

**ESPON**



Co-funded by  
the European Union  
Interreg

POLICY BRIEF

# **RURALPLAN – Innovative Planning in Shrinking Societies**



# 1

## Introduction

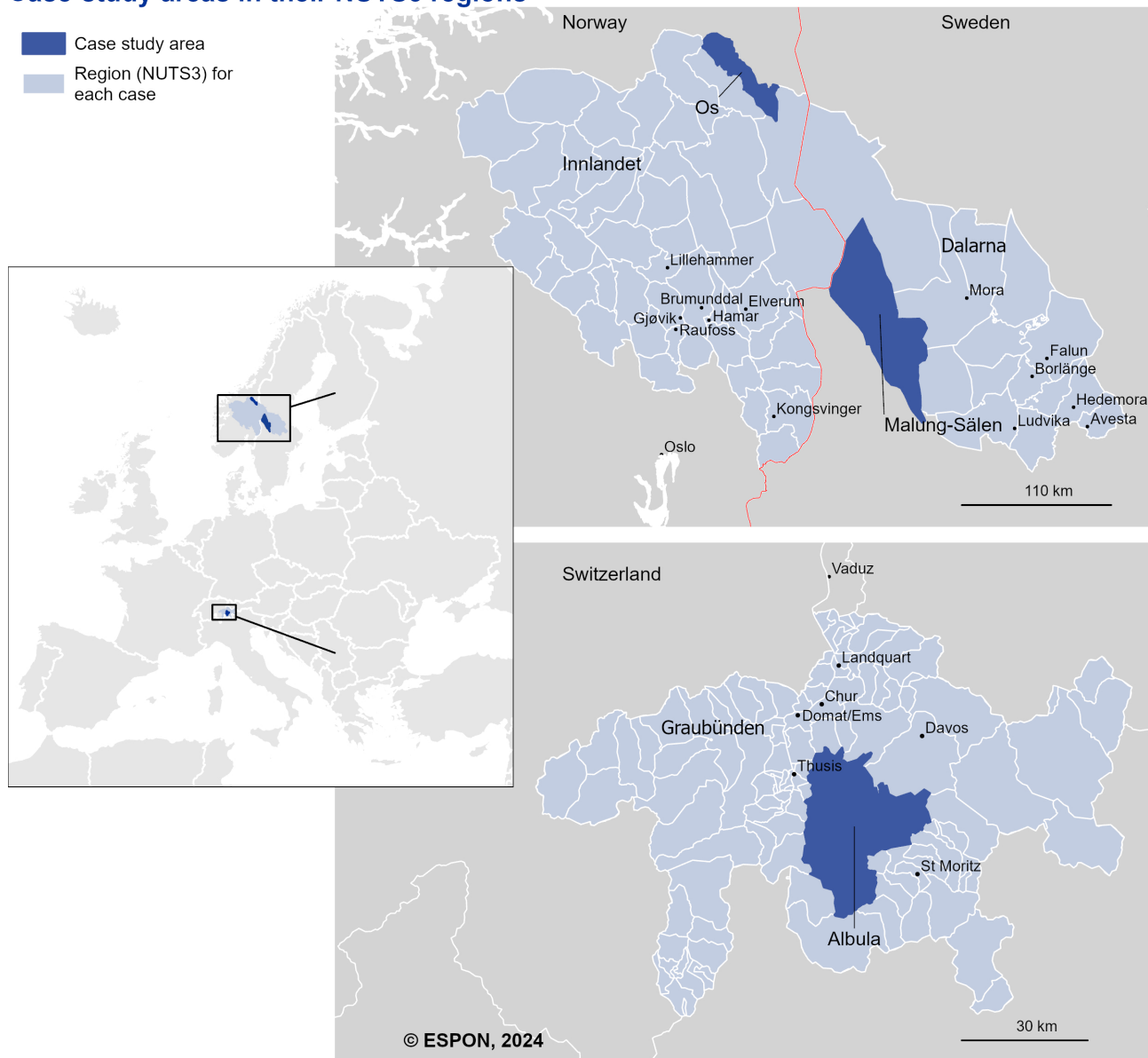
Currently, 40% of the population in Europe live in a shrinking region, where this means they experience a population that is in decline and/or aging. This especially impacts rural regions, where natural decline and continued urbanization and accompanying centralization are expected to accelerate shrinking in these regional areas. Policy challenges are evident in for example, labor market shortages, fiscal sustainability, infrastructure provision and access to services. Local planning is crucial in this situation to meet these changes and to identify new and innovative strategies and solutions. But so far, much local planning has been reluctant to actively and adequately deal with these challenges, and there is a lack of approaches and models for dealing with demographic changes in a way that is both innovative, and realistic at the same time.

