

# The future of rural development policy

Realize the full potential of rural areas

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

# Structure of the Presentation\*

1. Background – “rural needs”
2. Assessing Rural Development Programming in the European Union
3. Options for change/adaptation
4. Orientation for post-2020 reform

\* Report IP/B/AGRI/IC/2015-195 prepared with Andrew Copus, The James Hutton Institute, Aberdeen, UK and NORDREGIO, Sweden

# 1. Background of the 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 precedents of rural policy (until mid 1980s)

1958 - CAP  
1962 - EAGGF  
1975 - LFA / ERDF  
1981 - Int. Med. Prog  
1985 - CAP  
Green Paper  
1975 LFA / ERD  
1981 Int. Med. F  
1985 CAP Gree

## Phase 2: Integration of RD policy (1987 – 1999)

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

## Phase 3: RD – Second pillar of CAP (2000 – 2007)

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

## Phase 4: Strategic Frameworks (since 2007)

2007 - EAFRD (near Final)  
LEADER mainstreaming  
2008 - Territ. Cohesion – Green Paper Europe 2020  
2010 - CAP towards 2020  
2011 - Territorial Agenda 2020  
2013 - CSF  
2016 - Cork 2.0 Conference

## Societal demands and global drivers (1)

- Take account of territorial processes (aspects of distribution/inequality)
- Globalization and increased interrelationships
- Rural-urban cooperation and synergies
- Public goods, ecosystem services, biodiversity and landscapes
- Recognition of social innovation and well-being
- Climate change, „green growth“ and circular economy

## Societal demands and global drivers (2)

- Economic crisis, austerity and evolving post-growth discourse
- Demographic changes and migration challenge for rural areas
- Implications of Brexit (and other resistance to common policies)?
- European objectives, assessment and renewal

## 2. Assessing Rural Development Programming in the European Union

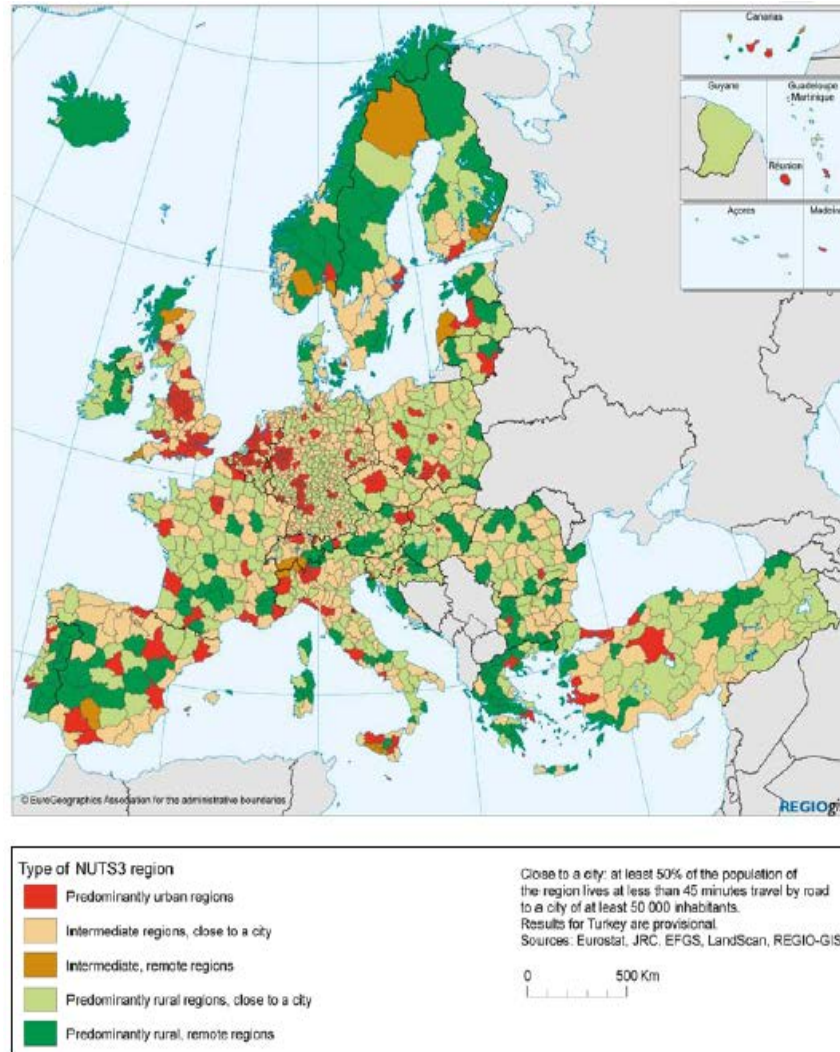
### Increasing challenges for rural areas

