



RURAL DEVELOPMENT, GLOBALIZATION AND EUROPEAN REGIONAL POLICY: PERSPECTIVES FROM THE DERREG PROJECT

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Abstract

Globalization has a pervasive influence over regional development in rural Europe, presenting both opportunities and challenges. This paper draws on research conducted in the DERREG project to examine how globalization impacts on rural regions, and importantly, how rural regions across Europe are proactively engaging with globalization processes and their impacts, exploiting new opportunities and responding to challenges. The paper identifies the significance of regional policy in shaping and supporting regional development responses, but argues that policy contributions can be compromised by misconceptions around the definition of rural regions and their functional ties to urban centres, and calls for a more relational understanding of regions to enhance policy interventions.

Key words

rural development • regional development • globalization • regional policy • Europe • territorial cohesion • DERREG project

Introduction

Globalization has become a pervasive influence over regional development in rural Europe, presenting both challenges and opportunities. The liberalization of markets and increasing integration of the global economy, together with the expansion of transport and electronic communication networks, the opening of borders and increased pattern of transnational migration, as well as growing consciousness of global perspectives on the environment and other issues, have all prompted, intensified and exaggerated processes of social and economic restructuring in rural areas (Woods 2007, 2011).

The significance of globalization has been recognized by the European Commission, which in a key position paper observed that “globalization is seen to touch every walk of life – opening doors, creating opportunities, raising apprehensions”, and noted that “our response to globalization has moved to the heart of the EU policy agenda” (CEC 2007). In rural policy, the challenge of globalization has been most apparent in negotiating reform to the Common Agricultural Policy (CAP) in response to pressures for the liberalization of global agricultural trade, but as former Rural Affairs Commissioner Mariann Fischer Boel acknowledged in a speech during a trade visit to India, “the challenges of globalization apply not only to farming but also to the rural economies,

landscapes and societies in which that farming activity takes place" (Fischer Boel 2007). The policy context for developing Europe's rural regions in the era of globalization is hence framed not only by agricultural policy, but also by the EU's regional and territorial policies.

Indeed, if globalization is understood as a tendency towards the multiplication, stretching, intensification and acceleration of social and economic relations, interdependencies and exchanges over space, accompanied by a deepening public consciousness of the world as a whole and our place in it (following Steger 2003), the European Union can be regarded as the key mediator of globalization for rural regions in Europe. On the one hand, EU policies have afforded a degree of protection to rural regions from the more radical elements of neoliberal globalization. European farmers, for example, have not had the same exposure to unregulated global competition as have their counterparts in Australia, New Zealand, Argentina or South Korea. On the other hand, in opening up national borders, facilitating the free movement of people and labour, and forging a single European market, the EU has contributed to the multiplication, stretching, intensification and acceleration of social and economic relations, interdependencies and exchanges over space, in what might be seen as a form of 'controlled globalization'.

Furthermore, a critical aspect of the European project has been the promotion of common approaches to rural development, and of common mechanisms for implementing development strategies, through programmes such as LEADER and INTERREG. As Smith (1998: 231) has commented, "one of the most fascinating aspects of studying the political impact of EU rural development policy is discovering that European norms actually do contribute to restructuring the way public action takes place in the most far-flung corners of ... member states". The standardization of policies and programmes, as well as initiatives to encourage networking and information-sharing between regional groups, have thus contributed to the imagination of the 'European Countryside' as a discursive space (see Gray 2000), supplanting national discursive fixes of rural space.

Yet, these processes have not led to the homogenization of rural Europe, any more than wider processes of globalization have created a homogenous 'global countryside' (Woods 2007). The emphasis placed on neo-endogenous devel-

opment in EU rural development policy after the Cork Declaration in 1996 introduced a standardized grammar of development (Ray 2006; van der Ploeg et al. 2000; Woods 2011), but at the same time has produced differentiated outcomes, as the practice of endogenous development is constrained by regional contexts and capacities (van der Ploeg & Marsden 2008). Consequently, globalization and European integration have refashioned the 'mosaic' of rural Europe (Hoggart et al. 1995), but not erased it, such that as Schmied (2005: 5) has observed, "there have been winning and losing regions, winning and losing villages, winning and losing social groups, winning and losing households and individuals".

