Place-based policy approaches to population challenges

Lessons for Scotland

Expert Advisory Group on Migration and Population

Contents

Executive summary

This report examines the concept of zonal policymaking and its relationship to broader place-based approaches to policy. It explores how such policy interventions could be applied in response to Scotland's rural and island population concerns and sets out some potential challenges as well as what might be expected as outcomes. The background to the report has been the emergence of 'repopulation zones' as a policy concept and an initiative of the Convention of the Highlands and Islands (COHI), and the subsequent Scottish Government commitment to investigate their effectiveness in addressing population challenges. The report strives to enrich and structure the evidence base for ongoing policy dialogue between Scottish Government and other actors at regional, Council, and community levels.

The report does not recommend specific policy interventions nor advise on the choice of potential 'zones'. Instead, it lays out underlying questions and considerations regarding intervention logic and proposes two contrasting approaches to spatial targeting. It offers insights and lessons from historical zonal policies regarding economic development, and from international examples of place-based policy responses to depopulation.

Policy goals and intervention logics

In considering the policy goals which might drive different 'repopulation' approaches it is important to begin from the economic and social processes which both underlie and result from population decline – sometimes referred to as 'complex shrinking'. These are often quite unique to specific places and require carefully tailored interventions. The policy goals and intervention logics behind any proposed intervention should be explicitly discussed and should be realistic, consistent, and achievable.

There are two broad options in designing repopulation policy goals: *mitigation* (changing the trend) and *adaptation* (living with or neutralising the effects of decline). In this report we focus primarily on *mitigation*. However, even if *mitigation* is the objective, there is scope to vary the goal of intervention. Recent Scottish Government positions have nuanced objectives away from the pursuit of growth everywhere towards a focus on 'sustainable balance'. In the report we return to the concept of '*strategic mitigation*', originally presented in our 2021 report on options for a rural visa pilot scheme. The goal of strategic mitigation in population policies is to ensure continued economic and social viability for communities. Success is measured primarily in terms of community well-being rather than demographic or economic growth.

Intervention logics connect policy actions to understandings of the problem addressed. These should be explicit and thought through step-by-step. In practice there is a risk that they are implicit or based on assumptions rather than evidence. Evidence-based policy should keep in mind the chain of links between the local processes which have resulted in population decline, the ultimate goals of zonal policies, and the 'intermediate outcomes' which play a key role in evaluating progress.

Several key questions, more broadly elaborated in the report, need to be considered when designing a place-based approach to rural population decline:

- Should increasing population numbers or re-balancing age-structures within an area be considered a priority in setting policy goals?
- Should repopulation policy address narrow repopulation goals, or wider and more complex social, economic and community processes underlying and resulting from population change?
- What are the implications of the overarching objectives of a 'repopulation' initiative for how it is targeted – how boundaries are drawn?
- How can interventions be tailored as 'smart' responses to the specific local drivers of decline, and to place-specific opportunities for revitalisation?
- When considering the 'activity space' required by the population nurtured by a repopulation zone how can a forward-looking perspective be woven in, taking account of changing working practices, commuting styles, technological innovations, and connections etc.?
- How can spatially targeted repopulation policies, and the configuration of zones, better take account of barriers to the development of sustainable communities in remote rural areas? For example, the need for affordable housing, good quality employment, accessible services, and improved infrastructure (for both information technology and transport).
- Since the consequences of 'complex shrinking' impinge on a broad range of policy areas, how can synergies between zonal population interventions and a broader policy landscape be maximised?
- How can repopulation zone policies avoid unintended effects commonly associated with spatially targeted interventions, e.g., 'displacement' of population from adjacent areas?

<u>Understanding patterns of population change</u>

The report reviews and updates key findings on rural depopulation from previous EAG analysis. It then explores an alternative 'narrative' perspective which allows for greater recognition of the importance of unique geographical contexts and past development pathways.

Our updated analysis of Small Area Population Estimate (SAPE) data, filtered through the Scottish Government's eight-fold Urban-Rural classification, is broadly in line with our previous findings. *Remote* rural areas on average have seen continued decline and ageing of population, whilst in *accessible* rural areas, populations have increased, and have a more balanced age structure. Within remote rural areas, populations drift towards (but often not *into*) small towns and villages.

The data-zones which are, on average, most severely affected by negative population trends are in 'sparsely populated areas' (SPA), very remote rural areas, and very remote small towns. Least affected are accessible rural areas. Thus, the pockets of depopulation which are the legitimate subject of targeted [rural] policy *tend* to be in the more remote and sparsely populated parts of Scotland. Very remote small towns stand out as facing especially urgent challenges.

And yet, generalisations mask a rich tapestry of specific local experiences and narratives. As noted above policy responses need to address wider social and economic processes of decline (complex shrinking), which occur within more extensive 'activity spaces' and beyond tightly defined zones. Policies developed to mitigate population decline in particular places need to take account of their wider geographical contexts and unique historical development paths.

The report provides detailed insight into the dynamic and evolving nature of population numbers and settlement patterns within Scotland since the 1960s. We demonstrate that declining population is not confined to rural areas and that populations in many rural local authorities have grown in recent decades. We explore nuanced patterns of population change within local authority areas and find that from the 1990s the former general pattern of mainland rural decline became much more localised.

We also examine the situation on Scotland's many islands and find that the number of islands which experienced a significant decline in population between 2001-2011 was much fewer than had been the case in most previous decades, with some experiencing significant recovery. Nonetheless a significant number of island populations have continued their long-term decline. These historically shifting patterns of change require us to think about places as existing in a dynamic relationship with wider geographic contexts, as well as with social, cultural, and economic developments.

Whilst natural change (fewer births than deaths) remains the dominant driver of population decline and ageing in rural Scotland, movements of people between locations also play a significant part. In policy terms, migration is also a factor more open to influence from interventions by local or national governments. Many of the historical fluctuations noted above are driven by shifting patterns of local in- and out-migration. Contrary to an intervention logic based around economic growth, however, and perhaps especially in the contemporary digital and global era, movements are not only driven by new employment opportunities physically located within a particular community. We consider other socio-economic, demographic and cultural developments which may underpin new movements of people to rural Scotland. These include retirement and 'life style' migration as well as contemporary shifts in work patterns including increased 'working from home' and medium-to-long-distance commuting.

Meanwhile, economic, infrastructural, and social developments elsewhere can have a significant impact on localities. This challenges us to think of local lives taking place within 'activity spaces' which expand well beyond administrative and even physical geographies. The interconnectedness of places, the ways in which these can influence people's choices about where to live and work, and the ways in which they organise their lives within those places, pose challenges for zonal or place-based policy making.

Two Approaches to Spatial Targeting

The report presents two contrasting approaches to spatial targeting, each linked to specific policy paradigms and intervention logics. The first has been much influenced by neo-classical economics and support for targeting, monitoring and evaluation by quantitative indicators. The second is influenced by a more holistic 'place-based' view of rural/regional development, with an emphasis on well-being and inclusion, through maximising all forms of 'territorial capital' (economic, human, social and environmental).

Our two examples of targeting methodologies represent these contrasting paradigms. They are presented not as a basis for policy decisions but as demonstrations of alternative methodologies. Readers should note the associations of each with specific policy paradigms and that a mismatch between targeting approach and broader policy goals will raise challenges in implementation.

i) An 'objective', quantitative approach

First, we consider the potential of the small area population estimate (SAPE) data as a basis of objective indicators of geographical patterns of population change, which may in turn provide a robust and quantitative means of targeting policy.

We acknowledge that when analysing geographical patterns, the size and configuration of the spatial units are extremely important. Aggregating phenomena to larger or smaller areas, and changing the boundaries, can change the 'picture' revealed in the map, and consequently the interpretation of the process behind it, or the policy based upon it. There is arguably merit in using the (geographically) most detailed data available, in this case the SAPE. However, the fragmented pattern which emerges makes the identification of target zones for policy problematic.

Furthermore, we accept the validity of policy based upon *complex* shrinking processes, and the need to 'capture' the spatial patterns of behaviour of the population, rather than just the location of their residence. This suggests a need for policy 'zones' which encompass the 'hotspots' of population shrinking, but also reflect, as far as is feasible, the 'activity spaces' of the residents within the target data-zones.

With these caveats we present an illustrative analysis of how target areas could be identified through measuring the duration (number of years since peak population) and intensity (average annual population change since peak year) of population shrinkage.

We demonstrate that small towns generally have a longer *duration* of shrinking than rural areas, and that population decline has been going on longer in very remote small towns and remote/very remote rural areas. The smallest share of data-zones which have lost population for more than a decade is in accessible rural areas. A much greater share of data-zones in very remote small towns exhibit the most *intense* shrinking whilst the share is lowest amongst accessible rural data-zones.

To illustrate how such data may be used to identify a set of data-zones most affected by sustained population decline we combine the duration and intensity criteria. Once

again, the very remote small-town category stands out as the most severely affected, with accessible rural data-zones at the opposite end of the spectrum.

A further step towards identifying potential policy target areas would be to calculate the share of data-zones defined as shrinking (and the associated population share) within commonly used administrative areas. For illustrative purposes we apply this procedure to Scotland's 32 Council Areas, and the 47 travel-to-work-areas, however, we acknowledge serious problems with both as spatial units for targeting policy.

To reiterate, our findings are not intended as a recommendation for selection of zones for repopulation policy. They provide an example of an objective methodology for selecting target areas, which compares all parts of rural Scotland with consistent criteria. The benefits of using SAPE as an evidence base include ease of monitoring, with the potential to adjust the target area in response to changing population trends.

ii) A more integrated, narrative approach

An alternative methodology uses the statistical evidence in a more holistic and flexible way, to provide a more colourful 'pen-picture' of specific areas, integrating wider contextual information and the legacies of historical trends. The report offers illustrative examples of both island and rural mainland areas which might be the subject of repopulation policy. We draw attention to challenges for spatially targeted initiatives, and to local assets and characteristics which offer potential for effective interventions.

These examples explore the contemporary complexity of identifying boundaries and choosing the most appropriate types of policy intervention. As population decline has become much more localised and focused on quite limited spatial areas, with diverse causes and possible mitigations, the boundaries of the most seriously affected localities are increasingly hard to match to standard administrative or statistical units.

Moreover, affected localities, their population trends and residents' lives are situated within complex and dynamic linkages to other places. This has significant implications for both the possibilities of zonal population initiatives and the physical and social space to which any policy action might apply. Focusing action within a single or a small cluster of data-zones which meet one or more of a particular set of qualifying criteria may have only a limited effect. The diversity of outside influences in different places implies that any proposed zonal policy would need to have very flexible qualifying criteria.

Applying Zonal or Place-based policies in practice: Lessons from historical and international experience?

The report presents lessons from practical applications of zonal or place-based policy by reviewing previous experiences with economic and industrial zones in the UK and international examples of place-based policies aiming to address population challenges.

i) Lessons from the past: Special Development Areas and their successors

The Special Areas (Development and Improvement) Act (1934) and its successors over several decades sought to manage uneven economic performance in different parts of the country by targeting areas with very high unemployment rates. The policy goal was to address regional socio-economic inequalities with only minor regard for the impacts on population size and movement. Policy interventions attempted to 'steer' industry and economic development towards target areas across large parts of UK, including Scotland. This was to be achieved through a variety of concessions on taxes and rents and Government funding to support development in target areas, as well as increased oversight and constraints on industrial development in the booming South-East and Midlands.

With a few notable exceptions, the selection of areas for intervention was based on negative criteria of high unemployment rates and economic depression, rather than on an assessment of development potential. The rigid application of thresholds created unanticipated problems and disincentives to investment as relatively modest successes could push an area to be deselected. There was also discontent over areas which were not included while their immediate neighbours were.

Whilst the policies had some success in creating jobs and attracting industrial development to target areas, they have been widely critiqued both at the time of their application and in retrospect. We draw together some overarching lessons as follows:

- Application for support should be simple with an approval system that is capable of rapid response if a new opportunity arises.
- Applications should provide evidence that population has declined and why but also reasons why it may continue to do so unless support is given.
- Proposals which build on already existing new activity will be more likely to achieve their aims, and a demonstrable ability to build on existing activity might be a criterion for support.
- A clear demonstration of local leadership and local support is essential.
- Items eligible for support should be defined widely and supplementary support of a different kind might be required as successful initiatives develop over time.

If (notwithstanding the cautions outlined in the previous sections) an approach based on zones with 'hard' statistically defined boundaries is preferred, the SDA experience suggests some further pitfalls to be aware of:

- The selection of areas should be based on a small number of basic numerical criteria, the figures for which are unambiguously and easily obtainable from official sources. Within these criteria, however, there are advantages in not having flexible boundaries on the upper or lower limits to the size of 'zones' that may be included.
- A clear process is needed to judge when and how to 'end' designations as a 'zone' if areas move out of these criteria, to avoid there being a 'penalty' for success? A minimum timescale could, for example, be specified before a zone can be removed.

- The boundary of a zone needs to be clearly justified with reasons why any spatial unit is either inside or outside it. A particular issue for population zones would be whether to include or exclude a town that is within or on the edge of a zone.
- There is a danger that if a special inducement is given to a zone, spatial units in its immediate proximity will suffer disadvantages.
- New incentive policy for selected areas should not be combined with attempts to restrict activity in unselected areas. However, disincentives within a population development zone might be feasible if applied with care.
- Evaluation criteria should allow a multi-year (probably minimal five-year) timescale with intermediate deliverables for earlier evaluation.

ii) Lessons from international experience

The report examines examples of place-based policies aiming to address population challenges from four European countries (France, Germany, Italy and Spain) and from Canada. These are:

- The Italian *National Strategy for Inner Areas* (SNAI), in existence since 2012. This spatially-targeted programme combines top-down and bottom-up elements. SNAI provides national support for local development efforts in 72 small scale target areas. This has recently been accompanied by a national debate about the role and prospects of remote rural areas, and the establishment of a 'cultural association' which champions the potential of 'inner areas', highlighting their neglect in mainstream economic narratives of urbanisation and globalisation
- Spain's *National Strategy against the Demographic Challenge*, published in 2017. The National Strategy sets goals and responsibilities for regional governments in a way which could be described as "demographic proofing". Within Spain's complex national and devolved governance and policy landscape, there are many examples of community and third sector initiatives to address rural depopulation. However, there has been a weaker response at the level of the Autonomous Regions. Only Aragón and Castilla y León have developed plans to deal with rural depopulation, neither of which have resulted in much practical implementation.
- Germany's national strategy "*Every age counts*", was published in 2012, and revised in 2015. The strategy has four stated goals: to increase economic growth potential; to promote social and societal cohesion; to promote the equality of living conditions in the regions; to ensure solid finances - for the state's ability to act and the reliability of the social security system. Since 2018 this demographic strategy has become a key component in a wider national strategy to address geographic inequalities. However, a complex and crowded governance and policy landscape, involves state, county and municipal administrations, third sector organisations, voluntary and community groups, as well as multiple funders and projects. This has led to scepticism about policy effectiveness, 'project fatigue' and push-back against top-down administrative complexity.
- The French '*Rural Agenda',* a national strategy launched in 2019. Whilst not explicitly a repopulation policy, the Rural Agenda includes an underlying goal to mitigate and adapt to rural depopulation. The strategy emphasises rural territorial potentials, and the role played by local human and social capital in discovering

smart responses to shrinking. It supports an equal right to live and to receive basic services in all rural areas. The strategy illustrates shifting policy priorities away from precise demarcation of zones and a quest for economic growth, towards recognition of subjective motives for moving (or staying) and an emphasis on spatial justice and citizens' rights.

- Canada's '*Rural and Northern Immigration Pilot*' launched in 2019. Based on collaboration between federal government, local communities and local economic development organisations, RNIP is an 'economic migration stream' which aims to attract and retain newcomers to Canada's rural and northern communities. The pilot sets out to test a new approach to immigration selection and improve retention through a focus on welcome and social integration. The pilot has not been in existence for long enough to assess its success. A very early evaluation has raised issues related to: the challenges of drawing community boundaries, engaging with all members of the community, community capacity to undertake the various tasks/roles, issues related to funding and federal government-local collaboration .

Through a closer examination of these 5 examples, we explore similarities and differences between conceptualisations of shrinking, and approaches to tackling it. We consider strengths, weaknesses and challenges in the way interventions are implemented, drawing out lessons for Scotland.

It is important to acknowledge the significance of changing and distinctive policy contexts, and to compare the various ways in which the diagnosis of the demographic 'problem' is presented. Our examples reflect a shifting 'zeitgeist' in European policy frameworks from a neo-liberal economic mindset emphasising competitiveness and growth driven by innovation towards a focus on 'softer' goals measured in terms of well-being and inclusion.

The characteristics of specific policies are also shaped by national political traditions, local governance arrangements, and welfare regimes. These differences must be acknowledged in drawing lessons for Scotland, with its own rich and unique local policy history. Whilst this necessitates sensitivity, it does not invalidate the huge benefits which may be garnered from international comparisons, and an awareness of how rural 'repopulation' policies are carried out elsewhere. However, the constraints to comparability, and the need to adapt to national and local specificities must not be forgotten.

With this caveat in mind, we present the following key lessons for Scotland:

1. **Approaches to spatial targeting:** The five examples exhibit a range of approaches to spatial targeting. Both the Italian and French examples show a gradual shift from a mainly quantitative approach to identifying clearly delimited zones, to one where such zonal delimitation is less of a necessity. Hard boundaries are perhaps less appropriate in the context of approaches which address less tangible social issues, well-being, and spatial justice.
2. **The importance of coherence:** The German example illustrates very clearly a danger associated with zonal approaches to repopulation policy. Western European countries, including Scotland, have complex and sometimes cluttered

local policy landscapes. National, regional and local policy stakeholders should consider very carefully whether introducing yet another layer of intervention will deliver additional benefit. Interaction between policies is not always positive and 'coherence', both horizontally and vertically is vital, but hard to achieve in practice. These are crucial considerations before introducing zonal repopulation policies in Scotland.

3. **'Demographic Proofing' tends to be passive and is potentially 'toothless'.** The risk of words not being followed by effective action is well illustrated by the Spanish example. Whilst a 'proofing' approach in theory addresses the need for coherence, unless it is accompanied by actions and delivery, it is unlikely to have much impact.
4. **Shifting policy goals:** All of the European examples indicate a reorientation of policy away from maintaining or increasing population numbers towards a focus upon well-being, and social/spatial justice, emphasising citizens' rights to basic services wherever they wish to reside.
5. **Responses to ageing should not be neglected:** Age-group specific interventions can address the balance of migration whilst delivering psychological benefits and enhanced well-being.
6. **Local community involvement in policy design and implementation is crucial:** Intensive consultation, or better still, involvement in decision making ensures effective tailoring of interventions, and encourages 'buy in' and commitment.

To conclude, tackling Scotland's population concerns is clearly an important policy issue. Changes in people's individual behaviour, shifting local dynamics and new policy conversations emerging in this post-COVID period offer opportunities for a forward looking, collaborative approach. Repopulation zones, or alternative kinds of place-based policymaking may support innovative interventions. However, the implications, and potential for unintended repercussions, of any approach need to be carefully thought through, with goals and intervention logics clearly defined. We have suggested some key principles to follow, grounded in historical and international examples, which we hope will be instructive.

Introduction

Introduction

The concept of ‘repopulation zones’ has emerged in Scotland over the past 2-3 years, initially as an initiative of the Convention of the Highlands and Islands (COHI), and subsequently picked up in the 2021 SNP manifesto, as a commitment to investigate their effectiveness in “supporting settlement across Scotland” (Scottish National Party 2021). Scottish Government then committed, at the Convention of the Highlands and Islands in October 2021, to undertake exploratory work into the concept of repopulation zones. Although widely used across the developed world in the past in the context of regional or urban development policy, ‘zonal approaches’ are less common as a response to the issue of (rural) population retention. The objective of this report therefore is to review the concept of zonal policymaking as it has been defined and used in the past and to explore how it could be applied in the context of repopulation in rural Scotland. In doing so we consider related concepts of ‘[neo]endogenous development’ and ‘place-based policy-making’ more commonly referred to in the (academic) literature on rural development, and discuss the potential challenges and outcomes of developing zonal policy interventions as a response to Scotland’s rural population challenges.

Although our brief is to consider interventions which are focused and implemented within specific localities, these inevitably interact with ‘horizontal’ policies, which respond to the challenges facing particular industries, or social groups in rural contexts, for example agricultural, economic, industrial, health and social care, or education policies. It will also be helpful to maintain a distinction between spatially targeted assistance and wider regional and rural policy, although again, the impacts of these cannot be dismissed as important elements of the context of zonal or place-based interventions.

The task is not to recommend specific policy choices for Scotland, either in terms of types of measures, or their spatial targeting, but to articulate what are often tacit questions and assumptions regarding intervention logic, and to enrich and structure the evidence base, in support of the ongoing policy dialogue between the Scottish Government and other actors (both in the public and ‘third’ sectors) at regional, Council, and community levels.

The COHI Initiative

COHI (Convention of the Highlands and Islands) is a forum for local government, a development agency (HIE), other public sector service providers and agencies, and the third sector. The Scottish Government fulfils a convening role for this group. Recent meetings (twice yearly in March and October) have been chaired by Ministers, and the minutes (together with supporting documents) are made available through the Scottish Government website.

The origin of the Repopulation Zone initiative was a document produced by three Councils (Western Isles, Argyll and Bute and Highland) and HIE for the COHI meeting of March 2020 and re-submitted in October 2020 (Convention of the Highlands and Islands, 2020). The initiative was timed to coincide with the publication of the Scottish Government’s population strategy document (Scottish

Government, 2021), and led to the establishment of a working group, the main members of which were the three councils and HIE, plus North Ayrshire council. (*Note: the group's activities have been documented in detail in three subsequent 'update' documents, presented in the meetings of March and October 2021, and March 2022*) (Convention of the Highlands and Islands 2021a; Convention of the Highlands and Islands 2021b). The concept of Repopulation Zone (RZ) first appeared in an update of the original document for the March 2021 meeting and is presented in greater detail in the update of October 2021.

The main characteristics of RZs as conceived by the COHI working Group are:

1. They are intrinsically place-based initiatives, focused upon closely bounded areas of population decline. Four such areas are proposed in the October update:
    - Outer Hebrides: Uist
    - Highland: North West Sutherland
    - North Ayrshire Council: Arran and Cumbrae
    - Argyll & Bute: Tiree & Coll, Kintyre (Tarbet to Southend), Rothesay and the Rosneath peninsula
2. The way in which the list is presented, and the use of the term "locally led population pilot interventions", suggests that each RZ will be managed by the relevant local Council.
3. Again, the impression is given that each RZ will have a repopulation programme which will comprise a mix of existing measures, already part of Council activities, some of them "boosted" in the RZ area, together with new measures, specific to the RZ.
4. These measures are organised into 5 thematic groups: (i) Housing, (ii) Jobs, (iii) Critical Infrastructure – Transport and Digital, (iv) Access to public services, (v) Talent Attraction, Retention and Return.
5. Each of the Councils and HIE will employ 'resettlement officers' to support in-migrants in various ways.

A further update in March 2022 gives an impression of the current state of play. Whilst each of the four councils is developing at its own pace and with slightly different mixes of activities, the frequency of interaction between them reflects the commitment to information sharing, and an openness to suggestions. Both the update, and the subsequent discussion make clear that the RZ initiative is not viewed as a 'standalone' response to demographic change. Rather it is fully integrated with various other actions which tackle complex and interdependent demographic, economic and social challenges. This holistic approach is well summarised by a concluding comment made during a presentation from Highlands and Islands Enterprise:; "*the primary issues remain housing, transport, connectivity and increasingly energy and grid connectivity. … these remain the really wicked challenges that we're facing in these areas of depopulation."* (COHI 2022b)

The transcript of the subsequent discussion reveals that the representatives of the various councils and agencies are very aware of the link between population change and the wider economic and social development processes and view the causal link as 'two-way'. It is not just that population retention *depends upon* the creation of

opportunities for economic activity. Those seeking to promote business development perceive population decline, and the associated human capital shortage as *a brake*, or a *hindrance*, likely to deny them success.

Structure of the report

This report is structured as follows: In Section 1 we reflect upon the concept of 'repopulation policy', the underlying goals which can drive different 'repopulation' approaches, and different styles of spatial targeting. The section ends by presenting a number of key questions for consideration regarding the goals, challenges and potential of place-based *or* zonal repopulation policy. Section 2 begins with a brief summary of the pattern and trends of local population change in Scotland for which zonal policies have been envisaged as a response, presenting two perspectives which highlight some challenges in determining a spatial focus for 'repopulation policies'. This leads into Section 3 which presents two contrasting approaches to the targeting of policy; zones with hard boundaries defined by quantitative indicators, and a more flexible, holistic, "place-based" approach. Section 4 first explores historical examples of zonal or regional policy-making as applied to economic development within the UK and then considers 5 case study examples of spatially targeted policies designed to address rural population challenges in other national contexts. In each of these subsections we highlight a number of strengths and weakness and emphasise lessons to be learned from historical and/or international practice, framing them for consideration by the various actors across Scotland's complex system of governance.

