EXIT, VOICE, AND DISAPPOINTMENT: MOUNTAIN DECLINE AND EU COMPENSATORY RURAL POLICY IN SPAIN

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The article analyses the Spanish experience of EU compensatory rural policy in order to contribute to broader debates on the effectiveness of this kind of policy and the role of agriculture in the definition of European rural policies. In the case of Spain, compensatory allowances to mainly mountain farmers had little effect on economic trajectories or social cohesion because of the small sums involved, the exclusion of those with very small farms, and the decreasing role of agriculture in the rural economy. Other, more structural, instruments of rural policy focused on small-scale promotion of business growth but were ill-equipped to challenge some of the territorially defined items of living standard gaps. A historically grounded analysis suggests that the main changes in the social trajectory of Spain’s mountain areas in the last decades have little to do with compensatory policy and are related to ordinary economic dynamics.

INTRODUCTION

One of the characteristic functions of states in advanced capitalist countries is the ‘regulation of unevenness’ (Painter and Goodwin 1995). This traditionally implies not only compensatory regional policies, but also compensatory rural policies set to ease the geographical constraints on economic activity and living standards in less-favoured areas (henceforth, LFAs). In the particular case of mountain areas, while the beginnings of compensatory policies in countries such as Switzerland and Austria can be traced back to the inter-war period (Leibundgut 1981; Rieutort 1997), it was the decades following the Second World War that witnessed mountain policies spreading across most Western European countries. The spread was fostered by the release in 1975 of a European Community Directive (75/268) for the promotion of mountain farming. This was probably the first attempt to territorialize the Common Agricultural Policy (CAP) (Shucksmith et al. 2005).

There are divergent views on this kind of compensatory rural policy. It has been estimated that, in average European terms, compensatory allowances reduce the farm income gap between LFAs and regular areas by about 7 per cent (Bazin 1992; Terluin et al. 1995). Several authors (Gray 1996; Caraveli 2000) have suggested that LFA allowances make a decisive contribution to the survival of low-intensity farming in many remote areas. Other studies, however, have found that allowances do not have a significant impact on farmers’ production decisions (Shucksmith and Smith 1991) and that their unitary effects are low in comparison to those linked to structural policies for the non-farm sectors of the rural economy (Psaltopoulos et al. 2004). In that case, there would be a disproportion between the level of public expenditure required and the benefits accrued (Swales et al. 2004). These perspectives would contribute to the well-known, long-standing discourse on the ‘undue emphasis on agriculture in rural European development’ (Wibberley 1981). Moreover, the finding that there is a ‘farm-size’ bias in LFA allowances, so that big farms get higher payments than small farms, has led some scholars to question whether or not mountain policies are truly compensatory (Guariglia 1976; Dorfmann 1983; Gray 2000).

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In addition, mountain policies allow for further exploration of rural development as the ‘second pillar’ of the Common Agricultural Policy. Although as early as 1958 the Stresa Conference made explicit references to the development of the non-farm sectors of the rural economy (El-Agraa 2001, p. 242), the identification of rural development as CAP’s second pillar took place as late as the 1990s. Furthermore, the emergent rhetoric on rural development cannot conceal that the budget share of the farm-oriented first pillar is about nine times as high as the budget share of the second pillar and that, in addition, farmers are the main beneficiaries of the second pillar (Lowe and Brouwer 2000; Lowe et al. 2002; Shortall 2004; Léon 2005; Shucksmith et al. 2005). It could then be argued that what has been termed ‘the neglect of rural community’, identified by some as a persistent element in US agricultural policy (Browne 2001), has not been significantly removed from the European scene in real terms (that is, beyond discourse terms). Second only to agri-environmental measures, LFA policy is an important element in the second pillar and provides a good opportunity to deal with this issue.

Finally, and related to the two issues above, there is a debate on the effectiveness of compensatory rural policies per se. Do they make a significant impact on the historical trajectory of rural society in LFAs? It has been suggested that the total amount of the allowances, which in Northern Europe is much higher than in Southern Europe due to Southern European governments’ preference for other, more general, instruments of rural development, may not be an irrelevant variable here (see Bazin 1992; Terluin et al. 1995; Dax and Hellegers 2000; Shucksmith et al. 2005). More broadly, Caraveli (2000) has suggested that rural development policies have contributed to reverse abandonment trends in LFAs because they have encouraged economic diversification. A more pessimistic reading of the evidence, however, has led some to describe the European Commission’s hopes on LFA policy as exaggerated (Fennell 1987, p. 176) and to attribute the main transformations witnessed by European mountain societies in the last decades (including those pointed out by Caraveli) not to compensatory policies, but to the ordinary dynamics of capitalism (Negri 1993). This reading is in line with those scholars who have been sceptical about the shift to governance as an approach to local development on the basis that such a shift will not be able to substantially erode the power of these global forces in shaping the trajectories of territorial development (Amin and Thrift 1994; Freshwater 2003).

