

# Conclusion

**Philippe Perrier-Cornet**

This book takes a wide-ranging look at changes in rural areas and how their governance is evolving, illustrated with various case studies. Projecting these observations and analyses leads us to discuss the future: in the context, what are the perspectives, the possible futures for rural areas, rural development and alongside this, rural policies?

We should first remember that to understand the socio-economic changes and rural area perspectives, we have to take into account two interlinked aspects: town–countryside relations and the way they evolve or might evolve, and the uses to which rural areas and their resources may be put.

We know that in the past, town–countryside relations have been structured by a flow of products, with the towns as centres, market places supplied with agricultural products by the neighbouring rural areas. Because of the lesser territorialisation of agriculture, with its vertical organisation in sectors, and because of the strengthening of regional specialities and the growth of international exchanges, these goods flows no longer structure town–countryside relations within most European countries. Due to changes in lifestyles and dwellings mainly in the societies of Western Europe – urban sprawl, a “live in the countryside, work in town” pattern – population flows today affect town–countryside relations rather than the flow of goods, in a substantial part of rural Europe. These new population flows from town to countryside have become much more significant than the traditional rural exodus of populations from rural areas to cities. As a result, for the last ten years or so in Western European countries, there has been a production by statistical institutes and teams of researchers of new spatial typing, classifying rural areas by the intensity of these new town–country relations. These approaches are much more relevant than the classification adopted by the OECD.

The way in which the use and functions of rural areas has evolved can be simply classified around three countryside aspects or patterns, each one bringing social use, economic functions and also projects and conceptions on what rural areas

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P. Perrier-Cornet  
UMR MOISA INRA/SUPAGRO, Montpellier, France  
e-mail: perrierp@supagro.inra.fr

should be for. The first is that of the countryside as a resource: the rural land and its resources are mobilised, utilised as a support for economic activities. The farming economy is at the heart of this aspect. The second is that of the countryside as a place to live: it is the land as consumed by rural residence. It is also the area of the residential economy, i.e. of all the jobs and sectors of activity corresponding to the resident population. The third is that of the countryside as nature. It covers the functions of rural land areas as natural areas, independently of the preference of the inhabitants, consumers of a rural life style. It is the mobilisation of rural land areas for the conservation of biodiversity, for the preservation of the quality of natural resources, local and global, and in particular global warming. These country patterns interact, they mobilise the same rare resources. This gives rise to tensions, but also to possible synergies, as is shown by the multi-functional nature of agriculture. The relative importance of each of the three aspects varies according to area and to the way in which they interact. Thus, France went from the hegemony of the countryside as resource to a co-habitation with the spectacular development of residential use of her rural areas from the 1980s onward. And more recently has arisen a new pattern with the emergence of environmental issues.

In terms of future perspectives, the observed diversity in rural areas and the prospective development lead us to identify four main directions in European rural areas, each constituting a possible future:

- The first is that of a more and more residential countryside. It assumes the permanence, and perhaps an accentuation of the process of urban sprawl. It is based on the residential economy as the main driving force in rural economies. It involves more and more daily commuting between town and countryside.
- The second is that of maintaining or reaffirming a productive countryside around farming or food industry sectors. An increasing demand for farm products in world markets may encourage this direction. It assumes that a suitable agricultural policy is maintained. It requires a certain amount of relocation of residential functions to towns, to contain urban sprawl. It also assumes the real taking up of environmental challenges (those of the countryside as nature: biodiversity, natural resources, climate change and so on) by farming and the food industry, the condition considered necessary to justify a large public support to the European farmers in the coming years.
- The third is that of a diversified rural pattern of local productive systems. This is based on how well local players can activate or create specific resources in rural areas within different sectors. This assumes local strategies for organisation and cooperation, local area projects and so on. The main driving force in local areas is here that of the promotion of the competitive advantage by collective localised strategies. Here we are the heart of the debates on local production systems, and in particular the localised farming systems in food and farming industry.
- The fourth and less attractive perspective is that of the abandoned countryside: neither residential attractiveness nor competitive farming, nor diversified – or crisis-bound – rural economy. This can concern marginalised agricultural land areas, but also and above all industrial rural areas in crisis.

Each of these directions is today more or less being followed in the European rural areas, with strong variations among the Member States. The case of France is symptomatic of the increasing importance of the first one, more than half of the French rural population catchments being attracted today by the residential economy. But at the same time, we can consider that 20–25% of rural catchment areas is already, or is in danger of going in the direction of “abandoned countryside”. This diversity in the possible futures of rural areas reappears at a Europe-wide level: one can easily estimate that the perspective of convergence towards a European rural model is very unlikely.

If we are to gain some perspective on the questions of land governance and the rural policies we need first to discuss the notion of rural development, the bedrock of public involvement.

For many economists, the notion of rural development covers the raft of initiatives or strategies of public and private players aimed at improving the well-being of the inhabitants of the countryside and at the contribution of the rural environment to the well-being of society. Behind these very general objectives, there actually lie four different conceptions of rural development.

