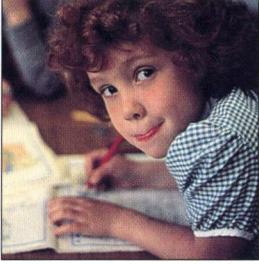


NEW VITALITY FOR THE COUNTRYSIDE



Europe
on the move



Better jobs come through higher qualifications. This is why the Community supports and helps to finance educational and training projects.



'Rural development. There is no better example of collective wealth. It conditions the daily life of people living in town as much as of those in the country. If it is neglected, everyone suffers. By means of its rural development programmes, the European Community brings hidden treasures to the notice of public opinion and of those responsible for the development of the countryside.'

Jacques Delors,
President of the
European
Commission

The European Community's rural areas make up 80% of its land surface. Yet only 50% of the population lives there and the number is dwindling. For the Community, the preservation of its rural heritage is a priority task. The countryside is not just the home and the centre of activity of the people who live there. Its open spaces, hills, woodlands, lakes and rivers offer untold recreational and leisure possibilities for millions of city dwellers.

The delicate balance between town and countryside is in danger. Rural areas are increasingly unable to sustain the level of economic activity needed to support dynamic local communities. They suffer from a declining agricultural sector, poor infrastructure, depopulation and inadequate services compared with urban areas.

The aim of the EC's rural development strategy is to help rural communities reverse this trend: by supporting farmers who want to stay on the land, by creating jobs for young people, by developing tourist amenities, by promoting new businesses and by giving local communities access to adequate levels of technology and services.

Two-thirds of the Community's population is squeezed into some 100 towns and conurbations. That is where jobs are to be found.

On the other hand, the country accounts for 80% of the area but only one-third of



The EC acts through the so-called structural Funds whose aim is to even out regional and social disparities. The Cohesion Fund, set up by the Maastricht Treaty of December 1991 to help poorer regions catch up with the others, will henceforth also play a role.

ADJUSTING TO NEW REALITIES

The major changes experienced by the farming sector in recent years are the principal cause of the current difficulties of rural communities. For a long time, the common agricultural policy (CAP) was the cornerstone of the European Community. Farming was the only integrated sector. The Community had a commitment in its founding Rome Treaty to provide security of food sup-

ply for its citizens and a fair standard of living for its farmers and their families.

Farming is still the economic motor of many rural areas of Europe. But agriculture in Europe and the rest of the world is undergoing constant change. Production and yields have risen as a result of new technologies (such as genetic engineering), increased use of fertilizers and other inputs and more intensive means of production.

The result is bigger surpluses on the one hand and the marginalization of small farmers, unable to benefit from these innovations, on the other. Many small farmers are already leaving the land because they can no longer make a living there. Their departure has a negative knock-on effect on the local economy.

There are few alternative job opportunities locally. Younger people are often the first to leave. Schools close for want of pupils and the smaller population cannot maintain adequate cultural and social services. It risks becoming a vicious circle of decline.

The need for a powerful strategy to help rural communities meet these challenges is evident. Farmers remaining on the land need support, alternative economic activities must be strengthened and developed, infrastructure and communications have to be improved and environmental damage resulting from the abandonment of farmland has to be reversed.

'We need a more vigorous policy of rural development. In addition to the diversity of our rural zones, the very balance within the Community is at risk. It is threatened by the continued decline in agricultural employment, the growing gap between the services available to people and companies in towns and in the countryside, the exodus of young people and the damage to the environment.'

Jacques Delors, in a speech to the European Parliament on 12 February 1992



the population. Why? Because there are too few jobs.



Overexploitation of land threatens the environment.

A COHERENT STRATEGY FOR RURAL DEVELOPMENT

Faced with the challenge, the Community has taken action. The countryside and the rural way of life are the joint assets of all EC citizens — country folk and townspeople alike. They have considerable potential which can be developed in the interests of all. The Community is supporting local initiatives and putting forward wider projects of its own which cover a number of regions with similar difficulties.

Rural societies are a natural framework for the creation of small and medium-sized enterprises (SMEs) and the development of local handicrafts. Education and training programmes will help local people acquire new skills, which will enable them to find work or strike out on their own.

There is a growing demand for the products of the land which are grown by traditional methods and are biologically sound and additive-free. Fishing, inland and coastal, is an

economic and recreational activity. Tourism can be developed in natural beauty spots or in areas with noteworthy flora and fauna.

