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7 The Value of Countryside

Lars Westin

7.1 Introduction

Regional development is creation of place related wealth. Countryside development may thus be defined as development of assets associated with a well-defined geographical part of the countryside. This definition lead us to three further tasks; a definition of "the countryside", a geographical demarcation of the specific territory of interest and finally a measurement of the assets associated with this territory. We will in this paper argue that those three questions are closely related – the countryside is a part of the territory with a specific range of assets. In this respect, the balance sheet of a piece of land labelled as "countryside" should have a very distinct character.

But in order to uphold its status as "countryside", a place has to maintain its attractiveness on the specific assets that give it this character. Otherwise it may be transformed into other forms of geographical space such as "city", village, "mine" or "forest". Identification and management of those specific "countryside assets" is an important input to decisions regarding investments in the further growth of the place, if it should maintain its status as "countryside". We will then also observe that a valuation of the assets of a place contains both insider and outsider values. Insiders and outsiders in their roles as property owners, sellers or byers generally assign assets different values. Such differences and changes in those are of decisive importance for the further development of any place. It will also generally add to the fuzzy character of any attempt to identify a clear border between the countryside and remaining territories in the form of cities or nature.

The paper is structured as follows. Initially, alternative definitions of the "countryside" are discussed and criticized. The border towards the city is found to be inexact but the countryside should be defined by its assets and not as commonly is made in relation assets not available in the countryside as such. Then we discusses how the amount of assets in a place both reflects its historical growth and determines its future growth. The countryside has a relative shortage of human and social capital in relation to its natural capital. Asset mobilisation and transformation are two sides of a policy for growth. However, when relative shares of nature and human-social capital changes also the countryside changes. After a discussion of the complex relation between the countryside, the city and the forest we conclude the paper with some policy suggestions.

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1 This paper is the result of a longstanding and fruitful exchange between researchers from Japan and Sweden within the "Workshop on Social Capital and Development Trends in the Japanese and Swedish Countryside". Financial support over the years from municipalities, companies and various research bodies are hereby acknowledged.

2 This discussion was initiated in Westin, L. (2013).
7.2 Identifying the countryside

The notion "countryside" is a broad and rather diffuse concept and often associated with at least two types of geographical areas. The narrow notion is connected with an area dominated by agricultural activities, an open landscape for production of crops and perhaps some parcels of forest. Often this landscape is associated with some specific architectural manifestations and qualities in relation to its real estate and infrastructure.

The second definition is broader and a more general description of a territory "outside cities". It thus includes smaller settlements, mining sites, archipelagos as well as sparsely populated areas e.g. dominated by forest or natural reserves. This latter type of "countryside" to some extent includes the previous narrowly defined countryside and may be found at some distance from larger cities but may include smaller towns. In attractive parts of the archipelago and the mountain areas this "countryside" may be combined with substantial values in the form of real estate. There, "agricultural activities" may only be of historical, marginal or pure touristic interest.

In its definition of the countryside, the Swedish board of Agriculture applies a version of the second broader definition, based on a classification of each of the 290 municipalities in Sweden. Those are divided into 93 "urban" municipalities with more than 30,000 inhabitants and those smaller municipalities with a share of commuting to nearby larger municipalities above a given threshold value, 164 "countryside" municipalities and 33 municipalities defined as "sparse countryside". To be classified as a "countryside municipality", the population of the municipality thus has to be beyond 30,000 inhabitants while also commuting to nearby larger municipalities should be minor. Those criteria also hold for the "sparse countryside municipalities" but those municipalities should in addition to this not have more than five inhabitants per km². As a consequence, in the world of the Swedish board of Agriculture "the countryside" becomes a quite broad ensemble of places and territories with distance to agglomerations of people as one of their chief characteristics. Moreover, land use based on agricultural activities and related to an "open landscape" are in this definition not a specific marker. Hence, municipalities dominated by forestry, mines and a set of villages or small towns are all part of the countryside.