The targeted analysis RURALPLAN, Innovative planning in Shrinking Societies, aims to encourage planners and politicians to confront the complex and diverse issues and consequences associated with this type of change. This brief offers suggestions on how to incorporate

innovative planning approaches within a realistic demographic framework, which includes the active involvement of citizens and stakeholders from a variety of private and public sectors, including NGO's.

In RURALPLAN a model for planning labelled as a Rural Planning and Innovation Lab (RUPIL) is developed, piloted and evaluated. RUPIL has two main characteristics which mark it as different from traditional planning: 1) the planning process is conceptualized within a knowledge-based and realistic understanding of demographic changes, 2) methods from innovation-processes are integrated into processes for local planning. RUPIL has been tested in practice during 2024 in three local communities in Europe: the Albula region in Switzerland, the Malung-Sälen Municipality in Sweden and lastly, in the Os Municipality in Norway (map 1). All are characterised by the experience of shrinking in different ways. They all evidence different political, planning and governance systems. This increases the validity of the testing undertaken in the piloting.

### Case-study areas in their NUTS3 regions



Map 1. Case study areas in Switzerland (Albula), Sweden (Malung-Sälen) and Norway (Os)

## 2 PLANNING IN SHRINKING RURAL AREAS – CHALLENGES AND PROPOSALS

In much of rural Europe, local planning has typically paid little attention to the consequences of shrinkage. Four policy responses were identified a decade ago: 1) trivialising, where shrinkage is overlooked and denied; 2) countering shrinkage, with policies directed towards the attraction of new people and businesses to resolve the problem of shrinkage; 3) accepting shrinkage through adapting the content of policies to mitigate its effects, thus seeking to improve the quality of life for the current population; and 4) utilising shrinkage, where the approach seeks to confirm that the quality of life does not necessarily depend on population density, and that there are opportunities to take advantage of the shrinking. The most common approach was to counter shrinkage or to trivialise it. These strategies normally fail, and scholars argue that an approach of acceptance and some degree of adaptation are the most suitable strategies to address shrinkage. This constitutes the starting point for RURALPLAN. In the literature, there is broad agreement that growth-oriented planning, which tends to disregard the data and insist upon unrealistic ideas about growth, has hindered the development of other proactive and innovative strategies for dealing with decline.

In recent years several initiatives and projects have provided valuable insights and experiences into shrinking. Deep knowledge and insight into the causes and types of shrinking has been developed. So called smart adaptation to demographic changes

has been tested and developed, and a program on the issue of service deliveries in depopulated areas has been launched. Wellbeing and quality of life for the local population is a consistent theme in most initiatives. Several case studies have indicated that since full “repopulation” is often impossible, and abandonment is politically unacceptable, most policy approaches will be hybrids variations of mitigation and adaptation (ESPON Escape 2020).

Five main insights can be drawn from recent planning initiatives in shrinking regions:

1. Accept the demographic changes – include it as a central part of the planning process at all levels ("realistic planning")
2. Decouple shrinkage from failure
3. Development and "success" is more than population growth (success can be connected to quality of life, wellbeing inclusion, natural environment, entrepreneurs, etc.).
4. Citizen engagement is crucial in managing shrinkage effectively
5. Planning in shrinking areas needs cross-sectoral and inter-municipal co-operation and well-functioning multi-level governance structures.

These insights have been taken into account and included in RURALPLAN, and in the testing of RUPIL in the case municipalities.