The co-existence of these divergent views on rural compensatory policies has been probably reinforced by the poor monitoring work undertaken by the European Commission itself. In 2003 the European Court of Auditors complained that the Commission ‘does not have enough sound information on the impact of the [LFA] measure’ and ‘an overall evaluation of its impact is, after thirty years of operation, still lacking’ (Court of Auditors 2003). This article seeks to make a contribution to the debate by focusing on the particular case of Spain. One of the most mountainous countries in the continent according to the usual policy definitions (Fennell 1987, p. 185), Spain released a mountain policy in 1982, following three decades of heavy demographic crisis in this kind of LFA and just four years before entering the European Community (henceforth the EC). The article analyses the making of EU-style mountain policy and the latter’s consequences on mountain economy and society. As mechanisms of response to the unsatisfying outcomes of a given social structure (Hirschman 1970), ‘exit’ and ‘voice’ shape a part of the analysis. The second section of the paper describes the crisis of mountain societies in twentieth-century Spain and the use of exit as a response mechanism. The third section brings ‘voice’ in, as well as the other elements that had an influence on the final policy outcome, especially the influence of pre-existing European models and policy-makers’
reliance on their own preconceptions of social reality (rather than on a rigorous study of it). The fourth section argues that the effects of mountain policy were disappointing, partly because the policy design was not well adapted to the features and trends of mountain economies in the late twentieth century. The conclusions in the fifth section summarize the implications of the Spanish case study to broader debates on European rural policy.

EXIT: ECONOMIC PERIPHERIES AND DEMOGRAPHIC CRISIS

Mountains make up a substantial part of the Spanish territory. It has been officially estimated that nearly 40 per cent of Spain’s surface area is mountainous (Gómez et al. 1987). One of the main trends in the social history of these mountain areas during the twentieth century was the relative deterioration of living standards in comparison to the average living standards in Spain. At the beginning of the twentieth century, mountain villagers had access to lower income and consumption levels than the average city dweller; nevertheless, urban life still had some of its own traditional shortcomings such as higher mortality rates as a consequence of poor sanitary conditions and some of the habits concomitant with the urban lifestyle. As the twentieth century progressed, however, there was a marked decline in the relative living standards of rural populations.

This story can be told from several different pieces of evidence. Table 1 in the Appendix, based on a representative sample of 84 mountain districts–amounting to about two-thirds of Spain’s mountain territory–gives historical statistics for the main variables considered here and in the rest of the paper. First, while the Spanish economy as a whole underwent a process of change in occupational structures, mountain areas remained heavily dependent on the primary sector, as late as the mid-twentieth century, the employer of about 80 per cent of the active population. This occupational gap made an important contribution to the emergence of an income gap: it has been estimated that for 1970 income per capita in the mountains was about 30 per cent lower than the national average (nearly 50 per cent lower in the least favoured mountain areas such as those in the southern regions of the country). Estimates are not available for dates previous to 1970, but there seems to be some case for considering that by around 1950 the income gap could have been even higher. Low levels of relative income meant not only low levels of ordinary consumption, but also a remarkable time lag in the spread to the mountains of a series of facilities and services that had a high impact on everyday life (for example, telephones, modern water supply systems). Moreover, scattered patterns of village settlement and low population densities (in 1950, there were about 25 inhabitants per square kilometre) hindered access to a wide range of commercial, financial, educational, and health services. Finally, an insufficient provision of roads and railways (a consequence tied to economic peripherality, as well as to the higher unit costs linked to specific geographical constraints) further aggravated access problems and reinforced the territorial character of mountain life difficulties (Collantes 2004).

The deterioration of relative living standards was a common feature of all mountain regions in Spain. Following Hirschman’s (1970) classic proposal, there were then two great lines of response to this trend by mountain villagers. First, they could choose the ‘exit’ option and leave their villages in search of higher living standards in Spain’s main cities. This option was conditioned to the growth cycles of the Spanish economy and their outcome in terms of the growth in non-farm employment opportunities. During the first decades of the twentieth century, the rate of growth in non-farm employment opportunities was relatively low. During the 1936–39 civil war and the 1939–50 period
of extreme autarky in Spain, the entire dynamic of modern economic growth came to a halt. It was mostly after 1950 when the spectacular acceleration of economic growth (the so-called ‘Spanish miracle’—more accurately, a convergence process that was common to other so-called backward European economies) created the conditions for the general use of exit as a response mechanism to the deterioration of relative living standards.

