



DEVELOPING EUROPE'S RURAL REGIONS IN THE ERA OF GLOBALIZATION



Summary Report from the DERREG Project October 2011

INTRODUCTION

Background

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

For some commentators, globalization represents a threat to rural regions in Europe – undermining traditional industries, diluting regional cultures and eroding local autonomy. For others, globalization has diminished the historic locational disadvantages of rural localities, creating new opportunities for economic development, tourism and the repopulation of declining communities.

The DERREG project, funded by the European Union Seventh Framework Programme, has reached beyond these stereotypes to examine how globalization processes are impacting on rural economies and societies in practice, and why impacts and responses vary between different regions. In particular, DERREG has aimed to develop understanding of how regional development policies and initiatives can effectively respond to globalization and wider rural restructuring, shaping outcomes in specific regions.

Research Methods

The DERREG project has been undertaken by a consortium of nine universities and research institutes from across Europe, led by Aberystwyth University. Research has been focused on ten case study regions located in eight countries, which were selected to represent a range of geographical and political-economic settings (see figure 1).

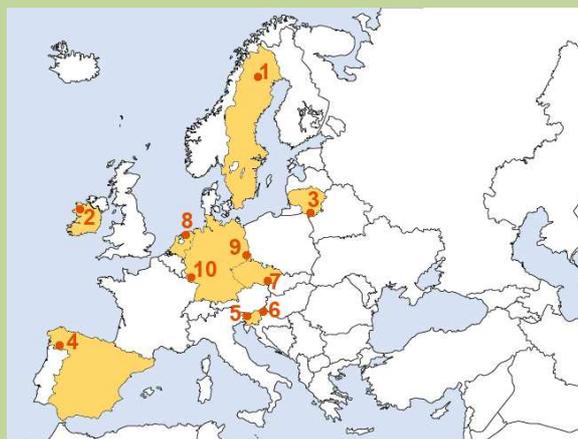


Figure 1: Location of DERREG case study regions

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

The research has also been organized around four themes reflecting key aspects of globalization processes and rural development responses. The first theme has examined the **global engagement and local embeddedness** of rural businesses, and in particular, the transactional and support networks of small and medium-sized enterprises (SMEs). Led by Nordregio, research on this theme involved an e-mail survey of over 200 firms in five case study regions to collect data on the scale and reach of business networks, supplemented by structured interviews with company managers – designed to explore the characteristics and evaluations of interactions in more detail – and ‘network brokers’ in the public, private and voluntary sectors.

The second theme has investigated **international mobility and migration to rural regions**, focusing particularly on migrant workers, foreign home-owners and return transnational migrants. Led by the Universität des Saarlandes, the research for this theme involved analysis of statistical and documentary evidence and qualitative interviews with migrants, municipal leaders and representatives of initiatives working with migrant communities. A total of 113 interviews were conducted with migrants across six case study regions, including 50 with migrant workers, 39 with foreign home-owners and 24 with return migrants.

The third theme has concerned **environmental capital and sustainable rural development**, exploring the incorporation of local and global environmental issues into regional development strategies and opportunities for the exploitation of rural environmental capital through sustainable development. The research for this theme, led by the Leibniz-Institut für Länderkunde, involved the analysis of statistics, policy documents and media reports concerning environmental issues and sustainable development, interviews with regional stakeholders, and detailed case studies in each of five study regions.

Finally, the fourth theme has examined **capacity building, governance and knowledge systems**, particularly by developing and applying the concept of ‘rural learning regions’. Research, led by Wageningen University, was conducted in six case study regions and involved the mapping and analysis of policy strategies to support joint learning and innovation – drawing on web searches, literature reviews and expert interviews; the in-depth analysis of a sample of grassroots initiatives in each region, including further interviews; and the identification and analysis of ‘well-working’ examples.

Detailed summaries of the research findings from each of these themes can be found on the DERREG website, www.derreg.eu.

The evidence from each of the four themes has been collated and combined with background statistical and documentary analysis to produce an overarching interpretative model, which is presented in this report. Additionally, examples of ‘good practice’ in regional development responses and initiatives were collected across the four themes and ten case study regions and compiled in a searchable database available on the DERREG website, www.derreg.eu.