### 3

## INNOVATIVE PLANNING

Innovative planning is systematic, territorial, societal and co-produced changes, which break with established practices and seek to legitimize new social objectives or effect a major reprioritization of existing social objectives. Where the innovation happens is important, not if a similar phenomenon has occurred before in another context. As a consequence, the idea of “borrowing”, or becoming inspired by ideas and subsequently adapting them to other and new contexts is evidence of innovation. Innovation has the potential to both succeed as well as fail. This element of uncertainty separates innovation from work on development and change. Furthermore, innovation in the public sector is not limited to services or products, but may also be reflected in processes, organisations, policy, and governance.

Innovative planning is interactive, as innovations are most often created through collaborations between diverse actors (Edquist 2005, Healey 2006, Powell & Grodal 2005), and the outputs are co-produced (Albrechts 2012).

The magnitude and complexity of shrinking in rural areas implies a great need for innovation in planning, both to provide new concrete solutions and strategies, but also to provide a new mindset for strategic planning and policymaking. Regarding this mindset, the tight coupling between growth (in population) and development needs to be de-coupled, meaning that it is possible to plan and create (sustainable) societal development in shrinking regions without population growth.

### 4

## RURAL PLANNING AND INNOVATION LAB – RUPIL

To realise the aims of Ruralplan a model for innovative planning is developed. This model is labelled the Rural Planning and Innovation Lab (RUPIL), and draws on the concept of Rural Living Labs, and earlier insights into planning in shrinking societies. Such living labs are both a novel form of collaboration and ideal for mutual learning. They lead to the co-creation of concrete, innovative results.

RUPIL is organised to achieve the following purposes:

- engaging societal actors in planning to mobilize more resources for development,
- having a knowledge informed foundation and realistic approach,
- developing new roles for politicians,
- developing processes to legitimize other social objectives, and
- developing innovative processes to identify alternative goals, strategies, and solutions.

The testing of RUPIL was successful in achieving these purposes, and substantial results for each case provide innovative, yet realistic input to inform planning activities in each pilot case. The testing also yields valuable experience for minor updating and revision of the model. The model has six phases which can be covered in two or three workshop days involving a broad arrange of local actors (figure 1).

The six phases of strategic planning:

Phase 1, Thematic and contextual orientation

Phase 2, Exploring the challenge(s)

