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**Nurturing the development opportunities of non-urban regions:
perspectives and policy implications from the EDORA project**

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Abstract

This paper reflects the reformulated policy rationale which rejects the idea that regional problems are problems of particular types of region but seeks to identify opportunities for rural regions and to support them in realising their potential. We draw on a synthesis of research undertaken as part of the ESPON EDORA (European Development Opportunities in Rural Areas) project focusing on the policy implications associated with future perspectives of regional development. The paper utilises a systemic analysis of the diversity of 'rural' contexts and consideration of future perspectives of different types of rural regions as a means of exploring regional development policy issues.

The reposition of localities and regions within an increasingly globalised political economy is recognised as an important basis of diversity and the emergence of new or revalorised forms of social and economic development. Regional and local actors have increased relevance within this context, particularly those activities that have the capacity to improve intra-regional (bonding) and inter-regional (bridging) cooperation. This perspective recognises that the influential drivers in development strategies can be both exogenous and endogenous. As such, development process might result both from using local potentials and from capacities to attract external resources, including taking advantage of external investments. Understanding the current socio-economic status and potential future development trajectories of different types of non-urban regions facilitates an assessment of the opportunities available and evaluation of necessary policy supports.

This paper draws on a typology of rural regions and an assessment of the contemporary status of these areas to establish important features of their development potential. Future perspectives, created through participatory scenario analysis, are used to assess how a number of key issues may impact on development opportunities. Analysis then focuses on considering the policy implications associated with the emerging model of regional development (focused on potential) and how it might play a role in supporting the future development of diverse regions within the EU.

Introduction

The core focus of this paper is the orientation towards the opportunities of different types of rural regions. It elaborates on a differentiated view of territorial perspectives, and on the implications for policy to promote competitiveness and cohesion in rural Europe, drawing from the previous work packages of the EDORA project. In its differentiation it is based on another project's paper to this conference (Copus et al. 2010) which aims at establishing a conceptual and empirical interpretation of rural change, more attuned to contemporary spatial realities and interrelations than provided by "stylised fallacies".

Based on various European studies on rural development conceptualization and policy analysis, and the thematic review of the EDORA project the analysis of the policy implications is set in a framework that addresses challenges and opportunities for different types of rural regions. It links also the main theoretical concepts with regard to a comprehensive rural development and addresses a range of "generic" policies. According to diverse contents and intervention types these could affect different levels of policy implementation and apply primarily to or call for a differentiation between Micro, Meso and Macro regions. Following from the analysis of "connexity" as the overarching reference system to regional development and applying the networks approach the various conceptual issues and policy dimensions tend to be inter-linked to a great extent.

The evidence provided by the analysis of main drivers of rural change and the framework for rural differentiation underline the project's main objective: to investigate the scope for enhancing development opportunities in different types of rural areas. This task cannot be allocated to a specific geographical level as its sole responsibility, but has to be addressed at the various territorial levels and in coordination between these administrations. The presentation of a number of selected exemplar regions, intended to portray the scope of regional patterns and development pathways, highlights the micro-scale processes. At a higher level, the typology framework established through the EDORA Cube, the grand narratives and its extension through opposing scenarios in the future perspectives work raises our understanding of different perspectives of development in non-urban environments.

All this work addresses more or less explicitly a number of important policy issues. Following these analyses, different aspects and dimensions of a wide set of policies with significant territorial impacts can be highlighted and taken forward from that analysis on rural change. Following the work on rural differentiation it has been concluded that relationships between areas are of increasing influence and decisive to the elaboration of policies for Territorial Cohesion in a *non-urban* context. After addressing the policy objectives and the range of future perspectives, the potential for territorial cooperation will be discussed before summarising general aspects for territorial cohesion policies in non-urban regions. The main thrust for policies on territorial cohesion aims not just at enhancing "hard" and "soft" capital, but includes a comprehensive coverage of all types of "territorial capital" and focuses on the innovatory elements within it.

1. Policy Objectives for Territorial Cohesion

The ESPON Project Specification for the EDORA project listed the following key policy questions, for which the project should strive to achieve a better understanding and produce supporting information and evidence:

- “What are the development opportunities of diverse types of European rural areas and how can these resources contribute to improved competitiveness both, within the respective countries and on a European scale, as well as to more and better European cohesion?”
- What are the opportunities for increasing regional strengths through territorial cooperation, establishing both, urban-rural and/or rural-rural partnerships, supporting a better territorial balance and cohesion?
- How and to which degree will the afore mentioned development opportunities be impacted upon by climate change?” (ESPON 2008, p.5)

This underscores the focus on diverse types of “rural areas” which could be elaborated and interpreted in a more contemporary way in the first part of the EDORA project. As the distinction between “rural” and “urban” areas gets more and more blurred, the policy targets shift towards the implications for the “non-urban” space/regions.

1.1 A widening scope for rural policy

Rural development has emerged as a significant policy field and has attracted increasing attention within spatial development policies. Though its focus has diversified from an exclusively agricultural production policy to a more broadly based rural policy, implementation is still linked closely to agricultural institutions and actors. The recent changes towards the inclusion of rural development activities thus refer more to the policy concept than to its delivery, resulting in a situation where most of the measures still derive from the Common Agricultural Policy, with other policy domains, particularly Regional Policy and Environmental Policy, taking an increasing interest in rural development. As the EDORA typology illustrates, EU rural policy has to address a wide diversity of economic, social and demographic conditions apparent in different Member states, and in different areas within Member States. Comparative studies on policy implementation observe a “mismatch” between the policy rhetoric and rural policy shifts, indicating a high dependence on policy traditions and institutional challenges (Copus and Dax 2010).

