

The new European rural policy: a comparative analysis across regions in the EU

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Abstract

The paper looks at the debate on economic development in rural areas and its influence on the evolution of European rural policies and on the concept of rurality itself, in order to clarify the main factors explaining the 'logic of economic development' in rural areas. To accomplish such objective, the main approach to rurality will be reviewed together with theories on economic development in rural regions and the changes in the nature and content of European rural policies over the last few decades.

Secondly, the paper analyses the content of rural development regulation (RDR) in the EU, pointing out the enduring centrality, in the framework of EU policies, of agricultural concerns and the lack of a truly innovative place based rural policy, together with the emergence of a genuine tendency to the valorisation of the multifunctional role of agriculture. The objective is to verify at what degree the practice of rural development policies in different Member states incorporates new concerns linked to multifunctionality, environment and to the creation of new opportunities of rural employment. To accomplish this objective this paper presents a comparative analysis of the Rural Development Programmes, attaining at the "second pillar" of CAP, of three countries in the EU.

1 Introduction

In the past decades rural areas has experienced a deep evolution which led to a change in the role of agricultural sector in a globalizing world. At the same time the field of the analysis and conceptualisation of rural change has been going forward, supported by the generalised awareness of the multisectoral nature of rural development processes and the multifunctional role of agriculture.

The resulting debate on the concepts of rurality and rural development were to influence the EU policy for rural areas in the following years. With the globalisation of the world economy changed the factors ensuring the sustainability of rural communities and the necessity to develop innovative strategies. New governance models are called for to allow rural communities to keep their distinctive characteristic (their social and institutional identity, the importance of natural resources, the lack of agglomeration processes) while fostering innovation processes and keeping pace with changes in the competitive arena (world economy).

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Another aspect to consider in the theoretical debate on rural development concerns the role of agriculture in rural economy. Primary activity is no longer sufficient to ensure the economic sustainability of rural areas and there is a growing importance for rural development process of manufacturing activities, high quality products and regional specialities, services linked to the valorisation of natural resources. Such evolution comes together with the emergence of new demands to rural areas, which are not just for agricultural products but also for rural amenities (landscape, environmental assets, agri-tourism and rural tourism, manufacturing products and local handicraft).

In this context, agricultural activity on one side produces commodities and contributes to the economic sustainability of rural society; on the other, it features other relevant functions such as the production of positive externalities and collective goods and services linked to environmental and landscape preservation.

The challenge here is to develop the right institutions and governance models to foster innovative process at local level focusing on the adoption of new technologies in manufacturing, the development of synergies (that is where the potential relevance or rural district is emerging) between high quality production and other rural development activities (agri-tourism, rural amenities, manufacturing products), the building of an environmental competitiveness, based on the local natural resources. This way it will be possible to meet the growing demands coming not only from rural resident but also from urban citizens.

In terms of policy making such evolutions meant the necessity of an integrated approach providing incentives for the whole rural activities and the building of a rural capability to innovate by designing new institutions and governance models. At this regard policies can focus on different aspects. Traditional rural policies focused on the support to agricultural activities and sector-based interventions remain the core of European Union policies for rural areas. Nevertheless, both at the national and the EU level new objectives are pursued looking at the diversification of agricultural activities and environmental goals, through the introduction of awarding mechanisms for the production of positive externalities and the incentives to the multifunctional role of agriculture and the production of collective goods and services aiming at preserving the environment and the landscape in rural areas. Besides, policy makers can choose to bypass farmers, by financing interventions not linked to primary production such as the creation of services for rural population, infrastructures and rural employment, directly or through incentives provided to local partnerships (*bottom-up approach*). The strategies to adopt and the focus on farmers and their role in the process of development of rural areas may change depending on the specificity of rural the context concerned. It is clear that multifunctionality is only one of the elements contributing to the implementation of a sustainable rural development strategy.

The evolution of rural world is a primary concern in the EU regulations which in the last decades redefined the role of agricultural policies, setting the base for a more comprehensive rural development policy. Also within the Common Agricultural Policy (CAP) there is a growing attention to multifunctionality of agriculture, that is the multiple functions that agricultural activity may play in preserving environment, landscape and natural resources (*greening* of CAP) as well as cultural heritage and social issues in rural areas. Given this context, it is crucial to analyse the actual content of rural policies in order to assess at what extent there is been a shift from a sector-based to a place-based approach.

As a matter of fact, the 22 different measures attaining at the “second pillar” of CAP have been combined in each Member State to meet the needs of the varied reality of rural areas. Recent literature on Rural Development policies (Dwyer 2003; Mantino 2003) underlines some major typologies of “Rural Development menus” where a set of measures tend to prevails on the others. *Agri-environmental measures* and, more in general, former accompanying measures tend to prevail within Northern European Member States (UK, Ireland, Scandinavian Countries, Austria); *modernization measures* tend to prevail in France, Italy (Northern regions), Belgium, Portugal; *diversification measures* are relatively more important in the RDPs of Germany, Southern Italy, Netherlands, Luxembourg, Spain.

Given such framework, firstly the paper will look at the debate on economic development in rural areas and its influence on the evolution of European rural policies and on the concept of rurality itself. To accomplish such objective, the main approach to rurality will be reviewed, together with theories on economic development in rural regions and the changes in the nature and content of European rural policies over the last few decades.

The second objective of this paper is to verify to what extent the practice of rural development policies in different Member states incorporates new concerns linked to multifunctionality, environment and to the creation of new opportunities of rural employment. More in details, the paper will analyse the content of rural development regulation (RDR) in the EU, pointing out the lasting centrality, in the framework of EU policies, of agricultural concerns and the lack of a truly innovative place based rural policy, together with the emergence of a tendency to the valorisation of the multifunctional role of agriculture. To accomplish this objective this paper will present a comparative analysis of the Rural Development Programmes (RDPs), attaining at the “second pillar” of CAP, of three Member States. The objective is to verify how the 22 different measures, which are in the menu of the “second pillar”, have been combined and compare the innovative content of the intervention proposed by different member countries characterized by a varied reality of rural areas. More specifically, the paper will analyse the main programming document concerning rural policies in France, Wales, England, and Italy. In order to compare the intervention proposed in different member countries, we will refer to the classification of measures in macro-categories of intervention used by INEA (2000; 2002) as a base for the implementation of the national monitoring system for rural development (*farm structures, training, diversification, infrastructures and services, environment, less favoured areas*). Taking such typologies as a “starting point” to deepen the search of homogeneous features, the next step is the analysis of different strategies of Member States, at regional level.

To verify the emergence of a new policy orientation and the existence of alternative strategies depending on the structure of primary sector and on the relevance of rural areas, the paper aims at analysing the content of the new European rural policy within Member States. More in details the paper will look at three main elements characterising rural development measures:

- whether the beneficiaries of specific actions are farmers or the other actors of rural economy;
- the level of territoriality and/or sectorial orientation of intervention;
- the extent to which the different measures are intended to enhance the multifunctional role of agriculture in rural areas.

