

DINNER/DISCUSSION SUMMARY

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

Held at The Royal Society of Edinburgh on 31st October 2007

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Chair: **The Earl of Selborne KBE FRS**
Chairman, The Foundation for Science and Technology

Speakers: **Professor Gavin McCrone CB FRSE**
Chairman, Royal Society of Edinburgh Inquiry into Scotland's Hill and Island Areas
Professor Mark Shucksmith
Professor of Planning, School of Architecture, Planning and Landscape, Newcastle University
John Cameron
Farmer and former President of the Scottish NFU
Professor Frank Rennie
Head of Research and Post Graduate Development, Lews Castle College,
UHI, Stornoway

PROFESSOR MCCRONE said that the RSE inquiry, to be concluded in June 2008, was concerned with the potential dangers to agriculture in rural Scotland which would follow the revision of CAP in 2013, which almost certainly would see the present subsidy system of Single Farm Payment (SFP) and Less Favoured Area Subsidy (LFAS) replaced. In the long term, these were unsustainable; both were backward looking, decoupled from production, and only the LFAS (by far the smaller) required stock on the land. Profit came from the market price of stock; if it were low - as now - and existing subsidies discontinued, it would not be worth their while for many hill farmers to continue. But it was possible that prices would rise because of the growing pressure on global food stocks. Other activities in rural areas were doing well. Only 10% of rural income was from agriculture; tourism was flourishing; forestry increasing; and broadband access was leading to inward migration and business development. Agriculture should be sustained to support indigenous food supplies for security, and to benefit the environment visually and by encouraging biodiversity. The main problem was the shortage of affordable housing.

PROFESSOR SHUCKSMITH emphasized the small part agriculture played in rural Scotland - only between 1 and 3% of employment, compared with over 20% in tourism and between 38 and 50% in public services. Substantial proportions of farm household incomes (84% in the Western Isles) came from non-agricultural sources. Remoteness did not mean decline - throughout Europe some remote areas did better than others. Such success depended on cultural and social arrangements (in particular the ability to cope with a change to a market economy); the quality of infrastructure; governance and its relation to communities; economic structures (cooperatives, trade associations) and the health and skills of the population. We should seek to emulate the successful areas; the state can help through providing infrastructure, good health care and education and promoting a strong local identity and empowering

communities. Affordable housing was crucial. This meant building more social housing, and ending the right to buy. Allocation procedures should take in wider concerns than need. Public services in rural areas should be of the same standard as elsewhere and equally easy to access. Local communities should have sufficient autonomy to make their own choices, and not be dictated to externally. Existing subsidies needed to be changed; they were not well targeted to provide high quality food or benefit the environment

Mr. CAMERON said it was important not to underrate the economic importance of agriculture, in spite of the figures earlier speakers had given. The food processing industry, for example, turnover was £7.5 bn, and 36% was Scottish produce. Moreover there was a growing demand for high quality food, and Scotland was a brand name for which customers would pay a premium. It was a mistake to see agricultural subsidies as only related to farming, they were vital to sustain the social fabric in rural areas. They must also be targeted to support the environment. What would be the effect on the landscape if there was no grazing stock? Once stocks had declined in quality and volume, it would take a long time to replace them. The real problem was the decline in people living and working on the land and in villages - they were an endangered species. Villages must be supported and encouraged to grow - perhaps by a labour unit subsidy for agriculture, fishing, conservation and tourism - and decisions taken locally.

PROFESSOR RENNIE said that even greater changes were happening now than in the past and we needed to understand them and anticipate how they could change life in rural areas. Broadband access would change all received ideas about education and health provision, commercial location and communication and not least, the access to entertainment. No longer need the student be in physical contact with his teacher or the doctor only able to advise patients by seeing them physically. Disabled or elderly

people could live on their own but be accessible through sensors so that those concerned about them could be kept aware of any physical problems. Crucially businesses no longer needed to be in urban areas and in physical contact with suppliers and customers. What was important was to seize the advantages that these developments would bring and fashion policies which would work with them and not look back to past circumstances.

