



European Commission
Agriculture and Rural Development



Changing rurality, what new policy requirements?

Alan Matthews, Trinity College

Europe's rural areas in action - Facing the challenges of tomorrow

Limassol, Cyprus, October 16-17, 2008

Changing rurality, what new policy requirements?

Contribution to the Workshop
'The diversity of rural areas: harnessing the development potential'
Europe's Rural Areas in Action: Facing the Challenges of Tomorrow
Limassol , Cyprus 16-17 October 2008

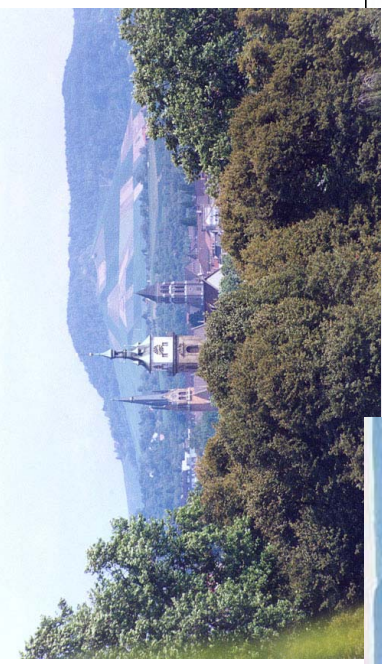
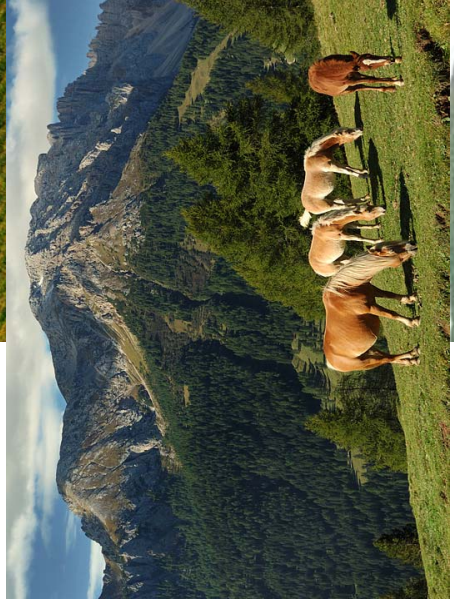
Alan Matthews
Professor of European Agricultural Policy
Trinity College Dublin
Ireland

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

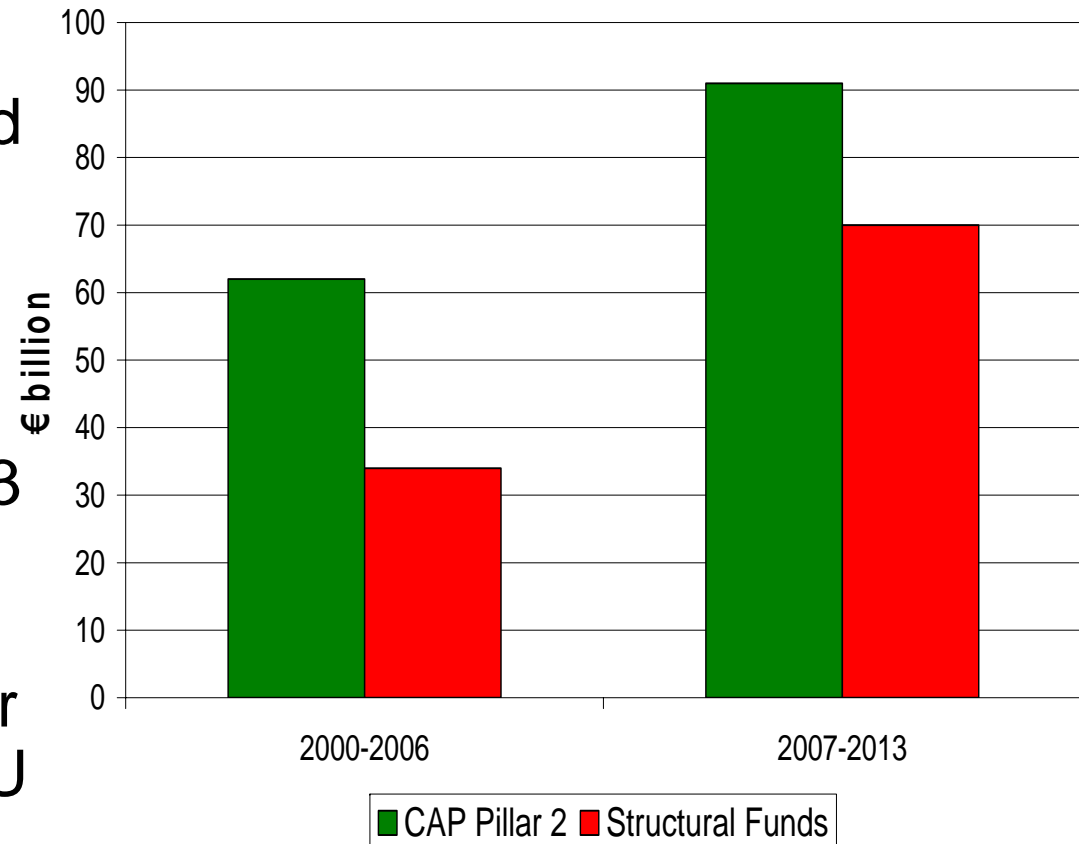
- The traditional view:
 - Regional policy as a redistributive, subsidy-oriented policy targeting lagging regions
- The modern view:
 - Territorial policy means helping regions to develop their territorial capital
 - Less emphasis on reducing disparities, more on developing potential and increasing territorial 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

