

Like Midwest, E.U. states trying new rural development strategies

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What can policymakers do when large segments of the rural parts or their states or nations are faced with unemployment or encroachment from urban areas?

It is a policy dilemma familiar to state legislators in the Midwest. And in Europe, policymakers are searching for answers to the same question.

Just as in the United States, where more than 90 percent of agriculture producers now rely on off-farm income, farmers in Europe increasingly rely on diversified local economies to prosper.

In some areas, particularly those where collective farms employed many more people than are needed in modern agriculture, the needs are even more acute. Unemployment in rural parts of eastern Germany, for example, exceeds 20 percent.

Rural economic development, then, is a shared concern, one that comes with many challenges and policy alternatives for lawmakers.

A look at some of the strategies being employed by the European Union and its member states can provide lessons to legislators here. It also reveals similar trends in rural development policy.

Just as in the Midwest, the E.U. has developed programs that encourage local leadership in communities, take advantage of local strengths and tourism opportunities, and promote local government consolidation and cooperation.

Leading by example

The E.U. and its member states have taken a three-pronged approach to rural development:

- help the agriculture sector (with more-effective support and marketing programs);
- diversify the economy (by encouraging value-added agriculture, for example, or making the road and other infrastructure improvements needed to attract new businesses); and
- improve the quality of life in rural areas (with new land-management initiatives).

Through the E.U.'s LEADER program, the decisions on how to meet these overarching objectives are being made at the local level.

LEADER provides funding for what essentially are local economic development organizations, which, in turn, must develop plans and coordinate projects that focus on the future prosperity of their communities.

A majority of membership in these groups is reserved for nongovernment officials.

"As with most successful economic development programs, the communities develop local solutions for local problems," Urszula Budzich-

Global impact: E.U.'s rural policies examined

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Ilene Grossman, assistant director of CSG Midwest, received a fellowship from the GMF to study agriculture and rural development policies and trade. Her first article looked at changes in European agriculture policy. The second examines emerging rural development strategies in Europe.

Szukala of the Polish Rural Forum says. "Many local communities in Poland [prior to LEADER] had a passive attitude. They expected the government to do things for them."

The program also has a networking component, which E.U. officials say is important to its overall impact on rural development in Europe. Through a magazine and Web site (<http://europa.eu.int/comm/leaderplus>), participants can transfer knowledge within their countries and across borders.

E.U. officials describe the program as a "laboratory" for local leaders to pursue ideas that:

- make the best use of natural and cultural resources,
- add value to products and facilitate greater access to markets among smaller producers, and
- employ new technologies that make an area's products and services more competitive.

Petra Raue, a researcher with the Institute for Rural Studies at Germany's Federal Agricultural Research Centre, says the program's organizational model — locally based and requiring input from various sectors of the community — has been the key to its success.

"[It] brings different actors together, and this dynamic brings about innovative ideas," she adds.

With the help of LEADER and other contributions from member states, local groups have worked to promote agro-tourism and build regional identities.

In Poland, for example, one community used a single dinosaur print found in the area to encourage economic development. It built a theme park based on dinosaurs and saw tourism increase to 80,000 people annually.

Another region in that country decided that it

could attract visitors by cleaning up its river, dredging the channel and purchasing rafts. The area now successfully promotes itself as a destination for rafting trips.

Communities in transition

Few E.U. nations have come to rely on the agricultural economy more than France. Europe's top producer in this economic sector, France accounts for 20 percent of the continent's farm production. Throughout this country, too, in big and small cities, there remains a strong attachment to rural areas and the fresh, unique products (such as regional wines and cheeses) that they produce.

But France's rural communities are not immune to some of the global trends in agriculture. Each year, for example, the country is losing between 2 percent and 5 percent of its farmers. These forces have led policymakers to help rural areas in several ways.

One strategy is to encourage young people to stay on the farm and keep land from being bought up by large farming operations.

Through direct assistance and low-interest loan programs, new agriculture producers can receive help in all aspects of farm management, from putting together a business plan to obtaining equipment. In addition, the local commissions that help determine when farmland is sold, and who can use it, are expected to give preferential treatment to young farmers.

A second strategy is to bring more jobs to the community through value-added agriculture. In the Brittany region, for example, food processing has become an important part of the economy.

Meanwhile, France is attempting to address the costs associated with supporting so many different rural communities.

"The French approach has been to provide all basic services through [the national] government," says Laurent Mary, who oversees rural development policy for the Ministry of Agriculture and Fisheries.

This top-down approach has involved providing nearly every small town with its own school, police, utilities and health care — all of which add up to a tremendous expense for the national government.

Now, self-sufficient regional administrative units, known as *pays*, are being developed. Through *pays*, small communities share tax collections and support larger, regionally supported schools.

This consolidated structure also helps with rural development. Rather than having numerous small towns competing for industry, they now are working together to bring in new business and develop regional transportation systems. ★