

# THE EU AND ITS RURAL AREAS

## A BURDENSOME LEGACY IN THE 21<sup>ST</sup> CENTURY?



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**T**his Synthesis summarises the main ideas discussed during two seminars organised in October and December 2013 by Notre Europe - Jacques Delors Institute and Sol & Civilisation on the relations between the EU and its rural areas by 2020 and beyond.

The rural world is part of the European Union's DNA, the source of a rich cultural, architectural, natural, social, legal, economic, food-related and sentimental heritage.

But having said that, does it still form part of the baggage that the public decision-makers, economic players and "symbol manipulators" (a term coined by American author Robert Reich to describe 2.0 generation communicators and managers) intend to take with them on the long transition process which appears to lie ahead of us before we can emerge from the crisis? One may be forgiven for harbouring doubts on that score if some of the speeches which tend to brush off rural areas as a cumbersome heritage are anything to go by.

Apart from the Commission's two Directorates General that have a natural interest in the development of such areas, DG AGRI and DG REGIO, and the Committee of the Regions, do the European institutions not have a tendency to treat these rural areas as insignificant players and as hangovers from the past?

If it were the result simply of a feeling or a sense of frustration, the issue would hardly be worth exploring. But the European Union is facing a major, multi-faceted crisis which is social, economic, environmental and, to some extent, even democratic. It would be unfortunate if, in endeavouring to emerge from that crisis, it were to deprive itself of the resources concealed by such a highly diversified "world" which occupies some 53% of Europe's surface and accounts for fully 19% of its population (those are the figures for the 'strictly rural' regions;

they would be far higher if the 'intermediate' regions were to be included in the reckoning).

In talking about a "world", no one is trying to pit the rural areas against the urban areas. Their economic and geographical interdependence are obvious, and mobility from one to the other is a daily or seasonal reality for virtually everyone. Yet to talk about a "world" is to posit a territorial or sociological consistency which can serve as a focal point.

It is with this ambition in mind that two think tanks, Notre Europe - Jacques Delors Institute and Sol & Civilisation, decided to launch the present research project, aiming to get the picture straight, seeking neither to idealise rural areas nor to discredit or neglect them. The think tanks conducted their analysis in the course of two seminars, adopting a multi-disciplinary approach combining economics, sociology, political science, ecology and communication techniques, and calling for contributions from European researchers and experts from every corner of the continent: east and west, north and south.

### 1. Rural living by 2020

**In the course of the first seminar, held in Valence on 21 October 2013,** the debate focused on the immediate future and thus on the Europe 2020 Strategy. We first compared points of view on the place occupied by rural areas in open economies. We went on to discuss rural areas' contribution to sustainable development. And lastly, we expanded the debate to address the issue of rural societies' internal cohesion and the functioning of democracy.



The debate spawned a number of important considerations.

**Three economic challenges** facing Europe's rural areas were identified:

- a) they have to afford greater consideration to the spread of personal services, ensuring that services and infrastructures for people and businesses are both accessible and of high quality;
- b) they have to increase rural residents' income (by cutting such costs as housing, energy and transport, and by increasing their qualification levels);
- c) and they have to use the amenities and attractions of the countryside and to make the most of the primary sector industry (farming, forestry) in order to boost local economic development.

If they are to shake off their historic constraints, rural areas need to free themselves of economic and financial approaches which are only too tried and tested: the **land question** today is a major issue in terms of speculation and, through the competition of uses, also in terms of social cohesion (in The Netherlands just as much as in Romania or Hungary); it demands far greater attention and the invention of new models of local cooperation.

In the fields of energy, farming, applied technology, communications networks, waste and refuse management and life sciences, rural areas today are fully-fledged **innovative clusters**. Yet this asset is totally overlooked because research institute and think tank radar screens fail to pick it up, statistic institutes fail to measure it, as it simply is not large enough.

A similar lack of visibility afflicts rural **entrepreneurs**. While they are proportionally far more numerous than their urban counterparts, they are ignored because they play their role in areas which are peripheral to the hub. If they are to be acknowledged, a new outlook needs to take root and public action must change its sectoral approach, adopting a less compartmentalised attitude.

