

Chapter 6: Rural-urban politics: changing conceptions of the human-environment relationship

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Abstract

This chapter describes the way in which understandings of the “rural” have progressed from a focus either on decline or amenity, but where these more simplified understandings can be seen as having left a trace in rural policy development. The chapter argues that rural areas including forest need to be understood in relation both to production and integration with urban landscapes. It thus illustrates the role both of historical processes and policy in creating present understandings of the rural, showing that a redistributive tax system that has played larger role than particular rural policy has been crucial in retaining active rural areas in Sweden.

Introduction

The changes described in preceding chapters illustrate that rural areas may to an increasing extent include urban ownership and non-rural occupations. This population might not be actively involved in forest management, and may increasingly need to relate to, or be part of, urban networks in order to be able to either retain their properties or residence in rural areas. However, linkages to the rural environment may remain through attachments to particular places or, for example, activities such as berry and mushroom picking or hunting that are dependent on access to forest land. Altogether, however, differences between rural and urban

populations may be increasing, perhaps especially in cases where such strong connectivities through existing family or residential networks (such as second homes) do not exist, related to the shifts in values and attitudes described in previous chapters.

One consideration in recent ruralities literature has regarded political support for providing infrastructural preconditions for rural growth. This literature notes that even if areas are regarded as attractive from a lifestyle perspective, they may well not be viable growth areas if infrastructural and service support is not maintained. For example, for people with nature-based, new rural gazelle industries (see Chapter 5, this volume), or mobile businesses, migration to, or living in, rural areas will not be attractive if healthcare, schools and connectivity are diminished. Fundamentally, thus, the potential for new ruralities or rural-urban interlinkages in terms of multiple residency or rural growth is dependent on policy, including the ways in which policy and potential life choices are related to perceptions of the rural and the urban, as well as distance and proximity. If perceptions of the rural are based on distance and on urban-based conceptions amongst policy makers, can then rural potential as discussed in this and earlier chapters be fulfilled? In addition, is it possible to know enough about landscape and environment uses to relate to resource issues in a way that remains locally sensitive on a political level? Or in the broadest sense: to what extent can an increasingly urban decision-making context take into account multiple rural and natural resource considerations?

This chapter discusses both the changing role of the welfare state, in particular in Nordic welfare societies, and how the hollowing-out of the state may result in changing opportunities for rural infrastructure development and maintenance. To that end, the chapter takes examples of conceptions of the rural from varying literatures, but also emphasises how historical developments of both rural infrastructures and national tax systems may play important roles for supporting rural areas. In relation to this, the chapter problematises how changing forestry

and broader rural employment structures may play a role in systems of support for rural land uses.

The concept of the rural and rural change

The concepts of rural and rurality have been discussed for a long time. Even though most people have some kind of common understanding and frequently use these concepts, many scholars have pointed at the difficulties in establishing definitions that could be agreed upon once and for all (Hoggart, 1990; Halfacree, 1993; Ilbery, 1998; Woods 2011). Based on Halfacree (1993) Woods (2005) presents four broad approaches to the concept of rural, but also illustrates some of the difficulties with the different definitions. *Descriptive definitions* derive from an assumption that rural areas could be distinguished from urban areas based on their spatial and socio-demographic characteristics, for example population density, size of settlement, occupational structure or combinations thereof. One obvious problem is the arbitrariness of such crude measurements, i.e. where to draw the line between urban and rural. *Socio-cultural definitions* attempt to identify the characteristics of rural societies and how they are different from urban societies, based on the behaviour and attitudes of people living in these societies. These kinds of views are however strongly challenged by the tendency for life and livelihood in rural areas to become more urbanised or at least more mixed/blended and not easily distinguished from each other. A third approach departs from arguments about *locality, production and consumption*. Whereas many rural areas over history have been dominated by primary production sectors such as agriculture, forestry, fishery etc. which has also impacted landscape, settlement structure etc. more recent research on rural areas has emphasised aspects of post-production and consumption in terms of tourism, recreation, nature conservation, heritage and gentrification. Although such tendencies could be observed,

at least in some parts of the countryside, others have questioned the magnitude of these changes (e.g. Rye 2011)

A final approach is to understand rural as *social representation* or discourses. This view focuses on how people use the concept of rural and peoples' association of rurality. Our understanding of the rural could be based on our own experiences, but also increasingly be formed by representations in the media and popular culture such as journals, movies, novels etc. British literature often highlights the concept of the rural idyll, where the positive aspects of the countryside are stressed. This concept has a long history and there are many examples from different parts of the world (Boyle et al., 1998). Naturally, this has also been contested, both due to the fact that most places rarely are as idyllic as presented and also that this is a highly subjective assessment (e.g. Woods 2005; 2011).

What rural is, and has been considered to be, can thus be defined differently. One example is the various definitions based on population statistics in different countries (Woods, 2005). In the Nordic countries settlements with up to a few hundred inhabitants have been defined as rural, whereas in other countries communities, several thousand inhabitants could still be categorised as rural (see also Box 6.1). Furthermore, definitions of rural have also changed over time. It has historically been defined as a counterposition to the urban; while living in rural areas has historically been a relatively natural context of life for most people, its understanding as rural largely took place in relation to city and town development. Hidle et al note that “[r]urality as a distinct category and rural identity grew out of a widespread mobilisation of rural issues in the 1960s and 1970s” (Hidle et al. 2006). In European countries, the international context of rural change can be seen as related to a globalised food system that makes European agriculture less competitive but where money flows instead increase the role of consumption in rural areas, thereby creating new rural markets and economic opportunities (Hidle et al. 2006). This is enabled by the mechanisation of resource-

based industries that has decreased requirements for rural labour in these occupations in heavily mechanised countries, thus influencing global competitive dynamics as above.

Thus, it is commonly seen that a major reason behind the shift in population from rural to urban areas has been the relative decline in the economic importance, in particular of agriculture, but also of other primary sectors across OECD countries (Ward and Brown 2009). These changes have resulted rural areas being “three-quarters of the land area and one-quarter of the population in OECD countries” (Ward and Brown 2009), with less than 20 per cent of the rural workforce employed in agriculture. It has also meant, however, that agricultural policies become more limited in their broader role of supporting wider rural economic development, although Rural Development Programmes do ostensibly have a wider remit. For rural areas, a stronger focus has thus also developed on natural and cultural amenities, as well as on regional policy development to cover both rural and urban areas (Ward and Brown 2009). However, strong variations in how rural areas are described still remain which could largely be regarded as framings, discourses or differently chosen perspectives on how rural areas are perceived. Sections below describe two of these potentially contrasting perspectives: rural as decline and rural as amenity. Given the strong variations in the areas and countries that can be seen as rural, none of these can give the full picture (see Box 6.1). Rather, as is argued below, it may be necessary to recognise this perspectiveness and instead see rural areas as interconnected to urban areas.

Box 6.1: What is the rural?

Spatial typologies offer a potential to enhance understanding by foregrounding the significance of place within a broader geographic context beyond regional or urban/rural stereotypes. A well-constructed typology can offer the potential to identify what is particular about a region and highlights spatial similarities and differences compared to other. Whilst this has led to the creation of a wide range of spatial typologies, some have been widely adopted, not least the OECD typology (urban >150 inhabitants/km²) and rural <150 inhabitants/km²) (the OECD definition of rural areas gives that approximately 70 per cent of the Swedish population lives in rural areas as compared to 55 per cent in Europe). There are, however, numerous typologies that have been exclusively applied for the specific purpose for which they were created, i.e. within the 2013 programmes there are more than 40 different

typologies of European regions so it is clear that there is no widely-accepted standard in use. The OECD and European Observation Network ESPON typologies cover a wide range of issues, e.g. migration, population density, proximity, demography, economic performance, vulnerability to climate change, territorial sensitivity to EU policies, etc. However, one fundamental criticism of these types of spatial typologies is their reductionist quality; that is, an overdependence on single indicators to categorise space. This results in a failure to consider the complexity or diversity of interaction between social, economic and environmental drivers of change and their implications. The unsuitability of such single criteria typologies as concerns reflecting the multi-dimensional diversity of Europe has been highlighted in the European Spatial Development Perspective (EC 1999), Glesbygdsverket (2008) and EPON 2011. For an extensive review of spatial typologies and their potentiality of application in the EU see Copus et al. (2008) or ENRD (2010).

While these differences in what is considered rural and urban will be extensive between countries, considerable differences may also be identified within a single country.

In Sweden, there are large variations between areas: the peri-urban countryside in the metropolitan areas differs from the remote rural areas, for example in the interior of northern Sweden. In many aspects, many rural areas in Sweden, as well as in other Nordic countries, differ quite a lot from the British countryside often mirrored in academic journals and books, even though the British countryside is also heterogeneous (Marsden et al., 1993; Marsden, 1998; Woods, 2005).

