

Social & Economic Aspects of Policy & Planning

Module 21, BSc Rural Development by Distance Learning, (Copy write to National University of Ireland).

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Unit 1: Defining Rural Development Policy

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Unit 1: Defining Rural Development Policy

1.1 Introduction

What is rural development policy? It has proven difficult for policy makers, and indeed for the general public, to take to the notion that rural development policy is more than agricultural policy. While agriculture is an enormously important sector for rural areas, the need to clearly delineate between the two has become obvious.

Historically, policies in relation to rural development have been sectorally based. The emphasis has been on the development of a particular sector of the economy, rather than on the development of a particular area. And, indeed, agriculture has been the sector which has had most impact on rural areas. However, an alternative approach is gaining in popularity – a spatial approach which focuses on a particular geographical area, and which seeks integrated development of that area.

In this first unit you consider these two approaches to policy, and you learn about some of the ways that state policies can impact on rural areas. You learn that different types of rural areas have different needs and require different policy response.

When you have successfully completed this unit, you will be able to:

- Describe and evaluate two approaches to rural development policy.
- Identify different types of rural areas and outline their needs.
- List recent trends in rural development policy.
- Explain the relationship between policies, programmes and projects, specifically in relation to rural development.

1.2 Two approaches to development

There are two ways that development can be addressed – spatially or sectorally (aspatially).

Most governments have traditionally favoured the aspatial or sectoral approach. This means that nationally, government departments and government policies are organised along sectoral lines, with different government departments responsible for different sectors of society – for example, a Department of Agriculture, a Department of Enterprise, a Department of Transport, and so on.

A consequence of this sectoral approach in the area of rural development has been that the government department that has had most impact in rural areas – the Department of Agriculture – has historically been charged with responsibility for rural development. However, rural development by its nature is a more spatial concept which crosses sectoral bounds;

therefore, it requires spatial rather than sectoral policy. In any event, the importance of agriculture in the rural economy has been steadily declining throughout Western Europe, and along with it, the influence of the agriculture ministries. The decline of agriculture and the recognition of the diverse nature of rural society have led to the emergence of a more spatial approach to rural development policy.

In recent times in Ireland there has been a movement towards regional or spatial development in rural areas, and a more co-ordinated approach by government departments to spatial issues, including rural development.

1.3 Rural development policy

Rural development policy can be broadly defined as all aspects of State action that, directly or indirectly, influences the nature of economic and social development in rural areas.

A context for rural development policy is provided by the fact that rural areas tend to have higher than average dependency ratios, and that many rural areas have a weak economic structure with a high dependence on agriculture, the lack of a diversified employment base and the continued emigration of those with higher levels of education.

“The low population density and unbalanced demographic structure of many rural areas creates difficulties for both public and private service provision (health, transport, shops) and leads to increasing isolation and social exclusion” (Alan Matthews in O’Hagan, 2000, p. 252).

Matthews offers a definition of rural development policy that is more focused on content and objectives:

“[Rural development] may be defined as seeking to sustain vibrant rural communities with a balanced structure of age, income and occupational groups, capable of adapting to on-going economic, social and cultural change, enjoying a high standard of living and an attractive quality of life and with sufficient income and employment opportunities to allow individuals and families to live with dignity” (Alan Matthews in O’Hagan, 2000, p. 252).

State policies relate to rural development in a number of ways:

- Some policies may have implications for development of rural areas, though that is not their intention. For example, health, education or social welfare policies will have implications for the development of particular regions.
- Sometimes policies are intended to affect the development of rural areas, yet they are not officially rural development policies. For example, regional industrial policy may aim at developing a particular sector within the rural location, rather than develop the rural area as such.
- In other cases, policies may be explicitly defined as rural development policies. They may be directly concerned with effecting changes in line with explicitly defined rural development goals. An example of this kind of approach is seen in the LEADER programme.

While many rural development practitioners may have traditionally considered the third kind of approach to be *real* rural development, it is increasingly recognised that rural development policy is in fact much broader in scope. Rural development should be viewed from an integrated spatial perspective which takes account of all policies which have an impact on the rural area.

1.4 Differences and similarities of policy needs in different rural areas

The type of rural development policy implemented depends in many cases on the type of rural area in question, and how it has been defined or classified. For example, it is sometimes useful to identify three classes of rural area, as follows:

1. Remote/isolated areas characterised by low population density, low income, primary sector production, ageing population, and poor provision/access to services.
2. Intermediate rural areas with varying characteristics such as mixes of primary and secondary sectors and large-scale farming.
3. Economically integrated rural areas, which are fully integrated into the national or, indeed, global economy. These areas are characterised by increasing population, secondary and tertiary sectors, and threatened environmental, social and cultural heritage.

Clearly, the rural policy prescription is different for each type. The remote rural areas may require policies to support human resource development and to protect the environment. The intermediate areas may require policy to develop entrepreneurship and promote competitiveness, while the integrated rural areas would seem to require policy to reduce the economic, social and environmental threat posed by rapid economic growth.

Note: There are many different ways of categorising rural areas. For example, in unit 3 you will learn about a typology used in the National Spatial Strategy.

Despite different policies being required for different types of rural region, there are of course common threads in all rural development policy, Within most modern rural development policy the following goals can be identified:

- Enhancement of the competitiveness of rural regions so that they can contribute appropriately to achieving national economic development goals.
- Provision of opportunities to rural citizens to share a standard of living generally comparable to national norms.
- Identification, development and protection of key national elements of the built environment in rural areas, especially where it cannot be reasonably expected that private market transactions alone will secure a socially optimal level into the future.

1.5 Trends in rural development policy

In practice rural development policy varies widely across, and even within, different countries. However, in a paper entitled “Is there a ‘New Rural Policy’?” Bryden (2000) suggests that a number of policy trends in Rural Development Policy can be discerned. These include:

- Shift from sectoral to territorial (spatial) based policy.
- A shift towards decentralisation of policy development and administration.
- A move towards more bottom-up and participative policy involving public, private and voluntary sectors (social partners).
- Recognition of the need for an integrated approach.
- Recognition that there are different types of rural areas, and therefore there must be different types of rural development policies.
- Emphasis on innovation as an essential ingredient for development success – for example, consider the LEADER Community Initiative.
- Focus on local specificities as a means of generating new competitive advantage.
- More attention to transport and communication infrastructure, and to education and training.
- A shift from an approach based on subsidising declining sectors to one based on strategic investments to develop new activities.
- Recognition that rural development policy is more than agricultural policy.
- Introduction of ‘rural proofing’ of all policy. That is, the identification of the impact of policy on rural areas.

The above refer to trends in the general *approaches* and *direction* of rural development policy, Bryden (2000, p. 11) has also outlined the following recent trends in policy *content* of national rural development policies in many member States:

- Efforts to reinforce rural economies, principally through diversification of economic activities, mainly using indirect aid for transport and communications infrastructure, promoting networks of knowledge and expertise, supporting education and training, and increasing the attractiveness of areas for new enterprises.

- Attempts to restructure agriculture, through intensification, modernisation and increasing value-added in productive regions, through the extensification and development of multifunctional agriculture in less productive regions, and through internal diversification and quality products in areas of 'traditional' agriculture.
- Strengthening transport and communications infrastructure, including telecommunications infrastructure.
- New ways of providing public services in rural areas, sometimes combined in service centres and, as in the case of telemedicine and of distance learning, sometimes using information and communications technology.
- Developing human resources through vocational training, improving entrepreneurial skills, and school-to-work initiatives.
- 'Capacity building' at local levels, to enhance the ability of local actors to participate.
- Enhancing business assistance especially efforts to diffuse new technologies through R&D and the development of specialised regional institutes or centres, enhancing business services, establishing inter-regional and international business networks and encouraging innovative initiatives.
- Developing and commercialising natural and cultural 'amenities' through direct exploitation of the relevant resources for sectors such as recreation and tourism, and indirectly through the creation of conditions likely to favour economic development.
- Creation of local products based on local identity and aiming at a market niche, usually linked to local natural and cultural 'capital', and including development of quality labels and guarantees linking products to places, particular production techniques, and so on.
- New or adapted financial instruments, which may include some of the following:
 - Fiscal equalisation schemes which seek to transfer budgetary resources from richer to poorer states and regions.
 - Subsidies and transfer payments to particular social or occupational groups or industries (such as for those involved in fisheries or for the elderly); indirect subsidies for 'universal services' provided throughout nation states at more or less uniform tariffs and/or levels (such as post offices or transport services).
 - Various forms of development assistance both for public investment in infrastructure and various public and quasi-public goods, and for private investments and community initiatives. The latter can include grants, loans, equity investment, interest-rate subsidies, tax relief or guarantees, usually on a selective basis.
- The increasing use of programme evaluation procedures both as a control and a learning mechanism.

1.6 Policies, Programmes and Projects in Rural Development

Before we proceed further with this module, it is worth taking some time to clarify our terminology and consider the relationship between policies, programmes and projects. See

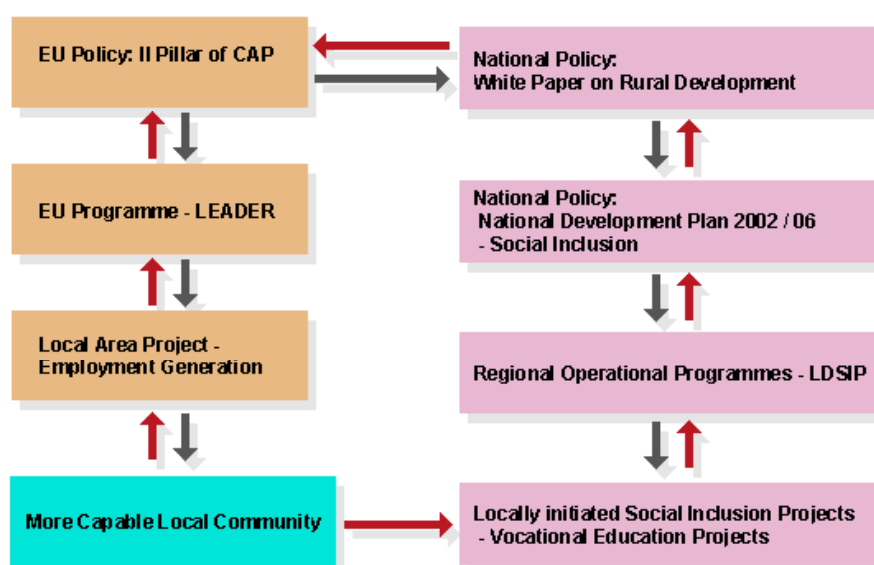
Figure 1. At the top level, we have policy decisions, as represented on the left of the diagram by the second pillar of CAP, which sets the EU policy on rural development. Similarly, on the right of the diagram you will see references to the White Paper on Rural Development and to the National Development Plan, which set national policy.

