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# Rural Areas: One of the Most Important Challenges for Europe

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# **Purpose**

This brief presents an overview of major trends and policy options for rural areas. A number of social, technological, economic, environmental and political trends as well as strengths, weaknesses, opportunities and threats will be highlighted, followed by ten major policy options in view of two traditional and conflicting objectives: rural socio-economic development and countryside protection.

# Why Focus on Rural Areas?

In many European countries, a large number of the population may be described as rural in that they live outside the major urban centres or predominantly coastal zones. This number, according to recent studies, is likely to increase despite the fact that many urban areas across the world, in both developed and developing countries, will continue growing in size and population density. While many forecasts predict that by 2015 more than half of the world's population will be urban, emerging trends suggest that the excessive crowding and growing pollution of cities will accelerate the already increasing migration from urban to rural areas. In addition to the migration effect, there are other factors augmenting the functional interdependence between rural and urban areas, such as (a) peri-urban areas with a high level of commuting to urbanbased jobs, (b) economically diversified areas relying on construction, manufacturing and other non-agricultural employment, (c) commercially strong farming areas, and (d) economically weak areas highly dependent upon heavily subsidised farming.

# **Farmers under Pressure**

Rural communities are also considered custodians of national values through the close association between farming and local culture. In many towns farming sustains local traditions and supports activities such as hunting, fishing, village fetes and local sports. However, since the introduction of the Common Agricultural Policy (CAP) or the Rural Environment Protection Scheme (REPS), farmers are coming progressively more under pressure to invest outside the farm. These policies are part of a EU effort to promote multi-functionality, involving for instance tourism and leisure facilities, which help support the rural economy, or relate to the goal of providing habitats for threatened species. However, the stability of rural systems depends upon income guarantees to sustain an acceptable lifestyle. Otherwise, the search for income may draw more people away from the countryside.

# **Analysing Foresight Studies: TextAnalyst**

A selection of 160 foresight and futures studies was taken from the EFMN database. These were studies with different backgrounds, scopes, themes, horizons and on different scales. The semantic data-mining tool "TextAnalyst" was employed to analyse the texts. First, out of the 160 studies, a small number of relevant studies was selected that had titles strongly related to the researched topic. TextAnalyst analysed these texts and found the most relevant keywords and semantic relations between the most important words. These words were compiled into a keyword list for the researched topic. This list of keywords was used to analyse all 160 selected studies. The TextAnalyst yielded all sentences in which any of the key-

words was present, with an additional hyperlink in the text file allowing to view the context in which the sentence occurred. The TextAnalyst also gave a semantic relation between the searched keywords and other words. The related terms thus identified were added to the list of keywords. The summary of sentences that contained one or more words from the list of keywords was manually read in the original context and if the sentence or the section where the sentence occurred was regarded as providing new or additional information, this section was copied into a text file. In order to avoid any extreme out-of-context copying of sentences, statements that were part of a scenario description were not added to the file. After this analysis of the 160 studies, a text file was created containing sections of the original studies with information related to the selected topic and the reference to the original document.

# **Major Trends**

#### **Social Segregation**

In terms of social trends, migration is one of the most important ones. For example, in northern Europe (e.g. Nordic countries, Ireland, United Kingdom), it is thought that advanced age groups will move from the cities to the countryside, especially after retirement. Besides, in many municipalities more than a third of the population will be over the age of 65, thus making ageing population the second most important social trend. Ageing concerns are fuelled by declining fertility levels and the overall decrease in average household size, particularly among the middle aged. While property crimes and vandalism tend to increase in large cities, in rural areas "social control" still functions. This perceived security in the countryside is thought to attract more people from urban areas, thus reinforcing the migration trend. However, migration can have its dark side too. For example, in the UK, the population of rural districts is growing twice as fast as the national average. But many of the newcomers are older and wealthier and can outbid rural residents in the competition to buy homes. This leads to polarisation and social exclusion as well as new types of xenophobic incidents and crime.

