

# Rural communities facing challenges and conflicts

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The book begins with three articles dealing with the challenges and conflicts faced by rural communities, where social rather than economic development is the predominant focus.

## **Social – environmental conflicts in Irish rural development**

In-migration and the construction of new houses in the countryside are normally seen as positive features for rural development. *Ciaran Lynch* shows in his article that such developments are to be seen in rather more problematic terms when environmental concerns are taken into consideration. During the Irish economic boom of the late 20<sup>th</sup> Century, the historic wish of the people to live in the rural areas of the country reasserted itself. This wish, partly driven by increasing affluence, partly by the cost of housing in the urban settlements and partly driven also by the desire of landowners to liquidate some of their capital assets, has led to substantial pressure for development in the Irish countryside. This pressure subsequently led to the development of two bodies of opinion in the country. One, which represents conservation interests, central government, the planning profession and local authority management, proposes severe restrictions on such development. This proposal is made on the basis of the lack of sustainability of such development, the fact that it is not associated with the employment location of the prospective residents in question, and with regard to the implications for fossil fuel use and water quality. The second body of opinion, which represents rural communities, local political representatives and agricultural interests, supports a much more liberal approach to such development. This perspective is based on concerns for the social and economic sustainability of rural communities. This body of opinion suggests that the decline in rural communities will lead to a stranded and isolated population with a very low level of service provision. In addition, there is a perspective that development in the countryside is effectively the right of those who were born in such an area. In the light of the context within which the debate is taking place Lynch suggests a solution within the context of an approach that would respect Irish history and cultural traditions

but that would permit the issue of environmental sustainability to be given its due importance.

### **The “bumby” way to sustainability in rural Denmark**

*Jens Kaalhaug Nielsen* investigates the concept of sustainable societal development within the knowledge-based economy. His aim is to define and explain the theoretical meaning of the concept and to illustrate how the age of “the new economy” addresses the issue of sustainability for regional analysis. Sustainability emerges as a search for an operational understanding of the essential conditions for society’s self-preservation. These conditions have an objective and a normative dimension, as well as an “inner” and an “outer” systemic mode. The chapter clarifies the differences between societal and economic sustainability and highlights the cybernetic importance of the societal level of analysis. Generally speaking, the major transformational processes promoted by the new economy challenge the traditional industrial structure of the periphery and change the dynamic between the country and the city. These global processes increase the difficulties faced in securing balanced societal development, as the constant increase in the mobility of the factors of production creates elements of fragmentation on the societal level. The author addresses the role of knowledge in modern industrial development highlighting the crucial role of traditionally embedded knowledge as a key factor in long-term economic growth. Finally, the author emphasizes that rural districts suffer from a fundamentally disadvantaged industrial situation, and he concludes that it may not be easy to find simple, optimistic solutions to such problems.

### **Reflecting and reacting on modernization in rural Sweden**

How do rural inhabitants reflect and act to maintain a viable local community in times of increasing urbanisation and globalisation? How could a deepened knowledge of people’s reflections and reactions to modernization processes be integrated into the policy context? *Yvonne Gunnarsdotter* envisages two kinds of changes. First, she presents the kind of continuous changes that are part of daily life, changes with which the inhabitants of such communities are usually able to cope. Second, she identifies a number of more radical changes that are, generally speaking, more difficult for such people to handle. Rural change can be highlighted in a number of ways, not least in respect of decreasing population, farm closures, local mobilisation and new solutions in service provision and political organisation. Another point of note here is that the European Union continues to put a lot of money into rural policy. The turn from agriculture and small-scale industry to services and information also being the dominant factors in rural employment has led to a separation between habitation and production. The separation is not only spatial, with people commuting to nearby towns, it also

concerns the content of life, where habitation patterns still include the cultivation of land, even if only on a small scale, while the production and re-production of wealth is now all but separated from the cultivation of the land. Finally, the author discusses how rural policy can be formulated to better correspond to the rural inhabitant's conception of a viable local community. She argues that the paradox of rural development is that change implies costs as well as opportunities, and that while it must be handled locally, it is necessary that rural development policies create the conditions for rural inhabitants to act in accordance with their own views. As different views exist within every local community, Gunnarsdotter's suggestion is that, as a complement to economic and legal policy instruments, methods for handling conflicts, social learning and other communicative instruments that empower the inhabitants to act in a way that maintains the local community without conserving it or completely renewing it should also be introduced. The re-creation of local communities thus presupposes change, but not discontinuity.