The Community's strategy is to support and promote all these activities and at the same time to underpin the still-vital agricultural sector which is and will remain the lifeblood of rural Europe. It is based on four principal priorities:

- to revitalize the CAP by bringing production into line with demand. At the same time, funds will be made available to modernize farms and to install young farmers on the land;



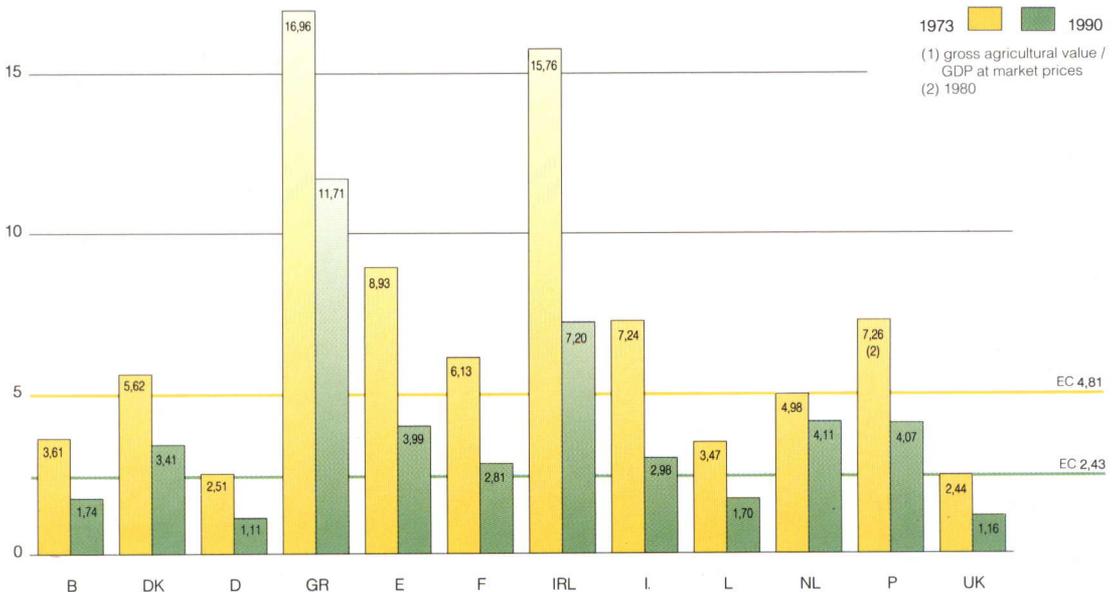
The haphazard development of economic activity reduces the quality of life.

'If only we can have the good sense to get 'back to harmonious development, then the farming world will no longer be the weak link in our society, and it can play an essential part in maintaining the stability of our countries and in contributing to the effectiveness of their economic and social policies.'

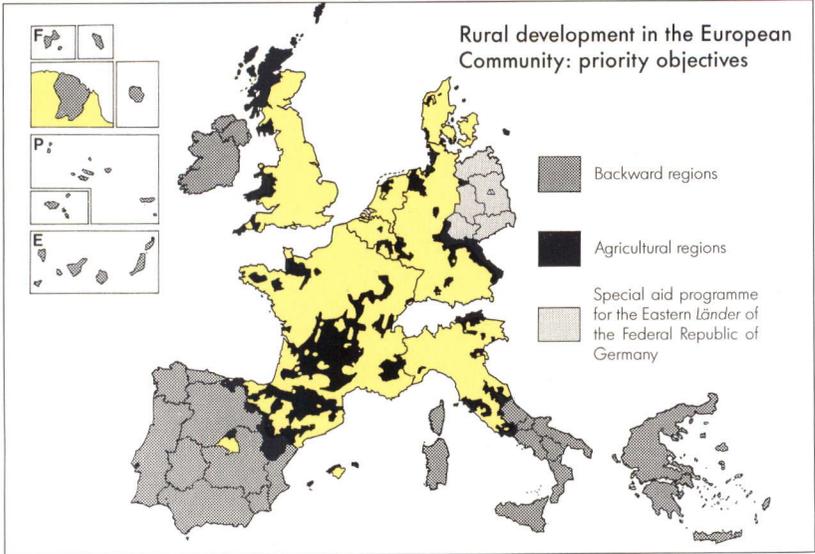
Jacques Delors

- to stimulate the non-farming side of the rural economy, especially by creating jobs in other sectors, by supporting start-up ventures, by undertaking projects to protect the environment and by developing the tourist potential of the countryside. Travel and tourism is the largest industry in Europe but in many regions hotels and tourist centres still need to be built, services are still lacking and management and operational staff insufficiently trained;
- to improve the infrastructures on which the successful revitalization of the rural economy depends. This includes communications, transport, water supplies and energy distribution networks. Modern telecommunications can overcome the handicap of distance, making rural SMEs in some sectors competitive with their urban rivals;
- to fund education and training programmes for those engaged in handicraft activities or who work for small and medium-sized enterprises. Community programmes for training and job-creation initiatives can help stem the rural exodus. So can projects to raise the research and development potential of rural areas.

