



DERREG

Developing Europe's Rural Regions in the Era of Globalization

Project funded by EU Framework Programme 7, Social Sciences and Humanities

Periodic Report Summary January 2009 – June 2010

Background and Project Objectives

Globalization increasingly frames the challenges for regional development in rural Europe. As the European Commission has observed, “globalization is seen to touch every walk of life – opening doors, creating opportunities, raising apprehensions”, such that “our response to globalization has moved to the heart of the EU policy agenda” (CEC, 2007). Although academic research on globalization has tended to focus on cities to the neglect of rural areas, the delicate balance of threats and opportunities presented by globalization is arguably particularly significant for rural areas. Yet, popular discourses of rural aspects of globalization are overly simplistic and polarized: on the one hand, globalization is portrayed as a homogenizing force that threatens distinctive rural cultures; on the other hand the global networking of information and communications technologies is described as promising to erode economic inequalities between urban and rural regions.

In the DERREG project we instead draw on concepts that recognize the complex and multi-dimensional nature of globalization, and which hold that globalization proceeds through the engagement and negotiation of local and global actors and forces in particular regional settings. As such, “places in the emergent global countryside retain their local distinctiveness, but they are also different to *how they were before*” (Woods, 2007, p 500). This observation has a number of implications for rural regional development. First, regional actors have the opportunity to intervene in globalization processes and to shape outcomes in their locality. Second, experiences and outcomes of globalization will be different in different rural regions. Third, we need to understand how globalization works at the local scale in order to better equip regional actors to respond effectively.

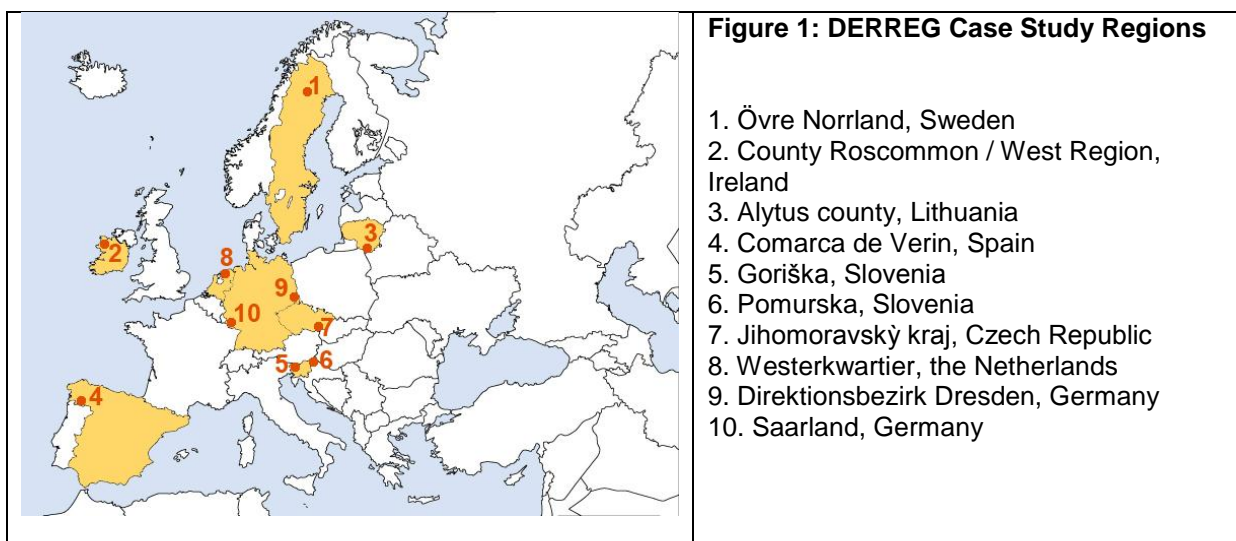
DERREG seeks to develop this understanding by examining globalization processes, local effects and experiences, and regional development responses in ten case study regions. The specific **project objectives** are to: (1) enrich the scientific evidence base for understanding globalization-led restructuring in rural regions by developing an integrated analysis of multiple forms of global engagement; (2) promote best practice in regional development responses to challenges associated with globalization-led restructuring; (3) provide new insights into the challenges associated with particular processes of change, including the global engagement of rural enterprises, international migration, and the globalization of environmental discourses; (4) develop understanding of the different challenges facing different types of rural regions: and (5) establish a web-based resource centre to facilitate and coordinate the dissemination and accessibility of information to researchers and regional development agents.

The **intended final outcome** of the project is the development of an *interpretative model* that will identify challenges and opportunities associated with globalization for different types of rural region with different degrees of exposure to globalization processes. This will be accessible on a web-site and linked to a *database of best practice examples*, assembled from our case study research. Preliminary work on developing the model has been completed.