1

‘Repopulation’ policy and the potential of place-based approaches

1. ‘Repopulation’ policy and the potential of place-based approaches

Scotland is not alone in exhibiting a rising interest in population trends and related policy. Concern is manifest across the developed world. Total fertility rates across most of Europe are now well below replacement levels, and nobody really knows whether what lies ahead for national populations is a steady state, or a slow decline (Sato and Yamamoto, 2005, Coleman and Rowthorn 2011, Lutz and Gailey 2020).

In the European discourse the adjective ‘shrinking’ is a popular shorthand for population decline. The term was initially applied to cities but has since become common usage in relation to regions or rural areas (Müller and Siedentop 2004, Grasland 2008). A recent report (ESPON 2020) found that almost two-thirds of rural regions[1] across Europe, containing 40% of Europe’s population, are ‘shrinking’. However, although all these regions had similar outcomes in terms of population trends, it is crucial to recognise that the economic and social processes underlying this shared experience are far from uniform. Another way to describe this is to distinguish ‘*simple shrinking*’, the demographic process driven by natural decrease and migration - from ‘*complex shrinking*’, which embeds population change into a multi-faceted economic and social spiral of decline (Sepp and Veemaa 2017). The ‘narratives’ which describe these wider shrinking processes, and their drivers, are highly variable between specific geographical, cultural and political contexts. This is obvious, for example, when comparing shrinking processes in the Baltic States, or other former socialist EU Member States, with those of western Scotland. It is equally true, though on a different scale or level of detail, when comparing different localities *within* Scotland.

It has been suggested (ESPON 2020) that the drivers of complex shrinking observed across a range of European rural contexts fall into four categories:

- Economic restructuring
- Locational disadvantage
- Peripherization[2]
- Disruptive Events and Political/Systematic Transitions

Combinations of two or more of these drivers are common.

As population outcomes have risen up the (rural/regional) policy agendas of many developed countries, there has simultaneously been an increasing appreciation that what systems theorists call ‘*equifinality*’ (similar outcomes from different drivers and processes), implies a need for place-tailored policy responses to unique local or regional narratives of decline. There are very few examples of interventions which are purely targeted on the components of population change. The vast majority of policies which tackle population change (such as those described in Section 4.2)

[1] Defined as predominantly rural and intermediate according to a Eurostat urban-rural classification.
[2] Defined as a process through which a locality (even if relatively accessible in geographic terms) becomes increasingly disconnected from the global economy. Not to be confused with the locational disadvantage of peripherality.

attempt to disrupt the locality's, or region's, systemic socio-economic cycle of decline.

1.1 Reconsidering policy goals – towards Strategic Mitigation

As in the realm of climate change, there are, broadly speaking, two options in terms of policy responses to population decline; *mitigation* (changing the trend) and *adaptation* (living with, or neutralising the effects of decline). An extreme form of adaptation, which has been advocated in both urban and rural contexts (Rink et al 2009, Hollander and Németh 2011, Peters *et al.* 2017) is 'smart shrinking'. However, such approaches are not popular with democratically elected representatives, since they are difficult to sell to voters (Syssner 2016, 2020), and reminiscent in the UK of County Durham's controversial Category D villages (Pattison 2004).

In this report our focus is primarily upon *mitigation*. However, it is important to keep in mind that day-to-day service provision management and decision making by Scotland's rural Councils, public sector agencies, private companies, and the third sector are, to a considerable extent, *adaptation* responses, aimed at neutralising the additional costs associated with a declining number of sparsely distributed service users.

Even if mitigation is the objective, there is scope to vary the ultimate goal of intervention, whether explicitly articulated, or implied. The conventional thinking in rural development circles has always been 'growth is good', and depopulation is something which prompts corrective interventions. Similarly, an unbalanced age structure has been seen most commonly as a problem, not an opportunity. Policy documents, at local, regional and even national level tend to set population *growth* as a goal, even if there is strong evidence to suggest that this is unrealistic. However, a number of euphemisms for adaptation are beginning to creep in, especially in international contexts, where the pressure of democratic consequences is less direct. Thus, the European Commission's Long-Term Vision for Rural Areas (EC 2021) talks of "balanced territorial development", whilst the OECD's Rural Policy 3.0 (OECD, 2019) talks frankly of "adapting to demographic change", whilst shifting the focus to economic resilience and well-being. A 'top-heavy' age structure has been seen as bringing potential for developing a 'silver economy' in European contexts (Klimczuk 2016, EC 2018), including Ireland (Lenihan and McGuirk 2022).

From an academic perspective a similarly pragmatic view is expressed by Pinilla and Saez, who argue against "defining fascinating goals which are impossible to achieve, as if we were able to change structural and global trends" (Pinilla and Saez 2021). For sparsely populated areas, they propose, "the relevant question is not how many people live there. In a digital and global world, thresholds are changing every day. The question is whether people are able to live in a remote rural area because they want to live there. A better life in remote rural areas is the objective, how many is the consequence" (Pinilla and Saez 2021).

Recent Scottish Government documents have nuanced objectives away from the pursuit of growth in all contexts. For example, the National Islands Plan seeks to "address population decline" and "ensure a healthy, balanced population profile" (Scottish Government 2019). The Population Strategy talks of "maintaining a

sustainable balance of people across Scotland's urban, rural and remote areas…" (Scottish Government 2021).

The EAG has previously put forward the concept of 'strategic mitigation' as an appropriate goal for rural and remote areas. In our fifth report, which explored the options for a rural visa pilot scheme, the concept was presented as follows: "We use this term to capture the insight that a scheme to attract international migration to remote and rural areas should not aim to achieve one-to-one 'replacement migration'. Rather, it should focus in a more targeted way on attracting migrants with the skills and profile that would best address the social and economic challenges created by population decline" (EAG 2021). The goal of strategic mitigation when thinking about rural population policies more broadly would be to ensure continued economic and social viability for communities. This does not imply repopulation or stabilisation of all localities, artificially blocking the evolution of settlement patterns in a changing technological and mobility context. Success would primarily be measured in terms of community well-being rather than demographic or economic growth.

1.2 Intervention logics, Exogenous vs Endogenous approaches, and styles of spatial targeting

At the end of this section, we pose a series of questions, highlighting issues which need to be considered when designing a place-based approach to rural population decline. Some of these imply clarification of goals or relate specifically to the process of defining zones and boundaries. Others are more generic rural policy considerations, which apply even if spatial targeting is more flexible. They point to the fundamental concepts and principles of *intervention logic* which are briefly considered here.

Intervention logics are the conceptual frameworks which connect policy actions to the understanding (or assumptions) about the nature of the problem addressed. Ideally these are explicit, and carefully thought through, in a step-by-step, structured, way. In practice there is a risk that they are implicit or based upon assumptions rather than evidence.[3] Very detailed and elaborate intervention logics are sometimes presented in the form of 'theories of change' (Connell and Kubisch 1998, Taplin and Clark 2012, Blamey and MacKenzie 2012, Vogel 2012, Stein and Valters 2012). Although this level of detail is inappropriate in the context of this report, it will, nevertheless, be helpful to keep in mind the chain of links between the local processes which have resulted in population decline, the ultimate goals of zonal policies, and the 'intermediate outcomes' which are the stepping-stones between. The latter also often play a key role in evaluating the progress achieved by an intervention.

A plethora of generic intervention logics have featured in initiatives to combat population decline in rural Scotland, and they have evolved over time. For historical reasons land ownership issues were the starting point of the earliest response (i.e.

[3] See for example Annex 4 for a detailed analysis of satisfaction with service provision as a potential driver of rural depopulation and discussion of how a closer analysis of assumptions might assist in defining the most effective types of policy intervention.

the crofting legislation). Later, agricultural policy combatted depopulation by Hill Livestock Compensatory Payments to farmers, who, it was assumed, would otherwise drift away to take up urban employment. From the middle of the last century the Highlands and Islands Development Board sought to reverse the decline by attracting large scale industrial investment (in aluminium, pulp, and, more recently, renewable energy), based on the assumption that the 'Highland problem' was rooted in its economic structure, and lack of manufacturing activity. Transport infrastructure improvements reflected a logic about accessibility and transport costs (Copus 2018). Growth pole theories and spread effects were also important at this time, and have an enduring appeal for regional policy makers, remaining at the heart of the city-region programme (Copus et al. 2022).

Given the evidence that remoteness is a key common characteristic of shrinking rural areas in Scotland, readers may find it helpful to refer to investigations funded by both the European Commission and the OECD, into the potential of policy to support rural-urban interaction through partnerships (Kawka et al 2012, OECD 2013). These may offer a way to sidestep the disadvantages of a conventional focus on transport infrastructure investments, which though they reduce absolute travel-times, do nothing to reduce *relative* locational disadvantage, and have often resulted in perverse 'pump effects[4]' which exacerbate the weaknesses of peripheral economies (Copus 2001). It has long been recognised that improvements in information technology, and network access also has the potential to reduce the (relative) locational disadvantages of remote areas, and the issue of levelling the playing field in terms of broadband speed is very much part of the current rural policy discourse.

More recent community development initiatives (including LEADER) have sought to strengthen social capital and find 'softer' ways to build development on the basis of the full range of local resources, including the environment and culture. Local stakeholders often point to the shortage of affordable housing in remote rural areas as a key constraint to development.

At risk of over-simplification, it is fair to say that, in Scotland, over the past half century or so there has been a gradual shift from interventions which could be described as '*exogenous*', in that they depend upon the injection of outside resources and expertise, associated with 'top-down', centralised governance, towards '*endogenous*' initiatives which depend upon local human and social capital, and a range of local assets. This trend is a reflection of a wider European gravitation towards what are sometimes termed 'smart' approaches.

It is important to be clear at this point that *smart policy responses* are not synonymous with 'smart shrinking'. Rather we are referring to concepts such as 'smart villages', which have been promoted by the European Network for Rural Development (link). Arguably the smart village initiative is a re-packaging of the previously recognised good practice of building upon local assets and resources (economic, physical, human, and social) through endogenous initiatives, rather than

[4] This term describes the tendency for infrastructure improvements to benefit central places more than remote localities. E.g. A road improvement may encourage the residents of remote villages to travel to a distant supermarket, taking trade away from a village shop, and ultimately undermining its viability.

'top-down' programmes imposed from outside. The smart village approach often (but not necessarily) incorporates new technology and digitalisation. The use of the word 'smart' is reminiscent of 'smart specialisation' (Da Rosa Pires et al. 2014, ESPON 2020), where it conveys the idea of being well-adapted to local contexts and needs. Smart village approaches may be formulated to address a range of long-standing rural development concerns, (geographical disadvantages, remoteness, sparsity, peripheralization, inner peripheries, or capital deficiencies in various forms) which are not necessarily linked to depopulation. However, where they are a response to population decline, they usually focus on sustaining well-being, rather than setting out to reverse the demographic trend. (*Note: The term 'älykäs sopeutuminen' (smart adaptation) has been used to describe municipality-level responses to depopulation in Finland* (Kahila et al. 2021)).

An interesting Scottish application of these ideas is the Rural Housing Scotland/Stòras Uibhist 'Smart Clachan' initiative on South Uist: "*a new affordable housing initiative in response to depopulation and climate change. A Smart Clachan is a development which incorporates energy efficient homes alongside shared amenities, such as a workspace and outdoor space, to enable people to move and remain in the community*"(link). The use of a Gaelic name is significant. It reflects the concern to build an 'intervention logic' which responds directly to the local conditions which have resulted in depopulation, and the place-specific potentials which can play a role in reversing it. This is a crucial element of 'smart' policies.

In parallel with the shift away from exogenous approaches, towards place-based interventions which are developed *for* and *with* local communities, styles of spatial targeting have changed. At the end of the last century zones with 'hard' boundaries, defined by statistical indicators seemed essential (*Note: Objective 5b of the EU Structural Funds is a classic example* (Copus and Crabtree 1992)). Objectivity of boundaries and the ability to measure impacts were priorities. More recently, perhaps due to the rising popularity of qualitative research methods, together with an awareness of the complexity of defining 'places' as behavioural arenas, less emphasis has been placed upon defining hard boundaries, and more upon engaging the key actors within a local society and economy.[5]

1.3 Questions arising for place-based or 'zonal' approaches

The foregoing brief review of the recent academic and policy discourse on rural depopulation raises some important questions to keep in mind as policymakers, communities and experts proceed to think more specifically about the goals, challenges and potential of place-based or zonal policy for remote rural Scotland.

- In a medium-long term view, is reducing age-structure effects on natural increase (by expanding population in childbearing ages, and reducing the preponderance of older inhabitants) as important as a simple increase in total population?

[5] The European Network For Rural Development's definition of "smart village" (ENRD 2019) is deliberately flexible in terms of spatial units, roughly equating to "community". Coming at the issue from a different direction there has been some discussion of the concept of 'functional rural areas', as a counterpart to the functional urban areas which are the basis of city-region policy (Copus et al 2021). However functional *rural* areas can at present best be described as a nascent idea, for which there is no generally accepted definition. They form part of the remit of a new Horizon Europe project (RUSTIK).

- Should repopulation policy address simple/narrow repopulation goals, or complex shrinking processes? In other words, should 'RZ' initiatives focus upon restoring head counts, population density or settlement patterns of the past, or upon nurturing self-sustaining communities, which can flourish, providing economic activity and individual/social well-being in a twenty-first century technological context? Does this imply that creative (but sometimes tough) decisions may need to be made, focusing on potential, and facilitating evolution?
- Do these overarching objectives have implications for the way in which a 'repopulation' initiative is targeted – how boundaries are drawn? Is there a need to consider the 'activity space' of the supported community, - i.e. the locations at which economic activity, leisure, service access, and so on, are carried out, - not just the place of residence? We know that many of the areas which are experiencing depopulation are remote from larger population centres, including islands, within which the opportunities for economic activities are severely constrained. Nevertheless, there are also pockets of growth within remote rural areas. Often these are close to, but not necessarily within, small towns or villages. This raises the question of whether delimitation of zones for 'repopulation' policy is simply a process of drawing a line around areas where the demographic trend is negative. Is there an argument for a more creative and multi-dimensional exercise, somehow taking account of the behavioural arena associated with a balanced and sustainable community?
- In terms of the form of intervention which is carried out within the 'repopulation zone', how can it be tailored as a 'smart' response to the specific local drivers of the process of decline, and to place-specific opportunities for revitalisation?
- When considering the 'activity space' required by the population nurtured by a repopulation zone, how can a forward-looking perspective be woven in? This might include taking account of shifts in working practices accelerated by COVID lockdowns, but also anticipating the continued technology-driven evolution of economic activity exemplified by concepts such as 'industry 4.0', (Maja et al 2020) distributed manufacturing, 'zoom towns', (Sodja 2021) and so on.
- How can spatially targeted repopulation policies, and the configuration of zones, better take account of barriers to the development of sustainable communities in remote rural areas, notably the need for affordable housing, good quality employment, accessible services and improved infrastructure (both information technology and transport)?
- Since the consequences of 'complex shrinking' impinge on such a broad range of policy areas, how can synergies between zonal population interventions and the broader policy/governance landscape be maximised?
- Finally, how can repopulation zone policies avoid the unintended effects commonly associated with spatially targeted interventions, notably 'displacement' of population from adjacent areas outside their boundary?[6]

[6] A previous EAG report explored local authority initiatives to attract and retain population and noted a risk of 'unhelpful competition between local authorities, potentially resulting in a zero-sum game to attract migrants from other areas of Scotland' (EAG 2020)

2

Patterns of population change: a justification for local ‘repopulation’ initiatives?

2. Patterns of population change: a justification for local 'repopulation' initiatives?

In this section we describe the pattern of population change across Scotland, and the particular features within rural Scotland which have prompted the COHI RZ initiative and inform the Scottish Government's Population Strategy. We begin by reviewing key findings on rural depopulation from our previous reports, followed by a brief update, and then explore an alternative 'narrative' perspective which allows a greater recognition of the importance of unique geographical contexts and past development pathways. The latter opens up a means to explore issues relating to the 'behavioural arenas', which may be ideal candidates for the spatial units of place-based repopulation policy.

Of the six EAG publications to date, the two which have most to say about rural population trends were the first report (February 2019) "*UK Immigration Policy after Leaving the EU Impacts on Scotland's Economy, Population and Society*", and the 2021 report: "*Designing a Pilot Remote and Rural Migration Scheme for Scotland: Analysis and Policy Options*". The key findings were:

- That rural Scotland exhibits a range of recent population trends, so that generalisations based upon a simple urban-rural dichotomy are unhelpful. Indeed, even the most detailed (8-fold) urban-rural classification inevitably masks considerable local variation.
- Analysis of Small Area Population Estimate (SAPE) data, filtered through the Scottish Government's 2016 Urban-Rural classification, showed that the population of *accessible rural areas*, within commuting distance of the Central Belt, other large cities and major towns, has tended to grow continuously, at rates above the Scottish average, since the turn of the century. Additional analysis, distinguishing Sparsely Populated Areas (SPA) showed that data-zones close to relatively small and remote towns, such as Stornoway, have also experienced population growth.
- *Remote rural areas* also (on average) saw growth until the late 'noughties' but have since experienced population decline. The most remote and sparsely populated areas have seen the most substantial decline.
- The populations of *accessible, remote and very remote small towns* have shown very similar trends to their rural counterparts, though less extreme, i.e. closer to the Scottish average. Thus, both remoteness and settlement structure seem to play a role in determining recent population trends.
- The relatively consistent and coherent trends revealed by this analysis nevertheless belie a very fragmented geographical pattern when mapped at a data-zone level.
- Analysis of the components of population change suggests that the process by which the *remote rural areas* have 'lost' population in recent years is predominantly through natural decrease (more deaths than births) rather than through out-migration.

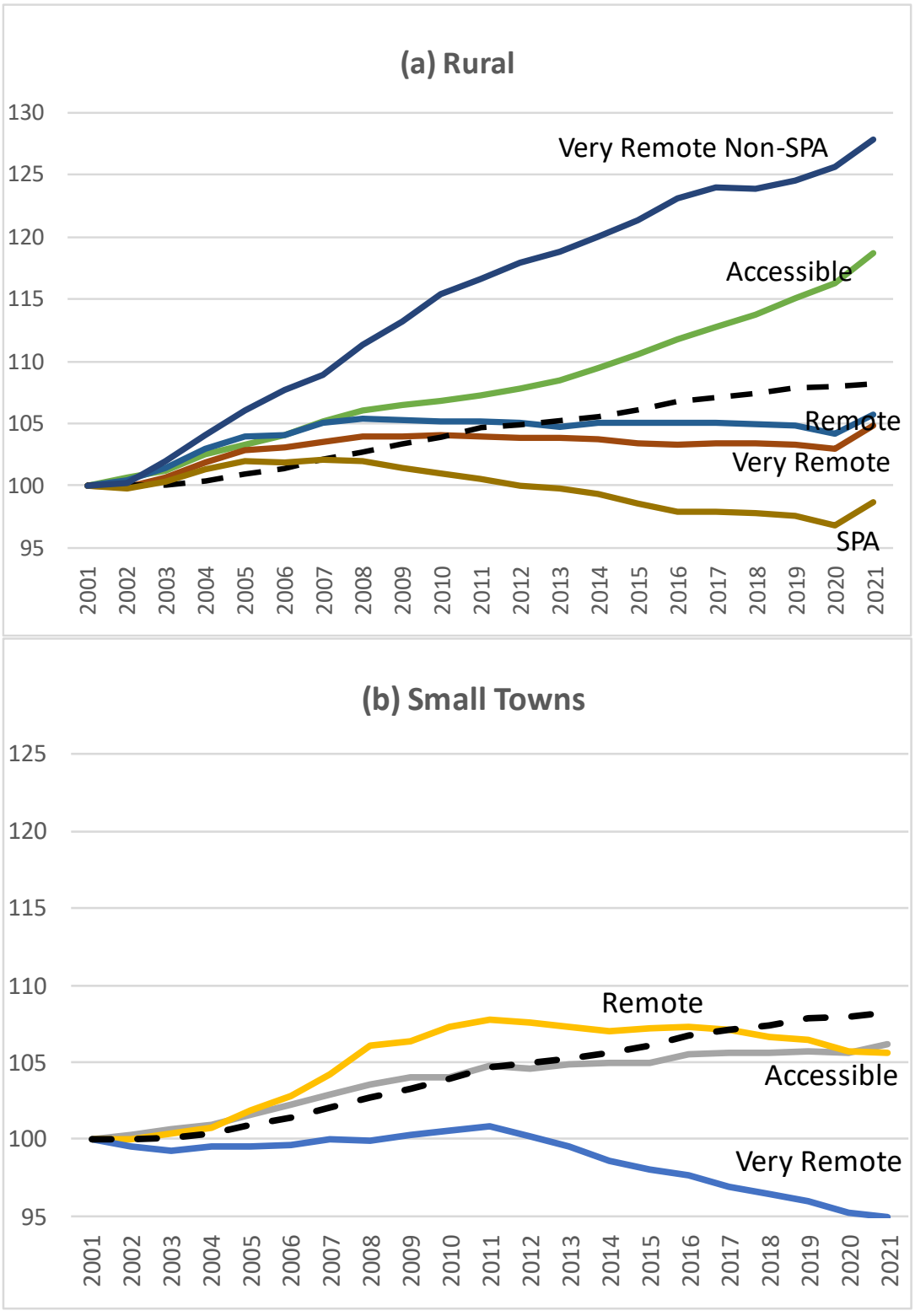
- This natural decrease is a consequence of age structure, which is partly a legacy of past out-migration, partly a consequence of current out-migration being age-selective, and partly due to in-migration of retirees.
- As a consequence of these complex age structure and migration dynamics *remote rural areas* have evolved an increasingly unbalanced age structure, with proportions of children and working age adults below the Scottish average, and an expanding pensioner population.
- By comparison, the situation in *accessible rural areas* is mixed: The share of population which are children is above the Scottish average, but so is that of the over-65s, whilst the share in the economically active age groups is below the Scottish average.
- In *accessible small towns* the age profile is similar to the adjacent accessible rural areas, but closer to the Scottish average.

In very broad terms the analysis suggests that the past ten years have seen, on the one hand, in *remote* rural areas, continued decline and ageing of population, and on the other, in *accessible* rural areas, increase, and a more balanced age structure. However, it is important not to overlook the signs that, within the remote rural areas there is a tendency for population to drift towards (but often not *into*) small towns and villages. When viewed through the prism of more aggregated (i.e., Council Area) data these local dynamics resolve into the East-West contrast described in the 2021 Population Strategy (Scottish Government 2021). Such generalisations, either in terms of 'types of rural' (which, by their nature, cut across economic functional geography) or broad regions of the country, of course mask a rich tapestry of specific local experiences and narratives. These are discussed in more detail in Section 2.2 and Section 3 below and it will become clear that spatially targeted interventions to address population trends need to engage with this level of complexity.

2.1 Updated urban-rural analysis 2011-2021

Figure 1 below is an updated version of graphs which appeared in the EAG's 2021 report "*Designing a Pilot Remote and Rural Migration Scheme for Scotland: Analysis and Policy Options"*. Two things have changed since that report was compiled: (i) the Scottish Government's urban-rural classification has been updated and (ii) small area (data-zone) population estimates (SAPE) have been published for 2021.

Figure 1: Population trends 2001-2021, by 8-fold urban-rural type (2020 classification)



(Source: National Records of Scotland: Small Area Population Estimates)[7]

[7] Notes: i) Estimated by aggregating data-zones classified according to the Scottish Government Urban-Rural Classification 2020 and the James Hutton Institute SPA classification. ii) Black dashed line is Scotland average.

The 2020 urban-rural classification reflects both changes in settlement populations (some towns move across the 3,000 and 10,000 person thresholds which define "small towns" and "other urban" areas) and software changes in respect to the mapping of the travel-times which define remote and very remote areas. As a consequence of these changes a number of data-zones have been reclassified. These changes are detailed in Annex 1.

Despite these reclassification effects, when the new classification is applied to the data-zone population estimates for the period from 2001 to 2020 (Figure 1) the basic profile of (pre-2021) change, and the relationships between rural and small-town areas, remains very similar to that identified in our previous report.

The 2021 SAPE figures, and in particular the uptick in population in remote and very remote rural areas, reflect the (potentially temporary) effects of the COVID-19 pandemic. These are explored to a limited extent in Annex 2. However, in the absence of additional evidence, it is risky to speculate about the exact nature of the changes, and the extent to which they are affected by the SAPE's use of Community Health Index data as an indicator of migration. The 2022 Census data will shed further light on this. Meantime, since the objective of this section of the report is to provide context for the discussion of zonal repopulation policies, our focus will be upon pre-COVID-19 trends.

