

# Rural Development in a Global Countryside



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# Lecture Outline

1. Myths about globalization and the countryside
2. Globalization impacts on rural regions
3. Regional responses to globalization
4. Factors influencing rural regional responses
5. LEADER and rural development in a global countryside

# The Challenge of Globalization

“globalization is seen to touch every walk of life – opening doors, creating opportunities, raising apprehensions ... our response to globalization has moved to the heart of the EU policy agenda.”

Commission of the European Communities (2007)

# Globalization

“a multidimensional set of social processes that create, multiply, stretch and intensify worldwide social [and economic] interdependencies and exchanges while at the same time fostering in people a growing awareness of deepening connections between the local and the distant”

Steger (2003), *Globalization: A Very Short Introduction*, p. 13

- *multiplication* of social and economic networks that transcend traditional borders;
- *stretching* of social and economic relations, activities and interdependencies over increasing distances;
- *intensification* and *acceleration* of exchanges that are made across expanding distances in ever-less time and with increasing frequency;
- development of a *global consciousness*.

# Globalization Myths

- **The optimist's myth:** Globalization has produced a level playing field that has eradicated geographical differences and disadvantages, enabling rural regions to compete with cities for investment
- **The fatalist's myth:** Rural areas are the victims of globalization, they cannot compete with cities or regions in the developing world and are seeing their economies and cultures crushed by the unstoppable force of globalization – and there is nothing that they can do about it.

# Challenging the Myths

- Both positions are too simplistic in their imaginings of both globalization *and* rural areas
- Both positions see globalization as something that *happens to* rural areas
- Both positions represent rural areas as largely static and isolated in character

# Challenging the Myths

- Globalization is reproduced through localities
- Local actors are involved in mediating, resisting and facilitating globalization processes
- Globalization is pervasive but its impacts are not the same everywhere
- Globalization does not produce an homogenous world, but creates new patterns of uneven development

# The Global Countryside

“Through these entanglements, intersections and entrapments, the experience of globalization changes rural places, but it never eradicates the local. Rather, the networks, flows and actors introduced by globalization processes fuse and combine with extant local entities to produce new hybrid formations. In this way, places in the emergent global countryside retain their local distinctiveness, but they are also different to *how they were before.*”

(Michael Woods, 2007, in *Progress in Human Geography*)

# Globalization and Rural Development

- How are globalization processes reshaping opportunities for rural development?
- What challenges arise for rural development from globalization?
- What difference can regional development policies and grassroots initiatives make in responding to globalization?

# DERREG



- ‘Developing Europe’s Rural Regions in the Era of Globalization’
- EU Framework Programme 7
- January 2009 – December 2011
- Consortium of 9 universities & research centres in 6 countries led by Aberystwyth University
- [www.derreg.eu](http://www.derreg.eu)