**In response to the global effects of our development model**, behavioural changes cause lines to move and they sometimes tune in to the same wavelengths as the know-how, not to say the wisdom, built up by rural areas in the interaction between man and his environment. The rural world is at the crossroads of four issues of major importance for every single component of our society:

- a) the first is environmental and relates to biodiversity, greenhouse gas emissions, the climate, health, and the quantity and quality of water;
- b) the second is related to food as a source of sharing, of pleasure, of health and occasionally even of misunderstanding and conflicting use;
- c) the third is territorial and concerns man's relationship with his living space;
- d) the fourth concerns modernity, where the pack seems to be being constantly reshuffled, the last sometimes ending up amongst the first.

**Democratic disenchantment** is unfortunately not limited to rural areas alone. Internal and external migration, demographics and the instability of certain populations are forging an explosive climate of mistrust. Yet there are plenty of examples to show us that rural life could play a pioneering role in the "rebuilding of fraternity", which is the very foundation stone of citizenship. This, because in order for democracy to be rebuilt, it can be rooted in the kind of values to be found in rural areas, such as proximity and the human dimension. The countryside is also the place most suited to broadcast the benefits of slow living, a crucial condition for the exercise of democracy because democracy requires long-term thinking if it is to accept otherness and to cope with complexity. By moving from the concept of "acting on behalf of" to that of "acting in conjunction with", the gap traditionally separating politicians from those they govern can be bridged and politics can regain

its full meaning. In other words, there is nothing (barring the lack of a utopian spirit) to prevent the transformation of rural areas into **high quality democratic labs**.



## 2. Rural living beyond 2020

**In the course of the second seminar, held in Brussels on 13 December 2013**, we looked beyond the period stretching from 2014 to 2020, our main purpose being to identify the basic trends, already at work in the European Union today, which are likely to dominate the heart of the 21<sup>st</sup> century. So we looked at the way in which European policies take account of rural potential through its territorial diversity and its long practice of local development, in relation to the effort being made to emerge from the crisis. Taking our cue from examples proving that rural areas create value(s) in both the economic and the ethical sense, we then endeavoured to reflect on what might forge a road map for the European Union prompting it to ensure that its policies benefit more from this under-estimated richness.

**The echo of the introductory questions asked by Commissioner Dacian Cioloș**, hinting at the existence of mutual and lasting lack of understanding, was very much a presence throughout the day: is rural development inevitably fated to remain the poor relation to European policies? Do rural players themselves not have to bear part of the blame on account of their inability to clearly position rurality between farming and urban life? How can we express the complexity of the issues involved in rural life in simple terms, which is the only way to persuade political decision-makers?

The EU's looming prospect de facto allowed us to complete the overview sketched out during the seminar in Valence and to discuss the relevancy of European politicians' responses to the messages

being sent to them by rural areas. The following observations and considerations were especially worthy of note:

- Maps, which are supposed to reflect different situations, provide a **blurred and generally disparaging image of rural life**, a patchwork of micro-areas dominated by discontinuity. Most statistical interpretation grids do not make it any easier to understand the new issues at stake for rural areas because they continue to be based on a traditionally urban economic or social approach. While possibly useful to justify a few targeted public programmes, graphic depictions and increasingly complex categorisation certainly cannot serve as a basis for a comprehensive policy.
- **Local development** is a strength in rural areas. Inspired for over twenty years by the LEADER method, local development has already proven its ability to meet people's numerous needs and requirements and to create thousands of jobs. It has given a new lease on life to areas in decline (Spain, Poland, Belgium) and it is now causing a new kind of economic development to emerge with networking SMEs (United Kingdom). **In the face of the crisis, rural areas are getting organised to turn that crisis into an operational tool.** Local action groups in Spain are planning to set up mutual underwriting funds to help the 25,000 SMEs that cannot find funding anywhere else, to establish a network of ombudsmen (CIFER - an innovative cluster for promoting rural employment) with 100 offices throughout the country to find work, including of a temporary nature, for jobless people in the remotest areas, and to forge an alliance with the federation of municipal authorities in an effort to cut their energy consumption by 50% thanks to investments in street lighting and boiler renewal.
- Yet the conclusion of negotiations on the Financial Package for 2014 to 2020 was greeted with much disappointment. The plan to extend the tool of community-led local development to urban areas was not given the reception hoped for by the regional authorities or national governments. While financial considerations sometimes prevailed, the democratic impact of such a failure should not be underestimated. This is because above and beyond elections and

the governance of communities, the practice of local development methods is a **good test of the quality of local democracy** and of politicians' open-mindedness. The consideration needs to be made that political leaders, whether at the national, regional or local level, are often reluctant to "put civil society in the driver's seat". They may get a second chance in 2017, during the mid-term review, but in the meantime the LEADER method remains confined to the countryside with only a very timid extension into coastal areas.