Share of agriculture in total GDP (%) ¹



Source : Eurostat



'The countryside is a source of reassurance and stability in an increasingly urbanized and in many respects artificial and synthetic society. An active and successful policy of rural development is not just a policy option. It is a policy imperative.'

Ray Mac Sharry,
Member of the
European Commission

The impact of CAP reform

The major reform of the common agricultural policy which is currently under way seeks to reduce farm prices and set lower production levels. It will have a far-reaching effect on the Community's 10 million farmers. But the reforms are being implemented in a way which takes account of the particular needs of small farmers, especially in regions where the preservation of a farming sector is indispensable to avoid upsetting what is often a delicate balance of social, economic and ecological factors.

Compensation will go to small farmers no longer able to earn a full living from the sale of their products at lower market prices. Farmers who produce less, but use less intensive and natural methods, or who undertake afforestation and environmental projects will also qualify for financial support.

THE INSTRUMENTS

Since 1988, the Community has mobilized its three structural Funds in the service of rural development. The most important of these is the Guidance Section of the **European Agricultural Guidance and Guarantee Fund (EAGGF)** which helps farmers to remain competitive and to adapt their activities in line with changing market needs. It also funds environmental protection projects in areas where these could be complementary to traditional farming operations.



The EAGGF Guidance Section contributes to the cost of modernizing agriculture, finding new markets and protecting the environment.

Then comes the **European Regional Development Fund (ERDF)** which contributes to major infrastructure projects in poorer regions: roads, the installation of advanced telecommunications facilities, energy distribution networks, water supplies, etc. In addition, the ERDF helps to cofinance private-sector initiatives by equipping industrial sites or providing services to SMEs.

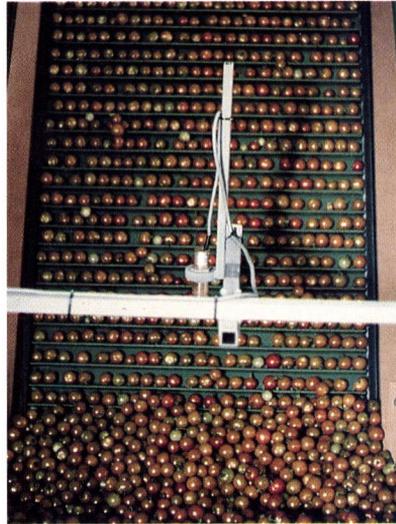
The third is the **European Social Fund (ESF)** which supports training and job-creation programmes and the acquisition of new skills by employed or unemployed persons. It is particularly concerned with creating job opportunities for young people. The ESF is increasingly developing a preventive

rather than a corrective role by retraining people in new skills while still employed.

Together, the Funds are paying out a total of ECU 17 700 million in 1992.

