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ÉCONOMIQUES

*OECD 8th Rural Development Policy Conference:
„Innovation and Modernising the Rural economy”*

3-5 October, 2012

Krasnoyarsk, Russia

SIBERIA International Business Exhibition Centre

Session Modernising Rural 3:

Balancing diversification and specialisation

“A new rationale for rural Cohesion Policy: Overcoming spatial stereotypes, by addressing interrelations and opportunities”

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Thomas Dax:
Rural Cohesion

*OECD 8th Rural Development Policy Conference,
3-5 October, 2012, Krasnoyarsk, Russia*

Core aspects for „modernisation“ of rural policy

A refreshed assessment of rural challenges and opportunities, addressing tensions in spatial development, in particular diversification and specialisation:

- More realistic generalizations about rural regions
 - ▶ new rationale for ‘Rural Cohesion Policy’
- Interaction between places (overarching feature)
 - ▶ ‘translocal development’ more relevant also for rural regions
- from perception of ‘disadvantage’ towards a focus on rural assets
 - ▶ pro-active support for empowerment and cooperation, “enabling” policies
- need for interventions at two levels:
 - at macro-scale level: systematic spatial patterns of differentiation,
 - at micro-level: localised variations in territorial capital
- place-based strategies for rural policy, enhance amenities, respond to regional challenges, use a set of

Innovative

Thomas Dax:
Rural Cohesion

instruments by different policy domains.

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A changing context

New Rural Policy Paradigm, but constraints:

- Defensive views on rural areas, local **assets** vs. dependancy and problems („negative spirale“)
 - from „rural stereotypes“ towards **meta-narratives** on rural change
 - **Differentiation** of rural regions and **interconnectedness** of spaces
 - Exploring relevant policy domains and principles for „**Rural Cohesion**“ **policy**
- ➔ Findings from studies (ESPON, FP 7, social and regional innovation)

EU Rural Development policy background

- Narrow RD policy ≠ Rural Cohesion Policy
- **Linkages** Cohesion Policy – RD policy **implicit**
- Policy development (and reform): no clean sheet
- Historic policy priorities and strong **path dependency** contribute to:
 - Sector specific policy programmes („silo“ policies)
 - Persistence of activities and reforms within sectors, with limited changes (policy „inertia“)
 - Reducing the scope of perspectives on socio-economic drivers and rural change options („stylised fallacies“)
- Experience: policy **change** only **incremental**

„Stylised fallacies“ of rural development

- Over-reliance o **agrarian** countryside
- **„rural exodus“** – the common feature
- **Segmentation** of rural labour markets, and focus on specialisation (Niche production)
- **Sparsity of population**, experienced as barrier to economic activities and growth
(role of diversification strategies?)

Policy Answers Derive from Research Findings

- ...Not from “**stylised fallacies**” (inaccurate stereotypes)...
- ...But rather from valid generalisations at an appropriate scale...



EDORA **Meta-Narratives** of change, and **Typologies** of regions,
but also,
taking account of the full range of **local (tangible and intangible)
assets.**

*see also evidence by OECD Territorial Indicators:
significant contribution of „lagging regions“ to growth*

Opportunities, Challenges and Policy Domains linked to the Meta-Narratives of Rural Change

Meta Narrative	Opportunities	Challenges	Policy Domains
Agri-Centric	Focus: agricultural competitiveness and Diversification . Remuneration for rural amenities (consumption countryside). Quality products , short supply chains, regional appellation.	Loss of agricultural competitiveness in some areas → low income or abandonment . Decline in farm employment, even in competitive areas. Environmental effects of intensification. Difficulty in valuation of public goods.	Agriculture. Rural Development. Human capital (training). Land use.
Rural-Urban	Counter-urbanisation. Information technology facilitating new activities. Establishment of the New Rural Economy .	Sparsity and Peripherality. Selective out-migration from remote and sparsely populated regions (Pump effects of infrastructure improvements). Demographic ageing. Difficulties in provision of SGI .	Infrastructure. Telecommunications. Land use planning. Transport. SGI
Globalisation	Wider markets for rural products. Rapid diffusion of innovation. Increase in “primary segment” jobs. Expanded opportunities for international tourism.	Restructuring – loss of competitiveness for “traditional” activities. “Rationalisation” of globally controlled activities → concentration. Loss of local control over economic activities, employment, provision of services etc. Loss of regional distinctiveness, cultural assets, → reduced residential attractiveness and potential for tourism.	Competition. Trade. Employment. Social Inclusion. Tourism.

