

**Regional Studies Association
Annual International Conference
Sunday 17th - Wednesday 20th April 2011
Newcastle upon Tyne, UK.**

Session D3: Patterns of Rural Change and Rural Cohesion Policy (ESPO)

**The evolution of EU Rural Policy:
linkages of Cohesion Policy and Rural Development policy**

Thomas Dax¹, Petri Kahila² and Lisa Hörnström²
1 Bundesanstalt fuer Bergbauernfragen, Wien, Austria
2 Nordregio, Stockholm, Sweden

ABSTRACT

Rural policy has emerged from the early 1990s on as an increasingly relevant policy field. This chapter takes account of different policy perspectives on rural development and addresses the shifts in conceptual, institutional and organizational terms of rural development policy implementation. It reflects the reformulated policy rationale which rejects the idea that regional problems are problems of particular types of region but seeks to identify opportunities for rural regions and to support them in realizing their potential.

In this approach we draw on a synthesis of research undertaken as part of the ESPON EDORA (European Development Opportunities in Rural Areas) project focusing on the policy implications associated with main economic and social drivers, as well as future perspectives of regional development, and the emergent recognition of a wide set of local assets. Moreover, results from the EU study RuDI (Assessing the impact of rural development policy) on the development and current policy rationales and implementation styles at the member State level are used as an important reference for assessing the available evidence on policy performance, particularly of the Rural Development Programmes.

However, we have to move beyond the current policy framework to avoid the limitation by conventional views, appearing as influential stereotypes and gaining a persisting relevance through the high degree of institutional inertia in policy development. It is the crucial question whether something like a new approach in EU rural policy can be identified. We argue that whilst there has been an evident shift in the nature and content of rural policy for some time, the real strategic change has not occurred. Initially rural policy was intrinsically connected to agriculture and limited rural development actions were geared to CAP market measures. But rural policy can be considered as a part of cohesion policy and, actually, the development of regional policy has clearly influenced the EU's approach to rural policy. However, rural policy developed into a separate policy field which requires clarification on its potential scope. More recently it has been more and more understood as a reflection of more general and higher level objectives of the EU, requiring increasingly the application of a territorial approach.

The analysis presented in the chapter underpins that the linkages between theory and practice in Rural Development Policy have remained very partial until now, while new perspectives for the policy field become visible by and by. These divergent views have been addressed in different "meta-narratives", which tend to be still largely ignored by the general discourse and decision-makers. Meta-narratives also refer to changing rural

characteristics that necessitate a territorial approach paying attention to diversifying constraints, opportunities and demands in rural areas.

In the discussion regarding the implications of drivers of rural change, future challenge and the current policy debate, in particular with regard to the Fifth Cohesion Report, the up-date of the Territorial Agenda, The Europe 2020 strategy, including Dg Agri's "CAP towards 2020" document, we aim at taking account of the emerging model of regional development, focused on the place-based potential and local participation in addressing these assets. The chapter will thus conclude on recommendations how the on-going policy shift might address rural changes and needs, and increase the impact on the main drivers for rural development.

1. Introduction

The challenge of supporting and promoting appropriate economic, environmental and social change in rural areas has long been a concern for European policy. From the earliest days of the European Economic Community (EEC), the 1957 Treaty of Rome established a framework, which put agriculture and its modernization at the heart of rural policy. But this single sector focus turned out to become costly, as after achieving very soon self-sufficiency of agricultural production severe excesses of surplus production occurred in many European countries. At the second half of the 1980s, together with escalating environmental and social changes, that jeopardized the values and attractiveness of large parts of the European countryside, these excessive costs led to a reform spirit for new approaches towards an adequate rural development policy.

Since then, over the last two decades rural development has emerged as a significant policy field and has attracted increasingly public attention. The policy recognition reflects the spatial patterns of differentiation and the relevance of rural change which includes significant implications for regional and national, social and economic development. These changes contributed to a more serious discussion of "rural areas" and simultaneously an intuitive recognition about the vague notion of "rurality" itself.

Due to the nature of rural development policy, being firmly attached to the agricultural sector and only temporarily integrated into regional policy programmes or other policies, the emergent discussion had only a very limited impact on actual policies. Theoretical considerations on the need for rural action and practice of rural development have remained quite far apart. This also translates into a substantive confusion about the appropriate institutional alignment of rural development and a great diversity of policy application between countries and regions. With highly controversial perspectives on policy reform orientations very different "schools of thought" have been referred to as backdrop to respective policy strategy, design and delivery. By presenting multifunctionality of agriculture and diversification of farm households as major aims of agricultural policy, the inclusion of innovative strategies and the orientation towards "rural amenities" within existing agricultural programmes was strengthened and the close sectoral attachment of rural development to the CAP continued to persist longer than anticipated by the academic discourse.

Still many issues and conflicts in the focus and implementation of rural policies remain contested. Besides the inherent large variance of perspectives and stakeholder views, additional differences in strategic and application issues have been increased by the enlargement to a 27-member Union, with vast disparities in rural character and viability between Member States and regions. At the same time, the nature of the rural development policies that relate to the specific local contexts, will need to adapt to external challenges and inter-regional relationships, as exemplified by increasing global competition, and, on the other hand, will have to focus their strategies towards valorizing the unique environmental and cultural assets of rural regions.

We have to pay attention to the fact that regional policy focuses in most cases on a particular administratively defined spatial unit (of a micro/meso-scale level), whereas the CAP and rural policy implies a more functional flexible and sectoral approach. In this sense, the CAP and rural policy comes closer to pursuit of territorial cohesion. Such a flexible approach of these two (main) policies allows grasping better positive and negative spill-overs and improving connections between regions as well as cooperation. Especially for rural development policy the interest towards social inclusion is an inherent policy feature as regional policy tends to emphasize competitiveness and innovation aspects. Besides, rural development policy comprises a clear approach towards partnership and participation, through which social inclusion is promoted.

Despite significant differences of the approaches in regional policy, rural policy and the CAP, the political commitment in all these policy areas is bound by economic realities of enhancing European economic competitiveness. Competitiveness does not solely refer to regional policy formation but more and more also to rural policy and the CAP. The Lisbon strategy put a specific stress on enhancing social cohesion, but it gave a distinct priority to competitiveness (Thompson and Ward 2005). The EU has been hesitant to reform the CAP and just very recently continued considerations on further steps to reform of the CAP mainly due to rising concerns about considerable costs of the CAP in the enlarged Europe and also because of growing pressures from WTO regulations.

Conventional rural policy beyond the CAP has been based on Keynesian logic for national support in lagging regions to promote balanced economic welfare. Lagging regions were considered as a hindrance to national economic development, and therefore, they were justified to receive national support on infrastructure and economic development (Warner and Pratt 2005). The starting points in the Keynesian economic model have been changed. Policy nowadays concentrates increasingly on growth centres and some analysts discern a declining attention to lagging regions. As a result, the context of the rural development policy in the European Union is the need to simultaneously pursue competitiveness and celebrate social inclusion. Social cohesion and territorial cohesion have thus critical importance in European discourse of positioning rural development policy in the interference of regional policy and CAP. Although competitiveness poses a main policy rationale and a challenge for sustainable development and social inclusion, a market-oriented approach cannot be the sole concept when dealing with the issue of social inclusion. The challenge for rural policy is therefore how to make social inclusion a realistic policy objective in relation to competitiveness.