## Local associations, social networks and local economic development

The next four articles all highlight the extent to which the formation of local associations can contribute to economic development.

### **The role of local associations in rural areas**

Local associations and networks are considered to be important in the development of Danish rural areas in spite of the fact that no systematic knowledge of their importance has been gathered and collated. The study by *Marianne Bay Nielsen* attempts to remedy this lack of knowledge by presenting the results of her study on the impact of 155 local associations in connection with development in a rural municipality in Denmark. The study is built on two groups of theories according to which local associations can play a role in economic development. The theories respectively emphasize the importance of the feeling of local solidarity and the importance of networks in development activities. The study shows that the impact of local associations and networks as regards the future development of the local area seems to be predominantly indirect. As such, local associations and networks as they are currently constituted must then be regarded as a necessary and indispensable, but also insufficient factor in the development of the local community, including local trades and industries.

### **Survival, or economic development?**

The starting point for *Ann-Mari Sätre Åhlander* is that local development groups and new cooperatives have increased in Sweden in the 1990s. With the help of a

number of economic theories the author analyses why and how this has happened. As state and market no longer develop “hand in hand” room is made for other actors. The difficulties faced in attempting either to run commercial activities or to maintain social services in rural areas moreover implies that a space exists that may potentially be filled by the voluntary sector. The increasing cost of the welfare state, together with low interest in privatisation options again suggests that cooperatives could have a role to play here. People who want to stay in rural areas mobilize to secure the supply of services. There is then a need for social entrepreneurs, as well as a measure of strategy in order that people may continue to function in their local and social surrounding. One major problem in this regard is however that the cooperative solution may not be feasible if it is not perceived as complementary to the work already done by the local authorities. The lack of financial support and an over-reliance on voluntary work are other problematic factors. The author concludes that although there are many requirements that have to be fulfilled in order for the social economy to be a lever for local economic development, with time it may be that such an approach will enable villages to survive. The social economy may thus have a stabilising effect, while we can say for certain that local economic development will be indirectly affected if the maintenance or creation of local social services actually prevents people from moving out of such rural areas for good.

### **Can local social capital be transformed?**

The article by *Hans Westlund, Anette Forsberg and Chatrine Höckertin* studies local social capital in two rural districts of Sweden. In contrast to Robert Putnam’s view in *Making Democracy Work* (1993), the authors view social capital as something that may have both positive and negative effects on the functioning of a community. Therefore, they do not attempt to measure the quantity of social capital in the two districts but instead see to use a qualitative approach. The article concentrates on the relations between local political/public bodies and local development groups. The authors find that the political bodies have acted somewhat differently towards local development initiatives in the two districts. According to the study, this has contributed to differences in the number of development groups and to differences in the social capital of the local culture, leisure and service environments. There are, however, few examples of the social capital stock in these environments spilling over into changes in production environments, in the form of attitudes to entrepreneurship or risk-taking, for example. The study supports the view that private and public actors can change local social capital. Local organizations who act as intermediate nodes between the local groups and the political bodies seem to be of particular importance. However, according to the authors, the results suggest that changing local social capital is a long-term mission that demands sustainable work.

