

EDORA

European Development Opportunities for Rural Areas

Applied Research 2013/1/2

Draft Final Report

Part A (Executive Summary)

Revised July 2010

This report presents the draft final results of an Applied Research Project conducted within the framework of the ESPON 2013 Programme, partly financed by the European Regional Development Fund.

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1. Introduction.

The over-arching aim of the EDORA project is to better understand the development opportunities and challenges facing rural areas in Europe, in order to support targeted policy development, especially in relation to job creation and social change. In particular, insights should help with the practical implementation of spatial development principles which have evolved out of the Fifth Cohesion Report, and the Territorial Cohesion Green Paper. Three key issues are;

- the need to better understand patterns of differentiation, between different kinds of rural area,
- the nature of the different opportunities for development which each of them faces, and,
- the way in which such opportunities depend upon, and may be strengthened by, interaction between rural and urban areas.

In order to address these issues the EDORA researchers have sought to draw together contemporary academic interpretations of the process of rural change, with the most up-to date data, so that robust and empirically valid findings can form a firm foundation for policy recommendations.

The broad structure of the project (Figure 1) is specifically designed to avoid picking up the conventional rural development bias towards land-based industries. It comprised three broad phases: In the first phase the theoretical literature was reviewed, in order to establish the contemporary interpretation of rural change. In the second a regional evidence base was constructed, including both recent trends and anticipated Future Perspectives. In the third and final phase the theoretical interpretations and empirical evidence were considered as a starting point for considering policy options for rural policy in the context of spatial cohesion objectives. These findings relate to Cohesion policy generally, and more specifically to the third research question posed by the specification, i.e. the potential to design policy which strengthens the economy and society of rural areas through various forms of urban-rural interaction.

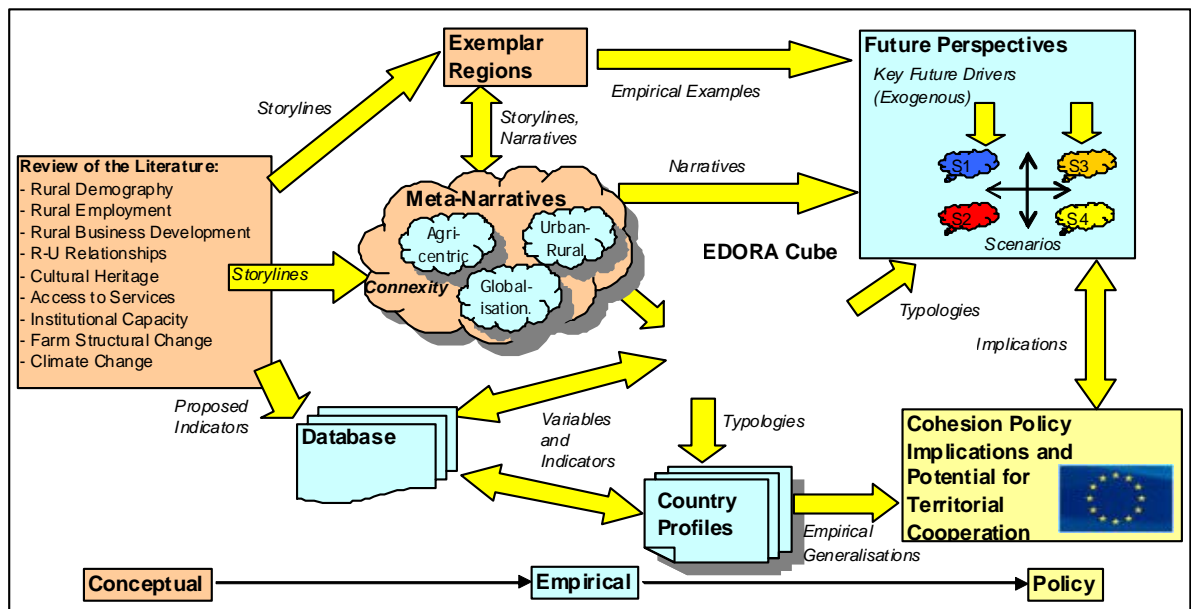


Figure 1: The Structure of the EDORA Project

In responding to the project specification's emphasis upon development opportunities for different kinds of rural areas the EDORA approach has sought to balance due regard for regional specificities against the need for appropriate generalisations to replace outdated stereotypes. It has also highlighted the fact that local potential is often defined by regional capacities and "soft factors" which determine the ability to respond to increasingly ubiquitous opportunities. The focus in this report is therefore often upon the determinants of that regional capacity to respond, rather than upon establishing a list of specific activities

which show promise for growth in rural areas. The latter would inevitably be partial, and would risk becoming rapidly out of date.