Hedlund (2016) made an effort to categorise all Swedish areas outside communities of at least 2000 inhabitants based on their populations' socio-economic characteristics. Using cluster methods, he identified five major groups with 16 subgroups. This illustrates that the Swedish countryside is heterogeneous. Some of the clusters are relatively prosperous countryside areas within daily commuting distance from large towns, whereas others are remote and very sparsely populated in forest-dominated landscapes. From this perspective, many types of rural areas could be placed on a continuum in terms of population density, accessibility and basic material living conditions. There are, however, also rural areas that are not easily placed on such a continuum, for example tourist resorts in the mountains or along the coast. Similar findings have been presented by Pettersson and Westholm (1998) and Pettersson (2001). Generally, rural areas close to major towns and in the three metropolitan areas (Gothenburg, Malmö and the capital region of Stockholm) have managed better in terms of population growth, property values etc. whereas the more remote rural areas are more characterised by out-migration, depopulation and ageing inhabitants.

The definition of rural areas is also a question of scale. In Sweden, there are several definitions of rural. A classical definition was developed as early as the 1950s, where rural areas by Statistics Sweden were categorised as all areas *outside localities* (i.e. urban areas) of a minimum of 200 inhabitants. This low threshold means that even fairly small villages could be defined as urban. Sometimes all areas outside the capital region or the metropolitan areas are presented as “the provinces” or “sparsely populated counties”. From this perspective, small and medium-sized towns and cities are regarded as part of rural Sweden. For a discussion on the terminology of rural areas in Sweden, see for example Pettersson (2002) and Forsberg (2005).

Rural as decline?

Understandings of economic development have largely focused on cities and towns as growth areas. In comparison, for example, Ward and Brown note that “[i]n aggregate terms, rural areas are found to be lagging behind national average economic growth rates” (Ward and Brown 2009). Such lower growth rates in rural areas are often seen as linked to outmigration of the young, coupled with lower levels of provision of skilled jobs with stronger job security, more limited infrastructure such as cutting-edge telecommunications, and limitations in public service, “often working as a vicious circle of rural decline” (Ward and Brown 2009). In literature defining rural areas as linked to agriculture and defined in opposition to the urban – with a role dependent on economic driving forces that are now situated in urban areas – the rural was thus often seen as the “urban’s poor political relation” (Neal 2013: 60). However, in this, “rural geography has tended to focus more on the processes of rural repopulation and mobility of the population, than on the permanence of local populations in remote rural areas in decline” (Paniagua 2014: 49). Hidle et al. argues that this understanding of the rural and urban can be seen as a structural metaphor (Lakoff and Johnson 1980), where a specific definition of the rural is used to reduce it to a mere resource for the urban rather than seeing it as a valued area in itself, which should be accepted “only if we let the logic of market structure rurality as a political and academic field” (Hidle et al. 2006). The reasons such metaphors have developed may be multiple: as more people live in cities, such arguments become more easily accepted; there are specific historical reasons (similar to these) in the development of rural policy; and the rural is today, as well as historically, limited in generally not being the site of economic and political power, which means that the financial and political resources that are concerned with their sites of living are not situated in rural areas. The understanding of rural and urban can thus be seen as a battle ground of interests, not the least in relation to the conditions that influence livelihood – with the role of rural areas shifting accordingly.

Rural as amenity – and continued production and part-time residence?

Although rural areas may be regarded as places with more limited employment and career opportunities, they can also simultaneously be seen as desirable places for residence, if employment is not necessary. As a result, “[w]hereas the countryside traditionally relied on exports of commodities by the primary industries (agriculture, fisheries, and extractive industries) to urban markets, it has become increasingly characterised by its role as producer of rural services, experiences, and quality of life” (Rye 2011). The role of rural areas may thus be seen as shifting from a focus on production to more of a focus on amenity: as areas often seen as desirable locations to live, but dependent on access to markets that either are not in need of employment or on closeness to urban centres providing employment, in order to assure continuous access to public services requisite for supporting residence. In areas in France, England and the Netherlands where transport links and infrastructure have been improved, the outmigration from rural to urban centres has been reversed in what is sometimes seen as “counter-urbanisation” (Ward and Brown 2009); in other areas, similar “green waves” of people moving back to countryside areas have been observed because jobs, lifestyle or housing are considered to be advantageous there (e.g. Eskilsson 2009).

Thus, rhetorically and in literature, the rural has increasingly gained a role as a leisure or amenity location, potentially also for residence. For example, Ward and Brown note that while material conditions vary substantially between rural and urban environments in less-developed nations, there was little evidence of such differences in wealthier countries and no urban advantage in subjective wellbeing (Ward and Brown 2009). Paniagua argues that this has “result[ed] in rurality being viewed through counter-urbanisation, gentrification, lifestyle migration and rural place marketing” (Paniagua 2014: 49). These changes may also be related to arguments about increasingly differentiated countryside. Based on experiences from the

UK, Marsden et al (1993) presented four ideal types of rural areas. In particular, two of these are relevant in this context. The *preserved countryside* consists of accessible rural areas with high landscape and amenity values, where new social groups, mainly middle-class, move in and exert considerable influence over development and decision-making, often in order to preserve the countryside as it has been, or in line with their ideas about a rural idyll. Another category, usually located outside the main commuting zone, is the *contested countryside*, where the interests of similar groups of newcomers come into more open conflict with ambitions among land-owners, farmers, developers etc. to find new ways of making a living.

However, in Fennoscandian literature, it is also noted that a productive role for the countryside is largely retained (e.g. Brouder et al. 2015), and that any increasing political focus – for example on EU level – on post-productive values may thus mean that policies relate more to an assumption on areas (or on similarity of areas across Europe) than they do to actual conditions (for a Swedish context see Almstedt et al. 2014, 2015). At the least, however, these types of considerations do mean that we no longer speak of any one kind of rural, but rather of a rural that is connected to urban areas in multiple ways, potentially even so far-reaching that a dichotomisation into rural and urban would not actually be relevant.

A potentially similar case can be found in literature on gentrification. In line with a focus on amenities, literature on rural gentrification emphasises that older individuals may move to rural locations, bringing accumulated wealth (home equity and pension) in order to be able to spend leisure time in outdoor recreation, dependent on the recreational and amenity resources and markets (such as for second homes) at locations (Nelson et al. 2010, cf. Chapter 2, this volume).¹ It has been noted that such migration may be both internal and international,

¹ Rural gentrification is often seen as “tied to economic restructuring and the creation of footloose service workers, declining employment in the traditionally resource based sectors, an aging population with loosening ties to the labor market, the rise of leisure and concurrent proliferation of second homes, dissatisfaction with suburban living, and the pursuit of a perceived higher quality of life available in the countryside” (Nelson et al. 2010). Thus, for instance, “[c]ounter-urbanization, net in-migration from urban to rural areas, has characterized

including a broad range of other personal services following, such as construction, food and others, adding multiplier effects and also contributing to a wide range of employment as well as pensioned groups residing in areas (Nelson et al. 2010, Hedberg and Haandrikman 2014). However, also here counter-trends and variations exist to trends identified based on Anglosaxon literature. Thus, from a Nordic point of view, rural gentrification does not seem to be a widespread phenomenon. In a study on Swedish data Hjort (2009) concluded that high-income earners and well qualified people do not move to rural areas to any large extent. Apart from countryside areas within the Stockholm metropolitan region, she could not find any evidence of rural gentrification.

While the characteristic of gentrification does not manifest in the same ways in Fennoscandia as in the UK, numerous factors that impact this may exist. While this has not been researched, an example of a potential impacting factor that also illustrates the variation in what is seen as characteristic to the rural and an urban-rural linkage is the issue of second homes. This case, again provides an additional example of the difference between conceptions and linkages with the countryside in Fennoscandia and the UK. In Fennoscandian countries, the second home is an almost taken-for-granted phenomenon of rural-urban interaction and multiple residence and lifestyle, providing a linkage to rural areas amenities for those working in urban areas, a linkage to heritage in many situations, and a potential connector that may influence residence choices in old age (provided services exist). Norway, Sweden and Finland are as countries relatively sparsely populated with a historically relatively rural population so many maintain linkages through rural lifestyle components or family homes or residences in rural areas, even

the UK for over forty years and is a feature of an increasing number of OECD countries. While young adults continue to leave rural areas for enhanced opportunities in urban labour markets, rural areas have been the net recipients of persons in their mid-to-late forties, pre-retirementaged persons, and retirees. ... in-movers to rural areas [in the UK] are more than one-and-a-half times as likely to commute a long distance compared with non-migrants with the same characteristics ... non-UK in-migrants have helped rural labour markets fill job needs produced by the long-term net out-migration of younger, well prepared workers" (Ward and Brown 2009).

if they have moved for employment. This historical situation, coupled with the view of second home ownership as a contemporary cultural feature, has resulted in second home ownership becoming common in all layers of society (e.g. Rye 2011). Rye notes that in Norway, “[i]n population surveys, 25.5-32.4 per cent of the national population claim to own a second home while another 15.1-19.3 per cent state that they have a second home at their disposal” (Rye 2011).² Similarly, it was noted in national surveys in Norway that a tenth of the sample noted that they regularly worked or studied at their second home, and that a third reported an interest in working at their second home (Rye and Gunnerud Berg 2011), thus resulting in a further mixing of rural and urban activities – and for those spending a lot of time at their second homes, also a mixing of what should be regarded as the primary residence. As a phenomenon, wide-spread second home ownership and access could thus also potentially mean that gentrification with regard to primary residence is not similarly necessary; or is simply occurring in a different guise. This constitutes a considerable difference to the UK where a relatively limited and “elitist character of second home ownership in the UK” has been observed (Rye and Gunnerud Berg 2011). These factors may not only indicate that UK buyers are more easily described in terms of location of their primary (sole) residence, but also that while the widespread character of second home ownership in Fennoscandia has made it relatively unproblematic and non-conflictual, in the UK second home owners’ contribution to local society and competition with local buyers has been regarded as more conflicted (Rye 2011).