RESEARCH FINDINGS

Interpretative Model

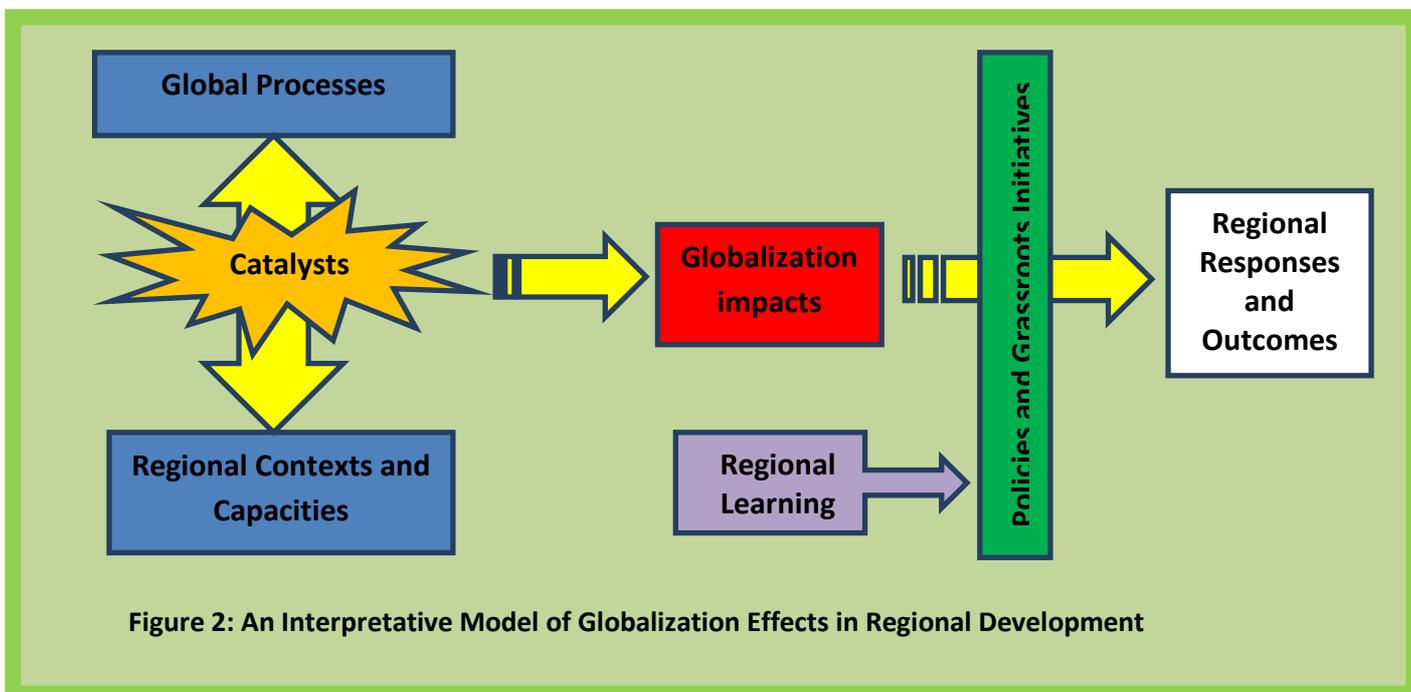
Globalization is not a singular, monolithic and homogenizing force. Rather it refers to a disparate collection of loosely connected but sometimes contradictory processes and tendencies. It can be best characterized as a tendency towards the *multiplication, stretching, intensification and acceleration* of social and economic relations, interdependencies and exchanges, as well as a deepening public consciousness of the world as a whole and our place in it.¹

As such, different globalization processes operate in different combinations in different regions, with different results. There is no one rural experience of globalization, and no pre-determined outcomes. National, regional and local factors can all intervene to shape impacts and responses.

The DERREG research records examples of this grounded reproduction of globalization in and through rural regions, and by drawing together evidence from the four thematic strands we propose an *interpretative model* for understanding the workings of globalization in rural contexts and the opportunities for policy interventions (see figure 2).

The model holds that the geographical pattern of globalization effects reflects the intersection of globalization processes (such as market liberalization, or increased international mobility) with regional contexts and capacities. Moreover, it suggests that agents or events are required to act as catalysts to convert the potential inherent in the engagement of globalization processes and regional capacities into specific, grounded impacts.