The EDORA project has undertaken a thorough review of the underlying driving forces, different perspectives on regional development processes of rural regions and the relevant policy evolution. It engaged in the discussion of our views on rural development and highlights that we have to break out from “trodden path” in the assessment and discourse. The paper aims to synthesize important elements of the project findings and in the final sections points to principles for a future Rural Cohesion Policy that is based on the available evidence on regional performance and takes serious the objectives of territorial cohesion.

2. Rural development: An evolving policy concept¹

The origins of the structural policy for Europe’s countryside within the Common Agricultural Policy (CAP) can be seen as the antecedent to rural policies. Already at the beginning of the CAP modernisation of agricultural structures was conceived as a necessary accompaniment to the market policy and vital for the proper functioning of agricultural activities impacting on the development of rural areas. The foundation text of the CAP stated that

“In working out the common agricultural policy ... account shall be taken of the particular nature of agricultural activity, which results from the social structure of agriculture and from structural and natural disparities between the various agricultural regions” (Treaty of Rome, Article 39, para 2).

But territorial aspects of the CAP hardly were taken into account and the diverse needs of rural areas not addressed at that time. Only in 1975 the European Regional Development Fund (ERDF) and the Less Favoured Areas (LFA) scheme of the CAP were set up. The LFA programme (Dir. 268/75/EEC) aimed at compensating farmers for the production difficulties of farming in mountains and other “less favoured areas”. Thus the nationally designed “Compensatory Allowances” constituted the first kind of direct income payments to farmers and also referred in their objectives to the tight inter-relationship of agriculture with environment, an issue that has been taken up as a general leading aspect for agricultural reform and territorial linkage. However, from the introduction of LFA support to the appreciation of its impact on environmental performance under Agenda 2000 decisions was a rather long way. Besides this approach from the agricultural structural measures, possibilities of regional support were broadened through the introduction of “integrated

¹ This section largely draws on the rural development policy background paper, elaborated within the FP7 research project RuDI (Assessing the impact of Rural Development policies, including Leader) and summarized in Deliverable 1.2 (Copus and Dax 2010).

development programmes" (in 1979), particularly shaped to the need of Southern European countries through the Integrated Mediterranean Programmes (in 1985).

The reform of the Structural Funds in 1987 added "economic and social cohesion" to the EU Treaty and made clear that the EU "shall aim at reducing disparities between the levels of development of the various regions and the backwardness of the least-favoured regions." This Article 130a was completed in 1992, with the Maastricht Treaty, by the words "including rural areas", thereby underpinning the need for rural development policies and indicating the aspect of "territorial cohesion", a term which has gained particular relevance in EU Regional Policy debate (EC 2008) over the last years.

Simultaneously to the Structural Funds reform, rural policy gained momentum as a specific European issue in 1988 with the presentation of the EC communication on "The future of rural society" (CEC 1988). Together with the Structural Funds this document is referred to as starting point of a genuine rural development policy in the newly established framework of the EU. The emergence of the rural issue at that time can be seen together with a new approach to the role of agriculture that focuses increasingly on objectives of multifunctionality, sustainability and environmental quality, and also attributes higher relevance to the social aspects of agricultural activities.

Bearing in mind the wide scope for rural activities there was increasing consensus for a search of integrative development approaches as a complimentary requirement for policy action in rural areas. Appropriate policy measures have been transferred into Structural Funds and regional policy development over the 1990s, including in particular the Objective 5b programmes (1989-1999) which aimed at "facilitating the development and structural adjustment of rural areas". Also great parts of Objective 1 areas, which aimed at "promoting the development and structural adjustment of regions whose development is lagging behind", were situated in rural areas. In addition, since 1991 the establishment of the Community Initiative Leader (and less explicitly the Interreg programme) focused directly on innovative actions in rural areas and the creation of a European network of rural actors.

The newly conceived programme structures built at the beginning of the 1990s have become a persisting conceptual framework that turned out to be influential up to now. Even with some major reforms the main thrust of those programmes are still visible in the current regional and rural development programmes. The debate was fuelled by international collaboration within the OECD to agree on a standard definition of regional types (OECD 1994). At that time a host of new concepts and perspectives on rural development grappled with the a common understanding that rural is synonymous to agricultural development and thus any more integrative programmes and activities were seen as beyond the relevant policy framework. In particular, the inclusion of the spatial dimension and a search for a "neutral" definition of regional types supported international comparison and the increased valorization of innovative action from different economic sectors. These ideas were reflected within the EU-Commission as well, leading to the first Rural Development Conference in Cork. It signaled both the starting awareness on a much broader concept of rural development to be adopted and the institutional positioning of Agricultural Policies as the original policy field responsible for rural action. An Expert Group concluded on the requirement for a reformulated Common Agricultural and Rural Policy for Europe (CARPE), a concept that has provided orientation and targeting for CAP reforms since then. The report "*stressed throughout that rural development and rural policy involve more than agriculture and agricultural policy alone*" (Buckwell et al. 1997). The debate on the appropriate place and institutional attachment of rural development has been characterized since then by swaying back and forth according to the various contributors in that debate.

In contrast to the Buckwell report already the first reform step, the Agenda 2000 but also subsequent CAP reforms failed to define objectives to match the problems of specific areas and to put explicit priority on rural development measures. Very often the discussions of this reform process which lasted over years were seen as promising and aiming at high-ranking targets, but in the end as "wasted opportunities" (Lowe and Brouwer 2000). Nevertheless, CAP support was extended since then to include explicitly rural development as a separate policy focus through establishing Pillar 2. The Rural Development Programmes providing the respective measures have been thereby attributed complementary function to Pillar 1 (market support).

This shift is seen as an essential part of the 'European agricultural model' which aims at guaranteeing the future of rural areas and by promoting sustainable development and employment creation.. Thus Rural Development Programmes (RDPs) refer specifically to the following principles:

- the *multifunctionality* of agriculture,
- a multisectoral and *integrated approach* to the rural economy,
- including flexible support for rural development, based on *subsidiarity* and promoting decentralisation,
- and a transparent policy design process and *programme management*.

The main innovation in the policy was a new administrative concept of a Rural Development Plan which followed programming methods, known from the Structural Funds programmes. With the formulation of Strategic Frameworks for policy application, targeting of the programmes was scaled up and, through mainstreaming of the former separate Community Initiative Leader, the territorial dimension seemed to be more strongly integrated in the current period (2007-2013).

Nowadays rural policy analysts can observe that despite the common approval of the need for stronger coherence and an extended understanding of rural development, progress in rural policy reform is rather slow. There have been a series of cases of "missed opportunities", due to substantial "institutional inertia" at several levels of the policy design and implementation process (Copus and Dax 2010, 65). This has been highlighted as a major deficiency in the current Rural Development support system through the Agricultural Policy's Pillar 2 that probably leaves substantial parts of the innovation potential (Dwyer et al. 2007) and local assets of rural regions untapped. Despite the increasing number of local initiatives which led to the observation of a "New Rural Development Paradigm", emerging particularly in the international discussion (OECD 2006) the current understanding of rural development as exercised by CAP is largely characterized by a narrow notion of rural policy.