## **Danish and Dutch farmer groups as agents in landscape management**

The article by *Anne Gravsholt Busck* focuses on the potentials of farmer groups as agents in “bottom-up” approaches to landscape management. Public regulation of farmers’ practice is most often aimed at the individual farmer, and linked to national and international policies and priorities. However, the very nature of landscape management underpins the relevance of farmer groups as agents, because landscape issues such as preventing soil erosion or the provision of ecological corridors often require actions that extend across property boundaries. In order to optimise the achievements of individual farmers’ landscape practices, spatial co-ordination is essential. Two cases are presented: environmental co-operatives in the Netherlands and planting associations in Denmark. Focusing on organisational aspects, the analysis compares experiences gained in the two countries in order to achieve a differentiated understanding of the potential for and shortcomings of farmer groups as agents in co-operative landscape management. In addition, the relationships between emergence, organisation and achievement are pointed out. One of Gravsholt Busck’s conclusions is that the activities of the farmer groups need to achieve a professional and institutional profile if public authorities are to delegate decisional powers to such groups. Such delegation is an essential aspect of co-operative approaches. However, a high degree of delegation may have the drawback of public authorities losing interest in the activity of the farmer groups themselves. In addition, a professional organisation may fail to encourage a culture of active, committed involvement at a local scale as activities become characterised by routine.

## **An economic policy based on “bottom-up” and partnership approaches**

There are three contributions that highlight the possibilities of and potential problems with partnerships, where the roles of the municipalities and of businesses, as well as the gender aspect, all come into focus.

## **Partnerships in rural policy implementation**

The article by *Ella Mustakangas* and *Hilkka Vihinen* deals with the question of local partnership and its consequences for the implementation of rural policy in Finland, in contrast to corresponding Nordic developments since the EU membership in 1995. The new modes of governance correspond to changes in the Finnish Municipal Act and to regional administrative re-structuring, as well as to the regulation of partnership and the regional-national administration of EU structural funds. The empirical study was conducted in four rural municipalities in southern Finland. The study makes a profound contribution to our understanding of the situation of municipalities in the Nordic countries, with explicit

examples of changes in Finnish legislation on regional development and of the impact of the absence of a regional level in Finland. The authors highlight possible problems with partnerships in the rural areas as well as the preconditions for successful partnerships. In the last section of the article, the authors identify some critical partnership aspects as well as potentials based on the findings in their case studies. One such conclusion is that the legitimacy of the forms of new governance put in place in rural areas should be clarified and discussed more openly.

### **Where have all the women gone?**

The Swedish government have recently introduced a new element of industrial policy into a bill on regional policy. Swedish regions were invited to design and negotiate Regional Growth Agreements (RGAs) with the Ministry of Industry. “Where have all the women gone”, by *Ursula Hård*, describes and analyses the Regional Growth Agreements from a gender perspective. These agreements are regarded by the Swedish Government as the major instruments of what is referred to as “a new regional policy”. The empirical data is based on interviews with County Experts in Gender Equality and Regional Resource Centres for Women in Sweden’s 21 counties, conducted in the spring of the year 2000. There are two important conclusions. Firstly, that the different regions have not succeeded in integrating a gender equality perspective within the Regional Growth Agreements, despite the declared intentions and expectations of the Government. Secondly, even though one of the purposes with the notion of “a new regional policy” is to bring in as partners those groups and networks who previously have had little part and influence in regional development and growth issues, the different regions have scarcely succeeded in doing this.

### **Businesses as lead partners for growth in rural Sweden**

*Bo Svensson’s* chapter deals with the Regional Growth Agreements initiative from a rural development perspective. Two cases are presented where business interests have taken a strong role in rural development activities and eventually made their voice heard in the RGA process. Both cases show how discontent primarily with local governments and their treatment of local development issues of crucial importance to the survival of business triggered private actor engagement. It seems obvious that public activities did not satisfy business interests in the regions and necessitated their initiatives. While research on rural mobilisation usually pays attention to, and registers the important role of voluntary organisations in filling the initiative vacuum, business took responsibility in the two cases presented here. When in motion, however, public bodies played important roles as supportive actors, but traditional planning processes were not possible in this rural development perspective. The limited involvement of voluntary organisa-

tions should be understood as an expression of their marginalisation in issues relating to economic growth, where leading actors in the partnerships did not consider them key actors in this context.

## Business and market development

Finally, we have four contributions that focus on the conditions for business development in rural areas.

