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Understanding European Regional Diversity - Lessons learned from Case Studies

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Understanding European Regional Diversity

– Lessons learned from Case Studies



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List of Abbreviations

CAP	–	Common Agricultural Policy
CORINE	–	Coordination of Information on the Environment
EAFG	–	European Agricultural Fund for Guarantee
EARDF	–	European Agricultural Fund for Rural Development
ERDF	–	European Regional Development Fund
ESF	–	European Social Fund
ESPON	–	European Observation Network for Territorial Development and Cohesion
ETUDE	–	Enlarging the Theoretical Understanding of Rural Development
EUROSTAT	–	Statistical Office of the European Union
LAG	–	Local Action Group
LAU	–	Local Administrative Unit (formerly covered by NUTS level 4 and level 5)
Leader	–	A method to support projects that contribute to achieving goals of the EARFD (Liaison entre actions de développement de l'économie rurale)
Natura 2000	–	Network of sites protected by the European Habitats Directive or Birds Directive
NUTS	–	Nomenclatur of territorial units for statistics (system set up by EUROSTAT as a system for dividing up the EU's territory in order to produce regional statistics)
OECD	–	Organisation for Economic Co-operation and Development

1. Introduction, motivating the research

There are great economic and social imbalances between European regions, particularly between rural and urban areas. Rural areas often lag behind the national growth rates and also share a number of problems as outmigration, loss of young and better-educated people and shrinking public service. But data on the performance of rural regions display great disparities and it is therefore important to underline that 'rural' is not necessarily synonymous with decline (OECD 2006:12). Over half of the population in the EU Member states live in rural areas, which cover 90 per cent of the territory (EC 2011). It is therefore a necessity that all types of regions can respond to economic, social and environmental changes and that the EU has to stimulate, smart, sustainable and inclusive growth also in rural areas (EC 2010a).

Development in rural regions is of central concern for the RUFUS (Rural Future Networks) project. The project was developed as a response to the questions raised in the EC's FP 7 call concerning *Regional, territorial and social cohesion*, where the objective is to meet the challenges facing regional development and the effectiveness of policy in addressing them. The work in the project specially addresses topic 2.2.2 concerning *the impact of Common Agricultural Policy (CAP) reforms on Europe's rural economies* (EC 2007). This report summarizes the results of the regional case studies made within the project.

There are three processes in the European discourse on regional, specifically regional rural, development that shape the basis for the project's approach to the questions above. These discursive political processes which will be discussed in the following are:

- a) the increasing belief in a territorial, or place-based, approach to regional development in general (the territorial turn);
- b) the inclusion of genuinely rural regions in the place-based development approach;
- c) the strong promotion, of cooperation and integration of sectoral policies as a strategy for development and cohesion in the EU.

1.1. The territorial turn of cohesion policy

There is a marked "territorial turn" in the European discourse concerning regional development and cohesion. At the core of this approach is the belief that successful social and economic development grows out of specific territorial assets. This paradigm has evolved over the last decades in academic research *and* in policy making. It was initiated by the decline in the industrial economy the 1980's. In order to cope with European industrial restructuring it was essential to understand why firms in certain regions could be more innovative and successful than in others. The industrial performance of specific regions have been scrutinised by several academic disciplines in order to understand their economic success. The idea put forward in the vast literature, is that economic behaviour and practices are embedded in a path dependent dynamic and culture of a region. The important message is that failure and success seem to have a territorial or place-based dimension. (E.g. Brusco 1986, Lundvall 1992, Putnam 1993, Saxenian 1994, Storper 1997, OECD 2001b, Florida 2002.)

Regional innovation theory underlines the role of policy and public institutions in support of economic change and innovation. Theories ascribing success to place-based factors like industrial traditions, local competition, local know-how and networks are therefore highly relevant for policy-makers. For politicians, administrators and industrialists

these theories provide a framework to understand what constitutes regional advantages but also how these advantages could be supported by investment and political measures. As a result there has been a general resurgence in the responsibilities ascribed to the regional level.

Regions have long been an important entity in the EU; also their role in enhancing economic progress has been central. But lately the importance ascribed to the regions' territorially based assets as triggers of development has taken new and more explicit expressions. The importance of endogenous growth has expanded to include not only industrial development but regional development in general. The localised perspective of development has become the core of '*the new regional paradigm*'. In a couple of high impact documents the importance of place-based regional development is established – *The Territorial Agenda of the EU* (2007) and *The Barca Report* (2009).

In 2007 a Territorial Agenda of the EU was agreed on by EU Ministers responsible for spatial development and planning (EU Ministers 2007). The Agenda which has the subtitle *Towards a More Competitive and Sustainable Europe of Diverse Regions* is a policy paper with the aim to mobilize under-utilised possibilities in European regions and cities to generate new growth. Where regions used to be seen as having *disparities*, understood as inequalities, they are now looked upon as regions with *diversities*, indicating a potential for change and development. The crucial message is that the territorial diversity of the EU is a vital asset that can contribute to a sustainable development of the EU as whole. This is basically the same logic as in classical economic theory about specialisation and competitive advantages, which in a free market will benefit all partners. What is new is the idea that it is not only competition but also increased coordination and better integration of spatial development that might help to achieve a sustainable development for all. Cohesion policy should be made "more flexible, more capable of adapting to the most appropriate territorial scale, more responsive to local preferences and needs and better coordinated with other policies" (EC 2008a: 4).

The publication of the Territorial Agenda and the Green Paper on Territorial Cohesion (EC 2008a) can be seen as a final acceptance that the EU needs a territorial cohesion policy (Faludi 2007). There is certainly no clear and politically agreed definition of the objective of territorial cohesion (Faloudi 2007, Mirwalt et al. 2008), but it is widely acknowledged as a multi-dimensional concept with at least three main components: territorial *quality* (comparable living standards across territories), territorial *efficiency* (with respect to land, resources and economy), territorial *identity* (presence of social capital which translates into competitive advantages) (Dühr et al. 2010:188-190).

Subsequent to the Territorial Agenda and within the same line of reasoning the Commissioner for Regional Policy initiated the making of a report to discuss the future role of cohesion policy. This report, which has become known as the Barca Report (2009) contains an assessment of the effectiveness of the present cohesion policy and proposes how to reform the policy after 2013. The territorial, or place-based, approach to regional development is stated already in the title: *An agenda for a reformed cohesion policy – A place-based approach to meeting European Union challenges and expectations*.

As the EC does not have a formal right of initiative in European wide planning, the issue of a European spatial planning policy is challenging. The Territorial Agenda is a result of a political balancing act performed by the Member States' ministers of planning. The Barca

Report was initiated by the Directorate General for Regional Policy, but *not* given the status of an official Communication. To take the ideas a step further DG Regional Policy launched a public debate on territorial cohesion by issuing a Green paper *The Way Forward* promoting the ideas put forward by the Territorial Agenda. The goal was “to come to a shared understanding of territorial cohesion and its implications for policy”.

The outcome was quite disappointing. Even though close to 400 contributions were received the question of what territorial cohesion is, remained unanswered. A report on the consultation has not appeared and the short summary on the DG Regio home page concludes by saying that: “Interestingly, we do not yet have any operational conclusion on this central issue” and continues to state what it is not: “it is *not* about changing the fundamentals of Cohesion Policy which remains a development policy with its emphasis on enabling and *not* on compensating” and “it certainly does *not* mean automatic compensation based on particular geographic situations” (author’s italics). Although there is no agreement on what territorial cohesion is, it is nevertheless declared that “the territorial dimension needs to be reinforced at all levels and at all stages in policy design and implementation” (EC, DG Regional Policy, Sept 2010b).

1.2. A place-based approach to rural development

Over several decades extensive social, economic and political changes have altered the conditions for farming, which gradually is shaping a new understanding of the agricultural sector’s role in rural regions. Dramatic reduction in farm employment and the agricultural production’s share of GDP have made evident that both farmers and the rural regions now depend on a wider range of economic activities in order to ensure growth. With the reformed CAP in late 1990s and the Agenda 2000 there was a new way of thinking concerning rural development introduced in the EC, towards supporting the broader rural economy and not only agriculture production.

Although rural development is still firmly attached to agricultural functions and the major part of economic subsidies to rural regions is still allocated to farmers and farmland, it is recognised that agriculture-based policies are not as such able to trigger off growth in a variety of regional potentials. A broader approach towards development in rural regions is needed. The localised perspective of development has also become the core of ‘*the new rural paradigm*’ where it is strongly argued that a shift in rural development policies requires governance, which focus on regions rather than sectors and emphasise investments rather than subsidies (OECD 2006:3). The multi-disciplinary nature of regional development calls for comprehensive analytic frameworks to analyse and evaluate multi-sectoral, place-based approaches for rural development. The new approach has become manifest in the CAP reform where expenditure for direct payments for farm support has made an, indeed minor, but decrease in favour of support to more general development under the Rural development program 2007-2013.

When rural development is included into the place-based approach, the endogenous potential is often sought for in the natural assets of the rural regions. But it can be questioned to what extent a genuinely rural perspective will be incorporated in a cohesion policy based on the evasive concepts of the territorial agenda. In spite of the consultation’s aim to create a shared understanding of the way forward for EU cohesion the Green paper documents a rather marked urban bias in the way it unfolds the analysis of regional

differences. The following lines are the only ones directly addressing the situation of rural areas - describing them primarily as a pleasant residual of urban Europe.

Although most economic activity is concentrated in towns and cities, rural areas remain an essential part of the EU. They are the location of most of the natural resources and natural areas (lakes, forests, Natura 2000 sites, etc.) ...have good air quality ...and are often attractive and safe places to live or visit. (EC 2008a:6).

1.3. Cooperation and integration of sectoral policy areas

In the Commissioner's invitation to participate in the consultation two issues are underlined – the place-based approach *and* the need for new integrated methods to coordinate policy.

An integrated place-based approach pursued by Cohesion Policy is ideally suited to respond to complex and strongly embedded issues, such as regional development but in order to maximise synergies better co-ordination with sectoral policies is necessary. Territorial cohesion also stresses the added value of partnership with a strong local dimension, which ensures that policies are designed and implemented with local knowledge". (EC, DG Regional Policy 2010b)

This is a single quotation but a number of recent policy strategies already put into practice at the EU level explicitly demand integrative ways of working like the strategy for better regulation, gender equality, environmental sustainability and impact assessment (Bäcklund 2009). Increasing attention is therefore given to the management of integration and "policy coherence" between different EU policies, both within the EU (EC 2001a,b) and in academic research (Kassim & Le Galès 2010, Schout & Jordan 2008, Schout et.al. 2010). Better management of the impacts of EU policies has also been identified as a key issue in relation to the future spatial development of the EU (ESPON 2006, Schout & Jordan 2007). In several cornerstone documents, like the European Spatial Development Perspective (ESDP) from 1999 (EC, 1999) and the Territorial Agenda of 2007 integration of territorial concerns into sectoral policies are prioritized.

But as the EU has limited capacity for central steering of sectoral policies the process can only be steered by 'open methods of coordination' i.e. instruments like objectives, guidelines and reporting mechanisms which encourage cooperation (Schout & Jordan 2007). Networks play an important role in many of these instruments based on learning and cooperation (Bache 2010). Schout and Jordan argue that at the EU level too limited attention is paid to the administrative requirements of new instruments relating to integration of territorial and other policies (2007, 2008).

2. Aim of the Study and Research Questions

Extensive social, economic and political changes have altered the conditions for farming, which gradually is shaping a new understanding of the agricultural sector's role in rural regions. It is made evident that both farmers and the rural regions now depend on a wider range of economic activities in order to ensure growth. Although rural development is still

firmly attached to agricultural functions and the major part of economic subsidies to rural regions is still allocated to farmers and farmland, it is recognised that agriculture-based policies are not as such able to trigger off growth in a variety of regional potentials.

A broader approach towards development in rural regions has therefore become visible in European policy making. The multi-disciplinary nature of regional development calls for comprehensive analytic frameworks to analyse and evaluate multi-sectoral, place-based approaches for rural development (EC 2009, OECD 2006).

The RUFUS project departs from the insight that new approaches are needed to direct support in rural regions. The different development dynamic and endogenous potentials of regions have to be addressed. Coordinated approaches are then needed, which address the impacts of different sectoral policies on rural territories, encompassing coordination across sectors, between levels of governance and across boundaries of jurisdictions. The general objectives of the project are:

- to report on the status of integration of the CAP with other sectoral policy regimes (e.g. agriculture, environment, cohesion policy, social welfare)
- to provide development trajectories by help of visualizations for some case regions
- to indicate in which way policy structures hinder or improve the development of endogenous potential of territorial capital

To explain how the interplay of the CAP and other sectoral policies supports or come into conflict with different types of rural development are complex and open-ended questions with a number of possible outcomes and therefore suited for a qualitative case study approach. Thus, case studies in 12 rural regions were conducted in order to:

- learn how policy makers in the case regions share understandings about their regions and its potential for development – and through this, their understanding of how possible futures could be developed;
- explain how varying approaches and mechanisms are used in the regions to coordinate sector policy impacts and with what perceived success;
- understand what preconditions (internal and external) support or hinder the goal of policy integration.

3. EU funding for rural development

The European Common Agricultural Policy (CAP) rests upon two pillars – the 1st pillar concentrating on the provision of income support to farmers, while the 2nd pillar “supports agriculture as a provider of public goods in its environmental and rural functions, and rural areas in their development.” (EC 2006b:5) The financial means for the 1st pillar are provided by the European Agricultural Fund for Guarantee (EAFG). Measures and programs belonging to the 2nd pillar are financially supported by the European Agricultural Fund for Rural Development (EAFRD) (ibid: 18). The direct payments to farms within the 1st pillar account for the majority of the CAP budget. However, the reforms of the CAP of June 2003 and April 2004 strengthened the role of the 2nd pillar and the support for a general rural development.