² There is thus a clear family connection. Rye and Gunnerud Berg note: “Often the second home is also a place for spending time with relatives, since the second home may represent long term ties to places and the use of it is a way of preserving these ties. More than a half of the informants in [a] ... survey reported that their second home was located in a municipality where other members of their family resided. Further, most Norwegian second homes have been in family ownership for years, if not generations. ... Thus, for many their second home may represent more permanence in their family history than their first home” ... [nevertheless,] second home phenomenon has been largely neglected within rural studies” (Rye and Gunnerud Berg 2011)

These different types of organisation are necessarily underpinned by different policies. In Sweden, the fact that legal arrangements allow foreign ownership has resulted in permanent houses in rural areas being converted to summer houses. This is contrary to some Norwegian regulations, varying between counties, that include “boplikt”: require residence for most of the year to prevent purchase solely as second homes (Rye and Gunnerud Berg 2011). In the UK, on the other hand, factors such as the very high property prices and a densely-populated country, as well as countryside, limit such considerations: the cost of purchasing a second home may mean this option is restricted to very few (see Box 6.2).

Box 6.2: Gentrification, second homes and land ownership in estates (not as family smallholder owners) in the UK

In European terms, the UK has a relatively distinctive rural land use structure dominated by relatively large, mostly owner-occupied, farms. There are wide regional variations in the structure and composition of rural land ownership and use, conditioned by the geographies of opportunity created by soil and climatic differences. Within this predominantly agricultural rural land use structure, forestry has almost always been a secondary player. Britain as the first industrial nation, with its wealth built initially on coal and iron, and with a rapidly-growing population on a limited land area, adapted its patterns and practices of rural land use in response to the demands of a growing industrial population from the mid-18th century. Food production was the emphasis. Wood products had long been imported especially from the Baltic and except for on large land holdings (the landed estates), woodland management entered a process of decline from the mid-19th century when the multiplicity of products derived from woodland was increasingly replaced by new manufactured goods (see Edlin for a compendium of the legacy of woodland crafts in the mid-20th century). Wartime shortages of timber in the early and mid-20th century challenged import dependency and led to public support for new afforestation from 1919, which was reinforced after the WWII.

Rural policy in the UK has struggled to find a balance between the desire to conserve and protect and the desire to ensure equitable development. For many decades after WWII it was assumed that a strong farm sector would support a vibrant rural economy. But Wibberley (1981) contentiously argued that strong agricultures were often associated with weak rural economies. Slee (2005) subsequently noted that for some more attractive areas, consumption of countryside amenity had supplanted landscapes of production in terms of their economic importance. Slee et al. (2004) looked at this phenomenon explicitly in relation to forests and woodland and found that their amenity function was overwhelmingly more important than their production value in terms of economic, social or cultural significance. A high degree of dependency on the primary sector had become a liability not an asset in terms of regional growth potential. As farming intensified, it brought in its wake problems of landscape dilution, water pollution and biodiversity losses.

However, rural areas have long been sought-after places to live. Extensive land ownership has survived rather effectively in some parts of the UK, as a result of a mix of inheritance laws, the legacy of feudalism and aristocracy who did not suffer the fate of those in France; and from the 19th century the supplanting of production values in many upland areas with

hunting for deer and grouse and fishing for salmon, together with a structure of game laws that was also a feudal legacy, created a new style of landownership associated with conspicuous consumption. In the 1940s, George Orwell noted just how compelling the countryside and rural land ownership were to English people. And from that time (and indeed earlier) there has been a struggle between landed interests and a strong protectionist streak and a more emancipatory set of values which emerged in the post WWII period, evidenced by the National Parks and Access to the Countryside Act 1949. Where land ownership was economically weak, new developments occurred especially during the deep recession of the 1930s, much to the horror of environmental protection interests. Along coastlines and Scottish lochs and more generally in attractive landscapes where planning regulation was weak, people built holiday cottages, some little more than shacks. Designations from the late 1940s reduced the opportunities for new built developments and placed enormous pressure on housing markets in places like the Lake District or North Norfolk where second home ownership began to push up the price of homes and deny local people housing opportunities. In some ways, this late 20th century search for rural amenities is no more than a reflection of the inclusion of the middle classes in the wider aspiration of enjoying the countryside. They may not own an estate such as the 19th century industrialists had acquired with full hunting rights, but they bought into rural Britain often to the detriment of those with low wages and limited mobility. And unlike in countries where space was at less of a premium, the poor were those who suffered, benefitting to a degree from seasonal work, but often caught in a trap of low wages and high housing costs. Forests and woodlands add diversity, variety and attractiveness to the countryside, though some argue that commercial monocultures of exotic conifers comprise an intrusion into the British landscape. However, tree-rich locations in peri-urban and rural areas almost always generate higher house prices. However, the land managers who provide the woodland and forest resource can, but often choose not to, gain from its beneficial economic impacts. That may well pass to entrepreneurial tourist businesses such as Centre Parks that can effectively parasitize the surrounding landscape.

Relational ways of viewing the rural: rural as interconnection

As the variation in descriptions above show, rural areas are likely to be extremely diverse, and will vary with national and sub-national characteristics and policies – at least to the same extent as the characteristics of forest owners and forest use demonstrated in Chapters 1 and 2 (this volume), can be seen to vary. It may thus be crucial to understand the ways in which rural areas are seen by population who are living there, rather than only understanding ways in which areas are conceived of from outside. Also, it is important to understand the trends that are impacting urban and rural areas alike whilst contributing to different impacts at different locations. All the above described processes of gentrification or multiple residence,

migration, labour mobility and the second home phenomenon blur rural-urban distinctions. Rye and Gunnerud Berg note, for example, on the second home case in Fennoscandia that “[i]n the most popular second home municipalities, and in the high seasons, the average person present not only looks like an urbanite but actually is an urbanite in terms of his or her permanent place of residence. Where one is does not determine who one is. The result is that rural space is domesticated as an integral part of urban ways of life ... [thus] it has become increasingly difficult to uphold the analytical divide between first and second homes and identities” (Rye and Gunnerud Berg 2011).

As a result, it has been argued, rural areas should be recognised as “shaping and influencing urbanism and producing ‘new hybrid sociospatial forms that blur the rural and the urban’” (Neal 2013: 60, with internal quote from Woods 2009:853), or as “fluid and dynamic space, which is continuously materially and culturally restructured ... a process produced by different practices and interests, so it is inconsistent and becoming” (Kay et al. 2012). These changes, it is argued, cannot be conceived of outside of large international processes of change. For example, whilst the historical linkage to strong agricultural production may be decreasing throughout Europe’s rural areas, and urbanisation results in declining populations in more rural areas (with in particular more women than men leaving rural areas, Wiest (in press), argues that none of these developments can be observed without reference to, amongst other aspects, “the changes in the working world over the course of the transition from industrial to post-industrial societies in conjunction with increasing female educational orientation and labour participation”, as well as “changing gender roles” (Wiest in press). In general, and in particular during the current refugee crisis (2016), rural areas are also influenced by a large number of broader migration processes that vary in size and scope, creating various and new population patterns. Examples including, for example, “flows of Thai women who move to rural Sweden to marry Swedish men”, Thai as well as Eastern

European berry pickers as migratory workers in Sweden, and refugees to Europe, thus creating what could be called “translocal ruralism, emphasizing how both short-distance everyday relations and distant relations to areas on national and global scales are producing translocal rural spaces” (Hedberg and Haandrikman 2014). Such processes may thus also transform the social composition of the countryside, with potential effects on the “sense of belonging and identity of rural migrants” (Hedberg and Haandrikman 2014). Here, it has been noted, “[s]ocial scientists are only just beginning to think about what increasing personal mobility and interconnectedness means for processes of socio-economic change in localities” (Ward and Brown 2009).

As has been widely recognised in the UK by Marsden’s identification of at least four types of rural area (Marsden et al. 1993), there are now substantial variations in the nature and levels of demographic and socio-economic development, in his example, in different parts of rural Britain. The old binaries of urban and rural have broken down; and in retrospect probably always possessed only limited validity, except perhaps at a particular stage in the maturation of advanced industrial capitalism. At the early stages of industrialisation rural areas were heavily involved in the manufacturing industry, and this has survived to the present with some natural resource-based processing remaining in some rural areas. At its peak, the factory system exerted a strong centripetal pull on manufacturing but from the late 19th century there was evidence of a decline in such concentration (Fothergill and Gudgin 1982; Hodge and Monk 2004).

