

discrimination (health and consumer protection, legislation on animal protection and animal diseases,

rules of origin and marketing rules, external protection).

Brussels, 16 January 1997.

*The Chairman*  
*of the Committee of the Regions*  
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### Opinion of the Committee of the Regions on a 'Rural Development Policy'

(97/C 116/06)

THE COMMITTEE OF THE REGIONS,

having regard to its decision of 18 September 1996, pursuant to the fourth paragraph of Article 198 C of the Treaty establishing the European Community, to issue an Opinion on a rural development policy and to direct Commission 8 — Spatial Planning, Agriculture, Hunting, Fisheries, Forestry, Marine Environment and Upland Areas — to prepare the opinion;

having regard to the Draft Opinion (CdR 389/96 rev.) adopted by Commission 2 on 5 December 1996 (rapporteur: Mr van Gelder),

adopted the following opinion at its 16th plenary session on 15 and 16 January 1997 (meeting of 16 January).

#### 1. Introduction

1.1. There is a case for discussing the European Union's rural areas. The pleasant living environment offered by these areas, which account for some 80 % of EU territory and are home to approximately 25 % of the total population, is seriously threatened by economic developments, not least the ongoing reorganization of the agricultural sector. Particularly in areas with a poor infrastructure, incomes are under heavy pressure, population density is declining and it seems virtually impossible to maintain adequate services. We are witnessing a dramatic downward spiral. There is an urgent need to make rural development a central European policy issue and to work out a strategy or even launch a campaign to develop rural areas.

In the declaration issued at the Cork conference of November 1996 it was pointed out that 'sustainable rural development must be put at the top of the agenda of the European Union, and become the fundamental

principle which underpins all rural policy in the immediate future and after enlargement. This aims at reversing rural out-migration, combating poverty, stimulating employment and equality of opportunity, and responding to growing requests for more quality, health, safety, personal development and leisure, and improving rural well-being. The need to preserve and improve the quality of the rural environment must be integrated into all Community policies that relate to rural development. There must be a fairer balance of public spending, infrastructure investments and educational, health and communications services between rural and urban areas. A growing share of available resources should be used for promoting rural development and securing environmental objectives.'

1.2. A sound rural development policy is of undeniable importance for the main objectives of the European Union, including the strengthening of economic and social cohesion which is referred to, for instance, in Article 130a of the Maastricht Treaty. Priority should therefore be given to concentrating the available financial resources on particularly needy areas.

1.3. It is vitally important for rural areas to be seen for what they are and not simply as areas which lag behind the (large) urban areas.

1.4. It is necessary to realize that, because of their disparity, it is not possible to give a clear definition of the term 'rural areas' on the basis of, for example, the number of inhabitants per km<sup>2</sup>.

1.5. The status of rural areas is determined by a number of features, or rather the absence of a number of features found in conurbations. In other words, the definition of their status is a 'negative definition'. Steps must be taken to prevent this 'negative definition' from giving rural areas a negative status. Rural areas have assets which may be of decisive importance in the future. In a number of areas these assets have meant that the negative spiral has been reversed, and, in conjunction with an integrated approach, they have produced positive results, based on socio-economic diversification, with small- and medium-sized businesses making a notable contribution.

The Committee of the Regions endorses the definition of 'a rural area' set out in the Council of Europe's European Charter for Rural Areas.

The definition given is as follows:

'... the term "rural area" denotes a stretch of inland or coastal countryside, including small towns and villages, where the main part of the area is used for:

- agriculture, forestry, aquaculture and fisheries;
- economic and cultural activities of country-dwellers (crafts, industry, services, etc.);
- non-urban recreation and leisure areas [or natural reserves];
- other purposes, such as for housing.

The agricultural (including forestry, aquaculture and fisheries) and non-agricultural parts of a rural area form a whole distinguishable from an urban area, which is characterized by a high concentration of inhabitants and of vertical or horizontal structures.'

