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Causes and consequences of medium and long term territorial inequalities in a European context, with a focus on rural regions

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Causes and consequences of medium and long term territorial inequalities in a European context, with a focus on rural regions[1]

ABSTRACT

In this paper I argue that territorial disparities are mainly the consequence of structural and institutional conditions established a long time in the past, sometimes centuries ago. I further argue that because policies aimed at redressing territorial inequalities only address a very narrow range of (usually narrowly economic) variables, and do so in the same general way across large and diverse social, economic and geographical conditions, they largely fail to reach their goals. This failure is particularly marked today because of the hegemony of neoclassical economics which, for example, underpins not only the narrow range of variables addressed by territorial development policies, but also creates and intensifies the very processes that increase territorial inequality. Finally, and following from the foregoing, I argue that a focus on the local and regional levels, and the adaptation of policies to local circumstances and needs, while absolutely essential, is doomed to fail unless the underlying forces generating inequalities at supra-local, national and international levels are also addressed simultaneously. The articulation between 'large' national or transnational contexts, policies and institutions, and local adaptations or barriers to these needs to be thought through in a transparent and trans-disciplinary way if policies to redress territorial inequalities are to succeed.

The journey through this set of arguments is informed by my work – both research and applied – in rural and regional development, in a number of different countries and regions, since the mid-1960s.

More specifically, I draw on two main pieces of comparative research directly relevant to the question raised, notably DORA, the Dynamics of Rural Areas in Europe, undertaken between 1999 and 2002 (Bryden & Hart, 2004), and Northern Neighbours, a study of the long term differences in economic, social and political development between the small neighbouring countries of Scotland and Norway since 1800 and before (Bryden et al, 2015). However, the paper is also informed by my most recent work on regional and local innovation systems in the emerging bioeconomy, by various projects and experiences in Local Development and Innovation over a long number of years, and by my early work on the economic and social impacts of tourism in the Caribbean (Bryden, 1973), among others. Perhaps the paper therefore also reflects my own evolution as an academic and practitioner over half a century.

[1] As always, I owe much to many people including my wife, Karen Refsgaard who sorted the tables and gave me valuable comments on an earlier draft of the paper, and best and nearly oldest friend and anthropologist, Keith Hart who has been my inspiration in many journeys including the discovery of the Human Economy, the Informal Economy, and our collective work on DORA; Sophia Efstratoglou and Elias Giannakis for providing the updated data for the Greek study areas in DORA and for being steadfast colleagues; and Vito Laterza, Anthropologist at the University of Oslo for helpful comments on an earlier draft.

1. INTRODUCTION

The uneven development of nations as well as their constituent rural and urban regions has long been recognised[2] , and Europe is no exception. The story goes back to the classical political economists of the enlightenment, and especially to Quesnay's *Tableau Économique* (1758) and the Physiocrats and Adam Smith's work *The Wealth of Nations* (1776). Smith's analysis of differences in economic development between nations focused first on the set of natural resources, land labour and capital, and second on the intangible resource 'the market' which he described as 'the invisible hand'. In the interests of brevity, we skip forward two and a quarter centuries to Michael Porter (1990) whose work on '*The Competitive Advantage of Nations'*. To Smith's three resources, Porter adds Knowledge and Infrastructure. But Porter (1990:76, original emphasis) argues that competitive advantage from factors "depends on *how efficiently and effectively they are deployed*." Porter also analyses the role of regions in national economic performance. Many economic historians and development economists have produced evidence on long-term uneven development at continental and national levels, and joined in the task of trying to explain the phenomenon. Much less work has been done to analyse and explain uneven development over the long term, at sub-national levels. Largely, this is because the production of sub-national data, and especially local (NUTS 3 or below) data, has lagged behind that at National level. But it is also surely because these more local levels have become in some senses 'more important' in an era of globalisation, centralisation and the development of transnational alliances such as the EU.

The nation state is a modern idea, dating mainly from the 19th century. Rousseau argued that citizens and communities gave up freedoms in order to secure the greater protection and freedoms offered by nation states. This was his idea of the 'social contract', and also the basis for the enlightenment idea that citizens of a nation state should be treated equally and with justice. As the influential French Revolution slogan has it: *Liberté, Égalité et Fraternité*[3].

Why is this question important?

Equal treatment of citizens in a nation state is regarded as essential to the maintenance of solidarity in relation to such things as the payment of taxes, participation in democratic processes, respect of property rights, and upholding of laws protecting citizens and dealing with external aggression. On the other hand the development of internal inequalities can, and of does, lead to civil conflict and even wars. Thus Alexander Gerschenkron (1962:28) argues that *"Had serfdom been abolished by Catherine the Great or at the time of the Decembrist uprising in 1825, the peasant discontent, the driving force and earnest of success of the Russian Revolution, would never have assumed disastrous proportions, while the economic development of the country would have proceeded in a much more gradual fashion".* Even today, many commentators from the left as well as the right of politics, see a civil war in the offing in Europe, some 60 years after the consolidation of the European Communities under the Treaty of Rome and its promise to end wars in Europe[4].

From the beginning, there have been large economic, social and territorial disparities in Europe, and one of the key tasks of the European Community (now European Union) has been to tackle these disparities, which are seen as obstacles to European integration and development. The Treaty of Rome (1957) established some solidarity mechanisms in the form of two Structural Funds: the European Social Fund (ESF) and the European Agricultural Guidance and Guarantee Fund (EAGGF, Guidance Section). These were augmented in 1975 by the creation of the European Regional Development Fund (ERDF), and in 1994 by the creation of the Cohesion Fund. Following the completion of the Single Market[5] in 1986,

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[2] For earlier works on territorial inequalities and regional policy in Europe, see for example CEC 1989, 1996, 2001b; Bryden et al 1993; OECD 1994, 1996; Terluin & Post 2000.

[3] Maximilien de Robespierre, 1790: Discours sur l'organisation des gardes nationales, Art. XVI.

[4] Nationalist Christian extremists like Hansjoerg Mueller (The Alternative for Germany Party) and home grown terrorist, Anders Brevik in Norway (Manifesto 2083) see this as a Christian-Muslim war, a view echoed by François Hollande, Socialist President of France who recently said that France was 'at war' and that it must be fought both inside the country and outside in the Middle East.

[5] Meaning the removal of all remaining tariff and non-tariff barriers to trade between member States.

economic and social cohesion became a competence of the European Community, and the Structural Funds were greatly enhanced – and became more targeted on poorer regions - in the reforms of 1987 and 1994. The Treaty of Lisbon introduced 'territorial cohesion' as a third dimension of EU cohesion in 2008. These three aspects of cohesion are supported through EUs Structural and Investment Funds (ESIF). Even if the meaning of 'territorial cohesion' and its relationship to 'economic' and 'social' cohesion remains somewhat unclear, especially on the 'social' component, and indeed contested within and beyond the Commission, the dominant view – at least until the Euro crisis - seems to have been that it is mainly about redressing the rather wide differences in economic conditions across the EU regions[6].