Additional to the EAFRD the two Structural Funds – the European Regional Development Fund (ERDF) and the European Social Fund (ESF) – are other possible financial sources supporting measures and initiatives linked to rural development. These funds are aiming to bridge gaps between organizational levels and between different sectors as well as to increase the engagement of stakeholders in the development of the regional future. Establishment of partnerships and the development of joint programs across policy sectors are therefore essential features of the organisational set up of the funds (EC Council Regulations 2005a, 2006a).

3.1. The European Agricultural Fund for Rural Development

With the European Rural Development Policy (2nd pillar) a wider scope of activities in rural areas is supported. By complementing national, regional and local actions the RDP aims at improving the competitiveness of agriculture and forestry, the environment and the quality of life in rural areas (EC 2006a: 7). Member States should draw up a national *Rural Development Plan* in line with the strategic guidelines adopted by the Community. These plans covering the period 2007 - 2013 should include:

- an assessment of the social, economic and environmental situation and the potential for development;
- the strategy chosen for joint action by the Community and the Member State, in line with the Community strategic guidelines;
- the thematic and territorial priorities;
- a list of the rural development program implementing the national strategy plan and indicative EAFRD allocation for each program;
- the means to ensure coordination with the other common agricultural policy instruments, if appropriate, the budget for achieving the Convergence Objective;

The implementation of the national strategic plans is carried out by measures grouped around four axes (EC 2006a:7)

- Axis 1 improving the competitiveness of the agricultural and forestry sector
- Axis 2 improving the environment and the countryside;
- Axis 3 quality of life in rural areas and diversification of the rural economy;
- Axis 4 Leader

Under the principle of shared management between the Commission and the Member States, the Member States must for each rural development program appoint: a management authority, a paying agency and a certification body. Member States must also set up monitoring committees to ensure that the programs are implemented effectively and send annual implementation reports to the Commission.

3.2. The European Structural Funds

Funding from the European Regional Development Fund (ERDF) and the European Social Fund (ESF) comes in the form of non-reimbursable assistance. An important difference is that ERDF only provides co-financing whereas the ESF gives full financing of projects.

The assistance is channelled through a system of strategies and programs ranging from the European to the regional level. The general strategies and budgets of the two structural funds are negotiated and decided between the EU Member States, the European Parliament and the Commission. On this basis, seven year Operational Programs are planned by Member States together with the European Commission.

The managing authority details the eligible measures in a program supplement. This authority is also responsible for selecting projects. Projects can be developed by a wide range of organisations, including national, regional and local authorities, educational and training institutions, non-governmental organisations and the voluntary sector, as well as trade unions, industry and individual companies. The money is granted via public tendering procedures. ESF funding takes the form of individual or block grants, loans, interest rate subsidies, micro loans or the purchase of goods and services.

Implementation of the measures and projects is supervised by the Monitoring Committees, which are made up of representatives of the regions, the Member State, the responsible authorities and the Commission. These committees oversee the implementation of the programs on a regular basis and set guidelines where necessary. Although the Structural Funds are part of the Community budget, the way in which they are spent is based on a system of shared responsibility between the European Commission and Member State governments. The Commission negotiates and approves the programs proposed and allocates resources. The Member States and their regions manage the programs, by selecting projects, control and assess them. The Commission is involved in program monitoring, and verifies the control systems.

To increase the involvement of local and regional actors the working methods have become a central feature of these funds. Strategies and programs should be developed in a broader group of actors, so called partnerships. It has been up to each member state to define the organisation of these consultation processes.

3.2.1 The European Regional Development Fund (ERDF)

ERDF resources are used to co-finance:

- productive investment leading to the creation or maintenance of jobs;
- infrastructure;
- local development initiatives and the business activities of small and medium enterprises.

The following areas are covered: transport, communication technologies, energy, the environment, research and innovation, social infrastructure, training, urban redevelopment and the conversion of industrial sites, rural development, the fishing industry, tourism and culture.

3.2.2 The European Social Fund (ESF)

The ESF is designed to foster a balanced economic and social development. In the period 2007-13, the ESF resources should be concentrated on four areas:

- adaptability among workers and businesses,
- access to employment,

- reducing social exclusion,
- promoting partnerships for reform.

Unions and employers must be encouraged to participate and 2 % of ESF resources under the "Convergence" objective will be earmarked for developing administrative capacity and supporting action by business jointly involving employers and employees. The Member States must also ensure that non-governmental bodies at the appropriate local level are properly consulted.

4. Conceptual Framework

The issue of rural development and policy integration has implications for some principal concepts, which need elaboration. *Rurality, territorial capital, drivers of rural development, multi-functionality and policy integration* will be discussed in the following.

4.1. Rurality

The notion of rurality might at first seem rather simple, but global linkages and regional inter-dependencies make definition difficult. For one thing rural development is not based on agriculture alone but on interlinked activities, processes, people and resources having a substantial variation between regions (Ploeg et al 2008). The cultural and territorial differences in what is perceived as rural are also substantial. It is likely that for instance English and Swedish people carry around very different ideas of what is 'rural'. Furthermore definitions of rurality are highly political. As the definition of what is urban versus rural give economic effects when used as a basis for subsidy systems the definition is heavily debated. Lobbies advocating for a replacement of the division urban/rural by definitions on other territorial grounds are heard.¹

Despite these reservations the literature on issues in rural areas displays a consensus on that there are 'genuinely unique economic, social and environmental challenges that confront communities and policy makers outside cities' (Gallent et al. 2008:6) but there is considerable variation in how 'rural' should be identified and defined. Cloke et al. (2006) suggest that the understanding of 'rurality' is related to three theoretical positions or 'frames'.

- *functional rurality* concerned with variation in the mix of land uses, such as agriculture, settlement and ways of life;
- *political-economy of rural areas* involving different patterns and processes of economic production and consumption;
- *social construction of rurality* – the diverse lived experiences and understandings of people.

Capturing the distinctiveness of 'the rural' in a complete sense requires an understanding informed by all three theoretical frames. In general the literature shows a transition from approaches that concentrate on land use functions and activities to more sophisticated methods that address political economy and questions of social meaning. However, in

¹ This opinion was for instance advocated by the Council of European Municipalities and Regions (CEMR) and the House of the Dutch Provinces at a meeting with the RUFUS project in Brussels, June 2008.

practice the definition of rurality has been dominated by the functional approach (even if implicitly). Three broad positions on the conceptualization of rurality are displayed in other research projects.

The first, and perhaps most common approach, is to use descriptive statistics of land use and activities to give a rural or urban designation of territories. This type of analysis is used to create dichotomies or more complex systems of territories ranging from urban to rural. Numerous national and international studies take this approach following the OECD (among others), which categorizes territories into rural, urban and mixed areas using basic population and economic data, (e.g. BBR 2006, EC 2004, Riordan et al. 2006). Some studies adopt a wide range of criteria in developing categorizations notably by incorporating ecological, social and economic variable (Copus & Weingarten 2006). All approaches that make categorizations based on statistical information face well known problems, notably the availability of sufficiently disaggregated socio-economic data on the appropriate level.

A second approach is to conceptualise rural areas through the use of ideal types. An ideal type takes certain selected and especially meaningful characteristics or attributes of an object and accentuates them to create a clearly defined 'type' (Nadine & Stead 2008). Ideal types of rural regions will exaggerate particular aspects of rurality and ignore others, reflecting a particular theoretical account of rural development – for example focus on population movements as the dominant explanation of rural development. The purpose is not to build an accurate empirical account of a rural area's characteristics, so ideal types do not exist in their complete form in reality. The real nature of any particular rural area can be measured against the ideal types – it is a benchmark or measuring rod. A particular rural location will exhibit features of more than one ideal type. However, ideal types are sometimes mistakenly used to delineate particular territories, that is, they are used as categories.

A third approach to the question of rurality recognizes the increasing interdependence of urban and rural areas and the essentially urban nature of society and economy. In this approach the simple categorization of rural areas is much more difficult (not least because of the problems of administrative territories). A substantial work to understand and outline a comprehensive theory of rural development has been made by the ETUDE project². Ploeg et al. (2008) use the notion of a spatial 'web' to explain how urban and rural areas are far more intertwined and interdependent than separate. The question from this perspective is whether it is beneficial or legitimate to categorize some places as either urban and rural when the real quality of the place is distinguished by interaction and interdependence (ibid: 14); or if typologies and ideal types at all can help to address these characteristic of territories?

The discussion of the nature of 'the rural' in the literature supports the approach adopted in the RUFUS project, which seeks to include a wider range of economic, social, ecological and cultural variables in the analysis.

4.2. Territorial Capital as Drivers of Rural Development

A region's territorial capital is distinct from other areas and is determined by many factors, ranging from geographical and natural assets to cultural and social tradition. In regional

² ETUDE project, Enlarging the Theoretical Understanding of Rural Development (2007-2009)

geography this has been of core interest over the last centuries. Since the beginning of the 1990s' a renewed interest for regional differences as an explanation to economic prosperity has arisen. Several disciplines have contributed to theoretical development of concepts like regional clusters, regional innovation systems etc. in an attempt to explain why some regions are more successful than others. With the publication of *Social Capital* in 1993 (Putnam et al. 1993) socio-institutional variables came to be central explanatory factors in theories of regional growth.

The spatial approach that RUFUS is building on has a vast literature where different sub theories and classifications ascribe different strength to a variety of variables. But the interplay between the tangible and intangible assets of economic, social, institutional, human, environmental/natural and cultural capital can be identified as a core set of criteria in these development theories. What counts in the interaction of different forms of territorial capital is their mobilization and reproduction in the regional economy and society. With Zonneveld and Waterhout (2005) we argue that understanding spatial relationships is central to the exploitation of territorial capital at the regional level.

Rural theory has tended towards explaining the interaction of various 'drivers' based on empirical investigation (Ploeg et al. 2000). The same authors provide a review of literature on rural development and its drivers as part of the ETUDE project (Ploeg et al. 2007). The review confirms that a division of drivers into the aggregate categories of environmental, economic, socio-cultural and organisational-institutional is appropriate, and therefor has provided a frame for the identification of drivers in the case studies.

Environmental or spatial drivers include natural environmental characteristics and processes, the ecological system (as a habitat for various species), land use, place character or regional image, the settlement pattern (for example, fragmented or clustered settlements in the landscape), and local weather conditions.

Economic drivers include the productive capacity of the area in the context of changing market forces (local and global), the ways that rural populations generate incomes from production and other functions, and the consumption of rural areas for tourism, recreation and aesthetic appreciation. In this context, the aim is to understand how local and global market forces, and supply and demand interact with local characteristics (or territorial capital as explained below) to influence economic development, and how this in turn impacts on rural development more widely.

Social and cultural drivers refer to the significance of an area's historical context, cultural traditions, dominant shared values and norms, and its wider social network. Of particular interest is the In this context there is particular interest in the 'web' of interactions among networks of actors inside and outside the area (its social capital) and the interaction of new economic activity and the maintenance of traditions.

Organizational or institutional arrangements are critical. This includes the systems of policy making and implementation together with political drivers at various scale levels. Public policy and action is intended to drive rural development but evaluation studies show that the relationship between policy and outcome is not simple. RUFUS is particularly interested in the interaction and combined effects of agricultural policy (especially the CAP) with other sectoral policy regimes.

4.3. Multifunctionality

The notion of multifunctionality in rural areas is discussed extensively in the literature and has become a central concept for describing the varying character of rural areas; for explaining the process of rural development; and in justifying or refuting particular governmental policies and actions.

There are broadly two approaches to explaining multifunctionality in rural areas with quite different starting points – multifunctional agriculture and multifunctional land use. The first approach is taken within the discipline of agricultural economics, the second in the disciplines of landscape and spatial planning (with differing emphases as explained below). The agricultural economic perspective is concerned with the various functions that agriculture may perform in addition to its primary function of food production. The land use perspective is primarily concerned with the range of functions or activities that occur in rural space, with emphasis on ecological functions in landscape studies and an emphasis on socio-economic functions in spatial. The positions overlap to some extent and increasingly so given the wide calls for more interdisciplinary working on rural development and multifunctionality (Tress et al. 2005). Nevertheless a clear distinction is evident in the literature and the two perspectives provide a useful starting point highlighting, in particular, alternative views of the notion of function.

From the end of the 1940s governments have assigned additional functions to agriculture in addition to its primary production role involving: the protection of the environment and landscapes and sustainable use of resources, and enhancement of biodiversity and landscape; and the preservation of active rural communities through training of farmers, farm adjustment, and diversification. Since the 1990s agricultural policy development has taken much more account of ‘non-commodity outputs and made reference to these multiple objectives or benefits of multifunctional agriculture. Because of its multifunctional character, agriculture plays a particularly important role in the economic life of rural areas, contributes to the viability of rural areas and address environmental issues, while enhancing efficient and sustainable resource use in agriculture (OECD 1998).

This perspective assumes that ‘all human activities are multifunctional, in that they contribute to a varied set of social needs and values in addition to fulfilling their primary function’, thus agriculture has ‘environmental, economic and social functions in addition to its primary role of providing food, energy and raw materials’ (FAO 1999:6). The multifunctional character of agriculture is not contested, but there are extensive debates about its meaning which reveal that this essentially simple concept is fraught with alternative definitions and functions (van Huylenbroeck et al. 2007); that there are significant challenges in identifying and measuring the value of functions (de Groot & Hein 2007); and that there is no simple way to transfer the concept into policy making (Dobbs and Pretty 2004).