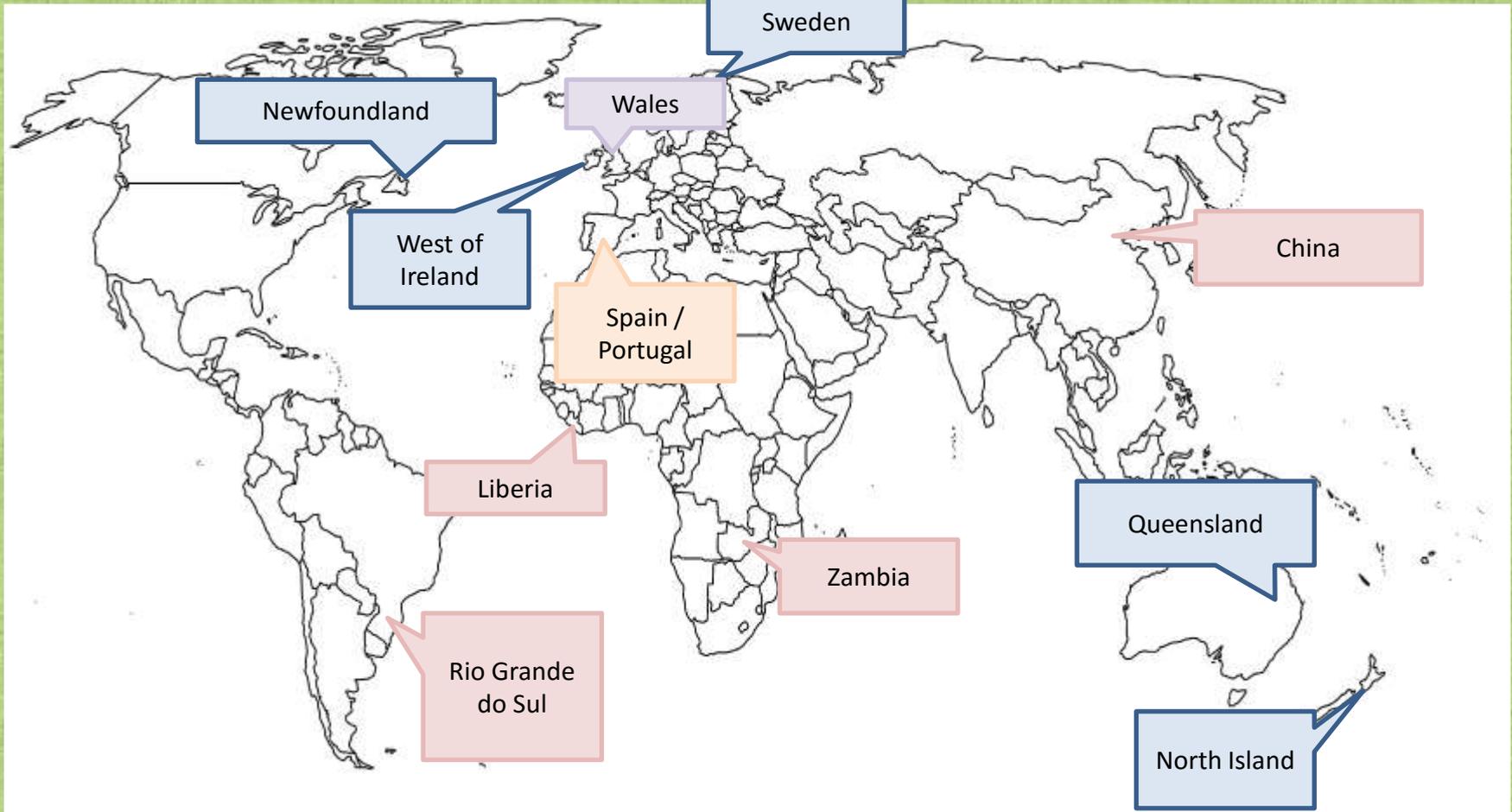
# Case Study Regions

1. Oevre Norrland, Sweden
2. West region (Roscommon), Ireland
3. Alytus, Lithuania
4. Comarca de Verín, Spain
5. Goriška, Slovenia
6. Pomurska, Slovenia
7. Jihomoravský kraj, Czech Republic
8. Westerkwartier, the Netherlands
9. Regierungsbezirk Dresden, Germany
10. Saarland, Germany



# GLOBAL-RURAL project

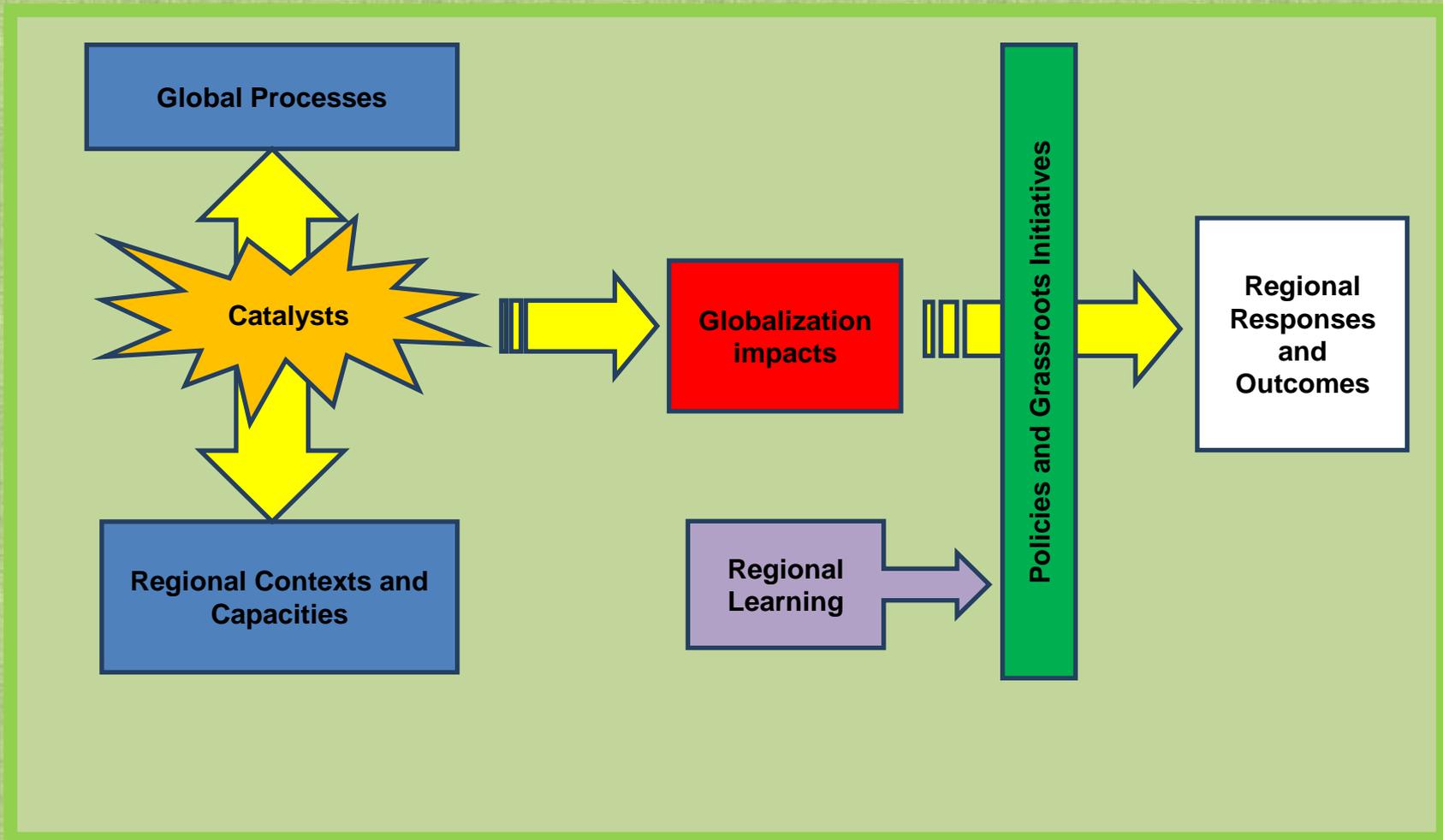
European Research Council  
Advanced Grant