On the base of the cases analysed we will assess to which degree there has been a shift from a sector based approach to a place based one in different member states and the potential contribute of rural policy to the valorisation of multifunctionality of agriculture. In our perspective, although new structural tendencies have emerged these are not sufficiently consolidated to establish a new paradigm, characterised, among the other element, by a radically changed policy orientation.

2 Rurality and development process

One of the greatest difficulties in defining what exactly rural means lies in the spatial/temporal variability of the concept of rurality itself. As rural is a concept that changes over time, its evolution can only be understood by analysing the changes afoot in the broader macro-economic context of rural society.

With the move from a pre-industrial society to an industrial or post-industrial one, agriculture is relegated to an increasingly marginal role. The spatial dimension of social and productive

activities can be also influenced by other processes. Under such influences the concept of rurality itself changes too. The most obvious examples of such processes are globalisation and evolving organisational models in productive activity.

As a matter of fact the definitions given to rurality and its description of rural space change, as does the concept of the rural world itself, as a result of evolutionary processes in the developed countries and with the changing environment of rural territory.

According to Blanc (1977), the existing approaches to rurality can be divided into three categories: the spatial approach, the territorial approach and the constructivist approach. What can be argued is that each approach, with its specific criteria and indicators of rurality, is based on given explanations of regional and/or local level growth and of change dynamics.

The first considers space as a set of points and rural to be the result of forces of settlement and exodus interacting with the territory and leading to territorial patterns of residential and productive organisation, based on a system of urban centres and outlying areas. Economic growth is not geographically uniform, but occurs at various points or poles and varies in its intensity. Rural space comes into existence, in certain areas, as a result of factors slowing the forces of settlement (Schmitt, 1996; Gofette-Nagot, 1996, op cit. in Blanc, 1997) and is clearly typified by certain prevailing designations of land use (e.g. agricultural), by the level of agricultural employment, the density of population and the extent of built-up areas.

This approach is underpinned by the separation between town and countryside at the basis of the "territorial division of labour, that links niches of productive activity with certain districts in a country" (Marx, op cit. in Holland, 1976, p.61). The idea is compatible with a range of interpretation models for regional growth, such as the cumulative causation theories (Myrdal, 1957; Kaldor, 1970), the growth pole theories (Perroux, 1955), the core-periphery model (Friedmann, 1972) and the geographic concentration of production model of Paul Krugman (1991). Key elements that are recurrent throughout this category are internal and external economies of scale, that tend to concentrate productive activity at a limited number of points, a local demand that perpetuates the initial advantages of the location and transport costs, not forgetting economic competition that can drive certain sectors and activities out of city centres. These factors determine which people will go to which poles throughout the territory as a whole. Further factors of agglomeration and dispersion depend largely on these three variables. Such models, which have a hierarchical vision of space, tend to see the rural world dependent on the town, where industries locate, and its demand of labour and primary products.

The second approach (territorial) towards defining rural space (Bradley, 1984; Doeringer, 1984; Allaire and Beslay, 1996; op.cit in Blanc, 1997; Saraceno, 1994) emanated from the theoretical debate on industrial districts and on the crisis of Fordism that sprang up in the first half of the Eighties (Becattini and Rullani, 1993; Piore, Sabel, Storper, 1991), subsequent to the growing popularity of new organisational models for production based on flexible technology and specialised personnel.

The territory takes on increasing importance in this context, or at least territory as the place where economic, social and cultural elements interact, and becomes embodied in the concept of the local system, which is a limited area, inhabited by a community with convergent attitudes and aspirations. Some of these entities are characterised by the presence of metropolitan centres, limited amounts of green space and a high-density population (urban areas). Others are just the opposite (rural areas). The two poles are linked by a continuum. The lack of a spatial division of labour and the non hierarchical relations between different territorial systems helps to get over the town/countryside split and the idea of rural space as mainly an agricultural space. An individual area's success comes to depend on the specific characteristics of local production models, on their competitiveness and on the dynamism of individual local systems. In this scenario there are no solid criteria for identifying the rural world apart from low level residential population, whereas it becomes increasingly important to identify territorial systems defined as sites of employment and residence (Sforzi, 1987; Bellandi, 1996).

Blanc stresses that this approach, concentrating on the internal organisation of local economies, provides data for analysing differences in performance between territories with comparable spatial attributes, but then goes on to ignore spaces that are not highly internally structured, or to consider them implicitly less competitive (Blanc, 1997).

The constructivist approach is indirectly linked with the French “regulationist” theory (Leborgne and Lipietz, 1991), which holds that the set of norms (implicit and explicit) and institutions that enable a given economic system to work is an expression of the dominant social block. Here social block is taken to mean a stable system of domination-dependence relations between different social groups, which presents itself as having strategic objectives in line with those of the majority of residents in the territory.

This approach stresses the changing roles and relations in regional and local economies in the process of accumulation. In the constructivist vision, space is the result of the actions of the social groups interacting in a given area. A space cannot be seen separately from the actors therein. The actors shape the areas they consider to be rural according to their concept of rurality. In other words, it is the social structure that gives form to spatial categories and to the very notion of rurality. Nevertheless, this social construct of rurality is the result of competing visions of rural space and emerges after negotiation between networks of actors linked by power relationships. The evolution of rural zones is then largely dependent on their social structure (Marsden et al., 1993; Mormont, 1990, op. cit. in Marsden et al., 1993). Here, local is considered the meeting point for the complex relations between internal and external actors, whereas rural is the meeting point of a subset of relations, linked to a rural social space distinct from the urban one. The differentiation between areas in terms of development processes depends on the varying social context and on the strategies applied by the actors involved.

3 The evolution of Community policy for rural areas

If on the one hand these approaches and their varying analyses of the rural world all pick out particular aspects of the rurality that end up blending together, they also reflect the evolution in the economic debate and in European policy in their favour that has been characteristic of the last two decades.

From the late Seventies and throughout the first half of the Eighties, EU policy addressed the concept of rurality as a marginal area in a wider scheme of territorial organisation of residential and productive phenomena with a rationalisation and modernisation project for European agriculture, which gave support to the effects of the expulsion from the agricultural workforce of excess labour, leaving the task of redressing interregional income disparity to industrialisation policy and to incentives for industrial sites (De Filippis, Storti, 2001).

By the end of the Seventies it had become clear that price policy was becoming economically unviable due to the structural stockpiling of various agricultural products. It was also obvious that despite success in intensive agriculture, this policy would never redress the balance between countries with weak and strong agricultural systems considering income and living standards, nor that within single Member States, where it was necessary to slow the exodus from remote zones (Fabiani, 1986). These were the reasons behind the first proposal for a policy for agricultural structures (Mansholt Memorandum) that gave rise over the following years to a succession of executive decisions.