Statistics Sweden and the Swedish Association of Local Authorities and Regions both instead focuses more on the agricultural aspect of the countryside. Here countryside municipalities are defined as municipalities where first of all at least 6.4 percent of the employed "night population" is employed within the agricultural sector and where less than 70 percent of the households lives in densely built up areas. Secondly, such a municipality has to have a population density above 5 inhabitants per km² and at least 20,000 inhabitants. This quite strong definition thus excludes sparsely populated municipalities and areas where successful agriculture is combined with strong urban, if not metropolitan, qualities, i.e. of "garden city" character. This implies that only 30 municipalities are qualified as countryside municipalities. As we saw above, the Swedish board of Agriculture instead include 164 municipalities in their definition of countryside municipalities.

The common characteristic of those two definitions is that they are based on the municipality as an administrative statistic level. A municipality then becomes countryside or not countryside. Such definitions will most often be problematic if one want to identify the initially discussed narrow type of "countryside" with its characteristic landscape and architectural qualities. Today such areas may often be found near denser cities and within their commuting distances.

Other definitions not based on municipalities may although be found, e.g. based on characteristics of densely built up areas and the countryside areas outside those. But also here distance

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3 The night population is the number of people registered as living in the municipality, in contrast to the day population, the number of people working in the municipality. The difference between those values is commuters.
is an important property, since in those cases the "countryside" often is defined negatively as non-city or non-densely populated areas. This in contrast to the positively identified and defined countryside where the agricultural specialization of land use and other characteristic assets of the place is the basis for the definition.

To summarize, one may first observe that the currently dominating definitions of "countryside", and especially that by the Swedish board of Agriculture, are too wide and of interest for statistical analysis or for a territorially focused regional policy. Those areas easily become mixes of quite different forms of land use; agriculture, forestry, mines, mountains, archipelagos, etc. This does not have to be a problem if the aim of the policy not is to maintain e.g. an agricultural type of countryside. If the aim instead is to increase population and density, the policy easily become one of traditional urban type with attractiveness on people in its core and a question of competition with other territories about this people.

We may thus also observe that the narrowly identified agriculturally dominated countryside "lives" on a quite narrow area in between the nature with its forest and dense clusters of people. Generally the countryside, both in a narrow and a broader definition, is at some distance from large bodies of human, cultural and social capital with their associated flows of information. Hence a program for placed based countryside development focused on an increase of inhabitants and commuting possibilities to agglomerations at some threshold will have the impact that this countryside itself may be transformed into city. If instead this place loses inhabitants, it may be transformed from an agriculturally based countryside into a territory dominated by forestry and other forms of nature.

7.3 The value of a place and its growth

Since place is a definite piece of land, the value of place is strongly related to land use. Land is generally considered as the most immobile of asset. In a country like Sweden with an average of 20 inhabitants per km² on an area of 450 000 km², most land is utilized for the development of natural capital. The rich availability of space implies that Swedes live in relatively large houses and that the metropolitan areas still are characterized by a relatively low density. In the definitions of "countryside" discussed above, availability of natural capital in the territory seemed to be an important and characteristic quality. What is then the share of the natural capital of the total value of assets in Sweden?

In a study by the World Bank at the turn of the last millennium, the bank tried to estimate the wealth of nations. The method of valuation used is a combined asset valuation and income approach. It is simple, but gives some measures and insights into the wealth of nations around the year 2000. Only market values could at that time be included for specific assets, hence the "inclusive" values of wider ecosystem services are not included in the estimations. The difference between the total value of the country, measured as the current value of the future incomes for consumption possibilities for inhabitants and the asset specific values, are in the study interpreted as the aggregated human, social and cultural capital of a country. In the case of Sweden, the resulting values of assets per capita are given in Table 7.1. The table gives a picture of the net balance sheet of Sweden in per capita terms.

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4 Mines are examples where values are created by making land movable. If such a removal of land implies that land or refined types of land, such as steel and cars, are moved out and hence exported from "the place", is dependent on the defined limits of "the place". It is well known that the narrower a place is defined, the larger may its shares of export and import be.