Norway remains one of the European countries most committed to the 'Third Way'. Its Districts Policy targets four key policy areas, notably:-

"real freedom of choice about where to live;

regional strategy to sustain the current patters of settlement;

facilitating economic developments in all parts of the country;

facilitating fair distribution of growth between cities and rural areas." (Bryden et al, 2015:77)

It has one of the most generous and universal welfare state's in the world, free education to university level, universal nursery school provision, a national health service, national wage bargaining, relatively equal property distribution, and powerful decentralised municipal and county government. The result is significantly lower interpersonal income inequality as measured by the Gini coefficient, very low levels of territorial disparity, and high rates of social mobility (See Table 4, and Picketty, 2014: 484).

In many ways, the efforts of the European Union in terms of social, economic and territorial 'cohesion' also reflect a kind of 'third way'[7] between raw market capitalism and centralised state control, and builds on ideas developed at national level in the Nordic countries, France, Germany, the Netherlands and others before and after World War II in particular. However, the ideas of the 'third way' have been challenged by the growing hegemony of neoliberalism since the 1970s, and the harsh implementation of Washington-consensus style policies in the poorer countries of Europe since the Financial and Economic crisis, and later Euro-crisis. In this context, the question of how the formerly decentralised policies tackling territorial (economic and social) inequalities fare when compared to the territorial impacts of macro-economic policies dictated by another kind of economic logic (or ideology) has to be raised.

In this paper I seek to tackle that question from the point of view of rural territories, regions and localities. First, I will look at the emergence of territorial inequalities in the European and OECD contexts, and the link between inter-personal inequalities, the models of 'equivalence' in the 'third way' models of the Nordic countries in particular, and territorial disparities. Here I will argue that strong national policies of citizen 'equivalence' also assist in preventing large territorial disparities, while the weakening of such national policies also increases territorial disparities.

Second, I will challenge essentialist interpretations of territorial disparities by looking at the importance of locally, regionally, and nationally specific factors over the medium and long term, as well as questions of path dependencies and key junctures that provide opportunities to break them. I argue that a nuanced and rather cross-disciplinary approach needs to be taken to the complexities of territorial diversity and inequality, and that the counterpart to this in policy design and implementation is a focus both on the local, and on the national and supranational levels. The 'region', conceived as a large zone lying between the central state and the old county and municipal levels, is an abstract concept of

[6] See, for example, Faludi (2005) and the various Cohesion reports, as well as the draft, but never ratified, European Constitution.

[7] The concept of the Nordic 'third way' originates in the book by the North American journalist Marquis Childs: Sweden: The Middle Way. London, 1936. Cited by Mary Hilson, 2008. The concept was later hi-jacked, and used to mean something else entirely, by Tony Blair advised by Anthony Giddens. In particular, the Blair-ite 'middle way' rejects income distribution, and favours market mechanisms to achieve greater equality, while diminishing the role of the welfare state. When we refer to the 'middle way' in this paper, we intend its original sense of the Nordic 'third way'.

convenience to administrators and econometricians which has little or no meaning in the daily lives of people.

Third, given these arguments, I ask whether most ‘regional’ or ‘rural’ policy is not in the present context ‘tinkering at the edges’, with a scale of resources that is largely insignificant in terms of the major impacts of ‘large’ national policies and institutions, related structural path dependencies, and the impacts of shifts in ideologies? Examples of major areas of policy and related institutions that need to be considered within the frame of ‘territorial development policies’ include those that determine the ownership and distribution of land and mineral ownership and resource rights; those that centralize, or decentralize, power and fiscal resources to local governments; those that govern trade rules and movements of capital and labour; those that govern education, health and other social welfare policies; those that govern energy and transportation; and those that govern research and innovation.

All of these policy areas and their institutions have been profoundly transformed at important historical junctures, in recent times most notably since the 1970s. In many cases the institutions appear to have been captured by powerful but self-serving interests. My final question in this paper then deals with the safeguards our societies have against the capture of such institutions by a few powerful interests. In the Nordic countries, so far at least, this safeguard has been the development and maintenance of a social democracy. In the wider Europe of today, however, this kind of safeguard seems weak or ineffective. For many countries the development of a social democracy seems a ‘long shot’ in current global conditions, and so the question arises; what are the alternative means of safeguarding both people and regions against the collusion of powerful state and corporate interests that determine with generation of persistent and even worsening inequalities today? And, further, how can these means be brought into existence?

2. TERRITORIAL INEQUALITIES IN EUROPE

The creation of the European Economic Community following the Rome Treaty in 1957 with its goals of a common market, led to fears of emerging and deepening territorial economic inequalities, because the economically strong countries and regions would be able to take most advantage of the widened markets. Seers[8], in one of the first real efforts to apply ‘development theory’ to the European case[9], argued that a ‘core and periphery’ was developing in Europe, and that this development would intensify with ‘southern enlargement’ and subsequent enlargements (Seers et al, 1979: 3-31). Seers pointed out that “Expenditure by all Community institutions in 1977 was 0.7 per cent of the aggregate gross produce of EEC members, or less than 2 per cent of their total public expenditures”. The point was that the resources available at EU level to cope not only with existing disparities, but with potentially increasing disparities over time, were minimal. Seers argued at the time that “The effect was only about 1 per cent of what would be needed to eliminate regional and state disparities” (op cit, pp 27-28). This is an argument that I will return to later.

In the early 1990’s a study by Dunford and Kafkalas (1992) concluded that both national and regional divergence in economic performance and inequalities had increased in Europe and, further, that weaker

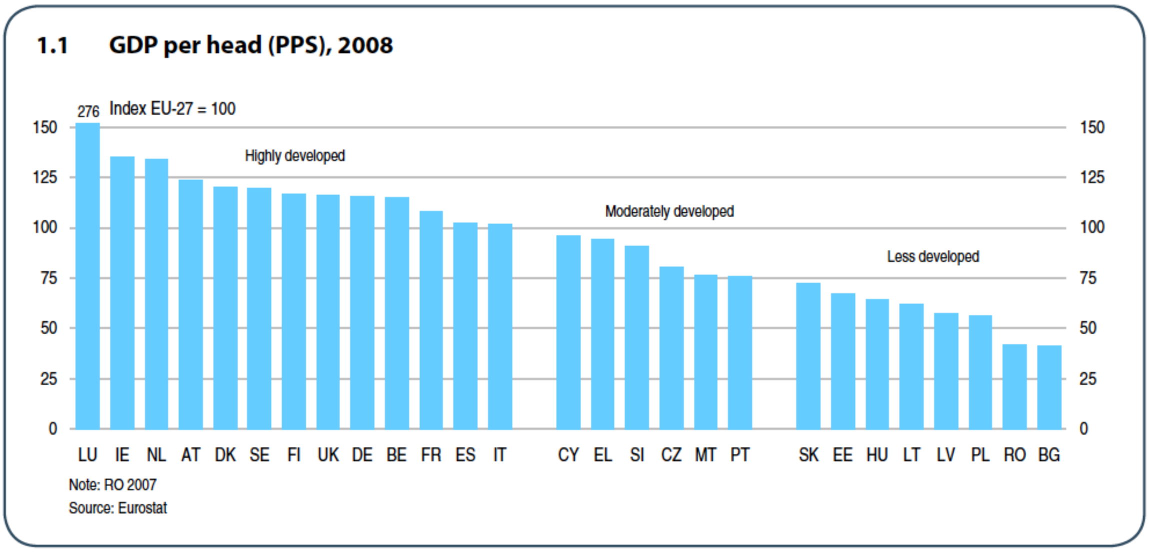
[8] Dudley Seers was a British development economist and a critic of neoclassical economics and the ‘growth fetish’. He drew much on his experiences in Latin America, and especially dependency and core-periphery theories, but also structuralism. Dudley was the author’s professional ‘boss’ when he became Director of Economics in the Ministry of Overseas Development established by the Wilson government in 1964, under the Minister, Barbara Castle. He left to become first Director of the new Institute of Development Studies at Sussex University.

