RURAL AFFAIRS AND ENVIRONMENT COMMITTEE

AGENDA

16th Meeting, 2010 (Session 3)

Wednesday 16 June 2010

The Committee will meet at 10.00 am in Committee Room 1.

1. Crofting Reform (Scotland) Bill: The Committee will consider the Bill at Stage 2 (Day 3).

2. Scotland's Hills and Islands (in private): The Committee will consider draft correspondence resulting from its evidence-taking on the Royal Society of Edinburgh's 2008 report Scotland's Hills and Islands.

Peter McGrath
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The papers for this meeting are as follows—

**Agenda Item 1**

Marshalled List and Groupings of Amendments for Stage 2

**Agenda Item 2**

Draft correspondence (private)  

**For Information**

Recent Developments
RURAL AFFAIRS AND ENVIRONMENT COMMITTEE

RECENT DEVELOPMENTS WITHIN THE COMMITTEE’S REMIT

Note by the Clerk: each time an agenda and papers for a meeting are circulated to members, a short paper like this one will also be included as a means of alerting members to relevant documents of general interest which they can follow up through the links included.

Scotland’s Hills and Islands

Following the evidence session on 12 May, the Royal Society of Edinburgh has written to the Committee providing supplementary written evidence. The letter is in the annexe.

Scottish Government’s Draft Budget 2010-11

On 9 June the Finance Committee published its report on the Budget Strategy Phase of the budget scrutiny process. The report can be accessed by using the following link:

The Scottish Parliament - Finance Committee Report

EU Budget review

On 10 June the European and External Relations Committee published its report on its inquiry into the EU budget review. The report contains a section on the Common Agricultural Policy and fisheries and can be accessed by using the following link:

http://www.scottish.parliament.uk/s3/committees/europe/reports-10/reports-10/eur10-03.htm

Scotland’s first Zero Waste Plan

The Scottish Government has published it’s first Zero Waste Plan which sets out key actions and sets out new targets to tackle the waste produced by Scotland each year. The plan can be accessed using the following link:

Scotland’s Zero Waste Plan

Scottish Crofting Federation appoint new chair

The Scottish Crofting Federation appointed its new Chair, Eleanor Arthur, at its AGM held on Saturday 5th June. The SCF news release can be accessed by using the following link:

Brussels Bulletin

The monthly Brussels Bulletin, produced by the Parliament’s European Officer, contains an update on proposals to revise the Common Agricultural Policy and reform of the Common Fisheries Policy. Bulletin is available online at:


ANNEXE

“Scotland's Hills and Islands Inquiry – Supplementary Evidence

Professor Jeff Maxwell and I were pleased to give evidence to the Scotland’s Hills and Islands Inquiry at the Rural Affairs and Environment Committee on 12 May 2010. During the discussion, issues around community viability were raised in terms of what was needed to create viable communities in hill and island areas. Professor Maxwell offered to provide you with further details about the findings of the RSE’s Inquiry\(^1\) in this area, which I outline below:

Maintaining the Viability of Rural Communities

For many years, there has been an implicit desire on behalf of successive governments to retain population in the remoter areas of the mainland and the islands and to maintain the viability of their communities through a mixture of incentives and support. The RSE Inquiry considered that this aim should be made explicit to guide both policy and action, as it does in some Scandinavian countries, such as Norway (see Appendix 1).

Housing, Transport and access to Broadband

This aim also forms the background to the RSE Inquiry’s recommendations on housing and transport in Chapter 6, where we argue for affordable housing and more social rented housing in such areas, since we believed that community viability depended upon local people being able to find accommodation they could afford. The Inquiry was told that even those who could find work frequently could not get housing they could afford with the incomes they received. The Inquiry also believed that the high cost of transport and inadequacy of broadband were things that threatened the viability of economic activity in remote areas. The key issues and outcomes identified were:

“An explicit national policy framework for rural areas and communities is needed that embraces healthy demographic structure, economic opportunity and environmentally sustainable improvement, with formulation of new policy instruments and policy proofing of all government activity to ensure this occurs in practice.” -Recommendations 2, 59-66

“Specific support is required for regional development in communications technologies, education facilities, road, ferry and public transport, and affordable

\(^1\) The Royal Society of Edinburgh Committee of Inquiry into the Future of Scotland’s Hills and Islands (September 2008)
housing to improve demographic structure and stimulate economic growth within an environmentally sustainable context.” – Recommendations 47-54

**Integrated Service Delivery, Education and Culture**

Another important area for community viability was the maintenance of local schools at primary and secondary level, to ensure a strong demographic structure and to enable the community to use these facilities for informal activities out of school hours. The Inquiry also highlighted the importance of central and local government delivery of services locally in communities through one stop shops, linked to the maintenance of rural post offices (Recommendations 55-58).