¹ This definition is adapted from Manfred Steger (2003) *Globalization: A Very Short Introduction* (Oxford University Press).



However, for regional resilience and sustainability, the impacts of globalization processes themselves are less important than the responses that are developed to them. For example the presence of foreign migrant workers in a region is less significant than the question of how the migrants' skills are utilised to contribute to economic development. The model shows that regional development policies and grassroots initiatives, informed by processes of regional learning, are critical in engaging globalization impact and mediating particular responses and outcomes. Each of the stages of the model are discussed in more detail in the sections below.

Globalization Processes

As noted earlier, globalization is not a singular force, but rather comprises a diverse range of different processes. There are hence many different elements of globalization that might present challenges or opportunities for specific rural regions, but our research points to five major processes that are of particular significance for rural Europe.

Market Liberalization: The dismantling of trade controls and opening-up of national markets has forced regional producers, including farmers, to compete with imports in domestic markets. At the same time, market liberalization has created new opportunities for rural-based enterprises to grow by expanding export markets. Market liberalization has also encouraged footloose strategies by industries seeking cost efficiencies, resulting in the relocation of production outside Europe in traditional rural industries such as textiles. However, as global free trade is still restricted by economic blocs such as the European Union, some rural regions such as Goriška,

Pomurska and Jihomorvaský in the DERREG case studies, have attracted investment by corporations seeking low-cost production sites within the European Economic Area.

Network Extension and Intensification: The stretching and reconfiguration of global commodity chains has had numerous implications for rural enterprises that have variously found themselves dropped from chains in favour of cheaper suppliers, or enrolled into new transnational networks. The DERREG business survey found that many SMEs had developed transactional relations with SME partners in other EU states, but with significant regional variations. International networking is valued by rural SMEs, but it can also increase the exposure of rural economies to external economic events and corporate decision-making.

Intensification of International Mobility: Advances in transport technology, the liberalization of travel restrictions and increased wealth have contributed to an intensification of international mobility over varied temporal and spatial scales. Global tourism has become a boom industry, with tourists travelling ever greater distances. International labour migration has increased, as have transnational amenity migration (both seasonal and permanent), and cross-border commuting. Unlike some earlier waves of migration, contemporary international migrants are frequently attracted to rural regions, including communities with little experience of immigration, whilst new opportunities have accelerated flows of out-migration from economically disadvantaged rural regions. New communications technologies and cheap flights have enabled migrants to remain involved in home communities, creating extended transnational social

networks, and promoting patterns of return migration to rural regions, and repeat emigration.

Global Consciousness: The transnational media has facilitated the development of a global consciousness in which there is a greater awareness of international inter-dependencies and of global perspectives on issues such as the environment. This in turn has stimulated the consolidation of global values and standards, and promoted transnational campaigning. One consequence has been that established rural industries such as agriculture, forestry and mining have come under external scrutiny, as have traditional regional practices of engaging with nature, with the potential for conflicts where global models and values clash with local economic and cultural interests. At the same time, new opportunities have been created for rural regions rich in environmental capital to respond to demands for renewable energy, sustainable farming, eco-tourism and ecosystem services.

Acceleration of Information Flows: The global penetration of new communications technologies, including the internet, has allowed information to flow around the world almost instantaneously. The historic information gradient between city and country has been removed, enabling rural regions to compete on more equal terms, including for knowledge-based employment. Rural enterprises have benefitted from improved market intelligence, and rural tourism from wider promotion. Greater access to information can also support regional learning and transnational cooperation in rural development.

Regional Contexts and Capacities

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

Geographical Location: Contrary to some claims, new communications and open borders have not made geographical location irrelevant, although the dynamics of spatial disadvantage have been reconfigured. Liberalized borders have meant that some previously peripheral regions in national economies have assumed a new centrality in cross-border networks, including Goriška and Övre Norrland. Yet, some borders are less permeable than

others. Alytus county's border with Belarus is arguably harder now as the frontier of the EU than it was as an internal boundary in the Soviet Union. Moreover, the reach of communications technologies has not entirely overcome the disadvantage of poor transport links for regions in attracting businesses, tourists or residents. Conversely, peripheral regions can be more attuned to certain globalization processes. Remote rural locations may have special attraction for some international tourists and amenity migrants; whilst the limited local markets for businesses in remote and sparsely populated regions provides a greater incentive for developing export markets than exists for businesses in rural districts close to large urban centres – a contrast we observe in the international networking of SMEs in Övre Norrland, compared with those in Jihomoravský and the Westerkwartier.

