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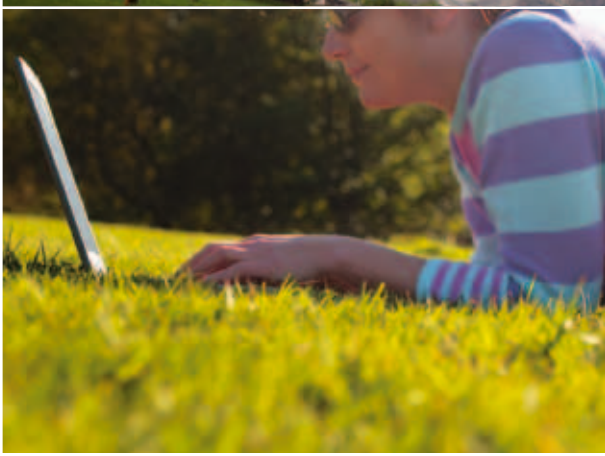

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Foreword

With gains in agricultural productivity leading to a dramatic reduction in farm employment, rural regions across the OECD now depend on a wide range of economic engines for growth. Increasing globalisation, improved communications and reduced transportation costs are additional drivers of economic change in rural areas. Traditional policies to subsidise farming have not been able to harness the potential of these economic engines. In 2006, the OECD published a thematic report The New Rural Paradigm: Policies and Governance, *which seeks to explain the shift in rural development policies to account for these important economic changes and the new approach to governance that these policy approaches require.*

Policies to develop rural places are beginning to take into account the diversity of economic engines as well as the diversity of rural region types. In general, rural regions face problems of decline from out-migration, ageing, a lower skill base and lower average labour productivity that reduce the critical mass needed for effective public services, infrastructure and business development, thereby creating a vicious circle. However, there are many other rural regions that have seized opportunities and built on their existing assets, such as location, natural and cultural amenities, and social capital. The success of such dynamic rural regions is evident in regional statistics.

Promoting rural development poses numerous policies and governance challenges because it requires co-ordination across sectors, across levels of government, and between public and private actors. OECD countries have therefore been undergoing a paradigm shift in their approaches to accommodate such important challenges. The most defining characteristics of this shift are a focus on places *rather than* sectors *and an emphasis on* investments *rather than* subsidies.

The multi-disciplinary nature of rural development has contributed to the lack of comprehensive analytic frameworks to analyse and evaluate multi-sectoral, place-based approaches. The OECD will continue to work with other stakeholders worldwide to fill this knowledge gap. The OECD's work on rural development through the Group of the Council on Rural Development, created in 1990, was intensified with the creation in 1999 of the Territorial Development Policy Committee (TDPC) and its Working Party on Territorial Policy in Rural Areas. These bodies provide governments with a forum for discussing regional and rural development. In early 2006, under TDPC's guidance the Directorate of Public Governance and Territorial Development (GOV) launched a series of national rural policy reviews, such as this one, to deepen international knowledge in this field.

Acknowledgements

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The Review was co-ordinated and drafted by Mr. José Antonio Ardavín under the supervision of Mr. Nicola Crosta and Mr. Mario Pezzini of the OECD Secretariat. A number of external experts contributed to the review: Mr. Yancy Vaillant (Visiting Scholar with the Rural Policy Research Institute, RUPRI), Mr. David Pereira (*Universidad Politécnica de Madrid*), Mr. Rafael Boix (*Universitat Autònoma de Barcelona*), and Mr. Manuel Chavez and Mr. Raúl Abreu (*Fundación Idea*). José María Caballero and David Freshwater provided useful comments.

Valuable information was provided by authorities and civil society during the visits to the regions of Castilla y León and Andalucía. Most Spanish regions contributed substantially by submitting a questionnaire prepared by the Secretariat. Specific inputs were also received from the regions of Galicia, Valencia, Canarias, Castilla La Mancha, Navarre and the Basque Country. Special thanks to the OECD Mexico Centre for Latin America for the use of its offices during part of the drafting process. Ms. Sophia Katsira prepared the Review for publication.

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List of Acronyms

ACs	Autónomous Communities (regions in Spain)
CAP	[European] Common Agricultural Policy
IN	Intermediate Regions (OECD Regional Classification)
EC	European Commission
EU	European Union
EAGGF	European Agriculture Guarantee and Guidance Fund
EAFRD	European Agriculture Fund for Rural Development
ERDF	European Regional Development Fund
IDs	Industrial Districts
KISAs	Knowledge Intensive Service Activities
LAGs	Local Action Groups
LDSMR	*Ley para el Desarrollo Sostenible del Medio Rural* (Law for Sustainable Development of Rural Areas)
LEADER	From the French "*Liaisons entre actions de développement de l'économie rurale*" (an EU Rural Development methodology)
MAP	*Ministerio de Administraciones Públicas* (Ministry of Public Administrations)
MAPA	*Ministerio de Agricultura, Pesca y Alimentación* (Ministry of Agriculture, Fisheries and Food, today MARM)
MARM	*Ministerio de Medio Ambiente y Medio Rural y Marino* (Ministry of Environment and Rural and Marine Affairs)
MMA	*Ministerio del Medio Ambiente* (Ministry of Environment, today MARM)
MITC	*Ministerio de Industria, Turismo y Comercio* (Ministry of Industry, Tourism and Trade)
NUTS2/3	[European] Nomenclature Territorial Units of Statistics
PRODER	*Programa de Operación del Desarrollo y Diversificación Económica Rural* (Development and Economic Diversification Operation Programme for Rural Areas)
PR	Predominantly rural regions (OECD Regional Classification)
PU	Predominantly urban regions (OECD Regional Classification)

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Assessment and Recommendations

NOTE

Please note that this publication contains a French and Spanish version of the assessment and recommendations of the review at the end of the book.

Veuillez noter que cette publication contient une version française de l'évaluation et des recommandations de la revue à la fin du livre.

Sírvase notar que esta publicación contiene una versión en castellano de la evaluación y recomendaciones del estudio al final del libro.

Despite having a vast rural territory, Spain possesses relatively few "predominantly rural" regions

According to the OECD definition of rural areas at the municipal level, 92% of the Spanish territory is rural and it hosts 27% of the population. These figures are close to the "official" classification of rural areas, as defined by the recently published Law on Sustainable Development of Rural Areas (LDSMR), according to which, rural areas extend to 92.7% of the territory, although the figure for population reaches 42% (17 million people). At the regional level (TL3/NUTS3), Spain has 7 predominantly urban (PU) regions (provinces), 27 intermediate (IN) regions and 18 predominantly rural (PR). The prevalence of intermediate regions is noteworthy. The particular pattern of population settlement in Spain is characterised by a few large cities and a large number of medium and small cities, concentrated mostly in the coastal provinces. This gives Spain a low rank in comparison with other OECD countries in terms of the territory, population, and GDP of PR regions (45% of the territory, 13% of the population and 10% of the GDP).

Rural areas were not able to grow as much as the rest of the country during the long period of vigorous national growth…

Over the past two decades, Spain has experienced an almost uninterrupted period of economic growth during which it has achieved an important degree of convergence with the most developed countries in the European Union. In this period, Spain has passed from being a country of emigrants to one of immigrants, and it has significantly improved the levels of education and quality of life of its inhabitants. However, the pattern of concentration of population in the largest cities to the detriment of rural areas and small towns, as well as the backwardness of rural areas with regards to many economic and social indicators, evidence the strong urban bias of such growth. Predominantly rural – PR – regions GDP grew on average 2.5% per year from 1999 to 2004 compared to the 3.5% national average.

… instead were often caught into a vicious cycle of depopulation and poor economic performance…

The depopulation of rural areas in Spain during the last decades of the 20th century was more significant than in other OECD countries. The rural population declined from 13.5 million (half of total population) in 1950 to 9.78 million (one quarter of total population) nowadays. Mountain regions and dispersed settlements showed the strongest decline. While from 2001 to 2007, foreign migration, among other factors has contributed to stop or even reverse the negative trend in certain zones, the emigration of young people for decades from rural to urban areas, combined with negative natural population growth has caused relative aging and masculinisation of the rural population. Regression and decomposition analyses show that an adverse demographic structure and outmigration are among the factors that have contributed the most to the lower performance of rural regions, since the remaining population finds difficulties in generating endogenous growth.

… as well as significant social challenges, which include diminished social opportunities…

According to the last population census in 2001, there was a higher incidence of relative poverty (that is, below 60% of average national income) in rural areas (22% *vs.* 18% national), average lower levels of income (14% lower than the national average), and lower levels of human capital (3.4% illiterate and 18% without studies compared to 2% and 10% in urban areas). More recent information, available at the provincial level provides evidence of important advances in these fronts. Noteworthy, in terms of PPP adjusted GDP per capita, predominantly rural regions have been catching up. Indeed, some remote PR regions (Badajoz and Zamora) and accessible PR regions (Lerida, Huelva) rank amongst the provinces with highest GDP per capita growth over the period 1998-2003. Additionally, in terms of education performance, according to the OECD PISA 2006 evaluation, the performance of rural students was similar to that of urban students. From a territorial perspective a north-south divide is evident in terms of many social indicators, including income, education and unemployment.

… integration of immigrants…

One of the most relevant aspects of the recent demographic evolution in Spain is the growth of the foreign immigrant population. Although this phenomenon is increasingly urban, since most of new migrants seek opportunities in urban

areas, over the period 1993-2003 the immigrant population in rural areas multiplied by a factor of 17, reaching 62 000 migrants. Of the 7 647 local jurisdictions considered rural, only 1 777 had not received migrants by 2003. The impact of immigrants in rural areas is quite significant. Indeed, from 2000 to 2007, in many counties, immigrants contributed to "reverse" the declining population trend. In many others, although the population decline is not fully compensated, immigrants significantly reduced the population loss. However, this group is in general at higher risk of encountering diminished social opportunities.

… and accessibility and adaptability of public services

Accessibility has been a determining factor for social wellbeing. Periurban areas have had the strongest population growth (2.5% per year from 1991 to 2001) and better demographic balance (17% youth and only 14% elder). They also had the lowest unemployment rate (13% in 2001). There are marked differences between accessible and remote rural areas when it comes to basic public services, such as, secondary education schools, health centres or facilities for elderly people. Although in general the percentage of population without a secondary school or a health centre in the municipality where they live is limited; on a per capita basis, there are some marked regional deficits, particularly in the south. As for residences for elderly people, given the present and future requirements, the gap is greater. Most rural counties have less than 1 residence for elderly people per 1 000 inhabitants over 65 years old. In terms of "new" basic services, such as broadband, while there have been significant advances in the past decade, there remains a considerable rural-urban digital gap.

The rural economy has experienced a structural transformation, characterised by a marked decline in agriculture employment, associated with productivity increases…

The reduction in the agricultural labour force (from more than 20% of all workers in 1975 to less than 5% in 2008), and the more intensive use of inputs (land, nutrients and water) resulted in productivity gains above the average of the EU, particularly since the second half of the 1990s. Growth in agricultural production between 1990 and 2004 (20%) was among the highest across OECD countries (3rd highest). During this period agriculture became also increasingly specialised and sophisticated, establishing certain niches such as organic and

ecologic agriculture. Moreover, under the adverse international economic climate prevalent since the second half of 2008, Spain's agro-food industry is proving to be more resistant than other industries, and than in other countries. Notwithstanding, as a source of employment and income, agriculture demonstrated that it could no longer be the backbone of the rural economy.

… and diversification, with positive outcomes for the most diversified regions…

The imminent end of the long period of economic growth that started in the early 1990's, and the strength of the ongoing international financial and commodity crisis, increases the necessity of finding new sources of economic growth and employment. In this context, the diversification of the rural economy has shown its potential as a source of employment and wealth creation, while also contributing to promote more balanced regional development. Over the last decade rural industry and services grew by 30% and 21%, respectively. The most diversified rural regions in Spain have higher GDP per capita, higher population growth, higher employment growth, and lower unemployment rates.

… markedly into sectors such as tourism…

Spain has become an international leader in rural tourism. The sector has contributed significantly to the valorisation of the rich and varied natural and cultural heritage present in Spanish rural areas, as well as to the creation of job and business opportunities for the rural population. While tourism in Spain has been growing at a rate of 3% per year in terms of overnight stays and 7% per year in terms of visitors (8% for nationals, 5% international), rural tourism in Spain grew around 20% per year from 2001 to 2007 both in terms of overnight stays and visitors, and both for national and international visitors. Over this period, close to 15 000 jobs were created and the supply of rural accommodations doubled from 6 000 to 12 000.

… and manufacturing

As for manufacturing, a mapping analysis identified 53 industrial districts (IDs) in rural regions in Spain, concentrated in the centre-south of the country, which employ almost 340 000 people. Additionally there are 58 "rural" IDs in intermediate – IN – regions and 26 in predominantly urban – PU – areas. The dominant specialisations are household goods, textiles and clothing, as well as the food and beverage industry. These three sectors account for 79% of IDs

in rural areas (41 IDs) and 78% of employment in IDs in rural areas (208 000 employees). Empirical evidence shows that despite slower than national average employment growth (1991-2001) in rural areas with IDs (28% *vs.* 31%); it is significantly higher than in rural areas without districts (17%). In this way, IDs have contributed to 23% of the growth of employment in rural areas, 44% more than their share of employment.

The country's vast natural resources and biodiversity present in rural areas are put under pressure by economic activity…

Rural Spain possesses a rich and varied natural heritage, unique in Europe and offers a variety of ecosystems and landscapes, from arid to subtropical, from Mediterranean to Atlantic and from continental to mountainous. However, the natural richness of rural Spain is coming under pressure from demographic and economic trends. Economic activity in rural areas creates some pressure on resources, particularly water, which is relatively scarce in Spain. Irrigated agricultural land (some 3.5 million hectares) consumes close to 75% of Spain's water resources. Recent efforts in improving efficiency have promoted a sustainable and respectful irrigation that brings some positive externalities such as landscape conservation and demographic stability. Air pollution, erosion, forest fires and climate change are additional issues of concern that threaten the rich stock of natural and environmental resources contained in rural Spain. To address these issues Spanish administrations have implemented a series of programmes and plans that intend to protect their natural heritage and attenuate these threats (see section on environmental policies below).

… at the same time, rural areas hold great potential in terms of dealing with pressing environmental and energy related challenges

Rural areas' natural resources are increasingly contributing to the solution of environmental challenges, notably through better conservation measures and as sources of renewable energy. Spain has made a clear bet to become a frontrunner in alternative energies by extensively diversifying and increasing the sources of renewable energy over the past two decades (reaching 7% of primary energy and 20% of electricity generation in 2007), while building a solid industry and technological base. In 2007, Spain is, after Germany, the second country in terms of installed wind power capacity (with 15 090 MW). Solar energy has also gained importance as a "rural" source of energy in large scale "solar orchards" now common in rural Spain, which use, or combine,

solar water heating, solar photovoltaic, and solar thermoelectric technologies. Biomass, biogas, and biofuels production has also increased significantly.

Until recently, Spain's rural policy relied fundamentally on EU programmes, implemented in a decentralised fashion, with an important bias towards agricultural support

Since the 1980s, Spanish rural policy has been essentially based on EU rural development programmes and structural funds, implemented in a decentralised way, through its autonomous communities (ACs). For the 2007-13 EU programming period, Spain utilises a national framework and 17 rural development programmes (RDPs). The national framework includes several horizontal measures that all ACs must include in their RDPs. Spain remains one of the most important recipients of rural development funds, accounting for 7.9% of the EAFRD transfers and 10.2% of the total public expenses dedicated to rural development under the CAP in Europe for 2007-13. However, the priorities reflected in the allocation of total public funds by objective in the different regions is evidence of a strong bias towards agriculture (52% of the total public funds are oriented for competitiveness of the agricultural sector – Axis 1 objectives – compared to an average of 34% for the EU). In contrast, 13% of total public expenses are dedicated to quality of life, diversification, and the LEADER initiative – Axes 3 and 4 objectives – while in Europe they add to 17.3%. The extremes are Navarre (68.2%), Basque Country (64.9%), and Canary Islands (64.3%) that carry some of the highest allocation to Axis 1 objectives in Europe. Twelve of the 17 Spanish RDPs give more than 50% of their total public expenses to Axis 1 objectives. Only one Spanish AC, Castilla la Mancha, defied the trend followed by its peers and allocated the largest proportion of its funds to Axis 2 objectives. The only other outlier is Cantabria that allocated 32.6% to Axis 3 objectives compared to the Spanish average of 11%.

Nevertheless, Spain embraced the EU LEADER initiative from its origins and extended it with its own PRODER programme…

On the other hand, Spain adopted the European Commission's LEADER initiative with relatively more enthusiasm than other European countries. Given LEADER's popularity in rural communities during its first edition in 1991-94, Spain created for the second programming period a sister programme (PRODER) that would expand the initiative to rural areas beyond those eligible for LEADER. For the programming period 2007-13 LEADER is

transformed from an initiative to a methodological and transversal axis by which measures from the three thematic axes can be implemented. Therefore, in Spain there will no longer be a distinction between LEADER and PRODER groups, since all will implement this transversal axis. Despite the bias mentioned above towards other axis objectives, in absolute terms, Spain accounts for almost 18% of the total public budgetary allowance made by EU members to Axis 4 of the CAP; and considering LEADER as a methodology (which incorporates measures 411, 412, and 413 which belonging to Axis 1, 2, and 3 objectives, respectively), in fact, Spain is the EU member that makes greatest use of the LEADER methodology within its Rural Development Programmes, by dedicating 10.3% of its total public RDP expenses. While the EU established 5% of EAFRD as minimum for implementation through LEADER, Spain in its National Framework establishes a minimum of 10% for all ACs. Once incorporated the national and regional funds, the ACs with the largest proportion of total public expenses for Axis 4 is Andalusia with 12.9%. The importance of the LEADER methodology in the Spanish regional RDPs ranges from the 12.9% of Andalusia's total public RDP budget to the 4.7% of Navarre.

… which have had positive outcomes, but proved insufficient to cope with the challenges and opportunities of rural areas

Although not without difficulties, the LEADER methodology has grown roots among rural actors and has left positive outcomes in rural areas. After 17 years of experience, many of the originally intended social aims of the LEADER initiative are finally beginning to install themselves in Spain's rural society. Among other things, it has provided a meaningful opportunity for local participation in rural development where none existed before, helped create a culture of community self-initiative, widened the opportunities for youth and women, increased the appreciation for rural areas and revalued much of the natural and cultural heritage contained in rural areas. Still there is room for a more productive relationship between LAGs and public officials that could increase the transparency and accountability of their procedures and actions. LAGs could even broaden their scope of action to become more substantially involve in the development of their territories (see recommendations on engagement of civil society below).

An important shift is occurring in the Spanish approach to rural policy, which had its origins at the regional level…

Notwithstanding the achievements of LEADER at the local level, both national and regional governments recognised, that such a narrow approach was insufficient to fully respond to the challenges and opportunities of rural areas. As a result, a number of Spanish regions made the first steps in going beyond European policies. The decentralisation of responsibility for issues related to rural development created a dynamic of institutional and policy experimentation in many autonomous communities. While this in principle produced a divergence in policy approaches, it allowed experimentation and the emergence of home grown best practices adapted to the Spanish context. For instance, the Basque Country introduced a "Law on Sustainable Development of Rural Areas" in 1998; many ACs such as Extremadura, Navarre, and Galicia created a *Consejería* (Ministry at the regional level) of Rural Development, with specific programmes oriented to the diversification and competitiveness of the rural economy and the mandate to coordinate with other *consejerías* in order to have strategic interventions. Many ACs, such as Castilla y León, the Basque Country, and Galicia now require coordination among different *consejerías* for rural policy. Many of them had Rural Development Programmes that were both broader and complementary to the EU rural development programmes, either explicitly (such as *Andalusia´s Nueva Estrategia Rural para Andalucía* – NERA) or implicit in their Regional Development Programmes.

… and is being currently mainstreamed at the national level

The Law on Sustainable Development of Rural Areas (LDSMR, promulgated on 14 December 2007, valid since 2 January 2008), the defined six universal measures within the Spanish Strategic Plan that must be included in all regional RDP, and the merging of the Ministry of Agriculture, Fisheries, and Food (MAPA) with the Ministry of the Environment (MMA), creating the Ministry of Environment, Rural, and Marine Affairs (MARM) in April 2008. This is evidence of an important policy shift in the direction of building a "*política rural de estado*" (rural policy of state) aimed at coordinating efforts of different ministries and administrations in rural areas. The novel framework for rural policy places Spain at the forefront in terms of instruments for multi-sectoral and multi-level governance. The law envisages for the Spanish state the creation of a number of collegial institutions for the governance of rural policy (the Inter-ministerial Commission for Rural Development – CIMR – the Council

for Rural Development – CMR – and the Roundtable of Associations of Rural Development – MADR). The law also includes: the launching of a *broad* inter-ministerial and multiannual Sustainable Rural Development Programme (PDRS), which combines budget allocations of different ministries and regions. The PDRS will also count with financial resources of its own. The LDSMR defines; the definition a specific typology of rural areas for policy intervention. It also includes mechanisms for the participation of civil society.

The new framework faces significant governance challenges in terms of: 1) *Horizontal coordination at the national level…*

Spain is in the midst of an important shift towards expanding the scope of its rural policy from one that was the sole responsibility of the ministry of agriculture (the former MAPA today MARM) and the ACs, to an approach that engages the entire government administration. The so-called "broad rural policy" implies the coordination of efforts of many line ministries and national government entities whose actions affect rural areas in different ways. However, the CIMR, in its structure given by the decree, has a marked bias towards the MARM, which is allocated 5 of 19 seats in the commission, including the presidency. Experiences across different countries, and even within the autonomous communities in Spain, suggest that a strong ownership and overrepresentation of one sectoral ministry in such multisectoral commissions might hinder engagement and involvement of other parties at the same administrative level. Therefore, to avoid repeating the difficulties observed in other OECD countries, it might be relevant to reconsider the composition and leadership of the commission in order to make it more balanced and better suited for cross-ministerial collaboration or to provide it with "rural proofing" tools to make its recommendations implemented and evaluated.

… which requires "ownership" of the new rural development strategy from all participants…

A critical factor for success in these types of collegial bodies, which might even overcome some of the difficulties expressed above, is the degree to which the different actors perceive ownership of the policy programme that is to be undertaken by the commission. In this context, it is important to actively involve the different ministries in the process of elaboration of the PDSMR so that each ministry finds those decisions aligned with their own specific policy programme and does not see them as being imposed by an external agent. Additionally, the PDSMR could integrate European programmes in a coherent

manner while going beyond them. Therefore, the new Sustainable Rural Development Programme at the national level and the corresponding plans of action by ACs could be elaborated in such a way that European programmes are put in the context of all policy interventions in rural areas. Policy interventions carried out by the different ministries and by the autonomous communities should be clear and transparent in order to show and promote policy coherence.

… 2) Vertical coordination between the national and regional governments…

Given the constitutional competence of regions in agricultural and territorial planning issues, rural policy-making in Spain is one of the most decentralised in Europe. The purpose of the new framework is to create a "rural policy of state" that would coordinate the efforts of the regional administrations and the national government. The instrument created for this purpose, the CMR, as defined by decree, is a *sui generis* collegial body which integrates the horizontal, multi-sectoral purpose of the law with the vertical relationship characteristic of the decentralised structure and functioning of the Spanish state. However, its current composition (with different ministries at the national level but only one representative from each region, which it is logical to assume would be the *consejero* in charge of rural development) anticipates a permanent tension between broad and narrow perspectives of rural policy. Whilst the representatives from the different ministries will imprint upon the council a broad multi-sectoral perspective, the *consejeros* in charge of rural development are not responsible to and cannot necessarily speak on behalf of other areas of their regional governments. A different outcome would result if the representatives of the regions were authorised to speak for all departments of regional government, or if the council had "rural proofing" tools to make recommendations to (and follow commitments of) the regional ministries (*consejerías*).

… both for the allocation of funds, and for the homologation of instruments of diagnosis, planning, monitoring and evaluation…

Although the distribution of funds amongst regional administrations and co-financing is anticipated to be a matter of tension, an opportunity emerges related to the generated capacity to form a broad budgetary exercise that would take into account state, regional, and private financing for rural development outside the RDPs in each territory. The advantage of extending

this exercise beyond European funds is that the authorities and the different actors involved in rural policy can assess the total and relative financial effort for rural development in their territory. Another opportunity that arises from adopting a "rural policy of state", which will facilitate diagnoses, planning, monitoring, and evaluation of rural policy, is the capacity to harmonise official (economic, social, demographic) databases to the typology of rural areas defined by the LDSMR. This task would involve inviting the National Statistics Institute (INE) to be part in the debate on rural policy, probably by creating a position for the institute within one of the collegiate bodies, and explicitly instructing it to provide statistics for these categories.

… 3) *Horizontal coordination at the regional level…*

While the new framework of rural policy at the national level does not imply changes in governance structures within the autonomous communities, it is reasonable to expect changes in the organisation and mandates of institutions involved in rural policy at the regional level. In particular, changes in the same direction as the national government would be expected and desirable. In addition, the creation of commissions or councils where not only the public administration, but also all relevant rural actors are involved is a desirable outcome for those ACs that currently lack these institutions. This would facilitate the agreements necessary for creating a regional rural development programme for each of the types of zones required by the LDSMR. Finally, it would be desirable and useful for the purpose of planning, implementation, and evaluation, that the plans by zone and the broad rural programmes within each ACs follow a similar structure, content and a common set of indicators.

… and between neighbouring regions and municipalities…

One of the desirable positive outcomes of this state-wide vision would be increased collaboration for rural development between peer regions and peer municipalities. Often functional regions cut across municipal and other administrative boundaries. There are many opportunities in this regard, in terms of public service provision (see section on public services below). At the municipal level, collaboration between neighbouring municipalities within one autonomous community and with those of neighbouring autonomous communities could be further strengthened. One particular case of increasing importance is collaboration between urban and periurban municipalities, which need specific forms of governance and collaborative financing (see section on rural-urban linkages below).

… and 4) Engagement of – rural and urban – civil society

With the creation of the Roundtable of Rural Development Associations (MADR, for its initials in Spanish), the LDSMR formalises an instrument of participation of rural unions and associations, that previously existed but without legal status. This is an important achievement. However, the relative rigidity determined by decree, in the type and number of associations that are eligible to participate, might create conflict in the future as new associations seek to a have voice in rural development matters. Within these associations the participation of the two existing national LAG networks deserves special mention. Their formal participation in the roundtable provides a stronger legal status in the Spanish context to the LEADER LAGs, since these networks are their national representation. Taking advantage of the "legal" status that national level is granted to them in the Roundtable, LAGs could advocate for having a unified representation where the different territories are represented. At the regional level, efforts could be made in order to have a stronger and constructive relationship between regional governments and LAGs. The new institutional framework built for rural policy could serve to discuss means to increase transparency, accountability and performance evaluation of the LAGs' actions and decisions. At the same time further responsibilities could be assigned to the LAGs in recognition of their closer position to rural citizens' needs. In principle, they could be an important source of information to fill the knowledge gaps that central governments and even regional governments often have about the needs of rural society.

Policy priorities include:…

Based on the Law on Sustainable Development of Rural Areas (LDSMR), the Program for Sustainable Rural Development (PDRS) will, for the first time, design multisectoral policies to cope with the challenges of rural areas. In this context, four priorities are important to be considered: 1) dealing with depopulation, ageing, and social challenges in rural areas, 2) further diversifying the rural economy and making it internationally competitive, 3) fostering rural-urban linkages and promoting a balanced development of peri-urban areas, and 4) addressing environmental concerns and promoting a sustainable development of rural areas.

… 1) *Coping with depopulation, ageing and social challenges in rural areas…*

While demographic and social challenges are at the core of rural policy objectives in the framework of the LDSMR, attaining such objectives is complicated by the fact that given its sectoral bias towards agriculture, rural policy has not traditionally been linked to social policy. Moreover, many of the policies oriented to attain social objectives such as "anchoring population" either have a sectoral focus (such as irrigation) or do not fully address the social aim. Dealing with depopulation, ageing, and diminished social opportunities in rural areas requires a focus on the factors that influence the decision of whether to remain or leave rural areas. These notably include two areas of policy: *i*) availability and accessibility of public services, (from the most basic such as housing infrastructure, education and health services to more advanced such as availability of information and communication technologies, ICTs); and *ii*) opportunities for specific groups, including women, youth, and immigrants in rural areas.

- **Innovative approaches for public service delivery** require flexibility in different ways. *i*) Flexibility is required to match services to the specificities of every region by encouraging innovation and identifying best practices for different types of regions. *ii*) Flexibility is needed in terms of "who" provides the services by allowing for greater community participation and involvement of private and the third sector through mechanisms such as Public-Private Partnerships (PPP). At the same time, institutional mechanisms should be developed that facilitate the provision of public services –particularly health services- in the nearest facility, irrespective of the autonomous community of residence. *iii*) Flexibility regarding "how" services are provided. Alternatives include co-localising services for mobility of users through specific transportation facilities, launching "mobile" services and utilising ICTs to bring services to the people. Particular emphasis is needed in extending services for elderly population seeking to prevent or postpone as much as possible health and disability problems. They should be regarded as assets for rural areas, and their participation in the labour market and in rural community affairs encouraged. Finally, despite the impact of initiatives such as Telecentres, the continuation and expansion of efforts to bridge the digital gap is of vital importance for improving the quality of life and attracting businesses to rural areas.
- **Opportunities for specific groups.** Rising oportunities for women include the harmonisation of job and family life in rural areas and the promotion of greater involvement of women in local government duties and community development. For the rural youth, it is important to invest in human capital,

taking measures to reduce the high dropout rates of rural areas, and improveing the access and relevance of higher education in rural areas. For immigrants living in rural areas which, in some regions, have compensated depopulation and improved the existing age structure, integration efforts should start from childhood through to the labour market. In the context of the new migration regulations, rural policy and immigration policies could be coordinated to better match supply and demand of jobs in rural regions.

… 2) *Fostering diversification and increasing the competitiveness of the rural economy…*

Although diversification of the rural economy has proven benefits and is regarded as a priority in the 2007-13 European CAP and in the LDSMR, current support within the RDPs is very scarce. Even though ACs have other sectoral measures besides RDPs that support diversification, the new rural policy framework should help build a solid strategy that places greater priority and invests more resources oriented to: *i*) promoting entrepreneurship to enhance the competitiveness of rural areas; *ii*) providing specific support to sectors with high potential; and *iii*) promoting a new role for financial institutions in rural development.

- **Entrepreneurship support** policies, which have mostly been laid out in a uniform fashion across political and administrative boundaries, need to be adapted to rural contexts. Efforts to instill an entrepreneurial spirit within the societal framework of rural areas must include changes within its educational system, promoting an adequate perception of entrepreneurship as a viable and valid career option, promoting higher receptiveness to change and reducing risk aversion. Support programmes could lay the ground for greater social interaction among existing entrepreneurs, magnify the role of the entrepreneur in the community, and celebrate successes of existing rural entrepreneurs. Particular emphasis should be put on promoting female entrepreneurship and on restructuring the system of gender relations in order to change the general perception that Spanish rural society has of the role women should play in rural areas.
- **Specific support to sectors of high potential** is needed. For rural tourism, this entails concentrating efforts more on the quality than the quantity, on information, communication and collaboration amongst operators, on reducing seasonality and increasing differentiation. Support to rural manufacturing clusters should be planned on a case-by-case basis, to strengthen the innovation capabilities of the regions and the creation and transfer of knowledge. The growth of knowledge intensive service activity firms (KISAs) in rural areas highlights the need to increase the availability of

adequate amenities and services, which have proved to have significant impact on promoting rural entrepreneurship and economic activity by making rural areas attractive and desiable places to live and create businesses.

- **Financial institutions** have played a crucial role in the development of rural areas in Spain, which are comparatively better served than in other countries given the prevalence of savings banks, credit unions, and bank branches. However, as do all rural institutions, they have had a strong bias towards agriculture. The new rural policy framework could further involve financial institutions as critical partners in the development of rural areas in all sectors. They can provide financial and technical knowledge in rural areas, as well as advisory services and expertise to their communities. They can also influence attitudes towards entrepreneurs and entrepreneurship. To encourage this behaviour the administration can invite financial institutions to play a greater role within the implementation of the LDSMR, giving them voice in the MADR and promoting greater involvement and collaboration, from both an advisory and financial management stand-point, with the LAGs at the local level.

… 3) *Exploiting rural-urban linkages and promoting the balanced development of periurban areas…*

Given its territorial configuration, an increasingly important element for rural policy in Spain involves addressing rural-urban linkages, which are more explicit and extreme in periurban areas. The new rural policy should go further in paying specific attention to the challenges of periurban areas such as: *i)* changes in land use; *ii)* covering the growing demand for public services, *iii)* improving the governance in these areas; and *iv)* taking advantage of rural policy instruments in periurban contexts.

- **Land use changes** could be managed in ways that promote an ordered and reasonable growth of residential, industrial, commercial zones and infrastructure. There is need for improving the management of protected areas in urban and periurban areas, which currently suffer high urban pressure. Policy should maintain well-conserved areas to improve the quality of life and strengthen the economic relationship of the city with close periurban and rural areas.
- **Covering the growing demand for public services in periurban areas** requires a regional response since rural municipalities facing higher demand have to provide new services without having the ability to fund them. New arrangements have to be made to avoid creating high debt burdens in periurban rural municipalities and to promote innovative

service delivery through partnerships between municipalities and the private and third sector.

- **A specific multi-level governance framework** is required for periurban areas, given the superposition of key competencies and the multiplicity of stakeholders. It would be desirable that these agreements are made between the regional and municipal governments and that they allow effective participation and induce collaboration between the relevant stakeholders. Such a framework should help to improve spatial and regional planning between urban areas and surrounding areas. Such a framework could also allow effective participation and induce collaboration between the relevant stakeholders.
- **Rural development policies in periurban areas** should be adapted to a more diversified context and promote rural-urban linkages. The LEADER model of development is usually successful in periurban areas, although it lacks instruments to deal with spatial planning. In periurban contexts more than in others, convergence between environmental policy and rural development is needed.

… and 4) Addressing environmental concerns

Recent institutional and legislative changes in the fields of environment and rural policy [the LDSMR and the Law on Natural Heritage and Biodiversity (LNHB), as well as the creation of the MARM in 2008], constitute an opportunity for the coordination of these fields, on issues of common ground such as: *i*) biodiversity management and conservation; *ii*) natural resource (water and soil) management; *iii*) renewable energy production in rural areas, and *iv*) reduction of risks related to climate change.

- **Biodiversity management and conservation** requires different management approaches involving the relevant stakeholders for forestry and agriculture protected areas. Support to farms located in protected areas could include actions such as: *a)* promotion of products related to biodiversity conservation; *b)* enhancing relationships between agricultural practices and good quality and safe productions; *c)* promotion of transformation industry to produce value-added products; and *d)* promotion of on-farm tourism and educative activities. As for forestry land, relevant experiences are found in different regions. Specific measures under the PDRS and regional programmes could be developed regarding sustainable management of forests and biodiversity conservation, while disseminating regional experiences and good practices.
- **Natural resources management** strategy should intensify existing water saving efforts in agriculture. The National Irrigation Plan (PNR) has resulted

in a trend towards efficient use of water, saving about 2.8 thousand hm^3/year, equivalent to close to 5% of the total storage capacity of Spain. This savings have been mostly through the adoption of more efficient drip irrigation which reaches 41.6% of irrigated land. It is necessary to continue these efforts maintaining coherence with the Framework Directive on Water. The horizontal measure for management of hydro resources in the RDPs goes in such direction, projecting to save during the programming period 1.8 thousand hm^3/year. Water use policy should balance territorial needs by adjusting demand to supply and compensate socially sustainable production areas through rural development actions. Stronger actions must be adopted in order to assure restoration and effective protection of wet ecosystems. Water management, forestry, fire prevention, and agricultural practices should consider their effects on soil erosion.

- **Renewable energy production in rural areas** could be guided by an integral policy that considers spatial planning and environmental assessment as well as development strategies that balance energy production, environmental values, and tourism. Municipalities should be advised on how to best take advantage of renewable energy projects. LAGs could consider participating in a strategy oriented to strengthening the rural inputs of renewable energy and increasing the local benefits for the region. Spain could strengthen its comparative advantage in the most cost-efficient and less adverse renewable energy alternatives limiting as much as possible substitution of food production with energy production.
- **Reducing the risks related to climate change** requires that short and medium term actions be incorporated in the PDRS and regional programmes. This could include water management and moderation of water demand, land management and prevention of soil erosion as well as changes in farm infrastructure and practices.

Summing up

Spain's recent long period of vigorous growth did not sufficiently reach rural areas as evidenced by the resulting pattern of population concentration in larger cities to the detriment of rural areas and the backwardness of rural areas with regards to many economic and social indicators. However, paradoxically, as the period of dynamic national growth comes to an end and the national economy confronts the effects of the current international financial crisis, rural areas can become a new source of employment and wealth creation, while contributing solutions to environmental challenges. This requires a new approach to rural policy, which takes advantage of the

application of EU rural development programmes but goes beyond them. The new Law on Sustainable Development of Rural Areas (LDSMR) and the merging of the Ministry of Agriculture, Fisheries, and Food (MAPA) with the Ministry of the Environment (MMA), evidence the intention to shift policy towards better coordinating the efforts of different ministries and administrations to fully address the challenges and opportunities of rural areas. For such aims to become reality, important governance priorities are: *i*) the provision of "rural proofing" tools and balanced representation to the newly created Inter-Ministerial Commission (CIDRS) and the Council for Sustainable Rural Development (CDRS) in order to obtain true commitment and engagement from the authorities involved; *ii*) the homologation and institutionalisation of instruments of diagnosis and evaluation across the different regions without limiting innovation; and *iii*) the active engagement of civil society in the process. Based on the LDSMR, the Program for Sustainable Rural Development (PDRS) will for the first time, design multisectoral policies to cope with the challenges of rural areas. In this context, four priorities are important to be considered: *i*) dealing with depopulation, ageing, and social challenges in rural areas; *ii*) further diversifying the rural economy and making it internationally competitive; *iii*) fostering rural-urban linkages and promoting a balanced development of peri-urban areas; and *iv*) addressing environmental concerns and promoting a sustainable development for rural areas.

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Chapter 1

Profile of Rural Spain

This chapter provides a detailed profile of Spain's rural areas analyses its main trends and discusses its challenges and opportunities. Section 1.1 sets the context by discussing what is "rural" Spain; Section 1.2 addresses the main trends in four different subsections: population and migration, social well-being and equity, economic structure and performance and lastly environment and sustainability. Finally, Section 1.3 concludes by highlighting the main policy challenges for a nascent multi-sectoral framework of rural policy in Spain.

Key points

- **Rural areas** cover 92% of the Spanish territory and host 27% of the population (OECD definition). Due to the particular pattern of population settlements in Spain (with strong concentration along the coasts and characterised by few large cities and many medium and small cities), there is a high prevalence of intermediate – IN – regions (27) compared to predominantly urban – PU – regions (7) and predominantly rural – PR – regions (18). As consequence, Spain ranks low in comparison with other OECD countries in terms of territory, population and GDP of PR areas (45% of the territory, 13% of the population and 10% of the GDP).
- **The rural population** has experienced a marked decline in the past fifty years, from 13.5 million (half of total population) in 1950 to 9.78 million (one quarter of total population) nowadays, mountain regions show the strongest decline. The emigration of young people from rural to urban areas, combined with negative natural population growth, caused the relative aging and masculinisation of population. In some regions, foreign immigration has contributed to compensate depopulation and improve the age structure.
- **Social wellbeing conditions** are generally lower in rural areas. According to the last population census, in 2001 there was a higher incidence of relative poverty conditions in rural areas (22% *vs*. 18% national average), average lower levels of income (14% lower than the national average), and lower levels of human capital (3.4% illiterate and 18% without studies compared with 2% and 10% in urban areas in 2001). More recent information, available at provincial level, evidences important advances in these fronts though. Noteworthy, in terms of PPP adjusted GDP per capita, predominantly rural regions have been catching up. Additionally, the performance of rural students in the OECD PISA evaluation 2006 was similar to that of urban students. From a territorial perspective a north-south divide is evident, in terms of many social indicators such as education and unemployment.
- **Accessibility** becomes a determining factor for the development of rural areas. Periurban areas have the strongest population growth (2.5% per year from 1991 to 2001) and better demographic balance in the country (17% youth and only 14% elder). They also had the lowest unemployment rate (13% in 2001). There are marked differences between accessible and remote rural areas when it comes to basic public services such as secondary

education institutes, health centres or facilities for elderly people. The scarcity of the latter is marked in most rural regions. There also remains a considerable rural-urban digital gap.

- **The rural economy** was not sufficiently reached by Spain's recent vigorous growth. PR regions grew 2.5% from 1999 to 2004, compared to the 3.5% national average. The demographic structure and outmigration affected significantly the performance of rural areas. However, some remote predominantly rural regions have been catching up in per capita terms.
- **Agriculture** has undergone significant transformations. The reduction in the agricultural labour force (from more than 20% in 1975 to close to 5% in 2006), and the more intensive use of inputs (land, nutrients and water) resulted in productivity gains above the average of the EU, higher volume of production and increased specialisation and sophistication.
- **The diversification into other sectors** (rural industry and services grew by 30% and 21% in the last decade) has brought positive outcomes in terms of population, GDP per capita and employment growth for the most diversified regions. Spain has become a reference in rural tourism, a sector that grew 20% per year between 2001 and 2007. There are 53 Manufacturing Industrial Districts (IDs) in rural regions, concentrated in the centre-south of Spain, which employ almost 340 000 people. Additionally there are 58 "rural" IDs in IN regions and 26 in PU regions. Employment growth in rural IDs is three times larger than in the rural areas without districts.
- **The environmental** richness of rural Spain is evident in its varied natural heritage, unique in Europe and representative of a most of its ecosystems and landscapes. These assets face pressures from demographic and economic trends but can also contribute to sustainable development. On the one hand, the heavy use of scarce water resources by agriculture (up to 75%), water and air pollution, erosion, forest fires and climate change are issues of concern. On the other hand, rural areas' natural resources are increasingly sources of renewable energy. In particular wind and solar energy have gained importance, in the recent years.

Introduction

Over the last two decades, Spain has undergone significant transformations. It has experienced a long period of strong growth, which has allowed a rapid process of convergence with the European Union. It has evolved from a country of emigrants to a net recipient of immigrants. It has substantially expanded educational attainment at the tertiary level, successfully integrating itself to the global knowledge economy, improving the standards of living of the majority of its population.

As these transformations occurred, rural areas have not been exempt from important changes. Some have experienced strong outmigration trends, while some others have experienced immigration and pressure from urban areas. Many have diversified their economy into new activities such as manufacturing and services, particularly tourism. In most cases, rural areas are acquiring new roles and seeking their place in the Spanish economy. As the virtually uninterrupted strong growth since the early 1990s comes to an end, and in order to overcome the effects of the deep world crisis which started in 2008, Spain faces the challenge of tapping new sources of growth. In this context the question of whether rural development could be a potential source of employment and growth is pertinent.

This chapter seeks to answer such a question by identifying the most relevant trends that have occurred over the past decades from the demographic, social, economic and environmental point of view, and highlights the main challenges and opportunities for rural policy. The chapter is structured as follows: Section 1.1 sets the context by discussing what is "rural" Spain; Section 1.2 addresses the main trends in four different subsections: population and migration, social well-being and equity, economic structure and performance and last, environment and sustainability. Finally, Section 1.3 concludes highlighting the main policy challenges for a nascent multi-sectoral framework of rural policy in Spain.

1.1. What is "rural" Spain?

With a total area of 505 000 km^2 (7th largest country in the OECD), Spain contains a vast expanse of rural areas. The National Statistics Institute (INE), the office of the Spanish Government in charge of estimating and publishing official statistics, use a methodology for discerning rural from urban areas. It is based on a population threshold by which municipalities with less 10 000 inhabitants are considered rural. Based on this criterion, 81% of the territory is rural with some 9.64 million residents in 2001 (census) and 9.78 million in 2006 (INE). However as Regidor (Ed.) (2008) points out, this approach leads to inaccurate results. The recently approved Law on Sustainable Development of Rural Areas (LDSMR 2007) provides for the first time a formal definition of rural areas for policy use in Spain (Box 1.1).

According to the OECD definition of rural areas (municipalities with less than 150 inhabitants per square kilometre, Figure 1.1), 92% of the territory is rural and it hosts 27% of the population. Table 1.1 provides the rural and urban territory of each autonomous community (ACs) using this criterion, which is officially used to define what is rural in each region. These figures are also close to the classification of rural areas, recently defined by the LDSMR, which according to Regidor (Ed.) (2008) extend to 92.7% of the territory, although the

Box 1.1. **Definitions of rural areas adopted by the Law on Sustainable Development of Rural Areas**

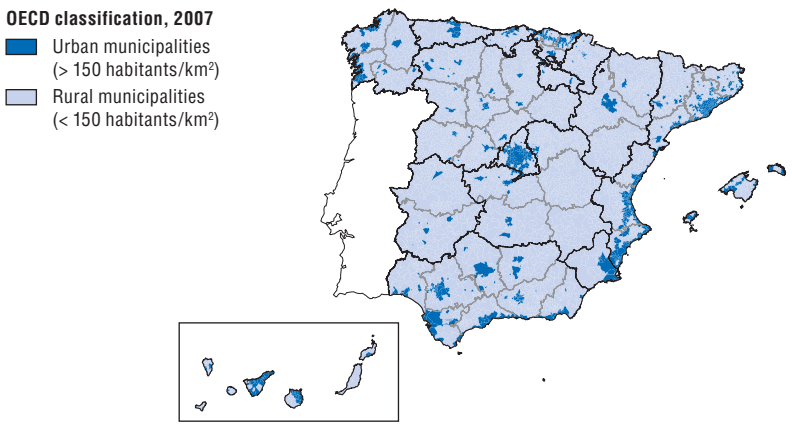
a) Rural environment (*Medio rural*) as the geographic space conformed by the aggregation of municipalities or local entities defined by the competent administrations which have a population inferior to 30 000 inhabitants and a population density below 100 inhabitants per square kilometer.

b) Rural zone (*Zona rural*): is the territory (in county or sub-provincial units) defined by the relevant autonomous community, where the Programme on Sustainable Rural Development (PDRS) is to be applied.

c) Small rural municipality (*Municipio rural de pequeño tamaño*): the municipality that has a population inferior to 5 000 inhabitants and is integrated in the above defined rural environment.

Source: LDSMR (2007).

Figure 1.1. **Map of rural and urban municipalities according to OECD definition**



Source: OECD regional database.

figure for population rises up to 42% (17 million people), given that such definition includes both a density and an absolute population threshold criteria (Box 1.2).

At the regional level, the 52 provinces of Spain are classified for international comparison purposes using the OECD criterion into 7 predominantly urban (PU) regions, 27 intermediate (IN) regions and 18 predominantly rural (PR) regions, based on their degree of rurality (population living in municipalities with less than 150 hab./km^2). (Figure 1.3 and Box 1.2).

Table 1.1. **Proportion of rural and urban territory by ACs according to OECD definition**

	Rural (%)	Urban (%)
Andalusia	88.09	11.91
Aragon	97.18	2.82
Canary Islands	66.44	33.56
Cantabria	88.14	11.86
Castilla-La Mancha	98.07	1.93
Castilla y Leon	97.67	2.33
Catalonia	85.49	14.51
Madrid	57.05	42.95
Navarre	95.62	4.38
Valencia	73.88	26.12
Extremadura	98.50	1.50
Galicia	88.13	11.87
Balearic Islands	77.98	22.02
La Rioja	91.14	8.86
Basque Country	70.57	29.43
Asturias	89.88	10.12
Murcia	82.94	17.06

Source: MARM.

Box 1.2. **OECD regional classification**

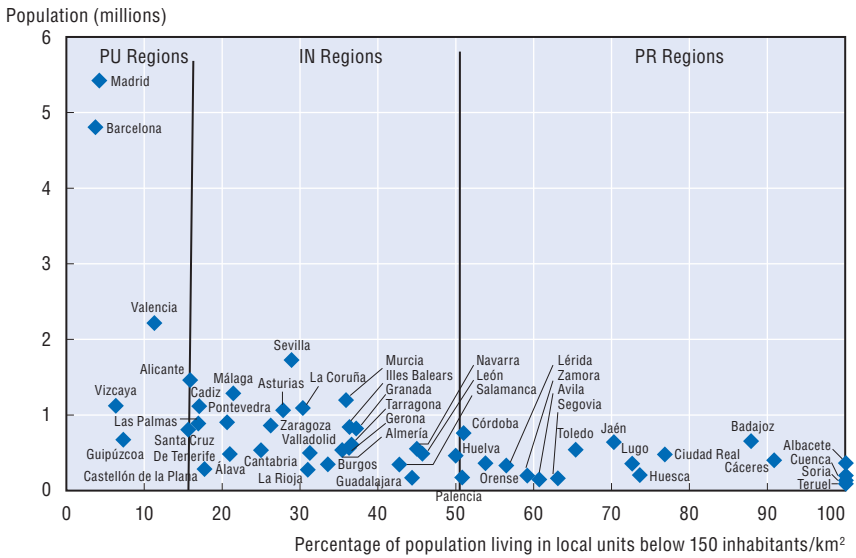
The OECD has classified regions within each member country. To take account of the difference and establish meaningful comparisons between regions belonging to the same type and level, the OECD has established a regional typology according to which regions have been classified as predominantly urban (PU), predominantly rural (PR) and intermediate (IN) using three steps:

1. The first step consist in classifying regions at a lower geographical level (local units) as rural if their population density is below 150 habitants per square kilometer (500 habitants for Japan and Korea, to account for the fact that its national population density exceeds 300 inhabitants per square kilometer).
2. A second step consist in aggregating this lower level into TL3 regions and classifying the latter according to the percentage of population living in local units classified as rural. A TL3 region is classified as: Predominantly Urban (PU), if the share of population living in local units classified as rural is below 15%; Intermediate (IN), if the share of population living in local units classified as rural is between 15% and 50%; Predominantly Rural (PR), if the share of population living in local units classified as rural is higher than 50%.

Box 1.2. **OECD Regional classification** *(cont.)*

3. An additional criterion is based on the size of the urban centers contained in the TL3 regions: A region that would be classified as predominantly rural on the basis of steps 1 and 2, becomes intermediate if it contains an urban centre of more then 200 000 inhabitants (500 000 for Japan and Korea) representing at least 25% of the region population. A region that would be classified as intermediate on the basis of steps 1 and 2 becomes predominantly urban if it contains an urban centre of more than 500 000 inhabitants (1 000 000 for Japan and Korea) representing at least 25% of the regional population.

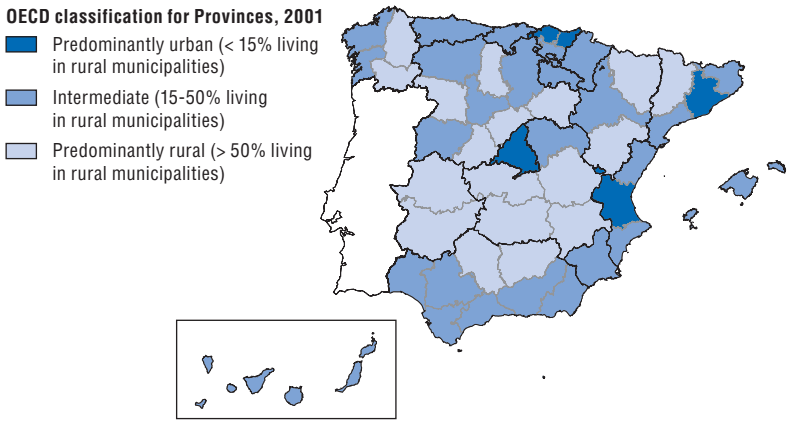
Figure 1.2. **Population and degree of rurality**
2003, TL3/NUTS3 regions (provinces)



Source: OECD regional database.

The prevalence of intermediate regions is noteworthy in Spain. This is the result of the particular pattern of population settlements in Spain, which is characterised by only 2 cities with more than 4 million inhabitants, 4 other cities with a population over 500 000 habitants (Valencia, Seville, Zaragoza and Malaga) and a large number of medium and small cities,[1] concentrated mostly in the coastal provinces (Figures 1.2 and 1.3). As consequence, Spain ranks low in comparison with other OECD countries in terms of the territory, population

Figure 1.3. **Map of Spain's TL3/NUTS3 regions (provinces) according to OECD Regional Typology**



Source: OECD regional database.

and GDP in predominantly rural areas (45% of the territory, 13% of the population and 10% of the GDP (Figure 1.4).

The complexity of the Spanish territory makes it necessary to speak of "many rural Spains"

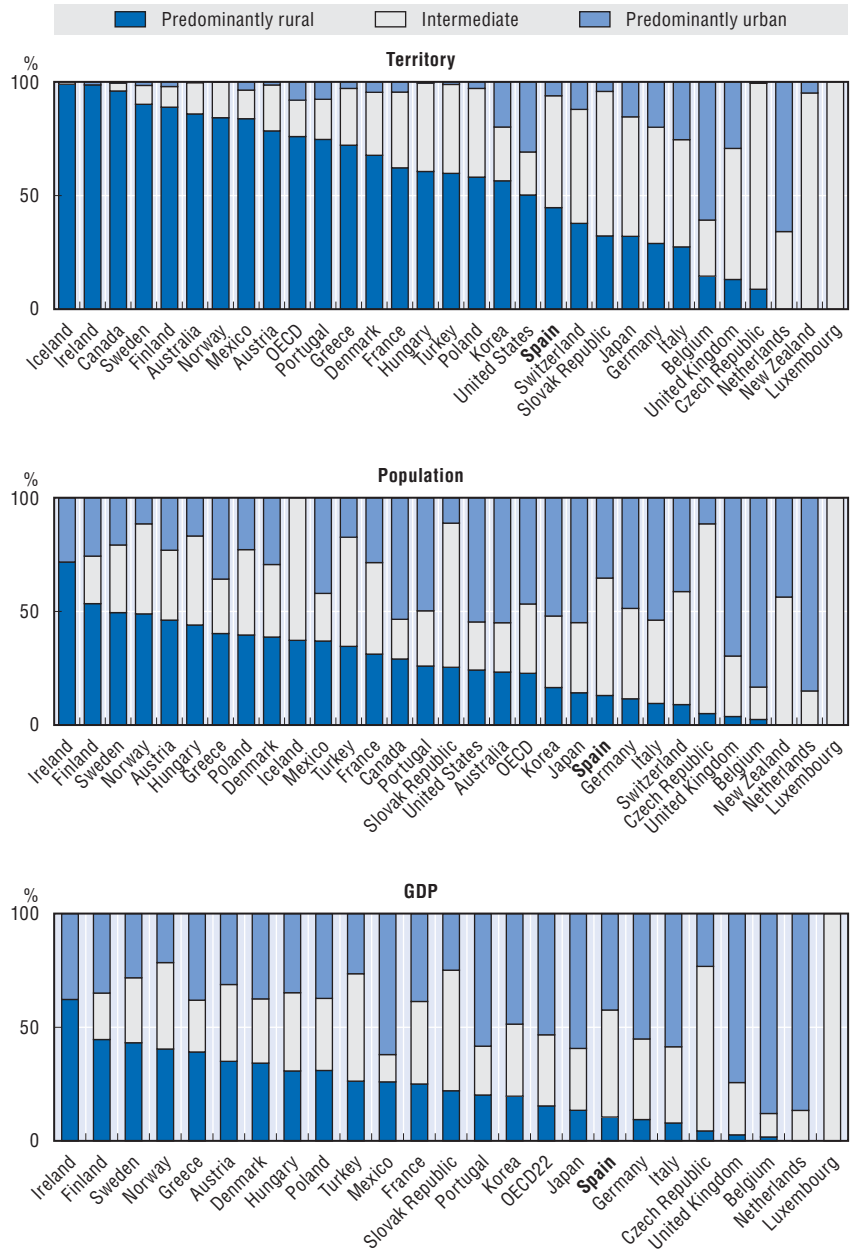
Many rural areas are mountainous zones. The Iberian Peninsula[2] is characterised by a varied and abrupt relief with various mountain systems (The Pyrenees, the Cantabric system, Sierra Nevada, and the Iberian or central system), wide plateaus and a long mainland coast (5 755 km). The central plateau, with an average elevation of 610 m covers about two thirds of the peninsula. In addition, 24% of Spain is above 1 000 m. This makes Spain one of the countries with the highest average altitudes (660 metres) second only to Switzerland in Europe (1 300 metres).

Many rural areas are also part of Spain's two sets of oceanic islands, Canary Islands and Balearic Islands. The Canary Islands are located 60 miles off the Moroccan coast. These are seven islands in total (Gran Canaria, Fuerteventura, Lanzarote, Tenerife, La Palma, Gomera, Hierro) and a few smaller ones (Alegranza, Graciosa, Montaña Clara, Roque del Este, Roque del Oeste, and Lobos). The islands are volcanic in origin. The Balearic Islands are located off the eastern Spanish coast between France and North Africa. They comprise of three major islands; Ibiza, Majorca and Minorca and three small pieces of land; Formentera, Cabrera and Dragonera.

The complexity and variety of rural territories compel any analysis of rural areas in Spain to avoid talking about "one rural Spain" but "many rural

Figure 1.4. **Territory, population and GDP in predominantly rural regions in OECD countries**

TL3, 2007

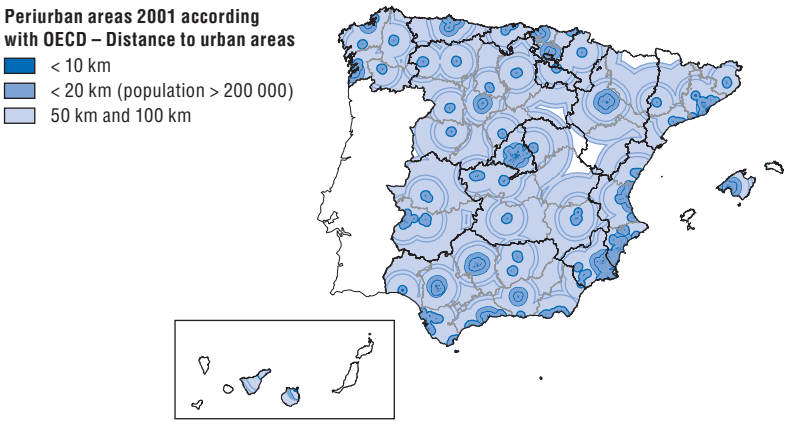


Source: OECD Regional Database.

Spains." Although there is no agreement on one particular typology, three types of classifications are referred to in this review:

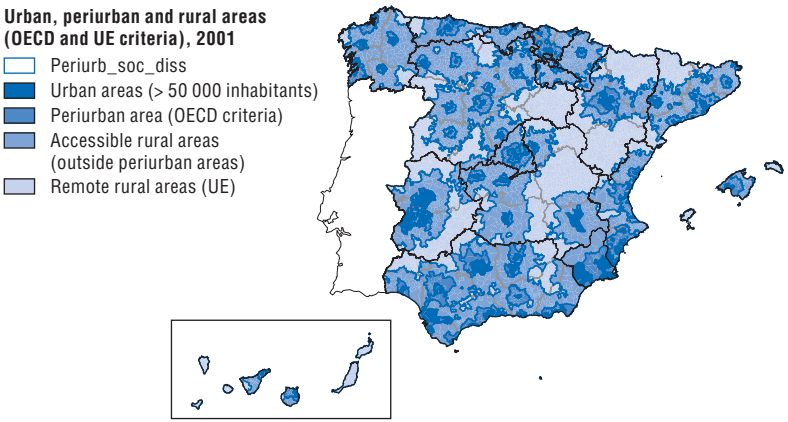
1. **According to geographic and socioeconomic patterns**. Several authors classify rural areas in Spain in different ways according to characteristics of the territory and indicators. Pereira *et al.* (2004) present a typology closely related to the morphology of the territory, which often determines the type of production. Rural *comarcas* (counties) are classified into: *1)* zones of intensive economic activity; *2)* mountain zones; *3)* zones of dispersed settlements; 4*a)* and 4*b)* cereal plains; and 5*a)* and 5*b)* low hills (*serranias*) and agroforestry areas (*dehesas*). The two latter categories are divided according to their prevalent land property regime into: *a)* those characterised by small plots (*minifundio*); and *b)* those characterised by large plots (*latifundio*).
2. **According to the relative degree of development and policy challenges**. The recently approved LDSMR established a classification of rural zones into three different types: *1)* rural zones to revitalise: those with low population density, with high economic dependence of agricultural activities, low income and that are relatively isolated. *2)* Intermediate rural zones: low or average population density, with diversified economic activity, low or average income levels, and distant from urban centers. *3)* Periurban rural zones: growing population, predominantly service jobs, average or high income levels and that are located in the suburbs of cities. An approximation of the territorial and population scope of each of these categories is provided by Regidor (Ed.) (2008) in Annex Table 1.A1.1.
3. **According to their accessibility or remoteness from urban areas.** The influence of urban areas on the rural sector is particularly acute in those areas surrounding urban territories. This creates an important distinction between periurban areas and remote rural areas. Periurban areas can be classified in several ways. Most of the classification methods have distance to the city as a common element, either in kilometres or in access time. OECD (1979) defined periurban areas as land at less than 20 km around populated areas of more of 200 000 habitants and less than 10 km around towns with more than 50 000 habitants. A recent typology made by the EU classifies rural areas as accessible when access time to cities over 50 000 habitants is less than 45 minutes for more than 50% of the population and remote when this time exceeds 45 minutes for more than 50% of population.[3] Figure 1.5 shows the location of periurban areas according to the OECD definition and Figure 1.6 municipalities considered within the OECD definition and EU criteria.

Figure 1.5. **Map of periurban and remote rural areas in Spain, using distance criteria**



Source: OECD, based on CORINE Land Cover.

Figure 1.6. **Map of municipalities inside periurban areas, using distance and access time criteria**



Source: OECD, based on CORINE Land Cover; INE, 2001 Cenus; OECD (1979); and EU methodology.

1.2. What is happening in rural areas?

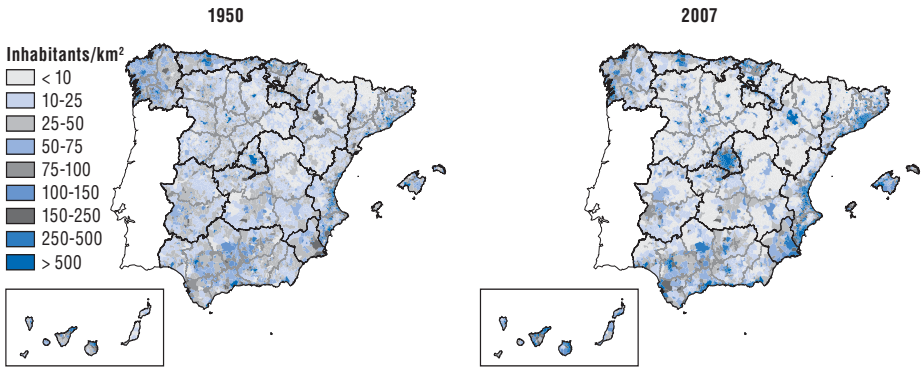
1.2.1. *Population and migration*

A vast majority of rural areas have suffered significant depopulation in the past fifty years…

The rural population almost halved in the past 50 years. Rural areas were once an important source of employment (agriculture) that provided a reason for the relatively scattered pattern of population settlement. Now rural areas

have lost economic importance in relation to towns and cities. While this process has occurred in all OECD countries, in Spain, the new territorial configuration is characterised by a strong concentration of population in the coasts, with the exception of Madrid and a number of selected "islands" of heavily populated medium sized cities, such as Seville, Zaragoza and Valladolid. Figure 1.7 evidences this transformation by showing the population density by municipality in 1950 and 2007. Until the 1950s, 13.5 million people lived in rural municipalities (INE definition). Nowadays only 9.78 million live in the countryside. Over the 57-year period, the rural population passed from 48% to 24% of total population.

Figure 1.7. **Population density in Spain**

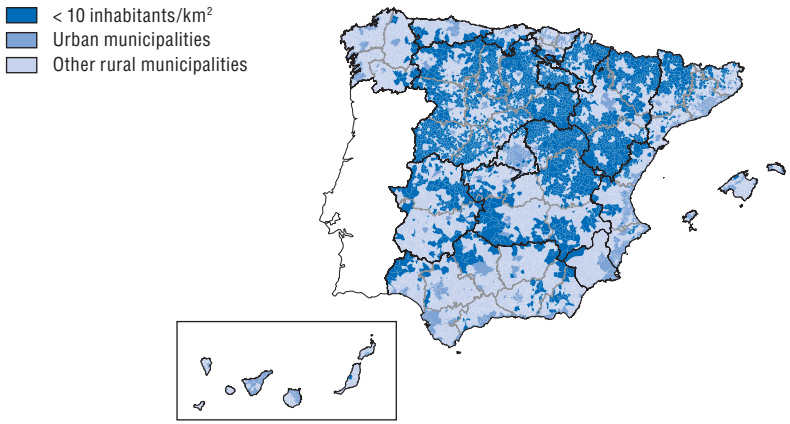


Source: INE Population Census and latest population figures.

Mountain regions experienced the strongest depopulation, especially the North Plateau, the Iberic System and the Pyrinees. Figure 1.8 shows the municipalities with strong depopulation (with a population density below 10 hab/km^2, threshold which the European Union establishes for defining a problem of depopulation). From 1990 to 2000, the rural counties that observed the strongest depopulation in absolute terms were Vizcaya, Mieres in Asturias, Sur in Lugo, Verin in Orense, Interior in La Coruña, Montaña in Pontevedra, Montaña de Luna and Bierzo in León and the Mountain in Alicante (Pereira *et al.*, 2004).

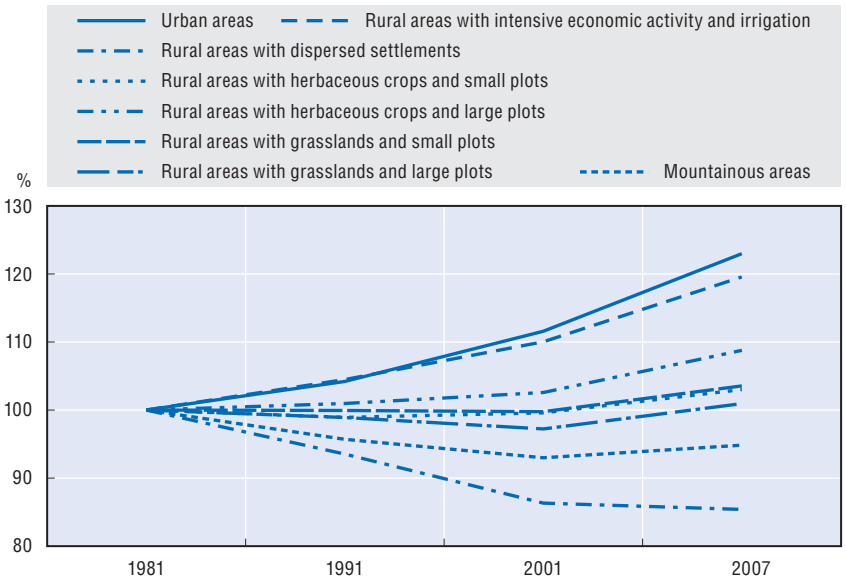
Different types of rural zones have followed different patterns. The demographic dynamics are closely linked with the characteristics of the territories. As Figure 1.9 shows, between the years 1981 to 2001, urban areas had a population growth around 12%. Rural areas with intensive economic activity or irrigation had a population growth at a rate of 10%. Regions such as grasslands characterised by large plots have been growing at modest rates of 2.5%. Other rural regions have seen reductions in population, with the dispersed settlements being the ones with the strongest decline of –14%. For most of these zones, with exception of the latter, the situation improved

Figure 1.8. **Map of municipalities with strong depopulation**
1981-2001



Source: Based on INE, Population Census 1981 and 2001.

Figure 1.9. **Population growth/decline by type of zone (1981-2007)**



Source: Pereira *et al.* (2004); and INE (2008).

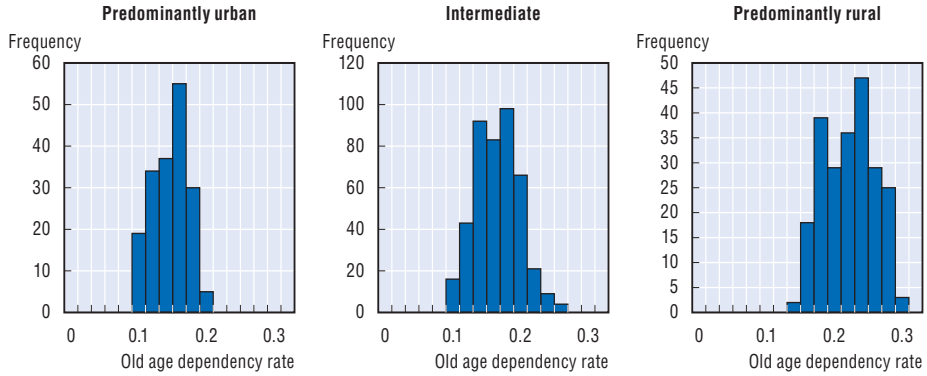
significantly between 2001 and 2007, even reversing the negative trend. Foreign immigration might have played an important role (see below) as well as policies oriented to maintain population settlements.

… leaving these areas with a distorted age and gender structure…

The emigration of young people from rural areas, combined with the negative natural growth that Spain experienced over the last decades have had two associated effects, which in the case of Spain are particularly acute:

1. Relatively faster ageing of the rural population. Spain is the OECD country with the second highest elderly dependency ratio in predominantly rural areas after Japan (OECD, 2007f). An analysis of the relative distribution of the ratio of elder population to total population for the PU, IN and PR regions from 1995 to 2003 evidences a skewed distribution of PR regions towards a higher ratio (Figure 1.10). While the national percentage of population over 65 years is 16%, in rural areas, it can reach 30% depending on the region (MAPA, 2003).

Figure 1.10. **Distribution of population older than 65 by type of region**
As percentage of total population, OECD Regional Classification, TL3



Source: OECD Regional Database.

2. Masculinisation of the rural population. A marked phenomenon related to migration but also to the incorporation of women in the urban labour market is the decline in the percentage of women between 20 and 50 years living in rural areas. As a consequence, rural areas have a relatively skewed gender ratio, with more men than women. Many times this is also the consequence of commuting to work by many women who despite living in rural areas, work in medium sized cities. The regions with the greater proportion of males are those that experienced higher migration rates in the past: La Rioja, Castilla y Leon, Aragon y Navarre.

… although immigration has helped to compensate the decline in certain areas

One of the most relevant aspects of the recent demographic evolution in Spain is the growth of the foreign immigrant population. Between 1990

and 2000 the immigrant population grew by 325% from 460 000 up to 1.5 million. This trend has increased since the turn of the millennium, reaching 5.2 million immigrants (11% of the Spanish population) by 1 January 2008, a 346% increase (INE, 2008). Although this phenomenon is increasingly urban, since most new migrants seek opportunities in urban areas, over the period 1993-2003 the immigrant population in rural areas multiplied by 17, reaching 62 000 migrants in rural areas. Of the 7 647 local regions considered rural, only 1 777 had not received migrants by 2003 (FUNCAS, 2004). The impact of immigrants in rural areas is quite significant. Indeed, in many regions immigrants invert the declining population trend. Moreover in many counties, although the population decline is not fully compensated, immigrants significantly reduce the population loss.

Until the 1980's immigration from other countries to Spain was greatly conditioned by colonial links. The Moroccans come mainly from the provinces that became a Spanish protectorate after 1912. This population began its migration to Spain in the decade of the 70's and is still one of the most significant immigrant groups. Since the early 80's, West Africa has become also an increasing source of migrants, particularly from Equatorial Guinee, a former Spanish province. Latin American countries have also been important points of origin for much of the Spanish immigrant population. However, the more recent influx into rural Spain has not been limited to an immigrant population with similar cultural traits and language, but rather has introduced new values, cultures, languages, and diversity to a rural Spanish landscape that had previously been culturally isolated for many generations. It is commendable how most rural communities in Spain have been able to accommodate such profound population changes without major social conflicts.

1.2.2. Social well-being and equity

Rural areas face significant social and equity challenges…

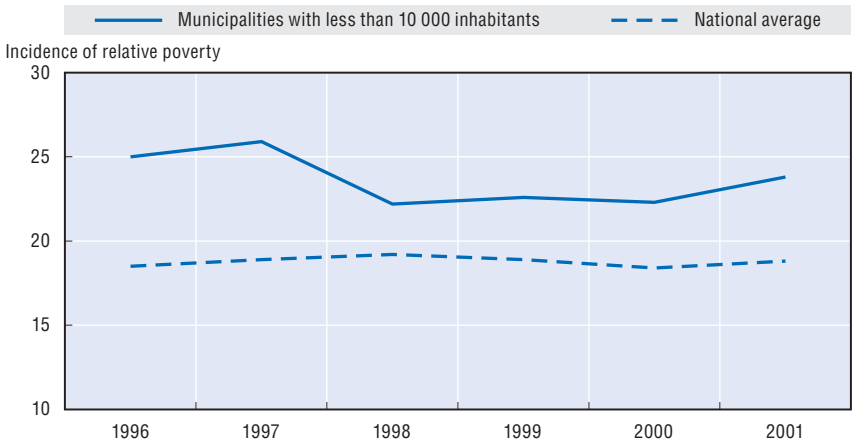
The development pattern of Spain shows an important urban-rural polarisation. Pereira *et al.* (2004) in their diagnosis of rural Spain based on information from the censuses (the last of which was in 2001) identify a number of *comarcas* (counties) which constitute the axes of development in Spain. These axes comprise the Mediterranean and Galician coast, Ebro and Guadalquivir Valleys, Madrid and Canary Islands, which include the 46 counties with a density higher than 150 inhabitants/km^2 as well as 27 of the 34 that have between 80 and 150 inhabitants/km^2. These axes, which cover 27% of the territory, concentrate 82% of the income and 79% of the population in Spain. The remaining rural areas, in contrast, have 21% of the population and only 18% of income.

Income levels are generally lower in rural areas, at the national level, but with significant regional variations. Spain's Survey of Household Budgets (*Encuesta de Presupuestos Familiares,* 2001[4]), shows that income levels are lower for the rural population. At the national level, rural households had an average income around 12 000 EUR. This is 18% lower than urban households average incomes and 14% lower than the national mean. Rural regions can be divided according to the percentage that rural income differs from urban income: Between 90% and 100%: Basque country, Valencia, Murcia, Catalonia and Canary Islands. Between 80% and 90%: Balearic Islands, La Rioja, Castilla-La Mancha, Cantabria, Madrid, Aragon and Andalusia. Between 70% and 80%: Navarre, Galicia, Extremadura, Castilla y Leon and Asturias (MAPA, 2003).

Some isolated, low density areas risk falling into conditions considered to reflect a high level of relative poverty[5] set for the EU as 60% of the median national income. According to the last population census, in 2001 there was a higher incidence of relative poverty in rural areas (22% *vs*. 18% national and 15% European) and 28% per cent of those below the relative poverty line lived in rural areas (defined by INE as municipalities below 10 000 inhabitants). This number is higher than the percentage of population that these municipalities hosted, evidencing a relatively higher prevalence of relative poverty in rural areas. It would be wrong to interpret this as signifying that Spanish rural areas are stricken with misery and substandard living conditions. In general, the living conditions of the rural population are more modest than those of the population living in urban areas, but it is also true that many statistical instruments often do not fully capture returns from informal economic activities and the auto-consumption of self-produced food products, which is common in much of rural Spain. In any case, the incidence of relative poverty in these municipalities has diminished since 1998, in contrast with the national average which has remained relatively constant.