Opportunities, Challenges and Policy Domains linked to the Meta-Narratives of Rural Change

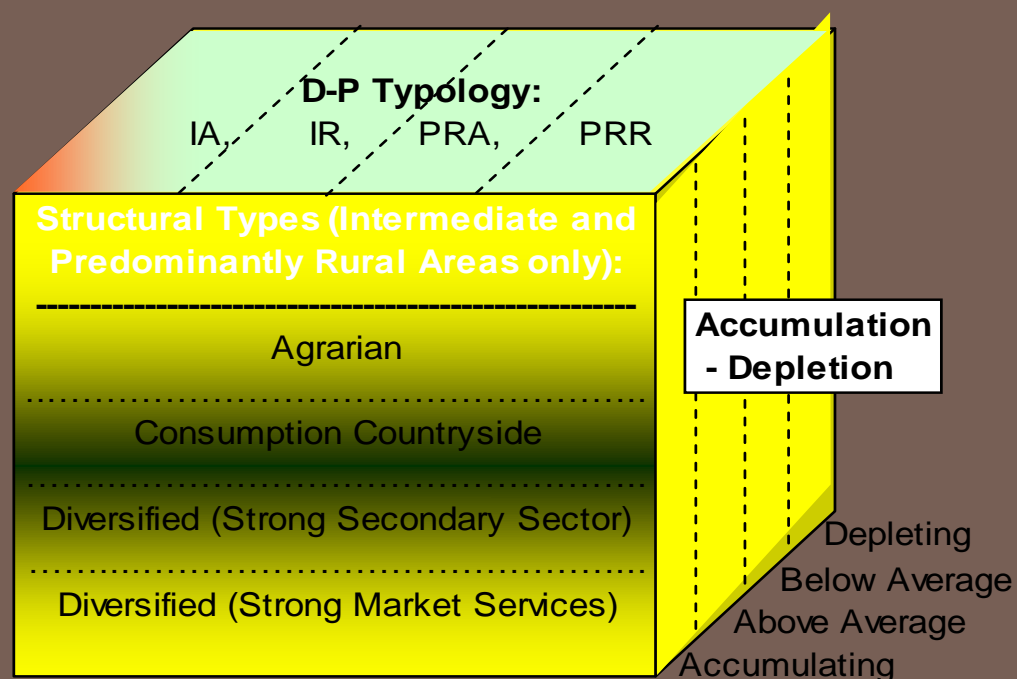
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The EDORA Cube (Patterns of Differentiation)

...more of a three-dimensional framework for analysis, rather than a one-dimensional classification.

The three dimensions are:

- Urban-Rural (remote/accessible)
- Economic structure (diversification).
- Accumulation – Depletion (performance).