It is in this way that the emergent geographies of globalization in rural Europe present questions for EU territorial cohesion policy. Relaxed borders, new communications and new economic opportunities have reconfigured traditional notions of 'core' and 'periphery', but the collapse of traditional industries has produced new economic blackspots and lagging regions. Rural areas comprise a large proportion of Convergence Regions supported under the 2007-13 Structural Funds, including almost all rural regions in the 2004 and 2008 accession states, and extensive rural areas in Greece, eastern Germany, southern Italy, Spain, Portugal, Wales and south-west England. However, the articulation of a targeted strategy for regional development and territorial cohesion can be in tension with rural policy, as the discursive framing of a discrete European rural space is over-ridden by the discursive positioning of rural areas within larger areas that commonly include urban centres. As Richardson (2000: 66) notes, this "emphasis on cities and regions as the drivers of development and foci of policy attention, threatens the identity of rural areas", and risks marginalizing the distinctive interests of rural communities.

What is missing from such policy machinations is a nuanced and detailed understanding of how different globalization processes work across different rural territories and the factors that lead to differentiated outcomes. The DERREG project, funded by the EU Seventh Framework Programme and reported on in this paper, was designed to address this shortcoming. The summary findings presented here have been drawn together from three years of research by a consortium of nine partners working in 10 case study regions, selected to illustrate a range of different socio-economic

and geographical settings (Fig. 1). The research was organized around four thematic work packages concerned with the 'global engagement and local embeddedness of rural businesses', 'international mobility and migration to rural regions', 'environmental capital and sustainable rural development', and 'capacity building, governance and knowledge systems', each collecting and analysing data through mixed methods including surveys, interviews and documentary analysis. Full details of the methodology can be found on the project website at www.derreg.eu.

transnational corporations has similarly created jobs in regions like the west of Ireland (in the 1990s), and South Moravia in the Czech Republic and Goriška in Slovenia (more recently). Yet, at the same time, competition from imports and the relocation of production to cheaper economies has hit traditional rural industries such as food processing and textile manufacturing, leading to factory closures and job losses in regions such as Pomurska in Slovenia. The global recession since 2008 has similarly seen the rationalization of branch plants in rural Ireland and elsewhere,

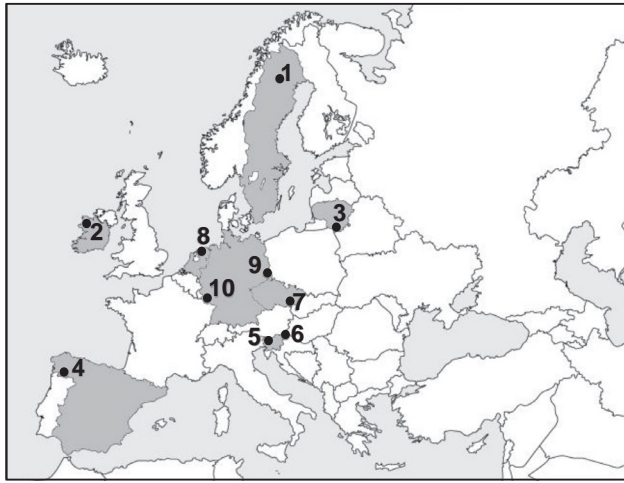


Figure 1. Location of the DERREG case study regions. 1. Övre Norrland, Sweden; 2. County Roscommon/West Region, Ireland 3. Alytus county, Lithuania; 4. Comarca de Verin, Spain; 5. Goriška, Slovenia; 6. Pomurska, Slovenia; 7. Jihomoravský kraj, Czech Republic; 8. Westerkwartier, the Netherlands; 9. Direktionsbezirk Dresden, Germany; 10. Saarland, Germany

Interpreting globalization-linked restructuring in rural Europe

The evidence assembled by the DERREG project demonstrates the depth and diversity of globalization impacts across the regions of rural Europe. Globalization is not a singular, monolithic force, but rather a disparate collection of loosely connected but sometimes contradictory processes and tendencies, which are more or less significant in different rural regions. Thus, for example, regions such as northern Sweden, with valuable mineral reserves, have benefited from the global resources boom, as they have become tightly enrolled into global commodity chains, particularly with China. Foreign direct investment by

reflecting the vulnerabilities of integration in the global economy.