2. The Thematic Literature Review and Synthesis.

The first phase of the project was a review of the literature on rural change, advised by the project specification's guidance towards activities outside agriculture and forestry. This took the form of nine thematic reviews, each of which generated a separate working paper. These thematic reviews revealed a large number of "story lines" of rural change. The key findings of the literature review may be summarised as follows:

i. Economic Processes:

An important "story line" in this context is structural change, the process of diversification away from the traditional focus upon primary or land-based industries, towards a New Rural Economy (NRE) in which secondary and tertiary activities are the main drivers. The NRE has developed more fully in accessible rural areas, and is closely associated with the demographic process of "counter-urbanisation", and with centrifugal dispersion of economic activity, from cities and towns, into the countryside.

A second "story line", which has affected both accessible and more remote rural areas, concerns the commodification of countryside and environmental public goods, and the rise of "multifunctionality" both within traditional activities such as farming and forestry, and newer activities, especially recreation and tourism. This complex and incremental structural shift is captured by the term "Consumption Countryside".

A third characteristic vector of rural change relates specifically to farming, where there is an increasing polarisation between large-scale, highly mechanised, commercial, "Para Productivist" development paths on the one hand, and small-scale, often part-time, multifunctional "Peri-Productivist" strategies on the other. In some regions of the NMS12 semi-subsistence agriculture constitutes a third pathway of change.

ii. Social Processes

The key social process in contemporary rural change is migration. However it represents not a single "story line", but three; (a) the "rural exodus" which (selectively) drains human capital out of remote rural areas, in favour of urban and accessible rural locations; (b) the flow of economic migrants from the poorer regions of the NMS12 towards both rural and urban regions of the EU15; and (c) "counter-urbanisation" movements from cities and towns into accessible rural areas. The social and economic impacts of the first of these upon the origin regions are predominantly negative. The other two kinds of flow result in a complex balance of positive and negative effects upon rural regions.

These three migration story lines are intimately connected to the issue of demographic ageing which in turn interacts strongly with aspects of economic development, exacerbating "depletion" effects in some regions and strengthening capacity for diversification and innovation in others.

A third very important issue which should be mentioned under the heading of "Social Processes" relates to the provision of Services of General Interest (SGI). The shift away from a "welfare state" ethos towards neo-liberal and "New Public Management" approaches has interacted with the effects of migration, demographic ageing, and "regional enlargement" to highlight a number of critical policy questions in recent years. The circularity of causal links between the provision of SGI and other social and economic trends makes the former a prominent driver in processes of cumulative processes of change, both positive and negative.

Structural change in the rural economy is associated with changes in the character and configuration of rural social capital which are linked in complex ways to rural governance. This renewal of social capital has many and varied impacts upon the capacity of rural areas to respond to new opportunities for development.

iii. Policy Processes

Key processes of change in a policy context are; "regional enlargement", (redrawing administrative boundaries as a response to changing daily mobility patterns), and the "hollowing out" of the Welfare State (privatisation of formerly public services). Associated with the latter is the increasing importance of

the Third Sector, “multi-level governance” models, partnership approaches, and the use of fixed-term projects as a vehicle for implementation. This nexus of changes in governance, loosely linked to what the OECD has described as the “New Rural Paradigm”, are leading to the emergence of what may be termed the “Project State”. The balance between benefits and perverse impacts varies, but two things are clear: that comparative analysis is extremely difficult due to differences in institutional heritage; and that institutional capacity is very difficult to “artificially” construct through exogenous policy interventions.

iv. Environmental Processes

EDORA has not specifically focused upon environmental change, but a number of socio-economic implications have been noted. For example, one of the thematic reviews considered the issue of climate change and its rural development impacts. This points to a broad N-S divide in Europe in terms of the likely impact of climate change on rural economic activities, and on agriculture in particular. In the northern Member States the main negative impact of increased variability, is anticipated to be offset by higher average temperatures which will effectively broaden the farming system options for most rural areas. In the South and East rising temperatures and reductions in precipitation will effectively narrow the options for agriculture, and increase the risk of environmental degradation, with knock-on effects in terms of tourism and leisure activities. In the latter the institutional capacity to deliver mitigation or adaptation strategies is also generally less developed.