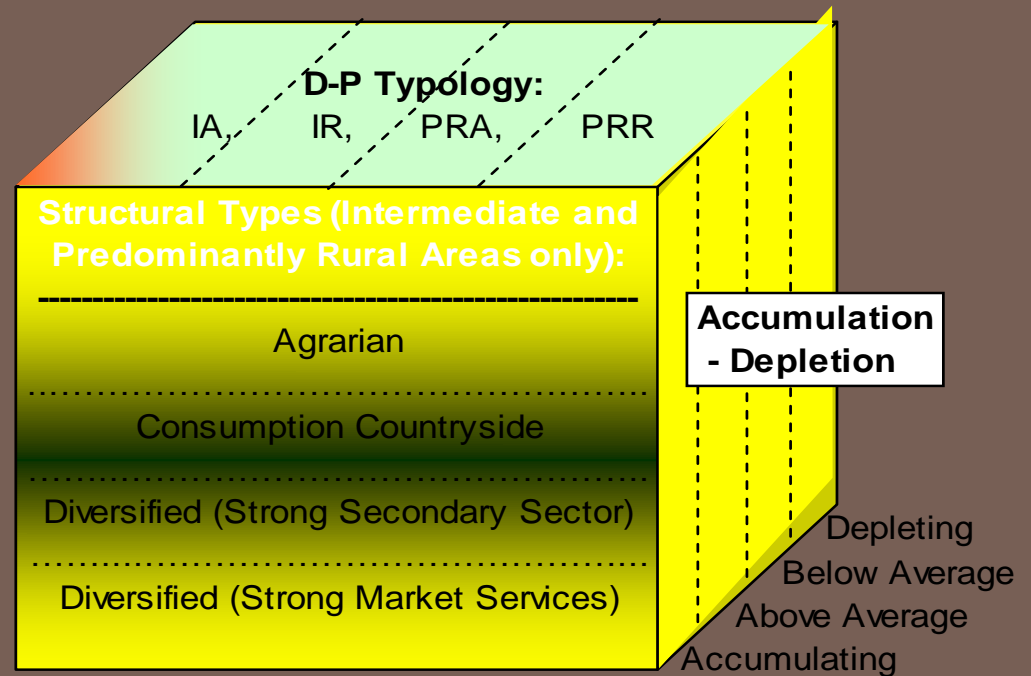


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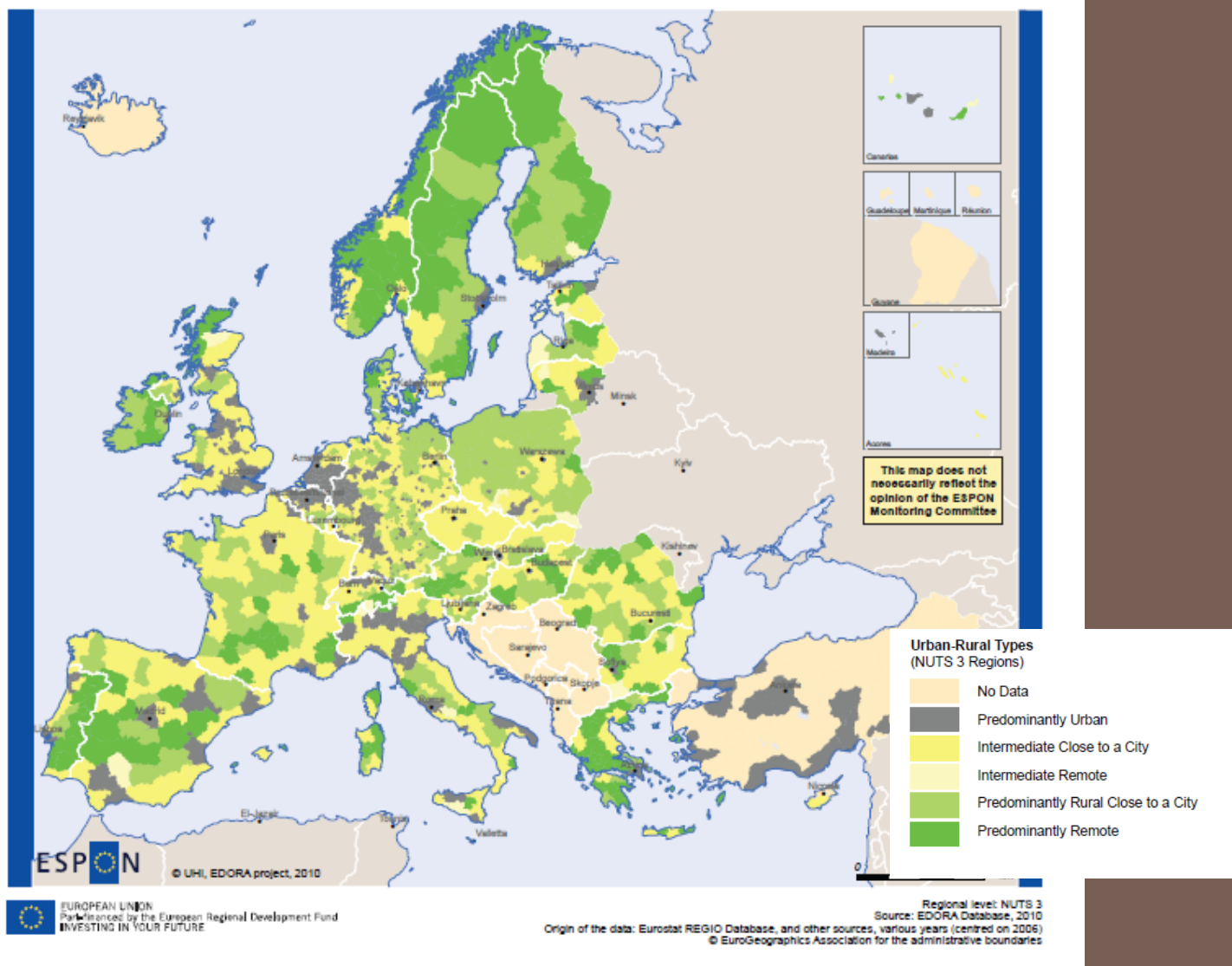
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Map 3.1 The Dijkstra-Poelman urban-rural typology

