

Rural Development and LEADER in the Europe 2020 Strategy

**Sustainable Growth in Rural Europe:
engaging local communities is essential!**

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Chair of the OECD Rural
Working Party

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Growth - the goal of CAP reform and the EU 2020 Strategy

- Communication from the European Commission highlights reasons for CAP reform:
 - to better address the challenges of
 - food security
 - climate change and sustainable management of natural resources
 - looking after the countryside and keeping the rural economy alive
 - to help the farming sector become more competitive and to deal with the economic crisis and increasingly unstable farm-gate prices
 - to make the policy fairer, greener, more efficient, more effective and more understandable
 - to contribute to the *EU2020 Strategy* in terms of
 - Smart growth
 - Sustainable growth
 - Inclusive growth

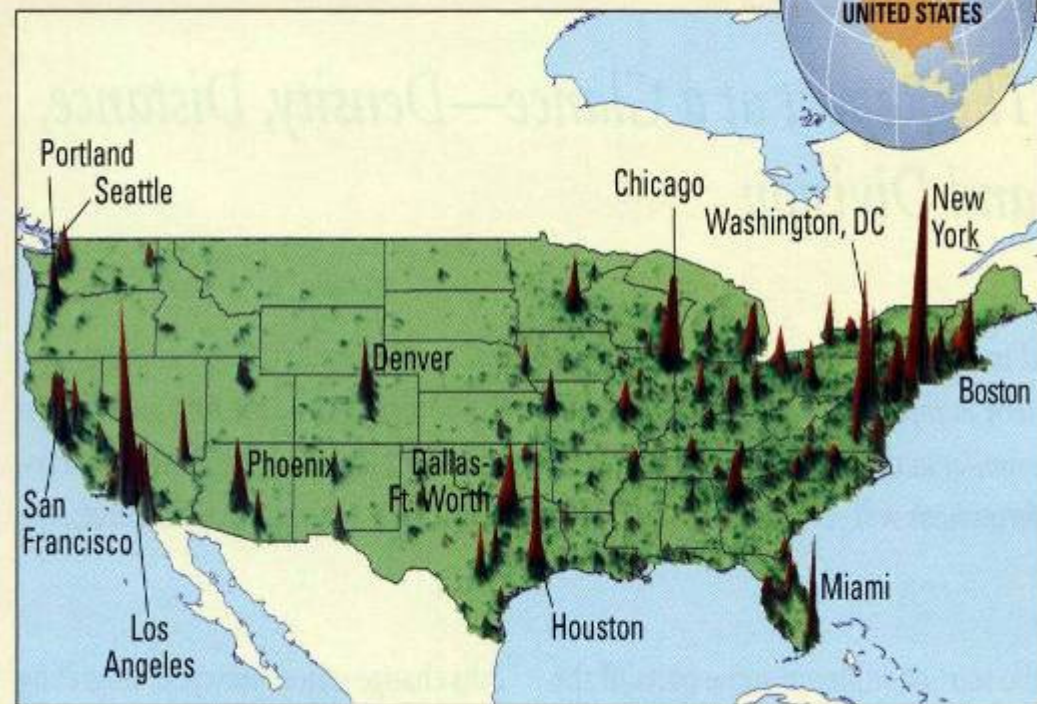
How relevant is rural growth anyway?

Map G0.1 Density—why it pays to be close to Tokyo
Economic production per square kilometer in Japan



Source: WDR 2009 team and World Bank Development Research Group based on subnational GDP estimates for 2005. See also Nordhaus (2006).

Map G0.2 Distance—why Americans must be mobile
Economic production per square kilometer in the United States



Source: WDR 2009 team and World Bank Development Research Group based on subnational GDP estimates for 2005. See also Nordhaus (2006).