What may also have happened (although this could be a function of better understanding of the present and better socio-economic datasets) is that micro-differentiation of areas has deepened. Neighbouring communities may adapt differentially to the opportunities and pressures shaped partly by landownership and attitudes, partly by the nature of the natural resource base (nature vs say iron ore) and partly by the serendipitous presence of dynamic

individuals whose actions can, under more devolved rural development policies, coalesce into coherent community-based development.

Perspectives on regional and rural development policy

On this basis, and also on the largely varying basis of who can be regarded as a forest owner, and to what extent these are rural (Chapters 1 and 2, this volume), there may thus be reason to dispute the extent to which coherent rural policies can actually accommodate very varied rural areas and multiple interests within these, even within one single country – and much less the EU. Morrison et al. (2014), for example, note that “[r]egional development planning is widely taken to mean rural regional development” but that this term itself can be seen as originating in contested beginnings, largely connected to organising Western settlement in the Australian and American frontiers from the 1880s onwards. Morrison et al. notes that “rural regional planning pioneers were concerned with the ‘vast and under-populated regions in obvious need of development’ in both countries” (Morrison et al 2014, with internal quote by Auster 1987, 29). Paradigms of rural regional development planning were thus developed in a very specific manner and for very specific purposes, which mean that as they spread to other areas they may still have carried some of these assumptions. Thus when, in the 1970s, changes in agriculture in Western societies began to become evident in changing population structures, “productivist aspects of rural regional planning” were highlighted “while turning away from settlement goals” (Morrison et al 2014). As “the original concept of rural regional planning was to fill in the blank canvas of newly acquired landscapes, not the business of adapting to existing contingencies or coping with the uncertainties and contestability of knowledge” (Morrison et al 2014), regional policy may thus carry some baggage similar to that within conceptualisations of urban and rural as counterpoints. Ward and Brown (2009) note, for example, that “[u]rban and regional development studies tend to focus on the urban as driving

innovation and growth, with surrounding areas cast in a passive, residual role. As a result, rural and urban development debates are often conducted separately”.

The development of spatial strategies for territorial development in the EU in recent years, for example in the ESDP (European Spatial Development Perspective) and its focus on competitiveness and positioning regions in a European and global economic space, has been criticised by Nordic observers for constructing

“cities ... as the sole driving forces and motors of regional development, which could lead to further agglomeration and a widening gap between urban and rural areas. This raises questions relating to the future of rural territory and space, particularly for population movement, if non-urban areas are constructed as areas of agriculture, green tourism and environmental protection ... [and on a European level] marginalizes rural and peripheral geography such as south-eastern Europe and Nordic countries” (Scott 2006).

Criticism has also been levelled against European policies such as the CAP (Common Agricultural Policy) directives or the Leader Programme emphasising strongly post-productivism rather than recognising a number of various initiatives as well as rural-urban linkages (e.g. Scott 2006, del Mármol and Vaccaro 2015). Similarly, some observers have also noted that the Natura 2000 Network, defining important natural areas within the European Union (drawing upon e.g. 92/43/EEG, Birds Directive, and Ramsar Declaration) is based on a centralistic view of planning, with decisions made on the EU level, inhibiting long-term change in land use (e.g. Lundmark and Stjernström 2009, cf. Chapter 7, this volume).

Criticisms have also highlighted the risk of defining rural areas through broad blanket definitions, rather than recognising the variety between different rural regions across a number of perspectives such as connectivity, varying social and economic challenges and

different resources (Scott 2006), including the need not to lock land use defined elsewhere without considering local requirements. However, it has also been noted that recognition of area specificity may be challenging as “structural reforms have led to larger administrative units that have less experience-based knowledge about the individual rural communities within a municipality than do local authorities” (Johansen and Nielsen 2012). The authors note thus, for example, that simplified descriptions e.g. employed in Irish rural discourses, focused on “uncompromising and unfertile lands, wave-lashed coastlines, remote expanses of bog, signs of struggle, of famine, and of poverty” (McDonagh 2001, p. 61, quoted in Scott 2008, and not dissimilar to descriptions created for example in Arctic discourses recently applied to northernmost Norway, Sweden and Finland, e.g. Keskitalo 2004) may to a greater extent be taken as short-hand for a extremely varying, and perhaps even contradictory, situation compared to descriptions. For example, it has been noted that without in-depth knowledge of local conditions, “[p]lanners favoured residential development in towns rather than rural areas, due to economic efficiencies of concentrating development ... lacked understanding of local needs and issues” and “viewed [urban centres] ... as the sole development motors for the local economy” (Scott 2008). Similarly, in these cases, landscape protection policies were seen as “aimed at visitors and tourists with little consideration of local people” (Scott 2008).

With regard to this focus on resources and where resources are concentrated in rural or urban areas through, for example, discourse and ways in which rural or urban privilege is constructed though viewing rural areas through blanket understandings, there may be reason to instead review the ways in which resources are, or are not, taxed or redistributed at different locations by the state, as well as to review policies within the state context. With regard to Fennoscandian examples, such policies necessarily need to include the development of the Scandinavian welfare states with fairly far-reaching policies for growth and

redistribution across the countries, however with gains from large typically rural activities such as mining taxed at location of headquarters and then redistributed. Changes in rural policies today must also be observed in relation to similar large-scale policy system changes, such as the hollowing-out of the welfare state in relation to increasing globalisation with, amongst other aspects, the tax base decreasing as companies move abroad. In this respect larger-scale, global and state system changes thus need to be seen as exerting major impact on rural areas (e.g. Horlings and Marsden 2014).³

Here, Fennoscandian examples have often been seen as providing illustrations of more rural-inclusive policy development than in many other countries, and potentially able to, to some extent, manage large-scale, urbanising trends at least in certain areas. For example, Hidle et al. note: “Despite the mentioned megatrends, the Norwegian rural space is not left behind as a space for only free market forces. ... Regional policy in Norway has strong elements of social policy, of giving people adequate service opportunities, and in this respect metaphors of equity, equality and spatial justice structure much of this policy” (Hidle et al. 2006). Thus, “[t]he goal of maintaining the settlement pattern has gained a distinguished position in Norway, compared to most European countries where rural policies are occupied with industrial and commercial development ... The logic here is that the State should work to uphold rural places so that people who want to live there are not forced to live in a city” (Hidle et al. 2006).

To some extent, both the megatrends defined above and the specific situations discussed by Hidle et al. for Norway are applicable also to Sweden and Finland, with the Swedish example highlighted below. However, compared to agriculture, so far, “forestry plays a marginal role in the conceptualisation of ... the new rural development paradigm ... despite the fact that

³ Re-territorialisation processes (e.g. Horlings and Marsden 2014) aiming to create more regional or local systems to counteract trends may constitute potential counterweights to such processes, but are ultimately also affected by larger frameworks.

forests cover extensive areas in the European countries” (Elands and Praestholm 2008). While an increasing emphasis on bioeconomy including e.g. bioenergy from forest may, over time, come to change this, such a shift has not yet taken place. Below, we attempt to include forest in a description of rural change and a broad array of rural and other policies affecting the countryside, in the example of Sweden.

Rural change and policy in a Swedish context

In order to understand transformations in forestry and rural areas it is necessary to broaden the perspective and consider changes in economic, political and social context. The latter half of the 1900s constituted a period of major change (Antonsson & Jansson, 2011), where forestry and rural areas in Sweden cannot be studied separately (SNA, 2011). The Swedish countryside was, well into the 1950s, characterised by small-scale, family-owned farms and forests beside up-coming, growth-oriented, natural resource-based industry. This was especially true in terms of rural livelihood strategies that were primarily dominated by agriculture with forestry as a side business, although a shift towards employment in industry occurred gradually (Antonsson & Jansson, 2011; Morell, 1997). Most farm properties during the 1800 and 1900s consisted of both cultivated land and woodland, and many farmers owned their homestead, although tenant farmers also existed. Worth noticing in the Swedish case is the fact that land generally was locally and private owned, and the rural proletariat were relatively few in number, a situation that separates Sweden from many other European countries. Forestry and handicrafts were, for a long period, generally seen as a kind of supplementary business activity to the generally, by both individuals and society, more highly prioritised agriculture (Törnqvist, 1996; Morell, 2011). This was, for example, reflected in the legislative framework surrounding land acquisition and was expressed in the fact that land-owning active farmers always had precedence if a forest property went up for sale. Forests

were considered by the authorities as a farmer's lifeline in case of crop failure as well as an opportunity to broaden livelihoods in more general terms. Government wished to prevent farmers from selling to companies. Venture capitalists were therefore not welcome in the forest landscape and incorporated companies were almost always excluded from land acquisition by law which was first resolved in 1906 and geographically extended in 1925 (Morell, 2011). This relationship was, in many ways, a reaction to the regionally-extensive purchases of private agricultural and forestry land during the wave of industrialisation implemented by companies at the turn of the century in order to ensure their access to natural resources. There was also, for a long period, broad support for the idea of limiting companies' ownership of land on the one hand and the stimulation of local private ownership on the other. Forestland was, in other words, considered to be reserved for active farmers and small-scale farmers were at the same time the norm. Thus it was clear that land was an important part of rural livelihood strategies (Flygare, 2011). Locals and individuals have, with some geographical exceptions, still priority in relation to non-locals and incorporated companies.