Second, mountain villagers could also be expected to consider ‘voice’, that is, political activism vindicating public policies set to decrease relative deprivation in the mountain regions. The perspectives of voice were, however, substantially less promising. The political conditions for the transmission of such voices were not favourable until the implementation of a modern democratic political system at the end of the 1970s. Francisco Franco’s victory in the 1936–39 civil war in particular led to a regime that featured authoritarianism and extreme centralism until the dictator’s death in 1975. As an example of this, Franco undertook repression policies towards distinctive cultural identities and political demands in regions such as Catalonia and the Basque Country. Moreover, the Franco regime did very little to mitigate the social costs that the economic miracle brought to rural Spain (Sevilla-Guzmán 1979). In fact, the rural space was often put to the disposal of capitalist, entrepreneurial interests and rural communities were not commonly given the chance to participate in serious negotiations to define compensation schemes. Well suited to the interests of the paper industry, forest policy provides a good example (Iriarte 2002), but energy policy is probably the clearest case. Around 1960, nine of Spain’s 20 largest corporations belonged to the electric utilities sector and showed a high capacity to involve the authoritarian state in the construction of dams in rural areas in spite of the opposition of local communities. This kind of episode was dramatically common in mountain areas, where some villages were even evacuated and buried under the dams’ waters.

In these conditions, it would have required ill-informed optimism to think that the Franco regime could be sensitive to a voice exerted by deprived mountain communities in search of higher living standards. In addition, it must be considered that the decline of mountain communities was a complex problem whose roots had to do less with particular political decisions than with the multi-vectoral dynamics of capitalism. The conjunction of good conditions for the use of exit from the 1950s onwards and bad conditions for the use of voice (until the late 1970s especially) led to radical changes in the historical trajectory of mountain populations. While the first half of the twentieth century was witness to rural–urban migration absorbing only a fraction of rural natural growth, the decades after 1950 were witness to an unprecedented increase in migration rates and the beginnings of a general process of depopulation.

Spain’s mountain population, close to five million in 1950 (over a total Spanish population of 28 million), decreased to just 3.5 million (over a 37-million total) by 1981. Furthermore, the selectivity bias in migration induced concomitant distortions in the demographic structure of mountain villages. In most villages, older populations became over-represented; there were also more single men than single women. As a result, during the 1980s, the traditionally positive balance of natural variation became negative. This moment of demographic crisis and social breakdown coincided with the design and release of a compensatory mountain policy by a new and democratically elected Spanish government.

VOICE AND THE MAKING OF A COMPENSATORY POLICY

Hirschman (1970) initially suggested that there was a ‘seesaw relation’ between exit and voice, so that a high-intensity use of one would lead to a low-intensity use
of the other. However, Hirschman (1995) later considered the possibility that, under certain circumstances, exit and voice could be complementary response mechanisms. This implied, for instance, that a high-intensity use of exit could foster, rather than hinder, the emergence and consolidation of voice. This is a part of the story when it comes to mountain communities in Spain: massive depopulation reinforced the subjective sensation of social crisis in the villagers who decided to stay and induced the latter to ask for political solutions to their handicaps.

A milestone in this kind of mobilization was the 1978 Boaví statement, in which Pyrenees dwellers vindicated that a specific mention should be given to mountain compensatory policies in the forthcoming new Spanish Constitution (Collantes 2007). It is somewhat paradoxical that the voice was articulated mostly from the Pyrenees: this was, after all, the mountain area with the most diversified economic structure, the most profitable farms, and the closest-to-average living standards. However, it is likely that mountain villagers in other, more handicapped areas (such as those in the very backward southern regions of the country) perceived their deprivation in regional rather than in rural/LFA terms. Conversely, belonging to or proximity to Spain’s most industrial regions (Catalonia and the Basque Country) allowed for a sharper identification of rural/LFA as the axis of voice articulation in the Pyrenees. A similar pattern has been found for Italy (Mazzoleni and Negri 1981), where the voice for a mountain policy was articulated mostly from the LFAs of prosperous regions (such as the Alps), and not so much in the even more backward LFAs of regions such as the Southern Apennines.

In Spain, the formation of voice took place under a rapidly changing, increasingly favourable political context (Baena 2002, pp. 324–6). Franco’s death in 1975 gave way to a consensus-based transition towards democracy that was witness to the emergence of previously repressed voices. Such voices were linked to issues as crucial as political pluralism, freedom to become a member of workers’ unions, regional demands for devolution, gender egalitarianism, and so on. The voice for a mountain policy was just one more of the many voices raised in Spain during the 1970s with the intention of having an influence on the new Constitution that would set the bases of the forthcoming regime. In addition, the year 1975 provided this voice (and the policy-makers who would later incorporate it into policy discussion) with a model on which a hypothetical mountain policy could be based: the EC Directive 75/268 on mountain and hill farming and farming in certain LFAs. Under this directive, whose origins were related to the UK negotiations for entry into the EC (Dax and Hellegers 2000, p. 179), member states were to implement policies that would promote agriculture, increase mountain farmers’ income, and thus reverse depopulation and landscape degradation trends. Although Spain did not yet belong to the EC, Franco’s death had just removed the main historical obstacle to integration (the non-democratic character of the political regime) and, after decades of political semi-isolation, there was widespread social consensus that entry into the EC (which eventually took place in 1986) was highly desirable and that there was a lot to be learned from the standard, Western European socio-political patterns.