In 1983, a decade after their introduction, the implementation of structural measures had been far from successful. This was due both to the inadequate funds that had been allocated and to low rates of implementation particularly in the regions with weakest agricultural systems. The situation was worsened by the tendency for development support to be taken up mainly by medium-large firms situated in the wealthiest areas of the Union. In the light of the poor results it was clear that structural policy as a whole needed radical rethinking.

During the same period, the traditional parameters for interpreting rural space were called into question by the emergence, in different areas of the world, of forms of flexibility in industrial production based on a wider spatial scattering of economic activity. Strength was gained by the idea that the spatial restructuring of capitalism could have tangible effects on rural areas and that the capitalist model of agricultural development would not necessarily take the same route from one region to another given that local factors were strong enough to attenuate and differentiate development processes (Carter, 1979, in Slee, 1994). The resulting debate on the concepts of rurality and development were to influence EU rural areas policy making in the years that followed.

In 1985, the Mediterranean Integrated Programmes (MIP, Reg. 2088/85) were started up². The MIPs constituted the first ever organic experimentation of a model making use of territorial planning of interventions (operative in defined geographical areas) to envisage minimal levels of collaboration and joint working between different levels of government (European, national, regional and local) and co-ordination between the institutions and administration involved during implementation. The MIPs did not always fulfil their objectives and this is particularly true of Italy, largely due to a lack of preparation on behalf of the structures that were handling them. All the same, the experience was a turning point towards new Community policy for rural areas.

The orientation of this new policy for European rural areas was reached after a series of crucial phases. In 1986 the Single European Act, in a modification to the Treaty of Rome, added the strengthening of economic and social cohesion (Art. 158) to the Union's objectives, identifying rural policies as one of the instruments to reach such objective. Later on in the 1988 the first serious reform of the broader Structural Funds policy established the definitive shift from a sector-based approach to the integrated programming of measures attaining at different Funds, including the EAGGF (already experimented with the MIPs).

In the same year, *The future of rural areas* was published (EC, 1988). This was a broad policy outline in which the Commission defined a new rural development policy that was clearly territorial in nature. In brief, the reduction of territorial imbalance was to be achieved by an integrated approach to socio-economic problems in rural areas.

The policy outlined in *The future of rural areas* leaves behind the urban/rural dichotomy and introduces the distinction between the process of rural and agricultural development. This reflected the evolving theoretical debate on the concepts of rural space and development. The debate gave pre-eminence to what came to be known as the territorial approach to the conceptualisation of rural space. The new generation of policy refuses, in principle, the idea of development by successive "stages" and no longer addresses specific sectors of economic activity³ (modernisation of the agricultural sector and the installation of industrial processes are typical objectives of the former economic policy, seen as they were as locomotives of structural evolution to successive stages of growth). The new policy envisages interventions for the development of alternatives to agriculture and considers information and activation of local actors a suitable instrument to stimulate local projectual capacity. It further seeks to help local entrepreneurial activity by integrating various instruments and to modify local socio-economic standards and institutional performance, which are pre-requisites to starting up a development mechanism tailored to the potential of the local context.

The 1992 CAP reform brought in further measures of a structural character, the so-called Accompanying Measures – agri-environmental measures, early retirement schemes and forestry measures. The following year, Reg. 2081/93 reaffirmed the guiding principles behind the entire Structural Funds policy, introduced in the 1988 reform, and specifically stressed the need to co-ordinate and integrate the actions of all the funds in an overall programming

² These were pluriennial and intersectoral programmes seeking to help Community agricultural systems with the greatest structural weaknesses, in the Mediterranean regions of Italy, France and Greece to face up to the widening of the Community to include Spain and Portugal.

³ See Holland (1976), Kuznets (1966), Chenery e Syrquin (1975).

process of interventions throughout the territory, to be organised according to priority zones (Objective regions).

Furthermore, in 1991, the LEADER Community initiative came in to force, with the intention of providing “bottom-up” support in the Objective 1 and 5b regions of the Structural Funds and creating local partnerships and integrated development programmes in the rural areas of the Community, in line with the indications provided by *The future of rural areas*. The initiative’s main objective is to create the starting conditions for lasting local growth, namely, the ability of local actors to create and manage opportunities for growth, the promotion of potential resources whether social, cultural, environmental capital or local know-how, the creation of networks of local individuals and institutions (internal networks) and their enhanced relations with the outside (external networks).

In November 1996, the Commission promoted the Cork Conference on Rural Development. The Conference wound up with a draft declaration listing the principles of a new European Rural Development policy and the essential elements of the programme to be followed by the European Union in the coming years: precedence for sustainable rural development objectives via multidisciplinary development policy, to be implemented intersectorially and with a pronounced territorial cut. Key features of this programme include emphasis on the diversification of activities carried out locally, the decentralisation of policy management to enable better adaptation to local peculiarities, a *bottom-up* approach, and the need for simplified legislation and unified regional planning of measures. The introduction of a new European rural development policy reflecting the 1996 Cork Declaration was to be accompanied by a new normative framework, the result of a further reform of Structural Funds.

In July 1997 the European Commission published its *Agenda 2000 – for a stronger and wider Union* and in the following years the successive regulations for Structural Funds and Rural Development.

Agenda 2000, which trimmed the innovative scope of the Cork Declaration, suggested that the role of rural policy instruments was merely to accompany and complement market policy. It further sought to redress the imbalance between structural and agricultural expenditure, tied unification to a single juridical framework regarding rural development measures and envisaged reform of the main objectives of structural policy and of cohesion. Finally, the agenda started up *LEADER +*, following on from LEADER I and II. It can be argued that farmers’ organisations, which feared the phasing out of the traditional market protection policies, successfully resisted to the more radical changes outlined in Cork Declaration.

As a matter of fact, the 1999 reform brought about a substantial simplification of the policy programming instruments for rural development measures through their unification under a single legislative document, but failed to introduce innovative elements for agriculture and rural area policy. Generally speaking, the new set of measures have already received support under past editions of agricultural structural policies (Objective 5a), or in target areas for Community regional policy (5b areas and Objective 1 regions) or from ex accompanying measures introduced by the 1992 CAP reform (agri-environmental measures, early retirement schemes and forestry measures).

Summing up, the development of EU policy for rural areas here outlined have not led to a discontinuation of traditional agricultural policy and the accompanying system of sectorial measures with their relative subsidies “linked” to output. The change was successfully resisted by the interests involved (agricultural lobbies and bureaucracy). Based on territorial intervention, the new rural development strategy, which had already begun to make itself felt in the first half of the Eighties, has failed to replace the former sectorial interventions and, to date, in terms of funding allocated, remains a minority component of EU expenditure for agriculture. Worse, the sectorial ethos from which these policies derive has negatively influenced their implementation by leaving too much leeway for more traditional interventions.