This is underpinned by a large set of analysis and evaluation work on the current framework of RDPs which to some extent share this assessment. As Member States can choose from a range of pre-defined rural development measures the mix of measures and allocated priorities has to remain within the framework of the rural development regulation. Yet for most countries (or regions) the requirements for adaptations of their intervention priorities were minor and current programmes mirror the observation on the prevalent inertia towards policy changes (Dwyer et al. 2007). Even "mainstreaming" of the Leader-concept hardly altered the sector-oriented application of programmes, challenging the innovative character of local actions (Strahl et al. 2010). From the EU-wide study "Assessing the impact of rural development policies, including Leader" (RuDI) it appears that current approaches in the implementation of RDPs largely follow the national/regional policy traditions (Copus and Dax 2010). Path dependency is of high influence and this is a persisting problem for countries like new MS with a weakly developed set of measures or level of intervention.

In a more comprehensive analysis of policies affecting rural areas, one has to take account of measures in non-agricultural policies, too. Information on the former period underscore that European Regional development Fund (ERDF) support for rural areas was substantial and can be compared through its financial resources to CAP Pillar 2, and in many regions exceed that support (Metis 2009, 89ff.). A similar distribution of funds might be also relevant for European Social Fund (ESF) programmes and for national/regional support. As for the current period some changes to the programmes were applied, a comprehensive (and up-to-date) assessment of the relevance and targets of all these policies for rural areas is missing. Nevertheless one can conclude that the spatial distribution of funds through the respective programmes was not altered dramatically in this period.

Some commentators highlighted the concern that the strategic concentration on Pillar 2 weakened the aspirations of regional development to consider the needs of rural areas in their policy programmes (Jouen 2009). Such a retreat from large regions would have a detrimental effect on territorial cohesion aspects and is opposed strongly by stakeholder groups for rural regions, in particular those focusing on areas with geographic specificities (peripheral areas, mountains, islands, outermost regions etc.).

3. Realizing different rural policy strands

As recent analysis suggests the gap between academic discourse and policy practice as experienced through implementation in EU countries and regions hardly decreased through the respective policy reforms. The concern for rural needs is more and more reflected in policy documents and visible in the general discussion stretching out towards various thematic areas. For example a series of studies on the assessment and need for rural changes has been commissioned at the European level.

Underlying governance processes have been a particular strong element in various regional development research communities and the debate of international organisations on spatial development issues. There is a long-standing debate in OECD countries to take account of issues of effectiveness of the regional support system and the specific place of rural policy in government. In this perspective “The New Rural Paradigm” of the OECD concludes that “promoting integrated rural development poses numerous policy and governance challenges. It requires a less ‘defensive’ approach to rural policy and stronger coordination across sectors, across levels of government, and between public and private actors. It also requires a new focus on places rather than sectors and an emphasis on investments rather than subsidies” (OECD 2006, 3). The document also suggests “important changes in how policies are conceived and implemented to include a cross-cutting and multi-level governance approach” (OECD 2006, 106). Much of the concern expressed at the international level has been taken up in the re-orientation of reform proposals and requests on new programmes. In addition to governance issues a particular emphasis is on enhancing creativity and innovation in rural areas. There are examples of regions that followed an explicit innovative strategy through a long-term commitment to creativity and fostering the regional image. Such an approach has to build on a place-based strategy that includes the different pillars of the regional economy, society and culture (Dax and Fidschuster 2009, 61ff.). In assessing the current situation of policies impacting on rural development a comprehensive appreciation of all relevant policy contributions is therefore needed, yet often the different sector policies act in parallel.

Figure 1: Policy domains as response to rural challenges and opportunities

Meta Narrative	Challenges ²⁷	Opportunities	Concepts/ Rationales	Policy Domain
agri-centric meta-narrative	agricultural competitiveness; provision of positive external effects; environment and territorial effects	Diversification Quality products Public goods provision	Multifunctionality Farm restructuring	Agriculture Rural Development policy Competitiveness Education and training Land use, e.g forestry
urban-rural meta-narrative	difficulties due to location (remoteness) and sparsity of population; remote areas; development gaps; functional divisions; types of areas	Functional specificities Rural amenities Quality of Life aspects Information technology	Regional governance Endogenous growth Neo-endogenous development ISEZ/local economy approaches	Infrastructure Telecommunication Spatial Planning Public services Transport Mobility Regional economy
meta-narrative of economic competitiveness and global capital	innovation and regional growth; demographic changes; employment development; income distribution; global cultural changes; climate change	Human and social capital development Networks Clusters Consumption countryside Global cultures	Globalization Networks Post-productivism Ecological modernization Sustainable development	Demography (migration) Social inclusion and gender empowerment Equality Employment Tourism Heritage Energy Environment
overarching context of connectivity	institutional change; coordination mechanisms; regional strategies and connectivity	Cooperation Network structures Relational space	“holistic” and integrated approaches Systemic concepts	Regional policy Territorial Cohesion policy

Source: Dax et al. 2010, 9

A wide scope of policy domains can therefore be realized as influential on rural development. Figure 1 suggests that some of the meta-narratives are more inclined to respond to specific challenges than others and would therefore be, in general, taken up by specific policy sectors. The overview lists a range of different aspects which are inter-related within regional activities to a large extent. This means in particular that *coherence* and cooperation between different spheres has to be considered as a general device to all the separate policy domains mentioned. On the other hand, it seems quite obvious that some of them are much more relevant in a rural context than others, and more emphasis is put on them than in an urban environment. However, such priorities are dependent on country and regional contexts and institutional frameworks. In a territorial cohesion context the separation between different policies has to be overcome by explicit networking and coordinating action. The EDORA project has collected evidence for a great variety of themes, the local expressions of policy application and regional performance through studies of selected Exemplar Regions, the concern for a generalized picture of different "types" of non-urban regions and addressed the various policies in a comprehensive view. It also tries to avoid the sectoral bias often inevitably linked to any policy presentation of current activities. As there is not the space for an in-depth presentation of all relevant policies, it should be noted here that processes of "regional auditing" are esteemed necessary in implementation. These could address in a context specific manner the relevant issues and/or integrate considerations on priorities, enhancing a process of acknowledging changes as drivers and continuous input to re-examining regional strategies and local participation. The actual policy experience within rural regions suggests the following:

- *Pillar 2 – CAOP's focus on rural development:* In most countries and for many policy makers rural development is still closely linked to agriculture. The recent conceptual changes are estimated by these actors to be taken up by the RDP application of CAP, and regional differentiation of Pillar 2 is taken as the most relevant policy implementation concerning rural development. However, analysis reveals that the territorial impact of CAP and rural development measures hardly is favourable to cohesion objectives (Shucksmith et al. 2005). Within the wide scope of measures available for RDPs a substantial diversity of national/and regional responses can be realized (see for example the comprehensive analysis of current RDPs design, implementation and evaluation procedures in RuDI 2010). Overall this does not change the general appraisal that also RDPs predominantly support the farming sector and, in several cases more than in other regions, enhance its linkage capacity to other sectors.