Wilson (2008: 367) argues that there are three contexts in which the concept of multifunctional agriculture is employed: in economic studies considering externality effects of production, in studies on the way policy acts as a driver for multifunctionality, and ‘more holistic approaches that also incorporate the strengthening of social capital and changing societal perceptions of farming as key components of multifunctionality.

From the starting point of agriculture, multifunctionality is generally defined with particular emphasis on the non-food, non-commodity functions (positive and negative externalities) that are produced with or without intent, and which accompany the main economic production activity (Forge 2000, Fry 2001, OECD 2001a). Attention to these ‘non-primary’ functions of agriculture in policy making has increased as the relative significance of its economic production role has declined in much of Europe. Indeed some argue that the concept of multifunctionality has most bearing in Europe because of the ‘perceived threat of extensive agricultural restructuring to biodiversity and landscape values in the European Union’ (Mander et al. 2007: 20).

International bodies including the WTO and OECD employ the agricultural economics perspective of multifunctionality. Although there is no common definition the international agencies and academic authors in this field tend to share the same basic understanding of the concept, and as a result, list similar categorisations of non-agricultural functions (externalities and public goods). The main categories are: economic production (the base functions); environmental preservation and protection (preservation of landscape, prevention of environmental externalities, provision of biodiversity); societal conservation and promotion (cultural heritage, conserving rural society and way of life, food security, provision of public goods)

Many policy making bodies’ understanding of multifunctionality is determined by the role of the concept in public intervention in agricultural production through regulation and financial support. Certain forms of agriculture may be essential to the provision of other non-agricultural functions and provision of public goods, but they may also have negative externality impacts on other functions; and these contradictory impacts may be present together. With this in mind, ‘economic rationales for government intervention based on market failures are central to specific policies’ (Bonham et al. 1999: 8). The policy challenge is to promote mutually beneficial relationships between agricultural production and its other functions (win-win solutions) and to direct resources to encouraging positive stewardship of rural areas. However, the relationships between agricultural production and other functions are complex. The precise nature of the relationships among functions will be difficult to measure. Evaluation of the net effect involves value judgments which will depend in part on political priorities (as discussed below).

From the government and wider rural stakeholders’ perspective, the problem is that farmers may have little incentive to address the externalities of agricultural production (reducing negative and increasing positive externalities) or to provide public goods. To put it another way the non-productive functions of agriculture may not be taken into account in farming, so that ‘levels of agricultural public goods such as food security and landscape preservation would fall short of demand ...’ (Brunstad et al. 2005). Therefore, public policy and action seeks to ensure that the multifunctional aspects of agriculture are recognized and the externality effects addressed.

From the farming industry’s perspective, the problem is ensuring that the potential of agriculture to deliver other non-agricultural functions and public goods is recognized such that policies and funding which support non-agricultural functions (not least the CAP) are directed through agriculture. Thus, the notion of multifunctionality is a critical in the allocation of financial support to agricultural production.

Bonham et al. explain how protagonists for agricultural support go so far as to claim that some functions are 'joined' or that there is a high degree of jointedness among functions. The argument is that there is a measure of interdependence between policies such that one policy outcome can only be achieved jointly with another. For example it might be argued that the maintenance of landscape character or 'rural amenity' (which is claimed to be an important consumption function of rural areas) is dependent on certain kinds of farming practices (production functions); or that socioeconomic functions say, relating to provision of employment opportunities for women, are dependent on the maintenance of certain farm structures and thus particular production functions.

However, others suggest that this is an abuse of the concept of multifunctionality and that it would be more cost effective to direct policy and funding to provide the wider benefits directly. Moreover, it is argued that the argument for directing funding through agricultural production tends to overlook negative externalities, such as potential biodiversity loss through certain forms of agriculture (Bonham et al. 1999). These arguments are central to questions about reform of the CAP and its relationship with other sectoral policy regimes. Bonham et al. are sceptical of the generality of the claims for the interdependence of agriculture and these claims need to be assessed carefully. Therefore, the notion of the 'jointedness' or interdependence of agriculture and other rural area functions should be addressed more fully in the research.

For the project it is important to identify which of these approaches, if any, that dominates in the studied regions.

4.4. Policy integration

Improved policy integration is a central objective of EU policy on agriculture and regional development. Although the organization of government into policy compartments is inevitable, the costs of non-coordination call for improved policy integration. The desire to improve the integration of policy and action in the necessarily compartmentalised and sectoralised world of government (and business) is a constant concern. The increasing complexity and fragmentation of government draws more attention to the specific problems and costs of non-coordination' (which leads to demands for 'joining-up' (Bundred 2006).

The policy integration challenge has been addressed in the literature under numerous guises: environmental policy integration (EPI) (e.g. Lenschow 2002; Steurer & Martinuzzi 2005), policy co-ordination (e.g. Rhodes 2000), policy collaboration (e.g. Sullivan & Skelcher 2002), partnership working (e.g. Balloch & Taylor 2001), joined-up government (e.g. Cowell & Martin 2003; Ling 2002) holistic government (e.g. Wilkinson & Appelbee 1999; Morphet 2004) – among others.

Few authors have discussed the inevitability of the organization of government or policy into sectors or 'policy areas'. Each policy area has its own organization directed to achieving particular goals and objectives. This sectoralisation is a natural outcome of government organization and has benefits, such as providing a focus for organizing activity and resources around particular objectives and outcomes. The autonomy of some stronger sectors is often maintained by governments because of their strategic importance. In post war Europe agriculture was such a sector though in many countries its independence has

gradually weakened. So the inevitability of sectoral policy compartments should be recognised with attention to the mechanisms that integrate them.

In respect of European Union policy and actions it is generally agreed that there is very strong compartmentalisation of policy sectors. This is represented especially by the divisions between and within the directorates of the European Commission (Cini 1996) The increasing role of member states in the interpretation and implementation of policy is reflected in the view that opportunities for policy integration are mainly at the regional level.

Policy integration involves horizontal, vertical and territorial directions of integration, and degrees of intensity of integration involving various organizational forms and mechanisms. To study policy integration is not an easy task. How does policy integration or disintegration display itself – formally and in practical management at different hierarchical levels? In order to operationalize the concept of integration a *Spectrum of Integration* has been developed with acts that range from a situation where policy sectors work independent from each other over a situation of co-operation to a situation where sectors have joint goals and policy. For understanding and definition of the different stages of policy integration see figure 4.1.

In its most basic definition “policy integration” describes the “incorporation of specific public policy objectives (...) into other policies” (Mickwitz & Kivimaa 2007:69). A more complex, yet classic, definition of the term was given by Underdahl. According to him an integrated policy is “one where all significant consequences of policy decisions are recognised as decision premises, where policy options are evaluated on the basis of their effects on some aggregate measure of utility, and where the different policy elements are consistent with each other.” (Underdahl 1980:162). This definition implicates that policy integration may comprise rather different dimensions, since policies may be integrated with each other not only in content, but may also be integrated at different political-administrative levels or territorial jurisdictions. For the case studies three dimensions of policy integration were of major interest:

- *horizontal* (covering the coordination and integration across different sectors or policy fields)
- *vertical* (referring to different levels of governance and administration)
- *territorial* (addressing coordination across different regions and jurisdictions).

4.4.1. Horizontal policy integration

The integration of policy objectives of a given policy field into another policy field is described as cross-sectoral or horizontal policy integration (see RUFUS 2008: 28ff.). Horizontal policy integration can be achieved within a particular organization by establishing internal routines enabling different sectors of the organization to establish a dialogue and the development of joint strategies (intra-organizational integration). Since, there are usually several agents concerned with one particular policy field or objective, horizontal policy integration may also be established as an external dialogue between two or more organizations that otherwise work independently from each other (inter-organizational integration).

territorial cooperation, thus acknowledging the intertwined relation between neighbouring regions and the synergy-effects that can be promoted. Additionally, certain issues – such as environmental problems – are seldom restricted to one particular administrative unit. River pollution and eutrophication that may cause severe damages to a coastline are examples of problems that neither are caused nor can be solved by only one region. In these cases collaboration across geographical boundaries of neighbouring regions is likely to occur, which is called territorial policy integration (see also RUFUS 2008).

5. Methodological Approach

The aim of the case studies conducted within the project is to elaborate different types and levels of policy integration related to rural development. For that purpose three different dimensions need to be taken into account: *a horizontal dimension* (covering the coordination and integration across different sectors or policy fields); *a vertical dimension* (referring to different levels of governance and administration); and a *geographical dimension* (addressing coordination across different regions and jurisdictions). In short, the case studies address how representatives of different sectors and governmental levels understand the potential of the region they are working in; the different forms of cooperation between levels of governance that are employed to develop the regional potentials; how these forms of cooperation address the necessity to integrate different policy fields with each other; and finally, what preconditions (internal and external) support or hinder policy integration.

5.1. Case Studies

A case study is not a clear and fixed methodological process. However at a general level it can be stated that questions or complex interactions that need to be elucidated by a large amount of detailed information across a wide range of dimensions are suitable for case study approach. As in other research approaches, case studies can be either theory testing or theory generating. In the latter case the investigation is likely to be more detailed and open-ended in character. The aim of a case study is often to be process tracing which is to identify the dynamics of a process and to analyse the causal links between the variables (Gomm et al. 2000). The aim of our case studies are primarily process tracing, to maximise what we can learn from the cases regarding the interplay and coordination of policy, seeking to provide understanding of the dynamism (Stake 1995: 4, 7).

Cases can be chosen in different ways and with different purpose. They can be regarded as individual entities where the aim of the study is to capture their uniqueness, rather than to use them as a basis for wider generalisation (Gomm et al. 2000). The purpose can also be to compare similar cases in order to find a common explaining pattern or to compare different cases in order to find patterns that persist in all or most of the varying cases. The analysis conducted in the RUFUS project covers different types of regions and focuses upon the assets and options for regional development of these regions just as upon patterns of policy integration.

The case regions in the different countries have some significant traits in common according to the variables we can control for and have statistical information about. But depending on the many variations in regional, national, political characteristics in the specific regions they will not be perfectly comparable. As a result the case studies can be regarded as ten single

case studies, as well as two types of cases that are systematically compared. Case study research is not sampling research. Explanation proceeds through developing ‘understandings’ (von Wright 1971) of how socio-economic processes and physical development takes place through time, and particularly the interplay of local and non-local factors.

To cover the different levels of analysis the case studies included a *document analysis*, followed by *interviews with representatives* of different political and administrative institutions, and *workshops* bringing these interviewees together to discuss regional development, policy integration and a possible future scenario likely to affect their work. In the following these research methods will be further presented.

5.2. The Selection of the Case Study regions

In order to address the issues of the RUFUS-project on an analytically appropriate level it was important that the regions selected for the case study represented political-administrative entities/jurisdictions on a level where decisions regarding rural development are implemented. Hence the case regions comprise both NUTS 3 or LAU, depending on which level was more appropriate.

Additionally, characteristics such as population growth, levels of unemployment, purchasing power parities, the importance of the agricultural, the manufacturing and the service sector, the share of Natura 2000 sites and hotel and campsite bed spaces were taken into consideration.³ The purpose being to select regions that display the variety of regional characteristics that can be found in Europe but also allow for possible comparison in those cases when regions share common features such as a certain employment structure or patterns of land use.⁴

The following regions are included in the RUFUS study: The French regions are Vosges and Jura. In Germany the Kyffhäuser region⁵, Wesermarsch region and Straubing-Bogen. The regions of Winterswijk and Kop van Noord-Holland are the two case study regions from the Netherlands. In Portugal the region of Minho-Lima / Castro Laboreiro⁶ was studied. The Swedish case study regions are Kronoberg County and Kalmar County. The case study regions from Great Britain are Breckland and the Somerset region (Table 1).

Table 5.1. Overview of the 12 Case Study Regions

³ Data were collected from databases like ESPON, EUROSTAT and CORINE Land Cover and complemented with social and ecological data provided by the RUFUS research teams.

