

**OECD CONFERENCE – INNOVATIVE SERVICE  
DELIVERY FOR RURAL REGIONS:  
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**Rural services for urban areas**

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Working Party**

SLIDE 1: TITLE PAGE

This conference has so far addressed many aspects of rural services for rural people and businesses. My focus is on the rural service that the world will need as a result of emerging global challenges

SLIDE 2: CHONQING

An OECD roundtable in China last November, organised for the Government there, examined a development strategy for Chongqing. This is a major region combining both rural and urban areas; where the government strategy is to move millions of people from the countryside to the cities, for economic opportunity and a better quality of life.

In the past two days, we've heard much of the need to ensure that rural areas in OECD countries enjoy the wide range of services which modern society has come to expect. Those who live in rural areas are entitled to expect them; rural development depends on them. Our basic premise is not equal access to services; but equitable service provision.

In that case, would an ideal indicator of success be that no-one should need to move to urban areas for a better quality of life? If so, we still have work to do, because around the world cities are still magnets for large scale migration.

### SLIDE 3: EXTRACT FROM CHINESE PRESIDENT'S SPEECH

In the Territorial Development Policy Committee, we have to look at urban and rural together. These words of the Chinese President provided a good inspiration:

“We should optimise the economic structure; advocate an environment friendly way of production, life and consumption; and bring about a virtuous cycle in both our ecological and sociological systems; resolutely stopping all practices that are detrimental to nature”

All development must be seen in the global context. We face an increasingly uncertain world - a world of changing weather, of increasing energy and food challenges, of rapid urbanisation, of depleting natural resources, and of people displaced by natural disaster or poverty. Many world leaders have stressed that addressing the challenge of climate change early will offer economic benefits. In a world where governments increasingly act in response to climate change, there should be particular opportunities for rural economies and for rural people.

#### SLIDE 4: WORDSWORTH'S DAFFODILS

We need to place ourselves in a historic urbanisation phase - but maybe we will soon be at the end of that phase? Nearly two centuries ago, one of England's great poets – William Wordsworth – celebrated daffodils growing in the English Lake District. By then Britain's industrial revolution was well under way. Victorian writers and artists were fascinated by the contrast between the innocence of countryside and the “satanic mills” – the devil's factories if you like.

## SLIDE 5: GLASGOW IN INDUSTRIAL TIMES

All through two hundred years of the industrial revolution people moved from our countryside to the great cities. They were attracted by the jobs and the opportunities. They were also driven by the difficulty of making a living from the land – for example as agriculture became mechanised. Landowners in Scotland invested in new agricultural methods, such as extensive sheep farming. Many drove out the rural families, who often moved as a result to cities and to other parts of the world. War also saw many people leave the countryside, never to return.

## SLIDE 6: URBAN AND RURAL POPULATION

But that flow of people has reversed as our nation and its economy has matured. Over the last 50 years, what used to be a flow of people into the cities has given way to a flow back the other way. People want to live in small towns and villages and see green fields from their windows. Those desires are based on embedded cultural values, as well as a sense that the quality of life is better in the countryside – and safer too.

Access to rural services have been an essential underpinning factor.

## SLIDE: RURAL BUSINESS IN SUFFOLK

The primary industries of farming, forestry and fishing are an increasingly small part of the rural economy in most developed countries. Heavy industrial sectors have given way to high value manufacturing and service industries. These are often smaller businesses which modern technology allows to be based anywhere – in town or country.

This is where rural communities can positively add value – based on the unique qualities of place or product. For example, tourism thrives on the exploitation of attractive scenery and hospitality of the people. Food and drink industries can capitalise on the crops and livestock that are distinctive to the area.

## SLIDE 9: A SCOTTISH DISTILLERY PRODUCT

Those tourism and food and drink industries depend on customers.

Scottish Malt Whisky is a cultural asset that brings together good barley grown locally, clean water and the heritage of the local people. The distillery is open to visitors and is part of a tourist trail. Local hotels sell

the product too – and there are subtly different tastes from each distillery. Visitors therefore contribute to the rural economy. Visitors from the cities, and indeed from other countries, come not only for the taste of the product, but also for the well managed landscapes where it is made.

Here we have an example of what rural areas can uniquely offer; and people from the cities reward them. On the other hand, only cities can readily offer full service hospitals and universities, major sport facilities and theatres. We need to think about the relationship between cities and the people of the countryside as a two way contract. For rural areas it will be a less one sided contract in a world facing up to global challenges.

#### **SLIDE: ELEMENTS OF THE MODERN CONTRACT**

Such a contract might have elements –relating to food, energy, water, waste, landscape and habitats, urban development, recreation. A forward looking rural development strategy in any country needs to address all these issues.

## SLIDE 10: PADONG ORGANIC FARMING DISTRICT

Food is an easy starting point. Global population growth will demand increased global production. But clearing the landscape for large scale mechanised farming in the developing world may not be the best route, in a world where climate change will make crops more difficult to irrigate. Small scale Korean farmers (in this picture) have a really close relationship with the citizens of Seoul nearby, but also keep the city water clean through organic practice.

A combination of increased demands, especially from China, along with drought, and the switch of production to energy crops have all helped to increase cereal prices rapidly. As farmers' products become more valued, the contract between town and country will be balanced more to the rural.

## SLIDE: ENERGY

Many farmers are switching production to biofuels. But these are not the only renewable energy sources we shall see the world exploit in this century. Wind power and marine energy are more readily located in rural areas. Small scale hydro power has a great deal to offer locally – as

in this scheme in South West Scotland. And timber will be increasingly important as a carbon sink, and a biomass. “More power in rural hands”

#### SLIDE 12: LOCH KATRINE

Water is not only energy, but also an essential of life, all too easily polluted. This picture shows Glasgow’s water, but no city can exist without a clean water supply. Clean water is another product of well managed countryside that urban areas need more of especially in a world of less certain rainfall.

#### SLIDE 13: WASTE TIPPING

In every consumer society, waste is an increasing challenge, especially in urban areas which are wealthier and support more consumption. In a sustainable society, we should be extracting inorganic matter for re-use. Rural areas can provide spaces for the safe disposal of organic waste, capturing methane emissions for productive use.

#### SLIDE 14: RECREATION, TOURISM AND ECOSYSTEMS

Rural land can provide attractive scenery for tourism, habitats for wildlife, access routes for people to walk and cycle for pleasure and

fitness. Having a well managed countryside helps nations to be healthier and wealthier.

## SLIDE 15: URBAN DEVELOPMENT

How cities grow should be important to rural development. Good urban design can reduce sprawl and car dependence. Cities can influence where the building materials will come from – often it will be the rural areas. The energy embedded in construction materials will be important; more of the materials can be grown timber based, in rural areas rather than mined or quarried.

## CONCLUSION

As we conclude our conference around the theme of rural service provision, I suggest we need to move away from a paradigm in which such services are considered a burden on the taxpayer, something that requires subsidy and is uneconomic. Instead, I think we have a basis for a new contract around food, energy, water, pollution control, landscape, biodiversity, fitness and tourism. That contract will be an equitable one as urban people come to value more the things that only rural areas can do for them. It recognises that rural areas are not a parasite on the

urban economy, but a partner in a symbiotic relationship in which the whole is greater than the sum of the parts - a crucial partner in addressing global challenges.