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Delivering services to sparsely populated regions

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Introduction

Supply and demand of public services have been subject to a dynamic change process in the past few years: Particularly the trends towards a limitation of government activities and liberalisation, leading to the privatization of public services, and the increased demand for new types of services, resulting from both societal changes and technological development, have threatened the provision of services in many rural regions. Nowadays the importance of supplying basic services has become a core issue almost in all rural areas.

Basic services, like accessibility to (remote parts of) rural areas, post offices, phone services, Internet access, energy, sewage and waste disposal systems, are distributed divergently across space. Increasingly “production costs” are taken into account as the main argument for governance decisions on the transformation of these services. However, in sparsely populated areas the costs for basic services tend to be considerably higher than in more densely populated regions. Following to this structural problem pattern and the threat of marginalisation of many remote areas, a particular concern for the situation in mountain areas has been expressed. Although there is no general risk to the functionality of rural areas discerned in recent studies of Alpine countries (Favry et al. 2006, Machold and Tamme 2005, Stalder et al. 2006), the treat of a substantive decrease of basic services is highlighted and draws attention to specific “problem regions”.

The problem pattern emerging from the analysis indicates that major gaps are to be addressed in the field of mobility, especially for public transport availability, of new information and communication technologies, sufficient and high-quality resources for education and training, health provision and care for elderly persons. This concern has influenced regional policy in some countries with considerable portions of mountain areas already in the 1970s/1980s and led to more endogenous development concepts. The “bottom-up” approaches introduced since the 1980s have given rise to innovative pilot initiatives and new dimensions in the discussion of regional development in the remote areas of Europe. Local action programmes, including village renewal activities and later on the EU Community Initiative for rural areas, the Leader programme as well as Local Agenda 21 groups, underpin the commitment for the issue in peripheral areas and present a wide range of experience and a multitude of best-practice examples.

It will be important for future regional programmes to derive useful strategies for action which include in particular (i) coordination and cooperation action across municipalities, regions and sectors, (ii) and support and assistance for voluntary community work and for non-profit organisations. Such activities will only be successful if local commitment can be secured and participation can be extended beyond traditional stakeholders.

1. Service provision in rural areas under pressure

In sparsely populated areas services can only be provided by meeting substantial difficulties. These arise particularly from the low population numbers that can be served per service unit and also from the dispersed settlement pattern in those areas.

Services frequently subsumed under the analysis refer to basic services for the functioning of everyday life in an area (local food stores, kindergartens, schools, doctors and hospitals, homecare assistance, postal services, public transport etc.). Some of these basic services, such as post offices, phone services, Internet, energy, sewage and waste disposal systems are of crucial importance for business activities as well. It is therefore referred here to “services that serve the common good and for which there is a public interest in making them available, without necessarily having to be provided by the public sector” (Favry et al. 2006, p.18). The dynamic changes in the supply and demand for these services brought about by liberalization trends and increased efficiency concerns has put under pressure various types of services in rural areas. From the local to the national levels discussion on the decline in services provided by the public sector and the reduction of privately supplied services have started.

In particular in sparsely populated areas the production costs per service unit tend to get higher than costs usually accepted as reference price for providing services at all the area. The concern has especially increased within mountain areas, where the topographical difficulties even aggravate the low degree of costs that can be covered through service charges. Studies and analysis focusing on regional contexts of mountains (EC 2003, Nordregio 2004, Machold and Tamme 2005, Stalder et al. 2006) underpin the debate on providing services at regional/local level with a host of illustrating examples for regional trajectories of development. However, recent analysis of the situation in the Alps reveals that there is no standard problem pattern. Differences between regions occur with economic, but as well with socio-economic indicators and can be seen in diverse assessment with regard to the quality of service provision. The following spatial types of the Alpine space are associated with different sets of problems (Stalder et al. 2006):

- *Agrarian, peripheral areas*: depopulation threatens the socio-economic structure; problems to secure the provision of basic services and maintain social structures.
- *Touristic areas*: diverse population trends, partly weak use of infrastructure capacity and natural resources threatened by too high intensity; problems to cope with seasonal fluctuations; make use of synergies of tourist facilities, mobility issues.
- *(Old) industrialised areas*: Structural imbalances in employment development (monostructures), out-migration and over-ageing; problems to provide targeted supply, e.g. for workers, elderly people, and to accompany structural adaptations through proactive initiatives.
- *Peri-urban areas*: Immigration from agglomerations, partly mismatch in labour market and infrastructures, pressures for landscape development; problems to achieve spatial combinations of settlement, workplaces, and services, improve social structures and mobility problems.