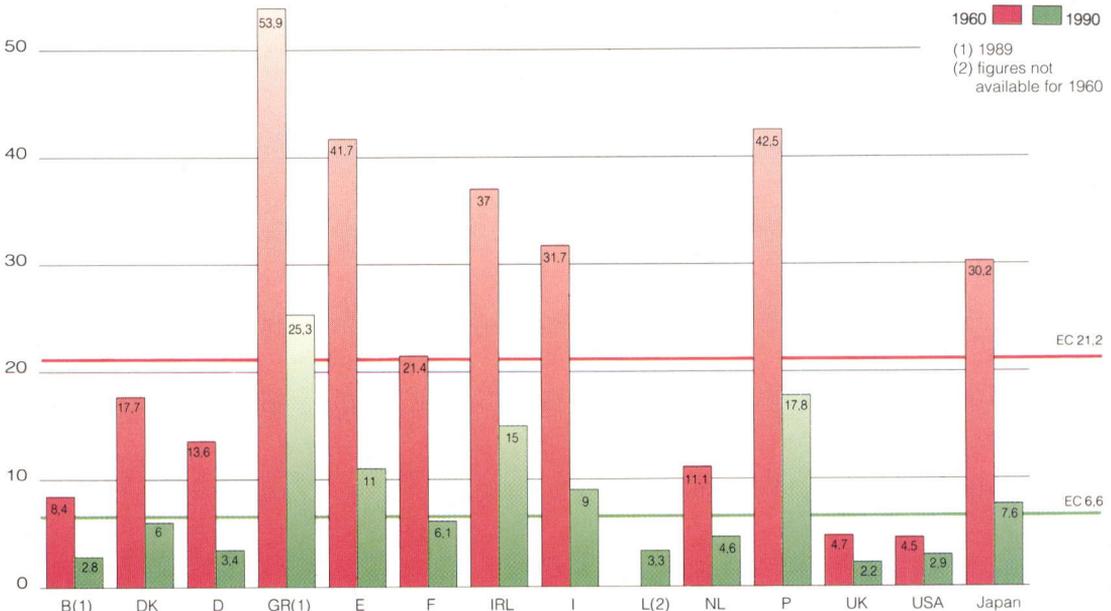


There are research programmes on the industrial uses of agricultural products, improving their nutritive value and developing eco-friendly ways of processing them.



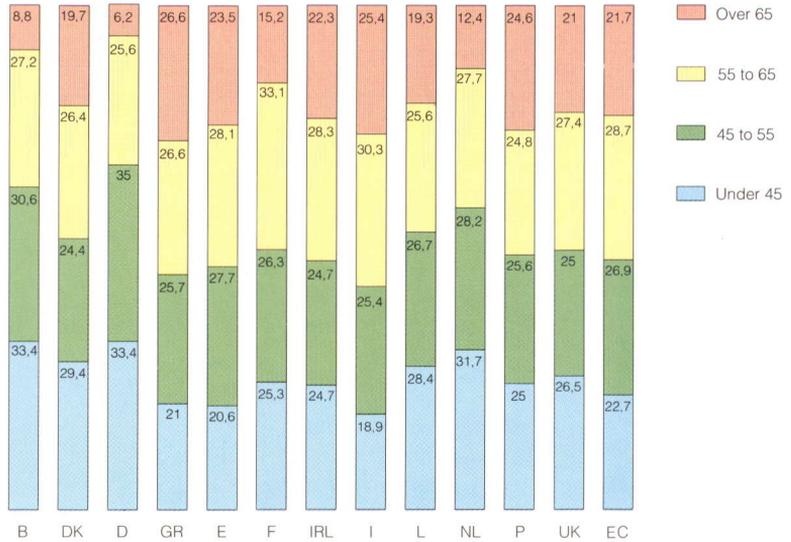
Promoting profitable quality products is one of the objectives of the common agricultural policy.

Evolution of agricultural employment (% of total employment)



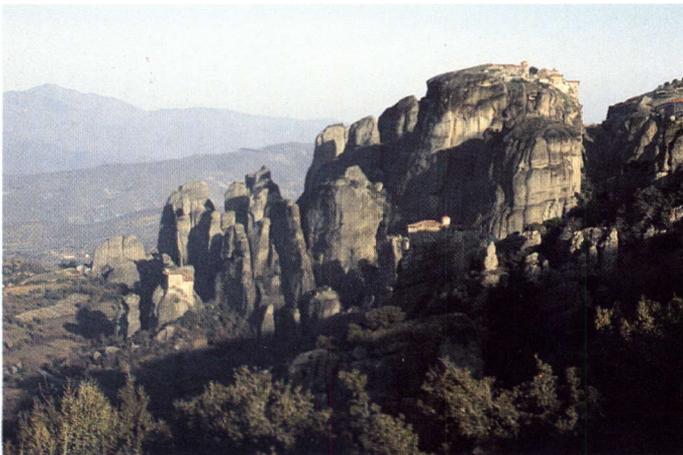
Source: Eurostat

Farmers in the EC



Source: Eurostat and Agricultural report of the Federal Government, 1989, Bonn

The countryside is home to some 10 000 species of plant life, nearly 150 animals, 600 birds, 65 fish and over 20 000 insects and other invertebrates. Environmental policy protects flora and fauna.