More recently, the Fischler reform moved a step forward in the process of reforming the CAP, by introducing “mandatory modulation”, as a system to shift resources from the first to the “second pillar”, and new accompanying measures to support farmers in meeting community standards, improving the animal welfare and the quality of agricultural products. Furthermore a new measure for the co-financing the management of integrated rural development strategies by local partnership was added to the article 33 list of intervention.

The latest evolution in the EU rural policy took place in November 2003, when the Commission promoted the Second European Conference on Rural Development in Salzburg: “Planting seeds for rural futures”. The Conference placed emphasis on the need to invest in the broader rural economy and rural communities, to encourage multifunctional agriculture and to improve the competitiveness of the farming sector (focusing on diversification, innovation and high added value products).

Future Rural Development policies will be delivered, out of the cohesion policies, through ad hoc regional and/or national programmes, will apply in all rural areas of the enlarged Europe and bring support for rural areas through bottom-up local partnerships (based on LEADER experience) into the EU mainstream. Furthermore, its delivery shall be based on a single programming, financing and control system and on a single Fund. The management of Rural Development funds will remain with the *Agriculture* Directorate-General, finally realising a project which was already outlined in the Cork declaration but encountered opposition within the *Regional and Cohesion Policy* Directorate-General, partly for its implications on the objectives for cohesion and the concentration of interventions.

The rural policy perspective coming out from the Salzburg Conference basically confirms the orientation in the EU policy, which began to emerge in the second half of the Eighties. Nevertheless the new course coming out from Salzburg Conference moves away from integrated programming, representing in this respect a step behind, to the period preceding the 1988 reform of the Structural Funds.

Another point worth considering is that rural development policies must apply in all rural areas of the enlarged Europe. In this way the policies become horizontal and are distinct from regional policies that seek to redress territorial imbalance by the concentration of interventions in priority areas.

4 An overview of Rural Development Programmes in the EU

Since Agenda 2000, the objectives of the European rural policies on the one hand mirror former goals of Community structural policy (improvement of productive structures and higher quality of output, reconversion and rechannelling of agricultural output, the introduction of new technologies), on the other reflect concerns for sustainable rural development to be pursued through an integrated approach to territory (diversification of activities, strengthening the social fabric of rural areas, the promotion of a sustainable agriculture that observes environmental criteria, the promotion of equal opportunities between sexes).

Regulation 1257/99, on support for rural development (RD) from the EAGGF Fund, established a menu of 22 measures constituting the tools box to be mixed by Member States within their programmes, in order to reach different goals, according to local needs. Such measures have been classified in 5 homogeneous categories on the basis of the main goals they pursue, which in turn are the base for the implementation of the national monitoring system for rural development (INEA, 2002). In the following analysis the 22 RD measures have been grouped according to such typologies:

- *Modernisation of production and processing structures* includes investment in agriculture holdings, improvement of processing and marketing of agricultural products, setting up of young farmers, and also measures in favour of the mobility of productive factors (early retirement, land improvement and reparcelling). These are all interventions able to affect both directly and indirectly, the efficiency of agri-business productive system. They are strictly sector based measures, descending from pre-existent community regulations. It should be noted that the first two measures are financed only under certain requirements, concerning among the others compliance with standards regarding the environment, hygiene and animal welfare. Nevertheless, in relation to the lack of well established criteria to control the respect of such requirements, they retain generally a strong orientation towards competitive objectives.

- *Training*: this measure aims at improving the professional skills of farmers and forest holders, enabling them to improve farm and/or forest management but also by preparing them for qualitative orientation of production and the application of environmentally compatible production practices.

- *Promoting rural development*, includes a highly heterogeneous set of tools. As a general rule, this category contains all measures within those provided by the art 33 of the regulation on support for RD which have a territorial perspective rather than being farm centred, even when designed for the provision of services and infrastructure supporting agricultural activities. The idea is that also sector-based intervention can contribute to the promotion of rural development when directed to the improvement of the economic contest in which farmers operate. We introduced a further distinction between *diversification* and *infrastructures and services*. The former typology (marketing of quality agricultural products; diversification of activities in the agricultural sector; encouragement of tourist and handcraft activities) includes measures pursuing diversification of agricultural activities (such as agri-tourism) and employment creation in rural areas, strengthening integration among different rural activities. The latter includes measures directed towards the provision of services for rural population and farmers (setting-up of farm relief and farm management services; basic services for rural economy and population; financial engineering) contributing to the bettering of the quality of life in rural areas. Also we find here interventions aimed at improving the infrastructures supporting agricultural activities (development and improvement of rural infrastructure connected with agricultural development; water and irrigation management in agriculture, rebuilding of damaged agricultural buildings and settings) and the renovation of villages and protection and conservation of rural heritage, as a base for the tourism valorisation of a given area.

Tab.1: A typological classification of the rural development measures

Modernisation of productive structures	
	Investment in agricultural holding (a)
	Improving processing and market of agricultural products (g)
	Agricultural water resources management (q)
	Setting up of young farmers (b)
	Early retirement (d)
	Land improvement (j)
	Reparcelling (k)
Training	
	Training (c)

Promoting rural development	
<i>Diversification</i>	
	Marketing of quality agricultural products (m)
	Diversification of agricultural activities and activities close to agriculture to provide multiple activities or alternative incomes (p)
	Encouragement for tourist and craft activities (s)
<i>Infrastructures and services</i>	
	Setting-up of farm relief and farm management services (l)
	Basic services for the rural economy and population (n)
	Renovation and development of villages and protection and conservation of the rural heritage (o)
	Development and improvement of infrastructure Connected with the development of agriculture (r)
	Restoring agricultural production potential damaged by natural disasters and introducing appropriate prevention instruments (u)
	Financial engineering (v)
Protection and improvement of environment	
	Forestry (i)
	Afforestation (h)
	Agri-environment (f)
	Protection of the environment in connection with agriculture, forestry and landscape conservation as well as with the improvement of animal welfare (t)
	Less-favoured areas and areas with Environmental restriction
Other measures	
	Measures in progress coming from previous planning
	Evaluation

Source: INEA, 2000

- *Protection and improvement of environment*, includes agri-environment, forestry and forestation measures, and also compensatory allowances for less favoured areas, that address more directly than in the past environmental issues. In this typology we also included a group of measures for the promotion and development of rural areas, specifically aimed at the environmental protection and at the conservation of natural resources. Support provided in favour of farmers for agri-environmental measures is conceived as a compensation for the provision of “additional” environmental services, therefore it is obvious the ratio of their inclusion in this group of interventions. Forestry measures were classified in such categories even though they contemplate support for both the processing and marketing of the forestry products and the improvement of sustainable management and the maintenance of ecological value of forest, because the latter objective seems prevailing.

- *Other measures*, include the evaluation of programmes and payments for commitments related to the previous planning period, that have been integrated into the current programming phase. In specific cases the EU Commission authorised Member States to include agri-environmental commitments under the previous regulation (EEC n. 2078/92) into the new programme. Such commitments have not been considered here, but they were summed with the resources devoted to the new agri-environmental measures. It should be noted that for several programmes commitments made under previous regulation represent a major part of total funding for this measure.