Common policy threads from OECD analysis and rural strategy

- Rural economies in developed countries are largely similar to urban regions, for example in types of employment, given the increasingly small slice agriculture represents
- Below the aggregate level, there are different types of activity, skills utilized, value-added, wage levels and organizational complexity.
- Crucially, urban and rural places are linked by goods and services provided – sometimes better to measure regional economies rather than try to separate rural and urban activity and treat them as separate
- Principle = invest in local assets, people's skills, and products and services - preferably those which can't be easily replicated elsewhere
- One big set of rural assets is the “essentials of life” – the things produced rurally that people in urban as well as rural areas depend on

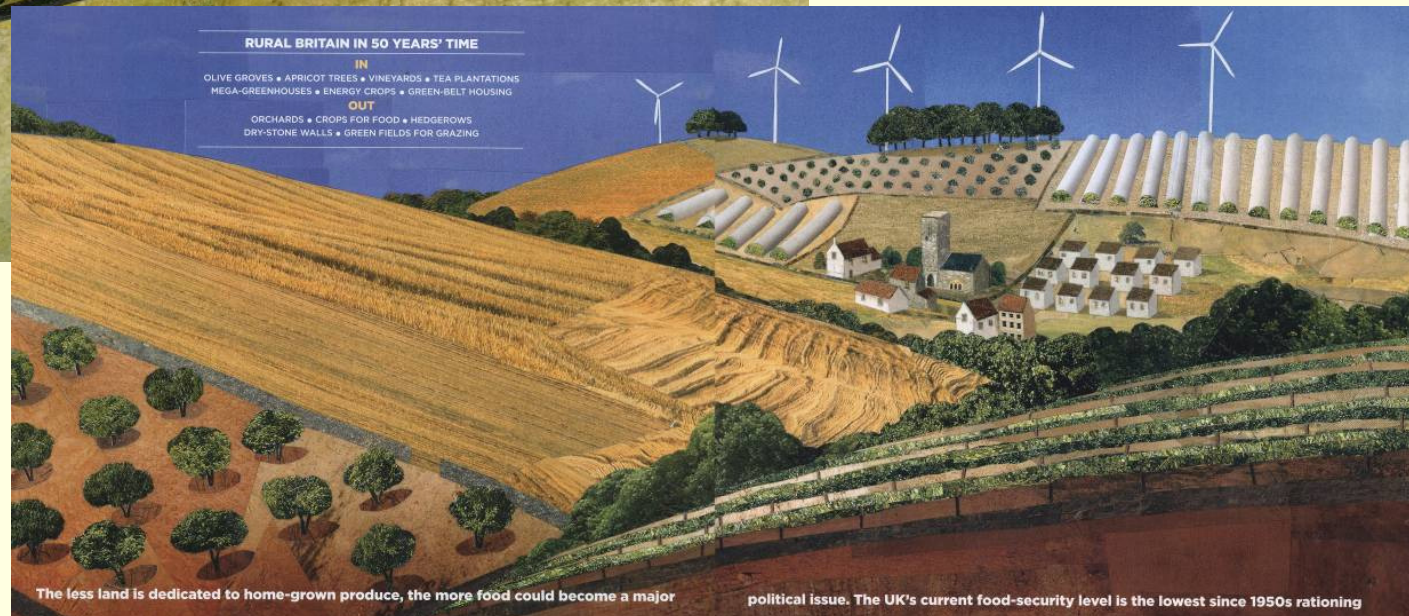
What essentials of life can rural areas offer the wider world?

- Quality food at a fair price
- Clean water supply and dirty water treatment
- Renewable energy supplies; energy security
- Ecosystems services – expanding forests and capitalising on biodiversity
- Climate change adaptation, slowing the pace of increased flood flows
- Cultural assets and countryside for enjoyment
- A good environment for aging populations; people with more time; people with new skills
- Space for urban expansion