During the post-war period a thoroughgoing structural rationalisation of the Swedish agricultural sector began. This was driven by different forces ranging from political to economic and individual. From the political point of view, it was important to ensure that competitive and growing companies in urban areas could satisfy their demand for labour. It was therefore important for the government to release manpower from unprofitable companies in the rural agriculture sector in favour of jobs in urban industry. This was affected by a wide range of laws and political measures related to the concept of the Swedish Model of the welfare state. Most important in this regard was the egalitarian wage policy that in short meant that all workers with similar tasks would receive the same pay regardless of sector affiliation or geography. One notable outcome, perhaps to some extent undesirable but not entirely unexpected, was difficulties for small family farms to pay the same wages as the

growing and export-oriented industries. The state-initiated solution was thus to stimulate rationalisation in agriculture production, e.g. mechanisation, using policy instruments. In this context, the 1947 agricultural policy played a central role (Antonsson & Jansson, 2011). On the economic and individual levels, urban areas could offer better living conditions and higher wages compared to rural lifestyles and jobs. Extensive urbanisation became therefore a reality on the one hand, but on the other hand fewer, but major and more rational, farm units resulted. In this sense urbanisation at the time can partly be regarded as a geographical outcome of the Swedish Model. This policy effectively reduced the number of farms and led to smaller units, in most cases, gradually disappearing (Antonsson & Jansson, 2011).

In general, developments in the agricultural sector also meant a radical, but still relatively slow, transformation of the ownership structure in small-scale agriculture and forestry (Törnqvist, 1996). Many farms were discontinued when the owners retired or changed to jobs in the expanding industry sector, but were later often taken over by the children or grandchildren of the former farmers (Flygare, 2011). The new owners were not necessarily interested in farming and forestry or rural livelihoods, as they came to reside in urban areas far away and work in typical urban jobs. One result of this was that small-scale forestry failed to rationalise holding size, which meant that the property structure of many small units was preserved (Antonsson & Jansson, 2011; Törnqvist, 1996). The average area of forest is today little more than 40 acres per property, close to the situation in the early 1900s.

In order to reduce the negative effects of this structural change, a series of measures targeting rural areas was introduced. Rural and regional policy emerged as a policy area in the late 1940s and early 1950s as a reaction to the substantial population decline and structural change in agriculture and forestry and other businesses in rural areas, especially in northern Sweden. An active localisation policy was launched on a trial basis in the early 1960s and made permanent in 1964. Localisation policy aimed at providing grants and loans to help industrial

employment increase by stimulating relocation to the extensive rural areas of the country. The central government's ambition was to relocate manufacturing from metropolitan areas to sparsely-populated regions. Main targets for redistribution measures were the sparsely-populated areas of northern Sweden as a way of creating new employment opportunities to compensate for restructuring of traditional rural sectors such as agriculture and forestry, outmigration and depopulation, long distances to markets and a less developed transport infrastructure. Over time efforts also included support to places and regions strongly impacted by restructuring in manufacturing sectors (Hermelin 2005). Forest industry and the developed forest owner association structure further supported the development of the forest owner, including forestry production, identities that we see today (cf. Chapter 2, this volume).

In comparison with this policy direction, the radical change in Swedish regional policy occurred in the 1990s when Sweden, as a new member of the EU from 1995, chose to adapt to the EU cohesion policy (Hermelin, 2005; Forsberg, 2005). The addition of funding from the European Regional Development Fund and European Social Fund made it profitable to promote national regional policy (Tillväxtanalys, 2012). Economic resources made available from EU's structural funds meant an increase of the amount of money available for specific regional policy measures. Ideas about partnerships between numerous actors – public, private and organisations – also began to strongly influence Swedish regional policy. Regional development strategies are nowadays formulated in these partnerships and match-funding is necessary in order to obtain financial resources from EU structural funds. Whereas the traditional Swedish regional policy was top-down, these changes increased the regions' own responsibility and opportunities to formulate how they wanted to promote local and regional development by making use of the financial resources made available from different levels; local/regional, national and EU. Decision-making thus became more decentralised, but also more generally focused on EU goals and policies.

This meant that the early Swedish regional policy based on ideas to balance development in different parts of the county, in particular by supporting less-developed areas, was replaced by a growth policy where the regions themselves were made responsible for formulating regional growth strategies, partially financed by funding from the EU and central government, but also through regional partnerships. After about year 2000, the policy has been even more focused on developing what has already been competitive rather than reducing spatial disparities (Tillväxtanalys, 2012). In this way, Swedish regional policy became more clearly growth-oriented (as compared to the more compensation-oriented concept of the past) and a concern for all parts of the country, not only sparsely-populated areas. Furthermore, cross-border integration through the Interreg programs became a novelty for Sweden.

Contemporary Swedish regional policy is thus largely coordinated with the EU cohesion policy as well as with other EU policies regarding rural development, agriculture etc. The goals of the current EU programme period 2014-2020 are in line with the overall Europe 2020 strategy of “smart, sustainable and inclusive growth”. Main targets are, for example, to increase employment levels, promote renewable energy, increase R&D efforts, raise the educational level and reduce poverty. Swedish regional policy basically adheres to these goals. Whereas regional policy mainly targets general regional development issues, rural development often refers to measures more directly connected to the countryside and the primary sectors. Nowadays, Swedish rural development policy is almost exclusively coordinated with similar EU policies and funding (Almstedt et al., 2015). The Swedish Rural Development Programme for 2014-2020 focuses on the environment, sustainable development and innovation (Jordbruksverket, 2016). During the previous programme period (2007-2013) most of the resources, however, went to the primary sectors, mainly agriculture (Almstedt et al., 2015). Far less was distributed to measures to promote small enterprises, tourism etc. With regard to developing policy relevant to rural areas, it should be noted that

considerable focus in such programmes is placed on cooperation between areas at large, including rural and urban municipalities and often describes both these and broader areas in relatively general terms, to some extent echoing a rural-urban bias as described previously.

(See Box 6.3 for a comparison with Norway)

Box 6.3: Rural challenges in Norway

As for Sweden and also Finland, constraints on economic activity due to remoteness, cold climate and sparse population characterise peripheral regions in Norway. Norway is one of the most sparsely-populated countries in Europe, with much of the country dominated by mountainous areas and 20 per cent of the population living in sparsely-populated areas. Norwegian agriculture has been perceived as distinctive in an international context, both due to natural conditions and due to agricultural policy. It has been given priority in order to counteract centralising market forces, regulate land ownership and farm turnover. It is also central to Norwegian agricultural policy to even out between productions, farm sizes and regions. This in order to strengthen small and medium-sized farms and maintain farming all over the country. However, the Norwegian agricultural model is under pressure from neo-liberalistic policy, especially from the current government who aim to deregulate such arrangements.

About 3 per cent of the land area is arable and 38 per cent is forest. Over the past few decades, the agricultural sector has witnessed significant structural changes toward fewer, but larger and more specialised holdings, and numbers employed in agriculture and forestry decreased by 2.9 per cent per year over the period 2003–2013. Approximately 2.7 per cent of the workforce is employed in agriculture and forestry, and the average age of farmers is around 50 years old, which indicates generational challenges. Most farmers also have additional income from other sectors. A national survey found that farmers, from 2002 to 2014, have become more pessimistic about the future economic development of their farms. Downscaling of arable land in favour of housing and infrastructure, farm income and food security are important debates related to the sector, and which contest the value of farming. Farming has developed from a labour-intensive to a capital and knowledge-intensive sector, and milk production on cattle farms is the primary activity. Today there are slightly less than 42 000 farm entities in Norway, and about 15 per cent of the farmers are women. Even though the Norwegian allodial law equalises men and women's rights to inherit farmland, there are challenges related to encouraging female farmers. Services and public sector are the largest employment sectors for women and in rural areas in general.

Of special concern with respect to employment is the current crisis in the oil industry as especially regions in western Norway are experiencing major challenges due to subsequent unemployment.

Compared to other European countries, Norway's population is among the fastest increasing. The most important driver in population growth is in-migration from abroad. In 2012 net in-migration constituted 72 per cent of population growth, and in-migrants and people with in-migrated parents account for more than 16 per cent of the population in 2016. In-migration has become more regionally scattered since 2000 and is the reason for population growth in many rural and coastal communities as well. Employment immigration is important for sectors who need workforce, such as construction, welfare and fisheries. Norway is the sixth largest fish farming nation in the world, and coastal communities in Mid-Norway are examples of an expanding fishery sector and growing population due to immigrant labour

force. Integration and participation of the immigrants into local communities might still pose challenges for such local communities.