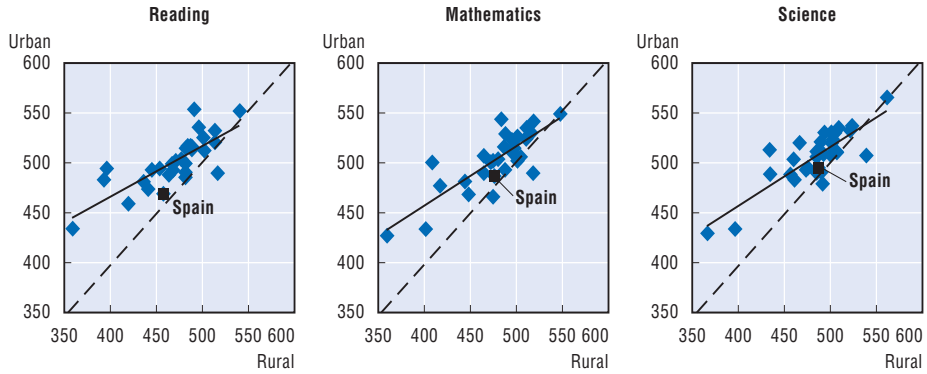
Literacy and education attainment are strongly linked with the size of municipalities. According to the 2001 census, while in municipalities of more than 50 000 inhabitants, the percentage of illiterate population was 2.1% and the percentage of population without studies was 10%, the corresponding values for municipalities of less than 5 000 inhabitants reached 3.4% and 18% respectively. On the opposite side of the educational spectrum, urban municipalities had 50% of population with at least secondary education and 17% with tertiary (university) education. For rural municipalities, the corresponding figures were 38% and 7%. Nevertheless, the performance of rural students in international evaluations is remarkably similar to that of urban students. In most OECD countries the performance of students in the OECD PISA[6] evaluation shows a significant gap between rural and urban students. This gap is larger in the countries where performance is lowest (Figure 1.12). In the 2006 evaluation, Spain ranked somewhat in the middle of

Figure 1.11. **Incidence of relative poverty in rural municipalities and the national average**



Source: PHOGUE (2001).

Figure 1.12. **Compared urban and rural performance in 2006 OECD PISA Evaluation**



Source: OECD (2006a).

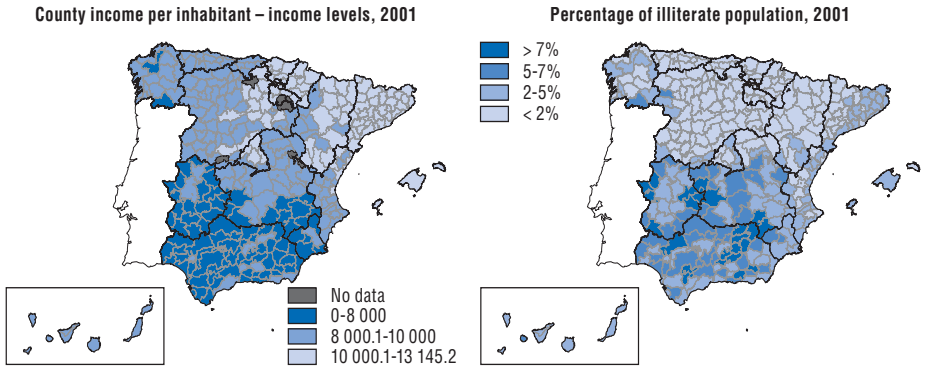
OECD countries and close to the OECD average. Nonetheless, a remarkable fact is that the performance of rural students in the three subjects evaluated, reading, mathematics and science (457, 476, and 487, respectively) was very close to the average performance of urban students (469, 487, and 495). The figures for rural Spain are closer to the OECD rural average than urban Spain is to the OECD urban average. This indicates that although Spain still has to improve the quality of education to reach higher levels, at least it has a relatively uniform national performance, which is not significantly different in rural and urban areas (the diagonal in Figure 1.12).

… from a territorial perspective a north-south divide is evident, not only in terms of income but for many social indicators

Income levels are higher in the north. There are marked north-south differences in income levels between counties. With the exception of some counties in Galicia, counties in the north reported income levels that are on average about 50% higher than in the south. Counties with the lowest income levels coincide with those where land tenure is more concentrated (Pereira *et al.*, 2004).

Illiteracy rates are highest in the rural south, where it is not necessarily linked to ageing, as it is in other regions. Of the total population older than 16 years (some 34 million people in 2001) about 900 thousand (2.6%) persons were illiterate and 4 million, despite being literate, have not received formal instruction. In total, in 2001 Spain had a population of more than 5 million people that had not received any kind of formal instruction or training. An important share of this population lived in rural areas. Figure 1.13 shows the percentage of illiterate population by county. As in the case of income, a clear north south divide can be perceived. Although illiteracy is closely linked with ageing, evidencing that new generations have had better education opportunities, there are a number of counties, particularly in Andalusia, where the illiteracy of the population cannot be linked to ageing given the existing demographic structure with its predominance of younger population. In these cases, illiteracy is also strongly linked with migration. For either case – illiteracy linked to ageing and illiteracy linked to migration – different but significant courses of action are required, given that these groups are those with the highest comparative risk of greater social exclusion and poverty.

Figure 1.13. **Maps depicting the north south divide in income levels and literacy**



Source: OECD, based on INE, 2001 Census.

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Education attainment and education proficiency show the same pattern. It is in the south and in the interior of Galicia where the level of education is lowest, while the north is where the population with secondary studies and university studies is higher. The segregation of student performance in the OECD PISA evaluation by region, which is available for 10 ACs of Spain confirms the pattern. The performance of Andalusia in Reading, Mathematics and Science is below the average of Spain and the OECD for rural areas, indicating that not only rural areas but also urban areas have lower performance in this AC, while Catalonia, Asturias, Basque Country, Cantabria, Navarre and Aragon have levels higher than the Spanish urban average, and Castilla y Leon and La Rioja have levels above the OECD urban average.

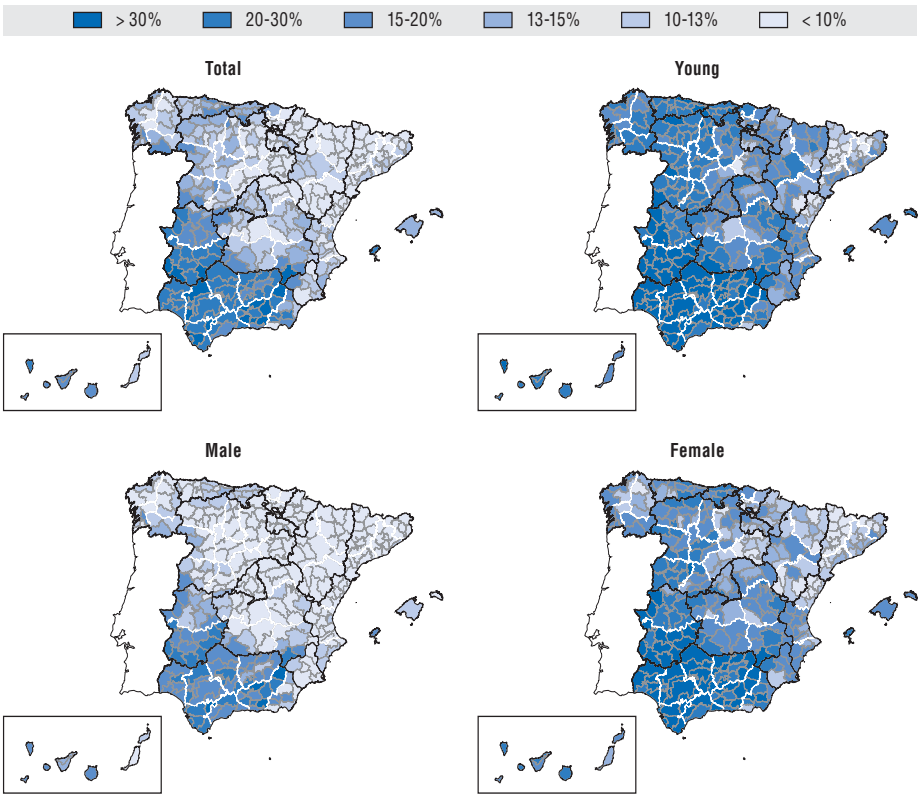
Unemployment is higher in the south both for men and women. Particularly in Andalusia and Extremadura, the unemployment rate is considerably higher, while in the Basque Country, Navarre, Catalonia Aragon and Valencia it is considerably lower. Women unemployment and youth unemployment showed a similar pattern, in both cases the difference between the north-east and south west is quite marked. In 2001, in most counties of Andalusia and Extremadura youth and women unemployment reached levels above 30% while in many counties of the north east, the level was below 10%, remarkably close to total and male unemployment (Figure 1.14).

Accessibility becomes a determinant factor…

Distance to an urban centre is an important predictor of the performance of rural areas. As is shown in the maps in Figures 1.5 and 1.6 (in Section 1.1) the area covered by municipalities where more than 50% of the population is less than 45 minutes from cities over 50 000 habitants (EU criterion for remoteness) is greater than the area covered by municipalities within a distance of 20 km around populated areas of more of 200 000 habitants and at less than 10 km around towns with more than 50 000 habitants. (The criterion used by OECD, 1979.) This suggests that infrastructure development is a key factor that explains the better performance of periurban areas. Most of the remote rural areas are located in mountain systems of central Spain and Pyrenees. In these areas the small size of populated areas, lower density of infrastructures and hence lower access to public services are critical determinants of depopulation and poor economic performance. In these areas even provincial capitals have less than 50 000 habitants (like Avila, Teruel, Soria or Huesca). The relative remoteness of a large part of the rural territory in Spain contrasts with other countries of continental Europe such as France, Italy or Germany, and makes it relatively more comparable to northern countries such as Norway or Finland (Figure 1.15).

Periurban areas are those with the strongest population growth and better demographic balance. Table 1.2 compares urban areas (> 50 000 habitants),

Figure 1.14. **Maps of unemployment rate by gender and age, 2001**

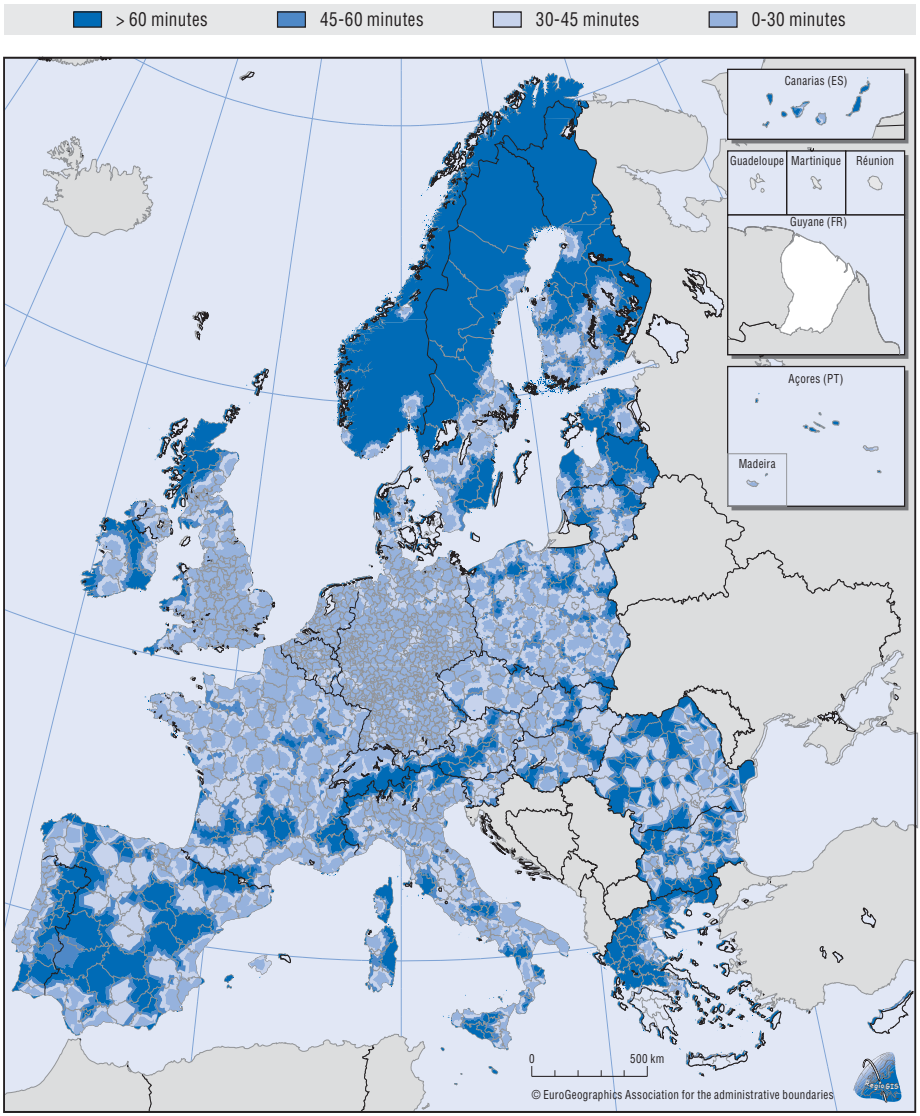


Source: OECD, based on INE, 2001 Census.

periurban municipalities according to a distance criterion (OECD), rural municipalities close to a city (according with EU criteria) but outside periurban areas and remote rural municipalities. It can be observed that the population of all areas has increased, with the exception of remote rural areas, which reported a net loss of population between the censuses of 1991 and 2001. Periurban areas in contrast increased their population by 1.3 million (25%), which is about 68% of the population increase in all areas. An additional 12% of population growth went to accessible rural areas. As a consequence, periurban areas have the lowest rates of ageing (14.1% people more than 65 years old) and the highest percentage of youth (17.2%). Therefore the ageing process is faster in urban areas and remote rural areas. The reason for this relatively better demographic balance is that periurban areas receive youth population both from urban and rural areas due to lower housing prices and better access to labour markets.

The demographic indicators are coincident with indicators related to labour market conditions. There has been a common process of activity rate

Figure 1.15. **Accessibility in European countries by road to cities with at least 50 000 inhabitants**



Notes: Eurostat, EuroGeographics, EEA, JFC, Statistics Finland, Statistics Sweden, REGIO-GIS. EuroGeographics Association for the administrative boundaries.

Source: Dijkstra, Lewis and Hugo Poelman, (2008), *Remote Rural Regions: How the Proximity to a City Influences the Performance of Rural Regions*, Directorate General for Regional Policy, European Commission, Regional Focus No. 1/2008.

increases in all zones, although in general, periurban areas again have the highest increases. Female activity rate increased from 1991 to 2001 by 10%, one percentage point more than in urban municipalities and two points more

Table 1.2. **Demographic and socioeconomic indicators for rural areas based on their accessibility**

	Urban		Periurban (OECD)		Rural (close to a city)		Rural (remote)	
	Year 2001	Var. 91-01	Year 2001	Var. 91-01	Year 2001	Var. 91-01	Year 2001	Var. 91-01
Population								
Population	20 682 769	+397 736	8 270 537	+1 387 165	9 064 837	+245 979	2 828 757	–45 470
Density (hab./km^2)	866.4	+16.7	151.2	+25.4	35.6	+1.0	16.3	–0.3
% Population	50.6	–1.6	20.2	+2.5	22.2	–0.5	6.9	–0.5
Age (%)								
65+	16.0	+3.5	14.1	+2.1	20.2	+3.7	22.9	+3.9
16–	15.2	–5.8	17.2	–5.7	15.7	–4.7	14.9	–4.0
Activity and employment (%)								
Activity rate	56.1%	+4.7%	55.5%	+4.4%	51.8%	+3.7%	51.2%	+5.4%
Activity rate (male)	68.0%	–0.8%	68.4%	–2.0%	65.5%	–1.2%	64.7%	+0.1%
Activity rate (female)	45.3%	+9.5%	42.9%	+10.4%	38.3%	+8.4%	37.6%	+10.4%
Unemployment rate	14.7%	–4.1%	13.3%	–6.1%	14.8%	–4.0%	15.1%	–4.2%
Unemployment rate (female)	18.4%	–7.6%	18.7%	–10.1%	21.0%	–6.0%	20.6%	–7.2%

Sources: Based on INE, 2001 Census Data; OECD and EU methodologies.

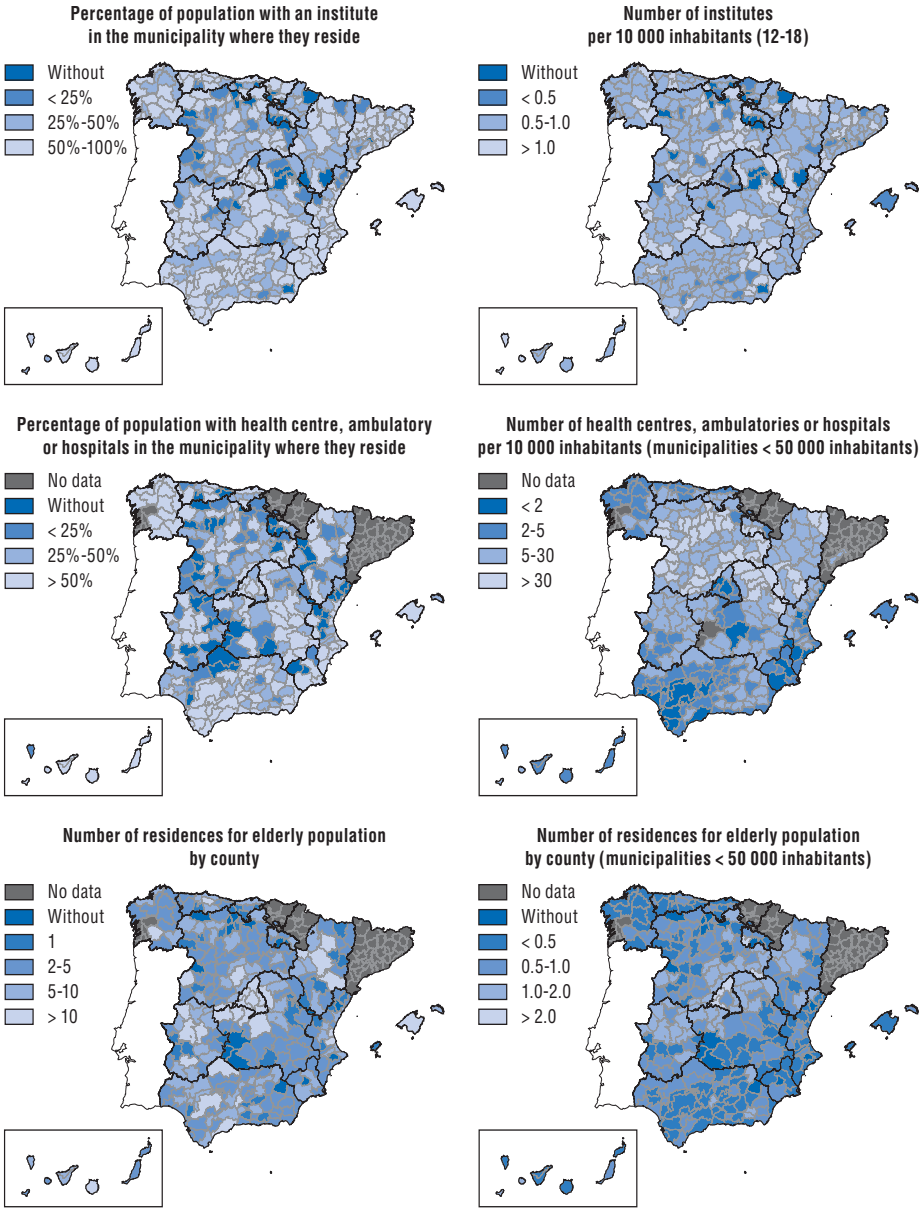
than in accessible rural areas. In 2001, the unemployment rate was also lowest in periurban areas (13.3%) significantly below the urban, accessible rural and remote rural figures (14.7%, 14.8% and 15.1%, respectively). These differences hold for female unemployment, which in the period of reference declined 10% in periurban areas while it fell by around 6-7% in the other types of areas.

… particularly when it comes to access to basic public services

The regions beyond the accessibility range face lower standards, or reduction, of public services, creating further incentives for outmigration. Public goods and services are the bedrock for rural community development. The lack of access to quality public services is, in conjunction with the lack of employment, provide the two most important reasons for deciding to migrate to urban regions. Needless to say, demographic trends are significantly shifting the demand for different services, from basic education towards costly health services, particularly for ageing populations, putting rural municipalities under a difficult situation. Figure 1.16 presents maps of accessibility of population to education services, health services and residences for elderly people, based on the 2001 census.

With respect to education, the rural deficiencies start to be evident at the secondary level. The first set of maps show the availability of public secondary level schools (institutes), by highlighting the percentage of population with a secondary school in the same municipality where they live and the number of students per school. For most of the country at least 50% of the population has access to a secondary school within their municipality. In 2001, there were

Figure 1.16. **Accessibility to education, health services and residences for elderly population**



Source: OECD, based on INE (2001) Census.

23 counties without secondary schools in the provinces of Alava (3), Cuenca (2), La Rioja (3), Palencia (2), Cantabria (2), Teruel (2) and others with 1. The north-south divide is much clearer when the number of schools per 1 000 youth

(12-18) is considered, which might not only reflect different demographic structures but also an excess of demand meaning a lack of sufficient public services, as is the case notably in some regions in the south, where in addition the population might contain a larger share of immigrants.

With respect to health services, Figure 1.16 shows relatively uniform availability of health services, with few counties with less than 50% of the population without a health facility in the municipality where they reside. Here the differences in policy among the ACs with regards to the construction of health facilities becomes evident. Some ACs such as Andalusia and Galicia build hospitals in the "head" municipalities (*cabeceras comarcales*) while others such as Castilla y Leon and Aragon build smaller health centres in every municipality. Particularly in the mountains, the population has to travel considerable distances for medical attention. The Mediterranean coast and the Cantabric region had the highest deficits of health centres per 10 000 inhabitants in rural areas in 2001.

Services for the elderly population are scarce in all rural areas, despite their relatively greater presence. The last tier of maps in Figure 1.16 shows the availability of residences for the elderly population by county and the residences per 1 000 population over 65 years old. A new challenge is growing in rural areas with respect to the attention to the elderly population. Around 30 rural counties do not have any kind of infrastructure for the elderly and most of the rural counties have less than 5 residences and less than 1 residence per 1 000 elder population (INE, 2001 census). Arcos de Jalon and Soria, are the only counties with 2.5 and 3.1 residences for each 1 000 persons over 65 years old (Pereira *et al.*, 2004).

A recent phenomenon that has brought about particular challenges for public service delivery in rural areas is the very significant influx of foreign immigrants over the last decade in many parts of rural Spain. This influx has meant the need for greater flexibility in public education, health, and general assistance provision in order to welcome and integrate these new rural inhabitants.

… and "new" basic services such as broadband

While basic infrastructure is generally well covered, new infrastructures that have become "basic" such as information technologies are still significantly scarcer in rural areas. According to the Libro Blanco (MAPA, 2003) in Spain, most rural households have running water, electricity, sewage, with similar quality to services in urban areas. In the same way, there is no difference in access to electrical appliances, televisions and automobiles. A small rural deficit exists only for some utilities like heating and telephone services. However, availability of information technologies is much scarcer, only 15% of rural households have a personal computer while in urban areas 30% of household have access to PCs. Table 1.3 shows that access to information technologies is lower the smaller the

Table 1.3. **Information technology equipment in households by type of municipality, 2007**

Population	Total households	Households with some kind of computer %	Households with access to Internet %	Households with broad band connection %	Telephone	
					Fixed %	Mobile %
More than 100 000	6 377 681	65.5	51.7	47.0	86.5	92.9
From 50 000 to 100 000	1 356 251	63.5	47.5	42.6	79.5	93.4
From 20 000 to 50 000	2 095 772	59.8	43.5	38.8	77.5	91.0
From 10 000 to 20 000	1 716 906	58.6	41.6	35.4	77.7	90.9
Less than 10 000	3 145 713	50.1	31.4	24.5	75.6	85.7
Total	14 692 323	60.4	44.6	39.2	81.2	90.9

Source: INE (2007), Encuesta de Equipamiento y uso de Tecnologías de la Información y la Comunicación.

town or city is. Villages with less than 10 000 inhabitants show an important difference with respect to urban areas and big cities. An urban-rural digital divide can be observed comparing access to broadband Internet. While 36.7% of households in cities with more than 100 000 inhabitants have access to broad band Internet, only 17% of households in villages with less than 10 000 inhabitant have the same access.

1.2.3. Economic structure and performance

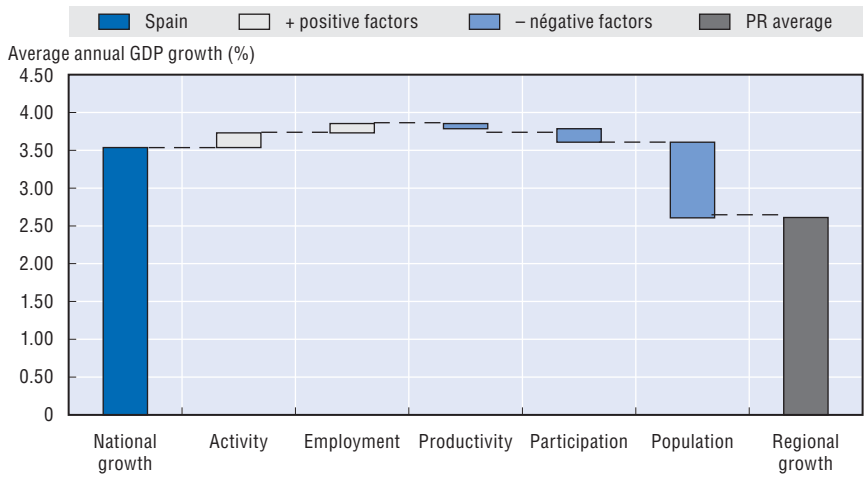
Spain vigorous growth has not sufficiently reached rural areas…

Rural regions have on average grown slower than the overall economy. From 1999 to 2004, predominantly rural regions have grown at a rate of 2.5% which is slower than the 3.5% of the country as a whole. A decomposition of the factors that explain this difference (methodology in Annex 1.A2) is provided in Figure 1.17. Lower productivity, labour participation rates and population decline are the factors that play against regional growth, while higher average activity rate and employment rate play in favor. While there are some regional differences in the weight of these components, the lower growth is a constant for all PR regions with the exception of Lerida where a higher participation rate is the strongest positive factor. Badajoz is another predominantly rural region which, despite having lower growth is very close to the national average. The main positive factor in this region, classified as remote by the European Union, was productivity, followed by activity rate. Figure 1.18 shows the difference of growth for all Spanish regions with the national average and the components of such difference.

Demographic change places a toll on rural economic growth. The importance of demographic variables (population and participation rate) in explaining relatively lower growth is worth highlighting. Estimations from an instrumental variables growth model provide evidence that the increases in the proportion of the elder population have a negative impact on rural

Figure 1.17. **Decomposition of the difference between national and PR regions growth**

1999-2004



Source: OECD, Regional Database.

economic growth. The analysis of a cross section of Spanish provinces over the period 1995 to 2003 shows that age structure effects on economic growth are important for provinces with a bigger proportion of population over 65 years old (see regression details in Annex 1.A4).

… although they have been catching up in per capita terms

In per capita terms, however, the growth of predominantly rural regions has been higher than the OECD average and similar to that of intermediate and urban areas. Figure 1.19 shows that GDP per capita growth has a negative relationship with the degree of rurality for all OECD regions. However, for Spanish regions such a relationship does not hold, as the GDP per capita growth between 1998 and 2003 has been as high as in PU and IN regions, showing a horizontal regression line with respect to the degree of rurality. This is true even for remote regions, despite having on average a lower growth level (lower regression line). Indeed, some remote PR regions (Badajoz and Zamora) and accessible PR regions (Lerida, Huelva) rank amongst the highest in GDP per capita growth. It is important to note however, that higher GDP per capita growth in many cases is the result of population decline, rather than increases in productivity or other positive factors.

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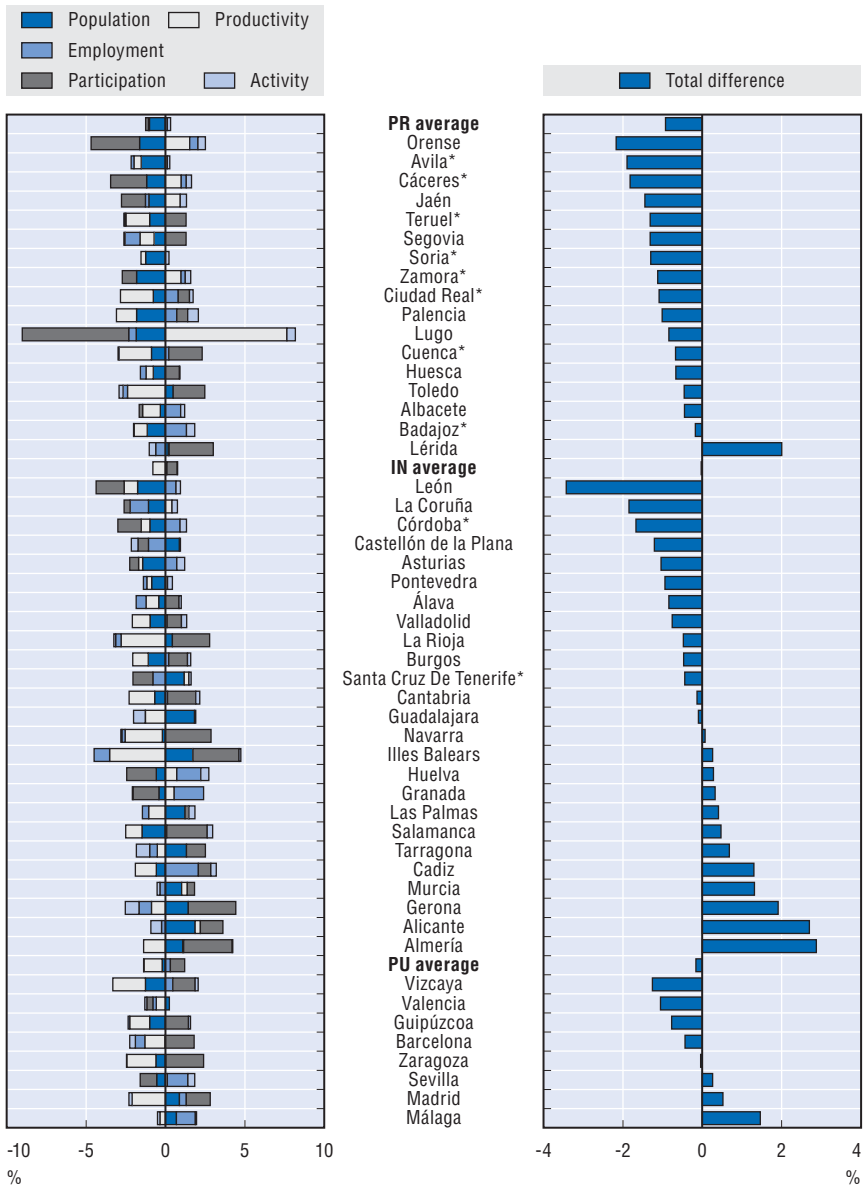
Figure 1.18. **Decomposition of the difference between national and each region's growth**

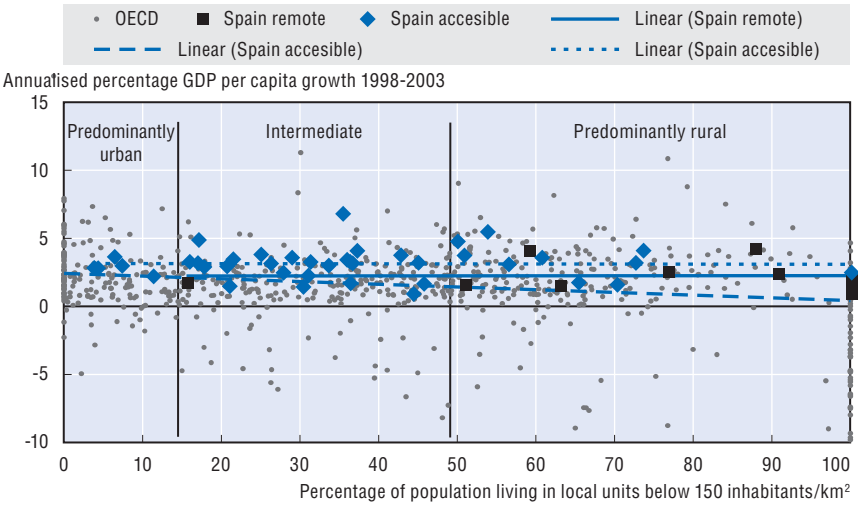
1999-2004



Note: Regions by type of region and sorted by total difference in growth with respect to national GDP growth. Regions with (*) are classified as remote regions.

Source: OECD, Regional Database.

Figure 1.19. **GDP per capita growth and degree of rurality**
Spain, regions TL3, 1998-2003



Source: OECD, Regional Database.

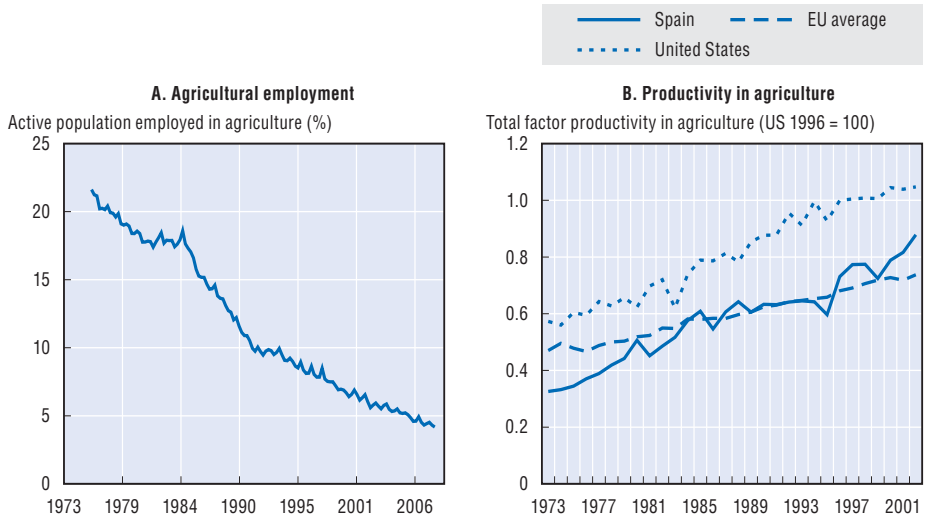
The agricultural sector has declined in importance in the national economy…

The rural economy in Spain, as in most other OECD countries has undergone an important transformation (Figure 1.20). From 1976 to 2008, the percentage of the population working in agriculture decreased from 21% in 1976 to 4.3% (close to 900 000 people) in 2008. This decline has had, obviously, a differentiated pattern in different regions. In 2001, the counties that had more than 40% of their work force in agriculture were concentrated in the Cantabria zone and in the south. Only two counties in southern Spain had more than 50% (Jaen and the mountain county of Lugo), while in 1991, there were a dozen counties (Pereira *et al.*, 2004).

… although it has increased in productivity and raised significantly its volume of production…

In Spain, the reduction in the agricultural labour force has been accompanied by a sustained growth in productivity. For some periods, productivity in agriculture has been above the growth of the European Union as a whole, particularly since the mid 1990s, but still below some other OECD countries such as the United States (Figure 1.20.B.). This has contributed to a 20% increase in the value added of agriculture at constant prices from 1980 to 1995, and the maintenance of a relatively stable value added for the sector at around 115% of the value of 1995 from 1996 to 2004, reaching close to 200 billion EUR in 2004. As a percentage of GDP, however the role of this sector

Figure 1.20. **Evolution of agricultural labour force and productivity in Spain 1973-2008**



Source: INE (2008); and Ball *et al.* (2007).

has constantly declined from 5.2% in 1980 to 3.6% in 2004 and to 3.3% in 2006 (MAPA, 2007).

The growth in productivity is also linked with more intensive use of land and inputs (nutrients and water). Between 1990 and 2004 (Figure 1.21), the total area farmed declined by 3.5%, compared to the average for the EU15 of over 5%. During this time the use of farm inputs rose, resulting in higher agricultural productivity and the substitution of labour by purchased inputs. The rise in the volume of purchased farm inputs over the period 1990-92 to 2002-04 included: nitrogen (5%) and phosphate inorganic fertilisers (13%), pesticides (11%); on-farm energy use (39%) and water use (9%) (OECD, 2008b). Given the arid conditions of agricultural land in Spain, higher productivity is strongly linked with irrigated land. While irrigated land represents close to 15% of the utilisable farm land, it produced more than 50% of final agriculture production and about 80% of farm exports.

Growth in agricultural production was among the highest across OECD countries, between 1990 and 2004. Spain's growth in its volume of total agricultural production over the period was 20% (3rd highest among OECD countries). Crop production grew by 19.7% (5th highest) and livestock production grew by 29.6% (fourth highest). At present, the most important agricultural products are vegetables (17.8% average of total production 2002-04), fruits (13.9%), pork (10.5%), cereals (11.8%), olive oil (6.5%), bovine (6.3%), milk (5.7%), ovine and goat (4.4%), poultry (3.9%) and industrial plants (3.6%).

Figure 1.21. **Growth in volume of total agricultural production in OECD countries**[1]

1990-92 to 2002-04, 1999 = 100

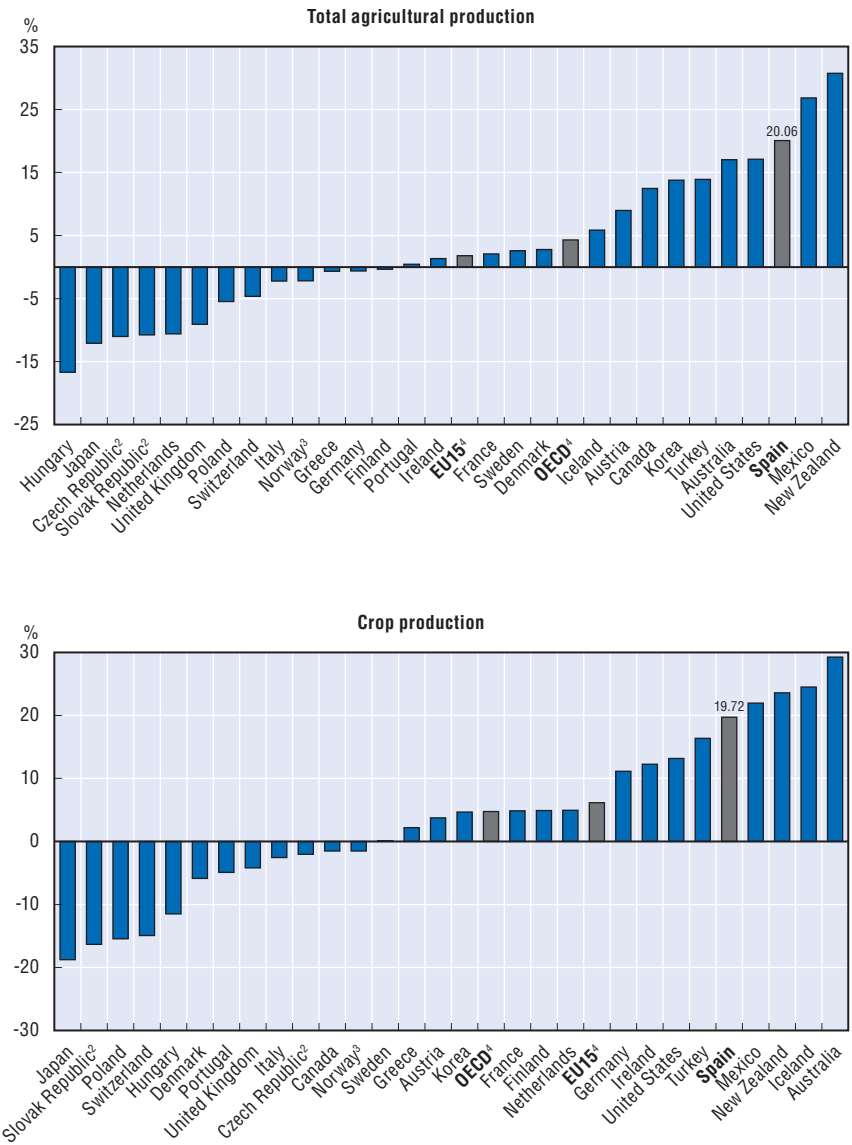


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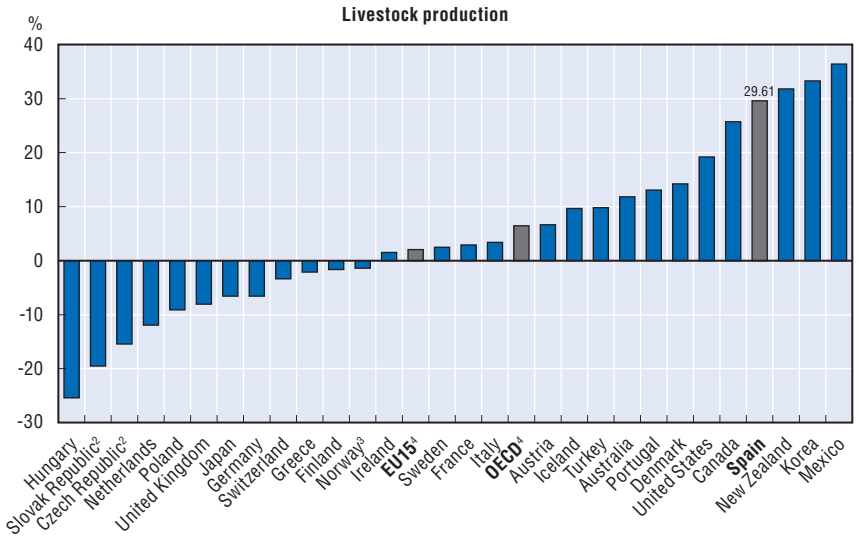
Figure 1.21. **Growth in volume of total agricultural production in OECD countries**[1] *(cont.)*

1990-92 to 2002-04, 1999 = 100



1. The FAO indices of agricultural production show the relative level of the aggregate volume of agricultural production for each year in comparison with the base period 1999-2001. They are based on the sum of price-weighted quantities of different agricultural commodities produced after deductions of quantities used as seed and feed weighted in a similar manner. The resulting aggregate represents, therefore, disposable production for any use except as seed and feed. All the indices at the country, regional and world levels are calculated by the Laspeyres formula. Production quantities of each commodity are weighted by 1999-2001 average international commodity prices and summed for each year. To obtain the index, the aggregate for a given year is divided by the average aggregate for the base period 1999-2001.
2. National data for Norway.
3. Czech Republic and Slovak Republic: average 1990-92 = average 1993-95.
4. OECD and EU15 excludes Belgium and Luxembourg as data for these countries are only available from 2000 to 2004.

Source: OECD (2008b), *Environmental Performance in Agriculture in OECD countries*, since 1990.

Nevertheless, the sectors that contribute the most to agricultural production do not coincide with those that have the highest productivity. The sectors with highest productivity, above the EU average are olive (109.4%), ovine and goat (136.1%), while fruits, cereals, vegetables, milk and wine are below the EU average (84.7%, 81.4%, 75.6%, 67.3% and 63.5%, respectively) (MAPA, 2007).

However, the agro-food industry, which is strongly related to Spain's rural territory and derived from Spain's agriculture, is proving to be much more resistant to the economic adversities that have been facing Spain since the second half of 2008. For the moment, this industry is proving to have stronger fundamentals than other sectors, such as construction and certain services that have fallen victim to the downturn.

… and it has become increasingly specialised and sophisticated

One of the positive developments in agriculture has been organic production, which has significantly increased over the last decades. Organic farming in Spain began at the end of the 1970s. The introduction of environmental measures for organic production through the CAP influenced the growth of this sector, with the introduction of special payments for organic farming. While the area of land devoted to organic farming grew very slowly up until 1995, from 1996 to 2003, a substantial increase in the number of growers and land under organic management took place. In the early 1990s, Catalonia was the AC with the largest area devoted to organic farming and the number of organic industries; since 1993, the AC of Andalusia has taken the lead of present with 6 195 organic farms, followed by Extremadura (3 671 farms). Andalusia accounts for more than half the organic land in Spain with 537 269 hectares, followed by Aragon (70 515 hectares). Other Spanish ACs with significant numbers of organic farms are Castilla-La Mancha (1 121 farms), the community of Valencia (991 farms) and the Canary Islands (909 farms). Recently in some other ACs the number of farms has increased substantially, due to improved support from the regional administrations. In terms of processing companies, Catalonia holds the first position with 386 companies, followed by Andalusia with 351, Valencia with 181, Murcia with 124 and Aragon with 111 organic industries. There are only 55 importers; most of them are located in Catalonia (Gonzalvez, 2007).

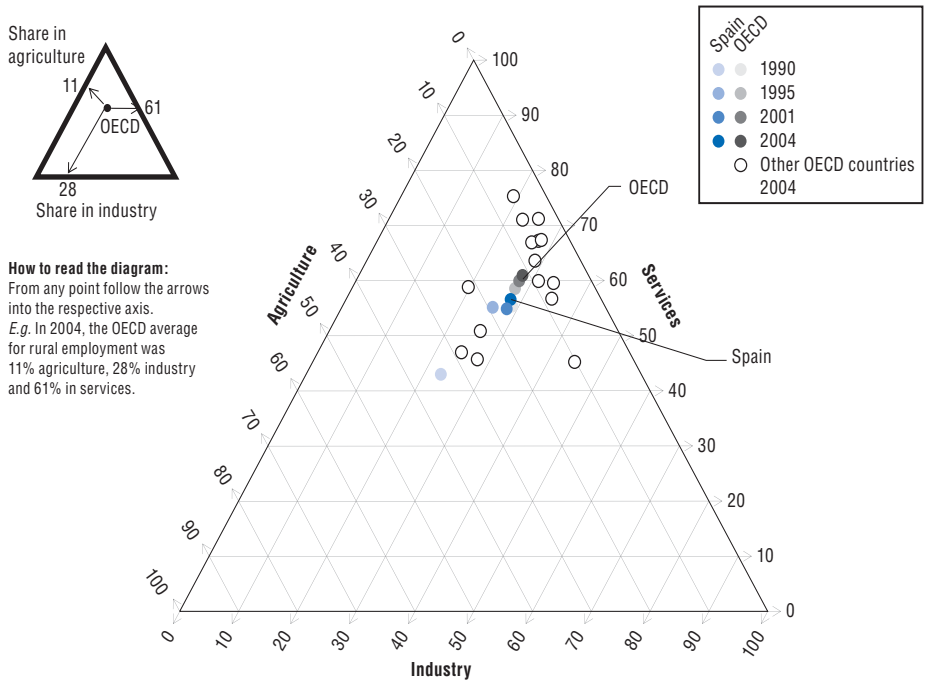
Denominations of origin and denominations of quality have contributed to regional specialisation and increase the value added of agricultural production. The Spanish Government advertises in its site *www.infoagro.com*, 16 different products with geographic indications: brandy, cheese, *chufa*, fruits, hazelnut, honey, olive oil, rice and legume, meat, package meat, spices, *turrón*, vinegar, wine, etc. There are around 13 geographical indications for cheese and 8 for olive oil. Around 57 different denominations of origin can be found for wine (MARM, 2008). Ecologic agriculture is another sector of important growth, which belongs to the denominations of quality and counts 10 denominations of quality registered in the referred Web page. This sector, which until recently was relatively unknown in Spain, has gained roots over the last decade. It refers to specific techniques of production which care for the environment, the producer and the consumer, regulated by a national council, which at present covers more than 1 million certified hectares and has committees in 17 autonomous communities.

In turn, the rural economy has become increasingly diversified…

Later than other OECD countries but following the same pattern, Spanish rural regions have diversified their economy. As Figure 1.22 shows, while in 1990 the share of agricultural employment for PR regions in the OECD was already 16%,

Figure 1.22. **Sector's composition of employment in PR regions in Spain and OECD**

1990-2004



Source: Ardavin (2008).

in Spain it was significantly higher at 34%. During the 1990s, this situation changed dramatically, as by 1995, the share of agricultural employment was 18% while the share of services was 55% and the share of industry 25%.

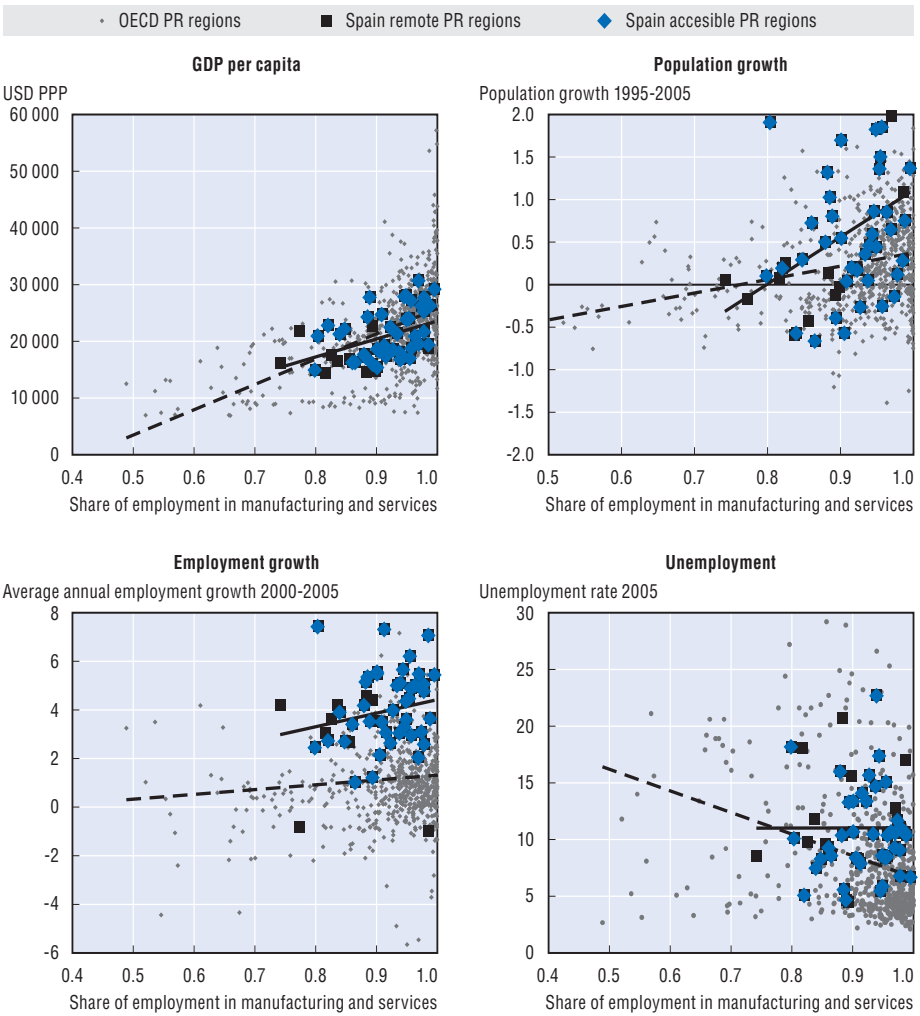
In absolute terms, employment in industry and services grew by 30% and 21%, respectively over the last decade. Since 1995 the relevant figure is the increase in employment in industry and services, more than the decline in agricultural employment in rural areas which in absolute terms declined from 342 thousand people to 331 thousand (–3%). Industrial jobs in rural areas increased from 465 thousand in 1995 to 606 thousand in 2004 (30%), while jobs in the service sector increased from 1 million to 1.2 million (21%). The total growth in rural non-agricultural employment (355 thousand) more than compensates for the decline in the primary sector in rural areas (11 thousand), providing evidence of a net creation of employment in these areas.

... evidencing positive outcomes for the most diversified regions

Diversification of the rural economy is positively correlated with higher GDP per capita, higher population growth, higher employment growth and lower unemployment. Figure 1.23 shows four different scatter plots that graph GDP per capita, population growth, employment growth and unemployment; against the share of employment in manufacturing and services, as a proxy of

Figure 1.23. **Relationship between diversification of rural region's economy and various indicators**

Spain and OECD predominantly rural regions, TL3



Source: OECD, Regional Database.

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economic diversification. The figure shows data for all OECD predominantly rural (PR) regions, as well as for Spanish remote and accessible PR regions. From the analysis of this information it can be suggested that, while not necessarily with a causality relationship, the most diversified rural regions are attaining higher GDP per capita levels both within the OECD and in Spain. In the case of population growth the impact of economic diversification is even clearer, being in Spain considerably more steep than for the rest of OECD countries. This is an important finding, since it suggests that diversified rural regions are attracting population rather than expulsing. Economic diversification also has a positive relationship with employment growth. In this case a number of remote regions are somewhat relegated from the group. In any case, it is confirmed that the rate of employment creation in rural areas in Spain has been higher than the average of the OECD, and is strongly linked to diversification. In terms of unemployment, it seems that in Spain there is not as clear a negative relationship with diversification, as exists for PR regions in all OECD countries. In Spain there is relatively high rates of unemployment in all PR regions (averaging 10%), independently of the prevalence of agriculture. For Spain, accessibility seems to a more relevant factor since most of the remote regions have unemployment rates above the average (line in Figure 1.23, lower-right graph).

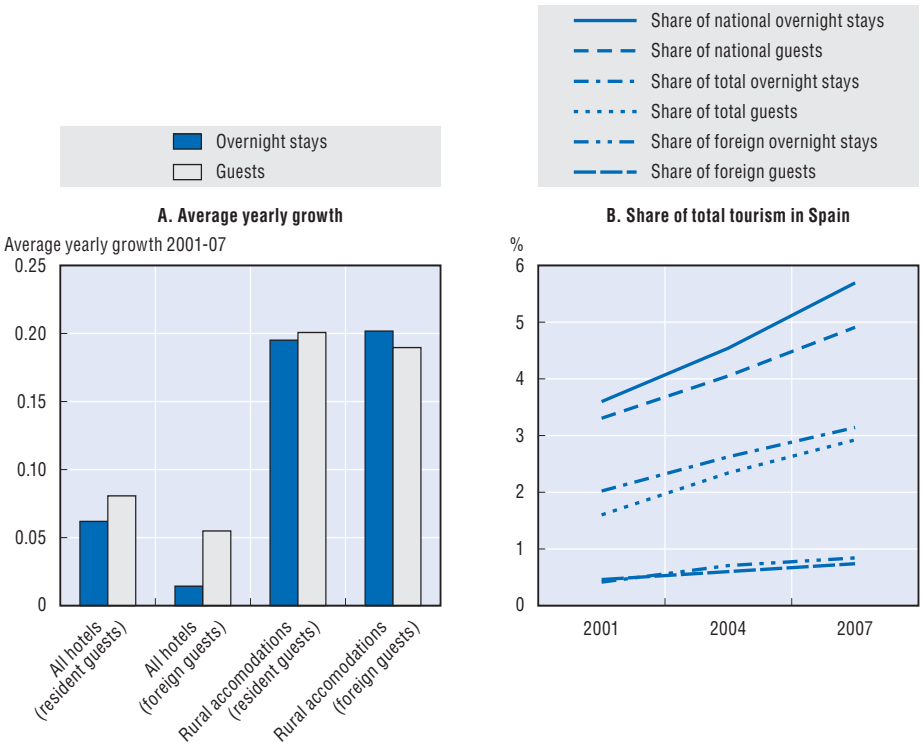
Spain has become a reference in rural tourism development

One of the growing sectors in rural areas is tourism. Spain is today the second most visited country in the world and the first in terms of international tourists as a percentage of total population (WTO, 2007; Frances, 2007). As such, Spain has solid experience in the tourism sector, which has successfully transferred to rural areas over the past decade. While tourism in Spain has been growing at a rate of 3% per year in terms of overnight stays and 7% per year in terms of visitors (8% for nationals, 5% international), rural tourism in Spain grew around 20% per year from 2001 to 2007 both in terms of overnight stays and visitors, and both for national and international visitors (Figure 1.24, panel A).

The most recent information shows that rural tourism lodging rose by 35% in May of 2008 with respect to 2007. This is a remarkable fact, which unfortunately due to the low availability of information on rural tourism in other countries, is difficult to compare internationally. Indeed, the existence of an annual survey of rural tourism in Spain is already an acknowledgement of the importance that this sector has gained, which already represents almost 6% of the total national overnight stays in Spain and 5% of the market for national guests (Figure 1.24, panel B).

Indicators of supply and demand evidence this growth. Figure 1.25 shows that the demand for rural tourism accommodation has grown year by year for

Figure 1.24. **Growth of rural tourism with respect to tourism sector in Spain, 2001-07**



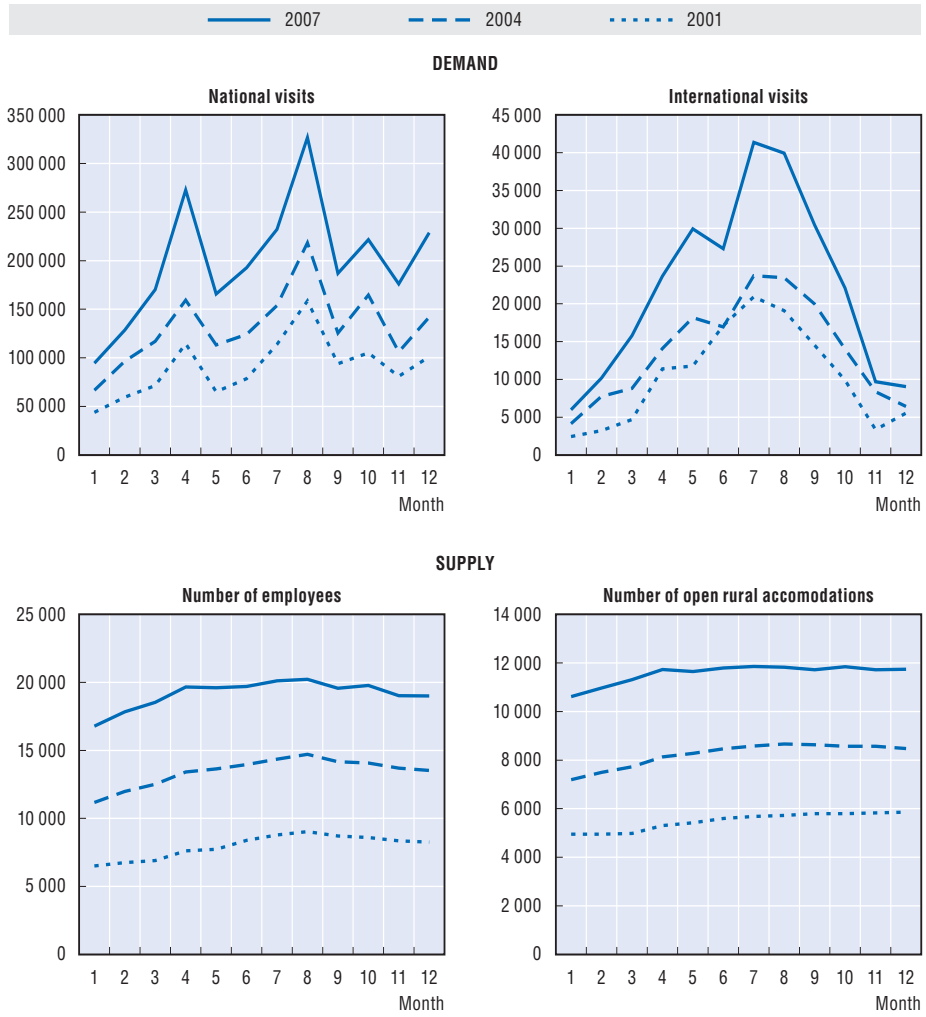
Source: OECD, based on Spain Rural Tourism Surveys, INE, 2001-07.

any given month in the year, both for national visits and for international visits, although the latter are much more concentrated in the summer period. The supply of these services has grown accordingly as evidenced by the growth in the number of employees, which reached 20 000 during the summer of 2007, as well as in the number of rural accommodations, which according to the rural tourism survey, reached 12 000 in the same year.

Castilla y Leon is the preferred region for rural tourism, followed by Catalonia. Among foreigners, the preferred destination for rural tourism is Balearic Islands. Foreign visitors to rural Spain come mainly from the United Kingdom with 30.5% of the foreign overnight stays, Germany with the 27.9% and France with the 6.6% (Figure 1.26).

Still, there is room for improvement of this sector in terms of average length of stay and occupancy rates. The relative remoteness of rural tourism accommodations plays against occupancy rates which are between 20 and 30 percentage points below the rates of the tourism sector in Spain, depending on the month. However, the relative isolation and personalised experience of

Figure 1.25. **Indicators of demand and supply of rural tourism in Spain**
2001-07



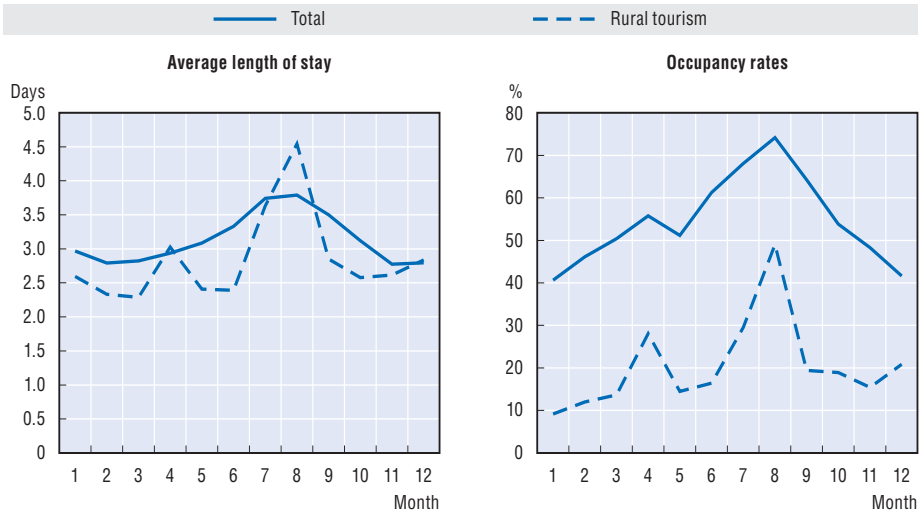
Source: OECD, based on Spain Rural Tourism Surveys, INE, 2001-07.

rural tourism favors longer periods of stay. In 2007, in the months of April and August, the length of stay in rural accommodations exceeded the average accommodation period in Spain.

The growth of second houses is also a relevant phenomenon. In the recent years the number of second residences in rural areas has increased due to two main factors. The first is the purchase of houses in the main town of the county as a form of investment. The second is the interest of urban

Figure 1.26. **Compared average length of stay and occupancy rates in rural and non-rural tourism**

2007

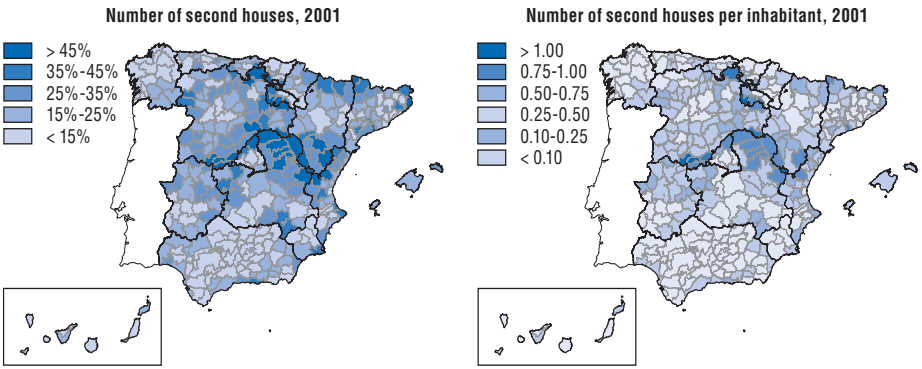


Source: OECD, based on Spain Rural Tourism Surveys, INE, 2001-07.

population of Spain to enjoy a better quality of life during weekends and holiday periods. Figure 1.27 shows the number of second houses in each county and the second houses with respect to the population that resides in each county. The four counties which have the greatest number of second houses, which in fact have more second houses that primary houses are Sierra

Figure 1.27. **Maps of second houses and houses per inhabitant**

Number of second houses – Houses per inhabitant



Source: Based on INE, 2001 Census.

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Rioja Alta, Rincón del Ademuz, Gredos and Barco de Ávila-Piedrahíta), all of them counties with low population and located in mountain zones.

One of the reasons behind the great popularity of rural tourism and secondary housing in Spain is the important natural, ethnological, and historical-artistic heritage that is distributed across the Spanish rural territory. This great heritage represents for rural society the confluence of both significant wealth and collective responsibility. In the same manner that most of the heritage becomes a public good to be shared by all, the burdens related with its preservation should not only fall upon those living in rural areas.

Manufacturing industrial districts are present in rural regions and contribute to their dynamism…

Industrial districts are a model of production mainly related to medium and small cities characterised by industrial specialisations in small and medium enterprises (SMEs) (Box 1.3). However, the mapping of the phenomenon in countries such as Italy and Spain suggest that industrial districts (IDs) not only concentrate in urban and intermediate areas but also in rural areas. An analysis performed using as unit of territorial analysis labour market areas (methodology in Annex 1.A3), to identify and map industrial districts in predominantly rural areas and predominantly rural IDs in intermediate and predominantly rural areas shows the following results:

IDs are present in two-thirds of rural areas in Spain and are relevant to the economy of these areas. There are 52 IDs located in predominantly rural areas in Spain which add up to 25% of IDs in Spain. They account for 18% of the local production systems (LPSs) located in rural areas (287) and add up to 17% of employment in these areas (around 340 000 employees in 2001). Thirty three IDs are located in rural areas considered as accessible (at least 45% of the population lives at less than 45 minutes travel by road to a city of at least 50 000 inhabitants) and the other 19 in remote areas.

IDs in rural areas are geographically concentrated in the centre-south of Spain, forming the third most important concentration of IDs in the country. Around 73% of IDs in rural zones (38 IDs) are located in four contiguous areas: Albacete (10 IDs), Ciudad Real (10 IDs), Toledo (10 IDs) (the three are in Castile-La Mancha), and Jaen (8 IDs). The rest are in Badajoz (4 IDs), Lerida (3 IDs), Cuenca (2 IDs), Soria (2 IDs), Huesca (1 IDs) and Segovia (1 IDs). IDs located in these four most "districted" rural areas form, in fact, the third most important concentration in Spain, after Valencia and Catalonia.

IDs in rural regions employ as many as 340 000 persons. In 2001, the largest IDs are Talavera de la Reina (39 500 employees), Seseña (30 400 employees), Tomelloso (13 900 employees), Mollerusa (13 000 employees), Torrijos (11 200 employees), Sonseca (10 900 employees), Almansa (10 300 employees),

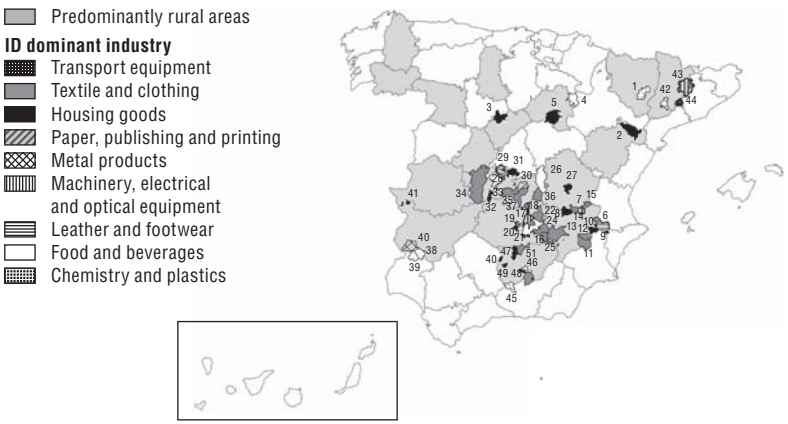
Box 1.3. **What are industrial districts?**

An **industrial district (ID)** is "a socio-territorial entity which is characterised by the active presence of both a community of people and a group of firms in a naturally and historically bounded area" (Becattini, 1990). This community shares a system of values and common practices which spread into the district through the customs and the institutional structure (markets, firms, professional schools, trade unions, employer's organisations, etc.).

In 1890, the economist **Alfred Marshall** documented the existence of a form of organisation of production based on the concentration, in some districts of English industrial cities, of people and small and medium-sized firms specialised in different parts of a production process (Marshall, 1890). In these "industrial districts", internal large scale economies were substituted by external economies related to the existence of skilled workers, specialised suppliers, and an informal system of knowledge diffusion.

The notion of the Marshallian industrial district (MID) was reprised by **Giacomo Becattini** to explain why the specialised local production systems of small and medium enterprises (SME) in the Italian region of Tuscany were so successful at the same time that the large firm production model of Turin and Milan was experiencing serious crisis. (Becattini 1975). Nowadays industrial districts are a widespread mode of production in many countries and in Spain and Italy have become an instrument of analysis of economics and a tool for the policy strategies.

Figure 1.28. **Map of industrial districts in predominantly rural areas in Spain**



Source: Based on Boix, R. and V; Galletto (2008).

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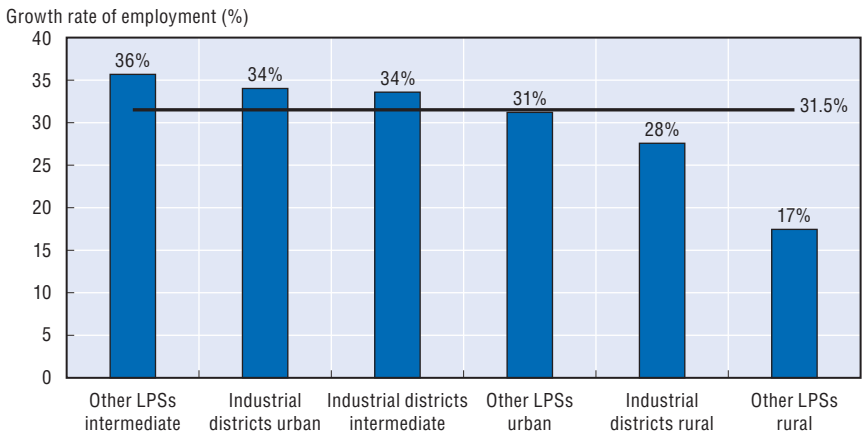
Fuensalida (10 200 employees), Valdepeñas (10 100 employees), and Alcañiz (10 100 employees).

Patterns of specialisation of IDs in industrial areas do not differ from the patterns in other areas. The dominant specialisations of IDs in rural areas rely basically on household goods, with 35% of IDs (18) and 36% of employment (95 000 employees), followed by textile and clothing with 29% of IDs (15 IDs) and 26% of employment (68 000 employees) and food and beverage industry with 15% of IDs (8 IDs) and 17% of employment (44 000 employees). These three dominant sectors account for 79% of IDs in rural areas (41 ID) and 78% of employment in IDs in rural areas (208 000 employees). Other dominant specialisations in IDs in rural areas are machinery, electrical and optical equipment (4 IDs and 18 000 employees), leather and footwear (2 IDs and 15 000 employees), chemicals and plastics (2 IDs and 14 000 employees), metal products (1 ID and 5 000 employees), transport equipment (1 ID and 4 000 employees), and paper, publishing and printing (1 ID and 2 000 employees). With the exception of textile and clothing districts, which are less dispersed and form a line from Albacete to Toledo provinces, the other districts do not form clusters of districts with similar specialisations.

Predominantly rural areas having IDs grow faster than the rest of rural areas. The growth rate of the employment in predominantly rural areas is positive, although it is lower than in intermediate and urban areas. Although the growth rate in rural areas with IDs is also 25% lower than the national average, it is three times larger than in the rural areas without districts. 61% of predominantly rural areas have IDs (11 provinces) whereas this share is larger for intermediate rural areas (72% have IDs) and predominantly urban areas (80% have IDs).

Figure 1.29. **Growth rate of employment by typology of local production system**



A significant share of growth of rural areas with IDs is explained by the more dynamic behaviour of IDs. From 1991 to 2001, IDs in rural areas are 44% more dynamic in terms of employment growth than the average LPSs in rural areas: the growth rate of employment of IDs in rural areas is 28% (73 000 employees) whereas the mean is 19%. In this period, IDs have increased their contribution to the employment of rural areas in one per cent point, from 16% to 17%. Moreover, IDs have contributed 23% to the growth of employment in rural areas. This is to say, 44% more than their share on employment. Also, when compared with other LLMAs, while 98% of IDs have positive growth, only 81% of local production systems show positive growth.

The IDs that have shown greatest employment growth are: Seseña (114% and 16 200 employees), Hellín (46% and 3 000 employees), Bolaños de Catatrava (43% and 1 200 employees), Caudete (42% and 1 000 employees), Villamalea (40.5% and 600 employees) and Mancha Real (40% and 1 300 employees). They are distributed across Toledo, Albacete, Ciudad Real and Jaen, and they are specialised in household products, and textiles and clothing.

Accessibility plays an important role. The growth rate of employment of IDs in accessible rural areas is 32% with a median growth of 25.5% whereas in remote rural areas the growth rate of IDs is 18% and the median 13.5%. However, there are some IDs in remote rural areas with high growth rates: Bolaños de Calatrava (43%), La Solana (29%) or Tomelloso (29%).

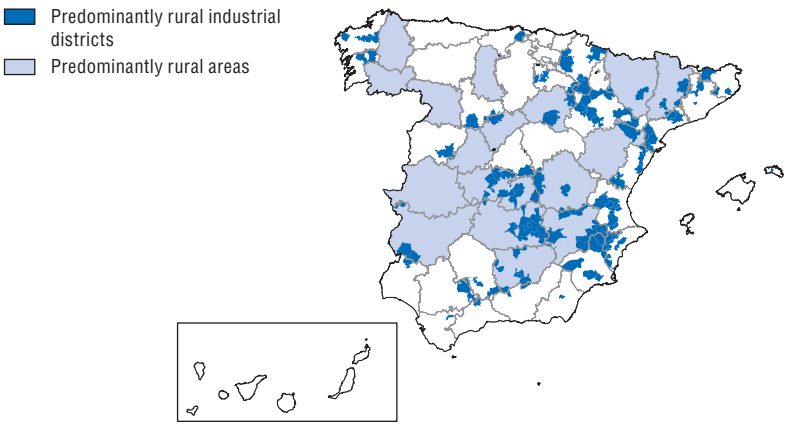
… and many of them have a rural character even in intermediate and predominantly urban areas

There might be two criticisms of the previous analysis based on the restriction of the analysis to predominantly rural regions. One is that IDs in PR regions might be located in urban areas within those regions. Secondly, there might be rural IDs also located in intermediate and rural areas. The analysis was therefore extended by classifying IDs as "predominantly rural" using a similar concept to the way that regions are classified (Annex 1.A3). The main results are the following:

Following the OECD criteria, 50 of the 52 IDs in rural areas are still classified as rural. Only two IDs (Talavera de la Reina and Bailen) show characteristics of intermediate rural area.

There are also rural IDs in non-predominantly rural areas. 58 IDs whose local labour markets meet the OCDE rural criterion are located in intermediate rural areas and 26 are in predominantly urban areas. They are concentrated in the interior parts of Catalonia, Valencia and Murcia, and along the banks of the Ebro River. The map of LPSs by typology of rurality (Figure 1.30) allows us to answer several questions related to the previous results of IDs in rural areas.

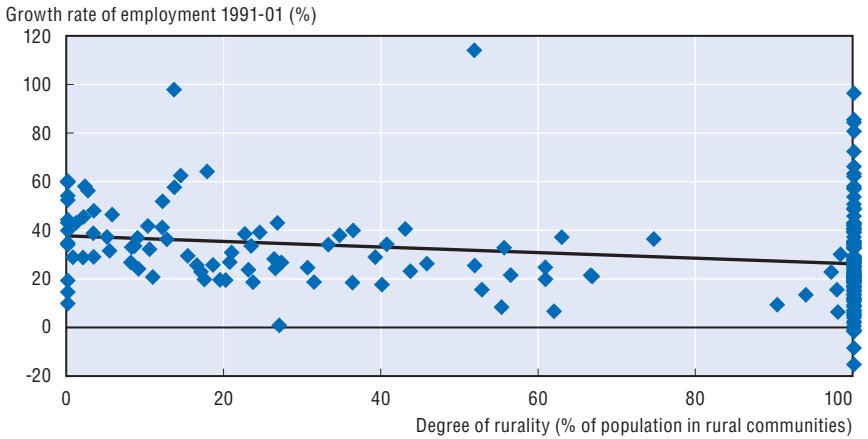
Figure 1.30. **Map of industrial districts in rural local labour markets**



Source: Based on Boix, R. and V. Galletto (2008).