- **The needs of rural areas** go way beyond what local development can achieve, but the EU's offer is not equal to the task in terms either of quantity or of quality. Real estate pressure and the consumption of farmland are proceeding apace; the external context and sectoral policies have a greater influence on areas than that which takes place in those areas themselves (an observation which has spawned rural impact studies - 'rural proofing' - in the United Kingdom to which all new legislative and regulatory measures are subject). In backward areas, major investments continue to be necessary.
- Far removed from stereotypes, **the creation of values** is not the prerogative of a single type of rural area. Thus the IAR cluster located on the Picardy/Champagne border is imparting a tremendous new thrust to the vision of the relationship between innovation and agriculture with the concept of the extremely capital-intensive "bio-refining" process. On the other hand, nature-related sports do remarkably well in areas with a strong environmental and landscape value; in fact, they are a fully-fledged sector of the future in Europe, with a major social and economic impact amounting to billions of euros and affecting almost half of the continent's sportsmen. Standing as they do at the exact point of interface between the urban areas from which 75% of those who practice some kind of sport hail, and the rural areas which offer 85% of the available space, these sports hint at exciting future prospects in the spheres of education, access, environmental protection, activity creation, training, mobility and social cohesion.

- Developing **local know-how** is not always easy outside the agricultural sphere, as we can see from a survey of non-agricultural designations of origin which, despite their considerable number, are struggling to hold out because their manufacturers, who tend to be craftsmen or SME managers, cannot rely on a strength comparable to that of the professional farmers' organisations to develop group action.
- While it is admitted as a major factor to be taken into consideration in development phenomena at the meso-economic level, **rural-urban interdependence does not benefit from a single EU policy** and it is in fact negatively impacted by the sectoral approach adopted by the Commission's DGs.
- **Innovation in the rural environment** regularly comes up against decision-makers' refusal to believe that anything new can come from anywhere other than cities or their technological patents, as we can see from the poor "cover" afforded to rural areas by innovation support programmes in the context of the Horizon 2020 initiative. If their point of entry is sectoral, they are largely devoted to agriculture, while if it is territorial, then only urban areas are targeted, as we can see, for instance, from the 'smart cities' programme.



**Two options emerged in the course of the debate regarding the kind of conduct required to consolidate the rural environment's place within the EU:**

- **Extending the field of local development and the LEADER method** by including all projects for economic and social development in the rural environment in its scope (including support for innovative craftsmen and SMEs, agri-resource

clusters, nature-related leisure schemes and so forth). Where EU policies are concerned, causing the LEADER instrument to coincide with the rural development as a whole will have the advantage of simplicity and consistency. It will make it possible to demand a minimum threshold of 10% or 15% of EAFRD budget and to impart concrete substance to a pathway envisaged in 2008 for the creation of a third pillar of the CAP. It confirms a priority dialogue between the rural areas and DG AGRI but it also takes on board the strong support of DG REGIO for cities at the subregional level because it does not ipso facto lead to giving up the benefits of the ERDF or ESF regional development programmes.

- **Diversifying entries and putting the rural issues into all of the EU's policies**, as is currently the case with cities. Promoters of nature-related sports, of non-agricultural PDOs and of rural clusters already dialogue with the DG EAC, MARKT, RTD and ENTR respectively rather than with the DG AGRI. This posture is part and parcel of a general trend in the programming 2014-2020, which is likely to continue even beyond then, in which major horizontal objectives in the spheres of competitiveness and innovation, sustainable development or social inclusion enjoy growing funding and acquire a federative status for EU policy. It is not easy to set off down this path because there are numerous obstacles to be overcome relating to the size of rural projects and to widespread prejudice, but it does make it possible to ensure better connection and integration between rural and other activities. While this approach broadly meets the aspirations of the most dynamic players, it also prompts a change of posture on the rural players' part and an effort which we would be wise not to underestimate.



