

What should be the policy for development of the remote regions of Scotland?

Professor Mark Shucksmith



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Not mainly an agricultural issue?

% employment in ...	Agriculture and fishing	Distribution, hotels and restaurants	Public admin, health and education	Other services and manf
Scotland	1.2	22.4	38.5	37.6
Highlands & Islands	2.3	25.6	34.4	37.7
Western Isles	3.7	19	43	34.3

How important is agriculture to farm household incomes?

% farm household income from	Non-agric sources	LFASS	Other agriculture
Aberdeenshire etc	36	8	56
Caithness etc	31	14	55
Dumfries & Galloway	32	9	59
Lochaber etc	47	15	38
Western Isles	84	6	10
Borders	15	31	54

Source: Schwartz et al 2006

Features of successful rural economies?

DORA study by Bryden et al (2004) identified the following characteristics:

- Cultural Traditions & Social Arrangements in the shift from state to market: self-reliance, independence...
- Peripherality and Quality of Infrastructure
- Governance, Institutions and Investment
- Entrepreneurship and 'can do' culture
- Economic Structures and Organisation
- Human Resources and Demography

How to support rural economies

Bryden et al conclude local enterprise can be simulated by:-

- widespread/ community/ ownership of land and housing
- good local institutional autonomy & governance
- investment in appropriate public goods
- strong local identity & market positioning
- good education, health and other service provision & access
- cultural and environmental attributes & 'can do' approach

A specific issue might be support for 'microbusinesses'

Scotland: Housing Tenure, 2000/01

	Owned outright	Mortgage	Council rented	HA rented	Private rented
Large urban areas	22	36	24	8	6
Other urban areas	23	41	26	5	3
Accessible small towns	24	42	26	3	2
Remote small towns	32	31	24	4	6
Accessible Rural	32	38	17	3	5
Remote Rural	40	28	15	3	8
<i>Scotland</i>	25	37	23	6	5

Housing

- Urgent need is for more investment in social and affordable housing and an end to right-to-buy sales.
 - Increased funding (public & private) for rural social housing.
 - Encourage councils to build again? But managed by communities?
 - Replace RTB with shared equity scheme protected by golden share preventing staircasing to 100% and rotating fund.
 - Planning: designating land for affordable housing; and s.75 cross-subsidy
 - Croft Housing Grant Scheme and/or Rural Home Ownership Grants.
- Allocations criteria to reflect broader rural development goals and local needs as well as purely housing need?