There is a positive relationship between the degree of urbanisation and the growth of employment in IDs. The correlation coefficient between the degree of rurality of an ID (percentage of population in rural communities) and the growth rate of employment between 1991 and 2001 is –0.24. This indicates a negative relationship between rurality and growth in IDs even if the coefficient is not high (Figure 1.31).

Figure 1.31. **Relationship between degree of rurality and growth rate of employment in IDs**



Source: Based on Boix, R. and V. Galletto (2008).

IDs with rural characteristics show a better performance than the rest of rural IDs. The average growth rate of employment between 1991 and 2001 of IDs with rural characteristics (located in rural, intermediated or urban areas) is 28% which is close to the national average (31.5%). This contrasts with the growth rate of employment in the rest of rural LPSs (17%) which is almost a half of the national average and 60% less than IDs with rural characteristics (Figure 1.29).

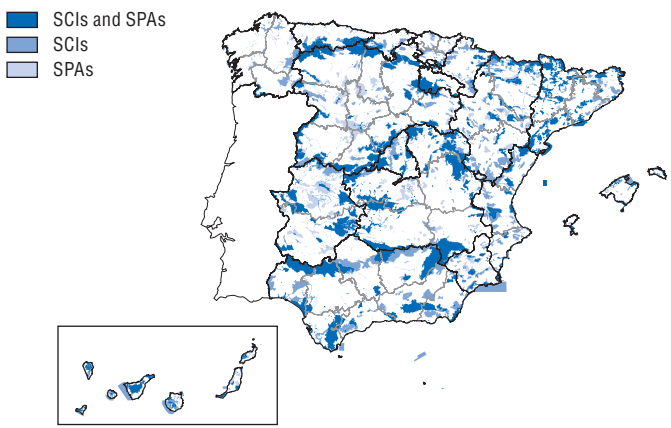
1.2.4. *Environment and sustainability*

The heterogeneous and rich natural resources contained in rural areas…

As noted in Section 1.1, Spain is characterised by great geographical, climatic and agri-ecosystem variety. Almost 60% of the mainland is above 600 m in altitude. About a third of the country has an oceanic climate with frequent rainfall, while much of the rest has a Mediterranean or semi-arid climate, frequently affected by droughts.

Spain is a key biodiversity reservoir for Europe. With 152 known species of mammals, 515 of birds and 5 050 of plants, Spain is one of the most biodiverse countries in Europe (UNEP, 2005; World Resources Institute). That is the reason why a significant part of Spain is protected by European Natura 2000 Network (N2000). This network is formed by two types of areas: Special Protection Areas (SPAs), designated under Birds Directive,[7] and Sites of Community Interest (SCIs) designated under Habitats Directive.[8] In Spain, 19.1% of the territory is inside SPAs and 22.1% is inside SCIs. In total, 26.5% of Spain is included in a N2000 network. This is an important area, about 100 000 km^2. Spain is the European country with the largest protected area. Figure 1.32 shows the distribution of the N2000 network in Spain.

Figure 1.32. **Natura 2000 Network in Spain**



Source: Ministry of Environment, Rural And Marine Affairs.

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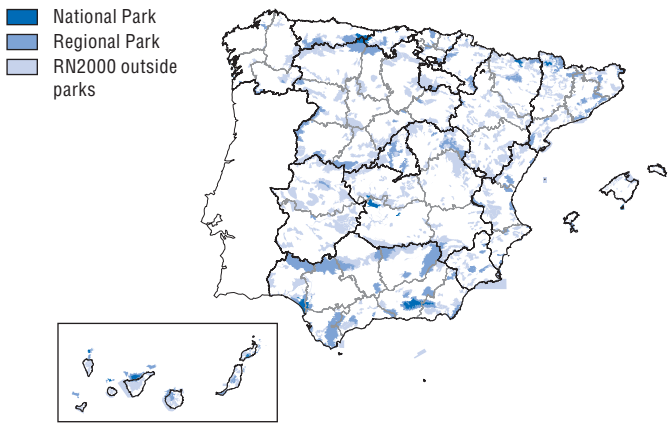
The N2000 network is complemented by national and regional networks of protected areas. These areas include national and regional parks which occupy respectively 0.7% and 6.9% of the territory. In fact, national and regional protected areas are almost fully integrated inside N2000 because usually they are N2000 network areas too (93%). However in the past Rural and Regional Development Programmes only paid attention to regional networks, while conservation efforts in N2000 were rejected.

Figure 1.33. **National and Regional Protected Areas**



Sources: Ministry of Environment and Rural and Marine Affairs; and Europark.

… face environmental pressure derived from demographic and economic trends…

The outstanding economic growth of Spain over the past decades has led to increased pressures on the environment, in terms of both pollution and use of natural resources. The growth of sectors such as housing and construction at a rate of 700 000 new dwellings per year has created significant environmental pressure. The growth of the tourism sector with a 52% increase in total international tourist arrivals has also impacted in terms of air pollution and maintenance of the natural landscape. While much of the economic growth has been concentrated in urban areas, many periurban areas and rural areas have been affected.

The growth of irrigated agriculture creates pressure on water resources. From 1990 to 2002, agricultural water use grew twice as rapidly as total water use across the economy. As a result, farming accounted for close to 60% of total water use in 2003. Much of the increasing use of water by agriculture comes from the 8% growth in area irrigated from 1990 to 2003, turning Spain into the country with the largest irrigated acreage of any EU country

(33 400 km^2), contributing to over a quarter of the EU15 total irrigated area by 2003. Obviously this figure is related to Spain's territorial size and water scarcity, which is more acute than in other European countries. As noted before, irrigated areas account for close to 15% of farmland, almost 100% of total farm water use, between 50-60% of the final value of agricultural production and 80% of farm exports. The expansion of the olive, vine and horticulture sectors has been a key driving force in irrigation. The main source of water for irrigation is surface water (75-80%), with groundwater accounting for much of the remainder, while the share of irrigation in total groundwater use is about 75-80%. In some eastern coastal areas and the Spanish islands, however, recycled water and desalinisation are becoming important ways to meet the demand for water by irrigators and other users (OECD 2008b). Efforts are under way to increase the efficiency of water in irrigation. From 2000 to 2006, the modernisation of irrigation districts has contributed to savings of 2 882 hm^3 per year, close to 5% of the water storage capacity of Spain, mainly by introducing drip irrigation, which extended to 41.6% of irrigated land in 2006 (MAPA, 2007).

Pollution of water bodies by agriculture is also widespread and growing. From 1990 to 2004, agricultural nutrient surpluses[9] increased significantly. The quantity of nitrogen surplus increased slightly by 1% compared to a decline of 21% for the EU15. At the same time the phosphorus surplus increased by 18%, but for the EU15 decreased by 43%.[10] As the use of pesticides and fertiliser rise, the potential risk of water pollution from run-off and leaching of agricultural nutrients, pesticides, and heavy metals is increasing. The growth in irrigation has also led to greater return flows containing pollutants and higher salinity through the over extraction of aquifers. Farm pollution of rivers is less severe than for lakes, reservoirs and groundwater where quality is continuing to decline in some areas (OECD, 2008b).

Air pollution linked to farming are also an issue of concern. Spain reports one of the highest rates of growth in agricultural ammonia emissions in the OECD which grew 21% between 1990 and 2003. Farming accounted for 93% of total ammonia emissions in 2002-04. Also, growth in agricultural greenhouse gas (GHG) emissions was reported as the highest across OECD countries, rising by 18% between 1990 and 2004. This compares to a reduction of –7% in agricultural GHG emissions for the EU15.

… as well as from other environmental challenges such as erosion, water scarcity, forest fires and climate change

Climate conditions and human activity have increased erosion. According to recent statistics from the Minister of the Environment and Rural and Marine Affairs (MARM), close to 46% of Spanish territory (23 million

hectares) have erosion intensity above tolerable levels and 12% (6 million hectares) experiences severe erosion (MAPA, 2007). The high soil erosion risk potential is largely attributed to frequent dry periods followed by outbreaks of heavy rain, particularly in southern regions, where there are also fragile soils and thin vegetation cover. Water erosion, therefore is the major threat to the largest part of the territory, with more than 70% of arable land and permanent cropland at moderate to extreme risk of erosion. Wind erosion is more localised in the northwest and southern coastal areas (OECD, 2008b).

Scarce and irregular precipitation in the majority of the territory during the last decades has created drought problems. While seasonal scarcity of water has been a typical problem of some zones in Spain, over the last decades this trend has become more acute and structural. The most serious drought registered in the documented history of Spain occurred during the 2004-05 hydrologic period (MAPA, 2007).

Forest fires have increased in area and damage. Spain's wooded area increased from 25.6 million hectares in 1974 to 26.8 million hectares in 2003, along with an increase in forest density (number of trees per hectare) and in forest cover, which is now 14.7 million hectares. While these are positive outcomes, increasing daily maximum temperatures and decreasing relative humidity have increased the number and devastating power of forest fires, particularly in the four north-eastern provinces of Spain. Some other non-climatic effects are also causes of this phenomenon (*e.g.* changing human activities and increased fuel accumulation).

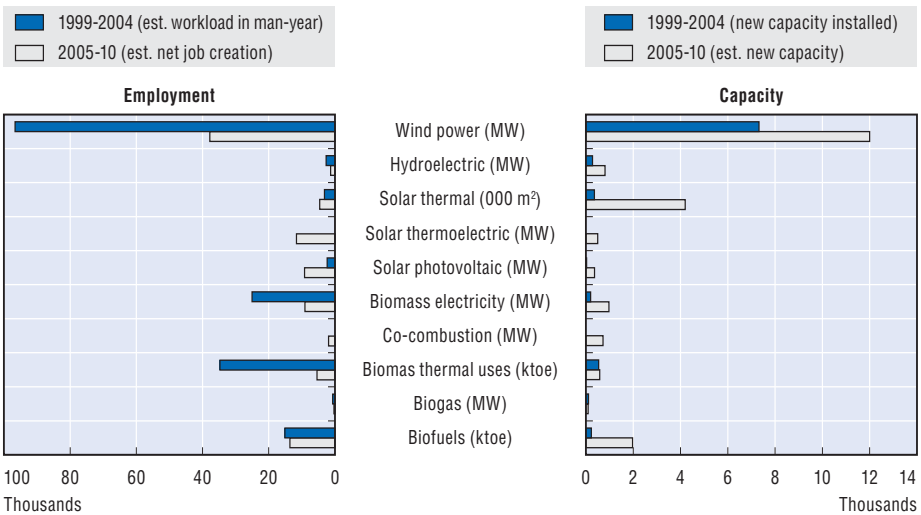
Climate change is likely to make these trends more acute. Over the twentieth century, annual-mean temperature over the Iberian Peninsula has increased by nearly 1.6 °C. Climate Change Scenarios produced for WWF estimate increases in the average temperature between 0.9 and 2.6 degrees Celsius for 2050 with respect to 1990 figures and between 1.2 and 3.9 for 2080 (Hulme and Sheard, 1999).

But, rural areas' natural resources are also increasingly sources of renewable energy…

Spain has made a clear bet to become a frontrunner in alternative energies, diversifying significantly and increasing the sources of renewable energy over the past two decades (reaching 7% of primary energy and 20% of electricity generation in 2007), while building a solid industry and technological base. Renewable energy is growing in volume and Spain has given high priority to further developing its capacity, with the objective according to the programme of renewable energies (PER) of reaching 12% of primary energy by 2010. While hydropower and thermal solar production are well established, wind power is experiencing fast growth and its contribution

is expected to account for over 11% of renewable energy supply in 2010. The share of renewable electricity production rose from 17 to 22% between 1990 and 2001 (with large variations in hydro generation, depending on weather conditions – OCDE, 2004).

Figure 1.34. **Renewable energy new capacity growth and associated employment generation**
1999-2004 and Targets/Estimations for 2005-10



Note: Employment includes construction and installation as well as operation and maintainance.
Source: Gil J./IDAE (2006).

Mountain regions in Spain have a long tradition of contribution to energy supply. The main mountain Districts (North, Pyrenees, Interior, and South) have been involved in energy production in different forms over the centuries. These regions contain a great number of coal reserves with significant potential for electric generation. As a consequence, coal production has been one of the principal economic activities of these regions since the twentieth century. However, the inaccessibility of this coal has been one of the main barriers to the exploitation of these reserves. Therefore, much of the mountain energy sector has been based on hydrological technologies. Mountain rivers have been important for electricity production, as they are throughout Europe. Hydropower dominates renewable electricity generation in Spain. Therefore, the total renewable production is considerably influenced by the replenishment of water in the reservoirs. Even in dry years, and excluding pumped storage, hydro provides almost two-thirds of the total renewable production.

More recently, mountain zones in Spain have been utilised to exploit wind energy (Box 1.4). In the past decade, wind energy showed the strongest and

Box 1.4. **Wind energy in Navarre**

Navarre began producing wind energy in 1994. It now ranks first in Spain, and is among the top regions in Europe in production of wind energy and of parts and machinery. Spain ranks second (after Germany) in terms of wind power capacity, with a world market share of 16% (accumulated capacity) and 22% (installed capacity).

Today Navarre produces more than 45% of its electricity consumption from wind, and an additional 15% from other renewable energies, including mini hydraulic and biomass. In 2005, the installed renewable energy generation capacity should satisfy 97% of Navarre's electricity consumption. An outstanding wind power machinery manufacturing sector has been created, currently providing work for over 2 000 people in the ACs. In Spain the wind energy sector has created 47 000 jobs, 12 000 direct and 35 000 indirect. The origins of such a spectacular increase in wind power in Navarre lie in a mixture of factors – an excellent wind regime, a focused regional development policy and a national support scheme. The first piece of government legislation to provide substantial backing for renewable energy was introduced in 1994. It obliged all electricity companies to pay a guaranteed premium price for green power over a five year period. In 1998, a new law was designed to bring this system into harmony with the steady opening up of European power markets to full competition.

The 1998 law confirmed the objective that at least 12% of the country's energy should come from renewable sources in 2010, in line with the EU's indicative target. It also introduced new regulations on how each type of green electricity was to be priced. This means that for every unit of electricity wind energy producers provide, they are paid a price equivalent to 80-90% of the retail sale price to consumers. In 2001, the government-agreed price (feed-in tariff) was 4.8 EUR cents/kWh, making wind an attractive investment. The government-agreed price was reduced subsequently.

One noteworthy feature of the Spanish market is the confident approach of financial institutions. Major Spanish banks are making loans to support wind schemes, although national legislation does not indicate how long the present price support system will last.

Source: OECD, *Environmental Performance Reviews: Spain*, 2004.

most significant growth, among renewable energy sources in Spain. Spain is one of the countries with the greatest development in this regard, with wind energy as a source of electricity starting to compete with oil derived energies, currently representing 8% and seeking to reach 15% by the end of the decade. In 2007, Spain was, after Germany the second country in terms of installed wind power capacity (with 15 090 MW). The forecast for 2010, according to the PER, is of

20 115 MW. Navarre, for example is one of the early adopters of this technology and demonstrates the impact that wind energy can have in Spanish regions, not only in providing self sufficiency of energy supply, but also in terms of jobs created in this new sector, which can be part of the diversified economy of rural areas. From 1999 to 2004 wind energy used an estimated work force of 95 160 man-years in construction and installation, and 1 464 in operation and maintenance. For the period 2005-10 it is estimated to create 34 680 jobs in construction and installation and 3 113 in operation and maintenance (Gil J./IDEA, 2006).

Solar energy has also gained importance as a "rural" source of energy. Large scale solar photovoltaic, solar thermal and solar thermoelectric power generation require extensive amounts of land (the so called "solar orchards") which are mostly found in rural areas. Spain has produced commercial energy from the first two types for some time and has started the production of the third type, with the world's first commercial solar tower in 2006 (Box 1.5). By the end of 2004, the installed capacity of solar photovoltaic energy was 37 MW, and 700 805 m^2 of low temperature solar thermal. For the whole period 2005-10 the targets of the PER are 363 MW of solar photovoltaic (to reach 400 MW in total), 500 MW of solar thermoelectric, and 4.7 million m^2 of solar thermal (to reach 4.9 million m^2). During the 2005-06 period, new capacity for 108 MW of solar photovoltaic was installed (29.7% of the target), 11 MW of

Box 1.5. **The world's first solar tower in Andalusia**

Located in Sanlúcar la Mayor in the province of Seville, and just a few kilometres from the capital city of Andalusia, the PS-10 project was the first commercial project for solar thermoelectric energy in Spain and the first of its type (tower) in the world.

The solar plant of 11 MV will generate 24.3 GWh of clean energy capable of supplying 5 500 homes and save 6 700 tons of CO_2 by year. The technology consists of 624 heliostats or mirrors of 120 m^2 each (that is 75 000 m^2 of total heliostats area) that rotate according to the sun and project and concentrate solar radiation in one point located at 115 m high in the solar tower. The receptor generates heat at high temperatures which is then utilised to move a turbine with a capacity of 11 MW.

In the same place, it is in construction another tower, the PS20, which will have a similar functioning but the double of power that is 20 MW, which will be able to supply 12 000 homes. It will consist of 1 255 heliostats of 120 m^2, and the tower will be of 160 m.

Source: Abengoa Solar (2008), Interviews during OECD mission 24-27 May 2008; and article "*Plataforma Solucar PS10, la primera torre solar del mundo*" available at *www.abengoasolar.com*, accessed October 2008.

solar thermoelectric and 106 000 m^2 of solar thermal (MTIC, 2007). These three technologies are expected to create 9 186, 11 640 and 4 632 jobs respectively during 2005-10, both in construction and installation as well as in maintenance and operation (Gil J./IDEA, 2006).

Biomass, Biogas, and Biofuels are also sectors experiencing growth. Spain expects to produce by 2010 up to 6 000 ktoe of biomass energy (5 100 ktoe in electrical applications and 900 ktoe in thermal applications). Spain has a good supply of resources for biomass from the agricultural sector. Some biomass is exported to the UK, where biomass co-firing in old coal-fired power stations is very popular. The Spanish Government is now looking at ways to increase the use of biomass for power generation and is encouraging power generators to explore co-firing. Worth highlighting are the joint programs between national and regional administrations for forestry residuals use in biomass production. This could have a significant rural impact since it is the technology that generates more jobs in operation and maintenance. For the 2005-10 period, some 8 687 jobs are estimated to be created for operation and maintenance of biomass electricity. As for biogas, already by the end of 2003, this technology had exceeded its energy objective for 2006 by 250% – slightly more in installed electrical capacity – and 110% of that envisaged throughout the entire life of the plan to 2010. As for biofuels, at the end of 2004, eight facilities were operational, with a production capacity of 180 000 tons of bioethanol and 125 800 tons of biodiesel (IEA/OECD, 2005). Together with biomass, biofuel production generates an important amount of permanent jobs. Some 6 939 jobs are expected to be created for installation and construction and 6 654 for operation and maintenance from 2005-10 (Gil J./IDEA, 2006). The Spanish Government is today focusing on promoting a second generation of biofuels that have a much lower interference over the food value-chain.

1.3. Conclusion: Main issues for the future of rural development

Rural Spain is very heterogeneous. The diagnosis of the present situation and main trends occurring in rural areas demonstrate that there is not one "rural Spain" but many "rural Spains". The demographic, social, economic and environmental challenges and opportunities vary from the mountains to the coasts, from the periurban to the remote regions, from the land characterised by concentrated tenure (*latifundio*) to the land characterised by atomisation (*minifundio*). The reality of rural areas in Spain encompasses diverse linguistic and cultural groups, landscapes and economic activities.

The future of rural areas point to a number of specific policy challenges, which are addressed in detail in Chapter 3:

1. **Coping with depopulation, ageing and social challenges.** The emigration of young people from rural to urban areas, combined with the negative natural

population growth has caused the relative aging and masculinisation of the rural population. The population that remains in relatively remote rural areas faces significant social challenges strongly linked to the accessibility and availability of public services. Moreover, the elder population, population in relative poverty conditions and foreign immigrants are groups in comparative risk of lower social opportunities. Social policy should have a specific rural lens to address these particular issues.

2. **Diversifying and fostering the competitiveness of the rural economy.** The rural economy in Spain, as in many OECD countries has undergone an important transformation. While the role of agriculture has significantly declined in terms of GDP and employment, the competitiveness, specialisation and modernisation of this sector is crucial for the vitality of many rural areas. At the same time, the diversification of the rural economy has provided positive effects in the most diversified regions and constitutes an opportunity for the creation of employment in the present circumstances of the Spanish economy. Alternative sources of growth will become vital if the motors of the recent vigorous growth start to reduce their pace. Rural policy can thus be aligned with economic policies.
3. **Fostering rural-urban linkages and balanced development of periurban areas.** The new territorial configuration of Spain, characterised by a strong concentration of population in the coasts, with the exception of Madrid and a number of selected clusters of heavily populated medium sized cities, is increasingly interacting with rural areas. More and more production is produced near the boundaries of cities and people are commuting, visiting and even migrating to areas that were considered rural just a few years ago. In this context, periurban rural areas face important challenges related to urban pressure but also significant oportunities. Policy action is needed to address such challenges and exploit such oportunities.
4. **Addressing environmental concerns and promoting sustainable development.** Many of the most pressing environmental concerns in Spain (water scarcity, erosion, pollution, forest fires) particularly affect rural areas. However, in balance, rural areas are more clearly part of the solution to environmental concerns than part of the problem. This is particularly true in Spain which possesses abundant natural resources and is already significantly contributing to efforts to reduce environmental challenges such as climate change. Rural policy and environmental policy therefore should work together in finding the right equilibrium between economic exploitation and enjoyment of natural resources and protecting and valorising those resources.

Notes

1. 21 over 200 000, 56 over 100 000 habitants, 119 over 50 000 habitants, and 198 over 30 000 habitants.
2. Which comprises Spain, Portugal, Andorra and the British Crown colony of Gibraltar.
3. Access time has been calculated for all municipalities. For this purpose the following average values has been used: 100 km/h in highways, 80 km/h in main roads, 60 km/h in secondary roads and 40 km/h in local roads.
4. There is a *Encuesta de Presupuestos Familiares* of 2006. However, it does not include income levels.
5. Relative poverty measures the extent to which a household's financial resources falls below an average income threshold for the economy.
6. The Programme for International Student Assessment (PISA) is an internationally standardised assessment that was jointly developed by participating countries and administered to 15-year-olds in schools.
7. Council Directive 79/409/EEC on the conservation of wild birds.
8. Council Directive 92/43/EEC on the Conservation of natural habitats and of wild fauna and flora.
9. Surpluses are the quantity of nutrient inputs minus outputs of nutrients, nitrogen – N – and phosphorus – P.
10. It is important to note that Spain started from levels much lower than many other European countries.

ANNEX 1.A1

Additional Figures on What is Rural in Spain

Figure 1.A1.1. **Map of OECD regional typology applied to the county level**

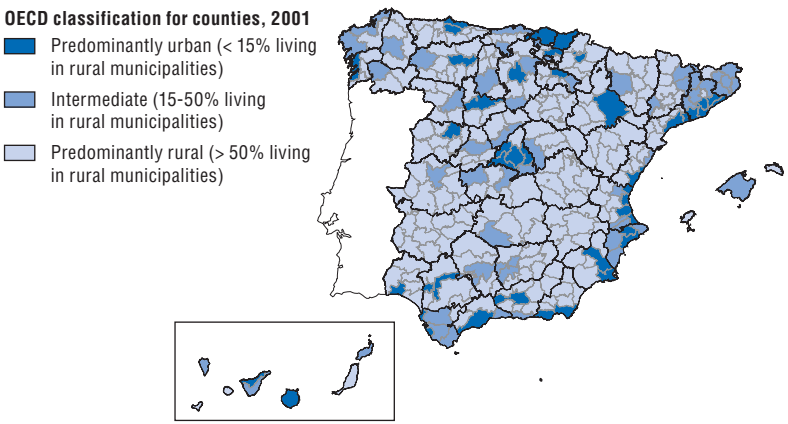


Table 1.A1.1. **Types of rural zones according to the LDSMR**

	Number of municipalities	Population (thousands)	Area (km^2)
Rural to revitalise	3 760	4 642.10	264 396.30
Intermediate rural	2 380	4 827.70	131 032.90
Periurban rural	1 772	7 830.10	72 224.90
Total rural	7 912	17 299.90	467 654.10
Total Spain	8 107	41 116.80	504 744.90
Rural to revitalise (%)	46.4	11.3	52.4
Intermediate rural (%)	29.4	11.7	26
Periurban rural (%)	21.9	19	14.3
Total rural (%)	97.7	42	92.7
Total Spain	100	100	100

Source: Regidor (Ed.), 2008.

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ANNEX 1.A2

Methodology for the Decomposition of GDP Growth

The GDP share of region *i* in country *j* can be written as:

$$\frac{GDP_i}{GDP_j} = \frac{GDP_i / E_i}{GDP_j / E_j} * \frac{E_i / LF_i}{E_j / LF_j} * \frac{LF_i / WA_i}{LF_j / WA_j} * \frac{WA_i / P_i}{WA_j / P_j} * \frac{P_i}{P_j} \quad [1]$$

where *P*, *E*, *LF* and *WA* stand, respectively, for population, employment, labour force and working age (15-64) population. Therefore, the GDP share of region *i* in country *j* is a function of its GDP per worker (GDP_i/E_i), employment rate (E_i/LF_i), participation rate (LF_i/WA_i), age-activity rate (WA_i/P_i) and population (P_i), relative to, respectively, the GDP per worker (GDP_j/E_j), employment rate (E_j/LF_j), participation rate (LF_j/WA_j), age-activity rate (WA_j/P_j) and population (P_j) of its country.

However, GDP figures for small regions, such as TL3 regions used in the analysis could be over or underestimated due to commuting since a significant share of the population might live in one region but work in other. In order to take this into account a factor of commuting is added by multiplying equation [1] by the coefficient of employment measured at the place of work (*EW*) and employment measured at the place of residence (*ER*) (and its inverse, so as to multiply the equation by 1). Rearranging, the resulting equation is:

$$\frac{GDP_i}{GDP_j} = \frac{GDP_i / E_i}{GDP_j / E_j} * \frac{E_i / LF_i}{E_j / LF_j} * \frac{LF_i / WA_i}{LF_j / WA_j} * \frac{WA_i / P_i}{WA_j / P_j} * \frac{P_i}{P_j} * \frac{I}{EW/ER} \quad [2]$$

Taking the logarithm and totally differentiating it, one obtains:

$$(g_i - g_j) = (g_{p,i} - g_{p,j}) + (g_{e,i} - g_{e,j}) + (g_{lf,i} - g_{lf,j}) + (g_{wa,i} - g_{wa,j}) + (g_{p,i} - g_{p,j}) \quad [3]$$

where the g's are growth rates for the respective terms in equation [2].

or, in ordinary words:

Difference in GDP growth between region *i* and the country *j*	=	Growth difference in GDP per worker between region *i* and country *j*	+	Growth difference in the employment rate between region *i* and country *j*	+	Growth difference in the participation rate between region *i* and country *j*	+	Growth difference in the activity rate between region *i* and country *j*	+	Growth difference in population between region *i* and country *j*

ANNEX 1.A3

Methodology for Identifying and Mapping Industrial Districts

One of the factors contributing to the diffusion of the MID theory has indubitably been the possibility to delimit and quantify the phenomenon not by studying particular cases but by applying quantitative methodologies for identification of MID. The most accepted methodology was elaborated in Italy by Fabio Sforzi and the Italian Institute of Statistics and is being currently applied to four countries (Italy, Spain, Portugal and United Kingdom).

The methodology consists of two stages (ISTAT 2006):

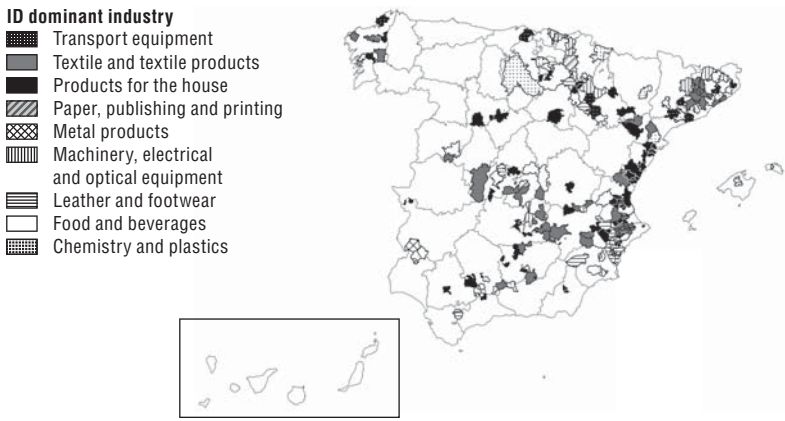
1. The **local labour market area** (LLMA) is the territorial basis for the industrial district. The delimitation of LLMAs is carried out using an algorithm which departs from the municipalities or counties and uses data on jobs, resident employees and travel-to-work flows collected as part of the national Censuses. The LLMA is assimilated to a local production system.
2. Those local LLMAs of small and medium enterprises (SMEs) specialised in manufacturing, and with a dominant manufacturing specialisation mainly composed of SMEs are identified. This consists of four steps: identification of LLMAs specialised in manufacturing; identification of manufacturing LLMAs characterised by SMEs; identification of the dominant industry; and verification that the dominant industry is mainly composed of SMEs.

In 2001, there were 205 IDs in Spain which had 22% of the population and 25% of employment.

From IDs in rural areas to IDs with rural characteristics

One of the limitations of the OECD rural typology is that it merges in the same region true rural areas with intermediate or urban areas. This argument extends to intermediate rural and urban regions, which contain rural areas. Thus, there is the possibility for IDs to be associated with more urban communities in rural regions changing the scope of the explanation. On the

Figure 1.A3.1. **Map of all Industrial Districts in Spain**



Source: Boix, R. and V. Galletto (2008), "Marshallian Industrial Districts in Spain", *Scienze Regionali*, Vol. 7, No. 3.

other hand, it could be possible to find IDs with rural characteristics in areas not classified as rural.

To refine the analysis, the local labour markets in Spain (base for the local production systems) have been classified using the same OECD typology as for regions:[1]

- A local labour market (a LPS) is classified as predominantly rural if more than 50% of its population lives in rural municipalities, predominantly urban if less than 15% of the population live in rural municipalities and intermediate if the share of population living in rural municipalities is between 15% and 50%. Following this criterion, 73% of LLMs (590 of 806) have been classified as rural.
- A local labour market (a LPS) is classified as rural on the basis of the previous criterion is classified as intermediate rural if there is any urban centre of more than 200 000 inhabitants representing no less than 25% of the population. An intermediate rural local labour market is classified as urban if there is any urban centre of more than 500 000 inhabitants representing no less than 25% of the population. However, in the application to Spain in 2001, no city in rural or intermediate areas has met these criteria.

1 Although local labour markets are "communities" of people, firms and institutions, the use of the OECD rules to distinguish rural and non rural communities (population density below 150 inhabitants per km^2) produces some aberrant results (*e.g.* Zaragoza local labour market is classified as rural) so that we considered advisable the use of the regional criterion.

Table 1.A3.1. **Industrial districts in rural areas in Spain**

Rural area/Industrial district	Dominant industry	Employment 1991	Employment 2001	Growth of employment 1991-2001	Growth rate of employment 1991-2001 (%)
ES241 Huesca		**6 860**	**8 183**	**1 323**	**19.3**
1. Monzón	Chemistry and plastics	6 860	8 183	1 323	19.3
ES242 Teruel		**8 697**	**10 137**	**1 440**	**16.6**
2. Alcañiz	Products for the house	8 697	10 137	1 440	16.6
ES416 Segovia		**5 892**	**6 691**	**799**	**13.6**
3. Cuéllar	Products for the house	5 892	6 691	799	13.6
ES417 Soria		**5 936**	**6 258**	**322**	**5.4**
4. Ólvega	Food and beverages	2 876	3 143	267	9.3
5. Almazán	Products for the house	3 060	3 115	55	1.8
ES421 Albacete		**34 605**	**45 645**	**11 040**	**31.9**
6. Almansa	Leather and footwear	7 718	10 311	2 593	33.6
7. Madrigueras	Machinery, electrical and optical eq.	2 067	2 617	550	26.6
8. La Roda	Products for the house	4 803	6 122	1 319	27.5
9. Caudete	Products for the house	2 387	3 397	1 010	42.3
10. Fuente-Álamo	Products for the house	2 013	2 446	433	21.5
11. Hellín	Textile and textile products	6 625	9 660	3 035	45.8
12. Tobarra	Textile and textile products	2 684	3 394	710	26.5
13. Alcaraz	Textile and textile products	2 824	3 022	198	7.0
14. Tarazona Mancha	Textile and textile products	1 977	2 558	581	29.4
15. Villamalea	Textile and textile products	1 507	2 118	611	40.5
ES422 Ciudad Real		**45 689**	**56 119**	**10 430**	**22.8**
16. Valdepeñas	Food and beverages	8 429	10 142	1 713	20.3
17. Manzanares	Machinery, electrical and optical eq.	7 029	8 687	1 658	23.6
18. Herencia	Machinery, electrical and optical eq.	2 156	2 446	290	13.5
19. Bolaños Calatrava	Products for the house	2 921	4 174	1 253	42.9
20. Almagro	Products for the house	2 956	3 585	629	21.3
21. Sta. Cruz Mudela	Products for the house	2 165	2 710	545	25.2
22. Tomelloso	Textile and textile products	10 769	13 881	3 112	28.9
23. La Solana	Textile and textile products	4 144	5 350	1 206	29.1
24. Villanueva Infantes	Textile and textile products	3 435	3 377	–58	–1.7
25. Albaladejo	Textile and textile products	1 685	1 767	82	4.9
ES423 Cuenca		**9 352**	**10 431**	**1 079**	**11.5**
26. Tarancón	Food and beverages	7 891	8 789	898	11.4
27. Valverde de Júcar	Products for the house	1 461	1 642	181	12.4
ES425 Toledo		**86 947**	**122 209**	**35 262**	**40.6**
28. Torrijos	Food and beverages	9 210	11 189	1 979	21.5
29. Fuensalida	Leather and footwear	7 296	10 156	2 860	39.2
30. Dosbarrios	Paper, publishing and printing	2 026	2 689	663	32.7
31. Seseña	Products for the house	14 206	30 409	16 203	114.1
32. Navahermosa	Products for the house	1 240	1 588	348	28.1
33. Gálvez	Products for the house	1 027	1 166	139	13.5
34. Talavera Reina	Textile and textile products	31 744	39 560	7 816	24.6

Table 1.A3.1. **Industrial districts in rural areas in Spain** *(cont.)*

Rural area/Industrial district	Dominant industry	Employment 1991	Employment 2001	Growth of employment 1991-2001	Growth rate of employment 1991-2001 (%)
35. Sonseca	Textile and textile products	7 942	10 891	2 949	37.1
36. Quintanar Orden	Textile and textile products	7 891	9 508	1 617	20.5
37. Tembleque	Textile and textile products	4 365	5 053	688	15.8
ES431 Badajoz		**10 679**	**12 035**	**1 356**	**12.7**
38. Fregenal Sierra	Food and beverages	2 723	3 043	320	11.8
39. Higuera la Real	Food and beverages	1 310	1 504	194	14.8
40. Jerez Caballeros	Metal products	4 877	5 532	655	13.4
41. San Vicente de Alcántara	Products for the house	1 769	1 956	187	10.6
ES513 Lérida		**21 324**	**25 710**	**4 386**	**20.6**
42. Mollerussa	Food and beverages	10 720	12 974	2 254	21.0
43. Solsona	Machinery, electrical and optical eq.	6 534	7 552	1 018	15.6
44. Cervera	Transport equipment	4 070	5 184	1 114	27.4
ES616 Jaén		29 699	35 514	5 815	19.6
45. Alcalá la Real	Chemistry and plastics	7 468	8 107	639	8.6
46. Bedmar y Garcíez	Food and beverages	945	1 297	352	37.2
47. Bailén	Products for the house	5 867	6 960	1 093	18.6
48. Mancha Real	Products for the house	3 371	4 726	1 355	40.2
49. Arjona	Products for the house	2 514	2 648	134	5.3
50. Marmolejo	Products for the house	1 767	2 119	352	19.9
51. Carolina (La)	Textile and textile products	4 318	5 332	1 014	23.5
52. Huelma	Textile and textile products	3 449	4 325	876	25.4
ES411 Avila	**No industrial districts**	**–**	**–**	**–**	**–**
ES432 Caceres	**No industrial districts**	**–**	**–**	**–**	**–**
ES112 Lugo	**No industrial districts**	**–**	**–**	**–**	**–**
ES113 Orense	**No industrial districts**	**–**	**–**	**–**	**–**
ES414 Palencia	**No industrial districts**	**–**	**–**	**–**	**–**
ES419 Zamora	**No industrial districts**	**–**	**–**	**–**	**–**
Total		265 680	338 932	73 252	27.6

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ANNEX 1.A4

Regression of the Impact of Ageing on Economic Growth

The study of the impact of demographic variables in economic growth is a field in it own right. The question of how population growth affects economic development has been debated for decades by economists, demographers, and policymakers.

For this review a regression introduced by Bloom, Canning, Fink and Finlay (2007), was used for studying the impact of population structure in economic growth. This hypothesis assumes that changes in population age structure can have a large impact on economic performance because labor supply and saving rates vary over the life cycle. Increased longevity may also boost labor supply and saving rates. In addition, a decline in fertility increases female labor supply and the resources available to invest in children's health and education. Several studies emphasise the role of shifting birth and death rates and age structure in explaining cross-country variation in economic growth.

The regression used is:

$y^* = z^* + w = \quad x + w$

define by:

$$y = log\frac{Y}{P}, z = log\frac{Y}{WA}, w = log\frac{WA}{P}$$

where Y is income, P total population, and WA working age population; *stands for the stationary state value.

After some manipulation, we can obtain an equation that expresses the rate of change of per capita income growth like:

$$y = \quad (y^* - y_{-1}) = \quad {}_1x_{-1} = \quad {}_2w_{-1} + \quad {}_3y_{-1}$$

The objective of the regression used in this review was to analyse the impact of population aging in economic growth. We redefined the equation introducing variables like the percentage of total population older than

65 years old. Also instrumental variables were defined. Instruments included health variables at the beginning of the period, labor market and dependency rate variables. Regression results are presented in Table 1.A4.1.

It is important to notice that according to the coefficient of *Log of GDP in 1995*, there has been a divergence of GDP among Spanish provinces since 1995. Although this coefficient is statistically significant, there is no conclusive evidence of this trend.

Table 1.A4.1. **Regression table of income per capita growth**[1]

Explanatory variables	Coefficient (Std. error)	Instrumental variables
Log of proportion of population older than 65 years old	–1.14 (0.03)[1]	Log of proportion of population younger than 15 years old Log of GDP per working age population Cancer mortality in 1995 Cardiovascular diseases mortality in 1995 OECD degree of *rurality* Employments in service sector Employments in industrial sector Employments in agricultural sector Unemployment
Log of proportion of population in working age	–3.34 (0.16)	
Log of population density	–0.24 (0.14)[1]	
Log of GDP in 1995	0.313 (0.15)[1]	
Constant	–8.69 (1.68)[1]	

Note: Dependent variable: Log of income per capita growth rate. Data: 183 observations, 50 clusters, Spain's provinces panel data from 1995 to 2003.
1. Statistically significant.

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Chapter 2

Rural Policy in Spain: Institutional and Governance Issues

This chapter evaluates rural policy in Spain with focus on its institutional setting and governance framework. Section 2.1 provides a summary of the evolution of the approach to rural policy in Spain from the post civil war period to our days. Section 2.2 analyses the institutions, policies and budgets oriented to the development of rural areas, first discussing EU rural development programmes (Section 2.2.1) and then focusing on the LEADER programme (and its Spanish counterpart, PRODER), which is the core instrument of rural development policy in a narrow sense. Section 2.2.2 addresses the broad rural policy instruments derived from the new Law on Sustainable Development of Rural Areas at the time that this law starts to be applied, and draws conclusions on its implications for the future.

Key points

- Rural Policy in Spain has evolved from an agriculture-based, centralised, top-down approach to a territorial-based, integrated policy with an environmentally conscious concept of rurality. At present, it is undergoing a new shift, broadening its scope to a multi-sectoral, rural policy beyond European programmes.
- For a long time, Spanish rural policy relied fundamentally on EU rural development programmes, implemented in a decentralised fashion. Spain's resources for rural development (Pillar II of the CAP) are amongst the largest of member states, accounting for 10.2% of the total public expenses dedicated to rural development under the CAP in Europe for the period 2007-13.
- Despite its decentralised framework, priorities for the allocation of funds are fairly similar in the different Autonomous Communities (ACs) and show a strong agrarian bias. While many ACs claim to complement rural development measures, they seem to be overlooking the need to prepare rural areas for the future CAP beyond 2013.
- From the beginning, Spain enthusiastically embraced the LEADER approach going so far as to replicate it through the PRODER programme and other such regional programs. Thus, 17 years later, many of the intended social aims of the LEADER initiative are quite evident in Spain's rural society. Yet there is room for improvement to facilitate a more productive relationship between LEADER groups and public officials and to insure that the LEADER methodology is better integrated into the rural development plans of the Spanish ACs.
- The recently approved Law on Sustainable Development of Rural Areas (LDSMR) and the merging of the Ministry of Agriculture, Fisheries, and Food (MAPA) with the Ministry of the Environment (MMA), creating the Ministry of Environment, Rural and Marine Affairs (MARM), evidences an important policy shift in the direction of building a national rural policy, aimed at coordinating efforts of different ministries and administrations in rural areas.
- The LDSMR frames a new governance system that has significant implications for the horizontal coordination at the central level, the vertical coordination between the central and regional administrations, and the participation of civil society in rural policy. It also has implications for the internal governance within ACs, many of which are moving in the direction

of a multi-sectoral, comprehensive rural policy, before the central administration did.

- Important governance priorities to consider are the provision of "rural proofing" tools and balanced representation to the newly created Inter-Ministerial Commission (CIDRS) and the Council for Sustainable Rural Development (CDRS) in order to obtain true commitment and engagement from the authorities involved; to homologate and institutionalise instruments of diagnosis and evaluation in the different regions without limiting innovation; and to effectively engage civil society in the process.

Introduction

The purpose of this chapter is to analyse rural policy in Spain, its evolution, and its current institutional setting. This task is particularly challenging, because during the period (2007-08), coinciding with this review, Spain introduced major reforms and institutional changes impacting rural policy, the outcomes and final implementation mechanisms of which are yet to be observed. Far from being a drawback, this context has become an opportunity, for two reasons. Firstly, the observation and documentation of the policy design and certain elements of the political economy in which these changes rest is a valuable area of reflection for Spain and other countries in similar circumstances. Secondly, now that the direction is set but the details are still being defined, discussing the implications of the proposed changes in light of the experiences of other OECD countries is certainly pertinent for Spanish policy makers.

The chapter is structured as follows: Section 2.1 provides a summary of the evolution of the approach to rural policy in Spain from the post civil war period to present days. Section 2.2 analyses the institutions, policies and budgets oriented to the development of rural areas, first discussing EU rural development programmes (Section 2.2.1) and then focusing on the LEADER programme (and its Spanish counterpart, PRODER), which is the core instrument of rural development policy in a *narrow* sense.[1] Finally, Section 2.3 addresses the *broad* rural policy instruments derived from the new Law on Sustainable Development of Rural Areas at the time of application, and draws conclusions on its implications for the future.

2.1. Evolution of rural policy in Spain

Rural Policy in Spain, like in other European countries, has experienced significant transformations over the last 50 years. It has moved from an agriculture-based, centralised, top-down approach to a territorial-based, integrated view with an environmentally conscious concept of rurality. Also, policy has moved towards the decentralisation of design and implementation

responsibilities and a full use of consultation and partnership methods. The influence that European Rural Policy (the Common Agricultural Policy – CAP) has had in shaping Rural Policy in Spain is evident in this process. But as is the case for other European countries, Spain has found it necessary to go beyond European Rural Policy in order to address fully the new needs and expectations of rural areas. This is revealed in the emergence over the years of a sophisticated rural governance system consisting of a new rural legislation, an institutional system and a programming culture. Four stages can be distinguished in the evolution of rural policy in Spain over the past 50-60 years:

- Post-war period until 1975.
- Democratic transition and decentralisation of rural governance (1976-86).
- Rural development after accession to the EEC.
- The current programming period 2007-13 and the Law on Sustainable Development of Rural Areas.

2.1.1. Post-war period until 1975

This period contains two moments. The first, which corresponds to the immediate post civil war period (1939-59), was characterised by "reconstruction and hunger", with marked reduction of agricultural production and yields, which together with the decline in international trade resulted in food scarcity. As a consequence, agrarian policy was oriented to increasing food supply based on the intensive use of land and labour. The main policies were: *1)* food rationing; and *2)* expanding land cultivation to re-establish food systems disrupted by the war. These agrarian policies substituted market mechanisms for a government controlled system of production, commercialisation and prices. The system was implemented in complete disconnection with the internal and external economic context, originating several dysfunctions and recurrent government fight against speculation and food hoarding. Emblematic institutions of this period were the *Sistema Nacional del Trigo* and the *Comisaría de Abastecimientos y Transportes*.

Once the early stage was over, a second moment characterised by "authoritarian *desarrollismo*" followed, marked by the introduction of important structural policies such as the construction of large irrigation systems and other hydraulic works; the settlement of farmers on irrigation-based colonisation schemes; the introduction of land planning (*ordenamiento rural*); a vast programme of consolidation of holdings in smallholding communities (*concentración parcelaria*) through the National Service of Plot Concentration (SNCP); reforestation of close to 1.2 million hectares; and modernisation and technological improvement through the National Institute for Agrarian Research (INIA) and the Agrarian Extension Service (SEA). As a result of these policies, the agricultural sector transferred savings and labour to other

sectors, especially to industry, initiating a processes of rural exodus and of substitution of labour by capital investments. Between 1960 and 1975, the process intensified, with agriculture becoming increasingly mechanised and its linkages with other sectors strengthened.

2.1.2. Democratic transition and decentralisation of rural governance (1976-86)

This period goes from the beginning of the post-Franco era to the entrance of Spain in the EEC in 1986. It was characterised by profound changes following the political transition to democracy and a difficult economic situation. These events had an important impact in rural areas. On the economic front, input prices increased as a consequence of higher oil prices. On the social front, certain rural areas experienced high unemployment and scarcity of services. This was especially the case in Andalusia and Extremadura where a Rural Employment Plan (PER) was implemented to remedy this situation. Until today, the Plan provides income security to the rural unemployed population of these ACs.

However, the most important changes with respect to the rural context came from the political front. The legislative and institutional flexibility that characterised the political transition allowed lively debates of rural policy and the building of a legal framework for many rural activities related to rural finance and insurance, family farming, young farmers, mountain areas, agrarian contracts, and under- or un-exploited rural estates, among others. Changes also embraced the social domain, with greater freedom of association that resulted in the structuring of a new system of agrarian unions. During this period, the mandate to formulate and execute agricultural policies was transferred to the Regional Administrations (*Comunidades Autónomas,* ACs) in application of the new, federal-type Spanish Constitution. Also, Spain needed to adjust to EU CAP rules, which implied a reduction of the decision-making capacity of the central administration in agricultural and rural development policy. These changes significantly affected the governance structure of rural policy.

2.1.3. Rural development after accession to the EEC

This period can also be divided into two. The first one, characterised by "Spanish adaptation to CAP", coincides with the first EU programming period 1989-93. During the second period, characterised by "Spain's cruising-speed navigation of CAP", Spain benefited from strong EU support in programming periods two and three (1994-99 and 2000-06).

The Spanish adaptation to CAP represented a loss of decision-making capacity of the national administration to the EU level. The adoption of

EU regulations implied the launching of pluriannual regional and rural programming for the first time in Spain and the consolidation of a new decentralised system of rural governance based on the Regional Administrations organised around CAP resources and regulations. Other features of this period were the strengthening of the rural policy mandate of Regional Administrations through the design and implementation of independent CAP support frameworks by each Regional Authority; the progressive settlement of disputes between the Central and Regional Administrations concerning potential overlaps of RP mandates, through the doctrine established by the Spanish Constitutional Court; and the adaptation to, and consolidation of, the complex administrative and co-financing CAP systems involving the EU and the Spanish central and regional administrations.

The entry into the EEC coincided with a period of important changes in the political concept of Europe and in its normative procedures and legislation. The Single European Act was signed in 1986 establishing the basis for the creation of the Single European Market. This was followed by a change in orientation from the traditional sectoral approach towards focusing interventions on less favoured regions. "Development planning", one of the main guidelines of the reform, led to the identification of priority regions to be included in each of the different objectives. Given the laggard situation of Spain with respect to the EU12, a large proportion of the Spanish territory was classified as Objective 1 (convergence objective, covering zones below 75% of the average EU per capita GDP).[2] Spain was, therefore, a net recipient of funds since its accession to the EU. The strong support of EU structural funds allowed substantive progress in agricultural modernisation and in the improvement of transport and communication systems and other services favouring rural areas. In this period there was also successful experimenting of the territorial approach to RD through LEADER I, a EU Community Initiative based on the engagement of local actors in their rural development strategies, which would be enthusiastically adopted in Spain.

The period of "Spain's cruising-speed navigation of CAP" was characterised by further advancements in agricultural modernisation and farm competitiveness as well as the improvement of infrastructure and services in rural area. On the institutional front, the coordination mechanisms for rural policy like the Agricultural Conference of Regional Rural Authorities and the National Rural Consultation Council were strengthened during this period. There was a consistent advance in the territorial approach to rural development through LEADER II and LEADER+, and the expansion of this approach to nearly all rural areas in Spain through PRODER I and II – the national Spanish programmes twins of LEADER II and LEADER+. Some ACs also decided to finance their own LEADER-type programmes to cover their entire territory. Jointly with other European countries and the European Commission, Spain progressively

adopted a new vision of rural development which gives more emphasis to diversification, multifunctionality, natural resources conservation and environmental concerns, and favours providing farm support through public rather than private goods and decoupled, green box-type instruments. Additionally, some CAs opted for framing EU resource transfers within broader regional rural strategies, and started a number of institutional innovations for their own coordination of rural policy within a multi-sectoral approach.

2.1.4. The current programming period and Law on sustainable development of rural areas

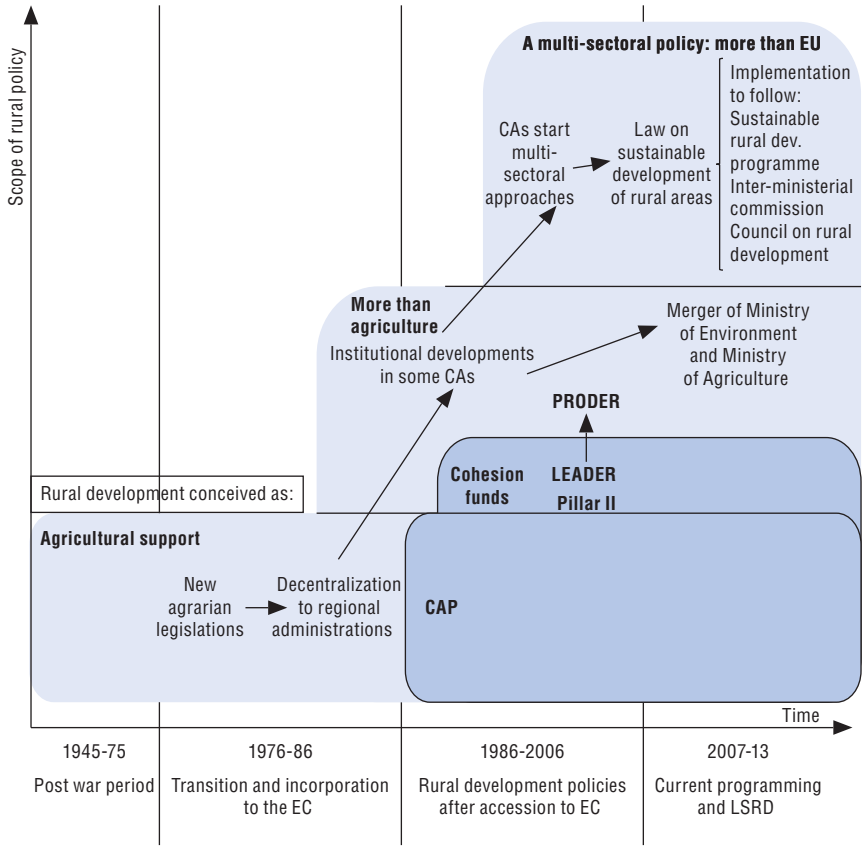
The year 2007 marks important changes in the approach to rural development in Spain. Thus, this year coincides with the start of a new programming period of the EU (2007-13), which introduced significant changes with respect to previous ones and opened a transition period towards a reduction of EU resources envisioned for 2013. EU RD norms for the 2007-13 consist of a large and varied menu of RD measures among which member countries (and regions in the case of Spain) may choose according to their own priorities. This year was also marked by the approval of the national *Ley para el Desarrollo Sostenible del Medio Rural (*Law on Sustainable Development of Rural Areas, LDSMR). This law marks an important policy shift in the conception of rural development policies, not only beyond agricultural policies, but also beyond EU rural policies, toward a multi-sectoral view. Its objective is to improve the level of development of rural areas, and it proposes new governance mechanisms for different ministries to coordinate their intervention in rural areas. The merging in May 2008 of the Ministry of Agriculture Fisheries and Food (MAPA) and the Ministry of the Environment (MMA) in a single large ministry named *Ministerio de Medio Ambiente y Medio Rural y Marino (MARM)* is also a signal of a changing approach to rural policy.

At present, the new framework for regional policy is in a state of flux as the Law starts being implemented and the new Ministry assumes its new mandate. The implications of these changes and their interaction with the EU rural development policies are analysed in the following section.

Figure 2.1 summarises the four stages described above. It depicts the evolution of policy approaches from the days when rural development was synonymous of agriculture to the present concept of rural development as a multi-sectoral, multi-tier policy.

Figure 2.1. **Evolution and process of broadening scope of rural policy in Spain**

Post war period to the present time



2.2. Rural policy in a narrow sense: EU Programmes and the LEADER approach

This section analyses the institutions, policies and budgets of rural policy in Spain. As noted in the precedent section it is important to bear in mind that this analysis is undertaken at a time of on-going restructuring. This allows a discussions of the implications of the envisioned changes in the light of other international experiences, which may influence the restructuring process as it finds its own *modus operandi* in the years to come.

The section starts by describing and discussing EU rural development programmes (Section 2.2.1) which until 2007 – as the LDSMR (2007) and Regidor (Ed.) (2008) recognise[3] – constituted *the* rural policy of Spain. In particular, Section 2.2.2 focuses on the LEADER (and its Spanish counterpart,

PRODER), which is the core instrument of rural development policy in a *narrow* sense.[4] Section 2.3 addresses the *broad* rural policy instruments contained in the new Law at the time when this law starts being applied and draws conclusions on its implications for the future.

It is pertinent to highlight at this point the features of the *sui generis* autonomic (*i.e.* federal) system of Spain, which makes the country one of the most decentralised in Europe. This system has a decisive influence in how the EU rural development programmes are applied, and in the nature of the Spanish rural governance system. Box 2.1 summarises the main features of this system.

Box 2.1. **The *sui generis* autonomic system in Spain**

Spain is divided into 17 autonomous communities (ACs), 50 provinces and 8 111 municipalities (in 2006). Its political system is unitary, although observers describe it as quasi-federal, given its high degree of decentralisation and the presence of typically federal structures.

Devolution was a prominent feature of the new constitution voted in the democratic transition period: "The Constitution of 1978 recognised and guaranteed the right of autonomy to the nacionalities and regions that integrate the Spanish nation and the solidarity among them" Ministerio de la Presidencia (2007). The autonomous communities have considerable fiscal and legislative autonomy. In Spain exists what is known as "asymmetrical devolution", that is, the devolved powers vary from one ACs to other and within one ACs over time. Catalonia, the Basque Country and Navarre have the most extensive powers, the former two were the first ACs to elect regional assemblies in 1981. The "Foral" regime of Navarre extends its origins centuries ago (fundamented on a law of 1839), and in contrast to other ACs, kept a certain amount of autonomy (including tax leviing powers) throughout the period of Franco's rule.

All the ACs have responsibility for primary functions. These include planning, public works, agriculture, and tourism. Health and education are considered primary, but there are variations between high' and low' level regions, and therefore some of the ACs share responsibilities for these areas with the central state. The national government and the ACs share also responsibility for other areas, including local government, transport policy, and environmental protection. Own competences of the national government (defined in Article 149 of the Spanish constitution) include: nationality, immigration, emigration and asylum, international relations, defence and armed forces, administration of justice, customs and excise, foreign trade, monetary policy, control of banking and insurance, inland

Box 2.1. **The *sui generis* autonomic system in Spain** *(cont.)*

revenue and state budget, navy and shipping, ports and airports, transport, telecommunications, public works, production and trade, and statistics.

From the point of view of public expenditure, Spain has moved in a short period of time from being a very centralised country to a very decentralised one. Thus, while in 1991 the ACs managed close to 20% of the total government expenditure, by 2006 it was 33%. Local authorities have also increased their participation from 14% to close to 16%. This implies that the share of total expenditure managed by the SGA has been reduced from 70% yo 50%, and would be less if social security funds were excluded.

There are several coordination mechanisms of the SGA and the ACs. The two main ones are the collaboration agreements or *convenios de colaboración* and the sectoral conferences. There are more than one thousand *convenios de colaboración* each year, many of them with financial content such as subsidies. Here the protagonism is of the sectoral ministries, although the Ministry of Public Administration (MPA) is in charge of keeping track of all the agreements. The sectoral conferences are periodic meetings between the ministers of each sector and the consejeros (ministers) of the same sector in the ACs, which often have a second tier group conformed by technical staff. The MPA is an observer in these meetings. There is relative flexibility in the configuration of these conferences. As of today, there are more than 50 sectoral conferences although there are only 17 ministries at the central level. The most relevant conferences are those of fiscal and financial policy, where resource transfer to the ACs and the co-financing of ACs' programmes are negotiated, and the conference related to European issues.

Sources: MAP, Presentation for the OECD mission, 21-24 May 2008; Ministerio de la Presidencia (2007), España Hoy, Chapter III, available online at: *www.la-moncloa.es/docs/pdfs/EspaniaHoy/ESP07_00.pdf*; and Amstrong E. and C. French, "Parliamentary Systems: Spain", SPICe Briefing, 2002.

2.2.1. EU Rural Development Programmes

This subsection analyses the distribution of the European Agrarian Fund for Rural Development (EAFRD) in Spain as proposed by the Rural Development Programmes (RDP), part of the CAP's (2007-13) second pillar. It provides first a brief overview of the process behind the planning and formulation of the RDP. The Spanish Strategic Plan will then be compared to the EU Strategic Guidelines in order to get a better feel for the particular rural development priorities of Spain. Then it observes the distribution of resources that was made in Spain amongst the different rural development objectives set by the EU, comparing Spain with other EU countries and also comparing the different Spanish ACs with each other. Finally it analyses the degree to

which Spain and its ACs have used the current planning exercise (2007-13) to establish a longer-term strategic vision for its rural territory and prepare themselves for the policy changes that may come after 2013. Although this – current – programming period marked important changes with respect to the previous ones, its configuration and practices are based on the experience of the previous. Box 2.2 recalls the main aspects of the Spanish Rural Development Programme 2000-06, which is not subject of the analysis of this review.

Box 2.2. **Spanish Rural Development Programme, 2000-06**

Spain's rural development policy, implemented during the previous programming period 2000-06, was practically all derived from EU policy. Specifically, the European Cohesion Policy and the EU's CAP in many ways depicted the rural development measures that were carried-out and their allocated financial importance in Spain. In fact, the territorial European Cohesion Policy had a relatively greater influence on rural policy over this period (Regidor, 2008). Nevertheless, this territorial and supposedly multisector policy was implemented in Spain with a predominantly agricultural focus.

Four different programmes were implemented under these two policies: *a)* measures attending rural areas in less developed regions (Objective 1); *b)* measures attending rural areas in more advanced regions (Objective 2); *c)* the LEADER+ community initiative; *d)* the horizontal measures accompanying the CAP.

The Objective 1 programme was by far the most important of the four programmes from a financial point of view receiving up to 54% of all public funding destined for rural development measures. The less developed Spanish ACs that qualified for this programmed included Andalusia, Asturias, Canary Islands, Castilla la Mancha, Castilla y Leon, Extremadura, Galicia, Murcia, Valencia, and for part of the programming period also Cantabria.

The Objective 1 programme was however distributed over a set of nine very widespread guiding axes, of which only one (Axis 7: Agriculture and Rural Development) had any direct relation with rural development. This Axis 7 was allocated less than 9% of total public spending given to the programme in Spain (Regidor, 2008). Moreover, most measures implemented under Axis 7 of the Objective 1 programme in Spain were linked to agriculture rather than rural development *per se*.

Regidor (2008) concludes that although the funds dedicated to the Objective 1 programme were important, they actually had very limited impact over the development of rural areas, mostly because they were spread too thinly across too many objectives and too disperse a territory.

Box 2.2. **Spanish Rural Development Programme, 2000-06** *(cont.)*

The Objective 2 programme was addressed to relatively more economically advanced ACs, which in Spain included Aragon, Balearic Islands, Basque Country, Catalonia, La Rioja, Madrid, and Navarre. Although there was still a fair amount of support for the farming sector under the Objective 2 programme, it was nevertheless implemented in a more multisectoral manner in rural Spain, especially in areas where it coincided with the LEADER programme.

Under the Objective 2 programme the administrations of the participating ACs were responsible for elaborating a Rural Development Programme and then managing its implementation within its regional territory. This gave the programme diversity across ACs, and although some regions retained an agrarian focus, some tested out more multisector approaches to rural development.

The third rural development programme implemented during the previous programming period 2000-06 was the LEADER+ initiative. The LEADER+ was the third round of the LEADER initiatives that began in 1991 (described in greater detail in Section 2.2.2 below). It continued the bottom-up policy formulation and implementation methodology that characterise the LEADER initiatives, through the use of the Local Action Groups (LAGs) set up in each of the 145 LEADER communities under LEADER+. This edition of the LEADER initiative added restrictions on the participation of public officials within the LAGs (50%) and gave added emphasis on the innovative nature of the projects to be supported.

The LEADER+ initiative received only a relatively small budgetary allocation as compared to the other mentioned rural development programmes (barely 5% of total) (Regidor, 2008). Nevertheless, this initiative (together with the PRODER, Section 2.2.2) had a much more important impact on Spanish rural society and enjoyed far greater popularity than what its financial allocation would suggest. The true impact of the LEADER+ was more qualitative in nature and influenced the social attitudes of rural populations relative to their communities, rather than any measurable quantitative indicator. According to Regidor (2008) the widespread territorial presence and popularity of the LEADER/PRODER initiative in rural Spain largely over-shadowed the fact that Spain lacked its own domestic rural development policy during this period.

The fourth programme derives from the set of measures associated with the EU's Common Agricultural Policy. The introduction of the second rural development' pillar of the CAP during this period meant that a new source of funds would be directed towards rural development. However, the relatively low proportion of funding finally given to this second pillar (less than 10% of CAP) and the even lower amounts that truly benefited non-sector specific rural development efforts (less than 1%) led to a fairly diluted impact by this programme in Spanish rural areas.

Box 2.2. **Spanish Rural Development Programme, 2000-06** *(cont.)*

Although these four programmes have had limited measurable impact upon the rural development of Spain, they have nevertheless served as important transition and testing grounds upon which the rural development policy for the subsequent period 2007-13 has been based. During this period, Spain experimented with greater territorial, decentralised, multisector approaches. ACs were asked to write their own Rural Development Plans. There was also greater emphasis on the fact that environmental concerns, economic diversification, and quality of life were integral parts of development policy in rural areas. Even though these aspects did not reach many significant results during the 2000-06 programming period, they set in motion the winds of change and initiated the learning curve that the following policy period should greatly benefit from.

Source: Regidor, J.G., coord. (2008), "Desarrollo Rural Sostenible: Un nuevo desafio, Ministerio de Medio Ambiente y Medio Rural y Marino", *Mundi-Prensa*, Madrid.

In a narrow sense, Spanish rural policy is framed within EU rural development policy…

As indicated above, Spanish rural policy consisted mainly, until recently, of European rural policy, which has historically been sector-driven and focused mostly on physical and recently human capital improvements. By the mid 1990's, new issues like agricultural restructuring, local development and environmental integration, came to the forefront of policy concerns and were incorporated in the "Agenda 2000", which set the European agricultural policy for the period 2000-06, as the second pillar of the CAP. The general aim of European rural policy, which was the guideline for Spain, evolved from a focus on productivity improvements to promoting economic diversification. Whereas the target sector for the CAP has long been agriculture, the recent policy guidelines place the rural territory at the centre of the stage. Agriculture is still very important, but it must now share policy measures and funds with wider economic, environmental, and social objectives.

Under the 2007-13 CAP programme, the European Council co-finances, through the EAFRD, the rural development programmes prepared by member states under the EU policy framework. Policies of member countries must adapt to the objectives set by the European Council (regulation No. 1698/2005), and to the strategic guidelines prioritised by the EU.

Rural development objectives were classified in three different axes in the 2007-13 CAP: Axis 1) improvement of the competitiveness of agriculture and forestry; Axis 2) environmental and natural landscape improvements; and Axis 3) encouraging diversification of the rural economy and improving

the quality of life in rural areas. There is also a fourth horizontal axis that includes all measures falling within the LEADER methodology (discussed in the following section).

... which Spain implements in a decentralised manner

The implementation of rural programmes is the responsibility to the central administration of each member state. However, in the case of decentralised countries like Spain, the regional administrations are responsible for the fine tuning and implementing the programmes. As indicated before, rural development programmes consist of a series of measures selected from a menu provided by the EC 2007-13 programme. The measures selected are detailed and justified in Rural Development Plans (RDP) 2007-13 prepared by the ACs. Both the National Strategic Plan and the regional RDPs need approval from the European Commission and the Rural Development Committee (consisting of representatives of the 27 member states).

The framework of the European rural development policy has two prongs. The central goals of the CAP's rural development policy and the main guidelines of axis one, two, and three are centrally set by the European Commission and dictated to member states in a highly top-down fashion. On the other hand, the allocation, implementation, and management roles of the EAFRD fund as well as the LEADER axis of the European rural policy essentially follow a bottom-up approach.

Within Europe, Spain counts with one of the largest budgets for RDP…

Comparatively, the total public budget mobilised in Spain's Rural Development Plan (RDP) is amongst the largest of the member states, with a 10.2% share of the overall funds dedicated to the RDPs in Europe. Only Italy (10.9%), Poland (10.8%), and Germany (10.3%) have shares of total EU support slightly greater than Spain's.

With an allocation of EUR 352.5 per capita, Spain is well below the EUR 1 363 of the Rep. of Ireland (highest amongst European countries) but very close to the EU's average of EUR 323.8. If we only considered rural residents, the Spanish figure would improve to EUR 976.1. This surpasses the EU average of EUR 767.8 and is far greater than the EUR 257.2 received in the Netherlands (lowest amongst European countries).

Comparing with the land area, Spain receives EUR/km^2 31 443.2, compared to an EU average of EUR/km^2 35 573.4. The proportion of the RDP funds coming to Spain also falls short of the EU average if we compare the amounts in relation to the hectares of Usable Agricultural Area (SAU), EUR/ha 905.9 in Spain compared to EUR/ha 632.9 in the EU.

… which is distributed amongst the different priorities by the ACs in line with the National Strategy

Indicative of Spain's rural policy priorities are the allocation of total public resources amongst the EU proposed objectives.

Article 11 of Council Regulation (EC) No. 1698/2005 says that each member state shall submit a national strategic plan indicating the priorities for the actions to be funded through the EAFRD (the fund behind the rural development pillar of the 2007-13 CAP), taking into account the EC strategic guidelines. Spain has set its strategic plan for the EAFRD in a document called the National Rural Development Strategic Plan 2007-13, based on the strategic guidelines set by the European Commission. This national document gives specific guidelines on which Spain's regional RDPs must be based. Annex 2.A2 provides a comparison between the European strategic guidelines and those of the Spanish Strategic Plan for each of the four axis of the CAP's rural development policy. The main highlights from this comparison are as follows:

- Whereas the EU's strategic guidelines are clear and detailed, the Spanish Strategic Plan lists a set of national priorities for each axis but leaves a fair amount of room for the ACs to interpret, choose and formulate their own development plans based on the EU guidelines.
- However, the Spanish Strategic Plan does dictate six universal measures that are part of the national framework and must be included in any regional RDP. These common obligatory measures (four falling under Axis 1 and two under Axis 2) can be amplified by the regional programmes as seen to best fit the specificities of the ACs's rural areas. The Spanish Strategic Plan sets quantitative objectives for the compulsory measures and details the co-financing to be contributed by each administration (European, national, and regional) for these measures.
- Amongst the six mandatory universal measures are some deemed of greatest priority for Spanish rural areas, which are not necessarily shared by all EU members. For example, irrigation and water management are crucial not only to Spanish rural areas but to Spain as a whole, as is forest-fire prevention.
- As for Axis 1 objectives, Improvement of the competitiveness of agriculture and forestry, the Spanish Strategic Plan proposes an exhaustive set of guidelines that narrow down those laid down by the European Commission. This is indicative of the importance that the Spanish Strategic Plan places upon this sector-based Axis. The efficient and sustainable management of water stands out as a key item emphasised within the Spanish Strategic Plan as a mandatory universal measure for this Axis that goes beyond the basic guidelines of the EC.

- Regarding the second Axis objectives, Environmental and natural landscape improvements, the Spanish Strategic Plan reemphasises the strategic guidelines set by the EC, but with a focus on the agriculture and forestry sectors as vehicles to achieve these guidelines. In-depth reading of the EC and Spanish strategic plans reveals a difference in the interpretation of the purpose of this second Axis. The Spanish document retains a very agriculture sector-based perspective of environmental improvements. For example, the search for territorial equilibrium and the protection of rural landscapes is equated in Spain to the preservation of the landscape associated with traditional agriculture. The call for measures to fight climate change by the ECs strategic guidelines is equated to the production of biofuel-compatible crops by the Spanish Strategic Plan. In a similar manner, the Spanish Strategic Plan translates the promotion of environmentally beneficial economic initiatives proposed by the EC into the encouragement of crop and livestock farming practices that respect the environment and preserve natural resources.
- In Axis 3, oriented to the improvement of the quality of life in rural areas as well as the encouragement of rural economic diversification, we can observe how the EC strategic guidelines are much more detailed and span a more explicit and wider spectrum of issues to those in the Spanish Strategic Plan.
- The objective of the fourth axis, which is directed towards local employment creation capacity building and diversification using the LEADER methodology, has largely been considered by the Spanish Strategic Plan as an opportunity to prolong and expand the responsibilities of the largely consolidated Local Action Groups (LAG) that had been constituted under previous editions of the LEADER initiative or of the Spanish duplicate initiative, PRODER. There is clear agreement from both the EC and Spain that the integration of the LEADER methodology within the second pillar of the CAP as a transversal axis is a great opportunity to improve local governance and to help mobilise the endogenous growth potential of rural areas. Spain is one of the EU member countries that has made greatest emphasis, according to its national strategic plan, of the local development potential of the LEADER axis.

The resulting allocation of funds evidences a strong agrarian bias…

The importance given by Spain to its agrarian sector is well reflected in the distribution of total public resources amongst the different development objectives represented by each Axis. Thus, Spain dedicates over half of its budget to Axis 1 Objectives, which aims to improve the competitiveness of the agrarian and forestry sectors. This is contrary to other European countries, which on average direct most of their public resources towards the Axis 2 Objective. Spain only dedicates a third of its total public expenses to this

Objective. Spain defends its heavy Axis 1 focus by highlighting that an important number of the measures listed under Axis 1, such as water management efforts, could easily have been listed under Axis 2 for their favourable environmental impact.

The proportion of total public funds allocated by Spain to quality of life improvements and economic diversification objectives (Axis 3) is five percentage points below that of the European Union, while the allocation to Axis 4, once the measures 411, 412, and 413 have been transferred to their respective Axis Objectives, is higher than the EU average of 1.2%.

Table 2.1. **Rural development total public expenses in Spain and the EU, 2007-13**[1]

Percentages

	Agrarian sector competitiveness improvements Axis 1 Objective	Environmental and rural landscape improvements Axis 2 Objective	Quality of life and rural economic diversification Axis 3 Objective	Leader Initiative Axis 4
European Union	34.7	46.3	16.1	1.2
Spain	52.3	34.6	11.0	2.0

1. Expenses oriented towards technical assistance (511, 611) not included.
Source: European Commission (2008).

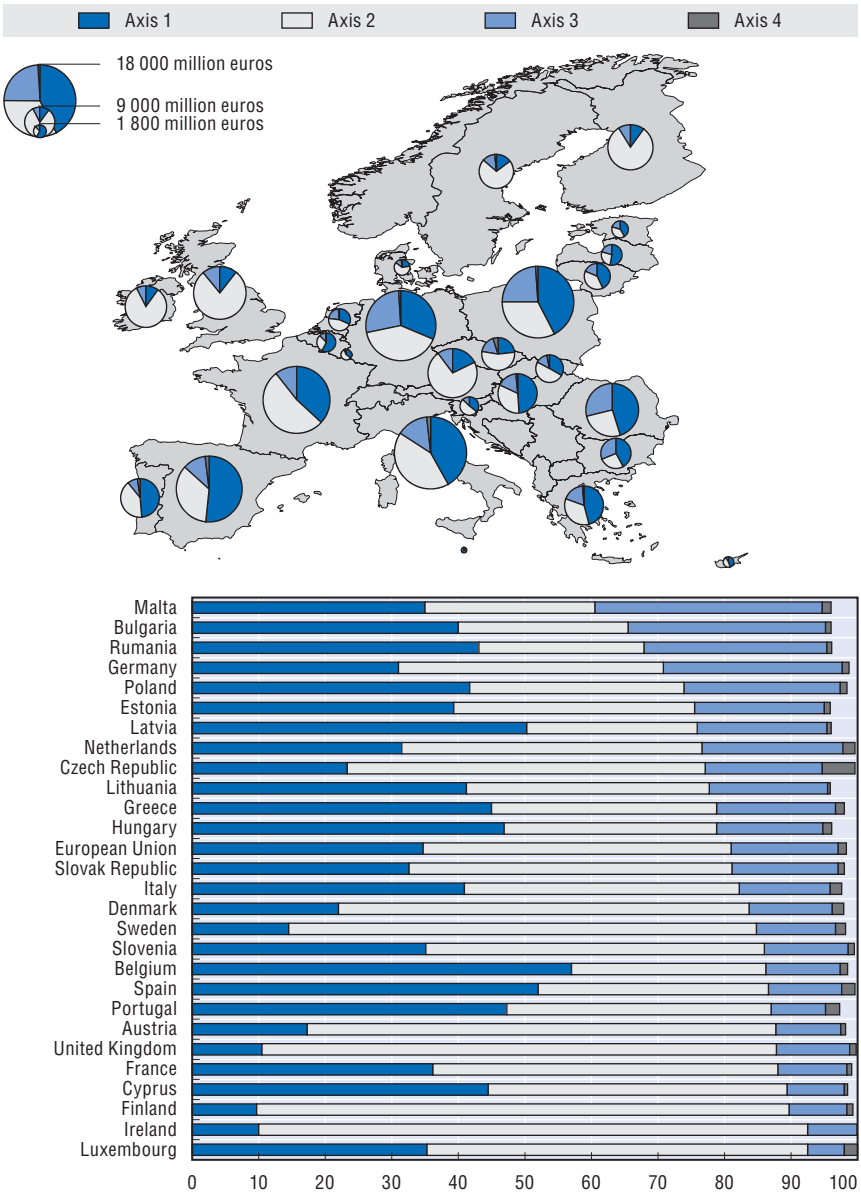
As can be seen in Figure 2.2, there is a wide range of allocation patterns amongst development objectives in Europe, with Spain showing a distribution somewhat characteristic of Southern and Eastern European countries.[5] Although Spain is only surpassed by Belgium in the importance given to Axis 1 objectives, many other European countries dedicate the largest part of their total public RDP budget to this objective. Lithuania, Portugal, Hungary, Greece, Rumania, Poland, Bulgaria, and to a lesser extent Malta have done the same. Nevertheless, the majority of European countries, especially those of Northern Europe, have decided to place greater importance to measures that improve the environment and rural landscapes (Axis 2 Objectives). Four countries: Estonia, Italy, Lithuania, and Cyprus[6] distributed their total public expenses equally between Axis 1 and 2 Objectives.