A significant reform of the CAP budget might also set very serious constraints on policies, institutions and projects. An obvious intention towards simplification within EU bureaucracy is tangible, nevertheless, practical results of the mainstreaming approach of Pillar 2 has rather further complicated the system so far. Institutions are more strongly controlled and monitored than they used to be, procedures are increasingly tricky and personal staff of institutions responsible for the implementation of the Rural Development Programmes spend increasingly more time on administrative issues. Simplification of the regulation for the funds is intended to reduce administrative burden and thereby motivate increased initiatives as well as increase operational efficiency. This would also remarkably enhance the flexibility in implementation of the Rural Development Programmes.

- *Structural Funds policy:* The second big policy strand that is assumed to provide policies oriented at rural regions is Structural Funds policy through implementing its regional policy. Indeed these were taken into account as Objective 5b- areas, but particularly included large parts of Objective 1-areas. As the bulk of diversification activities were transferred in Agenda 2000 to Pillar 2 of CAP the priority for rural aspects clearly decreased since that reform. Nevertheless rural regions are eligible for ERDF programmes. An exemplary study on selected programmes of the period 2000-2006, commissioned by the European Commission, revealed the scope and orientation of those programmes which is quite comparable to RDPs. In the 2000-06 programme period, in the five Member States examined, France, Germany, Poland, Spain and Sweden, 28 % of the ERDF in Objective 1 and 24 % of the ERDF in Objective 2 was spent in rural areas, according to the classification of that study (Metis 2009, 57).

In addition to this general picture it has to be noticed that the distribution within each of the countries varies widely according to the national contexts and priority settings of regional development policy. There is however important overlap with EAGGF funds through Pillar 2 measures and also ESF support programmes. This links to the assessment that the assignment of a parallel "territorial" support structure through the RDPs restricted the aspirations of regional policy in this regard (Saraceno 2004).

In consequence, one could discern a kind of 'task distribution' between the different funds where the ERDF was generally used for infrastructure projects in the field of transport and environment, and the support of enterprises. 'Soft measures' in the field of human capital as capacity building, education and training were mainly carried out by ESF programmes, and EAGGF remained oriented towards the target group of farmers and the agricultural sector in most regions. There is however no greater commitment to coherence issues between the different policy strands that interact within the same territory.

- *Other policy domains with significant "rural" impact:* Following from Figure 1 presentation above a number of additional policies with substantial "rural" implications should be mentioned. In addition to the controversy of allocating rural action and institutions to agricultural or regional policies, various issues of other policies with regard to rural areas have been increasingly addressed by specific studies recently. So far there is no comprehensive assessment available, but first experience of the spatial impacts of transport and agricultural policies in the ESPON TIP-TAP project illustrate the conceptual and methodological demands in this respect. Other issues often highlighted in this regard concern: Accessibility of different area types, provision of public services for peripheral regions (Robert et al. 2001), the role of networks and social capital as decisive driving factor for rural development and society (Arnason et al. 2009), the new Information and Communication Technologies and the implications of demographic changes, in particular ageing and increases in migration movements (De Beer et al. 2011).

A lot more policies could be mentioned in this respect. Just to provide an illustration on these the OECD highlights in their national Rural Policy Reviews characteristic cases from different countries on various policy aspects. E.g. one of the last of these reports on the province of Québec (OECD 2010) in Canada is particularly rich in presenting this diversity of activities, including besides recommendations on governance issues interesting examples like:

- local capacity building,
- managing community transition,
- forest products use,
- renewable energies,
- cultural activities,
- longevity as an opportunity,
- broadband connection,
- active labour market policies,
- migration and service delivery,
- and environmental issues.

Many of these reports underpin the need for capturing the changed environment for rural development and for taking account of the implications of spatial inter-relationships and "soft skills". The expert report on the role of Community research policy (Soete et al. 2009) addresses this need of knowledge development for the territorial development mirroring the approach of the Barca (2009) report, by claiming: "The recent debate on European cohesion policies sees the main purpose of such policies less in terms of redistribution than in terms of triggering institutional change" Further, it concludes that this "can come about only through an exogenous public intervention which can improve things by upsetting the existing balance. However, for this intervention to be ultimately effective, it will need to be accompanied by increased local involvement and sufficient local involvement can only be achieved through locally relevant activities" (Soete et al. 2009, 37).

4. Targeting opportunities of rural areas

Some commentators highlighted the concern that the strategic concentration of pillar 2 weakened the aspirations of regional development to consider the needs of rural areas in their policy programmes (Jouen 2009). Such a retreat from large areas would have a detrimental effect on territorial cohesion aspects and is opposed by stakeholder groups for peripheral rural areas. The recent debate on territorial Cohesion policy integrates these concerns – conclusions from the inclusion of such an extended view will be addressed later in this paper.

The assessment of policies is measured against the capacity to respond to the “needs” and development challenges of rural areas. However, these are far from static which has to be acknowledged in the analysis of the regional contexts development and adaptations of the policy concept and instruments. After providing a rough overview on the main elements of rural development policy evolution, this section intends to illustrate the rural changes by presenting evidence from EDORA’s thematic analysis and the changes perspective of rural action which puts development *opportunities* into the centre of its considerations.

The economic, social, environmental and policy processes analysed in this work have been synthesized into a coherent structure of three “meta-narratives” (as presented in chapter 1), which strongly support evidence for the overarching theme of “connexity”. As Lee et al. (2009) argue we have been alerted

“to the increasingly interconnected world in which we live, and this provides an overarching context for the changes affecting rural areas of Europe. For example, Castells (1996) introduced the concept of ‘Network Society’, while Healey (2004) argues that mid-twentieth century ‘Euclidean’ concepts of planning have been challenged by a relational conception of spatial planning which understands place as a social construct, continually co-produced and contested; views connections between territories in terms of ‘relational reach’ rather than proximity; sees development as multiple, non-linear, continually emergent trajectories; and recognizes the changed context of a network society and multi-scalar governance.... A crucial feature is that the interrelatedness of places is no longer to be considered only in ‘Euclidean’ terms of physical distance, but rather in terms of their relational interdependence often across considerable distances.”

Through the analysis of a series of exemplar regions a multitude of policy aspects with varying focus and in different details were addressed in EDORA. The selected findings on policy implications point to areas where greater awareness for future action should be placed (see chapter 5). Main requirements include a substantial change in perception of rural areas and the potential to respond to these challenges. The requirements for future policies emphasize the need to adopt a new perspective on rural development. Quite often rural policies are addressed in a rather defensive concept, suggesting and asking for compensation payments. This image of dependent regions is emblematic of common stereotypes on the problems and weak development potential of rural regions. Overcoming these “stylized fallacies” seems a prime task in future rural development strategy building (Copus et al. 2010).

Rural and peripheral contexts have been equated for a long time with considerable development problems suffering from persisting weaknesses of integration. With recent technological changes the potential to link them more closely to the global networks of value making and wealth has altered the perception and provided opportunities for making increased use of local potential. At the heart of this changed logic is the recognition that networking and connectivity is crucial to overcome any segmentation and barriers of development, which of course is particularly relevant to non-urban regions (Dax et al. 2010). The recent policy shifts with regard to the meaning of territorial cohesion (addressed above) has provided changed priorities in perceiving rural areas not primarily as “dependent” regions, but through focusing on its diversity and specific features as regions with particular opportunities. As many studies and the empirical analysis of this ESPON project underscore this potential is often not visible at first sight and has to be nurtured through targeted (policy) action.