Public Services

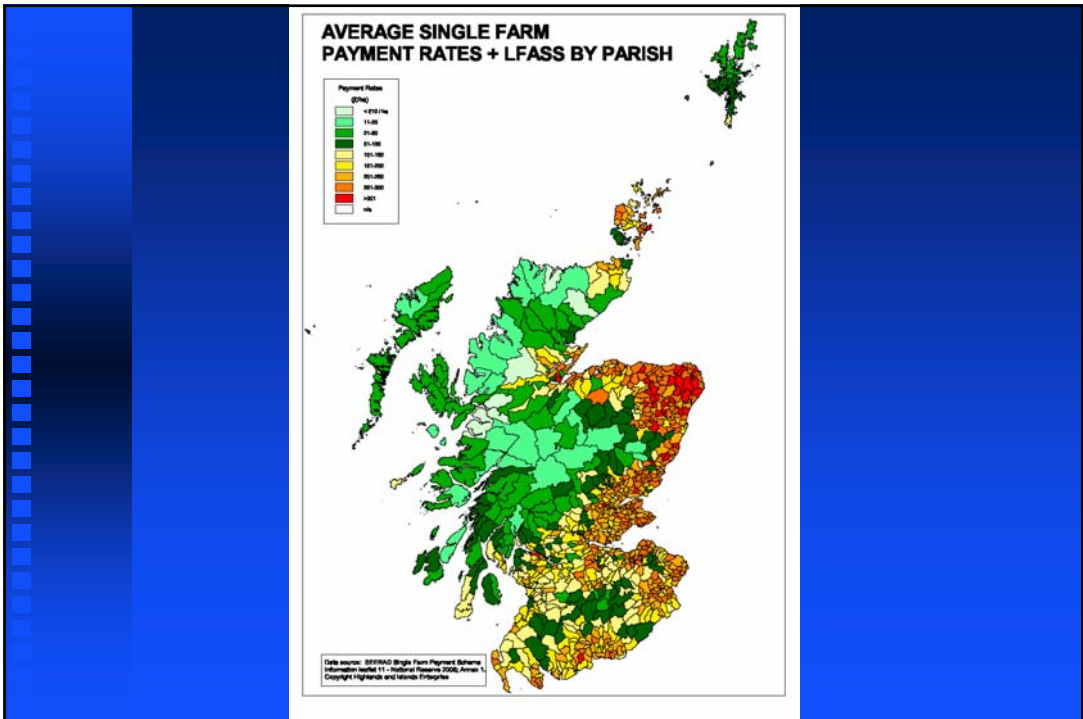
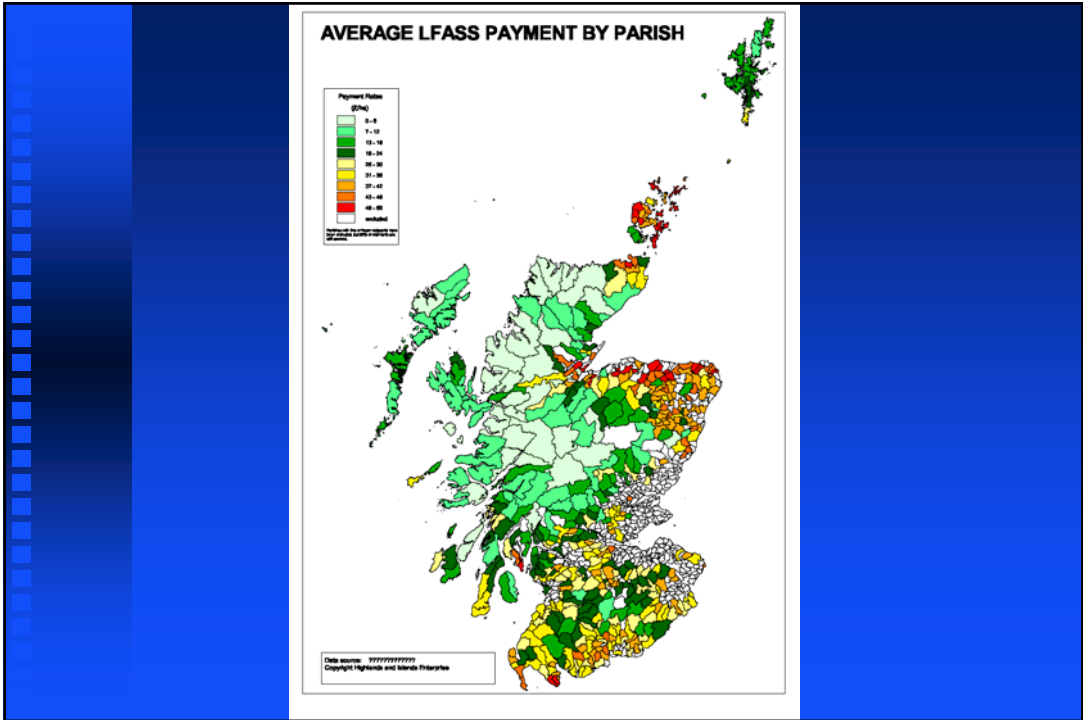
- Public services in sparse regions; the role of institutions and governance in 'administrative exclusion by the state'?
 - Equal entitlement; minimum standards; or second class citizens?
- Difficulties in accessing public services may themselves generate/perpetuate unequal capacities and life-chances, eg through unequal early education or health care.
- Public services now privatised (eg.POs): what regulation and/or subsidy for sparse regions? Who pays?
- Issues of individual and collective choices and voices. How to build local capacity to demand better services and to generate innovative solutions as part of place-making?