Many of the Spanish regional RDPs have been criticised by the EUs Rural Development Committee for being too heavily oriented towards Axis 1 Objectives at the cost of environmental measures of Axis 2. In fact, several Spanish ACs have been asked by the Rural Development Committee to revise their RDPs in order to correct this imbalance.

The total public budgetary distribution amongst objectives probably underestimates the agrarian emphasis of the Spanish rural development strategy. As mentioned above, the Spanish Strategic Plan uses an agrarian

Figure 2.2. **Distribution of total public expenses by Axes Objectives in EC countries**

2007-13



Note: The remainder from 100% corresponds to expenses oriented technical assistance. Total public expenditure includes EAFRD funds plus national co-finance and additional financing. Measures 411, 412 and 412 are reflected in Axis 1, 2 or 3 to account for all expenditure in each objective.

Source: OECD, based on European Commission (2008).

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interpretation of the environmental measures included under Axis 2. Moreover, many of the regional RDPs have gone even further in making their RDPs a primarily agriculture-based policy document. In many of the Spanish regional plans, sector-based measures have not only dominated Axes 1 and 2 but also Axis three by limiting certain economic diversification programmes to on-farm investments. This clearly seems to go against the spirit of multi-sector rural development that Spanish policy should be driving towards.

The strong agrarian character of Spain's rural development policy is justified by key members of the Spanish central administration by the need to limit the speed at which the rural development focus is introduced in rural policy in order to avoid antagonising the country's strong agrarian interests. The view is that rural development policy needs the support of the agrarian sector if it is to succeed as a policy. An overly rapid and domineering introduction of non-agrarian rural development priorities would run the risk of confronting the interests of the agricultural sector. Only a slow, gradual introduction of rural development policy would avoid rousing feelings of threat amongst the agricultural establishment. A slow progressive approach would allow them to gradually internalise the objectives behind the rural development measures and transform agricultural leaders into driving agents for rural development.

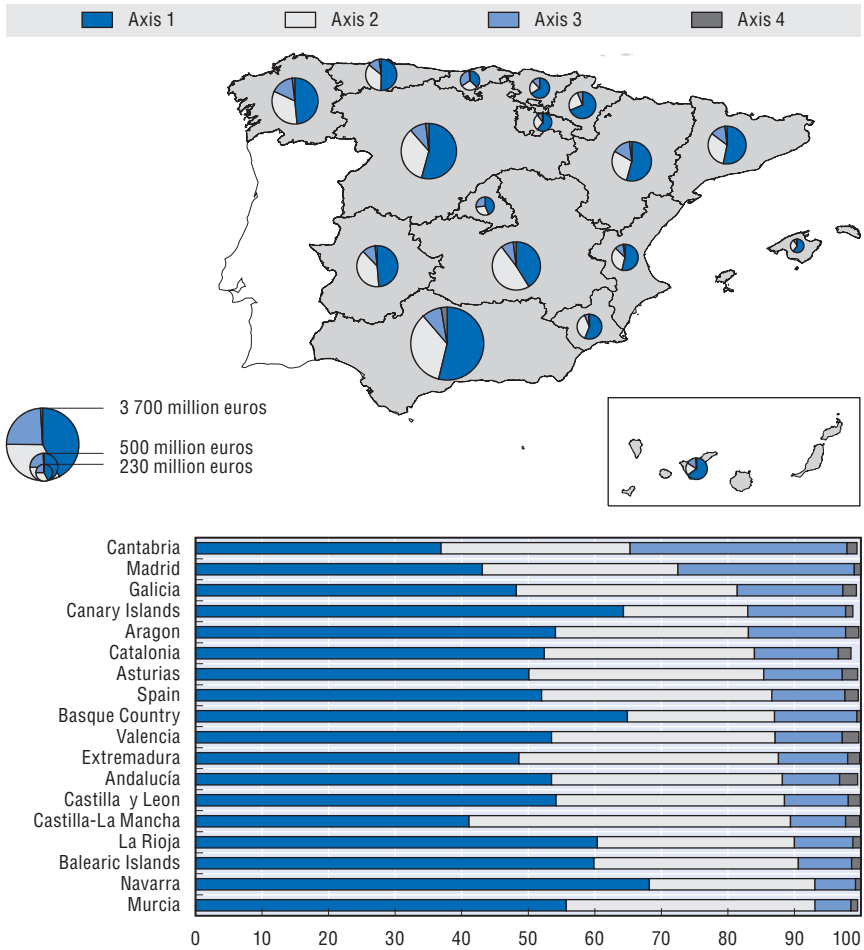
… which is also evidenced with different degrees within the ACs…

EU member countries not only decided to opt for very different RDP configurations with regards to measures and Axes under the 2007-13 programme, but they also decided a different territorial scope for their RDPs. Article 15 of Council Regulation (EC) No. 1698/2005 says that the EAFRD shall be implemented in the EU member states through rural development programmes, and that each member state has the choice of either submitting a single RDP for its entire territory or break down its territory into regions and submit a set of regional RDPs.

Nineteen countries, mostly smaller ones with the exception of Poland, decided to submit only one RDP for their territory. Three countries: Finland, France, and Portugal, decided to submit one RDP for the continental part of their territory and an additional RDP for each/some of their overseas dependencies. Finally, five member states: Belgium, Germany, Italy, Spain, and the UK, presented regionalised RDPs. Given the degree of autonomy that the ACs have in Spain, it was natural that Spain decided to regionalise its RDPs.

With 17 regional RDPs, Spain only falls behind Italy (21 RDPs) as the EU member state with the highest amount of programmes. As can be expected due to the high number of RDPs, important differences exist amongst the different Spanish regional programmes. There are differences in size, accounting for some of Europe's largest RDP regions: Castilla y Leon

Figure 2.3. **Distribution of total public expenses by Axes Objectives in Spanish ACs**



Notes: The remainder from 100% corresponds to expenses oriented technical assistance. Total public expenditure includes EAFRD funds plus national co-finance and additional financing. Measures 411, 412 and 412 are reflected in Axis 1, 2 or 3 to account for all expenditure in each objective. This information corresponds with the information of Annex Table 2.A2.4.

Source: OECD, based on information from European Commission (2008).

(94 225 km^2) and Andalusia (78 772 km^2): as well as some of Europe's smallest: Balearic Islands (4 992 km^2) and La Rioja (5 045 km^2). Spain's ACs have both very large and very small farming areas (SAU): Castilla y Leon (5 424 600 ha) and Canary Islands (62 240 ha). The country's ACs also differ tremendously in terms of population, with 8 059 431 for Andalusia compared with 306 400 for La Rioja. There are many more distinctions characterising Spanish ACs, such as climate, topology, cultural heritage, and many more, that come to support

Spain's decision to regionalise their RDPs in order to better address the specificities and needs of each autonomous community's rural areas.

Comparing Spain's regional RDPs, it can be noticed that notwithstanding important differences amongst ACs, their RDPs are fairly similar. The choice of measures and the distribution of total public expenses amongst the four Axes objectives follow relatively common patterns. There is far less variance than that observed when comparing RDPs across Europe. As a rule, Spanish ACs have formulated agrarian-based RDPs with a heavy allocation of funds to Axis 1 objectives. The extremes are Navarre (68.2%), Basque Country (64.9%), and Canary Islands (64.3%) that carry some of the highest allocation to Axis 1 objectives in Europe. Twelve of the 17 Spanish RDPs give more than 50% of their total public budget to Axis 1 Objectives. Only one Spanish ACs, Castilla La Mancha, defied the trend followed by its peers and allocated the largest proportion of its public funds to Axis 2 Objectives. The only other outlier is Cantabria that allocated 32.6% of total public expenses to Axis 3 Objectives compared to the Spanish average of 11%.

… although many of them claim to have complementary rural development measures

The distribution of public funds among objectives shown in the RDPs is not always representative, however, of the ACs's rural priorities. Some regional officials indicated that, if authorised by the EU, the distribution would have placed greater emphasis on Axis 1 objectives at the expense of those under Axis 2. Others mentioned that although their regions gave high priority to Axis 3 Objectives, measures corresponding to this Axis were already included in non-rural specific regional policies.

Some ACs with high allocations to Axis 1 Objectives, such as Navarre and the Basque Country, indicated that the distribution shown in the RDP was not representative of their rural development priorities, because they had used the RDP 2007-13 as a tool of last resorts to shape up their agricultural sector. If with this surge in investment the sector was unable to attain satisfactory levels of competitiveness, the regional administration would contemplate taking agriculture altogether out of their next programme.

Most regional representatives described the measures under the RDP as complementing the ACs's rural development policy, rather than incorporating its full extent. As mentioned, many ACs have complementary policies, often non-rural-specific that address many of the objectives in the RDPs. Many of these complementary measures go beyond the narrow rural development perspective of the RDP to cover a wide array of issues of importance for the welfare of rural dwellers. Improvements of the quality of life and economic diversification objectives, included in Axis 3, seem to be the objectives most

frequently addressed by the complementary measures. Only the smaller ACs, La Rioja, Canary Islands, and Balearic Islands, indicated that their RDP comprised all of the ACs's rural development policy.

The decentralised planning and implementation of EU policies evidences pros and cons

Criticism has been voiced by some regional officials of the need to follow a national strategic plan that forces regional RDPs to include certain obligatory measures. This criticism is similar to that voiced at the Spanish national level when commenting on the rigidity of the EU policy framework within a union whose members are so different.

Nevertheless, most public administrators in Spain, at all levels, consider the framework of the CAP's second pillar for 2007-13 to be adequate. The balance between centralisation that allows good vertical coordination and decentralisation permitting better representation of the specific priorities and needs of the ACs is appraised as an improvement to previous rural development policy.

Most administrators, however, complain of rigidity and excessive controls at the levels above them. Thus, local officials believe that regional administrators monopolise decision-making, regional officials have the same complaint with respect to the Spanish central level, and national officials have strong complaints about the biased attitudes of the EC officials with whom they have to negotiate on behalf of the ACs in order to get the regional RDPs approved.

Spain's main complaint about the EC is that community officials have a strong pro-Axis 2 and anti-Axis 1 bias, which runs against the general configuration of the Spanish regional RDPs. Some complaints suggest that the EC exercised pressure on Spain to go beyond the mandatory minimum share to be allocated to Axis 2.

There is also discontent on the part of some regional officials concerning the inability of ACs to negotiate directly with Europe their own RDPs. They see the need to go through the central Spanish administration as an inefficient and possibly ineffective method of negotiation. Some ACs doubt that central administration officials defend best the interest of the regions. Rather than nationalistic reasons, the explanation for this seems to rest on the differences of objectives and priorities that at times separate regional and national administrations in Spain.

Overall, the main and more general complaint that both regional and national officials have of the RDP/EAFRD framework are the overly bureaucratised and time consuming requirements imposed by the EC in order to qualify for EAFRD funding. The amount of resources, time and efforts

required is judged to be excessive for the "insignificant" funds to be obtained as a proportion of the ACs's total budget. This criticism came especially from some of the smaller northern ACs that saw the funds to be received from EAFRD as "just a few kilometres of railway infrastructure", while the procedures demanded an entire team of civil servants.

One reason for the Spanish complaint of EC bureaucracy is that regional RDPs require that the procedures to access EAFRD resources be repeated 17 times when the same amount could be obtained with one single centralised RDP for the entire country. The preparation of a regional RDP was often perceived as a burden more than a benefit of the policy.

Most regional officials perceive the benefits from preparing RDPs only on the basis of the funds that would be transferred to the ACs; few considered as a value added the strategic planning effort for rural development that resulted from the exercise. To many ACs, strategic planning and the preparation of an RDP was just a procedural requirement carried out to access EAFRD funds.

Nevertheless, most officials recognised, especially at the national level, that everyone involved was quickly going down a learning curve. Although conscious that there had been plenty improvisation and that most ACs had been looking more at their neighbours' RDPs than at their own rural areas for indications of how to proceed, all admitted to having gained from the planning process. Most recognised that if they had the opportunity, they could improve on the RDP that they had submitted for approval.

Towards 2013: life after EU transfers

The debate on the future of the CAP beyond 2013 is yet to reach Spain in any important way. Although not clearly set as an objective of the 2007-13 programme, the change in policy regarding the second pillar of the CAP was meant as a transitional stage to prepare EU members for a possibly radical reconfiguration of CAP's transfers to agriculture after 2013. There is little consideration of transition in Spain's ACs and close to no preparation for what could come after 2013. This topic is of special importance for Spain since the country will pass from being a net receiver to a net donor to the EU budget during the 2007-13 programming period. However, very few at either the central or regional levels seem to see a need for adjustment nor do they expect there to be any significant change after 2013. In the central administration the argument is that EAFRD transfers are a small amount in the budgets of most ACs and other sources of funds would most likely be made available if the CAP was to change.

The Southern ACs of Spain, which are currently receiving the greatest share of transfers from the EU, have repeatedly played down any potential concern for what may come after 2013 by confiding that national funding

would compensate for any reductions in transfers from the EU. This, however, would put at a disadvantage the more affluent northern ACs of Spain, and it is debatable whether they would agree to it. Recent history seems to indicate that Spanish ACs react in a competitive rather than a collaborative manner when it comes to sharing national resources amongst themselves.

The EU's strict guidelines set with the aim of centralising the objectives and priorities of rural development policy in Europe appear to have turned the strategic process of preparing the RDPs into a bureaucratic procedure void of true vision. With the exception of Galicia, where the RDP is just a piece of the region's longer term rural development strategy, Spanish ACs have tended to limit the vision of their rural development programmes to the guidelines set by the EU and by Spain's National Strategic Plan. Since the EC guidelines are meant for 2007-13 only, no thought is given to what may come after. Little strategic thinking was used by regional officials in the preparation of their RDPs.

A possible remedy to the lack of future vision of Spain's rural policy beyond the EU's programming periods may come with the introduction of its new Sustainable Rural Development Law (commented on in greater detail in Section 2.2.2 further below). This new law does not carry as rigid a programming timeframe as does the EU's CAP. However, early indications coming from the central administration's public finance schedule for the Law (2009-13) seem to indicate the willingness of the Spanish national government to have its programming periods coincide with that of the EU. This could have advantages and disadvantages. On the one hand, it can further reinforce the current short-sightedness of regional rural strategic planning if steps are not deliberately taken to promote longer-term visioning. On the other hand, it can and it should contribute to standardise a broader planning process on rural policy every programming period in which the EU funds are only a part, framed within a long term regional and rural strategy.

2.2.2. The LEADER programme and the involvement of civil society in rural development

Spain embraced the EU LEADER initiative from its origins and extended it with its own Spanish version

LEADER[7] refers to a European community development programme: the LEADER community initiative; but has also come to represent a method and approach used to define, apply, and evaluate rural development programmes. Spain adopted this initiative with relatively more enthusiasm than other European countries, and given its acceptance in rural communities, created for the second programming period a sister programme PRODER. Box 2.3 provides a brief history of the development of these two programmes.

Box 2.3. **Brief history of LEADER and PRODER in Spain**

Since 1991, the **EU LEADER Initiative** has had three different editions, all of which have been implemented in Spain. The initiative was launched with LEADER I which had a four year application period from 1991 to 1994. Due to the successes of the first edition, LEADER II was developed for the period 1994-99. And finally the LEADER+ continued for the period coinciding with the EU's CAP period lasting from 2000-06:

- **LEADER I (1991-94)** mark the initial implementation of the LEADER's new development philosophy, and as such was mostly dedicated towards establishing the initiative's framework within the participating areas. The response of the private sector to the new initiative was very positive (redrural). 52 Local Action Groups (LAGs) were created and counted with 53 different programmes.
- The second edition of the initiative, **LEADER II (1994-99),** spread the LEADER to a greater proportion of Spain's rural areas and reached a total of 133 rural development programmes. The LEADER II followed up on the first edition adding greater importance to the innovative character of the projects to be assisted.
- The **LEADER+ (2000-06)** was the last edition of the LEADER as an EU rural development initiative. It placed special emphasis upon integrative strategies that connect together all aspects of rural life. The main developmental aims revolved around four basic themes: use of new knowledge and technologies; quality of life improvement; added value to local products; and increase the perceived value of natural and cultural resources. The most common theme adopted by Spanish LAGs was "quality of life improvements", because it served as a universally enclosing theme since all other themes required the identification of a specific technology, local product, or natural and cultural resource. This led many of the development strategies adopted by the LAGs in Spain to be too vague in nature. LEADER+ totalled 145 LAGs in Spain. A novelty introduced was the obligatory 50% non-public representation within the LAG members. This led many LAGs in Spain to increase the number of social groups and actors within its membership. However, the true involvement and decision-making within many Spanish LAGs still remains dominated by the public sector.

Spain's own PRODER

Following the first LEADER experience 1991-94, Spain decided to expand the initiative to rural areas beyond those eligible for LEADER. The **PRODER programme** (the Spanish acronym of Development and Economic Diversification Operation Programme for Rural Areas) was established in 1996 as a national rural development programme designed applied according to

Box 2.3. **Brief history of LEADER and PRODER in Spain** *(cont.)*

the LEADER approach and co-financed by the EU. With the exception of Andalusia and Madrid, LEADER and PRODER territories could not overlap, with the intention of covering the whole rural territory.

The differences between LEADER and PRODER were: 1) PRODER was not part of a European programme, but rather was a Spanish-based multiregional programme derived from the EU's Structural Funds framework; 2) PRODER did not have Transnational Cooperation objectives; 3) Agrarian investments were permitted under the PRODER, which made it more agrarian in nature than LEADER; 4) LEADER's emphasis on innovative and transferable actions was not necessarily required of the PRODER.

- The first edition of the **PRODER (1996-99)** applied only to those Spanish rural counties from the 10 ACs (NUTS 2) in Spain with GDP per capita below 75% of the EU average, identified as Objective 1 regions. The PRODER was then coordinated from the MAPA. A total of 101 different PRODER local development programmes were established, co-financed with EU, Spanish, regional, local, and private (34.7%) funds totalling EUR 619.1 million.
- The second edition of the **PRODER (2000-06)** was potentially opened to all of the Spanish territory, including non-Objective 1 areas, and its management was passed on to the regional administrations. Three non-objective 1 ACs (Aragon, Catalonia, and Madrid) decided to take up PRODER whilst five opted out of the programme. This period, the programme was expanded to a total of 162 counties. The public funds dedicated to the second edition of the PRODER totalled EUR 827.7 million, 63% provided by the EU.

For the 2007-13 European Programming Period there will no longer be PRODER and LEADER groups but the LAGs that these projects had set-up will remain and will become responsible for managing and implementing the measures integrated within Axis 4 of the second pillar of the CAP within their territory.

As noted before, in the 2007-13 LEADER is no longer a separate programme but is now integrated ("mainstreamed") into the national/regional rural development programmes. Specifically, the LEADER has passed from being an EU Initiative to being part of the second pillar of the CAP, represented as a development methodology under Axis 4 that could integrate any other rural development measures from the policy's other Axes. Given the relative importance of this programme as a mean for involvement of civil society in rural development, this section analyses the priority that the different ACs are assigning to this methodology for the current programming period 2007-13 and makes a number of considerations about the extent to which the different principles of LEADER have been transformed or not into reality in Spain.

In 2007-13, Spain is the country with highest total public resource allocation for Axis 4 (LEADER)

With its integration into the EU rural development policy, the LEADER has passed from being a project to being a methodology opened to be applied to all other rural development measures of the policy. Spain is the EU member that has made greatest use of LEADER methodology within its Rural Development Programmes. In fact, Spain accounts for almost 18% of the entire public budgetary allowance made by EU members to Axis 4 of the CAP, which incorporates all measures using the LEADER methodology. Spain leads the rest of EU members by dedicating 10.3% of its RDP budget to measures adopting the LEADER methodology under Axis 4.

The importance of the LEADER methodology in the Spanish regional RDPs (2007-13) ranges from the 13% of Andalusia's total RDP budget to the 4.7% of Navarre. The budgetary dedication to Axis 4 of the Spanish regional RDPs is amongst the highest in the EU. However, other regions such as Northern Ireland (24.5%) as well as Liguria (19.7%) and Apulia (18.8%) in Italy, have made even greater proportional budgetary dedications to Axis 4 than Spanish ACs.

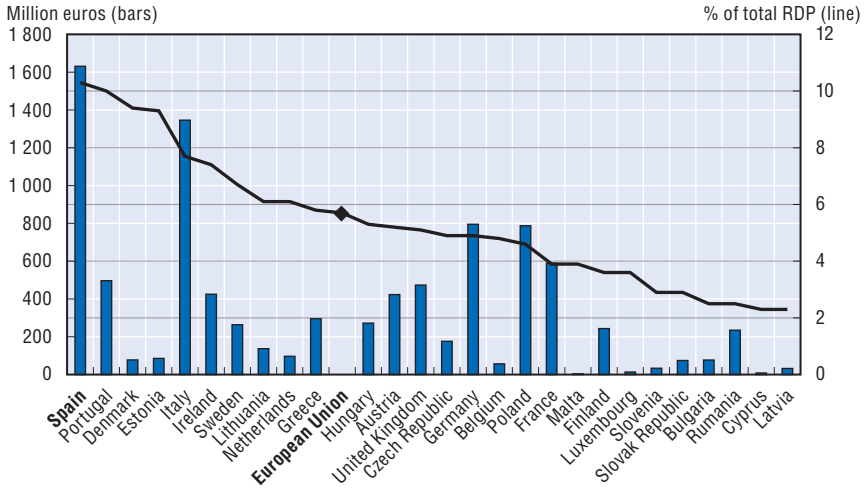
Spain has oriented the bulk of its LEADER funds to measures under Axis 3. Part of the funds under Axis 4 are distributed towards the operating costs incurred by the LAGs (measure 431) as well as those meant for promoting inter-territorial cooperation (measure 421). In Spain these two items take-up a 2% share the total RDP budget. The remaining funds for Axis 4 of the CAP are redirected towards Axis 1 (measure 411), Axis 2 (measure 412), or Axis 3 (measure 413) to finance measures that adopt the LEADER methodology.

There was some concern in Spain when it was announced that under the EU policy for 2007-13 the predominantly agrarian measures from Axis 1 would be able to integrate into Axis 4 and be part of the LEADER. Because of the very strong and influential Farmers' Unions in Spain, it was feared that the multi-sector character of the LAGs may be lost to a domineering agricultural sector. This however, has not been the case, at least judging the distribution of funds made within the regional RDPs in Spain. In-fact, the LAG national associations in Spain and many of the country's LEADER advocates have voiced their disappointment, when interviewed, of the lack of influence that the LAGs were given over agricultural competitiveness and environmental protection within Axes 1 and 2. The initial fear of change when the integration of the LEADER into the EU policy was announced has quickly been replaced in Spain by the desire for LAGs to seize the opportunity of becoming even more influential to their territory's rural policy.

Spain's distribution of Axis 4 funds amongst measures 411, 412, and 413 belonging to Axis 1, 2, and 3 objectives respectively, is not so different from the European average. Spain dedicates somewhat more funds to Axis 1

Figure 2.4. **Total public budgetary allowance made to Axis 4 (LEADER) in Europe**

Europe, 2007-13

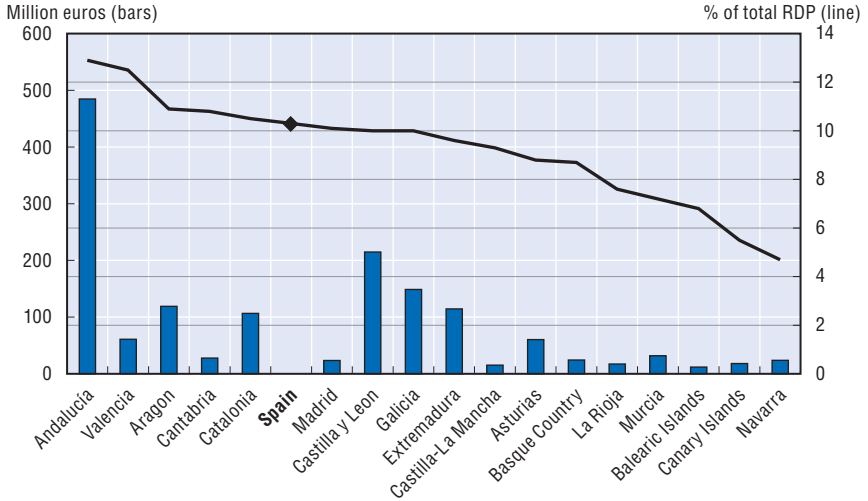


Note: Total public budgetary allowance includes EAFRD funds plus national co-finance and additional financing. Measures 411, 412 and 412 are reflected in Axis 4 in order to account for all expenditure to be administered by Local Action Groups under the LEADER methodology.

Source: OECD, based on European Commission (2008).

Figure 2.5. **Total public budgetary allowance made to Axis 4 (LEADER) in Spanish ACs**

Spanish ACs, 2007-13



Note: Total public expenditure includes EAFRD funds plus national co-finance and additional financing. Measures 411, 412 and 412 are reflected in Axis 4 in order to account for all expenditure to be administered by Local Action Groups under the LEADER methodology. This information corresponds with the information of Annex Table 2.A2.3.

Source: OECD, based on European Commission (2008).

Objectives and relatively less to Axis 2 than the average. But like most other EU members, the bulk of funds has been allocated to improving quality of life and economic diversification by supporting measures under Axis 3. Spain is one of the EU members that has most integrated the measures leading towards improving Quality of Life and Economic Diversification from Axis 3 into the LEADER methodology of Axis 4. Compared to the EU average of 23.9%, Spain has a much higher rate of integration of Axis 3 into the LEADER with 64.5% of the entire Axis 3 budget being passed on to LAGs for their management and implementation of the measures using the LEADER methodology. Spain is only surpassed by Ireland (100%) and Portugal (95.5%) who have decided to reach their Quality of Life and Economic Diversification objective almost entirely using the LEADER approach of Axis 4.

At Spain's regional level, the Balearic Islands, Murcia and Valencia have decided to have their Axis 3 objectives entirely (100%) LEADER-based. On the other hand, the Canary Islands, Cantabria, Galicia, and Madrid are the only ACs that have kept most of the funds dedicated to Axis 3 out of the hands of the LAGs and Axis 4. All the other Spanish ACs have over 50% of Axis 3 objectives integrated into Axis 4.

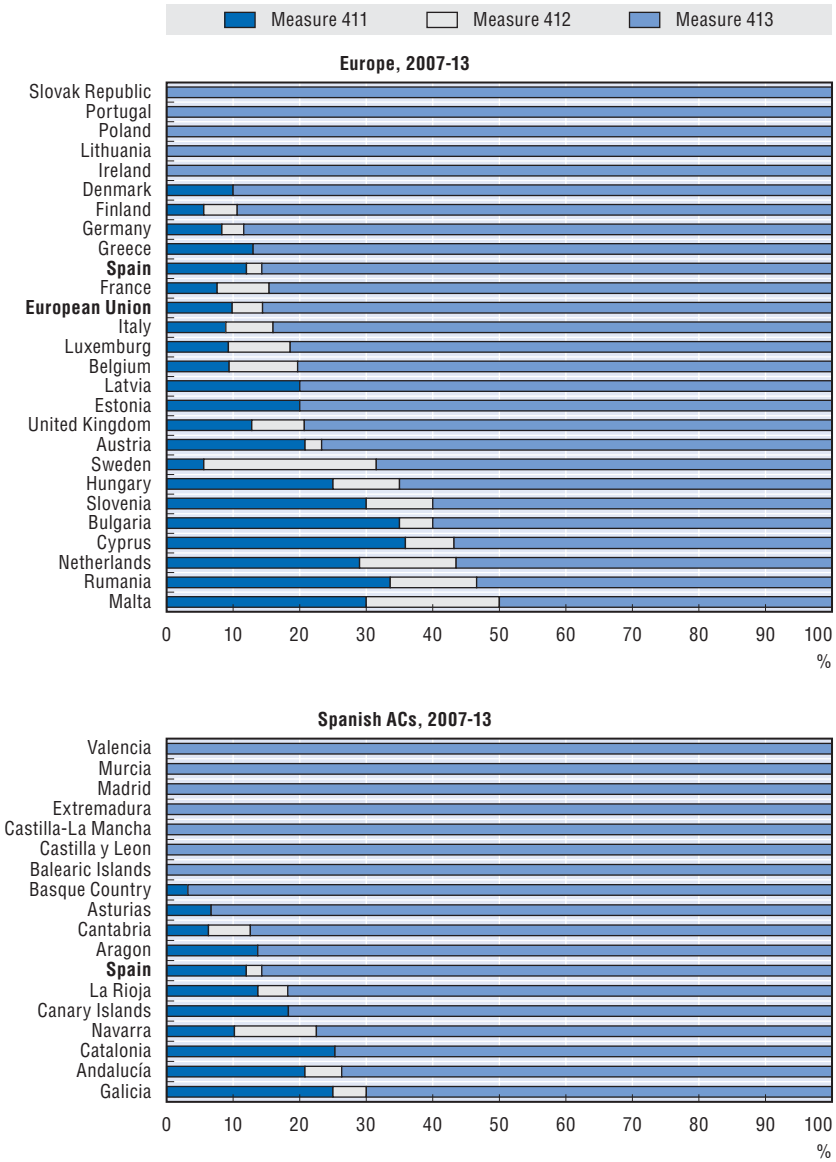
Not without difficulties, LEADER methodology has grown roots among rural actors…

The OECD has highlighted the qualities of the LEADER approach as a tool for generating an endogenous development process with the active participation of rural communities (OECD, 2006b). Despite being relatively marginal with respect to total EAFRD funds – Pillar II – and minimal with respect to Pillar I funds, LEADER funds can make a difference if truly oriented to the intended objectives and under the intended principles. Therefore, beyond analyzing the relative allocation of funds for LEADER and the main measures, it is worth considering whether the different principles of LEADER have been transformed or not into reality in Spain. The basic principles driving LEADER are: 1) territorial approach: local development; 2) participatory approach; 3) ascending, bottom-up approach; 4) multi-sector approach; and 5) integration through networks and cooperation. After 17 years of experience, many of the originally intended social aims of the initiative are finally beginning to instill themselves in Spain's rural society.

1. **The territorial approach** of LEADER in Spain has mostly come as a contrast to the sector based focus that had characterised, and still characterises, many policies affecting Spanish rural areas and their inhabitants. The territorial approach of the LEADER has introduced to Spain a new way of formulating rural development strategies through a process that is the result of a concerted effort with local agents. It has also led Spanish policy-makers to give greater consideration and place importance to the

Figure 2.6. **Distribution of total public expenses amongst measures 411, 412 and 413 in Europe and in Spanish ACs**

Europe, 2007-13



Note: Total public expenses includes EAFRD funds plus national co-finance and additional financing. Measures 411, 412 and 413 Figures correspond to those in Annex Table 2.A2.4.

Source: OECD, based on European Commission (2008).

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resources, capacities, and aspirations of the territory and its population when defining development policy. With the new Law on Sustainable Development of Rural Areas (LDSMR), which defines itself as territorial in nature, this approach has become and should continue to be a national principle for the implementation of rural policy.

2. **The participatory approach** of LEADER in Spain mostly takes form through the Local Action Groups (LAGs[8]) that are established in every LEADER territory, with the purpose managing the local development policy of the territory. Indeed, many the LAGs in Spain usually do much more than only manage the territory's development policy, they also mobilise their local population around local development issues, they often disseminate information and help knowledge flow throughout their territory, they help bring the community in consensus around specific development goals and strategies, they promoted initiatives, and prioritises local beneficiaries. Spain could take advantage of these public-private instruments, as some other European countries have, to officially extend their scope of action and engage them more actively in other areas of rural policy, either with a participatory role, helping to reduce the knowledge gap about the needs of each ACs, or, in a executive role, in the implementation of certain programmes or the delivery of certain services.

   This participatory approach has nevertheless been difficult to implement in Spain. There was a lack of participatory tradition in most Spanish rural communities, which required a fair amount of educating to attain the appropriate community participation levels during the first editions of the initiative. For certain LAGs it could be questioned whether the public sector's attempts to educate and stimulate local participation has over-shot its competencies and has taken over the management of the LAGs. On the other hand, it is also common to see an imbalance within the composition of many Spanish LAGs that often over-represents certain local groups and marginalises others. The public sector should refrain from trying to dominate the structure and decision making of LAGs and consider them as part of the public administration. Rather it should build a strong partnership at the local level and guarantee their autonomy and diverse conformation, while establishing clear indicators of performance and transparent monitoring mechanisms of their use of public funds.

3. **The ascending approach** of the LEADER means that the decisions of elaborating and implementing a development strategy are taken from the bottom-up. The local population plays the main role and participates actively throughout the entire strategic process including analysis, formulation, and implementation of their chosen rural development strategy. This has represented the most radical change in a rural society that tended to be responsive rather than proactive and has generated a

number of conflicts with the public sector that tended to have a top-down approach. Many Spanish communities have taken responsibility for their own development and have received the tools to act towards achieving it. However, many Spanish LAGs still require more capacity in order for them to learn how to make a good diagnosis of the resources and capabilities of their territories as well as how to identify and take into account the aspirations of their local population. It is frequent in Spain for LAGs to have difficulties identifying their territory's developmental objectives beyond very general standardised goals (improve the standard of living, create jobs, etc.). Often the diagnoses made by the LAGs lack sophistication and tend to generalise their territories' critical issues. Consequently, it becomes very difficult to establish a clear strategy that helps to prioritise amongst projects and interventions to be implemented. Certain examples do exist in Spain of sector specific strategies implemented by the LAGs, often as a result of influential members of the community taking LEADER as an opportunity for their own personal projects.

4. **The multi-sector approach** of LEADER refers to the diversity of disciplines (economic growth, knowledge management, infrastructure, quality of life, productive activities, public and private services, training…) addressed within the scope of the programme's activities. The horizontal and cross-sector character of LEADER contrasts with the sector specific interventions of traditional policy and development programmes in Spain. The multi-sector approach also attempts to reach a holistic perspective by striving for complementarities amongst its actuations as well as interaction and synergies between agents and beneficiaries. Although LEADER addresses a multitude of development issues, its framework nevertheless created a unifying theme that acts as the thread that ties all the territory's development policy coherently together. In Spain, this has had varying levels of success.

   Because the Spanish public administrations are organised in a very sector based manner (agriculture, industry, tourism, infrastructure, employment, education…) this creates inertias and bureaucratic problems that make it difficult to effectively implement the LEADER's multi-sector approach. Furthermore, a few LAGs in Spain have been criticised for abusing the unifying theme guidelines of LEADER in order to marginalise certain sectors of rural society and channel the assistance only to a few particular interests and beneficiaries. The new multi-sectoral framework for rural policy should provide a better way of linking multi-sectoral strategies at the national and regional levels with multi-sectoral objectives at the level of LAGs.

5. Through the LEADER's last principle, based on encouraging **integration through networking and cooperation** amongst different LEADER LAGs, the programme's objective is to break the isolation that characterises many rural areas. In Spain, the most common types of cooperation existing amongst

different LAGs are based on: the interchange and transfer of experiences, shared training activities, joint marketing activities, and the creation of thematic networks. However, the networking and cooperation between LAGs in Spain should extend from LAGs administrative or technical teams to involve other local social agents. At present, collaboration mostly involves joint promotion and marketing efforts, and rarely goes beyond into the elaboration of joint cross-LAG projects in other fields. Generally, it can be observed that the attitudes towards networking in the country are usually reactive, answering to certain events or external changes. There is significant room for improving the number and quality of proactive collaborations across LAGs that aim at mutual capacity-building and creating synergies for the improvement of future development capabilities.

One reason that has stimulated a fair amount of networking on the part of the LAGs in Spain is political lobbying. Two separate national associations have been formed to act as the national voice for LAGs in Spain. The reason for this duplication is basically political. Although LAGs are in theory meant to be apolitical institutions, the Spanish reality is very different and this is made evident by their two overlapping national associations, unofficially identified with the two most important political parties. Although the executives of both these national LAG associations do attempt to collaborate together and see the need for the elimination of inefficiencies caused by their duplicated objectives, they complain that their base members are not willing to accept cross political networking and in the past have rejected any initiatives to join both associations into one. Ideally, the new national framework for a "rural policy of State" as it is the intention of the Law of Sustainable Rural Development (LDSMR) should promote the integration of all lags into one national network that gives voice to all the LAGs in the country and promotes cooperation among them and between them and the regional and national authorities in undertaking the common objective of improving the conditions of rural areas.

… and has favorably impacted rural communities…

The true impact of the LEADER initiatives in Spain is only now starting to be authentically felt in the communities where it has been implemented for over 15 years. Of course there has been a multitude of small businesses and community projects that have been assisted throughout these years, and these have contributed to adding competitiveness, diversification, economic growth and employment to their local economies. The exact impact of the LEADER initiatives in rural communities of Spain is however very difficult to precise. The reasons for this can be attributed to: the qualitative nature of most results, the diversity in the implementation of LEADER at the local level, the frequent changes in the territory considered for LEADER, and the

observable spill-over of LEADER impact in Spain outside the initiative's boundaries. Nonetheless, a number of considerations are pertinent with regards to the results that LEADER/PRODER have reached in local communities and the way these can be potentiated in the future:

1. **Creation of a culture of local governance and community self-initiative**. The LEADER (and PRODER) has led rural communities through a process that has contributed in helping them form a collectively shared vision of their territory. It has also given rural areas the framework needed for them to organise as a community and formulate a strategy in order to reach their vision, elaborating collective planning instruments that have in many cases helped to coordinate the efforts of local public, private, and social interests towards one shared goal.
2. **New participation space.** Participation of rural citizens in community decisions was very limited in Spain before LEADER. Therefore, in contrast with other EU countries where LEADER had competed with previously established means of participation, in Spain it opened a new framework for local participation.
3. **Building local pride by giving value to and reintroducing local heritage and customs.** The LEADER initiative has made communities through their LAGs come together and discuss their tradition as well as the potential resource strength and asset of local heritage. This has helped rural communities to improve their perception and led them to value what many had previously considered as signs of backwardness. The LEADER has brought many LAGs to invest in recuperating and preserving local tradition and heritage as part of its development strategy.
4. **Good use and multiplier effect of resources**. Resources for LEADER and PRODER have been not very large, particularly when split up among the different groups. However, in contrast with the general perception – and reality – that agricultural subsidies are very concentrated among few, LEADER resources are very dispersed and have been in general well spent, despite being scarce and were most of the time assigned with transparency. The involvement of local people in the projects has multiplied the resources by two or more times depending on the projects and regions. Rural people who tended to be relatively averse to risk have started being entrepreneurs and risking their own resources in the projects. Efforts should be made in to monitor and accompany projects in the medium term so that they become self-sufficient and productive.
5. **Less of a dependency culture and more self-sufficiency**. Many Spanish rural communities prior to LEADER were plagued with an inferiority complex and the belief that they were backwards and in need of external assistance (rescue) for subsistence. This attitude, in some cases, led rural

communities to a grave dependence problem upon public sector "life support". The thought only two decades ago that the local public, private and social sectors could collaborate together to formulate community planning and visioning as is today being done under the LEADER was inconceivable to many. Indeed, rural communities have learned to argue against or in favour of public policy decisions.

6. **Multitude of experiences**. There is a great diversity among the LEADER groups at the local level. This is mainly the result of the decentralised bottom-up and self-governing framework promoted by LEADER. Some LEADER groups in Spain were more successful than others and there have been occasional failures along the 17 year history of LEADER in Spain. But because each of the LAGs have had the liberty to organise and operate as they see most adequate for their territory, there has been a multitude of different LEADER experiences in Spain. Greater sharing of best practices of the experiences in different regions is still needed.
7. **Proximity and territorial coverage**. The territory covered by the LEADER initiatives in Spain has also changed from one programme to the next, today covering most of the rural territory. This reduced the distance between the support and the beneficiaries. Not only did the boundaries of the area included in the LEADER extend themselves, leading some relatively new rural communities to participate in LEADER and join-up with other more veteran regions, but the configuration of the LEADER areas has also changed. In the future, greater permanence of the territories covered by each group – allowing for some flexibility – is important to promote continuity and the construction of a long term vision for the regions.
8. **Spill-over effects**. There has also been somewhat of a spill-over effect from the LEADER areas in Spain, where even rural communities that were not necessarily involved in the LEADER programme have adopted some of its practices. Local strategic visioning, beyond just economic growth and agriculture, as well as public-private collaboration during the strategic formulation and implementation process has made its way to many communities beyond the boundaries of the LEADER initiative and even into urban communities. Although it would be false to attribute this trend entirely on LEADER, the initiative did however provide a practical example and benchmarks to which other communities could refer.
9. **Opportunities for youth and women**. In contrast to the "pessimism" observed in certain agrarian sectors which promote the outmigration of their children, LAGs have animated young people, and particularly women, giving them opportunities to develop their own initiatives in their localities.
10. **Appreciation of rural areas**. All Spanish rural areas have benefitted, be they part of LEADER or not, from the increased popularity and appreciation of

rural areas by the general population of the country over the last decade. This in turn has helped local rural populations appreciate their territory better and has encouraged many individuals to play a more active role in local development efforts. In territories where LEADER has been implemented, this has often caused a reinforcing loop where greater participation has consequently improved the way that local resources and capacity were utilized, increasing attractiveness, and again improving the popularity and appreciation of rural areas by the general public.

11. **Gradual acceptance by the agrarian sector**. The LEADER approach has gradually been gaining many followers in Spain and has even gained the acceptance of agriculturalists, who had previously offered resistance to the rural development initiative, in part through fear that it may draw funds away from agricultural support. However, the LEADER project has matured relatively well in most parts of Spain and as mentioned, the social impact of the initiative is now being felt. The Spanish agrarian sector can now perceive the mutual benefits and synergies that LEADER-based rural development and agriculture can have.

… still there is room for a more productive relationship between LEADER groups and public officials…

The Ministry responsible for agriculture and rural development within the Spanish central government (Ministry of Rural, Environmental, and Marine Affaires) has fully adopted the LEADER approach and has now become an important promoter of its rural development methodology. This is exemplified within the Sustainable Rural Development Law' that has recently been drafted by the Ministry. The law, which will be described in further detail later in the next section, incorporate LAGs in the participatory framework of planning and implementation of the law through their national networks. However, public officials at the Spanish regional level are less keen about the LEADER and the increasing use of its methodology within rural policy. The following considerations are pertinent with regards to the relationship of regional authorities and LAGs:

1. **Mistrust over the capabilities or impartiality of decisions**. There is an important mistrust on the part of the regional officials of the policy management and implementation capabilities of the LAGs. Other than the obvious loss of competencies that the regional administrations in Spain have suffered as a result of the rural development responsibilities now assumed by the LAGs, concern has been voiced about the lack of monitoring and accountability that was being asked of the LAGs. Most regional officials have anecdotal experiences with LAGs that were mismanaging, or at least not maximising, the effectiveness of the funds that they were handling for rural development purposes. Most officials from the regional administrations that

were interviewed believed that their territory's rural development policy would be more effectively and efficiently managed and implemented if it were left to the responsibility of public administrators. Mexico faced similar conflicts between local authorities and participatory bodies for local rural development similar to that of LEADER. The way that Mexico is solving the differences between the groups and the local authorities is by encouraging a greater involvement of regional (State) officials within the Community groups. The regional representatives are included within the groups not as monitors or technical experts, but rather as equal members of the community able to individually make their contributions to the development of their territory. Likewise, regional officials should be more implicated within the LAGs on both a personal and official basis.

2. "**Local powers" not subject to democratic accountability**. Some regional officials question the democratic virtues of the LAGs as they comment that many LAGs have had very little true rotation within their executive organs over the many years since the first editions of the initiative was implemented in Spain. They argue that the only truly democratic policy is one that is administered by institutions that are submitted to popular vote through elections. While it is true that LAGs are not subject to citizens votes for their administrative board, the government and the society should monitor their performance and should guarantee that participation is open to all relevant actors. Different options are available; Finland for example has opted for a general rule about the composition of the LAGs in thirds: one for the public sector, one for the community leadership and one for the business sector/producers associations. Spain should consider a similar composition as a way to avoid the concentration of the LAG into one of the three which could be dominant in a particular region.

Despite these complaints, a survey made among regional authorities for the purpose of this review reveals that only 5% of the LAGs in Spain were identified as being problematic by their regional officials. A far higher percentage, 16%, was identified as doing an excellent job of managing and implementing the rural development policy in their territory. The LAGs from the ACs of Aragon and La Rioja were judged to all be doing an excellent job by their regional officials. When asked what key factors were required for a LAG to be successful, regional officials in Spain predominantly indicated towards the need for technical qualities of the LAG manager and staff as well as the community oriented leadership of the LAG's President. Other factors that were identified as important for the success were the political independence of the LAGs as well as their capacity to get local groups and the private sector implicated.

The future of rural policy in Spain requires building on the previous experience and improving the aspects that have not been conducive to generate a development dynamic in rural areas. The LEADER methodology has

gained acceptance within the rural population and within Spanish authorities during the past 17 years. The LAGs when properly structured reflecting the diversity of interest of the rural community and integrated by competent staff, can be a powerful tool in partnership with the public sector to drive rural development. Therefore, a priority for the new rural development framework is to promote a constructive and always improving relationship between the regional and national authorities with these instruments of dialogue.

Box 2.4. **Summary of recommendations on EU rural development programmes and LEADER**

- Motivate the gradual incorporation of the agricultural establishment to rural development policy in order to turn them into driving agents for rural development.
- Extend the scope of action of LAGs and engage them more actively in other areas of rural policy, either form with a participatory role, helping to reduce the knowledge gap about the needs of each region, or even in a executive role, in the implementation of certain programmes or the delivery of certain services.
- Avoid the excessive involvement of public sector in the structure and decision making of LAGs or considering them as part of the public administration. Rather the public sector should build a strong partnership at the local level and guarantee their autonomy and diverse conformation, while establishing clear indicators of performance and transparent monitoring mechanisms of their use of public funds.
- Strengthen LAGs building capacity through training in order to get them to learn how to make good diagnosis of the resources and capabilities of their territories as well as how to identify and take in account the aspirations of their local population.
- Promote the integration of all LAGs into one national network that gives voice to all the LAGs in the country and promotes cooperation among them and between them and the regional and national authorities in undertaking the common objective of improving the conditions of rural areas.
- Promote greater sharing of best practices of the experiences in different regions in the implementation of EU rural development programmes and between LEADER groups.
- Improve the number and quality of proactive collaborations across LAGs that aim at mutual capacity-building and creating synergies for the improvement of future development capabilities.

Box 2.4. **Summary of recommendations on EU rural development programmes and LEADER** *(cont.)*

- Extend the networking and cooperation between LAGs from administrative or technical teams to other local social agents, such as universities.
- Avoid subsequent changes in the territories covered by each LAG – allowing for some flexibility – in order to promote continuity and the construction of a long term vision for the regions.
- Link the multi-sectoral strategies of the national and regional levels with the multi-sectoral objectives at the level of LAGs.
- Monitor and accompany LEADER projects in the medium term so that they become self-sufficient and productive.
- Government and the society should monitor LAGs performance and should guarantee that participation is open to all relevant actors. Consider a tripartite composition (1/3 government, 1/3 local associations and 1/3 business and productive associations) as a way to avoid the concentration of the group into either of the three which could be dominant in a particular region.
- Promote a constructive and always improving relationship between the regional and national authorities with these instruments of dialogue. Involve more regional officials within the LAGs on both a personal and official basis.
- Strengthen the plurality within the LAGs and establish mechanisms for the selection of managers that ensure that are qualified and not biased towards specific interest groups.

2.3. Rural policy in a broad sense: The new law on sustainable development of rural areas

As noted in the first section of this Chapter, the recently approved Law on Sustainable Development of Rural Areas (LDSMR) constitutes an important policy shift on the part of the Spanish Government in the direction of building a state rural policy. This policy would coordinate efforts of different ministries and administrations in rural areas and would represent Spain's own rural policy broader and more comprehensive than the one applied before which is essentially derived from EU programmes. This section contains two parts, the first summarises the main features of the law, highlights its main contributions and analyzes the political economy that made possible this policy shift; the second analyzes and discusses the new governance of rural policy envisioned by the law, highlights its challenges and opportunities in light of the experience of other OECD countries and concludes with some recommendations.

Spain has opted for a law to concretise a paradigm shift in rural policy…

Globalisation, the dramatic reduction in farm employment and the emergence of important non-farm niche markets have generated a common understanding, in many OECD countries, that rural policy falls short if it is only conceived as agricultural policy. As result, innovative governance structures have been created to strengthen coordination across sectors and across levels of government and between public and private actors; and innovative policy instruments have been created with a stronger territorial focus to identify and exploit the varied development potential of rural areas. The OECD has labelled this policy shift as the "new rural paradigm" whose two main characteristics are: *1)* a focus on *places* instead of sectors; and *2)* a focus on *investments* instead of subsidies (Table 2.2).

Table 2.2. **The new rural paradigm**

	Old approach	New approach
Objectives	Equalisation, farm income, farm competitiveness	Competitiveness of rural areas, valorisation of local assets, exploitation of unused resources
Key target sector	Agriculture	Various sectors of rural economies (ex. rural tourism, manufacturing, ICT industry, etc.)
Main tools	Subsidies	Investments
Key actors	National governments, farmers	All levels of government (supra-national, national, regional and local), various local stakeholders (public, private, NGOs)

Source: OECD (2006a), *The New Rural Paradigm: Policies and Governance*, OECD Publishing, Paris, France.

The policy shift observed in Spain with the enactment of the LDSMR and more recently with the fusion of the Ministry of Agriculture, Fisheries and Food (MAPA) with the Ministry of Environment (MMA), creating the Ministry of Environment, Rural and Marine Affairs (MARM) go in the direction of the paradigm shift observed in many OECD and non-OECD countries. The ways and means for doing these changes vary from country to country. Table 2.3 shows a number of initiatives that different OECD countries have taken to: *1)* enhance policy coherence and coordination of rural policy at the national level, including sitting different actors at the same table with inter-ministerial co-ordination bodies or councils, launching broad rural policy programmes, enacting or reforming legislation, designing rural proofing mechanisms, merging ministries or creating new ministries, and combining funds into a multisectoral "rural budget"; and *2)* improve vertical coordination and provide a better territorial focus of rural policy, including decentralisation of programmes and budgets, defining specific typologies of areas for policy intervention, establishing contracts with regional and local authorities, launching "niche" rural development policies, engaging civil society in the definition of rural policy and promoting municipal alliances or mergers.

Table 2.3. **Instruments for policy coherence and coordination of rural policy at the national level**

To enhance policy coherence and coordination of rural policy at the national level, countries have taken steps such as:	
Sitting the different actors at the same table	Finland (1981), Mexico (2001), Spain (2008)
Launching "Broad" rural policy programmes	Finland (1991), Ireland (1999), Mexico (2001), Netherlands (2004), UK (2004), Spain (2008)
Adopting new or reforming legislation on rural policy	France (2005), Mexico (2001), Germany (2003), UK (2006), Spain (2007)
Designing "Rural Proofing" mechanisms	Canada (1998), UK (2000)
Merging Ministries or new Ministries for rural development	UK (2001), Ireland (2002), Spain (2008)
Combining financing funds and creating a "rural budget"	Mexico (2001), Netherlands (2004)
To improve vertical coordination and provide a better territorial focus of rural policy, countries taken steps such as:	
Decentralisation of rural policies	Spain (1980s), Netherlands (1990s)
Defining a specific typology of rural areas for policy intervention	Finland (1991), Mexico (2001), Spain (2008), UK
Establishing contracts with regional and local authorities	Italy (n.d.), Netherlands (2004)
Launching "niche" rural development policies	Mexico (2001), Germany (2002)
Engaging civil society in the definition of local rural policy	EU countries (LEADER)
Promoting municipal alliances or mergers	Finland (2005-09), Japan (2004), Italy (2001)

Source: Pezzini and Ardavin (2008).

Spain has opted for a law to establish a new national framework for rural policy, which in some sense, mostly formalises much of what already existed with various degrees of expansion in several autonomous communities in terms of RD institutions, programming, implementation practices and governance system. With this, the purpose is to have our "own state rural policy" whose prior "absence was covered by the application of EU regulation" (LDSMR 2007, I).

Spanish Law on Sustainable Development of Rural Areas (45/2007) is a relatively short (40 articles, 11 pages, compared for example with to the French law of 250 articles and 113 pages, or the Mexican law of 191 articles and 46 pages), but is nonetheless a relatively comprehensive and powerful law. As can be seen in its description "at a glance" in Box 2.5, the law envisages for the Spanish state many of the features included in Table 2.3, that is, the creation of a number of collegiate institutions for the governance of rural policy (the Inter-ministerial Commission for Rural Development – CIMR – the Council for Rural Development – CMR – and the Table of Associations of Rural Development – MADR); the launching of a *broad* Inter-ministerial and multiannual rural development programme (PDRS), which to some extent combines a number of budgets and will

Box 2.5. **The Spanish Law on sustainable development of rural areas at a glance**

The Law 45/2007 on sustainable rural development, approved on 13 December 2007, is considered a basic norm and of coordination, which implies that it provides a framework for the concert of actions and coordination among the public administrations in Spain in a matter which is mainly competence of the Autonomous Communities as is rural development. The law defines itself as a law with territorial orientation, multisectoral and with a high degree of governance.

The main features of the law are the following:

- **Rural Development Objectives and Actions:** The law establishes three main objectives, one economic (keep and broaden the economic base in rural areas), one social (maintain and increase the level of population and its welfare in rural areas) and one environmental (preserve and recuperate the natural and cultural assets). It also establishes four general actions of sustainable rural development: support to territorial agriculture, promotion of economic activity in rural areas, provision of infrastructure and environmental planning.
- **Definition of rural and classification of territories:** As noted in Chapter 1, the law provides official definitions of rural areas and rural environment (Section 1.1) and defines three types of rural area for differentiated policy actions: rural zones to revitalise (RZR), intermediate rural zones (IRZ) and periurban rural zones (PRZ), which should be defined by the autonomous communities.
- **RD programming instruments:** It establishes the Sustainable Rural Development Programme (SRDP) as the "vertical column" of the law as a pluri-anual and multi-sectoral programme, whose elaboration is responsibility of the state, as well as the Plans by Zone and the Strategic Territorial Rules for Rural Ordering (DETOR)to be approved by the autonomous communities.
- **Governance of Rural Policy:** It establishes three collegiate institutions: the Inter-ministerial Commission for Rural Development (CIMR) as an instrument of horizontal coordination at the national level, the Council for Rural Development (CMR) as organ for vertical collaboration and coordination between the different public administrations (state, autonomous communities and municipalities) and the Table of Associations of Rural Development (MADR) as organ for civil society participation, information and consultation.
- **Menu of possible interventions:** The content of the law is markedly multisectoral as highlighted by the fact that for each of the following sectors it provides a "menu" of measures to be carried out through the

Box 2.5. **The Spanish Law on sustainable development of rural areas at a glance** *(cont.)*

SRDP: economic diversification; nature conservation and management of natural resources; creation and maintenance of employment; infrastructure, equipment and basic services; renewable energy; water; ICTs; citizen safety; education; culture; health; public employment; social protection; and urbanism and housing.

- **Budgeting and financing:** The law foresees the co-financing of the different measures and state support through agreements with the autonomous communities.

have its own financial resources, thus creating a "rural budget"; the definition of a specific typology of rural areas for policy intervention; and the inclusion of mechanisms for the participation of civil society.

A particular aspect to highlight from the "Spanish model" is its similarity to the "European model." The similarity is not so much in the content of the policies (where, as indicated before, the objective is to have a much broader policy approach) but in its conception as a programmatic menu of measures to be applied in a decentralised fashion with budget allocations attached but not necessarily labelled to a specific measure and with co-financing required from the regional authorities (and eventually from the private sector).This framework allows for the existence of different rural policies established by the Spanish ACs as well as a national rural policy with coordination purposes of the Central State, which is consistent with the way Spain has been implementing regional and rural policies with the EU funds.

Another important feature is that the Law establishes the general priorities and objectives for RD in Spain with a clear territorial orientation. Again, with a decentralised perspective, the Law provides a nation-wide definition of rural areas as well as common objective criteria for the Regional Authorities to identify rural territories and categorise priority areas. This is to be done leaving the last word in the definition of the territories of intervention to the Regional Authorities.

… which occurred in a relatively short period of time and in a relatively smooth manner

What was the *political economy* behind this major policy shift in rural policy? While in many rural communities a new approach of undertaking rural policy was an evident reality, the policy stance of the Spanish state was relatively conservative until recent years. In this context, the exceptionally recent and on-going occurrence of these events (coincident with the elaboration of this

review), the relatively short period of time in which these changes are taking place and the relatively far-reaching extent of the reforms, are in itself matter of interest. This is because they can inform and provide examples to other countries also engaged in the political economy of similar types of reforms, which often find considerable opposition from different interest groups. In Spain, of course, these changes have not been exempt from conflict. Nevertheless, at least four elements can be identified as important drivers of the relatively smooth and fast policy shift towards the establishment of a national rural policy with a territorial and multisectoral approach:

1. **Emergence of the new rural paradigm at the local and regional level.** The level of decentralisation in issues related to rural development originated a dynamic of institutional and policy experimentation in many autonomous communities. While this in principle produced divergence of policy approaches rather than convergence, it allowed experimentation of different approaches and the emergence of home grown best practices adapted to the Spanish context. For example, the Basque Country counted with a "Law on Sustainable Development of Rural Areas" since 1998; many ACs such as Extremadura, Navarre, and Galicia counted with a *Consejería* (Ministry) of Rural Development, with specific programmes oriented to the diversification and competitiveness of the rural economy and the mandate to coordinate with other *consejerías* in order to have strategic interventions. Many others counted with coordination bodies of sectoral policies, such as the *Comision Delegada de Desarrollo Rural y Ordenación del Territorio* in Castilla y Leon, presided by the Vice President of the Autonomous Community. The *Landaberri* coordination organ in the Basque Country, or the Agency for Rural Development in Galicia are both presided by the *consejero* in charge of rural development. Many CAs had Rural Development Programmes broader and complementary to the EU rural development programmes, in an explicit way such as Andalusia's *Nueva Estrategia Rural para Andalucía* (NERA) or implicit in their Regional Development Programmes. In general, most autonomous communities have adopted a rural development approach. An interesting example is the one-year long Rural Congress held in Catalonia during 2006. Finally, the experience of LEADER and PRODER applied throughout the country actively involved different groups of civil society in the discussion and implementation of rural policies.
2. **Informed exercise.** A key factor in gaining consensus in favour of the Law initiative was the aggregation of a number of solid arguments. This was possible thanks to the formation of a technical team that would make a diagnosis of the situation and evolution of rural areas, an international comparison of the different approaches and laws existent in other countries, an analysis of the rural development policies in the autonomous communities and a survey of rural municipal authorities and LEADER/PRODER managers

(Regidor, Ed., 2008). The diagnosis served also as technical input for the policy design as it is the case of the typology created by the law which now has to be translated into specific policy plans for each type of rural area. Previous laws on rural development analysed included the French Law for the Development of Rural Territories (2005), the Mexican Law on Sustainable Development of Rural Areas (2001), UK's Rural Strategy (2004) and Law of Natural Environment and Rural Communities (2006) as well as Germany's framework of joint task for agrarian structures and protection of coastal zones (GAK) and Austrian's institutions of Regional Management.

3. **Changes in European Policies.** The recent changes in Europe and in European Policies have served both as catalyst and basis for the LDSMR. European policies have been catalysts because on the one hand, the enlargement of Europe has implied a necessary shift of funds towards the new members, with a consequent reduction for countries such as Spain, which were net beneficiaries of European funds. On the other hand, the recent reforms to the CAP, which include a stronger environmental focus, require from member countries new commitments without necessarily containing supplementary funds. In other words, for these two reasons, the national budget (and increasingly regional communities) is financing many measures that used to be financed by Europe. This context evidenced the need of going beyond European policies and opting for a broad approach that would have European rural policies as a component but not as the only component. Nevertheless, European regulations have also served as basis for the design of the law and the programme contained in it. Based on the experience that decentralised EU funds have had in Spain, the Rural Development Programme envisioned by the law is meant to be a multiannual framework programme, revisable over time, with financed attached and requirement of co-financing by regional authorities and with a menu of measures, allowing each regional authority to define its priorities, much in line with the European Rural Development Programmes of the current programming period where the different CAs can define the priorities and measures within each Axis.

4. **Decisive political support and leadership.** Last but not least, as Regidor (Ed.) (2008) describes, the policy shift was able to occur relatively fast given the political impulse that the administration gave to this issue from the start of the VIII Legislature (2004-08). In autumn 2005, the MAPA requested a number of experts to prepare a number of reports necessary for the bill. The initiative was backed the same year by the Council of Ministers. The first drafts of the bills were ready by the summer of 2006, at which time the Presidency of the Government included it among its main legislative projects. A revision process was then initiated that lasted until April 2007, when it was presented at the Chamber of Deputies. At the end of the

process, the law was not approved with as large a consensus as was originally expected. This is because some regional parties and the main opposition party voted against the law in the Chamber of Deputies and vetoed the law in the Senate. It was therefore left to be approved by the government majority. This circumstance might make its implementation more difficult in some autonomous communities.

A new governance system that has significant implications in the roles played by different actors in rural policy…

This section analyses the Spanish legal and institutional framework for the design and operation of rural policy and interplay of intervening interests and stakeholders. Particular focus will be placed on the changes in such interplay, areas of potential conflict and trade-off, coordination issues and partnerships derived from the recent changes contemplated in the law and derived from the integration of the Ministry of Agriculture, Fisheries and Food (MAPA) with the Ministry of Environment (MMA) into the new Ministry of Environment, Rural and Maritime Affairs (MARM).

A first consideration deserves the new framework for horizontal coordination at the central level. The law mandates the creation of an inter-ministerial commission for rural policy similar to those existing in a number of countries, and in which the new ministry will play a leadership role. A second consideration of the highest importance is the new framework of vertical collaboration between the central administration and the regional administrations, and the interaction of these two with the European Commission. A third consideration is the extent to which the regional administrations, some of which already had their own "broad" rural development policies, adapt their own institutions, policies and legislation governing its own horizontal coordination at the regional level in order to be "in-line" with the new law, and also whether horizontal collaboration among ACs (and among smaller territorial units such as neighbouring provinces and municipalities) will be enhanced. This is an issue which holds a lot of potential.

Furthermore, there are a number of other relationships that extend from the government sphere that will be influenced by the recent changes. One is the involvement of organised civil society. This will include farmer unions or *organizaciones profesionales agrarias* (COAG, UPA, ASAJA); agricultural sub-sectoral organisations (of production chain type); farmer cooperatives; and various rural organisations (women, young farmers, mountain areas, NGOs, water users, etc.). These will have a say and vote in the Table of Associations created by the law. This will to some extent formalises a similar instrument that existed formerly at the central level. The second is the very important relationship between regional and local authorities with the "parallel system" of territorial representation and rural policy implementation

formed by the mixed private-public Local Action Groups created around the Leader and Proder programmes.

… in terms of horizontal coordination at the central level…

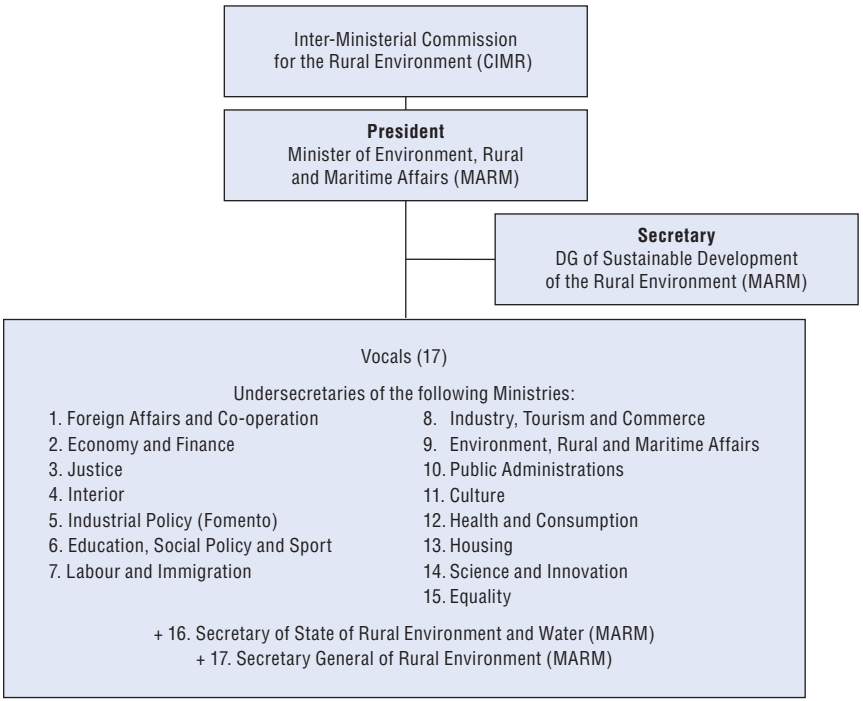
The first, most immediate and probably most radical change that Spain has undertaken with regard to its rural policy is to expand its scope from an issue that is the responsibility of, and matters only to, the ministry that dealt with agriculture (the former MAPA today MARM) to the entire government administration. The so-called "Broad rural policy" implies the coordination of efforts of many line ministries and national government entities whose actions affect rural areas in different ways. As noted in Table 2.3, many governments have opted for different ways of achieving not only coordination but policy coherence, which is the ultimate goal.

As pointed out before, to favour adequate coordination mechanisms Spain constituted by law a number of collegiate bodies. The one meant for horizontal coordination at the central level is the Inter-ministerial Commission for the Rural Environment (*Comisión Inter-ministerial para el Medio Rural*, CIMR) whose integration was recently defined in the decree 898/2008 of 23 May, in the terms that are shown in Figure 2.7. It is presided by the Minister of Environment, Rural and Maritime Affairs (MARM), and composed by undersecretaries of 17 ministries (including one from MARM), three other members of the MARM, the Secretary of State of Rural Environment and Water, the Secretary General of Rural Environment act as vocals and the Director General of Sustainable Development of the Rural Environment acts as Secretary of the Commission.

Based on these facts and based on the experiences of other countries seeking to attain cross-ministerial coordination at the central level, the following considerations are pertinent:

1. **Coordination does not emerge by law.** While Spanish authorities know that the law is not a guarantee for efficient coordination, they found in this approach the way to give important steps at once. And, as noted before, the Spanish law is quite advanced and well drafted. However, it is pertinent to notice that several countries with these types of commissions established by law (Mexico for example) have found that ministries resist taking part in a commission with which they do not feel much identification. In contrast, there are countries without explicit laws, where coordination arises in a more informal manner. A corollary from this consideration is that the legal path brings certain rigidities which are difficult to remove. Therefore, it is important to consider a certain degree of flexibility within the framework established by law, to allow for real coordination to happen.

Figure 2.7. **Structure and members of the Inter-Ministerial Commission for the Rural Environment**



Source: Royal Decree 898/2008 of the 23 May.

2. **Multi-sectoral coordination and sectoral bias does not fit well together.** It is evident from the structure given as of today to the commission by the decree, that there is a strong bias towards the MARM, which has 5 participants in a commission make up of 19 individuals. This solution might be a deliberate attempt to stress the importance of the new ministry and give it a specific weight in the context of the central administration. At the same time, it might convey the message that while the other ministries are participants, the one that has a more relevant say is the one with the mandate over rural issues. While this justification might be valid, the overrepresentation of the MARM could also turn out to be a factor against coordination and engagement sought among different ministries. This kind of bias towards the ministry traditionally involved with agriculture is often found in similar commissions. But these often convey a message that is exactly opposite to the one of multi-sectorality. In this sense, it might be relevant to reconsider the composition of the commission in order to make it more impartial, as a means for achieving collaboration and engagement.

3. **Leadership among equals is a difficult task.** A particular case of the bias towards one institution is given by the crucial factor of who leads the commission. Experiences across different countries and even within the autonomous communities in Spain show that leadership at the highest level is the most relevant factor for achieving coordination. In principle, this leadership should be *super-partes*, that is to say, above all the agents involved. When this does not occur, as it is the case in the current structure of the CIMR, the leading minister might find difficulties in achieving commitment from other ministries. This happens because it does not in principle have authority over its peers, particularly when it comes to set (or object to) policies affecting rural areas in fields that fall under the competence of other ministries. While in the case of the CIMR it is not ministers but undersecretaries that make up the commission, it is nevertheless difficult to expect that undersecretaries of other ministries will fully commit to a commission presided over by a minister which is not their own. A different situation would occur if the leadership came from a supra-ministerial institution, as it occurred in a number of similar commissions in some ACs of Spain (Extremadura, Castilla y Leon and Castilla la Mancha where commissions are led by the vice president of the region).
4. **Ownership is crucial for engagement.** A critical factor for success in this type of collegiate body, which might even overcome some of the difficulties expressed above, is the degree of ownership of the different actors of the policy programme that is to be undertaken by the commission. In this sense the process of elaboration of the so-called Programme for Sustainable Development of the Rural Environment (PDSMR) is critical. In principle it is important to recognise that for some ministries it would be a difficult task to identify what is rural policy within their area of competence since many sectoral ministries do not divide actions according to whether they affect urban, semi-urban or rural areas. But once this is done and a number of areas of policy intervention are defined for each ministry, it is important for each ministry to find those decisions as aligned with their own policy programme and not imposed by an external agent.
5. **Policy coherence is more than coordination.** It was important to have a national (and regional in each AC) rural policy, which can integrate European programmes in a coherent manner while going beyond them. On the one hand, it was evident for Spain and some of the ACs, which have already been through this process, that certain aspects of rural policy were not covered by European funds. On the other hand, at the national and regional levels there are a number of policies from different Ministries or *Consejerías* that have direct impact (positive and negative) on rural areas but are not aligned into a coherent framework with the objective to have the most beneficial impact on sustainable rural development. The law seeks to

achieve this coherence through the 5-year Sustainable Rural Development Programme (PDRS). Having a coherent broad rural development programme could be a tool to justify certain policy decisions with the European Commission. For example, in the discussions for the approval of the Rural Development Programme for the Basque Country, there were arguments on the side of the European Commission that the issue of climate change was not sufficiently contemplated in the programme. However, the Basque Country had already invested and had provisions outside the Programme for this topic for more than twice the amount that was expected to be covered from the European funds during the programming period. Therefore the new Rural Development Programme at the national level and the corresponding plans of action by ACs should be elaborated in a way that they provide for a big picture overview of rural policy, where the European Union programmes are put in the context of all policy interventions in rural areas. The RDP should be clear and transparent about the policy interventions carried out by the different ministries and by the autonomous communities in order to show and promote policy coherence.

6. **Evaluation of impact and "rural proofing".** A number of OECD countries, notably the UK and Canada (Box 2.6) have developed mechanisms for evaluating the impact of different sectoral ministries in rural areas, with the

Box 2.6. **Rural-proofing in other countries**

Generally speaking, rural proofing is a process involving: *1)* thinking about whether policies will have a different impact in rural areas; *2)* adequate assessment of the impact; and *3)* amendment and adjustments to policies. A number of OECD countries have designed institutions and mechanisms specific for these purposes. Two of the most developed cases are Canada and the UK:

In **Canada**, rural proofing was established at the end of 1990s: accordingly all new policy development were subject to a form of rural policy impact assessment. As Canada developed its institutions to serve a rural policy, several more components were put in place in 1998. "A Rural Lens" with a checklist of considerations was initiated to determine if a policy or programme addresses priorities for rural Canada. The checklist of considerations is as follows (Government of Canada, 2005a):

- How is this initiative relevant to rural and remote Canada?
- Is the impact specific to a selected rural or remote environment or region?
- Have the most likely positive and negative effects on rural Canadians been identified and, where relevant, addressed?
- Is the initiative designed to respond to the priorities identified by rural Canadians?

Box 2.6. **Rural-proofing in other countries** *(cont.)*

- Have rural Canadians been consulted during the development or modification of the initiative?
- How the benefit to rural Canadians is maximised (*e.g.* co-operation with other partners, development of local solutions for local challenges, flexibility for decision making)?

Within Canada's Rural Secretariat, a group of five public servants administer the Canadian Rural Lens jointly with colleagues in other departments in applying the Rural Lens to new policy initiatives. Of course, they only get involved with policies that have a rural angle. When the system works well, the Rural Lens unit is involved early, but involvement may not come until a few weeks prior to Cabinet meetings. The power of this mechanism is that the Rural Lens staff can advise the Minister to support (or not support) the new policy proposal. Although the Minister has only one voice at the Cabinet table, opportunities to involve the several Regional Development Agencies (and their ministers) are sought. This mechanism provides departments with an incentive to take the Rural Lens comments into account. If the Rural Lens staff thinks that the rural perspective has not been properly presented, then they try to influence the policy proposal accordingly. The objective is not to advocate for putting rural considerations first, but to ensure that decisions are fully informed (*i.e.*, of the implications for rural communities).

In **England**, the Government's Rural White Paper (2000) obliges departments and public bodies to put a rural-proofing' mechanism in place through which policy design and implementation were systematically checked for their impact on rural areas, and to take action to mitigate adverse impacts where appropriate. The process has served as mechanism for inter-departmental coordination. Knowledge and interest in rural proofing has spread from the central Government and it is becoming a tool for analysing and improving rural services among local authorities, by making more public sector bodies aware of rural issues. An annual rural-proofing report is published by the Commission for Rural Communities which acts as supervisory body to verify that rural-proofing has been undertaken. This commission defines itself as an expert adviser for the government on rural issues, a rural watchdog, and an advocate to bring change into rural practice. It is an institution funded by the government but with relative distance and independence.

A recent workshop of OECD countries on rural proofing highlighted the following conclusions:

- Rural proofing happens better at the regional level than at national level because there is stronger leadership and advocacy for the topic, as well as better knowledge of the importance of rural areas.

Box 2.6. **Rural-proofing in other countries** *(cont.)*

- Monitoring works better at national level with a specialised working group rather than high level meetings.
- Advocacy works better sometimes at national level because strong lobbies occurs also at that level.
- External resources such as network of researchers are good instruments to help in rural proofing without commiting resources.
- Leadership and commitment from the government is key, once this is in place, coordination happens.
- The key of the process involves three elements: Evidence, Communication at the right level, Advocacy.

Sources: OECD (2006a), *The New Rural Paradigm: Policies and Governance*, OECD Publishing, Paris, France; and Workshop on Rural Proofing organised by England's Commission on Rural Communities, Köln, Germany, 2 April 2008.

objective of aligning all actions for the greater development of rural areas. These instruments often involve a group of people dedicated to this issue as well as a number of legal tools to the rural proofing agency in order for its recommendations to be effectively implemented by the ministries. The recently created CIMR could be an excellent rural proofing agency, provided the adequate tools are given to it, *that is the capacity of evaluating the actions and impact of the actions of the different ministries in rural areas, as well as providing binding recommendations to these ministries oriented to reinforce the positive actions and avoid the negative ones*.

… vertical coordination between the Central and Regional Administrations…

In a decentralised European country like Spain, there are at least three levels of vertical relationships involved in rural policy. First, the coordination and dialogue between the European Commission and the General National Administration (AGE); second, the coordination between the AGE and the 17 ACs; and third, the relationship between the ACs and their provinces, counties, and municipalities. Notwithstanding this complexity, the attention of this section will be devoted to the second level, which is also the key relationship affected by the new legal and institutional changes.