The changes and continuing challenges for reform are driven by a number of factors that have been taken into account through analysis of the macro-scale patterns of rural differentiation and the micro-scale processes at a regional/local level. Various work packages of this project, in particular the typology work and a data-based survey of country profiles highlight the diversity of non-urban regions. This detailed analysis underpins the diversified expectations and future perspectives and in turn reflects the increased awareness of territorial aspects influencing non-urban regions evident in a variety of policy dossiers. The ‘rural challenges’ have been addressed by placing special emphasis on enhancing the role of the local level and on increasing the use of ‘integrated approaches’. An analysis of the main underlying policy concepts calls for activities beyond the current framework. For example, in addition to structures development, more attention will have to be paid to location, social challenges and environmental issues.

1.2 EC policy framework for Territorial Cohesion

Policy implications are discussed in the context of a policy rationale for rural differentiation, drivers of change and emerging opportunities. In particular, they reflect the Community's fundamental aims of achieving economic competitiveness, sustainable development and coherence of the European continent. The three policy agendas providing the respective context are the Lisbon Agenda, the Gothenburg Agenda and the inclusion of 'Territorial Cohesion' in the Treaty of Lisbon (art 3).

Integrating territorial cohesion in the objectives of the Treaty underpins increasing relevance of the concept in European policy-making and academic spheres over recent years. The 'Territorial Agenda of the European Union' (EU 2007), a high ranking political document, provided the background to inclusion of the concept that had evolved from discussions taking place in the early 1990s, and promulgated by the ESDP in 1999. The core dimensions addressed in these documents, i.e. emphasising territorial cooperation and the need to address territorial trends, remain central to ESPON activities. The Green Paper on Territorial Cohesion (EC 2008) continues this process and argues that the territorial diversity of the EU is a vital asset that can contribute to the sustainable development of the EU as whole. To turn this diversity into strength, new themes of policy action, new sets of relationships binding EU territories at different levels and new forms of cooperation, coordination and partnerships have to be sought. The concept sets out the following aspects as main issues to the debate:

"Viewing cohesion from a territorial angle calls attention to themes such as sustainable development and access to services. It also underlines that many issues do not respect administrative boundaries and may require a coordinated response from several regions or countries, while others need to be addressed at a local or neighbourhood level."

"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 coordination 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 2008)

As a general reference, the objective of territorial cohesion can be understood as constituting a policy framework which provides measures to achieve a more balanced development by reducing regional disparities, avoiding territorial imbalances and by making sectoral policies, which have a spatial impact, and regional policy more coherent. The sub heading 'Turning territorial diversity into strength' chosen for the Green Paper is perceptive in identifying the diversity of the European Union while recognising its position as a focal point for territorial cohesion.

With the discursive process started through the publication and the wide-spread contributions to the Green Paper on territorial Cohesion, the concept gained in public relevance. It has turned to a top EU agendas which is not any more seen as a remedy to lagging regions but a pro-active policy perspective that is to be applied horizontally to all regions. The recurrent issues, highlighted in the debate by contributions from different levels and throughly analysis of the institutional context (e.g. Barca 2009), are nevertheless highly relevant to the non-urban areas. The aspiration of the political vision, as confirmed in the Barca report *"to give all EU citizens, independently of where they live, a concrete sign that the Union is taking action to ensure that they have an equal chance of benefitting from the opportunities created by the unification of markets and of avoiding the risks"* is of crucial relevance for policy action in non-urban areas. It reflects the task to work on the inter-linked dimensions of people and places 'left behind' which appears relevant to a different degree in all types of regions. The discussion about attuning spatial and social development aspects will hence be a core aspect in future cohesion policy aspects.

Figure 1: Policy documents influencing the debate of territorial cohesion

Policy documents	Main aspects	TC relevance
ESDP (1999)	Integrated spatial approach; focusing on polycentricity, linkages and sustainability	Build a theoretical framework for spatial planning in the European context
Lisbon Strategy (2007)	Achieving a competitive European space: growth and employment	TC a politically accepted objective of the EU
EU, Territorial State and Perspective (2007)	Elaborate the evidence base	Policies to develop 'territorial capital'
EU, Territorial Agenda (2007)	Territorial governance	Issues to be tackled, reflecting territorial diversity and priorities
EC, Green Paper on Territorial Cohesion (10/2008)	Turning territorial diversity into strength	TC in debate and practice
Contributions to Green Paper discussion	388 contributions to TC discussion	Harmonious development for different territories (impacts, governance, functional approaches, and cooperation)
Barca report (04/2009)	A place-based approach	Coordinated, reinvigorated public action at all levels
Commissioner D. Hübner, reflection paper (04/2009)	Reflection on issues integrated in debate	Sustainable development, accessibility and institutions in a place-based approach
CoR, White Paper (06/2009)	Multilevel governance	Encouraging participation and reinforcing effectiveness
EC, 6 th Progress Report (06/2009)	Regional dimension of creativity and innovation	The state of the debate on TC: improving understanding
EC, background paper, Kiruna meeting (12/2009)	Make use of the territorial potential	Territorial cooperation, coordination and analysis
Commissioner P. Samecki, orientation paper (12/2009)	Focus on EU2020 strategy	Future priorities of TC
Spanish Presidency, cohesion policy objectives (01/2010)	Cohesion policy a top EU agenda	Integration to EU 2020 strategy
2 nd TCUM seminar (03/2010)	Scales of policy intervention	Functional regions and territorial cooperation
COM, Strategic Report (03/2010)	Overview of implementation of cohesion policy 2007-2013, from national strategic reports	Progress in TC implementation
EC, Europe 2020 (including consultation)	New economic strategy in Europe (with 1,400 contributions)	EU headline targets; lack of social and environmental priorities
EC, Paper on budget review (09/2010)	Link to future definition of cohesion policy	
EC, 5 th Cohesion report (12/2010)	Future of cohesion policy	
EC, legal proposal for cohesion policy post 2013 (1 st half 2011)	Feeding into consultation process	