Presenting the (pre COVID-19) trends in SAPE by urban-rural type highlights the fact that the categories of data-zones which are, on average, most severely affected by negative population trends are in the 'sparsely populated areas' (SPA), the very remote rural areas, and the very remote small towns (EAG 2021). Least affected are the accessible rural areas. Of course, as the maps in Annex 3, and in our 2021 report, show, there is a significant degree of heterogeneity within each of the urban-rural types. However, few would dispute that, broadly speaking, the pockets of depopulation which are the legitimate subject of targeted [rural] policy *tend* to be in the more remote and sparsely populated parts of Scotland. Very remote small towns stand out as facing particular challenges.

Bearing in mind the arguments presented in Section 1 regarding the need for policy responses to address wider social and economic processes of decline (complex shrinking), which are not confined to these pockets of decline, but occupy more extensive 'functional areas', it will be helpful now to turn to a different perspective, which emphasises the local geographical contexts, and unique historical development paths, of depopulating localities.

2.2 Patterns of change within wider historical and geographical context

Much recent work on population change in Scotland, as in many other countries, has stressed the importance of placing local developments within both their wider historical and geographical contexts. Past demographic events and their duration can have significant and long-persisting impacts on population age structures in ways which affect not only current social needs but also future patterns of fertility and mortality and possibilities for intrinsic population recovery. Both the demographic and the social impacts of local rural population declines are likely to be different if they

are occurring within a wider area of similar population change (especially if this also includes their local urban service centres), as opposed to being relatively isolated clumps within an otherwise stable or even growing population context. Any policies developed to mitigate or reverse population decline in particular places need to understand and take account of both these contextual factors.

2.2.1 Situating population change historically

As noted in Section 1, population numbers and settlement patterns are dynamic and evolving, perhaps all the more so in today's digital and global world. In twentieth century Scotland, after four decades of slow growth, the population began to decline in the later 1970s and continued to fall until the end of the century, largely as a result of high levels of net emigration. Since then, between 2001 and 2020, the estimated national population has grown by nearly eight per cent. *(Note that, throughout this Report, we have used 2020 rather than 2021 as our most recent data point, because it is as yet unclear whether a new pattern of change has begun in the latest estimates, or whether the data for 2021 will prove anomalous in the longer term (see Annex 2)).* Within these national figures however, changes have been very uneven. A comparison of local authority areas shows the highest levels of population growth between 1991 and 2020 in East Lothian (28 per cent), West Lothian (27 per cent), Aberdeenshire and Edinburgh (both over 20 per cent). These are followed in order, by Perth and Kinross, Midlothian, Stirling, Highland, Orkney, and Moray (National Records of Scotland, 2021).

Over the same period, by far the biggest and most consistent decline among Scotland's local authorities has been in Inverclyde (more than 14,300 people, almost 16 per cent) with large and continuing falls along almost the whole Clyde coast from Port Glasgow, through Greenock and Gourock and beyond. Other largely urban local authorities with significant population declines include West Dunbartonshire (8.9 per cent), Dundee (4.3 per cent) though with significant recovery in more recent years, and North Ayrshire (2.8 per cent). So, it is important to remember that declining population is not confined only to rural areas.

Indeed, populations in many of Scotland's more rural local authorities have grown in recent decades. However, Argyll and Bute, at almost any level of geography, stands out for its consistent decade-by-decade pattern of long-term losses. Taken as a whole, its estimated population loss in the period 1991-2020, was nearly 8,100 people (8.7 per cent). In percentage terms, this is lower than the loss of over 2,800 people in Na h-Eileanan Siar (9.6 per cent), but that decline was particularly concentrated in the 1991-2001 decade; since then, there have been smaller almost exactly counter-balancing rises and the falls, with a small total fall, estimated at 1.1 per cent, between 2000 and 2020. Dumfries and Galloway, where the population rose by 2.5 per cent between 2001 and 2011, is the only other mostly rural local authority to have seen an authority-wide decline (of minus 1.9 per cent) in the most recent decade. This new situation of growth even in most rural local authorities reflects a fundamental change in the patterning of local population growth and decline across Scotland. For the populations of pre-1975 county geographies, this is illustrated in Table 1, which looks at the percentage of mainland parishes which experienced inter-censal decline from the 1960s up to 2001-2011.

Table 1. Percentage of mainland civil parishes within pre-1975 counties[8] in which populations fell, 1961-2011

	1961-1971	1971-1981	1981-1991	1991-2001	2001-2011	Parishes N=
Aberdeenshire	82	41	55	31	17	83
Argyll	67	33	79	50	67	28
Caithness	70	60	30	50	30	10
Inverness	80	45	75	35	20	32
Ross and Cromarty	52	7	93	48	24	29
Sutherland	67	42	58	67	25	12
Berwick	91	69	50	44	28	32
Dumfries	84	73	30	57	30	44
Kirkcudbright	85	44	56	43	52	28
Wigtown	88	59	41	59	65	17

Prior to the census of 1971 most rural counties had experienced very widespread decade-by-decade population losses, driven above all by high rates of net out-migration, as they had had for most of the 19th century also. Beginning in the 1970s, a clear change began to occur and, from the 1990s, with the partial exception of large parts of Argyll and of Wigtown and some parts of Kirkcudbright, the former widespread general pattern of mainland rural parish decline became much more localised.

The situation on Scotland's many islands has been similar to but slightly different from the mainland. Between 1861 and 2011, the total number of inhabited sea-bounded islands in Scottish waters fell by half to 88, 33 of which had fewer than fifty residents. The number of islands which experienced a significant decline in population between 2001-2011 was much fewer than had been the case in most previous decades. Of the 55 islands with 2011 populations of fifty or more, just 18 experienced any kind of decline in the 2000s, compared with 23 of them in the 1980s and 37 in the 1990s. Some, including Lewis and Harris, and Barra, experienced significant recovery in numbers. Among other notable cases, Mull continued its long-term population growth, boosted to a great extent by significant in-migration of retirees, many born in England, and also by the economic consequences of rising tourism linked especially to visitors to Iona. After a century of decline, Skye also

[8] The data in this table are drawn from the datasets compiled from published census material and mapped up to 2001 in Anderson and Roughley (2018), pp. 58-61. Data are for persons present up to 1991 and for persons resident from 1991. Civil counties were the principal top tier local authority administrative units in Scotland from the medieval period until local government reform in 1975, and their boundaries remained fairly constant from the 1890s. Below them, the only relatively constant units were civil parishes, and NRS has continued to publish census data for civil parishes using 1930 boundaries. Most parishes fitted into a single county, so post 1975 civil parish data can still be grouped into the old civil county spatial units, thus allowing consistent analysis over time. To help to maintain consistency due to subsequent boundary changes over time, a small number of parishes have been paired. Where parishes crossed county boundaries, the whole parish has been allocated to only one county (so that, for example, Ardgour/ Kilmallie, the principal parish for Fort William, is here allocated to Inverness, and Troqueer to Dumfries). Aberdeen and Old Machar are excluded. A few 'mainland' parishes include small islands.

expanded its population. Orkney and Shetland mainlands continued to benefit modestly from oil development, and several smaller islands of their groups saw continued recovery helped by linkages by causeway or bridge to larger neighbours.

But, even in this period of overall positive growth, there was also a significant number of islands where populations continued their long-term decline. Among the larger islands, Arran moved into population decline, and Bute continued to lose population as it had done for most of the previous half-century. Islay, and South and North Uists also saw continued falls, as did Tiree. Among the smaller islands, a particularly notable feature was the continued long-term decline (or at least minimal recovery) in many islands which were multiple-stop (with or without a change) ferry journeys away from mainland Scotland or, where relevant, from Shetland or Orkney Mainlands.

This brief overview demonstrates that when examined over a longer term and at varying geographical scales both demographic trends and the wider contextual factors affecting and affected by them are in fact dynamic and subject to change. Twenty-first century rural Scotland has a much smaller number of areas of declining populations when compared with even the quite recent past, and most of these are very far from towns and offer minimal locally-accessible employment opportunities. Understanding these historically shifting patterns of changes requires us to think about places as existing in a dynamic relationship with wider geographic contexts, as well as with social, cultural and economic developments.

2.2.2 Understanding change in relation to wider contexts

A principal driver of the changes to population discussed above has been significant net population inflows. Migration of EU nationals following the accession of A8 and A2 countries after 2004 has played an important role of course. However, contrary to an intervention logic based around economic growth, other important drivers are not directly related to new employment opportunities physically situated within the communities themselves. Instead, other socio-economic, demographic and cultural developments have underpinned much of the new in-migration. One, which is clearly documented by comparative analysis of population age structures and birthplaces in successive census figures, is in-migration of older people on retirement, or in preparation for it, for example, into Mull. A second, but difficult to estimate the precise extent of its growth until we have 2022 census figures, has been a continued increase in newcomers moving from urban areas in search of a ‘better life’. These moves have been stimulated most recently by better broadband connectivity, enabling more of those who wish to ‘work from home’.[9] A third and likely particularly significant factor has been a major increase in medium and even long-distance car-based commuting to urban areas (it is hoped the 2022 census will provide data to explore this trend in more thoroughly). A Highland Council study of commuting into Inverness, based on 2011 travel to work data, showed that less than 50 percent of those employed in the city actually had homes in Inverness, whilst just over 50 percent travelled to work there, coming from 88 per cent of all the ‘settlement zones’

[9] The 2011 census already found more than 30 per cent of workers in one in seven of Scotland’s parishes, almost all of them remote and rural, working from home.

in Highland. At least one in seven travelled more than 30 kilometres in each direction (Highland Council, 2015). From the opposite perspective in 2011, in more than one in eight of Scotland's parishes, over 20 per cent of the working population travelled at least 30 thirty kilometres to work, and there were 14 parishes, mostly but not exclusively in remotest Highland, where at least 10 per cent travelled more than 60 kilometres (Census of Scotland, 2011, Parish Data).

This kind of growth in the amount of medium and even long-distance daily commuting to work is facilitated by significant developments in both physical transport and digital communications. This in turn allows many more people to choose where they live on the basis of life-style preferences and housing costs. An ageing population includes a growing number of people who are living on pensions which do not tie them to any particular locality, whilst high-speed internet working allows some people to work for employers far distant from their home location, at least most of the time.

The other side of this is that developments elsewhere can have a significant impact on localities some distance away from them. The attractiveness of living in an area can be affected significantly by the availability, opening or closing of businesses, retail or infrastructure services in places which may be some distance from their homes. The arrival of supermarkets in towns sometimes many miles away which nevertheless offer home shopping deliveries, can make it easier for people to live in remote areas, but may also undermine the viability of local shops. Closure of a major employer does not just impact on its immediate community. The Highland Council 2011 travel to work report cited above (Highland Council, 2015) found that almost a quarter of workers in Reay (the location for the Dounreay nuclear facilities) commuted more than thirty kilometres to their work. The impact of its rundown therefore spread over a wide surrounding. Changes in public transport routes between towns or islands can also impact, positively or negatively, on communities along the routes, and wider initiatives like the North Coast 500 offer spin-offs which do not originate in the local community. All of this challenges us to think of local lives as taking place within 'activity spaces' which expand well beyond administrative and even physical geographies. The interconnectedness of places, the ways in which these can influence people's choices about where to live, and the ways in which they organise their lives within those places, pose challenges for zonal or place-based policy making.

3

Approaches to Spatial Targeting

3. Approaches to Spatial Targeting

In this section we present two contrasting approaches to spatial targeting of policy to address negative population trends. As suggested in Section 1.2 these two approaches to targeting roughly correspond with two periods in the evolution of rural/regional policy paradigms, and two, roughly parallel 'fashions' in applied research.

During most of the period in which this evolution took place the UK was a member of the EU, and although policy here (especially in Scotland) has enduring distinctive features, it has not been unaffected by the European 'zeitgeist'. This influence was clearest in the context of the Second (rural development) Pillar of the Common Agricultural Policy and in the implementation of European Structural Funds.

In broad terms the initial phase of this evolution was characterised by a strong emphasis upon economic competitiveness, driven by innovation and entrepreneurship, and evidenced mainly in terms of job creation and economic growth (defined in terms of GDP). This approach was exemplified by the 2000-2010 Lisbon Strategy. During this period, in terms of research and evaluation methods, the policy community was much influenced by neo-classical economics, supported in targeting, monitoring and evaluation by quantitative indicators.

Roughly since the 2008 economic crisis there has been greater recognition of a more holistic 'place-based' view of rural/regional development, allowing a stronger emphasis on well-being and inclusion, through maximising the potential of all forms of 'territorial capital' (including human, social and environmental). A key turning point was the publication of Fabrizio Barca's "Agenda for a Reformed Cohesion Policy" in 2009. This 'post-Lisbon' period has been associated with a greater respect for qualitative analysis, and a more holistic, 'narrative' view of the countryside, emphasising diversity (of characteristics and performance) and specificity. It has also seen a more muted emphasis upon quantitative indicators, typologies, and 'hard lines on maps', in favour of a less precise, but more holistic, interest in 'places' and communities.

The two examples of targeting methodologies which we describe below represent these contrasting approaches; the first being 'objective' and quantitative, the second being more flexible and holistic, emphasising local diversity and the importance of development pathways. These are not offered as a basis for policy decisions (such as the choice of particular areas), but as demonstrations of alternative methodologies. However, it is important to keep in mind the associations which each of these carries in terms of overall policy paradigms. A mismatch between targeting approach on the one hand, and the broad policy goal and intervention logic, on the other, seems likely to raise unnecessary challenges in implementation. In particular, due to limitations in available data, the use of 'hard' boundaries based on statistical analysis may be unnecessarily restrictive or even counterproductive if applied to a holistic, community approach to development. The latter emphasizes unique local characteristics and potentials, which are difficult to tie down in precise locational terms.

3.1 Deriving objective indicators of shrinkage from the small area population estimates

We begin by considering the potential of the small area population estimate data as a basis of objective indicators of geographical patterns of population change, which may in turn provide a robust and quantitative means of targeting policy.

From the outset it is important to acknowledge the existence of a phenomenon which always constrains such analysis. Referred to by geographers as the 'MAUP' (modifiable areal unit problem), this is the simple fact that when analysing geographical patterns (such as population change) the size and configuration of the spatial units are extremely important. Aggregating phenomena which are located at points to larger or smaller areas, and changing the boundaries, can change the 'picture' revealed in the map, and consequently the interpretation of the process behind it, or the policy based upon it. This is the phenomenon exploited by Gerrymandering. We already pointed out that maps of population change at data-zone level, presented in the 2021 EAG report, revealed a highly fragmented pattern, which is summarised in the Scottish Government's Population Strategy document as a broad drift from east to west. These two observations are not contradictory, they are a consequence of different levels of generalisation.

There is arguably merit in using the (geographically) most detailed data available, in this case the SAPE. However, the fragmented nature of the pattern makes the identification of target zones for policy by applying a simple threshold to individual data-zones, problematic. Furthermore, as discussed in sections 1 and 2, we accept;

(i) the validity of policy based upon *complex* shrinking processes (involving a range of economic and social processes, beyond the simple demographic processes of natural change and migration), and,

(ii) the need to 'capture' the spatial patterns of behaviour of the population, rather than just the location of their residence.

This suggests a need for policy 'zones' which encompass the 'hotspots' of population shrinking, but also reflect, as far as is feasible, the 'activity spaces' of the residents within the target data-zones.

A widely accepted definition of 'shrinking', devised by Grasland *et al,* states that "*a region that is 'shrinking' is a region that is losing a significant proportion of its population over a period greater than or equal to one generation*" (Grasland et al 2008). There are thus two ways in which 'shrinking' as an embedded and sustained process can be distinguished from other random fluctuations: (i) *duration*, and (ii) *intensity*. Both of these were already specified in the analysis presented in the EAG's 2021 report. In the case of duration, the peak year for each data-zone was identified. The number of years since that peak is a good indicator of duration. We also calculated (and mapped) the average annual percentage population change since the peak year, as an indicator of intensity.

The precise thresholds of duration and intensity which may define shrinking data-zones are of course a matter of judgement. The illustrative analysis below uses thresholds which seem reasonable, but we offer no specific scientific justification for them. Our intention is not to identify specific target zones for policy, but rather to

demonstrate the strengths and weaknesses associated with a replicable and evidence-based selection procedure, based upon available SAPE data, but also informed both by our understanding of complex shrinking, and the associated policy requirements.

Figure 2 shows the distribution of data-zones across the urban-rural types (*2020 urban-rural classification applied to data zone data for all years*), with durations of decline of 5, 10 and 15 years, between 2001 and 2020.[10] Growing data-zones exhibited their peak in 2020. The bar at the extreme right-hand side of the graph shows the distribution of duration across all 6,976 data-zones in Scotland. Perhaps surprisingly, more than half of these (54%) have been shrinking for more than 10 years. A further 17% have shrunk over the past 5-9 years, and the same proportion for less than 5 years. In just 12% of data-zones the peak year was 2020, or in other words the population is growing.

Taking the urban and rural categories separately, and focusing particularly on the rural and small town data-zones, the graph shows that small towns generally have a longer duration of shrinking than rural areas, and that population decline has been going on longer in very remote small towns and remote/very remote rural areas. The smallest share of data-zones which have lost population for more than a decade is in the accessible rural category.

Figure 2: Percentage of data-zones by duration of shrinking, and by urban-rural type

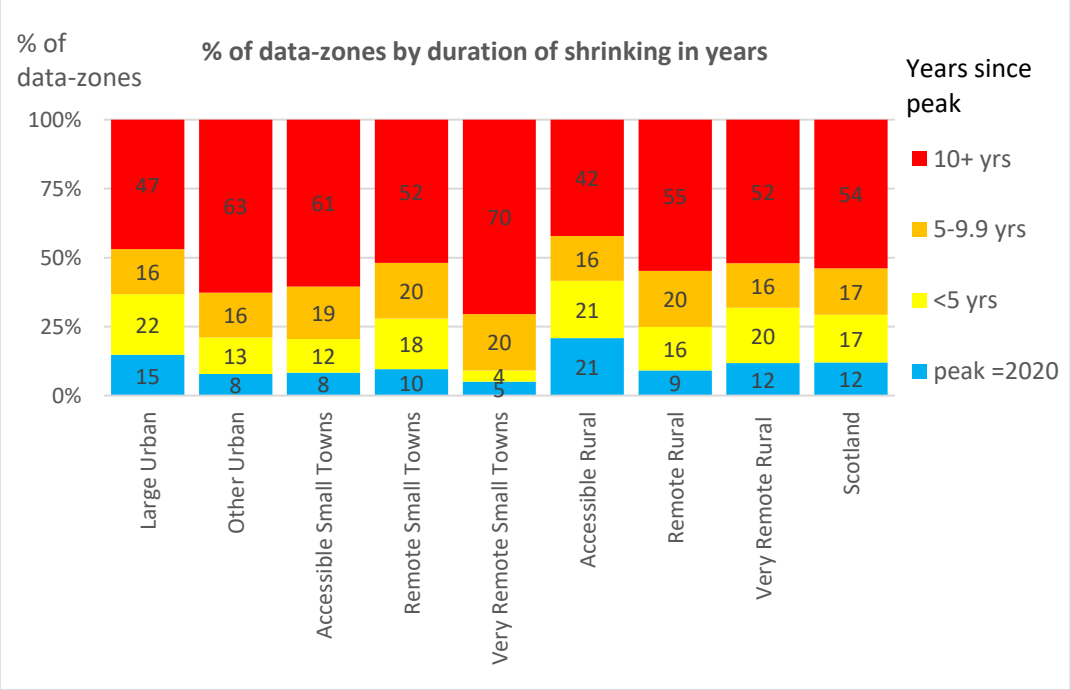
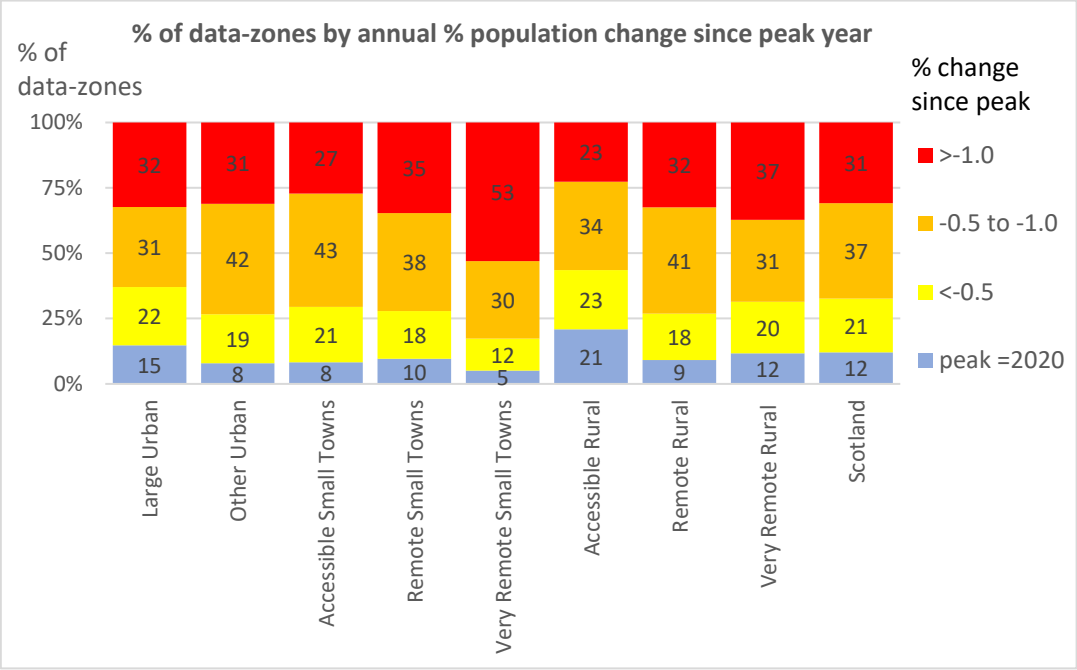


Figure 3 presents a similar analysis of the intensity of shrinking, expressed as the share of data-zones in which the average per annum percentage loss of population

[10] 2021 data are excluded, since it is as yet unclear whether a new pattern of change has begun, or whether the data for that year will prove anomalous in the longer term. A small proportion of data-zone had more than one identical peak populations. In these cases the more recent year was taken as the beginning of shrinking.

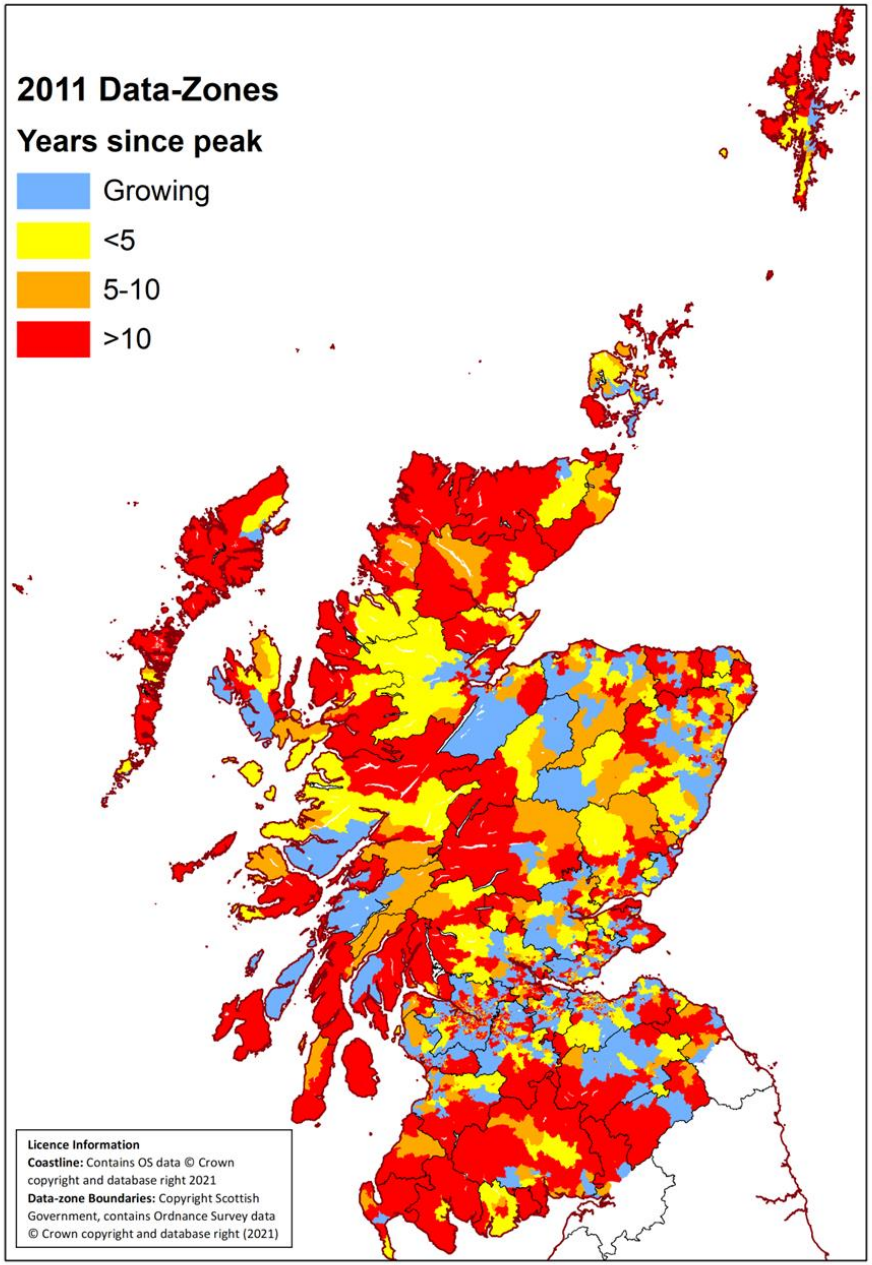
was more than 1%, between 1% and 0.5%, and less than 0.5%. Across Scotland as a whole, just over 30% of data-zones experience the most intense shrinking (>1% per annum), whilst 12% were growing. In the very remote small towns, the share with most intense population decline rose to 53%, and the share which were growing fell to 5%. At the other extreme only 23% of accessible rural data-zones exhibited population decline at more than 1% per annum, and 21% were growing.