Rural policy-making in Spain is one of the most decentralised in Europe. The transfer of the competencies related to agriculture and territorial planning from the State to the Regional Authorities during the 1980s, have had as a natural consequence, the emergence of rural policy as a discipline, first in the regional than in the national arena. While in principle, the law's intention

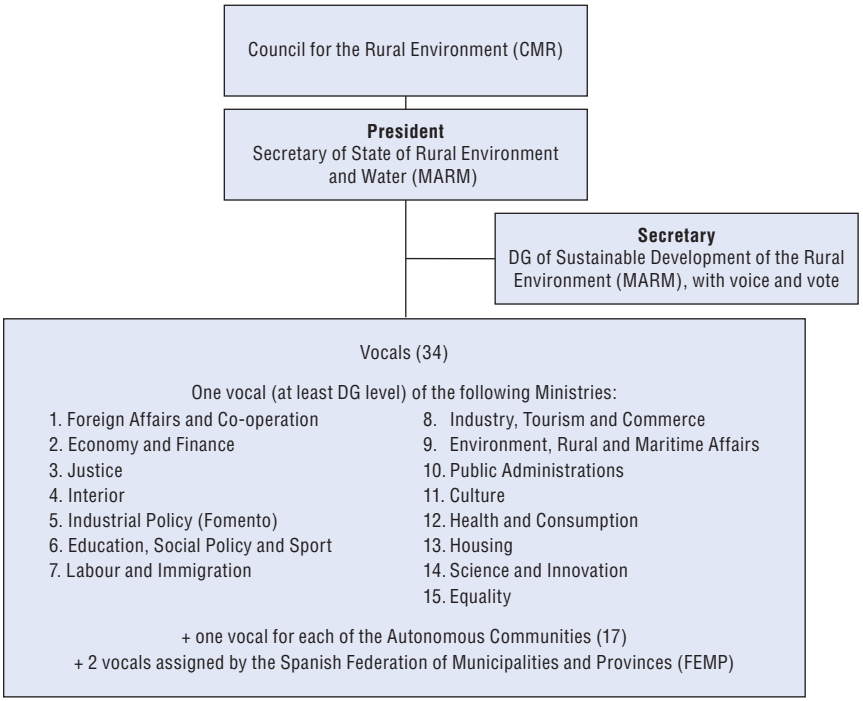
is not to reduce the attributions and competencies of the Regional Authorities in this matter but to create a framework of "collaboration among all public administrations""without prejudice of the competences attributed to the Autonomous Communities" (LDSMR 2007, III and Art. 1.2), in practice, the coordination role that the State will play in the new framework, will shift or at least balance the protagonist role that the Regional Authorities had in this matter. This in fact was one of the elements of tension during the approval of the law and one of the causes of the veto in the Senate of the law proposal (MARM, 2008, p. 16).

Before the LDSMR, the main collaboration instruments between the AGE and the ACs in issues related to rural policy were the sectoral conferences mentioned in Box 2.1. Several of these conferences have incidence in rural development, notably the one on European issues, the one on agriculture and rural development and the one on fisheries. However, as noted before, most of the specific relationships occurred within the framework of the European funds. Therefore the crucial actors involved were the Direction of Rural Development Programmes within the MAPA and the respective managers of Rural Development Programmes in the *Consejería* in charge of rural development (with different denominations in each Autonomous Community. While these relationships will not change significantly the new broader approach of rural policy involving many ministries at the central level will also, in principle, broaden the number of regional actors to take part in the dialogue and coordination on rural issues.

The favoured instrument for coordination within the AGE and the ACs in the framework of the LDSMR is the Council for the Rural Environment (*Consejo para el Medio Rural*, CMR). The CMR will act as an "organ of collaboration and coordination among the different public administrations" (Art. 39). It could be said, that although the CIMR is of "higher rank" since it is presided over by the Minister, while the CMR is presided over by the Secretary of State of Rural Environment and Water. However, the latter plays a central role with regards to the new rural policy to be implemented through the Sustainable Rural Development Programme (PDRS) and it is the only organ whose main attributions are explicitly stated in the law. They are: *a)* the evaluation of the implementation of the PDRS; *b)* examination of the problems of rural areas and the measures to solve them; and *c)* Agree the realisation of joint programmes among public administrations (Art. 39). Its integration (established by the Royal Decree 865/2008) is as indicated in Figure 2.8, composed of the same ministries that comprise the CIMR at the central level plus one representative from each of the Autonomous Communities and two representatives assigned by the Spanish Federation of Municipalities and Provinces.

This council is a *sui generis* collegiate body which integrates the *horizontal*, multi-sectoral purpose of the law with the *vertical* relationship characteristic

Figure 2.8. **Structure and members of the Council for the rural environment**



Source: Royal Decree 898/2008 of the 23 May.

of the decentralised structure and functioning of the Spanish state. As such it will host the main debates concerning delicate issues such as the respective mandates of the two levels of administration; the set up of countrywide norms and parameters to identify or prioritise rural regions; the allocation of funds among regions and eligibility conditions. The critical issues that deserve consideration in this regard are the following:

1. **The composition of the CMR anticipates a permanent tension between broad and narrow perspectives of rural policy.** The particular vertical/horizontal integration of the CMR, while innovative, will face a number of challenges since one of the two perspectives risks may prevail over the other, which will influence the level of involvement of either group of actors. The representatives from the different ministries will bring to the council the multi-sectoral perspective. However, it is logical to assume that the representatives from the ACs will be the *consejeros* in charge of rural development, who are not responsible for, and cannot necessarily speak on behalf of, other areas of their regional governments. Therefore it is possible that the vertical dialog between ministries involved on rural development

would prevail over the multisectoral issue. A different outcome would result if the representatives of the regions were authorised to speak for all departments of regional government or if the council had "rural proofing" tools to make recommendations to (and follow commitments of) the regional ministries.

2. **Distribution of funds within regional administrations and co-financing.** A crucial issue of the vertical coordination will be that of allocation of funds, which is complex given the new multi-sectoral perspective. A strong incentive for collaboration of the ACs with the new legal framework, and to some extent the justification of central intervention in a matter of regional competence, is the element of co-financing. Article 35 of the LDSMR establishes that the concerted measures, included in the PDRS will be co-financed by the administrations and in some cases by the beneficiaries. This scheme is analogous to the funding mechanisms currently applied for the EU Programmes. In fact, Regidor (Ed.) (2008) already provides the budgetary provision that the AGE will apply for the first PDRS (2009-13), which are considered additional resources to that of the EU RDP. The current resources applied by the AGE in the EU RDP ascend to EUR 3165.5 million for the period 2007-13 (452.2 M annual), which will be complemented by EUR 3000 million assigned to the PDRS for the period 2009-13 (600 M annual), totalling EUR 6165.5 million for the total period 2007-13 (1 052.2 annual 2009-13). These funds represent more than double the state contribution to rural development, which is a fact worth highlighting. However, as Regidor (Ed.) (2008) states "this additional financing will be assigned to the different ministerial departments and *consejerías autonómicas* in function of the relative weight of the actions and measures that form part of the PDRS". Despite the principle of cohesion, embedded in Spanish RD legislation and culture, this is an area open to conflicts. Disputes refer to the distribution of financial resources (from the EU or from the Spanish central Treasury) among the regions, in particular regarding the selection of the parameters that decide the distribution.

   Besides the tensions generated among ACs and with the central government for these resources, an important opportunity emerges, *ex post*, once the resources are assigned, and the contribution of each autonomous community and the private sector is also determined. That is the capacity of undertaking a broad budgetary exercise that would take into account the state, regional and private financing for rural development outside the RDPs in each territory. The MAP already does some of these budgetary exercises. In fact, at present there is a project of a geographic identification system for the European funds that identifies by locality which and how many programmes and how much budget gets to each individual locality. The advantage of extending this exercise beyond European funds is that the

authorities and the different actors involved in rural policy, together with the rural population can assess the total and relative financial effort for rural development in their territory. This in turn could be a useful instrument for future planning and a powerful instrument for evaluation and rural proofing. An interesting experience to evaluate in this regard is Mexico's rural "budget" system (Box 2.7).

3. **Towards a common definition and typology of rural areas.** One of the technical areas in which the LDSMR push for vertical coordination between the state and the autonomous communities is by defining "rural environment", "rural zone" and "small rural municipality" (Art. 3.) and establishing a typology for rural areas which will be the basis of the application of the PDRS. Article 10 establishes three types of rural areas, already noted in Chapter 1: *a)* rural zones to revitalise; *b)* intermediate rural zones; and *c)* periurban rural zones. It also establishes that those in *a)* and those within the Natura 2000 network and small rural municipalities in *b)* and *c)* will be considered priority rural zones in the framework of the PDRS. While Regidor (Ed.) (2008) already proposes a national distribution of municipalities into these categories (see Annex 2.A1), it is, according to the law, competence of the autonomous communities to define them, as it is to approve the Plan by Rural Zone (PZR) with the measures that they will implement in each of them.

   This novel framework (which should be revised thoroughly to respond effectively to policy challenges, see for example some criticisms in Section 3.3) constitutes a step forward in having a territorial perspective in the new Spanish rural policy. Other countries which have implemented typologies as parameters for policy implementation, include Finland (which also divided rural municipalities into 3 categories), Mexico (which utilised GIS instruments to define the most marginalised regions as target for the Micro-regions programme) and Scotland (which uses remoteness to categorise their territories into 8 types (or 6 in a shortened version) from urban to very remote rural). As in these countries, Spain faces the challenge of effectively linking this typology to policies, not only within the MARM but throughout the central and regional administrations. An element that would facilitate this integration is harmonising official (economic, social, demographic) databases to this typology, a task that would involve inviting the National Statistics Institute (INE) to be part in the debate on rural policy, probably by creating a position for the institute within one of the collegiate bodies, and explicitly instructing it to provide statistics for these categories.

   This will reduce the "knowledge gap" which is common in the early stages of multi-sectoral rural policies. The integration of social and economic information specific for rural areas for this review evidenced the existence of this knowledge gap at least at the central level. It is true that in Spain,

Box 2.7. **Mexico's rural "budget" system**

Mexico, as many other countries facing the multifaceted character of rural development, has searched for alternatives to provide consistence to the policies that different ministries pursue in rural areas. The first step in that process consisted in the identification of policies and budgets oriented to rural territories.

In 2001, the new law on Sustainable Rural Development introduced the legal obligation for all ministries to conform to a concerted plan for rural policy. The Special Concerted Programme for Sustainable Rural Development (PEC for its acronym in Spanish), launched in 2002, includes objectives, strategies and programmes of several ministries and was intended to constitute an element for integration and ordering of the actions of 14 federal entities involved in rural development. As a sub-product of this plan, since 2003, an accounting exercise has been done every year incorporating the budgetary allowances of the different ministries to rural programmes or the "rural share" of their programmes. This exercise has constituted since then an official "rural budget" that is incorporated as an annex to the federal budget, portraying and adding together from an integral rural viewpoint the budget allocations that are partially reflected in the sectoral parts of the whole budget.

The introduction of a "rural budget" in Mexico was not without challenges. The most important lessons learnt about this process are the following:

- *Accounting and transparency:* The aggregation process has to be framed in clear and transparent criteria of what programmes are rural and for the programmes that have both rural and urban impact, criteria for determining how the "rural share" should be calculated.
- *Inter-temporal comparability*: Clear criteria for aggregation are also crucial for the rural budget to be comparable over time. The incorporation and extraction of programmes should be clearly stated in order to allow comparisons, particularly from one administration to the other.
- *Sub-national impact:* Since both revenues and expenditure are strongly centralised in Mexico, the "rural budget" is mainly composed by federal budgetary allocations and transfers to states and municipalities. These transfers however are not always earmarked. A decomposition of the "rural budget" by sub-national administrative units is important to take into account the heterogeneity present in rural areas.
- *Political meaning of the "rural budget"*: The rural budget constitutes an important tool for policy makers; however, it also represents a new political tool for negotiation with rural constituencies. This aspect should be managed carefully, with mechanisms oriented to improve the efficiency of the rural spending rather than the continuous aggregation of resources and programmes to "inflate" for political reasons the "rural budget."

Box 2.7. **Mexico's rural "budget" system** *(cont.)*

- *Synergies of rural policy:* The most significant goal of having a rural budget is the one of fostering synergies in the intervention of different agencies in rural policy. This implies strengthening the dialog among the entities involved and a critical revision of the budget oriented to merge, transfer or eliminate certain programmes impacting on rural areas.

Source: OECD (2007b), *OECD Rural Policy Reviews: Mexico*, OECD Publications, Paris.

this specific territorial information is more readily available at regional level, which are at the end those that implement the programmes. Notwithstanding, the autonomous communities show a great variation in their availability of various social and economic indicators specific for their rural areas, as is evidenced in the heterogeneity of their analytical sections and appendices to their Rural Development Programmes. The integration of regional and national rural database with common criteria would not only facilitate planning, but also monitoring and evaluation of rural policy.

… horizontal coordination at the regional level…

Coordination issues at this level are similar and parallel to those at the central level. They should not be considered less important, given the degree of decentralisation in Spain. One of the authorities in an autonomous community mentioned that "there have been times of bad coordination and times of worst coordination" in issues of rural development. This is a common feature of national and regional administrations which have silo type architecture and are not prone to talking, and even less to collaborate, with authorities form other ministries.

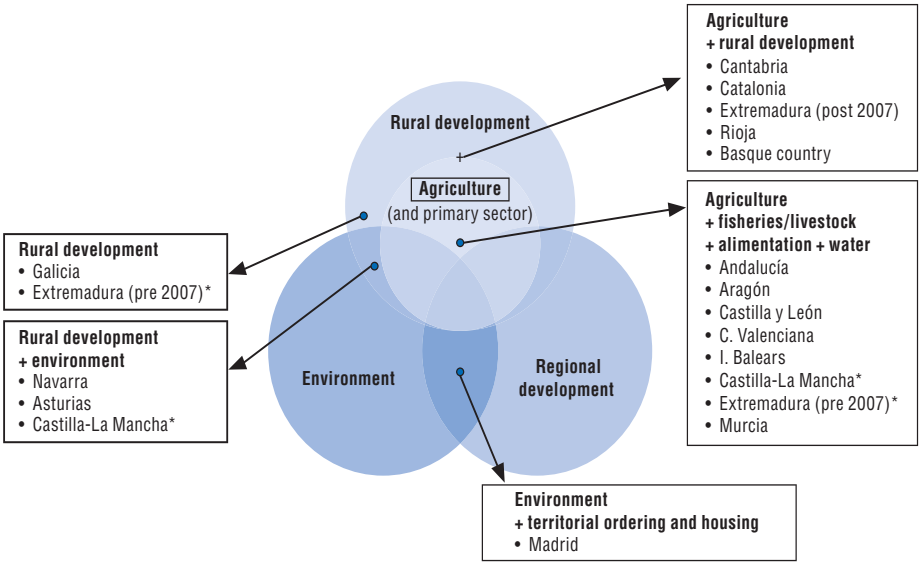
The LDSMR, in recognition of the autonomy of the ACs does not instruct or even suggest the creation of commissions analogous to the CIDRS at the regional level or other mechanisms for coordination. Nonetheless, the integration of this commission and the fusion of the MMA and MAPA at the national level, as well as the need to integrate a multi-sectoral programme of rural development at the regional level in line with the national PDRS, will certainly evidence the need for horizontal coordination among *consejerías* at the regional level. In those ACs that do not have such instruments at present it will probably influence the creation of commissions such as the CIDRS at the regional level. As noted before, several regional administrations had created coordination mechanisms and broad rural development programmes for as long as a decade before the LDSMR. Many ACs had also already merged the issues of environment and rural development.

The situation however is very heterogeneous within the autonomous communities. A survey sent to the 17 autonomous communities for the purpose of this review reveals the following results about the department which pursues rural development policies, the coordination mechanisms for rural policies and the existence of a broad rural development policy at the regional level:

1. **Who does rural policy?** In most autonomous communities, rural policy (in particular related to EU programmes) is pursued by the *Consejería* in charge of Agriculture and the primary sector in general. This situation occurs also in Spain at the national level and is often the case in most European countries, since EU policies to some extent predispose this situation as rural development policies are framed within D.G. Agriculture and not D.G. Regional of the EU Commission. Only a few ACs have created a *consejería* for rural development different from the one in charge of the primary sector. That is the case of Castilla la Mancha and was the case of Extremadura before 2007, year in which the regional government merged the two *consejerías* again. While the name of the consejería is not representative of the approach to rural policy, what it does evidence is whether there was a recent policy decision oriented to merge *consejerías* or to emphasise a new approach to rural policy. There are a number of groups in this regard: a first group, in a more traditional way, maintains the name of *Consejería de Agricultura*, with some variants but always linked to the primary sector, that is plus Fisheries or Livestock or even Water. Andalusia, Aragon, Castilla y Leon, Valencia, Balearic Islands, and Murcia belong to this Group. A second group is integrated by those that have added the term "rural development" or "rural medium" to the *consejería* of agriculture. Cantabria, Catalonia, Extremadura (post 2007), La Rioja and the Basque Country, belong to this group. A third group in a similar way to the national level, has taken out the term "agriculture" from the name in understanding agriculture as part of rural development, such as Galicia, or as Navarre, Asturias and Castilla la Mancha which have "rural development and environment". An exception in this framework is the Community of Madrid, which due to its particular metropolitan characteristic, frames the issue of rural development within the *consejería* in charge of territorial ordering and housing. The diagram in Figure 2.9. shows these groups in a schematic way.

   While the new framework of rural policy at the national level does not imply changes in the governance structures within the autonomous communities, it would not be surprising to see a number of changes in the names and even mergers of *consejerías* in the following years at the regional level. In particular, changes would be expected in the direction that the national government took, that is, merging environment and agriculture, and

Figure 2.9. **Who does rural policy at the regional level?**
Groups of ACs according to the name of the relevant *consejería*



Note: those with * are repeated in two groups because they have (or had) two different *consejerías*.
Source: OECD, based on a survey to autonomous communities.

framing agriculture within rural development, since this would facilitate the dialogue among "similar" structures.

2. **Coordination mechanisms for rural policy**. Three groups of autonomous communities can be formed according to their answer to the question of whether the autonomous community established a coordination body for rural policy (Table 2.4). A first group, which does not have such a body is composed by Cantabria, Balearic Islands, Rioja, Navarre, Asturias and Murcia. A second group, is formed by those ACs which do have a body in

Table 2.4. **Do the ACs count with a coordination body for rural policy?**

No	Yes	
	Within the consejería or a special agency	As council/commission where (X) *consejerías* participate
Cantabria	Aragon	Castilla y Leon (7)
Balearic Islands	Catalonia	Castilla La Mancha (n.d.)
Rioja	Valencia	Extremadura (4)
Navarre		Galicia (12)
Asturias		Basque Country (5)
Murcia		

Source: OECD, based on a survey made to autonomous communities.

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charge of coordinating efforts of different *consejerías* for rural issues, but this organism is not a collegiate body but rather a department within the *consejería* in charge of rural development as in the case of Aragon, Catalonia or an agency as it is the case in the Valencian Community. A third group, is formed by those ACs which have an inter-ministerial body (such as the CIDRS at the national level). Those include Castilla y Leon which has a Commission for Territorial and Rural Development where 7 *consejerías* are involved and presided by the Vicepresident of the ACs. Castilla la Mancha and Extremadura have a Council for Rural Development, which includes not only the regional administration but also representatives of the local and national levels, social and economic agents, universities, and local action groups. Galicia has a directive council where 12 *consejerias* are involved and an advisory council where the main social and economic agents participate. The Basque Country counts on a collegiate body for the ACs (*Landaberri*) and another for each of the three historical territories: *Landaraba, Landagipuzkoa, and Landabizkaia*.

The new framework for rural policy derived from the LDSMR will require from the autonomous communities stronger coordination mechanisms, in order to have coherent policy interventions within the *consejerias* of their respective administrations and those of the state administration. As discussed at the national level, it is not necessarily the "legal" way the one that has to prevail in the autonomous communities. That is, they might find different ways of coordination and communication, not necessarily established by local laws. In any case, the creation of commissions or councils where not only the public administration but also all relevant rural actors are involved is a desirable outcome for those ACs that lack of it at present. This would certainly facilitate the agreements necessary for creating a regional rural development programme for each of the types of zones required by the LDSMR.

In this framework newcomers should learn from the diverse "institutional experimentation" that has occurred in other ACs, and in other countries. In particular, as noted for the CIDRS, it would be relevant to look at the advantages and disadvantages of the different types of composition and leadership of this kind of bodies. It is relevant to highlight that from the five collegiate bodies mentioned above, one is presided by the president of the ACs himself (Extremadura), two by the vicepresident of the ACs (the two Castillas) and two by the *Consejero* in charge of rural development (Galicia and Basque Country). In general, the experience across OECD countries evidences that the higher the leadership within these types of commissions, the stronger the incentives to participate and the engagement of the different actors.

Table 2.5. **Do the ACs counts with a broad rural development programme?**

No	Yes		
	Narrow Programme	Broad Regional Development Programme	Broad Rural Development Programme
Aragon	Valencia	Andalusia	Castilla-La Mancha
Cantabria	Murcia	Galicia	Castilla y Leon (forthcoming)
Catalonia		Navarre	
Balearic Islands			
Extremadura			
Rioja			
Asturias			

Source: OECD, based on a survey made to autonomous communities.

3. **Broad rural development programme.** Four groups of autonomous communities can be formed according to their answer to the question of whether the ACs provides a rural policy programme beyond EU programmes. The largest number answered "No". This group involves Aragon, Cantabria, Catalonia, Balearic Islands, Extremadura, Rioja and Asturias. A second group, has a programme which goes beyond EU programmes but is still framed within the ministry in charge of the primary sector and rural development, therefore it could be said that those are "narrow" rural development programmes. This is the case of the Valencian Community and Murcia. A third group counts with a broad programme (which involves many ministries) but is a regional programme, where rural development is one of the sections. This is the case of Andalusia, Galicia and Navarre. A final group counts with a broad rural development programme, (similar to the PDRS at the national level). Castilla la Mancha and Castilla y Leon are in this case.[9]

   Given the constitutional competences of the autonomous communities, it is important to count on a broad strategy for rural development at the regional level. For the period 2009-13, in which Spain will have its own national PDRS, to which the autonomous communities must help to elaborate, it is desirable that each ACs elaborates its own, with the same broad perspective. While this effort could be interpreted by some regions as doubling the workload, since they have just finished the preparation of their own PDR for the implementation of the EU rural development programmes, it is not. In most ACs there is the perception that EU programmes do not sufficiently address the full requirements and challenges of the rural population. The elaboration of these new broad programmes with an all-government approach will allow the regional governments to consider EU programmes as part of their own full strategy, given that "if one does not count with its own strategy ends up belonging to the somebody else's

strategy". Anyway, it is important to draw some lessons from the experiences of the PDRs. If one observes the different regional PDR programmes, one observes a great degree of heterogeneity, not only in the measures to apply, but in the way they are elaborated, in the level of analysis included, even in the indicators used. Therefore, it would be desirable and useful for the purpose of planning, implementation and evaluation, that a general structure, statistics and indicators would be agreed upon the different ACs within the CDRS, so that the plans by zone and the broad rural programmes within each ACs would follow a similar pattern.

... horizontal coordination at between regional authorities and between local authorities...

An important feature of the LDSMR is that it seeks to provide a national vision to rural policy, which in principle is a competence of the autonomous communities. One of the desirable positive outcomes of this state vision would be increased collaboration between peer regions and peer municipalities for rural development. There is a large window of opportunity in this regard. In terms of public services, for example, this could allow for greater flexibility for the rural population to access services in a locality of another autonomous community, which might be closer to the locality to which it is entitled to receive the services. This will also enhance mobility which is significantly lower in Spain than in other OECD countries. Mobility has been identified as a limiting factor for the creation of employment (OECD, 2008g).

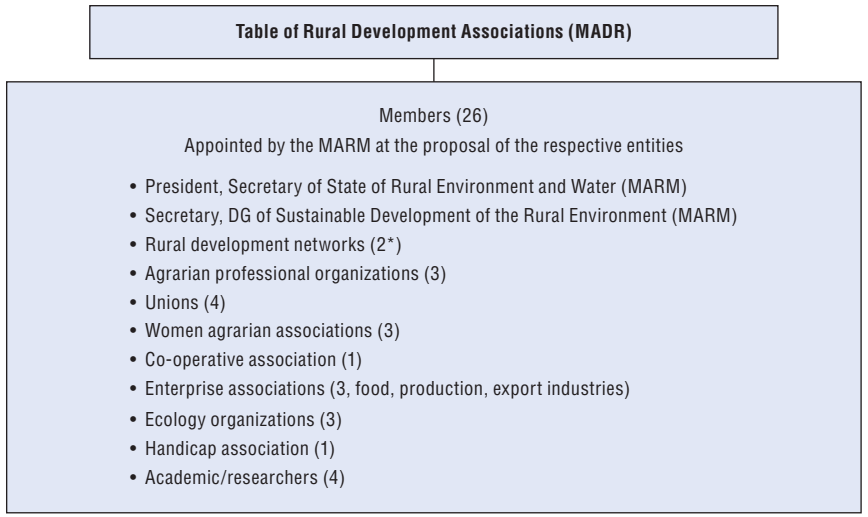
At municipal level, collaboration between neighbouring municipalities within one autonomous community and with those of neighbouring autonomous communities could be further strengthened. The communities of municipalities or *mancomunidades de municipios* are an ancient institution in Spain. They are related to specific public service delivery issues such as water or waste disposal. Nonetheless, interviews with different policy actors evidenced that collaboration amongst municipalities was relatively weak. A specific case in this matter is the collaboration between rural and urban municipalities. Section 3.3 in Chapter 3 addresses this issue with more detail, given the importance that rural-urban linkages have acquired for rural development.

... as well as in the degree of involvement of civil society

The LDSMR formalises an instrument of participation of rural unions and associations, that existed before, but without a legal status. Article 40 of the law creates the Roundtable of Rural Development Associations (MADR, for its initials in Spanish) with the objective of being an organ or participation, information and consultation. The Royal Decree 898/2008 establishes its composition, which as indicated in Figure 2.10, is presided by the Secretary of

State of Rural Environment and Water and its Secretary is the Director General for Sustainable Development of the Rural Environment. Noteworthy, in a relatively rigid way, it establishes a specific number of seats in the roundtable for different types of associations, including rural development networks, agrarian professional associations, unions, as well as for women, cooperative, enterprise, ecology and handicap associations, and researchers. Such rigidity, determined by decree, might result in conflict in the future as new associations seek to have voice in rural development matters.

Figure 2.10. **Structure and members of the Table of rural development associations**



Source: Real Decree 898/2008 of 23 May.

Within these associations the participation of the two existing national LAG networks deserve special mention. Their formal participation in the roundtable, provides a stronger legal status in the Spanish context to the Local Action Groups (LAGs), since these networks are their national representation. It is noteworthy that they are the only type of association that does not count with a specific number of seats in the decree. In Section 2.3, some considerations were pointed out already about these two networks, which to some extent duplicate efforts and undermine communication by dividing LAGs into two groups. Taking advantage of the "legal" status that at national level is granted to them in the Roundtable, LAGs should advocate for having a unified representation where the different territories are represented.

At the regional level, as noted before, many autonomous communities already count with instruments for participation and consultation of rural

development actors in rural policy. The dialogue and coordination between Regional Administrations and the "parallel system" of territorial representation and economic governance that constitute the network of LAGs deserves important consideration in this regard. As noted before, these groups of mixed composition of local government authorities and local civil society/private sector representatives cover nearly all rural territories (*comacas rurales*) in Spain. Their "unofficial" status with regards to the formal authorities is sometimes a source of conflict. Three type of conflicts occur in some localities: between the LAGs and the regional authorities, particularly the *consejerías de agricultura*; between civil society representatives and local authorities within the LAGs; and between the technical manager (*gerente*) including other technical staff of the LAGs and the elected representatives. Of these conflicts, the two latter are circumscribed to the LAG and therefore, they would deserve a case by case analysis. It would be worth signalling though that 10 out of 14 regional authorities pointed out that the manager was a critical factor for success or failure of the LAG. Therefore, emphasis should be put in strengthening the plurality within the groups and establishing mechanisms of selection that ensure that the managers of the LAGs are qualified and not biased towards specific interest groups.

As for the first type of conflict, between the regional authorities and the LAGs, where it exists, efforts should be made on both sides to have a stronger and constructive relationship. In some regions LAGs have been shown to fulfil the need for involvement of the rural community in their own development. On the other hand, while government officials are elected for a specific period and have strict measures of accountability and performance evaluation, the representation of civil society in LAGs, which also manage public resources, are susceptible to being dominated by an association or group with strong local power. In this regard, now that rural policy has been extended beyond EU policy, and LAGs are incorporated into the new framework of national rural policy the new institutional framework built for rural policy should serve to discuss means to increase transparency, accountability and performance evaluation of LAGs' actions and decisions. In the same line, and as the institutional relationship between the government and civil society in these groups is strengthened, further responsibilities could be assigned to the LAGs in recognition of their closer position to rural citizens needs. In principle, they could be an important source of information to fill the knowledge gaps that central governments and even regional governments often have about the needs of rural society.

A final consideration regarding the participation of society in rural policy is the limited political and public opinion visibility of rural issues and the rural world in Spain. Not only rural citizens but also urban citizens should be concerned about what is happening in rural areas. However, in general, the perception that the average urban citizen has about rurality and rural areas has a negative connotation. The recent institutional changes open a window

of opportunity to improve this situation. The new law has put the rural issue on the national agenda and the merger of the MAPA and the MMA into the MARM, will in itself reduce the perception of conflict that sometimes is perceived between agriculture and the environment. The new institutional framework can contribute to translate the growing interest of citizens in environmental affairs into an active interest for spending time and resources in rural areas, and to engage themselves in advocating in favour of rural development. In this context, communication becomes an important element of the strategy for rural development. Efforts should be made in communicating the new multi-sectoral reality of rural areas, its integration to the knowledge and global economy, success stories about rural development and evidencing the positive linkages between rural and urban areas.

2.4. Conclusion

Rural Policy in Spain has evolved from an agriculture-based, centralised, top-down approach to a territorial-based, integrated policy with an environmentally conscious concept of rurality. The recently approved LDSMR and the merging of the MAPA and the MMA, creating the Ministry of Environment, Rural and Marine Affairs (MARM), evidences an important policy shift in the direction of building a national rural policy, aimed at coordinating efforts of different ministries and administrations in rural areas. This policy shift, which occurred in a relatively short period of time is the result of various factors among them, the emergence of the new rural paradigm at the local level (significantly through LEADER) and regional level (with the creation of long term visions and instruments of collaboration for rural policy in many CAs); an informed exercise of the best practices and changes that other countries have pursued; a number of present and future changes in European policies which forced to go beyond the European programmes for rural policy; and decided political support and leadership to undertake the necessary reforms.

The novel framework for rural policy places Spain at the forefront in terms of instruments for a multi-sectoral and multi-level governance. Still from the intentions established in the law to the reality a number of obstacles will be faced and important considerations have to be made about the implications for horizontal coordination at the national level, vertical coordination between the central and regional governments, horizontal coordination at the local and regional levels, and involvement of civil society. A number of recommendations on these fields based on the experience of other OECD countries are summarised in Box 2.5. At the end, these institutional changes has to be conducive to improving the conditions of rural dwellers, strengthen the competitiveness of rural areas, improve the relationship and linkages between rural and urban areas and promote the

Box 2.8. **Summary of recommendations on governance issues derived from the LDSMR**

To improve horizontal coordination at the national level

- Consider that informal means for coordination are as important as those established by law, therefore allow for certain degree of flexibility within the framework established by the LDSMR for real coordination to happen.
- Reconsider the composition of the CIMR in order to make it more equilibrated and less biased towards the MARM, as a means for achieving collaboration and engagement from other ministries.
- Involve substantially the different ministries in the elaboration of the PDSMR, so that each ministry finds the decisions there established as aligned with their own policy programme and not imposed by an external agent.
- Provide the CIMR with tools for "rural proofing", that is evaluating the actions and impact of the actions of the different ministries in rural areas, as well as providing binding recommendations to these ministries oriented to reinforce the positive actions and avoid the negative ones.
- Elaborate the new Rural Development Programme at the national level and the corresponding plans of action by ACs in a way that they provide for such a big picture of rural policy, where the European programmes are explicitly put in the context of all policy interventions in rural areas. The programme should be clear and transparent about the policy interventions carried out by the different ministries and by the autonomous communities in order to show and promote policy coherence.

To improve vertical coordination between levels of government

- Consider the inclusion as representatives of the regions in the CMR somebody with delegated authority and responsibility for all areas of regional government, not only the representatives in charge of rural or agricultural affairs in order to maintain the multisectoriality intended for the Council.
- Conform a broad budgetary exercise that takes into account the state, regional and private financing for rural development outside the RDPs in each territory, in order to assess the total and relative financial effort for rural development in their territory and as an instrument for planning, evaluation and rural proofing.
- Harmonise official (economic, social, demographic) databases to the typology of rural areas established in the LDSMR, as an instrument to only facilitate planning, but also monitoring and evaluation of rural policy.
- Invite the National Statistics Institute (INE) to be part in the debate on rural policy, by creating a position for the institute within one or more of the collegiate bodies established by the LDSMR, and explicitly giving it the mandate it to provide statistics according to the rural typologies.

Box 2.8. **Summary of recommendations on governance issues derived from the LDSMR** *(cont.)*

To improve horizontal coordination at the regional and local level

- Promote the creation of commissions or councils where not only the public administration but also all relevant rural actors are involved in those ACs that lack of it at present.
- For the period 2009-13 in which Spain will have its own national PDRS, to which the ACs must help to elaborate, it is desirable that each ACs elaborates its own, with the same broad perspective.
- Establish an agreement among the different CAs within the CDRS on a general structure, statistics and indicators to be included in the plans by zone and in the broad rural programmes, so that they follow a similar pattern, and facilitate planning, implementation and evaluation in a comparative base.
- Promote greater collaboration between peer regions and peer municipalities for rural development, particularly between neighbouring municipalities within one autonomous community and with those of neighbouring autonomous communities.

Improving general perception of rural areas

- The new institutional framework can contribute to translate the growing interest of citizens in environmental affairs into an active interest for spending time and resources in rural areas, and to engage themselves in advocating in favour of rural development.
- Efforts should be made in communicating the new multi-sectoral reality of rural areas, its integration to the knowledge and global economy, success stories about rural development and evidencing the positive linkages between rural and urban areas.

conservation and use of the natural and heritage resources in rural areas in a sustainable way. These policy challenges are addressed in Chapter 3.

Notes

1. The terms narrow and broad rural policy are used by Finland to distinguish between specific programmes oriented for rural development from a government-wide strategy for rural development.
2. In this period most of the funds oriented for rural development came from the Development Plans for regions Objective 1, and from Objective 2 and Objective 5b to a lesser extent. Although these are programmes of a wider regional development, they have always included an axis specific for agriculture and rural development.

3. The law in its Introductory notes (Preámbulo), third paragraph states that "Spain has covered the absence of an own rural policy with the application of EU norms" and Regidor (Ed.) (2008), p. 171 states that "The Law signifies, for the first time in our recent history, to have a State rural policy of our own"

4. The terms narrow and broad rural policy are used by Finland to distinguish between specific programmes oriented for rural development from a government-wide strategy for rural development.

5. To capture the true distribution in financial importance allocated to each Axis objective within the different RDPs, total public expenses figures that include all additional national financing were use. According to Article 89 of Council Regulation (EC) No. 1698/2005, "State aid intended to provide additional financing for rural development for which Community support is granted, shall be notified by member States and approved by the Commission in accordance with this Regulation as part of the programming...". These additional funds are those included in the distribution to obtain Total Public Expense. See Annex 2.A2 for detailed figures.

6. Note by Turkey:

   The information in this document with reference to Cyprus relates to the southern part of the Island. There is no single authority representing both Turkish and Greek Cypriot people on the Island. Turkey recognizes the Turkish Republic of Northern Cyprus (TRNC). Until a lasting and equitable solution is found within the context of United Nations, Turkey shall preserve its position concerning the Cyprus issue.

7. The name LEADER comes from the French "Liaisons Entre Actions de Développement de l'Économie Rurale" and was conceived towards the end of the 1980´s by bringing together some of the most avant-garde rural and community development techniques and approaches of the time. Representing a radical change in approach and method for most rural areas at the time, the LEADER was introduced by the EU as a community development initiative in 1991.

8. The LAG is a public-private mix made up of agents representing different socio-economic sectors from the area (business, political, environmental, youths, women,...).

9. The one of Castilla and Leon, still in elaboration, refers to the programme which the autonomous community is elaborating in line with the LDSMR, which all regions will ultimately have to elaborate.

ANNEX 2.A1

Comparison of EC Guidelines and the Spanish Strategic Plan

Table 2.A1.1. **EC strategic guidelines *vs.* Spanish strategic plan**

Axis	EC strategic guidelines	Priorities of Spanish strategic plan
1. Improvement of the agrarian and forestry industries' competitiveness	***a)*** **Measures aimed at promoting knowledge and improving human potential through:** *i)* vocational training and information actions, including diffusion of scientific knowledge and innovative practises, for persons engaged in the agricultural, food and forestry sectors; *ii)* setting up of young farmers; *iii)* early retirement of farmers and farm workers; *iv)* use of advisory services by farmers and forest holders; *v)* setting up of farm management, farm relief and farm advisory services, as well as of forestry advisory services. ***b)*** **Measures aimed at restructuring and developing physical potential and promoting innovation through:** *i)* modernisation of agricultural holdings; *ii)* improving the economic value of forests; *iii)* adding value to agricultural and forestry products; *iv)* cooperation for development of new products, processes and technologies in the agriculture and food sector and in the forestry sector; *v)* improving and developing infrastructure related to the development and adaptation of agriculture and forestry; *vi)* restoring agricultural production potential damaged by natural disasters and introducing appropriate prevention actions.	– Encourage early retirement from farming activities. – Professional training for farmers. – Employment stability in the agrarian sector. – Improve agricultural infrastructures. – Encourage the on-farm use of information and communication technologies. – Promote cooperation towards the development of new farm and forestry products, processes, and technologies. – Support energy crops as a source of renewable energy. – Promote the use of associative enterprises at every echelon of the agrarian value chain. – Improve quality agrarian and forestry production. – Search new market and alternative distribution channels. – Develop promotional and information activities for agricultural product. – Improve the environmental management practices of the agrarian and forestry sectors. – Encourage farm diversification and investments aimed at improving farm competitiveness. Universal measures of obligatory inclusion within all Spanish regional RDP: Water management. This measure fundamentally aims to save water through effective water management systems and use,

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Table 2.A1.1. **EC strategic guidelines *vs.* Spanish strategic plan** *(cont.)*

Axis	EC strategic guidelines	Priorities of Spanish strategic plan
	***c)* Measures aimed at improving the quality of agricultural production and products by:** *i)* helping farmers to adapt to demanding standards based on Community legislation; *ii)* supporting farmers who participate in food quality schemes; *iii)* supporting producer groups for information and promotion activities for products under food quality schemes. ***d)* Transitional measures (not applicable to Spain).**	in line with the Spanish Water Framework Directives. Increase the productive value added of agriculture and forestry. Establishment of advisory services aimed towards improving the overall performance of farms. Promotion of young farmers.
2. Environmental and natural landscape improvements	***a)* Measures targeting the sustainable use of agricultural land through:** *i)* natural handicap payments to farmers in mountain areas; L 277/18 EN, Official Journal of the European Union, 21.10.2005; *ii)* payments to farmers in areas with handicaps, other than mountain areas; *iii)* Natura 2000 payments and payments linked to Directive 2000/60/EC; *iv)* agri-environment payments; *v)* animal welfare payments; *vi)* support for non-productive investments. ***b)* Measures targeting the sustainable use of forestry land through:** *i)* first afforestation of agricultural land; *ii)* first establishment of agroforestry systems on agricultural land; *iii)* first afforestation of non-agricultural land; *iv)* Natura 2000 payments; *v)* forest-environment payments; *vi)* restoring forestry potential and introducing prevention actions; *vii)* support for non-productive investments.	– Promote ecological agriculture and livestock farming methods. – Provide support for areas with natural difficulties. – Animal welfare. – Give value to agricultural and forestry byproducts. – Nature 2000 network conservation. – Support measures under the Spanish Water Framework Directives. – Forest and landscape management. – Development of forestry. – Encourage sustainable and multifunctional management of forest systems. – Implementation of agro-forestry systems. – Farmland reforestation. Universal measures of obligatory inclusion within all Spanish regional RDP: Forest fire prevention measures, through infrastructure investments, defense plans, and preventive forestry. Nature 2000 network specific to forests. Conservation, maintenance, and restoration of habitats and species of common interest.
3. Improving the quality of life in rural areas and encouraging diversification of the rural economy	***a)* Measures to diversify the rural economy, comprising:** *i)* diversification into non-agricultural activities; *ii)* support for the creation and development of microenterprises with a view to promoting entrepreneurship and developing the economic fabric; *iii)* encouragement of tourism activities.	– Create employment opportunities, especially for women. – Create of small and medium enterprises. – Farm diversification towards non-agrarian activities. – Training of new entrepreneurs. – Promotion of tourism activities. – Modernisation of local infrastructure and services. – Restoration, conservation, and revalorisation of rural heritage.

Table 2.A1.1. **EC strategic guidelines *vs.* Spanish strategic plan** *(cont.)*

Axis	EC strategic guidelines	Priorities of Spanish strategic plan
	***b)* Measures to improve the quality of life in the rural areas, comprising:** *i)* basic services for the economy and rural population; *ii)* village renewal and development; *iii)* conservation and upgrading of the rural heritage. ***c)* A training and information measure for economic actors operating in the fields covered by Axis 3.** ***d)* A skills-acquisition and animation measure with a view to preparing and implementing a local development strategy.**	The Spanish Strategic Plan also specifies a fundamental and priority objective for this axis: *i)* improve the quality of life in rural areas and avoid its depopulation.
4. Local employment creation capacity building and diversification	*i)* Development of local cooperation in order to mobilise the local potential; *ii)* co-operation between the public and private sectors; *iii)* encourage cooperation and innovation; *iv)* improve local governance.	– Take advantage and expand the local action group (LAG) structure and associations. – Apply the LAG's experience to new domains. – Improve local governance. – Mobilise the endogenous growth potential of rural areas. – Encourage co-peration between the public and private sectors. – Encourage cooperation and innovation.

Source: OECD, based on EC Directive No. 98/2005; and MAPA (2007), *Plan Estrategico Nacional de Desarrollo Rural 2007-13*.

ANNEX 2.A2

Financial Breakdown of Rural Development Expenses, 2007-13

The following tables refer to the European Agricultural Fund for Rural Development (EAFRD), its corresponding national co-financing (from the General Administration of the State – AGE – and the Autonomous Communities – Acs), and additional national financing (from AGE and ACs), which together conform the Total Public Expenditure (TPE – Table 2.A2.1). Table 2.A2.2 breaks down EAFRD contributions by Axis, according to the regional Rural Development Programmes (RDPs). Tables 2.A2.3 and 2.A2.4 break down the tpe by Axis and by Axis Objective, that is, incorporating the measures to be implemented under the LEADER methodology (Axis 4) in the Axis 1, 2 or 3, according to the objective that it follows. See notes in each table for correspondence with Figures 2.3, 2.5 and 2.6.

Table 2.A2.1. **EAFRD contributions and co-financing rates for Spanish ACs**

RDP	EAFRD	Co-financed expenses	Co-finance rate	Additional national financing	Additional national finance rate	Total public expense (tpe)
Andalusia	1 881 743 314	2 564 839 600	73.4	1 199 321 917	31.9	3 764 161 517
Aragon	402 373 867	1 094 371 734	36.8	0	0.0	1 094 371 734
Asturias	295 146 049	413 637 233	71.4	271 362 766	39.6	684 999 999
Balearic Islands	44 874 297	126 350 139	35.5	0	0.0	126 350 139
Basque Country	78 138 143	280 227 545	27.9	73 885 008	20.9	354 112 553
Canary Islands	153 281 169	330 671 250	46.4	0	0.0	330 671 250
Cantabria	75 732 777	151 465 554	50.0	106 167 224	41.2	257 632 778
Castilla-La Mancha	924 453 819	1 641 309 696	56.3	0	0.0	1 641 309 696
Castilla y Leon	722 935 642	1 838 060 533	39.3	317 440 000	14.7	2 155 500 533
Catalonia	272 593 500	1 016 719 583	26.8	0	0.0	1 016 719 583
Extremadura	779 839 945	1 188 306 583	65.6	0	0.0	1 188 306 583
Galicia	856 486 112	1 487 988 379	57.6	5 923 732	0.4	1 493 912 111
Madrid	69 570 170	231 900 567	30.0	0	0.0	231 900 567
Murcia	205 974 501	441 216 563	46.7	0	0.0	441 216 563
Navarre	112 304 036	325 410 394	34.5	176 943 925	35.2	502 354 319
Rioja	51 107 275	200 959 100	25.4	26 620 000	11.7	227 579 100
Valencia	161 729 969	486 393 024	33.3	0	0.0	486 393 024
Red rural	125 633 213	251 266 426	50.0	0	0.0	251 266 426
Total Spain	7 213 917 798	14 071 093 903	51.3	2 177 664 572	13.4	16 248 758 475

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Table 2.A2.2. **Distribution of EAGDF funds by Axis for Spanish ACs**

RDP	EAFRD	Axis 1	% EAFRD	% COFIN	Axis 2	% EAFRD	% COFIN	Axis 3	% EAFRD	% COFIN	Axis 4	% EAFRD	% COFIN
Andalusia	1 881 743 314	790 280 730	42.00	70.00	855 292 950	45.45	75.00	196 953 328	10.47	75.00	214 710 085	11.41	80.00
Aragon	402 373 867	151 441 000	37.64	25.00	158 875 964	39.48	50.00	80 132 036	19.91	50.00	59 500 000	14.79	50.00
Asturias	295 146 049	160 174 000	54.27	70.87	101 866 000	34.51	73.28	30 100 000	10.20	57.88	32 560 000	11.03	50.88
Balearic Islands	44 874 297	26 477 500	59.00	34.99	13 597 562	30.30	35.39	4 080 000	9.09	40.00	4 799 235	10.69	35.10
Basque Country	153 281 169	75 826 072	49.47	38.17	46 434 340	30.29	66.22	26 355 421	17.19	55.44	15 498 117	10.11	85.00
Canary Islands	75 732 777	28 726 829	37.93	50.00	36 590 770	48.32	50.00	7 757 500	10.24	50.00	9 225 000	12.18	50.00
Cantabria	924 453 819	434 694 199	47.02	64.00	362 612 475	39.22	46.00	99 883 716	10.80	74.00	113 467 179	12.27	74.00
Castilla-La Mancha	722 935 642	340 015 642	47.03	40.00	295 540 000	40.88	40.00	72 290 000	10.00	35.00	75 190 000	10.40	35.00
Castilla y Leon	272 593 501	124 104 431	45.53	24.00	99 629 286	36.55	31.00	38 400 000	14.09	30.00	31 933 912	11.71	28.00
Catalonia	779 839 945	371 741 304	47.67	64.35	291 855 700	37.43	63.00	97 749 418	12.53	75.00	91 603 058	11.75	80.00
Extremadura	856 486 112	414 788 025	48.43	57.56	282 471 761	32.98	57.56	136 770 683	15.97	57.56	85 648 612	10.00	57.56
Galicia	69 570 170	29 995 670	43.12	30.00	20 445 000	29.39	30.00	18 235 500	26.21	30.00	7 044 000	10.13	30.00
Madrid	205 974 501	116 451 464	56.54	47.00	67 721 456	32.88	41.00	18 029 450	8.75	75.00	23 747 450	11.53	75.00
Murcia	112 304 036	56 017 845	49.88	25.00	37 925 626	33.77	55.00	16 035 165	14.28	50.00	13 077 900	11.65	55.00
Navarre	78 138 143	47 035 200	60.19	32.00	19 550 000	25.02	32.00	11 006 593	14.09	31.00	7 813 815	10.00	32.00
Rioja	51 107 275	27 792 515	54.38	25.00	16 867 260	33.00	25.00	5 607 500	10.97	25.00	5 205 000	10.18	30.00
Valencia	161 729 969	52 000 000	32.15	20.00	86 557 692	53.52	53.00	17 885 000	11.06	36.50	22 265 000	13.77	36.50
Red rural	125 633 213	0	0.00	0.00	0	0.00	0.00	0	0.00	0.00	0	0.00	0.00
Total Spain	7 213 917 799	3 247 562 426	45.02	47.75	2 793 833 842	38.73	56.13	877 271 310	12.16	56.32	813 288 363	11.27	54.84
UE Conditions			>10			>25			>10			>5	
Spain's conditions			50-55			35-40			10-15			>10	

Notes: Last update 27 June 2008. Measures 411, 412 and 412 are reflected in Axis 1, 2 and 3, according to each programme.

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Table 2.A2.3. **Total public expenses and proportional distribution by Axis for Spanish ACs**

Total public expense	Axis 1 (tpe-a1)	%	Axis 2 (tpe-a2)	%	Axis 3 (tpe-a3)	%	Axis 4 (tpe-a4)	%	Measure 511 (511)	%	Total (tpe)	%
Andalusia	1 935 686 616	51.4	1 285 000 766	34.1	38 604 437	1.0	484 581 290	12.9	20 288 408	0.5	3 764 161 517	100
Aragon	579 248 000	52.9	317 751 928	29.0	76 516 072	7.0	119 000 000	10.9	1 855 734	0.2	1 094 371 734	100
Asturias	341 671 000	49.9	242 000 000	35.3	38 061 000	5.6	60 268 000	8.8	2 999 999	0.4	684 999 999	100
Balearic Islands	75 650 000	59.9	38 850 176	30.7		0.0	11 849 963	9.4		0.0	126 350 139	100
Basque Country	232 357 250	65.6	84 512 766	23.9	12 701 865	3.6	24 418 172	6.9	122 500	0.0	354 112 553	100
Canary Islands	209 323 126	63.3	61 912 454	18.7	37 214 640	11.3	18 233 079	5.5	3 987 951	1.2	330 671 250	100
Cantabria	94 241 858	36.6	72 259 040	28.0	61 701 524	23.9	27 915 700	10.8	1 514 656	0.6	257 632 778	100
Castilla-La Mancha	679 209 686	41.4	788 287 989	48.0	15 977 995	1.0	153 334 026	9.3	4 500 000	0.3	1 641 309 696	100
Castilla y Leon	1 167 479 105	54.2	738 850 000	34.3	30 942 857	1.4	214 828 571	10.0	3 400 000	0.2	2 155 500 533	100
Catalonia	510 888 831	50.2	321 384 793	31.6	63 000 000	6.2	106 446 374	10.5	14 999 585	1.5	1 016 719 583	100
Extremadura	577 686 565	48.6	463 263 016	39.0	30 773 605	2.6	114 503 824	9.6	2 079 573	0.2	1 188 306 583	100
Galicia	690 859 256	46.2	490 715 035	32.8	154 288 149	10.3	148 798 839	10.0	9 250 832	0.6	1 493 912 111	100
Madrid	99 985 567	43.1	68 150 000	29.4	40 285 000	17.4	23 480 000	10.1		0.0	231 900 567	100
Murcia	242 305 243	54.9	165 174 283	37.4		0.0	31 663 267	7.2	2 073 770	0.5	441 216 563	100
Navarre	340 690 778	67.8	122 480 211	24.4	15 405 330	3.1	23 778 000	4.7		0.0	502 354 319	100
Rioja	135 390 060	59.5	66 689 040	29.3	8 150 000	3.6	17 350 000	7.6		0.0	227 579 100	100
Valencia	260 000 000	53.5	163 316 400	33.6		0.0	61 000 000	12.5	2 076 624	0.4	486 393 024	100
Total Spain	8 172 672 941	50.3	5 490 597 897	33.8	623 622 474	3.8	1 641 449 105	10.1	320 416 058	2.0*	16 248 758 475	100
*Red rural									251 266 426			

Note: Measures 411, 412 and 412 are reflected in Axis 4, in order to account for all expenditure to be administered by Local Action Groups under the LEADER methodology. This information corresponds with the information depicted in Figure 2.5 for Axis 4.

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Table 2.A2.4. **Total public expenses by Axis objectives and proportional distribution for Spanish ACs**

Total public expense by Objective	Measure 411	Axis 1 Objective (tpe-o1) = (a1 + 411)	%	Measure 412	Axis 2 Objective (tpe-o2) = (a2 + 412)	%	Measure 413	Axis 3 Objective (tpe-o3) = (a3 + 413)	%	Axis 4 Objective (tpe-o4) = (a4 – 411 – 412 – 413)	%	Measure 511	%	Total + 511 (o1 + o2 + o3 + o4 + 511 = tpe)
Andalusia	80 000 000	2 015 686 616	53.5	21 081 290	1 306 082 056	34.7	283 500 000	322 104 437	8.6	100 000 000	2.7	20 288 408	0.5	3 764 161 517
Aragon	13 258 000	592 506 000	54.1		317 751 928	29.0	83 748 000	160 264 072	14.6	21 994 000	2.0	1 855 734	0.2	1 094 371 734
Asturias	1 400 000	343 071 000	50.1		242 000 000	35.3	43 000 000	81 061 000	11.8	15 868 000	2.3	2 999 999	0.4	684 999 999
Balearic Islands		75 650 000	59.9		38 850 176	30.7	10 074 074	10 074 074	8.0	1 775 889	1.4		0.0	126 350 139
Basque Country	735 000	233 092 250	65.8		84 512 766	23.9	22 090 672	34 792 537	9.8	1 592 500	0.4	122 500	0.0	354 112 553
Canary Islands	3 433 914	212 757 040	64.3		61 912 454	18.7	11 304 509	48 519 149	14.7	3 494 656	1.1	3 987 951	1.2	330 671 250
Cantabria	811 800	95 053 658	36.9	922 500	73 181 540	28.4	22 380 700	84 082 224	32.6	3 800 700	1.5	1 514 656	0.6	257 632 778
Castilla-La Mancha		679 209 686	41.4		788 287 989	48.0	119 000 000	134 977 995	8.2	34 334 026	2.1	4 500 000	0.3	1 641 309 696
Castilla y Leon		1 167 479 105	54.2		738 850 000	34.3	175 600 000	206 542 857	9.6	39 228 571	1.8	3 400 000	0.2	2 155 500 533
Catalonia	22 000 000	532 888 831	52.4		321 384 793	31.6	65 000 000	128 000 000	12.6	19 446 374	1.9	14 999 585	1.5	1 016 719 583
Extremadura		577 686 565	48.6		463 263 016	39.0	93 336 520	124 110 125	10.4	21 167 304	1.8	2 079 573	0.2	1 188 306 583
Galicia	29 759 272	720 618 528	48.2	5 951 854	496 666 889	33.2	83 325 962	237 614 111	15.9	29 761 751	2.0	9 250 832	0.6	1 493 912 111
Madrid		99 985 567	43.1		68 150 000	29.4	20 500 000	60 785 000	26.2	2 980 000	1.3		0.0	231 900 567
Murcia	3 424 000	245 729 243	55.7		165 174 283	37.4	24 039 267	24 039 267	5.4	4 200 000	1.0	2 073 770	0.5	441 216 563
Navarre	2 000 000	342 690 778	68.2	2 400 000	124 880 211	24.9	15 150 000	30 555 330	6.1	4 228 000	0.8		0.0	502 354 319
Rioja	2 000 000	137 390 060	60.4	650 000	67 339 040	29.6	11 900 000	20 050 000	8.8	2 800 000	1.2		0.0	227 579 100
Valencia		260 000 000	53.5		163 316 400	33.6	49 000 000	49 000 000	10.1	12 000 000	2.5	2 076 624	0.4	486 393 024
Total Spain	158 821 986	8 331 494 927	51.3	31 005 644	5 521 603 541	34.0	1 132 949 704	1 756 572 178	10.8	318 671 771	2.0	320 416 058	2.0*	16 248 758 475
*Red rural												251 266 426		

Note: Measures 411, 412 and 412, which were reflected in Axis 4 in the previous table, are incorporated in this one into their corresponding Axis objective, in order to account for all expenditure to be spent by objective. This information corresponds to the one depicted in Figures 2.3 and 2.6.

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Chapter 3

Towards a New Stage in Spain's Rural Policy

This chapter focuses on four of the main policy challenges that rural areas face in Spain (based on the diagnostic of Chapter 1) and evaluates the extent to which these policy issues have been addressed by Spanish authorities at the national and regional level in the past, and in the present framework of the Law on Sustainable Development of Rural Areas. Section 3.1 deals with the demographic and social challenges, Section 3.2 focuses on the challenge of diversifying the rural economy and fostering the competitiveness of rural areas, Section 3.3 addresses the relationship between rural areas and urban areas, with particular attention to areas. Finally, Section 3.4 adresses the environmental role of rural areas, and the importance of building a sustainable rural economy.

Key points

On the policy field, based on the Law on Sustainable Development of Rural Areas (LDSMR), the Program for Sustainable Rural Development (PDRS) will for the first time, design multisectoral policies to cope with the challenges of rural areas. In this context, four priorities are important to be considered:

- **Dealing with depopulation, ageing and social challenges in rural areas** requires a focus on the factors that influence the decision of whether to remain or leave rural areas. These include notably two areas of policy. Firstly, availability and accessibility to public services, from the most basic to more advanced such as availability of information and communication technologies (ICTs). Secondly, opportunities of development for women, youth and immigrants in rural areas are crucial.
- **Diversifying and fostering the competitiveness of rural Spain** requires firstly, specific attention to entrepreneurship support policies, which need greater adaptation to rural areas, starting from the need of a climate and social norms supportive of entrepreneurial initiatives. Secondly, specific support is needed for sectors of high potential such as rural tourism, rural manufacturing clusters, and knowledge intensive service activities (KISAs). Thirdly, there should be greater involvement of financial institutions in the development of rural areas, playing new roles notably in advisory services and entrepreneurship aid.
- **Fostering rural-urban linkages and balanced development of periurban areas** involves firstly, addressing changes in land use and ordering urban growth, including industrial, commercial and infrastructure developments. Secondly, it involves covering the higher demand for public services that these areas face. Thirdly, the particular governance dimension of periurban areas and the need for a better planning of these areas in coordination with cities must be addressed. Finally the significance of periurban areas as laboratory for innovative policies and the role that rural policy can play in these areas and in the relationship with more remote rural areas should be considered.
- **Building a sustainable rural economy** requires taking advantage of the recent institutional and legislative changes in the fields of environment and rural policy to address issues of common ground such as biodiversity management and conservation. This implies different strategies for: forestry and agricultural land; natural resource management, particularly water and soil; promoting a

reasonable amount of renewable energy production in rural areas in line with local economic and environmental strategies; and taking action to reduce the risks associated with climate change.

Introduction

Chapter 1 documented the wide heterogeneity of rural areas and the different challenges and opportunities that call for policy action. Chapter 2 analysed the institutional setting and governance of rural policy in Spain, which as noticed, has been going through important changes over the past two years. This chapter will focus on some of the main policy challenges that rural areas face in Spain (based on the diagnostic of Chapter 1) and will evaluate the extent to which these policy issues have been addressed by Spanish authorities at the national and regional level, in the past, and in the present framework of the Law on Sustainable Development of Rural Areas. For each of these policy issues, a number of recommendations are pointed out, based on the experiences of other OECD countries.

This chapter addresses four policy priorities: Section 3.1 deals with the demographic and social challenges, which imply coping with a declining, ageing population in certain areas, many of whom live in conditions of relative poverty. Section 3.2 focuses on the challenge of diversifying the rural economy and fostering the competitiveness of rural areas, in order for them to contribute actively to the Spanish economy and integrate themselves succesfully into the global economy. Section 3.3 addresses the relationship between rural areas and urban areas, which is a relationship of increasing importance. In this context, it focuses on the challenges and oportunities of periurban areas. Finally, Section 3.4 adresses the environmental role of rural areas, and the importance of building a sustainable rural economy.

As pointed out in Chapter 2, the approval of the Law on Sustainable Development of Rural Areas (LDSMR) constitutes an important change in the organisation of rural policy in Spain. For the first time, rural policy will be conceived as a multi-sectoral effort in which all ministries and levels of government are involved. Articles 16 to 19 of this law, establish four "general actions" for sustainable rural development, namely: support to territorial agriculture, promotion of economic activity in rural areas, infrastructure investment and environmental plannification. Further, Articles 20 to 33 establish specific "measures" for sustainable rural development. These measures are described in Box 3.1 as context for the policy issues discussed in this chapter. While the list of measures is very comprehensive, and addresses to some extent the four policy issues discussed in this chapter, the implementation of certain measures will represent a difficult task. Each of the four sections of the chapter will point out specific challenges that policymakers will find, as well as issues that the measures do not specifically refer to.

Box 3.1. **Measures for Sustainable Rural Development established in the LDSMR**

1. Economic diversification (Art. 20): *a)* Promote new activities with high value added, vertical integration processes within the food chain and identification of agro-food products with rural areas. *b)* Foster food security by reinforcing systems of control of production and traceability of agro-food products. *c)* Establish specific operative programmes for the actions co-financed by the European funds. *d)* Support the trade sector in rural areas and the modernisation of public commercial equipment. *e)* Promote rural tourism, with special attention to sustainable tourism in priority rural zones and agro-tourism. *f)* Establish specific programmmes of support to local initiatives of rural development according to the LEADER approach which contemplates priority beneficiary groups, such as, women, youth, disabled population, agriculture professionals, cooperatives and associative agrarian entities. *g)* Promote the use for sustainable development of the geologic resources existing in rural areas, with priority to the environment, the landscape and natural and cultural heritage.

2. Creation and maintenance of employment (Art. 21): *a)* Support to self-employment and employment in co-operatives and in particular in sectors which use new technologies. *b)* Maintain jobs in productive sectors and create employment in emerging sectors. *c)* Promote stability of employment in rural areas. *d)* Training programmes for unemployed and mixed programmes of on-the-job training with special attention to proximity services and attention of dependent population. *e)* Training of employed workers and creation of entrepreneurial and managerial capacities for the attraction of new activities and technologies.

3. Infrastructure, equipment and basic services (Art. 22): *a)* Improve public transportation in rural areas. *b)* Improve connection of rural localities among themselves and with urban areas. *c)* Provide sustainable, stable and quality energy to rural areas. *d)* Establish joint services between municipalities or by rural zone for residual recollection, environmental management, reuse and recycle. *e)* Maintain and improve obligatory municipal public services in urban localities in the rural environment.

4. Renewable energies (Art. 23): *a)* Produce energy from biomass and biofuels favouring energy crops and treatment of residuals. *b)* Produce eolic and solar energy, technologic systems for the use of thermal or electric renewable energy *c)* Substitute non-renewable energies, maintain and increase the vegetation cover, reduce greenhouse effect emissions, and adapt rural dwellers to the new environmental conditions originated by climate change.

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Box 3.1. **Measures for Sustainable Rural Development established in the LDSMR** *(cont.)*

5. Water (Art. 24): *a)* Execute plans of integral management of water. *b)* Efficient and effective use of water for irrigation. *c)* Use of reusable water for irrigation and use desalinised water. *d)* Adapt infrastructure for provision and recycling of water to the needs of rural areas.

6. Information and communication technologies – ICTs – (Art. 25): *a)* Improve the extension and quality of coverage of ICTs in rural areas. *b)* Promote training and use of ICTs by the rural population. *c)* Promote research and technological innovation in the rural economy.

7. Citizen safety (Art. 26): *a)* Create plans of concerted action to guarantee the rights and freedom of rural dwellers. *b)* Increase the presence of security corps in rural areas. *c)* Build and expand the capacity of Civil Guard Facilities. *d)* Produce systems of information and communication of Civil Guard for the improvement of management. *e)* Improve protection to the rural environment.

8. Education (Art. 27): *a)* Maintain and increase the level of education in rural municipalities at all levels. *b)* Improve and expand the educational infrastructure and facilitate its use for cultural activities. *c)* Promote professional training of youth with special attention to new technologies. Promote the practice of physical activities by creating spaces for the practice of sports in rural areas integrated with rural tourism.

9. Culture (Art. 28): *a)* Create networks of cultural facilities using the existing architectonic heritage. *b)* Promote cultural activities in each rural zone, favouring private initiative. *c)* Improve the stock of public libraries in rural municipalities. *d)* Protect, maintain and restore artistic and historic heritage.

10. Health (Art. 29): *a)* Improve primary attention ensuring provision of basic services of proximity in each zone. *b)* Make new technologies and telemedicine available to rural physicians. *c)* Improve specialised sanitary attention and emergency medical services.

11. Public employment (Art. 30): Incentives for public employees that perform their professional activity and live in the rural environment, with preference to teachers and medical personnel.

12. Social protection (Art. 31): *a)* Facilitate access to social services and entitlements in conditions of equity. *b)* Impulse the integration of legal immigrants in rural areas through training, temporary accommodation facilities, access to housing, sanitary and education services. *c)* Support and advice women in order to integrate them to the labour force, improving their level of human capital and information, particularly in what regards new

Box 3.1. **Measures for Sustainable Rural Development established in the LDSMR** *(cont.)*

technologies. *d)* Develop programmes of social services by groups of municipalities (*mancomunidades*). *e)* Improve labour conditions with emphasis on preventing labour risks.

13. Urbanism and housing (Art. 32): *a)* Maintain the environment in line with urban development. *b)* Facilitate access to housing for rural citizens with special attention to youth. *c)* Promote the reutilisation and rehabilitation of houses, preserving traditional architecture and declaring areas of rehabilitation in rural municipalities.

Source: LDSMR (2007).

3.1. Dealing with depopulation, ageing and social challenges in rural areas

While demographic and social trends are at the core of rural policy objectives…

Chapter 1 evidenced that rural areas in Spain face significant demographic and social challenges. The emigration of young people from rural to urban areas, combined with the negative natural population growth has caused the relative aging and masculinisation of population. The population that remains in relatively remote rural areas faces significant social challenges strongly linked to the accessibility and availability of public services. Moreover, elder population, population in relative poverty conditions and foreign immigrants are groups in comparative risk of lower social opportunities.

"Anchoring population in rural areas" is one of the main policy objectives of the new framework of rural policy in Spain. The LDSMR states in its Article 2.1.b that it is an objective of the law to "maintain and improve the level of population in rural areas and elevate the wellbeing of its citizens, assuring adequate and enough provision of basic public services, that guarantee equal opportunities and non-discrimination, specially for the most vulnerable individuals and those with higher risk of exclusion". (LDSMR, Art. 2.1.b). Many ACs have also placed great importance in "fixing population" as an objective for their broad or narrow rural policy programmes.

This will be a significant challenge since social policy has not been traditionally linked to rural policy, given the sectoral bias that characterised the latter. Social policy in Spain, that is, the one oriented to provide basic public services, childcare, education and health, social security, employment security, services for elderly people, etc. has either a national or regional focus but seldom has a specific orientation towards rural areas. This is partly due to

the sectoral focus that used to prevail in all rural policies, not only in Spain but in many OECD countries as well. Still in Spain, as in other OECD countries, the overwhelming financial focus of rural development policy remains sectoral policy and agricultural subsidy-oriented. Therefore although there has been a long tradition of "social agrarian policies" such as income support, employment and unemployment security or pension schemes specific for agrarian workers, the reality of rural regions today goes well beyond the stereotype of agriculture-based, declining areas. Evidence of the lack of a rural approach to social policy is the lack of information about the levels of social wellbeing in rural areas. Many of these indicators had to be inferred from census information, but it is not information that the policymakers in charge of rural policy have at hand.

Moreover, many of the policies supposedly oriented to attain social objectives, such as "anchoring population" have a sectoral focus or don't fully address the social aim. A clear example are irrigation policies, which Spanish authorities justify in general, as an important priority of investment, on the basis that this policy helps to "fix population" in rural areas. While it is true that productive agriculture makes people remain in rural areas, it is only a fraction of the population that might have intentions to leave. On the one hand, as it has been evidenced by employment trends that employment creation in agriculture is limited only to some areas of intensive agriculture but it is not, in general, the sector that is creating most of the jobs in rural areas. On the other hand, other factors are crucial in the decision of whether to remain or leave rural areas. These include notably two areas of policy: *1)* availability and accessibility to public services, from the most basic such as housing infrastructure, education and health services to more advanced such as availability of information and communication technologies (ICTs); and *2)* opportunities of development for women, youth and immigrants in rural areas.

… instruments should be more specifically oriented with a "rural lens" to target the causes of outmigration and structural backwardness, such as 1) *Availability of basic public services…*

Service delivery is key to the development of rural regions. Providing services to rural regions is both a matter of enabling them to participate in national development and a question of guaranteeing citizens rights. Viewed from the perspective of the rural dweller, lack of access to public services, together with lack of employment are the most relevant factors in deciding to leave rural areas. When addressing the issue of public service delivery in rural areas it is necessary to distinguish between two types of services: *1)* services that are essential public goods, such as electricity, water, security, education, health etc.; and *2)* services necessary for fostering competitiveness, such as business support and availability of broadband and financial services. With

regards to basic public goods in rural areas of Spain, and based on the experience of other OECD countries, the following considerations are pertinent:

Funds for public services should move away from a logic of spending to one of investment. As noted before and evidenced in Chapter 2, most of spending in rural areas, even that labelled as "rural development" is oriented towards the agricultural sector. Moreover, spending in rural regions is often motivated more to "keep an area afloat to enable it to survive" rather than to bring about development, growth, and prosperity. Evidence from different OECD and non-OECD countries indicate that effective investment strategies can help curtail the level of dependency, encourage business development, and entrepreneurship as well as build a bridge to engender confidence in rural regions and entice private sector investment (OECD, 2008c).

The heterogeneity of rural areas and the new realities require flexible approaches. Public services tend to be standardised both for equity reasons and for efficiency reasons, taking advantage of economies of scale. However, given that rural areas show lower population densities, they usually do not present the required critical mass to profit from economies of scale. For remote regions, meeting required critical mass for building economies of scale means increasing the territorial coverage of services, which could have the negative consequence of increasing the distance to point of provision, increased costs of extending the delivery network, or lowering the quality of the services provided.The new realities of rural areas, therefore, require innovative approaches tailored to the specific needs of each community. Flexibility is needed in different ways: *1)* flexibility to match the services to specificities of every region; *2)* flexibility in "who" provides the services; and *3)* flexibility in "how" services are provided.

1. **Flexibility to match the services to specificities of every region**. The decentralisation of services in Spain, favours the adaptation of services to the circumstances of each region. However, even within the ACs, different regions require distinct approaches. Not all regions know which services and which public goods are key to their future or how policy should best fund these two types of public goods. Identifying which public goods are critical to service investment will be difficult. It requires appropriate analytical tools and a better understanding of the diversity and complexities that are present in rural areas. The heterogeneity of rural regions in Spain requires the encouragement of innovation in service delivery and the identification of best practices for different types of regions: mountain, coastal, periurban, etc. In mountain regions, for instance, where accessibility is the key limiting factor, mobile services could be a relevant solution given the infeasibility of having every service available in very

dispersed locations. In periurban regions, flexibility should allow the coordination and combination of urban services with rural services.

In addition, no single institution, public or private, has the knowledge necessary to decide what services would work better for the region. This knowledge is often a mix of centrally owned strategic notions and local key information. In this framework, facilitating information sharing and mutual trust is critical to combine national and subnational, as well as public and private instruments to respond to the service needs of different areas. Box 3.2 provides a number of examples of cases where OECD countries have engaged local communities in filling the knowledge gap about what is needed in each region and fulfil local expectations.

Box 3.2. **Engaging rural communities in order to fill the "knowledge gap" and fulfil expectations**

Across rural regions, local expectations are changing and this makes the consultative process vital to rural service delivery. A number of cases where local community has been involved in these consultative process are:

- **Turkey**'s recently launched Village Infrastructure Support Programme (VISP) is new infrastructure delivery mechanism that included a participatory framework and citizen satisfaction criteria in public services in its basic tenets.
- **Japan's** spatial plan calls for the cooperation of national and local stakeholders in policy formulation and mandates round table discussions between local stakeholders and central government.
- The region of Calabria, in south **Italy**, used focus groups as a way of engaging local actors in the pre-policy development stage. In investigating the healthcare service delivery shortfalls in the region, the Evaluation Unit of the Minstry of Economic Development relied on a mixed approach of desk analysis and field analysis with "territorial listening" to understand context and challenges.
- In **Germany**, the "Practical Solutions to Close Broadband Supply Gaps" pilot project highlights another way for municipalities and citizens' groups to work in partnership. It established a working group on nation-wide broadband supply under the direction of the Federal Economics Ministry. The group examined all possible concepts and drew up recommendations for action. The participants in this scheme include representatives from central and local governments as well as private actors.

Source: OECD (2008c), *Innovative Service Delivery: Meeting the challenges of rural regions*, Key Messages of the VI International Rural Development Conference, Köln, Germany, April 2008.

2. **Flexibility in the "who" provides and "who" decides and monitors the services**. The time when the public sector provided all public services is gone. This is true in urban areas as well as in rural areas. Community participation and involvement of private and third sector in public service delivery could be feasible solutions to explore.

   Community involvement in the decision making process and provision of local public services has significant advantages. These approaches take advantage of the trust and knowledge that rural communities have among their inhabitants, in contrast with urban communities. Finland is a country with a long tradition of local community involvement in the provision of local services. In Finland, as in Spain, the LEADER methodology has acquired significant acceptance within the rural population, as it has become a source of participation and engagement for communities. Finland has recognised the value of the dialogue between the public sector, private sector and local communities (which in Finland have to be represented $^1/_3$ each in LEADER groups). The legitimacy of these groups with the rural population has also been considered. Consequently, Finland's LAGs have "extended" their responsibilities beyond the administration of projects financed with EU funds and now engage significantly in local public service delivery, particularly in remote areas. Spain could not only take advantage of LEADER groups but also general community involvement in the management and provision of local public goods, always under the supervision of the public sector and with transparent monitoring mechanisms.

   Public-private partnerships (PPP), are being increasingly applied for the provision of public services in Spain. The involvement of the private sector is also a viable alternative for the provision of certain types of services (such as medical services, internet facilities, etc.) in rural areas. This scheme has the advantage of mobilising new resources for both infrastructure and services in rural areas, by means of a contractual agreement governed by a multi-level governance structure, *ad hoc* for the implementation of specialised services. The most successful partnerships draw on the strengths of both the public and private sector to establish complementary relationships. Besides the central administration, the ACs have the power to implement projects, including PPPs, in their areas of competence. PPP initiatives could be tailored to the specific needs of local communities and also contribute to the creation of cross-regional projects, monitored by the government. Although, the applicability of these mechanisms in rural contexts is an open debate, interesting experiments combining PPP and new technologies have taken place over the last ten years in Spain and in other OECD countries. In Castilla y Leon, the Regional Government and local telecommunications operators have created a regional Intranet

supporting a variety of services including Telemedicine. Some trials and planning involving distance radiology have taken place using the Health System. Currently services of primary attention and telecardiology are well established. Regional and national authorities should consider a number of limiting factors that prevent rural communities from effectively developing PPPs such as the often low capacity within the community to analyse, develop, and execute a PPP (developing a request for proposals, business plans, proposal evaluation) or the ability to build the necessary coalitions when multiple jurisdictions are involved. (OECD, 2006b). Therefore the central and regional governments, should, also within the framework of the new LDSMR, elaborate instruments for facilitating and encouraging the use of PPPs arrangements under clear service quality standards and with adequate monitoring mechanisms.

"Who" provides public services could also be flexible in territorial terms. Despite the advantage of Spain's decentralised public service delivery framework, decentralisation can sometimes create rigidities instead of flexibility. Several sources[1] report a common complexity in the provision of health services when the most accessible health centre is in a neighbouring AC where the person might not be "entitled". Although there have been significant advances in terms of formal agreements among the ACs for the provision of public services to population of other regions, the new institutional framework for rural policy, which seeks to build a rural policy of state should consider institutionalising mechanisms of interregional payments for facilitating the provision of public services in rural areas irrespective of the autonomous community of residence.