Phase 3, Gathering insight

Phase 4, Developing and creation

Phase 5, Conceptualising, prototyping and testing

Phase 6, Integrating the co-created results into a democratic planning system

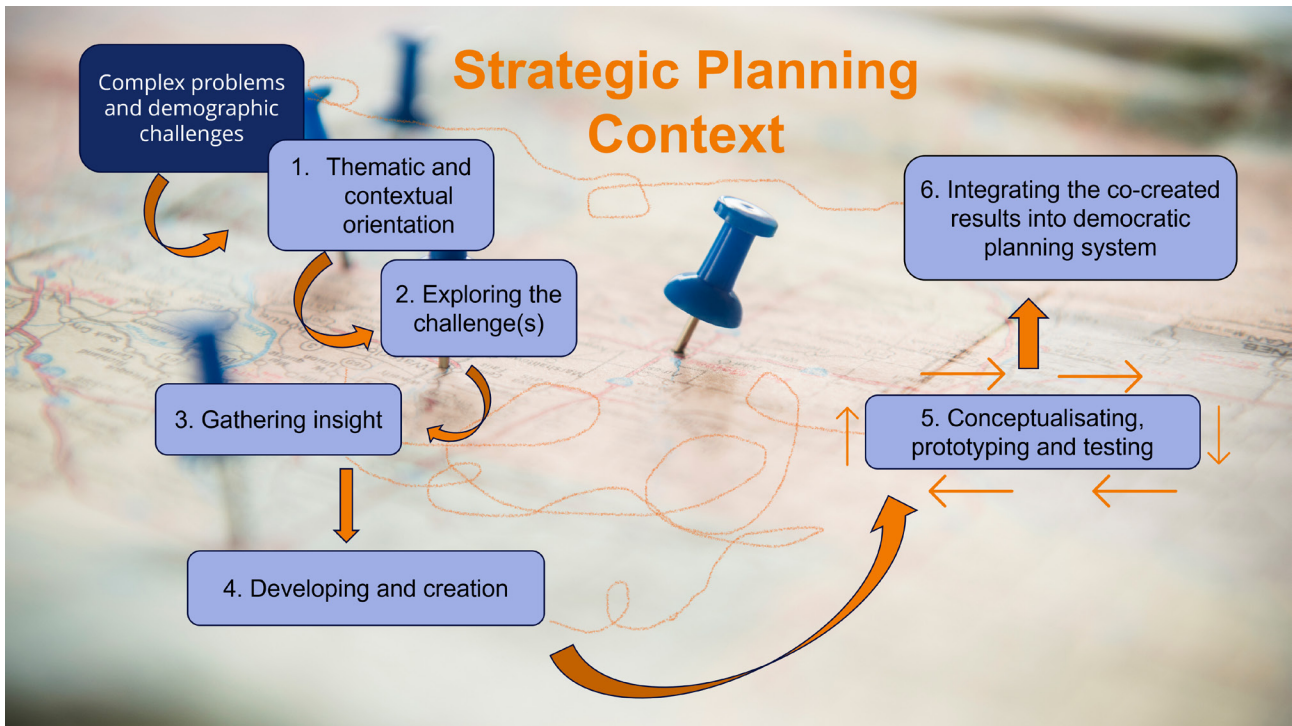


Figure 1, the RUPIL model

An interactive Toolbox for RUPIL has been developed, which in addition to offering key insights into the facilitation process, lowers the threshold for adopting the model. The Toolbox provides the facilitator with guidance on how to arrange and complete each phase using relevant tools and methods. It will be available on the ESPON website. A more detailed explanation of RUPIL can be found in the Final Report.

## 5 CONCLUSIONS

This targeted analysis illustrates how the magnitude and complexity of shrinking in rural areas requires a significant innovation in planning, using innovative planning models capable of providing new concrete solutions and strategies, and a new mindset for strategic planning and policymaking. Regarding the mindset, the close connection between growth (in population) and development needs to be de-coupled; such that it becomes possible to plan and create (sustainable) societal development in shrinking regions without population growth. This requires understanding the complex challenges of 'shrinking' and planning for a positive future faced by resilient local and regional societies working in collaboration to co-create with planning authorities and civil society. In this way, the local politicians', inhabitants, stakeholders, businesses, and NGO's develop and suggest new, innovative strategies, means and measures based on the local understanding of the good life of the future. All within a realistic framework. Such an uptake of knowledge and a new mindset of the possible future provides a necessary framing for local policy and planning to succeed.

The RURALPLAN project has developed and successfully tested the RUPIL model, embodied by the Rural Planning and Innovation Lab. It stands as an innovative form of planning: facilitating participatory and innovative local or regional approaches capable of dealing with complex demographic challenges through strategic master planning founded upon a realistic approach. The RUPIL-model testing indicates how local knowledge can be added to more traditional knowledge bases used in planning; offering new and more tailor-made strategies and solutions.

The analysis of the test cases suggest that RUPIL contributes to a shift in planning perspectives from a traditional growth paradigm towards one founded upon more realistic expectations, where development is understood as something more than population growth. This may constitute a somewhat challenging conceptual shift.

It is interesting to note that common strategies appear for planning and future strategic work to deal with relevant challenges posed by demographic issues, regardless of context. However, these common pathways have context-related ideas attached, and it is often there we find innovative initiatives and ideas (see also the Case report). Based on the pilot testing study, we suggest vital areas upon which local and regional policymakers should consider focusing, to enhance rural areas facing demographic challenges to become as inclusive, and resilient, providing opportunities for quality of life as satisfactorily as possible. Seen together they point to a direction where strategies to deal with shrinking rural areas should put emphasis upon and direct attention to the following themes and issues:

**The young local inhabitants**, especially between approximately 15 years old (upper secondary school) and the beginning of their 30s (the establishment phase). This includes motivation, information, and matching local job opportunities with young people. This is also important to meet the needs of local businesses, services, and governments for labour (see the point on "local labour market below). The need for new, diverse, and affordable housing with inclusive social meeting places is central. Examples of innovative solutions from the cases include "Kennenlernetage" (get-to-know-days) and initiatives to bring together possible employees and employers through digital platforms or summer camps for young people. In these ways, youths meet businesses and the public sector's workplaces and possibilities. Also, a regional Youth council may contribute to advancing strategies in this area.