At present climate change research tells us more about likely direct environmental impacts, rather than the complex indirect socio-economic consequences. It also tends to have a rather large-scale focus - the likely regional or local impacts are not well understood as yet. However, in very broad terms, it is probably safe to assume that climate change impacts will be more substantial in regions where agriculture and other primary activities are still relatively important, and in those regions where “Consumption Countryside” activities are strongly developed. Regions where the structural shift towards a diversified NRE has proceeded further are likely to be less seriously affected. Indeed judicious diversification would be one means to reduce the anticipated impact of climate change.

v. Urban-Rural Relations

This theme is touched upon in a wide variety of contexts and there is a diffuse literature. The material is rather disparate and the task of drawing it together into a coherent “narrative” which could form the basis for perspectives of the future or a policy approach is challenging, because:

- Urban areas and rural hinterlands overlap and interlink in a complex system of economic and social interactions, (commuting, service provision patterns, leisure and recreation linkages etc).
- Many rural areas have as many links to distant regions across Europe or the rest of the world as they do to adjacent urban areas, and it is often suggested that global linkages are the key to successfully growing NRE activities.
- Administrative boundaries have variable relationships to urban and rural areas, creating complex issues in terms of policy design, and often providing no separate institutional advocacy relating to rural needs and potential.
- Urban and rural areas, and their administrations, are more likely to see themselves as competing for scarce resources than co-operating for the benefit of rural areas.

vi. Meta-Narratives and Regional Contexts.

Woven through the nine thematic reviews is the “leitmotif” of *Connexity*; the increasing interconnectedness, over longer distances, of all aspects of rural economic and social activity. This means that the strength of linkages/relationships to sources of information, innovation, and business opportunities can, other things being equal, become more important than geographical location or proximity to resources. Within this overarching theme, three “meta-narratives” of contemporary rural change can help us to understand the complexity and variety of individual development paths. These are:

The *Agri-Centric* meta-narrative, which draws together various “post-modernisation” or “post-productivist” concepts and strategies, such as “multifunctionality”, “commodification”, or “ecological modernisation”, which all stress the fact that agriculture and farming communities are increasingly concerned with a broader range of objectives than maximising output of food and fibre. Again, the notion of para- and peri-productivism are fundamental to this meta-narrative.

The *Urban-Rural* meta-narrative draws together various story lines relating to migration, rural-urban relationships, access to SGI, agglomeration (or its absence), and highlights the cumulative causation process which drives the differentiation of, and disparities between, accessible and remote/sparsely populated rural regions.

The meta-narrative of *Global Competition* emphasises implications of increasing connexity and global trade liberalisation, in terms of the spatial segmentation of labour markets and the associated structural change of European rural areas. This points to strategies which depend upon the “knowledge economy”, the role of the creative class, an emphasis upon quality, place marketing, niche markets and so on.

The overarching theme of increasing connexity, and the three meta-narratives, are largely “exogenous”; common vectors of change, which act upon all rural regions within the ESPON space. As such they are often part of an interactive web of socio-economic changes and trends which are global in scope and impact and are not easy to change by policy intervention. The observed increase in regional diversity across rural Europe can therefore best be explained by differences in the local environment upon which these forces of change operate. They are also the key to appropriate forms of intervention for cohesion policy.

Important aspects of local environments include “hard” factors, such as raw material resources, landscape, physical infrastructure and buildings, and “soft” aspects, such as the skills and capacities of the local workforce, its entrepreneurial culture and innovativeness, characteristics of business networks, the quality of local institutions and governance, and so on. The role of these different “assets” has been recognised within a practical development policy context, leading to the promotion of “asset based” local development approaches. This has been associated, in a variety of policy contexts, with a conceptual framework based upon 7 forms of capital (financial, built, social, human, natural, cultural, and political). More recently Camagni (2008) has provided a slightly different theoretical perspective by exploring the concept of “territorial capital”.

3. Macro-Scale Patterns of Rural Differentiation.

Having established the contemporary interpretation of rural change, the second phase of the project concentrated upon furnishing an evidence base. Fundamental to this was the creation of a regional database, containing both raw data from secondary sources, and derived indicators.

