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Community Rules for Rural Development and the Practical Problems of Their Implementation in Hungary

It is well known, that as the result of the reform efforts of the common agrarian policy (CAP) by a pure sectoral agrarian development approach the rural development gained space gradually targeted at the complex treatment of elements important for the development of the countryside.

From this aspect the legal regulation concerning the 2007-2013 programming period we could consider as revolutionary, since besides the development targets of the agrarian sector the issue of the improvement of rural life and the diversification of rural economy was formulated as an independent target: it was integrated in the subsidy system into the third axis, and independently as the Leader program into the fourth axis, which used to belong to the so called common initiatives of the European Committee. Approaching the evaluation of the half time period functioning of this common tool renewed in its name, the European Agricultural Fund for Rural Development it is necessary to raise the question, whether this modified agrarian and rural development policy will be able to contribute to the development of rural areas and whether these policies are appropriate to enhance the real development needs or their implementation or it will continue to function as an agrarian policy tool, within narrow sectoral frameworks. The currently valid legal regulations imply that the central element of the CAP is the agrarian economy. Accordingly, that target areas and the related resources of the majority of community funding try to react to different problems and development opportunities of the agrarian economy. Facts and trends show, that the agrarian sector is able to provide for living for continuously decreasing number of the rural population. According to empirical research, in Hungary even in territories with great traditions of agrarian economy and within that of the intensive farming with fairly high labour requirements, only 10% of the active age rural population lives exclusively from rural economy, either as farmers or as employees.

It is true, that employment and economic development is only one, - but central – element of development policy and economic development, but besides a further important factor is the maintenance and development of public services, influencing the rural quality of life significantly. However this target is not among the development aims of the agrarian sector, and in other development policies, where the key role is played by the agrarian sector even the rural public service development is pushed to the periphery. If we wish to characterise the so called rural development policy of the European Union briefly, that we shall state that this agrarian approach could have been an appropriate and modern development policy about 50-100 years ago.

A further question of key importance is, whether the current rural development policy and system of the European Union can stop the further depopulation of the rural and at the same time the growth of urban problems: like the diseconomies of scale of extremely large agglomerations, and the high usage of energy and territory, or the traffic jams, the growing pollution, the social exclusion, the emerging ghettos, crime, etc.

Or is it able to reduce the significant differences in the incomes and opportunities of the urban and rural population? Will this policy help to implement the Lisbon and Göteborg strategies and can it contribute to the growth of employment?

The answer to the above question is rather negative, since the main course of current rural development is subsidising the agrarian sector, which on the other side effects only a fragment of rural population, and the remaining supports are far not sufficient to enhance the development of local economies or the employment, or to stop the depopulation of villages and to decrease the income differences of urban and rural population.

Another important issue is, whether the current rural development policy will contribute to the preserving of natural resources, or whether it will allow the access of urban concentrations benefits like wideband internet or the physical access of different services.

The answer is partially yes, since the preservation of natural resources and the reinforcement of environment conscious economy must be the element of agrarian policy. However, the linkage of rural areas with the communication ways and wideband networks is not at all the element of common agrarian policy. Similarly, the physical infrastructure of access of public services is not present in rural development, even though the majority of different services and workplaces are not located locally. These opportunities are for rural areas in lack of accessibility, cut off, segregated as if they were not at all existing.

The answers to the above raised questions and the elaboration of solutions, as well as the common action is important for every member state, but is essential for the CEE region – and in Hungary – due to the increased backwardness of rural areas. It is regrettable that the common agrarian policy fragmented into different funds and directorates is unable to efficient and unified action beyond the identification of problems.

The question is, what will be the future of rural development, how will it be able to occupy its worthy position. The answer seems to be easy – even if the implementation would require sufficient political will – with the condition, that the entire rural development shall be integrated instead of the CAP into the cohesion policy and structural funds.