It must not be assumed that the cause of rural development problems lies in the conflict of interests between rural areas and urban areas; on the contrary, the problems arise as a result of shared land-use planning difficulties affecting regions comprising not just rural areas but also urban areas.

The above-mentioned definition is based on the qualitative characteristics of rural areas and embraces the typical diversity of such areas. Furthermore, it is important to note that this definition covers small towns and villages in rural areas.

1.6. A more highly developed rural development policy should be based on a classification of rural areas, not as part of an academic exercise but as a way of helping to develop policy instruments.

## 2. Economic basis

2.1. The problems affecting rural areas are partly the result of the modern global economic processes. A strong competitive position depends on high productivity, constant innovation and good value for money and these requirements can best be met by concentrating economic activity in densely-populated areas. Such areas possess a large labour force with a variety of skills, a wide range of educational and training facilities and a dynamic socio-cultural environment which provides a basis for useful contacts, collaboration and innovation. Rural areas, on the other hand, are sparsely populated and lack the large range of facilities on which economic development thrives. The relative backwardness of rural areas can be reduced partly by developing an urban network in suitable areas and partly by pursuing economic activities — and these certainly include the activities of hi-tech companies — which are less dependent on the conditions obtaining in large urban areas, although there will always be some difference in economic conditions. In addition, the problems of rural areas must not be considered from an exclusively socio-economic perspective. The pleasantness and attractiveness of rural areas — to which their economic potential is closely related — derive from their inherent merits including, in particular, the preservation of a distinctive character.

## 3. Conditions for rural development

3.1. In urban areas, high priority is attached to the creation of optimum conditions for economic development and employment. In the case of rural development, efforts are also directed at creating other conditions which, whilst being beyond dispute per se, can affect economic development prospects. In addition to ensuring that rural areas provide their inhabitants with an adequate income and services, sufficient attention must be paid to the quality of the countryside, the care of the cultural and historical heritage, the retention of social structures, the provision of adequate leisure and tourist facilities, the restoration or preservation of ecological resources and the provision of adequate nationwide

systems for producing food, energy, raw materials and, not least, clean water. A principle rural objective is to preserve, or restore, and offer values which have disappeared in large urban areas as a result of mass urbanization and the demands of industrialization. Rural policy should not apply exclusively to peripheral areas. As the European Commissioner for agriculture and rural development pointed out at the Cork Conference 'rural policy is directed at all country areas'. In view of the extent of rural areas, their share of the total population and the many national and supranational values which they are called upon to preserve, rural development must become a central policy issue. The psychological gulf separating urban and rural populations must be bridged. Rural areas offer in principle a high-quality living environment where pleasant places can be found to live and to work in a large number of sectors. Good communications and technological innovations such as telematics increase the possibilities available. Urban and non-urban areas are now more evenly rated.

Some of the demands placed on rural areas should be directly converted into products and services of real economic value which directly provide genuine earning opportunities in these areas. Private investment in particular could restore economic equilibrium and help rural areas to develop by themselves.

So far, however, it has proved impossible, or only marginally possible, to turn values shared by the community such as environmental, cultural-heritage and ecological values to economic advantage. Moreover, some of the values in question can restrict rural economic development. For example, large industrial sites constitute a blot on the landscape. Rural development policy must therefore include the provision of structural funding for the attainment of all objectives considered important for the population as a whole, including the inhabitants of urban areas, who have an interest in the development of the countryside and outdoor recreation.

#### 4. An identical problem, for which there is no identical solution

4.1. There are great similarities between the causes and consequences of rural problems throughout Europe. Nevertheless, it would be wrong to assume that the same package of measures can provide a solution everywhere to all these growing problems. To ensure the optimum effectiveness of the proposed measures, there must be scope for far-reaching regional diversification within the framework of national and supranational policy. A strong regional input in the formulation of regional policy is therefore indispensable and the grassroots must also be closely involved as part of a bottom-up approach.