Figure 3: Percentage of data-zones by annual % population change since peak year, and by urban-rural type



For the purpose of illustrating how such data may be used to identify a set of data-zones most affected by sustained population decline we can combine the duration and intensity criteria. We propose that a shrinking data-zone is one which has been shrinking for more than 10 years, at a rate of at least 1% per annum. Figure 4 shows these two criteria applied to all data-zones in Scotland. Figure 5 shows the distribution of 'shrinking' data-zones (those which satisfy both criteria) across Scotland.

Figure 4: Shrinking criteria by data-zone (a) Duration, (b) Intensity



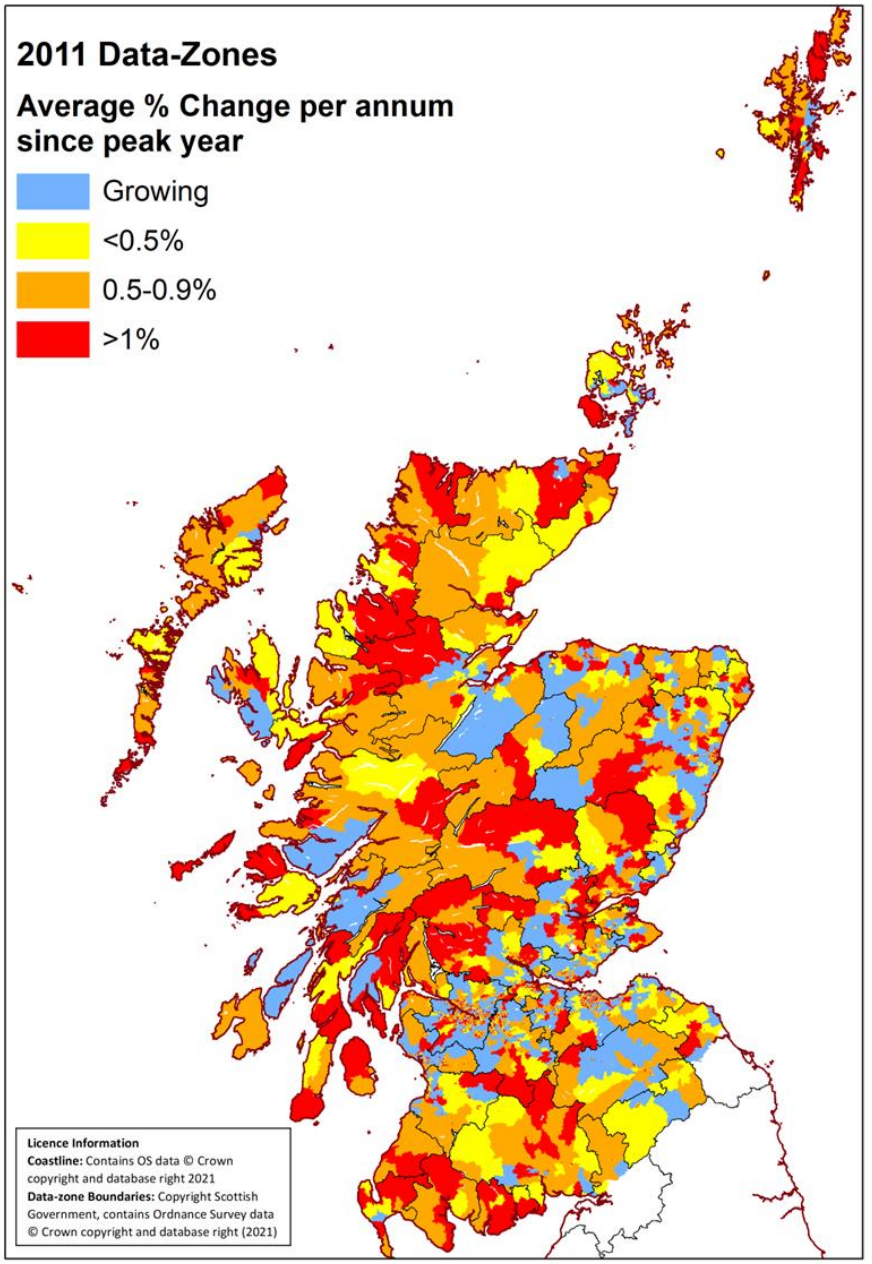


Figure 5: Number of shrinking criteria satisfied by data-zone

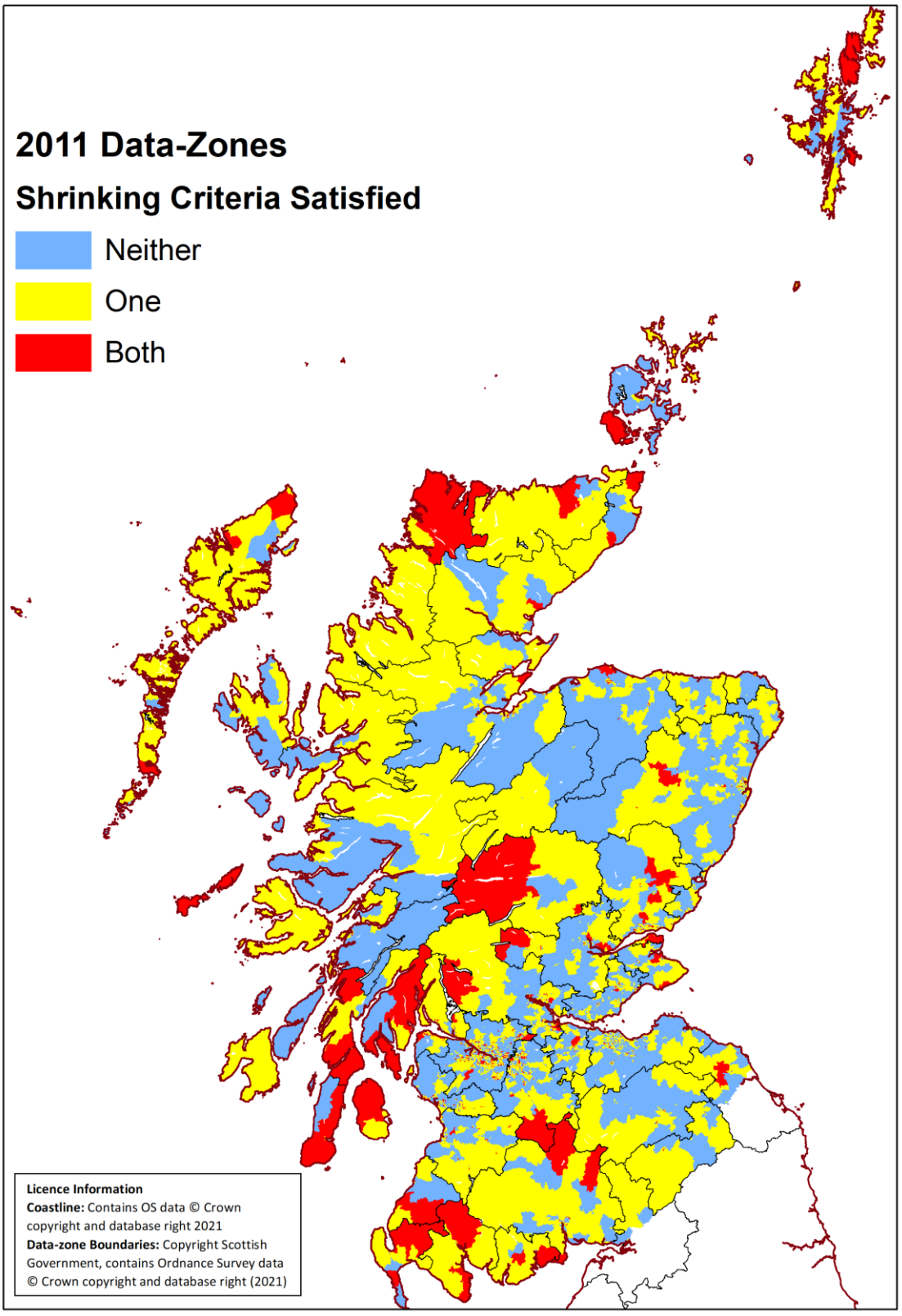


Table 2 shows how many data-zones in each urban-rural category satisfy these criteria, and the population in each category.

Table 1: Distribution of shrinking data-zones by urban-rural type[11]

	Data-zones	**%**	**Population 2020**	**%**
Large Urban	271	10.9	178,130	8.6
Other Urban	390	15.9	245,965	13.3
Accessible Small Towns	78	12.7	44,439	9.4
Remote Small Towns	13	12.5	10,543	13.3
Very Remote Small Towns	30	30.6	21,775	33.5
Accessible Rural	80	9.9	37,614	5.7
Remote Rural	24	12.2	15,200	10.3
Very Remote Rural	38	18.6	24,339	16.1
Scotland	**903**	**12.9**	**578,005**	**10.5**

Once again, the very remote small-town category stands out as the most severely affected. More than 30% of its data-zones satisfy both duration and intensity criteria, and these data-zones contain more than one-third of the population of the remote small towns. At the other end of the spectrum, less than 10% of accessible rural data-zones, containing less than 6% of the population, satisfy the criteria.

Having established what appear to be reasonable criteria for designating data-zones as “shrinking” we may take a further step towards identifying potential policy target areas, by a simple process of calculating the share of data-zones, defined as shrinking (and the associated population share) within commonly used administrative areas. No distinction has been made between urban and rural data-zones in this procedure, although exclusion of urban areas is a potential refinement. For illustrative purposes we apply this procedure to the 32 Council Areas, and the 47 travel-to-work-areas (TTWA).[12]

From the tables presented in Annex 3 it is evident that Argyll and Bute, Inverclyde, West Dunbartonshire, Western Isles and East Ayrshire are the top 5 Council areas in terms of the proportion of data-zones, and population, which fulfil both duration and intensity criteria. In terms of TTWAs, Dunoon and Rothsay, Campbelltown, Greenock, Wick, Girvan, and Lochgilphead are in the top 5 (with a slightly different order for proportion of data-zones and percentage of population).

The choice of Council Areas and TTWAs is far from ideal. Council areas are, in many cases, too large, too heterogeneous in terms of local population trends, and

[11] Note: shrinking data-zones defined as those with an average percentage loss of population of more than 1% per year, over at least 10 consecutive years.

[12] A third option, the Intermediate Areas, which are groups of data-zones, which have no administrative status, was explored. However, many intermediate areas comprise a relatively small number of data-zones, and therefore the two indicators (% data-zones and % population) have a rather unhelpful distribution.

settlement patterns, and do not represent activity spaces, labour market areas, or ‘functional areas’. As such they probably cannot be serious candidates for zonal population policies. TTWAs are of course intended to approximate to labour market areas, and are thus, in principle more suitable. As noted in our 2021 report, the current TTWAs are based upon an analysis of commuting patterns drawn from 2011 Census data. We assume that an update will follow the release of the 2022 Census. However, the TTWA concept is open to many questions in remote rural areas and small towns of Scotland, where the influence of urban labour markets is very weak, but small towns play an important role. The 2022 version of the TTWA should reflect, on the one hand, increased mobility during the past decade, and increased ‘home working’ and ‘multi-local living’, as a consequence of COVID-19, on the other. Further consideration should be given to the development of the concept of ‘functional *rural* areas’ in the Scottish context.

To reiterate, the above findings are not intended as a recommendation for selection of zones for repopulation policy. However, they provide an example of an objective methodology for selecting areas within which to target policy, which compares all parts of rural Scotland with consistent criteria. The benefits of using SAPE as an evidence base include ease of monitoring on an annual basis, with the potential to adjust the target area in response to ongoing shifts in population. Nevertheless, the selection of spatial units for aggregation requires additional consideration: TTWAs are an improvement on Council Areas, but they require updating, and careful handling of remote rural and small-town areas.

This approach lends itself to ‘horizontal’ national schemes with relatively simple forms of standard assistance, where eligibility is somehow defined by geographical characteristics, such as the (former) Less Favoured Areas scheme of the CAP. It is perhaps less appropriate for tailored place-based interventions which seek to address specific local challenges and mobilise unique community potentials.

An alternative to the approach described above, which can be criticised as being ‘mechanical’, and ‘monochrome’, would be to provide a more colourful ‘pen-picture’ of different parts of rural Scotland, integrating important contextual information, and an awareness of the legacy of past trends. This approach is not necessarily less quantitative but uses the statistical evidence in a more holistic way. It will be illustrated through examples of areas of rural Scotland which (arguably) might be the subject of a targeted repopulation strategy. Again, it is important to emphasise that these are illustrations of the approach, not policy recommendations.

As section 2.2 made clear, developments over the past forty years have increasingly changed the contexts within which policies might be developed to mitigate or reverse rural depopulation. Over most of rural Scotland, population decline has become much more localised and focused on quite limited spatial areas, its causes and possible mitigations are therefore diverse, and the boundaries of the most seriously affected localities do not match any of the standard administrative or statistical units.

Moreover, as shown in our discussion of ‘activity spaces’ in section 2.2.2, affected localities, their population trends and residents’ lives are situated within complex and dynamic linkages to other places. This has very significant implications for thinking

about both the possibilities of new zonal population initiatives and the physical and social space to which any single policy action might apply. Focusing action within a single or a small cluster of data zones which meet one or more of a particular set of qualifying criteria may have at best only a limited effect. The diversity of outside influences in different places implies that any proposed zonal policy would need to have very flexible qualifying criteria. In what follows we offer some worked examples to illustrate this point.

At one extreme might be an island like Tiree, where the population in 1981 had been in almost continuous decline for more than 160 years. It then stabilised for two decades, then fell by 15 per cent by the 2011 census. Unfortunately, its estimate is now combined with Coll in a single datazone, but the estimated joint population fell by a further ten per cent to 2020. In addition, the age profile of the present population of the two islands, with just six per cent of the population aged 16-24 and 16 per cent aged 25-44 does not suggest much prospect of for any marked intrinsic population growth. On these bases Tiree would likely meet any 'objective' population decline criteria if these were used as the basis for spatial targeting.

Tiree alone might be considered too small to be a valid 'zone'. However, in spite of its small size, its relative physical isolation with a minimum 3 hours 20 minutes journey by ferry to Oban would make it hard to integrate into a wider zonal initiative (except perhaps with Coll). Its small size and remoteness also make it less likely to be able to become, like Mull, a prime site for attracting large numbers of retirees – though its wildlife and world-famous surfing beaches might be attractive for younger in-migrants, but only if excellent broadband or wi-fi facilities were provided to support working from home. Currently, Tiree has a markedly smaller proportion of its employed population engaged in Accommodation and Food Services than any of the other large Argyll and Bute islands, suggesting much less ability to attract tourists, and its lack of sheltered port facilities, and the difficulty of providing any, might be a further challenge for the establishment of major engineering or industrial activity on the island. It is not immediately clear how, if at all, Tiree's significant population decline could be reversed by a zonal approach - certainly it would need to be *sui generis* with interventions carefully tailored to the island's characteristics, (natural) resources and potential.

By contrast, Bute developed initially as a high-class holiday and upper-middle class second home and even commuting centre, and later as a mass holiday and day trip centre from Glasgow. Bute's population seems to have been on a steadily rising trend for most decades from the middle of the nineteenth century through to 1951 *(the resident population figures for Bute, as elsewhere, are uncertain before 1981 because the censuses recorded persons present not persons resident, and parishes with many year-round holiday and second-home owners have figures variably inflated as a result).* This was followed by a fall which was probably of nearly two fifths to 1981, as its attractiveness as a mass tourist destination steadily declined. Thereafter, for two decades, there was almost no change. Since 2001, however, both the town of Rothesay, which holds more than 70 per cent of the roughly 6,000 estimated population, and the rural rest of Bute, have each lost 17-20 per cent of their population, though the decline may have slowed in recent years. These long

periods of stagnation and decline, plus the attractiveness of many parts of the island as a retirement destination, have left both the rural areas (where 37 per cent are aged 65 and over) and many parts of Rothesay, with very skewed age profiles. As a result, there is very little prospect of major intrinsic demographic recovery. Equally, Bute's geographical situation, its now slightly gentrified commercial and tourist environment, and its growing attractiveness to weekend commuters, mean that any successful new policy actions would seem most appropriately to be tailored specifically to the island itself. Finally, the internal and external transport and commercial links between Rothesay and the rural rest of the island, mean that any new zonal policy would need to contain provisions for both rural and urban areas.

Boundary issues, and especially the issue of whether towns would be included in any 'rural' population initiative would also arise in any zone-based proposal for Lewis and Harris. There has for many decades been a fluctuating slow decline in population in all the civil parishes outside Stornoway - which has itself remained largely constant, with a declining town centre offset by a steady expansion of new housebuilding in its immediate peripheries. Stornoway is the key administrative, trading, and infrastructure centre of the island(s), with two major supermarkets, the only secondary school, the airport and local government offices. It therefore attracts substantial inward commuting from the surrounding areas. In more distant parishes access to affordable housing, and concerns regarding commuting times to Stornoway for work and schools seem likely to play a role in retaining and/or attracting population. Under these circumstances any policy to encourage population retention or growth in the rural parishes of Lewis and Harris would need to consider transport speed and local housing requirements in a whole-island way, perhaps even by taking some focus away from Stornoway.

Islands are in some ways different from the rest of Scotland because they each have a clear physical boundary. Elsewhere the problems of boundaries are much bigger. It is clear from the experience of Special Development Areas discussed in Section 4.1 below that boundary drawing was a major source of discontent among areas that were just excluded by a boundary, and that it was also alleged that areas just outside a boundary could be damaged by new developments being channelled away from them into the zone. In particular, for present purposes, questions would arise as to whether towns within or on the edge of a proposed 'zone' should be included in or excluded from any scheme.

A possible zonal scheme for Galloway would illustrate some of these issues well. Between 1961 and 1991, the population in the County of Wigtown declined by 6 per cent. This broad figure was nuanced at a more local level however: the population in fact increased by 8 per cent in the three parishes in which Stranraer was located, and by 15 per cent in Pennighame (which contained most of town of Newton Stewart). By contrast, there was a 21 per cent fall in the remaining more rural areas where numbers fell in every parish, with the largest falls (of over 25 per cent) in some of the most remote among them. The legacy of this sustained decline is still clearly present in the highly skewed age structures of almost all the rural parishes in the area. Thereafter, the censuses to 2011 show further declines in most of the rural parishes, approaching 30 per cent in the two parishes at the far south of the Machars

and over 60 per cent in one of the hill parishes to the north. Stranraer also began a slow population decline in the same period.

The most recent ten-year period shows much more contrasting patterns. The population of most of the Machars area south and west of Newton Stewart has continued to fall, with the largest falls, of more than 10 per cent, in the most southerly and remote data zones. Meanwhile, another set of big recent declines have run across the whole span of sparsely populated hill country, from the eastern shore of Loch Ryan, north of Newton Stewart and deeply into what was northern Kirkcudbrightshire. By contrast, further west, the population of the part of the Rhins south of Stranraer and down to the Mull of Galloway has recently been growing (though its age profile strongly suggests not by natural increase), and there have only been rather small declines north of Stranraer up to the western mouth of Loch Ryan.

In the town of Newton Stewart, the population of about 4,000, has grown by more than ten per cent over the past twenty years (with just a small fall in the past decade), but Stranraer, by far the biggest town, with a population of nearly 10,000 experienced a twenty-year decline of about 6.5 per cent and a more recent ten-year decline of 4.3 per cent. However, across the area as a whole the 2011 census travel to work data suggest that what has been happening in the most remote rural areas is not significantly linked to changing employment opportunities or prosperity of these towns, and the road network has minimal east-west connections across the hill parishes.

Thus, whilst in the 1990s, and possibly even in the following decade, a case could quite easily have been made for special ‘zonal’ treatment for the whole of rural Wigtownshire on the grounds population change criteria, it would be much more difficult to do so now. A more selective zonal approach focused only on those localities still experiencing quite rapid decline however, would require careful consideration of what might be the impact on their more stable or even growing neighbours? Moreover, any spatially-targeted policy interventions would need to examine what the linkages between different places within the area are and how they influence such a complex picture of population change.

4

Applying Zonal or Place-based policies in practices: What can we learn from historical and international experience?

4. Applying Zonal or Place-based policies in practices: What can we learn from historical and international experience?

In this final section we focus more specifically on zonal or place-based policy-making as it has been used in practice. In the first half of the section we consider ways in which zonal policies have been applied historically in the UK mainly through interventions aiming to manage uneven economic performance in different parts of the country with a goal of addressing socio-economic inequalities between regions and with only a very minor regard for the impacts on population size and movement. In the second half we discuss contemporary policies designed to address local and regional population challenges. Here we draw on 5 international examples, exploring interventions which are targeted upon specific geographical areas in Italy, France, Germany, Spain and Canada. Each of these subsections ends by emphasising a number of key lessons to be learned from and/or questions raised by the analysis. Alongside the questions raised at the end of section 1 we hope these will form a useful reference point for further policy deliberations within Scotland.

4.1 A brief UK history of 'zonal' economic and industrial policy interventions: Special Development Areas and their successors

A renewed surge in unemployment in the early 1930s led to pressure on the UK Government to restart a public works relief programme of the kind that had first been developed in the 1920s. The Special Areas (Development and Improvement) Act (1934) was targeted on areas with very high unemployment rates. These included South Wales, Tyneside, west Cumberland and, in Scotland, a particular focus on West Central Scotland: 'most of industrial Lanarkshire except Glasgow' (Levitt 1992). Two Special Areas Commissioners (one for Scotland, and one for England and Wales) were appointed, with powers to give grants to local authorities for various activities to encourage economic development and also social /environmental improvement.

The allocated budget brought little by way of new money, but rather a more focused and controlled programme of relief than before, because the predominant view of Government was that the only way to resolve the huge unemployment problem of some parts of the UK was to encourage mass migration of the unemployed to the rapidly expanding new manufacturing areas of the south and midlands of England. There was, therefore, under this Act, only minimal focus on attracting new industry, and much more on 'assisting with the physical renovation of 'derelict' areas and restoring workers' 'morale'' (Levitt 1992).

Over the next three years, however, in a context of a growing contrast between a relatively booming south-east of England, and the continuing depression in the mining and heavy industry areas of some other parts of the UK, pressure increased for more active and explicit Government economic development intervention: for example, by establishing a government holding company to finance new industrial estates, with a new focus on attracting the kind of light industry which underpinned much of the high employment rates in the south. There was also growing support for a more active programme seeking to 'steer' industry to Scotland from the south. The

issue of possible extensions to the areas covered by the Act was also raised by Scottish Office officials (to include Glasgow, Wanlochhead and even parts of the Highlands, thus illustrating three different kinds of problems).

The Special Areas (Amendment) Act 1937 introduced new concessions on taxes and rents with the aim of encouraging businesses to set up in the 1934 Act areas, and powers were given to the Scottish Commissioner to assist in the establishment of new industrial estates; one result was the new Hillington Industrial Estate on the fringes of Glasgow. However, in the immediate post-war period, English firms showed great reluctance to move to Clydeside, citing distance from their principal markets in the south. There were also hints of concern due to perceptions of pre-war labour relations in Scottish industrial areas and a view of these areas as environmentally unattractive (Levitt 1992).