Increased transnational flows of migration have also had a differential impact in rural regions. For many rural regions across southern, central and eastern Europe the dominant pattern has been of the international out-migration of labour, including to rural regions in western and northern Europe, such as the west of Ireland, which have experienced an influx of migrant workers. Other regions, including Pomurska, have attracted foreign amenity migrants, as holiday-home owners or permanent settlers, injecting capital into rural communities but also potentially stoking cultural tensions (see Lampič & Mrak 2012). Elsewhere, the opening-up of borders has encouraged cross-border commuting and property purchases in

districts such as the frontier between Saarland and Luxembourg (Nienaber & Frys 2013).

Finally, the rise of global consciousness, especially around environmental issues, has presented both opportunities and challenges for rural regions. The development of renewable energy sources – informed by the global discourse of climate change – and the designation of international environmental classifications such as UNESCO biospheres, both present economic opportunities and challenge traditional rural industries and land management practices, generating conflicts in regions such as Saarland and the Upper Lausitz in Germany (Frys & Nienaber 2011; Woods et al. 2010).

Towards an interpretative model

These differences in the experience and impact of globalization processes can be explained to some degree by geographical context and the availability of natural resources, but not entirely. Following Woods (2007), we understand the reconstitution of rural places under globalization to be a hybrid process, in which local actors have the capacity to intervene and influence outcomes. Accordingly, the DERREG research has pointed to the potential significance of national and regional policies, corporate actors and entrepreneurs, regional development agents, civil society groups and grassroots initiatives in mediating both the impact of globalization processes and regional responses.

These interactions can be represented in an interpretative model, as shown in Figure 2. The model holds that the geographical pattern of glo-

balization effects reflects the intersection of globalization processes with regional contexts and capacities. Moreover, it suggests that agents or events are required to act as catalysts to convert the potential inherent in the engagement of globalization processes and regional capacities into specific, grounded impacts. However, for regional resilience and sustainability, the impacts of globalization processes themselves are less important than the responses that are developed to them. For example the presence of foreign migrant workers in a region is less significant than the question of how the migrants' skills are utilised to contribute to economic development. The model shows that regional development policies and grassroots initiatives, informed by processes of regional learning, are critical in engaging globalization impacts and mediating particular responses and outcomes.

The model starts with the globalization processes that have the potential to impact on rural regions. As noted above, there are many different elements of globalization that might present challenges or opportunities for specific rural regions, but our research points to five major processes that are of particular significance for rural Europe:

- *Market liberalization*, including the dismantling of trade controls and the opening-up of national markets to foreign competition.
- *Network extension and intensification*, including the stretching and reconfiguration of global commodity chains.
- *The intensification of international mobility*, including the growth of global tourism and the expansion of international labour migration and transnational amenity migration.

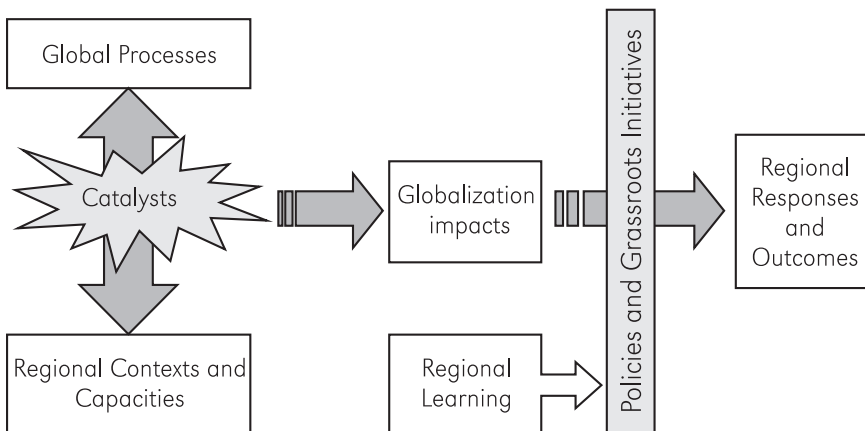


Figure 2. An Interpretative Model of Globalization Effects in Regional Development.

- *Growth of global consciousness*, involving greater awareness of global perspectives on issues such as the environment, the consolidation of global values and standards, and the development of global campaigning.
- *Acceleration of information flows*, with new communications technologies eroding the historic information gradient between city and country.

However, the combination in which these different globalization processes have an impact on specific rural regions, and the way in which they have an impact, is in part dependent on the regional context and its capacities and resources. As such, it is the intersection of globalization processes and regional contexts and capacities that produces particular impacts in specific regions, with the DERREG research pointing to four aspects in particular that are significant in mediating globalization processes in rural regions.