3. **Flexibility in the "how" services are provided**. The response to fast evolving rural environments can take many forms. Many of the structural barriers to delivering services in rural areas can be reduced through the development of different approaches. Therefore, service delivery innovations should be encouraged. The most innovative initiatives and municipalities could receive specific recognition or additional economic support. Alternatives include: *a)* co-locating services to build economies of scope and using service clusters as hubs where people can obtain more services with one journey; *b)* mobility of users through specific transportation facilities, as it might be more cost-efficient to move people to the services than maintaining idle installed capacity, or alternatively; *c)* launching "mobile" services which guarantee accessibility by periodically reaching different communities, instead of people having to reach them; *d)* utilising ITCs to bring services to the people and offer new alternatives of "access" to a wider range of services, even specialised ones that otherwise would not be possible in rural areas, etc.

Information in a context of changes is a critical tool. The flexibility of approaches in the delivery of public services, or in the specific agent that delivers, should not lead to an information loss with respect to: what services are lacking in certain communities, what are the overloaded services in others, or what is the relative quality of services provided in every community. From another perspective, experimenting with different approaches provides a rich amount of information about what works and what does not in different contexts. In the framework of the new institutions built for the governance of rural policy at the national level, efforts should be made to concentrate, homologate and monitor information about the deficits in service delivery and advances in this field, as a tool for decision making and sharing of best practices.

Box 3.3. **Innovative approaches on "how" services are delivered in rural areas**

- **Australia** instituted the Rural Transaction Centres (RTC) Programme to help small communities establish locally run and self-funding centres that either introduce new services or bring back services that were no longer available in rural towns. The RTC is tailored to meet community needs but not compete with other planned services, and usually includes: financial services, postal and telecommunications access, federal state and local government services, insurance and taxation, printing and secretarial capacity.
- Western Diversification of **Canada** facilitates professional skill building initiatives (*e.g.* auto service, carpentry, electrical, machining, pipefitting, plumbing, and welding) through the use of mobile labs (two 55-foot trailers) and e-distance learning.
- **Finland** provides a wide arrange of mobile services in rural areas which include mobile shops and mobile libraries, but also some innovative services such as mobile gyms (as the "Power Vehicle" – *Woimavaunu* – in the Pyhäselkä municipality) or a voting bus (in the municipalities of Eno and Pyhäselkä, in North Karelia). In addition is uses public and private transportation for children to reach school or facilitates routes of services such as nurses visiting patients at their home in several municipalities.
- The AGnES program in **Germany** works to improve healthcare delivery in rural areas by encouraging the decreasing number of general physicians to delegate home visitations, where appropriate, to qualified community medicine-nurses in rural areas.

Box 3.3. **Innovative approaches on "how" services are delivered in rural areas** *(cont.)*

- In **Mexico**, the Microregions Strategy promoted the concentration of a certain number of services in a number of well communicated rural communities aiming both to achieve economies of scale and promote relocation of remote population. At the same time, thanks to the objective and socially shared validation mechanism of rising a "bandera blanca" (white flag) for every service established, authorities improved their knowledge about the deficits and advances in completing service deficits by community.
- **Portugal**'s "Net on Wheels" project uses vans equipped with notebook computers to provide access to the internet and professional training to marginal groups. Since inception, the project has reached over 26 000 users and provided over 250 courses with 860 basic ICT skills diplomas.

Sources: OECD (2008c), OECD (2006b), OECD (2008e) and OECD (2007d).

… with particular emphasis on elderly population…

Flexibility is also required to adapt services to the new demographic reality of rural areas. Chapter 1 reported that Spain has the second highest dependency ratio of elderly people in rural areas after Japan. If raising the coverage of education in rural areas and providing training for agriculture through "extension services" were priorities of public policy in past decades, providing health, housing and other services to the elderly population will become one of *the* priorities for rural policy in future decades. This will require an important shift of the activities that public employees carried out in rural areas and significant budgetary requirements.

Population ageing raises the need to expand availability of long-term care and specialised services in rural areas. As noted in Chapter 1, many rural counties in Spain face difficulties in access to health care while there is an excess demand in per capita terms, particularly in Cantabria and southern regions. At the same time, marked deficits in the availability of residences for the elderly population are reported in all rural areas. Expansion of the availability of health and welfare services for the elder population is crucial for the wellbeing of the rural population. In this regard, the recently approved "Dependency Law" could bring important improvements in terms of welfare and job opportunities for the elderly population. However, for the elderly in rural areas, although the LDSMR includes measures for: *a)* the improvements of primary attention; *b)* improve technologic capabilities; and *c)* use of telemedicine and better specialised emergency attention, greater attention is

needed within the new framework of rural development to address and channel resources to cover the increasing demand for specialised healthcare and attention that elderly population require in rural areas. Among the issues that policymakers should consider are the following:

1. **The combination of ageing and remoteness poses a significant challenge.** If OECD countries are divided into four groups based on the population density in rural areas and the elderly dependency ratio, Spain clearly belongs to the group of "fast ageing" and "low density". This represents an important challenge for two reasons. The first is that in a decentralised framework, as in Spain, the capacity of each region to generate sufficient resources to provide for the needs of the elderly people (*e.g.* health care, assistance, homecare, transport) depends on the balance between those economically active and those no longer active. To the extent that regional resources are insufficient, the provision of services for the elderly people will depend on transfers from the national government or from the cities. The second reason is that cities or towns where there is a critical mass of elderly people can exploit economies of scale in the provision of health care and personal services, but remote rural regions bear higher costs.
2. **However, policies targeting the aging population should go beyond the conception that elderly means decreasing health and less productivity, and instead build upon this population as an asset.** There are a number of examples in OECD countries where rural areas are taking advantage of their resident elderly population and utilise this trait as a lever for local development. For instance, the Tokushima business in Japan not only revitalised the local industry based on local resources, it reintroduced the elderly population into employment. The business, which is based primarily on leaf collection and transformation into art yielded a turnover of 2.5 million dollars in 2006. The experience of Seniorpolis in Finland goes one step further and shows the elderly population as a resource, not a burden. In the remote region of Kainuu the small municipality of Ristijärvi, gave itself the image of "Senior Citizens" village to promote itself as a unique place for senior citizens to live. Seniorpolis is a network that collects, promotes co-operation, combines and integrates activities and operations involving senior citizens. As a small enterprise cluster it is active in care, real estate, transport, nutrition, entertainment, recreation and travel services (OECD, 2008c; and OECD, 2008e).
3. **Therefore, greater policy efforts may be needed to prevent or postpone as much as possible health and disability problems among elderly people.** The World Health Organisation has emphasised in recent years the importance of improving diets and increasing levels of physical activity in adults and older people to help reduce the risks of chronic diseases and associated disability or death (WHO, 2003). Although in general the health

status of the rural population in Spain is better than the urban population, as is the case in many OECD countries, and the incidence of diseases such, as, cancer and obesity or unhealthy habits like smoking are lower in rural regions; health education campaigns, targeting high-risk groups, might play a useful role in promoting healthy nutrition and physical activity, thereby reducing the risk of deterioration in health and functional status. In Japan, for instance, the 2005 revisions to the long-term care insurance system have introduced some support services focussing on prevention to improve physical exercise and nutrition for elderly people who have been assessed as being at risk of requiring long-term care, or whose condition is likely to be maintained or improved through such services.

4. **Policies should encourage the participation of the elderly population in the labour market and in rural community affairs.** A recent review of ageing and employment policies in Spain (OECD, 2003a) pointed out a number of policies that might discourage the participation of older workers in the labour market. These include laxity in granting disability pensions, and weak monitoring mechanisms and work-tests for those already declared disabled, or on long-term sick leave. They also offer a special unemployment assistance scheme for unemployed people over age 52, which *de facto* acts as a bridge to the public pension. Since the 1st of January 2002, many of these schemes have been replaced by the system of flexible retirement, which includes features, such as, adjustment of benefits according to an actuarial factor in case of retirement before age 65, the use of unemployment period prior to receipt of a reduced pension as an opportunity to find a new job – and not as an early retirement device, and the possibility of acquiring pension rights during the last years of employment, all of which reduce the incentive to leave the labour market. In the case of rural workers, although early retirement of agrarian workers and transfer of land rights to younger population has been encouraged, a distinction should be made between leaving the agricultural labour force and leaving the labour force, since many of the elderly workers that leave the agricultural sector could still contribute in other types of jobs in rural communities. Therefore, transferability of pension rights from the agrarian scheme to the universal pension system under the new provisions could be considered, so as to encourage a longer participation of former farm workers in the labour force. In particular, the elderly population should be encouraged to participate and engage in community development.

... and "new basic services" such as information and communication technologies

ICTs are no longer a luxury but a requirement for the development of every region. Broadband stands out as a new, necessary public good which can

bring significant opportunities to rural areas, because they effectively level the playing field by allowing rural communities historically unprecedented access to information, as well as the ability to provide services that until now were largely thought to be urban. Sparsely populated and peripheral areas face greater difficulty in access information technology. High cost of infrastructure deployment leads to weak demand for ICT services, which further increases the cost of infrastructure. However, the lack of these resources is an important cause of outmigration trends since it discourages rural businesses, which leads again to lower and declining population (OECD, 2007a).

Technology is bringing unprecedented changes to rural areas. The technological revolution has transformed every single aspect of modern life and every type of region, rural areas not being the exception. ICT provides new ways of dealing with disadvantages of remote and peripheral areas. First, it can contribute to reduce costs associated with physical distances. Second, it facilitates access to information. Third, it allows scale economies without the requirement of proximity. Lastly, it can improve quality of life and services through telework, e-education, health services delivered on the Web, etc.

Significant efforts have been undertaken to bridge the digital gap in Spain. Chapter 1 evidenced an important digital gap between urban and rural areas. By the end of 2002, some 8 000 rural communities in Spain had little or no broadband access (OECD, 2003b) To address this situation, a growing number of wireless broadband access initiatives have been developed in Spain. One of these is the rural internet programme with *Red.es*, which has been functioning for five years. From 2004 to 2007, more than 4 000 municipalities without internet access were provided with broadband. According to the Ministry of Industry, Tourism and Trade (MITC), more than 6.5 million citizens in 45 000 centers in rural and isolated areas have benefited from this programme. They expect that by the end of 2008, 98% of the people living in population centers will have access to broadband (MITC, 2008b). Telecenters are part of this important public policy effort for busting access to the Internet in rural regions. In 2007, 5.7 million people had a telecenter not farther than 1 km from their home. That year there were already 2 960 telecenters with more than 19 000 working posts. From the 335 883 users registered, 70% are children, 26% young adults and 4% elders; 37% are women and 63% are men; 60% have no or only basic studies; 43% are housewives; and 17% are immigrants (MITC, 2008a). At the regional level, the experience of Extremadura in connecting its 383 municipalities to broad-band internet it is worth highlighting. Extremadura also linked all of its public institutions to the Net, and introduced a wide range of programmes on education, technological literacy, establishing a business, and e-health tools (Box 3.4). The continuation and expansion of these initiatives is of vital importance to improve the quality of life in rural areas, provide

Box 3.4. **Improvement of broadband access and free open source software in Extremadura**

The Extremadura region, located in mid-western Spain and bordering Portugal, with an important historical legacy as well as a wealth of natural and cultural resources. Extremadura's population hardly reaches 1 100 000 inhabitants after decades of intense emigration, but the region lies over two of the largest Spanish provinces, covering nearly 42 000 km^2, with an average density of only 27 inhabitants/km^2. The growth of income levels in Extremadura during the last 20 years has resulted in an important reduction of the disparity between the region and Spain and the EU, yet this region remains among the bottom group in the EU: GDP at the regional level in 2001 was 54% of the average EU15 and 59% when compared to the average of the new EU25. The region's economy is still dominated by the agrarian sector and the agro-food industry, which together account for approximately 16% of the regional GDP and 25% of the regional employment. Thus, given its low population, extensive land area and heavily agrarian based economy, Extremadura provides an interesting case for analysing economic development policies in "predominantly rural" regions.

The Regional Government of Extremadura embarked on a series of programmes to introduce ICT to the people, as well as to inculcate ICT usage in educational, social and economic activities. These programmes include the Education Technology Network that provides one computer for every two pupils in the schools; the Digital Literacy Plan, which is an initiative to train the adult population in ICT; and Vivernet, the business incubator, that promotes ICT to SMEs. In addition, it has also placed computers and increased their use in the regional ministries.

Free open source software is used as the vehicle and enabler for all this to take place in a cost efficient fashion by reducing the software licensing fees at the time that allows for customisation of the operating environment to the needs of the various targeted communities and to reflect local culture. The regional Government has created its own GNU/Linux distribution called gnuLinEx (or Linex), to serve as the main ICT platform and operating environment.

The project has resulted in large numbers of computers being installed in schools and public sector organisations with an equally large number of users being exposed to ICT and gnuLinEx in particular. The Education Technology Network initiated the development and deployment of software adapted to the needs of schools and teachers. This is done with a clear objective to provide technological literacy within the framework of a technological network.

Source: Inculcating ICT Usage in Educational, Social and Economic Activities Extremadura, Spain, *in* Breaking Barriers: The Potential of Free and Open Source Software for Sustainable Human Development – A Compilation of Case Studies from Across the World, ed. UNDP, IDRC, UNESCO.

alternatives for the provision of services to the local public sector, as well as creating and attracting businesses to rural areas.

… 2) *Development opportunities for women…*

The availability of employment for women in rural areas is a crucial factor to reduce the masculinisation and depopulation of rural areas. Over the past decades Spain has significantly increased the participation of women in the labour force. However, only cities have provided significant room for women to enter the job market and rural areas have failed to follow suit. In fact, Spain is one of the countries in the OECD with highest regional disparities in terms of the participation of women in the labour force. Rural regions of Spain have the lowest female labour participation rates and the highest female unemployment rates. This is especially true in the South as noted in Chapter 2. Given the lack of opportunities to find employment that meets their expectations in rural areas, women have been leaving rural areas, with the consequent masculinisation of rural areas, as it was also shown in Chapter 1. However, the departure of one woman from rural areas is often linked to the departure of a full family, which is less likely to occur when men leave rural areas. Therefore, the provision of personal development opportunities for women in rural areas is not only critical to balance the gender gap, but critical for the sustainability of rural communities and for "fixing population" in rural areas.

While the availability of job opportunities for women depends to a great extent on the diversification and competitiveness of rural areas, with particular emphasis on opportunities for women entrepreneurship, (addressed in Section 3.2) the new multi-sectoral framework for rural policy can contribute in several ways:

1. **Facilitating the harmonisation of job and family life in rural areas.** In recent years, the OECD has placed significant attention on policies oriented to harmonise job and family life, particularly for their significant contribution to easing incorporation of women in the labour force. Spain has good examples of childcare policies even in rural areas, for instance in the Basque Country. Recall from Figure 1.15 in Chapter 1, that the Basque Country presents female unemployment rates in rural areas equal or similar to the lowest category on the map (below 10%). Since 2004, this AC has provided a childcare programme (Haurreskolas) that covers the entire region (Box 3.5).
2. **Promoting greater involvement of women in local government duties and community development.** In general, due to their physical nature, primary sector activities tend to have a predominance of male jobs. That circumstance was often translated to the general understanding that rural

Box 3.5. *Haurreskolas* (childcare) programme in rural areas in the Basque country

In 2004, the government of the Basque country created a programme of public childcare facilities managed by a consortium between the Education department, the Agriculture department and the municipalities named *Haurreskolak* (*Haurreskola* means childcare in Euskera). A specific focus was placed in the territorial dispersion of these centres so that they would be available for all the population regardless of their rural or urban condition. In 2008, there were 162 *Haurreskolas* in the Basque country, 65 of them in municipalities with less than 2 000 inhabitants, considered rural. Today, the demand for the municipalities which have a strong need for these services are covered at 90% and they expect to reach 100% in 2009.

The table below shows the number of centres, capacity and enrolled children in localities with less than 2 000 inabitants in the three provinces of the Basque country.

Province	2007			2008		
	Centres	Capacity (Children)	Enrolled children	Centres	Capacity (Children)	Enrolled children
Araba	13	217	97	13	205	115
Bizkaia	16	204	121	18	246	180
Gipuzkoa	31	402	230	34	463	268
TOTAL	60	823	448	65	614	563

Source: Haurreskolak (2008), *Informe Haurreskolas en Zonas Rurales*, Report made available by the Department of Agriculture of the Basque Country.

jobs are male jobs. However, the present reality of rural areas is far from being exclusively based on primary activities, and much further from being exclusively for men. The relatively heavy predominance of men in public employment in government duties as well as in the organisation and delivery of public services in rural areas is not justified. Women could contribute actively to the development of rural areas through government and community development jobs (such as those of LEADER groups). In Finland, the country in the world with the lowest gap in male and female participation rates (7% compared to close to 30% in Spain in 2005)[2] and one of the most rural countries in Europe and in the OECD, women have a strong participation in public service and in rural community voluntary and paid institutions: 77% of public sector jobs in rural areas are occupied by women, reaching 90% in healthcare and social services, but as high as 54% in public administration, 72% in education, and 66% in other municipal and personal

services (OECD, 2008e) *The new framework of rural policy should promote job opportunities for women within the public sector as well as in the institutions for community development*. Despite a strong emphasis on considering women as priority beneficiary group, the LDSMR does not include specific provisions, or mention female employment, in the section devoted to public employment.

… youth population…

The future of rural areas depends on their capacity to retain youth by giving them a promising future. Such promising future starts with a quality education that enlarges the human capital stock of rural areas, and continues with the availability of employment opportunities where the human capital can be retained and even attracted from other regions (the next section will build on this second aspect).

Human capital is essential for the development of rural areas. The capacity of regions to support learning and innovation processes is a key source of competitive advantage and, a multiplier of economic activity, employment and development. Investments in human capital can, not only foster the creation of innovation, but also, and most importantly for rural areas, increase the assimilation of innovation that is often produced elsewhere. Empirical evidence has shown that while R&D investment has become a paradigm of innovation for some regions, investment in education and training is more important in many rural areas, since it increases the local capacity to assimilate knowledge spillovers generated elsewhere. This has proven more strongly linked to the competitiveness of rural areas than the ability to actually produce that knowledge in the region (Rodriguez-Pose, 2006). The following considerations are therefore relevant:

1. **Address high dropout rates of the education system.** In Spain, one in four youth leave school with less than upper secondary education – which is regarded as the minimum level of basic skills to integrate well in today's labour market. This circumstance, which is one of the highest among OECD countries, is particularly acute in rural areas. Early drop-outs are also likely to face significant difficulties throughout their careers, and experience has shown that there are few "second-chance" opportunities for early school drop-outs. Programmes such as the *Escuelas Taller* and *Casas de Oficios* (for long-term unemployed youth lacking basic skills) do not allow an easy return to mainstream education. "Social guarantee" programmes provide a good framework for early school drop-outs to develop basic skills needed to gain access to the labour market, but are less successful in giving these disadvantaged youth a chance to return to education (OECD, 2007b) Therefore a priority should be to reduce the dropout rates in the first place. Incentives for rural parents to keep their children in school until finalising

secondary education might be an alternative, as is the case in many developing countries, such as Brazil and Mexico.

2. **Widen access and relevance of higher education in rural areas.** University education is still very much concentrated in rural areas in Spain. Therefore, not only is access limited by distance, but also the research and quality thinking occurring in universities is not sufficiently focused on rural development challenges. The new national framework for rural policy should actively involve universities, urging them to extend their reach to rural areas, and increase the availability of distance learning for the most sparsely-populated areas. However, access is of little use without relevance. Co-ordination between different education institutions is crucial for the establishment of critical mass and balance-off the aspirations of individuals and the needs of the regional economy. Many higher education institutions in OECD countries are already designing tailor-made short courses for regional businesses and are committed to promote graduate employability. University curricula should increasingly be linked with the new challenges of rural areas in order for them to constitute a source of innovative solutions for these areas.

… and immigrants

Immigrants already offset part of the population decline in many regions. However they face significant integration challenges which undermine social cohesion. From 2005 through 2007, the proportion of foreign workers in the labour force rose from 8% to almost 12% and accounted for about half of the expansion in the active population. (OECD, 2008d) As noted in Chapter 1, an increasing portion of immigrants reside in rural areas and their presence has helped many rural communities to counteract outmigration and balance age structure. However, this group is particularly vulnerable to poverty and lower social opportunities, therefore specific measures have to be taken to ensure their integration and allow them to contribute to the development of rural areas. This influx has led to the need for greater flexibility in public education, health, and general assistance provision in order to welcome and integrate these new rural inhabitants. A number of considerations are pertinent:

1. **Immigration policies are a typical example of national policies with significant impact in rural areas, but without enough linkages to rural policy.** The recent Spanish immigration reforms applied in 2005 were meant to facilitate employer recruitment of foreign workers. As a result from the first year significant legal labour inflows were experienced with 827 000 work authorisations issued in 2006. Under this framework employers are able to recruit foreign workers to fill a position on a recognised regional shortage list ("catalogue") which is reviewed each trimester. For jobs not on the shortage list, employers must submit to a

labour market test ("negative certification") (OECD, 2008d). The clarification of these rules constitutes an opportunity for rural areas with a short labour force. In addition to the aspects introduced to the immigration policy, such as the offering of subsidised training – from language courses to vocational training – immigrants to rural areas need complementary support to prevent them from falling into a poverty trap. Therefore, in the framework of the new rural policy of State, there should be greater collaboration between authorities responsible for rural policy and the ministry of labour, in charge of defining the caps for each region and occupation, in order to provide "rural lenses" to immigration policies.

2. **The integration of immigrant children is more challenging in rural areas given the lower density of childcare and pre-school education.** Public provision of childcare for children aged under 3 is rare in rural areas, resulting in exclusion of some of the children at highest risk, such as those with low-skilled immigrant parents or from low income families (OECD, 2007b). In line with the recommendation of extending childcare to facilitate female participation in the labour force, specific attention to immigrant children should be made, particularly to improve their language skills and provide them with the tools to enter and have full benefit from the school system and avoid their dropout.

Box 3.6. **Summary of recommendations for dealing with depopulation, ageing and social exclusion**

- Promote **innovation in service delivery** and the identification of best practices for different types of regions. Flexibility is with regards to 1) the services required for every region, 2) who provides the services, and 3) how services are provided. The most innovative initiatives and municipalities could receive specific recognition or additional economic support.
- Promote **community participation and involvement of private and third sector** in public service delivery. Take advantage of LEADER groups and in general of community involvement in the administration and provision of local public goods, always under the supervision of the public sector and with transparent monitoring mechanisms.
- Promote **PPP initiatives** tailored to the specific needs of local communities and for cross-regional projects, monitored by the government. The central and regional governments, should, within the framework of the new LDSMR, elaborate instruments for facilitating and encouraging the use of PPPs arrangements, for the benefit of local communities, under clear

Box 3.6. **Summary of recommendations for dealing with depopulation, ageing and social exclusion** *(cont.)*

quality standards of the services provided and with adequate monitoring mechanisms.

- Institutionalise mechanisms of **interregional collaboration** for facilitating the provision of public services in rural areas irrespective of the autonomous community of residence. Efforts should be made to concentrate, homologate, and monitor information about the deficits in service delivery and advances in this field, as a tool for decision making and sharing of best practices.
- Expand the availability of **specialised health and welfare services for the elder population**, channeling sufficient resources to cope with the increasing demand and complementing the resources that municipalities have for this purpose, depending on the regional needs.
- Efforts should be made to prevent **or postpone health and disability problems among elderly people** and provide incentives to **remain active in the labour market** for as long as possible. Consider the transferability of pension rights from the agrarian scheme to the universal pension system under the new provisions so as to encourage a longer participation of former agrarian workers in different sectors.
- Policies targeting the aging population should go beyond the conception that elderly means decreasing health and less productivity and build instead on **ageing population as an asset**. Elderly population should be encouraged to contribute within the participatory instances for rural development and possibly engage in community development.
- Continue efforts to **bridge the digital gap** in rural areas through initiatives such as Telecenters and specific initiatives at the regional level. Use ICTs for remote provision of services in rural areas.
- Promote job **opportunities for women**, by facilitating the harmonisation between job and family life also in rural areas through childcare programmes. Promote employment of women within the public sector as well as in the institutions for rural community development.
- Increase **opportunities for youth** by placing a strong priority on reducing the dropout rate in secondary schools. Provide incentives for rural parents to keep their children in secondary education.
- **Involve universities and higher education institutions in rural development**, urging them to extend their reach to rural areas, and increase the availability of distance learning for the most sparsely-populated areas. Universities can open opportunities for youth in rural areas if curricula are adapted to the new challenges of rural areas.

Box 3.6. **Summary of recommendations for dealing with depopulation, ageing and social exclusion** *(cont.)*

- Facilitate greater **collaboration between authorities responsible for rural policy and migration policy** in order to provide "rural lenses" to immigration policies. Specific attention should be given to the full integration of immigrant children in order for them to obtain full benefit from the school system.

3.2. Diversifying and fostering the competitiveness of rural Spain

Diversification of the rural economy is a priority for the competitiveness of rural areas…

As noted in Chapter 1, the diversification of the rural economy is an ongoing reality, not only in Spain but in all OECD countries. This new reality, far from being a threat to the traditional primary activities that for centuries have been performed in rural areas, is an opportunity that can complement and provide value added to primary activities and become a new source of employment and income for rural dwellers. Diversification can be an alternative to migration to urban areas, that is caused by the technological changes in agriculture that continue to expel workers from this activity. Figure 1.23 in Chapter 1 evidenced that the most diversified rural regions in Spain (and in the OECD) are the ones gaining population, with higher GDP per capita, higher employment growth and lower unemployment.

This priority is also recognised in the LDSMR, which states as its first objective to "maintain and broaden the economic base of rural areas through the preservation of competitive and multifunctional (primary) activities, and the diversification of the economy through the incorporation of new activities compatible with a sustainable development" (LDSMR, Art. 2.1.a). The law also places the diversification of the rural economy as the first of the set of specific measures to be undertaken by the multi-annual Program for Sustainable Rural Development.

… however, current support within the RDPs is not sufficient and not oriented enough to this objective…

As previously noted, despite the marked decline in the significance of agriculture for rural regions, rural policy has historically been close to synonymous with agricultural policy. The exceptions have been the LEADER and PRODER programs, where the promotion of SMEs and entrepreneurship has increasingly being used as a tool for rural development. This is not

exceptional to Spain, since many EU and OECD countries have integrated the support of business creation within their rural development policies.[3]

Although diversification is a central component of the 2007-13 European CAP, support for this objective in Spain is very limited. The 2007-12 CAP is meant as a vehicle for change towards a new rural development paradigm with entrepreneurship and economic diversification as a central component. However, for most regional RDPs in Spain, the widespread integration of entrepreneurship support policies within the LEADER initiative and the predominant sector-based focus means that the RDPs will most likely receive a traditional implementation.[4] In particular:

- **The entrepreneurial measures in the Axis 1 mainly benefit the agricultural sector.** The European CAP 2007-12 set as one of its objective for the first axis of its rural development policy to promote a dynamic entrepreneurial spirit. This too is comtemplated within many of Spain's regional RDPs, within the scope of the support measures called Support for projects encouraging the integration of youths and entrepreneurship (measure 11 102). However, the group of individuals that can benefit from this support is limited to young farmers who integrate themselves to agrarian activities. Moreover, these projects are limited to marketing and transformation activities of farm products. In the case of most regional RDPs in Spain, the agricultural sector is therefore the only beneficiary of this measure. The first axis of the CAP also contemplates support oriented towards investments for the improvement of the transformation process and marketing of farm products within LEADER territory (measure 12 301). This is one of the most controversial aspects of the new RDP because a strictly agrarian measure is introduced within the framework of the LEADER initiative, which had up until now an essentially non-agrarian focus. Some fear that this may mitigate the "rural" and multisector character of LEADER. The integration of agrarian support measures within LEADER could in-fact spell a divergence from the rural' orientation of the new CAP, especially considering the reduction in the budgets allocated to LEADER in most Spanish RDPs. However, the two main associations that represent the different Spanish LEADER local action groups see this change as an opportunity, rather than a threat, allowing them to stretch out the scope of their influence in rural communities to include agriculture. However, again, the trend was in the direction of including agriculture into the LEADER methodology rather than extending the support for other sectors.
- **The proportion of funds oriented to diversification is very limited.** Most other measures included within the RDPs that encourage entrepreneurship and economic diversification fall under the third axis of the CAP's rural development policy. Specifically these all fall within the first subsection (3.1) of Axis 3 called "Rural economic diversification measures". The

Spanish regional RDPs have on average dedicated only a very small portion of their total public funds to sub-axis 3.1 (1.2% as compared to the EU average of 4.8%).[5] In fact, six regions in Spain did not include any measures from subsection 3.1 within their regional RDP; these are Balearic Islands, Cantabria, Castilla la Mancha, Castilla y Leon, Murcia, and Valencia. Although there are variations from one RDP to another, most regions that have included measures from subsection 3.1 usually adopt a combination of three main measures, two of which (measures 311 and 313) are sectoral in nature. Specifically, although measure 311 is meant to help diversify the rural economy and support the production of non-agrarian goods and services, its implementation is limited to on-farm diversification and attempts to increase incomes for farmers. Consequently, access to this measure is usually restricted to farm owners. As for measure 313, it is important to specify that this action is integrated within the LEADER project and applies only for the tourism industry. Therefore, measure 312 is the only support measure generally found within regional RDPs, although not in all of them as some regions have chosen to ignore this measure, which supports multi-sector business creation and promotion, specifically micro-businesses. The ventures that can be supported by this measure are usually those of less than ten employees and with business volumes of less than EUR 2 million. There are no other measures commonly found across the regional RDPs in Spain that help support entrepreneurship and economic diversification beyond tourism, traditional primary sector industries, or micro-businesses.

The failure of the current RDPs to provide sufficient support, urges for strategic policy interventions in the framework of the new multi-sectoral rural development programmes at the national and regional level focused along three policy lines: *1)* promoting entrepreneurship in rural areas rather than seeking to attract new firms, with particular emphasis on the role of women, and the improvement of the attitude towards entrepreneurship in rural areas; *2)* specific support to sectors of high potential such as rural tourism, manufacturing industrial districts and knowledge intensive service activities (KISAs); and *3)* a greater involvement of the financial sector in rural development.

… therefore, the new rural policy framework should invest greater priority and resources oriented to: 1) *Promoting entrepreneurship in rural areas…*

Recent research suggests that the development of rural areas should be based on the support of new business creation and business expansion, rather than attracting new firms. This is in consideration of the impact that each of these priorities returns in terms of new employment in rural areas. In the US,

for example the attraction and relocation of exogenous businesses accounts for only 1% of all new employment in rural areas, which is far below the 44% share of new employment contributed by new firm creation in rural areas. The greatest contribution came from business expansion and growth with 55% of new rural employment (RUPRI, 2006). This is consistent with research which has demonstrated the positive impact of business creation over employment creation, economic growth and innovation.[6] However, an important number of local governments in rural Spain are implementing an economic promotion policy based on trying to attract industry from exogenous sources to the rural territory, adopting a largely mono-productive approach (Viladomiu and Rosell, 2004). The results of these efforts have been very limited.

Within a rural context, entrepreneurship can make an even wider economic and social contribution. In rural areas business creation helps to diversify the local economic fabric, offering a greater and more varied number of services that consequently improve the living standards and quality of life of the rural population. Similarly, business creation is also a way to retain the existing population and attract new residents, giving jobs and professional development opportunities to those who want to stay and offering greater social and economic integration opportunities for those who want to move in (Bryden and Hart, 2005).

Although the specificity of rural entrepreneurship and its entrepreneurs has been widely analysed,[7] this has rarely translated into specific rural entrepreneurship policy. Where it does exist, too often it is simply a replication of measures found in urban areas (Smallbone *et al.*, 2002). A common conclusion of studies into rural entrepreneurship is that, because of its distinctiveness, entrepreneurial activity in rural areas is possibly disfavoured by common national support frameworks (Bryden and Hart, 2005). Further knowledge of the distinctive factors affecting entrepreneurial activity in rural areas of Spain is essential to help improve the effectiveness of the growing number of endogenous rural development efforts linked to better infrastructures (Jacobs, 1969), and greater volumes of demand (Krugman, 1981, 1991).

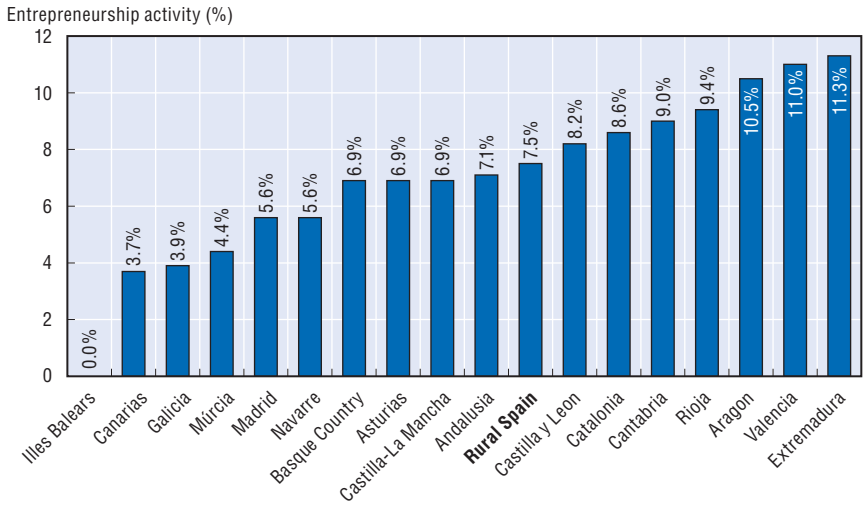
Stimulating entrepreneurship is a cost-effective alternative to paying unemployment insurance in rural areas. A recent study (OECD, 2003c) of the influence of entrepreneurship over local economic development involving 30 OECD countries concluded that stimulating entrepreneurship can provide a cost-effective alternative to paying unemployment insurance in rural areas, but that the direct growth effects in these areas are modest. According to the study, there are many obstacles that hinder entrepreneurship in rural areas, influencing both the extent and form of entrepreneurial activity and its prospects for survival. The study concludes that social traits, such-as, cultural barriers, the lack of positive entrepreneurial examples (role-models), and limited networks are some of the most important barriers that restrain rural

entrepreneurship (OECD, 2003c). According to the configuration of these social and cultural traits, economic agents are more or less propelled to become entrepreneurially active.

Within Spain, there are some regions that have been successful at stimulating entrepreneurship in rural areas. The region of Extremadura is an example. One of the most lagging and impoverished regions of Spain, characterised by a mostly rural territory, Extremadura has been orienting a good portion of its budget and European transfers towards entrepreneurial empowerment and human capital improvements. The regional administration made it a deliberate strategic goal for its development policy to focus on both rural areas and on SME development (Lopez Iniesta, 2007). This has resulted in Extremadura being amongst the leading regions in Spain in entrepreneurial activity according to the annual Global Entrepreneurship Monitor (GEM-Espana). Extremadura's economy has also been gradually converging towards the Spanish average. Extremadura's emphasis on longer-term, human-capital based, entrepreneurial growth, instead of rapid economic returns has created an entrepreneurial economy for the AC's rural areas with a much more solid configuration than what characterises many other rural areas of Spain. Whereas the 5% growth in new businesses from 2006 to 2007 sets Extremadura at the average with the rest of Spain, the difference comes in the types of new businesses that are being created. Extremadura has experienced over the last five years less growth in construction sector businesses. This has been compensated by a much greater growth in manufacturing-based businesses (5% over the year to 2007 as compare to the Spanish average of 0.8%, INE). This should allow Extremadura's business sector to better withstand the downfall in the construction industry that has hit Spain in 2008 and which is affecting many rural areas with special severity.

Consequently, entrepreneurship promotion should become an integral part of any rural development plan. Entrepreneurship in rural Spain is conditioned by the local institutional framework, and as such should not be isolated from other rural policies (Lafuente *et al.*, 2007). The sector-base character of most rural policy-making has created a chasm separating the administrative bodies that have historically formulated rural policy in Spain from those that have promoted entrepreneurship. Whereas in most Spanish regions rural policy is predominantly assumed by the regional equivalent to the ministry of agriculture, entrepreneurship support policy has been the task of the regional administrative bodies in charge of industry. Because of the growing importance of entrepreneurship and the diversification of the rural economic fabric, the new multi-sectoral rural policy framework should design and implement specific programmes of entrepreneurship support targeted for rural areas.

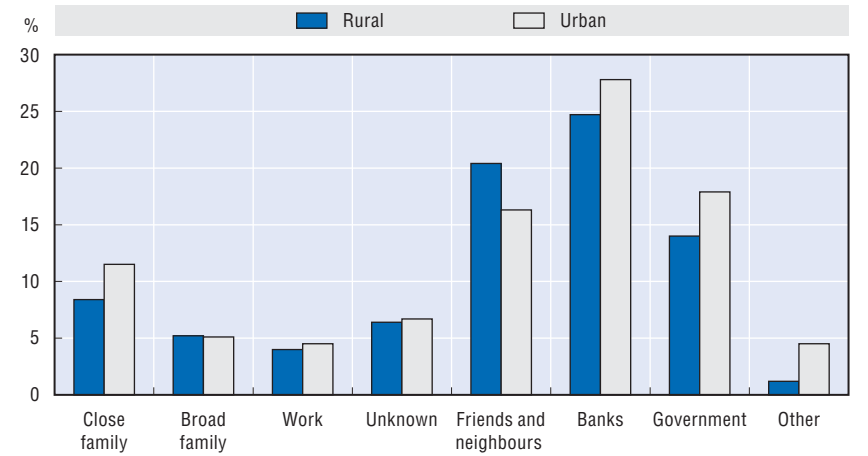
Figure 3.1. **Entrepreneurship activity in rural areas of Spain by ACs**



Source: OECD, based on GEM España (2006).

Current entrepreneurship support should be adapted to the reality of rural areas. At present, Spain provides a large number of entrepreneurship support programmes within the Ministry of Economy and other areas of the national and regional administrations. However, as Figure 3.2 shows, the public support for entrepreneurship represents a lower share of financing (14%) in rural areas than in urban areas (17.9%). Banks are the main source of financing in both types of areas, although less in rural areas (24%) than in

Figure 3.2. **Sources of financing of entrepreneurs in rural and urban Spain**



Source: OECD, based on GEM España (2006).

urban areas (27%) (the role of the financial sector in rural areas is discussed at the end of this section). Entrepreneurship support policies for rural areas should be adapted in many ways, taking advantage of the stronger network that community represents, providing training and knowledge about different sectors (considering that many of them are new in rural areas) and promoting a cultural change more favourable to entrepreneurship (see below).

… which should be done in a different way than in urban areas, putting special attention to change attitudes towards entrepreneurship and informal institutional change…

Despite improvements in accessibility, entrepreneurship in rural areas lags due to socio-cultural factors. Improvements in transport infrastructure, communication, and information technologies in Spain have brought about an important reduction in the physical and psychic distance separating rural and urban areas. Although much of the formal institutional and infrastructural disadvantages in Spain have been alleviated, most Spanish rural areas have not experienced convergence towards the entrepreneurial activity levels found in urban areas. Evidence is beginning to mount which would indicate that many Spanish rural areas are "entrepreneurial laggards" not just because of their physical disadvantages, but also because of the inappropriate socio-cultural traits of their informal institutional framework making them non-conducive for effective entrepreneurial activity (Fornahl, 2003; Vaillant and Lafuente, 2007).

The difference in entrepreneurial activity across territories can in part be explained by the differentiated impact of certain socio-cultural factors (Vaillant and Lafuente, 2007). Their findings back the growing call for territorial specificity in the formulation and application of entrepreneurship support measures and promotion. Regional entrepreneurship support policies and programmes have mostly been laid out in a uniform fashion across political and administrative boundaries in Spain (Viladomiu *et al*., 2004). Findings from Lafuente and Vaillant (forthcoming) support the argument that entrepreneurship promotion, especially in what concerns fostering of an adequate socio-cultural context, fertile for new business creation and growth, is more often than not a generational process. The search for short-term results for such policies can result, depending on the performance measurement tools used, in the mistaken impression that in rural areas entrepreneurship support policies are not having the desired impact. Lafuente *et al*. (2007) give empirical evidence based on data from Spain that entrepreneurship support policy at a local level must first establish the necessary informal institutional foundation (cultural norms) within a community before attempting to apply formal institutional measures for the promotion of entrepreneurial activity. "Formal

support may be in vain in the presence of an inappropriate informal institutional framework" (Lafuente *et al.*, 2007:792).

Spain's rural population is in need of succesful entrepreneurial role-models. Further studies (Vaillant, 2006; Vaillant and Lafuente, 2007) specifically highlight the importance of entrepreneurial role models in an individual's personal social circle as a positive stimulus. This explains uneven entrepreneurial activity levels across different geographical areas, including the rural-urban divide. It would tend to imply that entrepreneurship support policy in rural areas should: lay the grounds for a greater social interaction on the part of existing entrepreneurs, promote networking possibilities with potential entrepreneurs, magnify the role of the entrepreneur in the community, as well as, socially celebrate the entrepreneurial successes of existing rural entrepreneurs. The local administrations must magnify the visibility of positive entrepreneurial examples within their rural communities. Entrepreneurial role models can help instil an appropriate entrepreneurial atmosphere within a community's informal institutional framework that will then permit formal entrepreneurship support policy to have a much more potent impact upon local entrepreneurial activity levels.

The change of cultural norms also imply adjusting local governance. Local organisations and the local incentive structure should value and prise those endogenous activities that are development oriented, instead of ignoring them or even shawning them as is often the case in rural Spain. Efforts to instill an entrepreneurial spirit within the societal framework of rural areas must include changes within its educational system, starting at the primary, secondary and profesional levels. Different surveys reported by Veciana (2007) conducted with Spanish university students indicate that whereas between 50% and 65% want to become civil servants, only a small fraction have any intentions of creating their own business. Qualitative investigation conducted by the Barcelona based rural policy research group DRUAB (Grup de Recerca en Desenvolupament Rural de la Universitat Autonoma de Barcelona) leads to believe that this observation is consistent with the opinions and behaviours of rural youth in Spain. These attitudes will have to change before formal entrepreneurship support policies can have any significant impact on rural economic development. Spanish rural areas require policy and programs that change the perceived social function and image of the entrepreneur and small business owner. They must forment an adequate perception of entrepreneurship as a viable and valid career option. Policy must attempt the difficult task of promoting a rural society that is more receptive to change and risk assertion. And, they must instigate a society that is more proactive and is able to assume greater levels of self-initiative.

The lack of emphasis on education as a tool for rural economic development in Spain is evidenced by the fact that the country has ignored

within its National Strategic Plan for Rural Development 2007-13 the EUs policy guideline 3.3.5, which specifically calls for "the need to educate rural youths with the necessary abilities (and aptitudes) to stimulate local economic diversification…". However, it must be said that some regions have established, or are in the process of establishing, entrepreneurial training specifically aimed for their youth. Most of these effeorts are financed with funds falling outside the RDP framework.

The LEADER program in Spain is the tool that has had the single most important impact in changing the mantioned social norms in rural areas. And although the different Spanish LEADER groups vary considerably from one to another, they have generally stimulated within rural communities the self-organising and local resource mobilisation attitudes that are at the foundation of an entrepreneurial society. This change has nevertheless been very gradual. According to many LAG managers, although the LEADER program was first introduced in 1991, the impact is only recently being felt. In-fact, certain rural areas of Spain now have entrepreneurial activity levels that surpass their neighbouring urban areas (GEM-Catalunya, 2007). This is coherent with what we have previously mentioned; the melding of social norms through policy is often a generational endeavor. Therefore, LEADER groups have been going in the right direction, and a new entrepreneurship policy for rural areas should take advantage of such experience and promote greater involvement of LAGs in identifying and supporting entrepreneurs. Projects that have large potential could be further supported by other regional or national intruments.

However, LEADER efforts to promote entrepreneurship are not always receiving the appropriate support from regional and national policy. One important example comes from the educational policy in Spain, which goes beyond the jurisdiction of local administrations. Whereas certain initiatives, some of them initiated through the LAGs, have been made to attempt to instill the appropriate entrepreneurial aptitudes within local schools and learning institutions in rural areas, there are many stories of frustrated experiences due to rigid and narrow-minded educational regulation. These are accused of having been formulated in a territorially blind fashion which does not take into account the distinctive specificities of rural areas. The broad rural policy programme should promote a greater interaction between schools in rural areas and rural entrepreneurs and LEADER groups. This interaction could even involve the creation of projects by students or the participation in ongoing projects oriented for the rural community.

… with particular attention to women entrepreneurship…

Entrepreneurship offers women a new social role in rural society. Spanish women have generally not found a very active role for them in contemporary

rural society. Modern agrarian production processes have done away with many of the functions that women once imparted. As mentioned earlier in Section 3.1, Spanish women today are often deterred from rural life because of the lack of opportunities for them. Having few opportunities for quality employment in rural areas they are frequently forced to work in low-paid and low-status jobs (European Commission, 2000). Much of the European and Spanish rural demography is today characterised by an often critical absence of women. This is having serious social and demographic repercussions in rural areas of Spain. Over and above economic considerations, youths are drawn away from rural life, and agriculture in particular, because of the difficulties to attract partners to a rural lifestyle (Regidor, 2000). This in turn affects the aging problem faced by many rural populations.

Over the last decade, women as potential creators of new businesses have been recognised as an untapped source of economic growth (OECD, 2004a). Throughout most parts of the world, women entrepreneurship has been increasing. The number of businesses created and controlled by women has reached more than one third of the newly established businesses (Minniti, Arenius and Langowitz, 2005; and Minniti, Allen and Langowitz, 2006). However, this proportion remains relatively lower in most rural areas of Spain, and this even when the demographic distribution of women has been accounted for. An important social function that entrepreneurship could have in rural areas would be to give local career alternatives for women. Empirical evidence shows that this does not seem to be the case in Spain (Driga *et al.,* 2008).

Research has found that Spanish women are generally less involved in entrepreneurship than men (Driga *et al.,* 2008). And whereas living in a rural area has a positive impact on the probability to become an entrepreneur, being a rural woman has the opposite statistically significant negative effect. Despite a number of success stories promoting entrepreneurial activity in many Spanish rural areas, women entrepreneurship lags far behind in these regions and appears to be unaffected by the general entrepreneurial trend. It is therefore important to identify the distinctive factors influencing entrepreneurial activity of women residing in rural areas. Both entrepreneurship and the system of gender relations are usually believed to be locally embedded and specific to local institutional arrangements. In this way, it is important for policy-makers to understand the impact that the cognitive and the normative components of the institutional profile of rural areas are having on the entrepreneurial activity of rural women in Spain, in order to formulate support policies that are specific to their needs.

Rural women in Spain are found to be less negatively influenced than men by the fear of entrepreneurial failure (Driga *et al.,* 2008). This result is contrary to the general literature, which indicates that because of the stereotypic social images of the entrepreneur, the social consequences of

business failure should be harsher for women than for men. A potential explanation for the lesser impact of fear of failure for rural women in Spain could follow the lines of the hegemonic masculinity of rural settings argued by Campbell and Bell (2000), which gives social power to men and puts women in a subordinate position (Shortall, 1992), making the opportunity cost of creating a business far greater for men than women. As for the cognitive dimension, research indicates that being confident in one's own entrepreneurial skills has a positive effect on the probability of rural individuals to become entrepreneurs. However, this effect is lower in the case of Spanish rural women (Driga *et al.*, 2008).

The prevailing gender system and the level of gender equality differ from urban to rural locations and such differences should be taken in account. The importance of territorial distinctions, between rural and urban locations for the study of the determinants of the entrepreneurial activity of women has been demonstrated. The argument for such distinction goes far beyond the need of territorial specificity in the formulation and application of public policies to foster entrepreneurship. Policy efforts in rural areas of Spain must therefore be bi-directional. On one hand they should promote entrepreneurship to women in rural areas, by portraying entrepreneurship as a valid career choice for rural women and providing them with mentors and role models that can help boost their attitudes towards entrepreneurship and business creation. On the other hand, public policy efforts should also be made to restructure the system of gender relations in rural areas in order to change the general perception that Spanish rural society has of the role women play in rural areas.

Although within the national and regional rural policy statement documents a high priority is given to women, more has to be done on the cultural side to change the perception of their role. The existing rural policies being implemented across the Spanish rural territory address in a variety of ways, depending on the region, the need to promote entrepreneurship amongst women. Some of these programs do offer training and mentorship programs aimed at addressing the entrepreneurial self-confidence and capabilities of rural women. There is however still quite some work to be done in this sense in order to offset the established cultural framework. For the most part, the RDP of the different Spanish regions are maximising, within the guidelines established by the CAP, their efforts towards changing the general perception in rural areas of the role of women. At least on paper, it seems very encouraging that Spain's different regions, with very little variance amongst them, have recognized the importance of women within rural development and have included specific measure to fully integrate them within their development strategy. Although most regional RDP are oriented towards encouraging the greater participation of women and youth in agriculture and on-farm diversification, rather than direct entrepreneurial activity, it is

nevertheless an important first step to take towards reintroducing women as a foundamental piece of the rural economic development puzzle. It is now crucial that women are given as much importance during the application of the measures listed in the different RDP addressing women and economic development as they have had within the policy formulation process. The same should occur in the framework of the measures established in the broad rural policy programme at the national and regional levels.

… 2) *Specific support to sectors with high potential, such as rural tourism…*

Spain is today the country in the world that receives the greatest number of international tourists as a percentage of total population (Frances, 2007a). Tourism is a worldwide booming industry. The WTO estimates that international tourism arrivals will rise from 700.6 million (2000) to almost 1.561,1 million tourists by 2020. Traditionally, tourists came to Spain mostly for what is called "sun and beach' holidays", but many new alternative forms of tourism have recently been developing throughout Spain. These are characterised by a much greater geographical dispersion than what had traditionally been the case under "sun and beach". Important new types of tourism that have been rapidly expanding in Spain are *rural* and *agro* tourism. These new forms of tourism are having a significant impact on the economic and social development of Spanish rural areas.

Tourism activities have stimulated economic activity in many rural areas that often were struggling under diminishing returns to traditional activities. Specifically, agro-tourism, and especially on-farm rural accommodations, have become an important complementary income source for Spanish farm households. In certain regions this alternative income source, which helps diversify the revenue base of farm households, has surpassed agriculture as the main income generating activity of the family. Consequently, this has also helped introduce new employment opportunities in rural areas. Although these service industry jobs are often labelled as low quality and highly seasonal employment, in many of Spain's rural areas they are providing work for women and youths who would otherwise have very little local employment opportunities. High quality, high skilled job opportunities would most likely exclude and further marginalise these two groups. The growth of tourism in Spain's rural areas has also stimulated a greater level of local entrepreneurial activity. In fact, women have had an important role in rural areas as promoters of tourism related business ventures. This has somewhat eased the economic situation of rural women, which will be addressed further in this chapter.

On the other hand, the boom in rural tourism activities has also had some negative economic consequences. One of the most apparent downfalls has been the inflationary pressures in certain rural areas that have seen a major

influx of tourists. This has affected the price of food and the cost of many services in rural areas. But most dramatic has been the increase in housing costs. In some extreme cases, especially in mountainous and coastal regions where there has been an important rise in demand for secondary housing, local residents have been crowed out of their towns by new seasonal residents. This brings about a related problem that has negatively affected rural areas; that of uncontrolled land speculation. Land and housing prices have multiplied in recent years, often several times over, in many Spanish rural areas experiencing strong pressures from tourism. Due to the high benefits that spilled over to the construction industry, many rural municipalities in Spain have not resisted the pressures to make greater and greater amounts of land available for housing purposes. This has often been at the cost of local natural, agricultural, and cultural resources.

From the social point of view, tourism in rural areas has helped break down the isolation and psychic distance that many Spanish rural areas were confronted with. The interaction with tourists, both domestic and international, helped to break down previously existing stereotypes and cultural barriers. The interactions between locals and tourist often lead to exchange of information and perceptions that provide mutual enrichment. In fact, rural tourism in many cases has helped to place value on local culture and traditions that had previously been frowned upon. This in turn has significantly helped in reintroducing sentiments of local pride and identity with the residents of rural areas in Spain. There are important on-going efforts throughout rural Spain to revitalize local traditions and heritage and exploit these as resource strengths for the region, instead of seeing them as signs of backwardness as was once perceived. In many cases, the rise in rural tourism has also brought along important infrastructural investments that have improved local facilities and services. With the greater entrepreneurial activity that has built on the increased demand generated from the wave of tourists, local quality of life has also been positively influenced through the growing availability of a more diverse supply of goods and services.

On the negative side though, certain local residents often complain of the resulting loss of local identity and values as tourist tend to outnumber and crowd out local residents in certain rural areas. These places are sometimes left as off-season ghost-towns. Many of the supplied goods and services during peak seasons are often unavailable for the rest of the year, creating a sense of deprival amongst local residents. Apart from private initiatives, efforts to keep many of these services available year long goes beyond the financial capabilities of most rural local administrations (Frances, 2007b).

The general balance in the impact of tourism in rural areas of Spain is highly positive. The industry today is slowly maturing. Chapter 1 evidenced the growth in both demand and supply as well as in the opportunities that the

industry still has in terms of utilised capacity. Differentiation is on the increase amongst operators, and one cannot talk of a uniform Spanish rural tourism industry anymore. There are many different qualities and categories on supply that cater to many different segments of the global population. There is a wide variety of complementary products and industries that have developed around rural tourism. These are often locally based and promoted. Today the Spanish rural tourism industry is relatively well structured with its own representative associations and quality control mechanisms. It is important to highlight that it also provides up-to-date information about the sector, with the annual survey of rural tourism, which does not exist in most countries.

Policy support for rural tourism in Spain was originally directed towards compensating for the many market failures in rural tourism activities. Because of the small scale and dispersion of the operators, they lacked financial, promotional and marketing capacity, along with key skills needed to increase the value of their ventures. Policy interventions, and especially the LEADER and PRODER initiatives, have played an important role in assisting rural tourism operators to join together through associations that helped them to successfully organise and promote their industry.

Policy intervention related to rural tourism should now gradually transfer its attention towards a new set of priorities. It should: *i)* concentrate on providing better information and communication capacity to rural tourism operators; *ii)* help reduce the high seasonality that affects rural tourism activities in most regions; *iii)* collaborate with the industry in order to find formulas to improve the working conditions within the sector; and *iv)* assist operators to further differentiate their services and increase their competitiveness.

At this stage quality and the ability of regions to absorb the benefits of tourism should be prioritised over quantity. The Spanish rural tourism industry, often as a result of involvement with LAGs and community planning efforts, has come to recognise that the industry must shift its emphasis from growth in quantity to growth in quality. The LEADER initiatives in Spain have strongly promoted the establishment of networks and associations for rural tourism operators, and consequently the industry and its associations have been very active participants with the LAGs. As a result, the industry has easily understood the importance of not saturating the capacity to absorb tourists by rural communities, but on the contrary reaching a critical mass that would best enable local communities to take full advantage of the generated income flows. Policy makers now need to come to the same conclusion, and in many Spanish rural areas avoid purely quantitative policy indicators that place undesirable pressures that can lead to the oversaturation of the industry.

… rural manufacturing clusters…

Manufacturing industrial districts located in rural areas can represent a lever for rural development. Recall from Chapter 1 that, IDs are present in two-thirds of rural areas in Spain, employ as many as 340 000 persons, and it is empirically confirmed that predominantly rural areas having IDs grow faster than the rest of rural areas. The three dominant specialisations of IDs in rural areas (which employ 78% of employment in IDs in rural areas, some 208 000 jobs) are Housing goods (18 IDs and 36% of employment, 95 000 employees), Textile and clothing (15 IDs, 26% of employment, 68 000 employees) and Food and beverage industry (8 IDs, 17% of employment, 44 000 employees) (see localisation and further details in Section 1.2.3 in Chapter 1). These industries have deep roots in the rural economy, particularly the Food and beverage industry, that is closely linked with primary agriculture, and as is evidenced in Chapter 1, has been responsible in part for the significant increase in total agricultural production, its sophistication and specialisation in some regions. The existence of IDs in rural areas and their positive behaviour, exceeding the average growth of other local labour markets in rural areas, suggest that their characteristics and performance can be used as an additional tool for the development of these areas.

Previous experiences with policies on IDs in Spain are scarce. The regional government of Valencia started in the 1980s a program of a network of technological centres to support innovation in districts. Although these centres are still active, the general impression is that many of the centres have failed in transferring technology to the territory and their situation is now worse due to a reduction in funds. The first versions of the map of IDs served as guidance for Spanish industrial policy, which, on the basis of EU recommendations (COM 2005-121; COM 2005-488), consists of a set of measures and laws centred on so-called Innovative Business Groups' (MITYC Order ITC/2691/2006 and Order ITC February 2007). These measures reconcile industrial policy with innovation and the territory by starting from a comprehensive label which covers IDs, territorial clusters and other types of territorial industrial business networks. The bottom-up approach developed by the Spanish Ministry of Industry, Tourism and Trade, where the map is only for guidance, creates the institutional framework, while it allows local agents or self-defined territories to decide their final inclusion on the basis of a non-rival procedure. It is still early to evaluate the results of these policies. However, from the data of the first years, it is possible to know that agents located in rural areas have not intensively used the possibilities of this policy and most of the demands proceed from non-predominantly rural areas.

Based on the experience of other countries and on the general theory of IDs a number of considerations have to be made for the new framework of rural policy to take into account:

- **IDs cannot be artificially created.** Thus, policy should rely on fostering the dynamic behaviour of the existing districts and take advantage of their expansive effects. However, efforts undertaken to strengthen the diversification of rural areas should try to build on the existing specialisations within the region and promote an environment of collaboration and competition to allow existing IDs and potential new IDs to grow, further specialise and become more internationally competitive.
- **IDs tend to be specialised in light and mature industries.** From a traditional point of view based on the sector, this could be interpreted as a sign of vulnerability in the face of emerging countries in the EU and especially with IDs that are competing in similar products as China, India and Brazil. However, it must be noticed that the product or products produced by the ID are a mere form of expression of the local economy in markets. The true competitive advantage of IDs is their genetic ability to respond to rapid change as their social and productive structures are flexible and innovative (social flexibility and social innovation). In fact, IDs are the most innovative LPSs in the Spanish economy regarding the per capita production of patents and utility models, industrial designs, and number of requests for funds for innovation. From this point of view, the threat does not come from the external competitors but rather from the atrophy of local innovative capabilities. Therefore, policies should be conducive to strengthen the innovation capabilities of the regions and support the creation and transfer of new knowledge.
- **Diversity suggests an adaptive framework for bottom up policies.** The particularity of IDs in terms of dominant specialisation, complementary specialisations, location, size, natural and infrastructural endowments, etc. makes each district different from the rest. Thus, based on the district's theory and previous experiences of policy, a common top-down policy for districts in rural areas would not be advisable. Each region therefore must create an interactive dialogue with the IDs identified in their region and elaborate a strategy that could better support the needs of the local economy. This strategy could be included in the broad regional rural development programme and should be inclusive to many local actors, including higher education institutions, the public sector, and local associations.
- **Greater coordination between rural policy and industrial policy is desirable.** The current policies of the National government on rural areas and on IDs are independent and lack coordination. However, the flexible framework provided by the Ministry of Industry in its policy on "Innovative Business

Groups" (MITYC Order ITC/2691/2006 and Order ITC February 2007) allows industrial policy based on districts and clusters as a part of rural policy. The new institutional framework for rural policy which considers coordinated multi-sectoral interventions for increasing the competitiveness and diversification of rural areas should be a base for greater coordination. This is true also at the regional level. The concentration of IDs in three areas of Castile la Mancha, for example, evidences the importance of coordination of industrial policy with rural and regional policy as many competences on industrial policy directly affecting IDs and on rural policy have been transferred to these regions.

… and knowledge intensive service activity firms (KISAs)

Rural Spain has experienced an important growth in the number of newly created KISAs. In fact, although they only represent 3.5% of all new KISAs, the proportion of these firms located in rural areas is increasing at a relatively greater rate than what is being experienced in urban areas of Spain (Serarols *et al.*, 2008). Although this new phenomena is concentrated in rural areas that can be qualified as easily accessible and within the parameter of influence of populated metropolitan areas, it is worth highlighting that, contrary to tachnology-based manufacturing, KISAs tend to spread much more widely across Spain's rural territory.

Such growth is linked with the interest of entrepreneurs to live in community and have high quality of life. A study by Vaillant *et al.* (in press), analysing the location and geographic dispersion of technology-based entrepreneurship in Spain in order to determine the variables that influenced their location decision, has found that the desire to live in the community' and the fact that the entrepreneur already lived in the area' both result as the most important influences guiding their choice to locate their technology based venture in a rural area. Contrary to a good part of the literature, the findings from this study would tend to indicate that the location decision of technology-based entrepreneurship in rural areas is not the fruit of calculative and rational economic thinking, nor is it apparently swayed by the potential benefits that may come from institutional spillovers or from public incentives. Rather, the conclusions coming from the sampled Spanish entrepreneurs point towards a decision making process that is much more emotional and revolves around the entrepreneurs' own desire to establish residence or remain part of the rural communities where they have located their businesses. Similarly, Serarols *et al.* (2008) have found through a qualitative analysis that in the case of rural Catalan technology-based firms, the search for a specific life-style and quality of life seemed to dominate the business location decision-making process.

Therefore rural policy should put emphasis not only on supporting individual projects, but on providing rural areas with adequate amenities. This contrasts with the orientation that many policy makers have taken in order to help encourage greater value added entrepreneurship in rural areas. According to these findings, the current institutional efforts in Spain that attempt to stimulate technology-base entrepreneurship through incentives or infrastructural investments should be complemented by placing greater emphasis on giving rural areas adequate amenities that can improve living conditions, increase local quality of life and make rural communities more desirable places for entrepreneurs and their employees to live. Past studies have already pointed at the important influence of life-style and behavioural factors upon the entrepreneurial decisions of rural businesses in the Spanish region of Catalonia (Viladomiu *et al.*, 2004).

Territory has become a key element for local endogeneous growth. Economies, apart from globalisation, also tend towards regionalisation. The objective of making the territory an aspect that favours innovation and knowledge intensive business creation consists of establishing an attractive environment which will not only tolerate, but stimulate, creativity, encourage the generation and transmission of information and new knowledge, as well as attract both professional, cientific and entrepreneurial talent (Veciana, 2007). Consequently, public policy aiming to promote innovation and entrepreneurship must also center on territory as a relevant policy tool.

… 3) *The role of financial institutions in rural development*

Spanish rural areas benefit from comparatively good access to credit and banking facilities. The locally based network of Spanish savings banks (*cajas de ahorro*), which were created by law under the Government of Franco as locally based institutions, survived the transition to democracy and have been maintained despite the strong growth of the savings bank industry and financial industry in the last decades. These national savings banks usually operate as social foundations that reinvest their profits in local social and cultural causes. Today some of these savings banks have grown to compete amongst the top financial institutions of the country. Although the financial influence and might of savings banks in Spain are part of the backbone of the Spanish economy and at the center of the country's financial power, they nevertheless have mostly maintained their decentralised network of offices throughout the territory. Financial cooperatives and credit unions are also a familiar sight in many Spanish rural towns. This is an important strenght that rural policy should take into account.

The Spanish network of saving banks has close to 23 000 branches throughout the Spanish territory, 26% of which are in municipalities with less than 10 000 inhabitants. This proportion is even larger than the proportion of

population living in these municipalities 22%, which evidences their strong specialisation in the rural environment. As a consequence, penetration of financial services in localities of low income per capita and population in Spain is much higher than that of comparable European countries such as France or Italy. The profile of the typical user of *Cajas de Ahorro* is usually woman, (often migrant) aged of 35 years with a clear idea of business in small scale, asking for a credit of EUR 9 000 to start her businesses, mainly in the service sector.

The number of financial offices per inhabitant in Spain is actually found to be somewhat higher for municipalities with smaller populations. This is mainly due to the maintenance of a critical mass of offices by savings banks and credit unions in rural areas. Whilst private banks have been reducing the number of branches that they have in rural municipalities over the last five years, this decline has been more than compensated by the significant increase in the presence of savings banks and financial cooperatives in rural towns.

Financial intermediation, like all the institutions oriented for rural areas, have had a strong bias towards agriculture. Several recent empirical investigations into entrepreneurship in rural areas of Spain have concluded that access to finance was not a constraint to entrepreneurship or business growth (Rosell *et al.,* 2004; Viladomiu *et al.,* 2004). However, most of these financial institutions have historically had a bias towards farm-based clients and their ventures or investments. This does not mean that the savings banks would only provide finance for agricultural based enterprises, but rather that the individuals that were being financed for non-agrarian ventures would usually have previous ties with the bank based on other agricultural financing arrangements.

The agrarian focus of Spanish savings banks in rural areas is however undergoing a process of change. Some of the leading institutions are beginning to realise the potential of rural entrepreneurs and are adapting their financial products in conscequence. This has mainly come about from the realisation on the part of some of the rural financial institutions that agrarian activity is no longer the primary economic activity in rural Spain. Some of Spain's leading savings banks are currently in the process of reorganising their agricultural' departments, that were previously oriented towards developing financial services and managing public transfers for the agricultural sector, into "rural" departments that are better aligned with the new business framework in rural areas (LaCaixa, 2008b).

The experience of the *Cajas de Ahorro* in Spain illustrates that strong links with government and non-governmental actors can help financial institutions to adapt to local needs and opportunities and thus have a positive impact on local businesses. Also, reinvesting profit in local projects by Saving Banks often proves to be a fundamental source of funding for soft and hard infrastructure development. The financial resources redistributed to the society by Spanish Saving Banks in recent years has exceeded support from the European Union. (Moraleda F./CECA, 2007)

Table 3.1. **Number of financial offices by size of municipality and region**

Municipalities of:	Population 2007	Financial offices	Financial offices/inhab.	Banks	Savings banks	Credit union/coops	Variation			
							Financial offices	Banks	Savings banks	Credit unions
Less than 2 000[1]	1 331 394	1 901	0.0014	350	1 120	431	17	–72	78	11
2 000 to 5 000	3 213 931	3 512	0.0011	1 045	1 800	667	220	–15	202	33
Less than 5 000[1]	4 545 325	5 413	0.0012	1 395	2 920	1 098	237	–87	280	44
5 000 to 10 000	3 792 020	3 480	0.0009	1 287	1 741	452	378	88	238	52
Less than 10 000[1]	8 347 340	8 898	0.0011	2 683	4 663	1 552	615	1	518	96
ACs										
Rioja (la)	308 968	484	0.0016	124	303	57	61	5	39	17
Cantabria	572 824	495	0.0009	222	256	17	46	5	32	9
Navarre	605 876	706	0.0012	229	290	187	34	2	9	23
Balearic Islands	1 030 650	1 241	0.0012	565	647	29	161	49	109	3
Asturias	1 074 862	956	0.0009	451	373	132	88	–31	84	35
Extremadura	1 089 990	1 193	0.0011	413	624	156	51	–11	34	28
Aragon	1 296 655	1 787	0.0014	420	910	457	151	10	108	33
Murcia	1 392 117	1 326	0.0010	365	706	255	245	61	169	15
Castilla-La Mancha	1 977 304	1 978	0.0010	479	1 054	445	242	44	170	28
Canary Islands	2 025 951	1 440	0.0007	597	704	139	360	117	211	32
Basque country	2 141 860	1 923	0.0009	772	797	354	223	57	103	63
Castilla y Leon	2 528 417	3 143	0.0012	970	1 721	452	316	9	276	31
Galicia	2 772 533	2 507	0.0009	1 240	1 221	46	170	–11	177	4
Valencia	4 885 029	4 963	0.0010	1 721	2 398	844	905	244	525	136
Madrid	6 081 689	5 886	0.0010	2 585	3 189	112	1 137	392	693	52
Catalonia	7 210 508	8 103	0.0011	2 403	5 561	139	914	208	696	10
Andalusia	8 059 461	6 911	0.0009	1 966	3 816	1 129	1 299	317	825	157

1. Data for municipalities under 1 000 inhabitants was unavailable.

Source: LaCaixa (2008a), *Spain Economic Yearbook 2008*, Study Services.

Financial institutions can play more than one role in the diversification of the economic fabric of Spanish rural areas. Savings banks, credit unions and banks in general not only can influence the orientation of investments and help aliviate the financial obstacals that entrepreneurs and small business owners often face in rural areas, but can also become active social promoters of entrepreneurship and help establish a local entrepreneurial mindset. The new rural policy framework should involve financial institutions as critical partners in the development of rural areas. Financial institutions should be encouraged to play a more active role as an institutional member of rural communities. They can get better atuned with the developmental needs of the community and improve their integration within their rural society beyond agriculture. They can also provide financial and technical knowledge in rural areas, as well as advisory services and expertise to their communities. Finally, financial institutions can also influence attitudes towards entrepreneurs and entrepreneurship, breaking local fears towards entrepreneurial failure, helping portray entrepreneurs as role models and entrepreneurship as a socially desirable local career option. Public administrations should invite financial institutions to play a greater role within the implementation of the LDSMR, giving them voice in the MADR and promoting greater involvement and collaboration, from both an advisory and financial management stand-point, with the LAGs. Examples of this broader type of support exist within Spain (Box 3.7) and should be supported and complemented by the public sector.

Box 3.7. **Initiatives of Spanish banks and savings banks for rural entrepreneurship**

LaCaixa, one of Spain's leading savings banks, recently set itself the social objective to "develop the rural territory with the aim of maintaining the rural population as well as providing inhabitants with a standard of living similar to that of urban areas". The bank believes it can contribute to achieving this objective in an economically viable manner by playing an active role in promoting entrepreneurs and entrepreneurship development in rural areas through five main policies: *1)* a campaign to promote investments in rural areas that can be carried out by entrepreneurs and small business owners; *2)* by entering into agreements with LAGs not only to become active members of these groups but also to offer advisory assistance and potential support through the institution's foundation; *3)* through its new "*Microbank*" that will award micro-credits to people at risk of social or financial exclusion and to groups with limited or unfavourable resources; *4)* by becoming an active member of the rural development foundation and think tank "*Fundacio del Mon Rural*" (FMR); *5)* by entering into a collaboration agreement with the MARM in order to coordinate the bank's activities in rural areas with those of the ministry.

Box 3.7. **Initiatives of Spanish banks and savings banks for rural entrepreneurship** *(cont.)*

Banesto, one of the largest and most important financial institutions in Spain, counts with programmes such as BANESPYME which provides tailor-made assistance to small and medium sized rural enterprises and enhances their capacity to innovate (*Banespyme Innova*) and export (*Banespyme Exporta*). They have also introduced Venture capital to the rural environment providing support to identified innovative rural start-ups with funds such as "*Fondo de Capital Riesgo Banesto ENISA Sepi Desarrollo*" which counts with more than EUR 30 million. Examples of rural businesses supported with this fund are Cerezas Marcoserrano and E-CulturaNet in the region of Extremadura.

The "social role of Spanish savings banks". While the main specialisation of Spanish savings banks is micro-credit granted mainly to promote self-employment and creation of micro-enterprises, their role in rural development extends from the typical financial support:

- **Special financing:** social housing, land ownership, SMEs, employment and entrepreneurship.
- **Support to local development:** association for mutual guarantee, association for industrial development, enterprise cooperation, futures market, programmes of local initiatives and venture capital.
- **Specific collaborations:** special agreements, CAP subsidies administration, insurance and travel, services to migrants, LEADER (and PRODER) programmes.
- Through the programme CRECE/EOI they have advised 24 770 participants in training and managed 20 000 projects of business creation or consolidation of enterprises. They have also participated in close to 140 017 "social projects" with an investment of EUR 1 338.5 million, from 1999 to 2006.

Sources: LaCaixa (2008b); García Cantera/Banesto (2007); and Moraleda, F. (2007).

Box 3.8. **Summary of recommendations on diversification and competitiveness of the rural economy**

- Include **entrepreneurship promotion** as an integral part of any rural development plan, adapting traditional entrepreneurship support policies for rural areas, taking advantage of the stronger network that community represents, providing training and knowledge about the different sectors, considering that many of them are new in rural areas, and promoting a cultural change more favorable to entrepreneurship.
- Entrepreneurship support policy in rural areas should lay the grounds for a greater social interaction on the part of existing entrepreneurs, promoting networking possibilities with potential entrepreneurs, magnifying the role

Box 3.8. **Summary of recommendations on diversification and competitiveness of the rural economy** *(cont.)*

of the entrepreneur in the community, as well as socially celebrating the entrepreneurial successes of existing rural entrepreneurs.

- Promote **changes in the rural educational system**, starting at the primary, secondary and professional levels, in order to change the perceived social function and image of the entrepreneur, increase the receptiveness to change and risk assertion. It must instigate a society that is more proactive and is able to assume greater levels of self-initiative
- Entrepreneurship policy for rural areas should **take advantage of the LEADER/PRODER experience** and promote greater involvement of LAGs in identifying and supporting entrepreneurs. Projects that have large potential could be further supported by other regional or national instruments. Greater interaction between schools in rural areas and rural entrepreneurs and LEADER groups could facilitate the creation of projects by students or the participation in ongoing projects oriented for the rural community.
- Promote **women entrepreneurship** by portraying entrepreneurship as a valid career choice for rural women and providing them with mentors and role models that can help boost their attitudes towards entrepreneurship and business creation, and by restructuring the system of gender relations in rural areas in order to change the general perception that Spanish rural society has of the role women play in rural areas.
- Policy intervention related to **rural tourism** should now gradually transfer its attention towards a new set of priorities. It should: *i)* concentrate on providing better information and communication capacity (IT) to rural tourism operators; *ii)* help reduce the high seasonality that affects rural tourism activities in most regions; *iii)* collaborate with the industry in order to find formulas to improve the working conditions within the sector; and *iv)* assist operators to further differentiate their services and increase their competitiveness.
- Foster the dynamic behaviour of the existing **industrial districts** (IDs) and take advantage of their expansive effects. Build on the existing specialisations within the region and promote an environment of collaboration and competition to allow existing IDs and potential new IDs to grow, further specialise and become more internationally competitive. Place the priority upon strengthening the innovation capabilities of the regions and support the creation and transfer of new knowledge.
- Facilitate an interactive dialogue with the IDs identified in each region and elaborate an strategy that could better support the needs of the local economy. This strategy could be included in the regional broad rural development programme and should be inclusive to many local actors, including higher education institutions, the public sector, and local associations.

Box 3.8. **Summary of recommendations on diversification and competitiveness of the rural economy** *(cont.)*

- **Improve rural amenities** so as to improve living conditions, increase local quality of life and make rural communities more desirable places for entrepreneurs and their employees to live.
- Take advantage of the strong dispersion of branches and wide accessibility to **financial services** and involve financial institutions as critical partners in the development of rural areas, providing financial and technical knowledge as well as advisory services and expertise to their communities. They should also influence attitudes towards entrepreneurs and entrepreneurship, and help portray entrepreneurs as local models and entrepreneurship as a socially desirable local career option.

3.3. Fostering rural-urban linkages and balanced development of periurban areas

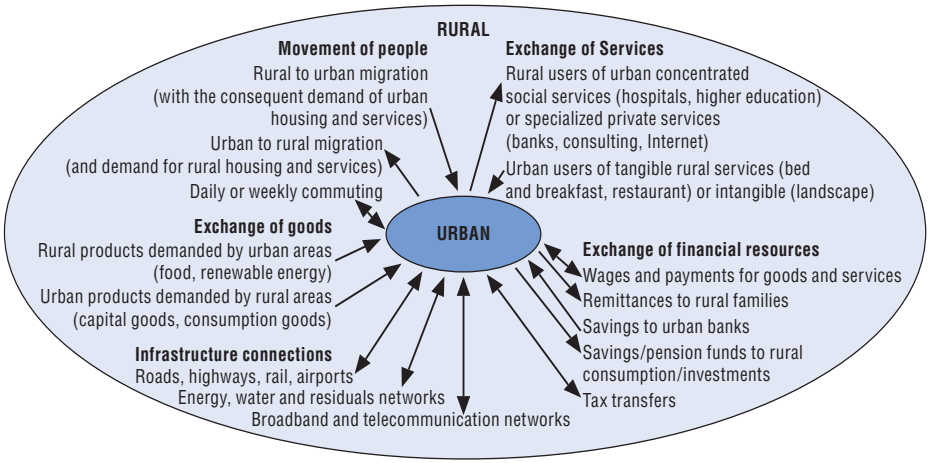
Given its territorial configuration, an increasingly important element for rural policy in Spain is addressing rural-urban linkages…

"Rural-urban linkages" are the array of relationships between urban and rural populations, assets, and markets. These linkages comprise the movement of people (rural-to-urban and urban-to-urban migration and commuting), the exchange of services (rural users of services and public goods concentrated in urban areas, and urban users of services and public goods in rural areas), the exchange of goods (rural products demanded in urban areas and urban products demanded in rural areas), the exchange of financial resources (wages and payments for exchange of goods and services, remittances and savings/pension funds sent to rural areas, rural savings in urban banks and tax transfers) and the infrastructure that connects these two types of areas (roads, highways, rail, airports, energy, water, and residuals networks and flows, broadband and telecommunication connections), (Figure 3.3). All these relationships have become more intense over the past few decades, and Spain is not an exception of this trend.

