

1 INTRODUCTION

1.1 THEORETICAL PROPOSITIONS: NEW CONDITIONS AND POLICIES FOR RURAL PERIPHERIES IN EUROPE

Contrary to many assessments, rural areas in Europe cannot be viewed as a residual. In 1997, approximately 80% of the land surface of the European Union (EU15) was classified as rural and 17.5% of the total population lived in these areas¹ (cf. TERLUIN 2001, according to EUROPEAN COMMISSION 1996). Moreover, large areas of the East European countries have to be classified as rural, as they display the classic structural characteristics such as a comparatively high contribution of agriculture to the regional product, a lack of non-agricultural employment, a relatively low population density, or ongoing processes of depopulation. As a consequence of the Eastern enlargement of the EU in 2004, the prosperity gap in the Community has widened significantly. As it has been, and will continue to be, a declared aim of the EU policies to balance disparities and to promote harmonious economic and social development within the Union (cf. VORAUER-MISCHER 2004), the rural areas, and in particular the weak rural regions deserve the attention of politicians as well as researchers.

Over the past thirty years the general conditions for rural areas in Europe have changed dramatically, though: Globalisation, i.e. the intensification of the international division of labour and the integration of economies, rationalisation as well as deregulation characterise the ongoing economic, technical and social change. According to the regulation theory, this change corresponds to a specific spatial structure, influenced by both, the tendency towards the globalisation of economy, politics and culture as well as the tendency towards regionalisation (cf. DANIELZYK/OBENBRÜGGE 1993). Striking regional disparities between prospering and structurally weak areas, between innovative and stagnating regions, between centres and peripheries will continue to exist or even increase. Within Europe, especially within the EU15, these disparities are less severe at the large-scale level and today are mainly apparent at the small-scale level.

This situation coincides with an increasing differentiation of rural areas, which vary considerably in their economic structure and development prospects (cf. OECD 1996; SCHWARZ/VORAUER-MISCHER 2003). Likewise, Europe's rural peripheries, which represent probably the most interesting and challenging spatial category in regional development policy, are neither homogeneous nor structurally weak per se. Generally rural peripheries are defined as sparsely populated, remote, less accessible and less innovative areas (e.g. islands, mountain areas, remote hinterlands). Recently, however, significant disparities seem to have increased between rural peripheries, indicating that

¹ Local communities with a population density below 100 inhabitants per km²

they might indeed have a potential for innovation, growth and productivity. While earlier on their remoteness or natural disadvantages (resources, climate) could be considered as main causes for their weak economic performance, these factors fail to explain the lagging development in (post-) modern times. With the differentiation of rural areas, one has to look closely into economic, political, socio-cultural and environmental structures to understand why in some areas the situation has improved, while in others it has even deteriorated.

In view of the far-reaching structural changes in the rural areas, the concepts and strategies of regional policy had been subject of much debate since the 1970s. Increasingly, doubts were being raised about the efficiency of the established measures at European level as well as in various European countries. Eventually, some countries (e.g. Austria) stepped forward in the 1980s and supplemented their regional policy with a range of programmes that rooted in the new paradigm of "endogenous regional development". The main elements of these new programmes were the decentralisation of regional policy and the explicit utilisation of endogenous regional potentials (cf. DANIELZYK 1998: 53ff). However, the individual approaches of the European states differed considerably in regard to instruments, depending on the regional or country-specific situation and – above all – the political will to support them. With the reform of the Structural Funds in 1988, the ideas also found their way into the EU regional policy. Since then, regions have gained a key role in the design and implementation of regional policy, clearly shown by the introduction of the Objective 1 and 5b programmes or the Common Initiative LEADER, which is especially targeted at the rural peripheries. They are designed to enable the regions to focus on their endogenous resources and to develop their strengths and abilities.

Today, the concept of *integrated rural development* is regarded as particularly suited to meet the special problems of rural peripheries. The "Cork Declaration" of 1996 (cf. EUROPEAN COMMISSION 1996) outlines a future EU policy for rural areas that is based on

- a consistent use of endogenous potentials,
- a cross-sector and area-based approach,
- a regional and local implementation level,
- the participation of those concerned,
- the development and use of network structures and partnerships of actors from the public, private and civic sector as well as
- the implementation of regional animation and capacity building, e.g. via a regional management (cf. among others MARSDEN/BRISTOW 2000 and SHUCKSMITH 1998).

