

POLICY IMPLICATIONS

The analysis of the RDPs and other programming documents in six of the eighteen regions originally selected allowed the extraction of some important policy implications.

- While some rural development programming documents make reference to the importance of re-enforcing the links between agriculture and rural development, they are far from consistent in their approach. In addition, they are often not coherent in terms of how the stated aims feed through into the priorities/objectives and measures.
- Only a limited degree of complementarity has been found between EAFRD and other funded programmes - at EU, national and regional level - making it difficult to fully integrate the use of the available financial resources in rural areas. Rural development policies should focus on developing and facilitating more integrated responses to the complex challenges that most areas are facing, in particular to exploit better the relationships between upstream and downstream economic sectors.
- To improve the programmes' implementation, modifications in measure selection criteria could be made to explicitly recognise the links between agriculture and other sectors. For example, the specification of high scores in case of economic diversification projects which commit to establish links with local agricultural activity - where clear multiplier effects can be generated (e.g. new jobs, enhanced incomes, etc.) - or a better targeting of environmental objectives are two options in this regard. The design of projects could be improved through more effective provision of technical support to potential investors to enhance both the viability of the project and its links with local agriculture and the obligation to submit a marketing plan, where possible.



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THE AGRICULTURAL ECONOMY OF RURAL AREAS

Thematic Working Group (TWG) 2 on
Linkages between agriculture and the wider rural economy



European Commission
Agriculture and
Rural Development



European Network for
Rural Development



ENRD THEMATIC WORKING GROUPS

Rural development is a wide and complex topic with many different themes and areas of interest. In order to ensure that rural development issues are understood and promoted across Europe "working groups" of experts have been established within the ENRD. They present a detailed analysis of relevant themes, with a strong Europe-wide dimension and the overall aim of increasing knowledge and ensuring a greater effectiveness in the current and future delivery of EU rural development policy.



THEMATIC WORKING GROUP 2 – OVERVIEW

Thematic Working Group 2 was set up in March 2009, to analyse links between agriculture and the wider rural economy¹. Its main aim was to identify and describe potential synergies and/or conflicts between agriculture and the rural economy in different EU rural areas. The working group, chaired by the Commission (Directorate General for Agriculture and Rural Development—DG AGRI) and comprising national experts, steered the analytical work, which focused on:

- the input/output analysis in eighteen small regions (NUTS 3¹) representing different types of rural areas in the EU;
- the screening of six 2007-2013 rural development programmes (EAFRD) and other programming documents related to the selected regions.

1. NUTS stands for Nomenclature of territorial units for statistics, and the NUTS 3 level regions are described as "small regions for specific diagnoses"

FINDINGS – MAIN FACTORS INFLUENCING THE LINKAGES

The results of the input/output analysis in the eighteen regions demonstrated that links between agriculture and the rest of the local/regional economy are generally stronger and more positive than might be inferred from statistics, where often agriculture has a low share of local GDP or employment. Agriculture is identified as a "key factor" in the local economy in 14 out of 18 regions studied, with especially high links with food processing, hotels and catering and trade.

Important factors influencing links between agriculture and other sectors include:

- natural advantages (land quality, climate, local tourist attractions);
- the existence of infrastructure;
- the overall strength of the national economy;
- the level of education, training and entrepreneurial potential of the local population;
- access to funding support, particularly related to the complexity of application procedures, the scale of funding and the speed of decisions.