I hope this information is helpful to you."

Dr Marc Rands
Evidence & Advice Manager
10 June 2010

Appendix 1: Norway Briefing Note (Policy for Rural Areas)

*Briefing prepared for SPICe
By Vanessa Halhead, May 2005*

1. Background

Norway has a total land area of 324,000 km$^2$ and 4.5 million inhabitants. It is the least populated country in Europe after Iceland, with 14.8 inhabitants per km$^2$ and over most of the country this figure drops to well below 4 per km$^2$. Of the total land area, 3% only is classified as agricultural and 23% is productive forest. A further 15% is unproductive forest while fresh water resources make up 5%. The remaining 50% consists of mountains, high plateaux, glaciers and moors. Around a third of the total land area is still wild landscape. This is, by any standards, a remote and difficult country in which to sustain a population. Yet in every corner of the country are modern, active and wealthy communities. How has this been achieved?

To understand the political system in Norway, it is necessary to understand the value system that underlies it. This is said to be rooted in an ancient historical political culture of co-operative individualism. This was enshrined in the Norwegian constitution of 1814, which became the foundation for the Norwegian system following independence in 1905. Key to that value system is the principle of egalitarianism. This was interpreted in the political consensus since World War II, which underpinned the remarkable development of rural areas in Norway. This imperative developed a strong set of policies, aimed at retaining the population in all parts of a very dispersed and environmentally challenging country. The backdrop to this political consensus was in part both strategic and cultural. The strength of the social welfare model of government is also attributable to these underlying values. The effect of these policies has been to make Norway into a very successful model for rural development.

There is no single institution with responsibility for the rural dimension and no single source or document that will enable an understanding of policy as it relates
to ‘rural’ in Norway. Norway does not have anything like "rural development" or "rural policy" - the word "rural" is in fact seldom used; "urban", on the other hand, is a concept often used and well understood\(^2\). This is an historical feature of a country that has been predominantly rural throughout its history, until very recently. National politics and policy has therefore been dominated by a rural perspective, but this was not seen to be distinct from an urban perspective until the very recent shifts in the political make-up of the government. This lack of an explicit rural focus (except through agriculture) makes it difficult to directly compare policies across national borders.

Rural issues are often considered within the overall umbrella of regional issues. What is usually understood as rural policy in other countries, in Norway is partly "regional policy" (\textit{Distriks} policy) and partly a dimension in agricultural policy. However, because of the consensus referred to above, all aspects of policy were developed with a primary eye to enabling equity of provision throughout Norway. It is therefore possible to look at any sector of policy and see how this has been tailored to meet the needs of the most remote parts of the country. Although not explicitly referred to as such, this was in effect a very early form of rural proofing.

\textit{The Government sees the overall rural and regional development policy as a national effort to secure balanced social and economic development in all parts of the country. Rural policy involves extra measures for those parts of the country that must be given special attention in relation to general growth and prosperity in Norway}’ (St.meld 34 (2000-2001) Report no. 34 (2000-2001) to the Storting.\(^3\)

2. Policy areas

The two main relevant strands of policy that have had the greatest effect on the rural areas are:

1. Regional policy
   This is the responsibility of the Ministry of Local Government and Regional Development.
   The most recent of the 4-yearly White Papers on Regional Policy has just been published in spring 2005. A brief draft outline in English from the Ministry is attached for information (Appendix 1). For further information contact: \texttt{bjoern.barvik@krd.dep.no}
   Further references:
   See: \url{http://odin.dep.no/krd/norsk/dep/utvalg/distriktskommisjonen/bn.html}
   For the White Paper (April 2005) on regional policy see the home page of the White Paper: \url{http://www.odin.dep.no/krd/norsk/dok/regpubl/stmeld/016001-040023/hov003-bn.html}
   Chapter 3 gives a status on several important variables.
   Useful statistics (tables) and maps are in the appendix\(^\)’ ("vedlegg"): \url{http://www.odin.dep.no/krd/norsk/dok/regpubl/stmeld/016001-040023/ved001-bn.html}
   \textit{(If there is anything you would like an explanation/ translation for let me know and I will ask my contacts.)}