The Distribution of Industry Act (1945) was in principle a major step forward. It substantially extended the number of what were now called 'Development Areas'. In England and Wales, these included Merseyside, Wrexham, Wigan/St Helens, and North-east Lancashire. In Scotland, the Act covered not only the original Scottish 'Special Area' but also Glasgow, North Ayrshire and Dundee and its environs. In 1948, a small area centred on Inverness was added; significantly this addition was made on the basis that it had been identified as an area with expansion potential (especially linked to hydro-electricity), rather than just due to high unemployment (DTI North West Regional Office 1989). Further areas bordering the Cromarty and Beauly Firths and the burghs of Irvine and Linlithgow were added in 1949.

The Board of Trade took over decision-making responsibility for awards, and Government funding became available to build factories for rental to private firms and to directly manage industrial estates. Loans and other facilities could be made available to industrialists wishing to establish plants in the scheduled areas. There was also a general requirement laid on any firm wishing to establish a factory of more than a certain size to discuss the location with the Board of Trade, and, under this Act, Scottish Office staff had the right to comment on any proposed development elsewhere in the UK. Also, any de-scheduling of existing areas was conditional on the Scottish Secretary's agreement. In parallel with this, there was a continuation of the wartime policy of limiting factory building in what came to be called 'Congested Districts' (mainly in London and the South-east but more controversially also in the Birmingham area and much of the rest of the Midlands). These powers were incorporated in the 1947 Town and Country Planning Act in the form of Industrial Development Certificates.

There were claims that, by 1950, Scottish projects in the Central Belt under the Act had created 60,000 jobs, and 15,000 elsewhere.[13] When Inverness was added to the scheme, there were also significant developments in support of the drive for hydro-electricity. Not all, however, was positive. Some attempted interventions resulted in

[13] Facts and Figures for Socialists, 1951, Labour Party Research Department, cited in *Wikipedia* article on the Distribution of Industry Act 1945 (retrieved 28.11.2022)

failure (see below), and it became increasingly ‘clear that there was not enough ‘footloose’ English industry on the move in any one year to make a significant difference to employment, even if building in the South-East was restricted’ (Levitt, 1992: 37).

A new Distribution of Industry (Industrial Finance) Act 1958 started a focus down onto smaller areas with the possibility of some grants to areas outside the core areas (e.g. parts of Cornwall). But it also saw a clear shift back to high unemployment rather than development potential as the criterion for awarding support. This Act extended grants and loans to all forms of trade not just manufacturing.

The Local Employment Act 1960 changed the spatial geography for supported areas to (the much smaller) Local Employment Exchange Areas, with the prime criterion being the level of unemployment in each of these areas. This introduced a problem: the rigid use of this criterion meant that the opening of one large new factory could move an area below the unemployment threshold and thus rapidly lead to its descheduling, thus introducing great uncertainty in the minds of incoming firms and even a major disincentive to taking part in the scheme. At the same time, the development potential of an area was completely ignored. By 1966, nearly 17% of the UK was covered, including most of Cornwall and North Devon, the Highlands and Islands and rural north Wales. But, right from the start, there was discontent, notably in North Wales, over areas which were not included while their immediate neighbours were [Lord MacDonald of Gwaenysgor in Second Reading Lords debate on the 1960 Bill] (Hansard, 1960a).

Other important points mentioned in the same House of Lords debate were the importance of rapid decision-making and very clear and easily calculated criteria for the size of awards, and the desirability of being able to designate areas with expected, but not yet high, unemployment. Several speakers in the same debate stressed the importance of funds for high quality publicity if foreign or distant employers were to be attracted to an area (Hansard, 1960b).

By then there was also quite widespread anxiety over the working of some of the provisions of the successive acts. It proved in practice extremely difficult to dissuade firms from staying in, or even moving from Scotland to, the south-east. For example, in 1948, despite strong pressure from the Scottish Office, Harold Wilson, then the President of the Board of Trade, agreed to Ford undertaking a major factory expansion in Dagenham, fearing a loss of exports if he tried to force it to be located on Clydebank. And, in 1954, British European Airways won a battle to move their maintenance depot from Renfrew Airport and to consolidate their activities at Heathrow.

It is nevertheless clear that the various Acts did provide significant support for the creation of new employment opportunities in Scotland. To take just one example, between April 1960 and February 1963, in response to a Parliamentary Question in March 1963, the President of the Board of Trade replied that grants of £42.1 million were taken up in Scotland, supporting the creation of 32,800 jobs (Hansard 1963). More generally, much research published in the 1970s supported the view that powers exercised under the various pieces of regional policy legislation had played a

positive role in enhancing employment in the special areas up to that time. For example, Ashcroft and Taylor (1977) showed that around 500 firms had relocated to development areas in the 1960s, and Frost (1975) made a strong case for the positive impact of regional employment policy in the north of England.

More recent assessments are more equivocal. It is, for example, clear that by no means all the projects that were funded were well thought through (the Ravenscraig steelworks, or the Fort William pulp mill are well known examples). More generally, it has been hard to prove long-term positive impact even on the localities concerned (Bartels, Nicol and van Duijn 1982) and others have noted that while there may be positive impacts on the areas that receive support, this can easily be to the detriment of areas from which assistance has been withheld, or even to the national economy as a whole.

One particularly powerful critique has come from Broadberry and Leunig who suggest that limits on firms expanding on existing or proximate sites misunderstood 'agglomeration economies' or 'cluster effects' *[These include the huge benefits that firms obtain from operating near to competitors and specialist technical and other support infrastructure, and the resulting fall in productivity and operating inefficiency that can result if clustering is not allowed (even ignoring proximity to markets, management duplication etc]* (Broadberry and Leunig 2013). It is not denied that these policies had some successes (e.g. attracting Nikon to Sunderland). However, high rates of rejection in 'Congested Areas' did not automatically result in new developments in 'Development Areas'. For example, in 1966, 30% of requests in the Midlands and the South-east were refused, yet only 18% of the refused applicants moved their developments to areas favoured by Government; more than half of firms chose a smaller expansion on their existing sites, 13% abandoned expansion plans altogether, 18% reorganised or closed their factory, and 1% moved abroad (Wettman and Nicol 1981).

4.1.1 Learning for the design and implementation of place-based population policy

In view of both the (limited) successes and the considerable critique of the special development areas and related policies outlined above, we draw together some overarching lessons for place-based or zonal policymaking:

1. Application for support needs to be simple and there needs to be an approval system that is capable of rapid response if a new opportunity arises, especially if a new venture has several options as to its location.
2. A clear case would need to be made which shows, with specific evidence, not only that population has declined and why (avoiding the risks of 'equifinality'), but also reasons why it may continue to do so unless support is given.
3. Proposals which build on already existing new activity will be more likely to achieve their aims, and that an ability to demonstrate an intention to build on this kind of existing activity might even be an essential criterion for support.
4. Criteria for evaluation of success or failure of an initiative should allow a multi-year (probably minimal five-year) timescale (though intermediate set-up deliverables could clearly be evaluated earlier). Most new initiatives would take time to get established and many would inevitably build up slowly. Significant population impact would often take even longer, especially if the

focus is seeking to attract younger adults in the hope that they will, by having children, improve the age balance of an area as well as raising population.
5. A clear demonstration of local leadership and local support should be essential.
6. Items eligible for support should be defined widely – note, for example, that later Special Development Area eligibility rules included possible funding of publicity and other ways of attracting businesses to an area, and also some environmental improvements. It would also be important to recognise that if a successful scheme got under way, supplementary support of a different kind (e.g. new affordable housing; expansion of relevant services and public facilities) might also be required.

Furthermore, if (notwithstanding the cautions outlined in sections 2 and 3 above) an approach based on zones with ‘hard’ statistically defined boundaries is preferred, the SDA experience suggests some further pitfalls to be aware of:

1. Experience of the operation of Special Areas and their successors shows the importance of having a small number (ideally at most two) of basic numerical qualification criteria, the figures for which are unambiguously and easily obtainable from official sources.
2. Within these criteria, however, there are advantages in not having too strict boundaries on the upper or lower limits to the size of ‘zones’ that may be included.
3. A clear process is needed to judge when and how to 'end' designations as a 'zone' if areas move out of these criteria, to avoid there being a 'penalty' for success? Maybe at least a minimum timescale should be specified before a zone can be removed.
4. Except if the claim is for a distinct topological unit (for example, perhaps, in our case an island or an area cut off from its wider environment by miles of peat bog or a range of hills), the boundary of a zone needs to be clearly justified in any proposal, with reasons why any spatial unit is either inside or outside it (as discussed in section 3.2, a particular issue for population zones would be whether to include or exclude a town that is within or on the edge of a zone).
5. There is a danger that if a special inducement of any kind is given to a zone, spatial units in its immediate proximity will actually or allegedly suffer disadvantages, even leading, for example, to firms moving activities from outside to inside the zone.
6. Given the clear failure of such an approach in the Special Development Area experience, and particularly the sometimes politically irresistible pressure to allow exceptions, no attempt should be made to link a new incentive policy for some areas to attempts to restrict activity in others.
7. On the other hand, disincentives within a population development zone might well be feasible if applied with care (e.g. prioritising access to affordable housing to incomers with a direct role in a scheme).

4.2 Policy responses to local/regional population challenges in other national contexts

In this section we examine policies designed to address local and regional population challenges, with a focus on interventions which are targeted upon specific geographical areas. We discuss examples from four European countries, and from Canada. We explore similarities and differences between conceptualisations of the process of shrinking, and approaches to tackling it. We consider strengths, weaknesses and challenges in the way interventions are implemented, in pursuit of lessons for Scotland. The examples are presented in roughly chronological order, beginning with those which began roughly a decade ago, and finishing with those which are currently in process of implementation. Before we begin to describe specific policy initiatives, it is important to acknowledge the significance of changing and distinctive policy contexts, and to compare the various ways in which the diagnosis of the demographic 'problem' is presented.

4.2.1 The importance of policy context

The policy examples described below are all, to some extent, 'children of their time', reflecting both the wider economic and social situations, the changing dynamics of geo-politics, and shifting policy 'vogues'. Events such as the 2008 economic crisis, and COVID-19 pandemic, act as turning points in the development of different 'paradigms', although there are long lags in terms of practical implementation, and most policy is hybrid, inheriting features which can be associated with several rationales. To some extent the "zeitgeist" within which policy is created is common across Europe, and even across the developed world, and as such it is reflected in the statements of international bodies such as the European Commission and the OECD, which both respond to shifts which occur in national contexts, but also play a proactive role in driving the evolution of ideas. In the examples described below it is possible to observe a transition from the neo-liberal economic mindset associated (in Europe at least) with the EU's Lisbon Agenda (2000) and the OECD's New Rural Paradigm (2006), - with its emphasis upon competitiveness, growth driven by innovation, as manifest in expanding entrepreneurship and employment, towards an orientation focused on 'softer' goals measured in terms of well-being and inclusion, best summed up in the OECD's 'Rural Policy 3.0' (2018), the EU 'smart village' approach, and (2021) Long Term Vision for rural areas.

It is also clear that the characteristics of specific policies are very much affected by national political traditions, local governance arrangements, and welfare regimes (Esping-Anderson 2015). The implication is that the lessons for Scotland need to take account of such differences. For example, the evolution of interventions in Spain or Germany have been conditioned by federal governance structures, whilst those in Nordic countries reflect the Nordic welfare model, and the relative autonomy of municipalities. In Central and Eastern Europe approaches reflect various legacies from the socialist period, whilst those of North America have characteristics derived from their recent settlement history and 'anglo-saxon' gestation.

Scotland, of course, has a rich and unique local policy history, many aspects of which have already been noted in previous sections of this report. Whilst this

necessitates sensitivity, it does not invalidate the huge benefits which may be garnered from international comparisons, and an awareness of how rural 'repopulation' policies are carried out elsewhere. However, the importance of taking account of different national contexts, and the gradual international learning process which drives paradigm shifts, lies in the need to appreciate the constraints to comparability, and the need to adapt to national and local specificities.

4.2.2 Diagnostic narratives and goals

The analogies which are used to describe the shrinking process and its complex effects are very revealing about the way in which shrinking is perceived, and the diagnoses which are the basis for the intervention logic of the policy response. It would be fair to say that, in all the examples we will present below, the aspatial/context-blind application of neoliberal notions of competitiveness, or growth, driven by innovation and entrepreneurship, is seen to be insufficient. Four generic kinds of analogy can be distinguished:

- *Emptying and filling areas*. This picture, which features in the Italian and Spanish examples, views areas as containers with a finite capacity, and that either emptying or over-filling with population has undesirable social and economic consequences.
- *Regional (im)balance* – Similar to the previous one, but focusing upon relative rates of change, rather than deviation from a fixed capacity, this analogy underlies the Scottish Government's population strategy, and takes the form of a concern about a drift from West to East. In Germany, the flow is in the opposite direction, while in France the movement is from NE to SE. According to this perspective the problem centres on the costs associated with a widening mismatch between population, service provision, infrastructure and housing stock, rather than absolute numbers of inhabitants, abandonment or 'desertification'. In Canada, particularly in remote and rural contexts issues of ageing and youth out-migration and the drift towards the main metro cities has led to a similar discourse as in Germany .
- *Human/social capital disempowerment* are both drivers and effects of long-term demographic decline. In France this analogy is particularly perceived in the weakening of the ambitions and innovation capacity of younger people in affected areas.
- *Well-being and spatial (in)justice* – These are key concepts in the German strategy and are also evident in the French discourse. The idea is that demographic change affects living conditions and spatial inequalities, and creates "spatial injustices" which are self-perpetuating, leading to a negative spiral in terms of local development. The Italian Inner Areas programme associates "citizen rights" with access to basic services. Such citizen rights are placed alongside growth as fundamental drivers of long-term sustainability of population. A rights-based approach is also evident in Scotland's population strategy, as well as being an underlying theme in the Islands Act and the National Islands Plan. As in all Scottish Government policy there are links to the logic which underpins the National Performance Framework.

In terms of goals, all the policy examples we have selected focus mainly on (partial) mitigation, rather than adaptation. Specific outcomes (through which 'repopulation' is, indirectly, delivered) are various, and often not tightly specified. They include things like housing market adjustments, "reactivating" the ambitions of young people, increased residential attractiveness, and promoting well-being. Although neo-liberal terminology is not hard to find in the policy documents and the accompanying discourse, the overall perspective is not solely focused on economic growth, commonly emphasising the rights of all inhabitants to societal and individual benefits (such as well-being, social/spatial justice, inclusion, access and support; economic opportunities, feeling safe, identity and belonging).

4.2.3 The Policy Examples

The five examples are drawn from Italy, Spain, Germany, France, and Canada. It is important to stress that these examples are drawn from available secondary sources, and that their focus and content is selective. They are not intended to be scientifically comparable. Each has a distinctive message about aspects of local policy addressing population decline, although common themes also emerge.

*i) **Italy**: A child of its time?*

Here we focus on the National Strategy for Inner Areas ('Strategia Nazionale per le Aree Interne, SNAI), which has run since 2012, and is a classic example of a (neo-endogenous) spatially targeted programme which combines top-down and bottom-up elements. SNAI provides support for local development efforts through national support for 72 small scale target areas in various types of rural context, comprising 3.5% of the population and 16.7% of the total area of Italy (Barca et al. 2014). This well-established policy has recently been accompanied by a national debate about the role and prospects of remote rural areas, under the title "Riabitare Italia" (Repopulating Italy), and the establishment of a 'cultural association' which champions the potential of 'inner areas' and highlights their neglect in the mainstream economic narrative of urbanisation and globalisation.

The SNAI programme began with a statistical pre-screening of the approximately 8,000 municipalities of Italy. The assumption was that the areas most in need of regeneration were those which were remote from medium-sized or large service centres. These were defined by the presence of a full range of secondary education, a hospital, and a railway station. Municipalities were then classified according to their travel time from such service centres. Those within 20 minutes travel time were classified as "belt" areas. Those which were 20-40 minutes travel time from service centres were described as "intermediate". "Remote" municipalities were those situated 40-75 minutes away from centres, and those more than 75 minutes, "ultra-remote". The 4,261 municipalities which fell within the last three categories became the 'long list' candidates for SNAI assistance. A second stage in the target area selection process, which aimed to identify the most 'needy' contiguous groups of municipalities, involved desk analysis of more than 100 indicators, (including those capturing population trends and ageing), followed by field visits by programme staff.

After selection of project areas, the next step was to organise an extensive local consultation process, centred on a focus group, involving local mayors, municipality

staff, service providers, the third sector, and representatives of various central government departments, to determine how best to frame the intervention in response to the particular local challenges. The choice reflected perceived local potential across the following fields:

- land management and forests;
- local food products;
- renewable energy;
- natural and cultural heritage;
- traditional handicraft and SMEs.

The progress of each project has been monitored against specific targets and outcomes, which are regarded as stepping-stones towards the ultimate objective of turning around population decline and improving the age structure. The initiative is supported by a sophisticated multi-level governance framework, coordinating actors at all administrative levels, from national to local, and assembling a funding package from a range of national and EU sources.

The Riabitare Italia initiative parallels the SNAI policy and is perhaps best described as an ideological movement with very practical ambitions to influence the direction of policy. Its origins lie with the publication in 2019, by Antonio De Rossi of a book entitled '*Riabitare l'Italia* '. The association (with the same name) has produced a manifesto which points to the role of globalisation and metropolitan economic growth models as presiding over the decline and neglect of the inner areas, despite their potential as custodians of cultural and environmental capital, and emerging opportunities for the circular economy and distributed (non-agglomerated) economic activity. It is notable that several of the authors of the manifesto have been key figures in developing and delivering the SNAI. The Riabitare Italia web pages provide a very accessible channel of communication about ongoing activities, documents, and events.

ii) **Spain**: Many a slip twixt cup and lip…

Negative population change and demographic ageing are not localised features in Spain, they affect almost two-thirds of municipalities, and half of these saw a decrease of more than 10% between 2001 and 2018. However, the problem is most severe in small, remote municipalities, usually situated in the interior and in mountainous areas, which have been described as "places of no relevance" (Collantes and Pinilla, 2019). Population growth has been concentrated in cities, and in coastal areas with tourism potential.

As in Scotland, rural demographic issues are strongly in the public consciousness, as the common phrase "empty Spain" testifies. Rural depopulation has been the subject of repeated policy initiatives over several decades. Pinilla and Sáez express their frustration at the relative weakness of implementation, by likening the legislative process to the curse of Sisyphus, repeatedly pushing a boulder to the top of a hill, only to see it roll back to the bottom (Pinilla and Sáez 2021). Strategies, however well-conceived, are only as good as the operational capability to implement them.

The governance and policy landscape in Spain is complex, involving both national and devolved regional powers. A good starting point is the "National Strategy against the Demographic Challenge" of 2017 (Ministerio de Politica Territorial y Funcion Pública 2020), which sets goals and responsibilities for regional governments in a way which could be described as "demographic proofing". Clearly the operational approach is very different from the previous Italian example, being more 'arms-length'. It seems reasonable to assume that this is a direct consequence of the federal governance structure, practical implementation being the responsibility of the autonomous regions, rather than central government.

The underpinning principle upon which the 2017 strategy is founded is to "guarantee equal opportunities and free exercise of citizenship rights throughout the territory". This includes an equal right to basic services, well-being and sustainability, regardless of geographic location (including rural, remote and mountain areas) or population trend. This responsibility is placed upon all central government departments, and upon the autonomous regional administrations.

Although there are many examples of community and third sector initiatives to address rural depopulation (see for instance the Depopulated Spain website), the weak link in the Spanish policy response, according to Pinilla and Sáez, is at the level of the Autonomous Regions (Pinila and Sáez 2021). It seems that, amongst other things, political cycles and coalition administrations have hampered effective implementation. Indeed, they argue that only two regions, Aragón and Castilla y León, have developed specific plans to deal with rural depopulation.

In Aragón the 'Integral Plan for Demographic and Population Policy' (2000) appears to have been both advanced in its conception and supported by a well-considered administrative arrangement. However, due to a lack of political accountability "*All of this rich potential in terms of contents and governance, innovative on both a regional and national level in Spain… went to waste… only a few isolated measures have been developed lacking in any kind of strategic planning and failing to comply with all of the procedures required to give them continuity*" Since then, two further plans (2017 and 2021) have been articulated but have again produced very little in terms of practical implementation. A similar story seems to have occurred in Castilla y León. (Pinila and Sáez 2021).

The Spanish experience may perhaps be summed up as promising in principle, but disappointing in practice. The 'demographic proofing' concept is winsome as a principle, but extremely challenging in implementation. In comparison with the Italian SNAI programme the Madrid Government's National Strategy is incomparably less 'resource hungry', but without intense commitment at the regional level its achievements appear modest. It is worth considering to what extent the governance arrangements are responsible for this, or whether the intrinsically passive nature of 'proofing' approaches is also pertinent.

iii) **Germany:** Too many cooks?

With one of the lowest (sub-replacement) birth rates on the continent, a rapidly ageing population, and strong inflows of migrants, Germany faces complex demographic challenges. These are compounded by historic geographic inequalities,

particularly between the more rural parts of the “new länder” in the East, and the globalised cities in the West. However, in recent years there has been increasing concern about trends in rural parts of the former West Germany.

As in Spain, the federal governance structure of Germany conditions the policy process; the national government sets an agenda and structures for regional governments to follow. Demographic change has been a matter of concern for the Federal Government for at least three decades. Ten thematic working groups[14], involving representatives of all levels of governance, from Federal to local, academics and the third sector, contributed to a national strategy “Every age counts”, first published in 2012, and revised in 2015. The strategy has four stated goals;

a. to increase economic growth potential
b. to promote social and societal cohesion
c. to promote the equality of living conditions in the regions
d. to ensure solid finances - for the state's ability to act and the reliability of the social security system

The strategy is supported by a substantial volume of analytical work, including a web-based information portal, known as the Demographic Radar.

During the past four years the demographic strategy has become a key component in a wider national strategy to address geographic inequalities. In July 2018 the Federal government established a Commission on Equal Living Conditions, tasked with exploring geographic inequalities across Germany. In a press release the close links between economic and demographic trends (i.e. complex shrinking), and the consequences of widening disparities for social cohesion were emphasised[15]. The work of the Commission was supported by a comprehensive statistical analysis, published in the form of an Atlas of Germany. Just one year after the establishment of the Commission three departments of the Federal Government jointly published a strategy “Our Plan for Germany – Equal living conditions everywhere” (BMIBH *et al*., 2019). Significantly, the headline refers to living conditions, rather than growth.

The strategy identifies 12 priorities:

i. Targeted support for structurally weak regions throughout Germany
ii. bring jobs to structurally weak regions

[14] Working group themes: i) *Good partnerships for strong families,* ii) *Youth shapes the future,* iii) *Motivated, qualified and healthy work,* vi) *Self-determined life in old age,* v) *Alliance for people with dementia,* vi) *Strengthen regions in demographic change - promote quality of life in town and country,* vii) *Mobilization of all potential to secure the skilled labour base,* viii) *Tapping into foreign workforce potential and creating a welcoming culture*, ix) *Promote educational biographies* x) *Public service as an attractive and modern employer.*

[15] “Germany is diverse. Different living and framework conditions and structural diversity are an enrichment for the regions and are fundamentally desirable. Nevertheless, there are considerable differences within Germany in regional income and employment opportunities, in securing mobility and in access to basic services and services of general interest. **These trends are being reinforced by demographic developments**, but also by the economic effects of the modern division of labour. Structurally weaker regions have difficulties in retaining younger, often well-educated people. Structurally stronger regions, on the other hand, benefit to a greater extent from the influx of qualified people from Germany and abroad. Equal living conditions are of central importance for social cohesion in Germany.”

iii. Expand broadband and mobile communications nationwide
iv. Improve mobility and transport infrastructure in the area
v. Strengthen villages and rural areas
vi. Promote urban development and social housing
vii. Finding a fair solution for old municipal debts
viii. Strengthen engagement and volunteering
ix. Ensuring quality and participation in child day care
x. Realize accessibility in the area
xi. Encourage the cooperation of the citizens in the municipalities
xii. Set equal living conditions as a guideline

So much for 'the view from Berlin' – but it is also important to understand the policy situation at regional and local level. Such a 'bottom-up' perspective has been provided by one of the ESPON ESCAPE case studies, carried out by Dax, Machold, and Bauchinger (2020) in the county of Mansfeld-Südharz in the federal state of Saxony-Anhalt. Their report conveys a strong impression of a complex and cluttered governance and policy landscape. In terms of actors, state, county and municipal administrations are accompanied by a substantial population of third sector organisations. European Cohesion, Rural Development, Social Fund and LEADER/CLLD funding/activities jostle with Federal, State and Municipality programmes and projects, together with the efforts of voluntary and community groups. Further voices are added to the discourse by researchers at several institutes based within the state. This complexity probably accounts for the local practitioner interviewees' level of scepticism about policy effectiveness, the degree of 'project fatigue' induced by short-termism and frequent policy 'reforms', and push-back against unnecessary top-down administrative complexity.