In accordance with the final declaration of the Cork Conference held on 9 November 1996, a policy for rural areas must take account of differing regional circumstances and respect the subsidiarity principle. Such a policy must, as far as possible, be decentralized and be based on the principle of partnership and cooperation between all the different levels concerned.

#### 5. The quality of rural areas

5.1. All rural areas have specific strengths and weaknesses and intrinsic development potential. It is wrong to assume that everywhere in rural Europe there are the same opportunities for agricultural production for leisure and tourist activities and for preserving an area's cultural and historical heritage and ecological resources. Factors such as the nature of the soil, distance from conurbations, historical development, the local socio-cultural environment and the landscape significantly affect the opportunities available. Every rural area has its own profile and the plans for developing a particular area must always be based on its profile. The EU structural policy for strengthening rural economies and enhancing the quality of life in rural areas must include measures to help not only agriculture but also trade and industry, crafts, the service sector, education and further education, leisure and tourism, the preservation of the cultural heritage and environmental protection. In this context the EU should confine itself to setting out framework provisions and should give the regions sufficient scope to frame their own measures. European or national sectoral policies cannot provide an adequate solution unless they incorporate measures taken at regional level. Policy can no longer be based on support for agriculture alone as the key to regional and economic development. It is even conceivable that, in certain situations, the quality of a region, including its attractiveness and the strengthening of its economic base, could be enhanced by switching to other agricultural activities, such as nature conservation and the stewardship of the countryside (as part of the development of the 'green alliance'). In principle, therefore, provisions should be drawn up to allow for a socially acceptable thorough restructuring of holdings, where necessary, within the framework of a development plan.

5.2. The future of rural areas depends on all their assets. Rural areas possess an intrinsic value that not only supplements the values that have been lost in urban, industrialized areas but also compensates for these lost values. Rural development must protect, strengthen and, where necessary, restore this intrinsic value. It should therefore cover much more than the promotion of agriculture. A balanced mix of agriculture, trade and industry, natural environment and outdoor leisure activities represents an effective starting point — a 'green alliance' — which will also strengthen the economy. Nature conservation is one example of an area where such an alliance can come into play. Recently published

statistics show that in several rural areas the agricultural sector accounts for some 25 % of the rural economy and that approximately 60 % of the agricultural workforce receives an additional income from other activities. This situation can be assumed to obtain in many European regions; agriculture does, however, obviously remain one of the most important economic activities in rural areas, notwithstanding the declining number of people working directly in the sector. The overall quality of the countryside is therefore of crucial importance. It is this which can offer genuine opportunities for the development of a highly diversified economy, be it in agriculture, crafts, industrial SMEs, leisure and tourism or the ability to attract inhabitants and be a source of ecological resources.

## OUTLINE FRAMEWORK PLAN FOR REGIONAL DEVELOPMENT IN RURAL AREAS

### 6. Background

6.1. An integrated regional development plan should be based on the specific profile of the region concerned and describe, inter alia, the features which contribute to the quality of the area or, at least, the opportunities for achieving this quality. The characteristics and capabilities of, for example, woodlands, rural areas bordering on urban agglomerations, upland areas and coastal regions are too diverse to be included in a single plan.

Too often, profiles start by describing negative factors (low population density, ageing population, low average income, high unemployment), which merely create an unnecessarily unfavourable impression of the area as a place to live or set up in business and rarely lead to effective solutions. By comparison with highly urbanized and industrialized regions, rural areas undoubtedly exhibit favourable or potentially favourable features — such as social structure, peace and quiet and pleasant surroundings to live in — which can provide the foundation for development and the growth of a market economy. A regional development plan should begin by listing these opportunities.

6.2. This might involve:

- an inventory and classification of agricultural land, and managed forest;
- an inventory of the cultural and historical heritage;
- a description of the socio-cultural environment, including local tradition, which has led, or could lead to the production of regional goods;
- a survey of climatic conditions;
- an analysis of links with (including distance from) urban areas;

- an inventory of natural assets;
- an inventory of nature reserves;
- an inventory of raw materials including, in particular, clean water;
- a survey of the land available for development;
- a population breakdown;
- a survey of employment trends;
- the presence of, or scope for, small-scale industrial and craft activities;
- a description of the characteristics and level of development of settled rural areas.

