

**Rural Policy for the Globalised Post-Recession
European Countryside**
3rd December 2010, Brussels

Final Seminar:

EDORA

European Development Opportunities in Rural Areas

Implications for policy flexibility and targeting of
„rural cohesion policy“

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Policy Answers Derive from Research Findings

- ...Not from “**stylised fallacies**” (inaccurate stereotypes)...
- ...But rather from valid generalisations at an appropriate scale...

EDORA **Meta-Narratives** of change, and **Typologies** of regions, but also,

taking account of the full range of **local (tangible and intangible) assets**.

comment – international debate:

World Bank – OECD;

significant contribution of „lagging regions“ to growth

Key challenges for rural policy

- Territorial approach
(urban-rural relations; cross-border cooperation; geographic specificities and functional regions)
- Differentiation of rural regions
- High relevance of local level
- Integrated multi-sectoral approach
(responding to complex issues; policy coherence)
- Targeting sustainable development and providing access to services
- Policy instruments characteristics and programme strategies

Basic Rural Cohesion Policy Antecedents...

(...derived from the Conceptual and Empirical Phases of EDORA)

Space and Geography

- Connexity → Rural-Global links are of increasing importance.
- Relational/Organisational Space are increasingly important concepts.
- But remoteness/peripherality and Euclidean space is still influential.

Scope of Rural Cohesion Policy

Need to:

- Recognise how far economic restructuring has progressed...
- Adapt to big differences between different parts of Europe – macro scale patterns (Structural typology). Agrarian E and S, Consumption Countryside in N and W, NRE in W Cent., Manufacturing in E Cent.
- Heterogeneity of regions: Consider local development contexts/environments (hard and soft aspects).

Rural Policy to support Territorial Cohesion

Three Key Considerations: Rural policy to support Territorial Cohesion needs to:

- Respond to change and needs at **different scales** – macro-level to micro (local).
- Be coherent with existing **sectoral and regional policy** structures (both EU and National).
- Be rigorous in applying **a territorial approach**.

NB
validity of both territorial and sectoral approaches to RD is recognized.

However relative importance of agriculture in the rural/regional economy decisive for capacity to deliver TC benefits.

Relative Level of Territorial Cohesion
Impact of CAP Pillar 2



Structural

Consumption
Countryside
Regions

Diversified
(Market Services)
Regions

Diversified
(Secondary)
Regions

Relative importance of Agriculture

“Development Opportunities”...

(... in the sense of activities which have growth potential...)

...All different kinds of rural area...

- **Agrarian**
- **Consumption Countryside**
- **Diversified (Strong Secondary)**
- **Diversified (Strong Market Services)**

- Show opportunities with different characteristics, in terms of labour market impacts, future prospects etc.
- Analysis of specific opportunities will inevitably be partial and ephemeral (focus on local assessment; participation).