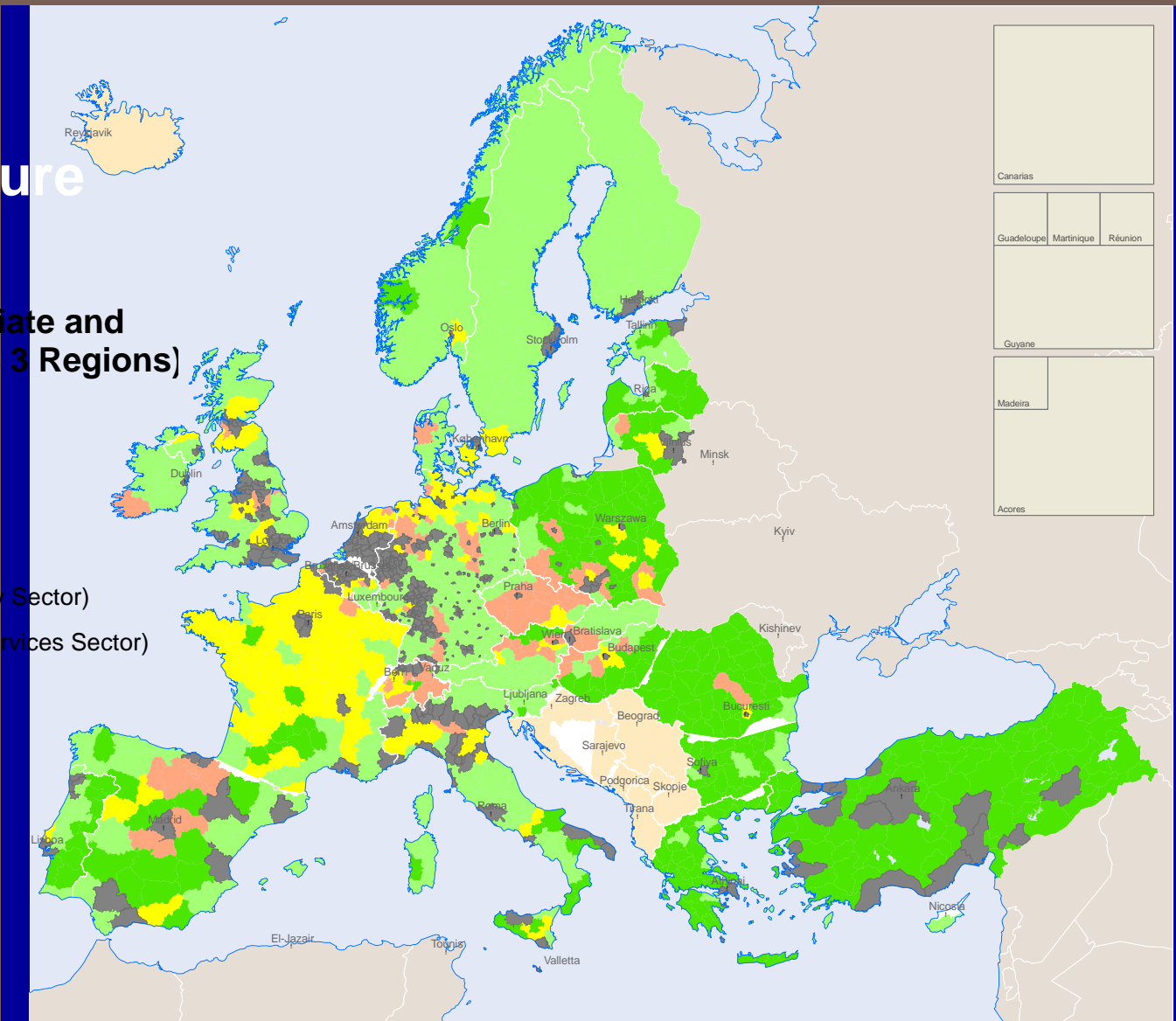


EDORA Cube dimension 1: Urban-Rural

EDORA Cube dimension 2: Economic structure

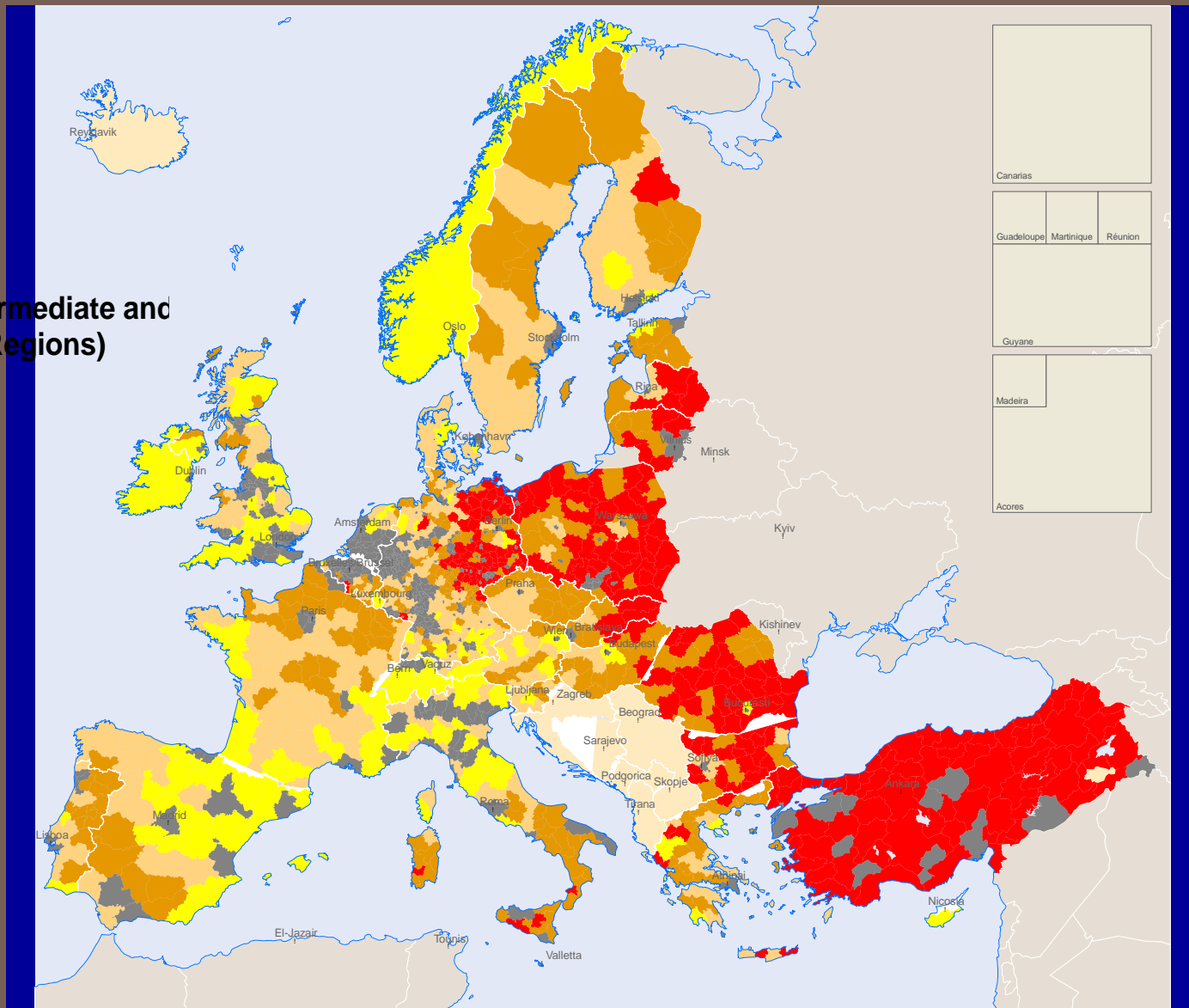
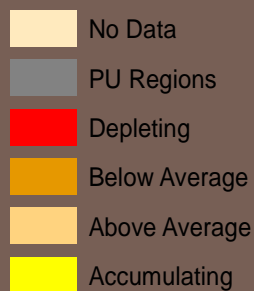
Structural Types (Intermediate and Predominantly Rural NUTS 3 Regions)