Regional contexts and capacities

Firstly, geographical location is still important. Contrary to some claims, new communications and open borders have not made geographical location irrelevant, although the dynamics of spatial disadvantage have been reconfigured. Liberalized borders have meant that some previously peripheral regions in national economies have assumed a new centrality in cross-border networks, including Goriška and Övre Norrland. Yet, some borders are less permeable than others. The border between Alytus county in Lithuania and Belarus is arguably harder now as the frontier of the EU than it was as an internal boundary in the Soviet Union. Moreover, the reach of communications technologies has not entirely overcome the disadvantage of poor transport links for regions in attracting businesses, tourists or residents. Conversely, peripheral regions can be more attuned to certain globalization processes. Remote rural locations may have special attraction for some international tourists and amenity migrants; whilst the limited local markets for businesses in remote and sparsely populated regions provides a greater incentive for developing export markets than exists for businesses in rural districts close to large urban centres – a contrast we observe in the international networking of SMEs in northern Sweden, compared with those in more peri-urban districts in the Czech Republic and the Netherlands.

Secondly, the natural and cultural resources of a region influence its attractiveness for certain globalization processes. Reserves of mineral resources, such as iron ore, copper and gold in northern Sweden, have seen some rural regions integrated into high value commodity chains driven by booming demand in east Asia. Oil, gas and timber resources similarly position selected regions in global commodity networks. Other rural resources present opportunities for developing niche products for export, including wine, bottled water, regional food specialties and crafts, whilst distinctive cultural and environmental resources can attract international tourists and amenity migrants.

Thirdly, a region's engagement with globalization processes can be conditioned by its political-economic context. For regions in central and eastern Europe, engagement with globalization processes continues to be informed by the legacy of socialist central planning and the post-socialist transition – including conciliating local and global perspectives on brown coal mining in eastern Saxony, and the potential adaptability of Czech single-industry towns to foreign branch plant investment. Differences in political-economic emphasis can also be influential in western Europe, for example Sweden's liberal immigration policies and the regional dispersal of refugees, or the role of Ireland's fiscal policies in the 'Celtic Tiger' era in stimulating foreign investment and attracting return migrants.

Fourthly, human capital, or the skills and capacities of the regional workforce can also be a factor in shaping the nature of engagement with globalization processes. Foreign investors can be attracted by educated and skilled workforces, including technical skills gained from traditional industries in decline. Both return migrants and migrant workers, meanwhile, might be attracted to fill labour gaps in regional economies, as in the west of Ireland where return migrants have contributed technical and managerial expertise to new industries, whilst Polish, Lithuanian and Brazilian migrant workers have filled shortages for lower-tier jobs created as local employees have moved into more attractive positions. Equally, a mismatch between a skilled workforce and limited appropriate employment opportunities can fuel international out-migration from rural regions, as in our Lithuanian case study region of Alytus county.

Catalysts

The intersection of globalization processes and regional contexts and capacities creates potential effects for rural regions, but in order for these to be converted into actual impacts there needs to be some form of catalyst, which could be an individual or an institutional actor, or an event. In many cases it is individuals who are the catalysts for globalization impacts in rural regions. These include entrepreneurs who spot new prospects for exports or international networking, or who develop tourism businesses, as well as pioneer migrants that set the example for larger-scale migration, and social activists involved in grass-roots community or campaigning groups. However, catalysts can also be institutional actors, with policies and strategies aimed at capturing certain globalization processes – for example business zones in Goriška, Slovenia, and business parks in the west of Ireland targeted at attracting foreign direct investment.

Catalytic actors can equally be external to the regions concerned, including corporate managers searching for new suppliers, markets or investment opportunities, tourism operators hunting new destinations, international environmental activists questioning particular industrial or cultural activities, and so on. Actors who bridge regional and international contexts can be particularly significant. British amenity migration to Pomurska, Slovenia, for example was largely facilitated by a locally-based British ex-pat who set up business as a specialist property agent; whilst Brazilian migrant workers in Roscommon, Ireland, were initially recruited by an Irish meat dealer trading with Brazil. Similarly, businesses in Alytus county described using Lithuanian ex-pats to scope and develop new international business opportunities.