DERREG is a consortium of nine partners (Aberystwyth University; Leibniz Institut für Landeskunde; Mendel University in Brno; National University of Ireland, Galway; Nordregio; Universität des

Saarlandes; Univerza v Ljubljani; Wageningen University; and NeVork), from seven countries, working across ten case study regions that have been selected to illustrate different geographical and socio-economic contexts (see figure 1). The research is organized into four empirical work packages, focused on a specific aspect of globalization or regional development: Global engagement and local embeddedness of rural businesses (WP1); International mobility and migration of rural populations (WP2); Environmental capital and sustainable rural development (WP3); Capacity building, governance and knowledge systems (WP4). There is also a synoptic work package that will integrate the findings from WP1-WP4 in a holistic analysis, and work packages for dissemination (WP6) and project management (WP7).

During the first 18 months of the project, work has focused on developing concepts and reviewing appropriate literature (WPs 1-5); collating and analysing statistical evidence and describing the contexts of the case study regions (WPs 1-5); mapping business networks and migration trends and experiences from new empirical data (WP1, 2); and reviewing and analysing policy documents and regional infrastructure with respect to environmental issues and sustainable development (WP3) and knowledge and innovation systems (WP4). Details of work undertaken in each WP and preliminary emerging findings are summarised below.



Business Engagement and Embeddedness

All rural regions are becoming increasingly integrated into the global economy, through international trade and the opening-up of domestic markets, foreign direct investment and corporate take-overs, international tourism, and the indirect effects of neoliberal policy reforms. Much existing analysis has focused on the potential impact of agricultural trade reform, which could be substantial in regions with relatively large, traditional agricultural sectors such as Pomurska and Westerkwartier. However, in most of our case study regions farming represents less than 10% of both employment and regional GVA, and impacts in industry and services are more significant. Some traditional industries, such as iron ore mining in Övre Norrland, are benefiting from demand from Asia, but more commonly industries such as textiles and food processing are being squeezed by international competition, as demonstrated by the closure of a large clothing factory in Pomurska in 2009. Foreign direct investment has been promoted in several regions as a catalyst for economic diversification and the largest employers in at least three of the case study regions are foreign-owned, creating jobs but also vulnerability to branch plant rationalization, as seen in recent job losses in the pharmaceuticals industry in the West of Ireland.

These are the headline aspects of economic globalization, but arguably more important is the engagement of smaller enterprises in transnational business networks. Indeed, regional resilience in the current economic downturn is likely to reflect the extent to which endogenous SMEs take advantage of transnational opportunities, whilst also remaining embedded in local markets and supply chains. To investigate these relations, we have developed a methodology that evaluates the scale of business operations and connections across three domains – transactional space (sales and purchases), collaborative space (working with other firms) and support space (access to capital and information) – and categorizes firms by their overall profile as local, domestic, national,

internationalized or globalized. Data has been collected through electronic surveys of 195 firms in 5 regions (Alytus, Goriska, Jihomorvaský kraj, Övre Norrland and Westerkwartier). Follow-up interviews are currently being conducted to inform interpretation and will be completed by September 2010.

Initial analysis of data for Övre Norrland (Sweden) indicates a relatively high degree of transnational engagement. Most firms have some form of international engagement, with 40% of firms operating in an internationalized or globalized transaction space. There is a strong correlation between the territorial shape of a firm's transaction space and its collaborative space, but the support space of most firms is limited to the regional or national scale.

Transnational Migration

Rural regions have conventionally been regarded as having more stable and homogenous populations than urban areas, but increased global mobility with transport advances and the liberalisation of travel and labour restrictions has led to international migrants become commonplace in many rural areas. These include both 'short-reach' migrants, including cross-border commuters, migrant workers and amenity migrants with second homes (discussed further below), and 'long-reach' migrants from outside Europe. For instance, our research has identified a substantial community of Malouccan political refugees in Westerkwartier; Thai migrant workers employed as berry-pickers in Övre Norrland; and sizeable Brazilian populations in the small towns of Gort and Roscommon in the West of Ireland, originally recruited to fill a labour shortage in meat-processing.

Managed correctly, international migration can bring new skills and customers into local economies, help to rejuvenate communities and enrich cultural life. Handled badly, migration can provoke cultural tensions and social polarization within rural communities.

Our research examines the dynamics and experiences of three groups of international migrants: migrant workers; foreign home-owners; and return migrants. This has been explored through 113 interviews that have been conducted in six regions (Alytus, Direktionsbezirk Dresden, Övre Norrland, Pomurska, Saarland and the West of Ireland (County Roscommon)), supported by interviews with municipal leaders and statistical analysis.

Initial analysis has highlighted a number of key findings for each group. Migrant workers interviewed in Alytus, Dresden, Övre Norrland and Saarland included individuals both from within and outside the EU, but with shared aims of earning money and intentions for relatively long-term stays. Migrants workers emphasized benefits of rural locations including the rural environment and mixing with locals in small communities, some reported problems of integration, cultural misunderstandings and the absence of appropriate support services and networks. Foreign home-owners interviewed in Övre Norrland, Pomurska and Saarland included a mix of cross-border migrants, second-home owners, and permanent amenity migrants, but most identified the rural setting and lower property prices as key attractions. Many interviewees in Övre Norrland and Pomurska were self-employed, giving flexibility of residence, but also the potential to contribute to local economies in these regions. In all three regions foreign home-owners were reported to have integrated well into local communities.

