



**Thematic Working Group 1: Targeting territorial specificities
and needs in Rural Development Programmes**
Rural Typologies and their use in RDP 2007-2013: Denmark

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Connecting Rural Europe

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1. Definition of typology used in the RDP 2007-2013

The Danish RDP 2007-2013 covers the whole of Denmark. However, the Danish authorities used an alternative (to that of OECD) classification system for rural areas. This specification of different types of rural areas ultimately aims at the demarcation of the RDP's Leader initiative (Axis 4), through indicating the "rural development scale" for Danish municipalities following the 2007 local government reform.

The Danish classification system was based on 14 indicators, selected in order to describe the structural, economic and demographic situation in the 98 Danish municipalities, and define areas with specific development needs that can be served by RDP. These 14 indicators were equally weighted and are:

- proportion of the municipality's area in rural zones;
- population in rural areas and towns with less than 1,000 inhabitants;
- population per Km²;
- population trends, 1994-2004;
- employment trends, 1994-2004;
- average distance to areas with a high surplus of jobs, 2004;
- jobs in proportion to employees (dependence on commuting);
- percentage employed in agricultural enterprises;
- taxation base per capita, 2007;
- percentage of the workforce with medium-cycle or tertiary education, 2005;
- percentage of the workforce with basic schooling, 2005;
- average distance to a motorway;
- percentage of the population aged 25-44 years;
- percentage of the population aged 17-64 years.

By using these indicators, the 98 municipalities were divided into four different classes (Figure 1):

- a) Peripheral (16 municipalities);
- b) Rural (30 municipalities);
- c) Intermediate (17 municipalities);
- d) Urban (35 municipalities).

Indicatively, peripheral municipalities were defined through a threshold index value of below 27. These 16 municipalities had the lowest score in relation to the 14 indicators. The first three classes (a – b – c), a total of 63 municipalities, were defined as Rural for the purposes of the RDP.