\(^2\) Øyvind Glosvik, Dr. polit, University College of Sogn og Fjordane – pers. comm.
\(^3\) \url{http://odin.dep.no/krd/norsk/dok/andre_dok/veiledninger/016061-250010/dok-bn.html}
2. Agriculture policy and Fisheries policy
These are the responsibility of the Ministry of Agriculture and Food, and the Ministry of Fisheries and Coastal Affairs. In general terms, the Ministry and Department of Agriculture are seen to be most closely associated with rural areas. This results from the predominance of agriculture and farmers in the rural economy, until very recently. "Rural development" in the agricultural sense of the word, is probably best understood through the concept of "multifunctional agriculture". Many funding streams aimed at rural issues are handled through the Ministries of Agriculture and Environment.

Policy is divided into:
- ‘narrow’ policies - focussed on achieving regional political goals, these include all areas of policy that have a regional effect, and mainly target the stimulation of industrial development through specific tools (financial incentives etc.)
- ‘broad’ policies – include a range of policy areas, not focussed on regional development, but which have an impact on it. The impact of such policies on rural areas is determined through the process of regional impact assessment.

The Norwegian system requires regional impact assessment at the three levels of government: national, county and municipal. This is a formal, transparent and consultative process, which takes into account a broad range of socio-economic and environmental impacts. These include impacts on: regions, environment, industry, health, gender, human rights, public administration. The framework for this is set, for the national level, through the Rules of Conduct issued by the Ministry of Modernisation, and, for the local level, the Planning and Building Act under the Ministry of Environment. The unit or department responsible for developing the policy determines the aspects that are relevant to the assessment. There is no clear system for monitoring compliance with the process of assessment, making it hard to assess its regional effectiveness.

The definition of ‘rural’ in Norway is an area with less than 200 inhabitants with more than 50 meters to the next inhabitants. There is no clear definition of a ‘region’, and this is understood in different ways at national and local levels.

3. Some specific aspects of importance to rural development

There are particular elements of the policy framework, that can be cited as case-studies, which have provided the foundations underpinning the form of rural development that is witnessed in Norway. These include:

The Structure of administration and local democracy
Norway is, for administrative purposes, divided into three levels: 434 municipalities, 19 counties and national government. This is well-established system, through which all aspects of administration are channelled. Local democracy is a strongly held value in Norway, as in the other Nordic countries. The strength of local democracy is enshrined in Regional Policy. The decentralisation of responsibilities and authority is seen as crucial for genuine local democracy and efficient, user-

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4 http://odin.dep.no/lmd/html/multifunc/multifunc1.html
5 http://odin.dep.no/mod/norsk/tema/p30006038/bn.html
6 http://www.ub.uio.no/ujur/ulovdata/lov-19850614-077-eng.pdf
friendly administration. For the rural areas, two aspects have been of particular importance: the strength of the municipalities and the structure of the county level:

- The municipality (Kommune) is a key difference to Scotland, over 50% having a population of less than 5000. They have a wide range of functions, providing two thirds of the welfare services of the country, and are important players in the national and local economy. They may also assume any task not assigned to others by law. This gives considerable local empowerment, and economic benefit.

- The structure of the county level is important in that it combines the functions of local government, through the County Councils (Fylkeskommune), with the functions of central government, through the County Governors (Fylkesmannen). The role of the latter is to co-ordinate the different Government Departments and to target their activities towards the specific needs of the county. This is streamlined, and enables significant local (district) sensitivity to be incorporated into the implementation of national policy.

At the present time, the structure of local administration is under review, with consideration of a new regional level, which may in due course amalgamate the county authorities. The popular commitment to the municipalities is strong throughout the country, but some amalgamations have taken place, and will continue to do so.