 @globalrural

[www.globalruralproject.wordpress.com](http://www.globalruralproject.wordpress.com)

# An interpretative model



# Globalization processes

## **Market Liberalization**

- Increased competition in domestic markets from dismantling of trade controls
- New opportunities to grow export markets
- Footloose strategies by industries seeking cost efficiencies
- FDI in sites of low cost entry to European market

## **Network Extension and Intensification**

- Stretching & reconfiguration of global commodity chains
- International networking valued by rural firms
- Increased vulnerability to external events

# Globalization processes

## **Intensification of International Mobility**

- Global tourism
- International labour migration
- Amenity migration
- Cross-border commuting
  
- Extended transnational social networks
- Patterns of return migration and repeat emigration

# Globalization processes

## **Global Consciousness**

- Greater awareness of international inter-dependencies and global perspectives
- Global values and standards
- Transnational campaigning
- Challenge to established rural traditions and activities
- Opportunities for sustainable development

## **Acceleration of Information Flows**

- Instantaneous transmission of information around the world
- Information gradient between city and country eroded
- Benefits from better market intelligence
- Transnational cooperation and knowledge exchange

# Regional Contexts & Capacities

## **Geographical Location**

- New opportunities from liberalized borders
- Some borders still less permeable
- Continuing disadvantages of poor transport infrastructure
- Incentives for businesses in remote, less populated regions to develop international markets to overcome restricted local markets

## **Resources**

- Mineral resources and global resource boom
- Opportunities for developing niche products
- Cultural and environmental resources

# Regional Contexts & Capacities

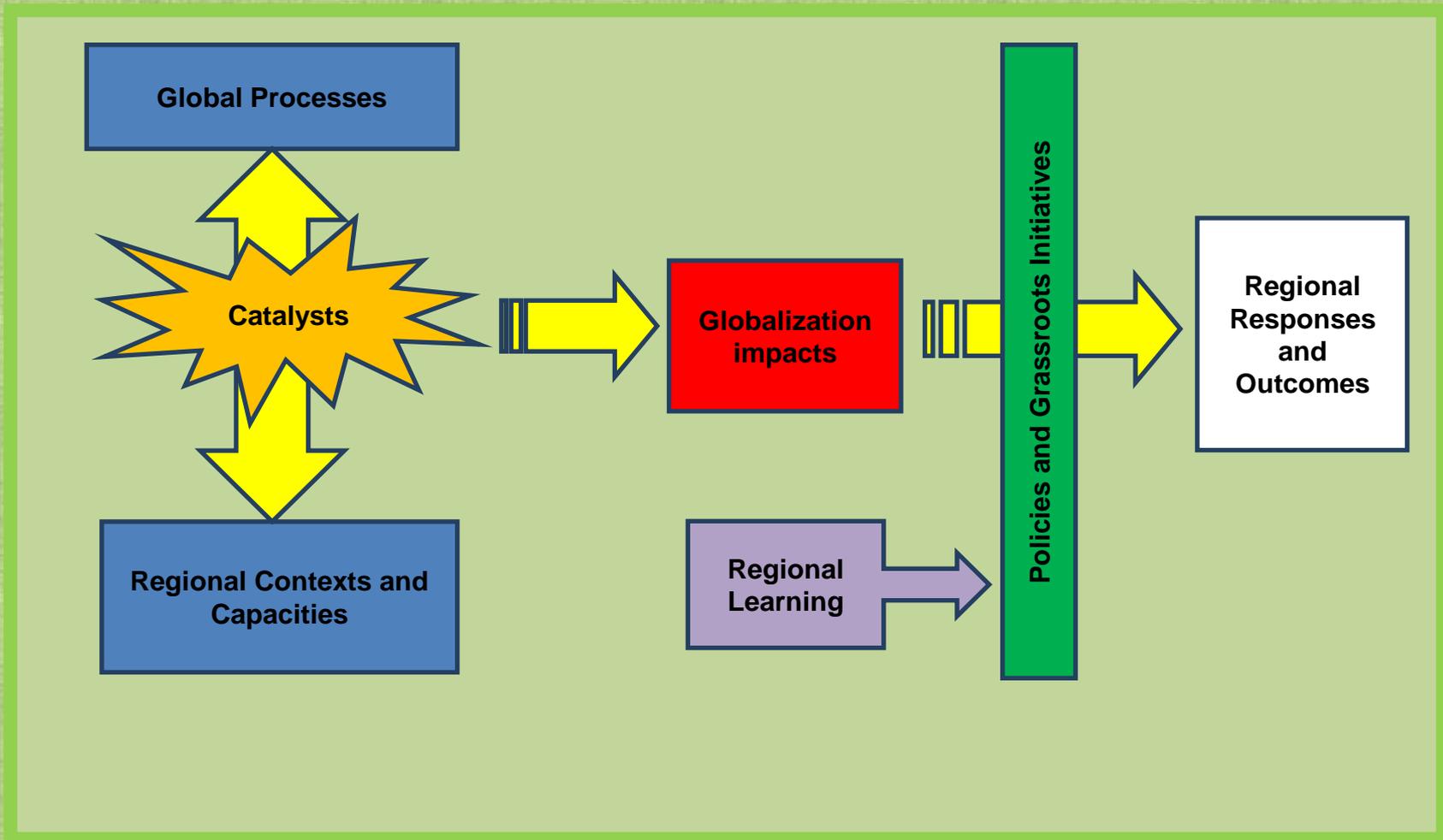
## **Political-Economic Context**

- Legacy of socialist central planning
- Differing ideological emphasis of policies in western Europe