The voice for a mountain policy found its way into the 1978 Spanish Constitution; article no. 130 made explicit reference to the need for specific mountain policies in order to achieve a more egalitarian distribution of income and welfare across the Spanish territory. Although this reference did not provide a sectoral definition of the mountain policies to be implemented, the final outcome of the process was the 1982 Mountain Agriculture Law (henceforth, MAL). Two different policy instruments were considered in the MAL. First, those mountain farmers with a farm over two hectares in size would receive
compensatory allowances in order to increase their income and help reverse trends, in terms of population and ecology, towards abandonment. The size requirement, which attempted to adapt to Spanish conditions the three-hectare requisite that prevailed in other European countries (Dax and Hellegers 2000, p. 186), was given backing on the grounds that farm restructuring, economies of scale and conventional productivistic modernization (the basic direction of agricultural policy at that time should not be put in danger (Arnalte and Ceña 1993; Lamo 1997). The second policy instrument considered in the MAL was the PROPROMs, programmes for the promotion of agricultural resources in mountain areas that were to be managed by local action groups. Although this may suggest images of an avant-la-lettre LEADER-type of integrated rural development policy, the high share of agriculture and farm-related investments in the programmes was clear right from the start.

Agriculture, therefore, was explicitly placed at the centre of mountain compensatory policy (Lamo 1997, p. 58). This was partly a consequence of the approach chosen by Spain’s first democratic government after Franco (led by the Christian Democrat, Adolfo Suárez, from UCD, Unión de Centro Democrático) to transform article no. 130 in the 1978 Constitution into tangible policies. More specifically, it had to do with the orientation given to the project by Jaime Lamo, the Christian Democrat Minister of Agriculture who was to play the greatest role in the definition of mountain policy. As he admitted later, Lamo, before he was appointed for the Ministry of Agriculture, unsuccessfully fought for a sectoral, agriculture-based reference to mountain policy in the 1978 Constitution (Lamo 1991, pp. 42–3). His subsequent design of a mountain policy strongly reflected such a preference. In spite of the many non-UCD parliament members who, during the Congress and Senate debates of the MAL project, stressed that a more integrated policy was needed, the final policy outcome remained basically a sectoral policy.

Only a few months after the release of the MAL in 1982, the Socialist Party (PSOE) won the elections under the leadership of Felipe González. Many socialist members of parliament had shown an active opposition to the MAL project when it was discussed in the Congress and the Senate during the Christian Democrat term. The MAL, however, was not changed substantially during the 14 years of socialist governments that followed. In fact, the socialist governments played a key role in the development, implementation and consolidation of the MAL. This was just one more agricultural policy area in which the direction given by the Christian Democrats was maintained. Lamo (1997, p. 75) has attributed this pattern to the fact that many of his policy initiatives would have been driven by technical, rather than political, considerations. Such was the appearance of the two main arguments given by Christian Democrat members of parliament in order to preserve the widely attacked agriculture-based orientation of the MAL project: first, the argument that the mountain economy was an economy almost exclusively based on agriculture, livestock farming and forest industries; and, second, the argument (made at a time when Spain was an accessionary state to what was then the EC) that Spanish mountain policy should be coherent with EC patterns (that is, Directive 75/268), which were essentially agriculture based. Because neither of the two arguments was seriously put into question (in the case of the first argument) or interpreted in a different way (in the case of the second one) by the socialists, the Christian Democrat design of mountain policy was not modified. The basic design was also kept during the 1996–2004 period of conservative governments led by José María Aznar from the Partido Popular (PP).

A more integrated approach to mountain policy could still have been possible if Spain’s 17 regional governments had played a more active role. These governments, which were created in the early 1980s as a reaction to Franco’s authoritarian centralism, were given
a significant set of regulatory capacities. In the particular case of mountain policy, such capacities could be used to adapt the MAL’s general idea to regional particularities or even to create distinctive, additional compensatory policies. Catalonia provided the best example. Many Catalan members of parliament had been highly critical of the MAL project because they thought it was excessively focused on agriculture. Consequently, in 1983, Catalonia’s regional government passed a High Mountain Areas Law, which, together with subsequent interventions in several areas of territorial policy and infrastructures, led to a regulation structure based on an integral conception of the problems of mountain populations (Jané and Castillo 1995).