A policy can best be described as a framework or strategy, giving a broad outline of the direction and overall strategy for the development of a particular sector. It can also be defined as a high-level overall plan embracing the general goals and acceptable procedures, especially of a government body (Westerinen, 2003). Many factors contribute to the development of policy, such as public debates in various forums, the demands of different political constituencies, reports from commissions and task forces appointed to enquire into perceived problem areas, evaluations of previous policies, and so on. Policies are often enunciated in such documents as government white papers, though not necessarily.

As one moves down the diagram, the degree of specificity increases. Policy is implemented through Programmes, including, for example, the LEADER programme. The various programmes fund local projects, designed to achieve at a local level the aims articulated in national and EU policy.

You will see from the diagram that the projects tend to be area-based at the local level. The area-based initiatives draw down programme funds in response to identified local needs. Projects tend to involve the local community in the active decision making and planning for their communities, through their active participation in community forums, county development boards and national partnership agreements.

The arrows represent a two-way information flow that should ideally exist between the various elements, both vertically and horizontally. Figure 1 Policies, Programmes and Projects



Examples of Programmes

A programme is a planned and organised series of events that seeks to address a particular problem or to promote development. Programmes demand a clear statement of objectives linked to national or higher level policies. They are made up of a number of projects which, when linked together, achieve the programme objective.

With the recognition of the role of local actors in rural development, local, regional and national actors have been required to develop new structures to administer rural development programmes.

In the next few paragraphs we briefly examine a number of rural development programmes in operation, derived from both European and National directives. Note how these reflect the current paradigm of development and facilitate area-based development and planning.

First, we consider LEADER, which is probably the most successful European programme to assist the development of rural areas. The original objective of the first LEADER programme was to “find innovative solutions which would serve as a model for all rural areas and ensure maximum integration between sectoral measures”. This principal objective has not changed over two successive programmes but the lexicon of its objectives has changed slightly, in that the new LEADER+ programme is committed to “encouraging and helping rural actors to think about the longer-term potential of their area”. The basic objectives of this programme have not changed but its commitment to area-based growth has increased.

Note: You look at LEADER in more detail in unit 4.

Within the national context many programmes exist at various levels and across many sectors. For example under the current National Development Programme (NDP), two Regional Operational Programmes have been implemented. These focus primarily on local infrastructure, local enterprise and promoting social inclusion. Their main aim is to promote balanced regional development. One sub-programme of the Regional Operational Programme is that of the Local Development Social Inclusion Programme (LDSIP). The LDSIP enables funding to be made available to Partnerships and Community Groups and Employment Pacts that adopt a partnership approach to tackling local issues on the basis of comprehensive, integrated local action plans designed to counter exclusion. One example of an initiative under LDSIP is the Low Income Small Holders Initiative, which focuses on the needs of low income farm households.

“Its aim is to reduce exclusion and maximise the number of those working in economic and social well being in rural Ireland in the context of changes in agriculture” (ADM Annual Report 2002).

Examples of Projects

A project is an identifiable development initiative at the local level, the effects of which can be isolated from other on-going activities in the area. “Projects form a clear and distinct portion of a larger, less precisely, defined programme. Projects should be kept small, close to the minimum size that is economically, technically and administratively feasible” (Gittenger, p4, 1982).

Projects are concerned with the practical implementation of agreed objectives. Each objective expressed within a programme may need a project to achieve the objective. The project is set up in response to an overall objective (usually expressed within the programme) that is generally coupled with a target group in mind. For example the LDSIP which is overseen by ADM has a myriad of target groups and would have a number of projects in different counties to counteract the problems associated with these groups in the specific region. For example, there might be separate projects in an area focused on the needs of the long-term unemployed, disadvantaged women, Travellers, people with disability, the elderly and ethnic minorities.

In some cases, a particular project might promote tourism or other enterprises in order to create employment in a certain area. For example, Galway Rural Development Programme (www.grd.ie) supported the development of a Karting track in Tynagh, and of a Health Farm in Oranmore.

1.7 Summary

In this unit you learned that there are two approaches to development policy.

1. Sectoral (aspatial): Focuses on policy for a particular sector – education, health, or agriculture. Historically, rural development policy was centred on agriculture.
2. Spatial: Seeks to develop a geographic area. More recent policy tends to adopt a spatial approach.

You learned that state policies can affect rural areas in various ways:

1. Some policies – health, social welfare – have implications for rural areas though that is not their intent.
2. Some – for example, industrial policies – may be intended to affect an area, though they are not explicitly rural development policies.
3. Explicitly rural development policies focus on development of a rural area.

You saw that different types of rural areas have different needs. Remote areas with low population density may need human resource development; intermediate areas with a mix of activities may require the development of entrepreneurship, economically integrated areas may require policies which reduce the threats due to rapid growth. All areas require policies which enhance competitiveness, promote opportunities, protect environment.

You considered some trends in rural development policy: shift from sectoral to spatial, increase in bottom-up participative and integrated approaches, a focus on local specificities and on strategic investment rather than on subsidising declining sectors.

Finally, you considered the relationship between policies, programmes and projects in rural development.

- Policies are high level and general, enunciated in White Papers and other documents.
- Programmes implement policies by setting criteria and providing funding local projects.
- Projects draw down funds to respond to local needs.

You have now completed unit 1.

Before moving on to unit 2, take a few minutes to review your learning from this unit. Can any of the ideas in this unit help you in your work? Does your work shed any light on the ideas expressed in the unit? What is your main learning from this unit?

Unit 2: History of Rural Development Policy in Ireland

- 2.1 Introduction
- 2.2 Land reform from the 1870s to 1921
- 2.3 Rural life after independence
- 2.4 Planned National Development – 1958
- 2.5 Modernisation of Agriculture 1960s
- 2.6 County Development Teams
- 2.7 Regional Development
- 2.8 European Economic Community
- 2.9 New Approaches to Rural Development – 1994
- 2.10 Industrial policy in the 1980s and 1990s
- 2.11 Summary

Unit 2: History of Rural Development Policy in Ireland

2.1 Introduction

New policies are seldom drawn out of thin air or developed in isolation from past experience. A historical perspective is thus important, because it helps you to understand the background to current policies and experiences.

Because of the historical importance of agriculture in rural areas, agricultural policy was regularly seen as the main instrument of rural development. Though agriculture has declined in importance, the link, and the confusion, between agricultural and rural development policy has remained. Though in theory agricultural policy is just a sub-set of rural development policy, the policy reality is that the opposite has prevailed. Thus, the history of rural development policy is, to a large extent, the history of agricultural policy.

By the end of this unit, you will be able to:

- Describe major developments affecting rural areas in Ireland from the mid-nineteenth century to the 1990s.
- Discuss the relevance of these historical solutions for contemporary issues.

2.2 Land reform from the 1870s to 1921

A concern for rural development in Ireland can be traced back to a number of social and economic measures in the nineteenth century. Two topics deserve particular attention: Land Reform and the Congested Districts Board.

The land movement and land reforms of the late nineteenth century changed the pattern of Irish farming, from being dominated by tenant farmers, to a situation where farmers were more likely to own their farms. Three bad harvests in a row, from 1876 to 1879, had threatened a new famine and led to agrarian unrest. In response, Michael Davitt launched the Irish National Land League in 1879, and this quickly became a nation-wide organisation. After a period of agitation, a series of measures were introduced to facilitate the transfer of land available to tenants. Large estates held by landlords were broken up, and land was made available to smaller farmers through the payment of land annuities. By 1917 almost two thirds of tenant farmers had acquired their holdings.

In 1891, the Congested Districts Board was established as a result of special concern for the population in Connaught and some other Western areas, where large numbers of people tried to eke out a living on poor land. The Board was established to address this issue by, among other measures, supporting agriculture and industry in these areas.

Between 1891 and its dissolution in 1923, the Board spent £9 million on the purchase and distribution of land, and a further £2 million on improvements. It also sought to diversify local employment by the improvement of the fisheries, the provision of boats and the establishment of home industries. (Cullen, 1972, page 152).

2.3 Rural life after independence

Economic policy immediately following Independence, in 1921, was geared towards maintaining the competitiveness of the Irish economy. Rural policy supported the established pattern of land use and production methods, combined with on-going land redistribution by the Land Commission along the lines that had been initiated in the 1890s.

At Independence, Ireland was heavily dependent on its agricultural trade. In 1926 agriculture generated 32% of GDP and provided 54% of all employment (Haughton, in O'Hagan, 2000, p. 28). Of particular significance was the production of beef for the British market. Because of the importance of this trade, the Government throughout the 1920s supported free trade with Britain.

Protectionism

With the election of the first Fianna Fail Government in 1932, there was a significant change in economic policy. The party's election platform included a range of commitments appealing to a broad sweep of Irish opinion. Some policies were designed to appeal to small farmers and rural workers.

The policy of promoting small farming included such measures as favourable tax treatment, the control of land sales to non-nationals, as well as continued action by the Land Commission in regulating the distribution of land.

The new Government introduced measures to protect the home market for home producers. These protectionist measures, such as import taxes, were in keeping with policies in many other countries at the time. As a result of the global economic problems of the late 1920s and 1930s, there was an international movement towards policies of national self-sufficiency through import-substitution and protectionism. However, while such measures protect markets for local producers, they simultaneously damage export-oriented businesses.

<p>In relation to agriculture, the Government's policy at this stage was to protect the home food market and to encourage home production to meet home demand.</p>
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Economic war

The Government also decided to retain the land annuities paid by farmers under the Land Acts, which had previously been remitted to Britain. This measure led immediately to a damaging economic war with Britain. Britain imposed special duties, initially at 20% and later at 40% on livestock, dairy products and meat. This led to a considerable restriction on export markets.

Advantages of small family-based farm living

During this period, a rhetoric of rural fundamentalism emerged which stressed the virtues of the “small farming community”, and this became strongly embedded in Irish political thinking. The number of small family farms increased, particularly in the west of Ireland, and there emerged a powerful political establishment strongly committed to their maintenance.

The result was that the Irish state was left with an unusual farm structure:

- Extensive pastoral farming on small holdings.
- Smallest holdings concentrated on the poorest land.
- Small farmers were involved in the least profitable elements of cattle production.

In short, “Ireland for a long time attempted the impossible – to adopt a large farm style of agriculture on small family holdings” (Kennedy, Giblin and McHugh 1988).

Emigration took a toll on rural areas over these years. Historically, rural population had been declining since the mid-nineteenth century, but Ireland was one of the few countries in the world whose population decreased in the first half of the twentieth century. Prospects were grim for farm children, other than for the eldest son who would inherit the farm.

All during this period the rural economy remained dominated by the agricultural sector. Therefore agricultural policy was the policy domain which had the greatest influence in rural areas.

