

# Centre for Rural Economy Policy and Practice

BRIEFING PAPERS: Managing Rural Development -  
Lessons of Best Practice in an Enlarged EU



# Managing Rural Development: Lessons of Best Practice in an Enlarged EU

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About 56% of the enlarged European Union's population live in either predominantly or significantly rural regions. The performance of these rural regions will have a major bearing on the overall fortunes of the European Union (EU) and the success of the enlargement process. It is, therefore, important to learn how European rural development should be managed and share lessons of best practice.

The SCARLED (Structural Change in Agriculture and Rural Livelihoods) project addressed this topic by studying rural development in five 'successful' EU regions: Borders, Midlands and Western Region (Ireland), Navarra (Spain), Tyrol (Austria), Skåne (Sweden) and Altmark (Germany), covering developments from the time of accession until 2006. All cases involved comprehensive desk-research and interviews with practitioners and experts in each region. The results were reviewed and refined by a panel of experts as part of a policy Delphi exercise. This exercise included experts from the selected case study regions and counterparts from the New Member States of Central and Eastern Europe (NMS).

## Lessons of Best Practice

The regional case studies and Policy Delphi exercise identified several principles upon which rural development should be built:

- The design and implementation of rural policy should be based on an integrated territorial rather than sectoral approach. This will help ensure a better balance between farming and non-agricultural programmes. The present system favours farmers at the expense of other sectors. However, farmers are seldom the main agents in stimulating rural economic development.
- Rural development policy should be embedded within a clear regional strategy. Rural development programmes should not be developed in isolation but integrated into Cohesion and Regional policies.
- Devolved regional programming and implementation. This generates a more flexible framework, stimulating creative input from local actors. Regional programming requires the involvement of both local stakeholders (bottom-up) and regional authorities (top-down) to develop and implement projects.
- Successfully accessing EU funds and implementing worthwhile projects requires strong capacity building. This necessitates better co-operation across agencies at the regional level (horizontal integration) as well as links with key actors at the national and supra-national level (vertical integration). Capacity building involves knowledge, effective relations, the capability to mobilise resources and actors, and the ability to implement and monitor activities. Good intentions will flounder without these four capacities.
- The creation of an "institutional memory" is critical. Public administration needs to retain experienced, honest, motivated and open minded officials in order to facilitate this.
- Local entrepreneurs should be involved. Development plans should not rely purely on the public sector. Understanding of, and an ability to comply with, rules on co-financing are critical.

- EU membership in some cases requires the creation of new structures and institutions capable of attracting, administering and monitoring EU funds. New Member States often struggle to access EU funds because of a lack of knowledge, appropriate institutional frameworks and an inability to secure co-financing.

## The LEADER Programme

Although, limited funds were allocated initially, LEADER is popular in all the studied regions. It provides a framework for rural development plans to be defined by local needs, problems and capacities based on a 'network' approach. It has mobilised internal resources and attracted private capital from in and outside of the region.

However, LEADER type programmes will suffer if too much weight is given solely to bottom-up initiatives. The experience in Tyrol (Austria) suggests that focusing on local needs in isolation leads to excessive duplication of small-scale initiatives and projects being established without appropriate links to other locations and important markets.

While LEADER's popularity cuts across regions with different socio-economic characteristics and historical trajectories, it will be less successful, at least initially, where there is no tradition of local collaboration and/or pre-existing mechanisms for cross-sectoral co-operation. This was the experience in Altmark, located in the new German Bundesländer.

To date LEADER has operated on very limited resources. 'Mainstreaming' LEADER may present additional management and co-ordination problems and, potentially, diminishing returns. Nevertheless, development strategies that enhance local capacity and the ability of actors to direct local and external forces to their benefit remain important.

## Rural Development and the New Member States

While difficulties are not unique to such states, there are significant barriers to implementing these lessons of best practice in the NMS. Many NMS have struggled to set up appropriate administrative and financial institutions capable of attracting EU funds. For example, despite being one of the poorest EU Member States, since accession Romania has been a net contributor to the EU budget.

The capacity to access available EU funds at national, regional and local government levels must be improved otherwise there is the risk that poor member states (such as Romania) will remain for the long-term net EU contributors.

In many NMS local institutional capacity and actors' participation remains weak, particularly in rural areas. One problem is the excessive turnover of administrative staff linked to the politicisation of the civil service. This has impeded the development of a supportive 'institutional memory'.

The NMS face the most severe implementation problems with novel instruments such as LEADER.

While easy and quick solutions are often absent, these difficulties must be addressed given the importance of rural areas to the NMS and, as a consequence, to the enlarged EU as a whole.

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