In terms of spatial targeting, the picture is no less complex or confusing. Each European funding source has different arrangements for geographical allocation of support. As an example, the Cohesion Fund has redesignated Mansfeld-Südharz from a "Less Developed" to a "Transition" region on the basis of its changing GDP per capita. LEADER and CLLD areas are each delimited individually, on the basis of a specific statistical case made by the Local Action Group, in their application for funding. Federal and State policies use various different spatial targeting criteria in their programmes. Municipalities cooperate with each other in various initiatives, using what Dax *et al.* term "variable geometries". The third sector carry out their activities within ad hoc territories for their own pragmatic reasons. The end result is a complex hierarchy of overlapping policy spaces very different from the simpler world of 'zonal approaches' such as the Italian SNAI.

The insight gained from this window on repopulation policy in Germany relates to the downside of complexity. This is, of course, a risk in all EU Member States, especially those with more developed policy traditions which pre-date accession. Federal governance arrangements seem to increase the danger of duplication between national, regional and local strategies and initiatives.

iv) **France:** Restoring the promise of the Republic…

As in Germany, French rural policy is a complex hybrid of European and national instruments. The example presented here is part of a recent national strategy, known as the Rural Agenda. Launched by Prime Minister Édouard Philippe in September 2019, the Agenda has inevitably been to some extent overtaken by the unexpected challenges raised by COVID-19.

Although not explicitly a repopulation policy the introduction to the Ministry for Territorial Cohesion's press release makes it very clear that the underlying goal is to mitigate and adapt to rural depopulation:
"*Rural areas, in all their diversity, are home to a third of the French population. These are fertile spaces for innovation, where many citizens, professionals and elected officials participate in the transformation of their territory. Often far from major urban centres and catchment areas, rural people invent solutions to improve their daily lives and their activities. A dynamism which, added to the quality of life, attracts the French: 81% of them consider that living in the countryside represents the ideal life!" (Ministére de la Transition écologique et de la Cohésion des territoires 2019)*

The quote also emphasises rural territorial potentials, and the role played by endogenous human and social capital in discovering smart responses to shrinking. Underpinning this ambition is an equal right to live and to receive basic services in all rural areas. Thus, Philippe stated, "this plan aims to allow everyone to live and work where they reside, including in the countryside." (Ibid)

The 2019 Rural Agenda included:

i. a scheme to cut the costs associated with living in the countryside for young people,
ii. measures to revitalise small towns – defined as those with fewer than 20,000 inhabitants - (business support, basic services, cultural initiatives, housing renovation),
iii. support for small businesses (particularly hospitality) in municipalities with fewer than 3,500 inhabitants,
iv. support for improved access to mobile data,
v. expanding distance learning in higher education,
vi. digital service hubs (France service houses) in each canton,
vii. recruitment of additional general practice doctors, and rural internships,
viii. rural internships/work experience for third year college students,
ix. integration assistance for migrants to Rural Revitalisation Zones (ZRR – see below) with the objective of increasing their population from 28,000 to 40,000 over a 5-year period,
x. To establish 200 'Micro-Folies' – digital cultural attractions or events in rural areas.

The mention of ZRRs -Rural Revitalisation Zones is clearly of interest in the context of this report. These have been territorial designations in France since the 1990s. The criteria were population density and average household income. The principal benefit associated with ZRR status was tax relief for entrepreneurs. However, their

future is in doubt. The French government has commissioned analysis for revised designation criteria. We are not aware of the outcome.

One of the detailed analyses which followed the Rural Agenda (Berlioux 2020) focused specifically on the role of young people in depopulating rural areas. The full title of this report was “Future paths, mission orientation and equal opportunities in France’s rural areas and small towns; Restoring the promise of the Republic”. An intensive series of consultation events and a survey of young people confirmed both an age-selective ‘brain drain’ process affecting remote rural areas, but also a psychological impact among the young people who chose not to migrate; a crisis of confidence, low morale and depressed ambition. The distinctive and innovative characteristic of Berlioux’s ‘mission’ is this focus upon the psychological effects of selective out-migration upon the young people who chose to remain. Twenty-five specific recommendations aim to increase awareness of the issue, improve networking, and enhance mobility for young people in rural areas.

The French example again illustrates the shifting policy ‘zeitgeist’, away from precise demarcation of zones, and the neo-liberal quest for SME-led economic growth, towards a recognition of the importance of subjective motives for migrating (or remaining), and an emphasis on spatial justice and citizens’ rights.

v) Canada: The Rural and Northern Immigration Pilot

Here we focus on the spatially targeted Rural and Northern Immigration Pilot (RNIP) which was launched in 2019 by the Canadian Federal Government in collaboration with communities in Northern and Western Canada. It has recently been extended to August 2024. RNIP is an ‘economic migration stream’ which aims to attract and retain newcomers to Canada’s rural and northern communities and to improve communication and collaboration between the Federal Government, local communities and local economic development organisations.

The rationale for the initiative was to address the consequences of ageing and declining populations which have resulted in labour shortages and increasing costs of public services in small towns and remote and rural areas. The objectives of the pilot are to support the economic development of designated local communities, ‘…test an innovative approach to immigration selection, and improve the retention of newcomers by fostering a welcoming community’. A distinctive feature of the Pilot is the pairing of a ‘newcomer’ with a member of the participating community who acts as a mentor (Hagar 2021). In addition, each community is assigned a Dedicated Service Channel Officer at Immigration, Refugees, Citizenship Canada (IRCC 2022) to respond to queries about the programme.

RNIP was launched following a discussion between the National Rural Caucus and the Federal Government -Immigration Refugees and Citizenship Canada. Collaboration between the Federal and Provincial Governments with regard to attracting immigrants beyond the three major centres of attraction – Toronto, Vancouver and Montreal- has been ongoing (Hagar 2021; Wiginton 2013). RNIP gives “the participating communities greater autonomy in deciding their immigration and economic futures by enabling them to select desired newcomers” (Hagar, 2021, p6). Eleven communities in Western Canada and Ontario were chosen to participate

in RNIP, based on one of two criteria: (i) They had to have a population of 50,000 or less and located at least 75 km from the centre of a Census Metropolitan Area ; (ii) They had to have a population of 200,000 and considered remote from other larger cities. Each participating community has its own website (Immigration.ca Network 2022).

RNIP is based on collaboration between the federal government, local communities and local economic development organisations. The latter have an important role in administrating the programmes in the communities and establishing and sustaining partnerships to ensure that settlement and retention goals are met. To be accepted on the RNIP applicants must meet both federal government and community specific requirements. The Federal Government criteria are work experience, educational requirements, settlement funds and intention to reside in the pilot community. These criteria must be met before applicants look for employment in one of the participating communities (see More information - Rural and Northern Immigration Pilot). The community specific criteria vary across communities and include factors such as age, family ties to the community, previous work experience, spouse's employment, etc (Hagar 2021). When an applicant meets the Federal criteria, they can start looking for employment in a community. Once they have a permanent job offer, they must secure a community recommendation which enables the applicant and family members to move to the participating community.

A very early evaluation of the pilot participating communities involving interviews with individuals from the public and not for profit sectors was conducted in May and July 2020 . The report identified a number of issues briefly outlined below (Hagar 2021).

(i) COVID19: The impact of COVID19 and its aftermath had impacted on the pilot with regard to recruiting participants and employers and engaging more effectively with the local residents.

(ii) Multilevel Governance: In order to facilitate innovation, the Federal Government did not wish to dictate the community processes that should be put in place. Whilst this was welcomed, the set-up phase involved a steep learning curve for the communities who had to operate under the Federal immigration processes. Additionally, lack of communication and information about issues such as community boundaries and length of pilot at the outset resulted in some confusion. The issue of 'community boundaries' did not take into account for example that a number of organisations (e.g., employers, service providers, etc) in the participating communities had regional remits. The five pilot communities selected in Northern Ontario served as regional hubs which damaged relationships with employers not located within the designated boundaries. There were also concerns that RNIP was leading to population drift away from smaller surrounding communities. Some of these issues have recently been addressed. For example, the geographical boundaries of some participating communities have been expanded, allowing more employers to participate and fill local labour needs. Community partners have been assisted to provide support for candidates and employers (IRRC 2022).

(iii) Community Capacity: Early collaboration between the pilot administrators and local service providers and employers was seen as the key to success, in promoting

the pilot and attracting applicants. From what is available it is difficult to get a sense of who the 'community' is in the pilot communities. There appeared to be no funding for the administration of the pilots at grassroots community level. The 'community' involved in each of the pilot areas comprised of individuals from the pubic and not for profit sectors (e.g., provincial and municipal governments, organisation working with immigrants, post-secondary education institutions, chambers of commerce, etc). Each pilot 'community' also employed one to three staff members who were appointed to work on the pilots with volunteers and in some cases short-term interns. Against this background, lack of wider community capacity to undertake the work required and to engage effectively with local employers was an issue.

(iv) Roles and Responsibilities: More clarity was needed on the roles and responsibilities of community organisations (such as local community settlement services) external to the administering organisation. There was also a lack of understanding of what services various organisations offered that were relevant to the programme. Whilst some organisations felt that they had input into the community specific recommendations criteria, others felt excluded.

(v) Welcoming Communities: The importance of giving equal weight to both economic integration and retention was identified as critical. The public was not aware of RNIP. COVID may have been one of the factors for this as it made local engagement and collaboration more difficult. There was also a need to be sensitive to job losses in the communities because of COVID. Racist attitudes towards indigenous communities and challenging indigenous-newcomer relations were issues identified in one of the pilot communities. Some indigenous communities also had concerns about international workers. The issue of the relationship of indigenous communities and their continuing struggle to assert their rights in the context of evolving immigration policies is rarely discussed in the Canadian immigration literature (Bauder and Green 2022).

The Pilot is at an early stage to assess its success or otherwise. A monitoring framework for evaluating the pilots, over different time scales was not available. However, it did raise issues related to: the challenges of drawing community boundaries, engaging with all members of the community, community capacity to undertake the various tasks/roles, issues related to funding and federal government-local collaboration.

4.2.4 Learning points for Scotland

In conclusion some key learning points which seem to apply to the Scottish context may be reiterated:

1. **Applying international learning:** When considering potential lessons for Scotland's policy, it is essential to take account of differences in governance arrangements and welfare system context.
2. **Approaches to spatial targeting:** The five examples cited above exhibit a range of approaches to spatial targeting. The Italian SNAI programme is a classic example of a mainly quantitative approach, combining systematic analysis of indicators with expert field investigations. It is significant that the more recent

Riabitare l'Italia initiative, has not seen zonal delimitation as a necessity. Similarly, in France there seems to have been a shift away from objective delimitation of ZRR zones. Hard boundaries are perhaps less appropriate in the context of approaches which address less tangible social issues, well-being, and spatial justice. Coordinated targeting of local areas is more difficult in federal governance contexts, such as Spain or Germany, where national strategies do not extend to the selection of local areas for intervention, or to operational implementation, resorting instead to specifying generic types of areas or processes, and recommending or requiring adjustments to a range of relevant policies at the autonomous region or state level. However, in the Canadian context collaboration between the federal and provincial governments with regard to attracting migrants in remote and rural regions is not new (Hagar, 2021; IRCC 2022); Wiginton, 2013). RNIP reflects a further development of the spatially focused trends in Canadian immigration policymaking specifically addressing local rural labour shortages in collaboration with local communities. In the Scottish contest the Community Empowerment (Scotland) Act (2015) provides a possible opportunity for exploring local community engagement in addressing population change.

3. **The importance of coherence:** The German example illustrated very clearly a danger associated with zonal approaches to repopulation policy, and indeed to local development initiatives generally. Western European countries – and Scotland is no exception – tend to have very complex and cluttered local policy landscapes. It behoves national, regional and local policy stakeholders to consider very carefully whether introducing yet another layer of intervention will deliver additional benefit. Interaction between policies is not always positive. In recognition that 'integration' of policy is rarely practicable the EU discourse refers to the need (at least) for 'coherence', both horizontally, breaking down sectoral silos, and vertically, between different levels of governance. This is a very important issue to consider before introducing zonal repopulation policies in Scotland.
4. **'Demographic Proofing' tends to be passive and is potentially 'toothless'.** The risk of words not being followed by effective action is well illustrated by the Spanish example. Whilst a 'proofing' approach in theory addresses the need for coherence, unless it is accompanied by actions and delivery, it is unlikely to have much impact.
5. **Shifting policy goals:** All of the European examples indicate a reorientation of policy away from a simple mitigation response to shrinking (maintaining or increasing population numbers), in favour of a focus upon well-being, and social/spatial justice, emphasising citizens' rights to basic services wherever they wish to reside. There is a subtle difference between this and adaptation, or 'smart shrinking', and it is certainly compatible with the tone of the population strategy, and the National Outcomes, as defined by the Performance Framework.
6. **Responses to ageing should not be neglected:** Indeed age-group specific interventions, as in the French example, can address (indirectly) the balance of migration whilst delivering psychological benefits and enhanced well-being.

7. **Local community involvement in policy design is crucial:** Intensive consultation, or better still, involvement in decision making ensures effective tailoring of interventions, and encourages ‘buy in’ and commitment. The Italian SNAI experience is an excellent illustration. The Canadian example shows difficulties in putting this into practice, and Germany demonstrates the potential for overkill. The relatively limited powers of local authorities in Scotland mean that careful consideration of the practicalities of implementation would be required.

To conclude, tackling Scotland’s population concerns is clearly an important policy issue. Changes in individual practices, shifting local dynamics and new policy conversations emerging in this post-COVID period offer opportunities for a forward looking, collaborative approach. Repopulation zones, or alternative kinds of place-based policymaking may support innovative interventions. However, the implications, and potential for unintended repercussions, of any approach need to be carefully thought through, with goals and intervention logics clearly defined. We have suggested some key principles to follow, grounded in historical and international examples, which we hope will be instructive.

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Annexes 1 - 4

Annex 1: The implications of changes in the Scottish Government's urban-rural classification of 2020

In a previous report (*Designing a Pilot Remote and Rural Migration Scheme for Scotland: Analysis and Policy Options, EAG 2021*) the relationship between population change (by data-zone) and degree of rurality and remoteness was illustrated by an analysis based upon the 2016 urban-rural classification. Earlier this year an updated version of the classification, based upon the settlement data for 2020, was published. We have used this in the analysis presented in this report.

The main (reclassification) changes affecting rural and small-town Scotland are a substantial reduction in the number of data-zones classified as being within remote small towns, an increase in the number of accessible rural data-zones, and a reduction in the number classified as remote rural. These changes in the classification of data-zones impact mainly upon remote small towns, where the 2021 population is more than one-third smaller according to the 2020 classification. Remote rural areas show a reduction in population of more than 12%, while accessible rural areas gain almost 4% through re-classification.

Table 1A: Summary of the effects of changes associated with the switch from 2016 to 2020 versions of the Scottish Government's Urban-Rural Classification

	Data-zones			**Population 2021 ('000)**				**Classification Change**	
	U-R 2016	**U-R 2020**	**Change**	**U-R 2016**	**%**	**U-R 2020**	**%**	**'000 Persons**	**%**
Large Urban	2,294	2,496	202	1,909	34.83	2,061	37.61	152	7.99
Other Urban	2,615	2,459	-156	1,953	35.64	1,844	33.65	-109	-5.59
Accessible Small Towns	609	613	4	471	8.60	471	8.59	-1	-0.12
Remote Small Towns	159	104	-55	125	2.29	79	1.45	-46	-36.60
Very Remote Small Towns	98	98	0	65	1.19	65	1.19	0	0.00
Accessible Rural	774	805	31	637	11.62	661	12.06	24	3.81
Remote Rural	222	197	-25	168	3.07	148	2.70	-20	-12.05
Very Remote Rural	205	204	-1	152	2.77	151	2.76	-1	-0.48
Scotland	**6,976**	**6,976**	**0**	**5,480**	**100.00**	**5,480**	**100.00**	**0**	**0.00**
SPA	159	159	0	112	2.04	112	2.04	0	0.00
Very Remote Rural Non-SPA	46	45	-1	40	0.73	39	0.72	-1	-1.84

Annex 2: Using age structure to explore 2020-2021 change in the Small Area Population Estimates

In this annex we aim to show how the detailed age structure data in the SAPE can shed light on the striking change of trend in the data for 2021, which we interpret as a combination of behavioural changes during COVID lockdowns, partly in terms of temporary relocation, and partly as a consequence of a higher rate of registration with GP practices.

The striking change in the direction of population trend in the remote, very remote, and sparsely populated areas in 2021 is best understood through a comparison of age profiles for 2020 and 2021.

The National Records of Scotland Small Area Population Estimates (SAPE) data include a one-year age breakdown for all data-zones. Aggregation of these to the 2020 urban-rural categories allows us to explore a very detailed age profile of the changes in population between 2020 and 2021, and to compare that with the age profile of changes in previous years.

To increase clarity, it is also helpful to group the data into five-year cohorts. The graphs in Figure 2.1 show the age structure of change between 2019 and 2020 (the year prior to the trend reversal apparent in Figure 1) for each of the urban-rural categories. These graphs can be viewed as illustrative of the pre-COVID status quo, in which the age structure of population change (in each urban-rural category) was quite consistent from year to year. Where an age group has a bar above the horizontal axis that cohort has increased in size in 2020, compared to 2019. A bar below the line indicates a smaller population in 2020 than in 2019.

The profile of change for Scotland as a whole, and for the urban areas, can be interpreted as a broadly a product of the general process of ageing, with variations between individual cohorts reflecting past year-to-year fluctuations in fertility due to (among other things) the overall economic situation. In the bottom row of graphs, the pattern of change in the remote and very remote areas shows very clearly the out-migration induced deficits in the younger age groups, and the population increases in the over 50s, where natural ageing is boosted by return and retirement in-migration. The accessible rural areas show positive change in 17 out of the 20 age cohorts. These areas are a magnet for in-migrants of almost all ages and life-cycle stages. The age profile of change in the three small town categories is less clear, and seems to be intermediary between that of the urban areas and the corresponding type of rural area.

Figure 2.2 shows the profiles of change for the remote and very remote categories of rural data-zones for 2020-21 and for the two years prior to this. It is clear that the reason for the uptick in population in these areas in 2021 was a switch from negative to positive change in most of the younger cohorts. Thus the trend reversal between 2020 and 2021 in remote and very remote rural areas and small towns was a consequence of a transformation of the age structure of population change. In simple terms, in these areas, most of the cohorts younger than 45 flipped from the decline which had characterised them in previous years, to strong growth.

Interpretation of this finding needs to keep in mind the source of data which lies behind the small area population estimates – the locations associated with NHS Scotland Community Health Index (CHI) numbers. Presumably the change in the age structure of the population estimates reflects a change in the age profile of GP practice registrations. In other words, during 2021 (the year most affected by COVID-19 lockdowns) fewer people under the age of 45 were switching their GP registration from remote and very remote rural areas to practices in the city, and perhaps there were also some transfers in the opposite direction.

In the absence of any independent evidence, we can only speculate about the behaviours driving this change in CHI number location. An important element of this, accounting for the increased cohorts in the late-teens and early twenties, would have been associated with the switch to remote learning (often at the parental home), for higher and further education students. The apparent expansion of the late twenties, thirties and early forties cohorts reflect, perhaps, the fact that relocation to parental homes in rural areas was also a popular option for young professionals and others for whom distance working was a preferred option during lockdown. Others (of any age), with second homes, may have chosen to relocate to their country residence during lockdown, and registered with a local GP practice. Whether there has also been an element of permanent residential relocation of ‘footloose’ workers can only be established from anecdotal evidence.

Another possibility is that elevated health concerns, and vaccine eligibility, may have prompted non-registered people to make sure they were on a local GPs list. However, this effect would presumably have affected urban and rural areas alike. The 2022 Census results will presumably shed further light on these intriguing issues.

Figure 2A.1: Percentage change in population 2019-2020 by five-year age groups and by (2020) urban-rural type

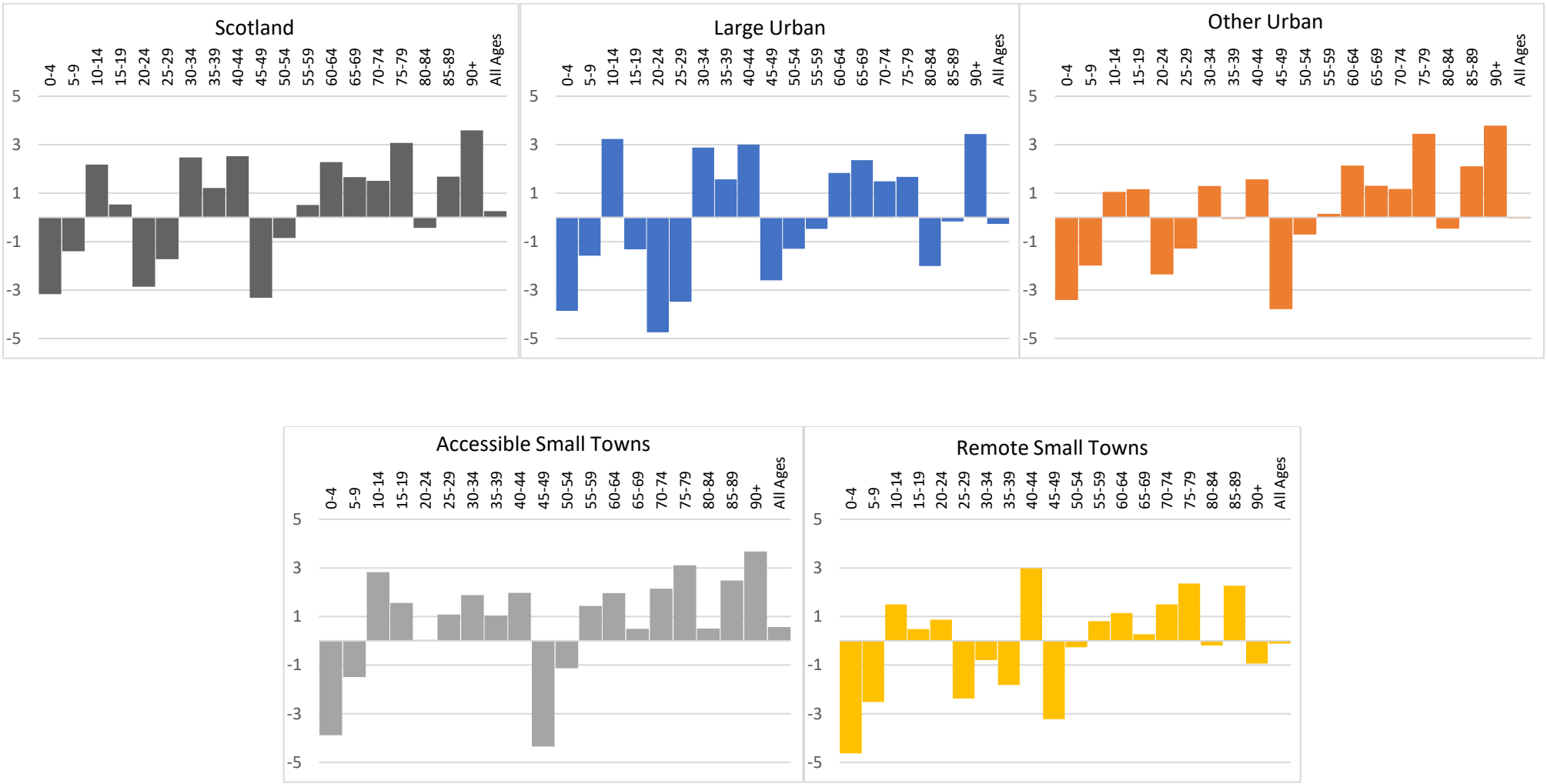


Figure 2A.1: Percentage change in population 2019-2020 by five-year age groups and by (2020) urban-rural type (CONT.)