However, this regional widening of the regulation scope could only take place if regional governments had a high sensibility towards mountain community decline and possessed the will to elaborate active responses. It probably required very dynamic regional economies (as in the case of Catalonia) as well, so that the reflexive search for a territorially embedded model of economic growth would not be hampered by the urgent need to fight both economic recession and massive unemployment. Because these conditions were not present in many Spanish regions during the 1980s, it is not surprising to find most regional governments choosing to merely manage mechanical implementations of the MAL and making only slight changes that did not alter the basic orientation of regulation (Rodríguez 1993). Such a passive attitude was, after all, a regional version of the attitude previously shown by the central administration when faced to the EC Directive on mountain policy.

DISAPPOINTMENT: RURAL POLICY AND RURAL TRAJECTORY

In 2001, the Spanish Senate created a special working group in order to study the problems of mountain populations. All of the political forces agreed that the achievements of the mountain policy designed in the early 1980s had been extremely limited (Collantes 2006). During the 1980s and 1990s, and for different reasons, both the compensatory allowances and the programmes for the promotion of agricultural resources were unable to exert a marked impact on the economic, social and demographic trajectory of mountain communities. In the case of compensatory allowances, this was the result of at least three different problems: low total amount, low spread to less-favoured rural social groups, and agricultural bias in relation to a mountain economy that was less and less dependent on the primary sector.

In the absence of explicit financial commitment in the MAL, the average compensatory payments per farm and year amounted to 400–500 euros (in 2000’s real terms). This was an extremely small total amount of money, not only in relation to farm income but also, and similarly to other European countries (CJC Consulting 2003, pp. 7, 14, 19), in relation to the total amount of farm subsidies. It was also a low figure in terms of cross-country comparison: French and German mountain farmers received allowances that were around four times higher, and the British figure was nearly ten times higher (Bazin 1992, pp. 52–3). These differences were partly due to Spain’s greater commitment to modernization schemes and the improvement of processing and marketing structures (Shucksmith et al. 2005). Such a small annual payment acted as an ex post compensation for staying in mountain agriculture rather than as an ex ante incentive for taking the decision of staying (Sumpsi et al. 2003). As a matter of fact, the number of mountain farms in Spain went on decreasing during the 1980s and the 1990s, as it had been decreasing since the 1950s. The small total amount of the average allowance had initially been an adjustment mechanism to a territorial definition of mountain areas that some considered excessively inclusive,
but the sharp decrease in the number of potential (and actual) beneficiaries created a favourable setting for increases in the average allowance that did not require increases in the total spending levels by public agencies. During the 1990s, however, only around one-quarter of this potential was used: while the number of beneficiaries decreased at an annual average rate of 5.9 per cent, the real amount of the allowance increased only at a 1.3 per cent rate, which meant that the total spending by the state in this policy instrument decreased at a 4.6 per cent rate in real terms.

Second, compensatory allowances did not spread to the less favoured rural social groups. Because the productivity of Spanish agriculture was (and remains) substantially lower than the productivity of the other economic sectors (Prados de la Escosura 2003) and geographical constraints made agricultural productivity in the mountains even lower than Spain’s average, such social groups were mainly linked to the agricultural sector. More specifically, families who owned extremely small farms were perhaps the main source of social legitimacy for an agriculture-based mountain policy. These families remained, however, excluded from the benefits of compensatory allowances just because their farms were too small. In the southern mountains, where only three out of every ten farms had more than five hectares of total surface area (that is, including both usable and non-usable agricultural areas), only 6–7 per cent of farmers received compensatory allowances. Conversely, in the Pyrenees, where relatively big, dynamic and technologically updated farms prevailed, nearly 60 per cent of farm families benefited from the allowances. In spite of the frequent emergence of parliamentary and legal discourse about mountain farmers/communities as less-favoured social groups/areas in need of government support, compensatory allowances did not spread to those mountain farmers/communities that could be labelled most properly as less-favoured (Collantes 2004). This illustrates how mountain policy was subordinated to the general agricultural policy objective of restructuring Spanish agriculture on the basis of bigger farm sizes and characteristically productivistic criteria.