[9] Deiter Senghass also later published an interesting book in German in 1982 which applied core-periphery and dependency theory to the European case, ‘Von European leren. Entwicklungsgeschichtliche Betrachtungen’. Frankfust am Main, Suhrkamp Verlag. This was translated into English as ‘The European Experience: A Historical Critique of Development Theory’ in 1985, published by Berg. Senghass is highly critical of the emphasis on Free Trade in development theory, and its failure to address the arguments of Friedrich List (1841) around selective de-linking from the global trade system.

regions would struggle to cope with such divergences. Regional disparities in productivity, unemployment and GDP were also noted by Amin et al (1992) and Amin & Tomaney (1995), to name but a few.

The 5th Report on Economic and Social Cohesion in the EU illustrates the disparities between member States in 2008 as follows:-

Figure 1. Disparities in GDP per head (PPS) 2008: EU Member States



Source: 5th Report on Economic and Social Cohesion in the EU. Brussels, European Commission.

This shows that, at least in terms of GDP per head, the richest country is more than three times as rich as the two poorest countries. Disparities between the EU regions are naturally even greater than this. Much is written, inside and outside the European institutions, on whether or not disparities are increasing or decreasing, and I do not want to spend time on this debate here, because I want to look at this question from other standpoints, and certainly not to focus on GDP per head, which is to my mind a flawed indicator, even if occasionally useful. Suffice to say, however, that there is no consensus on the question.

The following table shows clearly that some rural regions performed better than urban or intermediate regions in the 1980s, although others fared worse.

Table 1. Employment Change by Type of Region, 1980-1990

			Differences in employment change. Regional change minus national change in % points				
			Pre-dominantly Rural				
	National 1980=100	Pre-dom. Rural regions 1980=100	Total	Lagging regions	Dynamic regions	Sign. Rural	Pre-dom. Urbanised
Turkey	117.0	..	..	..	..	..	..
Norway	104.0	110.2	-1.8	-2.7	1.9	3.8	-3.9
Sweden	112.0	110.8	-1.1	-2.5	2.9	0.2	2.5
Finland	105.0	98.3	-6.7	-10.1	9.9	-1.1	15.8
Denmark	107.2	..	..	..	..	..	..
Austria	104.5	101.7	-2.8	-5.6	3.4	2.9	-0.8
Mexico	109.3	..	..	..	..	..	..
United States	118.5	113.5	-5,0	-12.3	11,0	3.1	2.2
Canada	116.5	114.1	-2.4	-9.5	12.8	9.5	-2.6
Australia	113,0	111.2	-1.8	-13,0	12,0	5.5	-1.2
New Zealand	101.6	98.3	-3.3	-8.7	3.2	-2.8	8.7
Iceland	118.9	..	..	..	..	..	..
Ireland	101.3	100.1	-1.2	-3.6	1.6	-0.3	1.4

Greece	107.2	97.7	-9.5	-13,0	4.8	2,0	11.1
Portugal	118.2	..	..	..	..	..	..
Czech Republic	101.1	100.2	-0.9	-2.8	2.8	-0.7	1.9
France	103.7	100.6	-3.1	-5.9	4.3	2.1	0.3
Spain	106.7	106.9	0.2	-20.9	7.5	-9.7	11.7
Italy	104.4	..	..	..	..	..	..
Japan	110.5	101.7	-8.8	-8.8	-	-2.3	7.2
Switzerland	116.7	115.4	-1.4	-7.6	6.5	4.4	-1.4
Germany	106.7	114.4	7.7	-1.7	9.1	0.7	-0.7
United Kingdom	103.5	108.6	5.1	-	5.1	7.3	-4.5
Luxembourg	119.6	-	-	-	-	0,0	-
Belgium	101.7	104.2	2.4	-	2.4	-4.7	0.8
Netherlands	126.1	-	-	-	-	3.9	-0.7

Notes: - Not applicable .. Not available

Typology of regions according to the share of regional population living in rural communities.

"Predominantly Rural" (PR), more than 50%.

"Significantly Rural" (SR), between 15 and 50%.

"Predominantly Urbanised" (PU), below 15%.

Source: OECD, 1996. Territorial Indicators of Rural Employment Focusing on Rural Development. Rural Employment Indicators Project (REMI). Paris.

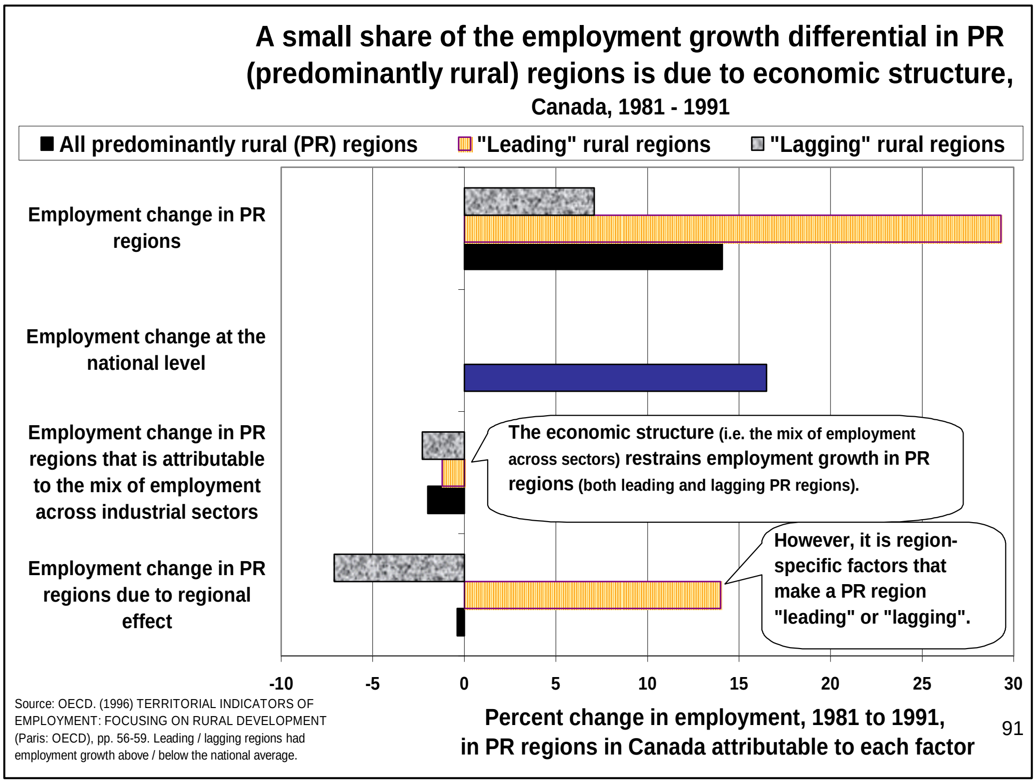
The OECD work on territorial rural data in the 1990s (OECD, 1994; 1996; von Meyer, 1997) opened up a whole new field of enquiry, because as the previous table illustrates, it showed that some predominately rural regions outperform other types of region in terms of employment growth. This also turned out to apply to many other indicators such as population dynamics, and GDP per head. Therefore it was not the kind of geography, or indeed any other single characteristic, that determined whether or not any rural region was performing ‘well’ on a number of economic, social and demographic indicators. It was this work that inspired the DORA (Dynamics of Rural Areas) project[10], which asked the question: why do some rural areas perform ‘better’ than others (Bryden and Hart, 2004).