In addition, suitable instruments should be identified to facilitate analytical classification of areas with specific characteristics within areas defined as rural.

### 7. Content of a regional development plan

7.1. As already stated, a regional development plan should primarily be based on an analysis of the strengths of the region concerned. Every rural area has an individual profile deriving from the presence of different types of agricultural land, landscape features and ecologically important areas, region-specific patterns of settlement, the existence or absence of cultural/historical assets and, not least, its distance from urban areas. The existing features make it possible to identify development opportunities, although care must be taken to avoid the pitfalls of traditional stereotyping. Thus the traditional image of the agricultural sector is one of small-scale, diversified and intensive production units generating high added value in the vicinity of major population centres, whilst large-scale producers are more likely to be found in more remote regions. Present-day storage and transport facilities mean that the traditional factors making up this image are not necessarily decisive any more.

7.2. Similarly, the wide availability of good agricultural land need not necessarily be equated with the desirable objective of increasing the size of agricultural holdings. There is considerable evidence to show that the influx of energetic newcomers can have a stimulating effect. The rural exodus is a regular subject of discussion, partly because of its human implications. Nevertheless, rural development requires equal attention to be paid to population influx, which so far has largely failed to materialize. In this connection, reference should be made to a study conducted by the Agricultural University of Wageningen (Netherlands) which collected some remarkable data on what it referred to as 'the hidden power of rural women'. This study concluded: 'Where

women really succeed in influencing the development of businesses, these tend to be less specialized or to cover several lines of activity. At the same time, they are the somewhat smaller-scale businesses ...'. Furthermore: 'In this connection, it appears that rural women represent a powerful driving force behind what is currently referred to as rural renewal.' The merits of rural areas also make them suitable for residential developments. It is generally accepted that older people who move from urban to rural areas contribute significantly to local spending. New types of 'country estates' have also been a success in a number of areas. These estates involve the building of accommodation and the development of the surrounding land, with the cost of the latter being included in the cost of the accommodation. The crucial point is that agriculture and many other sectors, particularly small enterprises providing goods or services, must be provided with a wide variety of opportunities to develop the different features of rural areas. This will sometimes necessitate investment in the appropriate infrastructure. It will be subsequently worthwhile identifying the distinguishing features of rural areas, the basic opportunities available for making qualitative improvements and the policy measures and instruments which can be used to turn these opportunities to good effect. Sufficient data is available for this purpose from many European rural areas and could be used to draw up development plans. The European Union could be given the task of collecting and circulating this data.

This specific profile should form the basis of a development plan in which adequate provision is made for the incorporation of sectoral policies.

7.3. In this connection, more importance should be attached to the characteristics of an area than to the definition of rules or regulations in the context of national or supranational policy. To this end, it should be possible to interchange sectoral policy instruments on the basis of a proper analysis of rural areas.

## 8. Objective

8.1. A regional development plan can be drawn up on the basis of a description of the existing situation; it should take the form of a regional strategy aimed at halting the economic, environmental, and socio-cultural decline of a rural area, strengthening its assets wherever possible and improving the attractiveness of the area as a result. In many cases, this will require changes in policy and administrative procedures.

## 9. Changes in the content of policy

9.1. Rural development is designed to further, or, where necessary, restore the overall quality of a region for the benefit of its inhabitants and for the sake of the supply of products and services (including rural, cultural/historical and ecological assets and leisure facilities) at national and/or European level. To achieve this quality objective, there is a need for an integrated, regional plan covering the conditions and resources required for economic development (with particular reference to agriculture, forestry and fisheries), small and medium-sized industrial and craft enterprises and the provision of services, landscape management, environmental protection and nature conservation, infrastructure, services (including education), and the care of the region's cultural/historical heritage. Planning must be highly methodical. Citizens, with their experience and aspirations, should be involved from the beginning. Planning is ineffective if it does not involve citizens and is aimed exclusively at the achievement of fixed objectives.