Third and last, the link of compensatory allowances to the farm population constrained their potential impact because agriculture, although still far from unimportant in the local economy, was actually less relevant than was considered by policy-makers. Policy-makers relied basically on their own preconceptions and common sense, but a simple ministerial report would have been enough to show that the occupational structure of mountain communities had greatly changed during the three decades between the start of general depopulation in 1950 and the making of mountain policy around 1980. Agriculture’s share in employment had decreased from around 80 per cent in 1960 to no more than 41 per cent in 1981. Occupational change, a trend that was strikingly missing in the parliamentary discourse of any of the political groups (Collantes 2007), was largely connected to the same depopulation trends that parliament members were so concerned about: since the 1950s, the differential rates of out-migration by farm families (as compared to non-farm families) exerted downward pressure on agriculture’s share in rural employment. Occupational change was further reinforced by growth in some rural non-farm sectors, such as such as manufacturing branches exposed to the urban-rural shift, large-scale winter tourism and small-scale rural tourism, and services linked to second homes. As a result, by 2001, agricultural employment was no more than 16 per cent of total employment in mountain areas. The scope of influence by compensatory allowances, therefore, was originally not as large as thought by policy-makers and greatly narrowed during the last two decades of the twentieth century.
Of course, agriculture and livestock farming were still very important in territorial and environmental terms, and the Agenda 2000 (http://ec.europa.eu/agenda2000/index_en.htm) reforms paved the way for a possible re-orientation of LFA policy in such a direction. However, because such re-orientation was highly dependent on national contexts, remarkable differences were to be found among EU member states. Whereas, for example, LFA policy in England or Austria was significantly affected by the incorporation of environmental objectives (Dax and Hellegers 2000; Lowe and Brouwer 2000; Swales et al. 2004), LFA policy in Spain and its regions was touched only superficially by such concerns (Collantes 2002). Although the English case seems to show that, unless effectively coordinated with the implications of ordinary CAP commodity payments, such enhancement may be a rather weak instrument to deal with major environmental problems (CJC Consulting 2003), the predominance of farmers over environmentalists in the definition of the Spanish rural agenda (Garrido et al. 2002) did not even allow for meeting this new challenge. Moreover, because some regional identities in late twentieth-century Spain were crucially based on an over-representation of the rural, coupled with a portrait of farmers as victims (Sabio 2006), it was unlikely that the increasing role of regional governments in the final policy outcome would favour a rigorous environmental re-orientation.

On the other hand, the second policy instrument considered by the MAL, the programmes for the promotion of agricultural resources managed by local action groups, did not become truly operational. This partially resembles the Italian experience using a similar policy instrument (Mazzoleni and Negri 1981; Negri 1993). Lack of top-bottom political determination, as well as problems related to the coordination of local action in communities shattered by depopulation and ageing, led to only a small number of districts developing this policy instrument in the 1980s. In these districts, the new organizational structures paved the way for participation in the EU-sponsored LEADER initiative during the 1990s (Esparcia 2000). The LEADER initiative, whose ethos was about mobilizing endogenous resources by means of multi-sector investment strategies and public-private partnerships, rapidly spread to many mountain areas in Spain. In fact during the second phase of the initiative, two out of every three mountain districts had a local action group in charge of a LEADER programme (LEADER II, 1994–1999). In fact during the second phase of the initiative (LEADER II, 1994–1999), two out of every three mountain districts had a local action group in charge of a LEADER programme. Some other mountain districts benefited from PRODER, an analogous policy instrument implemented by the Spanish government in the mid-1990s for those rural areas that were not involved in the LEADER network (Garrido et al. 2002). Lacking the agricultural bias of the MAL programmes, the LEADER and PRODER programmes can be considered enhanced substitutes of the MAL programmes.

Similarly to other European experiences (see Scott 2004), directly productive activities—and especially tourism—were the main objectives of LEADER and PRODER investment. However, as has been frequently pointed out in general analyses (Midmore 1998; Ray 2000), budget constraints were severe. The districts that had a LEADER II local action group, for instance, witnessed an average investment of only 311 euros per inhabitant during a five-year period. In addition, although the coming into operation of local action groups probably contributed to restoration of the social fabric of rural communities severely hit by depopulation (Esparcia and Noguera 1999; Alario 2001; Garrido et al. 2002), some of them also perpetuated pre-existing traditions of dirigisme, institutional asymmetry and top-down approaches to local development. Continuity with some of the features of the traditional approach was further reinforced by the fact...
that, similar to some other European experiences in rural development programming (Shucksmith 2000; Dax and Hebertshuber 2002; Shortall 2004), LEADER investment in directly productive activities was much higher than investment in social capital and capacity building process (Barke and Newton 1997; Esparcia 2000).