The overall migration trend throughout the country is increased centralisation, though population development differs between regions of different centrality. There is also some outmigration from larger city municipalities in favour of the surrounding municipalities. This might be explained by a satisfactory labour market in the region, lower housing prices, commuting opportunities to larger cities as well as proximity to nature and outdoor activities. Development of regional centres is strategic in regional policy, aimed at maintaining rural settlement. However, the least central municipalities have experienced more or less negative population development since 1980.

Rural districts are facing challenges also due to the ageing wave on its way. An increasingly ageing population will especially challenge the supply of welfare services in rural areas, already struggling with recruiting competent work forces in the social service sectors. Centralisation processes are also reflected in local services such as schools. As municipalities centralise and merge, increasingly larger schools develop, even though there is very little research on the consequences school closure for local communities.

An ongoing reform for larger and more robust municipalities demands that all municipalities explore the potential for merging with neighbouring municipalities, and these processes are expected to last until the end of 2016. A structure of fewer, but larger, municipalities is believed will solve issues in smaller municipalities such as vulnerability in high-competence services, service provision, planning, finances and people's everyday life. However, Norway's dispersed settlements, significant distances, distinct topography and climate raises important challenges and local resistance to merging is found throughout the country. Especially small peripheral and island municipalities, the latter also absent from the government's municipality reform agenda, fear losing local democratic rights, disappearing as local communities, becoming depopulated and ending up as holiday home areas if merged with other municipalities. In April 2016 it was decided to reduce the number of municipalities from 428 to 422. This is so far a more modest reform than suggested by the expert report and might be partly explained by the resistance to this reform expressed throughout the country.

(Sources: Almås 2016, Frisvoll et al. 2015, Knutsen 2014, Statistics Norway 2013, 2015, Storstad and Rønning 2014).

Consequently with regard to forest land, Sweden has largely adopted a forestry focus including protection and multi-use perspectives, and in fact dis-jointed an earlier inclusion of forest land in rural conceptions. Forest policy in Sweden is largely focused on forestry per se and its interaction with other industries, and is often discussed in terms of a production-protection nexus (e.g. Ambjörnsson et al. 2015). As a result of this disjoint, the systems in existence that govern rural areas largely lie within regular municipal planning (see also Chapter 7, this volume). They lie within a framework that is the same for each municipality and where forestry and forest planning is a separate issue that does not lie within the remit of

municipal planning (as in many cases in Europe, cf. Blunden and Curry 1993) and where the resources for rural development are otherwise largely related to EU and rural development conceptions as above. The most important part with regard to the resources available to rural municipalities is, however, the tax redistribution system whereby resources are provided to enable the distribution of services that each municipality is required to supply by law.

The redistributive tax system at municipal level

In addition to regional and rural policies, in a Swedish context it is also relevant to comment upon the redistributive tax system. It is an important part of the country's overall welfare system and transfers substantial financial resources between different parts of Sweden. In some cases it has been labelled as the "big" regional policy as compared to the "small" regional policy (mainly consisting of the direct regional policy measures presented in the previous section), simply due to the fact that the redistributive tax system involves much larger amounts of money. The far more extensive big regional policy pertains to efforts made within the communication, culture and educational policy areas. Moreover, state funding and redistribution systems within the municipal sector also belong to this category (Ds 1999:50). Large-scale investments in infrastructure (e.g. roads, railway, airports etc.) and education (e.g. the establishment and operation of universities and university colleges) located outside metropolitan areas have certainly contributed substantially to regional development in regions lacking strong urbanisation economies (e.g. Westlund 2004).

The municipal tax equalisation system, which was implemented between 1993 and 1996, redistributes tens of billion SEK every year between municipalities and from the state to the municipalities. There are 290 municipalities and their main tasks are within the fields of basic health care, schools and elderly care. The 20 county councils – primarily responsible for

advanced health care services – are also included in the redistribution system. The municipalities as well as the county councils collect taxes on earned income. Depending on the municipality an individual is registered in, on average 20.75 per cent of earned income is paid to the municipality. The corresponding average tax paid to the county council amounts to 11.35 per cent (Statistics Sweden, 2016). The tax rates vary across municipalities by more than 6 per cent points and 1.5 per cent points across county councils.

The entire tax redistributive system thus involves many aspects, but here the focus is on the redistribution between rich and poor municipalities in order to support the basic welfare functions performed by the municipalities. However, increasingly in the last few decades, this situation has become constrained by the fact that while municipalities are still required to live up to this general competence funding, in particular in low-population municipalities, is increasingly scarce due to the high rate of urbanisation and thereby limited local tax base. The case of Sweden can be used to illustrate these types of considerations, also showing the effects of current redistribution that would be difficult to counterbalance through other means (even if, for example, increasing company taxes at site of development were to be initiated). The redistributive tax system can thereby be regarded as an example of the way in which Fennoscandian systems retain a focus on the country at large, and more inclusive rural development rather than focusing on urbanities only (cf. Hidle et al 2011).

Table 1 shows the tax equalisation system for the municipalities that receive the most (SEK/inhabitant) and the nine municipalities that input resources into the equalisation system. All the municipalities among the 10 top net gainers are located in the peripheral parts of northern Sweden and all are characterised by low population density. The 9 municipalities that pay to this system are all located in one of the three largest metropolitan regions of Sweden (Stockholm, Gothenburg and Malmö). The difference in population density between

the two groups of municipalities reveals some of the structural differences in terms of infrastructure, labour market etc. The small municipality of Bjurholm receives SEK 26 975 per inhabitant which sums up to SEK 66.2 million per year. Total amount of tax revenues in 2015 amount to SEK 151 million, which implies that approx. 43 per cent of municipality revenues in Bjurholm come from the national municipality tax equalisation system. The municipalities of Dorotea and Vilhelmina show similar percentages.

Table 1: The municipality tax equalisation system (income equalisation, cost equalisation and structural grants taken together), SEK per inhabitant in 2015 and amounts received/given.

| 10 top net gainers in the cost equalisation system Municipalities | Classification | Population density (Inh/km ²) | SEK per inhabitant | Amount received (SEK) |
|---|----------------|---|--------------------|-----------------------|
| Bjurholm | Rural | 1.88 | 26 975 | 66 223 000 |
| Dorotea | Rural | 1.00 | 26 805 | 73 579 000 |
| Vilhelmina | Rural | 0.85 | 26 202 | 179 431 000 |
| Åsele | Rural | 0.67 | 25 718 | 72 807 000 |
| Sorsele | Rural | 0.34 | 25 375 | 63 513 000 |
| Övertorneå | Rural | 1.94 | 23 432 | 107 576 000 |
| Pajala | Rural | 0.80 | 22 535 | 139 897 000 |
| Bräcke | Rural | 1.90 | 22 366 | 144 551 000 |
| Berg | Rural | 1.24 | 21 964 | 154 648 000 |
| Storuman | Rural | 0.81 | 21 031 | 124 776 000 |
| | | | | |
| 10 top net givers in the cost equalisation system Municipalities | Classification | Population density (Inh/km ²) | SEK per inhabitant | Amount given (SEK) |
| Danderyd | Urban | 1 228 | 14 379 | 466 871 000 |
| Solna | Urban | 3 914 | 6 057 | 460 713 000 |
| Lidingö | Urban | 1 499 | 5 792 | 267 851 000 |
| Täby | Urban | 1 119 | 4 865 | 330 892 000 |
| Stockholm | Urban | 4 923 | 1 730 | 1 597 063 000 |
| Vellinge | Urban | 241 | 1 267 | 43 845 000 |
| Nacka | Urban | 1 025 | 1 054 | 103 089 000 |
| Lomma | Urban | 418 | 689 | 16 059 000 |
| Tjörn | Urban | 91 | 288 | 4 407 000 |

Source: Statistics Sweden.

Some local voices claim that it would be better for the sparsely-populated, but often large by land area, municipalities mainly located in northern Sweden to receive, for example, company taxes, preferably as a supplement to today's equalisation system. These considerations highlight that tax systems are based on the residence or registered location of companies, so businesses owned by people registered outside the municipality or in-commuters do not generate municipal tax, and that company tax is not paid to the government. Similar considerations exist with regard to second homes, where one proposal is that taxes should be split between first (where all municipal tax is currently paid) and second homes due to the fact that many people spend substantial amounts of time in their second homes (cf. e.g. Rye 2011). This has also been underpinned by the situation that the existence of second homes results in requirements concerning service provision, as the second home population may outnumber local population and impose requirements for services to cope with this demand in peak season. Although localities may benefit greatly from the associated purchases of local municipal and business products and services "the costs of adjusting the infrastructure of public services to meet the demands of the second home populations may exceed these income sources" (Rye 2011). Issues of local funds or mineral tax (and distribution) to manage or compensate municipal investment in cases of bankruptcy or environmental restoration in cases of abandonment or environmental risks have also been other issues of potential increased funding at municipal level that have been discussed. However, as shown above, national redistribution in these cases is substantial and cannot be replaced with – only potentially added to – by changes in company taxation and second home taxation, to better approximate the potentially larger shared of rural-urban habitation. ⁴

⁴ As an example, today the company tax amounts to 22 per cent. In order for Bjurholm, the municipality in Sweden with the fewest residents, to receive 66.2 million SEK from company taxes there has to be gross profits amounting to 300 million SEK among firms registered in Bjurholm. In total there are 223 firms in Bjurholm (Statistics Sweden, 2016). Small firms generally have lower profits per employee than larger firms. Really large firms may show a profit of 200 000-300 000 SEK per employee. Smaller firms much less. Approximately there

Managing the challenges of globalisation: a role for forest?