Moreover, events can also act as catalysts. In the Czech Republic, Lithuania and Slovenia, accession to the European Union in 2004 facilitated both outward labour migration and inward amenity migration, as well as creating new transnational economic opportunities. Many of the transnational networks of enterprises in the Goriška region of Slovenia were developed in response to the loss of existing markets with the break-up of Yugoslavia and Balkans war (see Potočnik-Slavič 2011). More recently, the global economic recession has acted as a stimulant for rural-based SMEs to explore new international

markets in response to decreased demand within home regions.

It is therefore the actions of catalysts that convert the potential effects of globalization processes, mediated by regional contexts and capacities, into actual impacts in rural regions, from foreign direct investment in branch plants to the closure of factories due to international competition, from purchases of property by foreign amenity migrants to the designation of protected landscapes following international models, among many others. However, for longer-term regional development and territorial cohesion, these individual impacts are less significant than the responses that are mobilized by regional actors. If regional development policies and initiatives are not mobilized to form coherent responses to globalization impacts, regional futures may be left seriously exposed to the vagaries of international events and corporate decisions, and opportunities may be lost. Coherent responses, in contrast, can consolidate and sustain benefits from globalization impacts, moderate or mitigate more negative impacts, and preserve and protect elements of regional cultural identity and economic interest.

Policy influences and responses

European, national and regional policies can in fact be influential at several points within the interpretative model. As noted above, European and national policies can colour the political-economic context of a region and thus its attractiveness or exposure to certain globalization processes. Moreover, regional development policies can serve as catalysts for globalization impacts by deliberately and proactively encouraging foreign direct investment, international tourism, or in-migration, for example. More commonly, however, regional development strategies are formed in response to globalization impacts that are already present.

In some cases, regional responses look to consolidate and build on the new connections opened up by globalization processes. For example, the chamber of commerce in northern Sweden has capitalized on the region's links to China through the mining industry and its position on a new 'overland' transport corridor from China to the United States to explore trading, collaboration and investment opportunities for regional firms in central China. In other cases, the continuing primacy of the neo-endogenous development

paradigm has placed the emphasis on turning regional resources into niche products that can be exported. Nor do regional responses need to fix on developing external relations. Relocalization can itself be a response to globalization, seeking to reconstruct and strengthen local value chains, for example through local food networks, the rediscovery of regional crafts, or the creation of alternative regional 'currencies' aimed at retaining money within the locality. Relocalization strategies may not have the immediate economic impact of foreign direct investment or attracting international tourists, but they are less vulnerable to global economic events and fashions, and thus arguably more resilient in the long term. However, even relocalization initiatives are rarely completely divorced from transnational networks – for instance, a project in Galicia, Spain, aimed at reviving local carpentry traditions imports timber from France, Russia and North America because the degraded local forest cannot supply its demand (see Domínguez García et al. 2012).

Formulating regional responses to globalization involves collective reflection on regional identity, culture and priorities, and on the place of the region in the wider world, or what might be described as 'regional learning' (Wellbrock et al. 2012). Building consensus around this vision can be important for securing public support for regional development strategies, and is best achieved through grassroots initiatives and partnership working between public agencies, civil society groups and 'knowledge actors' such as universities. In addition to stimulating greater awareness of regional challenges and opportunities, regional learning can also develop technical capabilities, including the rediscovery of lost local knowledge and craft skills. Public policy has a role to play in facilitating and supporting regional learning, and LEADER groups have been pivotal in this respect in several of the case study regions researched by DERREG.

More broadly, institutional capacity is important for enabling effective policy interventions. Responding appropriately to the specific globalization pressures on particular regions or localities requires an ability to formulate and implement a strategy at the right territorial scale. As such, the presence of empowered regional governance institutions operating across territories that make sense functionally allows for a more targeted and tailored response to pressures from globalization

than in states where political authority is either heavily centralized or diffused among small-scale municipalities. Regional capacity to act also tends to be strengthened by the existence of a buoyant regional civil society, including business associations and support networks that can be enrolled in regional development initiatives. Indeed, engaging public authorities, civil society groups and businesses in collective action, for example as part of LEADER partnerships or in regional learning projects is fundamental to constructing sustainable and inclusive locally-led responses to globalization.