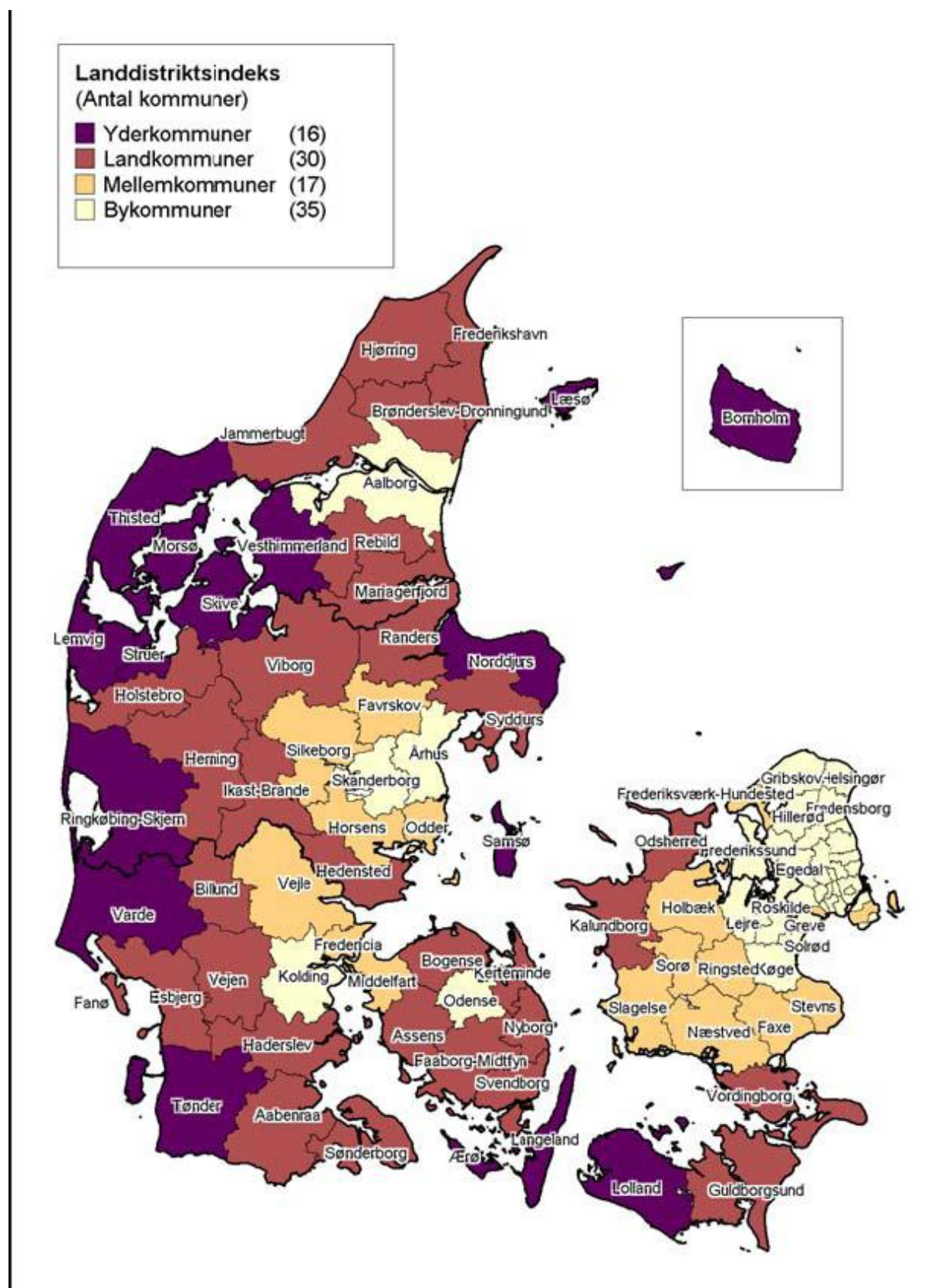


Figure 1: Rural municipalities in Denmark according to the RDP classification (Code Yderkommuner = Peripheral; Landkommuner = Rural; Mellekommuner = Intermediate; Bykommuner = Urban).

2. Factors captured by the typology

The aim of the Danish rural typology was to specify rural areas “where the need to boost development is the greatest”. As already noted, this classification system first aimed at identifying rural areas which have specific development needs, which are in turn, recognized by specific rural policy initiatives. Consequently, the classification led to the demarcation of the RDP’s Leader initiative (Axis 4) and the establishment of LAGs in peripheral, rural and intermediate municipalities. LAGs in intermediate municipalities are not allocated a budget from the ministry of agriculture, food and fisheries and are therefore required to find alternative sources for the national public funding as the classification showed that the need for RDP support is greatest in peripheral and rural municipalities.

With this aim in view, the typology was based on:

- Seven demographic indicators associated with population levels and evolution, population structure and educational skills.
- Four economic indicators on employment trends and structures, and taxation.
- Three structural indicators on the extent of rural zones and distances to motorways and surplus-jobs areas.

In general, these indicators are judged to well-reflect the development context and trends of Danish municipalities and have been widely applied in other similar (i.e. typology) exercises. Perhaps the absence of environmental indicators is worth noting, but this is probably due to the fact that such indicators are usually specific to official Community and/or National definitions and mainly related with RDP Axis 2 and “core” Axis 1 measures.

The identification of development needs of Danish rural areas is arguably the first aim of this typology. However, the second and possibly more important aim of this classification passes through the recognition that different types of rural areas in Denmark need different approaches associated with policy design and delivery. Within this context, the 63 peripheral, rural and (to a less extent) intermediate municipalities are recognized to have entered a structural adjustment phase. Thus, policy initiatives should be dynamic, innovative and versatile, and induce the “re-generation” of rural areas which are attractive for both population and business development. Hence, it was recognized that development efforts should facilitate the participation of individual initiatives in a coherent overall strategy, which cannot be uniform, as area-specific needs, constraints and opportunities are different.

Within this context, it was decided that the Leader approach which is based on local influence to determine local development strategies will be implemented in these three municipality types. Measures associated with Axis 3 and (marginally) Axis 1 were to be applied under the Leader approach.