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According to those first estimates by the World Bank, the natural capital of Sweden only constitutes to about 2 percent of the total value of assets in the country. Artefacts and real estate amount to 11 per cent. Most assets are thus associated with the Swedish population; its skills, knowledge and institutions for decision making and information handling. Sweden should in this respect rather be compared with a consultant company than with an industrial establishment or a farm.

The figures obviously has to be taken with care, they only give a first approximation and only represent a single year. Studies of the wealth and the balance sheet of nations on a more long term basis although recently has attracted substantial interest and debate, as exemplified by the study by Piketty (2014).

Table 7.1. The World Bank Millennium Capital Assessment for Sweden in the year 2000. SIK per capita.

<table>
<thead>
<tr>
<th>Asset</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Minerals</td>
<td>2,367</td>
</tr>
<tr>
<td>Forests</td>
<td>21,906</td>
</tr>
<tr>
<td>Recreation/Hunting</td>
<td>8,172</td>
</tr>
<tr>
<td>National Parks etc.</td>
<td>13,943</td>
</tr>
<tr>
<td>Vegetarian Resources</td>
<td>10,080</td>
</tr>
<tr>
<td>Animal Resources</td>
<td>15,084</td>
</tr>
<tr>
<td>Sum of Ecological Capital</td>
<td>71,550</td>
</tr>
<tr>
<td>Sum of Artefacts and Other Real Capital</td>
<td>524,979</td>
</tr>
<tr>
<td>Sum of Social, Knowledge and Human Capital</td>
<td>4,024,287</td>
</tr>
<tr>
<td>Total Assets per Capita (as the present value of future consumption possibilities)</td>
<td>4,620,816</td>
</tr>
</tbody>
</table>

In order to obtain some information regarding the long term development of the Swedish assets we may moreover compare the figures above with the interesting long term study of Swedish wealth presented in Figure 7.1. The study is made by economic historians Lindmark and Anderson. It should also be taken as a first attempt to generate new data over Swedish wealth. However, the pattern is interesting since it confirms a long term development of the Swedish economy observed in other statistics, e.g. employment figures over industrial sectors.

The industrialization of Sweden during the middle of the 19th century and hence the transformation of Sweden from a poor agricultural economy into a faster growing economy is clearly shown. In the end of the 19th century urbanization increases, investments are made in the Swedish railway system while education and health care are developed. In the beginning of the 20th century, the share of natural capital in the Swedish economy thus falls below 10 percent. The fall continues and in the beginning of the 21st century the share is around two per cent. It thus confirms the findings in the study by the World Bank.

Why is measures such as those of the value of places, in this case a country, important? During the 20th century, the balance sheet of countries, other regions and places often were disregarded in favour of national income statements with their measure of value added as the Gross Regional Product (GRP). Value added is of course important, but a region may for a period increase its GRP while during the same time important assets are reduced due to emigration, wastefulness or wear and tear. Assets are the factors of production that together with available techniques and institutions in the region determine the comparative and absolute advantage of a place.

While the balance sheet gives a picture of the amount of assets located within a place, a further identification of the ownership of assets by locals, i.e. people living, using or with other similar
interests in the place on one hand and non-locals on the other. This would give an owner specific balance sheet for the place.

Locals would be owners of land or property in the place but also people renting an apartment, visiting or working in the place could have an interest in its development. Obviously there is always a grey zone between locals and non-locals. However, from a development perspective there is a goal to attract interest and assets from as many non-locals as possible in order to make them locals in the meaning that they would develop assets in the place.

Given a well invented balance sheet with a clear ownership focus, the place is given a more solid ground to focus on its future income statements and investment possibilities. Investments are important for the maintenance of assets due to wear and tear but also for the future development of the total amount and relative proportions of the assets of the place.

The dynamics given by Figure 7.1 for Sweden thus shows how the nation managed to transform itself from an economy based on natural resources for its income generation into a knowledge based economy with associated efficient institutions. Through this change in the relative proportions of its assets also the basis for the Swedish countryside was influenced in a considerable way. Mechanisation of agriculture and urbanisation were the clearest evidences of this.

