevant knowledge resources | Potentially negative influence of external factors such as commodity prices, post-oil economy |
| Optimisation of new governance arrangements | Uncertainty regarding governance and funding arrangements particularly in relation to CAP reform |
| | Finances / funding support post 2014 in climate of austerity |
| | A potential lack of long-term strategic planning |

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Rural narratives

- *Agri-centric narrative* in remote areas, and *rural-urban narrative* in more urbanized areas near transport routes.
- *Amenity based development, diffuse industrialization, and exploitation of natural resources.*

Policy areas:

- *Demography*: controversial. Attract young people and families from urban centers.
- *Social and cultural integration*. Main emphasis on health, poverty reduction, education.
- *Regional economy*: support for *new tigers* aiming at higher efficiency and competitiveness in traditional sectors, such as forestry, milk processing and extraction of non-metallic minerals.
- *Transport*: more investment in motorways.
- *Energy*: towards greater energy-efficiency, lacks coordination and investment to develop green energy sector.
- *Agriculture*: controversial. Lean towards *sustainable rurality* scenario with greater diversification of agriculture, focus on locally grown products, stronger landscape management.
- *Climate change*: Inevitable, but lacks adaptation strategy.
- *Governance*: *from small kingdoms into policy networks*. Competitive ethos. Urban and rural networks don't overlap. Local municipalities need more instruments for stimulating development.



Institute of Environmental Solutions in Priekuli. Privately founded institute which builds on resources and knowledge acquired in forestry and IT to develop new methods and applications of remote sensing.

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Implementation

- State has limited resources to deliver development.
- Market cannot always deliver regional an local development in the form and place that is wanted.

What are the options?

- *1. Project state* – based on project partnerships.
- *2. Development despite the state* - focus on community effort, training, networking and scaling up projects.
- *3. Smart Planning* – focus on heritage and landscape conservation, but needs technical capacity, knowledge, and investments.

Visions of policy implementation

- *Top-down orientation*, quick –fix approach to labour market, wealth creation, competitive ethos, corporativist, economic development brings wellbeing.
- *Need for bottom-up visions* – fair-trade localized economies, community engagement, long term approach to local capacity and asset building.



Operating paper mill in *Līgatne* town. Combining potential of industrial heritage, tourism and nature – into *smart planning* approach.



Environmental Society in *Jaunpiebalga*.

Local education center of environmentally friendly farming practices and rural ways of living.
Example of the *development despite the state*.

PURR: potential of rural regions

Strategies

No regret moves (*win-win*)

- Developing human capital – health, education. Orientation towards wellbeing.
- Building social capital and networks.
- Improving place marketing and increasing attractiveness.
- Increasing competitiveness and added value of traditional regional industries.
- Innovations in governance.

Options (*it depends*)

- Improvements in infrastructure (hard investments) vis-a-vis capacity building (soft investments).
- Large scale agro-business vs. small scale agriculture.
- Amalgamation of local governments.
- Energy choices (fossil vs. renewable).

Big bets (*dilemmas*)

- Depopulation (options - *open borders or silver economy*)
- Concentration of services and development resources only in urban centers.

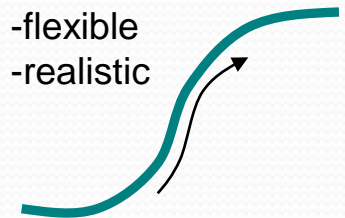
Scenario Value

1. +
2. +
3. +
4. +

Dominant policy posture:

Adapt to future

-more resilience
-flexible
-realistic



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What have we learnt from the PURR process?