… which are more explicit and extreme in periurban areas

Periurban areas are transition spaces characterised by complexity both in territorial and in social processes. Located on the edge of cities, these areas play a key role both for urban and rural areas. They have significant influence on the quality of life of urban areas. They are also areas where relationships between rural and urban cultures are more intense because they are directly impacted by the dynamics of urban society. Periurban areas are the usual

Figure 3.3. **Rural-urban linkages**



Source: Pezzini and Ardavin (2008).

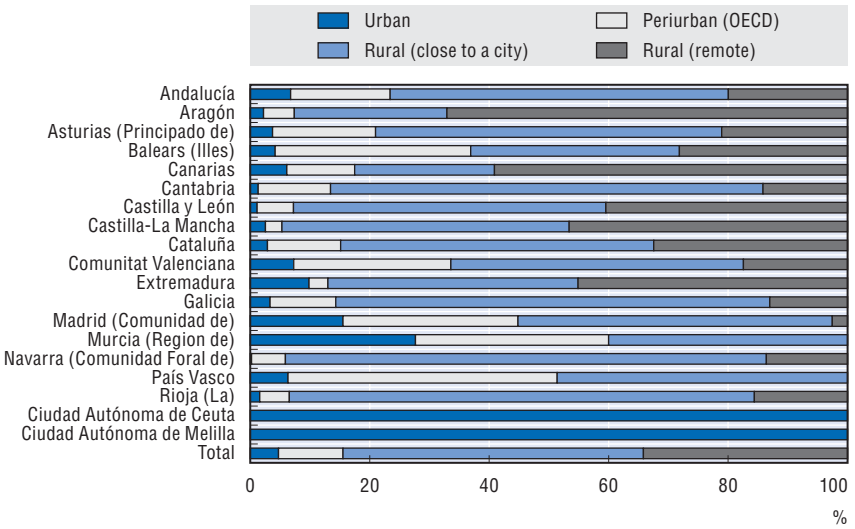
scenario for urban growth. Due to their mixed rural and urban character, periurban areas are the best laboratory for innovative policies regarding both economic diversification and territorial management.

The territorial configuration of Spain makes the attention to periurban areas indispensable. Chapter 1 noted that the urban population of Spain is strongly concentrated in specific areas of the country, mainly along the Mediterranean coast, some areas of the Atlantic coast, and a small number of cities in the interior. The 22 most populated counties have 50% of the population and only 7.9% of the land. Urban areas are spreading, their population is increasing, and their employment is shifting to service industries. As a consequence, increasing amounts of land are dedicated to industrial, commercial, and leisure areas as well as transport infrastructures. The urban extension to periurban areas and the growth of suburbs is a key issue for Spanish development because, over the last decade, the Spanish economy has shown great dependence on building sector activities. As a consequence, the extension of periurban areas has grown significantly while the urbanisation process has intensified.

Periurban areas represent a significant portion of some autonomous communities. Two ACs, Murcia and Basque Country do not have remote rural areas. They are fully configured as regions with cities and periurban or accessible rural areas (The two autonomous cities in the north of Africa, Ceuta and Melilla could be added although they constitute very specific city-regions). Madrid is obviously another case, although the surrounding mountains make some regions relatively remote. However, it shares with

Murcia and the Basque Country the fact that more than 40% of its land is either urban or periurban. Catalonia is also a relevant case, more for its concentration of population than for the territorial coverage of periurban areas. This AC is predominantly urban but it has most of its population concentrated in a narrow strip of the coast and in the periphery of Barcelona. Therefore urban and periurban areas only occupy 15% of the land and the remaining zones are rural areas close to a city (52%) and remote rural (33%). A similar case can be found in Madrid. In these regions with the strong presence of a big city, accessible rural areas have the same characteristics as periurban areas close to small cities under 100 000 inhabitants. On the other extreme, the regions with lower relevance of periurban areas are Aragon, Castilla y Leon, Castilla la Mancha, Extremadura, and Canary Islands (because of the distance between islands). All of them have more than 40% of their territory in remote rural areas.

Figure 3.4. **Urban, periurban and rural areas by region**



Source: OECD, based on INE, 2001 Census data; OECD and UE methods.

Rural-urban linkages have intensified significantly in periurban areas over the last decades. Better infrastructure,(reducing access time to the city centre), information technologies, (making distance less important for personal and commercial transactions), new working habits, and increased interest for spending leisure time outside congested cities are some of the causes of the intensification of rural-urban linkages. The following factors are

examples of rural-urban linkages in periurban Spain that have established themselves over the last decades:

- **Increasingly related rural and urban job market.** A large part of the population living in periurban and accessible rural areas has its employment in urban areas. These relationships can be observed in Table 3.2, which shows movements between urban areas and their surroundings in Madrid and Barcelona. Some 17.5% of the rural active population and 38.4% of periurban workers work in urban areas. To the contrary, 19.7% of Madrid and Barcelona's total work-force works outside urban areas. Up to 32.6% of jobs in municipalities with less than 1 000 inhabitants are covered by workers from urban areas and 12.8% from periurban areas.

Table 3.2. **Size of municipalities where population of Madrid and Barcelona live and work**

Percentages

	Less than 1 000 inhab.		Between 1 000 and 10 000 inhab.		Between 10 000 and 50 000 inhab.		More than 50 000 inhab.	
	Pob	Workers	Pob	Workers	Pob	Workers	Pob	Workers
Urban area	0.0	0.3	0.0	2.3	0.0	17.1	100.0	80.3
Periurban area	0.4	0.4	28.2	15.5	71.3	45.7	0.0	38.4
Rural areas	7.4	4.7	44.8	32.7	47.9	45.1	0.0	17.5

Source: INE, 2001 Census.

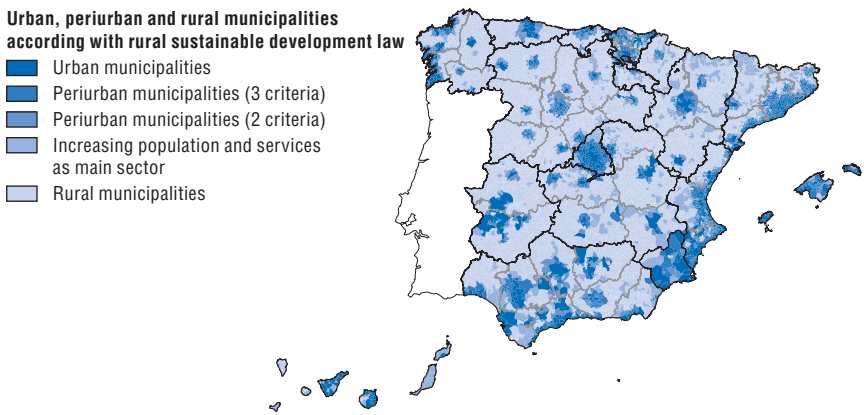
- **In terms of migration and urbanisation, periurban environments play a mediating role between the rural and the urban.** Young adults in Spain are moving to periurban areas from both urban and accessible rural areas. There are relatively few population movements from rural areas directly to cities. These movements take place, rather, over short distances, passing first through county centres and then to periurban locations. Most of the new urban labour force has taken residence in periurban areas, as have many foreign migrants working in both rural and urban areas.
- **Increased motor traffic flows between the city and periurban areas.** Radial highways in Madrid and Barcelona experience a rapid fall of traffic intensity once they reach some 20 km out of the city. This traffic originates or ends in periurban areas and is related to daily movements of workers and services.
- **There are intense flows of goods between urban areas and rural areas.** Urban areas act as supply centres of their surroundings. Between 50% and 60% of road freight out of cities go to periurban areas. At the same time, rural areas send most of their food supplies destined for urban supermarkets to distribution centres located in the suburbs of cities.

- **Recreation and leisure demands from urban areas**. Periurban areas have become popular leisure destinations. They often have the capacity of offering certain leisure and tourism activities such as sports, wilderness, and gastronomy in a more accessible and short-term format. As an alternative to tourism activities in rural areas, periurban leisure activities offer urban residents many recreational possibilities without requiring overnight accommodation.
- **Increased connectivity and similar cultural behaviour.** Better transport networks and greater interaction amongst urban, periurban, and rural populations have greatly reduced not only the physical distance but especially the psychic distance that once separated these areas. The influence of mass media and more intense relationships between rural and urban areas due to the economic diversification of periruban and rural areas have led to a much more homogenised cultural identity across all areas.

The new rural policy should focus specific attention to the challenges of periurban areas…

The new Law of Sustainable Rural Development (LSDS) defines periurban areas and dedicates the design of specific measures for them. The LDRS defines periurban rural areas as those with growing population, predominantly service jobs, average or high income levels, and located in the surroundings of cities or urban areas. It is up to the regional administrations to delimit these areas and to differentiate them from the two categories (revitalisation and intermediate rural areas). If all the criteria considered in the law are used,[8] the resultant map of periurban municipalities would look like Figure 3.5. The correspondence

Figure 3.5. **Periurban areas according to the criteria of the LDRS**



Source: OECD, based on INE 2001 census.

between this classification and the one of the OECD shown in Chapter 1 is substantial.[9]

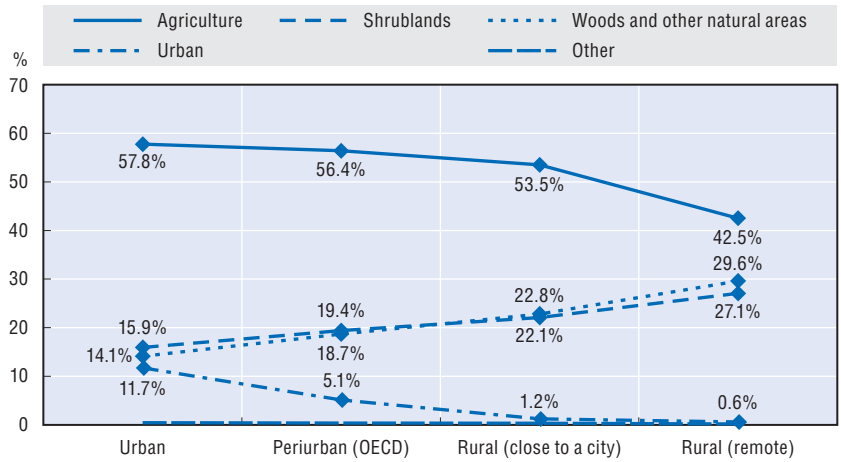
Answering the challenges of rural areas should not limit rural policy from addressing issues specific to periurban areas. While it is understandable that most of the support and attention of the broad rural development programme (PDRS) be devoted to priority rural areas, it is important that the programme provides long term solutions to the rapidly changing periurban areas. Among the issues that should be considered are: *i)* the changes in land use and the importance of periurban areas for tidy urban development, including industrial, commercial, and infrastructure developments; *ii)* the higher demand for public services as these areas develop; *iii)* the particular governance dimension of periurban areas and the need for a better planning in coordination with cities; and *iv)* the significance of periurban areas as a laboratory for innovative rural policies.

… with specific attention to: 1) *Changes in land use…*

Spain has experienced important changes in land cover over the last 10 years. As a result of the construction boom urbanised areas have grown by 22.5%. Most of this growth (756 km^2) has taken place in periurban municipalities. The cause is not only the increase of residential area but also of industrial and commercial areas, which have grown by 57%. Land occupied by infrastructures has grown by 97%. The construction industry in Spain has experienced tremendous growth over the last decade. In 2007, construction represented 11.5% of GDP in Spain, as compared to 5.6% in EU15 zone. Construction was also responsible for 14.9% of GDP growth between 1995 and 2007 (6.4% in EU15 zone). Therefore, policies affecting the construction industry have great influence on city sustainability and peripheral land management and are a key issue for urban development.

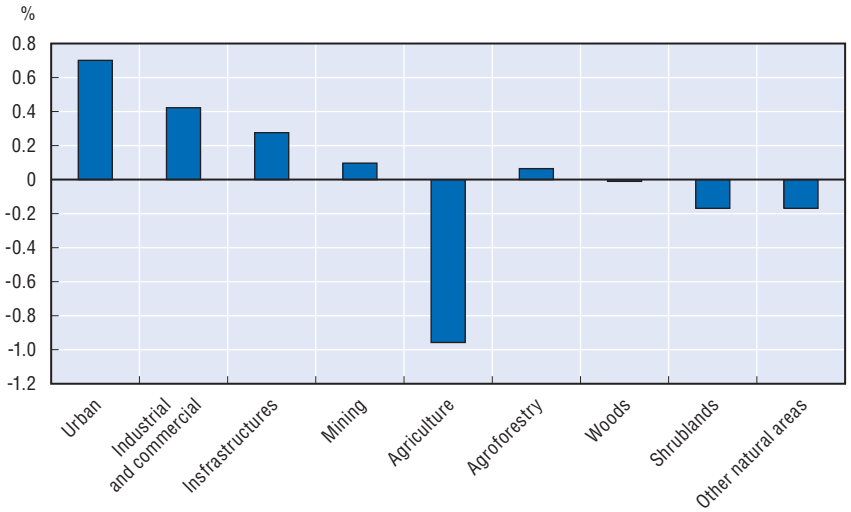
The increase in urbanisation has mostly affected agricultural land. While the proportion of wooded and other natural areas have remained quite stable, urban growth has encroached upon agricultural land. Generally, construction has occurred on what was previously extensive agricultural land but in some areas irrigated land was also transformed. This is especially the case in areas of the Mediterranean coast where tourism prevails. In Madrid, according to the Agrarian Statistical Yearbook, cultivated area was reduced by 9% whilst land for urban development grew by 12% between 1999 and 2006. Urban and, above all, infrastructural pressure has produced fragmented farms. Therefore, the number of farms over 500 hectares in Madrid and Barcelona has decreased. The opposite trend is being experienced in non-peripheral rural areas.

Figure 3.6. **Evolution of residential, industrial, commercial zones and infrastructures by type of area**



Source: OECD, based on CORINE Land cover.

Figure 3.7. **Land cover changes in periurban areas 1990-2001**



Source: OECD, based on CORINE Land cover.

... and the territorial balance of urban sprawl with natural and agricultural land...

Urban and periurban areas should work as a coordinated system. Most urban sprawl takes place in periurban areas. Therefore, land management in periurban areas has important consequences for the sustainable evolution of

cities. Lack of land use planning in Spain has influenced how urban and periurban areas work as a system and how they build relationships with rural areas. A balanced development model would improve exchanges between urban, periurban, and rural areas. Benefits could therefore be derived from urban spread with citizens taking advantage of their environmentally and culturally preserved surroundings. Policy should maintain well-conserved areas to improve the quality of life and strengthen the relationship of the city with close periurban and rural areas. This will contribute to better and more natural development possibilities for surrounding areas.

The environmental value of periurban areas should be recognised. Although, periurban areas are usually considered environmentally degraded areas, they do have environmental value. Almost all big Spanish cities have valuable environmental spaces close to them. 19.2% of urban areas are protected under Natura 2000 network, 19.3% of periurban areas, and 24.4% of accessible rural areas. Some regions like Madrid have higher percentages (34.2%). 11.3% of the total Natura 2000 network is in urban and periurban areas. Normally these areas need some protection and greater management because of urban pressure. It is important to consider coordinated management of protected areas in urban and periurban areas where they suffer high urban pressure.

Agriculture in periurban areas should be reinforced in its territorial dimension and in its linkages to urban health and quality standards. Together with its productive and economic role, periurban agriculture also serves a territorial function within environmental conservation and landscape management. At the same time, recent consumer trends demanding local and organic food production grown mostly in periurban areas have improved the social status of agriculture. Relationships with periurban areas can be used to improve health and food patterns through pedagogical activities. That is the objective, for example, of the food strategy of London. This plan uses interactive measures with farmers from periurban areas as a strategy to encourage healthy eating habits of city dwellers.

… 2) *Covering the growing demand for public services…*

One of the most important challenges facing periurban areas is keeping pace with the increasing demand for public services due to their often rapidly growing populations. Services and infrastructures in many Spanish periurban areas were conceived for small municipalities. The population growth that has been spurred-on by the booming housing market in these areas was usually more dynamic than the public's investment capacity to provide services. Consequently, most social conflicts caused by a lack of educative or sanitation services in Spain are located in periurban areas.

Municipal authorities facing higher demand must provide new services before they have the ability to fund them. This has led many Spanish periurban municipalities into indebtedness. The gap between services provided and financial capacity are deeper with rapid population growths (FEMP, 2006). These financial difficulties are more serious for small municipalities with rural characteristics, which describes half of periurban municipalities in Spain. Most competencies in service provision belong to regional governments, but there is a decentralising trend. The result for municipalities is a strong increase of their expenditure. The municipal budgetary allowances to provide services have increased in Spain by 35% over the last 10 years (FEMP, 2006). Many municipalities have been able to reached high levels of self-generated funding through income derived from new developments. Paradoxically, the periurban municipalities that raised most revenues in this way have now fallen into debt in their attempts to maintain services in these newly developed areas. Transfers from national and regional administrations are relatively low in Spain (33% in Spain compared to 44% in Europe).

Public service delivery in periurban areas requires a regional response. The absence of regional planning in some CAs (*i.e.* Madrid region) complicates the situation. Supramunicipal or regional governments should coordinate an integrated provision of services (see more about coordination and governance below).

The new framweork for rural policy should pay attention to improving mechanisms for the provision of services in periurban rural areas. Up to now, new equipments have been provided through regional funds without specific efforts oriented to periurban areas. Population figures have traditionally been the only allocation criteria. Nevertheless, the Law on Sustainable Development of Rural Areas imposes measures that take the specific characteristics of each zone into consideration. This is especially needed in periurban regions where the demand for services is going to continue its upward trend in the future.

… 3) *Improving governance in periurban areas…*

Governance in periurban areas is a complex process. Many different variables and stakeholders from both rural and urban areas interact to create frequent conflicts and coordination problems. In Spain, the absence in most areas of coordination instruments between different planning processes tends to aggravate this situation. Very different approaches, often opposed, are applied simultaneously. Some of the factors that determine this complexity are the following:

- **The superposition of urban and rural environments with different levels of public administrations.** First, periurban planning on issues such as infrastructure, water, energy supply, and economic planning is usually done

Box 3.9. **Improvements in ICT accessibility in periurban areas of Madrid under LEADER**

LEADER initiative in the west of Madrid Region (Consorcio Sierra Oeste) has developed a network of internet centres in 17 small municipalities in Madrid and 162 terminals. These centres also have computer services like printing, CD and DVD burning, fax and others. It also has a training programme both on-site and on-line oriented to women, the unemployed, immigrants, and SMEs.

The main objective of this initiative is to reduce the digital divide between urban and rural municipalities in Madrid. In order to do this, three electronic communities have been established. One is oriented to telecommuting, the second is oriented to social and educative networks, and the third is oriented to public access to internet. The initiative has more than 12 000 users and 1 200 students in training.

Source: Consorcio Sierra Oeste, 2008.

in an urban environment and by urban planners, in line with urban priorities. At the same, in rural areas, rural and environmental planning is superimposed. In this context, protection needs are usually high in priority, as a consequence of urban pressure over environmental resources and heritage. Therefore, on the one side, rural stakeholders (including farmers) feel that they are being subordinated to environmental protection measures. On the other hand, they feel that they are being outstripped by urban development. This situation can be observed in rural and small periurban communities of predominantly urban regions like Madrid, the Basque Country, and Catalonia and it is a problem both for environmental management and for rural development.

- **The depth of the devolution process in Spain**. The role of the National Government is limited to preparing basic legislation and to taking coordination measures for regional policies regarding aspects of common interest (*e.g.* European Structural Funds). It only has key competencies over water and coastal policies. All other issues, including rural development policies, are competences of regional governments. Sometimes there are one or two additional administrative levels when provinces (*diputaciones* in Basque Country), counties (*consejos comarcales* in Catalonia) or islands (*cabildos* in Canary Islands) have government structures. These authorities have competencies that smaller municipalities cannot assume. This is also the case of municipal coalitions (*mancomunidades*) which provide services like water supply or waste management. Other cases are the associations between rural municipalities and social stakeholders under the LEADER or PRODER framework. Except for Catalonia, supramunicipal authorities for

urban and periurban areas are not common. If they exist they don't have legislative competences and only very reduced executive competences.

- **The fragmentation of key competences in urban planning and disassociation from competences in service delivery.** Whilst regional governments have competencies regarding services, local governments have competencies over urban planning. Table 3.3 identifies key responsibilities in different policy fields related with periurban areas. The present distribution of competencies and lack of coordination has led to financial problems because public spending in Spanish municipalities is lower than elsewhere in Europe, (12% in 1990 and 15% in 2000), while regional public spending has grown from 23 to 35% over the same period (García, 2003). In this context, some observers have pointed out the need for greater transfers of competencies from regional to local government.

Table 3.3. **Distribution of key responsibilities in different policy fields in periurban areas**

Governance	Urban development	Economic policy	Infrastructure	Transport	Public services: Education and sanitation	Public services: Administrative procedures	Public services: Waste	Environmental policy	Rural policy
National	BL	BL NP	LB, NI	N*, R	BL	BL		BL	BL, Po
Regional (ACs)	Po, P	Po, P	Po, P, R	R	Po, P, L	Po	Po, P	Po, P	Po, P
Provinces			Sm						
Other supramunicipal structures			Sm	Sm			Sm		
Local (municipalities)	L	L	L	L	C	L	L	L	

Notes: It only has competences in rail transport and they are currently under devolving process; BL = Basic Legislation; Po = Policy; P = Planning, Infrastructures; C = Complementary policy; N = Nacional; R = Regional (CAs); L = Policy at local level; Sm = Small Municipalities. Colored cells = Key decisions.
Source: OECD, based on Pereira, D, V. Hernández and B. Ocón (2008), Report on Stakeholders Map of Periurban Areas in Spain, Integrative Systems and the Boundary Problem, Interim report, 6th EU Research Framework.

Periurban rural policy requires a specific multi-level governance framework. This framework should consider coordination not only horizontally (between different departments) but also vertically (between national, regional, and local authorities). As can be observed in Table 3.3, there is a remarkable concentration of legislative and executive power at regional level. The only significant exception is urban planning. However, coordination between different regional governments remains difficult. Each one of them has their own policies inside the broad framework defined by the basic national legislation. That is the case at least of large urban areas, such as Madrid with Castilla-La Mancha (Guadalajara y Toledo) and Castilla y Leon (Segovia y Avila), the Mediterranean Coast between Murcia and Alicante, and the

Basque Country with Castilla y Leon (Burgos) and Cantabria. There are several cases in Spain where city influence spreads outside regional boundaries.

The design of effective participation processes is crucial to induce collaboration between stakeholders. Rural development issues would consequently be considered in a wider social context, leading regional governments to more reflexive actions. The use of participative processes during the preparation of the Catalan Rural Development Programme had an unusually high social impact. This is not very common in predominantly urban societies like Catalonia.[10] Dialogue between urban and rural society is required throughout Spain. That was the main objective of the Catalan Rural Congress which was held during the programme's design.

… as well as the mechanisms for regional and urban planning…

Significant differences exist among the ways used to deal with territorial strategies in different regions of Spain. While some regions (like Andalusia) have a hierarchical planning system, from regional[11] to supramunicipal[12] level, others (like Madrid) do not have a well established system and they employ an *ad hoc* process with each municipality. Table 3.4 shows key plans for some of Spain's largest cities.

Table 3.4. **Planning figures in selected Spanish cities**

City	Plan	Issues related with rural development
Madrid	–	–
Barcelona	Metropolitan Territorial Plan of Barcelona	Protection of agricultural areas and economic activity. Areas of territorial protection. Based on their agricultural or landscape values. Agrarian Parks oriented to protect economic activity. Protection of vineyards and agro-forestry mosaics.
Valencia	Set of thematic plans (orchards, infrastructures corridors, coasts)	Agricultural protection. Landscape integration and restoration. On-farm leisure and educative activities.
Seville	Territorial Plan of Urbanised Area of Seville	Protection of farmland. Riverside landscape restoration.
Zaragoza	–	–
Malaga	Territorial Plan of Urbanised Area of Malaga	Protection of farmland. Agro-food park. Riverside landscape restoration.

Source: OECD, based on Pereira, D, V. Hernández and B. Ocón (2008), *Report on Stakeholders Map of Periurban Areas in Spain: Integrative Systems and the Boundary Problem, Interim report*, 6th EU Research Framework.

… and 4) taking advantage of rural policy instruments in periurban contexts

Rural development policies have been weak in urbanised areas. This is caused by the reduced relative economic importance of agriculture and the marginal weight of rural municipalities in periurban areas. As noted before, the territorial importance of rural areas and agriculture is comparatively

significant, but special weights are not frequently considered in rural development programmes.

Although it lacks the instruments to deal with spatial planning, the LEADER model of development is usually successful in periurban areas. Their social dynamism and proximity to cities facilitate the proliferation of private initiatives. Therefore more consistent strategies can be defined and managers have better opportunities to select the best projects. However, social needs can also proliferate in areas subject to rapid change. In this case, the impact of LEADER is reduced. Its nature makes it difficult to manage key problems of periurban areas like sustainable urban development. Therefore, references to urban sprawl are limited in LEADER strategies. Finally, there are no clear mechanisms to coordinate spatial planning and LEADER action. This could be eased if the spatial importance of rural areas and agriculture were consistently considered in Rural Development Programmes of predominantly urban areas.

Rural development policies in periurban areas have to be adapted to a more diversified context and must promote rural-urban linkages. Most of the support offered by LEADER and PRODER in periurban areas has been oriented towards the economic diversification of rural municipalities through the promotion of tourism and linkages with urban markets. Measures oriented to agriculture are generally the same as in predominantly rural areas, although there are some specific sectors with better opportunities like ornamental plants. However, the impacts of agriculture are reduced because periurban municipalities are more populated and diversified. Actions establishing linkages between urban and rural societies through product promotion or educational and recreational activities are more likely to succeed as they increase the social value of rural development actions in highly populated areas. Examples can be found in Madrid (recreational use of cattle paths), Valencia (educative activities in orchards) or Barcelona (environmental education in agrarian parks).

Box 3.10. **Summary of recommendations on rural-urban linkages and periurban areas**

- Provide specific attention to the **changes in land use** in periurban areas, promoting an ordered and reasonable growth of residential, industrial, and commercial zones, as well as infrastructure. At the same time, conserving and restoring environmental and landscape values.
- Improve the **management of protected areas in urban and periurban areas** where they suffer high urban pressure. Policy should maintain well-conserved areas to improve the quality of life and strengthen the relationship of the city with close periurban and rural areas.

Box 3.10. **Summary of recommendations on rural-urban linkages and periurban areas** *(cont.)*

- Strengthen **rural-urban linkages in different markets.** Support rural activities when urban activities compete for labour under unfavourable conditions. Improve relationships between rural supply and urban demand, adapting it to new requirements in health and food patterns. Promote the added quality and social value of local products.
- The new framework for rural policy should **improve mechanisms for the provision of services in periurban rural areas.** Innovative actions from periurban areas provide good examples to be used in other areas.
- Periurban rural policy requires a **specific multi-level governance framework.** The design of effective participation processes is crucial to induce collaboration between stakeholders. Rural development policies in periurban areas have to be adapted to a more diversified context and promote rural-urban linkages.
- Improve **spatial planning and regional planning** between urban areas and surrounding areas. More consistent strategies should be defined and managers should have better opportunities to select the most adequate projects.

3.4. Addressing environmental concerns and promoting a sustainable development

Recent institutional and legislative changes in the fields of environment and rural policy…

Sustainable development in Spanish rural areas has two key instruments since 2007. The first is the Law on Rural Sustainable Development (LSRD) (*ley 45/2007*). The second is the Law on Natural Heritage and Biodiversity (LNHB) (*ley 42/2007*). The strategy defined in LSRD is based on three main objectives: to diversify the rural economy, to facilitate high quality public services and infrastructures, and to maintain and improve cultural heritage and natural resources. LNHB has, on its part, the following objective: the conservation, sustainable use, improvement, and restoration of natural heritage and biodiversity.

At the same time, since spring of 2008, competencies over agriculture and environment are joined together under the same department of the national government. The merger of the Ministry of Agriculture, Fisheries, and Food (MAPA) with the Ministry of Environment (MMA) creating the brand new Ministry of Environment, Rural, and Marine Affairs (MARM) reveals a clear intention of the Spanish government to enhance synergies between the fields of

agriculture, rural development, and environment. To strengthen environmental and rural development policy is the first challenge of the new ministry.

… constitute an opportunity for the coordination of these fields…

The Programme for Sustainable Rural Development (PDRS) to be elaborated between 2008 and 2009 constitutes an opportunity to coordinate these policies and set the basis for a sustainable development of rural areas. Even within the same ministry, coordination will represent a significant challenge since these policies have a long tradition of rivalry, or at least apprehension, between them. A number of issues that have to be considered for the success of this process are as following:

1. **Spatial planning is a common ground on which both areas should base their dialogue.** This is coherent with the European Spatial Development Perspective[13] and with the document published accompanying the Sustainable Development of Rural Areas Act (Regidor, 2008). A basic framework for spatial planning is given by the areas identified by LSRD (rural to revitalise, intermediate rural, and periurban). A territorial approach is needed to take into account the specificities of each area.
   - **In lagging rural areas, depopulation is an environmental problem too.** Depopulation is not only a social problem. Mediterranean ecosystems are human-intervened ecosystems, even those that seem untouched. This means that they need to be managed to implement adequate conservation. When depopulation means lack of activity, the consequence is a lack of sustainable management of the environmental resources. This implies higher risks of forest fires, erosion, and biodiversity loss. It also indicates a degradation process for the local cultural heritage because traditional knowledge allowed sustainable management of natural and cultural resources.
   - **In intermediate areas, well managed agriculture could be a partner for environmental policy.** As fundamental land managers, agriculture, and rural development are related to biodiversity conservation and natural resource management. Society demands that agriculture produce high quality and safe products but it also demands conservation and sustainable use of resources. Farmers are also called upon to reduce their negative impact the environment. Promoting agriculture and livestock best management practices is crucial for the preservation of natural heritage and biodiversity. On the other hand, while the benefits of intensive farming have been evident in terms of increased productivity, production, specialisation and employment generation in different related activities, it also creates significant environmental concerns. A clear example is the greenhouse area in southwest Spain. These areas

consume resources (water and soil) in an unsustainable way. They accumulate waste, pollution, and create social problems derived from seasonal labour needs.

- **Periurban areas face significant environmental pressures (see previous section).** These are derived from concentration of population and increased economic activities. As industrial areas and infrastructures are developed, urban growth transforms surrounding areas. These developments often alter the natural environment.

2. **At the same time, policies for each region should not be fully independent.** Each area has its own challenges and specific policies must be developed to address them. However, the interconnectivity of rural areas means that policies must be coordinated in a single sustainable development model. Interregional and intraregional[14] balance must be a key objective of rural development policies. This implies stronger connections between rural development policy and spatial planning.
3. **Natural resources, economic activities, and stakeholders must all be considered as part of the same rural system.** There is no durable conservation of biodiversity or natural heritage if population needs are not considered. To the contrary, there is no durable development for rural areas if their natural resources are depleted. If all the components are based on a common development strategy, the planning instruments derived from both laws can come to reinforce each other. Rural development programmes are key instruments that can be used to accomplish this.
4. **Sustainable development policies also bring new opportunities for the diversification of rural economies** through new activities like renewable energy production, or ecosystem management and restoration. Development strategies must be based upon local resources. Obviously, environmental resources must be considered. Valuable biodiversity and landscape are also opportunities for activities like rural tourism.
5. **Convergence between agricultural and environmental interests have been achieved over a number of issues:** *a)* promotion of local products and short distribution channels in order to promote local productions; *b)* water management and restoration of rivers and riversides; *c)* on-farm environmental education; *d)* improvement of social knowledge about rural areas. Funding instruments can be used in a complementary way. In the agrarian parks, structural funds finance basic park infrastructures and investments (buildings and vehicles) as well as some actions related to environmental restoration.

… to address common issues such as: 1) *Biodiversity management and conservation…*

As noted in Chapter 1, Spain is one of the most biodiverse countries in Europe. It contains 19% of special protected areas and 21% of sites of community interest in Europe (Table 3.5). Rural areas play a key role in biodiversity conservation since 77% of protected areas are located in rural counties. These rural landscapes and ecosystems, the protection of which directly involves and affects rural society, are a value in of themselves for all of humanity to enjoy. In this sense the efforts, investments, and sacrifices of Spain's rural society, especially where land-use is directed away from potentially lucrative intensive farming practices, should be given the due recognition it deserves.

Table 3.5. **Protected areas in Spain and in relationship with the EU**

Protected Areas	Extension (km^2)[1]	% of the country	% of the European network
SPAs (Special Protection Areas)	94 880	19.1	19.4
SCIs (Sites of Community Interest)	115 907	22.9	21.7[2]
National Parks	3 352	0.7	–
Regional Parks	34 924	6.9	–

1. Terrestrial area.
2. Provisional data because the network is not completed yet.

Source: Ministry of Environment, and Rural and Marine Affairs.

In general terms, there are two types of rural protected areas: forest and agriculture land. Forestry and agriculture protected areas typically have different types of land tenure. Agricultural areas are fundamentally private, whilst most forestry areas belong to public administrations. Therefore both types of areas must be managed in a different way. Private land management should take into consideration all activities and uses being given to the land. There are often complex relationships between specific activities and habitat conservation. While certain activities can be a pressure factor on natural resources, they also can support biodiversity. They can even be the source of biodiversity. That is the case of agroforestry ecosystems (*dehesas*) in Spain. Stakeholders (including farmers and owners) should therefore play a key role in biodiversity management. This fact must be fully addressed with concrete measures within the rural development programmes affecting the N2000 network.

Forestry land. Forestry management is important for the N2000 network. About 60% of N2000 lands are wooded areas and 45% of all forests in Spain fall inside N2000 areas. This figure is significantly higher if only natural forests are considered. Forested areas are key carbon sinks for Spain (the industrialised country with the highest increase in its rate of CO_2 emissions). Measures

under the National Strategic Programme for Rural Development regarding sustainable management of forest areas in N2000 network are fundamental to achieve biodiversity conservation objectives. These measures must be developed in all ACs.

In the new European Framework for rural development, forestry is fully integrated in rural development policy. In the past it was one of the key environmental actions with a total budget between 2000 and 2006 of just under EUR 3.4 billion (36% of environmental budget). The new strategy goes further and integrates it as a key N2000 management measure. It also must consider economic and employment profits. In order to do that, forestry activities in N2000 areas must be oriented to the local population, especially in sparsely populated areas.

At the national level, the ideal governance scenario is one that leads to a convergance of forest management and biodiversity conservation. This is because forest policy, biodiversity conservation, and protected areas are policy fields merged in the same general directorate. As a consequence, the main challenge is to coordinate national and regional policies.

Sustainable management of biodiversity will be a key challenge in the future. Biodiversity conservation efforts in Spain require better management tasks including surveillance, restoration, monitoring, and research. In this way, biodiversity management can stimulate economic activity and employment in rural areas. While regional administrations are responsible for developing appropriate management actions, national authorities must coordinate and disseminate regional best practices.

Some ACs are experienced at strengthening rural development and environmental conservation. A good example is the case of Andalusia where the rural development plan and the biodiversity management plan must be elaborated at the same time. The main objective of both plans is to adopt coordinated actions. Good practices that include N2000 management instruments which are coordinated with rural development actions must be developed.

Beyond the realm of the N2000, Spain implements a wide range of conservation policies that come to impact the development opportunities of rural areas. Many ACs have successfully developed and implemented habitat and species protection plans as well as natural resource management plans. Infact Spain has a very rich and extended network of protected natural spaces and reserves. This, together with Spain's natural parks, forms an elaborate and consolidated framework serving the protection of biodiversity, mostly in rural areas, which significantly affects the development of surrounding communities. Spain's natural wealth is a public good to be shared by all, however, policy should make sure that the burdens related with its preservation should not only fall upon those living in rural areas.

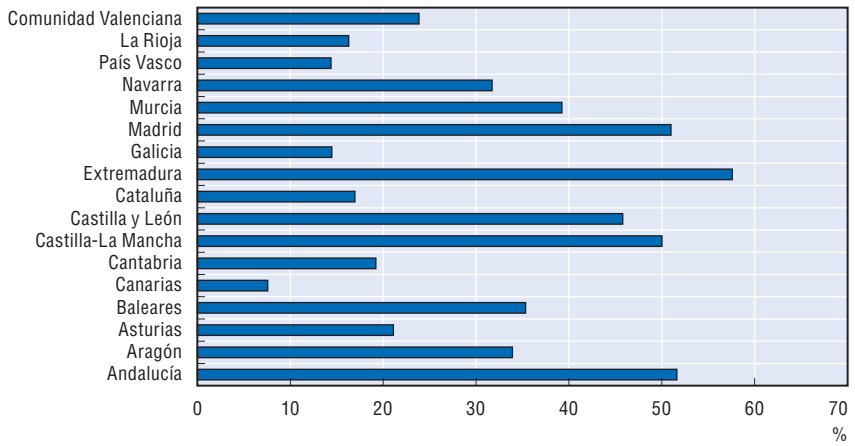
Agriculture land. Development of the N2000 Network has highlighted the interrelationships between agriculture, rural development, and the environment. One trait that characterises many protected areas is their relationship with agriculture. Some of the most important protected areas are not wilderness but cultivated areas, even irrigated fields. Some 18% of the N2000 network is agricultural ecosystems under extensive practices, and 20% of total agricultural areas are located inside the N2000 network. Andalusia, Extremadura, Castilla La Mancha, and Madrid all have over 50% of their agricultural land in the N2000 network. Therefore strategies to enhance compatibility between agriculture and biodiversity are very important for these regions. Pseudo-steppes cultivated with cereals are a good example of agricultural areas with significant environmental values. These are the habitat where Avutarda (*Otis tarda*) and Sisón (*Tetrax tetrax*), two endangered species, live. Areas close to wetlands are often irrigated croplands comitted to intensive farming activity.

Different regions have different approaches towards such relationships. In the AC of Madrid the approach prioritises social environmental demands over agricultural production. This way to understand relationships between rural areas and environmental values has been severely criticised in other regions. In Catalonia and Andalusia the key role of agricultural best practices has been pointed out. In these cases there is a convergence of objectives between agricultural, rural development, and environmental policies. This type of approach should be favoured since the three objectives are mutually reinforcing rather than mutually exclusive.

Direct actions to compensate good practices can be adopted when following agri-environmental schemes. In this case, clear differences between agri-environmental schemes and mandatory cross-compliance measures must be adopted. It is also important to establish stronger monitoring programmes to assure environmental objectives. Farms located in N2000 protected areas must be prioritised. Indirect actions can also be adopted to complement previous measures. These are related with: *a)* promotion of products; *b)* enhanced relationships between agricultural practices and good qualit,y as well as safe production processes; and *c)* promoting value-added transformation of local produce. Specific characteristics of small scale traditional industry must also be considered.

In a context where the growing importance of agriculture for spatial planning is assumed, measures to improve the environmentally-friendly behaviour of agriculture are demanded. Possible negative effects on competitiveness are compensated by way of improving production and transformation processes and promoting products through geographical indications, quality stamps, and specific brands. Therefore industrialisation and promotion of local products though improvement of quality and

Figure 3.8. **Percentage of agricultural areas in the N2000 Network**



Source: Ministry of Environment, and Rural and Marine Affairs.

social value of products are almost always a key strategy for LEADER and PRODER groups.

… 2) *Natural resource management…*

Agriculture is the greatest consumer of water in Spain. Over 80% of total water resources are consumed by irrigated land: between 17 000 and 18 000 hm^3/year. Approximately 45% of water is used in surface irrigation. The other 55% is used in drip and sprinkler irrigation. Saving water is the prime objective of the National Strategy for Rural Development regarding water and agricultural infrastructures. Water management and the construction of new infrastructure was the main expense over the 2000-06 period, totalling approximately 13% (about EUR 1.9 billion) of the total budget. Considering the high water use inefficiencies in Spain, there is a clear opportunity for water saving in agriculture. This objective is therefore the main agricultural infrastructure action to be taken.

Agricultural water use grew twice as rapidly as total water use across the economy between 1990-92 and 2001-03. Much of the increasing use of water by agriculture has arisen because of the 8% growth in irrigated area from 1990-92 to 2001-03. Spain accounted for over a quarter of the EU15 total irrigated area by 2001-03. By 2001-03, the irrigated area accounted for 9% of farmland, almost 100% of total farm water use, between 50-60% of the final value of agricultural production and 80% of farm exports. The expansion of the olive, vine, and horticultural sectors has been a key driver in the demand for irrigation. The main source of water for irrigation is surface water (75-80%), with groundwater accounting for much of the remainder. The share of irrigation in total

groundwater use in Spain is about 75-80%. In some eastern coastal areas and the Spanish islands, however, recycled water and desalinisation are becoming important ways to meet the demand for water (OECD, 2008b).

There is widespread over-exploitation of aquifers for irrigation. Around 13% of the irrigated area extracts water from aquifers that are over-exploited or in danger of saltwater intrusion. The over extraction from aquifers has led to problems of increasing salinity and reduced river flows to the detriment of aquatic ecosystems, especially in southern river basins. Water abstractions by unregistered irrigators have considerably contributed to the problem of aquifer overexploitation. It has been estimated that around 45% of water pumped from aquifers, mainly for irrigation, is extracted without registration. Up to 90% of private wells are believed to be incorrectly registered (OECD, 2008b).

Efforts to improve efficient water use must be continued and expanded. Significant efforts have been put in place to improve the efficiency of irrigation. More than 60% of irrigated land in Spain has improved its efficiency level over the last 5 years. The National Irrigation Plan (Plan Nacional de Regadios, PNR) has resulted in a trend towards efficient use of water, saving about 2.8 thousand hm^3/year, equivalent to close to 5% of the total storage capacity of Spain. This savings has been mostly through the adoption of more efficient irrigation by drop which reaches 41.6% of irrigated land. It is necessary to continue these efforts, maintaining coherence with the Framework Directive on Water. The horizontal measure for management of hydric resources in the RDPs goes in such direction, aiming to save 1.8 thousand hm^3/year during the programming period.

Still, there is room for greater water savings continuing with the strategy of migration towards more efficient irrigation methods. Inefficiency can also be related with economic performance. Some 80% of water is used with low value crops (< 0.60 EUR/m^3) or very low value (< 0.20 EUR/m^3), mainly cereals. This is approximately the extraction cost of surface water. To the contrary, only 1% of the water is used in high productivity crops (> 3 EUR/m^3) like greenhouse products. Greenhouse production can also use desalinised water (approximately 0.5 EUR/m^3). An economic perspective on water use in agriculture must also be adopted in order to increase agricultural GDP and fulfil international water agreements such as the Framework Directive on Water. Action must be taken to ensure that mechanisms like water pricing are effectively implemented and are achieving full payment of charges and cost recovery for service delivery.

Irregular distribution of rainfall in Spain has created tensions between water production and use. Most hydrological resources in Spain are produced in sparsely populated mountainous areas of the interior. These areas often suffer from erosion and fire risk, and most lack appropriate land

management. However, water is consumed in more populated flatlands located far away from producer areas. Tensions exist between wet and dry regions especially during periods of drought. The number of water conflicts among ACs has grown over the last ten years. Desalinisation plants, instead of the much more socially conflictive water resource transfers, are currently being promoted as a tool in to make up for deficits in water resources of the populated coastal region of the Mediterranean. Water use policy must therefore assure current needs (and be very careful with new or increasing demands, see section about climate change). Policy should balance territorial needs by adjusting demand with supply and compensate producer areas through added rural development actions. Stronger measures must be adopted in order to assure the restoration and effective protection of Spain's wet ecosystems.

Soil erosion is also serious problem in Spain. Some 45% of its surface is affected. The process is propagated by limited rainfall and drought, as well as periodic episodes of flooding. Deforestation, fire, and agricultural practices are the main human factors contributing to erosion. Therefore soil erosion must be considered within measures regarding water management, forestry, fire prevention, and agricultural practices.

Soil erosion is strongly related with agricultural practices. This is one of the reasons why soil management and conservation is the most important package in CAP cross-compliance. Environmental indicators under the CAP are linked with ploughing in high slope areas, as well as stubble, crop waste, and vegetal coverage management of farms. They especially affect traditional olive and vineyards located in sloped areas. Some areas may face difficulties in fulfilling these objectives. Small scale planning is therefore needed.

… 3) *Renewable energy production in rural areas…*

Renewable energy production is a growing portion of the rural economy. Renewable energy is mainly produced in areas where space is more abundant. It is not a new activity. As noted in Chapter 1, rural areas have long tradition of hydroelectric production, but over the last decades this interest has been extended to other methods of energy production like wind power or solar energy. The alternative energy industries in Spain are among the world's most successful. This is not entirely due to chance or to comparative market advantages, but rather to a thought out public support system that is generating its fruits by stimulating the growth of a national industry that produces state-of-the-art technologies. Renewable energy production should not only be perceived as a sustainable energy alternative but also as a generator of employment and income for rural areas. Therefore, an integral policy for renewable energy in rural areas should also be established.

However, side effects of renewable energy production should be taken into consideration. Different types of production have different consequences for the environment and on other economic activities. For instance, depending on the activity, there are possible negative effects on birds and wildlife. There can also be negative consequences for landscape and indirectly for tourism. Therefore, there is a need for spatial planning and environmental assessment. Spatial development strategies should consider compatibility between energy production, environmental values, and tourism.

- **Hydroelectric energy.** Spanish rivers are already saturated and the efficiency of existing infrastructures is poor. Therefore, only complementary actions should be considered (such as adapting existing dams to energy production or to implement new and more efficient technologies). The Renewable Energy Plan[9] fixed an objective of 700 additional MW (actual installed power is about 4 700 MW).
- **Wind energy.** As noted in Chapter 1, Spain is second in the world in installed wind energy capacity and still has great expansion potential. According to the Renewable Energy Plan[15] the objective for 2010 is almost 26 000 MW. The trend over the last five years would tend to indicate that this amount should be easily surpassed. However, compensation mechanisms must be considered to share economic benefits of installed power and to prevent untidy proliferation of wind power centrals.
- **Solar energy.** Different solar technologies have been developed. Because of the lack of competitiveness relative to other renewable energy sources and market problems to access the needed technology, photovoltaic solar power is currently generating only about 45 MW of installed capacity. This is low compared to the 2010 objective of 400 MW. This is not the case for solar thermal. New legislative actions are making it mandatory to install this technology in new buildings. This is very important in sparsely populated areas where investments in heating tend to be more expensive. Therefore, specific funding must be planned for rural buildings and industry. These can be complemented with advice to municipalities on how to best take advantage of this type of project. LAGs should consider elaborating specific energy production programmes to integrate within their local development strategy. Finally an emerging technology is thermo-electrical solar power. There are only a few experimental installations, but provisional results seem to indicate competitiveness and efficiency. The rural input into the development of these types of projects should be strengthened.
- **Biofuels.** The National Strategic framework defines biofuels as an emerging and interesting sector but recent food price increases have recently hampered interests. A debate has also ignited concerning the ethical grounds for substituting food crops for energy. Currently, there are 11 biodiesel and

4 bioethanol production facilities in Spain. However, important capacity increases are expected as a result of 30 planned new projects. A joint programme between the national and ACs administration is underway to develop and promote the use of residual forest biomass for the production of energy. As in all OECD countries, a key challenge for national and regional authorities is to balance biofuel production with food markets. While it is true that the competition between food and biofuels varies from country to country, and in Spain it might not be as high as in other OECD countries; Spain should strengthen its comparative advantage in the most cost-efficient and less problematic renewable energy alternatives limiting as much as possible substitution of food production for energy production.

… and 4) Risks associated with climate change

The entire Mediterranean basin is highly sensitive to climate change. It is expected that it will be one of the areas of the word that will be worst affected. By 2011, the predicted effects of climate change are: *a)* Increase of temperatures between 0.5 °C (in low emissions scenario) and 3 °C (in high emissions scenario). Higher differences are expected in summer rather than in winter and in regions of the interior more than along the coast. Southern Spain will be most affected in spring; *b)* Rainfall reduction between 5% in the north of Spain and 10% in the south west. There will also be a reduction of cloudiness. *c)* There will be an increase in extreme climatic events: heat waves, droughts, and floods.

Rural areas will be negatively affected by climate change, therefore climate change scenarios must be considered in rural development programmes even in the short term. Spanish administrations, both at national and regional level, are already engaged in the fight to reduce the negative impacts of climate change. Together with programmes to prevent soil erosion and reduce the incidence of desertification, Spain counts on a very sophisticated forest fire prevention and defence plan, which subsequently influences Spain's forest cover, natural habitat, and the distribution of species throughout its territory. The following interventions are worth mention:

- **Irrigation Modernisation Plan** (Real Decreto 287/2006, de 10 de marzo), with a projected investment of EUR 1.4 million aims to save an estimated 1 200 hm^3 per annum.
- **National Water Quality Plan 2007-15,** will improve the quality of the country's water masses and increase the volume of recycled water.
- **Ebro Delta's Integral Protection Plan,** a pilot experience that strives to maintain an ecological balance in this area of especial sensitivity to climatic change.

- **Desalinisation and Renewable Energy Programme,** aims to cover the energy needs of the Mediterranean's Desalinisation Plan with renewable energy.
- **Mountain Law 10/2006,** allows the development of a strategy for the use of residual forest biomass for energy production purposes.
- **National Action Programme to Counter Desertification**.
- **Special Drought Plans** for all watershed areas with the establishment of Global System of Drought Indicators, including the launch of the National Drought Observatory, permiting a more efficient use of water resources during the extreme period of drought.
- **Natural Heritage and Biodiversity Law 42/2007,** whose objectives are to maintain natural balance and service ecosystems to the benefit of the environment and human health.
- Launch of the **Water Rights Exchange Centres** in the most deficient watershed systems.

In addition to these measures, it is worth emphasising a number of specific actions that still require special consideration in future policy:

- **Water management and moderation of water demand.** In order to do this, integrated management of hydrologic resources is needed. Therefore actions to increase supply must be adopted. As we said before, the best way to do this is to use water saving technologies. At the same time, water demands must be moderated. There are great opportunities for this in agriculture and industry. However, land use changes should consider water consumption needs and investment in control and measurement networks. Impact on agricultural productions of increasing water demands and reducing resources can also be mitigated through increased water management efforts. Structural measures to improve water efficiency can be combined with revised crop calendars and adapted agricultural practices including soil management and crop varieties. The first requires investments and the second demands strong advisory strategies. At the same time, Spain is promoting the development of desalinisation plants to answer the increasing water demands coming from Spain's population and to offer an additional tool against drought and desertification.
- **Land management and prevention of soil erosion.** Climate change can also aggravate other environmental problems like soil erosion. Floods are triggered by increased surface rainfall which produces soil loss. Droughts and heat waves affect vegetation coverage, reduce organic matter content, and increase fire risks. Land management and agricultural practices can be good mitigation measures if they are adapted to counteract negative effects. However, farmers need advice to improve their capacity and select best

Box 3.11. **Summary of recommendations on sustainable development**

- Take advantage of the recent **institutional and legislative changes regarding rural and environmental affairs** to promote a better relationship between the agriculture, rural development, and environment fields. The integration of the ministry of agriculture with the ministry of the environment at the national level should help bridge the relationship between these three policy fields. Planning instruments derived from both the LSRD and LNHB laws can reinforce each other if they share a common development strategy. Rural development programmes are key instruments to do this.
- **Convergence between environmental policy and rural development** is needed in the following fields: *a)* promotion of local products and short distribution channels in order to promote local productions; *b)* management of water and restoration of rivers and riversides; *c)* on-farm environmental education; and *d)* knowledge improvements about rural areas. Funding instruments can be used in a complementary way.
- Manage **forestry and agriculture protected areas** differently, involving stakeholders (including farmers and owners) in biodiversity management. Address these actions in rural development programmes affecting the N2000 network.
- Wisely regulate **agricultural practices in protected areas**. Support Farms located in N2000 protected areas through actions such as: *a)* promotion of products related to biodiversity conservation; *b)* enhancing relationships between agricultural practices and good quality as well as safe productions; *c)* promotion of transformation industry to produce value-added products; and *d)* Promotion of on-farm tourism and educative activities.
- Develop specific measures within the National Strategic Programme for Rural Development to **encourage sustainable land management and biodiversity conservation.** Regional experiences and good practices developing N2000 management instruments should be shared across regions.
- Continue and increase **water saving effort in agriculture.** This objective should be the principal infrastructure action to be taken regarding agriculture. An economic perspective on water use in agriculture must also be adopted in order to increase agricultural GDP and fulfill international water agreements.
- **Water use policy** should balance territorial needs by adjusting demand to supply and compensate through rural development actions sustainable producers of hydrologic resources. Stronger actions must be adopted in order to assure wet ecosystems restoration and effective

Box 3.11. **Summary of recommendations on sustainable development** *(cont.)*

protection. Consider **soil erosion** in actions regarding water management, forestry, fire prevention, and agricultural practices.

- Build an **integral policy for renewable energy** in rural areas that considers spatial planning and environmental assessment. Establish development strategies that favour compatibility between energy production, environmental values, and tourism.
- Advise municipalities on how to best take advantage of **renewable energy projects**. LAGs should consider adopting strategies oriented to strengthening the rural inputs of renewable energy and increasing the local benefits for the region.
- Take specific actions to reduce the risks derived from **climate change:** more efficient water management, lower water demands, better land management practices, and changes in farm infrastructure and practices.

practices. Because actions to be taken are coherent with cross-compliance objectives, the farm advisory system should be used.

- **Changes in farm infrastructure and practices.** Increasing temperatures would have negative effects on livestock confined to buildings and would reduce the productivity of pastures. Greater advice and research will be needed to adapt traditional practices and farm infrastructures.

Notes

1. Pereira *et al.* (2004) refers this circumstance which also emerged in interviews with local communities for the elaboration of this review.
2. *OECD Employment Outlook 2007*.
3. In Europe, the diversification of the productive fabric of rural areas has been set as an objective of European rural policy (European Commission, 1997a).
4. The strategies and actions adopted within the Spanish regional RDPs for 2007-13 with the aim of stimulating entrepreneurship in rural areas are partly delimitated by the priority measures of the European CAP. The degree of liberty given to the member states is meant to allow them to better adjust their rural policies to their own national development strategies.
5. The proportion of regional RDP budget destined to sub-axis 3.1 by region is as follows: Andalucía 0.7, Aragon 0.5, Asturias 4.5, Balearic Islands 0, Basque Country 0.3, Canary Islands 1.8, Cantabria 0, Castilla y Leon 0, Castilla-La Mancha 0, Catalonia 3.3, Extremadura 0.1, Galicia 4.9, La Rioja 1.1, Madrid 4.6, Murcia 0, Navarra 1.5 and Valencia 0. Spain total was 1.2.

6. Researchers who have demonstrated the positive impact of business creation:
   Over employment creation include Storey 1982, 1988, 1994; Birley 1985; Kirchoff and Phillips 1988, 1992; White and Reynolds 1996; Capelleras and Genescá 2004, 2005.
   Over economic growth include Sexton 1986; Dubini 1989; Storey 1994; Wennekers and Thurik 1999; Genescá *et al.* 2005.
   And over innovation, Drucker 1984; Pavitt *et al.* 1987; Acs and Audretsch 1988; Acs and Varga 2004; Veciana 2007.

7. Keeble and Tyler 1995, Anderson 2000, North *et al.* 2001, Macke 2002, Viladomiu *et al.* 2004, Vaillant *et al.* 2004, Lafuente *et al.* 2007, Vaillant *et al.* 2007.

8. The criteria utilized for the mapping of periurban areas are the following: *1)* Adjacency to urban areas: those at less than 10 km of urban municipalities (according with Law of Sustainable Rural Development: more than 30 000 inhabitants or more than 100 inhab/km^2), at less of 20 km of cities with more than 200 000 inhabitants. *2)* Majority of employment in the services sector (2001 census). *3)* Increase of population between 1991 and 2001.

9. Correspondence between the classification derived from the criteria of the LDRS and the OECD urban-rural classification criteria is sown in the next two tables:

Correspondence between OECD urban-rural classification and urban-rural-classification used in this chapter

	Urban, %	Periurban (OECD), %	Rural (close to a city), %	Rural (remote), %
Urban	95.0	40.2	7.5	1.5
Rural	5.0	59.8	92.5	98.5

Correspondence between OECD urban-rural classification and periurban criteria by Rural Sustainable Development Law

	Urban, %	Periurban, %	Municipalities with Increasing population and services as main sector, %	Rural, %
Urban	87.0	11.9	5.4	1.5
Rural	12.3	89.1	94.6	98.5

   As it can be observed in both tables, a direct relationship exists between both classifications. It also shows transition character of periurban areas. Exceptions can be observed in big municipalities with vast limits or in small villages with very small limits and therefore high population density. A significative part of periurban municipalities according with OECD criteria are urban according with Rural Sustainable Development Law because they have more than 100 inhab./km^2 or more than 30 000 inhabitants.

10. Departamento de Agricultura, Programa de Desarrollo Rural de Cataluña, 2007-13, pp. 82, *Generalitat Catalana* (Department of Agricultura. Rural Development Programme for Catalonia).

11. Consejería de Obras Públicas y Transportes (2006), Plan de Ordenación del Territorio de Andalucía (Department of Public Works and Transports, 2006, Territorial Plan of Andalusia).

12. Territorial Plan of Anadusia defines 23 subregional plans.
13. European Commision (1999) ESDP, European Spatial Development Perspective, Towards Balanced and Sustainable Development of the Territory of the European Union, Brussels.
14. Because most part of the regions has the same tensions inside them.
15. Ministerio de Industria, Turismo y Comercio (2005), Plan de Energías Renovables de España 2005-10 (Ministry of Industry, tourism and trade, 2005, Renewal Energy Plan of Spain).

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Évaluation et recommandations

Malgré l'importance des territoires ruraux en Espagne, le pays compte relativement peu de régions « essentiellement rurales »

Selon la définition des zones rurales au niveau municipal telle qu'elle est établie par l'OCDE, 92 % du territoire espagnol est rural et 27 % de la population y est localisée. Ces chiffres se rapprochent de la classification « officielle » des zones rurales, définie dans la récente Loi pour le développement durable du milieu rural (LDSMR), selon laquelle les zones rurales représentent 92.7 % du territoire, et une population de 42 % (17 millions de personnes). Au niveau régional (TL3/NUTS3), l'Espagne compte 7 régions (provinces) essentiellement urbaines (PU), 27 régions intermédiaires (IN) et 18 régions essentiellement rurales (PR). La prédominance des régions intermédiaires est notable. C'est l'illustration de la configuration particulière du peuplement en Espagne, caractérisée par quelques grandes villes et un nombre important de villes moyennes et petites, surtout concentrées dans les provinces côtières. Du fait de cette particularité, l'Espagne se situe derrière bon nombre de pays de l'OCDE en termes de territoire, de population et de PIB correspondant aux régions essentiellement rurales (45 % du territoire, 13 % de la population et 10 % du PIB).

Pour l'essentiel, les zones rurales n'ont pas profité autant que le reste du pays de la longue période de vive croissance qu'a connu le pays…

Au cours des deux dernières décennies, l'Espagne a enregistré une croissance économique quasi continue, qui lui a permis d'aboutir à une convergence importante avec les pays les plus développés de l'Union européenne. Durant cette période, la péninsule ibérique, qui était précédemment une nation d'émigrants, a commencé à accueillir des immigrants, et les niveaux d'instruction et la qualité de vie des habitants s'y sont considérablement améliorés. Toutefois, la croissance concerne surtout les zones urbaines : la population est concentrée dans les grandes villes au détriment des petites villes et des zones rurales, et ces dernières accusent des retards en ce qui concerne bon nombre d'indicateurs sociaux et économiques.

Le PIB des régions essentiellement rurales (PR) a augmenté en moyenne de 2.5 % par an entre 1999 et 2004, alors que la moyenne nationale s'établit à 3.5 %.

… elles se sont souvent retrouvées prises dans un cercle vicieux de dépeuplement et de piètres performances économiques…

En Espagne, l'exode rural a été plus marqué que dans d'autres pays de l'OCDE. Au cours des cinquante dernières années, la population rurale est passée de 13.5 millions de personnes (soit la moitié de la population totale) en 1950 à 9.78 millions aujourd'hui (un quart de la population totale). C'est dans les régions montagneuses que le dépeuplement est le plus fort. Si entre 2001 et 2007 l'immigration internationale, entre autres facteurs, a contribué à arrêter – voire même inverser – cette tendance négative dans certaines zones, le départ des jeunes vers les zones urbaines, associé à la croissance naturelle négative de la population, a entraîné un vieillissement et une masculinisation relatifs de la population rurale. Il ressort des analyses de régression et de décomposition que la structure démographique et le dépeuplement figurent parmi les facteurs qui ont le plus contribué aux faibles performances des régions rurales, la population restante éprouvant des difficultés à créer une croissance endogène.

… et doivent faire face à d'importants défis sur le plan social, tels que des perspectives sociales moindres…

Selon le dernier recensement de la population, en 2001, les zones rurales étaient caractérisées par une plus forte incidence de la pauvreté relative (au-dessous de 60 % du revenu national moyen) (22 % contre 18 % au niveau national), des revenus inférieurs en moyenne (inférieurs de 14 % par rapport au revenu national), et des niveaux moindres de capital humain (3.4 % de personnes illettrées et 18 % de personnes n'ayant pas suivi d'études, contre respectivement 2 % et 10 % dans les zones urbaines). Des informations plus récentes, disponibles au niveau provincial, font apparaître des progrès importants concernant ces points. Il est intéressant de noter qu'en termes de PIB par habitant ajusté en PPA, les régions essentiellement rurales ont rattrapé leur retard. De fait, certaines régions essentiellement rurales éloignées (Badajoz et Zamora) ou accessibles (Lérida, Huelva) figurent parmi les provinces présentant la plus forte croissance du PIB par habitant au cours de la période 1998-2003. En outre, sur le plan des résultats en matière d'éducation, selon l'évaluation PISA 2006 de l'OCDE, les résultats des étudiants ruraux étaient semblables à ceux des étudiants urbains. D'un point

de vue territorial, il y a à l'évidence un écart Nord-Sud pour bon nombre des indicateurs sociaux, notamment le revenu, l'éducation et le chômage.

… l'intégration des immigrants…

L'augmentation de la population d'immigrants étrangers présents en Espagne est l'un des aspects majeurs de l'évolution démographique récente du pays. Il s'agit d'un phénomène de plus en plus urbain – la plupart des nouveaux arrivants cherchant des possibilités d'emploi dans les zones urbaines – mais pas seulement, et sur la période 1993-2003, la population d'immigrés dans les zones rurales a été multipliée par 17, pour s'établir à 62 000 migrants. Sur les 7 647 foyers de population considérés comme ruraux, seuls 1 777 ne comptaient pas de migrants en 2003. L'incidence de la présence des immigrants dans les zones rurales est assez importante, du fait de l'inversion de la tendance à la baisse de la population dont ils sont responsables dans bon nombre de régions. En effet, entre 2000 et 2007, les immigrants ont contribué à inverser la tendance à la baisse de la population des beaucoup de régions. En outre, dans d'autres municipalités, même si la baisse de la population n'est pas totalement compensée, les immigrants contribuent à la réduire notablement. Cependant, ce groupe est généralement davantage susceptible de pâtir de perspectives sociales moindres.

… et l'accessibilité ainsi que l'adaptabilité des services publics

L'accessibilité constitue un facteur déterminant du bien-être social. Les zones périurbaines ont eu la plus forte augmentation de population (2.5 % par an de 1991 à 2001) et le meilleur équilibre démographique de tout le pays (avec 17 % de jeunes et seulement 14 % de personnes âgées). Elles ont aussi eu le plus faible taux de chômage (13 % en 2001). On constate des différences marquées entre les zones rurales accessibles ou éloignées lorsqu'il est question de services publics de base tels que les établissements d'enseignement secondaire, les centres de santé ou les structures d'accueil pour personnes âgées. Même si généralement, le pourcentage de personnes n'ayant pas accès à un établissement d'enseignement secondaire ou un centre de santé dans la commune où elles résident est limité, si l'on prend en considération les données par habitant, d'importants déficits régionaux apparaissent, en particulier dans le sud du pays. Pour ce qui est des structures d'hébergement pour personnes âgées, compte tenu des besoins présents et futurs, l'écart est encore plus fort. La plupart des municipalités rurales disposent de moins d'une résidence pour personnes âgées pour

1 000 habitants de plus de 65 ans. En termes de « nouveaux » services de base, tels que les services à large bande, des progrès notables ont eu lieu au cours de la dernière décennie, mais une forte fracture numérique persiste entre les zones urbaines et les zones rurales.

L'économie rurale a subi une transformation structurelle, caractérisée par un déclin net de l'emploi agricole, qui s'accompagne de hausses de productivité…

La diminution de la main-d'œuvre agricole (passée de plus de 20 % en 1975 à moins de 5 % en 2008), et l'utilisation plus intensive des intrants (terre, éléments nutritifs et eau) ont abouti à des gains de productivité supérieurs à la moyenne de l'UE, surtout depuis la deuxième moitié des années 90. L'augmentation de la production agricole entre 1990 et 2004 (20 %) figure parmi les plus fortes des pays de l'OCDE (3e rang). Au cours de cette période, l'agriculture est devenue de plus en plus spécialisée et sophistiquée, et des niches sont apparues, notamment avec l'agriculture biologique et écologique. En outre, dans les conditions économiques internationales défavorables constatées depuis le deuxième semestre 2008, l'industrie agroalimentaire espagnole se révèle plus résistante que d'autres secteurs, et que le même secteur dans d'autres pays. Quoi qu'il en soit, en tant que source d'emploi et de revenu, il apparaît que l'agriculture ne peut plus constituer l'épine dorsale de l'économie rurale.

… et d'une diversification, avec des résultats positifs pour les régions les plus diversifiées…

La fin éminente de la longue période de croissance économique qui a commencé au début des années 90, et la survenue de la crise financière et des matières premières au niveau international, invitent à chercher de nouvelles sources de croissance économique et d'emploi. Dans ce contexte, la diversification de l'économie rurale a montré son potentiel en tant que source d'emploi et de création de richesses, tout en contribuant à promouvoir un développement régional plus équilibré. Au cours de la dernière décennie, l'industrie et les services ruraux ont augmenté respectivement de 30 et 21 %. Les régions rurales espagnoles les plus diversifiées ont un PIB par habitant plus élevé, un accroissement démographique plus fort, une meilleure croissance de l'emploi, et des taux de chômage plus faibles.

… de façon marquée dans des secteurs tels que le tourisme…

L'Espagne est devenue une référence en matière de tourisme rural. Ce secteur a contribué notablement à la valorisation du patrimoine naturel et culturel, riche et varié, situé dans les régions rurales espagnoles, ainsi qu'à la création d'emploi et de perspectives commerciales pour la population rurale. En Espagne, si le tourisme s'est développé à un taux de 3 % par an en termes de nuitées et de 7 % par an en termes de visiteurs (8 % pour les Espagnols et 5 % pour les étrangers), le tourisme rural a, quant à lui, augmenté d'environ 20 % par an de 2001 à 2007, tant pour ce qui est des nuitées que du nombre de visiteurs, nationaux et internationaux. Au cours de cette période, près de 15 000 emplois ont été créés et l'offre d'hébergement rural a doublé, passant de 6 000 à 12 000.

… et l'industrie manufacturière

En ce qui concerne l'industrie manufacturière, une analyse cartographique a permis de repérer 53 districts industriels (ID) dans les régions rurales espagnoles, concentrés dans le centre et le sud du pays, qui emploient près de 340 000 personnes. En outre, il y a 58 districts industriels « ruraux » dans des régions intermédiaires (IN) et 26 dans des zones essentiellement urbaines (PU). Le secteur de la construction, celui du textile et de l'habillement et celui des boissons et de l'alimentation constituent les principales spécialisations. Ces trois secteurs représentent 79 % des districts industriels dans les zones rurales (41 ID) et 78 % des emplois dans les districts industriels des zones rurales (208 000 salariés). Les données empiriques donnent à penser que les zones rurales dans lesquelles sont situés des districts industriels connaissent une croissance de l'emploi qui, si elle est plus faible que la croissance moyenne au niveau national (28 % contre 31 % sur la période 1991-2001), est notablement plus élevée que dans les zones rurales qui ne comptent pas de districts (17 %). Ainsi, les districts industriels ont contribué à 23 % de la croissance de l'emploi dans les zones rurales, c'est-à-dire 44 % de plus que leur part relative de l'emploi.

Les vastes ressources naturelles et la biodiversité des zones rurales espagnoles sont mises sous pression du fait des activités économiques…

Les zones rurales espagnoles hébergent un patrimoine naturel riche et varié, unique en Europe et représentatif de la plupart de ses écosystèmes et

paysages, qu'ils soient arides ou subtropicaux, méditerranéens ou atlantiques, continentaux ou montagneux. La richesse naturelle de l'Espagne rurale est mise sous pression par les évolutions démographiques et économiques. L'activité économique dans les zones rurales pèse sur les ressources, en particulier l'eau, qui est relativement rare dans la péninsule ibérique. Les terres agricoles irriguées (environ 3.5 millions d'hectares) absorbent près de 75 % des ressources hydriques du pays. Dernièrement, des mesures visant à améliorer l'efficacité ont favorisé une irrigation respectueuse de l'environnement et durable, avec des effets externes positifs tels que la sauvegarde du paysage et la stabilité démographique. La pollution atmosphérique, l'érosion, les incendies de forêts et le changement climatique sont d'autres sujets de préoccupation qui menacent les abondantes ressources naturelles et environnementales situées dans les zones rurales espagnoles. Pour traiter ces questions, les administrations espagnoles ont mis en œuvre divers programmes et plans destinés à protéger le patrimoine naturel et à diminuer les menaces (voir la partie concernant les politiques environnementales ci-après).

… mais parallèlement, les zones rurales présentent un fort potentiel de solutions aux défis urgents liés à l'environnement et à l'énergie

Les ressources naturelles des zones rurales sont de plus en plus un atout pour faire face aux défis environnementaux, notamment grâce une meilleure conservation et en tant que sources d'énergie renouvelable. Se faisant fort de devenir un pionnier en matière d'énergies de remplacement, l'Espagne a notablement diversifié et augmenté les sources d'énergie renouvelable au cours des deux dernières décennies (atteignant 7 % d'énergie primaire et 20 % de production d'électricité en 2007), tout en renforçant les bases technologiques et industrielles correspondantes. En 2007, la péninsule ibérique se situait juste derrière l'Allemagne, soit à la deuxième place pour ce qui est de la puissance éolienne installée (avec 15 090 MW). L'énergie solaire devient également de plus en plus importante en tant que source d'énergie « rurale », dans ces champs solaires de grande ampleur qu'on trouve désormais communément dans les zones rurales espagnoles, où sont utilisées, seules ou en association, les technologies du chauffage solaire de l'eau, du solaire photovoltaïque et du solaire thermoélectrique. La production de biomasse, de biogaz et de biocarburants s'est aussi considérablement développée. Il convient de signaler les programmes communs entre les administrations nationales et régionales relatifs à l'utilisation des résidus forestiers pour la production de biomasse, qui ont un impact important au niveau rural.

Jusqu'à dernièrement, la politique rurale de l'Espagne reposait essentiellement sur les programmes de l'UE, mis en œuvre de manière décentralisée, avec un biais important en faveur du soutien à l'agriculture

Depuis les années 80, la politique rurale de l'Espagne était essentiellement basée sur les programmes de développement rural et les fonds structurels de l'UE, mis en œuvre de manière décentralisée, par l'intermédiaire de ses communautés autonomes. Pour la période de programmation 2007-13 de l'UE, l'Espagne dispose d'un Cadre national et de 17 Programmes de développement rural. Le Cadre national comprend plusieurs mesures horizontales que chaque communauté autonome doit reprendre dans son programme de développement rural. L'Espagne reste l'un des principaux bénéficiaires de la politique de l'UE en faveur du développement rural, représentant 7.9 % des transferts du FEADER et 10.2 % des dépenses publiques totales consacrées au développement rural au titre de la PAC en Europe pour 2007-13. Toutefois, les priorités indiquées dans l'attribution des fonds publics par objectif dans les différentes régions montrent une forte orientation en faveur de l'agriculture (52 % des fonds publics totaux sont destinés à la compétitivité du secteur agricole – Objectifs de l'Axe 1 – par rapport à une moyenne de 34 % pour l'UE). Comparativement, 13 % des dépenses publiques totales sont alloués à la qualité de la vie, à la diversification et à l'initiative LEADER – Objectifs des Axes 3 et 4 –, alors qu'en Europe, le chiffre est de 17.3 %. La Navarre (68.2 %), le Pays basque (64.9 %) et les îles Canaries (64.3 %) bénéficient de fonds parmi les plus importants alloués aux Objectifs de l'Axe 1 en Europe. Douze des 17 Programmes de développement rural espagnols attribuent plus de 50 % de leurs dépenses publiques totales à des Objectifs de l'Axe 1. Seule une communauté autonome, Castille-La Manche, ne suit pas la tendance générale et a alloué la plus grande part de ses fonds aux Objectifs de l'Axe 2. Le seul autre cas particulier est Cantabrie, qui a affecté 32.6 % aux Objectifs de l'Axe 3, alors que la moyenne nationale est de 11 %.

Cependant, l'Espagne a souscrit à l'initiative LEADER de l'UE dès son lancement et l'a étendue avec son propre programme PRODER…

L'Espagne a adopté l'initiative LEADER de la Commission européenne avec relativement plus d'enthousiasme que d'autres pays européens. Vu la popularité de LEADER dans les communautés rurales au cours de sa première

édition en 1991-94, l'Espagne a créé pour la deuxième période de programmation un programme homologue (PRODER) afin d'étendre l'initiative à des zones rurales ne bénéficiant pas de LEADER. Pour la période de programmation 2007-13, l'initiative LEADER devient un axe méthodologique et transversal en vertu duquel des mesures correspondant aux trois axes thématiques peuvent être mises en œuvre. Par conséquent, il n'y aura plus en Espagne de distinction entre les groupes LEADER et PRODER, et tous mettront en œuvre cet axe transversal. L'Espagne représente environ 18 % de la dotation budgétaire totale faite par les états membres de l'UE à l'Axe 4 de la PAC, qui comprend toutes les mesures utilisant la méthodologie LEADER (dont certaines correspondent aux mesures 411, 412 et 413 appartenant aux Objectifs des Axes 1, 2 et 3, respectivement). De fait, l'Espagne est l'État membre de l'UE qui utilise le plus la méthodologie LEADER dans le cadre de ses Programmes de développement rural, en consacrant 10.3 % de ses dépenses publiques totales au titre des Programmes de développement rural à des mesures relevant de l'Axe 4. Alors que l'UE a déterminé qu'au minimum 5 % du FEADER devaient être mis en œuvre dans le cadre de LEADER, l'Espagne, dans son Cadre national, fixe un seuil minimal de 10 % pour toutes les communautés autonomes. Avec 12.9 %, l'Andalousie est la communauté autonome qui a la plus grande part de dépenses publiques pour l'Axe 4. L'importance de la méthodologie LEADER dans les Programmes de développement rural de l'Espagne au niveau régional varie de 12.9 % du budget public total correspondant au Programme de développement rural en Andalousie à 4.7 % en Navarre.