This implies that spatial differentiation is primarily shaped by the locality’s relational interactions and its relevant place-specific assets, the institutional capacity, education levels, entrepreneurial spirit, social networks, identity and ability for collective mobilisation as well as its natural and cultural heritage. In a static

view addressing primarily currently “successful” action, continuation of activities would be favoured and little innovation would take place. Rural economies based on these activities risk being too “passive”, following former activities rather than leading towards creative use of interrelations. This understanding obviously affects the structure and nature of opportunities recognized within an area, and the views on the policy options.

A great part of these opportunities are linked to the rich variety of amenities that is available in rural areas. The term of “rural amenities” has been coined by OECD over the 1990s referring to “ a wide range of natural and man-made features of rural areas, including wilderness, cultivated landscapes, historical monuments, and even cultural traditions” (OECD 1999, 7). In addition basic characteristics of amenities include aspects of utility, consumption (within or outside the area), and a strong association with specific territorial attributes. It was analysed that significant potential of many natural and cultural resources remains untapped and that any attempt for harnessing such amenities involves striking a balance between use and conservation.








Addressing the full scope of rural assets

The project’s analyses synthesises the major drivers of rural change by presenting evidence on both specificity and generalisation. It seems particularly important to address the complementary features of economic, social, environmental and institutional processes, and to attach to any generalisation argument a caveat highlighting the persisting diversity of rural areas. In a theoretical framework the various elements for a comprehensive view on territorial development opportunities have been addressed by more and more sophisticated concepts. For example, “endogenous growth” action had provided a contrast to previously prevailing exogenous support (Stöhr 1985). With an increasing recognition of the importance of inherent assets to both leading and lagging regions, the concept of rural amenities has subsequently altered the state of mind within these regions drastically (OECD 1999). In order to explore the local potential more systematically, different types of ‘Community Capitals’ have been elaborated to understand how resources and expertise can be allied with local assets to build economic and social success (Carnegie UK Trust 2009). The application of these ‘soft’ approaches are considered central to reversing the downward trends in low performing (rural) regions.

The asset-based approach has enlarged the scope of activities for rural action. It was elaborated first in a local development context, especially in the developing world and not so much as part of EU rural development. Building on the fundamental capital resources of physical, financial and natural capital, the social dimension, cultural context and political relevance for local development has been shown increasingly as core elements of local and regional development. These various contributions have contributed to see regional development influenced increasingly by qualitative aspects and led to a more systemic understanding of local development action. Each of these assets/capitals have a specific role and they are not mutually replicable (or just to a limited extent). In particular the active role of policy in providing the foundations for shaping and nurturing the development opportunities at the local scale are of core priority. This includes the relevance of public investment at higher levels that are highly influential on the infrastructure and basic environment for development activities.

With reference to rural policy evolution the comprehensive picture of assets should not be neglected. In particular this means a specific focus on those aspects that are less firmly integrated in existing policies. The rationale for a Rural Cohesion Policy that takes account of these “intermediate and soft” elements will be provided in the next chapter. Here it should be highlighted that various policy measures have started to address important elements. For example the findings from the 7th Framework Programme project, titled “Intangible Assets and Regional Economic Growth” (IAREG) analysed various aspects of territorial capital and focused on the assessment of the intangible assets for regional performance. The authors found that intangible assets play a crucial role in determining regional performances and “all countries considered show a clear tendency to increase the share of intangibles over tangibles, confirming the growing role of knowledge capital in the competitive behaviour of the firms” (Suriñach et al. 2010, 33). They also underline that the local economic environment should be carefully taken into account when designing and implementing economic policy as the regional features strongly influence firms localisation choices and hence economic performance of regions. At least part of our experience in local development action over the last two decades underpins this observation (Bryden 2010). There is a strength in experimental development of local actors that was inconceivable within the “old” concept of dependent regions.

Figure 2: The Seven Capitals Approach.

Capital	Definition	Examples and comments.
 Financial	Financial capital plays an important role in the economy, enabling other types of capital to be owned and traded.	The liquid capital accessible to the rural population and business community, and that held by community organisations.
 Built	Fixed assets which facilitate the livelihood or well-being of the community.	Buildings, infrastructure and other fixed assets, whether publically, community or privately owned.
 Natural	Landscape and any stock or flow of energy and (renewable or non-renewable) resources that produces goods and services, (including tourism and recreation).	Water catchments, forests, minerals, fish, wind, wildlife and farm stock.
 Social	Features of social organisation such as networks, norms of trust that facilitate cooperation for mutual benefit. May have "bonding" or "bridging" functions.	Sectoral organisations, business representative associations, social and sports clubs, religious groups. 'Strength' relates to intensity of interaction, not just numbers.
 Human	People's health, knowledge, skills and motivation. Enhancing human capital can be achieved through health services, education and training.	Health levels less variable in an EU context. Education levels very much generational. 'Tacit knowledge' is as important as formal education and training.
 Cultural	Shared attitudes and mores, which shape the way we view the world and what we value.	Perhaps indicated by festivals, or vitality of minority languages. Some aspects - e.g. 'entrepreneurial culture' - closely relate to human and social capital.
 Political	The ability of the community to influence the distribution and use of resources.	Presence of, and engagement in, 'bottom up' initiatives, the most local part of 'multi-level governance'. Relates to local empowerment v. top-down policy, globalisation.

Source: Copus 2010, 56 (based upon Braithwaite 2009)

In terms of drawing conclusions on policy impacts it seems important that the degree of regional disparities has not significantly decreased over the last few decades. The Fifth Cohesion Report (EC 2010) boasts regional policy of having reduced spatial gaps substantially. Though it has actually been strengthened, and the Structural Funds and the Cohesion Fund have been oriented towards the regions and countries with weaker economic performances, the overall territorial effects remain however mixed. While centres in these areas have gained many incentives and could in theory reduce the gap between their GDP per capita and the European average, differences in economic performances for less accessible parts of Europe (for example the new MS and Mediterranean countries) and within the countries persist. This calls for on-going activities and renewed strategies of regional policy towards non-urban regions.

Evidence from the previous work in the EDORA project suggests that there is an opportunity to address policy action in non-urban contexts that develops specific assets which are core to regional development. The exemplar regions, as well as the thematic reports highlighted numerous aspects for activities pointing in this direction. The policy implications from these reports have been summarized in the following list with the aim to reveal the contribution to building place-based assets.

5. Towards a Rural Cohesion Policy

The evolution of Rural Development Policy occurred very much in parallel to the development of regional policy in the EU. This did not imply a highly prioritized and increasing collaboration between the two policy spheres. On the contrary, in many regions they seem to be treated more or less separately and actors remain concerned just about their restricted policy “worlds”. This observation can be derived despite the increasing call for policy coherence at various political levels. There was however an impressive exception of stronger integration over the 1990s but with limited lasting effects for the more recent policy programme periods.

