Future Directions in Rural Development

Executive Summary

Mark Shucksmith
Acknowledgements

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Foreword

The Carnegie UK Trust is proud of our long history of supporting rural community development. In our 100 year history, we have supported the early development of rural community councils, funded the building of village halls, and supported the rural voluntary arts network.

More recently, the Trust initiated an inquiry into rural communities. Over three years (2004-2007), it undertook one of the most comprehensive consultations on the challenges and opportunities facing local rural communities across the UK and Ireland in recent years, resulting in its 2007 publication, *A Charter for Rural Communities*. It made a serious assessment of the state of the UK and Ireland’s countryside communities and also looked ahead, in order to understand what might happen to rural areas in the future.

Five years on since the publication of the Rural Charter, we were interested to know what had changed and to explore in more detail the possible futures facing rural communities in the UK and Ireland.

Professor Shucksmith has set out two visions – one focused on the retrenchment of the state and its impacts on rural communities. He highlights the unequal distribution of wealth and other less tangible assets and cautions against leaving rural communities to ‘get on with it’ in the age of austerity. The second possible future is one which relies on recognising and supporting rural areas as economic resources in their own right, not merely as recipients of urban growth.

CUKT has always been optimistic about the future of rural communities and we are confident that this second possible future can be achieved. But Professor Shucksmith presents compelling evidence that it won’t happen on its own. Rural communities will require support if they are to reach their potential.

One of the most significant changes since 2007 is the role of technology and, in particular, the essential nature of broadband to facilitate business and community in the 21st century. If we fail to extend access to all rural communities, they will suffer a profound and permanent structural disadvantage. Governments at all levels should make this a priority area for rural development in the next five years.

Martyn Evans
Chief Executive
1 Introduction

Much has changed since the Carnegie UK Trust published *A Charter for Rural Communities* in 2007\(^1\). From our vantage point, 2007 represents the top of the boom times: the economy seemed stable, house prices continued to rise and public service spending was at an all-time high.

The economic crisis in 2008 has left a legacy of fiscal austerity which impacts on rural communities at least as much as their urban counterparts. The context for rural development for the foreseeable future is therefore one of reductions in public spending, as well as uncertainties over domestic demand for goods and services as people cut back on their spending. This is the age of austerity.

Rural communities face particular challenges in this context due to the structure of their economies, the social composition of their communities and their access to new technology. These challenges are not evenly distributed across rural communities, with some areas thriving in the new context and others facing deepening challenges.

1.1 Trends in rural economies

There are a number of changes in rural economies. Many of these are continuations of long-term trends, such as the move away from agriculture towards the service sector. Agricultural activity has become much more capital-intensive, shedding its workforce and, more recently, has refocused towards quality food products and environmental benefits. This has been accompanied by the growth of manufacturing and especially service employment in rural areas – sometimes referred to as the ‘New Rural Economy’\(^2\).

An increasingly important element of economic development strategy for many rural communities is making money from the appeal of landscapes, rural environments and local cultural heritage. Rural areas which have successfully employed such a strategy have been able to associate strong local identities with an external marketing image. However, not all rural areas are able to capitalise on this new economy.

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1.2 The changing social composition of rural societies

The social composition of rural areas has been transformed in recent decades, principally by selective migration, in particular counter-urbanisation and out-migration from rural areas:

- some areas have benefited from counter-urbanisation (the reversal of the migration from countryside to urban areas normally associated with economic and social development)
- a few sparsely populated rural regions, still suffer from rural out-migration. With rural out-migration comes the risk of the demise of the skill and knowledge base (including the traditional rural skill base), loss of social and cultural capital in the community and a weakening of rural community ties to the land.

The movement of young people (age 16-29) away from rural areas has occurred alongside counter-urbanisation, which tends to involve both older people and families with young children moving to rural areas. The net result is an ageing population in most rural areas, especially in peripheral rural areas. Over the next 20 years, the median rural age in England is set to rise towards 50, higher in the more rural districts.