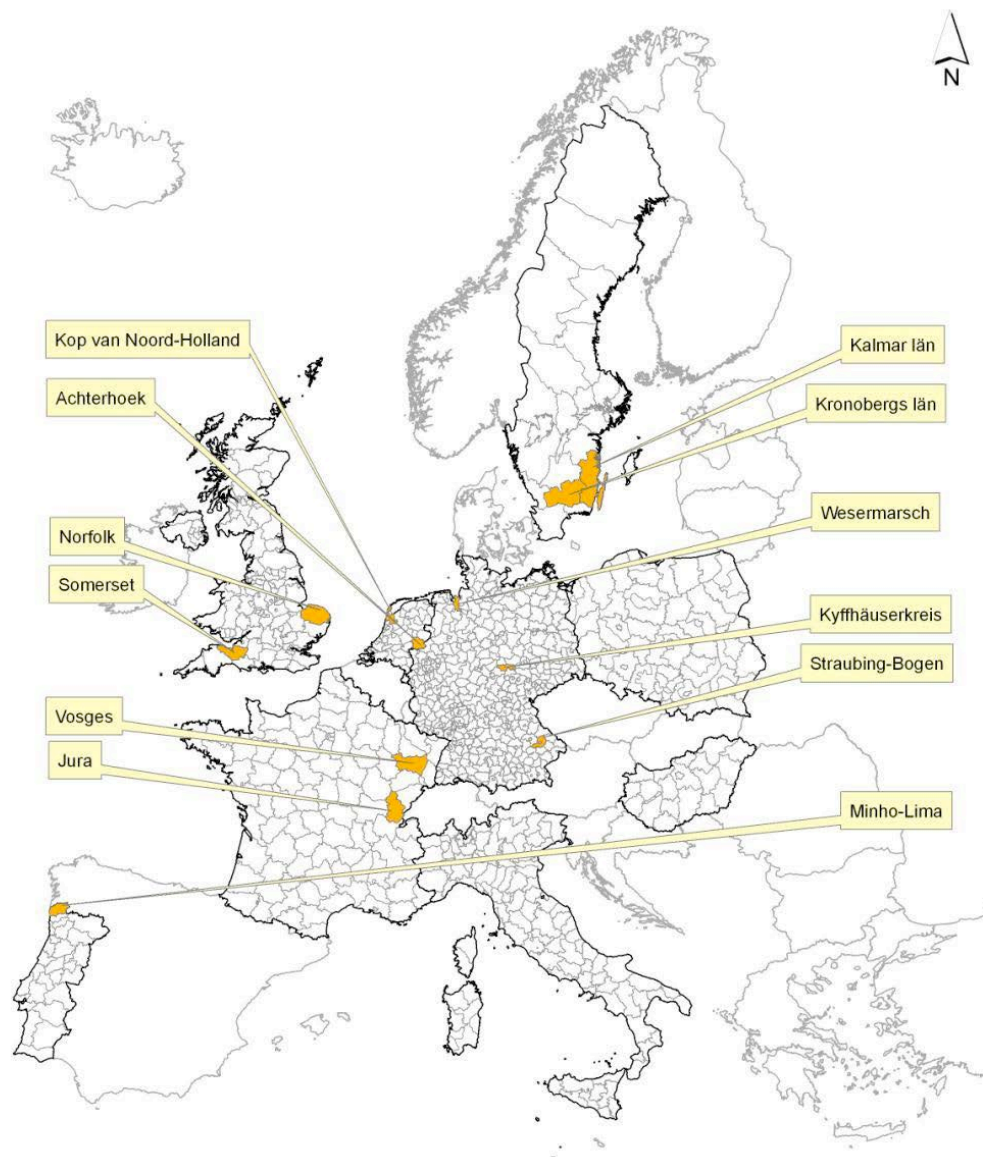
⁴ The selection of rural regions for the case studies was based upon a typology that had been developed during a work-phase prior to the case studies. The RUFUS-Typology is a typology of rural regions based on a set of indicators at NUTS3 level. Existing rural typologies e.g. Boscacci et al. 1999 and OECD 2006 are expanded to cover several economic sectors, not only the agricultural, as well as social and ecological indicators. However, the RUFUS-Typology is not only a tool serving the case study work but has been developed further and represents a research result in its own right. For further information on the RUFUS-Typology and the methodological interplay between the RUFUS-Typology and case study work we would like to refer to Scholz 2009, RUFUS 2010a and to www.rufus-eu.de for updated and more recent publications on the RUFUS-Typology.

⁵ The study of the Kyffhäuser region was conducted parallel with the RUFUS project but applying the RUFUS methodology.

⁶ The Portuguese case study on Castro Laboreiro in the region Minho-Lima was conducted as a pilot-study.

Case Study Regions		NUTS-level
France	Jura	3
	Vosges	3
Germany	Kyffhäuser	3
	Straubing-Bogen	3
	Wesermarsch	3
Netherlands	Achterhoek / Winterswijk	3 / LAU 2
	Kop van Noord-Holland	3
Portugal	Minho-Lima / Castro Laboreiro	3 / LAU 2
Sweden	Kalmar	3
	Kronoberg	3
United Kingdom	Norfolk / Breckland	3 / LAU 1
	Somerset	3

Map 5.1. The Case Study Regions



5.3. Document analysis

The document analysis served two purposes. First, to give an overview of actors, institutions, forms of cooperation/policy integration, further documents and regulations relevant for regional development. Secondly, a qualitative analysis of documents such as Regional Development Programmes or Rural Development Plans allowed pinpointing perceptions on territorial potential, opportunities for future development and priorities in the work of different actors and institutions.

As already mentioned a qualitative content analysis of the chosen documents was employed for elaborating on different aspects of regional development such as priorities in future development and forms of cooperation/policy integration. A quantitative content analysis of the case studies was not a suitable option, since “‘frequency’ is not the same as ‘significance’” and “(I)t may be that a single striking word or phrase conveys a meaning out of proportion to its frequency; and a non-quantitative approach might be better able to grasp

the significance of such isolated references” (Scott 1990: 32). For a more detailed discussion of the qualitative content analysis of documents we refer to May (1997: 157ff.)

5.4. Interviews

The interviewing strategy was based upon a) the document analysis and b) a suggested schedule of interviewees. The document analysis enabled each research team to identify central agents for regional development. The research teams contacted these agents in order to conduct interviews. Interviews were also conducted with EC officials in directorates related to regional and rural development and planning (DG Agriculture and Rural development, DG Employment Social Affairs & Inclusion DG Environment, DG Regional Policy).

Table 5.2. Suggested Schedule of Interviewees

Policy Level	Agriculture & Rural Development			Regional Development			Environment			Social Development / Employment			Territorial & Spatial Co-ordination		
	Politics	Authority	NGO	Politics	Authority	NGO	Politics	Authority	NGO	Politics	Authority	NGO	Politics	Authority	NGO
EU															
National															
Regional NUTS 3															
Sub-regional															
Other															

Additionally, a schedule of interviewees was developed as an additional guiding tool in the search for relevant actors with respect to different policy areas and different types of agents (see Table 5.2.). The research teams were free to additionally, apply a snowball sampling to ensure that their perception of relevant actors was shared by their interviewees and to avoid missing important agents.

The interviews followed an interview guide. However, an adaptation to a semi-structured interview approach became necessary. First of all, because the terminology used in the original interview guide was not shared by the interviewees (e.g. multi-functionality or endogenous potential). Secondly, if relevant issues came up during the interviews they were followed up when they occurred. For a discussion of the advantages of semi-structured interviews we refer to May (1997: 111f.).

5.5. Workshops / Focus Groups

In addition to the interviews focus group workshops were organized, their purpose being to let the interviewees develop scenarios for possible future regional developments. Focus groups direct attention towards the participants' perceptions as well as the interaction among them. A focus group "is distinctive not for its mode of analysis, but rather for its *data-collection* procedures, and for the nature of the data so collected" (Wilkinson 1998: 182, emphasis in original). Focus groups are more open to alternative ways of gathering data material than traditional group interviews. They are suited to the application of scenario-building and visualisations. The analytic strategy commonly applied can be described as "dynamic content analysis" (see Wibeck 2001: 7ff.).

In the original set up of the case studies two workshops were suggested – a first in which the participants develop future scenarios and a second in which the participants could discuss a presentation (e.g. visualisation) of their previously developed scenarios. Most case studies followed this approach. However, some research teams decided – for different reasons – to diverge from that strategy. For detailed discussions upon the alternative strategies that have been applied we refer to the individual case study reports. Nevertheless, at least one focus group discussing future scenarios has been conducted in each of the case study regions.

5.6. Application of Scenarios and Visualisation techniques

During the focus groups the participants developed scenarios for possible future developments of their region. Scenarios comprise consistent packages of rural development options considering regional dynamics, which determine the overall socio-economic and environmental development of the region. In some case study regions the scenario was linked to changes of the physical and territorial preconditions of the region, while in other case studies the scenarios addressed changes in the political-administrative structure. Both types of changes in turn will affect the territorial potential of a region, the number and types of relevant actors and the options for policy integration as well as possible future developments.

In addition, to the scenario development different forms of landscape visualisations were applied in three case study regions – Wesermarsch (D), Castro Laboreiro (PT) and Norfolk/Breckland (UK). The purpose of these visualisations was twofold: First, they were instruments to enhance the discussion by presenting visualised features of the developed scenarios. Second, the visualisation techniques themselves were tested and the interviewees could comment upon how useful they perceived these instruments. In accordance with the case study methodology both the development of scenarios just as the visualisations techniques were adjusted to the region's preconditions. As a result the variety of techniques that were applied for the scenarios and visualisations in the case study regions reflect the variety of variables affecting rural development. For details and results of the visualisation techniques we refer to the individual case study reports (RUFUS 2010b, 2010i, 2010l) and to Lovett et al. (2010).

6. Assets and Potential Capital of the Case Study Regions

An overview of the case study regions show remarkable differences between the regions involved (see Table 6.1.). Already a look at the NUTS3-regions shows that they differ both in size – from 822 km² in Wesermarsch to 11 219 km² in Kalmar County – and population – from 93 000 in Wesermarsch to 380 266 in Vosges – which implies differences regarding population density, different requirements for a well-functioning infrastructure or differing potentials regarding human capital. Also when it comes to land use one finds rather large differences between the regions. With coverage of more than 70 per cent the countryside of the Swedish case study regions is strongly characterised by forests. In other case study regions, such as Wesermarsch (D) or Breckland (UK), more than 80 per cent of their area is dedicated to agriculture.

Despite the differences in size and land use the regions' employment patterns do not diverge as much as one may expect. The share of employees working in the agricultural sector only seldom exceeds 5 per cent, the manufacturing sector usually employs between 25 and 35 per cent of the regions' work force in the service sector tends to cover around 60 per cent. Nevertheless, the figures regarding population growth and unemployment rates indicate that the regions are facing different challenges in their labour market-, housing-, infrastructure- and social policies.

It is not surprising to find that NUTS3-regions differ remarkably in size but also in character. A difference as such indicates neither an advantage nor a disadvantage for a particular region. How regions develop is affected by a variety of factors as well as by the interplay of different actors. In different Member States the NUTS3-regions have different competencies and degrees of autonomy, which in turn affects their options for regional and rural development.

Nevertheless, a closer look at the regions, their assets and deficits and the measures employed in order to support a successful future development will reveal common features that deserve attention when it comes to regional development in general and to European strategies in particular. In this chapter the attention is directed towards the regions assets and potentials that are perceived as worthwhile developing by actors and stakeholders in the case study regions.⁷

6.1. Overview of the assets identified in the Case Study Regions

A first step to understand the interplay between regions and their opportunities for future development must be to acknowledge the assets that exist in each region. In the following a short summary is given of the assets and potential capital of each case study region. More detailed information can be found in the single case study report available at the RUFUS-website.

⁷One of the RUFUS research teams has developed an alternative approach to elaborate the development potentials of European regions. Their work is based on expert descriptions of territorial capital, which were translated into mappable proxies regarding intensive agriculture, off-farm employment, rural tourism and conservation. See Appendix II and van Berkel & Verburg 2011.

Table 6.1. Overview of Case Study Regions

Case Study Region	Area	Population	Population growth (1995-2005)	Unemployment rate	Land use	Employment per sector
<i>France</i>						
Jura	4 999 km ²	255 400	1.9%	6.2%	Settlement: 3% Agriculture: 40% Forest: 43% Other: 16%	Agriculture: 5% Manufacturing: 33% Service: 62%
Vosges	5874 km ²	380 266	-0.9%	9.6%	Settlement: 3% Agriculture: 38% Forest: 41% Other: 18%	Agriculture: 4% Manufacturing: 33% Service: 63%
<i>Germany</i>						
Kyffhäuser	1 035 km ²	98 500	-9.7%	11.3%	Settlement: 5% Agriculture: 70% Forest: 24% Other: 1%	Agriculture: 5% Manufacturing: 27% Service: 68%
Straubing-Bogen	1 202 km ²	97 800	8.2%	6.6%	Settlement: 3% Agriculture: 71% Forest: 25% Other: 1%	Agriculture: 12% Manufacturing: 36% Service: 52%
Wesermarsch	822 km ²	93 000	0.32%	10.3%	Settlement: 6% Agriculture: 88% Forest: 0% Other: 6%	Agriculture: 5% Manufacturing: 35% Service: 60%
<i>Netherlands</i>						
Achterhoek/ Winterswijk	138 km ²	29 026	4.4%	7.3% (2009)	Settlement: 4% Agriculture: 65% Forest: 6% Other: 25%	Agriculture: 7% Manufacturing: 29% Service: 64%
Kop van Noord-Holland	2 142 km ²	365 100	6.22%	7%	Settlement: 7% Agriculture: 70% Forest: 1% Other: 22%	Agriculture: 9% Manufacturing: 20% Service: 71%
<i>Portugal</i>						
Minho-Lima/ Castro Laboreiro	89 km ²	728	-16.7%	No data	Settlement: 5% Agriculture: 48% Forest: 45% Other: 2%	Agriculture: 26% Manufacturing: 31% Service: 43%
Table continues on the next page.						

Table 6.1. Overview of Case Study Regions (continuation)

Case Study Region	Area	Population	Population growth (1995-2005)	Unemployment rate	Land use	Employment per sector
<i>Sweden</i>						
Kalmar	11 219 km ²	233 397	-3.9%	9% (2009)	Settlement: 2% Agriculture: 20% Forest: 75% Other: 3%	Agriculture: 5% Manufacturing: 31% Service: 64%
Kronoberg	8 468 km ²	182 224	-1.22%	8.1% (2009)	Settlement: 2% Agriculture: 10% Forest: 87% Other: 1%	Agriculture: 4% Manufacturing: 30% Service: 66%
<i>United Kingdom</i>						
Norfolk/ Breckland	1 305 km ²	128 300 (2006)	14.4%	3.5%	Settlement: 4% Agriculture: 85% Forest: 5% Other: 6%	Agriculture: 3% Manufacturing: 24% Service: 73%
Somerset	3 451 km ²	515 700	7.37%	10% (2005) 4.1% (2009)	Settlement: 2% Agriculture: 57% Forest: 3% Other: 38%	Agriculture: 3% Manufacturing: 23% Service: 74%

Source: RUFUS 2010

6.1.1. France

Jura

The region has a high share of Natura 2000 spaces and nature conservation is prioritized in many policy documents. However, conflicts between the goal of water protection and the agricultural sector are increasing. Tourism, such as hiking, skiing or sightseeing, is important. Two important international enterprises employing a large part of the working force are located in Jura: *Solvay*, a chemical group and *Smoby* a leading in toy producer. A traditional network spirit of the population allowed the first farmer cooperatives (*fruitières*) in cheese production and the first agency of the *Crédit Agricole* Bank in the late 19th century. Numerous enterprises are organised under the label “Made in Jura”, which increases their cooperation, innovation and adaptation to the regional market. Enterprises and educational institutions work together adapting the content of educational programs to entrepreneurial needs (RUFUS 2010c).