However, some barriers to effectively engaging with globalization opportunities identified in the DERREG research require policy interventions by national or higher-tier regional governments. For example, access to finance capital is a major obstacle for many SMEs wanting to explore international opportunities, especially since the financial crisis of 2008, but requires action by EU and national authorities working with the banks. Similarly, tax concessions and other fiscal incentives that can be offered to attract foreign direct investment to particular regions are commonly the responsibility of national governments.

Implications for regional policy and territorial cohesion

In seeking to understand how rural regions in Europe are being reconstituted under globalization, the interpretative model presented in this paper raises questions for how European regional policy seeks to address disparities between rural regions and consolidate territorial cohesion. These questions start with the way in which rural regions are discursively imagined and positioned within spatial policy. Thinking in the 'territorial approach' has shifted over the last decade or so away from using established administrative regions as the building blocks for regional policy, towards reconceptualising European space as a composite of 'functional regions' intended to better capture the complex dynamics of economic relations. Yet, as discussed earlier, the mapping of functional regions within the spatial planning perspective has been underpinned by assumptions that cities are the drivers of economic change, and that rural districts can be described in terms of their functional relationship with adjacent urban centres. As Richardson (2000: 67) argues, "in the loss of a fine grain focus on rurality, the voice of local

communities in both peripheral and more urbanized regions seems to be a distant one".

Indeed, one of the major consequences of globalization for rural Europe has been to create new possibilities for social and economic relations that need not necessarily be channelled through regional cities and metropolitan centres. For instance, a survey of the transnational business connections of small and medium-sized enterprises in rural regions undertaken as part of the DERREG research revealed an intricate matrix of networking between firms in different European regions, but few were mediated through regional cities (Copus et al. 2011). Rural regions can and do engage in global networks directly and are not dependent on the 'trickle-down' of benefits from cities.

The fracturing of traditional functional relationships between rural regions and urban centres has occurred in several ways. For example, urban populations no longer source fresh produce primarily from their rural hinterlands, but buy meat, vegetables and dairy products air-freighted from around the world; and urban residents pursuing the 'rural idyll' no longer necessarily move to rural areas in the same region or country, but may elect to migrate to perceived 'unspoilt' corners of foreign countries, as observed in British migrants to Slovenia. In turn, rural economies have become less dependent on nearby urban markets as new international opportunities have opened-up (although it should be noted that the more peri-urban case study regions in DERREG, such as the Westerkwartier in the Netherlands, exhibited fewer direct signs of globalization, as social and economic activities still tended to be oriented towards adjacent cities, meaning that there was less incentive to invest in international networking than in more peripheral regions).

As these functional relations have been reconfigured, some rural regions have assumed new functions in the global economy. Regions such as Övre Norrland in the north of Sweden, for example, have become the providers of mineral resources to rapidly industrializing cities in East Asia. Other regions have acquired functions as sites of global amenity (marked by the influx of international tourists), suppliers of ecosystem services, or even, as in the case of Alytus county in Lithuania, as exporters of labour to fill employment gaps in countries such as Britain and Ireland.

To appreciate the complex and extended geographies of such regions, a relational sense of place

and space is required, following the work of Amin (2002, 2004; Amin & Thrift 2002), Massey (2004, 2005) and others. This understands regions not as bounded territories, but as nodes or 'meeting-places' of entwined networks stretching across space, scale and time. As Amin summarises, "So, if we are to see cities and regions as spatial formations, they must be summoned up as temporary placements of ever moving material and immanent geographies, as 'hauntings' of things that have moved on but left their mark (...) as situated moments in distanced networks, as contoured products of the networks that cross a given place. *The sum is cities and regions without prescribed or proscribed boundaries.*" (Amin 2004: 34; emphasis in the original).

In practice, this means that a region exists in multiple overlapping but not necessarily spatially congruent forms. The social or economic 'space' of a region may extend beyond its imagined or administratively-defined territoriality, and globalization has exaggerated this overspill. For example, modern communications technologies allow migrants to remain socially connected and active in the life of their home region even when living or working abroad, and Skaptadóttir and Wojtynska (2008: 123) describe the 'bifocal' life of Polish migrant workers in Iceland who "claim to have two homes, both *here* and *there*". Thus, migrants from a region might be considered to still form part of the 'social space' of that region, even if (temporarily) resident elsewhere.