Table 2 reports the classification of the measures implemented within Rural Development Programmes (RDPs) in the EU according to the typologies earlier described⁴.

⁴ We are aware that to have a complete overview of the implementation of RDR also non accompanying measures delivered in objective 1 regions should be considered. Nevertheless programming documents attaining at Structural Funds in different Member countries do not always contain the necessary level of detail, in the description of intervention financed, and financial data by measure are not available at EU level.

Tab. 2: RDPs in the EU. Public funding per Member State and measure (%; totals in million euro)

	Austria	Belgium	Denmark	Finland	France	Germany	Greece	United Kingdom	Ireland	Italy	Luxembourg	The Netherlands	Portugal	Spain	Sweden	European Union
Modernisation	7,8	28,0	15,4	1,4	38,8	18,9	42,8	2,7	16,5	25,2	42,8	37,0	5,8	32,2	5,5	21,1
a)	3,8	13,8	4,8	1,4	7,7	8,1	0,0	0,7	0,0	11,9	18,2	6,1	0,0	5,1	3,4	5,7
g)	1,6	4,7	3,9	0,0	18,1	3,6	0,0	1,8	0,0	6,0	16,2	0,5	0,0	6,6	1,1	5,6
q)	0,2	0,0	0,0	0,0	0,3	0,8	0,0	0,3	0,0	1,5	0,0	10,2	0,0	9,9	0,0	1,3
b)	2,3	9,5	5,6	0,0	10,2	0,6	0,0	0,0	0,0	4,8	8,4	0,0	0,0	2,2	1,0	3,2
d)	0,0	0,0	1,1	0,0	1,6	0,2	42,8	0,0	16,5	0,5	0,0	0,0	5,8	6,2	0,0	3,7
j)	0,0	0,0	0,0	0,0	0,1	0,0	0,0	0,0	0,0	0,3	0,0	0,0	0,0	0,1	0,0	0,1
k)	0,0	0,0	0,0	0,0	0,8	5,5	0,0	0,0	0,0	0,2	0,0	20,2	0,0	2,2	0,0	1,5
Training	0,9	3,5	4,9	0,3	0,9	0,2	0,0	0,9	0,0	0,5	0,4	0,4	0,0	0,4	5,1	0,8
Rural development	4,0	7,0	7,2	4,1	1,2	12,4	0,0	4,5	0,0	7,2	7,2	13,5	0,0	6,4	2,2	5,2
<i>Diversification</i>	2,3	1,4	3,3	1,6	0,9	1,5	0,0	3,2	0,0	3,3	1,7	7,0	0,0	1,6	1,7	1,8
m)	0,4	0,7	1,2	0,0	0,4	0,2	0,0	1,1	0,0	0,8	0,8	0,7	0,0	0,4	0,7	0,4
p)	2,0	0,4	0,9	0,9	0,4	0,8	0,0	1,0	0,0	1,8	0,3	3,1	0,0	0,6	0,4	0,9
s)	0,0	0,3	1,2	0,6	0,0	0,5	0,0	1,1	0,0	0,7	0,6	3,2	0,0	0,6	0,7	0,4
<i>Infrastructures</i>	1,7	5,6	3,9	2,6	0,4	10,9	0,0	1,3	0,0	4,0	5,5	6,5	0,0	4,8	0,4	3,4
l)	0,0	0,0	0,0	0,2	0,0	0,1	0,0	0,2	0,0	0,5	0,0	0,0	0,0	0,5	0,0	0,1
n)	0,0	1,5	1,1	0,9	0,1	0,7	0,0	0,3	0,0	0,8	1,1	1,0	0,0	1,9	0,0	0,5
o)	0,2	3,6	0,3	1,5	0,3	6,8	0,0	0,5	0,0	0,5	4,4	2,8	0,0	0,9	0,2	1,6
r)	1,4	0,4	0,3	0,0	0,0	1,5	0,0	0,3	0,0	1,6	0,0	2,6	0,0	1,4	0,2	0,8
u)	0,0	0,0	2,1	0,0	0,0	1,8	0,0	0,0	0,0	0,3	0,0	0,0	0,0	0,1	0,0	0,4
v)	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,1	0,0	0,0	0,0	0,0	0,0	0,0
Environment	53,8	22,9	45,3	32,3	18,8	41,8	21,1	32,5	50,7	58,2	17,1	34,8	67,8	29,4	42,2	38,8
i)	2,4	4,4	4,4	1,3	4,3	4,4	0,0	1,1	0,0	3,7	1,2	5,2	0,0	3,5	0,3	2,8
h)	0,1	1,1	5,1	0,0	0,8	1,4	6,2	5,8	11,6	10,2	0,0	1,0	24,2	9,0	0,0	4,5
f)	50,9	15,0	32,2	31,0	12,2	33,8	14,9	25,0	39,1	43,4	15,9	8,5	43,6	15,6	40,8	30,1
t)	0,4	2,3	3,5	0,0	1,5	2,2	0,0	0,7	0,0	1,0	0,0	20,2	0,0	1,3	1,2	1,4
e)	26,7	1,7	1,1	54,7	24,2	15,6	35,6	40,0	23,7	5,8	25,3	0,9	26,3	11,7	15,8	22,4
Others	6,8	36,9	26,1	7,2	16,1	11,1	0,6	19,3	9,2	3,0	7,0	13,3	0,1	19,9	29,2	11,8
	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0
TOTAL	6896,1	921,3	944,1	5444,2	11811,2	10707,4	2686,4	4366,4	3675,1	8792,2	373,3	1057,3	2007,6	5391,0	2551,6	67.625,2

Source: elaborations on European Commission data

It is worth underlining the role played by different institutional levels on the degree of decentralization in managing and programming rural development plans. As an example, in Italy the process of devolution to regional authorities leads to a regional management of community programmes for rural areas. This, in turn, leads to a high fragmentation of rural policy and a regional diversification of policy strategies (21 regional rural development plans (RDPs) and 7 regional operative programmes (ROPs)).

In some countries (Denmark, Greece, France, Ireland, The Netherlands, Austria, Sweden and Portugal) the planning action pertains to the central government; in Belgium, Finland and Spain programmes are prepared at 2 different institutional levels, regional and national, and the relative plans are complementary. In Germany the national plan provides the general rules for RD measures implementation while each Land prepares a programme providing for specific (local) support measures. In the United Kingdom, each country (Scotland, Wales, England and Northern Ireland) has its own plan.

It is just the case to stress that the only mandatory measures according to EU regulation are agri-environmental ones. As a consequence, Member States were supposed to select measures and relative allotments according to specific strategies pursued in relation to productive and structural characteristics of their agricultural sector, its weight on GDP and total employment.