Even more interesting was the OECD-REMI work using shift-share analysis to examine the role of local (as opposed to national or sectoral) factors in territorial employment dynamics. This clearly demonstrated that in all 15 OECD countries studied, positive local dynamics were what made the difference between ‘leading’ and ‘lagging’ rural regions. One major conclusion, which was to influence subsequent OECD work on rural policies, especially The New Rural Paradigm (2006), was that “development analyses and policies should focus much more on the territorial, local and regional, conditions and initiatives rather than the sectoral components and structures” (OECD, 1996: 56).

Figure 2 gives the example from Canada of the importance of local factors in differential economic performance in rural regions, based on the OECD territorial dataset:-

[10] The OECD’s work in this period also inspired at least two other research projects, notably the ‘New Rural economies’ project in Canada led by Bill Reimer, and the RUREMPLOI project in Europe coordinated by Ida Terluin and Japp Post. These projects both used different approaches from each other, and from that used in DORA. These projects in turn inspired later projects, including the ESPON project EDORA, coordinated by Andrew Copus. We believe they also helped in the development of the RIMISP project in South America.

Figure 2. Shift Share analysis of Employment Change in Predominately Rural (PR) regions in Canada, 1981-91.



Source: Ray Bollman, Powerpoint for the International Comparative Rural Policy Summer Institute (ICRPS), Ireland, June-July, 2015.

As Bollman says in his slide "it is region-specific factors that make a PR region 'leading' or 'lagging'. However, the OECD work did not open up that 'black box' of 'region-specific factors' at the time, and it is this issue that we turn to below. Suffice to say that this finding was also supported by the shift-share analysis undertaken within 16 EU study regions in the DORA project, and shown in Table 2.

3. DIFFERENTIAL ECONOMIC PERFORMANCE IN RURAL REGIONS OF EUROPE: THE DORA PROJECT

In DORA we approached the question of differential economic performance using eight 'matched pairs' of county-sized rural areas in four EU countries, Greece, Germany, Scotland and Sweden, with the pairs selected by 'better' and 'worse' performing local areas in the same or similar regions[11]. To categorize the study areas in this way, we used population dynamics as the main dependent variable, since this variable also reflects other important variables such as employment, incomes and quality of life.

The OECD territorial data and analysis, by highlighting variability of performance at local and regional levels even within the same political and geographical context, opened up a clear challenge to universal and essentialist theorizing on the topic. The clear importance of the 'black box' represented by 'local effects' in differences in performance encouraged us to disaggregate these into a series of factors and variables that we could explore in greater detail. Through literature review and the experience of the research team, we identified five 'tangible' and five 'less tangible' factors that might be expected to be

[11] As far as we are aware, this was the first research project to use the 'matched pairs' approach to the study of differential economic performance between regions or smaller geographical areas, although it was used to good effect in the 1980s and 90s to study the performance of manufacturing industry: for an example see O'Farrell & Hitchens, 1987.

important in this 'black box'. The less tangible factors can be considered as at least similar to those 'untraded interdependencies' of Storper (2003) and colleagues such as Maillat (1990) who discussed 'networks of interdependencies', and they certainly contain elements of Putnam's (1993) 'social capital' revealed in his study of the two Italy's, although they go beyond both of these conceptualisations. The analysis of both tangible and less tangible factors, and the relationships between them, also allowed us to go beyond analysis of Porter's (1990) five resource categories. This is important because, as Porter himself recognized, the territorial impact of these five (largely tangible) factors "depends on how efficiently and effectively they are deployed" (1990:76), which is in fact to say that less tangible factors determine the effects of tangible factors. Adapting the word of a famous song*: "T'ain't What You Have, It's the Way That You Use It".*[12]

Table 2. Shift-Share Analysis of employment change in the DORA study areas

Country	Region	Study Area	Actual Employment Change %	Employment Change predicted on the basis of sectoral and national trends %	Local Effect
Germany	Niedersachsen	**Emsland***	19,56	-4,70	24,26
		Luechow-Dannenberg*	11,04	-0,51	11,55
	Mecklenberg-Vorpommern	**Ludwigslust***	10,56	-1,18	11,74
		Uecker-Randow*	1,16	-0,63	1,79
Greece	Mountains	**Trikala***	-7,50	-7,75	-0,24
		Arkadia**	-15,80	-6,37	-9,43
	Plains	**Korinthia***	8,59	-3,72	12,31
		Fthiotis**	-5,38	-3,96	-1,42
Scotland	Highlands & Islands	**Orkney***	5,58	-8,98	14,56
		Caithness**	-4,47	2,96	-1,51
	South Scotland	**Annandale & Eskdale***	0,02	-3,13	3,15
		Wigtownshire*	-1,23	-11,93	-10,70
Sweden	North	**Vasterbotten****	-23,24	-17,00	-6,24
		Norrbotten**	-24,21	-15,98	-8,23
	South-East	**Odeshog etc****	-19,73	-18,76	-1,03
		Hultsfred etc**	-22,56	-12,20	-10,36

*Notes: * did better than predicted ** did worse than predicted*

Source: Bryden *et al* (2001b) based on DORA National Reports, the Well Performing Area's (WPAs) are shown in **bold**. Dates variable, typically the 1990's- see original sources for details. For Scottish data, 1991-98 data from Dr Andrew Copus, Personal Communication.

In DORA, the five tangible factors were Natural Resources, Human Resources, Infrastructure, Investment, and Economic Structures. The five less-tangible factors were Market Performance, Institutional Structures and Performance, Networks, Community and Culture, and Quality of Life. Each factor had a number of variables identified with it. We did not regard these factors and variables as independent one from the other, as there were clearly potential inter-relationships and even some overlap. Such potential inter-relationships were explored explicitly in the fieldwork. We also recognized that no factor or variable was 'wholly' tangible or intangible, but all had elements of both, to greater or lesser extent[13].

We have updated the population change data for the study areas in Scotland, Germany and Greece, incorporating the decade 2001-11 (or nearest) in Table 3 below. This shows that the relative performance of the pairs of rural areas selected has not changed for this later period, which also covers the first stages

[12] The jazz song 'T'aint What You do, it's the way that you do it' written by Sy Oliver and Trummy Young in the 1930's, and performed, among others, by Ella Fitzgerald.

[13] For this reason we used both quantitative and qualitative methods with qualitative methods being especially important for the less-tangible elements of all factors, inter-relationships between factors, and the exploration of causal relations.

of the financial and economic crisis. This demonstrates that changing the relative performance of more and less successful rural areas is a long-term business. I return to this point later, when examining the relative 'performance' of Scotland and Norway since 1800. Suffice for now to say that there are no 'quick-fixes'.