These elements already reflect that integrated rural development is not simply an evolution of the strategies and concepts, but is closely linked to the discussion about *regional governance*. It includes an institutional redesign of regional policy whose organisational structures and classic steering instruments have proved to be insufficient. Overall, the nation state has continuously lost influence for the benefit of other levels that appear more

appropriate to address many of the current issues. Responsibilities of the nation state are transferred either "upstream", that is to higher-level authorities, e.g. the European Union, or "downstream" to regional and local authorities. However, the process of regionalisation does not automatically continue and likewise tendencies towards a (re-)centralisation of power can be observed in some European nation states (e.g. Sweden, United Kingdom). At the same time, there are numerous activities and initiatives designed to reform the relationship among government and public administration, private enterprise and civil society, especially at the regional level which can be summarised under the term of regional governance (cf. FÜRST/KNIELING 2002). Core issues of the regional governance debate are changes of administrative structures (e.g. changed responsibilities, the creation of new institutions) and the increased involvement or cooperation of various actors at the regional level (in networks, regional partnerships, through participation, etc.). Established as new institutions of regional policy during the 1990s, regional development agencies, regional conferences, planning associations, regional management institutions etc. illustrate concrete forms of implementation either "top down" or "bottom up" at the national as well as the European level. However, there is a controversial discussion not only as to the legal basis and democratic legitimacy of these institutions but also as to their strategic efficiency and, in particular, their economic effects (cf. NISCHWITZ/MOLITOR/ROHNE 2001 and HALKIER/DANSON/DAMBORG 1998).

1.2 OPEN QUESTIONS IN RURAL RESEARCH

The changes in regional policy outlined above are associated with a number of important issues and questions relevant to rural research. Main emphasis is on the concrete design and implementation of approaches to integrated rural development which is of vital importance for the future development of rural peripheries in Europe. As already mentioned, rural peripheries will continue to be regarded as an important spatial category of European regional policy (cf. EUROPÄISCHE KOMMISSION 1999b). It is, therefore, necessary to document and analyse the ongoing changes as well as to provide appropriate contributions to further develop political strategies and instruments.

So far, however, consistent research focusing on development perspectives of rural peripheries against the background of the changed and changing overall framework conditions of European regional policy has not yet emerged; there are only rudimentary studies available in Geography or related disciplines.

This is especially true with regard to the documentation and analysis of approaches to integrated rural development – despite the increasing attention recently given to such approaches in regional policy. The studies that explicitly focus on the concept of integrated rural development and its implementation are rather limited. The first studies date back to the late 1980s (e.g. MOSE 1993, NEWBY 1988), the majority being individual case studies (e.g. PARKER 1990). More recent works are SHUCKSMITH 1999 and

SHORTALL/SHUCKSMITH 1998, discussing the concept of integrated rural development in a broader regional policy context, but only in regard to the national (Scottish) situation.

More studies exist in connection with the general restructuring of regional policy, especially in regard to processes of regionalisation and the regional governance debate (cf. among others Pütz 2004, FÜRST/KNIELING 2002, LE GALÈS/LEQUESNE 1998, DANIELZYK 1998). Unfortunately, there is a noticeable lack of studies about how rural areas are governed, despite the fact that these are undoubtedly crucial for the understanding the contemporary rural change (cf. GOODWIN 1998). Most of the literature still refers to urban governance, even though rural areas have been deeply affected themselves by these new forms of governance².

This is even more valid for the German rural research: There is a noticeable silence concerning the critical analysis of regional policy structures and organisational conditions for rural development, especially in regard to theoretically informed empirical research. BENZ 2003, SCHARPF 2000 and MAYNTZ 1998 have delivered theoretical approaches to governance, but there is still no consistent empirical research agenda that builds on this foundation by complementing it with a spatial or practical component apart from few exceptions (cf. also PÜTZ 2004: 163ff).

During the last decade, numerous works have evolved that focus on selected new procedures and organisational structures of regional policy, such as the regional development agencies, which have been established in most European countries by now (e.g. HALKIER/DANSON/DAMBORG 1998). This is in fact a central, but not the only innovation in regard to regional policy. Other important changes during the past decade have only fragmentary been examined, for example the transformation of local government (e.g. LYNCH 2001, STRÖM 2000), non-elected agencies that take over the provision of formerly public services (e.g. FAIRLY/LLOYD 1998) or the many forms of autonomous networks and partnerships (e.g. HALHEAD 2004, HERLITZ 1999).

With regard to the European dimension of a new regional policy research stays equally fragmentary or within national boundaries. National changes in regional policy are relatively well-documented, such as the devolution process in the UK and Scotland or the regionalisation process in Sweden (e.g. SHUCKSMITH 1999; BÖHME 2002, FOSS et al. 2000, MODING/ARING 1998), even though much literature is exclusively available in the respective national languages. Another problem is that isolated programme evaluations and individual case studies only allow for a limited generalisation of the empirical results and usually cannot be applied to a pan-European dimension.

Additionally, many of the existing evaluations ignore the experiences of regional local actors, or consider exclusively the quantitative results (e.g.

² That there *are* governance structures in rural areas is undoubted. However, whether governance in rural areas has specific characteristics and differs, for instance, from governance in urban areas, is still unclear (Cf. Chapter 2.4).

BLACK/CONWAY 1996). Qualitative empirical regional studies are rare and again, mainly focus on urban, industrial or prospering regions, but hardly ever on rural peripheries.