## **Human Capital**

- Skilled workforces attracting foreign investment
- Migrant workers and return migrants attracted by skills gaps
- Mismatch of economic structure and skills base as a driver for out-migration

# An interpretative model



# Catalysts

## **Critical role of individuals**

- Entrepreneurs
- Social activists
- Corporate managers
- Tourism operators
- Individual actors who can bridge regional and international contexts

**Institutional catalysts including policies and strategies**

# Catalysts

## Events as catalysts

- Free trade agreements
- Accession to the European Union
- Political revolutions
- Economic recession stimulating SMEs to search for new markets

# Globalization Impacts

- FDI in branch plants
- Development of export markets and international networks
- Takeover of regional companies by TNCs
- Closure of factories due to relocation of production or corporate retrenchment
- Increased numbers of international tourists
- Purchase of properties by foreign buyers
- Out-migration to work abroad
- Influx of foreign migrant workers into some regions
- International return migration
- Designation of protected landscapes following international models
- Sustainable development initiatives responding to global environmental concerns

# Regional Responses

- These globalization impacts provide the context for rural regional development in the 21<sup>st</sup> century
- What is critical is how regions respond
- Regional development policies and the actions of public projects and grassroots initiatives have a critical role in shaping regional futures by assembling coherent responses to globalization impacts.
- Typology of regional responses

# Models of engaging the global economy

- Global resource providers
- Global farmlands
- Branch-plant economies
- Global playgrounds
- Niche innovators
- Trans-border networkers
- Global conservators
- Re-localisers
- Structurally marginalized regions

# Global resource providers

- Mineral and energy resources
- Benefited from global resources boom
- Oevre Norrland, Sweden
  - Iron ore, copper, gold
  - 90% of forest products exported (€570 million p.a.)
  - Anglo-American, Blackstone Nickel, Dragon Minerals etc
  - State-owned mining company LKAB (exports = 75% of sales)
  - Steel and paper industries



Kiruna, Northern Sweden

# Global farmlands

- Export-oriented food production
- Industrial, productivist agriculture
- Importance of Asian markets
  
- New Zealand
  - Always export-oriented, but found new markets after UK joined EEC
  - Growth of dairy sector in response to Chinese demand, also wine, fruit
  - Chinese companies building milk processing plants
  - International investment in land
  - Vulnerability to fluctuations in global markets (e.g. dairy)



Manawatu, New Zealand

# Branch-plant economies



- Inward investment by transnational firms as an established strategy for rural regional development
- West Region, Ireland
  - Ireland accounted for 7% of FDI in EU in 2009
  - Over 70 foreign-owned firms located in West Region
  - Employ over 14,000 people
  - Medical technology and electronics companies



Castlebar, Ireland

# Branch-plant economies



- Competitive advantage of Central & Eastern European states
- Low cost entry to EU
- Relocation within EU
  
- South Moravia, Czech Rep
  - €2.7 bn of FDI in rural districts, 2002-2006
- Pomurska, Slovenia
  - Carthago (German camper van manufacturer)