- 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 vs. limited adaptation
- Ecological challenges, threat of land abandonment and Areas of Natural Constraints (ANCs)
- Coordination with Cohesion Policy

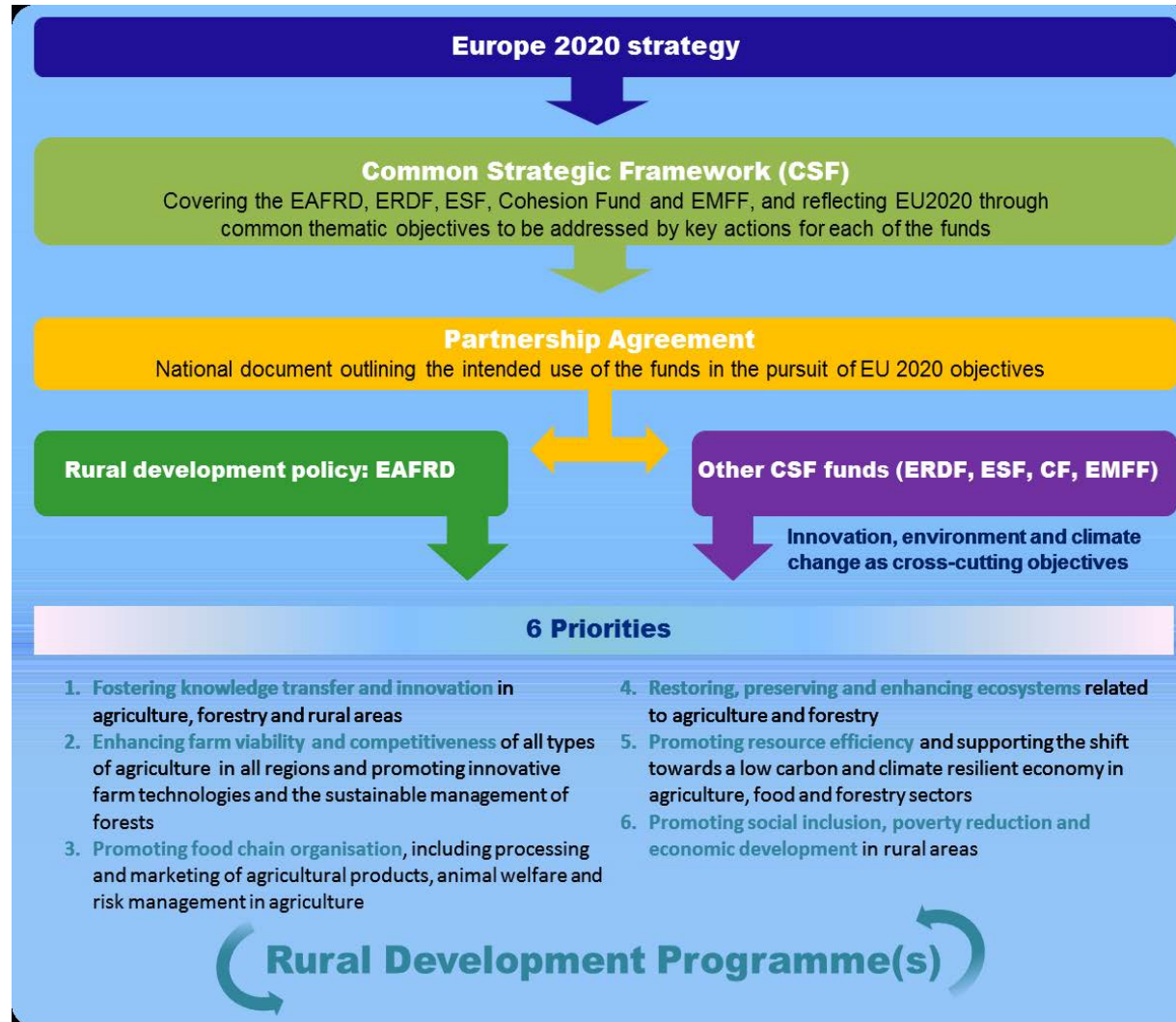
# Urban-rural typology (including remoteness)



