Changing rurality, what new policy requirements?

Contribution to the Workshop
‘The diversity of rural areas: harnessing the development potential’
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Alan Matthews
Professor of European Agricultural Policy
Trinity College Dublin
Ireland
Growing diversity of Europe’s rural areas

- Europe’s rural regions becoming increasingly diverse in their demography, economic and social structures
- Heterogeneity further increased by recent EU enlargements
- Raises three questions
  - Is there a case for more spatial targeting in rural development interventions?
  - Will the drivers of change be different in the future compared to the past?
  - What are the implications for EU rural development policies?
What is distinctive about ‘rurality’?

- Blurring of the historical dichotomy between town and country...
- … has led some commentators to question the value of the rural/urban distinction
- But we all recognise a set of overlapping characteristics which contribute to rurality
  - Low population density or sparsity
  - Remoteness and peripherality
  - Land cover and land use
  - Continued importance of food and forest production
Defining rural areas

• How best to discriminate between rural and other regions?
  – No clear definition of what constitutes a rural area in the EU
  – Dissatisfaction with NUTS3 designations based on the OECD criteria (though revised 2005)
  – New DG REGIO urban-rural typology of NUTS3 regions
  – The potential of geo-coding to provide more granular detail on rural areas
Rural typologies and targeting

• Could an agreed rural typology allow for a clearer territorial focus and targeting for EU rural development policy?
• Very limited targeting in current Rural Development Regulation
• Objective criteria used to allocate funds between Member States make no reference to rural or environmental indicators
• Feasibility of EU-wide agreement?
Changing drivers of rural growth

• Globalisation – a threat to rural areas?
• Demography – can rural areas retain/attract the young?
• The move to a services economy – are rural areas at a disadvantage?
• Energy – what impact will rising energy costs have on accessibility?
• ICT technologies – reducing the cost of distance?
• Climate change – implications for agriculture and water?
• Revalorisation of rural resources – a growth opportunity?
• Political economy – whose interests are dominant?
The territorial agenda

• The traditional view:
  – Regional policy as a redistributive, subsidy-oriented policy targeting lagging regions

• The modern view:
  – Territorial policy means helping regions to develop their territorial capital
  – Less emphasis on reducing disparities, more on developing potential and increasing territorial competitiveness
  – The territorial agenda is strongly focused on building growth poles and urban networks
  – **Need to integrate the rural dimension into territorial cohesion**
Is EU rural development policy fit for purpose post-2013?

• Is rural development spending targeted on the right areas?
• Are rural development funds focused on the right measures?
• Have we correctly identified the value added of EU versus national and regional interventions?
• Have we the right delivery mechanisms?
• Is the level of funding right?
The problem of coordination

- EU rural development spending delivered through two mechanisms
- Structural Fund spending 80% of EAFRD in 2007-13 period
- Coordination also embraces Member State and other EU policies
Ensuring coherence between structural policies and Pillar 2

- Coherence addressed by the common guidance note and coordination procedures
- Fuse programming procedures while maintaining separate funds?
- Should Axis 3 measures be moved into cohesion policy?
  - NO It provides a desirable measure of flexibility in Pillar 2 spending
Differing use of Axis 3
Conclusions – main messages

• Continued justification for a focus on ‘rural’ in a Europe of regions each emphasising their own specific territorial capital
• Make use of rural typologies to better target RD spending
• The importance of a focus on rural competitiveness and innovation in the context of sustainable use of rural and natural resources
• Closer integration of EU rural policies (RDR and cohesion policy) in post-2013 period