Return migrants interviewed in Alytus and County Roscommon (West of Ireland) had generally left for economic reasons but always intended to return. Actual returns were prompted by a range of factors including ill-health and child-raising. In Ireland, return migrants had used experience and qualifications gained overseas to secure good, well-paid jobs, but in Lithuania most return migrants were unemployed or in lower-paid work than they had been abroad. Hence, whilst County Roscommon has been able to capitalise on its return migrants, the economy of Alytus needs to develop in order to be able to utilise the resource presented by return migrants.

Environmental Capital and Sustainable Development

Globalization is commonly associated with the movement of commodities and people, but it also involves the development of global consciousness. This is particularly evident with the reproduction of global environmental discourses that are impacting on development strategies and practices at a regional scale. The globalization of environmental discourse presents both challenges and opportunities for rural regions. On the one hand, traditional industries such as mining, industrial forestry and intensive agriculture have been challenged by aspects of global discourse, as have plans for developing transport infrastructure. Yet, on the other hand, rural regions have the potential to exploit their environmental capital in sustainable development focused on activities such as

sustainable agriculture, eco-tourism, renewable energy production and the provision of ecosystem services.

DERREG is examining the engagement of regional development with global environmental discourse through a multi-dimensional analysis in five regions: Dresden, Jihomoravský kraj, Pomurska, Saarland and the West of Ireland. In each region work has involved a statistical audit of environmental resources; in-depth analysis of policy documents to evaluate the treatment of environmental issues and sustainable development in regional development strategies; and analysis of regional media reporting of environmental issues.

Preliminary findings show that media reporting of environmental issues has generally increased since 2000, but that there are significant variations between regions both in the volume of articles and in the coverage given to global environmental news. Most coverage is given to local environmental issues. Similarly, whilst environmental issues has increased in prominence in regional development strategies, the emphasis is on local factors rather than global concerns such as climate change as drivers of policy. The development of organic agriculture and renewable energy are highlighted as priorities in most of the regions, supplemented by more regionally-specific emphases in areas such as forestry and tourism. A tentative conclusion may be drawn from these findings that the incorporation of global environmental concerns into regional development is strongly mediated by local experiences, issues and available resources.

Capacity Building, Governance and Knowledge Systems

The final empirical WP is focused not on the impact of globalization processes but on examining the capacity of rural regions to respond. This analysis is informed by the concept of the 'learning region', which has been adapted from economic geography and elaborated in a rural context by the WP4-coordinators at Wageningen. The concept emphasizes the institutional arrangements that connect knowledge facilities, the supporting policies of public administration, and development initiatives in a region, and seeks to account for different development activities in rural areas requiring different types of knowledge.

Research in the first 18 months of the project has focused on mapping relevant development initiatives, actors and policies; available knowledge facilities; and intra- and extra-regional networks of learning and innovation in six regions (Alytus, Comarca de Verin, Dresden, County Roscommon, Saarland and Westerkwartier). This research has involved interviews with key informants and analysis of policy documents and other relevant documentation.

Initial analysis has highlighted the key role of LEADER as an important institutional arrangement in all the regions that can be used to support and facilitate rural regional learning and innovation processes. However, it has also revealed variations between regions in the involvement of public knowledge institutes, such as universities and colleges, in providing education and knowledge transfer to support regional development. The second phase of the WP programme, involving the more detailed examination of specific regional development initiatives is ongoing and will be completed by the end of 2010.

Dissemination and Stakeholder Engagement

DERREG aims to produce findings and outcomes that will be of relevance to both academic and non-academic users and which will have an impact both on scientific knowledge and on regional development practice. Dissemination and stakeholder engagement are critical to achieving these objectives and are on-going throughout the project. Key dissemination activities to date include 11 workshops held with local stakeholders in the case study regions, and 21 presentations to scientific conferences and meetings. The regional stakeholders collectively form a 'virtual stakeholder panel' and have received project information by e-mail; whilst an annual newsletter has been produced and disseminated via an e-mail list to academic and non-academic recipients. Additionally, articles have been published in 11 regional newspapers reporting findings from WP2, together with two radio and one television news features.

The DERREG project website (www.derreg.eu) was launched in April 2009 and includes details of the research, as well as publicly-accessible copies of project reports and working papers (including contextual reports for each case study region) and conference presentations.

Next Steps

Analysis of data collected during the first half of the project is ongoing, supported as appropriate by follow-up interviews and case studies. Data from the four empirical work packages will be brought together in an integrative analysis that will seek to produce generalisable conclusions and to incorporate these into an interpretative model. Examples of best practice will be collected in each of the case study regions and collated into a public database.

References

CEC (2007) *The European Interest: Succeeding in the Age of Globalization*. Brussels: CEC.

Woods, M. (2007) Engaging the global countryside: globalization, hybridity and the reconstitution of rural place, *Progress in Human Geography*, volume 31, pages 485-507.

For more information contact:

Project Coordinator: Professor Michael Woods
Institute of Geography and Earth Sciences, Aberystwyth
University, Aberystwyth, SY23 3DB, UK.
E-mail: m.woods@aber.ac.uk Website: www.derreg.eu

