

# **Investment Priorities for Rural Development**

**An international conference by the Scottish Executive and the OECD**

**19 – 20 October 2006-10-25**

## **Opening remarks by Margaret Clark**

As chair of the OECD's Working Party on Territorial Policy in Rural Areas, may I thank the Lord Provost for her welcome and also welcome you on behalf of the OECD. We are grateful to the Scottish Executive and to the Carnegie UK Trust for their support for this conference.

The attendance today, I believe, reflects the interest across the world in the issues and challenges affecting rural areas.

We are on a journey - from a position where agriculture was synonymous with rural and, therefore, agricultural policy was the main way of addressing rural development to a point, where there is now, I believe, recognition that new approaches are needed to respond to the changes taking place in rural areas and among rural peoples. We need to respond to changes both in the world at large – globalisation, competition, greater mobility, environmental pressures, consumer preferences – as well as changing demands within our own countries.

To help understand these changes and how rural regions can adapt and respond, we need to develop new policy approaches; new tools to stimulate and assist competitiveness; and new governance arrangements, better suited to today's and tomorrow's environment.

To assist this debate, as part of the OECD rural working party's work, we have held a series of conferences to address what these changes mean for rural policy. We began our journey in Siena in July 2002, when we discussed the future of rural policy and the shift that was taking place in many countries from a purely sectoral approach, moving towards policies focussed around places, which took account of their assets and opportunities as well as addressing the disadvantages.

In March 2004, in Warrenton, Virginia in the United States, over 120 senior policy officials and experts from over 15 countries met to discuss in more depth the new and emerging approaches to rural policy and to share lessons from around the world.

Last year, in Oaxaca in Mexico, we looked at how new rural development policies were being designed and implemented and, in particular, the need for new approaches to governance to enable this to happen and the need for more

horizontal co-operation at all levels – national, Federal, regional and local – and vertically between levels.

Agriculture continues to play an important role in rural areas. Although for many countries it is no longer the main player in terms of GDP or rural employment, it is still the main user of land. In October last year, in Bratislava in Slovakia, we explored the relationship between agriculture and rural development policies in more depth.

Which brings us to today's conference, which is a further step in understanding and developing these important issues.

Meanwhile, the rural working party will continue to exchange ideas, to analyse the impacts of policy, to develop better analytical and diagnostic tools and to address the questions of the conditions needed to promote innovation and competitiveness. Much of our work so far has been drawn together in a publication – *The New Rural Paradigm* – which I recommend to you.

Following this week's conference, our next step on this journey will be in Extremadura in Spain next Spring, when we will hold another in this series of conferences, focussing in particular on innovation.

Finally, I should like to leave you with one important message. Rural areas in the past have often been considered as a problem. But, when looked at in more depth, this, in many areas, is far from the truth. Many rural regions are growing and contributing positively to countries' wealth and well-being. Our work needs to understand why some regions perform better than others and how we can build the right frameworks and conditions to assist that to happen more generally, as well as continuing to address the particular needs of some areas.

This conference will assist that process and I look forward to listening to the debate and learning from it.

**Margaret Clark**  
**19 October 2006**