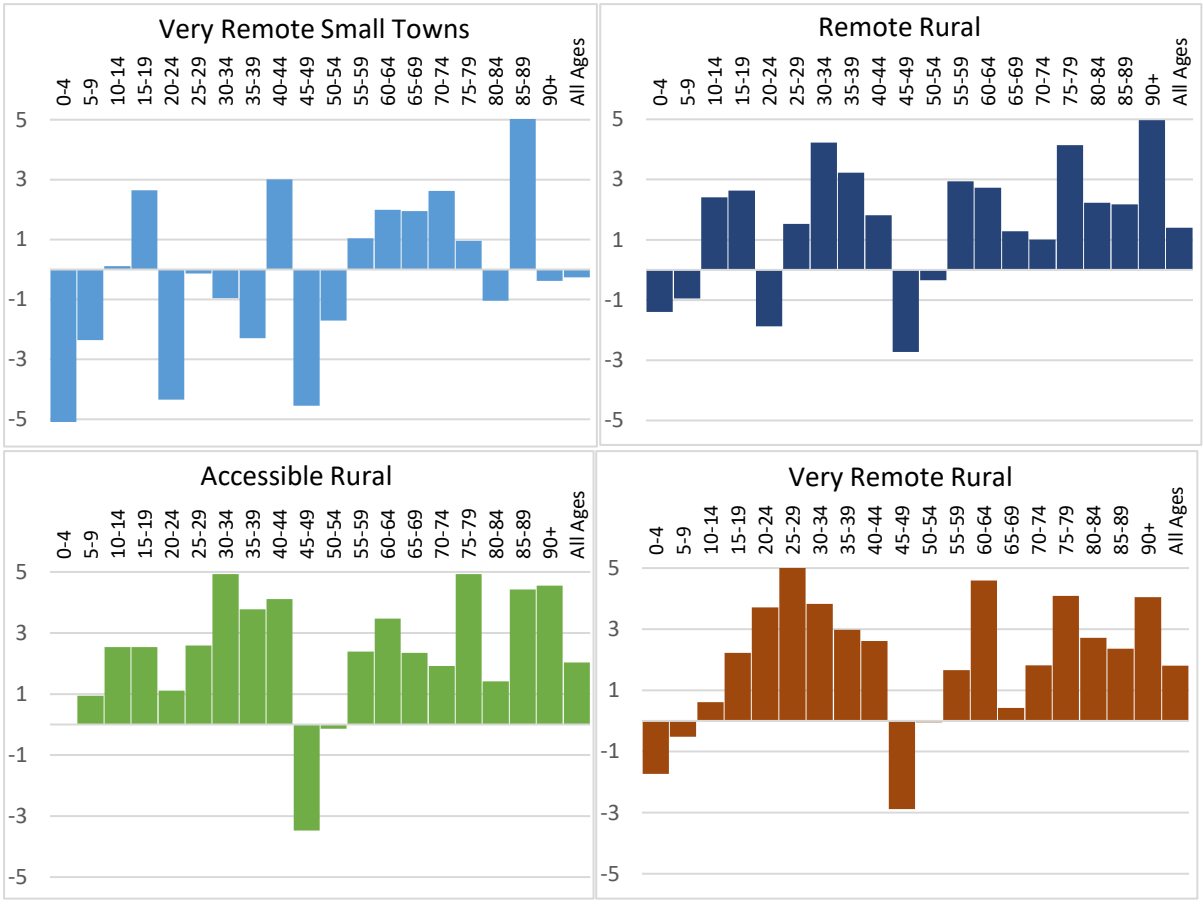
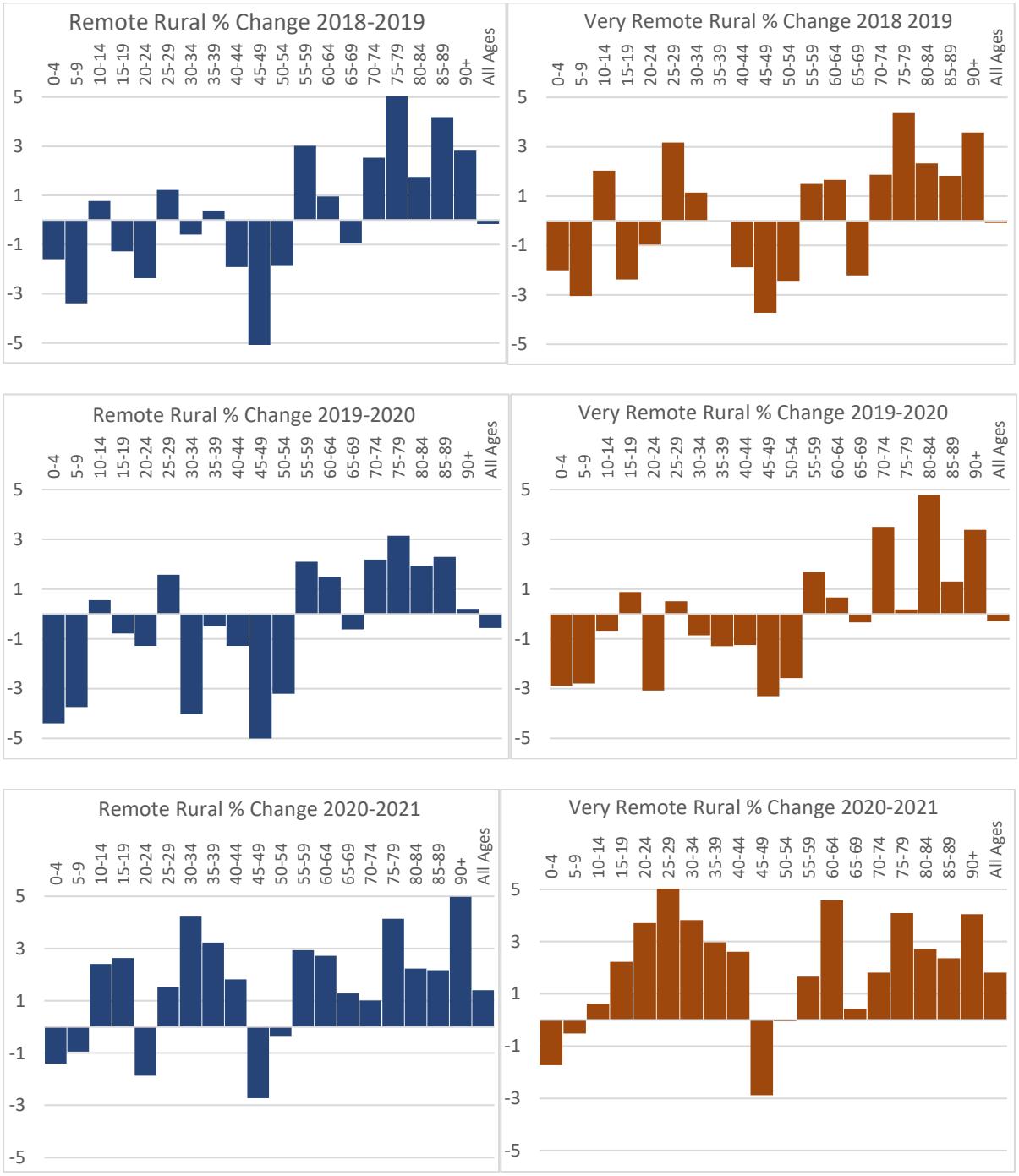


Figure 2A.2: Age structure of population change in remote and very remote data-zones 2018-2019 to 2020-2021



Annex 3: Distribution of Shrinking Data-Zones by Council Area and TTWA

Table 3A.1: Distribution of shrinking data-zones by Council Area

Council Area	Number of shrinking data-zones	% of data-zones shrinking	Rank (1 = highest share shrinking)	Population in shrinking data-zones (2020)	% of population in shrinking data-zones	Rank (1 = highest share shrinking)
Aberdeen City	25	8.8	24	15,437	6.7	26
Aberdeenshire	51	15.0	11	33,615	12.9	11
Angus	21	13.5	16	14,073	12.2	12
Argyll and Bute	**45**	**36.0**	**1**	**27,857**	**32.6**	**1**
City of Edinburgh	25	4.2	33	18,432	3.5	33
Clackmannanshire	12	16.7	10	6,845	13.3	10
Dumfries and Galloway	25	12.4	19	16,127	10.9	16
Dundee City	22	11.7	20	14,610	9.8	21
East Ayrshire	**31**	**19.0**	**5**	**20,321**	**16.7**	**4**
East Dunbartonshire	8	6.2	30	5,325	4.9	31
East Lothian	11	8.3	26	6,267	5.8	27
East Renfrewshire	6	4.9	32	3,586	3.7	32
Falkirk	24	11.2	21	14,790	9.2	22
Fife	39	7.9	27	25,291	6.8	25
Glasgow City	110	14.7	12	74,027	11.6	14
Highland	39	12.5	18	23,751	10.1	19
Inverclyde	**40**	**35.1**	**2**	**23,788**	**30.9**	**2**
Midlothian	16	13.9	14	9,263	9.9	20
Moray	**23**	**18.3**	**6**	**15,096**	**15.8**	**6**
Na h-Eileanan Siar	**7**	**19.4**	**4**	**4,195**	**15.8**	**5**
North Ayrshire	**33**	**17.7**	**8**	**20,862**	**15.5**	**7**
North Lanarkshire	**80**	**17.9**	**7**	**51,983**	**15.2**	**8**
Orkney Islands	3	10.3	22	1,729	7.7	23
Perth and Kinross	12	6.5	29	8,421	5.5	29
Renfrewshire	33	14.7	13	21,231	11.8	13
Scottish Borders	12	8.4	25	8,304	7.2	24
Shetland Islands	3	10.0	23	2,481	10.8	17
South Ayrshire	21	13.7	15	12,739	11.4	15
South Lanarkshire	**75**	**17.4**	**9**	**45,705**	**14.2**	**9**
Stirling	6	5.0	31	4,998	5.3	30
West Dunbartonshire	**27**	**22.3**	**3**	**16,572**	**18.8**	**3**
West Lothian	18	7.5	28	10,284	5.6	28
SCOTLAND	**903**	**12.9**		**578,005**	**10.6**	

Notes:

- **i.** Based on National Records of Scotland Small Area Population Estimates 2021.
- **ii.** For explanation of method of defining shrinking data-zones see section 3.1

Table 3A.2: Distribution of shrinking data-zones by TTWA

TTWA Name	Number of shrinking data-zones	% of data-zones shrinking	Rank (1 = highest share shrinking)	Population in shrinking data-zones (2020)	% of population in shrinking data-zones	Rank (1 = highest share shrinking)
Aberdeen	55	11.0	32	35,551	8.9	33
Alness and Invergordon	2	6.7	43	1,618	7.3	40
Arbroath and Montrose	6	10.5	34	3,830	8.7	35
Aviemore and Grantown-on-Spey	0	-	47	-	-	47
Ayr	30	15.6	21	18,676	13.3	20
Berwick (part)	4	15.4	22	2,440	12.9	22
Broadford and Kyle of Lochalsh	1	11.1	30	584	8.3	37
Campbeltown	**5**	**45.5**	**2**	**3,447**	**46.7**	**2**
Carlisle (part)	1	7.1	40	711	7.2	41
Dalbeattie and Castle Douglas	3	12.5	27	2,479	13.2	21
Dumbarton and Helensburgh	**21**	**20.8**	**10**	**12,719**	**17.7**	**12**
Dumfries	14	11.4	29	8,525	9.4	32
Dundee	39	12.5	27	25,981	10.8	29
Dunfermline and Kirkcaldy	27	6.7	42	16,921	5.6	43
Dunoon and Rothesay	**20**	**62.5**	**1**	**12,088**	**60.4**	**1**
Edinburgh	52	6.1	44	33,962	4.6	45
Elgin	23	17.2	19	15,096	14.8	18
Falkirk and Stirling	40	10.4	35	25,246	8.7	34
Fort William	3	10.7	33	1,971	9.5	30
Fraserburgh	6	19.4	16	4,204	19.0	11
Galashiels and Peebles	4	5.6	46	2,691	4.6	46
Girvan	**5**	**31.3**	**5**	**3,311**	**30.6**	**3**
Glasgow	239	14.9	23	156,336	12.0	26
Golspie and Brora	1	7.1	40	753	7.8	38
Greenock	**40**	**34.2**	**3**	**23,788**	**30.0**	**4**
Hawick and Kelso	4	9.5	38	3,173	9.4	31
Inverness	17	11.1	30	10,444	8.6	36
Kilmarnock and Irvine	50	17.9	18	31,935	15.6	14
Livingston	20	7.5	39	11,671	5.7	42
Lochgilphead	**4**	**30.8**	**6**	**2,697**	**29.6**	**5**
Motherwell and Airdrie	85	14.9	24	53,418	12.5	25

Mull and Islay	**2**	**20.0**	**11**	**1,373**	**19.3**	**10**
Newton Stewart	3	15.8	20	1,524	11.9	27
Oban	**6**	**27.3**	**7**	**3,314**	**20.6**	**8**
Orkney Islands	3	10.3	36	1,729	7.7	39
Perth	9	5.7	45	6,434	5.0	44
Peterhead	10	20.0	11	5,690	15.1	16
Pitlochry and Aberfeldy	3	20.0	11	1,987	15.4	15
Portree	2	20.0	11	1,142	15.1	17
Shetland Islands	3	10.0	37	2,481	10.8	28
St Andrews and Cupar	10	14.3	26	7,242	12.7	23
Stranraer	**6**	**26.1**	**8**	**3,782**	**22.5**	**7**
Thurso	**5**	**23.8**	**9**	**2,779**	**19.5**	**9**
Turriff and Banff	5	14.7	25	3,607	13.9	19
Ullapool	2	18.2	17	848	12.6	24
Western Isles	7	19.4	15	4,195	15.8	13
Wick	**6**	**31.6**	**4**	**3,612**	**29.5**	**6**
SCOTLAND	**903**	**12.9**		**578,005**	**10.6**	

Notes:

i. Based on National Records of Scotland Small Area Population Estimates 2021

ii. For explanation of method of defining shrinking data-zones see section 3.1

Annex 4 Service provision, a key driver of differential population trends?

The report considers some of the issues involved in determining the geographical scale, number of areas and criteria for selection that could be the subject of zonal or place-based interventions aimed at addressing depopulation. These issues have largely concerned trends in population dynamics over time, at a variety of geographical scales.

Another set of issues that is likely to be material in determining the number and size of target areas is the sort of policy interventions to be implemented. Some types of interventions might be well-suited to implementation at a relatively small area level, defined by hard boundaries (such as for example tax reliefs of other fiscal incentives aimed at stimulating activity in particular areas). Other policy interventions might be more suited to broader geographical areas given the administrative challenges at smaller areas (such as for example a rural visa pilot). Others may not need to be defined by very specific boundaries (such as policies to promote or market the advantages of living in particular parts of the country).

The type of intervention to be implemented through a zonal or place-based approach is therefore likely to be material to the question of how to identify 'target' areas. Consideration will need to be given to ensuring that measures can be implemented locally in ways that appropriately address the complexity and nuance of population trends, their causes and consequences. Policy choices should therefore depend on what evidence says are material factors driving particular population trends or leading to a particular local population 'outcome'.

The policies to be implemented within zones or places might feasibly include policy related to: job opportunities and access to those; housing access and affordability; infrastructure quality and suitability, particularly in relation to digital infrastructure; access to social and cultural services; access to and quality of public services.

We don't have scope in this report to appraise the role and suitability of all these policy possibilities. But we do investigate the role of one specific factor that may influence population trends – the public's perceptions of public services. In theory at least, it is possible that if public services are persistently perceived as being poor in certain areas, this could have a material influence on population decline.

Whilst perceptions of public services are clearly not the only factor that can influence individuals' location or migration decisions, they are a particularly important indicator for policymakers to consider, since the quality and accessibility of public services can be influenced directly by policy. If residents' perceptions of public services were notably worse in particular geographical areas, then in theory at least, one 'place-based' approach to addressing this would be to target additional funding or support at public services in those areas.

We used data from the Scottish Household Survey (SHS), an annual survey of approximately 10,000 Scottish households, to examine how public satisfaction with public services varies across different geographical areas in Scotland. SHS results

from 2017, 2018 and 2019 were combined to produce a sample size of approximately 30,000.

An important question is then what level of geography to use when considering how perceptions of public services vary. Ideally, we might have considered grouping results according to the 8-fold urban/rural classification. Unfortunately, the public access version of the SHS does not include a variable identifying the location of households by the 8-fold urban/rural classification.

However, the SHS does identify the local authority area of each respondent, and the two-fold urban/rural classification of each respondent. We combine these two sets of information to identify four typologies of local authority, and within each of these four typologies, the two-fold urban/rural measure.

The four typologies of local authority were those specified by the Scottish Government's RESAS (Rural and Environmental Science and Analytical Services) division and are reproduced in Table 1.

Table 4A.1: RESAS classification of the rural economy

LA type	**Local authority areas**
Larger cities	Glasgow City, City of Edinburgh, Aberdeen City, Dundee City
Urban with substantial rural	North Lanarkshire, South Lanarkshire, Fife, West Lothian, Renfrewshire, Falkirk, East Renfrewshire, Inverclyde, West Dunbartonshire, Midlothian, North Ayrshire, East Dunbartonshire, Stirling
Mainly rural	East Ayrshire, Aberdeenshire, Clackmannanshire, East Lothian, South Ayrshire, Moray, Angus, Perth and Kinross, Highland, Dumfries and Galloway, Scottish Borders
Islands and remote rural	Argyll and Bute, Shetland Islands, Orkney Islands, Na h-Eileanan Siar,

We overlay these four LA types with the two-fold urban/rural classification. This approach leaves us with seven different types of geographical area (urban and rural parts of the four LA types - there are no rural areas in the 'larger cities'). Our sample size for each of these seven areas is shown in Table 2.

Table 4A.2: Sample size for analysis, by geographical classification

	Urban	**Rural**	**Total**
Larger cities	7,110	-	7,110
Urban LA with substantial rural	11,255	1,089	12,344
Mainly rural LA	5,786	3,231	9,017
Islands and remote rural LA	1,125	2,062	3,187
Total	**25,276**	**6,382**	**31,658**

To summarise, our seven types of geographical area are:

- The four major cities
- Urban areas in mainly urban local authorities
- Rural areas in mainly urban local authorities
- Urban areas of mainly rural local authorities
- Rural areas of mainly rural local authorities
- Urban parts of the island authorities and Argyll and Bute
- Rural parts of the island authorities and Argyll and Bute.

For shorthand, and to maintain some consistency with the RESAS categorisation in Table 1, we refer to the 'island authorities and Argyll and Bute' as 'remote and island' authorities. It is worth noting that of course that parts of Argyll and Bute are not particularly remote, and are sometimes less 'remote' than parts of some other authorities. This demonstrates some of the challenges in categorising areas. Nonetheless, we felt it was important to adopt a similar categorisation as used by the Scottish Government.

Summary of findings and discussion

The findings suggest that, in broad terms, satisfaction with public services tends to be higher in remote and island local authorities than in other areas of Scotland. This is true across a broad range of public services, even, perhaps paradoxically, when it comes to perceptions of public transport.

This general finding holds after controlling for observable characteristics of survey respondents, including age, income, employment status, education, and health. In general, the inclusion of socio-economic controls makes little difference to the observed relationships. This partly reflects relatively weak associations between some controls and perceptions of public services.

What we cannot observe are the attitudes and expectations of respondents. It is possible that people living in remote and island areas have different expectations of public services that act to frame their satisfaction with those services. In other words, satisfaction with public services might be higher in remote rural areas despite poorer public service provision in those areas, because expectations are low to begin with.

There is very mixed evidence on the extent to which public services are better or worse in remote and island areas compared to other parts of Scotland when assessed by objective measures. Take health services for example. On emergency department waiting times, the highland and island health boards tend to do very well. The proportion of emergency department referrals treated or discharged within four hours is well above 95% in the Island health boards, and 80% in NHS Highland, compared to 65% in Scotland as a whole. But on cancer referrals there is a very different story. The percentage of cancer patients beginning treatment within 62 days of referral is notably lower in NHS Orkney and NHS Shetland than nationally, whilst NHS Western Isles and NHS Highland are in line with the national average[16]. More

[16] Statistics in this paragraph are the latest available from NHS Performs as on 31 October 2022. The cancer waiting times statistics relate to June – August 2022 and the emergency department statistics relate to October 2022.

generally, a recent report by Highlands and Islands Enterprise finds that a large proportion of residents of island local authorities, and the remoter parts of the Highland area, cannot access a range of health services (such as GP services, dentists, health visitor, and physiotherapists) within a 20-minute drive of their home[17].

Whilst satisfaction with public services in remote and island LAs is generally relatively high, this is not the case for predominantly rural LAs. Satisfaction with public services in predominantly rural LAs is sometimes relatively lower than in predominantly urban areas and major cities, particularly in relation to public transport, and the quality of local authority services in general (but not schools).

One obvious limitation of this analysis is that, by aggregating over broad geographical areas, it cannot say anything about how perceptions of public services may vary in specific localities. If it is the case that key public services – perhaps in relation to schools or health services – are perceived as being poor in particular localities (such as towns or islands), those perceptions could play a part in shaping population change in those specific localities over time.

Another limitation is that we only observe people residing in their current location. We do not know whether perceptions of what public services in particular areas *might be like* dissuade some people from moving into rural areas. We also do not know whether dissatisfaction with public services has been a factor in causing some people to migrate away from rural areas.

On the basis of the analysis here, however, there is no case for saying that satisfaction with public services is systematically weaker in remote and island Las. These are the areas that our analysis, presented in previous sections, are most likely to contain areas of shrinking population. In fact on average, perceptions of public services are more positive in those remote areas. And whilst perceptions of some local services are somewhat weaker in predominantly rural LAs (and rarely if ever more positive than average), it is not the case that satisfaction with public services is systematically lower in these areas.

A conclusion that population decline in some rural areas is unlikely to have been driven by poor perceptions of public services is probably not a big surprise. As we remarked above, depopulation has been occurring in some areas for many decades, and is driven by a complex range of factors. It is also often the outcome of demographic composition, the factors behind which were set in train many years or indeed decades ago.

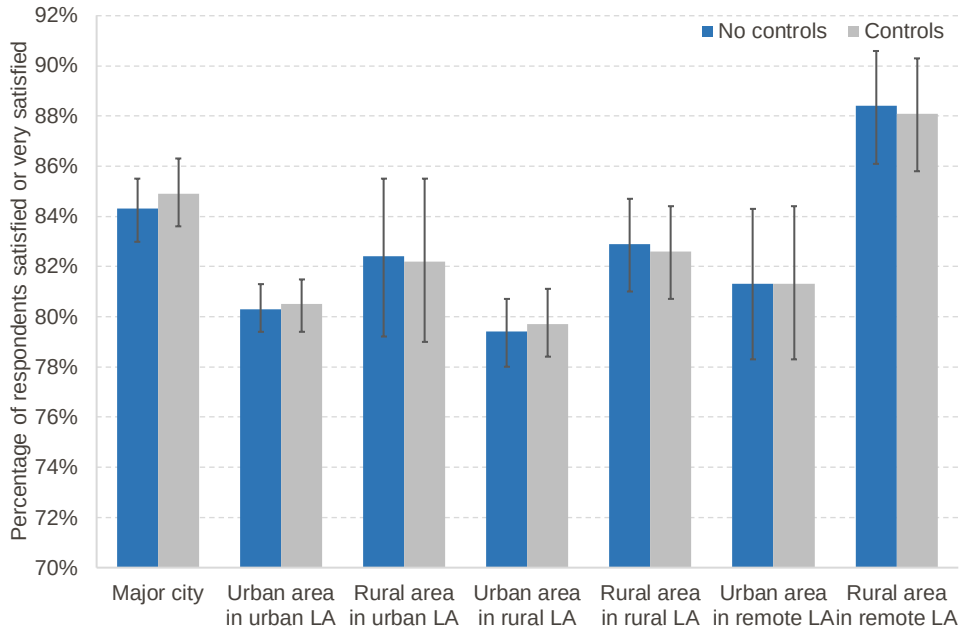
Nonetheless, we hope this analysis is useful in stimulating further debate and analysis of the likely determinants of population change, and hence the type of policies that might help mitigate further change where that is deleterious to wider community viability. In surveys, including recent survey data from HIE, housing and employment opportunities are cited frequently as challenges for rural residents, whilst it is most often younger people that express interest in leaving those areas

[17] My Life in the Highlands. Highlands and Islands Enterprise, October 2022. https://www.hie.co.uk/media/12902/my-life-in-the-highlands-and-islands-report-oct-2022.pdf

(half of 16-29 year olds think they will move away from their local area in the next five years). The types of policy that will most effectively mitigate these issues will have a bearing on the number, size and selection of areas or zones that are the focus for intervention.