Regional development policies, however, still tend to work with discrete, delimited territories, in part because of a perceived need to define eligibility for funding and to identify the constituency for accountability. Yet, engaging the reality of relational regions in a globalizing countryside presents a challenge to this way of thinking. Perhaps regional policies should embrace the idea of 'fuzzy boundaries' (Allmendinger & Houghton 2009), recognizing the imprecision and inter-mingling of territories, and permit regional development programmes to engage and support networks, activities and actors outside their defined territory but contributing to the regional economy.

Most importantly, regional policies need to acknowledge that regions are comprised by people and social relations. Regions should be constructed not as administrative or functional units, but as places that are meaningful to the people who live and work there. The DERREG case study

region of the Westerkwartier in the Netherlands is a good example of this. The Westerkwartier does not exist as an administrative unit and is tied functionally to the neighbouring city of Groningen. Yet it has an historic cultural identity that has been successfully harnessed in recent years as the focus for bottom-up rural development with significant public participation (Roep & Wellbrock 2013).

Furthermore, there is an argument for regional and rural policy interventions to be targeted at measures that equip regions to articulate and develop responses to globalization impacts. Examples might include support for ‘network brokers’ that can work with endogenous businesses and help them to connect with transnational networks, and initiatives aimed at the social and economic integration of international migrants (see also Tab. 1).

omies. For instance, our research emphasizes the significance of direct networks between SMEs in different European rural regions, as well as transnational migrant communities that stretch between rural regions, and the enrolment of rural enterprises into global commodity chains.

Experiences of, and responses to, globalization vary between rural regions. The interpretative model discussed in this paper proposes that globalization impacts in rural regions result from the potential formed by the intersection of globalization processes and regional contexts and capacities, and the transformative agency of catalysts that can variously include local entrepreneurs, corporate actors, local government policies or political events, among others.

Regional actors are hence participants in the reproduction of global networks through rural regions, and both regional development policies

Table 1. Lessons for EU Regional Policy.

Principles
<ul style="list-style-type: none"> - EU regional policy has a fundamental role to play in shaping the conditions in which globalization is reproduced through rural (and urban) localities. - Regional policy needs to recognize the variety of globalization impacts and to be targeted at facilitating differentiated regional responses. - Policy should acknowledge that city-regions are not the only drivers of economic development, and that rural regions can have the capacity to engage with global networks directly. - Cohesion and sustainability in a globalized economy are not measurable by GDP alone.
Practical measures
<ul style="list-style-type: none"> - There is a need for greater coordination between EU regional policy and EU rural policy. - Intervention is required at EU-level to address some structural obstacles such as access to financial capital by rural SMEs. - Economic development initiatives should include support for ‘network brokers’ who can help rural enterprises connect with international networks. - Cohesion policies should emphasize the social and economic integration of transnational migrant communities. - The LEADER model should be continued as a valuable vehicle for regional learning. - Particular interventions may need to be targeted at ‘structurally marginalized’ regions at risk of being left-behind in the global economy.

Conclusions

Rural regions across Europe are proactively engaging with globalization processes and their impacts, exploiting new opportunities for international networks and trade, and developing responses to the challenges presented by globalization impacts. Evidence from the DERREG project demonstrates that rural regions can be independent and innovative actors in global social and economic networks, contrary to some perspectives in EU regional policy that position rural areas as dependent adjuncts to urban econ-

and grassroots initiatives consequently can influence regional responses to globalization. As such, EU regional policy has a fundamental role to play in shaping the conditions through which globalization is reproduced through rural (and urban) localities, by fixing the territorial units in which regional responses are articulated, in providing funding for practical measures and initiatives, and by facilitating regional learning. This contribution can be compromised, however, by an overly rigid approach to defining regions territorially, and by a misconception that rural economies are functionally tied to urban economies. Rather, EU regional

policy should acknowledge that city-regions are not the only drivers of economic development, and that rural regions have the capacity to engage with global networks and opportunities directly. It also needs to be attuned to facilitating differentiated regional responses, empowering regional actors to develop responses that are appropriate to their particular situations, with an emphasis on long-term sustainability and resilience. Finally, EU regional policy should recognize that territorial cohesion in the context of globalization is not just measured by the convergence of GDP, but also requires a more nuanced appreciation of the ways in which regions are integrated socially and economically into wider networks and the factors that may leave some regions more exposed to the negative impacts of globalization and less able to respond to positive opportunities.

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Unless otherwise stated, the sources of tables and figures are the author(s), on the basis of their own research.

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