Almost 50% of the total endowment available for RDPs goes to Germany, Italy and France. The distribution of resources among different measures gives an insight into the different strategies pursued by different Member States. Once again, it is to be underlined that for countries with regions under objective 1 we get only a partial view of the overall financial framework, since we only consider RDPs.

Generally speaking, countries from continental Europe (France, the Netherlands, Luxembourg, Denmark and Belgium) tend to concentrate resources on measures aimed at the “Modernisation of productive structures” supporting sector-based intervention which can produce positive effects on national production, especially in the long run. However, also Mediterranean countries, such as Spain and Greece, devote an important part of the resources available for RDPs to sector-based measures. In the Greek programme financial resources in the modernisation typology are entirely destined to *early retirement*. Other structural measures aimed at modernisation of agricultural sector are included in Objective 1 plans.

Environmental measures and compensatory allowances for Less Favoured Areas represent an important part programmes in Portugal, United Kingdom, Ireland, Finland and Austria. Germany and Italy present a relative importance of modernisation measures, together with environmental ones. It is important to underline that most of the measures for environmental protection are directed to farmers.

Altogether, it would appear that EU RDR is still predominantly sector-based. In many Member States, measures for economic diversification and of those for better infrastructure and services in rural areas (Art. 33, (EC) Reg. 1257/99), even if programmed, have a very limited amount of resources available. With few exceptions (The Netherlands and some regions in Germany) resources allocated to such measures do not reach the 10% of the total. The opportunity for Member States to select the measures most suited to specific local needs in the areas included in individual plans has turned into a generalised higher priority level for the agriculture sector.

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Fig.1: European RDR allotment (millions euro)

Source: elaboration on programming data from Members States

5 A comparative analysis of RDR: the cases of Italy, France, England and Wales

In this section we compared RDR in Italy, France, Wales and England in order to evaluate to what extent the new policy concerns regarding the multifunctional role of agriculture and the diversification of economic activities in rural areas have been taken into account during the planning phase (table 3⁵).

More specifically we considered a national synthesis of 21 RDPs and 7 ROPs for Italy, the national RDP for France; two RDPs for United Kingdom (England and Wales).

To compare the intervention proposed in different Member States, and to give an insight into the different strategies, we will take typologies described in the earlier pages as a “starting point” to deepen the search of homogeneous features in the intervention devised by each programming document⁶. Because of the effort to compare measures, some specificity may have been dropped, but we expect this to be offset by benefits coming from comparison, whose outcome is a common framework to analyse goals and implications regarding multifunctionality and diversification.

As highlighted earlier in this paper, according to the double nature of policies of rural development, each programme allots a significant amount of resources to sector-based measures tied to the structural improvement of farms and to the modernisation of the agricultural activity. However, modernisation, if well oriented, may offer a crucial contribution to the production of positive externalities jointed to food and fibres. RDR provides also measures addressing territory and environmental goals: diversification of productive activities in the rural areas, landscape care, protection of environment, valorisation of cultural heritage and so on.

The comparison of RDPs here analysed focuses on the single actions activated within each measure and for each of that highlights the following elements:

- specific targets that constraint or direct the outcome of the actions towards given objectives;
- beneficiary of the single action;
- nature of explicit goals: sector-based, territory-based, environmental goals.

On the basis of such elements, actions⁷ and measures have been classified according to two main keys: the importance for valorisation of the multifunctional role of agriculture (looking at the potential secondary products coming out of the primary activity) and for the promotion of diversification in rural areas (looking at the non agricultural beneficiaries and non agricultural activities promoted).

⁵ The financial allocation considered in table 3 does not take into account state aids (both stand alone and to-ups). Modulation for Welsh and English plans is instead included.

⁶ This analysis is based on a wider study realised by a group of researchers at INEA (Henke, 2004). Such analysis looks at the rural development planning in different regional context, with the goal of identifying specific actions that improve the multifunctional role of agriculture.

⁷ Among the output of this phase of the analysis there are a set of tables presenting for each programme the technical description of the actions, the typologies of beneficiaries and our assessment, based on the content of the programming document, of the degree of relevance for valorisation of the multifunctional role of agriculture and of the nature of the specific objective pursued (sector -based, territory-based, environmental goals). For a deeper analysis of such aspects and an extensive description of the programmes analysed see Henke (2004).

Tab. 3: RDPs, public expenditure 2000-2006 (million euro)

	ITALY				FRANCE		WALES		ENGLAND	
	Total		Objective 1		public expenditure	%	public expenditure	%	Total	%
	public expenditure	%	public expenditure	%						
Modernisation	5.338,5	38,6	3.139,3	43,8	4.580,4	46,2	12,46	2,0	107,6	4,8
a)	2.391,3	17,3	1.347,9	18,8	906,5	9,2	4,34	0,7	26,3	1,2
g)	1.199,8	8,7	669,7	9,3	2.141,0	21,6	8,12	1,3	69,8	3,1
q)	630,5	4,6	501,3	7,0	30,4	0,3			11,5	0,5
b)	823,6	6,0	401,6	5,6	1.202,6	12,1				
d)	42,7	0,3	19,5	0,3	186,7	1,9				
j)	29,8	0,2	0,0	0,0	14,0	0,1				
k)	220,7	1,6	199,4	2,8	99,3	1,0				
Training	95,4	0,7	47,7	0,7	109,3	1,1	3,44	0,5	34,9	1,5
Rural development	1.817,3	13,2	1.180,3	16,5	146,6	1,5	8,22	1,3	186,4	8,3
Diversification	613,2	4,4	325,1	4,5	101,2	1,0	3,58	0,6	135,9	6,0
m)	129,5	0,9	61,5	0,9	50,6	0,5				
p)	409,1	3,0	246,9	3,4	50,6	0,5	1,26	0,2	43,1	1,9
s)	74,6	0,5	16,7	0,2			2,32	0,4	46,6	2,1
Infrastructures and services	1.204,1	8,7	855,2	11,9	45,4	0,5	4,64	0,7	50,5	2,2
l)	72,9	0,5	28,4	0,4	15,0	0,2				
n)	133,7	1,0	59,4	0,8			2,32	0,4	10,6	0,5
o)	207,7	1,5	159,5	2,2	30,4	0,3	2,32	0,4	17,9	0,8
r)	701,8	5,1	559,4	7,8						
u)	65,3	0,5	38,5	0,5						
v)	22,6	0,2	10,1	0,1						
Environment	5.792,5	41,9	2.493,1	34,8	2.216,0	22,4	245,01	38,7	1.522,0	67,5
f)	3.815,4	27,6	1.391,0	19,4	1.441,2	14,6	214,98	34,0	1.223,6	54,3
h)	892,5	6,5	425,4	5,9	90,6	0,9	21,54	3,4	113,8	5,0
i)	656,8	4,8	334,2	4,7	511,7	5,2	1,74	0,3	31,8	1,4
t)	427,9	3,1	342,4	4,8	172,5	1,7	6,75	1,1	56,0	2,5
Forestry measures Reg 2080/92									96,8	3,7
e) Less-favoured areas	510,0	3,7	155,3	2,2	2.852,4	28,8	363,81	57,5	402,8	17,9
Other measures	264,9	1,9	154,8	2,2						
Total	13.818,6	100,0	7.170,5	100,0	9.904,7	100,0	632,94	100,0	2.253,7	100,0

Source: elaborations on data from Member State RDPs

5.1 Modernisation of productive structures and training

This group of measures has a great importance in Italian (38,6%) and French programmes (46,2) , while English and Welsh programmes devote a smaller part of their budgets to them, (respectively 5% and 2%). Farmers are the beneficiaries of this measures with the main exception of the action aimed at “Improving processing and market of agricultural products”, whose beneficiaries can be also food processing plants or sole traders.