What did we learn from DORA? Although the explanation of differential economic performance within the matched pairs over the medium term involved a somewhat different range of variables in each case, the following six themes, which nevertheless meant different things in different contexts, emerged from the International Comparison:-

1. Cultural Traditions & Social Arrangements in the shift from state to market
2. Peripherality & Infrastructure
3. Governance, Institutions & Investment
4. Entrepreneurship
5. Economic Structures & Organisation
6. Human Resources & Demography

I will now discuss each of these themes in turn.

Table 3. DORA study areas population change

		% change in population, 1981-1991	% change in population, 2000-2014
Germany			
	Niedersachsen	7,70	-1,37
	Emsland (WPA)	22,70	4,19
	Luchow-D	6,20	
	Mecklenburg-V	-6,50	-10,78
	Ludwigslust (WPA)	1,63	-8,57
	Ucker-R	-0,95	
Greece			
	Peloponnisos	0,50	
	Korinthia (WPA)	1,40	4,81
	Fthiotis	0,60	0,62
	Thessaly	0,60	
	Trikala (WPA)	0,35	0,2
	Sterea-Ellada	0,80	
	Arkadia	-0,25	-6,29
Scotland			
	Highlands &Is R	1,20	7,53*
	Orkney (WPA)	4,00	11,61*
	Caithness	-3,40	-0,14**
	Dumfries & G R	1,50	1,62***
	Eskdale & A (WPA)	3,90	4,01**
	Wigtown	-0,40	0,27**
Sweden			
	Norra Norraland	-5,70	
	Sturuman, S&L (WPA)	-5,00	
	Overkalix, P&G	-6,50	
	S E Sweden	-4,10	
	Kinda, Box etc (WPA)	-4,20	
	Hultsfred &V	-3,40	

* 2000-2012 ** 2001-2011 *** 2000-2013

The shift from State to Market, as we called it, was a notable feature in many countries, led by the Anglo-Saxon duo of the USA and United Kingdom, and the so-called 'Washington Consensus'. The period we were focusing on is that following the election of Reagan in the USA and Thatcher in the UK at the end of the 1970s, now widely recognized as the rise of the neo-liberal hegemony. Although the rhetoric was hardly matched by the reality, at least before the financial and economic crisis after 2007, the idea involved a marked reduction of the Government sector and concomitant shift of resources and attention to the private sector, including much privatization and out-sourcing of collective goods and services, and reduced regulation. The point in the DORA analysis was that some localities or regions were better placed to take advantage of such a shift than were others. Those less able to cope were typically those that had, for whatever reasons, become highly dependent on the State, for example through support of ailing companies, or high levels of welfare support for unemployed people. Those better able to adjust were those with more independence from the State, and perhaps even a history of resistance against the State, as in the Swedish case of religious resistance in Småland. Whilst this logic is I believe robust, it has limits, especially when public supports for 'equivalence' are eroded, as they have been in many countries after the financial crisis in particular, and the real economic and social impacts of this are felt. I return to this point later.

Peripherality is both a fact – distance from centres of population matters for all sorts of well-known reasons – and a perception, which also matters. People in the Orkney Isles, on any objective measure a more 'peripheral' place than mainland Caithness to the south, do not regard themselves as living in a peripheral area – rather they see themselves as centrally placed between the USA and the Baltic, and so able to develop large scale trans-shipment facilities. The people of neighbouring Caithness however *do* regard themselves as peripheral, having been successively marginalized by centralising local government reforms since the 1970s, and see themselves as lying at the northern extremity of mainland Britain. Peripherality in both senses is affected by infrastructure provision, investment and public transport. Unfortunately, the shift from State to market has rarely led to improvements in these factors, and more often than not it has led to a deterioration.

Governance and the institutional framework were also found to be very important factors. One focus here is on the nature, power and autonomy of local government, which has seen many reforms since the 1970s, especially in terms of reductions in power and autonomy, and centralization. The modern period in general has been one of 'rationalisation' of local government, with many reforms to reduce the number of local governments, local government politicians, and often the number of tiers, on the grounds of efficiency and effectiveness. In some cases – and mainland Scotland is a good example – powers (and related finance and jobs) formerly with local government have been transferred to centralized undemocratic bodies, especially non-departmental public bodies or NDPBs. At the same time, local government has often become more dependent on central government for finance, and so more controlled by them[14]. Several DORA case study areas including South Sweden, Orkney Islands, and Emsland demonstrated the close connection between fiscal autonomy and powers of local governments and institutional effectiveness and cooperation.

Entrepreneurship and innovation also matter, but tend to be closely linked to combinations of other factors, including history and culture as well as issues of economic structure and distribution of wealth and land. More successful rural areas tend to have more vigorous local innovation and entrepreneurship, and this is also often linked to the powers and effectiveness of local public instititutions, and a culture of cooperation. This has been very important for new economic activities involving more creative use of natural and cultural resources, for example in renewable energy, bioeconomy and rural tourism, all of which benefit from investment and good organization of local public goods that improve quality of life and sense of – and pride in - place.

The development of new products and services around natural and cultural assets is also connected to the theme 'economic structures and organisation', which includes issues like farm size and land ownership, public ownership or rights to open spaces, firm size and ownership, access to cultural, archeological and architectural heritage. External ownership of land and natural resources was found to be a barrier to development, for example, as was a history of large scale plantation agriculture (the Junker estates) and large State farms under Soviet communism.

[14] See, for example, the chapter on local government by Bryden, Bort and Refsgaard in Bryden et al 2015; Riddoch, 2013; Christopher Harvie, 2013.

Human resources and demography also proved to be an important theme in local economic performance, although once again the concrete issues involved and their relationship to other factors and themes varied. For example, the character and scale of in-migration and out-migration were often important, but differed between areas. Rural areas often experience both 'supply driven' migration, which often depends on family connections and/or quality of life considerations, and 'demand driven' migration, which largely depends on labour market conditions. Such things affect different age, gender and ethnic groups in varying ways[15].

One can conclude this discussion by pointing to the complexity and diversity of causes of differences in economic performance between rural areas that otherwise appear to be quite similar (geography, political context etc). Therefore we argued, among other things, that a much more local approach to territorial rural policy was needed, a call taken up by the OECD in its *New Rural Paradigm* (2006), among others. The role of the EU and central government was to decentralize power and fiscal resources to local levels, and provide for equity in service provision, resource transfers including knowledge and capital transfers, and broad policy frameworks that enabled rather than disabled local capacities and control over local resources (Bryden & Hart, 2004:336-343).

Having established the persistent nature of 'successful' or 'less successful' rural areas over at least the medium term, and the complexity and sometimes deeply rooted causes of the differences, let us now more to the study of economic, social and political change in the two neighbouring and in many ways geographically quite similar countries of Scotland and Norway since 1800. This should give us some insights into the deeper structural and institutional causes of differential performance.

4. NORWAY AND SCOTLAND SINCE 1800

This was a collaborative and inter-disciplinary[16] study of two neighbouring, geographically similar, and historically closely linked countries, both with a population of around 5 million people and mainly undertaken between 2012 and 2014. The question addressed was: why did Norway and Scotland develop in such different directions, and with such different impacts, since the 18th century[17], table 4 shows some of these differences. At the risk of over-simplification, there are at least five key structural and institutional issues that emerge as crucial for this analysis. They concern, land and property ownership and the treatment of the peasantry, political power and its distribution across people and territory, energy sources and the location of industry, class alliances and the emergence of social democracy, and approaches to the ownership and control of energy and minerals. These differences turn out to be very interconnected, and immediately draw our attention to the fact that they transcend the disciplinary boxes which most of us grow up – and work - in.