2. Basic services – one base for regional development

The broad social mandate to maintain and improve the functionality of rural areas can be derived from legislative and policy documents of many countries that are faced with peripheral regions. For the specific types of problem regions this has been discussed in a more comparative way in the preparation analysis of the Cohesion Fund reports, and a separate section has been assigned to regions with geographical handicaps, like islands, sparsely populated areas and mountain areas. The Third Cohesion report also specifies that “despite the difficulties of some regions, equality of access to basic facilities, essential services and knowledge – to what are termed ‘Services of General Economic Interest’ – for everyone wherever they happen to live is a key condition for territorial cohesion” (EC 2004, p.33).

However, very seldom quality standards are defined with quantifiable and verifiable characteristics. Moreover, in general cross-sectoral data for microregions as a basis for monitoring and evaluating political strategies is weakly developed. This reflects the organisation of policy instruments and programmes by sectors at different territorial levels. Therefore in most regions no single actor is responsible for the assessment and development of a harmonised strategy with regard to service development.

Thus the definition and identification of problems depends to a great extent on the major development discourse. The evaluation of the current performance situation and the development tendencies is primarily driven by arguments derived from general trends: liberalisation and competition, privatization of services, increasing emphasis on cost efficiency aspects and concern about the difficulties to maintain supply of services at high quality standards. A study on the impacts of the liberalisation of public services on the competitiveness of enterprises in the Alpine regions of Switzerland reveals the provision of public services as an important input factor (Thierstein and Abegg 2003). The overall effect is very divergent for different enterprise types: Only larger enterprises in more central locations can draw the main benefits from the liberalisation process. It is therefore important to highlight the effects of the changed provision of public services on the competitiveness of the mountain regions and to identify critical factors in the provision and strategies for action. The level of provision of services cannot be reduced to a purely economic dimension, but has to be understood as a core element for regional development. They are embedded in a general policy debate and the discourse on what services the modern state should provide and what could be developed by private actors or private-public partnerships.

Many elements of infrastructure, like postal services, telecommunications, electricity, transport, education etc. make up the classical area of public services. Albeit the recent discussion has tried to demand increasingly the competitive provision of these services and increased levels of efficiency, it has to be acknowledged that they constitute significant elements for (regional) economy and society, with a particular state responsibility for their provision. Moreover basic services have already become an important source of employment in rural communities which is crucial to local development aspects.

With regard to regional development a large number of actors is affected by different objectives and policy options. It is very difficult to assess the wide range of policies with their varying territorial impacts on regional development in a comprehensive way. A study on the territorial impacts of Community policies and the costs of non-cooperation of various policies has addressed this issue and underscored the sectoral nature of many programmes as well as the contribution of relevant policies to a strengthening of territorial dualisation (Robert et al. 2001). Service provision therefore is not any more just an issue of cost effective services or innovative technical solutions, but core to the functionality of rural areas and any regional development strategy.

3. Spatial impacts

The wide range of different public services poses a significant challenge to assess the actual situation of provision in a region. Increasing concern for the maintenance of public service levels due to liberalisation trends and changed perceptions of adequate standards and quality of services have been recognized for rural and in particular peripheral areas. Hence the focus of recent analysis was oriented towards these regional types. The analysis has revealed more insight into the main challenges which have been estimated up to now primarily by a rather general debate on the impacts of changes in service provision for rural areas, threatened particularly in sparsely populated areas and by depopulation trends. However there is no study available which covers the situation for all Europe's rural, or even remote areas. But the study on the mountain areas of Europe (Nordregio 2004) can provide very useful hints to the situation of a large part of peripheral areas in Europe.

Given the analytical difficulties information there focuses on large infrastructure types, like airports, universities and hospitals. Overall the spatial distribution of these services across Europe can be considered balanced and all major mountain ranges are well served with such facilities. However, the number and density of such services within mountains is lower than in lowland areas, which leads to distinct travel time and accessibility patterns. Moreover, there appear clear differences in infrastructure service supply between northern Europe, central Europe, and more remote areas of Europe (including accession countries) indicating differences in (quantitative) service delivery. The classification of mountain massifs into a "typology of infrastructure, accessibility and service" (Nordregio 2004, p.199) highlights the influence of the peripheral location and sparsely populated regions on the level of service provision.