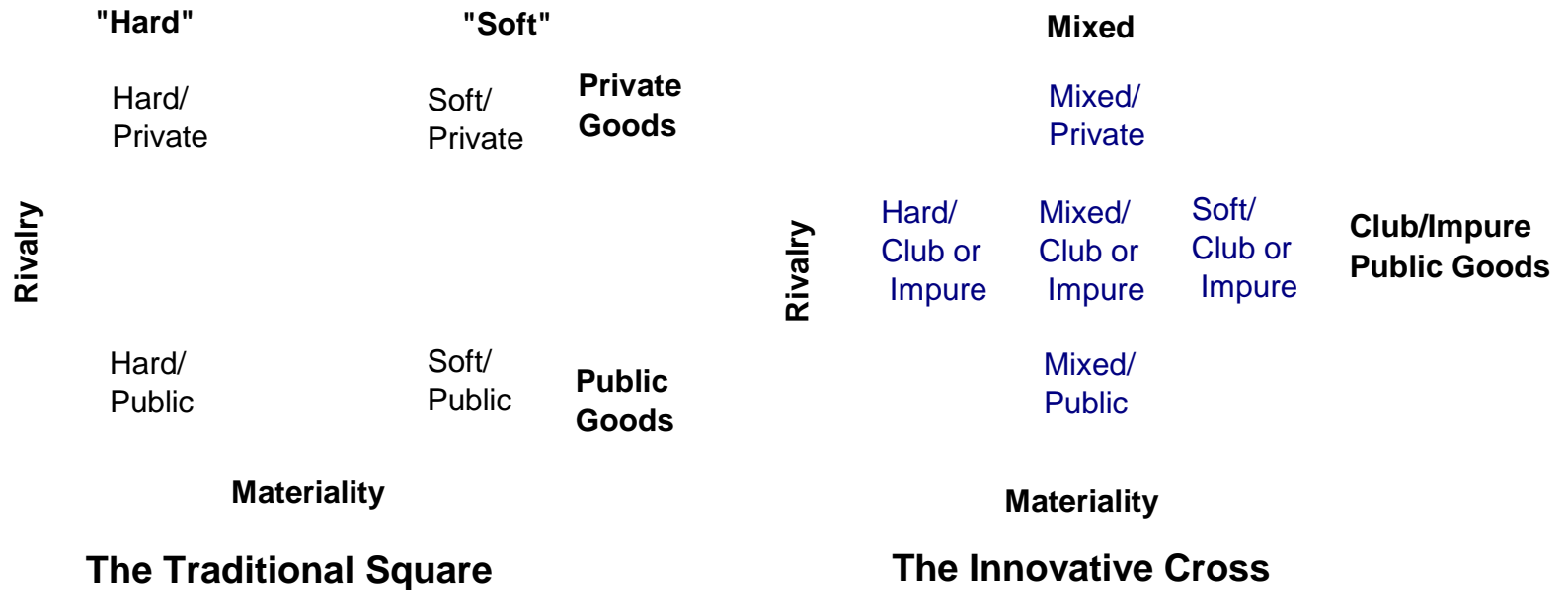
- Each region has a unique set of resources and opportunities...
- Dynamic perception and development of these,
- Globalisation and “Connexity” means that increasingly the opportunities are ubiquitous, and development is determined by “the supply side”; i.e. regional resources, assets or “territorial capital”.

At the local level the key to a positive response to global forces for change lies in a range of assets....