The Territorial Cohesion principle of “turning diversity into strength” seems to point towards an ideographical approach, but generalisations are nevertheless extremely useful, and it is important that some of the outdated stereotypes about rural areas which seem to lie behind conventional rural development policy are revised or superseded. The meta-narratives described above are a form of (theoretical) generalisation about common “ensembles” of processes of change. They are neither exhaustive or inclusive of all the ways in which individual regions experience change. Neither is it possible to associate one meta-narrative with one particular type of region. All three, (and perhaps others which we have not described) may be at work, to some extent, in any individual region.

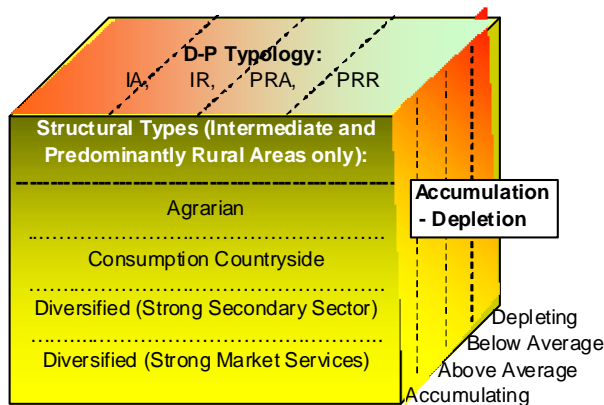


Figure 2: The EDORA Cube – a 3 dimensional framework for analysis

Note: IA = Intermediate Accessible, IR = Intermediate Remote
 PRA= Predominantly Rural Accessible PRR = Predominantly Rural Remote

The EDORA Cube

In pursuit of a form of generalisation which is more evidence-based the EDORA project developed an “analysis framework” composed of three discrete regional typologies. A single typology cannot easily encompass the salient aspects of differentiation of rural regions. The so called “EDORA cube” therefore comprises three typologies, reflecting three distinct dimensions of variation (Figure 2).

The three typologies attempt to capture the following aspects of rural differentiation:

(i) *Rurality/accessibility*. This typology relates to the Urban-Rural meta-narrative, and was developed (at DG Regio) from the OECD typology. Four types of (non-urban) regions are distinguished; Intermediate Accessible, Intermediate Remote, Predominantly Rural Accessible, and Predominantly Rural Remote.

(ii) *Economic Restructuring*. This typology relates to both the Agri-Centric and Global Competition meta-narratives, and was developed from 13 indicators, using a multi-criteria, disaggregative approach. Again four types of non-urban regions were distinguished: Agrarian, Consumption Countryside, Diversified (with strong secondary sector) and Diversified (with strong market services sector).

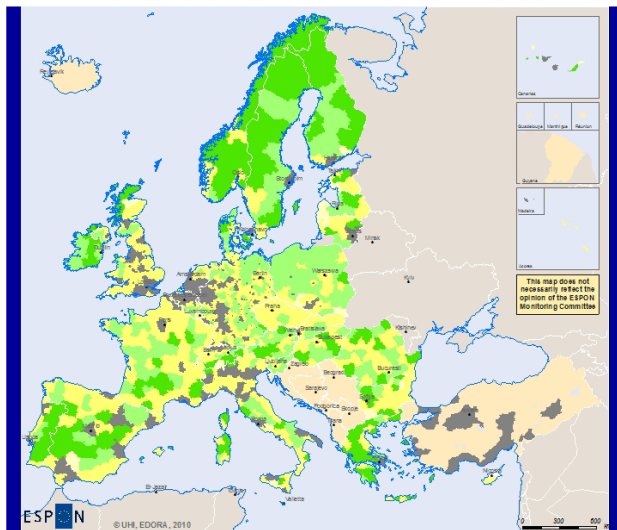
(iii) *Performance*. This typology places regions on a continuum between “accumulation” and “depletion”, and derives its rationale mainly from the urban-rural meta-narrative. It is based upon a synthetic index of performance, incorporating 5 indicators. Four types of region are distinguished; Accumulating, Above Average, Below Average, and Depleting.

The three resulting maps are shown (as “snapshots”) in Map 1. They are reproduced in full size in the main text of the Draft Final Report (Part B).