PRIORITY REGIONS

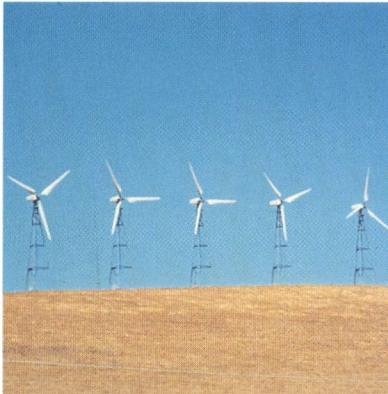
1. The first set of priority regions are the outlying areas of the Community — Ireland, Spain, Portugal, southern Italy and Greece. Between them, the three structural Funds have participated in more than 300 programmes essentially centred on basic infrastructure (transport, communications, water supplies, energy distribution) as well as on support for new companies, the supply of new services, job training and farm modernization.

2. The Funds also focus on rural areas in other parts of the Community which are heavily dependent on agriculture. More than 70 programmes have been implemented, essentially on job creation in agriculture and other sectors, on programmes to protect the environment and the natural habitat and on the development of local tourist resources. This can include the management of natural sites as well as the construction of hotels and other facilities.

3. In any region where its help is needed, the EAGGF Guidance Section supports investments which improve the competitiveness of farms (i.e. modernization, installation of young farmers, early retirement schemes, support payments for hill farmers and those in unfavourable locations). It also contributes to schemes which:

- reduce surplus production;
- improve the processing and marketing of farm and forestry products;
- promote the non-agricultural use of farmland;
- protect the environment or develop afforestation.

In 1991, the European Commission launched a new approach specifically targeted at individual rural communities. This initiative is known as leader, a self-help scheme for outlying regions or rural communities of between 5 000 and 100 000 people. The budget is ECU 400 million. Leader finances projects developed by local associations and other groups to diversify the economic base of country areas, promote technical assistance



Energy policy supports projects using renewable energy resources.

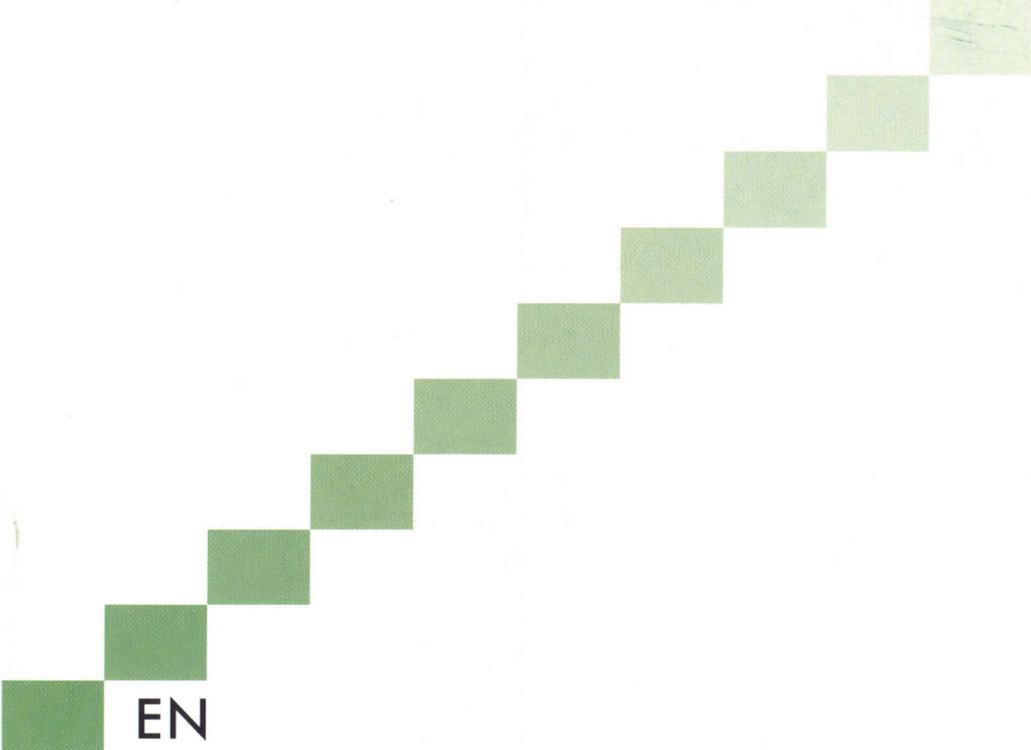


The European Community encourages rural tourism.

and provide advice and expertise for communities seeking to implement diversification projects.

The future: communications technologies to facilitate life in the country.





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