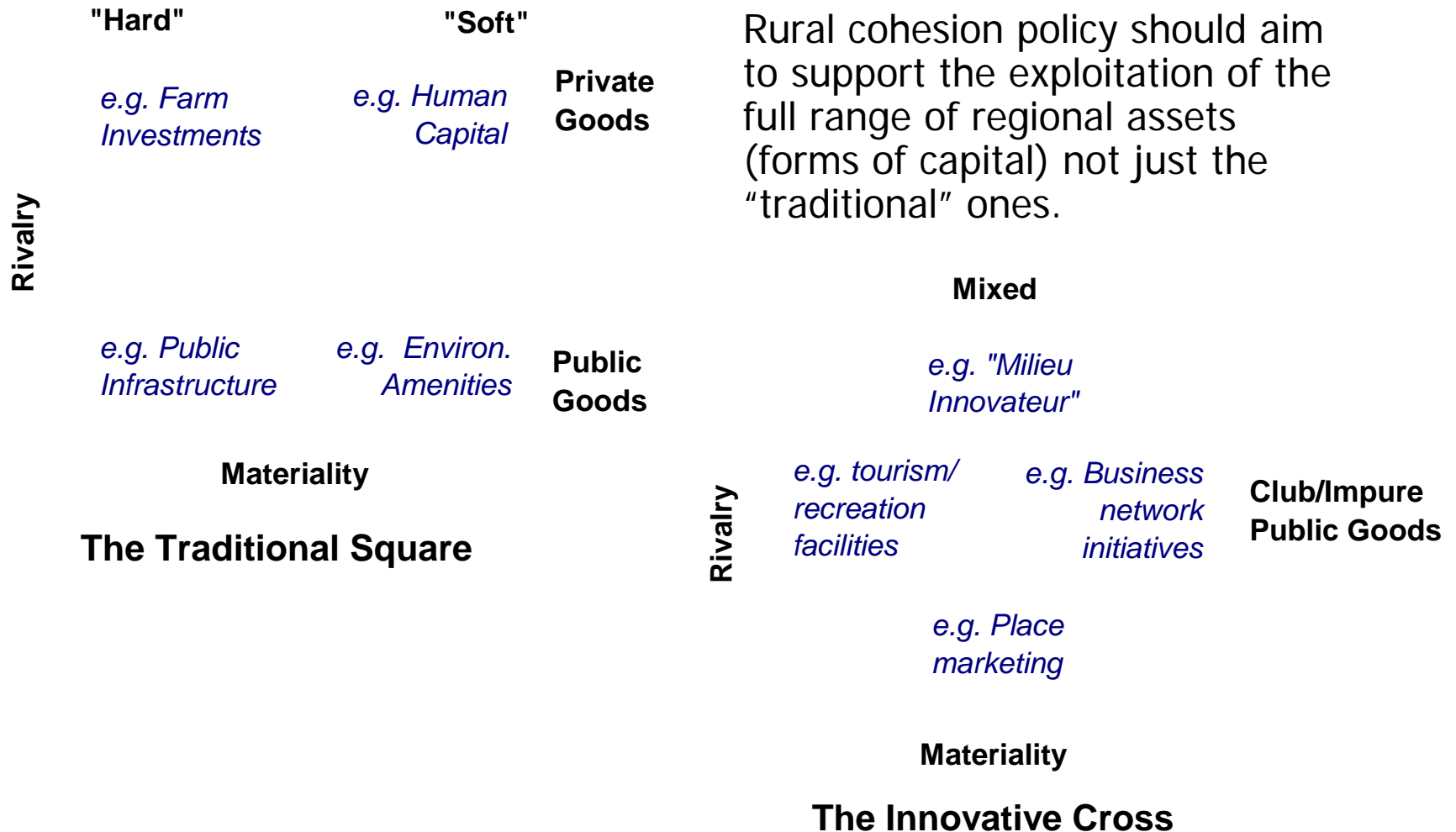
Capital	Definition	Examples and comments.
Financial 	Financial capital plays an important role in the economy, enabling other types of capital to be owned and traded.	The liquid capital accessible to the rural population and business community, and that held by community organisations.
Built 	Fixed assets which facilitate the livelihood or well-being of the community.	Buildings, infrastructure and other fixed assets, whether publically, community or privately owned.
Natural	Landscape and any stock or flow of energy and (renewable or non-renewable) resources that produces goods and services, (including tourism and recreation).	Water catchments, forests, minerals, fish, wind, wildlife and farm stock.
Social	Features of social organisation such as networks, norms of trust that facilitate cooperation for mutual benefit. May have "bonding" or "bridging" functions.	Sectoral organisations, business representative associations, social and sports clubs, religious groups. 'Strength' relates to intensity of interaction, not just numbers.
Human	People's health, knowledge, skills and motivation. Enhancing human capital can be achieved through health services, education and training.	Health levels less variable in an EU context. Education levels very much generational. 'Tacit knowledge' is as important as formal education and training.
Cultural	Shared attitudes and mores, which shape the way we view the world and what we value.	Perhaps indicated by festivals, or vitality of minority languages. Some aspects - e.g. 'entrepreneurial culture' - closely relate to human and social capital.
Political	The ability of the community to influence the distribution and use of resources.	Presence of, and engagement in, 'bottom up' initiatives, the most local part of 'multi-level governance'. Relates to local empowerment v. top-down policy, globalisation.