Vosges

The region benefits from a large variety of landscapes, comprising natural and preserved environment. Two important production units of mineral waters managed by Nestlé are located in the North-West of Vosges department, which represent 40% of the international market for still mineral water. Since these industries are very important for the region, water quality is an important policy issue. Additionally, the European Centre of Prototyping and High Speed Tools (*CIRTES*) give businesses an upper hand with teams from Research and Transfer Technology. Vosges department offers a complete wood sector education from secondary school to higher education, providing knowledge on key techniques of wood

transformation. Further the region is characterized by a specialization in cotton production (Vosgesian production represents half of the national cotton production) and investments in Research-development (Creation of the "*Pôle Fibres du Grand Est*" and the technical platform CETELOR (*Centre d'Essais TExtile LORrain*)). (RUFUS 2010d)

6.1.2. Germany

Kyffhäuser

The region comprises sights of historical importance and cultural heritage in combination with a unique landscape, which could be an asset in terms of touristic development. The region's natural assets are a potential, but conflicts between agriculture and environmental protection do also exist. The educational level of the region is rather low and the outmigration is high. The number of general education schools has almost halved in the region over the past 15 years. Also the number of school graduates declined remarkably during this period. Within the Kyffhäuserkreis individual integrated Rural Development Concepts have been generated for four sub-regions. Within these Concepts various policy sectors relevant for rural development put up goals and objectives for further development within a region. In terms of Leader the Kyffhäuserkreis had been recognized as Leader+ region in cooperation with the adjacent region Nordhausen. In the current funding period however the Kyffhäuserkreis is set up as a Leader-region of itself. (Volkers 2010)

Straubing-Bogen

The region has weak potential for nature conservation but good potentials for development of tourism – even though both potentials are poorly used. But good soils support development of agricultural sector. The region's population has a fairly high educational level. There are opportunities for cooperation between the municipality of Straubing and the district especially in the area of biomass. Research and science facilities are located within the region and in the neighbouring regions and the urban municipality of Straubing such as a scientific centre for renewable materials. Furthermore a mix of centres for professional training and technology, adult education centres are located in the region. A co-operation (*AK Schule und Wirtschaft*) was started by the Chamber of Handicrafts and the municipal administration, launching a regular promotion of apprenticeship positions in local small and medium sized firms. (RUFUS 2010f)

Wesermarsch

Wesermarsch is characterized by an open landscape. In the North of the region lies the natural reserve Wattenmeer, which is an UNESCO world natural heritage. Regional institutions of education, such as the University of Applied Sciences Oldenburg-Wilhelmshaven-Elsfleth, mainly focus on maritime issues. There is close co-operation between the university and the industrial sector (e.g. AEROMARE). Furthermore an education centre for adult education and an institutionalised network for school-to-work-transition have been established. In recent years the participation in the two Leader programs has been a central in the development of the region. The LAG continues working on the Regional Development Concept. Especially the organisation of national public co-funding should be underlined. There is a regional budget established in which each local authority and the district pay equal shares. The integrated approach of Leader is also reflected by the work pursued by the economic development company (*Wirtschaftsförderung Wesermarsch GmbH*). It works on key topics like business and site development, innovation, technology-transfer as well as tourism and rural development. The

region invests in the development of its infrastructure, tourism and renewable energies – especially the utilization of wind energy is characterizing Wesermarsch. (RUFUS 2010e)

6.1.3. Netherlands

Achterhoek / Winterswijk

Winterswijk is appealing to the largely urban population seeking green landscapes and tranquility for their leisure and recreation activities. Attractions also include the cultural landscape and associated cultural heritage. The region is characterized by a sense of community leading to forms of information and knowledge sharing and entrepreneurial drive. A proposed highway near to the municipality may increase business opportunities – such as an industrial park – in the region. However, this might be hampered by current conservation efforts. The region is home to a number grass-roots institution dedicated to the protection of the landscape and biodiversity, and the preservation of farming activities. The groups have been the initiators of a more integrated territorial approach through increased regional networking. However, regulation set-up for the protection of the natural landscape, through this work, has also been viewed as a development constraint. It is seen as a continuing barrier to agricultural scale enlargement. (RUFUS 2010g)

Kop van Noord Holland

The area's main endogenous potentials are good soil, optimal weather conditions for agricultural production and tourism/recreation. The availability of space for a modern effective agricultural production and a will for cooperation between different stakeholders (the recent established Agriboard) in order to encourage economic growth are other assets. In particular the actors in the agricultural sector are cooperating well with a common aim to give the area a lift and stimulate growth. As they acknowledge, "it is time to cooperate and to coordinate in order to give the area a lift". Another asset is co-operations between various organizations for the tourism and tulip growing industry. (RUFUS 2010h)

6.1.4. Portugal

Minho-Lima / Castro Laboreiro

The landscape of Castro Laboreiro is highly valued in Portugal. In addition to the natural beauty the area is also the location of a number of tourism attractions (celtic megaliths, old roman bridges). Additionally, traditional farming infrastructure (granite houses, rock walls, communal bread ovens and bee hives) gives the region a number of tourism attractions. Rivers are also suitable for kayaking and the mountains for rock climbing. Castro Laboreiro is situated within the Peneda-Gerês National Park that is a Natura 2000 site. The park protects a high instance of biodiversity with a number of important bird, reptile, amphibians and mammal species. The region has also retained the high altitude oak forest. The human managed landscapes are important for biodiversity in the region. Cooperation between the National Park officers and Castro Laboreiro residents has been poor and the park is seen as hindrance to development. The region is also part of a highly dynamic and innovative Municipality of Melgaco. Their marketing of the *vinho verde* wine growing area has been highly successful. (RUFUS 2010i)

6.1.5. Sweden

Kalmar County

The region benefits from a long coastline and the island Öland, which is part of the UNESCO world nature heritage. The Regional Council of Kalmar County is one of the oldest in Sweden. As organization for municipal cooperation it is a central agent for regional development. The foundation of the Linné University in February 2009 establishes a higher education region that stretches beyond the administrative entity of the region and binds together Kalmar County and Kronoberg County. Also the “Kingdom of Crystal” – an area comprising 14 glassworks – binds Kalmar County and Kronoberg County together. The “Kingdom of Crystal” is not only attractive for tourists it is also place for educational programmes on crystal and glass art. Astrid Lindgren World – an amusement park based upon the characters from the children’s books written by Astrid Lindgren – is another asset worth mentioning. (RUFUS 2010j)

Kronoberg County

The region – as the centre of the landscape Smaland – is known for its entrepreneurial spirit. The foundation of the Linné University in February 2009 establishes a higher education region that stretches beyond the administrative entity of the region and binds together Kronoberg County and Kalmar County. The “Kingdom of Crystal” – described above – stretches over both Kalmar County and Kronoberg County binding the two regions together. Kosta Boda – a well-known company in crystal design – opened the Kosta Boda Hotel in 2009. Timber production is another important trade. In Älmhult – a municipality in the south of Kronoberg län – the first IKEA store worldwide is situated. (RUFUS 2010k)

6.1.6. United Kingdom

Norfolk / Breckland

The agricultural potential is fully exploited in this region. The current emphasis is on food production while enhancing the agricultural landscape through agri-environment schemes, to support biodiversity and reduce diffuse pollution. Additionally, Thetford forest is an obvious multi-functional land use provider with a dual focus on timber production (130,000 m³ per year) and as a developing tourist/recreational destination for local residents (e.g. walking/cycling trails; outdoor forest concerts) and holiday makers (e.g. the Centre Parks holiday complex).

The forest and surrounding heathlands are also important for the conservation of several scarce bird species. Breckland has a high proportion of Natura2000 sites within it. Nevertheless, competing needs in the farmed and forest landscape and remaining areas of natural heath are recognized. Peddaers Way - a major national trail - crosses Breckland. Trail and other recreational users of the landscape support a wide range of local rural businesses from post offices, cycle hire, accommodation providers, pubs and restaurants. (RUFUS 2010l)

Somerset

Among a long list of existing and potential assets, stakeholders generally agree that the primary ones are Somerset’s natural and cultural heritage; the potential for renewable energy; local food and drink; and skilled and experienced immigrants from elsewhere in the UK. There is high potential for renewable energy sources, though this is yet to be exploited

to any great extent. The south-west of England has great opportunity to develop wind and tidal power production and receives the highest level of solar radiation in the UK. However exploitation and spin-offs in production and employment are mostly in the surrounding counties and not in Somerset itself. Food and drink production is another important asset with the famous Cheddar cheese. Another important food product is cider. The high immigration rate of older and well-educated people brings a certain knowledge and capacity into the region which is not yet widely recognized but has certain potential. (RUFUS 2010m)

6.2. Discussion of the regional assets and potential capital

A look at the case study regions and their potentials as described by the involved actors does not distinguish any clear pattern of differences as regard to their future potential development. It is not surprising that regions characterised by strong agriculture and services aspire to develop tourism and keep their agricultural assets in a proactive form – since natural assets and an infrastructure with a strong service sector would be a good precondition for recreation and tourism. However, interviewees in all case study regions mentioned the development of tourism is an important goal. Also branding and marketing of regional products (mostly food) are recurrent elements throughout most regions. The same holds true for the possible development of renewable energy and biomass production, research and technology transfer or the existence of conflicts between agriculture, tourism and nature preservation. In other words: A look at the statistics of a region – e.g. its land use or employment patterns – does not necessarily predict which assets are perceived as important nor the actual strategies for future development employed by the regions. What is seen as an asset worth to be turned into capital depends not only upon the geographical and natural preconditions of a region, but also upon regional actors' perceptions of the value of these assets, path dependencies, existing conflicts, networks and political and economic incitements.

Taking this into consideration it not surprising that the interviewees in several case study regions mentioned existing networks, structures of knowledge sharing and the “will to work together” as important assets. The natural assets of a region need human agency/human capital to be transformed into regional capital and to become a driver of future regional development. Hence, it is not surprising that almost all regions made special efforts regarding knowledge transfer and to either keep the resident's educational level on a high level or to improve the educational level. Fostering a well-educated young population, ensuring recurrent adult education as well as enabling cooperation between the educational and the entrepreneurial sector are measures employed to modernise the existing branches and creating an attractive labour supply.

Even though education and capacity building is an issue high on the agenda of all case study regions, the equation is not necessarily the more the better. The results of the case studies indicate that the regions will pursue rather different targets and apply different strategies when it comes to education and capacity building. The reason being that the regions start from very different levels and face quite different problems:

The German Kyffhäuser region faces an ongoing shrinkage of the educational system in the region. During the past 15 years the number of general schools has almost halved and also the number of school graduates decreased remarkably during the same period of time. In

result the educational level of the region is rather low. Hence, the education policy of this region needs to target primary and secondary education and needs to be linked to labour market-, social- and infrastructure policy to tackle outmigration. A region must be able to offer work opportunities otherwise residents – no matter how well-educated they are – will leave the region. The Portuguese region of Castro Laboreiro is characterised by a highly attractive countryside and by strong regional identity among its residents. However, the lack of work opportunities makes it difficult for a well-educated workforce to either stay in the region or to return after periods of higher education in urban centres.

Also the German region of Straubing-Bogen emphasizes the importance of educational policies – even though this region has a fairly high educational level. Their problem being a general brain drain of the educated youth. The problem is not a lack of highly qualified work opportunities for young people. But there is no higher education institution in the region. Young people will move to then next larger urban centre to attend a university education – and once being in the urban area they tend to stay there or move to working opportunities in other urban centres. Hence, the education policy of this region aims at establishing a higher education institution in the region – one indicator being the research and science facilities that have been established.

Both of the Swedish case study regions – Kalmar County and Kronoberg County – have a seat of higher education in their areas and have a well-educated workforce. In February 2009 the university in Kronoberg County and the university college in Kalmar County merged and created the Linné University – a seat of higher education that stretches over the two neighbouring regions. Additionally, the “Kingdom of Crystal” – a historically grown area comprising glassworks – stretches over both regions. Kalmar and Kronoberg have been working together making this area also an area for educational programmes on crystal and glass art just as on industrial glass production. The policies of these regions are aiming at combining educational programmes with traditions in handicraft and industrial production to create an educational and entrepreneurial profile for the region.

The examples of Kyffhäuser, Castro Laboreiro, Straubing-Bogen, Kalmar and Kronoberg illustrate how policy goals and strategies can diverge even though their headline is the same – education and knowledge. Different preconditions simply make it necessary for each region to develop its own specific strategy – this holds true for education and knowledge just as much as for other policy fields.

However, knowledge is not only the keyword in relation to a regions labour market development – it is also central for the actors involved in regional development. Previously, political and economic incitements were mentioned as important factors involved in regional development. For actors involved in regional development it is important to know about and to understand these incitements. It has been a recurrent element in all case study regions that actors perceived the rules and regulations on EU-funding as being too complicated and time-consuming. Here, there is a need for increased knowledge transfer from the EU-level to the regional and local level to ensure that actors involved in regional and rural development actually can use the resources provided by the EU.