… qui a eu des résultats positifs, mais s'est avéré insuffisant pour relever les défis et exploiter les possibilités des zones rurales

La méthodologie LEADER s'est, non sans difficultés, imposée auprès des acteurs des zones rurales et elle a eu des effets positifs. Après 17 ans de pratique, bon nombre des objectifs sociaux initiaux de l'initiative LEADER commencent à prendre forme dans la société rurale espagnole. Citons notamment la mise en place de moyens de participation inédits, la création d'une culture d'auto-initiative communautaire, l'augmentation des perspectives pour les jeunes et les femmes, l'accroissement de la valeur accordée aux zones rurales et la réévaluation d'un grand nombre d'éléments du patrimoine naturel et culturel qui s'y trouvent. Il est encore possible de renforcer la relation entre les Groupes d'action locale (GAL) et les agents publics, en augmentant la transparence et la responsabilisation de leurs procédures et actions. Les GAL pourraient même élargir leur champ d'action

pour participer plus substantiellement au développement de leurs territoires (voir la participation de la société civile ci-après).

L'approche de l'Espagne en matière de politique rurale connaît une évolution importante, dont l'impulsion a été donnée au niveau régional…

Quelles que soient les réalisations de LEADER au niveau local, comme l'ont reconnu les autorités tant nationales que régionales, ce type d'approche limitée était insuffisant pour relever les défis et exploiter les possibilités des zones rurales. Aussi un certain nombre de régions espagnoles ont-elles pris les devants pour aller plus loin que les politiques européennes. Le niveau de décentralisation en matière de questions liées au développement rural a entraîné une dynamique d'expérimentation institutionnelle et politique dans de nombreuses communautés autonomes. Il aurait pu en résulter des divergences des approches des pouvoirs publics, mais cela a au contraire permis une expérimentation et l'émergence de meilleures pratiques locales adaptées au contexte espagnol. Par exemple, le Pays basque a bénéficié d'une « Loi pour le développement durable des zones rurales » depuis 1998 ; de nombreuses communautés autonomes telles que l'Estrémadure, la Navarre et la Galice ont disposé d'un *Consejería* (entité administrative au niveau régional) chargé du développement rural, avec des programmes spécifiques axés sur la diversification et la compétitivité de l'économie rurale, auquel il incombe de coordonner ses activités avec les autres *Consejerías* afin de définir des interventions stratégiques. De nombreuses communautés autonomes, telles que la Castille-León, le Pays basque et la Galice, ont des organes de coordination des différents *Consejerías* compétents en matière de politique rurale. Nombre d'entre elles ont des programmes de développement rural plus larges que ceux de l'UE, qu'ils complètent, que ce soit explicitement (comme avec la *Nueva Estrategia Rural para Andalucía* – NERA – de l'Andalousie), ou implicitement dans leurs programmes de développement régional.

… et qui est actuellement intégrée au niveau national

La Loi pour le développement durable du milieu rural (LDSMR, promulguée le 14 décembre 2007, en vigueur depuis le 2 janvier 2008), la définition de six mesures universelles dans le Plan stratégique national à inclure dans tous les programmes régionaux de développement rural, et la fusion du ministère de l'Agriculture, de la Pêche et de l'Alimentation (MAPA) avec celui de l'Environnement (MMA), pour créer le ministère de

l'Environnement, du Milieu rural et marin (MARM) en avril 2008, illustrent une importante évolution politique vers l'élaboration d'une « politique rurale au niveau de l'État » (*política rural de estado*) visant à coordonner les efforts des différents ministères et administrations dans les zones rurales. Le nouveau cadre de la politique rurale place l'Espagne à l'avant-garde en termes d'instruments de gouvernance multisectorielle et à plusieurs niveaux. La Loi prévoit la création au niveau national de plusieurs institutions collégiales de gouvernance de la politique rurale : la Commission interministérielle pour le milieu rural (CIMR), le Conseil du milieu rural (CMR) et la Table ronde des Associations de développement rural (MADR). Elle prévoit également le lancement d'un *vaste* Programme de développement rural durable interministériel et pluriannuel (PDRS), regroupant les dotations budgétaires de différents ministères et régions, mais disposant aussi de ressources financières propres. La LDSMR définit une typologie spécifique des zones rurales susceptibles de faire l'objet d'une intervention des pouvoirs publics et comprend des mécanismes permettant la participation de la société civile.

Le nouveau cadre doit faire face à d'importants enjeux de gouvernance en termes de :
1) Coordination horizontale au niveau national…

L'Espagne est à mi-chemin sur la voie d'une évolution cruciale consistant à étendre le champ de sa politique rurale, qui relevait précédemment de la seule responsabilité du ministère de l'Agriculture (ex-MAPA, désormais MARM) et des communautés autonomes, pour en faire une question qui concerne l'ensemble de l'administration publique. La « politique rurale globale » nécessite la coordination des efforts de bon nombre des ministères fonctionnels et des entités publiques nationales, dont les actions ont un effet sur les zones rurales. Toutefois, la Commission interministérielle pour le milieu rural (CIMR), telle qu'elle est instituée par le texte de loi, est fortement dépendante du MARM, qui dispose de 5 des 19 sièges de la Commission, dont celui revenant à la Présidence. L'expérience acquise dans différents pays ou au sein des communautés autonomes espagnoles montre qu'une forte implication et une surreprésentation d'un ministère sectoriel dans ce type de commissions plurisectorielles peuvent freiner la mobilisation et la participation des autres parties correspondant au même niveau administratif. Par conséquent, pour éviter que ne se répètent les difficultés observées dans d'autres pays de l'OCDE, il pourrait être judicieux de revoir la composition de la CIMR et l'exercice des responsabilités en son sein, afin qu'elle soit plus équilibrée et plus adaptée à une collaboration interministérielle, ou de la doter d'outils permettant un examen des actions du point de vue des priorités rurales, pour assurer la mise en œuvre et l'évaluation de ses recommandations.

… ce qui nécessite une appropriation de la nouvelle stratégie de développement rural par toutes les parties prenantes ;

Un facteur essentiel du succès de ce type d'organe collégial, qui peut même permettre de dépasser certaines des difficultés mentionnées ci-dessus, tient au degré d'implication des différents acteurs dans le programme d'actions à mettre en œuvre par la CIMR. Dans ce contexte, il est important d'assurer une participation active des divers ministères au processus d'élaboration du PDRS, de façon que les décisions soient considérées par chaque ministère comme conformes à son propre programme d'action et ne paraissent pas être imposées par un agent extérieur. En outre, le PDRS pourrait intégrer les programmes européens de manière cohérente tout en allant plus loin que ce qu'ils prévoient. Par conséquent, le nouveau Programme de développement rural durable au niveau national et les plans d'actions correspondants des communautés autonomes pourraient être élaborés de telle sorte que les programmes européens s'inscrivent dans le contexte de l'ensemble des interventions des pouvoirs publics dans les zones rurales. Les interventions menées par les différents ministères et les communautés autonomes devraient être claires et transparentes de façon à montrer et promouvoir la cohérence politique.

2) De coordination verticale entre les autorités nationales et régionales…

Compte tenu des attributions constitutionnelles des régions en matière de planification agricole et territoriale, l'élaboration de la politique rurale en Espagne est l'une des plus décentralisées qui existent en Europe. Le nouveau cadre vise à définir une « politique rurale au niveau de l'État » qui coordonnerait les efforts des administrations régionales et du gouvernement national. L'instrument créé à cet effet, le Conseil du milieu rural (CMR), tel qu'il est instauré par le texte de loi, est un organe collégial spécial qui intègre parfaitement l'objectif horizontal, plurisectoriel de la loi avec les caractéristiques de relations verticales de la structure décentralisée et du fonctionnement de l'État espagnol. Toutefois, sa composition actuelle laisse supposer une tension permanente entre un champ d'application étendu ou limité de la politique rurale. Les représentants des différents ministères devraient donner au CMR un champ d'application plurisectoriel large, mais les représentants des régions, qui devraient être les conseillers chargés du développement rural, n'ont pas de responsabilités et ne peuvent pas s'exprimer au nom de leurs gouvernements régionaux sur des points relevant

d'autres domaines. Il en serait autrement si les représentants des régions étaient autorisés à s'exprimer pour tous les départements d'un gouvernement régional ou si le CMR disposait d'instruments d'examen des actions du point de vue des priorités rurales pour adresser des recommandations aux administrations régionales (et suivre leurs engagements).

… tant pour l'allocation de fonds que pour l'homologation d'instruments de diagnostic, de planification, de suivi et d'évaluation ;

La distribution de fonds entre les administrations régionales et le cofinancement pourraient constituer une source de tension, mais il semble possible que la capacité générée forme un vaste exercice budgétaire qui prendrait en compte le financement national, régional et privé du développement rural en dehors des Programmes de développement rural sur chaque territoire. L'extension de cet exercice au-delà des fonds européens présente l'avantage que les autorités et les différentes parties prenantes actives en matière de politique rurale peuvent évaluer l'effort financier total et relatif nécessaire pour le développement rural sur leur territoire. Une autre opportunité qui résulte de l'existence d'une « politique rurale au niveau de l'État », qui facilitera les diagnostics, la planification, le suivi et l'évaluation de la politique rurale, tient à la capacité d'harmoniser les bases de données officielles (économiques, sociales, démographiques) avec la typologie des zones rurales définies par la LDSMR. L'Institut national de la statistique (INE) devrait être invité à prendre part au débat sur la politique rurale, par exemple en lui attribuant un poste au sein de l'un des organes collégiaux, et en le chargeant explicitement de fournir des statistiques pour ces catégories.

3) *De coordination horizontale au niveau régional…*

Le nouveau cadre de la politique rurale au niveau national n'entraîne pas de changements des structures de gouvernance au sein des communautés autonomes, mais on peut raisonnablement s'attendre à des modifications de l'organisation et des mandats d'institutions qui prennent part à la politique rurale au niveau régional. En particulier, des évolutions allant dans le même sens que celles des autorités nationales sont envisageables et souhaitables. En outre, la création de commissions ou de conseils, réunissant non seulement l'administration publique mais aussi toutes les parties prenantes importantes en matière de politique rurale, serait utile pour les communautés autonomes qui ne disposent pas encore de ce type d'institutions. Cela faciliterait les accords nécessaires pour l'élaboration d'un programme de développement

rural régional pour chacune des zones prévues dans la LDSMR. Enfin, il serait souhaitable et utile à des fins de planification, de mise en œuvre et d'évaluation que, pour chaque communauté autonome, les plans par zone et les programmes ruraux d'ensemble aient une structure et un contenu identiques ainsi qu'un ensemble commun d'indicateurs.

… et entre régions et municipalités voisines…

L'un des résultats positifs souhaitables de cette vision à l'échelle du pays serait l'augmentation de la collaboration pour le développement rural entre régions homologues et municipalités homologues. Il y a moult occasions en la matière, en termes de prestations de services publics (voir la partie sur les services publics ci-après). Au niveau municipal, la collaboration entre municipalités voisines au sein d'une communauté autonome et avec celles des communautés autonomes voisines pourrait être renforcée. La collaboration entre municipalités urbaines et périurbaines revêt de plus en plus d'importance, et doit faire l'objet de formes spécifiques de gouvernance et d'un financement collaboratif (voir la partie sur les liens entre zones urbaines et rurales ci-après).

… et 4) D'engagement de la société civile, rurale et urbaine

Avec la création de la Table ronde des Associations de développement rural (MADR, selon les initiales en espagnol), la LDSMR formalise un instrument de participation des associations et unions rurales, qui existait déjà mais sans statut juridique. Il s'agit d'un résultat important. Toutefois, la rigidité relative établie par le texte de loi, concernant le type et le nombre d'associations qui doivent s'y conformer, pourrait susciter des difficultés à l'avenir lorsque de nouvelles associations chercheront à faire entendre leur voix sur les questions de développement rural. Au sein de ces associations, la participation des deux réseaux nationaux de groupes d'action locale mérite une attention particulière. Leur participation formelle à la Table ronde confère un statut juridique plus solide dans le contexte espagnol aux groupes d'action locale LEADER, car ces réseaux sont leur représentation nationale. Tirant avantage du statut « juridique » qui leur est accordé au niveau national au sein de la Table ronde, les groupes d'action locale pourraient plaider en faveur d'une représentation unifiée des différents territoires. Au niveau régional, des efforts pourraient être entrepris en vue d'établir une relation plus forte et constructive entre les autorités régionales et les groupes d'action locale. Le nouveau cadre institutionnel élaboré pour la politique rurale pourrait servir à

examiner les moyens d'accroître la transparence, la responsabilisation et l'évaluation des performances pour ce qui est des actions et des décisions des groupes d'action locale. Parallèlement, de plus amples responsabilités pourraient être attribuées aux groupes d'action locale en reconnaissance du fait qu'ils sont plus proches des besoins des citoyens ruraux. En principe, ils pourraient constituer une source importante d'informations pour contribuer à combler le manque de connaissances dont les gouvernements centraux ou régionaux peuvent souffrir concernant les besoins de la société rurale.

Les pouvoirs publics doivent en priorité :…

À partir de la Loi pour le développement durable du milieu rural (LDSMR), le Programme de développement rural durable (PDRS) sera, pour la première fois, l'occasion de concevoir des politiques plurisectorielles permettant de faire face aux enjeux des zones rurales. Dans ce contexte, quatre priorités se dessinent : 1) traiter les questions du dépeuplement et du vieillissement de la population ainsi que les défis sociaux dans les zones rurales ; 2) accroître la diversification de l'économie rurale et sa compétitivité au niveau international ; 3) renforcer les liens entre zones urbaines et rurales et promouvoir un développement équilibré des zones périurbaines ; et 4) traiter les préoccupations environnementales et favoriser un développement durable des zones rurales.

… 1) Traiter les questions du dépeuplement et du vieillissement de la population ainsi que les défis sociaux dans les zones rurales…

Le traitement des enjeux démographiques et sociaux figure parmi les objectifs essentiels de la politique rurale dans le cadre de la LDSMR, mais la réalisation de ces objectifs est compliquée par le fait qu'en raison de son orientation sectorielle, traditionnellement, la politique rurale n'est pas liée à la politique sociale. En outre, nombre des politiques visant à atteindre des objectifs sociaux tels que l'ancrage de la population, soit sont axées sur des considérations sectorielles soit ne répondent pas pleinement aux besoins sociaux. Pour faire face aux problèmes du dépeuplement, du vieillissement de la population et des perspectives sociales moindres dans les zones rurales, il convient de cibler les actions sur les facteurs qui influencent la décision de rester dans ces zones ou de les quitter. Il y a deux domaines majeurs : *i*) la disponibilité et l'accessibilité des services publics [depuis les plus élémentaires tels que les infrastructures liées aux logements, l'enseignement et les services de santé jusqu'aux plus avancés tels que les technologies de

l'information et des communications, (TIC)] ; et *ii*) des perspectives pour les femmes, les jeunes et les immigrants dans les zones rurales.

- **Des approches innovantes de la prestation de services publics** nécessitent une certaine souplesse concernant plusieurs aspects. Cette souplesse est nécessaire : *i*) pour accorder les services avec les spécificités de chaque région en encourageant l'innovation et en déterminant les meilleures pratiques selon les régions ; *ii*) pour ce qui est des prestataires de services en permettant une plus grande participation de la communauté et l'implication du secteur privé et du secteur associatif dans le cadre de mécanismes tels que les partenariats publics-privés (PPP). Parallèlement, il conviendrait d'institutionnaliser des mécanismes permettant de faciliter la prestation de services publics – en particulier les services de santé – dans l'établissement le plus proche, indépendamment de la communauté autonome de résidence ; *iii*) concernant les modalités de fourniture des services. Les solutions passent par la colocalisation de services pour la mobilité des usagers par des moyens de transports spécifiques, le lancement de services « mobiles » et l'utilisation des TIC pour assurer l'accès de la population aux services. Il convient de mettre tout particulièrement l'accent sur l'extension des services à destination des personnes âgées en vue d'éviter ou de retarder autant que possible les problèmes de santé et de handicap. Cette tranche de la population devrait être considérée comme un atout pour les zones rurales, et leur participation sur le marché du travail et dans les affaires de la communauté rurale devrait être encouragée. Enfin, en complément des initiatives telles que les télécentres, il est essentiel que les efforts entrepris pour réduire la fracture numérique soient poursuivis et étendus afin d'améliorer la qualité de vie et d'attirer des activités commerciales dans les zones rurales.
- **Les perspectives pour les femmes** supposent l'harmonisation de la vie professionnelle et personnelle dans les zones rurales et la promotion de leur plus grande implication dans les tâches des autorités locales et le développement de la communauté. Pour les jeunes des zones rurales, il est important de procéder à des investissements en capital humain, en prenant des mesures pour réduire les forts taux d'abandon scolaire dans ces zones, et en y améliorant l'accès à l'enseignement supérieur et sa pertinence. Pour les immigrants qui vivent dans les zones rurales, où ils ont parfois compensé le dépeuplement et amélioré la pyramide des âges, des efforts d'intégration doivent être engagés, en commençant dès l'enfance et jusque sur le marché du travail. Dans le cadre des nouvelles réglementations de la migration, la politique rurale et les politiques d'immigration pourraient être coordonnées pour mieux faire correspondre l'offre et la demande d'emplois dans les régions rurales.

… 2) Accroître la diversification et la compétitivité de l'économie rurale…

La diversification de l'économie rurale a beau avoir démontré ses avantages et être considérée comme une priorité dans la PAC de l'UE pour la période 2007-13 et dans la LDSMR, les Programmes de développement rural y accordent encore peu de soutien. Les communautés autonomes disposent d'autres mesures sectorielles en plus des Programmes de développement rural pour soutenir la diversification, mais le nouveau cadre en matière de politique rurale devrait favoriser l'élaboration d'une stratégie solide qui accorderait une plus grande priorité et investirait davantage en faveur des aspects suivants : *i*) la promotion de l'entrepreneuriat dans les zones rurales pour renforcer leur compétitivité ; *ii*) la fourniture d'un soutien spécifique aux secteurs présentant un potentiel élevé ; et *iii*) la promotion d'un rôle nouveau pour les établissements financiers en matière de développement rural.

- Les politiques de **soutien de l'entrepreneuriat** qui, pour l'essentiel, ont été élaborées de manière uniforme dans les limites politiques et administratives, doivent être adaptées aux contextes ruraux. Les efforts visant à insuffler un esprit entrepreneurial dans le cadre sociétal des zones rurales doivent porter sur des évolutions du système d'enseignement, la promotion d'une perception adéquate de l'entrepreneuriat comme une option de carrière valable et viable, la promotion d'une plus grande acceptation du changement et du risque. Des programmes de soutien pourraient jeter les bases d'une meilleure interaction sociale entre les entrepreneurs en place, renforcer le rôle de l'entrepreneur dans la communauté, et célébrer les réussites des entrepreneurs ruraux existants. Il conviendrait de mettre particulièrement l'accent sur la promotion de l'entrepreneuriat des femmes et de restructurer le système des relations hommes-femmes afin de modifier la perception générale du rôle des femmes dans les zones rurales au sein de la société rurale espagnole.
- Il convient de mettre en œuvre un **soutien spécifique pour les secteurs présentant un fort potentiel**. Pour le tourisme rural, cela suppose de concentrer désormais les efforts davantage sur la qualité plutôt que sur la quantité, ainsi que sur l'information, la communication et la collaboration entre les opérateurs, sur la réduction du caractère saisonnier des activités et sur l'accroissement de la différenciation. Le soutien aux pôles ruraux de production devrait être prévu au cas par cas, pour favoriser le renforcement des capacités d'innovation des régions et la création et le transfert de connaissances. Le développement d'entreprises assurant des activités de service à forte intensité de savoir (KISA), dans les zones rurales, souligne la nécessité d'accroître la disponibilité de services et d'équipements

appropriés, dont on sait qu'ils sont essentiels pour favoriser l'entrepreneuriat rural et l'activité économique, en faisant des zones rurales des lieux attractifs et où il fait bon vivre et créer des entreprises.

- **Les établissements financiers** ont joué un rôle crucial dans le développement des zones rurales en Espagne, qui sont relativement mieux pourvues que dans d'autres pays vu le nombre de caisses d'épargne, coopératives de crédit et succursales bancaires. Toutefois, comme toutes les institutions rurales, ils sont caractérisés par une forte orientation vers l'agriculture. Le nouveau cadre de politique rurale pourrait contribuer à davantage impliquer les établissements financiers en tant que partenaires majeurs du développement des zones rurales dans tous les secteurs. Ces derniers sont susceptibles d'apporter des connaissances financières et techniques dans les zones rurales, ainsi que des services de conseil et des compétences spécialisées aux communautés concernées. Ils peuvent également avoir des effets sur les attitudes à l'égard des entrepreneurs et de l'entrepreneuriat. Pour encourager ce comportement, l'administration peut inviter les établissements financiers à jouer un rôle plus important dans le cadre de la mise en œuvre de la LDSMR, leur permettre de s'exprimer au sein de la MADR et favoriser le renforcement de leur participation et de leur collaboration, à la fois pour ce qui est des conseils et de la gestion financière, avec les groupes d'action locale au niveau local.

… 3) *Exploiter les liens entre zones rurales et zones urbaines et promouvoir le développement équilibré des zones périurbaines…*

Compte tenu de la configuration territoriale du pays, l'amélioration des liens entre zones urbaines et zones rurales revêt de plus en plus d'importance dans le cadre de la politique rurale de l'Espagne, tout particulièrement dans les zones périurbaines. La nouvelle politique rurale devrait accorder une attention spécifique aux défis auxquels les zones périurbaines doivent faire face, tels que : *i)* les modifications de l'utilisation des terres ; *ii)* la demande croissante de services publics ; *iii)* l'amélioration de la gouvernance dans ces zones ; et *iv)* les avantages à tirer d'instruments de politique rurale dans les contextes périurbains.

- **Les modifications de l'utilisation des terres** pourraient être gérées en promouvant une croissance ordonnée et raisonnable des infrastructures et des zones résidentielles, industrielles et commerciales. Il convient d'améliorer la gestion des zones protégées qui pâtissent de la pression urbaine élevée dans les zones urbaines et périurbaines. Les pouvoirs publics devraient veiller à la préservation des zones de conservation pour améliorer

la qualité de la vie et renforcer les relations économiques de la ville avec les zones périurbaines et rurales voisines.

- **Pour faire face à la demande croissante de services publics dans les zones périurbaines,** il convient de mettre en œuvre une réponse régionale car les municipalités rurales qui doivent fournir de nouveaux services pour satisfaire la demande plus élevée ne disposent pas des moyens de les financer. Il convient de trouver de nouveaux types d'accords pour éviter un endettement important des municipalités rurales périurbaines et de promouvoir des modes de prestations de services innovants dans le cadre de partenariats entre les municipalités et les secteurs privé et associatif.
- **Un cadre de gouvernance spécifique à plusieurs niveaux** est nécessaire pour les zones périurbaines, compte tenu de la superposition de compétences clés et de la multiplicité des parties prenantes. Il serait souhaitable que des accords soient établis entre les autorités régionales et municipales et qu'ils permettent une participation efficace et suscitent une collaboration entre les acteurs concernés. Ce type de cadre devrait permettre d'améliorer la planification spatiale et régionale entre les zones urbaines et les zones avoisinantes. Un tel cadre pourrait également favoriser la participation des parties prenantes et leur collaboration.
- **Les politiques de développement rural dans les zones périurbaines** devraient être adaptées à un contexte plus diversifié et favoriser les relations entre zones rurales et zones urbaines. Le modèle de développement LEADER est généralement efficace dans les zones périurbaines, même s'il ne dispose pas d'instruments pour assurer la planification spatiale. Dans les contextes périurbains plus qu'ailleurs, une convergence entre la politique environnementale et celle de développement rural est nécessaire.

… 4) *Traiter les préoccupations environnementales*

Les évolutions institutionnelles et législatives récentes en matière de politique rurale et environnementale (la LDSMR et la Loi sur le patrimoine naturel et la biodiversité – LNHB – ainsi que la création du MARM en 2008), offrent la possibilité d'une coordination sur des questions communes telles que : *i*) la gestion et la conservation de la biodiversité ; *ii*) la gestion des ressources naturelles (eau et sol) ; *iii*) la production d'énergie renouvelable dans les zones rurales ; et *iv*) la réduction des risques liés au changement climatique.

- **La gestion et la conservation de la biodiversité** nécessitent différentes méthodes de gestion faisant participer les acteurs concernés pour ce qui est des zones protégées agricoles et forestières. Le soutien aux exploitations

situées dans des zones protégées pourrait prendre les formes suivantes : *a)* la promotion de produits liés à la conservation de la biodiversité ; *b)* le renforcement des relations entre pratiques agricoles et productions saines et de bonne qualité ; *c)* la promotion de l'industrie de transformation aboutissant à des produits à valeur ajoutée ; *d)* la promotion d'activités éducatives et touristiques à la ferme. Pour ce qui est des terres sylvicoles, on note des expériences intéressantes dans plusieurs régions. Des mesures spécifiques pourraient être mises au point dans le cadre du PDRS et des programmes régionaux concernant la gestion durable des forêts et la conservation de la biodiversité, tout en diffusant les bonnes pratiques et les expériences régionales.

- **La stratégie de gestion des ressources naturelles** devrait intensifier les efforts en cours en matière d'économies d'eau dans l'agriculture. Le Plan national d'irrigation (PNR) a favorisé une tendance à l'utilisation efficace de l'eau, économisant environ 2.8×10^5 m^3/an, soit près de 5 % de la capacité de stockage totale de l'Espagne. Ces économies ont été obtenues principalement grâce à l'adoption d'une irrigation par goutte à goutte plus efficace, technique appliquée sur 41.6 % des terres irriguées. Il est nécessaire de poursuivre ces efforts en maintenant la cohérence avec la Directive-cadre sur l'eau. Les mesures horizontales de gestion des ressources hydriques dans les Programmes de développement rural vont dans cette direction, prévoyant d'économiser 1.8×10^5 m^3/an au cours de la période de programmation. La politique en matière d'utilisation de l'eau devrait équilibrer les besoins territoriaux en ajustant la demande à l'offre et favoriser les zones de production durables socialement au moyen d'actions de développement rural. Des actions plus fortes doivent être adoptées afin d'assurer la restauration et la protection efficace des écosystèmes humides. Les pratiques en matière de gestion de l'eau, de foresterie, de prévention des incendies, et d'agriculture devraient tenir compte de leurs effets sur l'érosion des sols.
- **La production d'énergie renouvelable dans les zones rurales** pourrait être guidée par une politique globale prenant en considération la planification spatiale et l'évaluation environnementale ainsi que les stratégies de développement qui équilibrent la production d'énergie, les valeurs environnementales et le tourisme. Les municipalités devraient être conseillées sur les meilleurs moyens de tirer parti des projets dans le domaine de l'énergie renouvelable. Les groupes d'action locale pourraient envisager de participer à une stratégie visant à valoriser les intrants ruraux de l'énergie renouvelable et à accroître les avantages locaux pour les régions. L'Espagne pourrait augmenter son avantage comparatif dans le domaine des nouvelles énergies renouvelables plus rentables et moins

problématiques, en évitant autant que possible de remplacer sa production alimentaire par la production d'énergie.

- **La réduction des risques liés au changement climatique** nécessite d'intégrer des actions à court et moyen termes dans le PDRS et les programmes régionaux. Celles-ci pourraient notamment porter sur la gestion de l'eau et la modération de la demande en eau, la gestion des terres et la prévention de l'érosion des sols, ainsi que des évolutions des pratiques et des infrastructures d'exploitation.

Synthèse

La concentration de la population dans les grandes villes, au détriment des zones rurales, et le retard de ces dernières, pour ce qui est de bon nombre d'indicateurs sociaux et économiques, donnent à penser que la longue période de vive croissance qu'a connu l'Espagne dernièrement n'a pas eu d'effets majeurs sur les zones rurales. Toutefois, paradoxalement, alors que la dynamique de la croissance touche à sa fin et que l'économie nationale subit les répercussions de la crise financière internationale actuelle, les zones rurales peuvent devenir des creusets d'emploi et de création de richesses, tout en contribuant à trouver des solutions aux enjeux écologiques. Cela nécessite une nouvelle approche de la politique rurale, qui tire profit de l'application des programmes de développement rural de l'UE mais qui aille plus loin. La nouvelle Loi pour le développement durable du milieu rural (LDSMR) et la fusion du ministère de l'Agriculture, de la Pêche et de l'Alimentation (MAPA) avec celui de l'Environnement (MMA), illustrent la volonté d'une évolution vers une meilleure coordination des efforts des différents ministères et administrations, pour relever les défis et exploiter les possibilités des zones rurales. Pour atteindre ces objectifs, les principales priorités en termes de gouvernance sont les suivantes : *i*) la mise au point d'outils permettant un examen des actions du point de vue des priorités rurales, et une représentation équilibrée dans la Commission interministérielle pour le milieu rural (CIMR) nouvellement créée, et le Conseil du milieu rural (CMR), afin d'obtenir un véritable engagement et la participation des autorités concernées ; *ii*) l'homologation et l'institutionnalisation d'instruments de diagnostic et d'évaluation dans les différentes régions sans limiter l'innovation ; et *iii*) la participation active de la société civile au processus. À partir de la LDSMR, le Programme de développement rural durable (PDRS) permettra, pour la première fois, de concevoir des politiques plurisectorielles susceptibles de relever les défis auxquels les zones rurales sont confrontées. Dans ce contexte, quatre priorités se dessinent : *i*) la gestion des questions du dépeuplement et du vieillissement de la population, ainsi que des défis sociaux dans les zones rurales ; *ii*) l'accroissement de la diversification de

l'économie rurale et l'amélioration de sa compétitivité sur le plan international ; *iii*) le renforcement des liens entre zones urbaines et rurales et la promotion d'un développement équilibré des zones périurbaines ; *iv*) la gestion des préoccupations environnementales et la promotion d'un développement durable des zones rurales.

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Evaluación y recomendaciones

A pesar de su extenso territorio rural, España cuenta con relativamente pocas regiones «predominantemente rurales»

Según la definición de la OCDE de zonas rurales a nivel municipal, el 92 % del territorio español es rural y en él vive el 27 % de la población. Estas cifras se acercan a la clasificación «oficial» de zonas rurales, como se definen en la Ley para el Desarrollo Sostenible del Medio Rural (LDSMR), publicada recientemente, según la cual las zonas rurales abarcan el 92.7 % del territorio, si bien la cifra de población alcanza el 42 % (17 millones de personas). A nivel regional (TL3/NUTS3), España cuenta con 7 regiones (provincias) predominantemente urbanas (PU), 27 regiones intermedias (IN) y 18 predominantemente rurales (PR). Cabe destacar la prevalencia de regiones intermedias. El modelo particular de asentamiento de población en España se caracteriza por un pequeño número de grandes ciudades y un gran número de ciudades medianas y pequeñas, concentradas principalmente en las provincias costeras. Esta situación sitúa a España en un nivel bajo con respecto a otros países de la OCDE en términos de territorio, población y PIB de regiones PR (45 % del territorio, 13 % de la población y 10 % del PIB).

Las aéreas rurales no han podido crecer al mismo ritmo que el resto del país durante el largo período de vigoroso crecimiento nacional…

Durante las dos últimas décadas, España ha vivido un período casi ininterrumpido de crecimiento económico en el que ha alcanzado un alto nivel de convergencia con los países más desarrollados de la Unión Europea. En este período, España ha pasado de ser un país de emigrantes a otro de inmigrantes, y ha mejorado considerablemente los niveles de educación y de calidad de vida de sus habitantes. No obstante, el modelo de concentración de población en las grandes ciudades, en detrimento de las zonas rurales y ciudades pequeñas así como las zonas rurales más atrasadas con respecto a muchos indicadores económicos y sociales, da prueba del fuerte sesgo urbano de este crecimiento. El PIB de las regiones predominantemente rurales – PR – creció de media un 2.5 % anual entre 1999 y 2004, a diferencia del 3.5 % que alcanzó la media nacional.

… de hecho, en muchos casos, han quedado atrapadas en una espiral de despoblación y bajo rendimiento económico…

La despoblación de zonas rurales en España ha sido más significativa que en otros países de la OCDE. En los últimos cincuenta años, la población rural ha descendido de 13.5 millones (la mitad de la población total) en 1950 a 9.78 millones (una cuarta parte de la población total actual). Las regiones montañosas y los asentamientos dispersos muestran el mayor descenso. Si bien, de 2001 a 2007, la inmigración extranjera, entre otros factores contribuyó a disminuir e incluso revertir la tendencia negativa en algunas zonas, la emigración de gente joven por décadas, desde zonas rurales hacia zonas urbanas, junto con el crecimiento demográfico negativo, han provocado un envejecimiento y una masculinización relativos de la población rural. Los análisis de regresión y descomposición indican que la estructura demográfica y la emigración son algunos de los factores que más han contribuido al bajo rendimiento de las regiones rurales, ya que la población restante encuentra dificultades para crear crecimiento endógeno.

… y de importantes retos sociales, entre los que se incluye una disminución de las oportunidades sociales…

De acuerdo al último censo de 2001, las zonas rurales presentaban una incidencia de pobreza relativa (renta inferior al 60 % de la media nacional) mayor (22 % frente al 18 % nacional), unos niveles de ingresos más bajos (14 % por debajo de la media nacional) y unos niveles de capital humano también más bajos (3.4 % de personas analfabetas y 18 % sin estudios, en comparación con el 2 % y 10 % en zonas urbanas). Datos más recientes, disponibles a nivel provincial, indican importantes avances en estos frentes. Cabe destacar que en términos de PIB per cápita ajustado a la paridad del poder adquisitivo, las regiones predominantemente rurales se están recuperando. De hecho, algunas regiones PR apartadas (Badajoz y Zamora) y regiones PR accesibles (Lérida y Huelva) se sitúan entre las provincias con mayor crecimiento del PIB per cápita durante el período 1998-2003. Asimismo, en términos de resultados educativos, según la evaluación PISA 2006 de la OCDE, el rendimiento de los alumnos en el medio rural fue similar al del alumnado urbano. Desde una perspectiva territorial resulta evidente la división norte-sur en lo que respecta a muchos indicadores sociales, entre los que se incluyen el nivel de ingresos, la educación y el desempleo.

… la integración de los inmigrantes…

Uno de los aspectos más relevantes de la reciente evolución demográfica de España es el aumento de la población inmigrante extranjera en el país. Aun cuando este fenómeno es predominantemente urbano, ya que la mayoría de los nuevos migrantes buscan oportunidades en las zonas urbanas, la población inmigrante en las zonas rurales se multiplicó por 17 durante el período 1993-2003, alcanzando el número de 62 000 migrantes en zonas rurales. De los 7 647 núcleos de población considerados rurales, en 2003 sólo 1 777 no habían recibido migrantes. El impacto de los inmigrantes en las zonas rurales es muy significativo. De hecho, entre 2000 y 2007, en muchas comarcas, los inmigrantes invierten la tendencia del descenso de población. En muchas otras, a pesar de que el descenso de población no se ve compensado del todo, los inmigrantes reducen considerablemente la pérdida de población. En general, sin embargo, es más probable que este grupo encuentre menos oportunidades sociales.

… y la accesibilidad y la adaptabilidad de los servicios públicos

La accesibilidad ha sido un factor determinante del bienestar social. Las zonas periurbanas experimentaron el mayor crecimiento demográfico (2.5 % anual entre 1991 y 2001) y el mejor balance demográfico del país (17 % jóvenes y sólo 14 % mayores). También tuvieron la tasa de desempleo más baja (13 % en 2001). Las diferencias entre las zonas rurales accesibles y las apartadas son notables en lo que respecta a los servicios públicos, como institutos de enseñanza secundaria, centros de salud o instalaciones para personas mayores. Si bien, en general, es limitado el porcentaje de la población sin IES o un centro de salud en el municipio donde residen, las cifras per cápita muestran notables deficiencias regionales, en particular en el sur. En cuanto a residencias para mayores, la brecha es mayor si tenemos en cuenta las necesidades actuales y futuras. La mayoría de las comarcas rurales tienen menos de 1 residencia para mayores por cada mil habitantes mayores de 65 años. En materia de «nuevos» servicios básicos, como el acceso a Internet de banda ancha, a pesar de los notables avances durante la pasada década, existe una brecha digital considerable entre las zonas rurales y las urbanas.

La economía rural ha sufrido una transformación estructural, que se caracteriza por el notable descenso del empleo agrícola, relacionado con un aumento de la productividad…

La reducción de la mano de obra agrícola (que ha pasado de más del 20 % en 1975 a menos del 5 % en 2008) y un uso más intensivo de insumos (suelo, nutrientes y agua) ha propiciado un aumento de la productividad por encima de la media de la UE, en particular desde la segunda mitad de la década de 1990. El crecimiento de la producción agrícola entre 1990 y 2004 (20 %) si situó entre los más altos de los países de la OCDE (el 3° más alto). Durante este período, la agricultura se especializó y perfeccionó, y creó nichos como la agricultura ecológica. Asimismo, ante el clima económico internacional adverso que prevalece desde la segunda mitad de 2008, la industria agroalimentaria de España está demostrando que puede resistir mejor que otros sectores, y que en otros países. No obstante, la agricultura ha demostrado que no puede seguir siendo la columna vertebral de la economía rural como fuente de empleo y de ingresos.

… y de la diversificación, con resultados positivos para las regiones más diversificadas…

El inminente final del largo período de crecimiento económico, que comenzó a principios de los años noventa, y la aparición de la actual crisis internacional, financiera y de productos básicos, obliga a buscar nuevas fuentes de crecimiento económico y empleo. En este contexto, la diversificación de la economía rural ha demostrado su potencial como fuente de empleo y de creación de riqueza, al tiempo que contribuye también a promover un desarrollo regional más equilibrado. Durante la pasada década, la industria y los servicios rurales crecieron un 30 % y un 21 % respectivamente. Las regiones rurales más diversificadas de España poseen un mayor PIB per cápita, un mayor crecimiento demográfico, un mayor crecimiento del empleo y unas tasas de desempleo más bajas.

… notablemente en sectores como el turismo…

España se ha convertido en un punto de referencia en turismo rural. Este sector ha contribuido considerablemente a la valorización del rico y variado patrimonio natural y cultural existente en zonas rurales españolas, así como a la creación de empleo y de oportunidades de negocio para la población rural. Mientras que la tasa anual de crecimiento del turismo en España ha sido del

3 % en pernoctaciones y del 7 % en visitantes (8 % nacionales, 5 % internacionales), el turismo rural en España creció cerca del 20 % anual entre 2001 y 2007 en términos de pernoctaciones y visitantes, nacionales así como internacionales. Durante este período se crearon cerca de 15 000 puestos de trabajo, y se duplicó la oferta de alojamientos rurales, que pasaron de 6 000 a 12 000.

… y la industria de transformación

En cuanto a la industria de transformación, un análisis cartográfico identificó 53 distritos industriales (IDs por sus siglas en inglés) en las regiones rurales de España, que se concentran en el centro-sur del país y en los que trabajan casi 340 000 personas. Existen además 58 IDs «rurales» en regiones intermedias – IN – y 26 en zonas predominantemente urbanas – PU. Sus principales especializaciones son artículos para el hogar, textiles y ropa, así como la producción de alimentos y bebidas. Estos tres sectores representan el 79 % de los IDs en zonas rurales (41 IDs) y el 78 % del empleo (208 000 trabajadores). Pruebas empíricas demuestran que a pesar de que el crecimiento del empleo en los IDs rurales (1991-2001) fue más lento que la media nacional (28 % frente al 31 %), es notablemente más alto que en las zonas rurales sin estos distritos (17 %). Así, los IDs han contribuido al 23 % del crecimiento del empleo en las zonas rurales, un 44 % por encima de la media.

La riqueza natural y la biodiversidad de las zonas rurales del país se ven presionados por la actividad económica…

La España rural cuenta con un rico y variado patrimonio natural, único en Europa y representativo de la mayoría de sus ecosistemas y paisajes, desde áridos a subtropicales, desde mediterráneos a atlánticos y desde continentales a montañosos. La riqueza natural de la España rural está siendo sometida a la presión que ejercen las tendencias demográficas y económicas. La actividad económica en las zonas rurales crea cierta presión sobre los recursos, en particular el agua, que en España es relativamente escasa. Las tierras de regadío (cerca de 3.5 millones de hectáreas) consumen casi el 75 % de los recursos hídricos del país. Los recientes esfuerzos por mejorar la eficiencia han promovido un riego más sostenible y respetuoso que aporta algunas exterioridades positivas como la conservación del paisaje y la estabilidad demográfica. La contaminación del aire, la erosión, los incendios forestales y el cambio climático son causas adicionales de preocupación que amenazan la riqueza de recursos naturales y medioambientales con que

cuenta la España rural. Para corregir estos problemas, las administraciones españolas han aplicado una serie de programas y planes encaminados a proteger su patrimonio natural y atenuar dichas amenazas (véase el apartado sobre política medioambiental, a continuación).

… al mismo tiempo, las zonas rurales tienen un gran potencial como solución a los desafíos en materia de medio ambiente y energía

Los recursos naturales de las zonas rurales contribuyen cada vez más a superar los retos medioambientales, en particular a través de mejores medidas de conservación y como fuentes de energía renovables. España ha apostado claramente por convertirse en un país puntero en energías alternativas, con una fuerte diversificación y un incremento de las fuentes de energía renovables durante las últimas dos décadas (que en 2007 generaron el 7 % de la energía primaria y el 20 % de la electricidad), al tiempo que contribuye a la creación de una sólida base industrial y tecnológica. En 2007, España fue, después de Alemania, el segundo país en producción de energía eólica instalada (con 15 090 MW). La energía solar también ha ganado en importancia como fuente de energía « rural » en los « huertos solares » a gran escala ya habituales en la España rural, que utilizan o combinan tecnologías para el calentamiento solar del agua, la producción de energía solar fotovoltaica y energía solar termoeléctrica. La producción de biomasa, biogás y biocombustibles también ha crecido de manera considerable. Cabe destacar los programas conjuntos entre la Administración central y las Administraciones de las comunidades autónomas para el uso de residuos forestales en la producción de biomasa, con un impacto rural significativo.

Hasta hace poco, la política rural española dependía de los programas de la UE, ejecutados de manera descentralizada y con un importante sesgo hacia la agricultura

Desde los años ochenta, la política rural española se ha basado fundamentalmente en los programas de desarrollo rural de la UE y en sus fondos estructurales que, de manera descentralizada, ejecutaban las comunidades autónomas (CCAA). Para el período de programación 2007-13 de la UE, España cuenta con un marco nacional y 17 programas de desarrollo rural (PDR). El marco nacional incluye varias medidas horizontales, que todas las CCAA deben incluir en sus PDR. España es aún uno de los principales receptores de la política comunitaria de desarrollo rural, ya que representa el 7.9 % de las transferencias del FEADER y el 10.2 % del gasto público total que

se destina al desarrollo rural en Europa en el marco de la PAC para 2007-13. No obstante, las prioridades reflejadas en la asignación de los fondos totales públicos por objetivo en las diferentes regiones revelan un fuerte sesgo a favor de la agricultura (el 52 % del total de fondos públicos se destina a la competitividad del sector agrícola – Objetivos del Eje 1 – a diferencia del 34 % en la UE). En cambio, a la calidad de vida, la diversificación y la iniciativa LEADER – Objetivos de los Ejes 3 y 4 – sólo se destina el 13 % del total del gasto público, mientras que en Europa alcanza el 17.3 %. Los extremos son Navarra (68.2 %), País Vasco (64.9 %) e Islas Canarias (64.3 %) que tienen las asignaciones más altas de Europa a Objetivos del Eje 1. Doce de los 17 PDR españoles destinan más del 50 % de su gasto público total a Objetivos del Eje 1. Sólo una CA, Castilla la Mancha, se apartó de la tendencia seguidas por otras CCAA y destinó la mayor proporción de sus fondos a Objetivos del Eje 2. La otra excepción es Cantabria, que destinó el 32.6 % a Objetivos del Eje 3, comparada con la media española que es del 11 %.

No obstante, España acogió entusiastamente la iniciativa LEADER desde sus inicios y la amplió con su propio programa PRODER…

España adoptó la iniciativa LEADER de la Comisión Europea con bastante más entusiasmo que otros países europeos. Dada la popularidad de que gozó esta iniciativa en las comunidades rurales durante su primera edición de 1991-94, España creó un programa similar (PRODER) para el segundo período de programación con el fin de extender la iniciativa a otras zonas rurales no incluidas en la iniciativa LEADER. Para el período de programación 2007-13, la iniciativa LEADER ha dejado de ser una iniciativa para convertirse en el eje metodológico y transversal para la ejecución de las medidas adoptadas en tres ejes temáticos. Por consiguiente, en España ya no se hará ninguna distinción entre los grupos de LEADER y los de PRODER, puesto que todos aplicarán este eje transversal. España representa casi el 18 % de la asignación presupuestaria total del gasto público que hacen los Estados miembros de la UE al Eje 4 de la PAC, que incorpora todas las medidas que utilizan la metodología LEADER (parte de la cual corresponde a las medidas 411, 412 y 413 pertenecientes a Objetivos de los Ejes 1, 2 y 3, respectivamente). De hecho, España es el Estado miembro de la UE que hace mayor uso de la metodología LEADER dentro de sus Programas de desarrollo rural, en los que dedica el 10.3 % del gasto público total a medidas que se incluyen en el Eje 4. Si bien la UE estableció el 5 % del FEADER como el porcentaje mínimo para la ejecución de medidas a través de la iniciativa LEADER, España establece en su Marco Nacional un mínimo del 10 % para todas las CCAA. Ya sumadas las aportaciones nacionales y regionales, la CA

con la mayor proporción del gasto público total para el Eje 4 es Andalucía, con el 12.9 %. La importancia de la metodología LEADER en los PDR regionales españoles oscila entre el 12.9 % del presupuesto público total andaluz para el PDR hasta el 4.7 % de Navarra.

… que han tenido efectos positivos, pero han resultado insuficientes para afrontar los retos y las oportunidades de las zonas rurales

Aunque no sin dificultades, la metodología LEADER ha echado raíces entre los representantes rurales y ha tenido efectos positivos en las zonas rurales. Después de 17 años de experiencia, muchos de los objetivos sociales originales de la iniciativa LEADER comienzan a alcanzarse, por fin, en la sociedad rural española. Entre otras cosas, dicha metodología ha creado un medio de participación antes inexistente, ha ayudado a crear en la comunidad una cultura de iniciativas propias, ha ampliado las oportunidades para los jóvenes y las mujeres, ha potenciado la apreciación de las zonas rurales y ha revalorizado una gran parte del patrimonio natural y cultural que se encuentra en el medio rural. Aun así, podrían establecerse relaciones más productivas entre los grupos de acción local y los funcionarios públicos, que potencien la transparencia y la responsabilidad en sus procedimientos y actuaciones. Los grupos de acción local podrían incluso ampliar su campo de acción y asumir una mayor participación en el desarrollo de sus territorios (véase, participación de la sociedad civil).

El enfoque español de la política rural está experimentando un cambio importante, que tiene su origen a nivel regional…

A pesar de los logros alcanzados con la iniciativa LEADER a nivel local, como reconocen el Gobierno central y los gobiernos autonómicos, este enfoque estrecho era insuficiente para responder plenamente a los retos y oportunidades que presentan las zonas rurales. En consecuencia, varias regiones españolas dieron los primeros pasos y fueron más allá de las políticas europeas. El nivel de descentralización en cuestiones relacionadas con el desarrollo rural propició una dinámica de experimentación institucional y política en muchas comunidades autónomas. Aunque, en principio, esta dinámica causó divergencia entre los planteamientos políticos, permitió experimentar e hizo posible la aparición de mejores prácticas propias adaptadas al contexto español. Por ejemplo, el País Vasco contaba desde 1998 con una Ley para el Desarrollo Sostenible del Medio Rural; muchas CCAA, como Extremadura, Navarra y Galicia, crearon Consejerías de Desarrollo Rural,

con programas específicos orientados hacia la diversificación y la competitividad de la economía rural y el mandato de coordinar su acción con otras consejerías con vistas a emprender intervenciones estratégicas. Muchas CCAA, como Castilla y León, el País Vasco y Galicia, tenían órganos de coordinación de las diferentes consejerías específicas a la política rural, y eran numerosas las que tenían programas de desarrollo rural más amplios y complementarios a los programas de desarrollo rural de la UE, ya fuera de manera explícita (como la Nueva Estrategia Rural para Andalucía – NERA) o implícita en sus programas de desarrollo rural.

… y actualmente se está incorporando a nivel nacional

La Ley para el Desarrollo Sostenible del Medio Rural (LDSMR, promulgada el 4 de diciembre de 2007 y en vigor desde el 2 de enero de 2008), la disposición de seis medidas universales en el Plan Estratégico Español, que todos los PDR regionales deben incorporar, y la fusión, en abril de 2008, del Ministerio de Agricultura, Pesca y Alimentación (MAPA) con el Ministerio de Medio Ambiente (MMA), dando lugar al Ministerio de Medio Ambiente y Medio Rural y Marino (MARM), son testimonios del importante avance hacia la creación de una « política rural de estado » que coordine los esfuerzos que los diferentes ministerios y administraciones destinan al medio rural. El nuevo marco de la política rural sitúa a España en la vanguardia en cuanto a instrumentos de gobernanza multisectorial a múltiples niveles. La Ley prevé que el Estado español cree varios organismos colegiados para dirigir la política rural (la Comisión Interministerial para el Medio Rural – CIMR – el Consejo para el Medio Rural – CMR – y la Mesa de asociaciones para el desarrollo rural – MADR). La Ley incluye asimismo el lanzamiento de un *amplio* Programa de Desarrollo Rural Sostenible (PDRS), interministerial y plurianual, que combina las asignaciones presupuestarias de los distintos ministerios y regiones. El PDRS contará además con recursos financieros propios. La LDSMR define una tipología específica de zonas rurales para la intervención política e incluye mecanismos para la participación de la sociedad civil.

El nuevo marco se enfrenta a importantes retos de gobernanza en términos de : 1) Coordinación horizontal a nivel nacional…

España se encuentra inmersa en un importante cambio con el que se quiere ampliar el alcance de su política rural, que era responsabilidad exclusiva del Ministerio de Agricultura (el antiguo MAPA, hoy MARM) y las

CCAA, para convertirla en un asunto que concierne a toda la Administración del Estado. La denominada « política rural amplia » implica coordinar los esfuerzos de diversos ministerios y organismos del Gobierno central relacionados con el sector, cuyas actuaciones afectan de diferente forma al medio rural. No obstante, la CIMR, debido a la estructura que le confiere el decreto, está claramente inclinada hacia el MARM, al que se le han asignado 5 de los 19 escaños de la Comisión, incluido el de la presidencia. Las experiencias extraídas en diferentes países e, incluso, en las comunidades autónomas, atestiguan que el predominio y la supremacía de un ministerio sectorial en estas comisiones multisectoriales pueden menoscabar el compromiso y la participación de las otras partes al mismo nivel administrativo. Por consiguiente, para evitar repetir las dificultades observadas en otros países de la OCDE, podría ser pertinente reconsiderar la composición y la dirección de la comisión a fin de dotarla de un mayor equilibrio y adaptarla mejor a la colaboración interministerial o equiparla con mecanismos de « monitoreo rural » (« *rural proofing* » en ingles) para ejecutar y evaluar sus recomendaciones.

… que requiere la identificación de todos los participantes, con la nueva estrategia de desarrollo rural…

Un factor decisivo para el éxito de este tipo de órganos colegiados, que incluso permitiría superar algunas de las dificultades expuestas más arriba, es el grado de identificación de los distintos representantes con el programa de políticas que pretende emprender la Comisión. En este contexto, es importante que los distintos ministerios participen activamente en el proceso de formulación del PDRS de manera que cada ministerio compruebe que dichas decisiones se adaptan perfectamente a su propio programa de políticas y que éstas no le son impuestas por un mandatario ajeno. Asimismo, el PDRS podría integrar los programas de la Comunidad Europea de una manera coherente, al tiempo que los amplía. Por consiguiente, se podrían formular el nuevo Programa de Desarrollo Rural Sostenible, de ámbito nacional, y los planes de acción correspondientes de las CCAA de tal manera que los programas comunitarios se incluyan en el contexto de todas las intervenciones políticas en el medio rural. Las intervenciones políticas de los diferentes ministerios y las comunidades autónomas deberán ser claras y transparentes a fin de demostrar y promover la coherencia de las políticas.

… 2) Coordinación vertical entre el Gobierno central y los gobiernos autonómicos…

Dadas las atribuciones que la Constitución confiere a las autonomías en el ámbito agrícola y de planificación territorial, la formulación de la política rural en España es una de las más descentralizadas de Europa. La finalidad del nuevo marco es crear una « política rural de estado » que coordine los esfuerzos de las administraciones autonómicas y de la Administración Central del Estado. El instrumento creado para este fin, la CMR, según la define el decreto, es un órgano colegiado *sui generis* que integra adecuadamente el objetivo horizontal y multisectorial de la ley con las características de las relaciones verticales de la estructura descentralizada y el funcionamiento del Estado español. No obstante, su actual composición hace presagiar una tensión permanente entre la política rural *amplia* y la *estrecha*. Si bien los representantes de los diferentes ministerios imprimirán al consejo una amplia perspectiva multisectorial, es lógico asumir que los representantes de las comunidades autónomas serán los consejeros encargados del desarrollo rural, que carecen de competencia en otros ámbitos de sus gobiernos regionales y no siempre podrán hablar en su nombre. El resultado sería diferente si los representantes autonómicos estuvieran autorizados a hablar en nombre de todas las consejerías o si el consejo dispusiera de mecanismos de « monitoreo rural » para hacer recomendaciones a las consejerías (y dar seguimiento de sus compromisos asumidos).

… tanto en la asignación de fondos como en la homologación de instrumentos de diagnostico, planificación, supervisión y evaluación…

Si bien se prevé que la distribución de fondos y la cofinanciación entre las administraciones autonómicas será objeto de tensiones, se presenta una oportunidad relacionada con la capacidad de crear un ejercicio presupuestario amplio que tenga en cuenta la financiación estatal, autonómica y privada del desarrollo rural en cada territorio al margen de los PDR. La ventaja de ampliar este ejercicio más allá de los fondos europeos es que las autoridades y los diferentes representantes que intervienen en la política rural pueden evaluar el esfuerzo financiero total y específico para el desarrollo del medio rural en su territorio. Otra oportunidad que se desprende de contar con una « política rural de estado », que facilitará el diagnóstico, la planificación, la supervisión y la evaluación de la política rural, es su capacidad de armonizar las bases de datos oficiales (económicos, sociales y demográficos) con la tipología de las zonas rurales definidas en la LDSMR. Esta tarea implicaría invitar al Instituto

Nacional de Estadística (INE) a participar en el debate sobre política rural, probablemente con la creación de un cargo para el Instituto en alguno de los órganos colegiados, y darle instrucciones explícitas para que aporte datos estadísticos en estas categorías.

… 3) *Coordinación horizontal a nivel autonómico…*

Aun cuando el nuevo marco de política rural de ámbito nacional no entraña cambios en las estructuras de gobernanza de las comunidades autónomas, es razonable prever cambios en la organización y los mandatos de las instituciones que participan en la política rural de ámbito regional. En particular, cambios en el mismo sentido que aquellos que el Gobierno central está realizando son previsibles y deseables. Asimismo, la creación de comisiones y consejos en los que no sólo participe la administración pública, sino también todos los representantes competentes del medio rural, es uno de los efectos deseables para aquellas CCAA que actualmente carecen de estas instituciones. Se facilitarían así los acuerdos necesarios para crear un programa de desarrollo rural regional para cada uno de los tipos de zonas que establece la LDSMR. Por último, sería deseable y de utilidad para fines de planificación, ejecución y evaluación, que los planes por zonas y los programas rurales en general de cada CA tengan una estructura y un contenido similares y un conjunto común de indicadores.

… y entre regiones y municipios vecinos…

Uno de los resultados positivos deseables de esta visión de ámbito estatal sería una mayor colaboración entre regiones y entre municipios para el desarrollo del medio rural. En este sentido, existen numerosas oportunidades en lo que respecta a la prestación de servicios públicos (véase el apartado sobre servicios públicos, a continuación). A nivel municipal, se podría reforzar aún más la colaboración entre municipios vecinos dentro de una comunidad autónoma y entre municipios de comunidades autónomas vecinas. Un aspecto en particular de creciente importancia es la colaboración entre municipios urbanos y periurbanos, para lo que serán necesarias formas de gobernanza específicas y cooperación en materia de financiación (véase el apartado sobre vínculos rural-urbanos, a continuación).

… y 4) Participación de la sociedad civil – rural y urbana

Con la creación de la Mesa de asociaciones para el desarrollo rural (MADR), la LDSMR formaliza un instrumento para la participación de sindicatos y asociaciones del medio rural, que aunque ya existía anteriormente, carecía de estatuto jurídico. Aun tratándose de un importante logro, la relativa rigidez que le confiere el decreto, en cuanto al tipo y el número de asociaciones que deben conformar dicha Mesa, podría crear conflictos en un futuro, cuando nuevas asociaciones quieran hacer oír su voz en asuntos de desarrollo rural. En el seno de estas asociaciones debe prestarse especial atención a la participación de las dos redes nacionales de grupos de acción local (GAL) que existen. Su participación formal en la Mesa Redonda refuerza, en el contexto español, el estatuto jurídico de los GAL que participan en el programa LEADER, puesto que estas redes son su representación nacional. Aprovechando la ventaja que el estatuto « jurídico » confiere a la Mesa en el ámbito nacional, los GAL podrían abogar por tener una representación única, que represente los intereses de los diferentes territorios. A nivel regional, se podrían realizar esfuerzos de cara a unas relaciones más sólidas y constructivas entre los gobiernos autonómicos y los GAL. El nuevo marco institucional creado para la política rural podría servir para discernir sobre cómo potenciar la transparencia y la responsabilidad de los GAL y cómo evaluar sus actuaciones y decisiones. Al mismo tiempo, se podrían asignar a los GAL nuevas responsabilidades en reconocimiento de su estrecha vinculación con las necesidades de la población rural. En principio, estos grupos podrían ser una fuente importante de información que colme las carencias que existen en el Gobierno central e, incluso, en los gobiernos autonómicos acerca de las necesidades de la sociedad rural.

Entre las prioridades de políticas públicas se incluyen…

El Programa de Desarrollo Rural Sostenible (PDRS), que se fundamenta en la Ley para el Desarrollo Sostenible del Medio Rural (LDSMR), formulará, por vez primera, políticas multisectoriales para superar los desafíos propios de las zonas rurales. En este contexto, es importante considerar cuatro prioridades: *1)* la despoblación, el envejecimiento de la población y los retos sociales en el medio rural; *2)* continuar diversificando la economía rural y hacerla competitiva a escala internacional; *3)* fomentar vínculos rural-urbanos y promover un desarrollo equilibrado de las zonas periurbanas; y *4)* abordar los

asuntos que despiertan preocupación medioambiental y promover un desarrollo sostenible del medio rural.

… 1) *Actuar ante la despoblación, el envejecimiento de la población y los retos sociales del medio rural…*

Si bien en el marco de la LDSMR los retos demográficos y sociales constituyen la parte central de los objetivos de la política rural, es complicado alcanzar dichos objetivos porque, dado su sesgo sectorial hacia la agricultura, la política rural no ha estado vinculada tradicionalmente con la política social. Más aún, muchas de las políticas orientadas hacia el logro de objetivos sociales, como « fijar población », tienen un enfoque sectorial o no abordan plenamente el objetivo social. Para abordar fenómenos como la despoblación, el envejecimiento de la población y la disminución de oportunidades sociales en el medio rural es necesario enfocar los esfuerzos hacia los factores que influyen en las decisiones de los pobladores rurales sobre si permanecer en las zonas rurales o abandonarlas. Estos factores comprenden, en particular, dos ámbitos de política: *i)* la disponibilidad de servicios públicos y su accesibilidad (desde los más básicos, como la infraestructura para la vivienda, la educación y los servicios de salud, hasta los más avanzados, como el acceso a las tecnologías de la información y las comunicaciones (TIC); y *ii)* las oportunidades que ofrecen las zonas rurales a las mujeres, los jóvenes y los inmigrantes.

- **La innovación en prestación de servicios públicos en áreas rurales** requiere de flexibilidad en varios sentidos. *i)* Flexibilidad para compaginar los servicios con las especificidades de cada región de manera que promuevan la innovación e identifiquen las mejores prácticas de las diferentes regiones. *ii)* Flexibilidad en términos de «quién» presta los servicios, de manera que permita una participación más amplia de la comunidad y una mayor involucración del sector privado y el sector terciario a través de mecanismos como asociaciones público-privadas. Al mismo tiempo, debe ampliarse la institucionalización de mecanismos que faciliten la prestación de los servicios públicos – en particular los servicios de salud – en el centro más cercano, cualquiera que sea la comunidad autónoma de residencia. *iii)* Flexibilidad en lo que respecta al «modo» en que se prestan los servicios. Entre las alternativas se incluyen la localización conjunta de distintos servicios que favorezca la movilidad de los usuarios mediante servicios de transporte específicos, el lanzamiento de servicios «móviles» haciendo uso de las TIC para acercar los servicios a la población. Hay que hacer especial hincapié en ampliar los servicios destinados a las personas mayores para, en la medida de lo posible, prevenir o posponer los problemas de salud y discapacidad. Las personas mayores

deben considerarse un valor de las zonas rurales, y por tanto fomentar su participación en el mercado laboral y en los asuntos de las comunidades rurales. Por último, a pesar del impacto de iniciativas como los telecentros, para mejorar la calidad de vida y atraer a las empresas hacia las zonas rurales es de vital importancia proseguir y ampliar los esfuerzos para reducir la brecha digital.

- **Oportunidades para grupos específicos.** Elevar las oportunidades para las mujeres incluye la armonización de la vida laboral con la vida familiar en las zonas rurales, y la promoción de una mayor participación de las mujeres en las tareas del gobierno local y el desarrollo de la comunidad. En lo que respecta a los jóvenes, es importante invertir en capital humano, adoptar medidas dirigidas a reducir las altas tasas de abandono escolar en el medio rural y mejorar el acceso y la relevancia de la educación superior en estas zonas. Para los inmigrantes que residen en zonas rurales y que en algunas regiones han compensado la despoblación y mejorado la media de edad de la población, los esfuerzos para la integración deben comenzarse desde la niñez y hasta llegar al mercado de trabajo. En el contexto de la nueva regulación sobre migración, se podrían coordinar la política rural y las políticas de inmigración para adaptarlas mejor a la oferta y la demanda de trabajo en las regiones rurales.

… 2) Fomentar la diversificación e incrementar la competitividad de la economía rural…

A pesar de que ha quedado demostrado que la diversificación de la economía rural da frutos y de que figura entre las prioridades de la PAC para 2007-13 y de la LDSMR, el apoyo que recibe en el marco del PDR es muy escaso. Si bien las CCAA disponen de otras medidas sectoriales, aparte del PDR, que apoyan la diversificación, el nuevo Marco Nacional de Desarrollo Rural debería contribuir a la creación de una estrategia sólida que dé mayor prioridad y destine más recursos a: *i)* promover iniciativas empresariales en las zonas rurales que favorezcan su competitividad; *ii)* prestar apoyo específico a los sectores con un alto potencial y *iii)* promover una nueva función de las instituciones financieras en el desarrollo rural.

- **Las políticas de apoyo a iniciativas empresariales**, establecidas en su mayoría de una manera uniforme en los distintos ámbitos políticos y administrativos, deben ser adaptadas al contexto rural. Es necesario implantar el espíritu empresarial en el marco social del medio rural, para lo cual deben hacerse cambios en el sistema educativo con los que se promueva una percepción adecuada del espíritu emprendedor como una opción profesional viable y válida, fomentando para ello una mayor

receptividad al cambio y a la necesidad de asumir riesgos. Los programas de apoyo podrían sentar las bases para una mayor interacción entre los emprendedores existentes, destacar el papel del empresario en la comunidad y celebrar los éxitos de los empresarios rurales. Habría que hacer especial hincapié en fomentar el espíritu emprendedor entre las mujeres y en reestructurar el modo en que se relacionan ambos géneros a fin de modificar la percepción general que tiene la sociedad rural española del papel que debe desempeñar la mujer en este medio.

- **Es necesario prestar apoyo específico a los sectores con alto potencial.** Para promover el turismo rural, hay que centrar los esfuerzos más en la calidad que en la cantidad; en la información, la comunicación y la colaboración entre operadores, en reducir la estacionalidad e potenciar la diferenciación. La ayuda que se destina a los «clusters» de la industria de la transformación en áreas rurales debe planificarse caso por caso, orientándola a reforzar la capacidad innovadora de las regiones y la creación y el intercambio de conocimientos. El aumento del número de empresas que prestan servicios basados en el uso intensivo de conocimientos en las zonas rurales pone de relieve la necesidad de incrementar la oferta de actividades recreativas y de servicios que, como ha quedado demostrado, tienen un impacto significativo en el fomento del espíritu emprendedor y de la actividad económica en el medio rural porque convierten estas zonas en lugares atractivos y deseables para establecerse y para crear empresas.
- **Las instituciones financieras** han desempeñado una función de crucial importancia en el desarrollo del medio rural en España que, comparativamente, está mejor atendido que en otros países gracias a la profusión de cajas de ahorro, cooperativas de crédito y sucursales bancarias. No obstante, al igual que la mayoría de las instituciones rurales, también éstas se han volcado principalmente en la agricultura. El nuevo marco de política rural podría involucrar en mayor medida a las instituciones financieras como asociados de importancia decisiva en el desarrollo del medio rural en todos los sectores. Podrían aportar conocimientos financieros y técnicos a estas zonas, además de prestar servicios de asesoramiento y ofrecer conocimientos especializados a sus comunidades. Además pueden influir la actitud de la población rural hacia los empresarios y las iniciativas empresariales. Para alentar este comportamiento, la Administración podría invitar a las instituciones financieras a que desempeñen un papel más relevante en la aplicación de la LDSMR, dándoles voz en la MADR y promoviendo una mayor participación y colaboración, desde el punto de vista de asesoramiento así como de gestión financiera, junto con los grupos de acción local.

… 3) Explotar los vínculos rural-urbanos y promover un desarrollo equilibrado de zonas periurbanas…

Dada su configuración territorial, un elemento de creciente importancia de la política rural en España es el establecimiento de vínculos rural-urbanos, vínculos que resultan más explícitos y fuertes en las zonas periurbanas. La nueva política rural debe intensificar su atención específica a los desafíos propios de las zonas periurbanas, como: *i)* los cambios en el uso del suelo; *ii)* la cobertura de la creciente demanda de servicios públicos; *iii)* la mejora de la gobernanza en estas zonas; y *iv)* el aprovechamiento de los instrumentos de la política rural en los contextos periurbanos.

- **Los cambios en el uso del suelo** se podrían gestionar de tal manera que promuevan el crecimiento ordenado y razonable de las zonas residenciales, industriales, comerciales y de la infraestructura. Es necesario mejorar la gestión de los espacios protegidos situados en zonas urbanas y periurbanas, que soportan la fuerte presión urbana. Las políticas públicas deben velar por el mantenimiento de zonas bien conservadas para mejorar la calidad de vida y reforzar la relación económica entre la ciudad y las zonas periurbanas y rurales adyacentes.
- **La cobertura de la creciente demanda de servicios públicos en zonas periurbanas** exige una respuesta de ámbito regional porque los municipios rurales que se enfrentan a un aumento de la demanda se ven obligados a prestar nuevos servicios a pesar de no disponer de medios para financiarlos. Deberán adoptarse nuevos acuerdos para evitar el fuerte endeudamiento de los municipios periurbanos y promover una prestación innovadora de servicios mediante el establecimiento de asociaciones entre los municipios y el sector privado y el tercer sector.
- **Es necesario crear un marco de gobernanza específico de múltiples niveles** para las zonas periurbanas, dada la superposición de competencias clave y la multiplicidad de partes interesadas. Sería deseable que estos acuerdos se adopten entre gobiernos regionales y municipales y que promuevan una participación activa de los actores locales pertinentes. Un marco de estas características contribuiría a mejorar la ordenación de tierras y la planeación regional entre zonas urbanas y zonas adyacentes. Dicho marco permitiría además una participación eficaz y propiciar la colaboración entre las partes interesadas.
- **Las políticas de desarrollo rural en las zonas periurbanas** deben ser adaptadas a un contexto más diversificado y fomentar vínculos rural-urbanos. El modelo de desarrollo LEADER suele dar buenos resultados en zonas periurbanas, aunque carece de instrumentos para influir sobre la

ordenación territorial. En contextos periurbanos, más que en otros, debe existir convergencia entre la política ambiental y el desarrollo rural.

… y 4) *Abordar las consideraciones medioambientales*

Los cambios institucionales y legislativos adoptados recientemente en los ámbitos de medio ambiente y política rural (la LDSMR y la Ley del Patrimonio Natural y de la Biodiversidad, así como la creación del MARM en 2008), brindan la oportunidad de coordinar estos ámbitos en asuntos de interés común, como: *i)* la gestión y la conservación de la biodiversidad; *ii)* la gestión de los recursos naturales (agua y suelo); *iii)* la producción de energía renovable en zonas rurales; y *iv)* la reducción de los riesgos relacionados con el cambio climático.

- **La gestión y la conservación de la biodiversidad** exige un enfoque diferente en el que intervengan las partes interesadas con competencia en la protección de las zonas forestales y agrícolas. El apoyo que reciben las explotaciones agrícolas situadas en espacios protegidos podría incluir medidas tales como: *a)* la promoción de productos relacionados con la conservación de la biodiversidad; *b)* una mejora de la relación entre las prácticas agrícolas y productos de buena calidad y seguros; *c)* la promoción de la industria transformadora para que elabore productos de valor añadido; y, *d)* la promoción del turismo y de actividades educativas en granjas. En lo que respecta a los espacios forestales, hay experiencias importantes en diferentes regiones. Se podría ampliar la adopción de medidas específicas en el marco del PDRS y de los programas regionales en materia de gestión sostenible de los bosques y conservación de la biodiversidad, al tiempo que se difunden las experiencias y las buenas prácticas de las distintas regiones.
- **La estrategia para la gestión de los recursos naturales** debe intensificar los esfuerzos que se realizan actualmente encaminados al ahorro de agua en la agricultura. El Plan Nacional de Regadíos (PNR) ha impulsado la tendencia hacia un consumo eficiente de agua, que permite ahorrar unos 2 800 hm^3/anuales, lo que equivale a cerca del 5 % de la capacidad total de los embalses españoles. Este ahorro ha sido posible principalmente gracias a la adopción del sistema de riego por goteo, más eficiente, que ya abarca el 41.6 % de las tierras de regadío. Es necesario continuar con estos esfuerzos y mantener la coherencia con la Directiva Marco del Agua. La medida horizontal contenida en el PDR para la gestión de los recursos hídricos apunta en esta misma dirección, y con ella se pretende ahorrar 1 800 hm^3/anuales durante el período de programación. La política de usos

del agua debería permitir equilibrar las necesidades territoriales adaptando la demanda a la oferta y compensando socialmente a las zonas de producción sostenible a través de actuaciones que favorezcan el desarrollo rural. Podrían también adoptarse medidas más enérgicas a fin de garantizar la restauración y la protección eficaz de los ecosistemas acuáticos. La gestión del agua, la silvicultura, la prevención de incendios y las prácticas agrícolas deben tomar en consideración sus efectos sobre la erosión del suelo.

- **La producción de energías renovables en las zonas rurales** podría orientarse por una política integral que tome en consideración la ordenación de tierras y la evaluación ambiental, así como estrategias de desarrollo que permitan establecer un equilibrio entre la producción de energía, los valores medioambientales y el turismo. Convendría asesorar a los municipios sobre cómo sacar el mejor provecho de los proyectos de energía renovable. Los grupos de acción local podrían plantearse participar en una estrategia orientada hacia el fortalecimiento de las aportaciones que hace el medio rural a la energía renovable e incrementar los beneficios locales para la región. España podría reforzar su ventaja comparativa en alternativas de energía renovable que ofrezcan la mejor relación coste-beneficios y sean lo menos nocivas posible, limitando en la medida de lo posible la sustitución de la producción alimentaria por la producción de energía.
- **La reducción de los riesgos relacionados con el cambio climático** exige la incorporación de medidas a corto y medio plazo en el PDRS y los programas regionales. Estas medidas podrían incluir la gestión y moderación de la demanda de agua, la gestión del suelo y la prevención de la erosión del suelo, así como introducir cambios en las infraestructuras y las prácticas de las explotaciones agrícolas.

En síntesis

El largo período de fuerte crecimiento del que ha disfrutado España recientemente no ha llegado en una proporción suficiente a las zonas rurales como demuestran las pautas resultantes de concentración de la población en las principales ciudades, en detrimento del medio rural, y el retraso de las zonas rurales a tenor de numerosos indicadores económicos y sociales. No obstante, paradójicamente, a medida que el período de crecimiento dinámico nacional llega a su fin y la economía nacional se enfrenta a los efectos de la actual crisis financiera internacional, las zonas rurales pueden convertirse en nuevas fuentes de empleo y de creación de riqueza, al tiempo que contribuyen a superar los retos medioambientales. Para ello es necesario dar un nuevo enfoque a la política rural, que saque provecho de la aplicación de los programas comunitarios de desarrollo rural, pero que además vaya más allá.

La nueva Ley para el Desarrollo Sostenible del Medio Rural (LDSMR) y la fusión del Ministerio de Agricultura, Pesca y Alimentación (MAPA) con el Ministerio de Medio Ambiente (MMA) dan fe de la intención de modificar la política a fin de mejorar la coordinación de los esfuerzos que realizan los distintos ministerios y administraciones para abordar de una manera integral los desafíos y las oportunidades del medio rural. Para que estos objetivos se hagan realidad, las principales prioridades en materia de gobernanza son: *i)* la provisión de mecanismos de «monitoreo rural» y una representación equilibrada en la recientemente establecida Comisión Interministerial para el Desarrollo Rural Sostenible (CIDRS) y el Consejo para el Desarrollo Rural Sostenible (CDRS) que permitan conseguir un auténtico compromiso y la participación de las autoridades competentes; *ii)* la homologación e institucionalización de instrumentos de diagnóstico y de evaluación en las diferentes regiones sin que limiten la innovación; y *iii)* el compromiso activo de la sociedad civil en este proceso. El Programa de Desarrollo Rural Sostenible (PDRS), que se fundamenta en la LDSMR, formulará por vez primera políticas multisectoriales para hacer frente a los desafíos que se ciernen sobre el medio rural. En este contexto, es importante considerar cuatro prioridades: *i)* abordar los problemas de despoblación, envejecimiento de la población y los retos sociales en las zonas rurales; *ii)* continuar diversificando la economía rural y hacerla competitiva a escala internacional; *iii)* promover vínculos rural-urbanos y fomentar un desarrollo equilibrado de las zonas periurbanas; y *iv)* atender las consideraciones medioambientales y promover un desarrollo sostenible en el medio rural.

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SPAIN

The radical transformation that Spanish rural areas have experienced in the past few decades suggest, as has occurred in many OECD countries, a new approach to rural policy. Spain has recently undertaken a major reform of its rural policies, including the merger of the Ministry of Agriculture with the Ministry of the Environment and the recently approved Law on Sustainable Development of Rural Areas. This new framework creates a multi-sectoral and place-based "rural policy of state", making Spain better equipped to address the challenges and opportunities of rural areas.

This report – undertaken at the same time as the reforms were being implemented – will interest both policy makers engaged in similar reform processes and others working on issues such the "political economy" of reforms, rural tourism, renewable energies, rural clusters, development of peri-urban areas and public service delivery in remote rural areas.

French and Spanish translations of the Assessment and Recommendations have been included in this volume.

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