Balanced Development based on Territorial Capital

“Territorial Capital” (by Camagni)



Balanced **Rural** Development based on Territorial Capital



Examples of territorial cooperation

	Rural-rural	Rural-urban
Co-operation Networks	<ul style="list-style-type: none"> - Leader cooperation (public, private and civic sectors) - Community animators - Producer groups, agri-tourism associations - Common land management systems (crofters) 	<ul style="list-style-type: none"> - urban-dominated decision making - joint marketing association - Federal consultancy for local authority - interaction with actors outside the region to build creative environments
Relational capital	<ul style="list-style-type: none"> - Contradictions and conflicts (close contact with interest groups) - formal and informal networks between owner-managers, employers – employees - village action groups - incomers a source for social change 	<ul style="list-style-type: none"> - Tourism development meeting the demands of urban population
Social capital	<ul style="list-style-type: none"> - Local ‚participative planning‘ - creating local networks - local associations to promote culture - ‚paths of heritage‘ project - citizens engaging in community action - local development work (e.g. welfare) - social capital promoted by programmes /e.g. Leader, PRODER) 	<ul style="list-style-type: none"> - low internal cohesion - rural policies more mainstreamed into regional policies - population loss in rural areas related to absence of a true urban network

Opportunities, Challenges and Policy Domains linked to the Meta-Narratives of Rural Change

Meta Narrative	Opportunities	Challenges	Policy Domains
Agri-Centric	<p>Increased agricultural competitiveness in some areas.</p> <p>Diversification.</p> <p>Remuneration for rural amenities (consumption countryside).</p> <p>Quality products, short supply chains, regional appellation.</p>	<p>Loss of agricultural competitiveness in some areas → low income or abandonment.</p> <p>Decline in farm employment, even in competitive areas.</p> <p>Environmental effects of intensification in competitive areas.</p> <p>Difficulty in valuation of public goods.</p>	<p>Agriculture.</p> <p>Rural Development.</p> <p>Human capital (training).</p> <p>Land use.</p>
Rural-Urban	<p>Counter-urbanisation (increased population and economic activity in intermediate and accessible rural areas).</p> <p>Information technology facilitating new activities.</p> <p>Establishment of the New Rural Economy.</p>	<p>Sparsity (especially in remote rural areas)</p> <p>Peripherality.</p> <p>Selective out-migration from remoter and sparsely populated regions.</p> <p>Accelerated demographic ageing.</p> <p>Difficulties in provision of SGI.</p> <p>Pump effects of infrastructure improvements.</p>	<p>Infrastructure.</p> <p>Telecommunications.</p> <p>Land use planning.</p> <p>Transport.</p> <p>SGI</p>
Globalisation	<p>Wider markets for rural products.</p> <p>Rapid diffusion of innovation.</p> <p>Increase in “primary segment” jobs.</p> <p>Expanded opportunities for international tourism.</p>	<p>Restructuring – loss of competitiveness for “traditional” activities.</p> <p>“Rationalisation” of globally controlled activities → concentration in accessible rural, intermediate, or urban regions.</p> <p>Loss of local control over economic activities, employment, provision of market services etc.</p> <p>Loss of regional distinctiveness, cultural assets, → reduced residential attractiveness and potential for tourism.</p>	<p>Competition.</p> <p>Trade.</p> <p>Employment.</p> <p>Social Inclusion.</p> <p>Tourism.</p>

Linking the Typologies and the Meta-Narratives...

Type/ Meta-Narrative	Agri-Centric	Rural-Urban	Globalisation (Restructuring)
IA	Increased production efficiency (in agriculture), but reduced employment, and potential environmental issues	Increasing interaction with PU regions, counterurbanisation of both population and economic activity.	Increasing integration into the global economy brings new opportunities, and development of NRE.
IR			
PRA			
PRR	Marginalisation of small farms in remote areas, reduced employment. Shift from production to multifunctionality where access and landscape quality permits.	Continued out-migration and ageing of population leads to depletion of human and social capital. "Pump effect" of Transport infrastructural improvements	Remote areas struggle with global networking, restructuring lags behind, low rates of growth, and income, high unemployment. Success depends very much on human and social capital etc.
Agrarian	Increased efficiency and competitiveness in agriculture) of some areas, marginalisation of others. Reduced employment and environmental issues.	Increased urban demand for some products in accessible regions, but depletion of human and social capital by out-migration in remoter regions.	Globalisation of agricultural markets means smaller profit margins. Restructuring towards the NRE is slow due to human capital constraints and lack of entrepreneurial culture.
Consumption Countryside	Shift from production to multifunctionality – especially provision of rural amenities. Declining farm employment. Degree of success depends on quality of environment and accessibility.	Increasing demand for "rural amenities" from urban populations, but depletion of human and social capital by out-migration in remoter regions.	Global competition for agriculture offset by expansion of (international) demand for tourism and recreation.
Diversified (Secondary)	Increased efficiency and competitiveness, but reduced employment and environmental issues. Overall impact positive due to small role of agric. In the regional economy.	Commuting and counterurbanisation of economic activity means that the local economy of these regions increasingly difficult to differentiate from PU regions. Prospects for growth and prosperity are also shared. Potential for environmental issues and culture/community conflicts.	Most of these regions are in NMS12. They are characterised by slow restructuring, as a result of deficits in human capital, and various other "intangible assets".
Diversified (Market Services)			These regions are already benefitting from globalisation, they have already adapted their economic structure.