Muintir na Tíre

This period also saw the emergence in 1931 of a locally based rural community development movement called Muintir na Tíre. This movement was based on the principles of Catholic social teaching, as expounded in the papal encyclical *Quadragesimo Anno* (1931). It promoted the establishment of community councils in rural areas throughout the country. “From its earliest days the main objective was to improve the social, cultural economic and environmental status of people” based on the principles of self-help and self-reliance (www.muintir.ie).

Donoghue (1998) notes that, from the start, Muintir distanced itself from the political process. She also suggests that an elitism was evident in the organisation, in that the basic parish units tended to be controlled by property owners, professionals and the Catholic clergy. She says,

“Despite its claim, therefore, Muintir na Tíre was, in practice political in a particular guise, but this was not guaranteed to put disadvantage to the fore as a politically viable and legitimate issue” (p.4).

Initially Muintir na Tíre was not interested in support from the Government, since it asserted that communities could initiate their own development and assume a leading role in their own development (Commins 1986). Later, it did seek State support and the Government responded by providing, in the Local Government Act 1941, recognition and limited assistance to the community councils of Muintir na Tíre.

The 1950s

The early 1950s saw some changes in the state's approach to economic development, though these ultimately had little impact. For example, in 1952 a system of grant aid was introduced for designated disadvantaged areas (Curtin and Varley 1991). However, since it was rapidly extended to the whole country, its impact was dispersed and any potential that it may have had to address the particular need of rural localities was lost.

In this context, the economy in rural areas remained stagnant, the growth of agriculture was limited and emigration rates were extremely high.

In summary, one could conclude that the policies of protectionism and of promoting smallholders were largely ineffective in stimulating development. Although there was some improvement towards the end of this period, agricultural trade remained relatively stagnant throughout.

Many markets lost during the protectionism of the 1930s and 1940s were never fully regained. Industrial policy favouring the protection of home industries and the dispersal of industry within the country did have some positive impact on some rural areas. However, the impact was small and the primary beneficiaries of industrial policy were located close to the large urban areas.

2.4 Planned National Development – 1958

There was a significant change in policy from about 1958 on, which was most clearly indicated by the publication that year of the *First Programme for Economic Expansion*.

First Programme for Economic Expansion

The period prior to 1958 had been one in which development was not a predominant theme in Irish public policy. The economy was stagnant, social reform measures were limited and State intervention was frowned upon. By the end of the 1950s, Ireland faced considerable economic and social difficulties – declining agriculture, no industrial base, poor infrastructure and high emigration.

In 1958, at the request of the government, T.K. Whitaker wrote the report *Economic Development*. According to Haughton (in O'Hagan, 2000):

Recognising the recent poor performance, characterising agriculture as 'backward', noting the small scale of industry and diagnosing private capital as scarce and timid, the report called for a reorienting of government investment towards more 'productive' uses and away from a primary focus on social investment (such as housing). It proposed that tariffs should be dismantled ... it favoured incentives to stimulate private industrial investment, and it proposed expanded expenditure on agriculture ... it warned against ... high taxes (p.35).

Whitaker (1983) states that this new policy trend in the late 1950s was based on recognition of the following points:

- Protected manufacturing for a declining home market would not increase employment or maintain employment at acceptable wage rates.
- The way to create employment was by gearing industry for export.
- This could be achieved through policies to support a free market and to modernise industry.

Protectionist policies were abandoned. The IDA (Industrial Development Authority) (<http://www.idaireland.com>) which had been established in 1950 charged with attracting foreign direct investment, was given greater powers in 1958. Policies were adopted to modernise all sectors of the economy. The mechanism through which this was to be achieved was a series of economic programmes, each of five years duration. The First Programme for Economic Expansion appeared in November 1958. The intention was to effect a radical shift towards an open economy by encouraging inward foreign direct investment and production for export.

Features of this regime included:

- Support for the modernisation of agriculture, in order to operate commercially in the export market.
- Increased Government capital expenditure.
- A shift towards productive public investment.
- A strong private capital inflow, including the attraction of foreign direct investment.

Subsequent programmes

The Second Programme for Economic Expansion covered the period 1964 to 1970. However, it was abandoned during 1969. The Third Programme was due to run from 1969 to 1972, but in fact it too was abandoned due primarily to international conditions created by the oil crises. Despite the appointment of a Minister for Economic Planning in 1977, Ireland was not to return to national planning in a significant way until the late 1980s, and only then as a result of EU funding requirements.

2.5 Modernisation of Agriculture 1960s

A top priority in rural areas since the 1950s and 60s was the modernisation of agriculture to facilitate the growth of agricultural exports. The 1960s saw the volume and value of agricultural exports rise substantially following the stagnation of the previous 30 years.

Yet, modernising agriculture did not solve rural problems. In fact, employment on farms declined and the minimum viable farm size increased steadily. This created tensions between the demands of large-scale commercial agriculture and the interests of small farmers. Also, the price support measures used to maintain farm income during the 1960s were placing an increasingly high burden on the State. It was recognised that this would not be sustainable in the long run. (O'Hara and Commins 1991). In time, planners came to recognise the need for rural development policies that dealt with more than just agriculture.

2.6 County Development Teams

The 1962 *Report of the Interdepartmental Committee on the Problems of Small Western Farms* recommended the creation of county-based development groups. The logic behind this approach was that, as part of teams devoted to addressing issues at county level, the staff would feel a greater sense of commitment to the county. In addition, a greater level of co-ordination could be achieved in development activity.

In 1963, County Development Teams (CDTs) were informally established in a number of Western counties. In the following year, this structure was placed on a firmer footing, with CDTs formally established in 13 Western Counties. These bodies had access to a western development fund operated by a section of the Department of Finance. They continued to operate until 1992, when they were replaced by the County and City Enterprise Boards.

Note: County and City Enterprise Boards are discussed in unit 5.

At the same time, measures were introduced for rural diversification, to promote areas such as rural tourism, and for improving farm ownership structures, by, for example, encouraging older farmers to retire.

2.7 Regional Development

Towards the end of the 1960s, the concept of regional development also emerged in policy debates. The idea was considered of designating as regional growth centres (growth poles), certain areas outside the major industrial centres. The activities to be supported were, in the main, in manufacturing industry.

In 1965, the Government partially adopted a strategy of regional development in a limited number of sites by developing certain locations as “Growth Centres”. This policy enjoyed some success in the case of Galway and Waterford (Curtin and Varley 1991). However the policy was never carried through to its fullest. Political considerations ensured that the numbers of areas targeted for inward investment rose, as other areas lobbied to be included. This diluted the impact of the measures.

Note: Of course, this sort of approach has returned with the National Spatial Strategy, which is dealt with in unit 3.

2.8 European Economic Community

In 1973, Ireland joined the European Economic Community (EEC), later to evolve into the European Union. The most significant policy area for rural development was the Common Agricultural Policy (CAP). CAP incentives ensured a market for agricultural produce at reasonable prices, thus boosting farm incomes. For many years after joining the EEC there was no effective rural development policy apart from the provision of supports for agricultural production.

Note: The impact of CAP is considered in more detail in unit 3.

2.9 New Approaches to Rural Development – 1994

The publication, in 1994, of the National Economic and Social Council (NESC)(<http://www.nesc.ie/>)report No.97 “New Approaches to Rural Development”, launched a new era of debate and research into the rural development issue in Ireland. The two hundred and fifty page report examined the origin and nature of rural problems in Ireland, the current policy responses and rural development initiatives, the institutional issues inherent in rural development practice and policy, and outlines a number of principles for institutional development.

The report confirmed the persistence of a longstanding imbalance in population “between on the one hand, a few large and densely populated centres with their burgeoning satellites and dormitory towns and, on the other, a very dispersed population living in hundreds of small towns, villages, and on farms” (www.nesc.ie/news/pr102.htm). It highlighted inequality in access to public services, due to an interaction of social and spatial factors. It argued for a combination of sectoral and spatial approaches to the development of programmes and services.

The report has been very significant in influencing rural development policy and practice in Ireland for the past decade.

2.10 Industrial policy in the 1980s and 1990s

Before finishing this unit, it is worth giving brief consideration to a number of reports on industrial policy which were produced over the years. While these were focused on industrial development of the state, they had implications for rural areas. The three documents we look at are: The *Whitaker Report*, the *Telesis Report* and the *Culliton Report*.

The *Whitaker Report: Economic Development*, was produced by a group headed by T.K. Whitaker in 1958. It advocated increased competitiveness and productivity for the Irish economy. This was to be achieved primarily through the private, rather than the public sector. The report was against increasing taxation, holding that lower taxation would encourage enterprise development and expansion. However, as you saw above, after some initial activity the report and its findings were largely ignored.

The *Telesis Report*, published in 1982, pronounced that the aim of Government policy should be to create an internationally competitive industrial base in Ireland. It identified four main areas in need of reform: (1) restructuring of indigenous industry, (2) restructuring of overseas industry operating in Ireland, (3) reform of the state assistance schemes to industry, and (4) have a more controlled and monitored industrial policy. Although the report was welcomed, the 1980s were a period of fiscal restraint, and many of its suggestions were not implemented.

The *Culliton Report*, published in 1992, emphasised the need to create an effective business environment for both indigenous and foreign enterprises. It outlined that future industrial success would require efficient tax, infrastructure and education systems. It argued that industrial policy must shift away from subsidies and grants and attracting FDI (foreign direct investment), and towards removing barriers to growth for indigenous industry. During the 1990s many of the proposals were followed through; there was a new emphasis on indigenous industry, however the move away from FDI did not occur.

2.11 Summary

In this unit you briefly reviewed the history of rural development policy from the middle of the nineteenth century to the end of the twentieth.

You learned of the significance of land reform in the second part of the nineteenth century and the early years of the twentieth. Land was transferred to tenants and large estates were broken up and the land was made available to smaller farmers.

After independence, in 1921, policies were initially focussed on maintaining competitiveness to protect the beef trade with Britain, and distribution of land to small farmers continued.

Change came in the 1930s with the election of the first Fianna Fail government. To protect the home market, import tariffs were imposed. Also, land annuities which had been remitted to Britain were held by the government resulting in an economic war with Britain. This period also saw the emergence of Muintir na Tíre, a locally based rural community development movement.

By the 1950s, disadvantages of protectionism were clear and Whitaker called for a new focus on competitiveness and on gearing industry for export.

This period also saw the modernisation of agriculture, and also a focus on area-based development at county level, exemplified by the establishment of the County Development Teams in several Western counties. The continued development of farming was boosted by the accession of Ireland to the EEC in 1973.

You reviewed the findings of the NESC Report “New approaches to Rural Development” which highlighted inequality in access to public services for dispersed populations and argued for a combination of sectoral and spatial approaches to development.

Finally, you considered briefly the impact of three documents concerning industrial policy:

- Whitaker Report 1958
- Telesis Report 1982
- Culliton Report 1992

You have now completed unit 2.