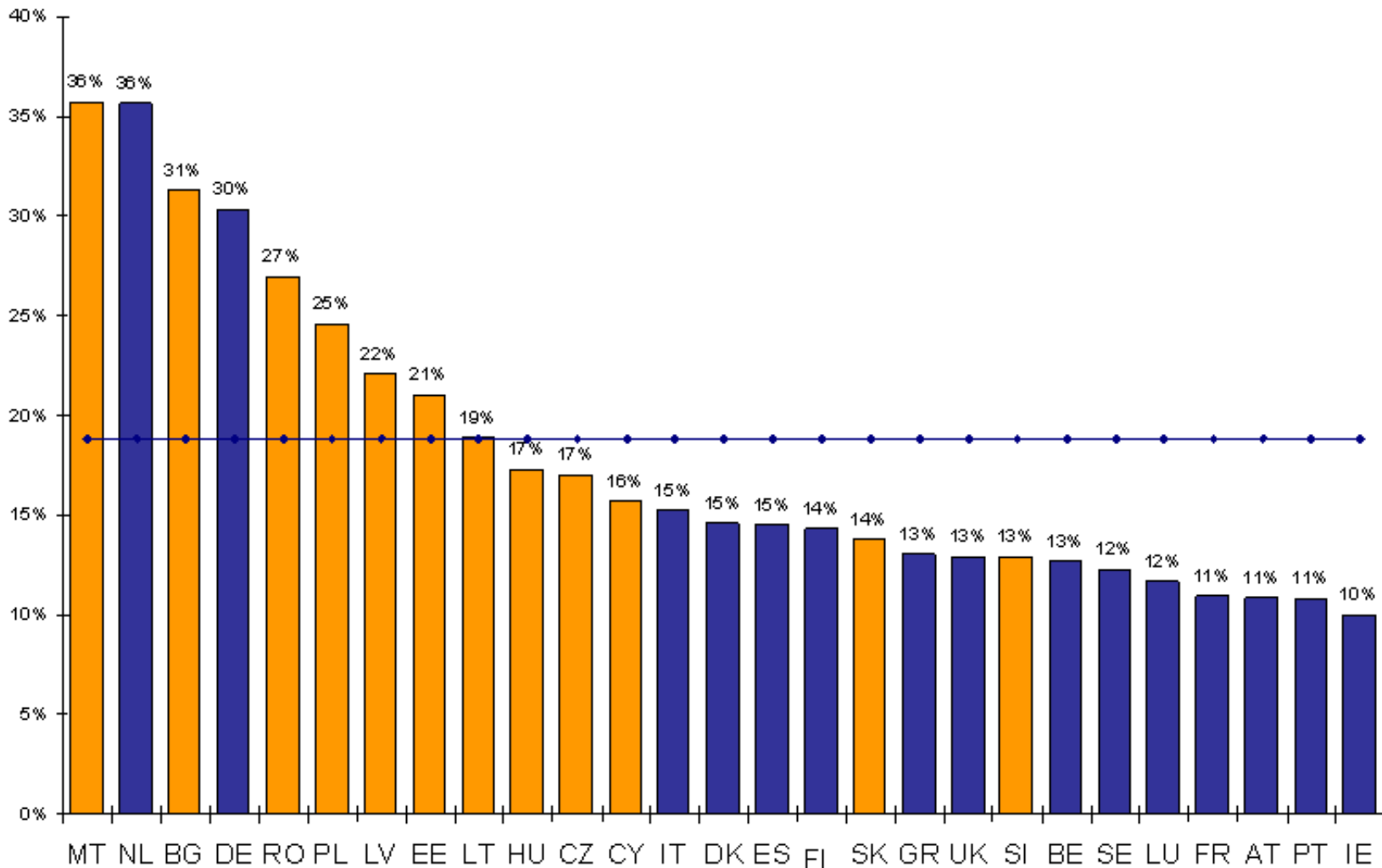
- EU rural development spending delivered through two mechanisms
- Structural Fund spending 80% of EAFRD in 2007-13 period
- Coordination also embraces Member State and other EU policies



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