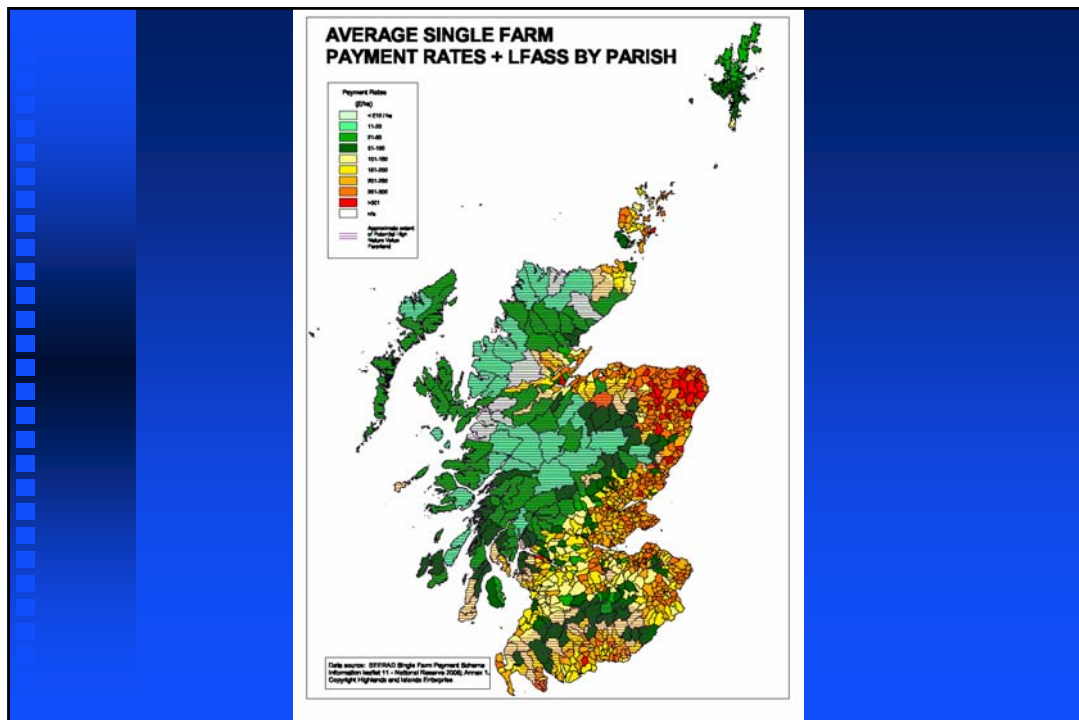
Empowering rural communities

- Most area initiatives do not empower rural communities. External agendas, formal requirements for partnership working, competitive bidding regimes, short-term funding and existing power structures often limit the effectiveness of rural regeneration attempts.
- Instead build institutional capacity at local level, with flexibility to meet each place's needs, and long-term commitment.
 - Knowledge resources
 - Network resources (social capital)
 - Mobilisation capacity (ability to work collectively)
- Local institutions with skills, legitimacy and accountability.
- Promote inclusion through community agents.
- Role of the state in supporting and enabling, building capabilities.

Agricultural support

- Of course, agriculture is important – to identity, to environmental objectives and for quality foods.
- But current support is not well targeted towards any of these objectives: indeed agricultural policy is failing both remoter regions and the pursuit of these important public goods.
- Consider the LFASS (£60.5m) and the SFP (£416.9m) as the largest two support schemes...





So what policies?

- Promoting successful rural economies, following the lessons of successful regions elsewhere.
- More affordable housing and good public services.
- Empowering rural communities, through long-term action to build their collective capacity to act
- Better targeted agricultural support
- Roles for government:
 - Enabling and capacity building
 - Promoting social justice and territorial justice
 - Supporting the provision of public goods