Yet the concern for shaping a Rural Cohesion Policy remained wide-spread as the policy discourse of rural development continued to ask for a more territorial view since the installation of Pillar 2 through Agenda 2000 (Saraceno 2005; Copus and Dax 2010). This perception was heavily influenced and advanced by the intensifying debate on territorial cohesion over the last years. In terms of capturing a common understanding for the vague policy concept, Ahner (2010) synthesizes the following elements emerging from the debate which is based on the original definition of territorial cohesion in the 3^d cohesion report:

“Territorial cohesion is about

- *ensuring harmonious, sustainable and polycentric development.*
- *enabling citizens and enterprises*
 - *To make the most of the inherent features of different territories in a sustainable way*
 - *To benefit from and contribute to European integration and the functioning of the Single Market wherever they happen to live or operate.*

Territorial cohesion is facilitated through an integrated approach including:

- *Coordinating the territorial dimension and impacts of sectoral policies at each level from local to European.*
- *Vertical coordination between levels in a multilevel governance scheme.*
- *Cooperation between territories to allow functional approaches.”*

As a general reference, the objective of territorial cohesion can be understood as constituting a policy framework which provides measures to achieve a more balanced development by reducing regional disparities, avoiding territorial imbalances and by making sectoral policies, which have a spatial impact, and regional policy more coherent. The European Spatial Development Perspective (ESDP, EC 1999) and the formulation of the Territorial Agenda of the EU (2007) can be considered as the main documents addressing the cohesion aspects before its official inclusion in the Treaty. The sub heading ‘Turning territorial diversity into strength’ chosen for the Green Paper on Territorial Cohesion (EC 2008) is perceptive in identifying the diversity of the European Union while recognising its position as a focal point for territorial cohesion. The consultation on the Green Paper on Territorial Cohesion, started in late 2008, was the initial reference and base to much of the subsequent policy debate on shaping territorial cohesion policy. There were a series of major relevant contributions to that discourse revealing the policy priority and intensity of the discourse, which is currently at a decisive stage. The notion to “make use of the territorial potential” of all regions and to aim at a place-based approach has been deepened in a series of conferences of different European institutions and through respective reports. The most intensive discussions probably took place in preparing and drawing lessons from the Barca report (2009). In that suggestion for a place-based approach the asset base of rural regions take a particular significant position. This relates to the need to identify for each regions the specific opportunities and an adapted policy strategy.

The challenges visible in rural regions address specifically the Europe 2020 Strategy (EC 2010) targets. All of those indicators (on employment level, economic performance, energy targets, high education and poverty reduction) reveal a particular spatial distribution and parts of rural regions experience long-lasting development gaps that are fundamental to the need for regional policies. The proposed flagship initiatives put forward main activities relating to these aspects and underpin the need for a place-based approach for applying these policy priorities. It seems crucial that the territorial dimension is included in the national

response to this approach. This would reflect the spirit of the Territorial Cohesion discussion and search for a strategy to make use of the specific regional assets in all types of regions. Particularly for the non-urban areas this approach is important. It also reflect a more general concept for a new approach to regional policy that is summarized by the OECD (2009) as “moving from subsidising business and employment in poorer regions to promoting growth in all types of regions”. In particular an enhanced understanding of the complex inter-relationships and the need for differentiated policy application calls for a thorough conceptualization of the multi-level governance going well beyond traditional distinctions between top-down and bottom-up approaches. As such the EC strategic proposals can be seen as an incentive to reinforce targeting of territorial cohesion considerations.

A further example of the current debate on cohesion aspects is the changes in the understanding of the “urban-rural narrative” as put forward through the Spanish Presidency (2010). Its contribution highlights the need for a thorough investigation of urban-rural relationships and spatial trends in conceptualizing the new pattern of spatial relations, becoming visible through increased flows and implying analysis beyond core and periphery paradigms. Another important dimension in the discussion is the again increased consideration on sustainability issues as exemplified by the Renewed EU Sustainable Development Strategy (2006). Though it does not include any section specifically dedicated to territorial issues there are several territorial indications and it presents cross-cutting challenges of significant spatial impacts. In particular it links to the Lisbon Agenda and Social Inclusion aspects as well as natural resources and provides an interesting input to current considerations on territorial cohesion implementation. All this discussion is an important input to the process started with the Europe 2020 Strategy (EC 2010) and the process for the update of the Territorial Agenda (Hungarian Presidency 2011). Following the presentation of the Fifth Cohesion report in November 2010, the discussion will particularly intensify with the proposal for the European Union’s Financial Provision (in 2011). The preparation and discussion will undoubtedly raise the concern for territorial cohesion aspects and include the analysis of the role of rural regions in cohesion policies.

Guiding principles for rural cohesion policy

Territorial cohesion is understood as a concept that may vary in its application according to contexts and cultures. Nevertheless, given its complexity and the need for a targeted approach, a number of guiding principles and main elements can be summarized that are particularly relevant for the situation in non-urban environments. All too often a sectoral bias still dominates which makes a comprehensive assessment of these challenges almost impossible. Given the strong path dependency the respective of policy environment, a particular effort to make use of “good practice” is necessitated to enhance creative and innovative regional development, aimed at through the following principles:

- Analyze a comprehensive set of “generic” policies for their territorial impact (in realistic terms) and coherence and cohesion aspects
- Address the full range of territorial capitals and apply a strategic choice of policies
- Empower local actors, enhance cooperation and increase attention for social and cultural development aspects
- Integrate a long-term perspective of territorial development. by e.g. including climate change scenarios
- Develop environmental and recreational public goods as specific territorial opportunities in rural areas (with links to other sector activities, particularly tourism).
- Select a mix of policy interventions to act at macro, meso and micro level (TC policies; place-based strategy; and mobilization of actors and potentials).
- Target policy action and processes at local/regional contexts
- Elaborate new governance settings addressing priorities, the role of networks and public interventions, subsidiarity and effective governance, following the “place-based paradigm”

- Make provisions for “regional audit” processes, taking account of local and regional assets and divergent perspectives of rural development

The proposed regional audits suggest a process to take full account of development assets and explore required and most effective activities for each region. These considerations ought to be supported by general guidelines that translate the framework of regional typologies and meta-narratives into a set of relevant intervention priorities.

This complex policy framework requires a realistic assessment of the potential and pace of policy reform. Given the prevalent inertia towards policy changes, it is crucial to suggest incremental steps. In particular the gap between public “rural development” discourse and policy implementation has to be addressed by increasing the links between research and policy and fostering impact assessment. This discussion has to extend beyond the “traditional” rural policy dimensions to make explicit reference to emerging rural opportunities.

In order to emphasise the important links between rural policy and broader economic development it is vital to increase the relevance of the regional dimension in rural policy implementation. A territorial based approach is considered more suitable to the basic approach of multidimensionality in rural policy and would pay enhanced attention to specific local assets. Thereby, the CAP, as the main current “rural” policy field would also have to integrate the diverse aspects and processes of territorial cohesion into its implementation. The inclusion of the territorial dimension would address the great variance in agrarian structures across European regions and in particular the differences in the structure of agricultural production between old and new member states of the EU. At the same time, such a territorial approach enables strengthening the links between regional policy, rural policy, the CAP and potentially also other relevant policy domains.

