

Examples of Consistency and Variability: Rural Policy Reviews of OECD Countries

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The Rural Policy Programme

- Foundation in 1983 to examine how rural is different from agriculture - *What Future for Our Countryside?*
- Initially focused on thematic work – amenities, rural employment, niche markets and rural governance, but subsequently moved into more spatially focused work – specific territories and countries.
- Focus on - what are the opportunities and constraints to sustainable development, and how does policy influence them?

Evolution of the OECD New Rural Paradigm (NRP)

- Reflects OECD rural work from the 1990s: issue based work (employment, amenities, niche markets, governance) and sub-national territorial reviews.
- In part a reaction to common perceptions that:
 - rural is just “not urban,” which implies homogeneity,
 - rural is farming, which implies a single dominant sector, and
 - rural is declining and dependent.
- OECD Territorial Indicators provided evidence that while some rural areas are lagging, some are more prosperous than many urban areas.

The Old and New Paradigms

Old Paradigm

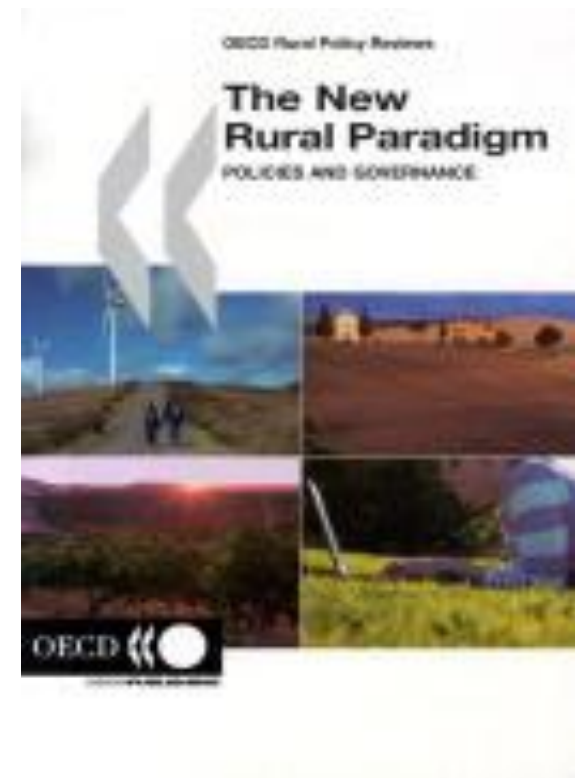
- Equalization or entitlement approach, focused on farm income, farm competitiveness
- Sector based
- Relies on subsidies
- Main actors are national government and farmers

New Paradigm

- Focus on enhancing competitiveness of rural areas using local assets
- Focus is all aspects of the local economy
- Relies on investments
- Actors are firms, all levels of government and NGOs

Rural Policy Within the NRP

- Empower local community organizations and governments
- Build on the development of local assets and promote a diversified economic base (new economic opportunities)
- Guarantee adequate attention to rural issues
- Enhance coordination among different levels of government



Rural Policy Reviews

- Assessments of the rural policy of member or non-member countries – conducted at the request of the country and funded by that country (voluntary contribution).
- Guiding principles –
 - how well does the current policy conform to the NRP.
 - how can the country better follow the principles of the NRP

Assessments, not Evaluation

Evaluation

- Formal Process – experimental or quasi-experimental design
- Replicable process with quantitative results
- Goals are clear and measurable

Assessment

- Common yardstick – New Rural Paradigm
- Process is evolving, based on each review
- Goals are not clear or stable
- Diagnostic intent – what can be improved

The Review Process

- Background Report - the host country completes a background report following a questionnaire provided by the OECD – 3 month exercise.
- Several week-long site visits are arranged with a 5-7 member OECD team (Secretariat, Peer Reviewers and Experts).
- Report is prepared, reviewed and revised and then presented to the Rural Working Party for acceptance.
- Report is released by the country with OECD participation.

What is Rural Policy?

- Not a coherent set of policies and programs – amalgam of independent pieces that evolves through time.
- Two levels
 - **Narrow Rural Policy** – those policies that are designed to explicitly affect rural areas – agriculture, rural broadband, rural doctors
 - **Broad Rural Policy** - those policies that have no specific geographic focus but have major rural impacts – national health insurance, education policy, investment policy

The Scope of Rural Policy

- Broad policies have far larger effects than narrow policies – more money and they hit more people, but have very little, if any, rural intent.
- Focusing on narrow policy runs the risk that adjustments to broad policy swamp any measurable effects from narrow policy.