7. Examples of Policy Integration in the Case Study Regions

In the following an overview of different forms of policy integration that have been identified in the studied regions is given. The purpose is however not to present all forms of integration and cooperation that were found in the case study regions. Different types of cross-sectoral policy integration and cooperation between different bodies may have their origin in the institutions and political-administrative culture of their countries and could neither be compared with each other nor applied elsewhere. Here we find the case study approach particularly helpful, since it allows handling each region and the forms of policy integration found there as unique phenomena – but still enabling to identify common denominators/features and functional equivalents. The procedures and arrangements that are presented below are examples of forms of policy integration and cooperation that could be found in all case study regions, representing types of policy integration and cooperation of a more universal kind and relevant for rural development from an EU-perspective.

The examples are not to be understood as best practice examples (even though some of them could be seen as such). Their purpose is rather to a) illustrate the variety of forms of policy integration and cooperation and b) facilitating a discussion about the advantages and disadvantages of different forms of policy integration and cooperation.

7.1. Strategic Documents and Planning Documents

At first sight strategy and planning documents appear as a rather straightforward and easy way of initiating and developing policy cooperation and integration. Normally these documents are easily accessible to all agents relevant for regional development, which should make it quite unproblematic to recognise the goals and strategies of other policy sectors and bodies at different levels of governance and to relate to them. Nevertheless, even though working with policy documents is an important precondition for pursuing policy integration and cooperation the case studies indicate that the role and impact of these documents is rather diverging.

The Dutch case studies gave examples of a highly integrated approach when it comes to planning and strategic documents related to rural and regional development. Documents developed at the provincial level (NUTS2) – such as the *Streekplan* – consider the assets and territorial capital specific for the NUTS3-regions they are covering. Additionally, the provincial planning overview attempts to ensure as little overlap between strategic plans as possible – aiming at a co-ordination between regions that compete with similar potentials. Recent changes in the Law of Spatial Planning increase the autonomy of the Dutch provinces and municipalities. The provinces are now obliged to develop Structure Visions outlining Development Plans (*Structuurvisie*) that are guiding documents. Municipalities also develop Structure Visions for Development Plans – these local plans are influenced by national and provincial documents. However, the level of horizontal policy integration (within the municipality) and territorial integration (between municipalities) appears more developed than the level of vertical integration. The development of the Structure Visions is lacking coordination, in the sense that local Structure Visions are partly developed before the provinces Structure Visions, which could make coordination and integration difficult to achieve (RUFUS 2010g). Nevertheless, there is also indication that the municipal plans and sub-regional plan often are used to influence the Provincial plans, which would give the

Provincial plans the function of balancing the different municipal plans vertically (territorially), outlining where certain rural function are suitable.

The Swedish case regions illustrate a rather streamlined system of policy documents relating to each other. National documents such as the Rural Development Programme are developed by national authorities (the Ministry of Agriculture) setting up a number of goals and strategies. All Swedish counties develop their own corresponding documents, which relate to the national documents including a certain amount of the goals and strategies set up in there. Moreover, all counties are obliged by law to develop a Regional Development Concept – the purpose being to increase the cooperation between different actors in the region regardless of whether they participate in Leader projects or not. As a result there is a significant congruence between the national documents and policy intentions on the one side and the policy strategies developed in the counties on the other side (RUFUS 2010j and 2010k). The advantage of this system – despite its high degree of vertical policy coordination – is that once a cross-sectoral approach is included in a national document it is more likely that this approach will also be included in the policy documents formulated by the counties. The disadvantage of this top-down approach can be that it gives limited room for individual priority setting of the counties.

The UK may illustrate the opposite example to the Swedish streamlined approach. The UK seems to be characterised by a high degree of fragmentation in policy-making, by lacking regional tiers of government and by local authorities with relatively few competences, policy integration meet faces considerable challenges. Sustainability Frameworks e.g. are documents intending to promote sustainability by integrating environmental, social and economic aspects into other policy fields. However, they have not had any large impact on rural development policies – one reason being that they tend to have an “urban bias”. This in combination with lacking coordination between policy fields and levels of governance puts environmental assets at risk.

As an additional comment on the matter of policy documents it is necessary also to take Leader into consideration. The Leader-approach and Local Action Groups (LAGs) have been recurrent features in all case study regions, which indicates the approach being successful or at least perceived as being a factor contributing to regional development in rural areas – even though the LAGs may focus rather on the local level. Additionally, it is also important to keep in mind that their importance for the development and policy integration differs considerably between the case study regions. However, the regional development concepts that are developed within the framework of Leader can fill important gaps when it comes to the analysis of regional potentials and the formulation of future development strategies – hence, improving policy integration and regional development.

The LAG in the British case study region of Somerset is responsible for the development of the Local Development Strategy, which contains the priorities for funding rural development projects and ties them together with other regional strategies. Additionally, it is also part of a partnership of local regional and local stakeholders. All in all it was summarised that the LAG paid an important role filling a gap in policy making for rural areas (RUFUS 2010m). Also in the British case study region of Norfolk/Breckland the Local Development Strategy (LDS) of the Brecks LAG indicates a highly integrative character, since the LDS takes into account a variety of other key policy documents such as the East of England Regional Economic Strategy, the Regional Woodland Strategy and the Strategy for Sustainable Farming and Food (RUFUS 2010l). However, Leader funding in

England is allocated by a competitive process. Regions that were not successful in that competition remain without funding, which does not only hinder the development of possibly rewarding projects in these regions but may also leave some policy gaps unfilled.

In the German case studies the LAG's proved to have remarkable influence upon regional development, since they are responsible for setting up the Regional Development Concepts under the framework of Leader (RUFUS 2010e and 2010f; Volkers 2010). Taking into consideration that the Regional Development Concepts of the German LAG's also could fill policy gaps (comparable with the British examples), it appears rather problematic that the Leader-approach since 2007 supports rather large projects (Volkers 2010). For certain regions such projects could not be managed, which would diminish the Leader-idea and the positive effects of the previous Leader-periods.

In Sweden, in contrast, all counties are obliged by law to set up a Regional Development Strategy, which is developed either by the Regional Councils or the County Administrative Boards. This makes the Leader-approach a method for carrying out these Rural Development Strategies of the counties - rather than an actor in developing these strategies (RUFUS 2010j and 2010k).

In other national contexts, such as in the Portuguese case study region, new programmes and initiatives may rely upon the existing structure of LAG's and use them for running or administrating new programmes. Since 2008 in Portugal EU funding is funnelled into the PRODER-programme (Programme for the Rural Development of Mainland Portugal). PRODER can be described as a territorial integrated policy, since it combines subsidies for landscape and agricultural management just as for small business. The organisation of the PRODER-programme relies heavily upon the LAG's, since they are a precondition for the programme's administration (RUFUS 2010i).

7.2. Deliberative Forms of Exchange – Partnerships and Contracts

The notion of working in partnerships is an essential part of the European policy of rural and regional development (Council Regulation No 1698/2005 & No 1083/2006). Hence, it is not surprising that partnerships appeared as a recurrent element in the case studies. However, even though partnerships are emphasized as important tools for rural regional development by the EU the content of the term is rather loosely defined⁸ giving each Member State the opportunity to create forms of partnerships suitable for their political and administrative institutional settings. As a result the forms of partnerships found in the case studies are diverging and the importance and effects of the partnerships' work are strongly connected to the existing political-administrative culture of the Member States.

⁸ Council Regulation No 1698/2005, Article 6: Partnership 1. EAFRD assistance shall be implemented through close consultations (hereinafter partnership) between the Commission and the Member State and with the authorities and bodies designated by the Member State under national rules and practices, including: (a) the competent regional, local authorities and other public authorities; (b) the economic and social partners; (c) any other appropriate body representing civil society, non-governmental organizations, including environmental organizations, and bodies responsible for promoting equality between men and women. The Member State shall designate the most representative partners at national, regional and local level and in the economic, social, environmental or other sphere (hereinafter partners). It shall create the conditions for a broad and effective involvement of all appropriate bodies, in accordance with national rules and practices, taking into account the need to promote equality between men and women and sustainable development through integration of environmental protection and improvement requirements.

Even though the term “partnership” is closely linked to rural regional development the very notion of partnerships is not new and it appears in different forms in a variety of contexts. As a matter of fact the idea of bringing different actors together in order to promote a region’s development or policy development is not new either. The French case studies presented two such forms with strong resemblance to partnerships.

The French *Pays* are territorial entities that assemble several communes (towns, villages or hamlets), organisations and associations for the purpose of a common objective/project of development. The members of the *Pays* sign a communal planning contract and have to produce a reference document containing diagnostics, identifying stakes and principle orientations. The term *intercommunalité* describes another form of municipal cooperation, which is set up according to a population density rate rather than in relation to specific project or objective. Common for the different forms of *intercommunalités* is their work with public services, projects for economic development and spatial planning focusing upon a larger scale than the commune (RUFUS 2010c and 2010d).

7.3. Administrative Routines

Policy integration does not only refer to the process of policy development or policy formulation. An integrative approach is just as important when it comes to policy implementation. Administrative routines and communication structures enable actors and institutions to take other policy fields into consideration and to put the integrative ambitions expressed in policy documents into practice.

Procedures in German landscape planning give example of such an integrative administrative routine: Environmental information is provided to all sectoral planning authorities, which supports both horizontal policy integration and the development of multifunctional measures. Relevant for the perspective on vertical integration is the fact that German landscape planning follows the principle of countervailing influence – local planning needs to adapt to super-ordinated planning schemes while super-ordinated planning has to take local requirements into consideration as well (RUFUS 2010f).

The Swedish case study region of Kalmar County gave an example of a working procedure ensuring that aspects of different policy areas (such as nature protection, water protection, building permission etc.) are taken into consideration when discussing and granting money for rural development. The County Administrative Board of this region has developed what can be called a “spread-sheet” where projects are listed in a vertical column and aspects and issues that should be taken into consideration are listed in the horizontal column as a way to ensure that these issues have been taken into consideration when assessing the possible financing of the project. Since this assessment is performed by different persons belonging to different sections it is an example for inter-organizational horizontal policy integration on the level of policy implementation (RUFUS 2010j and 2010k).

7.4. Creation of New Organizations or New Organizational Set-ups

The degree of policy integration that can be achieved is not entirely dependent upon the will and engagement of the actors involved. Policy integration also depends upon political and

administrative rules and institutions, which may help or hinder the communication between levels of governance or the inclusion of one sector's policy goals into another sector's strategies. The limits of existing rules and practices may be overcome by creating a new organisational set-up of an already existing organisation or by creating an entirely new organisation enabling the integration of particular policy issues into other sectors or levels of governance. In some of the studied regions EU Framework directives appeared as a motor for such a development.

Jura in France is an example of an attempt to cope with issues of water quality. Since 1964 the basin *Rhône-Méditerranée* has existed as an agency for the protection and quality of water. As a result of the Water Framework Directive the agency was divided into Committees of Basin in 2006. The agency makes river contracts with actors – e.g. regions, communes, economic actors – and is also involved in the funding of environmental actions. Since recently, the agency is also in charge of regional affairs and CAP funds (agro-environmental measures on protected areas of water catchment). However, the existence of such an agency alone is no guarantee for successful policy integration. Even though the French *Agence de l'eau Rhône-Méditerranée-Corse* can be considered as being a well-established agency having roots dating back to the 1960s there is evidence of degradation of water quality in the region. The possible explanation could be that policy makers – as a consequence of the financial crisis – prioritize social and economic development. Another relevant question in this context is how far communication between the agency and other actors or policy makers is institutionalised (RUFUS 2010c).

Sweden implemented the EU Water Framework Directive by establishing five River Basin District Authorities each covering a particular area of Sweden. Each River Basin District Authority is hosted at a County Administrative Board. Since there are 21 NUTS3-regions in Sweden but only five River Basin District Authorities, the situation is quite interesting from an organisational point of view. On the one hand the existence of the River Basin District Authorities has consequences for all Swedish NUTS3-region, since the authorities have to ensure that projects related to rural and regional development do not contradict the objectives of the Water Framework Directive. On the other hand the impact of the River Basin District Authorities may be higher in those five NUTS3-regions in which the Authorities' offices are situated. Interviews indicate that the personal contact – referring to the physical presence of the authority in the region – has an impact when it comes to developing Regional Development Strategies or increasing the awareness of issues like water protection (RUFUS 2010j). Future research on policy integration would need to elaborate whether or not NUTS3-regions "hosting" a River Basin District Authority show a higher degree of policy integration as compared to regions, which do not. Another problem possibly causing "biased" forms of policy integration might be the fact that the five River Basin Districts are not compatible with any other territorial or administrative division, which may obstruct the communication with other policy fields and actors.

The German study in Straubing-Bogen gave the example of the employment of a regional manager for the LAG to raise funds, coordinate work the Regional Development Plan and be a contact person for EU-funds. Employing a regional manager for this task can be interpreted as giving the position a strong impact. At the same time the work of the regional manager has to be seen as a tool for improving dissemination of knowledge about EU-funding within the district and the communication between the Leader-work at the district level and the EU (RUFUS 2010f).

In Portugal the Integrated Territorial Intervention (ITI) were created in 2008 as a new territorial boundary aiming to promote integrated management of agriculture and forestry supporting the conservation of biodiversity and to maintain the cultural landscape in Natura 2000 areas. A Local Structural Support (ELA) was established, which is responsible for supporting the territorial plan as developed by the PRODER (Programme for the Rural Development of Mainland Portugal). The ELA comprises members of different organisations such as the Regional Directorate of Agriculture and Fisheries, the Directorate General of Forest Resources or the Institute of Conservation of Natural Biodiversity. However, even though this structure follows an ambitious integrated approach many relevant actors are not familiar with the structure or purpose of the ELA – which affect these actors' chances to receive financial support. In other words: Due to policy infancy the actual policy impact of this new organisation is difficult to estimate (RUFUS 2010i).