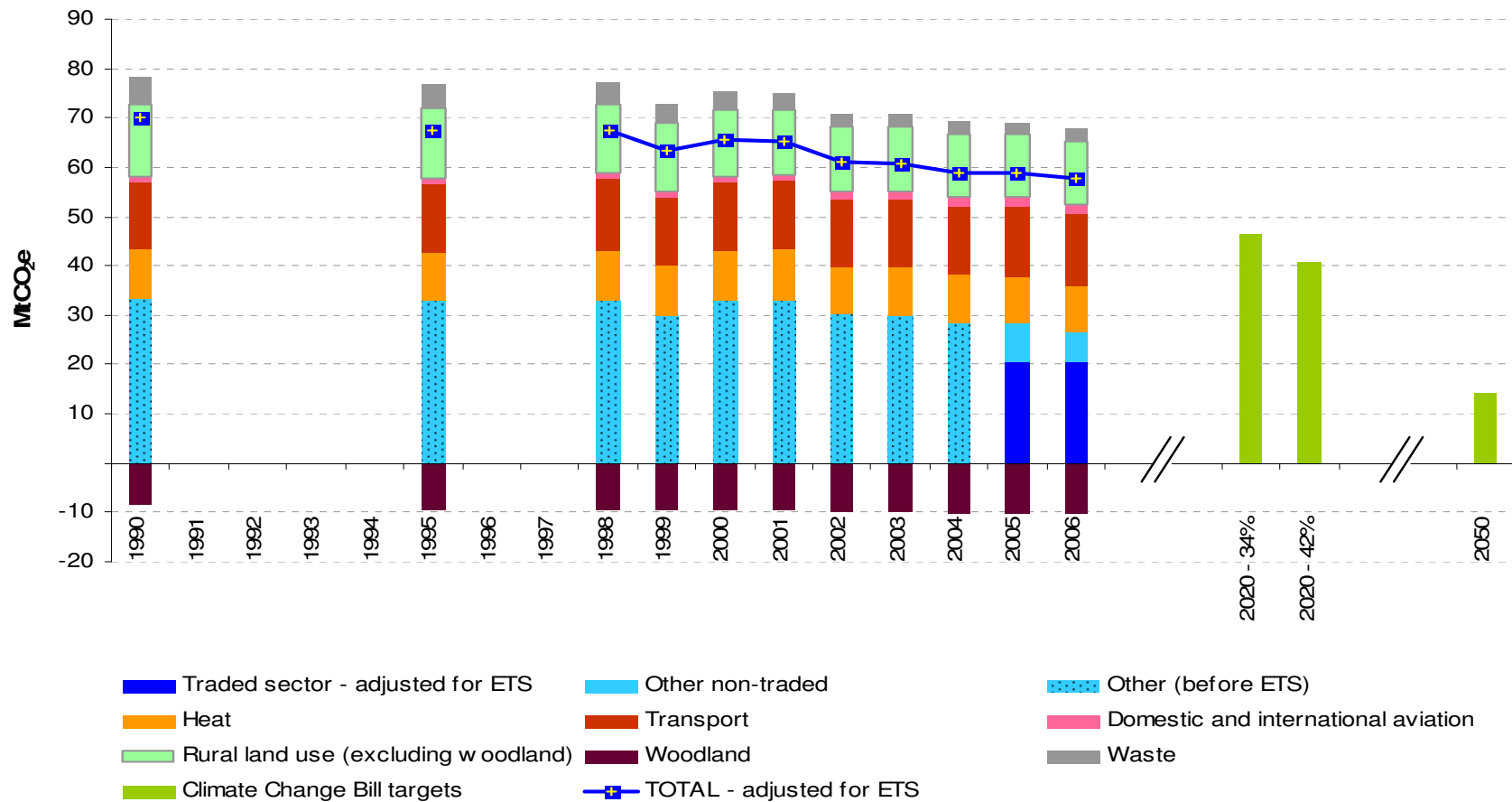
Rural sustainable growth – according to the European Commission

- maintaining the food, feed and renewable production base
- ensuring sustainable land management
- providing environmental public goods
- addressing biodiversity loss
- promoting renewable energies
- fostering animal and plant health
- increasing resource efficiency through technological development and using results of research
- further reducing emissions
- enhancing carbon stocks
- fully developing the potential of rural areas

Sustainable growth brings rural renaissance?