Although more research is certainly needed on the particular subsidizing methods that may effectively contribute to the accumulation of social capital, it is ironic that this emphasis on entrepreneurial projects for the diversification of the local economy took place at a time when the compositional effects of depopulation had started to cause not only the convergence of LFA occupational structures to average Spanish occupational structures, but also income convergence. Partly due to the differential rates of out-migration by the poorest members of the community, the income gap between mountain areas and the Spanish average decreased from 29 per cent in 1970 to only 9 per cent in 1999. The gaps that did persist were more territorially embedded: access to a wide range of services remained handicapped by low population densities and lack of a better transport infrastructure (Collantes 2004). Distinct from the case of occupational and income gaps, there was nothing that depopulation could do to close those gaps. The shortcomings of the governance approach to local development (Cloke \textit{et al.} 2000; Amin 2005) were then illustrated by the fact that the forces making the biggest impact on LFA economies resulted from ordinary capitalist dynamics. The trajectory of mountain areas in Spain became increasingly dependent on local attractiveness in terms of exogenous investments in manufacturing, construction and tourism. Inflows of urban capital could be led by a multiplicity of factors, among them the scarcity and/or increasing price of urban manufacturing space and the presence of strategic resources for new economic activities whose development was dependent on middle-class affluence (for example, mass snow tourism) (Collantes 2004).

The adoption of a longer-term perspective (as suggested by Esparcia 2001) reveals that none of the main items in the social trajectory of Spanish mountain areas in the last decades can be said to be linked in any relevant sense to the compensatory policy that started in 1982 and was completed by means of the LEADER initiative in the 1990s. During the last decades, mountain areas have witnessed clear trends towards occupational change, income convergence, and even the de-acceleration of depopulation and the beginnings of trend reversing (for example, positive migration balances for the first time in many decades) in several districts. As discussed above, occupational change and income convergence were linked to the compositional effects of depopulation and the ordinary capitalist dynamics that induced growth in some of the non-farm sectors. In the case of depopulation, de-acceleration actually started, not in the 1980s, but in the 1970s. In addition, it had to do with the exhaustion of a ‘demographic reserve’: because migration selectivity led to ageing and individual propensity to migration seems to (inversely) depend on age, the average propensity to migration tended to decrease as depopulation went on. It should also be borne in mind that, as noted above, occupational and income gaps (central drivers of the depopulation process in the 1950–70 period) have become smaller. Some specialists have suggested a comparison of LEADER and non-LEADER districts as an assessment tool (Esparcia 2000, p. 206); such a comparison backs the argument that the main changes in the social trajectory of Spanish mountain areas in their recent history had little to do with compensatory and rural development policies. Trajectory changes were related to the position of each mountain area in terms of the rural-urban manufacturing shift and the commodification of the countryside, which meant
that the endowment of strategic resources and proximity to Spain’s major agglomerations mattered much more than being involved in the leader initiative (Collantes 2004).

Why then was there no policy change? First, we should consider that one of the regions that had been more active in articulating the voice for a compensatory policy, Catalonia, was able to autonomously create a more complete policy at a regional level. Furthermore, as a result of the ordinary dynamics of capitalism, Catalan mountain areas, close to one of the core networks in Spain’s urban system and well endowed in geographical terms, attracted substantial capital inflows for the development of tourism and recreational businesses and improved their economic and demographic results (Collantes 2004). Even so, in 2001, a new round of pressure towards state agencies was led by Catalan members of parliament, who stressed that the scope of compensatory policy should be widened. Their modest achievements reveal that institutional inertia in central administration was also important in blocking policy change. With no pressing Constitution references (contrary to the situation in the late 1970s), and in a context in which the failure of the allowances scheme generated automatic downward adjustments in state expenditure (because of the decrease in the number of beneficiaries), it was easier to give everyday continuity to a small, low-impact policy instrument inherited from the past than to ambitiously reformulate both the policy and the institutional arrangements that would be needed in order to coordinate a more integrated approach to the problems of mountain communities.

CONCLUSIONS

The Spanish case provides a good illustration of some of the problems surrounding the compensatory mountain policies that were implemented in several European countries after the Second World War. In Spain, compensatory mountain policy started in 1982, in a local context of rural depopulation and a more general context of peaceful political transition from the Franco dictatorship to democracy. Agriculture-centred Spanish mountain policy comprised two clear instruments: allowances to be paid to (some) farmers and programmes for the promotion of agricultural resources. One of the reasons for the agricultural focus was the preconception, widely shared by policy-makers and members of parliament as well as by scholars, that the mountain economy was almost exclusively an agricultural economy. This was a wrong assumption: the 1950–80 period of depopulation had been witness to a process of occupational change that had greatly reduced the share of agriculture in mountain employment. It has been suggested by Sanderson that naïve notions of evidence-based policy-making should be avoided and that policies should therefore be expected to be little more than conjectures based on the best available evidence (Sanderson 2002), but Spanish policy-makers did not meet even this latter standard.