7.4 The balance sheet of the countryside

As we discussed initially, since in Sweden the countryside commonly is defined at the municipality level, it becomes a quite diffuse and mixed territory. A place dominated by agricultural activities may in this definition be within a municipality defined as a “countryside municipality” but it may also be part of a municipality defined as “urban”. Hence, for the countryside place developer those definitions and eventual data connected with them will not help in the development of the balance sheet.

But some general considerations may although be made. So what is the situation for the Swedish countryside? As mentioned, common definitions of “the countryside” generally identifies countryside as geographical areas with relatively small shares of human capital or with low accessibility to such capital. As a consequence the share of natural resources in the countryside are higher than in urban areas. This implies that the shares of human, cultural and social capital

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are lower in the countryside than in the city. On the other hand, those shares are obviously higher in the countryside than in areas of pure nature. This illustrates the narrow space within which the countryside exists.

Since human capital is an important part of the knowledge society, the countryside competes with a relative set of assets and a ratio of factors of production that in some aspects still represents a reminiscence of pre-industrial economies. But definitely not in all aspects. The industrialization of agriculture, forestry and mining in the middle of the 20th century and the competition from higher wages in the cities has resulted in a drastic change in the current production technology of the countryside. Demand for labour in natural resource intensive areas now drastically is reduced. As a consequence, the wave back to the type of settlement structure existing before the time of urbanisation, currently is not open without a strong development of competitive non-natural resource based services, human capital development functions and smaller industries.

To be competitive within agriculture, the countryside is dependent on good land, accessibility to complementary labour markets, trade possibilities and the human capital and information flows available in cities. Agriculturally based land use in the countryside thus is dependent on accessibility to urban markets and thus on infrastructure. But such accessibility also opens for competition on land from artefact and real estate development. Hence, the traditional von Thünen model for land use (von Thünen, 1826) still is relevant for the understanding of countryside development.

Given this, our first conclusion is that a countryside based on vegetarian and animal resources heavily is dependent on cities within commuting distance. A consequence of this is that the “countryside” in its most narrow and agriculturally oriented definition is dependent on, and should be positive to urban development. This also give the agricultural land and its associated real estate a stronger value from the option of an alternative use by urban activities. On the other hand, increased penetration from urban activities may also destroy the prerequisites for further agricultural development. The sustainable agricultural countryside thus is dependent on a range of asset combinations that is quite narrow and always is challenged both from a too high and too low accessibility to urban areas.

A second conclusion is that in Sweden, with its current population to land area quota, the dominating option to land use in the non-urban countryside is for forestry and mineral resource development. In practice this also is the case. In a stochastically chosen 100 by 100 meter square of Swedish land, the probability to find either an artefact or a piece of real estate is very low. The non-urban “countryside” beyond commuting distance from large and medium sized cities always will be challenged by forest development and has to compete with labour saving natural resource based industries. Some places in the countryside although has developed assets, institutions and production facilities that give them possibilities to compete successfully both with forestry and with extended real estate development. In other places those competitive forces are too strong and much of the income statement of this countryside instead is based on public transfers to agriculture but also to human development facilities within health and care.

A third conclusion thus is that the non-urban countryside always has to reconsider its idea for asset development in a place and present competitive offers sensitive to preferences and incomes at the demand site. This may be seen as another too obvious statement to be stated, but it emphasizes the need for adjustment and deepening of the offer in a small economy, especially considering the fact that countryside actors often market their places as open minded, helpful and interactive but also as stable and non-changing contrasts to the high speed and continuous change in growing cities. Our conclusion is that the countryside, while keeping its characteristic attributes, at the same time also has to adapt and renew its institutions, technology and asset development faster that in competing urban areas.

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This highlights the insider and outsider difference in the evaluation of the assets of a place. The insider of a place, for example the owner of land, the value represented by the marginal market prices, as given in Table 7.1, may underrepresent their reservation price for selling property or emigrate to another place. This difference is a consumer surplus that should be added to the asset value of a place from an insider perspective. For the outsider there may also be a potential positive consumer surplus after land has been bought but the actual selling price may be increased until this is zero. The value after an eventual transaction thus represent a negotiated price where the seller would like to be compensated for its valuation of the asset at stake including first of all its own consumer surplus but also the consumer surplus of the buyer if this is higher.