3. Use of the typology in the application of RDP measures

As noted, the typology was used to define four different types of rural zones and make three of these zones (i.e. peripheral, rural, intermediate) eligible for the creation of LAGs and the implementation of Axis 4 measures. Within these three zones, the RDP provides that “A local action group must cover at least the geographical area of a municipality. The area must have a minimum of 5,000 and a maximum of 150,000 inhabitants. In specially justified cases, the DFFE may grant exemptions from these criteria, including in connection with the setting up of

local action groups for a number of small and medium-sized islands". In total, 50 LAGs are expected to be established and supported.

Policy needs specific to these three zones are not specified in the RDP. However, the RDP SWOT analysis states opportunities and challenges related to Axis 3, such as:

- maintain and generate more local jobs in rural areas;
- promote local niche products;
- promote development of local initiatives;
- promote natural, cultural and recreational assets;
- promote distance learning, teleworking and the use of new digital technology in both the private and public sectors;
- reinforce local solidarity and cooperation;
- discourage outward migration;
- promote opportunities for young, well-educated people to move out from urban areas;
- improve quality of life and create greater cohesiveness; and
- reinforce local skills, decisions and commitment.

In these three zones it was decided that the following Axes 3 and 1 measures will be exclusively implemented through the Leader approach (see Table below).

Measure code	Activity	Public cost	Total cost
123b	Adding value to agricultural and forestry products – sub-measure on Investments aiming at creating new jobs	6.4	16.7
311	Diversification into non-agricultural activities	6.4	16.7
312	Business creation and development	3.2	8.3
313	Encouragement of tourism activities	12.7	33.4
321a	Basic services for the economy and rural population – sub-measure on the establishment of commercial & business services & leisure activities	19.1	50.1
322	Village renewal and development	9.5	25.0
323c	Conservation and upgrading of the rural heritage – sub-measure c	6.4	16.7
41	Implementing local development strategies*	63.6	166.9
421	Implementing cooperation projects	0.001	0.001
431	Running the local action group, acquiring skills and animating the territory	14.1	14.1
	Total Axis 4 budget	77.7	181.0

* Total of Measures 123 to 323c.

In total, the Leader approach (Axis 4) budget amounts to 181 ml EUR (14.7% of RDP total cost), while public funding amounts to 77.7 ml EUR (9.4%). Around 1250 projects are planned to be financed, creating 344 new FTE jobs.

The RDP **does not** specify different rates of public aid amongst peripheral, rural and intermediate municipalities. Measures 311, 312 and 313 are exclusively implemented through the Leader approach and focus on the creation of jobs. In terms of measures aiming at improving quality of life, in the case of measure 321, only the sub-measure on establishing

basic services including commercial and business services and leisure activities is implemented through Leader¹. Measure 322 is exclusively implemented through Leader. Only action on the conservation and upgrading of the rural heritage (measure 323) is implemented through Leader². Measure 331 (training and information) is also centrally administered. In terms of Axis 1, a small "proportion" of measure 123 (in terms of financial weight, as it represents 11.4% of total funds specific to this type of action) is implemented through Leader. As in several Axis 3 measures, the aim of measure 123 is to create new jobs through investments aiming at the improvement of efficiency in the processing of agricultural and forestry production.

Last, but not least, the typology is used in a way that leads to the enhancement of complementarity between EAFRD, ERDF, ESF and EFF, and the attainment of synergies between measures, in the context of the wider effort to reinforce territorial coherence. In Denmark, projects which are eligible for support under several regulations can, in some cases, receive support from several funds. Enterprises involved in the food and forestry sectors can gain support not only from the RDP but also, for example, for innovation and skills acquisition under the ERDF and ESF. The most striking example is the link to the Fisheries programme, funded by EFF. Where an area dependent on fisheries coincides with an RDP Leader area, a single common LAG may be set up on the islands or by special request. It is the LAG's responsibility to ensure that projects financed under the EFF programme and the RDP are kept separate. On the other hand, the RDP does not provide quantified assessment of needs, nor details on the allocation of funds to specific types of territory, nor information on spending plans in the defined "rural" territories under ERDF, ESF or EFF.

¹ Sub-measures aiming at the generation of leisure activities for children and young people and projects on leisure and cultural events in rural areas are centrally administered.

² Sub-measures for state acquisition of land and planning of nature and environment projects are centrally administered.