Before moving on to unit 3, take a few minutes to review your learning from this unit. Can any of the ideas in this unit help you in your work? Does your work shed any light on the ideas expressed in the unit? What is your main learning from this unit?

Unit 3: Overview of National Rural Development Policy

- 3.1 Introduction
- 3.2 National Development Plans 1989-2006 and Rural Development
- 3.3 White Paper on Rural Development – 1999
- 3.4 The National Spatial Strategy and Rural Policy
- 3.5 Rural Proofing
- 3.6 Summary

Unit 3: Overview of National Rural Development Policy

3.1 Introduction

Having looked at the history of rural development policy in the previous unit, the focus in this unit is on recent policy documents which have direct contemporary relevance for rural development.

The main policies associated with rural development in Ireland have been channelled through the National Development Plans since 1989, the publication of the government's White Paper on Rural Development in 1999, and the publication of the National Spatial Strategy in 2002.

When you have completed this unit you will be able to:

- Outline major aspects of the National Development Plans, and their implications for rural areas.
- State the main points of the White Paper on Rural Development.
- Discuss implications of the National Spatial Strategy for rural areas.

3.2 National Development Plans 1989-2006 and Rural Development

When structural and cohesion funds were introduced by the EU to coincide with the completion of the single European market in the late 1980s, this heralded a new phase in Irish national planning after its abandonment in the early 70s. To avail of these funds the Government had to produce a National Development Plan (NDP) (<http://www.csfinfo.com>). The NDP was then brought to the European Commission and a Community Support Framework was negotiated, which outlined the EU's contribution to the Irish plan.

Ireland was initially able to attain significant funding as a result of its designation as both an Objective 1 region and a Cohesion state. Objective 1 regions were those regions with a GDP per capita of less than 75% of the EU average; these states could access the structural funds. The Cohesion states were those who required structural assistance during the completion of the single market – Ireland, Spain, Portugal and Greece; these states could access the cohesion funds. This funding brought with it strict procedures and guidelines for project selection, monitoring and evaluation, which has greatly contributed to the planning and development culture in Ireland.

The first National Development Plan, 1989-1993, resulted in eleven operational programmes. Although nearly all had impacts in rural areas, the most rural specific ones were the Operational Programme for Rural Development (OPRD), the Operational Programme for Tourism, and the Operational Programme for Forestry. The principal objectives of the OPRD were to maintain and strengthen the rural community, and to improve the quality of life and

foster a sense of community identity among people living in rural areas. The OPRD consist of five sub-programmes: Diversification, Small and Community Enterprise (SCE), Rural Infrastructure, Research and Development/Marketing, and Human Resources. The programme had a budget of IR£120 million. Also, a number of the Tourism and Forestry sub-programmes were significant for rural development.

The second National Development Plan, 1994-1999, resulted in nine operational programmes (www.csfinfo.com/htm/operational_prog/programme_94_99.htm). The most significant ones for rural development were the Operational Programme for Agriculture, Rural Development and Forestry, and the Operational Programme for Local, Urban and Rural Development. The former programme did not contain any rural development specific sub-programmes, and was more focused on agriculture. The latter programme contained three sub-programmes – Local Enterprise, Integrated Development of Designated Disadvantaged and Other Areas, and Urban and Village Renewal – all of which had impacts in rural areas.

The subsequent National Development Plan 2000-2006 (NDP) sought to “build on the unprecedented economic progress of recent years and to strengthen the foundations for further strong and sustainable progress in the years ahead” (http://www.ndp.ie/newndp/r/NDP_exec_sum.doc). The basis of the NDP is a set of inter-regional Operational Programmes:

1. Economic and Social Infrastructure, Employment and Human Resources and the Productive Sector;
2. Two regional Operational Programmes, the BMW Operational Programme and the South and East Operational Programme.
3. A separate Operational Programme for the cross-border PEACE programme.

Although nearly all impact on rural areas, the most specifically rural programme are the two Regional Operational Programmes, each of which contains a sub-programme for Agriculture and Rural Development. Within these sub-programmes there are three sub-measures under the General Rural Development Measure:

1. Area-based Rural Development Initiatives. This is aimed at continuing LEADER II activities that are no longer subject to funding from the streamlined LEADER+ programme, sometimes referred to as LEADER National.
2. The Western Development Fund.
3. The Rural Development Fund (for research).

Four objectives underpin the strategy for the NDP:

1. Continuing sustainable national and economic and employment growth.
2. Consolidating and improving Ireland’s international competitiveness.
3. Fostering balanced regional development.

4. Promoting social inclusion.

One of the chapters within the NDP specifically addresses rural development. According to its specifications, instruments to implement the plan are similar regarding the two Operational regions but a disproportionate amount is spent in the BMW region. This reflects the more rural character of the region and the consequent need for more resources to sustain and develop rural areas in the region and also reflects its categorisation as an Objective One region.

One of the central components of the strategy for rural development lies in the commitment by the government to a 'rural proofing' policy. This rural proofing policy will be implemented by all departments. Further outlined within this chapter are strategies for regional development: agriculture, forestry and fishing, and rural infrastructure. Regarding rural development the NDP is seen as the vehicle for delivering the strategy outlined in the White Paper.

CAP Rural Development Plan 2000-2006

The CAP Rural Development Plan (<http://www.irlgov.ie/daff/Publicat/publicat.HTM>) forms part of the Irish National Development Plan (NDP) 2000-2006. In all, it provides for total public expenditure of €4.99 billion, including €2.4 billion from the Guarantee Section of the European Agricultural Guidance and Guarantee Fund. The Plan contains four rural development support measures covering early retirement, compensatory allowances (Less Favoured Areas), agri-environment, and afforestation. According to the plan:

“the measures set out in the CAP Rural Development Plan will, inter alia, help improve agricultural structures, support farm incomes and enhance the environment. Those measures are fully consistent with the priorities for agriculture, food and rural development that have been identified at both national and EU level. In terms of its financial and policy impact, the Plan constitutes an integral and essential component of Ireland’s strategy to address those priorities.”

However, despite being called “The CAP Rural Development Plan”, in reality all funding it provides is available only to those involved in agriculture – early retirement scheme, forestry, and so on. This reflects the EU’s continued insistence on linking rural development and agriculture.

Clár programme

CLÁR (Ceantair Laga Árd-Riachtanais) (<http://www.pobail.ie/en/RAPIDandCLAR/CLR>) was launched in October 2001. It is a targeted investment programme in rural areas and primarily fast-tracks National Development Plan spending in the selected regions. The sixteen regions selected for inclusion in the Programme are those which have suffered the greatest population decline since 1926 with the exception of the Cooley Peninsula (which has been

included based on the serious difficulties caused there by Foot and Mouth Disease). The average population loss in all these regions is 51% and the total population that will benefit from the Programme is 284,000. An extra, dedicated budget of €12.7m per annum has been allocated to ensure the success of the Programme in 2002 and 2003. Priority investments, as identified by the communities, which will be eligible for funding, will cover infrastructure, social and community services.

3.3 White Paper on Rural Development – 1999

Even though rural development has been a continuing theme of public policy, coherent sets of policy responses were not formulated until the publication of the White paper on Rural Development, *Ensuring the Future – A Strategy for Rural Development in Ireland* in 1999. (See <http://www.irlgov.ie/daff/Publicat/wpaper/contents.htm>).

“The White Paper sets out a vision and framework for the development of rural communities in Ireland into the next millennium and marks a new approach and commitment by Government to rural development” (Foreword, White Paper on Rural Development, 1999).

It articulates a vision of the long-term future of Irish rural society, and it sets out an overall policy strategy to achieve this vision.

The White Paper defines the rural policy agenda as comprising all Government policies and interventions that are directed towards improving the physical, economic and social conditions of people living in the open countryside, coastal areas, towns and villages and in smaller urban centres outside of the five major urban areas. That means that the definition of rural in the White Paper extends to everywhere outside of Dublin, Cork, Waterford, Limerick and Galway.

The White Paper asserts that policies will aim to facilitate balanced and sustainable regional development while tackling the issues of poverty and social exclusion. It highlights the four criteria that the rural strategy will be based on:

- An inclusive approach to sustainable development.
- The integration of policies.
- A regional dimension.
- Partnership with the rural community.

It also states:

“The elements of the overall strategy for rural development which the Government will put in place are a dedicated focus on rural development policy in the future through appropriate institutional mechanisms, in particular a ‘lead’ Department; a regional

approach to development; service and infrastructure provision; sustainable economic development; human resources development, and a determined focus on poverty and social exclusion”.

The strategy is based on an inclusive approach to sustainable development, the integration of policies, a regional dimension and partnership with the rural community. The over-riding principle of ‘rural proofing’ of all national policies to ensure policy makers are aware of the likely impact of policy proposals on the economic, social, cultural and environmental well-being of rural communities is a cornerstone of this strategy.

The White Paper outlines a number of structures to be put in place for the implementation of rural development strategy, including a cabinet sub-committee, and inter-departmental committee. The White Paper was also a catalyst in establishing the County Development Boards.

A key objective of the White Paper is the maintenance of rural population, not just in terms of numbers, but also in terms of achieving a balanced spatial distribution of population. The White Paper recommends that planning policy should, as far as possible, facilitate people willing to settle in rural areas, especially those willing to settle in their own areas of origin, in order to achieve a balanced rural population. This commitment has implications for rural settlement policy.

The White Paper espoused a bottom up approach to policy formulation and this is reflected in the development of Community Forums to identify suitable policy responses to rural problems. The elements of this strategy are addressed through the NDP’s Operational Programmes.

The Department of Community, Rural and Gaeltacht Affairs is responsible for implementing rural development strategy, and this marks the separation for the first time of rural development from agriculture, giving it a remit of its own.

3.4 The National Spatial Strategy and Rural Policy

The National Spatial Strategy (NSS) (<http://www.irishspatialstrategy.ie/>) is a twenty-year planning framework designed to achieve a better balance of social, economic, physical development and population growth between regions. Key to the strategy is the concept of balanced regional development.

The NSS was launched in November 2002. It sets out for the first time a long-term national framework with the following goals:

1. Achieve more balanced regional development in Ireland.

2. Allow regions to achieve their full potential.
3. Contribute to optimal economic, social and environmental performance.

The Strategy is intended be a broad planning framework aimed at realising economic and social progress, in a manner that is consistent with environmental sustainability.

It identifies spatial development patterns, specifying indicative policies in relation to the location of industrial development, residential development, rural development, tourism and the environment. It presents a dynamic concept of the Irish urban system, together with its links to rural areas, which recognises their economic and social interdependencies.

The NSS sets out at national level how Ireland can be spatially structured and developed. It identifies particular towns and cities as Gateways and Development Hubs, which have key roles in the spatial structure. By identifying a limited number of growth poles or Gateways, the strategy is similar to the approach suggested in the 1960s but which was never fully undertaken.