In addition to the uneven ageing of rural populations, there is a growing inequality both between people and between places. Some of the areas which have become most exclusive are accessible rural areas, where incomes have risen most over the past decades, much faster than in sparse rural areas. There is a deepening divide between accessible rural areas and more remote rural areas.

1.3 Technological change: challenges and opportunities

Technological change has continued apace since the Rural Charter was published in 2007, providing opportunities but also challenges for communities wishing to engage with the benefits technology could bring. Energy generation was covered in the 2007 Rural Charter report, but the absence of rural broadband from that document reminds us of how quickly technologies have developed.

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The benefits that broadband could bring to rural communities through improved local services and improved business opportunities have been well-documented. By 2008, the UK government was investigating ‘superfast broadband’ (now defined as at least 24 megabits per second (mbps)) which would necessitate a technological step change from the incremental upgrading of the old telephone system to the widespread introduction of fibre optic cabling. A ‘final third’ who were unlikely to benefit from private sector roll-out were identified, mainly in rural areas, culminating in the Broadband Delivery UK (BDUK) measures of the Coalition government. However, the commitment for provision of superfast broadband is to only 90% of homes and businesses, neglecting some of the ‘final third’, who are promised only ‘at least’ 2 mbps.

This presents an enormous challenge to more than half the rural population of the UK, unless they accept broadband of less than a tenth of the speed of the rest of the country (2 mbps vs 24 mbps).

There is, however, opportunity for rural community enterprise initiatives to rise to this challenge and fill the gap left by the market and government programmes. These opportunities are discussed in the recent Carnegie UK Trust and Plunkett report, *Rural Broadband: Reframing the debate*, which highlights examples of pioneering community-led broadband services in rural areas in the UK. The report calls on national and local government, rural and community enterprise support organisations and the telecommunications industry to provide more support so that other rural communities can be similarly empowered.
2 Models of rural community development

2.1 Top-down or bottom up?

The classic formulation of rural development, prevalent in post-war Europe, was a ‘top-down’ model (‘driven from outside’ or sometimes called exogenous). Top-down rural development saw its main challenge as overcoming rural differences and distinctiveness through the promotion of universal technical skills and the modernisation of physical infrastructure. Urban centres were regarded as growth poles for the economic development of regions and countries. Rural localities were thought of as distant technically, economically and culturally from the main (urban) centres of activity. From this perspective, appropriate policy might subsidise the improvement of agricultural production, while encouraging labour and capital to leave.

Evidence has shown the classic ‘top-down’ model of rural development to be ineffective at driving rural development and fails to recognise the considerable potential for growth in rural areas\(^1\). Consequently, from the late 1970s onwards, rural policy development began to focus on alternative ‘bottom-up’ (‘driven from within’ or sometimes called endogenous) development model which mainly concerns the mobilisation of local resources and assets. Bottom-up development saw the primary challenge as capitalising on differences through the nurturing of locally distinctive human and environmental capacities\(^2\).

2.2 An alternative model – ‘networked’ development

By the late 1990s, it was clear to academics and policy makers that social and economic development processes in any locality inevitably include a mix of bottom-up and top-down forces. The local level necessarily interacts with places elsewhere, beyond the locality itself. The critical issue is the balance of internal and external control of development processes to their benefit.

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Critical to the socio-economic development process are those institutions, actors and networks that have the capacity to link businesses, communities and institutions involved in governance at a variety of scales.

From this perspective, development should be re-oriented so as to use local assets (physical or human, tangible or intangible, within or outside) with the objective of retaining as much as possible of the resultant benefit within the area concerned\textsuperscript{14}. In this way, rural areas are no longer seen as playing a passive, dependent role, but are able to generate innovative processes and shape future development\textsuperscript{15}. Moreover, the lessons learned from place-based action may help to inform, and indeed transform, policies and processes which operate more at higher levels.

In recent years, interest has grown in how the EU LEADER Initiative has fulfilled this mediating function between the bottom-up and the top-down\textsuperscript{16}. The EU LEADER initiative is intended to develop innovative solutions to rural problems which reflect what is best suited to specific territories and which actively use place-based identity. LEADER-type activity is now increasingly recognised as networked development, joining together local aspirations with assets within and beyond the territory – such as funds from the EU – in a process of mobilisation of place, space and democratic decision-making.