Resources: Mineral resources, such as iron ore, copper and gold in northern Sweden, have seen some rural regions integrated into high value commodity chains driven by booming demand in east Asia. Oil, gas and timber resources similarly position selected regions in global commodity networks. Other rural resources present opportunities for developing niche products for export, including wine, bottled water, regional food specialties and crafts. Distinctive cultural and environmental resources can attract international tourists and amenity migrants, as observed in the case study region of Pomurska.

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

Human Capital: The skills and capacities of the regional workforce can also be a factor in shaping the nature of engagement with globalization processes. Foreign investors can be attracted by educated and skilled workforces, including technical skills gained from traditional industries in decline. Both return migrants and migrant workers, meanwhile, might be attracted to fill labour gaps in regional economies, as in the west of Ireland where return migrants have contributed technical and managerial expertise to new industries, whilst Polish, Lithuanian and Brazilian

migrant workers have filled shortages for lower-tier jobs created as local employees have moved into more attractive positions. Equally, a mismatch between a skilled workforce and limited appropriate employment opportunities can fuel international out-migration from rural regions, as in the Lithuanian case study region of Alytus county.

Catalysts

The intersection of globalization processes and regional contexts and capacities creates potential effects for rural regions, but catalysts are required in order to convert potential effects into actual impacts.

The DERREG research has repeatedly highlighted the role of individuals as catalysts in connecting rural regions to global networks and opportunities. These include entrepreneurs who spot new prospects for exports or international networking, or develop tourism businesses, as well as institutional actors including governance bodies with policies and strategies aimed at capturing certain globalization processes – for example, business zones in Goriška and business parks in the west of Ireland targeted at attracting foreign direct investment.

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

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

Globalization Impacts and Regional Responses

The engagement of globalization processes has had extensive, multiple and far-reaching impacts on rural regions. Examples of globalization impacts observed in the DERREG research include, *inter alia*, foreign direct investment in branch plants; the development of export markets and international networks by endogenous enterprises; the takeover of regional-based companies by transnational corporations; the closure of factories due to international relocation of production, or global corporate retrenchment; increased numbers of international tourists; the purchase of properties by foreign amenity migrants and cross-border commuters; out-migration from some regions by workers seeking employment abroad, and the influx of foreign migrant workers to other regions; return migration by residents who have lived and worked abroad; the designation of protected landscapes following international models, involving restrictions on agriculture and other activities; sustainable development initiatives responding to global environmental concerns; and more.

These numerous individual impacts form the context for rural regional development in the twenty-first century. Some impacts are highly visible and controversial; others more subtle, background changes that have an incremental influence on regional economies and societies. Some impacts present direct challenges for economic development – such as replacing the jobs lost when a factory closes due to international competition. Other impacts create more social challenges, such as successfully integrating new immigrant populations. Occasionally, the challenge for regional development might be to sustain or maximize the economic benefits resulting from new foreign investments, increased tourist numbers, or new markets for regional products; or to balance competing economic, social, environmental and cultural interests.

In each of these circumstances, regional development policies and the actions of public projects, programmes and grassroots initiatives, have a critical role in shaping regional futures by assembling coherent responses to globalization impacts. As will be expanded on in later sections, the form and focus of responses will be directed and constrained by factors including regional contexts and capacities, and informed by processes of regional learning, and thus should be tailored to individual regions. However, from the DERREG case study research and wider analysis, seven broad responses can be identified.

Global resource providers: Regions with rich mineral and energy resources have benefited from the global resource boom, and particularly demand from east Asia, with local industries becoming strongly integrated into global networks. This transformation is usually driven by external corporate actors, with wealth flowing into the region, but at the cost of regional economies becoming vulnerable to political and economic trends, events and decision-making in distant countries. The challenge for regional development policy in this context is to maximise the retention of wealth generated by resource-exploitation within the region, and use to enhance regional resilience by developing more autonomous, locally-embedded economic activities.