People with a future valuation of the place at or below the market price of immovable assets tend to sell or migrate. A common example is young girls in less accessible countryside places. People not migration or inhabitants not selling their properties may then be expected to have a positive consumer surplus in relation to the place.

Anyhow, place developers in the countryside has to focus hard on the financial flows through the place, i.e. the income statement but even more has to identify asset values and value creating processes in the place. It is also important to identify and challenge destructive processes and value reducing environments. In summary, it seems apparent that policies for countryside development has to be highly place dependent, policy makers have to audit place relevant assets carefully and pay attention to movements in the insider and outsider valuation of this stock. Hence, and this holds generally for urban and non-urban environments, there is not a single development policy available for “the countryside.”

7.5 The countryside and the cities

Above, we emphasized the advantage of having accessibility to growing cities for the development of countryside assets. This may be seen as a strong statement when many countryside developers view the attractiveness of the nearest city as the main cause to their development problems. We have although already pointed at the development of labour saving technologies for resource intensive production as the main factor behind this process of urbanisation. Improved individual communication possibilities generated by cars and trucks could also be mentioned as forces adding to this concentration in space.

Growing cities should instead be seen as a potential for the countryside. Countryside developers should instead be critical to stagnating cities in their surrounding or in important parts of their external network. In order to support this argument with some empirical reasoning, the following table with the long term population development among municipalities in the county of Västerbotten may be considered.

At a first glance, the figures in Table 7.2 perhaps only confirm the picture of drastically reduced population numbers in Västerbotten outside the cities Umeå and Skellefteå after 1951.

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5 Insiders and outsiders on the asset market should not be confused with the earlier introduced local and non-local interests. In our perspective insiders may be both local and non-locals. On some markets, e.g. the real estate market, locals may also be outsiders.
6 We assume that the price of the property includes the cost of the transaction and the cost of migration.
7 As will be returned to, the most general policy in order to favour a dispersed settlement is a tax on population density in space. A property tax does this.
8 The growth of Umeå and Skellefteå is not shown in the table. But especially the growth of Umeå since the fifties outweighs the negative development in the rest of the county. The county of Västerbotten could witness a new population record in the year 2014.

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This has, as many politicians in the smaller municipalities often reminds about, also been the case. First as a result of the mechanization in the fifties and secondly the population decline in the beginning of the nineties after the collapse of the Soviet system (through the disarmament of the Swedish defence in North Sweden). Finally did around the year 1990 and the financial crisis, the expansion of the public sector as a major employer among smaller Swedish municipalities meet a coeval stop. This expansion of the public sector was based on international lending and a state-municipally based system of transfers of public resources to smaller municipalities. This came to be a substitute for the necessary creation of incomes and asset values in the countryside.

But in the table each municipality also has been associated with the river basin it belongs to. This reveals a stronger pattern in the data. The Ume River (u) basin has the fast growing city Umeå at the coast. A European road follows along the river that reaches into Norway and the Atlantic coast while passing the largest ski resort in the area. It also passes by Lycksele, the dominating municipality in the interior of Västerbotten. This seems to have been circumstances advantageous both for the municipalities around Umeå and those along the river.

Table 7.2. Population development in municipalities along four river basins outside Skellefteå and Umeå in the Swedish county Västerbotten during the two periods 1951–2012 and 1992–2012. The river basins are; the Ångerman River basin (A), the Ume River basin (u), the Vindel River basin (v), the Skellefte River basin (s). (Source: Data from Statistics Sweden, percent.)