9.2. Whereas there is always the risk with a sectoral approach that measures which may prove effective in one sector can cause damage in others, an integrated regional policy provides an ideal opportunity for synergy.

## 10. Changes in administrative procedures

10.1. As already stated, rural development should be based on a regional, rather than a sectoral, approach. Responsibility for the definition and implementation of key policies should therefore lie with the regional authorities. Regional authorities should maintain links with national and even supranational authorities in order to ensure that regional policy fits in at these higher levels and obtain financial support from them for regional development. Coordination at national or European level is indispensable. This is because it must be possible to implement crucial sectoral policies at national and European level and because the absence of supraregional coordination could lead to counterproductive interregional competition. The national and European contexts also offer adequate scope for regional diversification.

10.2. National and supranational policy is frequently sectorally-orientated. The specific resources available at these higher levels, including subsidies and other funds, must be skillfully combined at regional level to form a coherent policy base.

10.3. Regions must also maintain links with local authorities, interest groups and organizations for the purpose of refining and implementing policy. A sufficiently broad base with adequate local support is

indispensable for the feasibility and execution of a development plan. Endogenous development is essential for lasting results. Whilst the administrative authority has a managerial role to play, it cannot play all roles at once. The same is true with regard to funding; private investment is needed to create a healthy economic base for regional development.

10.4. The administrative model for regional development can be compared to an hour-glass: i.e. when the regional development plan is put together, a careful selection is made at regional level from the range of national and supranational policies and associated policy instruments available. A variety of activities and measures is then initiated throughout the whole region on the basis of this plan.

10.5. Insofar as there are (still) no integrated rural development funds at European and/or national level, resources must also be centralized at regional level rather like the sand in an hour-glass. The centralization of resources at a higher level would be worth considering.

11. The key recommendations are as follows:

11.1. Rural areas should seek to conserve or establish certain values (relating to the landscape, culture and the natural environment) not only for the benefit of their own inhabitants but also in the general interest and thus in the context of national and European policy; these values have not (as yet) been quantified (e.g. value of maintaining the manmade landscape). It is important in this context, inter alia, to create alternative and supplementary sources of income for those working in agriculture in order to ensure that the countryside continues to be utilized.

11.2. Although European rural areas face comparable problems, individual solutions must be found for each region in the light of its inherent characteristics. All rural areas must be covered by the policy. It is necessary

to integrate policy and action at regional level, with the regions themselves being able to choose between the options available under European and national policy. In addition to a specific rural development policy, it is equally important for regions to be able to apply the right mix of European and national sectoral policies. Regional level integration also offers greater opportunities for involving all interested parties in an area in development policy. A bottom-up approach is vital for obtaining good results. The powers of regions to take action under their own responsibility need to be strengthened, in accordance with the principle of subsidiarity, in order to ensure that aid is provided in a form which is more in tune with the requirements of citizens, more effective and more transparent. Rural development policy must be based on a multi-sectoral approach, embracing the rural area in its entirety. One rural development programme should be drawn up for each region. The establishment of a rural development fund is the best way to achieve sustainable, integrated rural development. EU financial aid should be concentrated in particular on particularly needy areas.

11.3. European and national policies frequently lead to short-term or even one-off provisions aimed at promoting particular sectoral objectives or providing a response to specific developments. To ensure responsible, integrated development, all the available resources for coordinated action in each area concerned must be consolidated over a longer period. Occasional funding can hardly be incorporated into an integrated development plan and rarely gives rise to structural improvements.

11.4. As regards participation by countries seeking EU membership, efforts should aim essentially at focusing the common European policy initially on areas already covered by an integrated development plan. The extensive problems associated with the participation of candidate Member States can be more readily reduced to manageable and reasonable proportions by this means than within the general framework of European sectoral policy.

Brussels, 16 January 1997.

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