Major features of the NSS are summarised in Table 1.

Table 1 Major features of National Spatial Strategy

More Efficient Dublin Area	The greater Dublin's area's vital national role is secured in terms of improved mobility, urban design quality, social mix and regional connections
Strong gateways in other regions	Balanced national growth and development are secured with the support of a small number of nationally significant centres.
Hubs	Balanced patterns of growth are supported by towns that link the capabilities of the gateways to other areas.
County and other town structure	Balanced patterns of growth are supported by towns that capitalise on local and regional roles and are also linked to the roles of the gateways and development hubs.
Vibrant and diversified rural areas	Rural areas benefit from enhanced local employment options and from development of their resource potential

The NSS also recognises the importance of other plans and programmes and their relevance to achieving the aims of the Strategy. In addressing spatial issues for the island of Ireland as a whole and strengthening cross-border co-operation, the NSS acknowledges the importance of "Shaping Our Future", the Regional Development Strategy for Northern Ireland. The NSS will also contribute to the Midterm Review of the National Development Plan (NDP).

The Strategy sets out broad policy directions in relation to ways in which the location of enterprise, the location of housing in both rural and urban areas, access to social services and infrastructure, and conserving Ireland's natural and cultural heritage will support Ireland's spatial structure in the future.

Rural areas and the NSS

In relation to rural areas, the strategy maintains that traditional rural based sectors of employment in agriculture, forestry and fishing will continue to have "key roles as a base for strong and diversified rural economies". In addition, developing sectors such as tourism, enterprise, local services and other sources of off-farm employment will contribute to a strong rural economy. It indicates that the mix and concentration of these sectors will vary from place to place, requiring tailored responses for different places.

The strategy involves securing agriculture where it has the capacity to remain strong and viable, and commits itself to maintaining the maximum number of family farms. At the same time, it acknowledges the need to ensure that smaller farmers have the opportunity to supplement their income through off-farm work.

There is a commitment in the NSS to diversify rural employment options and to stabilise population through the following:

- Resource-base development in sectors such as forestry, marine and natural resources, enterprise and local services.
- Tourism development through quality market-responsive products, enhanced access and coordinated promotion of a tourism product which offers a range of complementary visitor experiences.
- Protect landscape, water resources and habitats.

It also suggests that rural areas with particular cultural identities, such as the Gaeltacht or the islands, can act as magnets for people and for certain types of development. It urges that conservation of identity is considered in ways that allow development to take place while protecting an area's heritage resources.

The NSS points out that in 1996 42% of the population lived in rural areas. With the decline of agriculture, the number of people living in rural areas has fallen over the years. In order to reverse this, and to ensure vibrant living communities in rural areas, it proposes two types of policy response:

- Settlement policies, to address problems of declining populations, and problems associated with overspill associated with proximity to urban centres.

- Enhanced accessibility must be linked with these settlement policies.

The NSS recognises that there are different types of rural area, requiring different kinds of policy response. Table 2 summarises the rural area types identified and the kinds of policy response indicated for each type.

Table 2 Rural Area Types and Policy Responses

Rural type and description	Rural area policy responses
<p>Areas that are strong: <i>Mainly in the South and East where agriculture will remain strong, but where pressure for development is high and some rural settlements are under stress.</i></p>	<ul style="list-style-type: none"> • Support agriculture by maintaining the integrity of viable farming areas. • Strengthen rural villages and small towns by making them attractive to residential and employment related development. • Reduce urban sprawl through a renewed emphasis on appropriate in-fill development.
<p>Areas that are changing: <i>Including many parts of the Midlands, the Border, the South and West where population and agricultural employment have started to decline and where replacement employment is required.</i></p>	<ul style="list-style-type: none"> • Support communities where the viability of agriculture is under stress through promoting diversification in enterprise, local services and tourism.
<p>Areas that are Weak: <i>Including more western parts of the Midlands, certain parts of the Border, and mainly inland area in the West, where population decline has been significant.</i></p>	<ul style="list-style-type: none"> • Build up rural communities through spatially targeted and integrated measures • Develop new rural tourism resources such as inland waterways
<p>Areas that are Remote: <i>Including parts of the west coast and islands.</i></p>	<ul style="list-style-type: none"> • Promote marine and natural resource based development • Overcome distance barriers through the use of technology
<p>Areas that are culturally distinct: <i>Including parts of the west coast and the Gaeltacht which have distinctive cultural heritage.</i></p>	<ul style="list-style-type: none"> • Enhance accessibility • Strengthen existing settlements • Conserve cultural identity

Source: National Spatial Strategy, p. 53

3.5 Rural Proofing

The concept of “rural proofing” is highlighted in both the White Paper for Rural Development and the National Development Plan 2000-2006. Before finishing this unit we briefly consider what is meant by rural proofing.

Proofing of any sort usual refers to a mechanism by which policies and interventions are assessed/proofed for their likely impact on a particular group or issue, for example a ethnic minority, the environment, equality, and so on. There has been previous experience of proofing with regard to “equality proofing” and “poverty proofing”. What this means is that policies are examined and adjusted to ensure that they do not impact negatively on equality or on poverty.

The White Paper defines rural proofing broadly in the following way:

“As an over-riding general principle, the Government is committed to the ‘rural proofing’ of all national policies so as to ensure that policy makers are aware of the likely impact of policy proposals on the economic, social, cultural and environmental well-being of rural communities” (White Paper on Rural Development, 1999).

The National Development Plan 2000-2006, requires that all policies be rural proofed. ADM are charged with over-seeing the implementation of the Local Development Social Inclusion Programme of the 2000-06 NDP. To help them ensure ‘rural proofing’ of this measure they commissioned a study into rural proofing and the production of guidelines for the rural proofing of the measure. This document (<http://www.adm.ie/Pages/LDSIP/Publications/LDSIP%20GUIDELINES%20FINAL.pdf>) is the first significant work on rural proofing produced in Ireland.

It proposes a four-step model of rural development, as follows:

- Step 1: Prepare a Rural Exclusion Policy statement. This involves a commitment to identify and tackle rural social exclusion.
- Step 2: Rural Proofing Plan. To ensure any actions take into account the needs of people experiencing rural exclusion.
- Step 3: Rural Impact Statement. Assess the impact of actions on excluded people and groups.
- Step 4: Rural Proofing Review. Formally evaluate the actual impact of policies and actions.

Activity

Note that the focus in rural proofing is on “rural social exclusion”. People are not all affected in the same way by particular policies and developments. For this activity, consider an action or development in a rural area with which you are familiar (this might be, for example, the

closure of a post office or a local school, the building of a holiday village, the development of a golf course, or the introduction of broadband). Note how this might benefit some people while disadvantaging others.

3.6 Summary

In this unit you reviewed aspects of National Development Plans, the White Paper on Rural Development and the National Spatial Strategy.

National development planning came about in order to draw down EU funding, as an Objective 1 region and as a cohesion state. The current plan (2000-2006) is the third plan since 1989. It consists of several programmes, with some measures focused explicitly on rural development:

- LEADER+
- Western Development Fund.
- Rural Development Fund (for research)

The White Paper on Rural Development (1999) sets a vision for the long-term future of rural Ireland. It espoused a bottom-up approach to policy formation and an inclusive approach to sustainable development. It introduced the principle of rural proofing of all national policies.

The National Spatial Strategy (2002) seeks more balanced regional development, and to allow regions to achieve their full potential. It identifies particular towns and cities as gateways and development hubs. In relation to rural areas, it proposes a mix of traditional (farming or fishing) and newer sectors, such as tourism, local services, and other off-farm employment. It identifies different types of rural areas. Policies should be tailored to the particular needs of specific areas.

Finally, you considered what rural proofing (called for in both the White Paper and the NSS) means. You learned about a four step model of proofing, proposed by ADM.

You have now completed unit 3.

Before moving on to unit 4, take a few minutes to review your learning from this unit. Can any of the ideas in this unit help you in your work? Does your work shed any light on the ideas expressed in the unit? What is your main learning from this unit?

Unit 4: Overview of EU Rural Development Policy

- 4.1 Introduction
- 4.2 Three sources of EU rural development policy
- 4.3 EU rural development policy statements 1996-1999
- 4.4 Common Agricultural Policy (CAP)
- 4.5 CAP and Ireland
- 4.6 CAP Reform
- 4.7 LEADER Community Initiative
- 4.8 The Fischler Reforms to CAP
- 4.9 Summary

Unit 4: Overview of EU Rural Development Policy

4.1 Introduction

Today, rural areas are the home of a quarter of the population and account for more than 80% of the territory of the European Union. Therefore, rural development policy has always been on the agenda of the EU. This unit outlines EU rural development policy.

In practice EU Rural Development policy can be divided into two elements. Indirect measures from all EU policy which have an impact on rural areas, but are not necessarily designed to combat rural 'problems' and enhance rural development. Secondly, there are direct measures which are specifically designed to address rural problems and develop rural problem areas. While this unit concentrates on the direct measures, including CAP and its reforms, it begins by describing three sources of EU rural development policy.

At the end of this unit you will be able to:

- Describe the three main sources of EU rural development policy.
- Outline the main points of four EU documents dealing with rural development policy.
- Explain the evolution of CAP, from its beginnings to recent reforms.

4.2 Three sources of EU rural development policy

Rural development policy in the EU is distributed across several policy areas, especially agricultural policy. As McDonagh (2001) recognises "policy concerning rural development has mostly been associated with agricultural policy (CAP) and to a lesser degree regional policy". Increasingly, the problems facing rural areas are multi-sectoral and cannot be solved by relying solely on agricultural policy. For this reason rural development must draw on a number of sectoral policies, such as education or employment policies. Some of these are outlined below.

Policy formulated at EU level has significant influence on national policies and programmes, especially because of the level of funding available from the EU in the form of Structural and Cohesion Funds. McDonagh (2001) notes that national policy is often formulated in direct response to the EU 'money train' rather than out of need or appropriate direction. The following subsections will look at three areas of European policy that have had the greatest influence and direct effect on the formulation of Irish rural development policy:

- Agricultural policy.
- Regional policy.
- Policy on sustainable development.

Agricultural policy

Issues regarding rural development at the European level generally come under the umbrella of agricultural activities, and more specifically the second pillar of the Common Agricultural Policy (CAP), introduced in 1999 within the framework of Agenda 2000. Agenda 2000 reformed the CAP in view of the expected enlargement to largely rural countries, such as Poland, Bulgaria or Romania.

The main aims of this EU rural development policy are:

- To improve agricultural holdings.
- To guarantee the safety and quality of foodstuffs.
- To ensure fair and stable incomes for farmers.
- To ensure that environmental issues are taken into account.
- To develop complementary and alternative activities that generate employment, with a view to slowing the depopulation of the countryside and strengthening the economic and social fabric of rural areas.
- To improve living and working conditions and promote equal opportunities.