"Further studies of losing areas, analysing barriers and obstacles in partnership building and networking are needed", concludes SERI (2003: 144).

Comparative qualitative studies that seek to analyse the interdependencies within regional policy and the complex webs of governance structures may demand extra effort and time in regard to organisation and methodology, but they are necessary to embed the individual findings in the broader – European – context, allowing for prognosis and policy recommendations. HALKIER/DANSON/DAMBORG (1998: 357) state:

[...] given the stupendous number of actors involved, undertaking comparative studies may seem to be a daunting task. The current economic and social importance [...] does strongly suggest that it is also a task that hardly can be ignored.

One exemplary project was the PRIDE research project (Partnerships for Rural Integrated Development in Europe): It was carried out by research teams in six European countries between 1999 and 2001 and is a comparative qualitative study, seeking to explore how and how far rural partnerships promote rural development (cf. MOSELEY 2003b, WESTHOLM/MOSELEY/STENLÅS 1999). Another exemplary project was RUREMPLO, a comparative study which analysed employment dynamics in nine pairs of leading and lagging rural regions in nine EU countries for the period 1980-1997 (cf. TERLUIN 2001, TERLUIN/POST 1999). More studies of this kind of scope and approach are needed.

1.3 RESEARCH DESIGN AND CENTRAL QUESTIONS

Before the background described above, this study intends to approach some of the research deficits in regard to the concept of an integrated rural development and regional governance in European rural peripheries. Using selected case studies from three EU member states, which have recently experienced reforms of their political or administrative system, the study analyses the practical implementation of such approaches at both the regional and local level as well as the national framework for regional policy. It further takes into account the general transformation of regional policy in the EU and the regional governance debate. The main objective is to give an overview of some crucial developments that occurred during the last seven to ten years.

The two main components of the empirical research design are the case study-based comparative analysis and the qualitative approach in the form of problem-centred guided interviews. The interviews with relevant experts at national, but mainly at regional and local level concentrate on experiences

with organisational structures (e.g. different forms of co-operation, networks, public-private-partnerships) and with strategic approaches in the context of integrated rural development.

By that it is intended to monitor the most significant aspects of the concurrent processes, such as the use of cross-sector approaches, the changes in the institutional map at the local and regional level, the increased use of networks and partnerships beyond the formal structures of government, participation of the communities and last but not least the processes aiming at more local/regional activity (like regional management, animation, etc.).

The central research questions are the following:

1. Which *concepts, strategies and instruments* are currently used in regional development policy? What *experiences* have been made with these strategies and instruments at the regional and local levels? Do these concepts, strategies and instruments support an *integrated rural development*?
2. How can the *regional governance* structures that are connected to the investigated strategies and instruments be characterised? How do these *interact* with the government and the administration?
3. Of what *relevance* are integrated rural development and regional governance for the *development perspectives* of the examined peripheries?

The empirical research is divided into three steps, whereas the first two steps are conducted for each of the countries and regions (cf. Figure 1 and cf. also Chapter 3).

The first step is to collect, describe and analyse the main national concepts, strategies and instruments of the current regional development policy in the three selected countries, Scotland, Sweden and Austria. Central issues are:

- In which way have regional policy strategies changed and why?
- Is there a change of paradigm towards concepts of an integrated rural development? And if so, how is this general concept or *leitbild* transformed to concrete strategies and instruments?
- What are the main important instruments and programmes to foster the development of rural peripheries?
- Which organisational changes go along with the new regional policy?
- In which way have responsibilities shifted? Are there new institutions or have existing institutions been reformed?

The second step is to collect, describe and analyse all relevant concepts, strategies and instruments of regional development policy that are implemented in the three selected case study areas, Western Isles and Skye & Lochalsh, Jämtland and Eisenwurzen (cf. Figure 3 in Chapter 3). Central issues are:

- Which existing programmes and instruments do support the objective of integrated rural development?
- Which relevance do the European support schemes have (e.g. Structural Funds, Common Initiatives such as LEADER)?
- Which new governance structures, involving agencies, institutions and actors drawn from the public, private and civil sectors, can be identified at the regional and local level?
- What are the responsibilities, competences and resources of the involved actors?
- How does the formal sub-national and local government interact with these new governance structures?

The third step is the international comparison of the identified concepts, strategies and instruments with the aim to identify and further analyse the central components of regional development policies and regional governance at a European level:

- Is there a common pattern in regard to the institutional and conceptual reforms of regional development policies? Is there indeed a shift towards strategies of an integrated rural development?
- Is the concept of an integrated rural development of any relevance in practice? And if so, what are its effects so far?
- What are the strengths and weaknesses of the identified new approaches to regional development?
- Does the evolution of governance structures include a shift of power to the regional and local level? How does the national level interact with the regional and local level? How does government interact with governance?
- Are there certain types of regional governance and what are their contexts?
- How effective are regional governance structures in regard to the development perspectives of rural peripheries?