Source: Dijkstra and Poelman 2015

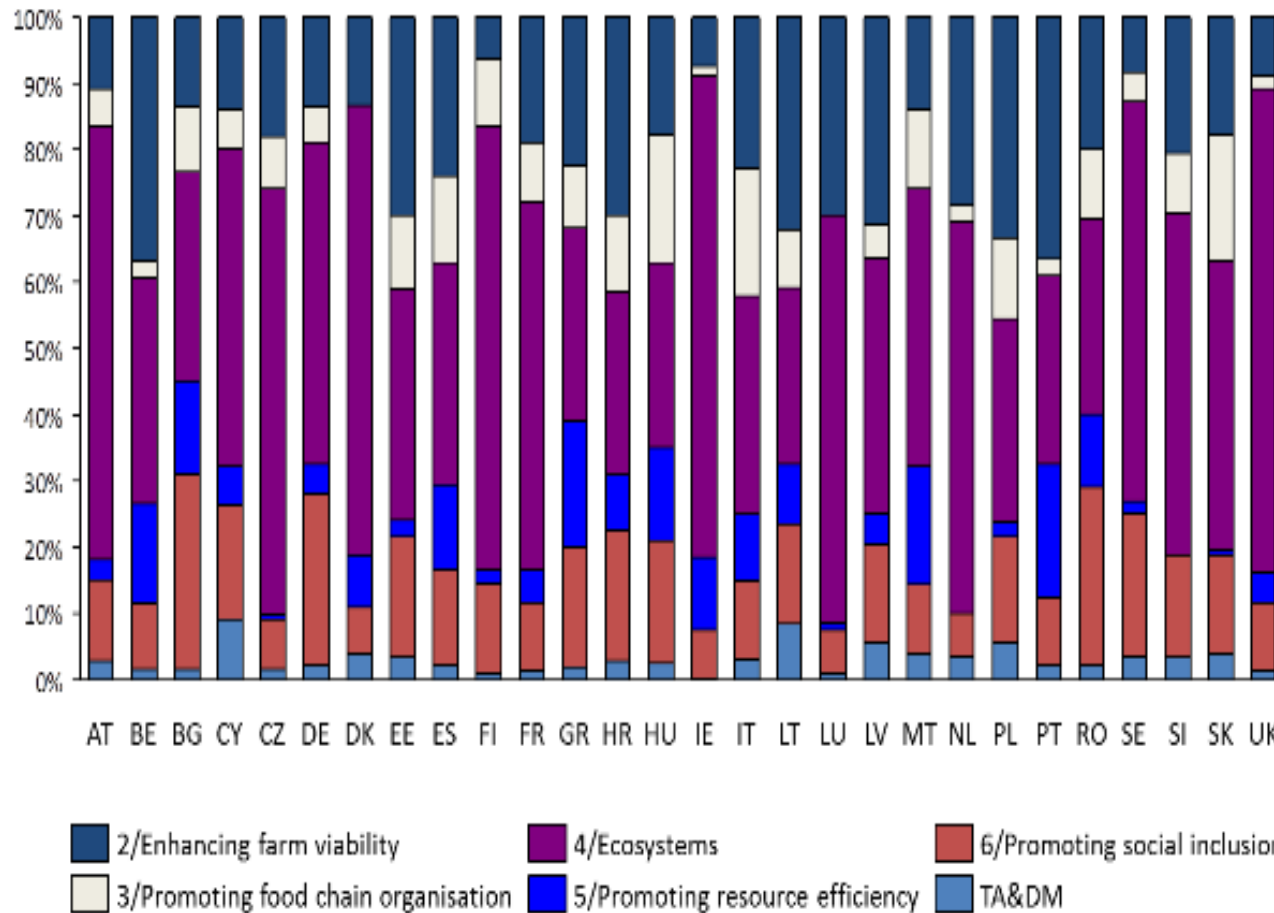


# Rural Development Programming



Source: EC DG Agri 2014

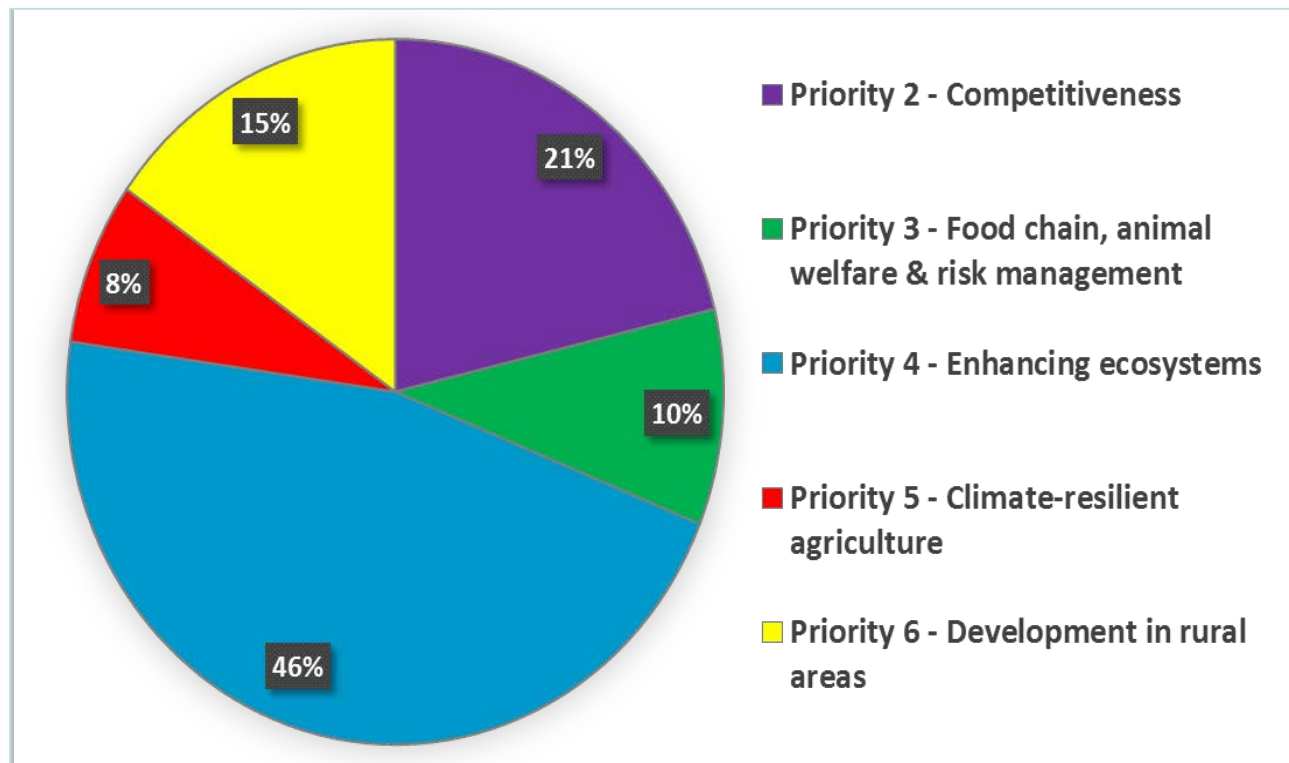
# RDP funds by Strategic Priorities of MS (%)



Note: TA – Technical Assistance; DM – Dissemination;

Source: KANTOR Management Consultants 2015, 46

# Expenditure by Strategic Priority, 2014-2020 (EU-28)



Source: RDP Expenditure Data 2014-2020, from Dwyer et al. 2016, 36

### 3. Options for change/adaptation

#### Key questions which underlie the reform debate:

- Strategic objectives – do they provide an appropriate balance for the numerous issues?
- RDP – effective instrument (EU 2020 goals and rural needs)?
- 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



# 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** – re-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

# Reform Options by Fund and Sector

Source of funding \ Type of approach	Coherence / „rural proofing“		
	SECTORAL	HYBRID	TERRITORIAL
EAFRD	Option 1: Sectoral Retrenchment	Option 2: Enhanced Status Quo	Option 3: Territorialised Pillar 2
Multi-Fund			Option 4: Multi-Fund Territorial
ERDF			Option 5: Rural Cohesion Policy

## 4. Orientation for post-2020 reform

### Balanced view on rural development policy

- Objectives of rural
- Territorial differentiation
- Identify adaptation needs in all parts of policy cycle
- Iterative process: “theories of change”
- Need to move towards “post-modern” rural policy

### Discussion focus

- Rural vs. agricultural
- Coherence between EU policies
- Appropriate set of policy measures
- Societal challenges and territorial cohesion
- Policy response to main “drivers”
- Scale of action, to address local/regional specificity...



## Seize momentum ... to raise impact

- Engage in local development
- Priorities in adjustment: improve implementation AEM, ANC, innovation, cooperation, ,rural vitality‘
- Increase application of „social measures“
- Consequently address rural poverty issues
- Increase financial weight of Pillar 2 (beyond voluntary shifts; incentives ...)
- Administrative rules and institutional settings
- Smart specialisation and social innovation
- Spatial differentiation

# 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

## Raise effectiveness of implementation

- Reduce complicated set of regulations
- Enhance capacity building, knowledge development – “soft” infrastructure support
- Focus on social innovation
- Pay attention to complexity of drivers/influencing factors

## Enable impacts for rural and national contexts

- Increase action for sustainable development
- Contribution to national economies and societal demands

# Key principles of the next reform

- Post-modern paradigm
- Territorial inclusion
- Balanced multifunctionality
- Multi-scale spatial equity
- Streamlined governance

Thank you for your attention