\subsection*{2.3 Issues of inequality and capacity}

New approaches of bottom-up and networked development both place emphasis on the capacity of people themselves to ensure the future prosperity of their places, drawing on local assets and networks.

Research has revealed that both bottom-up and networked approaches can risk exacerbating inequality:

- \textbf{between} places because of the uneven capacity of local place-based communities to pursue development from within\textsuperscript{17}; and

- \textbf{within} communities because internal power relations are often ignored or obscured such that powerful elites capture most of the benefit\textsuperscript{18}.

\begin{itemize}
\item \textsuperscript{14} IACD and Carnegie UK Trust, \textit{Appreciating Assets}, Dunfermline: Carnegie UK Trust 2011 \url{http://www.carnegieuktrust.org.uk/publications/2011/appreciating-assets}
\item \textsuperscript{15} Shucksmith M, ‘Dis-integrated Rural Development: neo-endogenous rural development, planning and place-shaping in diffused power contexts’, \textit{Sociologia Ruralis}, 50, 1-15, 2010
\item \textsuperscript{16} Shucksmith M, ‘Endogenous development, social capital and social inclusion: perspectives from LEADER in the UK’, \textit{Sociologia Ruralis}, 40 (2), 208-218, 2000
\item \textsuperscript{17} Arnason A, Shucksmith M and Vergunst J, \textit{Comparing Rural Development: Continuity and Change in the Countryside of Western Europe}, Farnham, Surrey: Ashgate 2009
\item \textsuperscript{18} Shucksmith M, 2000
\end{itemize}
Further, there is debate about the extent to which issues of fundamental structural disadvantage, such as rural disadvantages, can be addressed solely through ‘development from within’, whether bottom-up or networked. Structural disadvantages might include poor resource endowments, disconnectedness from markets and networks, historical events (such as colonialism, war or occupation, or industrial restructuring), and exploitation and powerlessness. The Barca Report concludes that a place-based approach is most likely to be successful, but raised the question of whether remote rural areas have ‘territorial potential’. This remains a crucial empirical question for both research and EU policy.

2.4 Nobody in charge?

The concept of governance is widely used to recognise the changing role of the state (at all levels) and the greater propensity for public, private and voluntary sectors to work together in diffused power contexts. This implies a shift from state sponsorship of economic and social programmes and projects, towards the delivery of these through partnerships involving both governmental and non-governmental organisations and perhaps other actors, as in LEADER. Features of this style include a new role for the state as co-ordinator, manager or enabler, rather than as provider and director.

This leads us quickly into issues of power relations in rural societies. From the governance perspective, power is reconceptualised as being a matter of social production (groups’ capacity to act) rather than of social control (by government or elites). Essentially, local actors are cast as the catalysts for change in their local area through collective, networked action.

These approaches rely upon resources and actors being mobilised on the basis of a perceived shared identity – for example, a crofting heritage or the Gaeltacht. While not exclusive to rural policy, this approach does build upon the notion of co-operative social relations frequently associated with rural areas.

The tendency towards new styles of governance has relied upon partnerships as a central component, along with advocacy of citizen participation and stakeholder involvement, even if these have been unevenly realised in practice. What is often omitted from such discussions, however – as the OECD point out in their New Rural Paradigm report – is that partnership and integration at the local scale are not sufficient: integration between actors at different levels (and especially between different levels of government) is also essential, along with a fuller consideration of how power continues to be exercised by higher authority in subtle and hidden ways.

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22 Shucksmith M, 2010
Rural development practice, and our understanding of it, has evolved towards a networked approach, characterised by dynamic interactions both within a locality and also between local areas and the wider political, institutional, trading and natural environments. As public spending contracts, how will such a model perform in an age of austerity?

The networked approach to rural development involves:

- the mobilisation of **assets**, both within and outwith the locality;
- the building of **capacity to act** amongst individuals, of course, but especially collectively in terms of the capacity of people within an area to work together towards a shared vision of their future, and;
- **networks** which connect people within and beyond the locality.