An analysis of the typology maps, together with cross-tabulation analysis, provided a useful “triangulation” of European rural regions. The principal findings were:

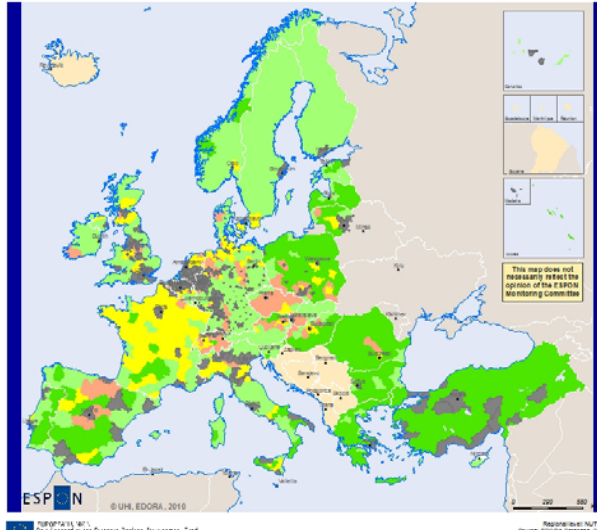
- Regions in which the primary sector plays a major role in the local economy are mainly concentrated in an arc stretching around the eastern and southern edges of the EU27.
- The rest of the European space is characterised by a patchwork of three types of rural area, Consumption Countryside, Diversified (Secondary) and Diversified (Private Services). Of these the last seems to be to some extent associated with the most accessible areas.
- Broadly speaking there is a tendency for the Agrarian regions to be relatively low performers, showing many of the characteristics of the process of socio-economic “Depletion”. The Diversified (Secondary) regions also tend to be relatively poor performers, perhaps because they are dependent upon declining manufacturing industries.
- The Consumption Countryside regions and the Diversified (Private Services) group are both high performers, and likely to continue to “accumulate” in the immediate future.

These are very simple, broad-brush generalisations, which, of course, cannot “do justice” to the wealth of local variation in rural areas across the ESPON space, or to the infinite number of possible combinations of drivers, opportunities and constraints. Nevertheless within the context of the debate about the future of European (cohesion) policy for rural areas, it would seem that the four Structural Types may be more useful as generalisations than the prevalent, but outdated association of rural exclusively with Agrarian rural economies, or even with the Consumption Countryside. The rather different needs and potentials associated with Diversified rural economies (whether strong in secondary activities or private services) would seem to deserve far more attention in the context of the policy debate than they have heretofore received.



Urban-Rural Types (NUTS 3 Regions)

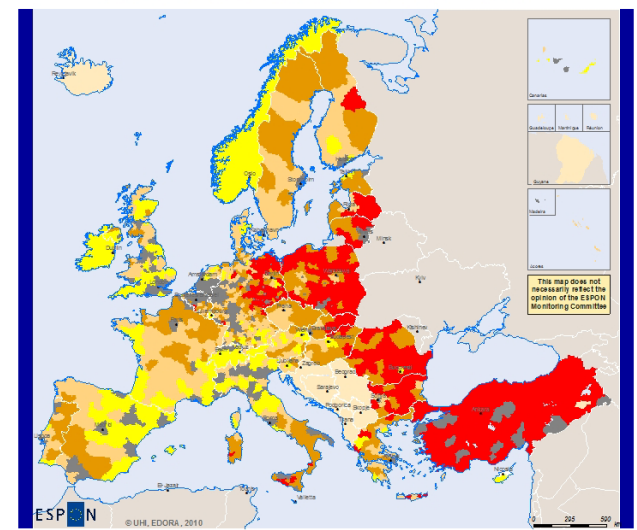
- No Data
- Predominantly Urban
- Intermediate Close to a City
- Intermediate Remote
- Predominantly Rural Close to a City
- Predominantly Remote



Structural Types (Intermediate and Predominantly Rural NUTS 3 Regions)

- No Data
- PU Regions
- Agrarian
- Consumption Countryside
- Diversified (Strong Secondary Sector)
- Diversified (Strong Private Services Sector)

Note: A simplified classification procedure was necessary in CH and TR, due to missing data. However it is anticipated that acquisition of a wider range of indicators would not materially change the outcome.



Performance (A-D) Types (Intermediate and Predominantly Rural NUTS 3 Regions)

- No Data
- PU Regions
- Depleting
- Below Average
- Above Average
- Accumulating

Note: The type allocation to TR and CH is based upon a reduced set of indicators, and should not be considered fully comparable with the typology for the EU27.

Map 1: The Three EDORA Typologies

The Country Profiles Reports

The goal of the Country Profiles was to produce “pen-pictures” of rural areas, at national and “meta region” (groups of countries) levels, based on the three typologies, together with other socio-economic indicators, and enriched with the “local knowledge” of partners. This is important, since national and regional boundaries are important “filters”, or structuring elements, through which the policy community may more easily relate to the new picture of rural Europe presented by the EDORA cube.

