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Positive thinking: Rural communities can benefit from globalisation

Globalisation is an opportunity for the development of rural areas, according to new research. By tapping into rich environmental resources and promoting 'eco-economy activities', such as sustainable forestry, rural communities can become major players in international markets. The **DERREG** research project recommends practical and financial measures to help businesses connect with international partners as well as to take full advantage of skilled migrant workers. The EU can play a key role in promoting inter-regional learning across Europe and in facilitating social and economic development in rural areas.

Globalisation is often perceived as a threat to rural communities, with the assumption that economic growth and trading opportunities are likely to benefit urban areas, at the expense of rural development. The DERREG project looks at how rural communities across Europe can respond positively to the wide range of challenges they face from globalisation. They also evaluate how European policy could encourage and promote opportunities for these communities to participate in, and actively influence, global forces of change.

The key message of the research is that rural communities should take advantage of their natural environment to promote sustainable development within international markets and in turn profit from the economic opportunities these markets provide. This will rely on national governments encouraging the involvement of local people in regional-scale issues, rather than a top-down approach to rural development.

The researchers reviewed how rural businesses interact on the world stage in ten case study regions in Sweden, Ireland, Lithuania, Spain, Slovenia, Czech Republic, the Netherlands and Germany. The case studies were chosen to represent a broad spectrum of historic, social and economic communities (e.g. mining communities, tourist areas) and a range of geographical environments (remote, peripheral to major cities, well established/poor transport links).

In general, the impact of globalisation differs widely between the case study regions, reflecting its true multi-dimensional nature. This contrasts with the commonly held assumption that globalisation leads to homogenisation of the unique and diverse characteristics of rural communities.

International trade was found to play a significant role in around 35% of businesses in the case study region of Goriska (Slovenia), but less than 20% in Westerkwartier (the Netherlands) and Alytus (Lithuania). The research showed that reliance on local trade networks rather than international connections was largely due to limited financial capital, geographical location and foreign language

difficulties. Businesses that traded in speciality foods or 'niche' products were the most likely to overcome these difficulties, for example with export of berries and wild mushrooms from Lithuania and Sweden, and wine from Slovenia.

An awareness of global environmental issues was prevalent in many of the case study regions, but particularly strong where the regional media were able to link them to rural interests, for example renewable energy to the introduction of wind farms into the rural landscape. Rural communities that are rich in environmental resources have an opportunity to tap into international markets through promoting sustainable production, according to the research. 'Eco-economy activities' – projects that both aid economic growth and are environmentally responsible – could include viticulture, sustainable forestry, eco-tourism and craft production.

Migration into the case study areas was mainly from within the EU and existed in many forms: cross-border flow of migrant workers, foreign homeowners and other seasonal residents, and individuals driven by a number of economic, social or historical motivations. The integration of foreign homeowners and returned migrants (those who leave to work abroad and then return) was generally smoother than for migrant workers, who were sometimes associated with a perceived loss of rural identity.

The pharmaceutical industry in Western Ireland and the mining industry in Northern Sweden provided particularly good examples of the wealth of technical skills and experience that migrants can bring to rural communities. In countries where integration was not as smooth, the difficulties tended to be due to a lack of formal initiatives to support specific international migrant groups and informal networks to encourage community activities and exchange.

Main policy recommendations:

Make globalisation an asset for rural areas

- *Attract foreign investment and entrepreneurship* - Rural development policy supported by EU Common Agricultural Policy should be designed to promote these.
- *Work closely with financial institutions* - Through collaboration with them, EU and national governments should provide support for international expansion of rural businesses.
- *Help build working relationships between rural businesses and international partners* - Regional governments could contribute by hiring 'network brokers' as advisors.

Take advantage of international migration

- *Actively promote technical, cultural and social benefits induced by migration* - Public authorities should launch advertisement campaigns on the positive role played by international migration.
- *Facilitate integration* - Rural regions should promote linkages with well-developed support networks.

Be proactive towards sustainable development

- *Prioritise the sustainable use of raw materials and the development of high-quality niche products* - Regional governments should actively promote these areas to tap into international markets.
- *Pay attention to local and global issues* - Regional development strategies should aim to reflect global and local concerns through public consultations.

Promote regional training and skills development

- *Facilitate stakeholder interaction* - Public authorities should allocate physical space for meeting rooms, local advisory groups, public consultations and informal discussion groups between businesses, regional government and the local community.

In the final six months of the DERREG project, the researchers will draw together their observations for a final evaluation of the defining factors behind a successful rural community response to globalisation, and to establish whether an overarching model for progressive rural development could be applied. A database and website containing the research outcomes are currently in preparation and are due to be available by October 2011.

DERREG - Developing Europe's rural regions in the era of globalization (duration: 1/1/2009 – 31/12/2011). FP7 Socio-economic Sciences and Humanities, Activity 2 "Combining economic, social and environmental objectives in a European perspective", Research area 2.2 "Regional, territorial and social cohesion". Collaborative project (small and medium scale focused research project).

See: <http://www.derreg.eu/>

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