## Conclusion

The research project pursued by Notre Europe - Jacques Delors Institute and Sol & Civilisation has swept away the image of the European rural areas dragging behind the rest of society. The lasting singularity of rural areas in Europe, above and beyond their differences, is not a hangover from the past; on the contrary, it is the emblematic symbol of our ability to face the challenges of the 21<sup>st</sup> century. This, because the rural living is not simply a luxury that we can afford on the grounds that we have reached a level of technological development which allows us to afford it; it is also the crucible of an intelligent relationship between man and his environment which has been developing for centuries. This experience that rural areas have built up is a trump card to play in the struggle against the limitations of our current development model which is having such a huge impact on our planet. Yet the recent trajectories of these areas' development are turning them away from that precious experience. While urban life-styles are spreading to rural areas and economies are becoming increasingly service-based, rediscovering healthy reflexes and avoiding losing the continent's rural memory are going to become issues of vital importance for the peoples of Europe. Also, rural areas, which are rich in innovative players and in natural and cultural assets, are going to have to combat ignorance and negligence, especially when remoteness and a sparse population undermine projects' profitability.

To dispense with prejudice and ambiguity, the rural world needs a territorial Copernican Revolution.

For fully thirteen centuries, wise men vainly endeavoured to question the equations of Ptolemy in order to explain the movement of the planets, until one day Nicolaus Copernicus posited a heliocentric system and simplified the whole affair while at the same time paving the way for the progress embodied by the Renaissance. Could the growing complexity of people's interpretations of what has been happening in rural areas for the past two or three decades simply be due to an obsolete basic theory and to the biased approach of experts and researchers?

For a long time, the city was a byword for trade and freedom and the country for agriculture and a closed mind. More recently, the city has produced wealth

and prosperity thanks to industry and it has boosted its powers of attraction with its cultural and artistic prestige; the disdainful, haughty approach to the countryside has not changed. Today, advocates of the new geographical economy try to demonstrate that wealth continues to be concentrated in urban centres, the only ones capable of stimulating and of seizing on innovation. They struggle, however, to explain what is taking place outside of that environment, having gradually had to admit that these are not epiphenomena or historical vestiges: people are moving back, small industries are holding out, activities unlocking natural resources are developing, mobility is responding to quality-based and non-professional criteria, centres of innovation are forming in sparsely populated areas and so on and so forth. Each explanation adds a new and complicated reason in its attempt to justify another exception to the rule condemning all non-metropolitan areas to decline and desertification. Should we change the thermometer (which is regulated on GDP or some such indicator, thus inevitably dishonouring the rural environment) or should we change the person

reading the thermometer (the urban researcher)? Both seem to be equally to blame.

Thus the solution to the rural dilemma as described by Dacian Cioloş, consisting in being unable to find a position between farming and the urban life-style, entails a reformulation of European policies: what do we expect from the cohesion policy, from the research support policy, from fishing policy, from environmental policy, from transport policy, from energy policy, from trade policy, from competitiveness policy or from other policies in the 21<sup>st</sup> century? And even more crucially, how do those policies redefine the future for Europeans who perceive with increasing clarity the loss involved in shelving a development model based on interaction between man and his environment? Should they not be designed to open up prospects for an inter-sectoral and interregional alliance, a token of the renewal of our way of living in this world?

So there is no doubt about it, what we need is a Copernican Revolution!

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Marjorie Jouen, *Tribune, Notre Europe - Jacques Delors Institute*, March 2014

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Francesco Mantino, *Policy Brief No. 31, Notre Europe*, January 2012

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Nadège Chambon, Alin Cristian Mituta & Neculai-Cristian Surubarau, *Policy Paper No. 50, Notre Europe*, December 2011

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Nadège Chambon & Marjorie Jouen, *Report for the DG Regional policy, Notre Europe/AEIDL/City Consult*, April 2010

ENDOGENOUS LOCAL DEVELOPMENT, THE POOR RELATION OF DEVELOPMENT STRATEGIES

Marjorie Jouen, *Tribune, Notre Europe*, 2007

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