In a networked approach, the crucial issue is the balance of internal and external **control** of development processes and how to enhance the capacity of local actors to steer these larger processes to their benefit.

The age of austerity is likely to mean reduced capacity in central and local government, and in the community and voluntary sector, alongside changes in the institutional framework. What impact will this have on networked rural development?

### 3.1 A return to bottom-up development models?

One potential future for rural communities is to revert to a bottom-up development model, in which rural communities are increasingly left to themselves without support from cash-strapped central or local government – with other external institutions and networks also under pressure from reduced resources.

The available research evidence points to three key reasons to be concerned about a return to bottom-up development models:

- The highly uneven capacity of different communities of place to bring forward ‘development from within’ has been a consistent finding of studies of rural development in Britain and abroad\(^{23, 24}\).

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• The non-governmental organisations that could mitigate against this, such as local voluntary organisations and rural development networks, are themselves struggling with the impact of funding cuts[25].

• The changes affecting rural areas across Europe cannot be explained purely in terms of assets and capacity at the local level. On the contrary, there are systematic patterns across the EU which clearly show that broader processes are at work, structuring rural change in ways that advantage some rural areas and disadvantage others.

Local responses to wider forces are valuable but insufficient; there is also a need for regional, national and EU policies which can address the broader forces acting upon each locality.

Yet many policies are spatially blind to their territorial impacts. There is a growing recognition amongst policy-makers of the blindness of government policies to issues of space and place. Most EU sector policies have been found to run counter to the objectives of territorial cohesion[26] including most notably the territorial impacts of the Common Agricultural Policy, which tends to benefit richer areas in the core of Europe rather than poorer regions around the periphery of the EU27. Within the UK, economic policy, social policy, housing policy and even science policy embody, if only implicitly, certain principles of spatial organisation and ordering, and these have too rarely been given explicit consideration. This issue was also identified in the OECD’s review of rural policy in England, which scrutinised the policy and practice of rural-proofing across government and its agencies. Local action is unlikely to be effective in the face of national policies which are blind to their impacts on rural areas[28].

3.2 A positive future – realising the economic potential of rural areas

Most people accept the myth that urban areas are the ‘engines’ of growth, with rural areas being pulled along in their wake[29]. But cuts in public sector spending and the need to rebalance the economy necessitate support for private sector job creation and growth from all places rather than only certain cities or sectors. This has finally led to recognition of the economic potential of rural economies.


Rural areas are consistently overlooked as sources of growth:

‘Overwhelmingly, the assumption has been that the source of futures – the drivers of change and innovation – are invariably to be found in the urban context and, more particularly, within large, urban-based corporations and governmental institutions.’

Instead, it is possible to envisage rural areas as sources of the future, as places of innovation and themselves engines of social renewal and economic growth. In England recently, there have been suggestions that this is indeed the case. It has been found, for example, that innovation is greater in rural areas than in urban that productivity is growing faster, and around 2 million people are using broadband to work from home in rural England. Such findings encouraged the Commission for Rural Communities to claim the untapped economic potential of rural areas might be worth an extra £347 billion per annum to the national economy, if policies supported rural economic development.

The report asks whether the lack of policy support for rural development is due to ‘spatial blindness’ or outdated thinking.

A 2011 Centre for Rural Economy report pointed out that rural areas of England:

- contribute £200 billion per annum or 19% of Gross Value Added to the national economy
- have more businesses and more start-ups per head of population than urban areas, apart from London
- display higher levels of self-employment and entrepreneurial activity
- have higher growth rates in knowledge intensive businesses, including business and financial services
- contain a greater proportion of employees in manufacturing; and have higher employment rates.