Establishing new organisations and agents for rural regional development must not necessarily be done by national or regional authorities. The Dutch cases gave examples of grass-root-development which lead to new agents that are now established actors in the field or rural regional development. The provinces have a leading role in developing and facilitating visions of future regional development – this, however, does not guarantee that all regions/municipalities feel that their needs and potentials are taken into account. Local stakeholders (municipalities, farmers, NGO's) in Kop van Noord-Holland felt their interests not being taken into consideration at the province-level, which lead to that they got organised in order to represent themselves at the provincial level. Some of these organisations (e.g. Agriboard) play a significant role for the development of the region. The Countryside House (*Plattenlandhuis*) and the Foundation for Valuable Cultural Landscape (*Stichting Waardevol Cultuur Landschap*) in the region of Winterswijk are other examples of relevant actors in rural regional development, sprung out of bottom-up initiatives (RUFUS 2010g and 2010h).

7.5. Synthesis – Different Forms of Policy Integration

In the previous section examples of forms of policy integration and cooperation have been presented. At first sight it appears that different case study regions have developed rather different, partially even contrasting, forms of policy integration. This, however, is not surprising. National preconditions such as institutions and political-administrative structures influence the forms and degree of policy integration that is developed in a particular region. Additionally, the endogenous potential of a particular region may demand specific solutions in the one region that would appear as dysfunctional in another. In short: Different national and regional preconditions create different policy requirements, which in turn will generate different solutions. This as such is neither surprising nor must it be considered as a problem to be solved, because if the solutions for policy integration that have been applied by the regions work sufficiently and help the regions to develop their endogenous potential there is no need to restrict the variety of solutions for policy integration and cooperation that emerges in Europe. There will certainly be “tension between the objectives to on the one hand support diverse regions and on the other hand pursue territorial cohesion” (EU 2007).

As mentioned earlier the RUFUS case studies focused upon three different levels of policy integration: Horizontal, vertical and geographical. Additionally, one has to be aware that forms of policy integration can be found either manifest in policy documents as a goal or as

a practise in the process of policy implementation. In the following we will summarise the major findings of the RUFUS case studies with regard to policy integration.

7.5.1. Geographical policy integration

Geographical policy integration is here understood as forms of informing, co-ordination or the development of joint goals between two or more regions. Concerning this form of policy integration the data-material of the RUFUS-case studies might have a certain bias. Only the two Swedish case study regions are actually neighbouring regions, which explains the fact that issues of cross-border co-operation appeared more often in the Swedish material than in other case studies. However, also other RUFUS case studies gave evidence for the existence of cross-border co-operation – even though this material was more restrained or incomplete, since the corresponding neighbouring regions were not equally investigated. However, even though the material might be somewhat biased or limited on this matter, we are convinced that some conclusions can be drawn.

We found that forms of geographical policy integration often concern particular issues. Two or more regions find it useful to share information and to co-operate with one or more neighbouring regions in order to cope with a particular problem. Considering that regions are parts of local labour market areas it is not surprising that the development of transportation and infrastructure (improving commuting between regions) just as issues of education and the labour market are targeted. Projects coordinating educational programmes or the foundation of a university with two campuses – each situated in another NUTS3-region – are examples of cross-border initiatives. Geographical integration can also be supported by partnerships and other forms of deliberative exchange. The French *Pays* and *Intercommunalités* – both are forms of municipal co-operation – are clear examples of forms of geographical co-operation and policy integration with a long tradition.

The Swedish partnerships for the Structural Funds are another example of geographical integration partially expressed in a strong regional identity stretching over borders of jurisdiction. The Swedish regions are at the moment undergoing a reform-process, which will reduce the number of NUTS3-regions from 21 to probably 6 to 9 regions. For now the regions are negotiating with each other and developing plans with which of their neighbouring region they would like to build a new region. The interviewees of the Swedish case study regions were asked which of the neighbouring regions would be possible partners for the foundation of a future region. The answers sketched a “core-region”, which corresponds to the NUTS2-region that covers the partnership for the European Structural Funds called “Smaland and the islands”. Here the regional identity of belonging to Smaland and – most importantly – the experience of working together and financing cross-border projects within the framework of the Structural Funds are the major arguments for the new region that was suggested by the interviewees. In other words: Given that the partnerships are actually functioning well, the European Structural Funds can be driving forces supporting geographical policy integration. In how far these forms of integration could be a dooropener for other forms of policy integration has to be elaborated by future research.

7.5.2. *Horizontal policy integration*

Horizontal policy integration – here understood as forms of informing, co-ordination or the development of joint goals between two or more sectors of policy or administration – was expressed as a goal in many of the policy documents that have been included in the case study analysis. However, the function of policy documents is not exclusively to claim the aspiration to integrate different policy areas. Examples from the case studies have shown that policy documents – if well developed – can be an instrument for policy integration. For the British case studies it has been shown that Local Development Strategies developed by the LAG's within the framework of the Leader-approach take into consideration a variety of other policy document and by linking these together and formulate a vision for the region's future development also fill policy gaps.

Partnerships and other forms of deliberative exchange are other examples supporting horizontal integration. Additionally, examples of administrative routines were identified, which put the ambition of horizontal integration into practise.

The implementation of the European Water Framework Directive in France and Sweden provided examples of newly founded organisations related to water protection and management. The structure of organisation chosen in both countries is rather different. Hence, the impact and procedure by which issues related to water protection will be implemented and integrated into other policies will differ. This, however, is very much in line with the notion of the Framework Directive, which supports regional solutions to regional problems rather than imposed top-down regulation. This in turn allows developing organisational set ups that fit the regional and local preconditions just as matching the national and regional institutional settings. The advantage of this regional-solutions-to-regional-problems approach was also emphasised by the British Breckland case study.

7.5.3. *Vertical policy integration*

Vertical policy integration appears to be the most complex form of policy integration, since it not only comprises policy coordination between different levels of governance but may also concern policy integration across sectors (compare Chapter 4.4.2.). Federal countries such as e.g. Germany may have a certain institutional advantage since the federal structure assigns particular legislative competences to each level of government – e.g. to the federal level and the level of the states. The different levels of legislative competence, which partially overlap each other, have fostered a political-administrative culture rather familiar with the demands and obstacles of vertical policy coordination and integration. In Germany policy fields like nature conservancy, environmental and spatial planning and water balance belong to what is called “concurrent legislation” (*konkurrierende Gesetzgebung*). This means that the states (NUTS1) have legislative competence in these policy fields as long and as far as the national level (NUTS0) did not make use of its legislative power. Due to these complex legislative competencies institutional settings have grown over the years that can support vertical policy integration – and which can be adapted by the national and regional actors when it comes to European regional development strategies (RUFUS 2010f).

But a federal structure is no necessary precondition for establishing structures supporting vertical policy integration. Just as with horizontal integration policy documents can be a first

and relevant step towards a more integrative approach. If policy documents succeed in linking together other documents relevant for regional development and to explain their relevance for the particular region these documents will function as a source of information and basis for developing strategies of rural and regional development. Since the importance of policy documents has been stressed before it is also necessary to emphasize that such reliable and practically useful documents only can be written by actors who have an understanding of regional development and the ongoing measures and strategies on the European level. Here the need for knowledge-transfer from the European and national level to the regional and local level has to be stressed.

In how far can these findings be relevant for the EU pursuing an agenda of territorial cohesion and diverse regions? As mentioned above national and regional preconditions such as institutional settings and endogenous potentials will always lead to a variety of approaches of policy integration and cooperation just as different regions will be able to develop their potentials to different degrees. In this context EU can (only) take the role of a facilitator meaning that EU-strategies should provide visions and guidelines for a common European development when EU-agreements and funding provide a framework or “tool-package” which regional actors can use.

8. Findings and Policy Implications

8.1. National rules and institutions major barriers to policy integration

Among the respondents in the regions the funding possibilities through the second pillar of the CAP were generally looked upon as a generally positive opportunity. In fact national level regulations were quite often seen as more of a hindrance to effectively use the programs than EU. From most of the case regions problems were reported concerning coordination between national ministries, government offices and local authorities, thus making joint initiatives very difficult. When the combination of EU, national and regional institutional rules adds up it sometimes makes programs like the Rural Development Program “policy-overloaded”. EU funding often generates separate “policy regimes” (organisations, strategies, working methods, etc). This multiplies coordination difficulties rather than assisting to solve them. This is an organizational problem that has to be dealt with at national level. The Commission might not have any direct authority to regulate problems caused by structures in the member states. Yet we think that this finding has to be taken into account.

In order to make the management more effective in the regions there is a need for consistency between national regulations and EU funding. This ought to be of major concern for the member states and for the Commission.

8.2. The function and effect of EU programs and funds vary between member states

National preconditions such as institutions and political-administrative structures influence the forms and degree of policy integration that is developed in a particular region. This becomes visible when EU programmes are applied in the regions.

Sometimes there is a lack of democratic organizational structures representing a region to meet the demand for various forms of regional co-operation. Regions do not always have

organizational structures, which enable the municipalities in a region to take part in a democratic process. Another situation that has been observed is how the *Leader-approach* can take different forms in the regions. The Leader local action groups can serve rather different functions when it comes to regional development. In some countries the LAGs are highly involved in developing the Regional Development Strategies (German, UK cases). In other regions integrated partnerships with a large scope of stakeholders from different policy sectors create general Regional and Rural Development Plans (Swedish cases) making the LAGs less involved in the actual development of policy documents.

The EU can take the role of a facilitator in the sense that funding strategies can provide visions and “tool-package” which regional actors can use. The Leader-approach has in several regions served as an integrative process. But as it is difficult for the EU generally to prescribe forms of policy integration at the regional level the demonstration of such capacity could be a factor in the allocation of funding and programmes.

8.3. Development activities transgress borders

Cooperation between neighbouring regions was a recurrent feature in the RUFUS case study regions. Especially when it comes to issues related to the labour market and employment neighbouring regions profit from cooperating. Local labour market areas stretch across the borders of jurisdiction of several regions. But also cultural events and leisure time activities establish a certain degree of mobility between neighbouring regions. The findings of the RUFUS case studies indicate that regions develop a regional identity highlighting their own uniqueness – but the case studies also indicate that regions perceive themselves as being part of other identities that they are sharing with their neighbouring regions. Such identities can be belonging to a certain landscape or to a particular local labour market area. The work with the Structural Funds (ESF and ERDF) encourages regional actors to develop projects that are beneficiary for more than one region. Hence, this work supports territorial policy integration. Also the value of Leader has been the flexibility to work across boundaries.

Frameworks that support territorial policy integration strengthen rural regions’ effort to build stronger alliances.

8.4. The need of EU related competence in the regions

A common problem was highlighted in the case studies: Regional actors perceive EU programmes as difficult to understand and the workload required for a successful application as too heavy. The case studies demonstrated several examples of how knowledge transfer, information and education about EU-initiatives were a successful strategy to overcome the threshold.

Considering that a successful development is strongly dependent on a region’s endogenous potential and regional capacity to develop their potentials it is essential that regional actors understand the variety of programmes and initiatives that can be applicable. The regional administrations are often not adequately trained in global territorial management. It is therefore difficult to meet the demands for a professional application to the structural funds. To fully understand the rules risk getting so complicated that it loses legitimacy among the actors and stakeholders. Increased similarity of rules between the Regional Development Fund and the Social Fund so that actions can be coordinated in the regions could help as well as to allow innovative and integrated approaches a wider scope of development.

It is recommendable to improve knowledge transfer and build competence about application management. The information should not exclusively focus on funding-opportunities but also about the ideas behind EU-initiatives. To understand the motive and larger picture is encouraging and empowering to regional actors.

8.5. Different endogenous potentials in rural regions need different solutions

In most of the case study regions policymakers were not aware of the strengthening of a place-based perspective on rural development in the policy discussion. This calls for improved dissemination as described under, 8.4 above. Further, as rural regions vary from being dominated by agrarian production to be dominated by manufacturing industry or other mixes of branches, different regional preconditions create different policy. This is neither surprising nor need to be a problem. The heterogeneity of the local endogenous potential and its use by actors of local development has to be better taken into account by the EU. Revision is often too rigid and does not always serve its purpose. The varying capacities for coordinating policy in regions could be taken into account in assessing programmes. In many instances EU actions cannot be coordinated by existing strategies but special arrangements have to be created which is a problematic separation of EU supported actions from domestic policies.

For evaluation it is recommended to introduce methods that can show effects of initiatives – not that rules have been followed. Simplify procedures i.e. downsize the revision processes e.g. by mutual approval of results by courts of auditors at all levels.

8.6. Compartmentalisation of funding programmes and ‘funding shaped’ potentials

Consistency between sectors is needed in the main strategies for rural development. There is for instance a conflicting position between a spatial strategy, which is based on self-contained rural villages and towns and an economic strategy, which aims for a better interconnection of urban and rural activities. The relationship between spatial strategies (which have a clear remit to integrate sectoral policy) and agriculture and forestry is very weak. There is a strong accent on urban development in spatial strategies and much potential to address changing rural landscapes in spatial planning. The intention of policy integration is often contrasted by the compartmentalisation of funding programmes. Interviewees emphasised the need for a higher degree of discretion on spending and a streamlining of programmes. (This view is most strongly argued in the case regions of the UK). Compartmentalisation also risks shaping the perception of which potentials a region have. Examples of such “funding induced” or “funding shaped” potentials were for instance funding within tourism. It is therefore recommended to allow e.g. the Rural Development Fund to handle a wider scope of issues in closer interaction with Structural Funds.