Source: Faludi 2009, Ahner 2010

1.3 Making use of 'territorial capital'

While it is widely acknowledged that a global economy emerged (or extended) in the second half of the twentieth century, it is important to differentiate its territorial impact. The fundamental asymmetry between regions, in terms of level of integration, competitiveness and economic growth has brought about uneven regional development and is a long-term driving element in the targeting of territorial cohesion approaches across the European Union. Rural and peripheral contexts have been equated for a long time with considerable development problems suffering from persisting weaknesses of integration. With recent technological changes the potential to link them more closely to the global networks of value making and wealth has altered the perception and focused attention on making use of local potential. At the heart of this changed logic is the recognition that networking and connectivity is crucial to overcome any segmentation and barriers of development, which of course is particularly relevant to non-urban regions.

The project analyses the major drivers of rural change by presenting evidence on both specificity and generalisation. It seems particularly important to address the complementary features of economic, social, environmental and institutional processes, and to attach to any generalisation argument a caveat highlighting the persisting diversity of rural areas. In a theoretical framework the various elements for a comprehensive view on territorial development opportunities have been addressed in more and more sophisticated concepts. For example, "endogenous growth" action had provided a contrast to previously prevailing exogenous support (Stöhr 1985). With an increasing recognition of the importance of inherent assets to both leading and lagging regions, the term "rural amenities" has subsequently altered the state of mind within these regions drastically (OECD 1999). In order to explore the local potential more systematically, different types of 'Community Capitals' have been elaborated to understand how resources and expertise can be allied with local assets to build economic and social success (Carnegie UK Trust 2009). The application of these 'soft' approaches are considered central to reversing the downward trends in low performing (rural) regions (Emery and Flora 2006). The set of (seven) capitals used in these asset based approaches to rural community development have been extended by Camagni (2008) by providing a theoretical taxonomy of 'territorial capital'. The concept builds on the different forms of capital (Bourdieu 1986) and classifies all potential sources of territorial capital in a three-by-three matrix, building upon the two dimensions of rivalry and materiality. The most interesting aspect is that it seeks to integrate hard and soft elements and puts the capacity "to convert potential relationality into effective relationality and linkages among economic agents" into the centre of the regional policy schemes, labelling the intermediate classes of the matrix the 'innovative cross' (Camagni 2008, 37). This provides a detailed reference (Figure 2) for addressing the inter-relatedness of places, as characterized by the overarching theme of "connexity". The elements amenable for territorial cooperation are core to this structure and are particularly important for laying foundations to regional development (see chapter 3).

Figure 2: The 'innovative cross' of territorial capital

Rivalry	High rivalry (private goods)	c) Private fixed capital and toll goods	i) Relational private services	f) Human capital
	(club goods)	b) Intermediate, mixed-rivalry tangible goods	h) Cooperation networks	e) Relational capital
	(impure public goods)			
	Low rivalry (public goods)	a) Public goods and resources	g) Agglomeration economies, connectivity and receptivity	d) Social capital
		Tangible goods (hard)	Mixed goods (hard + soft)	Intangible goods (soft)
		M a t e r i a l i t y		

Source: Camagni 2008

In terms of drawing conclusions on policy impacts it seems important that the degree of regional disparities has not been significantly diminished over the last few decades. Though regional policy in Europe has been strengthened, and the Structural Funds and the Cohesion Fund have been oriented towards the regions and countries with weaker economic performances, the territorial effects remain mixed. While centres in these areas have gained many incentives and could in theory reduce the gap between their GDP per capita and the European average, differences in economic performances for less accessible parts of Europe (for example, the new MS and Mediterranean countries) and within the countries persist. This calls for on-going activities and renewed strategies of regional policy towards non-urban regions.

This demand for territorial Cohesion policies is expressed through the orientation towards the issue of relevant opportunities recognized in a region. In terms of policies, it was noted in the analysis of the exemplar regions that whichever type of interaction between places is seen as more important in explaining rural change will suggest a different focus for state intervention. Thus, if rural areas' spatial differentiation were explained primarily in terms of proximity to cities, governments might be expected to prioritise investment in transport infrastructure and physical accessibility to bring more rural areas within urban zones of influence, encouraging a greater reach of commuting into urban labour markets. Other approaches would concentrate rural places' strategies on their own endogenous potentialities in interacting with places near and far, drawing on their social, cultural and institutional assets. At higher levels governments might instead engage in a much broader range of interventions, building institutional capacity and social capital; investing in education, training and digital inclusion; and fostering local entrepreneurial spirit.

In the synthesis paper (Lee et al. 2010) it was concluded that both types of intervention (“hard” and “soft” measures) are vital, but that the second has been relatively neglected in many rural areas. The experience of the Leader Community Initiative and other local action programmes would provide interesting examples of empowerment and pooling local and regional resources towards enhancing the “soft” development measures, and in particular relational capital. The high profile attained by these initiatives, despite the comparably little funding, denotes the decisive role of the applied measures for the local actors. It illustrates that there is a breadth of the range of interventions required in many rural areas which represents a challenge for the coordination and integration of policies among the plethora of agencies engaged, not only horizontally within the area but vertically through multi-level governance.