Mitigating Climate Change



Scotland's Greenhouse Gas Emissions: 1990, 2006, and 2020 and 2050 Targets

The challenge of growing more food

- 35% more food production needed by 2030 ; 70% by 2050
- Growth in demand for meat means more land needed for same output
- Little new land for cultivation
- More land lost to city sprawl
- More land lost to coastal retreat
- 2degC temperature rise means big yield drops in China (12%), Africa (17%) and India (2-5%)
- Less rain; more flooding (especially in Asia given change in Himalay asnow cover)
- Cities take more of the water, while less is available from some river systems

At the same time food growing must be:

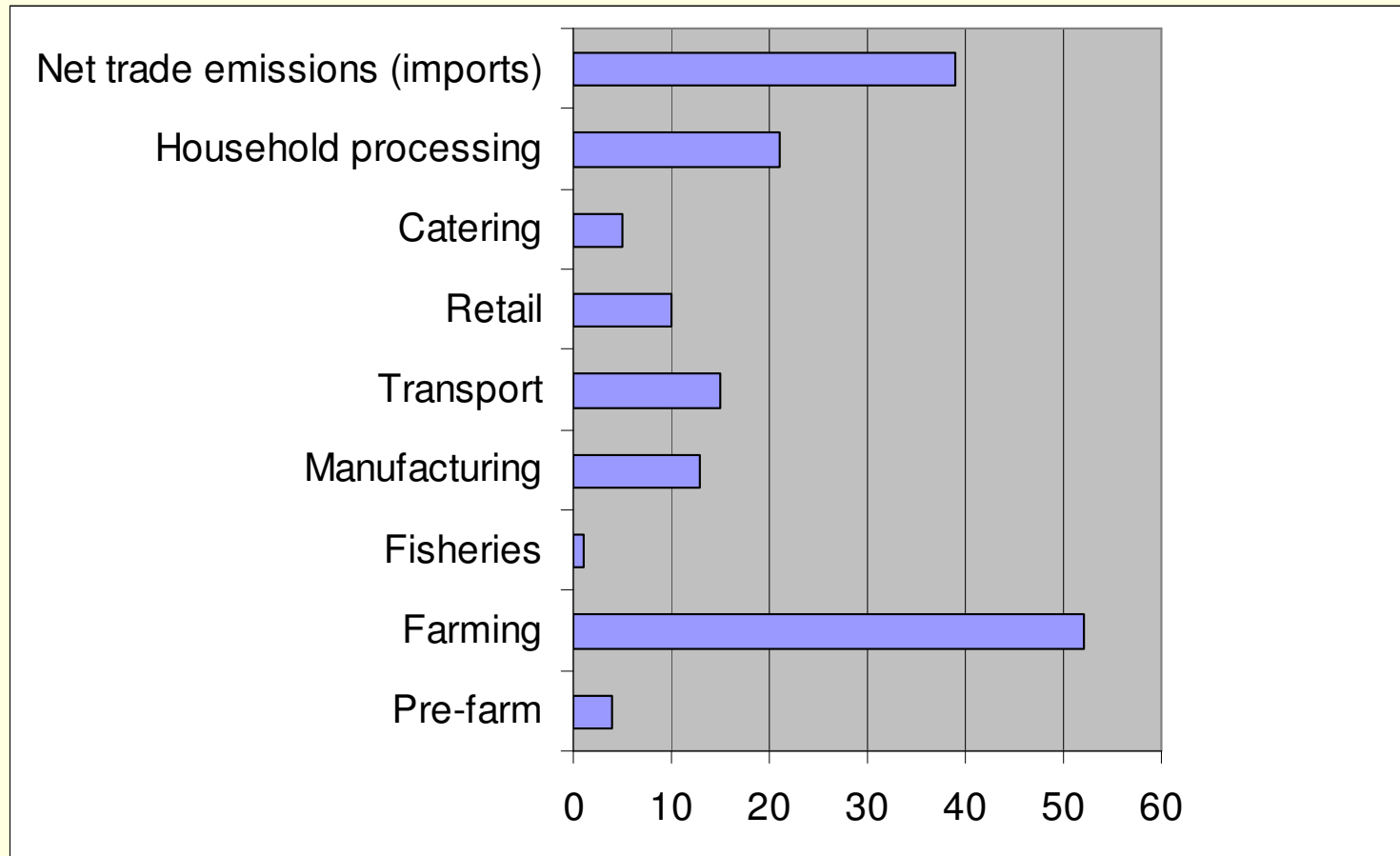
- less greenhouse gas intensive (7% of UK emissions; 10% of Canada emissions)
- Less groundwater polluting (ie less fertiliser)
- Biodiversity friendly
- Ready for food trade wars, in the name of food security
- Meet higher standards to prevent zoonoses