OECD Rural Policy Reviews



Descriptive Statistics

	Population millions	Pop Growth Rate percent	OECD Rural Pop %	National Rural Pop %	Area ,000 sq km	% Arable percent	GDP \$ billion	Agr GDP percent
England	51.0	0.7	0	20	130.0	35.0	1,806	1.2
Finland	5.3	0.098	54	47	338	6.6	238	3.6
Germany	82.3	-0.053	10	27	357	33.7	2,955	0.9
Italy	58.1	-0.047	9	58	301	35.5	2,118	1.8
Mexico	111.2	1.130	37	25	1,964	13.9	1,017	4.3
Netherlands	16.7	0.410	0	15	42	22.7	794	1.6
Quebec	7.8	0.800	19	26	1,667	2.1	232	2.0
Scotland	5.2	0.370	17	22	79	7.0	170	2.0
Spain	40.5	0.072	13	42	505	37.0	1,464	3.3

Common Threads (1)

- All countries continue to support agriculture, but no country sees agriculture as a way to achieve major rural development objectives.
- For EU countries the money from CAP Pillar II is always useful, but some nations use EU funds and priorities to “define” their domestic rural policy, while others tend to use the money to supplement an indigenous policy.

Common Threads (2)

- In aggregate, rural economies are seen as structurally similar to urban regions. Land based industries account for limited income and employment ,while services, government, retail and construction are as important in rural as urban. But below the aggregate level, the types of activity, skills utilized, value-added, wage levels and organizational complexity are different.

Common Threads (3)

- In terms of broad socio-economic indicators the aggregate rural population is near national averages, and in some nations above. But in all nations the national average for rural masks significant pockets of rural deprivation .
- Service delivery in rural areas is an increasingly important issue. Nations promise equivalent access, but often fail to meet rural expectations.

Main Features of Governance

	Federal System	Constitutional Division of Power	Agriculture Main Agency	Formal Rural Policy	Strong Local Government	Stable Policy Approach	Rural Policy Driven by CAP	Connected to Other Policy
England			x					x
Finland				x	x	x		x
Germany	x	x			x	x		
Italy	x			x			x	
Mexico	x	x	x	x		x		
Netherlands						x		
Quebec	x	x		x	x	x		x
Scotland						x		x
Spain				x			x	x

Common Threads (4)

- Focus of most rural policy is on remote rural. Very little policy targets peri-urban areas or more intermediate regions, even though the majority of the rural population is found in these places.
- Most national governments accept that rural development requires devolution of responsibility to local authorities, but are reluctant to provide financial capacity.

Attributes and Issues

Current Rural Policy	Desertification	Housing	Population Decline	Service Delivery	Aging	Renewable Energy	Agri-Env	Poverty Focus	Peri-urban Included	Broad Econ Growth Focus	Tourism
England		x		x	x	x	x		x		x
Finland	x		x	x	x	x				x	x
Germany			x	x	x	x	x				x
Italy				x	x	x					x
Mexico				x		x		x			x
Netherlands		x		x	x	x	x		x		x
Quebec	x		x	x	x	x					x
Scotland		x		x	x	x	x				x
Spain				x	x	x		x			x

Common Threads (5)

- Youth outmigration is common everywhere, and rural birth rates are now similar to urban levels and often below replacement rates.
- Rural population increases now depend on in-migration, typically either,
 - older, wealthy retirees, often from urban areas in the same nation, or,
 - younger, poor and less skilled foreign temporary workers, who may not be documented.

Common Threads (6)

- Tourism and other amenity based activities are seen as providing growth opportunities, but there is little sense of a national strategy to support this.
- Nations largely lack a sense for what specific economic opportunities are actually available in rural areas – want to create a framework for development, but it ends up being very generic.

Acceptance of the NRP

- All countries see merit in the NRP as an enhancement to current rural policy
- Movement away from subsidies has been limited by:
 - Difficulty in identifying sound investments,
 - People may have entitlement rights,
 - Vocal minority defends the subsidy approach,
 - Mismatch between what national agencies can manage and bottom-up process, and
 - Local capacity is too limited to carry out tasks and nations have largely been unwilling to invest in capacity building (LEADER example).

Evaluation and the NRP

- An entitlement approach largely operates outside the need for evaluation. The main concerns are “waste, fraud and abuse” and these can be captured by accounting audits.
- NRP almost demands that evaluation take place at the project/community level. With an investment there is always an interest in the rate of return.

Consistency with the NRP

			Investment	Economic	Multi-Level	Evaluation
NRP consistent	Multi-Sectoral	Bottom-Up	Oriented	Competitiveness	Governance	Supported
England	x		x			x
Finland	x	x	x	x	x	
Germany	x				x	
Italy	x	x			x	
Mexico					x	
Netherlands	x		x			
Quebec	x	x			x	
Scotland	x		x			
Spain	x				x	

Conclusions

- Nations appear to face very similar rural policy challenges so there is scope for joint learning – key function of the OECD.
- The rural context is important. While the set of issues is common and the desired outcomes for rural areas are similar, the context in which each nation operates (political structure, social values, rights, etc.) act as constraints on policy choices.
- Evaluation can play a key role in examining the performance of specific projects and programs. At the national policy framework level there is less opportunity because the necessary conditions for a sound evaluation are not met.