Branch plant economies: Attracting foreign direct investment in branch plants has been a common strategy for rural regional development, and can boost regional economies by generating new income, creating jobs, upgrading labour markets and supporting secondary businesses as suppliers and service providers. Regional development policy can make a significant difference in attracting foreign direct investment by consolidating and enhancing locational attractions by offering financial incentives (such as targeted tax-breaks), and appropriate infrastructure (such as pre-built business parks). However, as with global resource providers, branch plant economies are highly integrated into global networks and vulnerable to distant economic events and corporate decision-making. As such, regional development policies may need to address the retention or replacement of branch plants, or to support the parallel development of endogenous businesses.

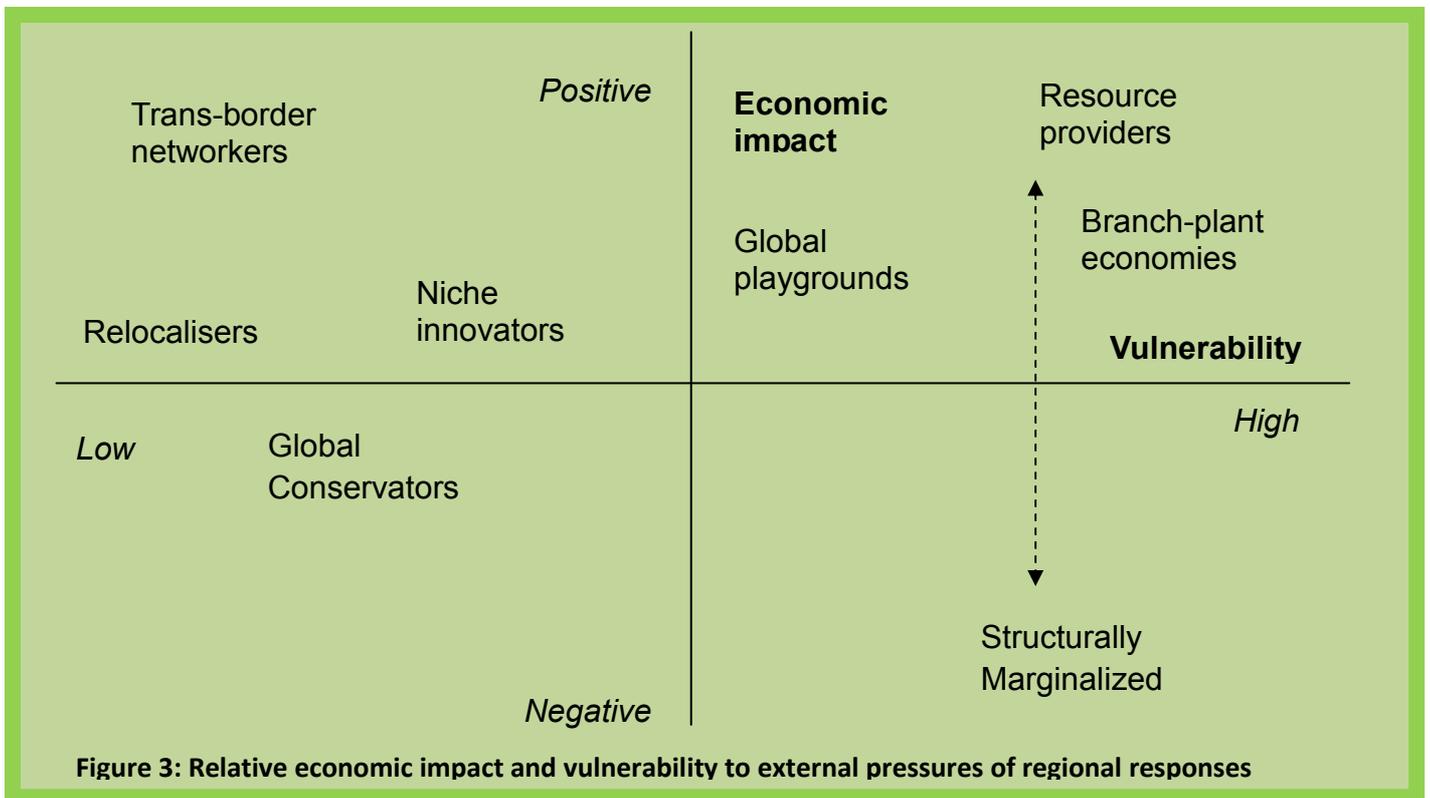
Global playgrounds: Amenity-rich regions, especially those set in spectacular natural landscapes, have the potential to attract significant numbers of international tourists and amenity migrants to boost the local economy. Whilst the catalysts for the 'discovery' of new regions by international tourists are frequently external (including tour operators, airlines and the travel media), regional development policies can be significant in supporting international promotion and providing appropriate infrastructure. Challenges also exist for regional development in ensuring that tourism-based economies are sufficiently resilient to withstand seasonal variations and fluctuations in travel fashions, as well as in pre-empting and resolving potential tensions over the integration of amenity migrants, increasing property prices and pressures on affordable housing, and environmental impacts.