While the current policy design of CAP hardly takes account of its territorial cohesion impacts, mainly because it provides direct support to farmers according to a horizontally applied system under Pillar one, the future of rural development is a major challenge if it has to cope with the challenges of territorial cohesion. In this regard the 5th Cohesion Report (EC 2010) emphasises the importance of territorial aspects in the design and realisation of the CAP. As a matter of fact, the implementation of CAP reveals differentiated spatial impacts but scarcely takes explicit note of the spatial differences. The 5th Cohesion Report further recognises the need that policies, like the CAP, which have an asymmetric territorial impact, would have to refer and assess the territorial dimension and diverging spatial impacts in the respective ex post evaluation tasks. If territorial impact is hence included more firmly in the policy evaluation in the future, it will allow identification of intended and unintended spatial impacts.

6. Conclusions

The evolution of rural development policy is usually slowed down by the straightjacket of Agricultural Policy’s scope. Yet research and policy analysts recall repeatedly the interrelation to a wide range of policies influencing on spatial dynamics. The changes of rural regions imply a differentiated view of territorial perspectives and on the implications for policy to promote competitiveness and cohesion in rural Europe. The evidence provided through the project stirs up deeply rooted images and convictions about rural issues and good practice. We need a realistic assessment that includes a thorough analysis of quantitative and qualitative effects of existing rural policies (including activities well beyond the measures of RDPs) and alternative models to these. Part of this discussion will challenge the separate discourses of urban and rural domains, as expressed through a static view on urban-rural linkages. The “global” influences on non-urban regions call for a much deeper investigation of the emerging aspects of the over-arching narrative of connectivity. It seems particularly important to look ahead to the implications of the discussion of EU2020 priorities and its flagship policies. When aiming at a Rural Cohesion policy the on-going debate reveals strong spatial implications, particularly relevant for rural regions.

We may argue that rural policy is a key element in the territorialisation of development approaches in rural areas. Rural policy issues and challenges have become more complex and diversified both in economic and social terms. In addition, rural policy implementation structure has also changed as rural policy was detached from cohesion policy and tied in with the same programme structure of the CAP. Judging from observing that policy evolution one can conclude that Rural Development policy has drifted apart from its origins but been drawn closer to traditional core economies of rural areas. Nevertheless the analysis of opportunities and

emerging societal demands underpin the high potential of rural policy to bridge the divides of the regions and current policy approaches in territorial development: However, to progress within that task it has to go beyond agriculture and regional policy targets need to be balanced with wider rural development objectives. This will particularly entail a deeper focus on local partnerships and commitment rather than redistributive measures. From our analysis the following aspects can be argued to be central findings with particular relevance for cohesion policy in rural Europe:

- The “rural” is increasingly perceived as a social construct, addressing all non-urban regions. Hence, it combines a high diversity of regions that cannot (and should not) be classified by clear-cut typologies. On the contrary, even within regions traditional views are superseded by new insights on the main rural process (meta-narratives), trying to interpret various dimensions of the socio-economic reality of spatial allocation.
- Moreover *interaction* between places has progressed substantially, so that it is now the main characteristic to virtually all (types) of regions. The overarching narrative of “connexity” weakens the effect of existing boundaries and indicates a rising need to take account of “relational” aspects. These tend to become aspatial, but can be related to the globalization forces as well.
- “Rural” regions are confronted with the enhanced concern for solidarity in recent territorial cohesion discourse for lagging regions. This new objective, and the focus on regional assets, can be understood as *opportunities for rural regions* that have to be nurtured by specific policies.
- In realizing this potential, policies have to remain realistic. The pitfall of “stylized fallacies” about agrarian and consumption countryside have to be avoided and more realistic generalizations promoted. Actions like concepts on *rural assets* as main development opportunities and the pro-active support of appropriate cooperation action, empowerment of actors; the analytical view on geographical and non-spatial relationships would have to take a role of enabling policies.
- It seems important to aim at *place-based strategies* that seek to enhance the particular amenities and respond to the development needs of the specific regional contexts. A menu of policies referring to the different dimensions of social, cultural, economic and natural assets and institutional development of a region would provide a range of innovative instruments from which priority measures would have to be selected.
- Finally, the implementation of rural policy requires a much more explicit *territorial approach* than it has been applied so far. This approach cannot be limited to Pillar 2 based policy measures in the Rural Development Programmes (even with a closer alignment to cohesion policy). Required changes would include a shift of conventional agricultural policy based on subsidies to market-based solutions where agricultural production moves towards a para-productivist model, the assessment of relevant regional policy measures and activities under other influential policies with rural implications. Such a change in the approach includes the increased focus on complementarity and coherence with other policies impacting on non-urban regions and contributing to the overall objective of territorial cohesion.

Rural policy would thus have to engage in a flexible place-based policy to ensure that tangible and non-tangible assets are exploited. This would require adaptations in various policy fields and a focus on governance issues aiming at stronger coherence of programmes. Some aspects highlighted here are inherent to the on-going debate on territorial cohesion and have been addressed e.g. in the recent publication of the Fifth Cohesion Report. It will be crucial to elaborate in the coming reform considerations a pathway for adapting current policies. These would need to include enough flexibility to allow for ample use of existing local experiences and to enhance participation of local actors.

References

Ahner, D. (2009). What do you really know about European cohesion policy? 2009. http://www.notre-europe.eu/fileadmin/IMG/pdf/ECP_rational_and_objectives.pdf (accessed 28/02/2011)

Arnason, A., Shucksmith, M. and Vergunst, J. (2009). *Comparing rural development: continuity and change in the countryside of Western Europe*, Perspectives on rural policy and planning, Ashgate, Farnham.

Barca, F. (2009), *An Agenda for a reformed cohesion policy, A place-based approach to meeting European Union challenges and expectations*. Brussels.

Braithwaite; K. (2009), *Building on What You Have Got – A guide to Optimising Assets*, The Rural Action Research Programme Briefing Series, Carnegie UK Trust, Dunfermline (UK).

Bryden, J.M.(2010), Local Development, in: Hart, K., Lavielle, J.-L. and Cattani, A.D. (eds.), *The Human Economy, A Citizen's Guide*. Polity Press: Cambridge (UK) and Malden (USA), 2010, 248-260.

Bryden, J.M., Dax, T., Efstratoglou, S., Johnson, T. and Refsgaard, K. (2011), Exploring Inter-relationships between the Multiple Functions of Farming, the Development of Rural Regions, and Policies: Theory and Methodology, In: Bryden, J., Efstratoglou, S., Ferenczi, T., Knickel, K., Johnson, T.G., Refsgaard, K., Thomson, K.J. (eds): *Towards Sustainable Rural Regions in Europe, Exploring Inter-Relationships Between Rural Policies, Farming, Environment, Demographics, Regional Economies and Quality of Life Using System Dynamics*. Chapter 2, Studies in development and society, New York: Routledge.

Bryden J and Hart J K (eds.) (2004). *Why Local Economies Differ: The Dynamics of Rural Areas in Europe*. The Edwin Mellen Press.

Buckwell, A., Blom, J., Commins, P., Hervieu, B., Hofreither, M., von Meyer, H., Rabinowicz, E., Sotte, F. and Sumpsi Viñas, J.M. (1997), *Towards a Common Agricultural and Rural Policy for Europe*, Report of an Expert Group, European Commission, Brussels.

Castells, M. (2010). *The Rise of the Network Society*, Second Edition, Wiley-Blackwell, Chichester, UK.