**The system of land ownership**

The natural resource base is recognised as an essential economic foundation for rural sustainability. Accordingly, the legal framework enabling local control and access to this resource base has been a strong principle of Norwegian policy. There are very few large land holdings, and the average farm size is only 17 ha. Farms extend from valley to tree-line, with common grazing, hunting and fishing rights on the hills and rivers. Land above the tree line is generally owned by the State. Land ownership is regulated by the Norwegian *Udal* system. There are strict rules for land purchase and use, agricultural lands must be used as such, and farm owners are required to live on the land. A law of primogeniture secures that the ownership stays in the same family, and transfer of land outwith the family requires a concession from the Municipality. The effect of this system has been to retain a strong indigenous population across the country, with close links to the land.

The pattern of land ownership, coupled with a legislative framework to protect local benefits from natural resources, and strong controls by the Municipalities through local land use and marine planning, has ensured that substantial profits from resource use accrue locally. A good example is the extensive hydro-power system, which began over 100 years ago. The total Norwegian annual production from hydro-power is 120 TWH, 50% of the national energy budget. Water is considered a national good, hence the majority of the hydro-power schemes are in public ownership. A large part of the system is owned by the Municipalities, which also make substantial income from it. The Kommune of Luster, in Sogn og Fjordane, with a population of 5000, derived, in 2003, £7mill. from its 2 power plants. The legislation (dating from 1917) provides several ways in which a local community can derive income from hydro schemes, including concessions, sales, taxes and shareholding. Through this system, many very remote communities, with poor land and economic opportunities, have significant income. As this money accrues to the Municipality, it is re-invested in services and economic development.
Primary production has traditionally been a key element in rural policy, with agriculture and fisheries, until the 1970’s, underpinning the economy of the rural areas. Accordingly policy was focussed on ensuring their viability. The farming community has been supported by high levels of agricultural subsidy, market protection and co-operative systems. These are now threatened by EU agreements, but remain a strong political issue. Fisheries remain buoyant. Concern to protect these systems has been an important factor in Norway remaining outwith the EU.

**Decentralisation and dispersal**
The Norwegian political model has favoured a decentralised structure and a strong role for the county and local levels. Dispersal of economic opportunities has been a key part of this model. This not only includes the devolved responsibilities to local administration, but also the dispersal of national administrative units. The dispersal of industry has also been a prominent feature, with industrial activities located the length and breadth of the country, often in very remote locations.

**Transport and communications**
The geography of Norway is among the most challenging in Europe. The land is deeply divided by mountains, deep valleys, fjords and thousands of islands, many inhabited. The climate in much of the country is harsh. Only 3% of the land area is suitable for agriculture, and settlement, in many areas occupying a thin strip between the mountains and fjords. The challenge of providing and maintaining an effective infrastructure, required by a modern society, has been immense, but has been implemented in an impressive way. An effective, affordable and equal access transport network is viewed as the essential foundation for sustaining remote communities. This is evidenced by thousands of miles of tunnels and bridges, and a fully integrated public transport network comprising regular, linked bus, ferry, rail and air links across the whole country. This network serves all communities, no matter how remote, on an equal cost basis. The cost of freight from remote island communities is significantly less than that charged on Scottish ferries, to reduce economic inequalities of geography.

**4. Current trends**

It is important to note that the ability of the Norwegian government to directly control many rural policies has been reduced by the international agreements signed as part of Norway’s membership of the EEA. This has had a particular effect, for instance, on agriculture.

Also, the current political climate in Norway is not as inclined towards the rural areas as it has been traditionally, and a range of policy measures have been instituted recently that have been seen to be potentially difficult for the rural areas. These include the reorganisation of public sector institutions. This has promoted a strong political reaction within the more rural parts of west and north Norway.

**Contacts and references**

**Contacts**

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Oddbjørn Bukve - Professor, University College of Sogn og Fjordane
Øyvind Glosvik, Dr. polit, University College of Sogn og Fjordane
Holte, Pål Erik - Avdelingsdirektør, The Ministry of Local Government and Regional Development

References

Distriktskommisjonen (The Rural Commission) Norwegian rural policy: http://odin.dep.no/krd/norsk/dep/utvalg/distriktsskommisjonen/bn.html

The Ministry of Local Government and Regional Development, Rural and regional development: http://odin.dep.no/krd/norsk/tema/distriktss.html


The Ministry of the Environment, Planning: http://www.planlegging.no

The Ministry of Modernisation, Rules of conduct: http://odin.dep.no/mod/norsk/tema/p30006038/bn.html

Effektutvalget Effects of State Activities on regional development: http://www.dep.no/krd/norsk/dep/utvalg/effekt/index-b-n-a.html