Niche innovators: Niche innovation is a response to globalization driven by internal regional actors and catalysts, and involves exporting specialist products based on endogenous resources to niche markets internationally; or attracting international visitors to niche events and attractions. Examples identified in the DERREG research include the export of wild berries, Scandinavian bread and vernacular craft products from Övre Norrland, and tourist attractions in Övre Norrland such as the 'ice hotel'. Regional development policies can help to stimulate and support niche innovation by identifying potential markets and working with entrepreneurs to develop businesses networks and train specialist employees.

Trans-border networkers: For border regions, the most significant globalization impacts may be associated with increased cross-border flows. These may include new business networks and trading opportunities for regional enterprises, but also investment in new factories, offices and retail facilities to service emergent transnational regions, and inter-regional migration associated with cross-border commuting. Regional development policies need not only to utilize and consolidate opportunities for cross-border co-operation, but also to protect regional interests within emerging transnational configurations – responding to risks that districts could lose businesses to centres with more favourable local policies or infrastructure across the border, or could become dormitory settlements for cross-border employment centres.

Global conservators: In regions with outstanding natural environments, some of the most significant globalization impacts can be the designation of protected areas following international models and classifications, such as UNESCO Biosphere Reserves, national parks, and Natura 2000 sites. Many of these designations recognize social and cultural assets as well as environmental assets, and regional development agents increasingly recognize the opportunities arising from such international 'branding' for sustainable development, including sustainable tourism. At the same time, such designations can place restrictions on land use and management, farming and hunting, potentially requiring a re-orientation of local economic activities.

Re-localizers: Whilst the above responses have focused on engaging international networks and opportunities, an alternative response to globalization in rural regions has been to re-assert local networks and cultures. In extreme cases this can include resistance to globalization impacts, such as opposition to new factories or tourist resorts or the sale of local companies or strategic properties, or hostility towards



immigrant groups. More commonly, however, it involves the reconstruction and strengthening of local value chains, for example through initiatives such as farmers' markets to consolidate local food networks, the rediscovery of local craft products, or alternative regional 'currencies' aimed at retaining money within the locality. Regional development policies and grassroots initiatives both play an important role in initiating and support such projects.

The variations outlined above form a typology of responses rather than a typology of regions because frequently more than one response can be found in a single region. Indeed, the different responses involve different balances between short-term economic effects and long-term sustainability, as reflected in the degree of integration into global networks and therefore vulnerability to external events (see figure 3). As such, the most effective regional development strategies will support several responses in parallel.

If regional development policies and initiatives are not mobilized to form coherent responses to globalization impacts, regional futures may be left seriously exposed to the vagaries of international events and corporate decisions, and opportunities for economic development might be lost. In some of these cases, a limited capacity to respond to globalization may result from structural disadvantages, such as location, political-economic context and composition of the existing economy. These **structurally marginalized** regions face the greatest challenges from globalization, and risk being drawn into global

networks as the 'dumping grounds' for noxious activities unwanted elsewhere (such as some forms of industrial livestock farming, polluting power stations, or nuclear waste dumps), or as simply exporters of labour to the global economy. Yet, even in regions facing such structural disadvantages, there is usually some potential to develop more positive responses to globalization if the appropriate policies and resources can be secured and enacted.

The Role of Regional Learning and Grassroots Initiatives

Effective responses to globalization impacts in rural regions involve reflective engagement with globalization processes and the challenges and opportunities that present. This further can involve reflection on the identity, character and future of a region, in terms of thinking about what needs protecting and preserving, and what endogenous resources might be valorized as part of niche innovation or re-localization strategies.