Boskovice,  
Czech Republic

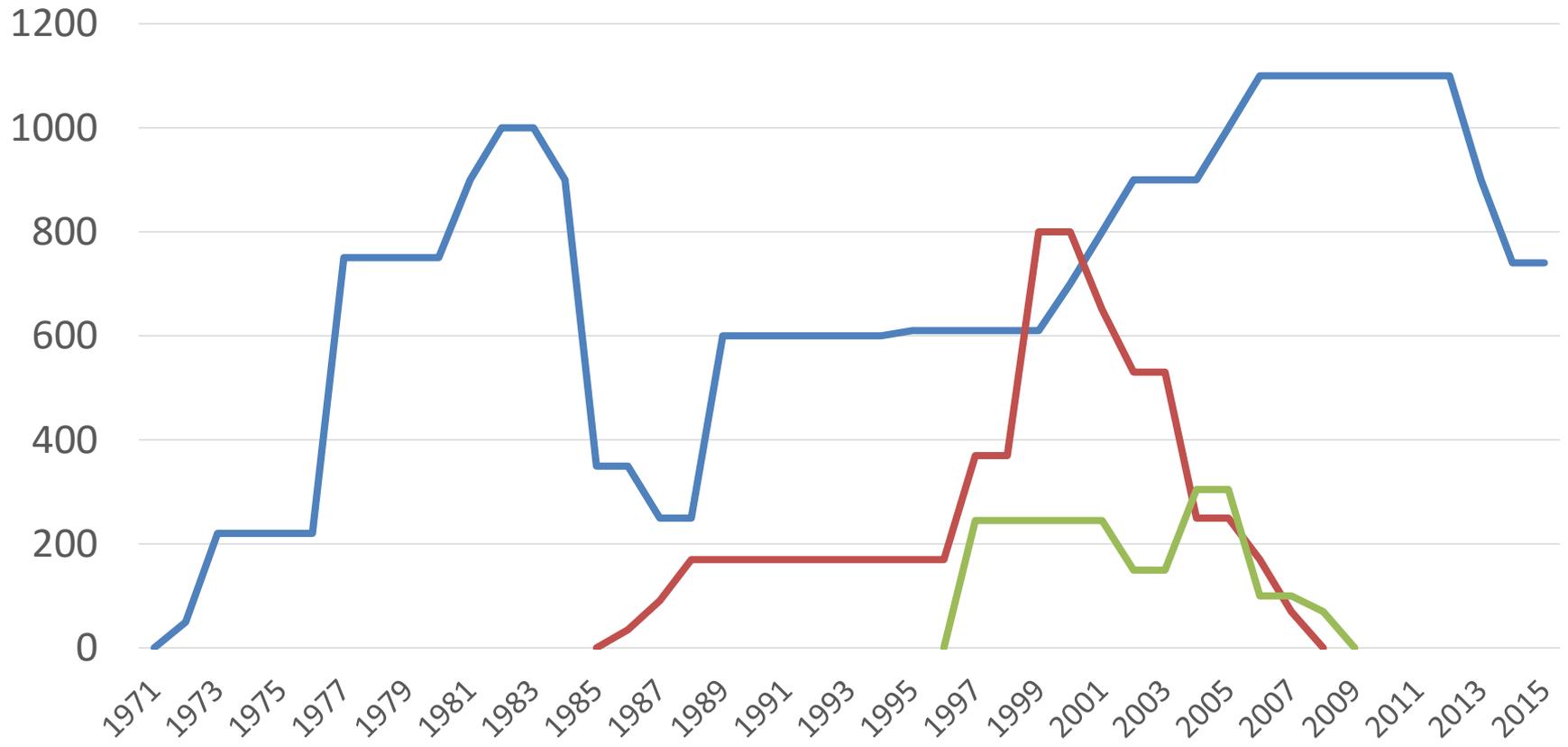
# Branch-plant economies

- Vulnerability of footloose economics
  - Relocation of traditional industries
  - Withdrawal of branch plants
- Pomurska, Slovenia
  - Takeover of MURA clothing plant
- Castlebar, Ireland
  - Branch plants closed or downsized (e.g. American Power Conversion, Volex, Baxter Travenol)



Murska Sobota, Slovenia

# Employment in Castlebar by Major Foreign Firms



- Baxter-Travenol (US)
- Cable Products (US)/Volex (UK)
- American Power Conversion (APC)(US)

# Global Playgrounds



- High amenity-value areas
- International tourism
- Transnational amenity migration
- Pomurska, Slovenia
  - British property-owners
  - Investment in local economy
  - Entrepreneurial activity



Pomurska,  
Slovenia

# Global Playgrounds



- Queenstown, New Zealand
  - ‘Adventure Capital of the World’
  - Tourism worth over NZ\$500m
  - Over 60% of tourists from outside NZ
  - International amenity migration
  - Over 20% of property owned by international purchaser
  - Tourism serviced by migrant workers
  - Local conflicts over scale of development and property prices



# Niche innovators

- Exporting goods based on endogenous resources to global niche markets
- Attracting visitors to niche events and attractions
- Oevre Norrland, Sweden
  - Niche exports, e.g. bread, berries, wood products
  - Kiruna ice hotel
  - Kiruna space centre



Kiruna space centre, Sweden

# Trans-border networkers

- Border regions with internationalization primarily focused on networks with neighbouring countries
- Subverting traditional core-periphery relations
- Goriska, Slovenia
  - Cross-border trading with Italy
  - Firms drawing on cross-border labour pool
  - Cross-border visitors to casinos



Goriska, Slovenia

# Trans-border networkers

- Border regions with internationalization primarily focused on networks with neighbouring countries
- Subverting traditional core-periphery relations
- Saarland, Germany
  - Residential mobility within Saar-Lor-Lux transnational labour market



Merzig-Wadern, Saarland

(Photo: W. Frys)

# Global Conservators

- International designations of natural protection and environmental conservation
- Provision of ecosystem services to global community
- Sites of contestation
  
- Saarland, Germany
  - Bliesgau UNESCO Biosphere area promoted as model for sustainable development
  - Opposed by farmers and hunters



Bliesgau  
UNESCO  
Biosphere,  
Saarland

# Re-localisers

- Re-action to globalization by re-constructing local value chains
  - Limitations of local resources
  - Potential to extend into niche export markets?
  - Part of a global movement?
- Comarca de Verin, Spain
  - Initiatives based on revalorizing local cattle breeds, chestnuts, and local carpentry



Vilardevos, Galicia, Spain

**Economic impact**

*Positive*

Resource providers

Trans-border networkers

Global playgrounds

Niche innovators

Global farmlands

Branch-plant economies

Relocalisers

**Vulnerability**

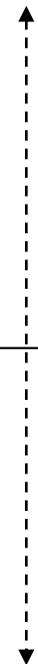
*Low*

Global conservators

*High*

*Negative*

Structurally marginalized



# Structurally Marginalized

- Limited international activity by local businesses
- Vulnerable to market and policy changes
- Exporter of labour
  
- Alytus, Lithuania
  - Limited international transactions by local firms
  - Little international investment
  - Out-migration of migrant workers
  - **But still potential for development**



Alytus, Lithuania

# Factors influencing negotiation of models of engagement

# 1. Government policies

- Industrial and fiscal policies
  - Tax incentives for investment
  - Currency
  - Privatization
- Spatial planning policies
  - ‘Business zones’ in Goriska, Slovenia
  - Westerkwartier, Netherlands
- Scale and responsiveness of governance
  - Regional government

## 2. Ambition

“The Swedish market is limited and considering all the raw material in the form of the large forests with exceptionally good quality that we have here, exporting has sort of been incorporated in the concept for a long time now.”