### **Rural sustainability through “portfolio farming” – Finnish experiences**

One important component part of the European Union’s rural policy is the number of measures enabling agricultural enterprises to start up businesses in other branches. But how successful are the farmers that diversify their production compared with traditional farmers? This question is discussed in the article by *Kari Mikko Vesala* and *Juuso Peura*, where they compare Finnish farmers running other business besides farming (portfolio farmers) with conventional farmers and rural non-farm small business entrepreneurs. Their results suggests that portfolio farmers experience more personal control over the success of their business than do conventional farmers, and that this experience is connected to the competitiveness and profitability of the firm as well as to the social relations in the entrepreneur’s working environment. In particular it seems that customer relation seem to be crucial in this respect. Concerning the variables studied, the portfolio farmers were more similar to the rural non-farm entrepreneurs than the traditional farmers. The authors’ conclusion is that their results underline the importance of social relations, or social networks in general, for business performance.

### **Use of IT in small firms’ networking**

*Karl W Sandberg* investigates the use of information technology and networks in small enterprises in one particular rural area. The point of departure is that information technology provides an opportunity for small enterprises to improve their competitiveness. The author argues that networks are becoming important as a means of describing the linkages between small enterprises in rural areas. The study has taken the form of semi-structured interviews with leaders of 60 small enterprises in a rural area of Northern Sweden. By proposing an interactive approach to the research in the future through combining participant observation with the interviews, with each part of the research essentially building upon what has been learned at a previous stage, the concept can be continuously refined and developed allowing an even greater understanding of networking in small enterprises to be attained. The goal of such practices in the framework of an interactive research approach should, according to the author, be to investigate and

develop networks between small firms, with special support for female entrepreneurship in rural areas.

### **Entrepreneurs in transaction with the social economy in rural Sweden**

How do small enterprises emerge and prosper in general, and particularly how do they do so in the social economy? This is the basic question dealt with in *Jörgen Lithander's* chapter. His case study includes six job-creating processes in rural Sweden. The study revealed a number of common features within the enterprises and organisations concerned. First, in all the cases he found a propensity towards unpaid, voluntary work. Secondly, most were very interested in the future of their local surroundings and therefore considered local development to be an important goal. In fact, in two of the cases they even stated this interest as the main reason for starting the business. A further issue dealt with in the article relates to the need for a positive view of co-operation. Interviewees stressed the importance of not being left alone during the start-up process. Eventually as they run into problems they feel that they can handle them more easily within a team as opposed to being on their own. Interviewees moreover reported that they helped, or wished to help, others during their start-up process by using their own experience. They also expressed a wish to meet other entrepreneurs and to use them as sounding boards. The interest in environmental issues is another point worthy of note; four of the six had an explicit environmental policy. Finally, we should also consider points related to the entrepreneur's unfamiliarity with being an employer rather than an employee. This suggests a need for education in personnel administration, legislation, etc.

### **Focussing on transitional labour markets in rural Sweden**

The *transitional* characteristics – i.e. from education to work, from care to work, from unemployment to work, etc – of the labour market are becoming more transparent. There are theories explaining the nature and scope of such “transitional” behaviour exhibited by the current labour force, stressing, life chances or career options in different places. *Lars Olof Persson* argues that with specific regard to the Nordic countries, the dysfunctions of the many small labour markets in depopulating regions are in particularly worrisome. The likelihood of good transitions occurring in these regions are extremely limited and decreasing over time, in spite of the large input of labour market, social and structural policies. As such, this suggests the need for a “Northern dimension” to be given to the European policy for full employment and for extraordinary attention to be given to this problem. For large parts of the northernmost territories that are sparsely populated, it is questionable whether they will ever provide functional markets for labour. Already today, they are dominated by a secondary labour market, based on publicly subsidized employment. The aging population in these



regions demand services from the shrinking local labour force. The author thus poses the pessimistic rhetorical question: How can we formulate a policy for “making transitions pay” in these northernmost parts of the European space? His answer is that there exists a wide range of policy measures relevant to influence flows to and from employment in the transitional labour market in general. The better coordination of measures, and more flexibility in their implementation is however desirable as regards labour market policy, structural funding policy, and social and health policy, as well as in education and the study support system.