This work is reported in a working paper (WP25 Annex 1), and in a set of 31 individual country reports (Annex 2). The Draft Final Report presents a brief description of the methodology, followed by some examples of the findings, highlighting the capacity of this analysis to convey a clearer view of the socio-economic characteristics of European “non-urban” regions at the beginning of the twenty-first century. These illustrate both the individuality of MS and the existence of macro-scale (meta-regional) patterns. It is difficult to convey a sense of the size and richness of the Country Profiles resource within the few pages available, and interested readers are encouraged to consult the above-mentioned documents.

4. Micro-Scale Processes at a Regional/Local Level

Holistic analyses of twelve “Exemplar Regions” were carried out in order to deepen our understanding of the processes of rural change in different contexts, and thus to enrich narratives of differential change. The exemplar regions reports elaborate upon, and sometimes challenge, the typology and the meta-narratives developed in the conceptual stage of the project.

The regions were carefully chosen to represent a variety of rural contexts, and good coverage of the Structural and Performance types. However it is important to acknowledge that where more than one region shared the same type, the differences were as prominent as the similarities, reminding us that although generalisations are helpful, indeed indispensable, we should never lose sight of the fact that each region is unique. Some of the regions were also very clearly heterogeneous combinations of sub-areas representing different types. In some regions one dimension of the EDORA cube was dominant. This was the case in two regions where “depletion” was the most obvious characteristic, and in another where proximity to a city was of overwhelming importance.

The overarching theme of connectivity runs throughout most of the Exemplar Region reports, emphasising in particular the importance of interaction and linkages, rather than proximity *per se*. Nevertheless there is also evidence of the continuing importance of location and the need for improvements in physical (transport) infrastructure. Several of the Exemplar Regions are adjacent to international borders, which leads to very specific issues of connectivity.

The agri-centric narrative is evident in a number of the regions described. It becomes clear that progress towards peri- or para-productivist models is not universal, and that “stagnation” or “abandonment” are risks. We are also reminded that a strong agrarian focus is not a universal “starting point” – some regions have never had a strong agricultural sector.

There was much evidence to support the urban-rural narrative, and the associated patterns of migration, although in some regions the role of smaller towns (rather than cities) was highlighted. Interestingly, accessibility to an urban area did not always lead to benefits.

The narrative of Global Competition is very clearly illustrated by the development of viticulture in one of the Spanish regions. In the NMS12 regions the impact of globalisation has been heightened and compressed in time, by accession.

Regional analysis highlights the crucial importance, in all types of regions and in relation to all of the meta-narratives, of social capital, institutional capacity and styles/structures of governance. This suggests that these themes should receive careful consideration in the Future Perspectives and Policy Implications sections which follow.

A final, and very important, observation, is the way in which the exemplar region reports highlight the variability in the rate and trajectory of change, from very gradual continuing depletion or accumulation, to “recent turnaround”. It is common that specific events can trigger relatively sudden reversals.

5. Future Perspectives

The fifth section of the report develops a framework, using foresight techniques, for considering the future opportunities and constraints which are likely to confront rural areas of different kinds during the next two decades. This framework builds upon the work of the earlier phases of the project; viewing the meta-narratives of recent and contemporary change as predominantly incremental processes driven by endogenous factors, into which, during the next decades new, “exogenous shocks” will impose themselves, causing more rapid and radical change. Of the range of potential “shocks” which may reasonably be anticipated, it has been assumed that the most likely and the most influential in a rural context is Climate Change. The most important aspect of climate change, about which there is not yet consensus, is the rapidity with which its impacts will be manifested. A second “exogenous” shock is the recent Credit Crunch and ongoing Sovereign Debt Crisis. This seems likely to influence the nature of the economic governance approach underlying the policy measures which are developed to meet the challenges of climate change. The options range from “laissez faire” approaches on the one hand, to stronger regulation and collective interventions on the other. The latter might seem more likely in the aftermath of the current experiences with the financial markets.

The EDORA Future Perspectives analysis adopts a simplified, qualitative, “foresight” approach, which is appropriate given the limited resources available, the breadth of the issues to be considered, and the fact that in this arena quantified data is rather scarce. This leads to a systematic procedure for scenario development, followed by an expert assessment of the likely implications for the four Structural types of non-urban regions.