Finally, reflecting on how these insights and the typology of rural development opportunities might be translated in policy formulation and into a multi-level governance system, leads to issues well beyond the current programme structures and implementation. Some of the elements have been raised at various occasions in the policy debate (see above), mainly being influenced by sectoral policy and stakeholders views. The difficulty of addressing the wide range of ‘territorial capital’ poses also considerable legal and administrative challenges. One possibility would be for the Commission to seek to develop a menu of policy measures which would allow governance stakeholders at all levels to address the particular problems of their own (non-urban) area, as implied by the subsidiarity principle and embodied in the former Community Initiatives, like the Leader programme. Following the mainstreaming of the Community Initiatives the consequences from administration changes on the contents and process of Leader action would have to be integrated in an up-to-date policy reflection. Unfortunately, it seems that institutional development has not progressed at the same pace and opportunities might be missed in the current period (Strahl et al. 2010). The insights from EDORA, and the typology, could be elaborated to ensure that such a menu of policy measures was sufficiently comprehensive to meet the challenges identified for the range of ‘ideal types’ of Europe’s diverse rural regions. Such a tool could then be used by DG Agriculture in refining the RDR for the period post-2013, by DG Regional in similarly refining cohesion policy instruments, and by local and regional stakeholders in considering the options appropriate to their own area strategies.

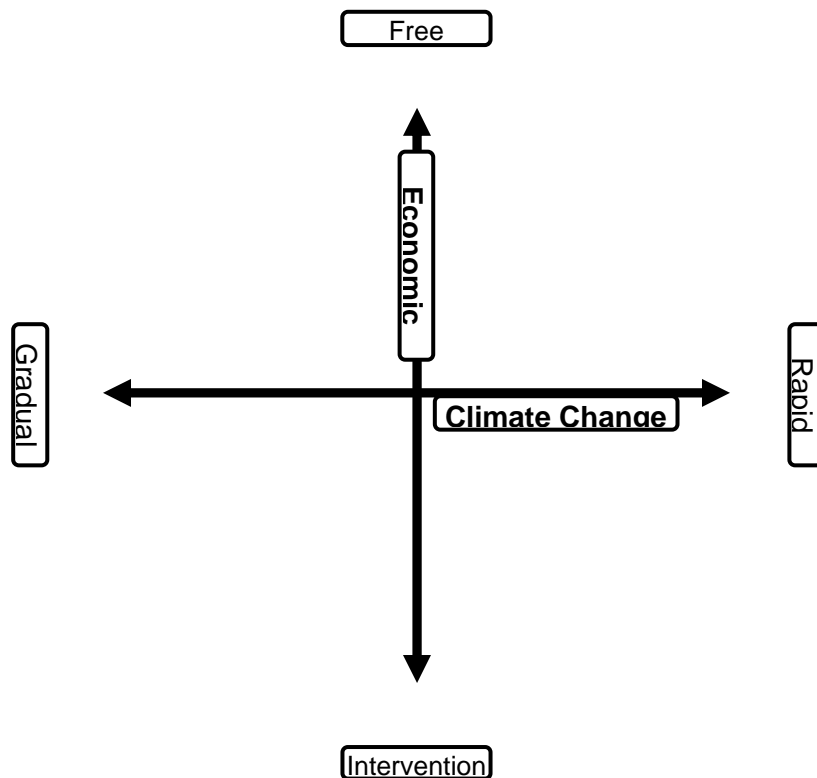
2. The present choice: Future perspectives for rural regions

Following from the analysis of rural change and the elaboration of narratives to describe the processes affecting rural regions the EDORA project has explored in a short foresight exercise the range for future options of rural regions. Due to limited resources it was not possible to engage in the complete range of activities commonly associated with a conventional foresight, and particularly not with the required participatory elements. Nevertheless the emphasis on scenario building allows to sketch alternative descriptions of possible futures for rural regions in the EU. The future perspectives developed (Meredith 2010) are tools that assist reflection on the implications of contemporary and known issues within a medium to longer-term perspective. From the analysis of macro- and micro-scale patterns of rural differentiation in the project work, an outline for options of different types of rural regions was elaborated, mirrored against a range of scenarios.

The objective is to consider how future development may reconfigure the territorial capital associated with the different types of rural regions identified in the EDORA typology and, hence, their socio-economic development. This aim has been pursued through the identification of two high level “drivers” of change, that have been selected through the project analysis,

which have been used as axes for future change and parameters for the development of four scenarios.

Figure 3: Axes of Future Change: Climate Change and Economic Model



Climate change and the model of economic governance are therefore selected as the key “exogenous” drivers of rural change over the next two decades. Climate change represents a (global) driver that is substantially different from any other influencing factor, with fundamental importance to rural regions. The question is whether it will be gradual or rapid. Although there is some scope in decision-making, the answer to this question will have a significant impact on which model of governance emerges in the years to come. The variety of approaches for European society stretches out from a “free market” system, the continuation of a system not unlike the present with the market playing a pivotal role, or an adoption of elements of an “interventionist model”, which calls for a stronger role of governments to manage future economic and social developments. In terms of policy implications, the range of uncertainty raises some concern for addressing adaptation strategies and the pace of changes to account for. However, due to the significant societal changes related to technological developments and the rapid social, economic and cultural development in a number of countries, i.e. China, Brazil, Russia, and India, global production and consumption would alter in all scenarios – which will impact severely on all types of non-urban regions. These developments are giving rise to greater competition for natural, human and capital resources. While this might include risks for (specific types of) rural regions in the European Union, it might also raise alertness for rural amenities and lead to more comprehensive programmes to tap the full potential of rural regions.

3. Potential for territorial cooperation

The above presented theoretical taxonomy of the components of territorial capital (Camagni 2008) is helpful in developing a conceptual framework for structured considerations on implications for new spatial development policies. Territorial cooperation occupies the central place in this framework. Of the nine categories of territorial capital identified within Camagni's Rivalry-Materiality grid, three serve as a useful starting point in considering the potential of territorial cooperation in driving rural development: Cooperation networks, Relational capital and Social capital, and all three can be applied in a rural-rural and rural-urban context.