You will notice the dominance of farm interests in this conception of rural development.

Regional policy

Issues surrounding rural development are also very much influenced by Europe's regional policy (http://europa.eu.int/pol/reg/index_en.htm). Within Europe there are striking disparities of income and opportunity and these are starkly witnessed and can be exacerbated in rural areas. The backbone of the European regional policy is a commitment to structural and cohesive development. Regional Policy is implemented through four Structural Funds:

- European Regional Development Fund.
- European Social Fund.
- Guidance Section of the Common Agricultural Policy's Guidance and Guarantee Fund.
- Financial Instrument for Fisheries Guidance.

Regional Policy in a national context is extremely important because these structural funds are subdivided via preference areas – Objective One, Objective Two and Objective Three Areas. Objective One Areas receive the greatest funding to assist in their development. The Border, Midland and West (BMW) area in Ireland benefits from Objective One status. National governments are encouraged to interpret regional policy and draw up context specific plans.

For the 2000-2006 period, transfers through the regional policy will account for one third of the Community budget, or €213 billion:

- €195 billion will be spent by the four Structural Funds described above.
- €18 billion will be spent by the Cohesion Fund provides direct finance for specific projects relating to environmental and transport infrastructure in selected states.

The Structural Funds finance multi-annual programmes which constitute development strategies drawn up in partnership with the regions, the member states and the European Commission. They act on economic and social structures to:

- Develop infrastructure, such as transport and energy.
- Extend telecommunications services.
- Help firms and provide training workers.
- Disseminate the tools and know-how of the information society.

Irrespective of the type of assistance, these instruments complement but do not replace national efforts.

The first real statement of an explicitly EU rural development policy was in 1987 when the Structural and Cohesion funds advocated the recognition and support of Objective 1 and 5b regions. Objective 1 regions, regions with less than 75% of EU average GDP per capita, were mainly concentrated in the peripheral and rural parts of Europe. Objective 5b regions, were described as vulnerable rural areas. Under these two headings the qualifying regions could gain access to the Structural Funds, which were established to do the following:

- Ensure that comprehensive development programmes were targeted to the less well off regions.
- Ensure that additional rural development programmes were made available for areas that were of rural character.

Sustainable development

A European policy regarding sustainable development is also integral to rural development (http://europa.eu.int/comm/sustainable/index_en.htm). The transition towards more sustainable development is a strategic goal for the EU. The EU is committed to implementing policy that will ensure the sustainable growth of the region regarding social, economic and environmental issues. A strategy for sustainable development was enunciated in a European Commission document in 2001 – [*A sustainable Europe for a better world: A European strategy for Sustainable Development*](#). This strategy proposed measures to deal with important threats to our well being, such as climate change, poverty, and emerging health risks. It suggests that sustainable development is about:

1. Balanced and equitable economic development.
2. High levels of employment, social cohesion and inclusiveness.
3. A high level of environmental protection and responsible use of natural resources.
4. Coherent policy making in an open, transparent and accountable political system.
5. Effective international co-operation to promote sustainable development globally.

A number of goals have been outlined in pursuit of this policy:

- Limit climate change.
- More responsible management of natural resources.
- Limit the adverse effects of transport and reducing regional disparities.

Sustainable development can be defined simply as a better quality of life for everyone, now and for generations to come. It is a vision of progress that links economic development, protection of the environment and social justice, and its values are recognised by democratic governments and political movements the world over.

4.3 EU rural development policy statements 1996-1999

In the following subsections we briefly review the major points in four statements in relation to EU rural development policy which were published in the latter years of the twentieth century.

The documents we look at are as follows:

- The Cork Declaration (1996).
- The *Buckwell Report* (1997).
- Rural Developments – CAP 2000 (1997).
- The ESDP (1999).

Cork Declaration

The European Conference on Rural Development took place in Cork in November 1996. The following statement highlights the aims of the conference:

We, the participants at the European Conference on Rural Development assembled in Cork, urge Europe's policy-makers:

- *To raise public awareness about the importance of making a new start in rural development policy;*
- *To make rural areas more attractive to people to live and work in, and become centres of a more meaningful life for a growing diversity of people of all ages;*
- *To play an active role in promoting sustainable rural development in an international context.*

The result of this conference was a statement on EU rural development: "The Cork Declaration – A Living Countryside"

(http://www.europa.eu.int/comm/agriculture/rur/cork_en.htm). The core of the declaration is a ten-point rural development programme for the EU, which is summarised here:

1. Rural Preference: Sustainable rural development must be put at the top of the agenda of the European Union, and become the fundamental principle which underpins all rural policy in the immediate future and after enlargement. A growing share of available resources should be used for promoting rural development and securing environmental objectives.
2. Integrated Approach: Rural development policy must be multi-disciplinary in concept, and multi-sectoral in application, with a clear territorial dimension. It must apply to all rural areas in the Union, respecting the concentration principle through the differentiation of co-financing for those areas which are more in need.
3. Diversification: Support for diversification of economic and social activity must focus on providing the framework for self-sustaining private and community-based initiatives. It must promote the development of viable rural communities and the renewal of villages.
4. Sustainability: Policies should promote rural development which sustains the quality and amenity of Europe's rural landscapes (natural resources, biodiversity and cultural identity), so that their use by today's generation does not prejudice the options for future generations. In our local actions, we must be aware of our global responsibilities.
5. Subsidiarity: Given the diversity of the Union's rural areas, rural development policy must follow the principle of subsidiarity and be as decentralised as possible. The emphasis must be on participation and a 'bottom up' approach, which harnesses the creativity and solidarity of rural communities. Rural development must be local and community-driven within a coherent European framework.
6. Simplification: Rural development policy, notably in its agricultural component, needs to undergo radical simplification in legislation – a limitation of EU law on general rules and procedures, more subsidiarity in decisions, decentralisation of policy implementation and more flexibility overall.
7. Programming: The application of rural development programmes must be based on coherent and transparent procedures, and integrated into one single programme for rural development for each region, and a single mechanism for sustainable and rural development.
8. Finance: The use of local financial resources must be encouraged to promote local rural development projects.
9. Management: The administrative capacity and effectiveness of regional and local governments and community-based groups must be enhanced – through the provision of technical assistance, training and better communications.
10. Evaluation and Research: Monitoring, evaluation and beneficiary assessment will need to be reinforced in order to ensure transparency of procedures, guarantee the good use of

public money, stimulate research and innovation, and enable an informed public debate. Stakeholders must not only be consulted in the design and implementation, but involved in monitoring and evaluation.

This conference was intended to create greater priority for rural development. However, Bryden (2000, p7) points out that it provoked negative reactions at the time, both from farm organisations who saw it as an attack on traditional agricultural policy, and the Commissioner for Regional and Cohesion policy who “who on the contrary objected to further special treatment for rural areas”.

Buckwell Report

The *Buckwell Report* (http://europa.eu.int/comm/agriculture/publi/buck_en/index.htm), formally titled “Towards a Common Agricultural and Rural Policy for Europe – Report of an Expert Group”, was produced for the Directorate General of Agriculture in 1997. The report outlines why and how the CAP should evolve into the twenty first century. It lists four elements of CARPE (Common Agricultural and Rural Policy for Europe):

1. Market stabilisation.
2. Environmental and Cultural Landscape Payments.
3. Rural Development Incentives.
4. Transitional Adjustment Assistance.

The Rural Development Incentives (RDIs) are seen as being increasingly important and it is predicted in the report that they will grow rapidly in share of budgetary importance. It also states that

“the RDIs are concerned with all aspects of rural development, but whose emphasis is on stimulating opportunities for non-agricultural uses for farm resources and opportunities for resources released from agriculture”.

While continuing to link rural development and agriculture, it acknowledges that rural development is much wider than agricultural development. This document informed the Agenda 2000 and reform of CAP.

Rural Developments – CAP 2000

Rural Developments – CAP 2000 is a working document, produced in 1997, to assess the contemporary state of European rural areas, EU farmers and EU rural and agricultural policy (http://europa.eu.int/comm/agriculture/publi/pac2000/rd/rd_en.pdf). As with the Buckwell Report, it too was used to inform both the Agenda 2000 and more recent reforms. The document is more of an assessment of the prevailing situation as opposed to presenting

proposals for reform. However, in its final section it highlights a number of key issues to be considered:

1. The first issue concerns the existing complexity and need for simplification of programmes at EU level, and procedures at national and regional level.
2. Secondly, there are overlaps and links between instruments – the links must be exploited and overlaps examined to ensure non-duplication of funding.
3. Thirdly, there is a need to strengthen evaluation procedures and transparency.
4. Finally, the report highlights the importance of continuing to enquire into, and to seek to justify, the relevance of rural development policy.

The reports identifies three reasons why rural development is essential:

1. Support the ongoing development of a healthy agricultural sector.
2. Protect the environment and assure a quality of life.
3. Help achieve and sustain economic and social cohesion within the Union.

European Spatial Development Perspective

The European Spatial Development Perspective (ESDP) was published in 1999 (http://europa.eu.int/comm/environment/forum/spatreport_en.pdf). This document recognised the diversity of rural regions, as well as the need to treat them as spatially integrated into complex urban-rural systems. As a result of the ESDP all member states were required to produce a National Spatial Plan, and this has resulted in the National Spatial Strategy (NSS) in Ireland (www.irishspatialstrategy.ie). Policy options for Rural Areas identified by the ESDP include:

- Promotion of diversified development strategies, sensitive to the indigenous potentials in the rural areas and which help to achieve an indigenous development. Support for rural areas in education, training and in the creation of non-agricultural jobs.
- Strengthening small and medium-sized towns in rural areas as focal points for regional development and promotion of their networking.
- Securing sustainable agriculture, application of environmental measures and diversification of agrarian land utilisation.
- Promotion and support of co-operation and information exchange between rural areas.
- Use of the potential for renewable energy in rural and urban areas, taking into account local and regional conditions, in particular the cultural and natural heritage.
- Exploitation of the development potential of environmentally friendly tourism.
- Maintenance of a basic supply of services and public transport in small and medium-sized towns in rural areas, particularly those in decline.
- Promotion of co-operation between towns and countryside aiming at strengthening functional regions.

- Promotion and support of partnership-based co-operation between small and medium-sized towns at a national and trans-national level through joint projects and the mutual exchange of experience.
- Promotion of company networks between small and medium-sized enterprises in the towns and countryside.