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[15] These supply and demand driven migrations were studied in greater detail – and modelled - in the TOP-MARD project between 2005 and 2008. See Bryden et al (2011).

[16] The team included economists, historians, political scientists, anthropologists, sociologists, and geographers from Norway, Finland, Denmark, Scotland and England.

[17] Some of the differences between the two countries are summarized in Table 4.

Table 4. Some facts on Norway and Scotland today

	Norway	Scotland	*Notes*
Population	4,920,305	5,295,403	*Total, de facto, 2011 official data*
Fertility rate	1.88	1.73	*2011 official data*
Average age	39.4	38,0	*Average, c2011*
Density of Population	16.5	65,0	*Persons per sq. km*
Labour force participation rate			
	78.4	72.8 (UK 77.10)	*OECD data for Norway and UK. Scottish Government data for Scotland.*
Males	80.7	80.5 (UK 83.2)	
Females	75.9	71.9 (UK 71.0)	
Unemployment Rate	3.34%	7.13%	*Average, 2009-11*
Life Expectancy, males	79.4	76.9	*Official Statistics*
Life Expectancy, females	83.4	80.9	*Official Statistics*
Suicides per year	515	527	*Intentional Suicide*
GDP per capita, $US, 2011	99,143	38,806	*World Bank data for Norway.*
Disposable income per head, NOK (average)	228,317	140,637	*Gross Disposable Household Income per head, 2011*
Oil & Gas Production	1.9m (2013-14)	1.35m (90% of UK North Sea production of 1.5m in 2011)	*Barrels of oil and oil equivalent (gas and condensate) per day*
Renewables in Electricity Production	99%	4.3%	*Gross renewable electricity Production as a % of total electricity production.*
GINI coefficient for income distribution (a higher number indicates greater inequality)	23.9 (2012)	32 (2011-12)	*SSB for Norway, Statistics Scotland for Scotland.*
Voter turnout- national elections	78.2% (2013)	50% (2011)	*Scottish Parliament*
		63.8% (2010)	*UK Elections*
Voter turnout – local elections	64.5% (2011)	39.8% (2012)	*Local Government Elections*

Source: Table 1.1 in Bryden et al., 2015.

A key message of the analysis, is how important it was that Norway did ***not*** go through the wholesale clearance of people from the land in the 18th and 19th centuries, and which resulted in the creation of a landless (and property-less) dependent class in Britain, Ireland and many other countries. These clearances were indeed a main feature of Scottish (as well as English and Irish) agrarian change and industrialisation in that period, and they were only possible because of the political, social and economic power of the few, but large-scale, feudal landowners. Unlike Scotland, the Norwegian aristocracy and associated large-scale land holdings had been destroyed by the black death and the Kalmar Union in 1397[18], a situation that was compounded by the much more even distribution of church lands after the Reformation than was the case in Scotland. Interestingly, Julio Berdegué and colleagues (2015:130) also came to similar conclusions for Latin America: "A history of highly unequal land distribution appears in many of the case studies as an explanatory factor for contemporary territorial dynamics that tend to be exclusionary and sometimes polarizing."

This much more even land distribution was in turn the foundation of the relatively liberal Norwegian constitution prepared after independence from Denmark in 1814[19], and the relatively large and well-

[18] Signed in Kalmar, Sweden and effectively joined Norway, Sweden and Denmark under the Danish crown.

[19] Norway achieved independence from Denmark in 1814 as a result of the Napoleonic Wars. After a few months, Norway was placed under the Monarchial rule of Sweden, but by this time it had gathered people from all over

distributed Norwegian electorate thereafter when 40% of males of voting age were able to vote. This was roughly four times as many as in Scotland after the 'great' reform bill of 1834, and it laid the foundation for Norway's later social democracy. In addition, the (mainly small farmers) who wrote the Constitution wanted decentralized government to avoid control by a 'Danophile elite' in Olso, and thereby set the framework for much more local, and powerful, local governments than in Scotland. Later on, these same founding conditions combined with the nature of industrialization helped to create the rural-urban alliances that dominated modern social democratic politics.

A further important and formative difference was that while Scotland's industrialisation was peopled by landless rural migrants from Scotland and Ireland on the one hand, and fuelled by centralised coal deposits owned by the landed aristocracy as the energy resource, in Norway it was fuelled by decentralised hydro-electric power and peopled largely by farm-based 'pluriactive' labour that remained in the rural areas. This allowed the small farmers and their families in many areas to improve their cash incomes while staying on the farm. In Norway the rural population remained in the majority until after World War II, over 100 years later than it lost that majority in Scotland. The Concession Acts of the early 1900s then assured that the revenues from hydro-electric power would eventually accrue to the municipalities, who were thus made even more powerful and effective.

The small farms, and the engagement of peasants and their families in small local governments as well as local industries helped to foster the alliances between industrial workers and farmers in the 20th Century that were the foundation of Norway's strong social democracy and, in turn, the development of its universal and generous welfare state. These different characteristics and processes, and the values and politics that were associated with them, ultimately led to a very different post-War pattern, especially during and after Mrs Thatcher's conservative government from 1979, and in particular the very different impacts of North Sea Oil. Scotland produced roughly 60% of Norway's volume of production from the North Sea, but its impacts were described as a 'lost opportunity' and 'fool's gold' by two authors on the topic. At my last count in May 2015, Norway had accumulated just under US $1 trillion in its national Oil Fund ('pension fund'), whereas Scotland had nothing at all other than the small funds from landing fees accumulated by the wise Shetland Islands and Orkney Islands (ironically still technically the property of Norway) which account for about one-thousandth part of the Norwegian oil fund today.

The comparison confirms that economic, social and political development is both long term, and conditioned by context, institutions and the nature and locus of economic and political power. We are trapped for long periods by path dependencies created by usually long-forgotten historical events and processes. Moments – Brandel & Bratberg (2015) call them 'key junctures' - appear in the histories of all countries and regions that change the rules, and break path dependencies, providing opportunities for significant structural changes that can lead to new contextual conditions. But such moments are generally quite rare, at least on the scale of human life-times. In the case of Scotland, the Act of Union of 1707 stands out in sharp contrast with Norway's independence from Denmark in 1814. Both are critical junctures, but with very different impacts. The wholesale clearance of people from the land, and their engagement as landless labour in industrialization based on coal in Scotland during the 18th and early 19th centuries was also a key juncture, standing in stark contrast with the empowerment and growth of the peasantry in Norway and its symbiotic engagement with a decentralized form of industrial development based on hydro-power in the 19th and early 20th centuries. A further important key juncture in Scotland was marked by the rise of the Liberal hegemony in the UK, with strong support in Scotland between 1880 and 1920; this was a period when mainland Britain's only land reform before the 2000's took place (in the form of the Crofting Acts), which was almost adopted for the whole NE of Scotland as well as the Highlands and islands and a Home Rule movement emerged, as well as the institution of a Scottish Secretary in the Westminster (UK) government. It was a moment that was, in the event, missed, but it might have helped to make Scotland more like Norway, had it been grasped. Instead Scotland became subject to a long period of what Brandal and Bratberg term 'top-down containment'. In Norway during this period, independence from the residual Swedish monarchy was achieved and proportional representation introduced.