- No Data
- PU Regions
- Agrarian
- Consumption Countryside
- Diversified (Strong Secondary Sector)
- Diversified (Strong Private Services Sector)



EDORA Cube dimension 3: Performance








Performance (A-D) Types (Intermediate and Predominantly Rural NUTS 3 Regions)



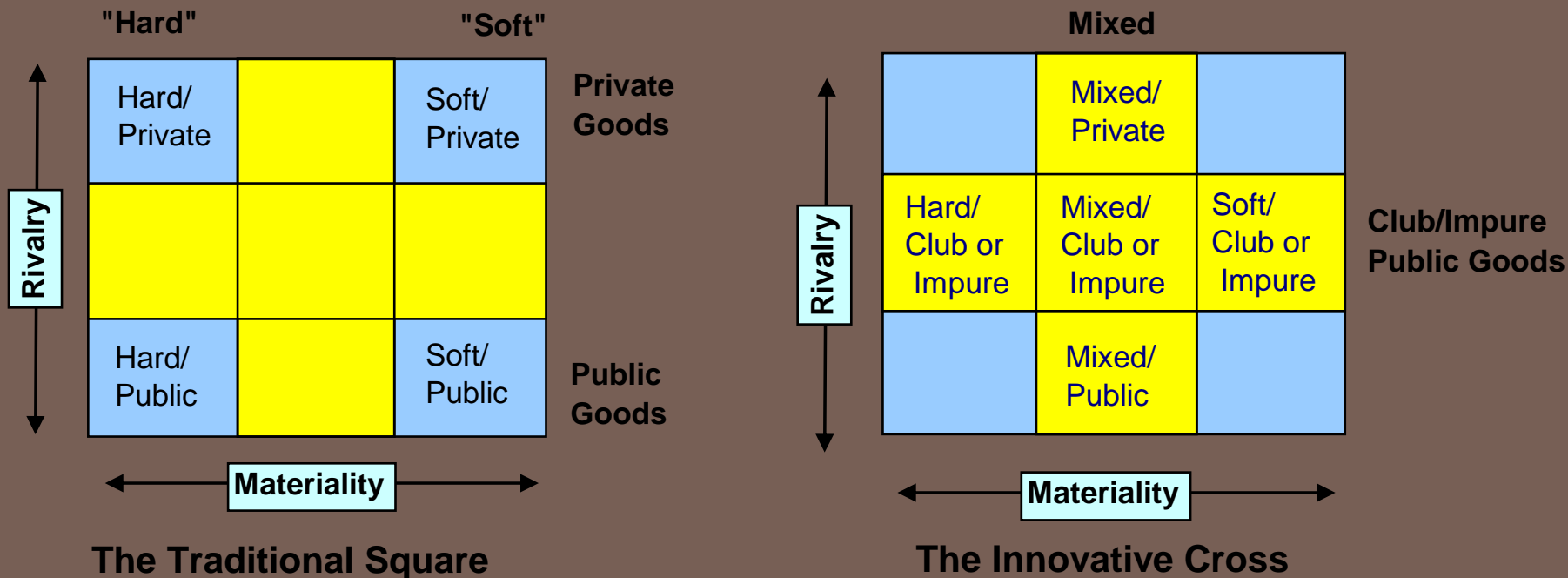
Micro-scale variation

- Uniqueness of each rural area
(see European Commission: Green Paper on Territorial Cohesion)
- Unique territorial capital:
take account of full range of local assets
(soft and intangible; ABCD approach, Camagni's concept of territorial capital; focus on intangible assets)
- Cooperation aspects and Patterns of interaction:
the crucial issue.

At the local level the key to a positive response to global forces for change lies in a range of assets....