4.4 Common Agricultural Policy (CAP)

While rural development policy should not be confused with agricultural policy, you nonetheless need to understand something of agricultural policy because of its impact on rural areas. Also, you should note that the body responsible for CAP, DG Agriculture (<http://www.europa.eu.int/comm/dgs/agriculture>), has the major responsibility for rural development, ensuring that EU agricultural and rural development policy will remain intertwined for the foreseeable future. Furthermore, there appears to be a desire in the European Commission to keep rural development and agriculture closely linked. This is most likely because as the agriculture budget is reduced, and the rural development one increased there is a desire to see the funding recipients remain the same and to keep the budget under the control of the same agency.

The Common Agricultural Policy (CAP) was introduced in the 1960s with the general aim of ensuring that the European Community had enough food to feed itself. The main thrust of the CAP was commodity price support. Transfers to farmers through subsidies were made in proportion to their output, and products were differentially supported. The other elements of CAP, the structures or guidance aspect, was geared towards increasing agricultural production and incomes, with some limited resources going into food processing and marketing. CAP was founded on the basis of "open-ended price support" and has been reformed many times due to the inevitable result of such a support scheme – surplus production. By the late 1970s the self-sufficiency goal was achieved, and the aim of the policy since has remained unclear.

4.5 CAP and Ireland

When Ireland joined the European Economic Community (EEC) in 1973, the single most important impact of membership for Irish rural areas was its effect on agriculture. For many years after joining the EU, Government policy was principally geared towards maximising the take from a range of price supports in the CAP. While CAP effectively replaced Irish agricultural policy on joining the EEC in 1973, the full effects of the policy were spread over a five-year transition period, and beyond.

The immediate impact of CAP was to force farm prices upwards, thus improving and stabilising farm incomes. CAP incentives provided the impetus for an accelerated drive toward modernisation, as farmers sought to maximise production in the supported sectors.

The CAP supports also ensured that smaller holdings remained viable in areas of production in which they would not otherwise have been able to compete.

While it promoted the development of a more efficient agricultural sector, over time the CAP contributed to some difficulties in rural areas. The new agricultural production regime provided incentives for the increasingly intensive production of certain commodities, such as milk and beef. This led farmers to replace labour with capital, thus reducing the demand for rural labour. It also encouraged the replacement of locally produced inputs with new inputs from outside rural areas. The inevitable outcomes of this process were surplus production, reduced employment and few opportunities for viable ancillary economic activities in rural areas. This was an unsustainable situation and led eventually to CAP reform.

4.6 CAP Reform

By the early 1980s CAP was increasingly seen to be creating difficulties, particularly in peripheral parts of Europe. The following are the principal tenets of the critique of CAP which emerged:

- It was inefficient, creating massive amounts of overproduction while forcing consumer prices up.
- It absorbed increasingly excessive amounts of finance.
- It served to obstruct enterprise oriented farming by acting as a cushion between the farmer and the market.
- It failed to distribute benefits to poorer farmers. In Ireland, the principal beneficiaries of the CAP were the larger commercial farmers.
- It encouraged environmentally damaging intensive farming methods
- It emphasised guaranteed minimum income support, which led to forms of development in rural areas which were unbalanced, and which concealed wider problems within the rural economy.
- It failed to address the wider needs of rural populations.

The CAP created a situation where the only rational behaviour for farmers in marginal areas was to follow the grant. One result of this was that their incomes were especially vulnerable to any changes in policy, changes that increasingly came to be seen as inevitable, changes that some feared posed a huge threat to the social and economic well-being of rural areas, at least in the short run.

By the late 1980s, there was a movement towards policies that would curtail the level of production in traditional areas of agriculture. The first moves in this direction occurred with the introduction of a range of restrictions on the permitted levels of production for some basic products; for example, milk quotas were introduced. The restrictions were to have a central impact on the way the State and the EU viewed the future development of rural society. The

prospect of limits on the level of income that could be drawn from CAP led to a realisation that a wider approach to rural development was required. This, in turn, created both the space and the need for a new rural development policy.

Policy document: The Future of Rural Society 1988

A twofold approach emerged in which CAP reform went hand in hand with attempts to reduce rural economic dependence on conventional agriculture. In 1988, this approach was firmly entrenched in EU Policy thinking with the adoption of the policy document *The Future of Rural Society* (European Commission, [Com \(88\) 371 final](#)).

This document outlined an approach for tackling the problems of rural areas, based on the following considerations:

- Economic and Social Cohesion.
- The unavoidable adjustment of farming to actual market conditions and the socio-economic implications of this adjustment.
- Environmental protection and conservation.

The document identified the following three problems facing rural areas:

1. Pressures of modern development: It was envisaged that the principal task would be that of environmental protection. That task would be particularly relevant in rural areas adjacent to urban centres.
2. Rural decline, both economic and social: The principal actions were geared towards the stimulation of economic growth within agriculture while also promoting growth and development in areas of business outside agriculture.
3. The specific problems of marginalisation faced by remote rural areas: It argued for an approach based on: developing viable extensive farming methods; strengthening very small one person businesses; building up forestry timber activities; providing the assistance necessary to support the population; protecting the environment and heritage of these areas.

McSharry reforms

By the early nineties both internal EU pressure and external pressure from the World Trade Organisation (WTO) resulted in the first major reform of CAP. In 1992, the McSharry reforms (initiated by Commissioner Ray McSharry) marked an important step in the phasing out of price support and moving EU agricultural prices closer to world market ones. Price supports were partially replaced by direct payments based area covered (crops) or headage (livestock), and set-aside restrictions were introduced.

These reforms also introduced the Accompanying Measures of CAP, the first time payments were made under CAP for non-agricultural output. They included early retirement schemes for farmers, forestry schemes, and agri-environmental schemes.

Agenda 2000 and RDR

The Agenda 2000 proposals were published in 1997, and outlined further reductions in support prices accompanied by direct compensatory payments. It also proposed capping payments and introducing modulation (reducing payments to individual farmers and recycling of the money saved into programmes to benefit the environment and rural economy by the national governments). In the end the capping proposal was not accepted and the proposed reductions in price supports were softened.

The Agenda 2000 reforms followed an already established rural development trend, being based on the idea that alongside the market measures and the elements of a competitive European agriculture, the varied needs of the rural world must also be recognised, together with the expectations of today's society and environmental requirements. The reforms resulted in the Rural Development Regulation (RDR) adopted at the Berlin summit in 1999, which has become the "second pillar" of the Common Agricultural Policy. As an essential part of the European agricultural model, its aim is to put in place a consistent and lasting framework for guaranteeing the future of rural areas and promoting the maintenance and creation of employment.

As part of the RDR policy each member state was required to produce a rural development plan for its regions. For example, the Irish National Rural Development Plan "CAP Rural Development Plan 2000-2006" was published in 2000. The RDR applies to all areas of the EU and is primarily comprised of previous measures under Objective 5a and 5b. Objective 5a funding is for all regions suffering from restructuring of agriculture and fisheries, and 5b are those regions described as declining rural regions.

Measures in the CAP Rural Development Plan include:

- Early Retirement for farmers.
- Rural Environment Protection Scheme (REPS).
- Forestry.
- Compensatory allowances.

The RDR is mainly concerned with supporting those engaged in agriculture and not the rural region in general. However, despite all of this, the rural development budget in EU policy remains a small percentage of the agriculture one – the RDR has €4.3 billion annually, compared with an average of €38 billion for CAP market policies.

The Agenda 2000 reforms saw the reduction of the number of Structural Fund “Objectives” from seven to three. The three new Objective regions are

- Objective I – old Objective 1 (regions with < 75% of EU average GDP per capita) plus old Objective 6 (sparsely populated regions); this type therefore contains many rural areas,
- Objective II – old Objective 2 (declining industrial regions) and Objective 5b (declining rural regions); this type also contains many rural regions,
- Objective III - aimed at the development of human resources and is horizontal for all regions not covered by Objective I and II.

Through Objective I and II status rural areas still have considerable access to the Structural Funds. Regions which were formerly Objective 1, 2 and 5b and which no longer meet the criteria for the new programmes have transitional programmes. For example, the South and East region in Ireland has “Objective I in transition” status.

4.7 LEADER Community Initiative

One manifestation of EU policy on rural development is the LEADER Community Initiative, launched in 1991, and it is worth taking some time to briefly review this initiative.

The goal of LEADER, meaning Links Between Actions for the Development of the Rural Economy, was to find “innovative solutions that will serve as a model for all rural areas and ensure maximum integration between sectoral measures”. It was intended to support innovative, locally designed development programmes, and envisaged a new bottom-up and participative approach to local rural development. Funding for the programme came from the EU and from member states. In addition, a significant element of LEADER funding was to be made up of investment from private sources. The scheme was intended to act as a pilot programme. Successful measures introduced in local programmes were to provide models for use in other parts of rural Europe.

LEADER funding was made available directly from the EU to locally based structures, and operated through allocating a global grant to Local Action Groups (LAGs). Each LAG is a combination of public and private partners who jointly devise a strategy and innovative measures for the development of a rural area on the scale of a local community (fewer than 100,000 inhabitants). The LAGs are charged with using the grant funding to promote local economic development through a number of broadly defined measures. Groups were selected for funding on the quality of the business plans received and their relevance to the LEADER criteria. It was up to the groups themselves to specify the actual measures to be undertaken locally, though these measures had to conform to measures that LEADER deemed eligible – Vocational Training, Rural Tourism, Small Enterprise, Natural Resources, and other. LEADER focuses on local exploitation of local resources/potentials and input from

local actors, and endeavours to create a sense of local ownership of local development. Assistance was also given towards the costs of establishing transnational networking arrangements with similar groups elsewhere in Europe.

LEADER II

After the success of LEADER, in 1993 the programme was extended to cover a larger area of the EU. LEADER II had 4 measures or strands (Measures A, B and C were implemented by the LAGs):

- Measure A – Acquiring skills: The step prior to the development of rural innovation programmes in areas where the practice of local development is new. This measure concerns actions such as analysis of the local area, motivating and training local people to participate actively in the development process, drawing up a strategy, and finding finance.
- Measure B – Rural innovation programmes: These model programmes are promoted by local action groups. They are extremely innovative in terms of method and content and in relation to the policies conducted in the same area, particularly in the context of operational programmes. The Rural innovation programmes are multi-annual and can be comprised of a set of very diversified measures in terms of:
 - Technical support for rural development.
 - Vocational training.
 - Support for rural tourism.
 - Support for small businesses.
 - Local exploitation and marketing of agricultural, forestry and fisheries products.
 - Preservation and improvement of the environment and living conditions.
- Measure C – Transnational co-operation: the objective of this measure is to facilitate the devising and development of joint projects by groups and other local bodies from at least two Member States.
- Measure D – European network for rural development: The different components of LEADER II make up a European network for rural development, constituting for all the public and private bodies concerned a permanent tool for the exchange of achievements, experience and know-how. This network is co-ordinated by the LEADER European Observatory through various tools and services, such as databases, publications, electronic network, seminars, symposiums, and so on.

