



Community Economics

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Current Issues in European Rural Development

by
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“In addition to seeking policy advice from outside sources, governments have also been trying to determine ways to educate farmers about finding alternative sources of income from their rural places, as this is necessary in order for them to continue farming. Subsequently, by keeping rural places populated and utilized, a larger opportunity for preservation exists.”

Historically in Europe, the term rural development has been synonymous with agricultural development. The underlying policy governing the European Union (EU) is the Common Agricultural Policy (CAP). Since its inception in 1962, the CAP has sought to meet goals of creating sustainability of the European food supply, ensuring a fair standard of living for farmers, and providing reasonable prices for consumers. Critics of the CAP complain that it creates perpetual subsidies and raises world prices of food commodities such that European farmers and exporters have an unfair advantage in the world market. Nonetheless, the CAP outlines the collective approach to agriculture of the fifteen member states of the EU.

The CAP plays an instrumental role in the evolution, or some may say emergence, of rural development in Europe. The recent addition of the so-called Second Pillar of the CAP, or Agenda 2000, recognizes the growing focus on rural issues. Rising concern over the environment, food safety scares, and for the preservation of cultures and traditions which contribute to the average European's desire for greater involvement (personal, government, and otherwise) in rural issues.

The main topic addressed by the Second Pillar is the Rural Development Regulation (RDR). The RDR requires member states of the EU to choose from a menu of devices, plans, and measures to implement in their own nations in order to meet national rural and agricultural priorities. As it is quite difficult to mandate policy for the very diverse regions spanning Europe, the ability for local or national governments to identify their own rural priorities will greatly aid in increasing adoption and implementation of an RDR tailored to each region's specific needs. Currently, the United Kingdom and France have chosen to adopt the most comprehensive RDR plans of all the EU member states, for vastly different reasons. The rest of the EU continues to closely monitor these RDR programs somewhat as an experiment in order to determine what would or would not work in their own nations in the future.

Governments have also turned to an unelected local agency, LEADER+, for assistance in creating rural preservation (or restoration) programs. LEADER+ has evolved from the original LEADER1 through LEADER2 initiatives first created by the European Community Commission in 1991. Called the Community Initiative for rural development, LEADER+ applies a “bottom-up” approach in encouraging novel plans for integrated rural development in selected areas. After more than a decade, it continues to be the case that the goals of LEADER+ work to build more sustainable rural areas with regard to environmental, social, and economic aspects. This adheres to the newer approach of local, bottom-up or grassroots movements for the restoration and maintenance of rural regions as compared to the traditional and government-instituted “top-down” approaches to rural regulations in the past. Though the top-down method still occurs a great deal, it is important to recognize the growing impetus for locally driven changes.

This ever-increasing concern for preservation in Europe bolsters the newer positions taken by policy makers. In addition to seeking policy advice from outside sources, governments have also been trying to determine ways to educate farmers about finding alternative sources of income from their rural places, as this is necessary in order for them to continue farming. Subsequently, by keeping rural places populated and utilized, a larger opportunity for preservation exists. Most farmers in Europe today do not earn enough income from agriculture alone to make a

living. Alternative options now being explored include incorporating tourism to farming regions. All forms of non-farming related enterprises are aptly termed in the literature as alternative farm enterprises (AFEs).

One tourism-related example is the "agro-tourismo" concept in Italy. Small family farms in Italy have started tapping the tourism market by operating an agro-tourismo in conjunction with their farming business. In effect, agro-tourismos combine lodging with meals on the farm for tourists. These operations also allow the guests the option of partaking in farming activities such as harvesting olives or pruning lemon trees. Farmers have the unique opportunity to incorporate lessons of sustainability, the importance of supporting local farms, or the like to their guests. Both the guests and the farmers benefit from this novel concept. In general, promoting AFEs and keeping farmers in business translates to many social and ecological benefits such as having land grazed, preserving traditional methods of farming, and promoting local products.

As addressed by the OECD in many recent reports, rural amenities fuel a great deal of discussion in Europe. The OECD defines rural amenities as attributes inherent to rural lands. Amenities can range from centuries-old cultural traditions to current environmental issues. More specifically, examples of rural amenities include hiking trails in Switzerland, French Regional Nature Parks, and traditional pottery techniques used in the Greek Isles. Many Europeans fear that globalization, or even the melding of European cultures threatens the existence of traditions cultivated over long periods of time. Particularly with the possible expansion of the EU within the decade, residents seek ways to preserve those amenities they hold dear.

Organic foods continue to gain in popularity in Europe, especially in response to food safety issues in the region. Though consumers often cite the higher prices of organic foods as their main reasons to avoid purchasing them, some nations have made great strides in increasing production and consumption of organic foods. Though change may occur slowly, the fact that more and more Europeans consume organic goods shows the increasing awareness for personal health as well as the health of rural and agricultural regions. Since the massive bovine spongiform encephalopathy (BSE or Mad Cow) scare, Europeans increasingly concern themselves with food safety standards and other food related health concerns. The spread of hoof and mouth disease following the Mad Cow scare created even more consumer demands for changes in the supply and labeling of food products.

Another hot topic in European rural development lies in the current trend of repopulation occurring in rural areas. Regarding this topic, both residents and governments voice mixed feelings. Though increased attention to rural areas should bring greater awareness to the needs of these regions, it also happens to be the case that longtime residents of rural areas resent the newcomers for a variety of reasons. Longtime residents most often cite the decline of community identity, increasing property prices, and loss of local stores as the biggest problems.

Addressing the many issues currently at the forefront of rural development in Europe continues to serve as a monstrous task for policy makers. Recognizing this, the EU's approach of providing a wide array of rural development options, and allowing nations to decide how to allocate funding, allows for the promise of wider reach from implementing effective policies. This creates greater pressures for national and local level governments, but it appears that residents in Europe welcome this approach because it lets their governments preserve those entities identified as most important to their people and region.

The topic of rural development in Europe continues to increase its presence and further separate itself from purely agricultural development issues. The synergy involved in these two fields provides the foundation from which to address the issues of today and tomorrow.

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