Business interviewee, Oevre Norrland

(Interview by Nordregio team)

### 3. Support for endogenous business

- Even firms with strong international activities still tend to rely on national and regional support networks
- Access to financial capital
  - Reinvestment within region
- Support for business development
  - Network brokers

# 4. International know-how

- Familiarity with international markets
- Experience of travelling and working abroad
- Language skills
  
- The Lithuanian problem
  - Limited knowledge of international markets
  - Different legal and fiscal systems
  - Limited experience of travel
  - Limited language skills (especially English)

## 4. International know-how

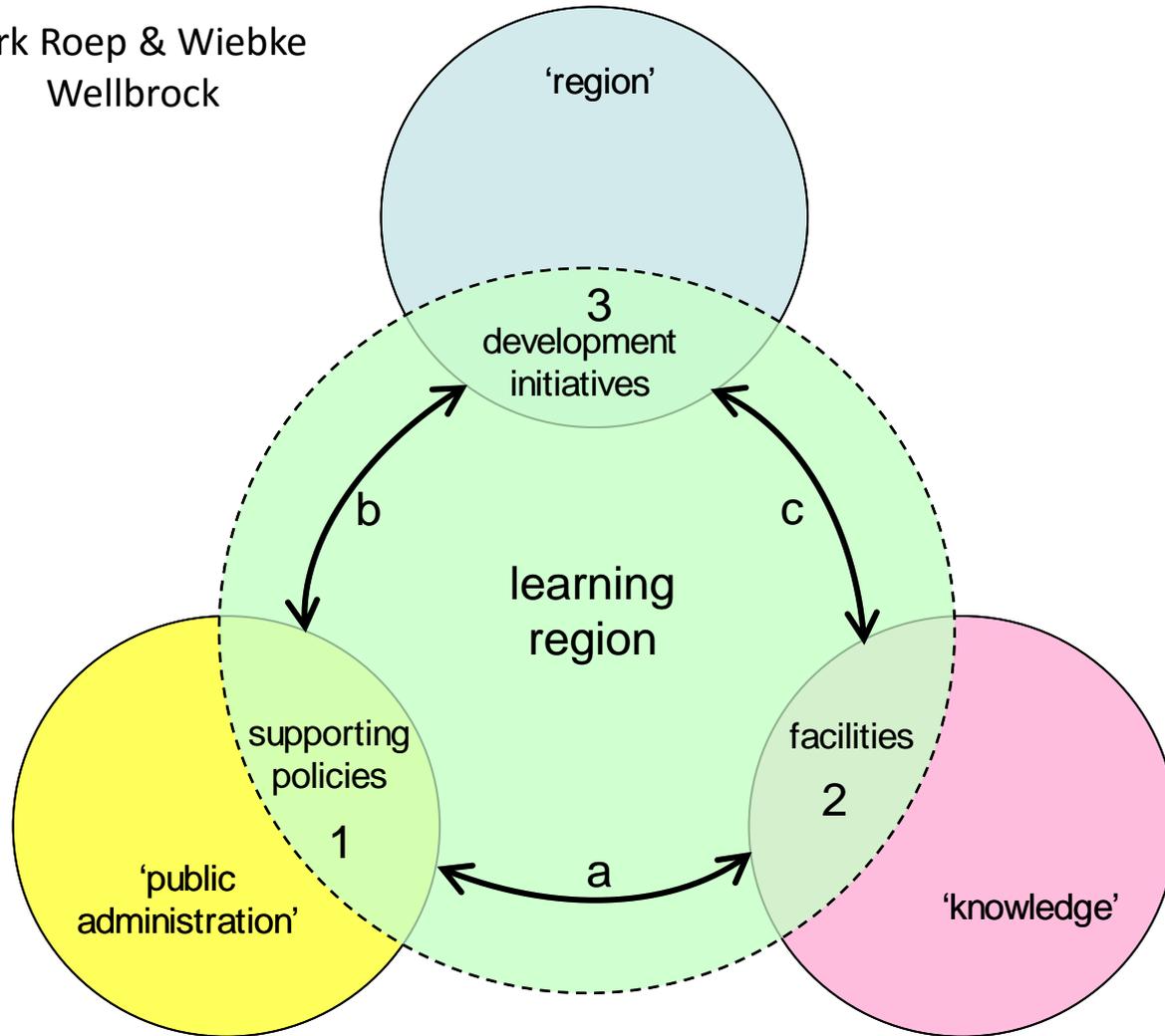
- Migrant communities can make a significant contribution in creating opportunities and building bridges
- Potential importance of return migrants
  - Ireland
  - Lithuania

# 5. Reflexivity

- Role for regional development actors in facilitating 'regional learning'
  - Reflection on regional strengths, resources and challenges
  - Learning new skills and capacities (or re-learning old skills)
  - Connecting knowledge actors and local actors