Spanish policy-makers were also prone to use the EC guidelines for a mountain policy as a shield that would preserve the agricultural focus of their Mountain Agriculture Law in spite of the criticism raised by political opponents. The EC Directive 75/268 was indeed about agriculture in mountain areas (and not about integral mountain development). Some regional governments, most clearly Catalonia, proved that it was possible to design an integrated mountain policy instead of one that was sectoral and agriculture-based and still meet the basic guidelines stated by the EC. Moreover, the idea that meeting the EC standards implied an agriculture-based mountain policy was as misleading as the idea that the EC was an exemplary model to be followed in this respect. Directive 75/268 consolidated a kind of compensatory policy whose strong agricultural bias was poorly adapted to the structure and trends of European mountain economies in the post-1945
period. By the time the Directive was passed, agriculture accounted for just 15 per cent of employment in the French and Italian Alps and in the Scottish Highlands, and about 35–40 per cent in the French Massif Central and the Italian Apennines (Collantes 2006). This kind of approach restricted the benefits of the compensatory policy to a small and decreasing share of mountain population, both in Spain and elsewhere (Nordregio 2004).

In addition, the case of Spain, in which many small farmers were left out of the allowance instrument because they did not meet farm size requirements, reinforces the arguments already made for France (Dorfmann 1983), Scotland (Gray 1996) and Italy (Guariglia 1976): that the compensatory character of this policy instrument can certainly be called into question. In this context, the comparatively low total amount of the Spanish allowances is just one more factor that explains why this kind of policy exerted little impact on the trajectory of mountain societies. Just to make a comparison, the more generous allowances paid by the French to their mountain farmers do not seem to have radically altered the general picture (Bazin 1992). The Spanish evidence also aligns with the view of those scholars who have stressed that compensatory allowances do not significantly alter farmers’ production decisions (Shucksmith and Smith 1991).

The second instrument in Spain’s mountain policy (the programmes for the promotion of agricultural resources) suffered from implementation problems; the LEADER initiative, however, acted as an enhanced substitute. LEADER stimulated investment in the non-farm sectors of the rural economy (particularly in rural tourism) and thus contributed to partially correcting the agricultural bias in mountain policy. However, the LEADER programmes showed some of the limits of governance and partnerships as approaches to rural development. The Spanish case seems in fact to back the case for supra-local political agencies to assume their responsibilities in both financial and strategic terms instead of hiding behind the rhetoric of community self-reliance (Murdoch 2000; Shortall 2004).

Finally, this case study of compensatory mountain policy in Spain, while suggesting that the latter’s impact on both agriculture and rural society is much less significant than suggested by some scholars (see, for example, Caraveli 2000), may show some of the more general problems facing rural policy in Europe. A simple look at the occupational structure in Europe’s rural economies, looked at from the point of view of today and from a historical perspective, suggests that agricultural interests are heavily over-represented in the policy-making process (Keeler 1996; Thomson 2001). Additionally, Spanish mountain policy provides an illustration of the agricultural bias that even the so-called second pillar (rural development) suffers from. However, the links between agricultural interests and other more general interests, such as rural amenities and infrastructure, small town deprivation or territorial cohesion in the European Union, may become weaker as time goes by. Similar voices have been raised in non-European advanced democracies, such as the United States (Browne 2001; Drabenstott 2003). While the more general interests mentioned above seem to exceed the possibilities of productivistic (whether agriculture- or tourism-based) and local governance approaches (Dax and Hellegers 2000; Garrido et al. 2002; Swales et al. 2004), broader economic forces exert a remarkable impact on the trajectory of rural societies. Thus there is a need for research on the territorial modes of regulation in order to make a contribution to democratically controlling such forces.

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REFERENCES


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APPENDIX

**TABLE 1 Historical statistics for a representative sample of 84 Spanish mountain districts**

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<td>41</td>
<td>28</td>
<td>16</td>
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<tr>
<td>Rest of Spain</td>
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<td>14</td>
<td>9</td>
<td>6</td>
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<tr>
<td>Number of farms (thousands)</td>
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<td>414</td>
<td>373</td>
<td>352</td>
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<tr>
<td>Change in number of farms (%)</td>
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<td></td>
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<td>−0.8</td>
<td>−3.7</td>
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<tr>
<td>Income per capita (Spain = 100)</td>
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<td>71</td>
<td>73</td>
<td>87</td>
<td>91</td>
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<tr>
<td><strong>Demography</strong></td>
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<td>Population (thousands)</td>
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<td>Migration rate (per thousand)</td>
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<tr>
<td></td>
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<td>20</td>
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<td>Average annual allowance (euros)</td>
<td>433</td>
<td>482</td>
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</table>

**Notes:**

a Annual average rate of change; the figure for 1960 refers to the period 1950–60, and so on;
b The figure for 1960 refers to the period 1950–60, and so on;
c Euros from the year 2000: the figure refers to all mountain areas in Spain.