- Cooperation networks: Strategic alliances in R&D and knowledge; public-private partnerships in services and schemes; governance on land and cultural resources
- Relational capital: Cooperation capability; collective actions capability; collective competencies
- Social capital: Institutions; behavioural models, values; trust, reputation, associationism

In reflecting a shift to what has been dubbed the contemporary paradigm of regional development (Bachtler and Yuill 2001), the policy envisaged by the ESDP is that endogenous forces need to be mobilised, in other words that social capital needs to be generated through cooperation, and through rural-urban partnerships. According to Faludi (2006), in this and other respects the ESDP foreshadows territorial cohesion thinking, which is "about ensuring the harmonious development [of the EU] and about making sure that [its] citizens are able to make the most of inherent features of [its] territories". (CEC 2008). Many of the problems faced by territories cut across sectors and effective solutions require an integrated approach and co-operation between the various authorities and stakeholders involved. As Camagni (2008) argues, as well as regulatory governance, new forms of local governance based on agreements, cooperation and private-public synergy can also perform well, and even better than traditional governance arrangements.

3.1 Rural-urban cooperation

The presence of effective rural-urban cooperation involving the public, private and voluntary sectors has potentially great significance for rural development. However, formulating and implementing rural-urban partnerships poses as many challenges as benefits which policy will ultimately have to be sensitive to. The impacts of rural-urban partnerships are likely to be highly dependent on local, and ultimately *ad hoc*, contextual factors, thus as a driver of rural differentiation they are by no means straightforward as their impacts will not be felt uniformly across rural areas, however they are characterised. That said, the structures (both spatial and organisational) of governance, organisational support for rural businesses and local and strategic level planning will itself provide a broad differentiator of rural areas, albeit one that is not easy to identify through secondary data.

The potential opportunities of formal rural-urban collaboration include an improved ability to address regional issues; reduced urban-rural polarisation and greater inclusion of multiple stakeholders with diverse interests; useful intelligence of rural concerns and priorities for the urban decision makers; the prospect of rural initiatives being taken seriously by those with power and resources; improved access to resources and support for rural initiatives; increased competitiveness in the global economy; greater ability to address the negative effects of uncontrolled development; and economies of scale for rural initiatives. From an urban perspective, increased capacity may also help revitalise cities, which in turn benefits surrounding regions. To capitalise on these opportunities, synergy is therefore required between strategic (largely but not wholly urban) and very local level (largely but not wholly

rural) governance to allow partnerships to be forged, perhaps facilitated in the first instance by national initiatives in a handful of member states.

Constraints to cooperation may be felt in the form of political and cultural differences on both sides which hinder development; exclusion in decision making processes due to a lack of strategic appreciation at the local level; distrust and competition between rural and urban interests which prove divisive to rural projects; and the dilution of rural interests due to urban influence. These potential barriers to rural-urban cooperation clearly need to be taken into account when developing any test bed for partnership initiatives such as that mentioned above. Further, it would seem crucial that the spatial structures of cooperation initiatives be selected carefully to minimise potential cultural differences and alleviate, as far as possible, the detrimental effects of competition between municipalities and the various levels of governance. This also needs to be balanced with a need to consider interactions at a regional level, between large urban and metropolitan areas and surrounding rural regions; and at a sub-regional level, between small and medium sized towns and surrounding rural locales.

3.2 Examples of territorial cooperation

Of course, there are numerous forms of informal urban-rural relationships which are more difficult to both identify and assess the impacts of. These may, for example, manifest through the membership of societies and communities of interest bridging rural and urban areas as well as through social and kinship networks. Ultimately, all forms of rural-urban collaboration have the potential to open up rural economies and societies to new forms of knowledge, ideas, innovation, entrepreneurship, which evidence suggests can help drive rural development and performance in a positive way. This presents potential difficulties for policy in that informal networks are difficult to monitor and integrate into more formal governance structures. Nevertheless, these informal, *ad hoc* forms of rural-urban (and rural-rural) cooperation may well prove central to the goals of territorial cohesion policy, particularly with respect to allowing citizens 'to make the most of the inherent features of their territories'. These aspects are further explored in an initial attempt to populate Camagni's (2008) three categories of territorial capital with some examples of cooperation drawn from the Exemplar Region reports. This analysis, which aims to capture both rural-urban and rural-rural cooperation, is presented in annexe 1.

The findings of these regional case studies begin to illustrate the variety of ways that cooperation can manifest itself at local and regional levels. Clearly, programmes such as Leader have revealed the benefits of cooperation involving the private and civic sectors. The scope for rural-rural cooperation in the form of cooperation networks and through those characterised by elements of strong social capital seems favourable. The analysis reveals less scope, however, for meaningful forms of cooperation based around relational capital, and for rural-urban cooperation, where a sufficient capability and capacity of stakeholders may be lacking, in addition to the political and cultural barriers noted in sub-chapter 3.1. Further analysis of the Exemplar region material, combined with critical reviews of food networks and business networks as vehicles for territorial cooperation - not only within localities and regions but also between member states - will help to shed further light on the potential for territorial cooperation in the context of a differentiated rural Europe.

4. A differentiated approach for non-urban policies

4.1 Targeted policy approach

At the spatial scale the policy goal of rural development is twofold: to ensure development of rural spatial units and make sure that disparities are bridged. The policy context is set by the *Lisbon Strategy*. The Lisbon agenda's aim is to make the EU "the most dynamic and competitive knowledge-based economy in the world capable of sustainable economic growth with more and better jobs and greater social cohesion, and respect for the environment". The First Action Programme for the implementation of the territorial Agenda of the EU mentions a number of key policies, based on their relevance in terms of territorial impact. The most important are those with the largest budgets, i.e. Cohesion Policy and the EU Rural Development Policy, but Transport Policy and Sustainable Development Strategy are also relevant policies. Moreover, the Integrated Maritime Policy, the Environmental Action Programme, the Research and Innovation Policy and Neighbourhood Policy, have a significant territorial impact. Although not mentioned in the Territorial Agenda strand 1 of CAP, Cultural Policy and Employment and Social Affairs Policy should also not be neglected given their spatial implications. The on-going policy discourse is intensively seeking to address the challenges of cohesion policy. Set in terms of multi-level governance, the framework focuses on learning processes in European spatial planning, although no agreed overall picture can be expected as a tangible outcome (Faludi 2009). Currently it is struggling with issues of harmonizing the divergent perspectives (EC 2008) on territorial cohesion and finding the future definition and appropriate scales of policy intervention (Ahner 2010).