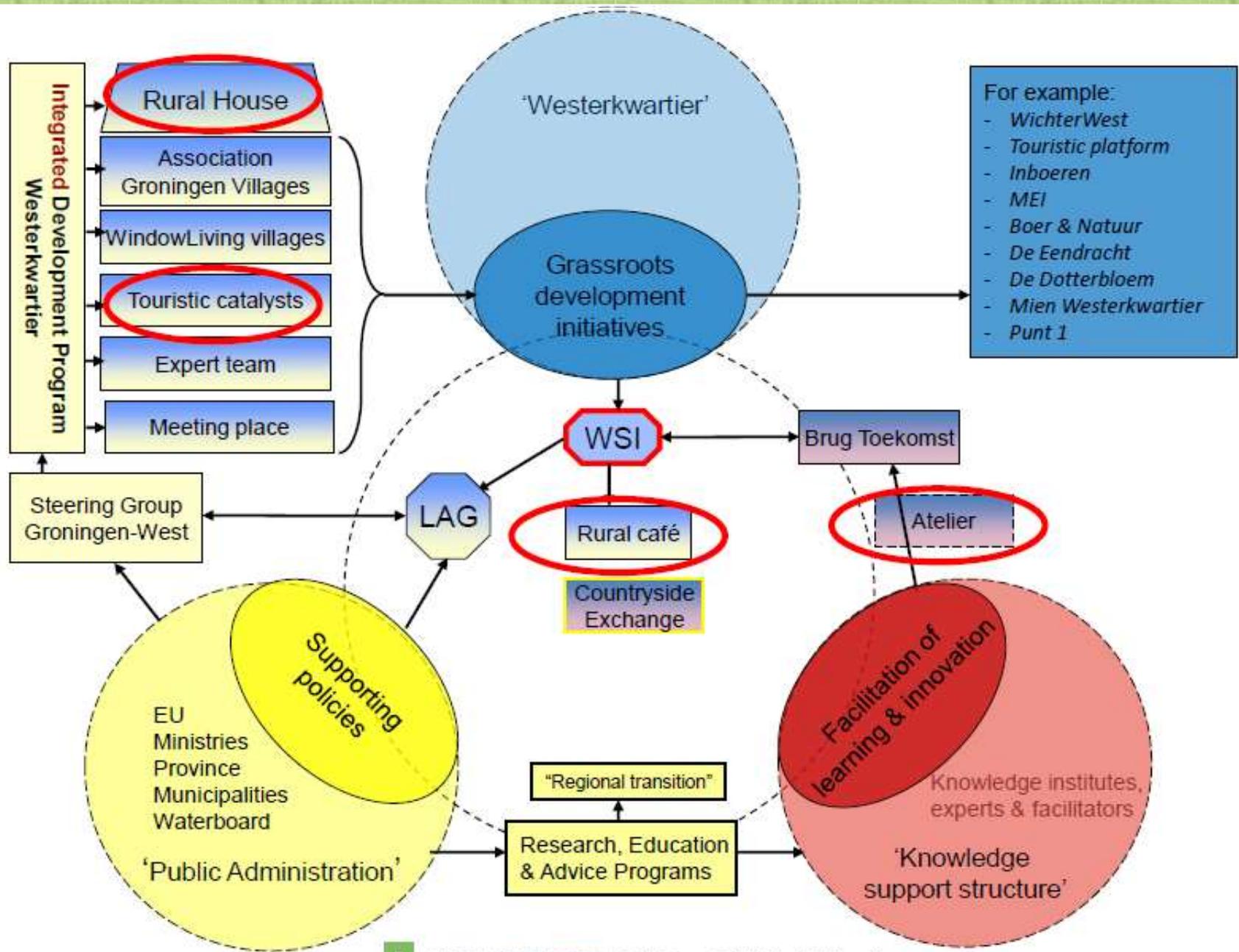
# Rural Learning Regions

Dirk Roep & Wiebke  
Wellbrock



# The Westerkwartier





# Brug Toekomst

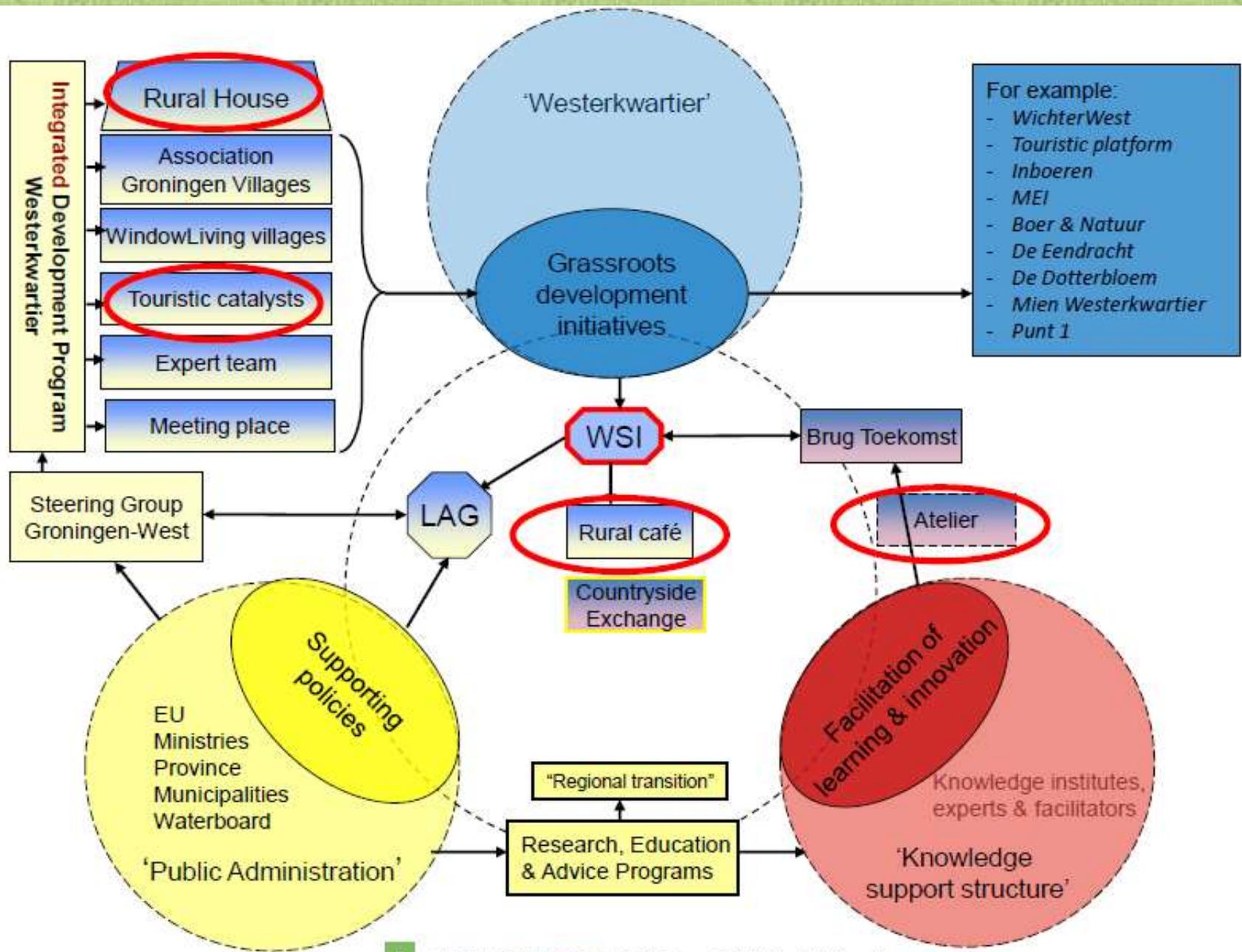
- 'Bridge to the Future'
- Collaboration with two universities
- Project work for students surveying local residents and working on ideas for rural development
- Started dialogue between farmers, foresters and residents, leading to formation of the Westerkwartier Initiative Group (WSI)