In addition to the underlined differences in the amount of resources, in England and Wales actions falling in such category are more targeted towards not purely sectorial objectives. They contemplate interventions addressing diversification of farm activities, which in the Italian plans are mainly financed within the “diversification” measure. Moreover Welsh and English programmes both finance several actions mainly focused on eco-compatible investments, and on the improvement of environment, such as energy crops scheme, activities aimed at helping farmers to deal with pollution and waste management and to carry

out conservation works of significant benefit to the environment. Such intervention presents a great potential relevance for multifunctionality.

The French case is quite specific because of the *Contract territorial d'exploitation* (CTE) which includes both sector-based and territorial based measures, as specific support for mountain areas. France and Italy activate also the measures “land improvement” and “reparcelling”, which were not included in the Welsh and English plans. More specifically France started up interventions for grazing land and Italy implemented measures to increase medium farm size and, for some specific sensitive areas, to improve irrigation system and reparcelling.

Training, included in all the programmes analysed, is marginal in financial terms and generally speaking encompass among the explicit objectives all the aims called for from the RDR (1257/99). Our assessment, on the base of the available elements, is that such measure needs to be more targeted on specific objectives and linked to the others activities financed within the different plans.

5.2 Promotion of rural development

The level of financial support granted to the measures falling in this typology is not particularly relevant and varies widely through the programmes considered: it goes from 1,3% in the Welsh programme to 13,2% in the Italian ones (16,5% for Region under Objective 1).

Generally speaking, within this category the measures with the higher resource allocation are: “diversification of agricultural activities” and “development and improvement of infrastructure”.

In Italian programmes financial resources are spread on all measures here considered, since all of them have been activated across different regional programmes. It should be noted however that the overall situation does not reflect the strategies adopted by single programmes. In fact in Italian RDPs and ROPs we find a great variety of situation with emphasis given alternatively to either sector or territory oriented actions. On one hand action provided by Italian plans are directed to the development and improvement of infrastructures strictly linked to agriculture and often managed by municipalities (rural road, electrification and so on) or to intervention aimed to the development of quality products and mainly directed to quality consortia, cooperatives, farmers and their associations. On the other hand several plans focus more on action devoted to renovation of villages and provision of basic services for rural economy, which have as main beneficiaries municipalities and other rural actors.

It is in Welsh programme though that we find some example of innovative action, even though only four measures within the typology addressing rural development are activated: “diversification of agricultural activities”, “encouragement for tourist and craft activities”; “basic services for the rural economy and population” and “renovation and development of villages”. The first measure cited is exclusively directed to farmers and it is aimed to the development of activities close to agriculture; the others grant support to “community led projects”. More specifically support is provided to community partnership for the cost effective enhancement of basic services for the rural economy and population, for the renovation and development of villages and protection and conservation of the rural heritage, and to community led projects that encourage tourist and craft activities. The goal of such actions appears genuinely territory-based. Moreover the choice of community partnerships as beneficiaries is quite innovative and can be considered a sort of experiment of the rural development policy profiled for the enlarged Europe, which will bring support for rural areas, based on bottom-up local partnership, into the EU mainstream.

English measures are more oriented to agricultural sector both in terms of beneficiaries (mainly farmers) and for typologies of projects supported. Marketing of quality products and

tourism valorisation (both addressed to farmers, communities and firms) are considered “high national priority”. Interventions on rural areas infrastructures in favour of farmers and rural firms, are also of some importance.

French programme is halfway between the two cases previously analysed: it shows attention both to more strictly sector-based measures (diversification of agricultural activities) and territory based ones (basic services for population - managed by co-operatives; renovation of rural villages; diversification in activities close to agriculture). Some projects are connected with agri-environment measures, especially in the case of landscape care.

5.3 Protection and improvement of environment

This typology includes also “agri-environmental measures”, for which a wide debate on their nature (sector *versus* territory) and efficacy has been opened for a long time (Gatto, Henke, Velazquez 2002; Henke 2002; De Filippis, Storti, 2002). On the other hand the potential for the valorisation of the multifunctional role of agriculture is in some way implicit in the design of the measure itself and therefore it is widely acknowledged. It is important to keep in mind that the beneficiaries of agro-environmental measures are exclusively farmers.

Financial support granted to such measures is quite large in all cases considered, particularly in England (54%). It is worth remembering that United Kingdom is the only country implementing voluntary “modulation” of direct aids, to shift resources from the first to the second pillar of the CAP, mainly devoted to increase funding for agri-environmental measures. Another element showing the importance of agri-environmental measures in England: is the co-existence of two national programmes: one regarding the improvement of organic and integrated production (organic farming scheme) and another for to setting and the preservation of natural areas and rural landscape (countryside stewardship scheme). Also forestry measures are very important in English programme: they provide support for reforestation projects on agricultural and non agricultural land (including short rotation coppice).

In Wales agri-environmental policy is applied through different farm schemes and focused on 4 main objectives: protection of landscape, wildlife and historic features; public access to countryside, management of habitats and features, organic farming. Also in Welsh programme, as we have seen in England, there is a widespread adoption of National farm schemes, which represent a specific practice for such countries and that with the adoption of community programmes did not disappear but ended up to be integrated into the general programming. They seem to introduce a farther element of complexity into the picture.

About France in addition to “classical” agri-environmental measures the programme includes specific actions for recovery of abandoned land in mountain areas and projects correlated to Nature 2000 measures. Also forestry measures have a wide space in French programme. More specifically it includes actions aimed at improving commercial forestry but also at reinforcing co-operatives, and improving forestry rebuilding and fire prevention.

Finally, about Italy, the agri-environmental measures, are considered on the whole a successful example of building management capacity and a good practice in term of expenditure capacity. A positive aspect is in the concentration of such measures at territorial level, which reflects the specific environmental needs, even in the absence of an ex ante zoning of the eligible areas. The regional programmes include also forestry and management of forest heritage, fire prevention and the rebuilding of damaged woods.

5.4 Less-favoured areas and areas with environmental restriction

It is difficult to classify allowances for less favoured areas because of the potential and indirect effects on environment, territory and sector. For this reason we decided to keep them

out of the previous category, even if they are often related to environmental measures, and as those are destined only to farmers.