#### **Linked by Virtual Spaces**

Technological trends will also improve the quality of life of rural areas. It is expected that by 2030 schoolchildren who live in sparsely populated areas will be able to study at home using virtual reality technology. These virtual spaces should also link individuals, communities and organisations from different regions and countries.

Some socio-economic and technological developments in rural areas are driven by major national and global trends. Among them are: growth in the share of non-traditional products; lower costs in agriculture and forestry; more people having a

second home in rural areas, resulting in an increased traffic between cities and countryside; regions becoming more competitive through industrial specialisation; and new SMEs playing a critical role in rural development and job creation. In some countries, the employment expansion in rural areas has more than offset job losses in farming. However, rural areas continue to highly rely on agriculture or other production-based employment.

## **Impact of Environmental Policies**

European and national environmental policies are also affecting rural communities. For example, rural areas are becoming more and more oriented towards zero emissions and preserving the quality of rural environments. Other global forces, such as climate change, also have big impacts on rural economies: for instance, shallow aquifers may not resist harsh dry seasons and, as a consequence, groundwater resources as well as surface flows tend to dry up.

Finally, it is important to consider political trends such as growing efforts to reduce the use of rural areas for agricultural purposes and to promote networks of protected areas, recreation and urban purposes. These polices are aimed at improving social cohesion within and between regions.

# **Major SWOTs**

The identification of major SWOTs (strengths, weaknesses, opportunities and threats) of rural areas brought some interesting results. First, most of the foresight studies analysed make little reference to the strengths of rural areas. They mainly focus their attention on weaknesses, opportunities and threats.

### **Strengths: Environment and Quality of Life**

Only a few strengths are highlighted in the selected foresight cases. A major strength of rural areas is the attractiveness of landscapes with thriving populations of wildlife and areas for recreation. These landscapes and wildlife contribute to the sense of well-being and quality of life of many people, including residents and visitors. The second major strength relates to the low levels of pollution in rural areas. Another already mentioned strength is that, in some countries, rural areas are considered custodians of national values, traditions and rituals.

#### Weaknesses: Poor Infrastructure

Unfortunately, these strengths are significantly outnumbered by the perceived weaknesses of rural areas. The most relevant ones are associated to the poorly developed and inefficient physical infrastructures, especially information and communication (ICT) infrastructure, which in most cases is targeted at national and international routes. However, some basic services, such as water and electricity are not very reliable either.

Both travel distance and time required for accessing and collecting water can be long and existing groundwater insufficient or unsuitable. In some rural areas, the lack of services and communication infrastructure hinder migration and development, thus generating a path dependency and lock-in situation in which technological trajectories of specific regions and localities are historically determined by the limited research and innovation capabilities developed by individuals and organizations over time.

In addition, transport (bus and rail) services are often infrequent and do not necessarily facilitate travel to work or education. This infrastructure deficit, together with the inability of rural economies to develop the underlying conditions of trust and social capital that contribute to the presence of a knowledge-based learning economy may exacerbate the conditions of lock-in to a specific – but not necessarily desired – innovation trajectory.

A large number of rural economies have failed to develop the regional innovation support services required to address the weak technological absorptive capacity of many indigenous SMEs, particularly those which are not close to main cities. The lack of institutional and technological capacities reflects the need for effective operating networks between local businesses and universities, as well as other education, research and training facilities, including colleges. But meanwhile, these weaknesses translate into a lack of business initiative and enthusiasm, a lack of spin-off from foreign direct investments (FDI) and the failure to develop regionally indigenous innovation or technological absorptive capacity. Other serious and more day-to-day problems are the lack of specialised health care and emergency care arrangements in rural regions.

#### Threats: Depopulation and Economic Decline

Several threats have also been underlined in recent foresight reports; among them are: imbalances in population structure; rural depopulation; redundant or under-used investments; further spread of one-off scattered housing in the countryside, especially holiday homes; higher servicing costs inherent in a low rural population density; degradation of rural and coastal landscapes; flood and coastal erosion risks; and increasing

unemployment resulting from the decline in farming and other agriculture-related activities.