The two “exogenous” variables introduced above structure the analysis in the form of two axes defining the range of possible outcomes. The first axis stretches between gradual climate change at one extreme, to rapid change at the other. The second (economic governance) axis ranges from “neo-liberal” to “strongly regulated”. Clearly the two axes are not entirely independent of each other, laissez faire approaches are more likely if change is gradual, whilst severe and rapid climate change is likely to spur MS and international agencies into more “top-down” responses. The two axes define four quadrants which can then form the basis of four narrative scenarios of change over the coming two decades:

Scenario 1: Gradual climate change + Deregulated Market Economy

In many ways this is close to a “business as usual” scenario. With the exception of a shift of agriculture towards the para-productivist model, and a substantial growth in new forms of energy production, the current processes of change would continue. This would probably be associated with a continued increase in regional differentiation.

Scenario 2: Gradual climate change + Highly Regulated Economy

In the second scenario the impact of the credit crunch leads to a more cautious and regulated form of economic governance in which a shortage of capital inhibits both the private and public sector responses to the gradually emerging climate change effects. Limited mitigation means that even gradual climate change has significant impacts upon economic activity and quality of life in rural Europe, resulting in intensified out-migration from agrarian and sparsely populated regions. Energy costs rise but the development of renewables is modest, leading to an increasing dependence on nuclear power. Increasing freight costs provide a degree of import protection, and slow the decline of manufacturing in Europe. Reduced consumer spending and shortage of capital inhibits the expansion of the tertiary sector.

Scenario 3: Rapid Climate Change + Deregulated Market Economy

Rapid and disruptive climate change attaches a premium to land as a basic resource underpinning both adaptation and mitigation measures. Food prices rise, renewable energy production and bio-technology industries expand rapidly. Agricultural production intensifies and increasingly adopts bio-technology. There is a concentration of control of the (rural) means of production in corporate hands. The tertiary sector is buoyed up by an expansion of financial services, and private investments in research and development, although the benefits are largely restricted to accessible rural areas.

Scenario 4: Rapid Climate Change + Highly Regulated Economy

The rapid onset of climate change results in a coordinated consensus-based public policy response. There is rapid public investment in new forms of nuclear power and careful regulation of the use of rural land, to ensure food supplies. There are strong and selective migration flows from South, East and Central Europe into the North and West, and towards major cities. Public transport systems, using low/zero emissions technologies lead to compact urban growth. Fossil fuel use is reserved for food production, whilst cropping is also regulated to reduce the production of GHGs. The primary and secondary sectors are reinvigorated by the public policy response focused upon sustainability. The shift in favour of the tertiary sector slows or is reversed.

The expert assessment of the implications of the above scenarios for the four Structural types of rural region utilised both the project's Expert Group, and the members of the TPG. Responses to the assessment clearly established that S1 (*Gradual climate change + Deregulated Market Economy*) is thought the most likely scenario to emerge in the coming years. Identification of a preferred scenario (from the point of view of territorial cohesion) proved less conclusive. However there was some degree of consensus that S2 (*Gradual climate change + Highly Regulated Economy*) would result in the greatest benefits to rural regions.

6. Options for Policy to Promote Competitiveness and Cohesion in Rural Europe.

The final phase of the project attempts to draw some initial conclusions about policy implications. It is perhaps helpful to stress the fact that these policy implications do not derive from "lesson's learned" from present or past interventions, but are logical extensions of the conceptual and empirical analysis of the first four sections of this report, and the more detailed information in the associated the working papers.

Having said that it is important to keep sight of the overall framework for Cohesion Policy, and its broad objectives, which derives from the Lisbon Agenda (economic competitiveness), the Gothenburg Agenda (environment), and the inclusion of Territorial Cohesion in the treaty of Lisbon (art. 3). The latter represents the culmination of a process begun under the ESDP, continued through the "Territorial Agenda" and more fully explored in the Territorial Cohesion Green Paper. In essence it involves pursuing balanced regional development through enabling all regions to develop to their full potential. In this sense it is facilitated by "turning diversity into strength".

One of the key ingredients in territorial cohesion policy, frequently referred to in recent policy documents, is "territorial co-operation". This is an ill-defined term which seems to include both existing "informal" interactions between different areas (urban-rural, or rural-rural) and "formal" interactions "artificially" stimulated by policy.