Commission of European Communities (CEC), (1988), *The Future of Rural Society*, COM(88)601 final/2, Brussels.

Copus, A. (2010), Dispelling stylised fallacies and turning diversity into strength: Appropriate generalisations to underpin 21st century rural cohesion policy, in: ESPON Coordination Unit (ed.): *Scientific Dialogue on Cities, Rural Areas and Rising Energy Prices*, First ESPON 2013 Scientific Report, Luxembourg, 36-61.

Copus, A. and Dax, T. (2010), Conceptual Background and Priorities of European Rural Development Policy, Deliverable 1.2, EU-project „Assessing the Impact of Rural Development Policies“ (RuDI), FP7 – 213034, Stockholm December, 73pp. http://www.rudi-europe.net/uploads/media/RuDI_Deliverable_1_2.pdf (accessed 18/02/2011)

Field Code Changed

Copus, A., Courtney, P., Dax, T., Meredith, D., Noguera, J., Talbot, H. and Shucksmith, M. (2010), *European Development Opportunities for Rural Areas (EDORA)*, Final Report, Applied Research 2013/1/2, ESPON & UHI Millennium Institute, Luxembourg. 94pp.

http://www.espon.eu/export/sites/default/Documents/Projects/AppliedResearch/EDORA/EDORA_Draft_Final_Report_Version_2.4_April_2010.pdf (accessed 18/02/2011)

Dax, T. and Fidschuster, L. (2009), International perspectives on rural innovation and creativity, in: *EU Rural Review* No.2, The Magazine from the European Network for Rural Development, pp.60-63.

Dax, T., Kahila, P., Talbot, H. and Shucksmith, M. (2010), Implications for Cohesion Policy in Rural Europe, Applied Research Project 2013/1/2 “European Development Opportunities for Rural Areas” (EDORA), ESPON 2013 Programme, Working Paper 28, Wien, 32pp. <http://www.nordregio.se/inc/openitem.asp?id=115416&nid=2112> (accessed 18/02/2011)

De Beer, J. et al. (2011), *Demographic and Migration Flows affecting European regions and Cities (DEMIFER)*, Final Report, ESPON 2013, The Hague

Dwyer, J., Ward, N., Lowe, P. and Baldock, D. (2007), European Rural Development under the Comm on Agricultural Policy's ‘Second Pillar’: Institutional Conservatism and Innovation, in: *Regional Studies* 41(7), 873-887.

European Commission (1999). *ESDP - European Spatial Development Perspective: Towards a Balanced and Sustainable Development of the Territory of the European Union*, Office for Official Publications of the European Communities, Luxembourg.

European Commission – EC (2006), *The EU Rural Development Policy 2007-2013*, Fact Sheet, Brussels.

European Commission - EC (2007), Territorial Agenda of the European Union: Towards a More Competitive and Sustainable Europe of Diverse Regions, agreed on the occasion of the Informal Ministerial meeting on Urban Development and Territorial Cohesion, Leipzig 25 -25 May, Brussels.

European Commission (2008). Green Paper on Territorial Cohesion. Turning territorial diversity into strength.

European Commission – EC (2010). *Investing in Europe's future*, Fifth report on economic, social and territorial cohesion, Luxembourg.

Jouen, M. (2009), The keys to a European strategy for rural development, Notre Europe, Brussels.

Lee, R., Shucksmith, M. and Talbot, H. (2010), Synthesis of theme papers, Working Paper 10, EDORA (European Development Opportunities for Rural Areas), ESPON 2013, Newcastle.

Lowe, P., Buller H. and Ward, N. (2002). Setting the next agenda?: British and French approaches to the second pillar of the Common Agricultural Policy. *Journal of Rural Studies* 22: 1-17.

Metis (2009), Ex post evaluation of Cohesion policy programmes 2000-2006 co-financed by the European Fund for Regional Development (Objective 1 and 2), Work Package 9: Rural Development, Wien.

OECD (1994), *Creating rural indicators for shaping territorial policy*, Paris.

OECD (1999). *Cultivating Rural Amenities, An Economic Development Perspective*, Paris.

OECD (2006). *The New Rural Paradigm, Policies and Governance*. OECD Rural Policy Reviews, Paris.

OECD (2009), Assessing the paradigm shift: New policy approaches to rural development in OECD countries, GOV/TDPC/RUR(2009)1, Paris.

OECD (2010), *Québec, Canada, OECD Rural Policy Reviews*, Paris.

Robert J., Stumm, T., Vet J. M., Reincke G. J., Hollanders M. and Figueiredo M. A. (2001) Spatial Impacts of Community Policies and the Costs of Non-coordination. European Commission, Brussels.

Saraceno, E. (2005). Rural Development policies and the Second Pillar of the Common Agricultural Policy: the way ahead, In Ortner, K.M. (ed.), *Assessing rural development policies of the Common Agricultural Policy*, selection of papers from the 87th Seminar of the European Association of Agricultural Economists (EAAE). 21-23 April. Wien, 25-47

Shucksmith, M. Thomson, K. and Roberts, D. (2005), *CAP and the Regions: The Territorial Impact of Common Agricultural Policy*, CABI Publishing, Wallingford (UK).

Soete, L. et al. (2010), The role of community research policy in the knowledge-based economy, Post-2010 strategies for research policies: Experts view collection, Expert Group Report, European Commission, Directorate-General for Research, Luxembourg.

http://ec.europa.eu/research/era/pdf/community_research_policy_role.pdf (accessed 28/02/2011)

Spanish Presidency (2010). Urban-rural narratives and spatial trends in Europe: the State of the Questions, Progress Report draft, Mcrit SI, Barcelona, 5 May.

Strahl, W., Dax, T., Kirwan, J., Maye, D. and Oedl-Wieser, T. (2010). Mainstreaming the 2007-13 Leader programme: a comparative analysis of Austria and Ireland, paper at the Regional Studies Association Annual International Conference, 24-26 May 2010, Pécs, Hungary.

Stöhr, W.B. (1985). Towards a Conceptual Framework for Research on 'Selective Self-Reliance in Europe' In: Musto, S. (ed.) *Endogenous Development: a Myth or a Path-Problems of Economic Self-Reliance in the European Periphery*, German Development Institute, Berlin, EADI-Book Series 5, Berlin.

Suriñach, J., Moreno, R. Autant-Bernard, C., Heblich, S., Iammarino, S., Paci, R. and Parts, E. (2010). Intangible Assets and Regional Economic Growth (IAREG), Scientific Executive Summary, FP7, SSH – 2007, no. 216813. http://www.iareg.org/uploads/media/SCIENTIFIC_EXECUTIVE_SUMMARY_9_7_2010_DEF.pdf (accessed 07/09/2010)

Thompson, N. and Ward, N. (2005), *Rural Areas and Regional Competitiveness*, Newcastle: Centre for Rural Economy, University of Newcastle. Warner, M. E. and Pratt, J. E. (2005), Spatial diversity in local government revenue effort under decentralization: a neural network approach, *Environment and Planning C: Government and Policy*, 23, 5: 657–77.

Woods, M. (2009), *Rural Geography, Processes, Responses and Experiences in Rural Restructuring*, Sage Publications, London.

