The future of rural development
“Paying attention to remote and ‘disadvantaged’ rural regions”,
Considerations for post 2020 debate
Zagreb, 22 September 2017

Thomas Dax
Federal Institute for Less-Favoured and Mountainous Regions,
Vienna, Austria

Structure of the Presentation*

1. Main drivers: “rural needs”
3. Options for change/adaptation
4. Orientation for post-2020 reform

1. Background of reform discussion

Evolution of Rural Development Policy
- RD an increasing policy concern
- Integration, coordination and Territorial Cohesion

Second Pillar of CAP
- Since Agenda 2000 integrated into CAP
- Slow funding shifts
- A „new“ paradigm

Evolving „rural needs“ and Strategy building
- Place-specific action
- Responding to European Objectives
- Effectiveness and policy impact

Rural Policy evolution and Cohesion Policy

Phase 1: The precents of rural policy (until mid 1980s)
- 1958 CAP
- 1962 EAGGF
- 1975 LFA / ERDF
- 1981 Int. Med. Program
- 1985 CAP Green Paper

- 1988 - SF reform
- 1992 - MacSharry reform
- 1989 - objective areas
- 1991 - LEADER
- 1996 - Cork Conf.
- 1997 - Buckwell report

- Agenda 2000
- 1999 - ESDP
- 2003 - Fischler reform
- 2006 - Territorial Agenda

Phase 4: Strategic Frameworks (since 2007)
- 2007 - EAFRD (near Final)
- LEADER mainstreaming
- 2010 - CAP towards 2020
- 2011 - Territorial Agenda 2020
- 2013 - CSF
- 2016 - Cork 2.0 Conference
Societal demands and „drivers“

- **Territorial** processes (aspects of territorial and social distribution/inequality)
- Increased **interrelationships** and globalization
- Rural-urban cooperation and synergies
- Public goods, ecosystem services, biodiversity and landscapes
- Recognition of **social innovation** and well-being
- Climate change and circular economy

„External“ influences

- Economic crisis, austerity and evolving post-growth discourse
- In- and out-migration and demographic changes in rural areas
- Implications of Brexit (and international development)?

- **European objectives**, assessment and renewal

**Increasing challenges for rural areas**
- Rural diversity
- Importance of networking in a globalised environment
- Rural poverty and social exclusion

**RD programme structure and implementation**
- Types of rural regions
- Strategic framework
- Administrative requirements
- National/regional choice (and path-dependency)
- Ecological challenges, threat of land abandonment and Areas of Natural Constraints (ANCs)
- Coordination with Cohesion Policy

---

**Urban-rural typology (including remoteness)**

Source: Dijkstra and Poelman 2015
Typology and distribution of “small” farms in Europe in relation to dominant farm structure within regions

Source: SALSA, WP2 report, 2017

LEADER in Croatia:
57 Local Action Groups (LAGs)

Source: HMRR – Croatian Rural Development Network, 2016
Rural Development Programming

Europe 2020 strategy

Common Strategic Framework (CSF)
Covering the EAFRD, ESIF, ECF, Cohesion Fund and EMFF, and foreseen EU2020 through common thematic objectives to be addressed by key actions for each of the funds.

Partnership Agreement
National document outlining the intended use of the funds in the pursuit of EU2020 objectives.

Rural development policy: EAFRD

Other CSF funds (ERDF, ESF, CF, EMFF)

Innovation, environment and climate change on cross-cutting objectives.

6 Priorities
1. Ensuring knowledge transfer and innovative in agriculture, forestry and rural areas
2. Enhancing farm stability and competitiveness of all types of agriculture in all regions and promoting innovative farm technologies and the sustainable management of forests
3. Promoting food chain organisation, including processing and marketing of agricultural products, animal welfare and risk management in agriculture
4. Safety, health, processing and enhancing competitiveness related to agriculture and forestry
5. Promoting resource efficiency and supporting the shift towards a low carbon and climate resilient economy in agriculture, food and forestry sector
6. Promoting social inclusion, poverty reduction and economic development in rural areas

Source: EC DG Agri 2014

RDP funds by Strategic Priorities of MS (%)

Note: TA – Technical Assistance; DM – Dissemination;
Source: KANTOR Management Consultants 2015, 46
3. Options for change/adaptation

**Key questions which underlie the reform debate:**
- Strategic objectives – do they provide an appropriate balance for the various demands?
- RDP – effective instrument (EU 2020 goals; and rural needs and opportunities)?
- Reconsider responsibilities of CAP Pillar 2 and Cohesion Policy?
- *Disparities between rural areas* sufficiently captured by horizontal measure structure of RDPs?
- Calls for changes to specific measures?
The Strategic Priorities in Context

2. Competitiveness and Farm Viability 21%
4. Restoring, Preserving and Enhancing Ecosystems 46%
3. Food Chain Organisation, Animal Welfare and Risk Management 10%
5. Resource Efficiency, Low Carbon and Climate Resilience 8%
6. Social Inclusion and Poverty Reduction 15%

Recession effects - (un)employment, poverty etc.
Economies of scale
Declining role of agriculture in the rural economy
Declining role of agriculture in the rural economy
Food safety
Demographic ageing
Desertification, Green Economy
Globalisation, concentration of market power, relocalisation, regional appellations, short supply chains

Options for RD reform discussion

Option 1: Sectoral Retrenchment – focus on CAP objectives and internal coherence of CAP

Option 2: Enhanced Status Quo – continuation of present framework and slight revisions

Option 3: Territorialised Pillar 2 – orientation towards an “integrated”, territorial approach

Option 4: Multi-Fund Territorial – division of tasks between agricultural, regional and social policies

Option 5: Rural Cohesion Policy – new concept addressing needs of rural areas and residents
4. Orientation for post-2020 reform

**Balanced view on rural development policy – Seize momentum ... to raise impact**

- Engage in local development
- Maintain and adjust core RDP instruments to local needs: AEM, ANC, innovation, cooperation, „rural vitality“
- Increase application of „social measures“
- In-depth attention for rural poverty issues
- Sufficient financial weight for RDP (beyond voluntary shifts; incentives ...)
- Administrative rules („simplification“) and institutional settings (coordination/„rural proofing“)
  - Spatial differentiation („smart“ and social Innovation)
Conclusions and Recommendations

**Enhance RDP core tasks**
- Territorial focus, paying attention to diversity of rural areas
- Address needs and harness opportunities
- Participatory, local development approach
- Benefits for all people in rural regions
  - Not limited to agricultural actors

**Raise effectiveness of implementation**
- Realize complexity of drivers/influencing factors
- Enhance “soft” infrastructure support
- Perceive social innovation as crucial element for change
  - Address interrelations and reduce complicated set of regulations

**Enable impacts for rural and national contexts**
- Increase action for sustainable development
- Contribution to national economies and societal demands
  (beyond “growth” paradigm)

---

Thank you for your attention
References