Cooperation between programmes could be strengthened to the extent that they are organised within one common framework. A streamlining of guidelines would help regional actors to apply for and use funding in a way that is better adopted to their specific potential and development needs.

Conclusions

The content of this report is a deliverable to the FP 7 project RUFUS (Rural future Networks) concerning the case studies made within the project. As a deliverable in a

EU framework project it reports extensively on the methods and empirical data collected in the project's case studies. The work has as an overarching motive to translate research findings into implications that are relevant for policy makers in the EU. The conclusions from the case studies are therefore of two types – the findings made and the implications they might give for policy making within the field of rural development.

Extensive social, economic and political changes have altered the conditions for farming, which gradually is shaping a new understanding of the agricultural sector's role in rural regions. New ways of thinking concerning rural development is introduced, towards supporting the broader rural economy and not only agriculture production. Parallel to this development there is an increased interest in place-based assets as key driving forces for rural development. By introducing the concept of territorial capital or endogenous potential the EU is emphasizing a spatial dimension of EU policies (EC 2005, 2007, 2009) - although the spatial planning processes of the member States are coordinated according to "open methods of coordination" and cannot be steered directly by EU-legislation.

In relation to the CAP we argue that a policy shift from an agriculture centred approach to a more general and inclusive approach addressing the development of rural regions makes the relations between the CAP and other sectors more significant. Coordinated approaches are then needed which address the impacts of all sectoral policies on rural territories. The necessity of better integration and coordination of policy in the regions is strongly advocated by the European Commission. But since the EC does not have a formal competence to govern the planning process in the Member States, the regions' capacity to manage their development objectives in a sector integrated policy process is therefore decisive. In order to understand if and how multi-sectoral, place-based development in rural regions take place, twelve rural regions were studied to understand which preconditions (internal and external) supported or hindered their regional goals and how coordination between policy sectors was pursued.

The concept of *policy integration* was used to elaborate the strategies applied by rural regions aiming to overcome compartmentalisation and to enable the persuasion of shared goals beyond organisational or territorial boundaries. The case studies displayed that regional actors are engaged in *horizontal policy integration* (across sectors or policy fields), *vertical policy integration* (across different levels of governance and administration) and *geographical policy integration* (across regions and jurisdictions). The intensity of cooperation could vary considerably, from loosely organized dialogues in which the partners informed each other to well-structured, permanent forms of communication and work for joint goals between committed partners. In the latter case the cooperation could rightly be called an integrated policy process.

It was generally displayed that collaboration in relation to EU funded policies is most likely to occur when it is supported by existing instrumental frames. It could be institutionalized regional/national models for spatial planning or territorial contracts. It could be based on labour or other markets, which exceed political-administrative borders.

The EU can only influence the regional policy process by “open methods of coordination”. Networks play an important role in many such instruments based on guidelines, learning and cooperation. Regional partnerships sometimes proved to fit well into the national/regional structures and traditions. Sometimes they seemed to fill out existing gaps in the political structure. But they were also found to be artificial structures established in order to fulfil EU requirements. The Structural Funds encourage trans-regional projects and therefore support building of alliances. Territorial integration might therefore function as a door-opener for other forms of policy integration. Horizontal collaboration seems to be most frequent between sectors of the same organization, e.g. a regional state authority.

The function of EU programs varied between the regions so that the same program could serve very different functions in different regions. There can e.g. be a lack of democratic institutions to organise required networks or other forms for co-operation. For instance regions do not always have organizational structures, which enable municipalities to take part in a democratic process. Another problem is that compartmentalisation of funding programmes can evoke “funding shaped potentials” (only assets that can get funding are perceived as potentials).

In most regions coordination problems between national ministries, government offices and local authorities in relation to EU programmes were displayed. When regulations on several levels add up it can make programs like e.g. the Rural Development Program overly regulated. This problem has to be dealt with at national levels but the EC has to be aware. Linked to the problem of “over regulation” is the great need for EU related competence in regional administrations. If development is based upon the regions’ potentials it is essential that regional actors understand the variety of programs and initiatives that can be used. Case studies showed that knowledge transfer about EU-initiatives is one of the most successful strategies.

What could be described as “recipient competence” and “recipient capacity” is of great importance. The former depends on the competence to apply for funding the latter to perform the work in the required way. In many instances EU actions cannot be coordinated by existing strategies but special arrangements have to be created which is a problematic separation of EU supported actions from domestic policies. The varying capacities for coordinating policy in regions could be taken into account in assessing programmes.

As rural regions vary remarkably in terms of size, patterns of land use and employment structures in the agrarian, manufacturing and service sector, different preconditions create different policy needs. This is neither surprising nor a problem but has to be considered by EU policies! The regional dimension has always been at the core of EU policies where economic and social differences between regions have been regarded as problematic. With the “new” interpretation of regional differences they are rather seen as key elements of development. The strong accent on urban development in spatial strategies is here problematic as the relationship between spatial strategies (with the aim to integrate sectors) and agriculture/forestry is weak and the majority of funding goes to urban regions. Whether this will lead to a political practice, which capitulates in front of an increasing economic disparity between regions or as a successful way forward in regional development is yet to be seen. Due to the urban bias of policy there is a risk that rural regions and their assets

are seen as residuals. The support directed to rural regions like the Rural Development Program, is on the other hand, still turned towards agriculture related activities where the non-agriculture, non-tourism activities are difficult to fit in.

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APPENDIX I

Figure 1: Example of a digital Photomontage as used in the case study of Castro Laboreiro



Source: RUFUS (2010i)

Figure 2: Example of a 3DArcScene Visualisation as used in the case study on Wesermarsch



Source: RUFUS (2010b)

Figure 3: Example of GeoVisionary landscape model as used in the Breckland case study



Source: RUFUS (2010l)

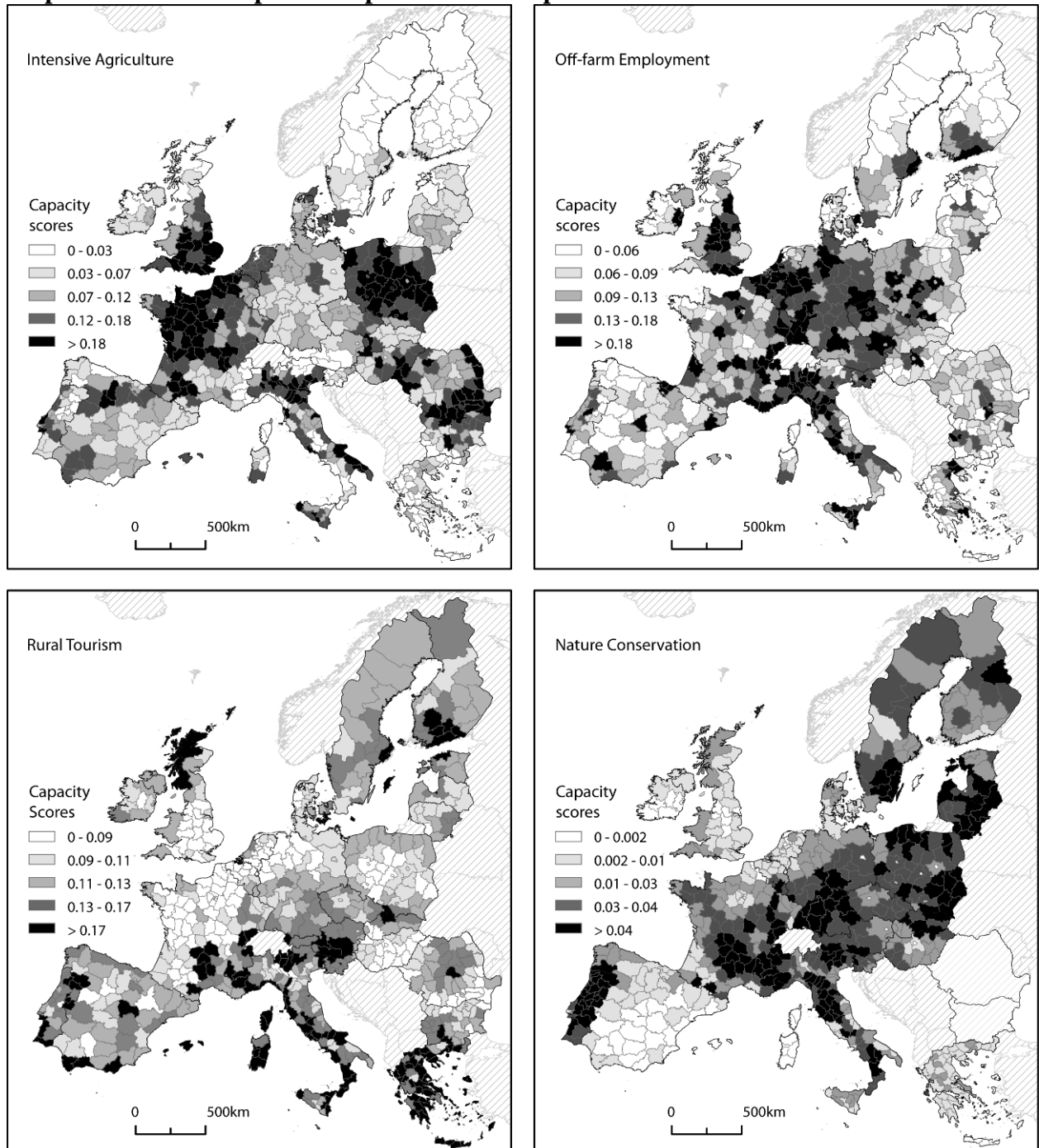
The main conclusions regarding the use of visualizations can be summarized as follows.
(see also RUFUS 2010b)

- 1.) Landscape visualisations can be an effective tool for communication of ideas and engaging policymaker and the public concerned with rural development scenarios and related issues. This is particularly true when collaboration between different parties is needed.
- 2.) Different types of visualizations perform complementary functions. It is important to match the characteristics of the output to the needs of the audience. This requires considering factors such as the size of area shown, the level of feature detail or photorealism and the importance of interactive capabilities (e.g. ability to navigate around or alter the content shown)
- 3.) It is helpful to think about the use of visualizations throughout a planning or policy formulation process rather than just to present results at a final meeting. When possible, involve the stakeholders in selecting the style and content of the visualizations.

APPENDIX II

The estimation of a region's developing potential is an important element in policy making. The recent report is concerned with case studies of twelve European rural regions. However, parallel with the case studies a research team within the RUFUS-project developed an alternative approach elaborating rural development capacities and covering regions in the entire European Union (van Berkel & Verburg 2011).

Maps of Rural Development Capacities in European Union Countries



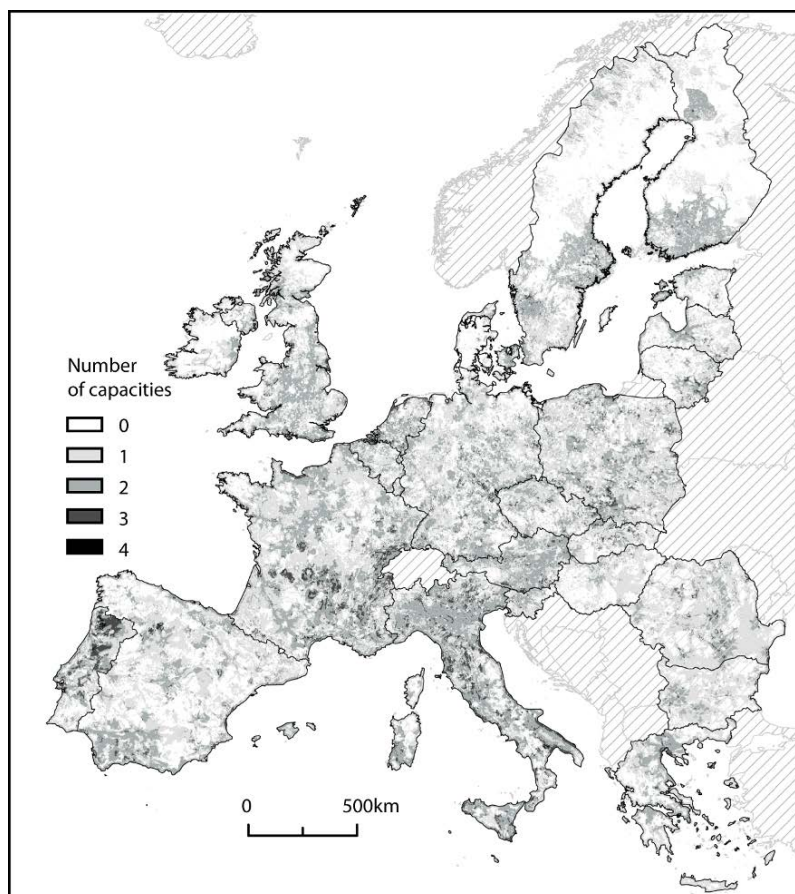
Source: van Berkel & Verburg 2011: 454

Using territorial capital as a central concept, spatial characteristics and the capacity for rural development are elaborated. The study of van Berkel and Verburg is based upon expert-based descriptions of territorial capital that are translated into mappable proxies enabling to locate regions with development capacities in intensive agriculture, off-farm employment, rural tourism and conservation. In a second step the four development capacities were brought together in a map of multifunctional capacities.

The results allow for a larger scope when estimating development options for rural regions and for comparison between Member States or larger parts of Europe. It could be shown that in "Western Europe, regions with high rural tourism probability also share a high potential for conservation while opportunities for intensive agriculture and off-farm employment are generally low. In other parts of Europe these correlations are less pronounced." (van Berkel & Verburg 2011: 447)

The results of this work underline the territorial capital of a region and the synergy between rural activities as important factors for successful rural development.

Map of the Capacity for Multiple Functions



Source: van Berkel & Verburg 2011: 455



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