Policy *analysis* relating to current rural development practice is often as segmented as policy *application*. It is mainly limited to CAP Pillar 2 as the "tight" Rural Development Policy and Structural Funds action in non-urban regions. Yet all of the policy action addressed in the territorial cohesion debate would in fact be relevant. A place-based approach needs to address the considerable difficulties, faced by researchers and evaluators, of coordinating and cooperating across different sectoral "worlds", with separate sets of actors and stakeholders, and different development views (Copus and Dax 2010, p.66).

This view has been underpinned by the Barca report (Barca 2009) which was commissioned by the EC to provide a thorough base in the discussion of future Territorial Cohesion policy and included a huge effort to combine relevant expert views. It argued that "cohesion policy, conceived as a place-based development policy, is the only modern way for the EU to perform its development task," and Barca added that "a development policy for all places of the Union is indispensable for the Union's very existence. Those who limit EU interventions to 'poor' member states wrongly assume that cohesion policy is a mechanism for financial redistribution". However, Barca specified that regional policy requires a change of direction especially with regard to assessing the results obtained through specific indicators. He called for the role of the European Commission to be strengthened.

The European framework for the current programme period has already provided some possibilities to take care of the country-specific situations and needs. The national strategies for spatial development and rural development require the geographical divergences to be addressed and the main spatial strategies for each country to be set out. A realization of functional area zoning and an increase of territorial cooperation puts a stronger emphasis on the local level (micro-regions). But in other cases functional areas require cooperation on a macro-regional scale (e.g. Baltic Sea area, Danube basin).

Years ago, regional innovation systems analysis advised against applying "ideal type regional innovationsystems" to different types of problem regions, and argued that "*each region must further develop and adapt these [innovation] strategies to its own circumstances*"

(Tödting and Trappl 2004, 22). At present, these arguments have evolved into a view that external linkages and open perspective to the spatial scales addressed through regional innovation activities are crucial for addressing the core policy implications (OECD 2010). As an influential example of targeting policy, it underlines that regional dimensions matter in collaborative partnerships in innovative trajectories.

4.2 Addressing the complexity of territorial development

Rural development policy delivery still is primarily focused on agriculture and hardly takes sufficient account of broad (territorial) rural development. The policy framework and activities “address only a subset of the wide array of issues relevant to the development of rural regions and the well-being of their inhabitants” (OECD 2006, p.56). As more disaggregated analysis reveals, rural areas are extremely diverse and rural policy making thus requires context-specific strategies. The EDORA project provides information on the different types and elaborates on issues surrounding typologies and policy trajectories.

Cohesion policy therefore requires specific attention to governance strategies that increase impact assessment of a range of policies and focus on policy coherence. Since local and regional contexts run the danger of becoming submerged in large-scale decisions, it is particularly important to address the characteristics of specific geographical areas and the needs of different types of rural areas. Innovation at the local level thus has to focus on governance issues to achieve policy integration and increase effectiveness of rural policies.

Cohesion aspects with regard to the challenges of sustainable development are particularly relevant for different “types” of rural regions and have an increasing relevance as a counterweight to concentration trends. They include a comprehensive assessment of the continuing processes of EU economic and social integration, globalisation and economic restructuring; the development of information and transport technologies, taking account of the specific needs of peripheral areas; the reflection of the changing political geography of Europe (enlargement, regionalism); and the trends in socio-demographic structures of EU population and environmental degradation threats (energy supply, climate change implications).

Policy implications will have to focus on the interrelations of regions and highlight the need to value the opportunities of different rural regions. The aspiration to raise understanding of the nexus between different sectoral policies, contributing to either integrative concepts or increased policy coherence, is as important for non-urban as for other regions. Given the high complexity of network structures in a multi-level governance system, it cannot be expected to act on standard development strategies for all regions. Within a focus on non-urban development some general principles will be highlighted so as to take full advantage of the differential opportunities in these areas, which has hitherto often been overlooked.

4.3 Principles for non-urban policy orientation

Territorial cohesion is understood as a concept that may vary according to contexts and cultures. Nevertheless, given its complexity and the need for a targeted approach, a number of guiding principles and main elements can be summarized that are particularly relevant for the situation in non-urban environments. Many of these recommendations have been addressed at various stages of the EDORA project. Moreover, a host of recent policy targeted research (e.g. Talbot et al. 2009, Copus and Dax 2010) has addressed various elements of the policy arena, primarily on rural development policy implementation, which can also serve as a backdrop to the discussion of the following elements for non-urban policy orientation. Elements from the debate on Territorial Cohesion and regional policy are added, in particular

including studies on the paradigm shift (OECD 2006 and 2009a), the need for a place-based approach (Barca 2009) and assessment analysis (OECD 2009b, metis 2009).

General conditions

There is a significant didactic role in analyzing rural development processes and in raising understanding of rural challenges and opportunities. All too often a sectoral bias still dominates which makes a comprehensive assessment of these challenges almost impossible. Further activities to achieve meaningful statistics for territorial comparison (beyond agriculture) are crucial to enhance benchmarking and “success” measurement.