Low carbon agriculture

■ Requires:

- sustainable intensification – agriculture and environment together
- Low and no-till cultivation
- Development of new crop varieties and livestock
- Readiness to transfer rights to use latest bio-technology
- Enhanced human and social capital
- Careful decisions about mechanisation versus smallholder mobilisation
- Locking away more carbon in trees

Carbon equivalent emissions from the UK food chain



Water Demand



- 2,000 to 5,000 litres of water required to produce enough food for 1 person/day
- Agriculture accounts for 70 percent of global water use

Rural renewable energy



Renewable energy alongside farming

- Anaerobic digestion
- Biofuels
- Hemp etc

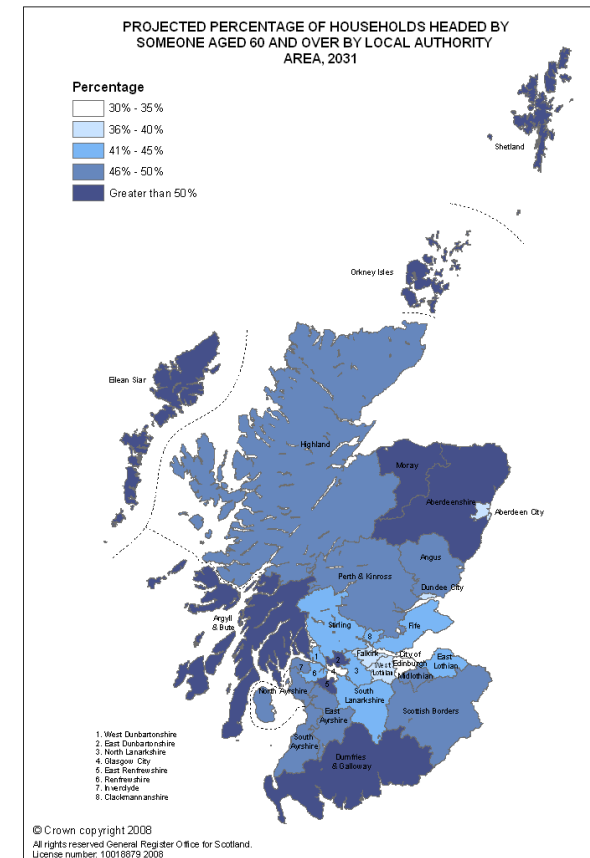
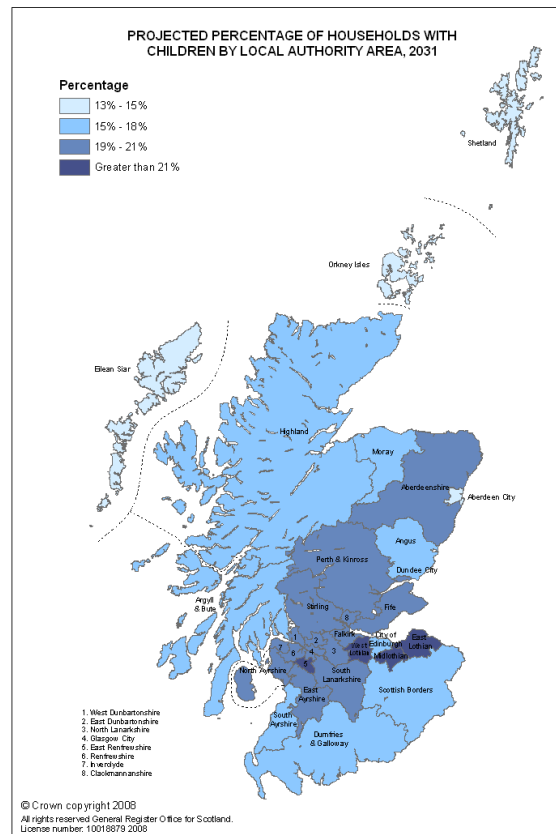
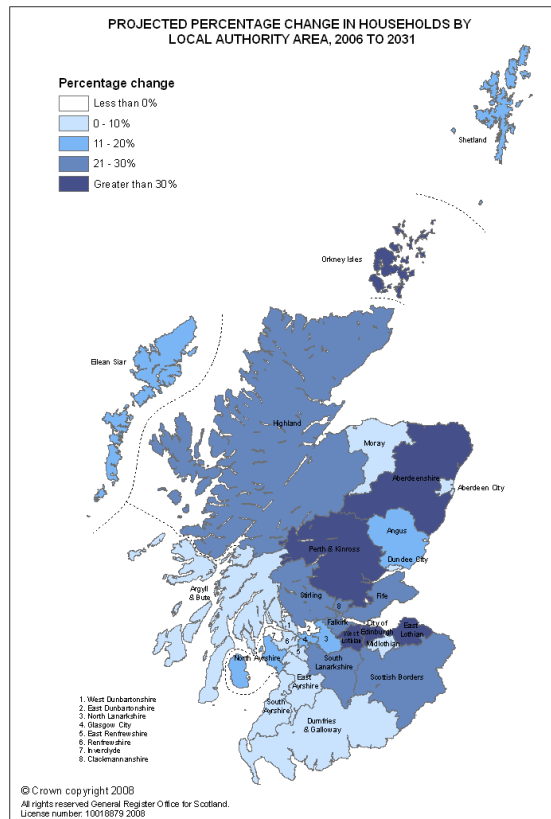