Albeit the still quite balanced supply was confirmed by studies on the Alpine space (Stalder et al. 2005) and through detailed data analysis for the Austrian rural areas (Favry et al. 2006), there is a need for a more detailed analysis to take account of current regional problems. They clarify that this positive picture is mainly due to the dependence and improvement of individual transport network. However, an erosion of the range of services has been observed at the same time, especially in smaller villages in sparsely populated regions. This implies the structural necessity of motorized mobility and weakens the vitality and functionality of the concerned public domain due to higher commuting rates and out-migration. The non-motorized groups of the population, i.e. families with children and elderly people in need of care are confronted with the fact that organizing everyday life is more difficult. For example the number of food stores has dropped from some 20,000 in 1970, covering also small villages with local supplies, to about 6,000 in 2003. Some 26% of the population in rural areas of Austria does not have any food store accessible in walking distance. In peripheral areas a continuation of the trends would mean that the stationary supply of basic services might decrease even further and make the living conditions for non-motorized population groups even more difficult in the future. Main findings of the analysis of public services hence give the following picture:

- The main problems arising in peripheral areas are in public transport organisation, a speedy integration into new information and communication technologies networks, maintenance and improvement of (quality) education facilities, health care and provision for care of elderly persons.
- The population groups the most affected by reduction of basic services are women, children, handicapped persons, seniors and elderly persons and persons without a motor vehicle.

- The liberalization of services benefits the larger enterprises in the regional centres, while the competitive situation of smaller and medium-sized companies at the periphery worsens. Moreover a considerable portion of rural employment is in basic service companies.
- Important social functions are covered by basic services which create places of communication and contribute to a more lively public space in rural areas.
- The erosion of basic services fosters a pessimistic and negative underlying sentiment among persons in the affected communities in rural areas.
- Cultural life and self-organized community work are especially important for residents to be able to create bonds with their (small, regional) towns.

4. A need for regional strategies

Given the high relevance of basic services to the general regional development processes, there is a need for examples of preservation or improvement of services in rural areas. A wide set of initiatives has evolved in many countries and regions, providing best-practice from diverse regional contexts and involving different service types: Some of the more integrated approaches of rural development include aspects on service provision, like the Rural Services Standard in the UK which “sets out the levels of access to rural services which rural communities can expect to achieve. Its purpose is to give people more choice about how they can access the services they need and a better understanding of what service levels they can expect” (Defra 2006). Similar aspects are addressed by the Canadian Rural Partnership which includes application of the checklist of rural lens considerations to a wide set of sector policies. In Germany a series of pilot activities have been started in rural areas to cope with provision of education, health, public transport, care for elderly persons etc. (BBR 2005). All the activities have in common that they have to be adapted to the specific regional situation, and regional governance institutions have to shape a strategic view on tackling these issues. The regional development process may also be viewed as part of good practices enabling service provision such as intermediary organizations for regional development (e.g. regional management in Austria), empowerment at local level (village renewal initiatives), support and consulting for local initiatives (Local Agenda 21) and support for cooperation of small regions (micro-regional development scheme, Leader + programme).

The great variety of relevant activities underpins the need and the considerable awareness on good rural services. It is assumed as basic both to the socio-economic and cultural development as to the economic performance of the regions. Despite the major concern for the situation and trends of rural services provision, a comprehensive approach has only been cast out by few regions. At present it seems therefore decisive to engage in shaping strategic considerations. With regard to strategies for action the following issues appear as main tasks:

- In many rural regions the threat of a decrease in service supply leads to rather defensive action. The regulation frameworks quite often are interpreted as a limitation of the local capacities for service provision. A more thorough discussion on the expectations and standards for service provision, including alternative forms of service supply is to be enhanced. This should include also considerations about procedures to arrive at standards and how to decide on changes in service provision.
- Given the limited scope of individual villages and municipalities, cooperation activities between municipalities have to be fostered to enable acceptable solutions for supply of basic services. It is particularly important to arrive at cross-sectoral activities to cope with the rising relevance of the problems.

- Support and assistance for voluntary community work and for non-profit organizations in municipalities and their villages has to be enhanced since they are of core significance for basic services especially in the smaller units of rural areas. Moreover consulting services and organizational assistance becomes an important instrument for establishing and professionalizing such activities.
- Best-practice examples have to be analysed to derive place-specific proposals for alternative solutions which are adequate for the regional context. In peripheral areas these main types of action are considered to be relevant: Establishing mobile supply schemes (including timely restricted supply provision), combinations of various services by one local provider (use of synergies), address the limits of decentralisation and locate services in designated “functional” local centres, implying a considerable impact on the quality of services, and a particular priority for the application of new ICTs in peripheral areas.

To deal with these tasks an advanced understanding of the governance framework impacting on rural services has to be established. This includes both the development of a transparent framework on service standards (including a set of indicators for policy assessment of service delivery) and expectations for rural areas at central state policy level and the search for adapted solutions within the regions where services are demanded. This suggests that public services are closely linked and a core base to the development process of regions. In a situation of an economic weak performance, trends of out-migration and ageing of the population in regions already very sparsely populated this adds to the regional problem pattern and easily leads to a spiralling-down of the socio-economic development of the region. The great concern and priority for service provision in these areas therefore tries to turn round this prevailing tendency and engage in a spiraling-up process (Emery et al. 2006) which aims at securing economic and social life of the rural regions.

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