



*European Network for
Rural Development*

ENRD Thematic Working Group 2

Links between Agriculture and the wider rural Economy



Connecting Rural Europe

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Links between Agriculture and the Wider rural Economy

Chairperson

Pierre Bascou - Head of Unit L1, Agriculture policy analysis and perspectives, DG AGRI, European Commission.

Members

Download the list of the TWG2 Members: [PDF [en](#)]

Mandate and specific objectives

Agreed in the meeting of the Coordination committee of 01/10/2008, the general objective of TWG2 "Agriculture and the Wider rural Economy" was to contribute of the identification and the description of the relationships and potential synergies/conflicts between agriculture and other aspects of the rural economy. These relationships are important for various types of rural territories such as peri-urban, intermediate and remote ones.

Following the meeting of 01/10/2008, the Chairman, with the support of the Contact Point, refined the Group's mandate which may be summarised as follows:

Within the overall scope of the topic, the group will aim to: identify the main links between diversification of the rural economy and farming; identify the main patterns/drivers in these relationships; assess how agricultural and rural policies can become mutually supportive to create win-win situations; identify the institutional and policy delivery arrangements able to support the positive development of farming in its rural context, and; explore and identify favourable conditions for economic opportunities and options for the diversification of income sources for farmers to be enabled.

Re. Rural Development programmes, the group will aim to identify:

- examples, good practices of mutually supportive effects of agriculture and wider rural activities;
- innovative approaches to diversification on - and off - farm and to developing mutually reinforcing relationships between farming and the wider rural economy;
- tangible examples where a healthy rural economy is associated with a traditionally strong farming sector and food chains (or the opposite).

Re. developing and exchanging broader expertise: the group may collect and develop experiences and expertise from third countries and previous Leader+ initiatives.

Activities

The Group's work programme was discussed and agreed with the members designate at a preparatory meeting held on March 2009.

The activity was organised in four steps between October 2009 and December 2010:

- Step 1: Links between the agricultural sector and the rest of the rural economy;
- Step 2: Factors and drivers influencing rural economies and their relationship with other sectors;

- Step 3: Factors and policy instruments creating synergies between agriculture and other sectors;
- Step 4: Drawing the best conditions in Rural Development Programmes (RDPs) for economic development.

Step 1 involved the selection of a set of 18 NUTS3 level rural areas from across the EU, designed to present a comprehensive coverage of various types of rural areas, including those with different levels of agricultural activity and development, as well as differences in location, geography, economic development and performance. This selection was made on the basis of a cluster analysis (a full description of the methodology used, and the results, is contained in the report TWG2 Selection of the regions and initial I/O results).

Step 2 involved an analytical assessment of how agriculture contributes to the way rural economies work through three coordinated activities:

- Comparisons of the available socio-economic data on structures and trends for the selected NUTS 3 regions.
- An analysis of the types and extent of relationships between agriculture and other sectors within these 18 regions. The interdependence analysis was based on indicators estimated from study-area-specific input-output models; these indicators assess the role of agricultural in each local economy, as a user/provider of input/output and production factors (capital, labour, land and water).
- The analysis of other quantitative and qualitative evidence that could indicate the development capacity of the regions through questionnaire-based surveys.

Step 3 involved the integration of work from Steps 1 and 2 in order to better assess the factors that determine the development potential of the regions, covering:

- The impact and relative importance of the physical, economic and social characteristics of the areas including the nature and strength of the linkages between agriculture and other rural economic activities.
- The focus and coherence of policy programmes at national, regional and local level, and the quality of institutional support enhancing or inhibiting the potential for local agriculture to support rural development.

The **Step 4** report seeks to draw up suggestions for consideration by policy makers, on how best to enable and assist, in RDP programming terms, positive conditions for economic development and diversification to develop.

An important part of the working process was the identification of relevant projects that can demonstrate the synergies achieved between agriculture and the wider rural economy, and how current RDP measures can promote and enhance such linkages. The case studies have been used to support the recommendations made in the Final Report and also to form part of the "ENRD project Database"

TWG2 activities timeline: [PDF [en](#)]