# Opportunities: Environmental and Tourism Industries

In spite of the weakness and threats, rural areas are not always seen through dark or grey glasses. There are also opportunities for the future of rural areas, especially for national and regional governments, local and global businesses, and other stakeholders, including citizens. For example, wireless solutions and cable TV are cost effective solutions capable of improving the ICT infrastructure and connectivity for rural areas. The increasing use of rural space for multi-functional activities (e.g. forestry, environmental conservation and housing) may boost employment rates and economic growth. In addition, the sustainable use of natural resources, such as scenic landscapes for tourism and recreation, may contribute to the emergence of "new farmers" (with environmental management skills), who, with appropriate assistance from European and national funding schemes, could remain involved in noncompetitive businesses, take on a new profile and image, and act as a point of attraction and enhancement of human resources. Other opportunities lie in complementary sectors, such as fisheries, marine-based aquaculture, inland aquaculture (in rivers and lakes), renewable energy production and forestry. The development of skills in these sectors would add value to rural businesses related to wood products, craft industries, country sports, and rural tourism, for example. Finally, it is important to emphasise that the political process of enlargement in the European Union has brought social divides back to the top of the European agenda, thus creating new funding schemes and opportunities for regional development in rural areas.

# **Major Policy Options**

The previous discussions on major social, economic, environmental and political trends and the description of major SWOTs are complemented here with a wide range of policy options considered in recent foresight studies.

First, *government leadership* is vital for rural development. This leadership may be a response to economic or social pressures but aims at solving specific problems (e.g. upgrading infrastructures, allowing business clusters to expand into adjacent farmland, or supporting residential construction) and promoting a sustainable rural economy where enterprises will be commercially competitive without damaging the environment.

Second, the rural economy should promote a *more competitive agriculture and food industry*, with increased emphasis on multi-functionality of agri-rural areas. In so doing, regional and national authorities would need to develop more adequate spatial planning instruments.

Third, in terms of employment policy, regional governments should launch plans to *secure and stabilise employment* for at

least one member of every rural household. In addition, employment for rural youth should ideally be available in their own regions.

Fourth, both the public and private sectors need to invest in the development of the so-called "social infrastructure", that is, the promotion of new skills and talents leading to the formation of thriving multicultural communities and more developed regional institutional capacity. In other words, new capabilities and competences for managers and employees in the private and public sectors would help rural citizens to become (a) more entrepreneurs, (b) more adaptive to changes, and (c) more capable of anticipating and overcoming risks.

Fifth, in order to provide reliable water services in time and space, more *water supply* and reticulation systems need to be developed (for example, dams and other water transport systems via canals and pipes). This includes the creation of wetlands and managed realignment of coasts and rivers (see UK's *Making Space for Water* project).

Sixth, there is a need for *monitoring and maintaining the size* of rural populations, not just in aggregate numbers but also in a balanced spatial distribution. This relates to the previous policy on water services, for example, given that the required investments in labour and/or capital imply the grouping of water users around bigger towns. The objective here is to promote equity and balanced development between regions.

Seventh, in some regions the *health and welfare policy* as a whole would need to be completely reconsidered. This would mainly depend on major trends such as migration and ageing.

Eighth, national and regional governments should support the development of *rural economies* with commercially competitive enterprises, without damaging the natural environment.

Ninth, the development of new concepts in the interrelations between cities and the countryside would benefit from the creation of regional industrial or research *clusters* with more co-ordinated rural data collection and sharing of information at different levels (regional, national and international).

Tenth, regional policy-makers should ensure that national regulatory frameworks can *respond to regional needs* and that policies directed at rural areas are effectively implemented.

### **Conclusions**

This short brief has discussed major trends related to rural areas. For practical reasons, these trends have been grouped into social, technological, economic, environmental and political categories. Many trends could have been further elaborated to complement the SWOTs. However, for reasons of space, only the most relevant ones have been considered. In any case, these trends and SWOTs are only some of the many elements contributing to the complexity of "rural systems", which are continuously affected by regional, national, European and global trends.

The reader should also bear in mind that the proposed policy options result from a review of over 30 foresight exercises (out of the 160 scanned) that either focus on or are to some extent interested in rural areas and regional development.

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