National and regional contexts determine policy implementation to a high degree. This path dependency has to be taken into account in policy reforms, and policy traditions and “good practice” should be used for nurturing creativity and innovative action in the future.

Cohesion policy principles

- Territorial cohesion addresses a series of “generic” policies that should be analysed for their territorial impact (in realistic terms) and coherence and cohesion aspects.
- The full range of territorial capital can be considered relevant. A strategic choice of core elements is extremely important in a non-urban context. Empowerment of local actors, cooperation (in various dimensions and with various meanings) and an increased attention for social and cultural development aspects are of special priority.
- Some of these imply a long-term vision of territorial development. Climate change, for example, underlines the need for taking into account a long-time frame and necessitates a fundamental change in policy considerations.
- Understanding rural environmental and recreational public goods is decisive for the specific territorial opportunities in these areas, linking it to other sector activities, particularly tourism.
- Selected policy strands would constitute a mix of policy interventions to act at macro, meso and micro level. At the macro level the selection of explicit Territorial Cohesion policies, policy changes and general issues of technology and energy development would be the prime elements. Policy implementation at the meso level would focus on the place-based strategy, networks, interventions implementation, subsidiarity and governance issues, and the regional response to crisis. The most important will be that all efforts are taken to mobilize territorial potentials at lower levels and to conceive local actors as the main stakeholders.
- The diversity of rural areas suggests that policy processes cannot be executed through standardised action but have to be framed in terms of a targeted and tailored support mechanism.
- This implies new governance settings that have been designed in the terms of the “place-based paradigm” (Barca 2009). The main issues to be addressed in this approach are selecting priorities, the important role of networks and public interventions, subsidiarity and effective governance and realising the relevance of each of the various spatial levels (macro to micro).
- Policy scenarios contribute to assess the scope of action and make the influencing aspects for decision-making more explicit. Nevertheless, it is important to emphasize that different levels are closely linked dependent in their strategic decisions.

This complex policy framework requires a realistic assessment of the potential and pace of policy reform. Given the prevalent inertia towards policy changes, it is crucial to suggest incremental steps. In particular the gap between public “rural development” discourse and policy implementation has to be addressed by increasing the links between research and policy and fostering impact assessment. This discussion has to extend beyond the “traditional” rural policy dimensions to make explicit reference to emerging rural opportunities.

An analysis of programme application reveals that the relationship between Rural Development Policy and Regional Policy is still immature and that realistic integration of policies is still not an option. It should be the priority to overcome the segmentation of administration and provide “territorial” analytical frameworks. Playing on a dialectic between continuity and change, for example, it might become important to focus on a model of “disintegrated rural development” (Shucksmith 2010), engaging in a continuous process of negotiation to achieve desired outcomes.

5. Conclusions

In this paper we build on the analytical foundation for a more appropriate territorial cohesion policy, provided through the first paper on the EDORA project for this conference. It aims particularly to taking account of contemporary rural realities. In a short foresight exercise the scope for policy action is explored and set into the framework of the debate on the development of territorial cohesion policy. With the typology framework of three distinct dimensions in mind (accessibility, structural aspect and performance dimension) the overlapping and linkages of these dimensions at the regional level turns out to be the crucial issue. The policy implications for addressing the opportunities of a “place” are analysed against a wide set of territorial capital and underscore the crucial relevance of cooperation activities and linkages to be enhanced by policies of different administrative levels. This links back to the analytical paper where the overarching theme of increasing connectivity is highlighted as general trend. The actual presentation is to be specified in case by case approaches translating regional performance, structures and relationships as basis for strategies and place—based policies.

The complex policy framework and institutional inertia towards policy changes, suggest expecting incremental adaptations of existing policies. Yet, extending the time-frame over the next 20 years underpins the need to consider long-term aspects, like climate change and the reference of the structure of the economic model towards these changes, already in current reforms. Postponing decisions might neglect some of the opportunities or imply (adverse) effects on the potential of and choices for non-urban regions.

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Table 5.1: Examples of territorial cooperation from the EDORA Exemplar Regions¹

	Rural-Rural	Rural-Urban
Co-operation Networks	<p>N: Three southern municipalities and their civil society organisations began to cooperate with each other, later adding another two municipalities of the neighbouring county. By 1995 they had formed the JURA 2000 partnership and successfully applied to the EU funding programme LEADER.</p> <p>The LEADER approach and the cooperative political style of the county leadership encourage participation in local decision-making beyond the traditional democratic avenues. In this sense local control over resources, projects and policy-making have increased rather than given way to top-down imposed global processes.</p> <p>OS: Market leaders continue to be two large capital groups operating as cooperatives where farmers are the shareholders / members.</p> <p>MS: Two counties that merged had already been cooperating within the framework of a LEADER II partnership since 1994. Partnership was more characterised by cooperation within the public sector but stakeholders in later LEADER projects widened to private and civic sectors. In 2006 a new integrated development strategy for the area was developed which included two public 'regional fora' with over 200 participants.</p> <p>Political leadership, business community and civil society of Mansfeld-Südharz are beginning to actively steer their region's development again.</p> <p>CZ: Appearance of the new producer groups, farming unions and associations in recent years, in which the most active and enterprising farmers participate. Eight agri-tourism associations registered, encompassing a significant part of the region</p>	<p>NY: Much of the 'regional' resourcing of rural areas is determined by a distant, urban-dominated decision making forum.</p> <p>N: Two university branches reinforce institutional ties to Nuremburg and Erding (close to Munich) where the main campuses are located.</p> <p><i>Regional cooperation</i>, i.e. integrating the county more firmly into the Nuremberg metropolitan area, has been another cornerstone of the current county director. Recognising the increasing rural-urban interdependencies the political leadership of Nuremberg and adjacent counties set up a joint 'marketing association' in the 1990s.</p> <p>MS: Local authority sought advice and help from the federal government. Support was made available through a federal trust organisation created for restructuring and privatising former state-owned companies in East Germany. National economic advisers and financial controllers as well as federal and state policy-makers became frequent visitors and medium-term consultants to the Mansfeld area.</p> <p>J: An effective interaction between political institutions, public sector, research and industry is seen to build creative environments for business and people. Collaboration and the establishment of networks between business and the interaction with actors outside the region is seen to strengthen regional competitiveness and is a driver behind the development of society.</p>