The first is that of rural development as enlarged farming development. We consider here that farming, even if it is not the principle activity in the countryside, is always a pivotal activity for its development: actions towards the production of agricultural assets are then at the heart of the rural development policies. They include the multi-functionality of farming, the diversification of farming operations, agro-environmental measures and so on. In this conception, we consider that the new expectations or demands of society *vis-à-vis* the rural world, in particular the environmental demands, are or should be fulfilled by farming, farming being given incentives to respond. This is currently the main bedrock of French rural development policy.

The second is that of rural development seen as integrated local development. Here we consider that rural areas are specific areas, that the problems of territoriality, of collective action are here different from those of other areas; and that this required specific *ad hoc* development policies. Farming is here one activity among others and the diversification of economic activities is here encouraged. Development is led by local populations working together on local rural projects. This conception, put forward by some European leaders during the 1996 Cork Conference, is explicitly found in the Leader programmes. It is also a dominant reference in a number of local governance strategies in rural areas.

The third conception sees rural development as a component of regional development. The specificities of rural areas are not given preponderance. They are taken into account within the regional context of which they are part. The town–countryside relations are central here. Rural development is a sub-set of regional development.

A fourth conception, which we can consider as transversal to the other three, highlights rural areas as natural areas. The development of rural areas must primarily be compatible with the functions demanded by society of these areas of ensuring biodiversity, the prevention of the risks of climate change, and so on in the domain

of the preservation of natural resources. Rural development cannot be thought of merely in terms of the projects and the needs of local residents, nor in terms of the equilibrium in town–countryside population catchments, but must be concerned with more global preoccupations that control the supply of goods and environmental services to meet these demands (global public goods).

These various conceptions can reconsider from the point of view of the forces, the economic leverage, that bring about the economic development of these areas. From one theory of regional growth to another, it is not the same drivers of growth that are predominant, and not the same local factors in local competition. The Keynesian theories of regional development (basic theory) put in the forefront the demand, the ability of local areas to capture external revenue. The theories of polarised development stress the economies of agglomeration, the necessary concentration of activities in given places, and their effect of drawing in the hinterlands. The endogenous development approach centralises the offer of the local areas, their ability to collectively activate specific local resources as the driving force for their competitiveness.

What do we learn from the confrontation of these different approaches, in the light of rural policy orientations, in particular the European rural development policy, the “second pillar” of the CAP? Three remarks can be made on this subject:

First of all, community rural development policies are based essentially on two assumptions, of unequal weight. The central one is that it is a conception of rural development enlarged to farming: most of its measures are direct support to farmers. Secondarily, this orientation is combined – at a much smaller weight – with a theory of economic action that comes above all out of endogenous development issues. We find this here in a more or less explicit way in the support for farming diversification, and above all in integrated local development schemes of the Leader type: the local offer (and not their ability to capture external demands and revenues), the adding of value to specific local resources and so on, which are given preference as drivers of growth and land development.

In the second place, we must note the absence in rural development policies of the question of rural development as a component of regional development. This masks any positive economic trickle-down effects to their hinterlands, when talking about theories of economic action and the search for factors of competition at a local level. Neither is much account taken of the issue of town–country relations. Now, the latter has a structuring role in a whole section of rural Europe.

In the third place, this overall view must be overshadowed by the wider community variations in rural development policies. These policies are based on the co-financing of the Member States and an almost free choice within the range of measures of the second pillar, so the rural development programmes of Member States (or regions in the case of federal States) differ substantially. Over the period 2000–2006, Germany devoted 25% of its second pillar budget to extra-agricultural rural measures, whereas France only devoted 3.9%. France used 13% of its second pillar budget as aid to young farmers, whereas the UK and Finland left this out of their menu, and so on.

To conclude, what perspectives do these evolutions forecast for rural development policy? The future balance of governance by sectors, that of farming and the food industry, and land governance is a sizeable challenge. Is the current version of community rural development policy durable? This policy represents an imbalanced association between an enlarged option for agricultural development and an issue of integrated local development. Is this association relevant and viable, and can it stand the test of time? Is a closer balance between its two currently highly imbalanced components desirable and possible? According to what modalities?

A possible perspective would be one of a second CAP pillar explicitly centred on farming. The second pillar would gain in clarity. But would it survive? Because the long-term result would be a fusion with the first pillar, explicitly agricultural in its support of farming incomes, and the second, the pillar of rural development for the supply of public goods by the farmers. Over agricultural measures, there is a clear convergence today in the evolution of the first and the second CAP pillars. The remaining major difference between them is the mode of financing. What would them be at stake would be to know what should come from a global public support at a European level versus what – through co-financing – could be more or less “re-nationalised” i.e. whose public support should be left to the initiative of each Member State.

As far as the rural areas are concerned, an agricultural re-centring of the second pillar should or could lead to a greater integration of rural development except farming in the regional policy of territorial cohesion of the EU. But this form of land governance is not where European regional policy, less zoned than before, is directed. The question then is to know to what extent rural issues should be treated specifically within integrated local development. Or to what extent rural development should be conceived of as simply a component of regional development within the town–country issue. In the debate on maintaining a certain rural autonomy and the recognition of the reality of the current dynamics and the future of rural areas, a re-think is needed on the current balance between the two aspects.