<table>
<thead>
<tr>
<th></th>
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</thead>
<tbody>
<tr>
<td>Vännäs (u)</td>
<td>4.3</td>
<td>-2.8</td>
</tr>
<tr>
<td>Lycksele (u)</td>
<td>-17.9</td>
<td>-12.8</td>
</tr>
<tr>
<td>Nordmaling (u)</td>
<td>-32.3</td>
<td>-14.1</td>
</tr>
<tr>
<td>Storuman (u)</td>
<td>-34.5</td>
<td>-14.3</td>
</tr>
<tr>
<td>Robertsfors (u)</td>
<td>-35.3</td>
<td>-16.5</td>
</tr>
<tr>
<td>Vilhelmina (A)</td>
<td>-36.3</td>
<td>-17.4</td>
</tr>
<tr>
<td>Malå (s)</td>
<td>-39.2</td>
<td>-19.0</td>
</tr>
<tr>
<td>Norsjö (s)</td>
<td>-44.1</td>
<td>-21.5</td>
</tr>
<tr>
<td>Vindeln (v)</td>
<td>-46.8</td>
<td>-22.2</td>
</tr>
<tr>
<td>Dorotea (A)</td>
<td>-52.8</td>
<td>-22.5</td>
</tr>
<tr>
<td>Bjurholm (u)</td>
<td>-53.4</td>
<td>-23.5</td>
</tr>
<tr>
<td>Sorsele (v)</td>
<td>-56.4</td>
<td>-25.6</td>
</tr>
<tr>
<td>Äsele (A)</td>
<td>-61.1</td>
<td>-26.9</td>
</tr>
</tbody>
</table>

Instead Åsele and Dorotea along the Ångerman River (A) basin, with stagnating or declining cities at the coast to the south, and thus outside the county of Västerbotten, have faced a more problematic development. The same holds for the Malå and Norsjö municipalities with the stagnating city Skellefteå at their coast. Vindeln near Umeå but along the Vindel River (a tributary to the Ume River) and Sorsele along the same river also has had a more problematic development. The road along this river does not lead to Norway, to any larger ski resort in the mountain area or to other important goal points. Sorsele in the western inland also has more connections with the municipalities along the Skellefte River (s) and thus also follows their weaker development more closely.

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9 The Ångerman River meets the Gulf of Bothnia in the county Västernorrland to the south of Västerbotten. This county has lost population almost every year since the middle of the fifties.
Population development at the municipality level is a result of a broad set of forces. In total, the county of Västerbotten has an all-time high number of inhabitants, due to the growth of Umeå. The growth of Umeå has been in favour of the municipalities long the Ume River, although it has not been strong enough to make all of them a growth push back to the levels of 1951 and definitely not enough to give support to the municipalities along the other river basins. Umeå still is a small municipality with around 120 000 inhabitants and an average density of 50 inhabitants per km². Its growth has so far only had a strong influence on the most nearby municipality in Vännäs.

This example from Västerbotten anyhow gives an indication of the importance of growing cities for the development of the countryside. Still it is obvious that although being near a growing city, each place and each municipality has to focus on the development of its own attractiveness in order for its assets to grow.

What would then characterize a successful policy for a place on the countryside? We have argued that generally the countryside should favour growing cities and immigration to its surrounding region. If advocates of the countryside may prove that the urbanization process has created a too high density of people and activities in cities a tax on land values, and thus on density, would be a first best solution. This would give incitements for relocation of activities outside cities. Cities would be less dense, cover larger areas and raise land values in commuting areas, but the impact would probably not be so large in the currently least populated parts of the countryside.

For the agriculturally oriented countryside very near growing cities, a land tax or any other measure that increases sprawl and an extended urban land use may on the other hand obviously also result in a pressure for change of agricultural land into residential use. Given that urban land owners in this case may realize a price including the cost of relocation of their production, this may be an attractive alternative for land owners in the countryside – as long as the expected return from a continued management of the agricultural resources not is higher. This conclusion is based on the assumption that managers of land in the countryside are "local insiders" and thus own their land. Since people in the countryside too often not them self owns the natural resources of the place they live in, they may not benefit from forces creating alternative use and values of assets in their neighbourhood.