¹ Exemplar Regions key: NY: North Yorkshire, England (Intermediate, service sector, accumulating); N: Neumarkt, Germany (Predominantly rural, diversified, accumulating); OS: Ostrolecko-siedlecki, Poland (Predominantly rural, agriculture, depleting); MS: Mansfeld-Sudharz, Germany (Intermediate rural, diversified, depleting); Z: Zasavska, Slovenia (Intermediate accessible, diversified, below average performance); CZ: Chelmsko-Zamojski, Poland (Predominantly rural, diversified, depleting); SK: Skye, Scotland (Predominantly rural, remote, consumption countryside, above average); JK: Jonkoping, Sweden (Predominantly rural, close to city, consumption countryside, above average); SS: South Savo (Predominantly rural, remote, diversified, below average); T: Teruel, Spain (Predominantly rural, remote, diversifying, accumulating)

	<p>SK: Some communities also purchased their estates from private owners – they remain individual tenants of a community landowner. Crofters have experience of managing their common grazings.</p> <p>Development projects are sponsored by a diversity of organisations. Some of the most important have been in the area of agriculture (specifically horticulture and organics), the LEADER program and various activities promoted by HIE. The LEADER1 programme in the employed community animators, who provided a local contact point for the community and for the agencies, stimulated and facilitated local development initiatives and provided ongoing assistance for local development projects. The use of community animators in this LEADER programme was considered one of its strengths.</p>	
Relational capital	<p>NY: Farms still generally owned by families or family partnerships.</p> <p>N: Many contradictions and conflicts – e.g. between new and old residents, between declining and thriving economic sectors and between preserving or transforming its traditional rural culture. Local leaders need to be in close contact with interest groups and facilitate open debate and cooperation between them.</p> <p>CZ: Demand for agricultural land exceeds supply, which can lead to conflicts. Some of the municipalities in the county are known for being part of the famous “Spirit of Gnosjö”, characterizing the enterprising and networking culture of the region. According to Wigren (2003) the Spirit is known all over Sweden for representing profitable businesses that are privately owned, formal and informal cooperation in networks between owner-managers, helpfulness and solidarity between employers and employees</p> <p>J: Village action movement is strong and emerged as a reaction to regional disparities and municipal mergers. Today there are about 4500 village action groups engaged in rural development in Sweden. However, they have not been able to develop local food supply chains effectively.</p> <p>SK: Incomers are a source of both hope and suspicion, and a major force for social change. Residents tend to highlight the closeness of their communities and the landscape as features they value most.</p>	<p>T: Tourism development seen as an activity that meets the demands of the urban population and increasing relations between rural - urban.</p>
Social capital	<p>NY: Some local ‘Participative planning’ is in evidence, and cross-sectoral partnerships, but some scepticism about how far the community voice is heard.</p>	<p>OS: The spatial structure of the subregion displays very low internal cohesion. Delimitation of its boundaries appears to be highly incidental and performed solely for statistical purposes.</p>

<p>N: Creating <i>local networks</i> and small scale economic circuits a major theme of REGINA's development efforts. A construction network of local builders, crafts and suppliers of building materials was formed. This improved competitiveness of the sector and opened up new joint business models and fostered technological innovation.</p> <p>OS: Inhabitants of Kurpie have formed a number of local and regional associations, implementing projects, aimed at promotion of culture and traditions.</p> <p>Z: 'Paths of Heritage' project was created in collaboration between a number of rural municipalities. Local people, institutions and professionals involved throughout. In parallel, a group of local coordinators has been formed gaining experience, knowledge and skills.</p> <p>J: County Councils and County Administrative Boards have noticed an increasing number of citizens engaging in community action.</p> <p>SK: Public sector has been important in development but the fractured nature of efforts is a concern. Resurgence is explained in terms of power being returned to the region, through the establishment of HIDB/HIE, local government reforms, land reform, community development and through discursive power restoring and reaffirming self-esteem and cultural worth.</p> <p>SS: Municipalities may provide services jointly with other municipalities, communities and enterprises. Community participation has long traditions and is involved in local development work through local action groups. Recently the village action movement has also been active in the provision of simpler welfare services in close cooperation with municipalities.</p> <p>T: During the last two decades public programs have promoted entrepreneurship, social capital, networks, strategic planning and local development in new and effective ways (LEADER, PRODER, etc.).</p>	<p>CZ: Significant social activity compared with Poland as a whole. A total 21.3 social associations and organizations per 10,000 inhabitants, while the average for Poland is 18.6. <i>The number of NGOs has increased</i> and an important increase in these terms in the two biggest towns, Zamosc and Chelm.</p> <p>J: Rural policies have come to be more mainstreamed into regional policies. Problems arising in the countryside have gradually come to be solved to a larger extent through active regional development policies.</p> <p>Administrative connections and municipal amalgamations have reinforced direct formal connections between rural and urban areas. This produces a new kind of management style, in which rural issues are more strongly linked up with broader regional development throughout the whole region.</p> <p>Connecting urban with rural areas is seen as a step towards growth in rural areas</p> <p>T: Urban system is based on a network of micro-settlements that, in many cases, are still losing population. This is related to the absence of a true urban network able to structure and functionally organize the territory.</p>
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