Generally speaking it should be noticed that the effectiveness of such measure is linked to the consistency of aids compared to disadvantages and to their degree of concentration in priority areas. As for the orientation of this measure towards sectorial or territory based objective remains very controversial and additional elements are needed in order to make any assessment. In our analysis, however, we gave a moderately positive evaluation of its importance for valorisation of the multifunctional role of agriculture.

Less favoured areas allowances are the most important measures in the Welsh programme (57%). In England intervention for environmental sensitive areas is regulated by a national programme that aims at the preservation and the improvement of rural areas. Farmers are the beneficiaries of this support.

This measure has very little weight in the Italian regions, both in Objective 1 regions and in non Objective 1 regions, in spite of the high percentage of disadvantaged areas (mountain zones, rural areas at risk of depopulation), especially in the South (Objective 1). Finally, in France the 28,8% of RDP financial resources address this measure.

5.5 Final remarks

In conclusion, we would like to remark once again that all the programmes analysed here reflect the double nature of the second pillar of the CAP. Sector-based measures are relevant in terms of resources programmed, while resources devoted to the economic diversification of rural areas are much less relevant in terms of financial resources. However, if one has in mind the valorisation of multifunctionality, sector-based measures can have a crucial role, exactly because they are centred on the primary activity. In the case of agri-environmental measures, their capacity of improving externalities is quite obvious and does not need to be stressed, but in the case of modernisation measures constraints and targeting are key in explaining their positive relationship with multifunctionality (as in the case of CTE in France, or investments in Wales).

As for diversification measures, they are crucial in the economic and social development of rural areas, but they are still under-considered, both in financial and strategic terms, in the RDPs. However, they represent a step forward a clear de-linking of the potential success of rural areas and the agricultural activity and its main actors, farmers. As a consequence, it is rather confusing to advocate the multifunctional role of agriculture in order to support both theoretically and financially this typology of measures. In fact, they call for a different approach and for a eventual abandonment of any agriculture-centred approach.

6 Conclusions

The first part of this study analyses the debate on the concept of rurality and its influence on the evolution of Community rural policy, which took place during the last two decades. The study points out how the undergoing transformation of EU policy for rural areas are closely linked to the changed perspective on rural development arising from the spread of flexible specialisation, the advent of a new production model and from the shift in the predominant development model.

In the second half of the Eighties begins to emerge, at Community level, a new rural policy orientation, which refuses the idea of development by successive "stages" and no longer addresses specific sectors of economic activity. While modernisation of the agricultural sector and the installation of industrial processes were typical objectives of the former economic policy, seen as they were as locomotives of structural evolution to successive stages of growth, the new policy envisages interventions for the development of alternatives

to agriculture and the creation of local “partnerships” as pre-requisites to starting up a development mechanism tailored to the potential of the local context.

This evolution gets underway with a series of crucial phases, including the introduction of new innovative measures, such as the Community initiative LEADER. Such developments, though, did not lead to the discontinuation of traditional agrarian policy based on market support measures.

In the second section of the paper the main goal was that to analyse the implementation of RDR in the EU by comparing different “models” of RDPs, highlighting the specific issues pursued in each programming activity and stressing the underlying “philosophy” of programming for each case study. One of the questions raised in the paper was the coherence of the programming activity within the framework of the RDR with the new European policy orientation, which includes a place based approach to rural policies, and within such framework, with one of the main explicit goals of the CAP reform, that is the valorisation of the multifunctional role of agriculture.

As it is well known, Agenda 2000 first and the reform in 2003 after stressed very much the crucial importance of rural development in the valorisation of the “European Model of Agriculture” through the reinforcement of the “secondary” functions of agriculture, that is multifunctionality. One concluding remark, then, is to ask ourselves if and to what extent measures within RDPs address the whole concept of multifunctional agriculture and what are the most effective measures among the menu of RDPs in pursuing the explicit objective of the new CAP.

To this end, it is worth recalling the theoretical issues at the base of multifunctionality: the conjunction rate of “primary” and “secondary” functions and a certain degree of “unwillingness” in the production of secondary goods, and the qualification of such secondary goods and positive externalities. Looking at the rural development measures implemented in the four case studies, farmers are considered, for most actions, the main beneficiaries. This means farmers are the central actors of the RDR, certainly more than local communities, small firms, handcrafts and so on. With regards to the relationships between RD measures and multifunctionality, it becomes crucial the actual impact on the environment and on territory of the single measures, even if they are sector-based measures, or maybe exactly because they are sector-based. This can be fulfilled through specific identification of priorities or of constraints or targets of the action under sector-based measures) In other words, and this may seem a paradox, RDR becomes crucial for multifunctionality when it still puts agriculture at the centre of its strategy. When RDR keeps agriculture out of its strategy, with specific measures that address non-agricultural activities in rural areas (diversification, cultural and artistic issues in rural areas), then it becomes very difficult to talk about multifunctionality of agriculture, being agriculture out of the targets of the specific policy.

Such consideration does not mean at all that this kind of intervention in rural areas is not necessary or to be hoped for, on the contrary it is crucial for the development of rural areas and also for agriculture because it can activate feedback mechanisms from rural context to agriculture.

Going back to the contents of the case studies, the sector based intervention (modernisation and investments) is strongly connected to the agricultural production, but if such intervention is properly guided and targeted, it can produce many positive externalities, according to the logic of multifunctionality. Other types of intervention, environmental and territorial measures, are gaining in importance in the planning activity of RDPs in most Member States, according to a logic of integration of objectives whose importance was acknowledged since the end of Eighties by the Commission and confirmed with the Conference of Cork. In this case, agriculture is not the centre of the intervention and it is actually set aside in favour of the diversification of activities in rural areas, the safeguard of cultural and traditional issues, the conservation and the sustainable management of natural resources and territory.

Evidence from the implementation of these policies in the case studies analysed shows that the amount of resources devoted to measures inspired by this latter policy orientation is still

limited in comparison with more traditional ones. Furthermore, such policies tend to be applied horizontally throughout the whole country/region, while in order to reduce disparities between different area type would be more appropriate to provide differentiated support. Such feature is partly linked to delivery system of such policies which is demanded to administrative bodies traditionally devoted to the implementation of sectorial intervention.

Another point worth of consideration is that it seems that multifunctionality and economic diversification of rural areas are pursued, in the cases analysed, through a strategy that ends up confusing the two objectives and mixing tools. In fact it should be noticed that such goals are very different in nature and should be pursued by focusing on different actors: farmers in the first case and all the different categories of rural actors in the second case. As a consequence, it is rather obvious that policy tools cannot be the same. To incentive the multifunctional role of agriculture it is appropriate a properly guided and targeted sector based intervention (modernisation and investments and agri-environment). To foster a more comprehensive rural development process it is necessary an integrated approach providing incentives for all the rural activities and the building of a rural capability to innovate by designing new institutions and governance models

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