A leading theme in the following discussion was whether the apparent emphasis in the inquiry on agriculture and the concerns of some speakers, was too narrow. While there was much sympathy for farmers who would face an uncertain future if subsidy arrangements were changed so that livestock farming on marginal land became unprofitable, it was unrealistic to suppose that policy makers would look at their plight in isolation. It was clear that other income streams tourism, public services – were more important in rural areas than agriculture; the emphasis of Government policies should be on how these other streams of income can be improved and benefit all who live in rural areas, not merely farmers. Speakers endorsed Professor Rennie's view of the great changes Broadband access would bring about; to utilize the advantages of these changes a new mind set was required – one that looked to investment, not subsidy and which focused on the future not the past. Such access needed to be combined with efforts to promote entrepreneurship and technical and financial help for start up businesses. Affordable housing was an important factor in keeping villages alive, and enabling young people to stay in areas where they had grown up but such housing should also cater for those wanting to come into the area to develop new activities. It would not be easy to combine the desires of local inhabitants attached to traditional groupings and the needs of incomers who wanted to establish new businesses and the many who simply loved the country as it is and wished to live or retire there without causing or seeing change.

There were perhaps, two interlinked questions - if, as seemed probable, the subsidy arrangements were changed in 2013, what would we like new subsidy arrangements to achieve and how could we work towards a social structure in the rural areas, which would take account of all economic activities and make life in remote areas a life worth living. Realistically, given the pressures in the EU, any new subsidies would be smaller and would be linked to aims which found wide acceptance amongst urban as well as rural populations. This meant that environmental issues would predominate, although there would also be support for secure food supplies. So there should be pressure for subsidies which would enable farmers to get credit and income from environmentally beneficial land use and farming practices. It could be linked with promoting tourism and access to farms. Anything that could be held to support CO₂ reductions would be likely to gain support, but it was necessary to be careful about reforestation on peat land. The important point was that preserving the environment meant man management of it, either through farming or other uses. To leave it unmanaged would not help the environment. If markets improved and livestock brought higher prices, the need for wide ranging subsidies would be reduced (although not probably eliminated) but even so, better returns would not come without vigorous marketing. Scottish producers were fragmented, and needed more power to deal with wholesalers and retailers.

The answer to the second questing lay in integrating the various needs and desires of the disparate groups who came into, or lived in, the rural areas. Such integration meant not forcing out the families whose living depended

on agriculture. It was clear that many were leaving their communities, either because they could not obtain housing or employment or simply that life on a farm or farm labouring, involved unsocial hours, hard work and isolation. It may be, if action were not taken, the present generation of such workers may be the last. They could be helped by more affordable housing and more understanding by planning authorities of rural needs. Provided social housing could not be sold on to outsiders, the planning difficulties in allowing new dwellings for farm purposes could be loosened. Similar loosening could help farm families use their premises for business or tourism, thus raising income in the area. Changes are inevitable. No subsidy policy will have as its main purpose to keep people on the land; decline in agricultural population was not new - it had been going on for 50 years. But change should be anticipated, should not be sudden, involve adequate transition periods, and come with support and advice. But perhaps most importantly, local communities should be given greater powers to make choices for their areas and not be stifled by overriding national policies – they should themselves take decisions about which villages were sustainable and supported, and which were not. Promoting investment was also important. Community land use and ownership had a role to play but so did development by large estates. It was easy to overlook the role of field sports - deer, grouse, salmon - in income generation and employment.

A recurrent warning in the discussion was the danger of underplaying the great differences in strengths and weaknesses between different rural areas; the different economic opportunities each provided and the very divergent interests of different groups in societies - the young did not want the same as the old, the affluent as the poor, the town dweller as the villager. Integrating meant, not that all these groups would get what they wanted but that they felt they were being treated fairly - that a form of social justice prevailed. So the standard of public services - education, health, transport, must not only be of a standard which is generally acceptable, but also must not place rural dwellers at a disadvantage compared to the urban dweller.

Sir Geoffrey Chipperfield KCB

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