Capital	Definition	Examples and comments.
Financial 	Financial capital plays an important role in the economy, enabling other types of capital to be owned and traded.	The liquid capital accessible to the rural population and business community, and that held by community organisations.
Built 	Fixed assets which facilitate the livelihood or well-being of the community.	Buildings, infrastructure and other fixed assets, whether publically, community or privately owned.
Natural 	Landscape and any stock or flow of energy and (renewable or non-renewable) resources that produces goods and services, (including tourism and recreation).	Water catchments, forests, minerals, fish, wind, wildlife and farm stock.
Social 	Features of social organisation such as networks, norms of trust that facilitate cooperation for mutual benefit. May have "bonding" or "bridging" functions.	Sectoral organisations, business representative associations, social and sports clubs, religious groups. 'Strength' relates to intensity of interaction, not just numbers.
Human 	People's health, knowledge, skills and motivation. Enhancing human capital can be achieved through health services, education and training.	Health levels less variable in an EU context. Education levels very much generational. 'Tacit knowledge' is as important as formal education and training.
Cultural 	Shared attitudes and mores, which shape the way we view the world and what we value.	Perhaps indicated by festivals, or vitality of minority languages. Some aspects - e.g. 'entrepreneurial culture' - closely relate to human and social capital.
Political 	The ability of the community to influence the distribution and use of resources.	Presence of, and engagement in, 'bottom up' initiatives, the most local part of 'multi-level governance'. Relates to local empowerment v. top-down policy, globalisation.

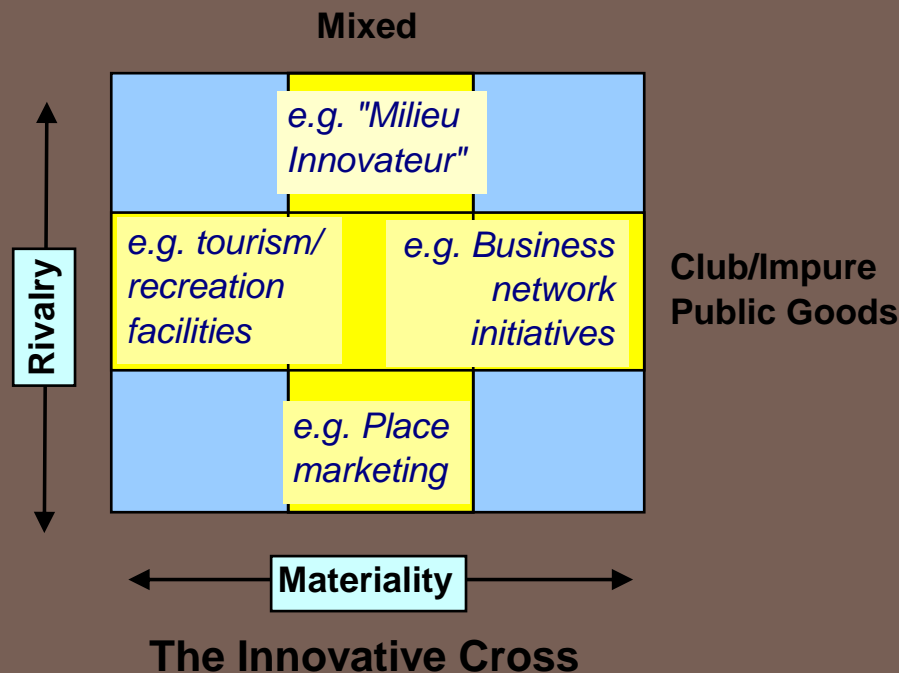
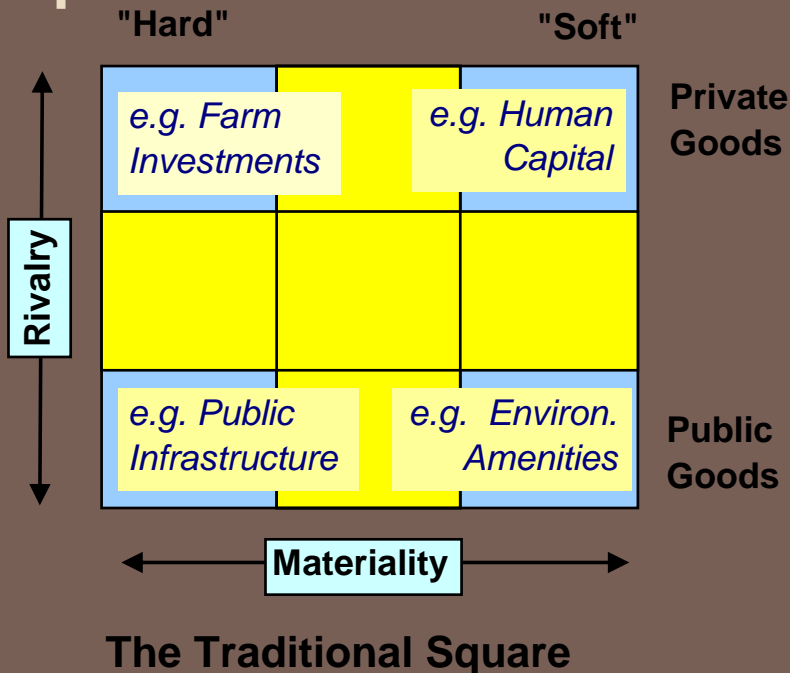
Balanced Development based on Territorial Capital