As tax distribution systems could scarcely compensate for the multiple trends including in the economic, political and cultural components of globalisation that may together contribute to urbanisation (e.g. Keskitalo and Southcott 2015), challenges remain for rural areas, in particular those least populated. Such considerations as discussed above are exacerbated by an increasingly sparse population with great distances between, for example, school children, health care patients and other subjects that all cause cost increases. The increasingly aging population also results in many people having extensive care needs. This pattern of aging population residing largely in areally large but sparsely-populated municipalities coincides with the municipalities in which natural resource use such as forestry has been historically widespread. In many of the most rural net gainer municipalities in the table above, forestry has been a large employer historically but, through technological development and rationalisation, generally no longer contributes much to local employment (e.g. Keskitalo et al. 2013). Some of these areas remain important production areas (for example Kiruna, with the world's largest modern iron ore mine); however, others have become more of amenity areas with population largely out-migrating for work and contributing to the shift in the forest owner group (e.g. Keskitalo et al., manuscript).

are 1 200 people within the workforce in Bjurholm (roughly half the total population of 2 400) of which many also work for the public sector reducing the number of employees in private firms even more. For the Bjurholm companies to generate 300 million SEK in profit they need to generate a profit of 250 000 SEK per employee (1 200 people) – which is highly unlikely. As a comparison it can be concluded that if company taxes from the state owned company LKAB were paid to Kiruna this implies that the municipality of Kiruna would gain 1.3 billion SEK (2010: 3 million SEK profit per employee (booming mining industry), 2 000 employees and 22 per cent company tax). This amount is nearly 30 times higher than the output of today's tax equalisation system (circa 45 million SEK). As a consequence, an equalisation system based on company taxes would, without other adjustments, strongly benefit municipalities in which big and profitable companies are located, whereas municipalities having a thin trade and industry would fall behind quite considerably.

For these areas, throughout Fennoscandia and more broadly, retaining service and infrastructure provision is a crucial part of being able to retain population who want to maintain residences locally, including starting up businesses. Without service provision, attractiveness inherently decreases. For example, in the Finnish case, it is noted that “[t]he practical consequences of the continued depopulation of rural areas are the degradation of the existing services and infrastructure and the deterioration of living conditions for those remaining. This erodes both quality of life and the basic prerequisites for entrepreneurship. Migration increases economic activity in the growth centers and thus accentuates the disparity between remote areas and centers of growth” (Risku-Norja et al. 2010).

With regard to the role of forest and forest ownership supporting rural areas, the picture is mixed. While, for example, Swedish state policy during one period focused on freeing up state forest company land for local purchase with the aim of supporting income in sparsely-populated areas, this policy eventually had to be abandoned and purchase opened to non-local groups with funding to purchase land (Keskitalo et al., manuscript). While forest was in this case often purchased by those with linkages to the areas, neither tax nor forestry income locally necessarily resulted (*ibid.*). However, as other chapters in this book illustrate, forest ownership may also potentially provide capital to borrow against or supply underlying resources in other ways to local owners, and forest management services may be sourced locally, thus providing rural benefits (see Chapter 5, this volume). In line with amenities thinking it is also likely that forest areas, like other amenity-rich natural environments, with greater natural and cultural attraction than other places, may support increased in-migration (if possible in accordance with employment and other requirements) and improve economic growth (Ullman 1954).

Thus, apart from offering a traditional output in the form of logged trees, forests may provide an attraction for inhabitants, tourists and companies and, as such, may contribute to

opportunities to live and work in sparsely-populated areas. With increasing affluence in society, the possibility to travel (being temporary mobile) or to make an amenity-led migratory move (permanent relocation) are made easier. Although amenity-mobility and relocation to a large extent may be an upper/middle-class phenomenon, it has been shown that to some people the amenities of certain regions are so attractive that they are willing to decrease their income to access them (Moss et al, 2006). For rural areas, any such inflow of new populations and competences could potentially create opportunities to enter the new economy and create a more diverse and modern labour market and, provided planning and management in the receiving area, positive impacts can be many including a larger, and in some cases younger, population base and thereby better schools and business climate (e.g. Bliss 2008, Bliss and Kelly 2008). In-comers often have higher education levels and may bring with them company development which may mean that the receiving communities develop a more diversified labour market. However, these impacts are not easily generalised since the complex interactions between place and people differ from time to time and place to place. Large variations in in-migration may exist, not the least related to economic or employment opportunities elsewhere (see Box 6.4).

Box 6.4: An example of forest product use: Portugal during the recent economic downturn

In 2011, Portugal was struck by an economic crisis which was responsible for an unemployment rate of 40 per cent among the younger segment of the population (15-24 years old). As a reaction to this situation, several entrepreneurial initiatives emerged in rural areas, especially in the agricultural sector. This sector, together with the food sector, were the only sectors that grew in Portugal in 2012, at the peak of the crisis. These new entrants are usually university-qualified or are professionals in several fields, from management to engineering, law and even carpenters and electricians. The agricultural products vary from livestock production, namely sheep and goat milk, local pig and cattle breeds for meat, and also a range of fruit such as melon, watermelon, cantaloupe, sweet potato, ground cherry, goji berries, grapes, apples, snails, asparagus, strawberries, raspberries or blueberries. The production of these three last crops (strawberries, blueberries and raspberries) has increased enormously in the past 10 years as it can be seen in Figure 1. In the forest sector, non-wood

products such as shitake mushrooms and rural tourism are the obvious options. Some of these young entrepreneurs have left the city to manage inherited, purchased or rented forest and agricultural land in order to establish themselves as forest or agricultural producers, using some of the 2 000 hectares of abandoned land available according to the observatory of rural markets. In some cases, young farmers have benefited from the *Bolsa de Terras* Programme that reunites available public and private forest and agricultural land and allocates it to those who want to manage it. In order to acquire the knowledge necessary to establish a rural business, the new entrants take part in training courses arranged by local agricultural cooperatives and by development agencies. These also provide further technical assistance as well as that provided by local councils, governmental agricultural extension services and private organisations. Funding has been provided from several sources including the Portuguese Rural Development Programme (PRODER) which pays 60 per cent of total investment cost, which may range from EUR 60 000 – 400 00 and, in some cases, loans from family members. In the first half of 2013, about 7 300 projects by young farmers were approved, the majority located in the north of Portugal. With almost 50 per cent of Portuguese farmers older than 65 and only 2.5 per cent younger than 35, these projects have contributed to the rejuvenation of Portuguese agriculture. It is important to follow these young farmers in order to better understand the constraints and opportunities for setting up their rural businesses, and also to evaluate the contribution to rural economies.

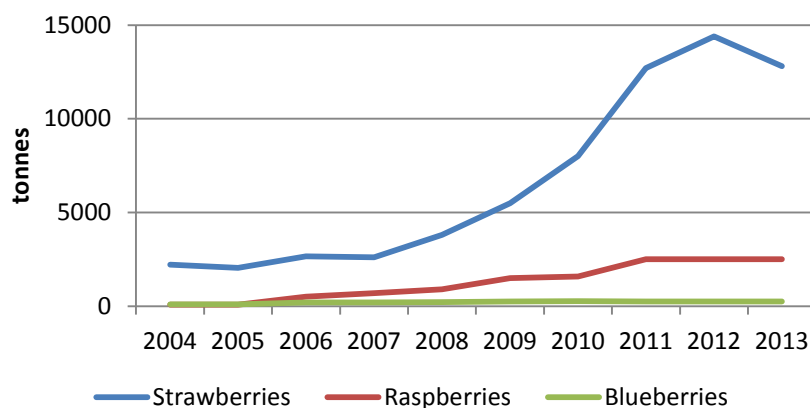


Figure 1: Production of strawberries, raspberries, blueberries

Tourism may also be important as increasingly urban populations may require the services offered by commercial operations rather than going on their own, and as interest in nature sports or ecotourism aimed at more than just relaxation may continue to rise. Northern Europe is also sometimes perceived of as one of the last remaining wildernesses available to tourists. Tourism however, while currently increasing strongly in Sweden as in many areas, will not itself be able to substitute employment in amongst other earlier sectors such as forestry and agriculture. Policy changes that take into account also how agriculture and forestry are linked

to urban activities, such as commuting between rural and urban locations, may be necessary. It may also be essential to broaden the focus of agricultural and rural policy from agricultural production in rural areas only to broader, rural-urban linkages (Slätmo 2014).