Potential policy responses...

Type/	Meta-Narrative	Agri-Centric	Rural-Urban	Globalisation (Restructuring)
	IA	o Agri-environmental measures.	o Land use planning.	o Support for "traditional" rural population which is left behind by the NRE (education and training, community development).
	IR	o (Re)training of former farm workers.	o Environmental policy.	
	PRA		o Housing policy for "traditional" rural low income groups.	
	PRR	o Farm structures policy	Broadband provision.	o Broadband provision.
		o Local and quality products marketing	o Human capital development (entrepreneurship, IT)	o Human capital development (entrepreneurship, IT)
		o LFA support?	o Business network support for SMEs	o Business network support for SMEs
		o Training	o Support for diversification.	o Support for diversification.
		o Diversification schemes		
	Agrarian	o Farm structures policy	o Local and quality products marketing.	o Support for diversification
		o Local and quality products marketing	o Human capital development (entrepreneurship, IT)	o Human capital development (entrepreneurship, skills for new activities).
		o Training		o Inward investment of NRE activities.
		o Diversification schemes		
	Consumption Countryside	o Diversification schemes	o Diversification schemes	o Diversification schemes
		o Training (hospitality services etc)	o Training (hospitality services etc)	o Training (hospitality services etc)
		o Local and quality products marketing	o Local and quality products marketing	o Local and quality products marketing.
		o LFA support?		
	Diversified (Secondary)		o Agri-environmental measures.	o Diversification schemes.
		o (Re)training of former farm workers.	o (Re)training of former farm workers.	o Human capital development (entrepreneurship, IT)
	Diversified (Market Services)		o Housing policy for "traditional" rural low income groups.	o Measures to preserve local cultures, strengthen communities etc

To sum up; the evidence points towards neo-endogenous, “place-based” policy approaches....

Type or

Macro-Region



Programme
Coordination
and Targeting

**Macro-scale
(Structural)
Patterns.**

Regional indicators
and Typologies

Endogenous
Tailoring
of Regional
Programmes

**Micro-scale
Patterns of
(Intangible) Assets,
Regional Audits**



**Individual
Region**

To be successful...

- Pay special attention to coherence with other policy...(esp. CAP Pillar 2).
- Local auditing should also support policy monitoring and evaluation.
- Top-down guidance needs to balance clarity and specificity with flexibility.
- Needs to be facilitated by multi-level governance capacity – this may be a valid object for support in some contexts.

Cohesion policy principles

- impact assessment of policies with TC impact
- full **range of asset** base to be addressed (shift attention in kinds of 'territorial capital')
- changes in the long-time frame necessitate new paradigms (e.g. climate change)
- address specificities of non-urban areas (environment, public goods)
- mix of policy interventions (vertical/horizontal coherence), with particular interest on **local action**
- new governance settings: „**place-based** paradigm“ (priorities, networks, public intervention, subsidiarity, effective governance)
- **targeted** on different types of rural regions and context specificity
- variability of policy answers due to scenarios

...Thank you for your attention...

Final Seminar
Rural Policy for the Globalised Post-Recession European Countryside
 3rd December 2010 0930-1300
 Norway House, Rue Archimède 17, Brussels
 EDORA project websites: www.nordregio.se/EDORA
www.espon.eu/main/Menu_Projects/Menu_AppliedResearch/edora.html