Note: concept of "Territorial Capital" by Camagni 2008, Copus et al. 2011b, 128

Balanced Rural Development based on Territorial Capital

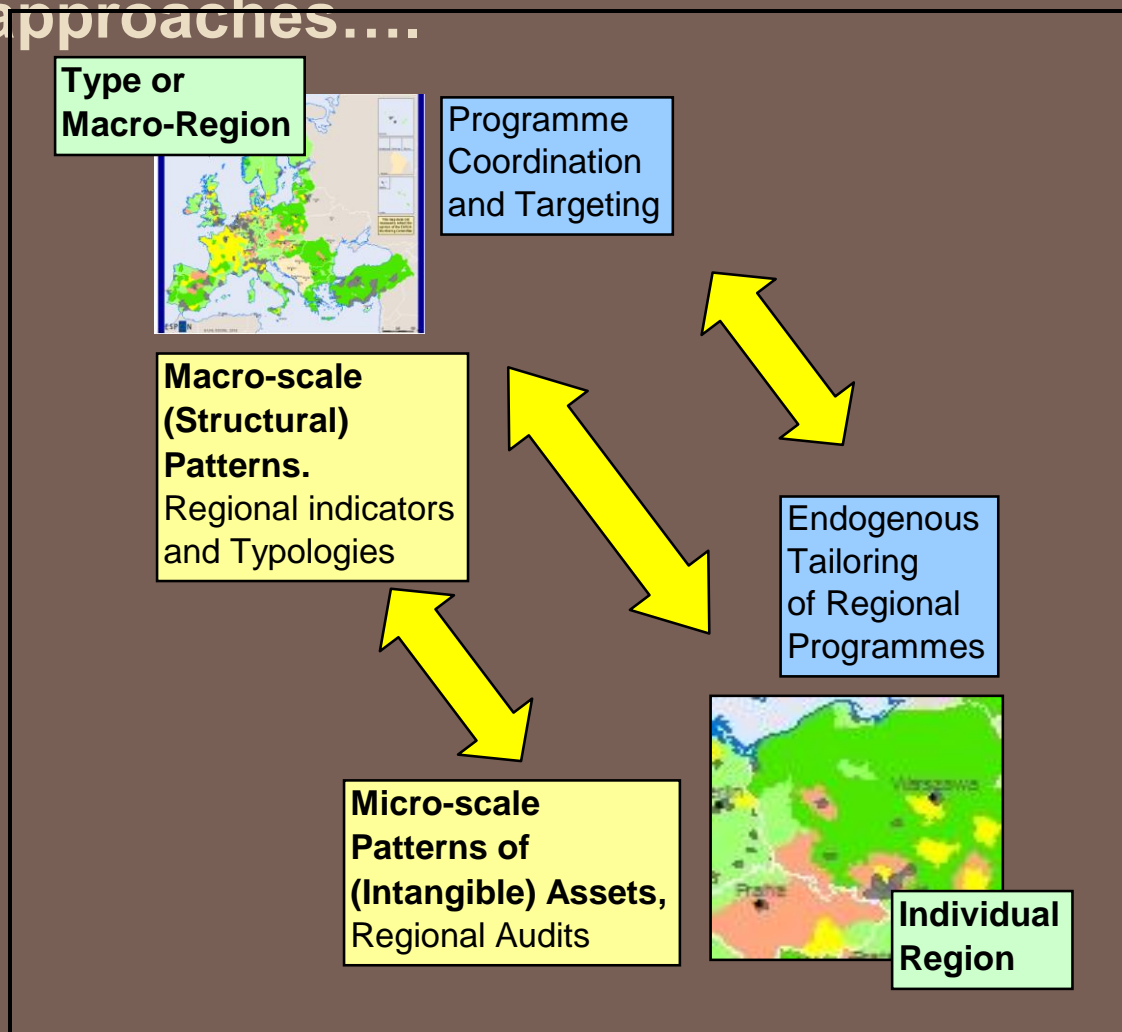
Rural cohesion policy should aim to support the exploitation of the full range of regional assets (forms of capital) not just the "traditional" ones.



Extended interaction

- Lack of evidence of quantifiable „spread effects“
- Traditional rural-urban linkages far **too simplistic**
- Context of „connexity“: **interactions** at a wide range of spatial levels also relevant for rural regions (e.g. exemplar regions evidence, ESPON Synthesis Report 2010)
- Local trends: „Sustainable Rural Development“ (T. Marsden 2009), „**relocalisation**“, activities of Local Action Groups in Leader
- Complex networks of rural firms (and rural people): less tied to adjacent urban areas, rather participating in complex networks („organised proximity“), trend towards „**translocal**“ **interactions**

Towards neo-endogenous, “place-based” policy approaches....



To be successful...

- Pay special attention to **coherence** of policies.
- **Local auditing**, to support also monitoring and evaluation.
- **Top-down guidance**: balance clarity and specificity with flexibility.
- facilitated by **multi-level** governance – a valid object for support in some contexts.