Harnessing this reflection as a tool for regional development can be part of a process of regional learning, through which communities become better equipped to respond to challenges and recognize opportunities. In addition to greater awareness, regional learning can also develop technical capabilities, including the rediscovery of lost local knowledge and craft skills.

However, regional learning needs to be facilitated through processes that involve the interface of public administration, knowledge support structures

(including universities) and the region (see figure 4). Adapted from the concept of a 'learning region' usually applied in more urban contexts, this model can be used to identify and highlight the mechanisms and relationships through which effective regional learning is supported.

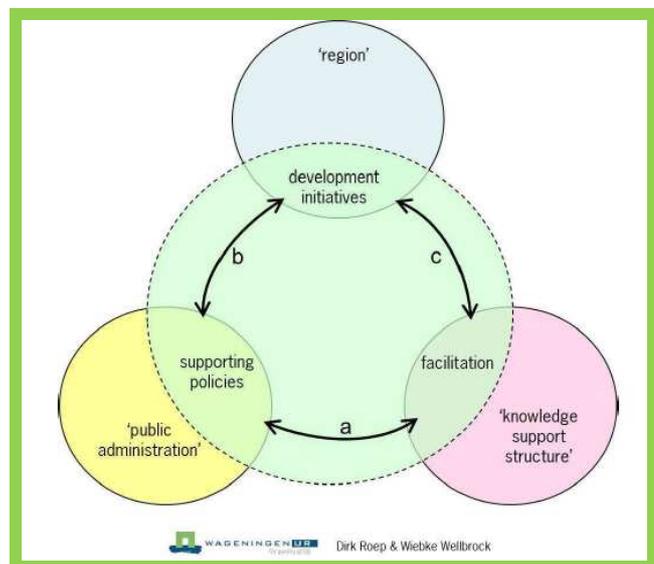


Figure 4: Model of support for regional learning

Research in DERREG comparing examining structures supporting regional learning in six case study regions found that operational interfaces between public administration, knowledge actors and regions are produced through implicit constitutional agreements that define the scope of operation of an initiative, the formal shape of the operational space, and the distribution of tasks and roles. These arrangements vary between regions in responding to different challenges, priorities and contexts, and can be short-term or long-term, depending in part on funding.

However, across the case studies, the research has identified that the appropriate distribution of tasks between actors is essential to effective support for regional learning and grassroots development. Too much central control can turn support into clientelism, and too much bureaucracy can be demotivating. Grassroots operators need to be trusted with some decision-making power, but also need to adapt their aims to changing political agendas. Moreover, the involvement of charismatic, informal agents, able to bring together local actors with potentially contrasting interests and to bridge the worlds of government, rural development and knowledge institutions, are important. Charismatic agents act as spiders in the networking web, spinning connections and facilitating consensus-building that can lead to concrete regional development initiatives.

Policy Interventions

Regional development policy has an important role in mediating rural experiences of globalization, by

formulating and directing responses to globalization impacts, and in some instances by acting as catalyst to convert potential opportunities into actual connections. The precise form and focus of policy interventions will vary depending on the particular globalization processes that are relevant to a specific region, and on regional contexts and capacities, which may also constrain the scope of regional development actions. Not every rural region has the potential to attract significant numbers of international tourists or significant foreign investment in branch plants, for example.

Institutional capacity is also important for enabling effective policy interventions. Responding appropriately to the specific globalization pressures on particularly regions or localities requires an ability to formulate and implement a strategy at the right territorial scale. As such, the presence of empowered regional governance institutions operating across territories that make sense functionally allows for a more targeted and tailored response to pressures from globalization than in states where political authority is either heavily centralized or diffused among small-scale municipalities. Regional capacity to act also tends to be strengthened by the existence of a buoyant regional civil society, including business associations and support networks that can be enrolled in regional development initiatives. Indeed, engaging public authorities, civil society groups and businesses in collective action, for example as part of LEADER partnerships or in regional learning projects – as discussed further below – is fundamental to constructing sustainable and inclusive locally-led responses to globalization.

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

Policy actions that can be taken by European and national authorities include:

- Strengthening the coordination of rural development and regional development policies, which can currently have contrasting emphasizes in rural regions leading to confusion and tensions over priorities.