Projected household growth to 2031 ...

overall,

with children,

headed by over-60s



Green growth; what can rural areas offer the wider world?

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Scottish Community Action Programmes



Vital villages in England



A potted history of communities and local government

- Almost 1000 years of boroughs and parishes
- 1800s: urban boroughs and rural districts
- Ever larger local authorities and ever stronger national rules
- Rural community councils
- A parish renaissance
- The role of small incentives – vital villages, parish plans, climate challenge fund, community right to buy ...

LEADER as Europe's "BIG SOCIETY"?

- “In *Total Politics* I argued against the centralism of the past decade, showing how Whitehall micro-management was undermining frontline professionals, disempowering citizens and frittering away taxpayers’ money on inspection, target-chasing and bureaucracy.
- I argued instead for genuine power to reside at a local level, and for local authorities and frontline professionals to have wide discretion in shaping public services
- I wanted to see an end to the division of Britain into a minority of people who “do” government and a majority who have it done to them
- Everyone should have the opportunity to exercise influence
- This is the essence of the Big Society”

Rt Hon Greg Clark MP; UK Minister for Communities and Local Government

LEADER Conclusions on a single page!

- Climate change, population growth and energy security offer green growth rural **opportunities** as well as **challenges for rural areas**
- Food, forestry, water, renewable energy and biodiversity are **essentials of life** for city dwellers; rural communities can **benefit** from providing them
- Global agricultural production **can** grow 40% in 20 years, as it must to alleviate hunger and poverty; needs **investments** in science/research, promoting better practice, carbon management, disease control, irrigation, water treatment and transport infrastructure
- Properly priced rurally sourced essentials of life can be the lifeblood for **vibrant communities** where younger people want to stay, innovate and diversify, and no longer need to migrate
- Those communities require **investment in rural services and infrastructure** to make whole regions work well (roads, education, broadband IT, electricity grid)
- **Innovation, science and technology** will be critical – eg biotechnology, renewable building products, advanced water capture and more intelligent irrigation
- Governments of all kinds should put in place regional strategies and planning for sustainable land use - based on **natural resource productivity** – measured consistently globally
- Land managers should earn returns from both **directly marketable products** (food, renewable energy etc) and **ecosystems services** (eg biodiversity, water protection, sequestration etc); with international consistency in regulation/incentives for **fair trade**
- Consumers/procurers themselves need sound, science based information for **responsible purchasing** if the market is to drive the outcomes desired
- **Community engagement and empowerment will be crucial**
- **LEADER** is increasingly well tested and suitably freed of bureaucracy, and given full coverage over rural areas, **should be more involved in Rural Development funds generally rather than being limited to a community pot**