Challenges:

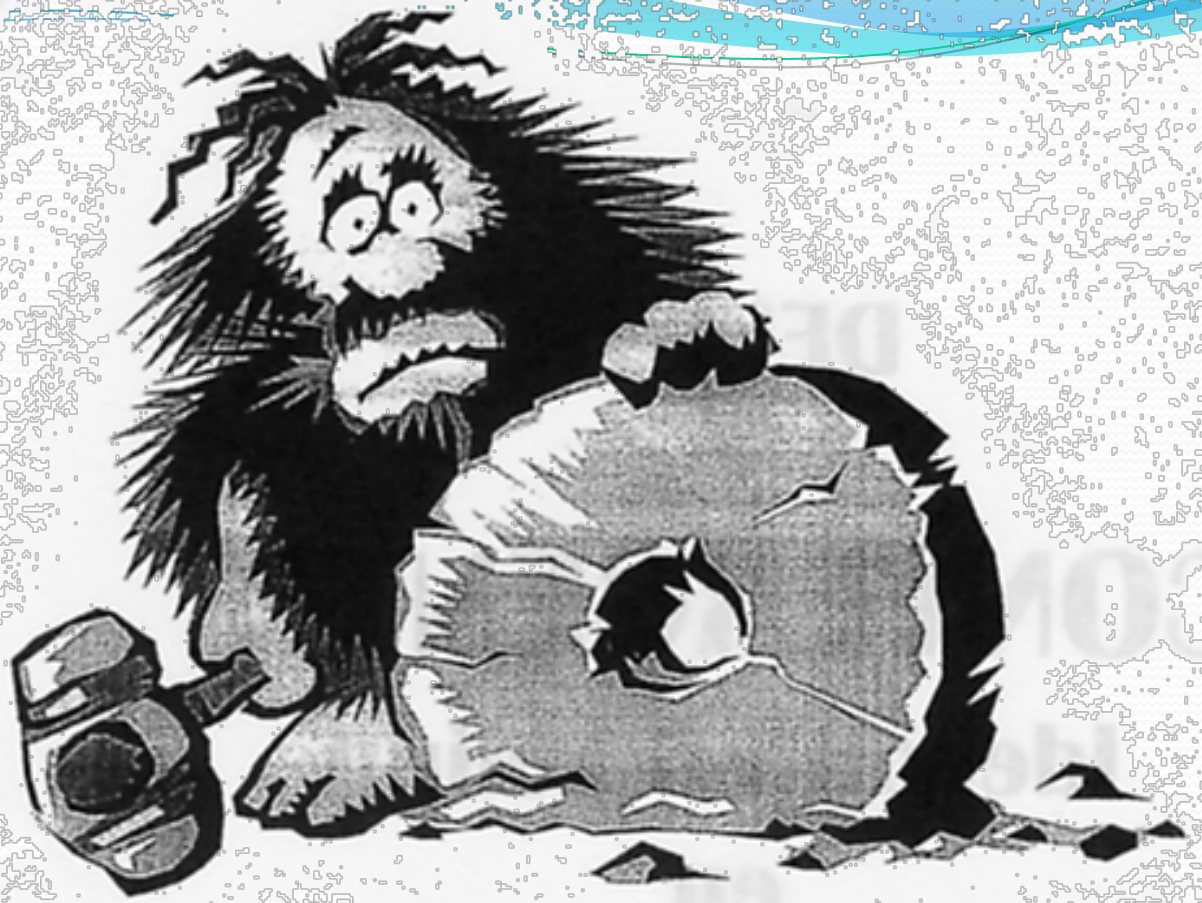
- **Rurality is a contested concept**
- **Pragmatic response to diverse stakeholder demands necessary from TPG**
- **Coherence of stakeholder regions**
- **Data issues**
- **Rapidly evolving context**

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What have we learnt from the PURR process?

Outputs:

- **Practical methodology combining diverse approaches and types of information**
- **Applicable in diverse contexts**
- **Holistic approach (people, place, power)**
- **Generic, flexible and intuitive**
- **Adaptable to diverse time horizons**
- **Opportune moment for delivery (in some cases!)**



**When you always do what you've always
done, you will always get what you've
always got**

Thank you for your attention!!

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