Implications of the Findings of the Conceptual and Empirical Phases of EDORA

The conceptual review (especially the three meta-narratives) and the empirical analysis (particularly the Exemplar Regions reports) have shown that most, if not all rural regions in Europe are exposed to the same broad range of drivers of change. Differentiation of response is primarily a consequence of variations in a range of local capacities and potentials. Some of these are conventional, tangible resources, land, physical resources, access to markets, built capital, transport infrastructure and so on. Others are "soft", (intangible, less amenable to quantification). The latter are often particularly evident in rural areas and associated with newer development opportunities, such as provision of "rural amenities". Often it is particularly "soft" factors, such as human and social capital, or institutional capacity which are instrumental in facilitating a rural area's response to drivers of change.

An appreciation of the importance of these less tangible regional assets has led some to argue that the key to local development is the presence of seven forms of "Community Capital" (rather than the traditional three). This concept has been further developed by Camagni, who has proposed a 3x3 matrix of types of "territorial capital", based on the two axes of rivalry and materiality.

Territorial Co-operation.

The Exemplar Region reports have proved a valuable source of evidence of a variety of forms of territorial co-operation, of a variety of formal and informal types. This is a highly complex and relatively new field of

research, in which terminology, means for systematic analysis, and interpretation, are still emerging. The constraints to, and opportunities presented by, territorial co-operation are as yet poorly understood.

Some Reflections on the current EU Policy Framework relating to Territorial Cohesion and Rural Areas

The First Action Programme for the implementation of the territorial Agenda of the EU mentions a number of key policies, based on their relevance in terms of territorial impact. The most important are Cohesion Policy and the EU Rural Development Policy, but Transport Policy and Sustainable Development Strategy are also relevant policies. Moreover, the Integrated Maritime Policy, the Environmental Action Programme, the Research and Innovation Policy and Neighbourhood Policy, have a significant territorial impact. Although not mentioned in the Territorial Agenda, Pillar 1 of CAP, Cultural Policy and Employment and Social Affairs Policy should also not be neglected given their spatial implications. The on-going policy discourse is intensively seeking to address the challenges of cohesion policy, foremost among which is the tendency of each of the above policies to operate within their own discrete “world” with very little interaction with others. The recent implementation of national strategies for spatial development, and rural development, perhaps provide helpful models in this respect.

Other key issues which need to be addressed in order to deliver effective rural policy to support territorial cohesion include:

- The need to design truly territorial policy (current rural development policy is strongly sectoral).
- Impact assessment that is sensitive both to regional context and the need for policy coherence, so that local innovation can be recognised and disseminated as good practice.
- Territorial cohesion policy should seek to act as a “counterweight” to trends which result in concentration or agglomeration.
- National policy traditions, and path dependency must not be ignored.

Dax proposes the following “Cohesion Policy Principles”:

- Territorial cohesion addresses a series of “generic” policies that should be analysed for their territorial impact (in realistic terms) and coherence and cohesion aspects.
- The full range of territorial capital can be considered relevant. A strategic choice of core elements is extremely important in a non-urban context. Empowerment of local actors, co-operation (in various dimensions and with various meanings) and an increased attention for social and cultural development aspects are of special priority.
- Some of these imply a long-term vision of territorial development. Climate change, for example, underlines the need for taking into account a long-time frame and necessitates a fundamental change in policy considerations.
- Understanding rural environmental and recreational public goods is decisive for the specific territorial opportunities in these areas, linking it to other sector activities, particularly tourism.
- Selected policy strands would constitute a mix of policy interventions to act at macro, meso and micro level. At the macro level the selection of explicit Territorial Cohesion policies, policy changes and general issues of technology and energy development would be the prime elements. Policy implementation at the meso level would focus on the place-based strategy, networks, interventions implementation, subsidiarity and governance issues, and the regional response to crisis. The most important will be that all efforts are taken to mobilize territorial potentials at lower levels and to conceive local actors as the main stakeholders.
- The diversity of rural areas suggests that policy processes cannot be executed through standardised action but have to be framed in terms of targeted and tailored support mechanisms.
- This implies new governance settings that have been designed in the terms of the “place-based paradigm”. The main issues to be addressed in this approach are selecting priorities, the important role of networks and public interventions, subsidiarity and effective governance, and realising the relevance of each of the various spatial levels (macro to micro).

The way forward towards realising the above principles in terms of established practical policy involves, first of all, a progressive narrowing of the gap between the rural development discourse and policy implementation. This can only be carried out incrementally, at a pace which accommodates the prevalent inertia towards policy changes. Secondly it involves negotiating a mature relationship between Rural Development Policy and Regional Policy, in order to overcome the segmentation of administration and to adopt territorial analytical frameworks.