- Protecting initiatives at promoting business networking and supporting the integration of international migrants from public spending cuts.
- Continuing support for inclusive, locally-based agents for rural development on the LEADER model, to provide a vehicle for regional learning and the facilitation of grassroots initiatives.
- Supporting networking and the exchange of knowledge, ideas and experiences between rural regions in Europe, such that regions can learn from each other.

Nonetheless, there are numerous interventions that can be made by regional authorities and by grassroots initiatives at the regional scale to help develop effective responses to globalization. These include:

- Supporting 'network brokers' to develop networks between endogenous rural SMEs and assist with identifying and enrolling international partners.
- Identifying opportunities for regional enterprises to develop international niche markets using endogenous resources, and facilitating appropriate business advice, technical support and training.
- Encouraging firms trading internationally to source materials locally and to participate in regional support networks.
- Constructing formal and informal structures to build connections between in-migrants and long-term residents, to provide support for ethnic and cultural minorities, and to induct and include migrants in local cultural traditions.
- Developing initiatives to unlock the entrepreneurial potential to international migrants and utilise the skills, expertise and connections of international migrants in economic development.
- Proactively seeking to attract and capitalise on the skills and experiences of return migrants, especially in rural regions of central and eastern Europe, by establishing appropriate business support networks and targeting investment in economic sectors that

can provide attractive employment opportunities for return migrants.

- Adopting strategies for sustainable development that emphasize the sustainable use of endogenous regional resources and the development of niche products, rather than following generic models such as industrial-scale renewable energy production or sustainable tourism that may not be appropriate to regional circumstances.
- Promoting eco-economy activities that can tap into international markets, including the sale of high quality and sustainably sourced produce (such as wine and craft products), and sustainable tourism that promotes a region's natural environment to attract international visitors.
- Developing public-private partnerships to facilitate regional learning and grassroots innovation, empowering regional citizens and stakeholders.
- Ensuring that support structures for regional learning and grassroots initiatives are visible and accessible to the targeted beneficiaries.
- Empowering regional development agents with decision-making powers, limiting bureaucracy, and allow time for initiatives to develop and produce results.
- Building reflection and learning into regional development strategies, both to inform development initiatives and to learn from mistakes and successes.

CONCLUSIONS

Europe's rural regions have not been bypassed by globalization, but neither are they helpless victims of globalization processes. Rather, the DERREG research has shown that rural regions across Europe are proactively engaging with globalization processes and their impacts, exploiting new opportunities for international networking and trade, and developing responses to the challenges presented by globalization.

The DERREG evidence demonstrates that rural regions can be independent and innovative actors in global social and economic networks, contrary to some perspectives in EU regional policy that position rural areas as dependent adjuncts to urban economies. For instance, our research emphasizes the significance of

direct networks between SMEs in different European rural regions, as well as transnational migrant communities that stretch between rural regions, and the enrolment of rural enterprises into global commodity chains.

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

Regional actors are hence participants in the reproduction of global networks through rural regions, and regional development policies and grassroots initiatives consequently can shape regional responses to globalization. For instance, such responses can determine whether regional economies are future-proofed against the sudden withdrawal of foreign branch plants; whether the skills and expertise of international migrants are tapped for economic development; and whether international environmental designations are welcomed as opportunities for sustainable development, or resisted as threats to traditional economic interests.

Developing effective responses to globalization involves reflection and learning, with the successful harnessing of lay and expert knowledge, and the facilitation of entrepreneurship and grassroots action. With appropriate policy support, Europe's rural regions can engage globalization from the bottom-up, and can have an influence in shaping their own futures.

FURTHER INFORMATION

More information about the DERREG research, its findings and recommendations is available in the DERREG Web Resource Centre at www.derreg.eu

Materials available in the Web Resource Centre include:

- A searchable database of good practice examples of policies and initiatives.
- Short films illustrating the impacts and responses to globalization.
- A European Policy Briefing summarizing policy recommendations from the DERREG research.
- Detailed summaries of research findings and recommendations from each of the four thematic work packages.

- Summary reports and background contextual papers for each of the case study regions.
- Copies of DERREG internal working papers, and of academic publications and presentations from the DERREG research.

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