For the countryside not specialized in agriculture a more general development of asset values becomes important. Especially in the case when ownership of surrounding profitable natural resources not is possible. But as has been illustrated, measures to increase immigration of human capital anyhow in this case have to be given first priority. We have in Westin and Edlund (2013) thus argued for the establishment of joint facilities and clubs for private management of various common resources. Hence, what could be the countryside analogue to the internationally existing more urban oriented Business improvement district (BID), the Countryside improvement district (CIRD) could be introduced. Such organizations has strong resemble with the in Sweden so common private road, water and drainage associations, where landowners in a well-defined area establish a development program and taxes them self in order to increase the value of their assets. This may be seen as formation of stable institutions from various loose networks based on the openness and interaction available in a place in the countryside.

Urgent tasks for a CIRD are often e.g. to increase the density of the housing area in a place by a move of remote houses into central locations or to buy land from absent non-local land owners and to sell it to local actors or immigrants with management ambitions. The land reform “Laga skifte” in Sweden during the late 19th century was important in order to increase the efficiency of agriculture, but the reform also transformed traditional more compact country villages into disperse line oriented settlements along country roads. The reform thus had a tendency to re-

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duced local interaction within villages. Often this disperse line settlement structure still remains, although the relative importance of agriculture for wealth creation in the countryside villages often has decreased. Hence it is important to re-establish density, reduce costs of transaction for interaction and decision making by introduction of stable networks with formalised procedures in order to assimilate any, even small, benefits from agglomeration available.

A successful policy for the development of assets and values in the countryside without the ambition to preserve agricultural qualities may thus initiate a transformation of a place from "countryside" into "city". This would then also imply that actors in the place even stronger has to put effort in the urban planning aspects of place development. A place moving towards "the city category" will even stronger meet competition from other cities and villages about human capital and related urban assets. The transformation of assets generated by the specialisation as countryside into assets with an attractiveness on urban inhabitants may need a careful attention. Elites and structures inside the place, currently gaining benefits from rents from the countryside specialization will not always favour such a change.

7.6 Conclusions

The Swedish countryside in its broadest sense, has experienced a long period of fundamental transformations of its asset structure. From being specialised in the basic asset for human living, the agricultural land, parts of the countryside now mainly is a deliverer of rather basic products from forests and minerals. The relative value of the countryside thus has decreased relative to urban areas specialized in human capital. The use of the land in the countryside for development of human capital and real estate based production thus always is under pressure, except for in specialized and concentrated places with specific asset combinations such as archipelagos, tourist areas and ski resorts. It is conspicuous that large areas of the countryside nowadays has an asset structure that is negative for the development and attractiveness of production in segments with a higher value added.

Places with a strong focus on tourism and secondary homes thus are exceptions. Here production of commodities associated with free time and outdoor living have found inspiration for product development, attracted entrepreneurs and access to markets. They have shown a willingness for transformation and may present strong benefits from agglomeration on a smaller scale than found in many larger cities. Those places and their processes of value creation may thus be nodes of development towards a more human capital intense production in the countryside.

A modernised agriculturally dominated countryside may still finds its niche in between the forest and the urban densities. Also this may sometimes be integrated with tourism and secondary homes into a broader value creation and asset development. This countryside although seems to be more dependent on interaction with urban areas than the advanced forest production.

We argued that negative definitions of "the countryside" based on assets not available in the place, such as its low accessibility to the human capital in cities not is advantageous as a basis for its development. The diverse structure of natural resource based assets outside cities should instead be the basis for classification and action. Policy then has to be based on assets available in a place, ideas of how to manage those more efficient and how to start a transformation of the asset structure in order to increase total value of the place. Especially, the creation of local markets and support to local market actors thru our suggested "Countryside improvement districts (CID)"
as an institution to strengthening existing social capital and make it a force for decision making and asset management seems important.

References


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editors
Abstract: This volume contains the examined and selected papers of the 11th International Workshop on “Social Capital and Development Trends in Japan’s and Sweden’s Countryside.” The workshop was held in August 21–23, 2014 in Östersund, Jämtland, Sweden and its aim was to discuss common topics of non-metropolitan and rural regions and urban-rural interaction in Sweden and Japan, with the concepts of social capital and social entrepreneurship as common denominators. The volume consists of 17 contributions by authors from Sweden and Japan, successfully accepted through peer review. The book presents interesting and diverse viewpoints on the interface between the concept of social capital and the development of rural regions.
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