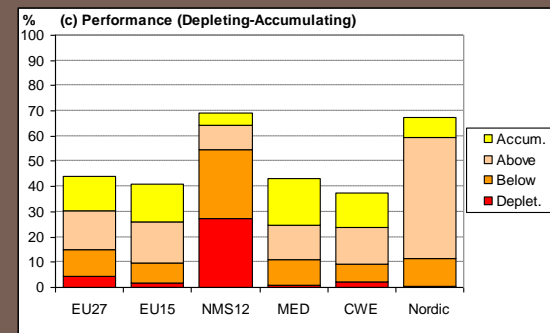
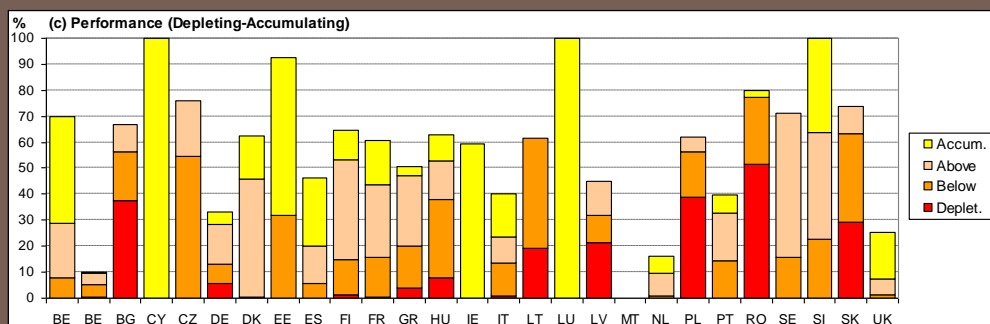
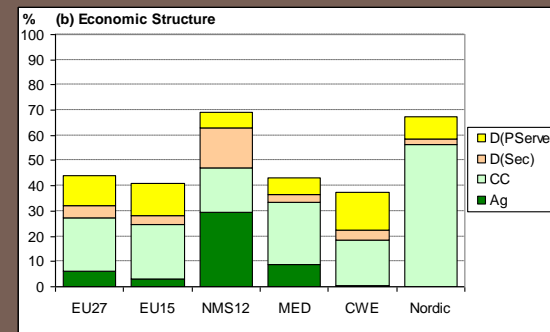
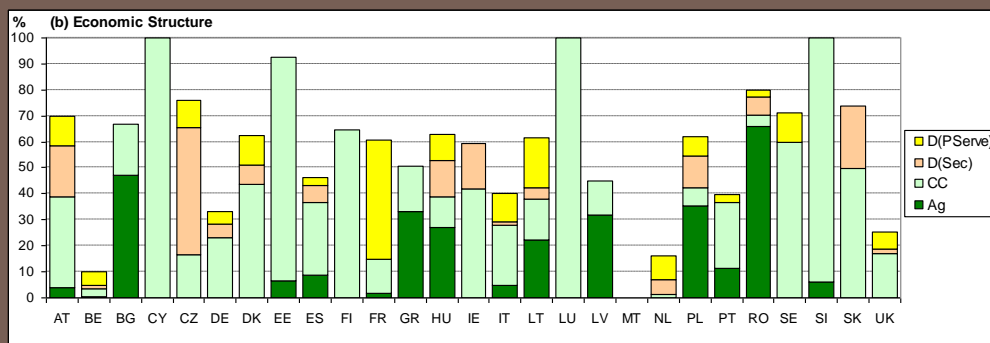
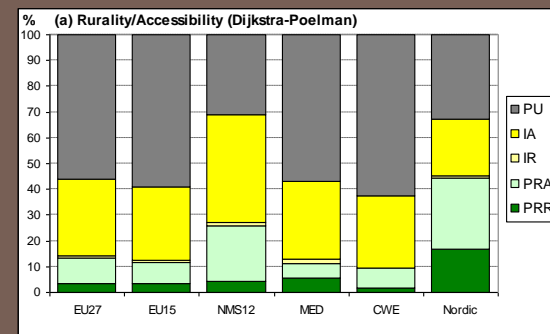
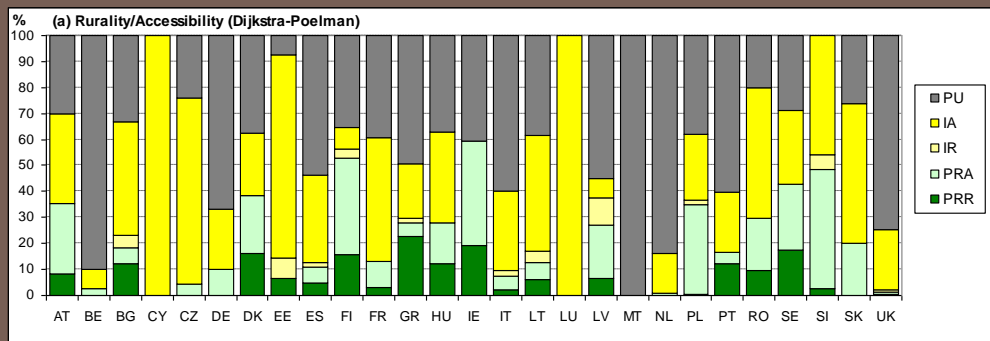
Rural Cohesion policy – main elements

- **Increasing interrelations** ► no clear-cut boundaries, but framework of typologies (**conceptual**)
- Avoid stereotypes and sector limitations in regional strategies
- **Focus on regional assets** and enabling policies (**instruments**)
- Place-based strategies ► select from a range of innovative instruments
- Reinforce **role of local development** approaches (**level**)
► multi-fund local development programmes (5th CR and current reform proposals: “local development” programmes)
- Territorial approach (mixed experience with Leader “mainstreaming”, see CAP towards 2020)
- **Rural Cohesion proofing** of MS policies (Territorial Agenda update) (**coherence**)

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Country and Macro-Region Profiles



Source: Copus et al. 2011a