30 Ward N and Ray C, Futures Analysis, Public Policy and Rural Studies, Newcastle: Centre for Rural Economy, Newcastle University 2004


34 Commission for Rural Communities, England’s rural areas: steps to release their economic potential – Advice from the Rural Advocate to the Prime Minister, Cheltenham: Commission for Rural Communities 2007 http://www.defra.gov.uk/crc/files/Advice-PM_englands_rural_areas.pdf

35 Phillipson et al, Rural Economies: Incubators And Catalysts For Sustainable Growth, Submission by the Centre for Rural Economy, Newcastle University, in collaboration with the UK Research Councils’ Rural Economy and Land Use Programme to the Government’s Growth Review, Newcastle: Centre for the Rural Economy, Newcastle University 2011 http://www.ncl.ac.uk/guru/documents/govsgrowthreview1.pdf
The report showed that entrepreneurs in rural areas have just as strong aspirations to grow their businesses as urban entrepreneurs, but that there are also many challenges and difficulties facing rural businesses, notably poorer infrastructure, distant services, planning restrictions and labour shortages.

The Centre for Rural Economy report called for greater support for rural microbusinesses, which are often frustrated in their aspirations to grow. Micro- and home-based businesses, which are more prevalent in rural economies, have particular characteristics and needs, but they often fall under the radar of business groups and support organisations.

The Rural Economy Growth Review in England36 also recognised the strength of these arguments and, in late 2011, proposed a series of measures to support rural economies beyond agriculture, though the resourcing of these measures was highly constrained. Despite the modest sums committed, this is important in showing recognition of the bottom-up potential of rural economies, beyond agriculture and tourism. This recognition must be a cornerstone of rural development in the age of austerity.

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How should rural development proceed, then, in an age of austerity? Lessons from this analysis of rural development, suggest that action on two levels is necessary: supporting networked action at the local level whilst also rural proofing UK, devolved and local policies.

i. Supporting networked action at the local level

Rural areas are diverse and benefit most from local solutions which reflect conditions, capacity and capabilities within and around them. Action at this micro-level is most effective when it follows a networked model, bringing together the local and the external, the bottom-up and the top-down, but with local actors enabled to steer larger development processes to their community’s benefit.

Rural communities have very unequal capacities to act in this way, however, and it is very clear that unless there is capacity-building at community level, inequalities will grow between rural areas. While support can come from foundations, universities and others, it is not clear who else might provide capacity-building on the scale required and in a systematic way apart from government, whose enabling and fostering role is crucial. Government investment in the capacity of local communities should be a priority, even in constrained financial times.
Local action on its own is insufficient to address the processes which operate at multiple levels to influence rural change. Macro-scale diagnosis, strategic planning and intervention is therefore also required to address persistent patterns of structural differentiation – such as the north-south divide in England or east-west contrasts in Ireland.

Governments are often spatially blind to the territorial impacts of their policies and decisions, and mechanisms such as rural-proofing may be helpful in alerting those involved to unintended effects of their actions. Tentative plans for an English Rural Parliament and more concrete government-supported proposals in Scotland, may provide one answer to the question of how to rural proof government policy.

These conclusions can inform an assessment of the future of rural development, and indeed for the future of rural areas in the UK and Ireland. There is a clear risk that if the state passes power and responsibility to local communities without the necessary resources or support, some will rise to the challenge but many will not. Some rural communities have the skills, assets, networks and institutional capacity to compete strongly. Meanwhile, rural communities who have not yet developed these capacities and networks and lack support, may become impoverished, losing services and infrastructure, and become less able to contribute to rebalancing and renewing the national economy. This is a two-speed countryside.

Genuine localism includes not only devolving responsibilities but also resources, with the state taking responsibility for ‘helping people to help themselves’. In the context of rural development, this means providing a spatially-aware, rural-proofed policy framework and infrastructure, while investing in developing the capacity of local actors to lead networked rural development on their own terms – especially in places and amongst social groups whose capacity to act is less.

Such an approach would promote greater equality and co-operation amongst rural areas, and between rural and urban areas, so enabling more places to contribute to national priorities, while tailored to local circumstances and knowledge. Many more people will achieve their hope of living in prosperous, inclusive, sustainable rural communities, rising to future challenges while honouring the values and heritage which connect them with their past.
The Carnegie UK Trust works to improve the lives of people throughout the UK and Ireland, by changing minds through influencing policy, and by changing lives through innovative practice and partnership work. The Carnegie UK Trust was established by Scots-American philanthropist Andrew Carnegie in 1913.

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