# Rural Cafes

- Events to facilitate informal exchange of ideas and networking between local residents, farmers, entrepreneurs and regional development agents
- Opportunities for people to present development projects and ideas
- Discussion around development issues
- Themed cafes bringing together people with shared interests





# LEADER

- The LEADER programme and Local Action Groups can play a key role in regional responses to globalization
- Facilitating regional learning
- Supporting initiatives, especially under the 'niche innovation' and 're-localization' models
- Conduits for transnational knowledge exchange and sharing
- Examples from DERREG Good Practice Database  
<http://www.derreg.eu/content/good-practice-database>

# Plattelandshuis

(Rural House)

- Westerkwartier, Netherlands
- Combined centre for LAG and other local groups and agencies with drop-in advice on funding for rural development initiatives
- Under 'Living Villages Window' scheme, experts located in the Plattelandshuis could make small awards of up to €10,000 for projects that contribute to the 'liveability' of villages



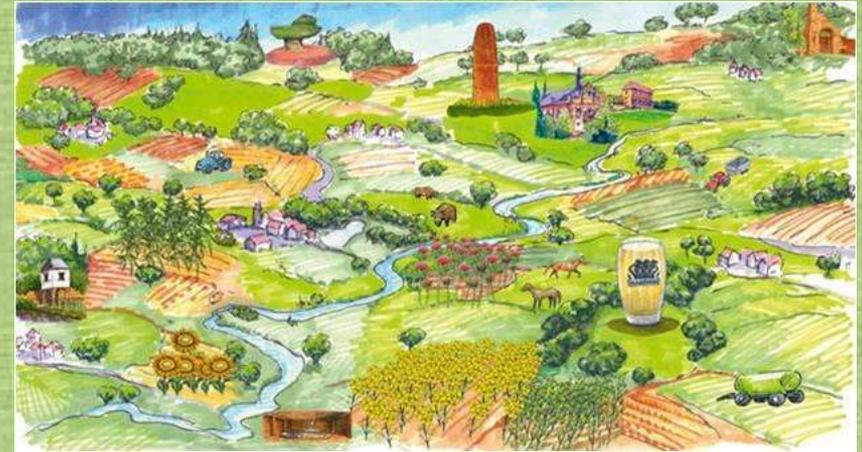
# Krabat

- Upper Lusatia, Germany
- Registered association funded through LEADER
- Supporting culture of Sorbian minority
- Registered 'Krabat' as a trademark to market regional produce and identify with Sorbian culture
- Organization of Sorbian festivals and cultural events
- <http://www.krabatregion.de/index.php?id=871>



# LAG Biosphärenreservat Bliesgau

- Saarland, Germany
- LEADER Local Action Group focused on UNESCO Bliesgau Biosphere
- Aims at sustainable development
- Uses international UNESCO designation as a selling point and brand
- Promoting regional produce
- <http://www.biosphaere-bliesgau.eu/index.php/fr/lag>



# Kupujmo Goriska

(Let's buy Goriska)

- Goriska, Slovenia
- Initiative funded under LEADER
- Promoting regional produce
- Providing infrastructure for local producers to process, market and sell products locally and in Ljubljana



# Globalization and Rural Europe – The Future

- Globalization is not something detached and distant from the rural regions of Europe
- Regional actors are participants in the reproduction of global networks through rural regions
- Regional development policies and grassroots initiatives can consequently shape regional responses to globalization
- Developing effective responses to globalization involves reflection and learning, with the successful harnessing of lay and expert knowledge, and the facilitation of entrepreneurship and grassroots action.
- With appropriate policy support, Europe's rural regions can engage globalization from the bottom-up, and can have an influence in shaping their own futures

# For More Information



## **DERREG website**

- [www.derreg.eu](http://www.derreg.eu)
- Good Practice Database
- Films of good practice from each of the case study regions
- Resource centre
- Working papers and publications



## **GLOBAL-RURAL website**

- [www.globalruralproject.wordpress.com](http://www.globalruralproject.wordpress.com)
- Blog
- Presentations and publications
- Twitter: @globalrural