Norway to write a Constitution, and thereby gained its own parliament as well as control over domestic policies and its own currency.

The period between the two world wars brought a further key juncture to Norway in the form of the emerging social pacts, a consequence of proportional representation and resulting cross-party coalitions, and rural-urban alliances. This was the foundation for the strong, universal and generous social democratic welfare state in Norway after World War 2. In Scotland meanwhile, little progress of this kind was possible because of the centralization of government in London, although small steps were taken when administrative devolution took place in the form of the move of Scottish Office civil servants to Scotland in 1937. In my view the present moment is also a critical juncture in Scotland, with the consequences of devolution in 1999 and the creation of an elected Scottish parliament which ultimately led to a Scottish Nationalist government in Scotland, the Independence Referendum of 2014, and Scottish nationalist domination of Westminster seats in Scotland in the 2015 election. One could equally argue that the success of the right-wing parties in forming the ruling coalition in Norway represents a kind of critical juncture there. My point, however, has been to highlight the rather few critical junctures in both countries since the early 18th century, even though it cannot of course be said that economic, social and political developments did not occur in between (Streek & Thelen, 2005).

The contrast between Norway and Scotland also warns us against essentialist analysis of development and change. There are no single, universal, causes of the events we observe in particular countries and regions because people and their institutions have agency, and this agency creates locally adapted structures. As McLaughlin (2012) argues, essentialism's "fatal flaw is the inability of essentialist theories to explain structural diversity, environmental adaptation and human agency".

There are of course many other consequences and interactions in the play of history of the two countries, but these few observations surely support the need for more comparative analysis of economic, social and political developments in similar countries reflected in projects like RIMISP. In the case of Norway and Scotland, the work in penetrating the past surely informs present day political concerns – in Scotland around the independence and devolution debates that have transformed UK politics, and in Norway about the – for some alarming - future impacts of the Thatcherite policies of the present right-wing Populist-Conservative government.

The study of Norway and Scotland also reminds us that we always face political choices in a democratic society: to centralize or decentralize, to privatize public services or not, to reduce support for local governments or increase it, to regulate or not, and so on. These and other choices have large impacts at local levels that can and do often dwarf the impacts of specific territorial policies, including rural development policies, and indeed often counter any positive economic and social impacts that these specific policies may have. We now turn to examine this question in greater detail in the contemporary European context.

5. LARGE OR SMALL RURAL POLICIES?

In considering whether we need 'large' rural policies that reflect the rather deeply embedded causes of territorial inequalities, such as concentrated land and property ownership or lack of adequately resourced and empowered local government, or 'small' rural policies that address things like capital access and training needs, we should consider some of the relevant magnitudes involved in the current mix of policies at EU and national levels.

Table 5. Some comparisons of budget items at EU and national levels in relation to GDP and the costs of the Financial and Economic crisis after 2007.

	2014	
EU funds		
EU Funding 2014-2020, per annum,€m		154 650
Per annum EU Structural & Investment Funds 2014-20 €m		64 868
Per annum EU Rural Development funds 2014-20 av €m		13 620
EU GDP and Gov spending		
GDP, EU, €m		13 070 000
Govt spend €m		6 200 000
Local Gov €m		1 550 000
Social Spending		2 179 181
Funds as % of GDP		
EU Budget as % of EU GDP		1.18
ESIF, % of EU GDP		0.50
ESIF as % of LG		4.19
Local gov as % of GDP		11.86
Social spending % of GDP		16.67
Reference data		
Costs of banking crisis		
As % of GDP, 2007-2009, UK		12%
As % of public budgets, UK		8.3%
As % of budgets, Advanced countries		5.9%
Loss of output, Advanced countries		24.8%
UK		
UK contribution to EU budget, net 2012, % of GDP		0.6%
Fall in UK fiscal contributions to local gov, 2010-15	real terms	36%
Decline in real central funding of local govt 2010-15	£43,400m	2.90% of GDP
Per annum decline, 5 year period	£ 8,680m	

European Structural and Investment Funds, including the Rural Development funds, for the period 2014-20 amount to €64,868 million per annum. This figure compares with annual local government spending in the EU of €1,550,000 million, and annual social spending of €2,179,181 million. ESIF funds are thus a mere 4% of local government spending in the EU. Local government spending – and central government support for that – is under attack. In the UK alone, central government funding of local governments fell by some €10,000m per annum in the period 2010-15, which compares with an annual ESIF budget for the UK of €1,691 m for the period 2014-20.

The ESIF funds obviously have several kinds of potential impact. First there is the macro-economic impact of additional public spending. Second there are investment-output effects for productive investments (not all ESIF funds are that). Finally there may be other effects such as displacement, crowding out and so on not normally considered, and which we will assume are negligible. However, given the magnitudes involved – the decline of central government funding is nearly six times the level of ESIF funding in the case of the UK – one can only conclude that ESIF funds are very unlikely to go anywhere near compensating for the declines in local government funding.

The financial crisis of 2007-8 and, for the Eurozone in particular, the subsequent Eurozone crisis starting around 2010-11, has presented the EU as well as member States with huge challenges. The cost of the banking crisis has been very large. If we take two of the worst affected countries of the crises, Greece and Ireland, we can also see declines in Government spending over the period 2010-14 which are several times the magnitude of annual EU Structural and Investment funds for the period in these countries. A similar, if less severe, pattern can be observed in both Spain and Portugal. Moreover, this situation is getting worse rather than better in the period planning period 2014-20, certainly threatening the ambitious EU 2020 goals. This is not only because the crisis is on-going and may even be deepening, but because national budgets continue to be under severe pressure due to the direct and indirect costs of the crisis and its aftermath, and the pressure is being transferred, sometimes disproportionately (as in the UK case) to local governments, who actually deliver public education and often also social welfare and other key services, including services to refugees.

In addition to these pressures, however, Local Governments in the Euro-Zone face a 'triple penalty' as Marjorie Jouen (2015) calls it, as the result of the changes in the regulations for ESIF in 2014-20. In particular the introduction of what is called 'macro-economic conditionality'[20]. I will now briefly explain what this is, and what the effects are likely to be.

Macro-economic conditionality essentially means that payments of EU structural, cohesion and investment funds, which are those directed at Territorial Cohesion in the EU and mainly planned at the regional level and co-funded, may be suspended by the European Commission in the event that the member State do not comply with Stability and Growth pact rules, which include rules on the level of public debt. The regional authorities in Europe have strongly (but so far unsuccessfully) objected to this on two main grounds: first, that sanctions linked to deficits are likely to make a bad fiscal situation even worse; second, such national level sanctions will spill over into cuts in local government funding from central governments, thus destabilizing local government budgets and damaging their public investment capacity further. To these two problems, Jouen adds a third, notably that the Commission guidelines indicate that re-programming consequent on sanctions will be centralized at national, and preferably at EU level, and this will both reduce the effectiveness of the programmes, and call into question the whole idea of multi-level governance in the EU. Indeed, Jouen asks the rhetorical question: whether "the real purpose of macro-economic conditionality … (is aimed at) …ensuring sound economic governance or at … (destroying) ... multilevel governance" which has lain at the heart of cohesion policy since its inception. Accepting that the Commission has an interest in "keeping its hands on all the EU policies", Jouen further asks whether "this interest … (is) … really shared by all the people and socio-economic players living in very small villages and cities"?[21]

The point of this section has been to stress the minor scale of EU interventions on structural and cohesion policy when looked at in the context of national and local government budgets. In particular, however one considers the question of impacts, it is clear that cuts in local government expenditures consequent upon the financial and economic crisis after 2007 and the euro crisis after 2011, have had serious local impacts that are, based on the relative numbers involved, most likely to have greatly exceeded any positive impacts of structural, cohesion and investment policies, and so endanger the cohesion and solidarity of the entire EU. Perhaps this is most obvious in Greece, which had the most serious impacts from all of these crises.