**The elderly local inhabitants**, from the age of retirement. This focus includes adapted and social housing in inclusive housing areas, social meeting places and housing between generations, prevention of health problems, and drawing upon pensioners as resources in local services, and cultural and social life. These measures can in many cases be advantageously combined. Examples of innovative solutions from the cases include

initiatives such as “Senior Power”, pensioner companies, and pensioners as “House Hosts” in kindergartens or nursing homes. Another example is to create a variety of housing from micro to macro sizes in residential courtyards, to include all types of citizenship, and to create social arenas.

**Local labor market.** Strengthening the local labor market is crucial for enabling businesses and governments to fulfil their tasks and to enhance further development. Such focus includes information and the motivation of youth (see also above), meeting places/fairs, and establishment of regional services, to provide a wider offer to inhabitants and employees. Examples of innovative solutions from the cases include new forms of regional market days, the establishment of an Interregional Health Centre, business areas and hubs, co-location in local centres and new arenas between inhabitants' businesses and cultural activities.

**Cooperation, new roles and tasks.** Most measures do require and are best solved, through cooperation between several actors. This may require actors to take on new roles and tasks and to share responsibility in new ways. Included are municipalities or regions to share implementation of social services, finance, and plan housing in new ways, and pensioners to take responsibility for services, social and cultural services. We have already given some examples of innovative solutions from the case studies above. However, we will underline the overall strategy for the municipality in one case, called “The Cooperative Municipality”, where the municipality finds and establishes collaborative arenas to contribute to developing and executing

collective solutions in new ways. Digital platforms for promoting regional offers and cooperation among citizens. This strategy of creating new (forms of) meeting places and cultural development involves co-operation between different cultural associations, where the goal is “the lively valley”. It includes the establishment of a volunteer network and de-nominating a coordinator key role for the overview and coordination of volunteers, teams, and organizations.

**Break with “frozen” frameworks.** Several measures do require solutions that do not fit into existing frameworks and traditions. Includes living arrangements that do not fit into existing planning regulations and rural traditions, the importing of ideas from other places, and new ways of financing service and infrastructure. Examples of innovative solutions from the case studies include “Bed Money” alternative to tourist tax, which is an innovative way to co-finance projects. In this case, the money is allocated to finance public train transport, new forms of financing affordable housing (collective solutions), and new ways of planning areas for micro-to macro housing where financing is undertaken in collaboration between public and private parties.

Based on the testing and the analysis thereof, we consider the RUPIL model as suitable and contextually flexible, as well as innovative and offering opportunities for co-design components. As a result of this project, RURALPLAN provides a low-threshold practical approach, available online, providing an easily accessible basis for further diffusion of RUPIL to European local and regional planning authorities and communities.

## 6 POLICY RECOMMENDATIONS

The 12 points below are offered as policy recommendations based upon the experiences of RURALPLAN:

- Local planning in shrinking regions in Europe must integrate demographic changes in a realistic manner and make it a key part of the process, at all relevant levels and types of local planning. It is important to acknowledge the difficulties or conflicts that population decline brings, for example, connected with changes in the location of schools and other services, in prioritization between measures directed at the young and the elderly.
- Although a realistic and evidence-based approach and starting point are needed, the framing and narratives connected with the planning processes should emphasize the need to distance oneself from the view that shrinking immediately equates with failure. Instead, the focus should be upon how to develop a good life connected with a sustainable social, economic, and environmentally conscious local development.
- Discussion in workshops needs to be gently managed throughout the process, ensuring it is kept within a realistic and feasible framework, and remains focused on co-creation and common responsibilities, including asking the question “what we can do”, rather than “what others should do”.
- Citizen participation is crucial for dealing with shrinkage effectively. Working together with a broad group of local government, non-governmental organizations, residents, volunteers, business, and entrepreneurs to create new partnerships and achieve acceptance/legitimacy between local actors is essential. Include newcomers. Local or regional participation and co-creation provides a good basis for innovation, as well as for implementation so a diverse set of actors are engaged.
- Local politicians should participate in the planning processes (RUPIL) as equal participants. This is important for legitimacy, allocating available resources, and to share knowledge and understanding.
- To be able to implement innovative and tailor-made solutions and strategies, local governments and actors need ample space (leeway) to allow for manoeuvring. Often strategies or solutions do not fit into existing frameworks and traditions, and it is required that actors take on new roles and engage in co-production with new partners.
- Recognize that dealing with decline involves cross-sectoral, inter-municipal, and multi-level governmental collaboration. This means that various segments of the local or regional government or authority should participate in the process.
- RUPIL may be applied as a main approach to seek and develop innovative strategies and solutions in the planning process, or as a vital part of the process itself. RUPIL is most advantageous when it is allowed to frame the whole local societal planning process, and not “merely” a part of it. Anyhow, the RUPIL workshops must be tailored to the local planning context and planning phases it is implemented must take this into account.
- RUPIL should not be performed as an “isolated” activity, but must be anchored in the formal local governance of planning. This is necessary to achieve necessary legitimacy and the required support, within the political and administrative realm, as well as by local actors and people.
- Updated statistics and analysis related to demographic changes must be easily available for local governments, and at as detailed territorial level as possible. In many contexts, this will be best facilitated by the relevant regional government agencies.
- Knowledge and competence to use the RUPIL locally must be identified and maintained throughout the process. For rural municipalities/regions with a relatively high level of competence in planning and innovation, RUPIL is self-instructive and comes with its own Toolbox.
- Set up and finance a national or regional “Planning Practical Taskforce”, holding the necessary planning and facilitation competence; add to small entities' planning capacity in practice, including the use of RUPIL. This should be made available at a national or regional level, according to context.

# ESPON



Co-funded by  
the European Union  
Interreg

[espon.eu](https://espon.eu)



## ESPON 2030

### ESPON EGTC

11 Avenue John F. Kennedy  
L-1855 Luxembourg  
Grand Duchy of Luxembourg  
Phone: +352 20 600 280  
Email: [info@espon.eu](mailto:info@espon.eu)  
[www.espon.eu](http://www.espon.eu)

The ESPON EGTC is the Single Beneficiary of the ESPON 2030 Cooperation Programme. The Single Operation within the programme is implemented by the ESPON EGTC and co-financed by the European Regional Development Fund, the EU Member States and the Partner States, Iceland, Liechtenstein, Norway and Switzerland.

### Acknowledgements:

We thank the Albula Region of Switzerland, the Malung-Sälen municipality in Sweden, and Os municipality in Norway, for the opportunity to test the RUPIL-model in cooperation with them. We also thank the stakeholders in RURALPLAN for their valuable input: Erik Hagen, Tron Ole Bamrud, Kristin Ryen Reithaug, Wibeke Børresen Gropen, Torunn Helene Kornstad (Innlandet County Authority, Norway), Bela Filep, Sabine Kollbrunner, Delphine Rime (State Secretariat for Economic Affairs SECO, Switzerland), Mikael Selander, Jakob Ebner (County Administrative Board of Dalarna, Sweden), Guillaume Corradino (EUROMONTANA – European association of mountain areas, Brussels)

### Disclaimer:

This delivery does not necessarily reflect the opinion of the members of the ESPON 2030 Monitoring Committee.

ISBN: 978-2-919816-61-3

© ESPON 2024

### Editorial team:

Kjell Overvåg, Ulla Higdem, Lars Teppan Johansen, Windy Kester Moe (INN, Norway)

Published in 12/2024