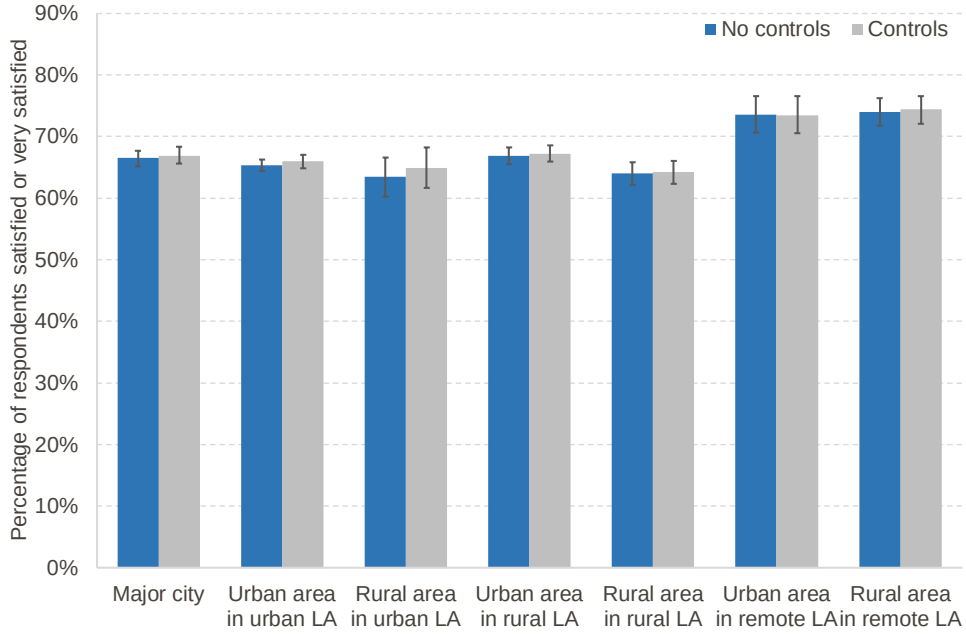
Detailed results – charts

Chart 1: Respondents satisfaction with local health services by geographical area, with and without controls



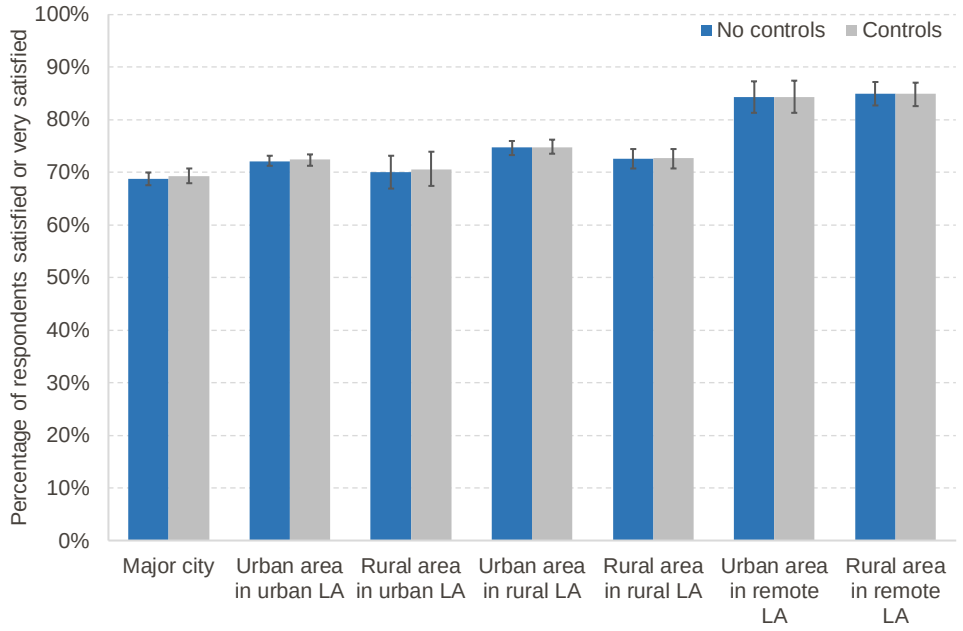
N = 28,457 (no controls); 26,494 (controls). Bars show 95% confidence intervals

Chart 2: Respondents satisfaction with police services by geographical area, with and without controls



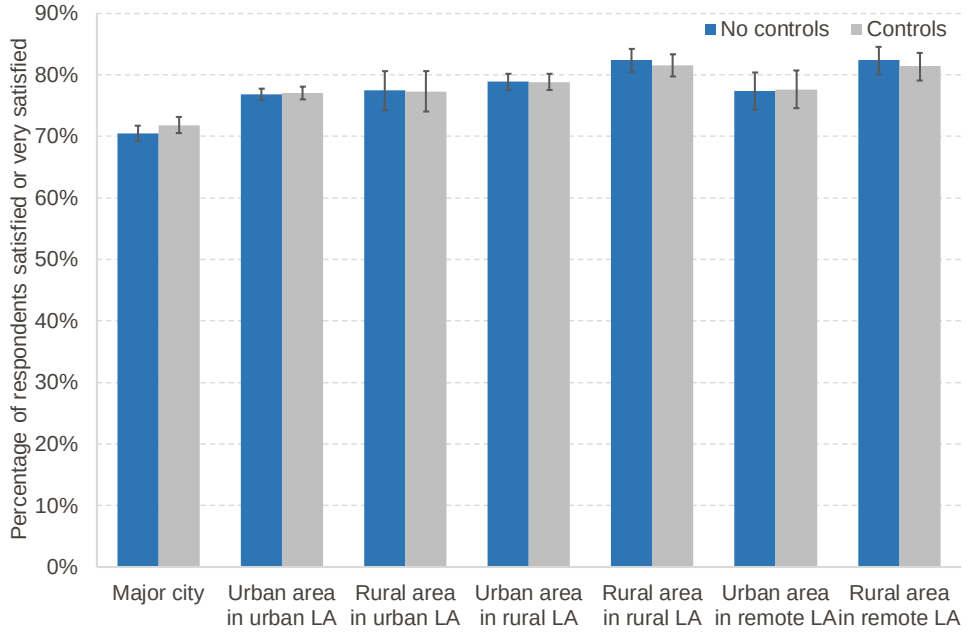
N = 23,124 (no controls); 21,682 (controls). Bars show 95% confidence intervals

Chart 3: Respondents satisfaction with fire services by geographical area, with and without controls



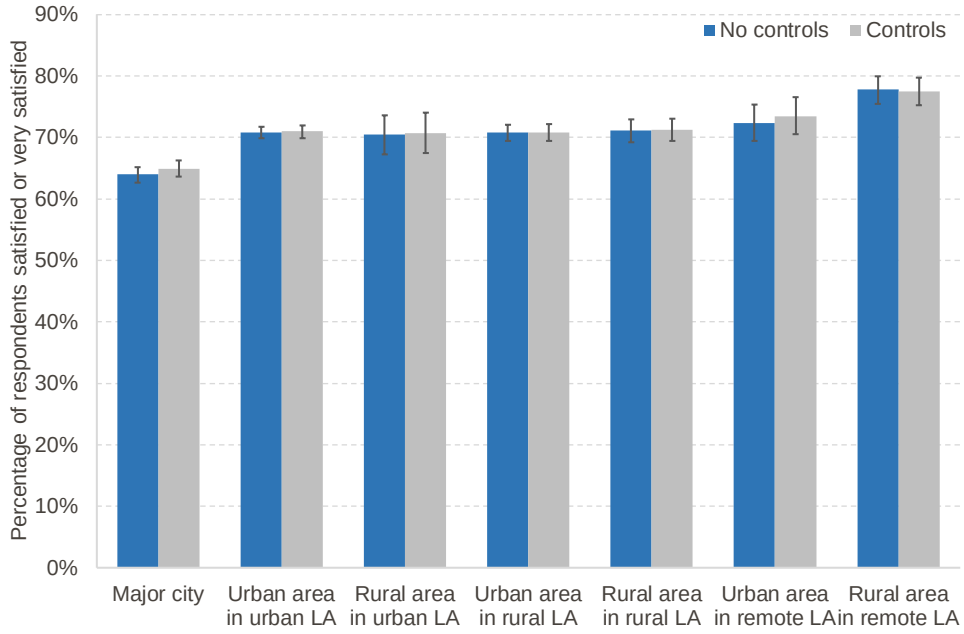
N = 20,810 (no controls); 19,537 (controls). Bars show 95% confidence intervals

Chart 4: Respondents satisfaction with refuse collection services by geographical area, with and without controls



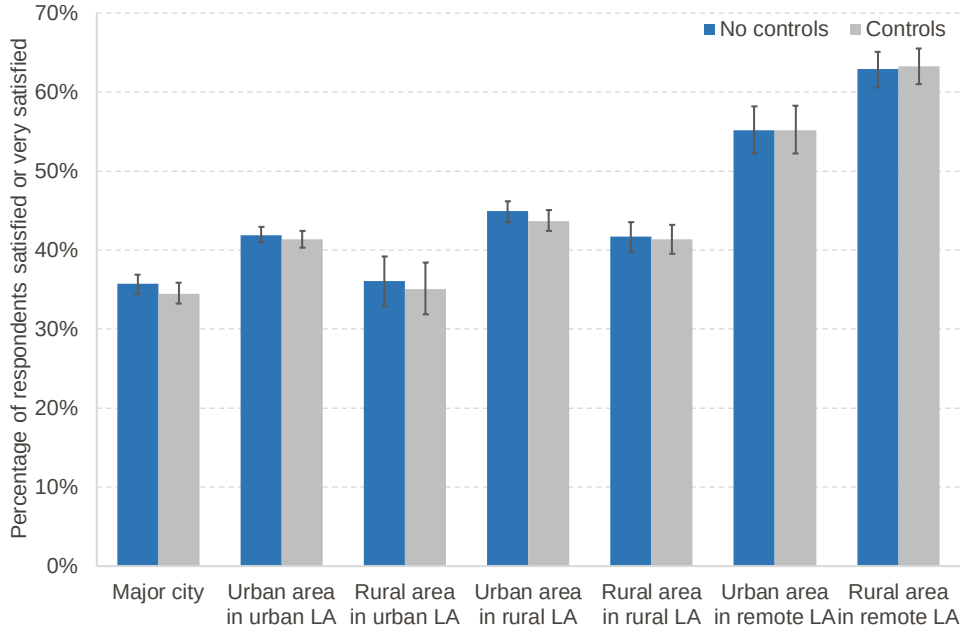
N = 28,658 (no controls); 26,699 (controls). Bars show 95% confidence intervals

Chart 5: Respondents satisfaction with local schools by geographical area, with and without controls



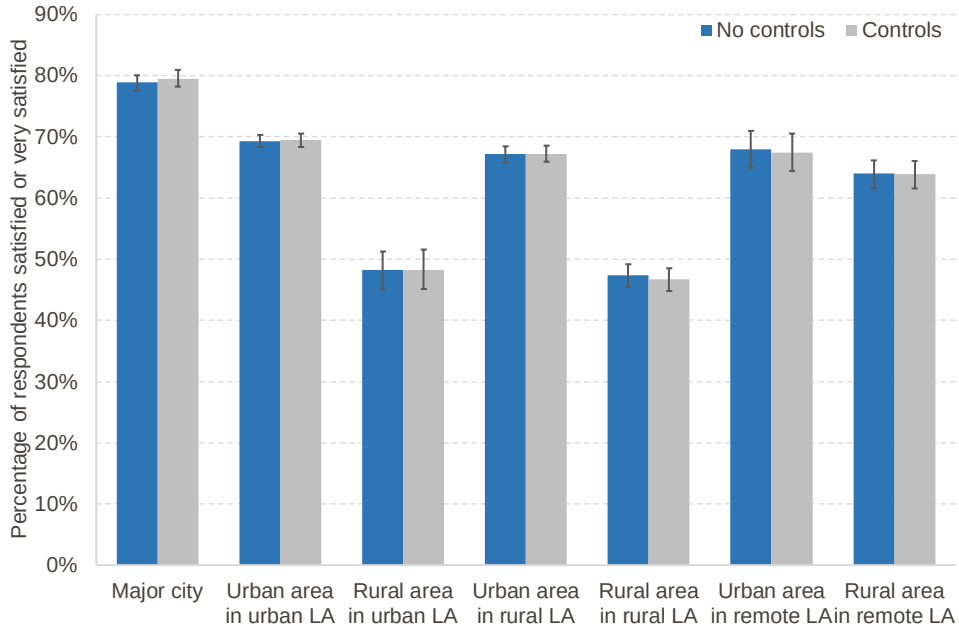
N = 17,371 (no controls); 16,491 (controls). Bars show 95% confidence intervals

Chart 6: Respondents satisfaction with social care/social work services by geographical area, with and without controls



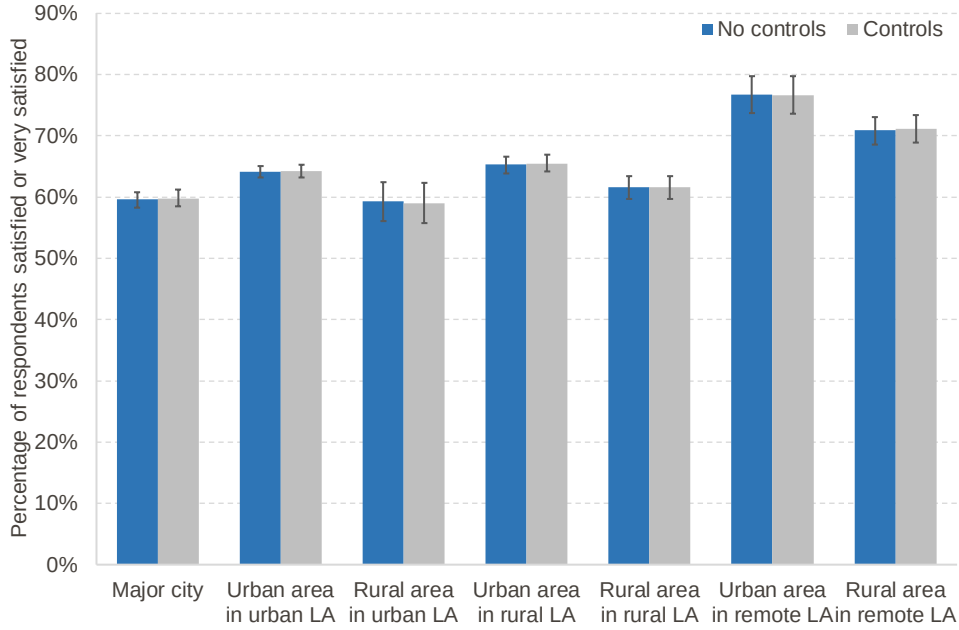
N = 4,914 (no controls); 4,589 (controls). Bars show 95% confidence intervals

Chart 7: Respondents satisfaction with public transport by geographical area, with and without controls



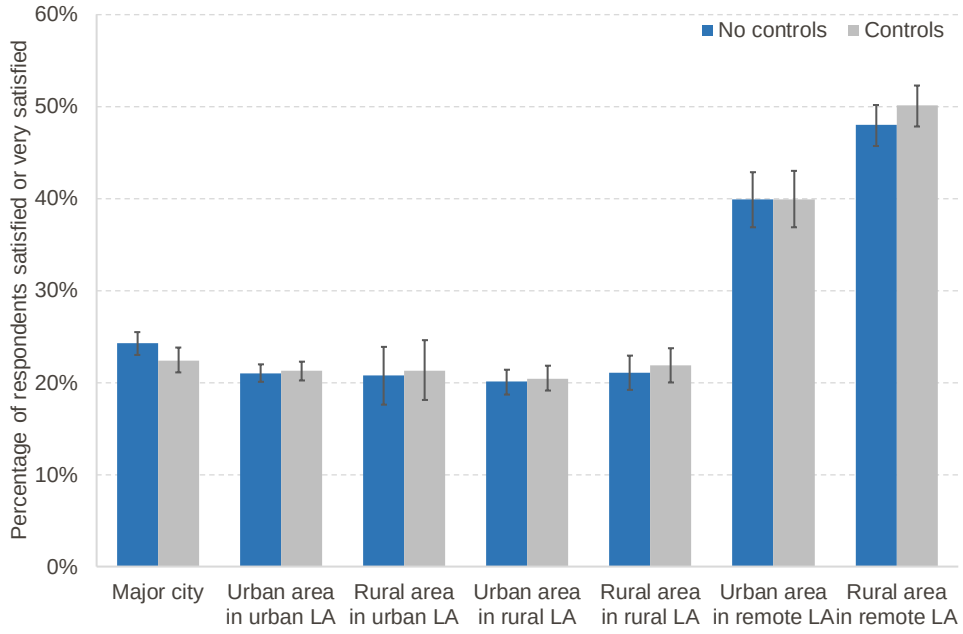
N = 25,000 (no controls); 23,393 controls). Bars show 95% confidence intervals

Chart 8: Respondents satisfaction with street cleaning services by geographical area, with and without controls



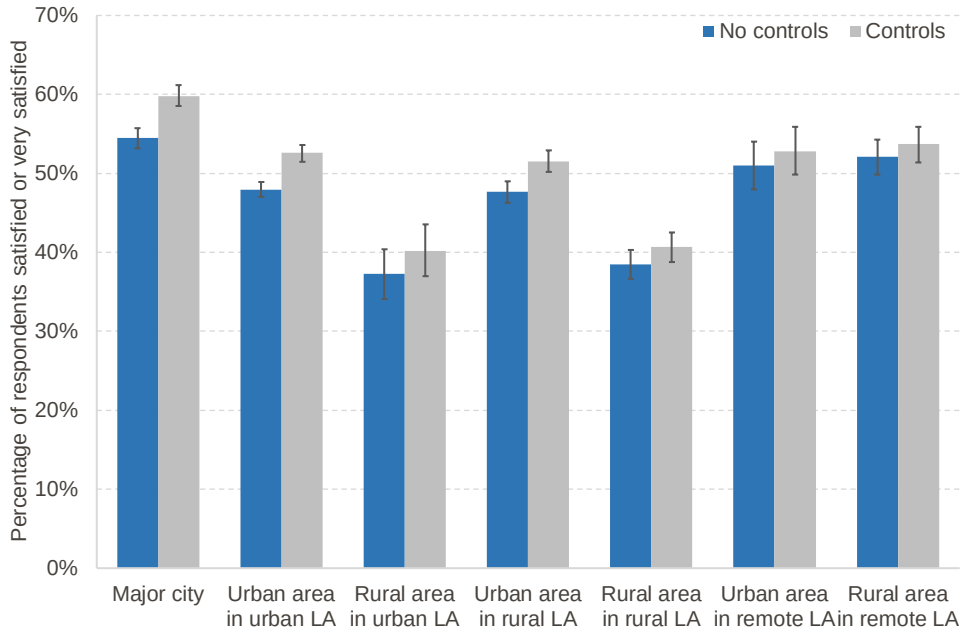
N = 27,089 (no controls); 25,289 (controls). Bars show 95% confidence intervals

Chart 9: Respondents satisfaction with road maintenance by geographical area, with and without controls



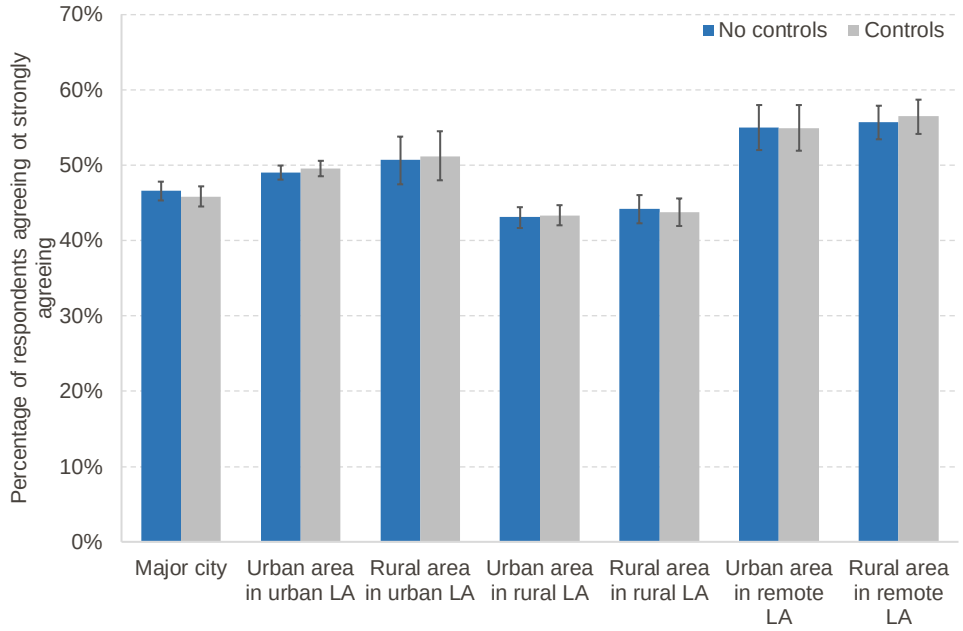
N = 18,511 (no controls); 17,304 (controls). Bars show 95% confidence intervals

Chart 10: Composite indicator of respondents satisfaction with local services by geographical area, with and without controls



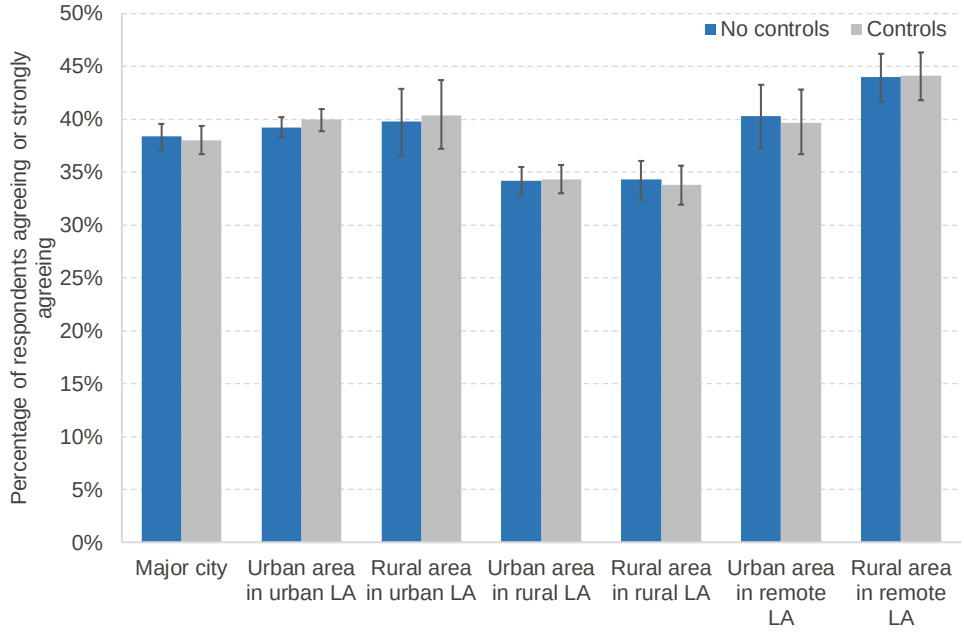
N = 31,669 (no controls); 27,126 (controls). Bars show 95% confidence intervals

Chart 11: Percentage of respondents agreeing or strongly agreeing with the statement ‘my council provides high quality services’



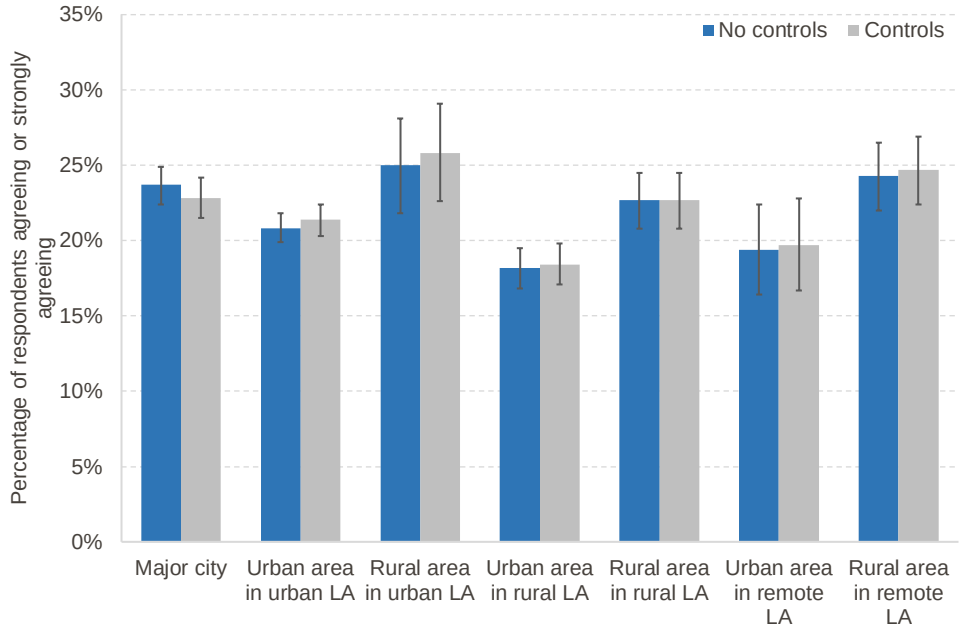
N = 27,920 (no controls); 26,055 (controls). Bars show 95% confidence intervals

Chart 12: Percentage of respondents agreeing or strongly agreeing with the statement ‘my local council designs its services around the needs of the people who use them’



N = 26,404 (no controls); 24,751 (controls). Bars show 95% confidence intervals

Chart 13: Percentage of respondents agreeing or strongly agreeing with the statement ‘ I can influence decisions affecting my local area’



N =26,850 (no controls); 25,137 (controls). Bars show 95% confidence intervals

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