This is the context in which territorial development policy and activities in Europe have now to be viewed. While the purpose of that policy was to help counteract the uneven impacts of, first, the single market and second the single currency- the situation since the crises has been that these territorial imbalances have been made worse rather than better. Moreover, the set of policies in place for the current period 2014-20, seem set to continue this tendency.

6. CONCLUSIONS

Development, regional or otherwise, is complex and can only be properly understood in a long-term trans-disciplinary and comparative framework. Simple, essentialist, interpretations fail to account for the agency of people and their institutions, civil and political. This applies as much to neo-classical as to core-

[20] Conditionality attached to loans is of course a very old story. In the form it now takes for loans to Government's it goes back at least to the Decree of Mouharen, or 'Turkish Agreement' of 1881, following Turkey's default on foreign debt in 1875. However, the key and important difference after the 1970s has been the ideological content of conditionality as operated by the IMF (Stiglitz, 2002; or Khan and Sharma, 2001 for a partisan IMF view). This ideological content has been 'borrowed' more of less intact by

[21] What makes this a significant paper is that Jouen was formerly a senior official in DG-Regio, and so speaks with insider knowledge.

periphery theorizing. We therefore need a new approach to our understanding of regional inequalities in economic and social and political conditions and their dynamics over time.

It is clear to me at least that tackling only tangible factors is insufficient. Moreover, trying to rectify territorial imbalances without considering the 'big picture' – as in the contemporary case of 'macro-economic conditionality' in Europe – is a formula for failure. Indeed, many of the measures that impact on intangible factors are determined – as we can see from the Norway-Scotland case – by long term, path-dependent, structural and institutional conditions, such as the distribution of land and property or the structure, powers and financing of local governments and its link to centralization or decentralization of public decision making. So I would argue that the conditions at EU and National levels matter most for local and territorial development, irrespective of what is done under the name of, for example, 'territorial cohesion' policies.

At the same time, I want to make a strong case for much greater attention to local levels, what we would think of in Norway as the Municipal and County levels, rather than the more fashionable Regional level so beloved by our planning colleagues. Working on the research projects I have mentioned, as well as on grounded innovation in the bioeconomy, and on the OECD's team for the study of renewable energy as a rural development activity, has allowed me to observe that much innovation and especially adaptation takes place at the local level. Where useful[22] new things are happening in renewable energy, or the bioeconomy, it is usually through local leadership. In our Nordic context, which is one of decentralized social democracy, this generally comes from or through the Municipalities and Counties, and particularly the former.

The early LEADER programmes in the EU were good examples of how the empowerment of local levels – in this case usually through partnerships – could lead to interesting and varied new initiatives and innovations, building on local tangible and less tangible assets[23]. This was a period, especially in the 1990s, when local development flowered in the EU rural areas. Yet LEADER I and II, which were positively evaluated, were hardly costly programmes[24]. Since the 1990's however they have become increasingly top-down and less bottom up through the process of 'mainstreaming'. LEADER had a counterpart in the Canadian Community Futures programme, which was even less costly. A similar experimental programme was also launched in the USA in 1993[25]. LEADER has also been widely used as a reference point in Latin American approaches to rural policy (Saraceno, 2010).

Equally, we need a new approach to policies that seek to modify or ameliorate such inequalities. In particular, we need to understand that regional inequalities exist and evolve in particular contexts, shaped by history, struggle and politics. They are often maintained by long-term path dependencies, which are actually or potentially broken infrequently by key junctures of forces. It is pointless, for example, to foster convergence of regional economic, social and political conditions by a set of 'regional policies' based on narrow economic logic, when other larger forces are undermining such policies and tending towards greater regional inequalities. The European case provides good examples of all these things, in the past, and in the present day. Perhaps the Latin American case also provides useful illustrations, for example implementing LEADER-like approaches when the key - and largely untackled - rural issue is one of land rights and access to land.

The context for the work I have discussed in this paper has been Europe, mainly the European Union and Norway, which is an EU member State, although affiliated and affected by it through the European Economic Area. All are OECD members, and most 'old' members at that. It is unclear how well the

[22] By 'useful' I mean things that lead to positive economic, social and environmental outcomes at the local as well as national or supranational levels, and hence to positive local attitudes and legitimacy of public decisions.

[23] I was closely involved in LEADER I and II in various ways, including as an evaluator and as part of the European LEADER Obervatory team, and I have written about the programme in several places

[24] Elena Saraceno has written a number of papers both on the results of the LEADER programmes and the evaluation of these results (1999, 2010, 2013). I have also contributed to this literature (eg in papers with Shirley Dawe in 1998 and 1999; in a Chapter on Local Development in Keith Hart, Jean-Louis Laville and Antonio David Cattani (2010) and in an article for the LEADER magazine (2006), among others.

[25] The Enterprise Community Program EZEC. See Bryden & Warner 2012: 184.

discussion of territorial dynamics and related policy issues translates into other contexts, and once we lose 'essentialist' foundations we are forced to confront this question in more cross-disciplinary and comparative frameworks, with a long term perspective. I myself believe that some basic principles are important in all contexts, however. These include the principle that the State is the only body that can protect people from the inequalities generated by larger forces than the State and by powerful interests within it, as well as organize and management the public goods that are necessary for a fair, effective and socially mobile society with equal opportunities for all people[26]. This means that there needs to be a major focus on the role and functioning of the State in such matters. The singular focus on 'downsizing' and 'new public management' has been a destructive diversion created by neo-liberal hegemony, which, like other such ideological hegemonies will – and should - eventually disappear. A further basic principle concerns the complexity of modern economic, social and political development questions and their governance. I am far from alone in believing that these call for a decentralized approach, and where this cannot be through honest and empowered local governments it must be through citizen participation at local levels (del Valle, 2015). Of course, such local initiatives are not, as I have argued, sufficient. Without the 'right' national policies, they will not be able to work. There is surely more than one 'middle way', and the search for feasible 'middle ways' in different political, economic and social contexts is surely now an urgent one.

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[26] Picketty (2014) has seminar work in the development of interpersonal inequalities of income and wealth in the 'neo-liberal' period and contexts. A further useful paper exploring inter-generational mobility in the United Kingdom and the United States is Markus et al. (2005).

[27] This book was an edited version of the final report of the EU project, DORA, funded under the EU Framework Programme for Research and Technology Development, coordinated by Bryden. Bryden, J., Efstratoglou, S., Persson, L-O., Schrader, H., Atterton, J., Ceccato, V., Courtney, P., Efstratoglou, A., Hachmöller, G., Hart, K., Koch, B., Kouroussi, E., Masurek, L., Apostolos Papadopoulos, A., Timm, A (2001). Dynamics of Rural Areas. Final Report. December.

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