In addition, researchers have noted the need to limit focus on a modernisation discourse where focus is placed purely on the urban without recognising these linkages. Hidle et al., for example, note that while such a discourse has not had the same strong impact in Norway as in many other examples, there is a “widespread agreement about the decrease during the 1990s in governmental efforts towards counter-centralisation and the shift from a focus on the rural maintenance towards regional growth ... In addition, many observers point to the fact that there seems to have been a shift from governmental sharing with the rural in the 1970s, towards stimulating the competitive ability of regions through governance” (Hidle et al. 2006). In Sweden, a concurrent trend could be identified as the regional policy changes in the 1980s where local and regional mobilisation were emphasised and where, later on, the national governmental role in Sweden regarding regional policy became more restricted due to Swedish membership of the European Union.

As a result Slätmo notes, for example, that rural actors in both Sweden and Norway could be better integrated into comprehensive planning by basing planning less on a focus on different sectoral interests in different areas and instead support local landowners and their interests and their own definitions of land use, e.g. in relation to allowing development of new activities in specific areas (Slätmo 2014). One step towards this, Slätmo argues, would be to integrate the production value of agricultural land better into municipal physical planning (similar to Stjernström et al. 2011 who argue for integrating forest and physical planning). However, “the process of strengthening the role of forests in rural development in Europe is not as straightforward as presently promoted in the second pillar of CAP, in which economic measures prevail, for example, the provision of subsidy schemes for private afforestation of

farmland” (Elands and Praestholm 2008). Altogether, these considerations illustrate the need “to elaborate a more nuanced European policy perspective on forestry and rural development” (Elands and Praestholm 2008).

Conclusion

This chapter has highlighted the multiple understandings of the rural, ranging from a focus on economic decline to amenity, and illustrating the large variation across rural areas by contrasting UK and Fennoscandian conceptions, indicating amongst other a continual role for production, multiple residence and related rural-urban linkages in Fennoscandia. The chapter has also illustrated the fact that EU level conceptions of the urban have largely taken a post-productive focus, and some of the criticism that exists concerning this. The chapter thus suggests that not only post-productive but changing production – including primary production: agriculture, food, forestry, mining – landscapes need to be taken into account. It is also necessary to problematise whether such broad concepts as post-productivism, developed to catch broad changes that may to a greater or lesser extent be relevant in specific areas, are actually relevant to better understand highly complex changes, including displacement of production to other sites and the new types of relations that result. As Hidle et al express it:

“[G]eographical imaginations as representations of space and place mean that place and space become processes, and that they must be perceived as polyphonic voices, as ambiguous and as part of power relations. This means that place and space are not a set of relations outside society and lived life, but instead part of the production of social relations. In such perspectives, rural policy and the scientific and bureaucratic discourse of rurality are important in transforming the local and the regional geographical imagination” (Hidle et al. 2006).

Rural policies today may thus need to question both who the rural people are, and subsequently what rurality is. When traditional rural interest groups such as agriculture diminish in size and ability to speak for non-urban areas, and an increasingly international, competition-focused forestry sector limits its focus on localities, perhaps the municipal government and its planning organisation becomes an increasingly local venue. Important considerations may here lie with reviewing the assumptions in or ways in which urban and rural planning have diverged, and whether such divergence remains relevant today. What possibilities are there to open up for new land uses, and for taking into account also forest and not only the agriculture characteristic of rural areas? On an overarching level, developing such newer rural considerations within the scope of major pressures such as globalisation, urbanisation and potential continuous impact on state resources in more sparsely-populated areas remain as challenges, also within largely redistributive or less historically urban-focused systems.

Given necessary shifts towards decarbonising the world economy, the natural resource base may also be revalorised, offering an opportunity for renewal of food, fibre and energy production from green sources. Areas earlier seen as representing post-productivism may thus come to be seen as manifestations of neo-productivism that will help to address the challenges faced by the impending crisis in the global food-water-energy nexus. What may be challenging in the revalorisation of rural space is the extent to which new demands (such as large-scale wind energy or the Nordic forest-based biorefinery) are regarded as intrusions into a landscape that some value more for its amenity than its production potential (e.g. Slee 2015). The manifestations of socio-economic change, the mix of old productivism and neoproductivism, of consumption vs production generally in commuter-dense rural areas or remoter areas will differ enormously. These forces may play out under a peculiar mix of neoliberalism at a macro level and more partnership-based approaches at meso and local

level, which may have the capacity when functioning well, to offer a counterpoint to some of the excesses of neoliberalism.

It is interesting to reflect how the Leader Model at EU level was first presented as a form of counterpoint to the classical top-down interventionism often associated with supporting inward investment. It was applied to the most disadvantaged and remote rural areas where, at its best, it had some success in community-led local development and was widely imitated as an approach to development in some of the most challenged areas. Its subsequent mainstreaming suggests that at least some policy makers argue its salience beyond those difficult and disadvantaged regions. This implies a leavening of the neoliberal approach by something a little more collaborative, locally grounded and partnership-based. Still however, we should not expect equality of opportunity or even-ness of development outcomes. We can and should expect diversity, regional and local specificities of response and highly differentiated development, beyond the four ideal types identified by Marsden and others and reflecting new forms of hybridity of outcome. The diverse forms in which the forest-based bioeconomy might emerge and the implications for traditional and new forest owners remain, at this stage, speculative and uncertain.

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Appendix: The municipality tax equalisation system

The municipality tax equalisation system consists of four parts denoted income equalisation, cost equalisation and structural grants. There are also two other posts (Swedish: införandebidrag, regleringsbidrag), but these are relatively insignificant in monetary terms.

Before 2005 the income equalisation system was based on redistribution of tax revenues between municipalities. This was a zero-sum game to which the government did not make any additional contributions. After 2005 the government contributes the main part of the redistribution. A minor part of the redistribution is financed by the municipalities with the highest tax capacity. The income equalisation system is based on the national average taxable income per inhabitant. On top of this figure the government adds another 15 per cent, which means that the basis for realignment of taxes (Swedish: skatteutjämningsunderlaget) amounts to 115 per cent of the average tax capacity. For each municipality, the basis for realignment of taxes is subtracted from the municipality tax capacity. A grant is given to municipalities where the difference is positive and municipalities showing a negative difference have to pay a fee (Statskontoret, 2014). The amount of money the municipalities have to pay or receive is determined by a tax rate defined by the county. For 2015 municipalities received SEK 64.6 billion and paid SEK 4.2 billion. This implies that the government paid approx. SEK 60 billion to the municipalities within the income equalisation system (SOU 2015:101). The municipalities of Årjäng, Eda, and Bjurholm received most from this system by collecting SEK 16 600, SEK 16 100, and SEK 15 600 per inhabitant, respectively. The municipality of Vilhelmina received SEK 14 200 per inhabitant. Fifteen municipalities paid fees to the income equalisation system (SCB, 2016).

The aim of the cost equalisation system is to take structural differences between municipalities into account. Cost differences may vary due to variations in municipal needs and costs for producing services. Municipalities with a large share of children and adolescents

have higher costs for childcare and schools, and municipalities with small populations located in rural areas also face higher costs for schools since, for example, teaching has to be carried out in smaller classes. The fundamental idea behind the cost equalisation system is that it should compensate municipalities for costs they cannot control.

The cost equalisation system constitutes 10 different sub-models that take many differences between municipalities into account. The most important parts refer to childcare, elderly care, the nine-year compulsory school, upper secondary school and individual and family social care. In each of the sub-models, a standard cost (SEK per inhabitant) is calculated. If the standard cost of a municipality exceeds the weighted average cost (taking population numbers into consideration) across all municipalities, the municipality receives additional funds, whereas there will be a deduction if it is the other way round. On the basis of all the calculated standard costs within each of the 10 sub-models a total structural cost (Swedish: strukturkostnad) is obtained (SEK per inhabitant). Municipalities ending up with a structural cost that is higher than the average structural cost across municipalities receive a cost equalisation contribution from the government, which corresponds to the difference between the two factors. If the municipality structural cost is less than the average structural cost, the municipality has to pay the difference to the government. This is a zero-sum game to which the state does not make any additional contributions (Statskontoret, 2014). Data collected in 2015 shows that the municipalities of Dorotea, Åsele, and Bjurholm receive the highest amount of cost equalisation – SEK 11 400, SEK 11 200 and SEK 10 700 per inhabitant, respectively. The number of SEK per inhabitant received by Vilhelmina amounts to SEK 9 527 (SCB, 2016).

Structural grants are given to municipalities as compensation for changes that occurred when shifting to the new tax equalisation system in 2005. In broad terms it can be concluded that municipalities receiving structural grants have small populations. They also belong to a group

of municipalities that, in 2013, was given support to strengthen their local employment situations and the local trade and industry. The grant, expressed as SEK per inhabitant, is not adjusted for inflation, but population changes influence the amount received (Statskontoret, 2014). For 2015, the municipalities of Gällivare (SEK 5 000 per inhabitant), Kiruna (SEK 4 800) and Övertorneå (SEK 4 800) received the highest structural grants. Vilhelmina's structural grant amounted to SEK 2 500 per inhabitant (SCB, 2016).