LEADER+

The most recent evolution of LEADER, LEADER+, now applies to all of the EU's rural regions and has a budget of €2 billion. It will continue the process already set in motion by LEADER I and II, such as the area-based approach and intervention at the local level, integrated

development, the bottom-up approach and the active involvement of local communities, co-operation and networking of rural areas. LEADER+ will seek to go further, by encouraging original, high quality integrated development strategies that are more ambitious and may serve as a model for all rural areas. There are three actions in LEADER+:

- Action 1: Integrated territorial rural development strategies of a pilot nature.
- Action 2: Support for co-operation between rural territories.
- Action 3: Networking.

4.8 The Fischler Reforms to CAP

Commissioner for Agriculture, Franz Fischler, proposed significant reforms of CAP. These proposals came about because of the unsustainable nature of the CAP, especially in light of enlargement of the EU. Also significant were the ongoing World Trade Organisation (WTO) negotiations. (Note: The WTO are also addressed briefly in unit 5) Although the proposals mainly concern agricultural policy, they are significant for rural development because the reductions in agricultural support is to be compensated by increased funding for 'rural development policy'. However, again it must be noted that the EU's definition of rural development policy here relates almost completely to support for those involved in agriculture in rural areas.

In Dr. Fischler's presentation of the proposed reforms, he stated that to achieve the goals of the reforms:

"two things above all are essential: (1) removing from direct payments the incentive to overproduce, and (2) expanding rural development".

The new policy has three major objectives:

1. Increase the competitiveness of the agricultural sector through support for restructuring
2. Enhance the environment and countryside through support for land management
3. Strengthen the quality of life in rural areas and promoting diversification of economic activities through measures targeting the farm sector and other rural actors

In relation to agricultural production, a major element of the Fischler reform involved the decoupling of supports from production. In fact, countries were given a choice as to whether to continue to link payments with production in some schemes, or to opt for full decoupling immediately. Ireland opted for full decoupling, so payments are no longer linked to production, and this should mean an end to over-production.

4.9 Summary

In this unit you reviewed EU policy on rural development.

First, you learned of three major sources of EU rural development policy:

- Agricultural policy: Second pillar of CAP.
- Regional policy: Structural and cohesion funds.
- Policies on sustainable development: More responsible management of natural resources.

You then considered briefly the main points of four documents which emanated from the EU in the latter years of the 1990s:

- Cork declaration 1996: Aimed to increase the priority of rural development in Ireland.
- Buckwell report 1997: Acknowledged that rural development is wider than agricultural development.
- Rural Developments – CAP 2000 – 1997: Assessed prevailing situation in rural areas, to inform Agenda 2000.
- European Spatial Development initiative 1999: Led to publication of the Irish National Spatial Strategy.

You then considered some aspects of CAP, especially the reforms of CAP which placed rural development as the second pillar of agricultural policy and which changed the supports available to agriculture.

You looked at one programme which exemplifies rural policy – LEADER, through its manifestations to the current LEADER+ with a budget of €2 billion.

Finally, you considered the Fischler reforms of CAP which seek to decouple payments to farmers from agricultural production.

You have now completed unit 4.

Before moving on to unit 5, take a few minutes to review your learning from this unit. Can any of the ideas in this unit help you in your work? Does your work shed any light on the ideas expressed in the unit? What is your main learning from this unit?

Unit 5: Current Issues in Rural Development

- 5.1 Introduction
- 5.2 Global Rural Concerns
- 5.3 Europe and Rural Areas
- 5.4 Issues in Rural Ireland
- 5.5 Summary

Unit 5: Current Issues in Rural Development

5.1 Introduction

Issues of rural development are not fixed. There is, in fact, an ongoing debate in society about the appropriate objectives to pursue and the appropriate measures to adopt. In this final unit you consider some current issues related to rural development.

First, you learn about some global concerns, particularly in relation to global trading conditions and the World Trade Organisation.

You then consider issues in relation to Europe: the growing importance of rural development in light of CAP reform, and the challenges posed by EU enlargement.

The greater part of the unit is devoted to discussing a number of national issues, including rural housing, rural transport, rural post offices and the issue of rural governance.

By the end of this unit you will be able to:

- Discuss implications for rural areas of WTO negotiations and global trade.
- Describe some consequences for rural development of CAP reform and EU enlargement.
- Outline the main points of current controversies in national policy for rural areas: housing, transport and services.
- Explain developments in thinking and practice concerning rural governance.

5.2 Global Rural Concerns

At a global level, some of the major concerns for rural areas include rural poverty and rural pollution. In developing countries most rural areas are heavily dependent on agriculture. This is likely to remain the situation for some time. In a free trade environment these regions would have the opportunity to develop through trade, by exporting agricultural produce. However, the possibilities for trade are distorted through the EU and US subsidisation of agricultural products, and this has serious negative effects on the ability of these regions to develop. This issue features strongly in World Trade Organisation (WTO) negotiations, and is one of the issues that drive CAP reform.

The WTO is a global international organisation dealing with the rules of trade between nations. At its heart are the WTO agreements, negotiated and signed by the bulk of the world's trading nations and ratified in their parliaments. The goal is to help producers of goods and services, exporters, and importers conduct their business.

In November 2001, ministers from 142 countries launched a new round of multilateral trade negotiations in Doha, Qatar. Ministers made decisions in several key areas, one of which was agriculture. Agriculture negotiations, already mandated by the earlier Uruguay Round, were given ambitious goals – substantial market access improvements, substantial reductions in trade-distorting domestic support, and reductions of all forms of export subsidies with a view to phasing them out. Ministers also agreed to negotiations aimed at greater market access for non-agricultural goods, as well as negotiations to clarify and improve disciplines on rules applying to subsidies and countervailing and anti-dumping measures, and regional trade agreements. Negotiations on certain aspects of trade and environment were also launched at Doha.

This round of negotiations emphasised helping developing countries to integrate further into the world trading system. The Ministerial Declaration adopted at Doha includes commitments to new work programme areas such as trade, debt and finance, and trade and technology transfer; it also includes a commitment to help developing countries negotiate agreements, implement WTO obligations and take advantage of enhanced opportunities for trade. Ministers also reaffirmed their commitment to sustainable development, agreed on the importance of improving transparency within the WTO, called for greater coherence in international policy making, and noted the work under way in the International Labour Organisation on the social dimensions of globalisation.

The next meeting after Doha was held in Cancun, Mexico, in 2003. However, this meeting ended in failure, with the developing countries very critical of the stance of the US and the EU. Their perception was that neither block was willing to reduce trade-distorting subsidies to its farmers, while demanding that developing countries reduce or eliminate import tariffs. What had been heralded as a “development round” was not perceived by developing countries to have much to offer.

In advance of the Cancun meeting, the EU had begun significant reform of the CAP. The most significant change would be the decoupling of payments from production, with the vast majority of subsidies paid in the form of a ‘single farm payment’. The EU also sought to break the post-Cancun deadlock by offering to eliminate its agricultural export subsidies. Issues of liberalisation of trade in agricultural produce continue to be debated.

A related issue of global concern in rural areas is that of pollution. Traditional and modern farming techniques and other production methods have negatively impacted on the environment. While the more developed states remain the most significant polluters, new actions such as polluters pays taxes are increasingly being employed to combat this. In the developing world, there are also attempts to implement more environmentally friendly practices for development, with sustainable development a widely employed concept.

5.3 Europe and Rural Areas

The proposed changes to the CAP will dominate the EU rural policy agenda for some time to come. It is proposed that rural development will receive greater recognition in the EU in terms of both importance and budget – eventually accounting for 20% of the 'agriculture' budget. However, it is important to remember that the EU's definition of rural development with regard to the CAP is a very narrow one, and is concerned only with supporting those in rural areas who are involved in agriculture.

Another important issue is the enlargement of the EU. This enlargement significantly increases the size of rural Europe in terms of area and population – from an agricultural perspective it doubles both the number of farmers and the area of arable land. Much of rural Eastern Europe, for example Poland and the Czech Republic, is still quite dependent on agriculture. The exodus from the land that began immediately on the collapse of the socialist system will continue for some time. This results in serious rural unemployment in many of these countries that must be tackled through a combination of national and EU policies.

The new member countries prepared National Development Plans to avail of structural funds, all of which contain programmes for rural development. The states received some pre-accession structural funds under the ISPA (Instrument for Structural Policies for Pre-Accession) programme. Also, during the pre-accession period countries were involved in the SAPARD (Special Accession Programme for Agriculture and Rural Development) programme, which made EU agriculture and rural development funds available to them.

CAP was integrated into the agricultural policies of the ten accession countries in 2004. It was agreed by EU member states and new members states that the new members would receive a rural development package specifically adapted to their requirements and conditions. This represents a total of 1.5 billions Euro for the period from 2004 to 2006.

5.4 Issues in Rural Ireland

We end this unit with some brief comments on a range of on-going issues in rural Ireland. The issues we look at are:

- Rural housing.
- Rural transport.
- Services – rural post-offices.
- Partnerships.
- Rural governance.

Rural housing

Rural housing has become one of the most controversial issues in rural Ireland today. The main question in relation to this controversy is: what restrictions if any should be placed on the building of one-off houses in rural areas?

Up to 36% of new homes built in 2001 were one-off houses built in the open countryside. According to the National Housing Conference held in Galway in 2002, most of these houses are owned and occupied by people working in cities or towns and are not connected to agriculture. Ireland appears to be the only country showing this trend in Northern Europe. Part of the reason for this trend of overspill from urban areas is the spiralling cost and short supply of housing in urban areas.

Activity

What are the consequences of the Irish trend? List arguments in favour and against the growth of one-off housing in rural areas.

Feedback on Activity

Suggested arguments against include:

- A blotted landscape, dotted with often poorly located, poorly screened houses.
- Linear development on busy roads which causes traffic hazards.
- Traffic chaos in and around the towns and cities of Ireland as people jostle for road space to get to work or school or the shops.
- Nonviable or non-existent public transport due to lack of density of population.
- Pollution of ground water from dispersed septic tanks.
- Social problems in years to come due to an isolated and ageing population living away from vital services and unable to help themselves.

Advocates for one-off housing offer the following arguments in favour:

- Rural housing halts/prevents rural depopulation.
- It brings vibrancy and vitality to rural areas.
- Property rights: landowners should be free to sell a site for housing or give a site to a family member and people should be free to build what they want where they want.
- Advocates of rural housing also argue that many of the reasons cited for preventing the development of housing in the countryside are themselves highly suspect and do not stand up to close scrutiny.

In March 2004, the Department of the Environment issued “Sustainable Rural Housing – Consultation Draft of Guidelines for Planning Authorities”. In the Foreword, Minister for Environment Martin Cullen calls for policies on rural housing to be responsive to the dispersed patterns of settlement in Ireland. He notes that, according to the 2002 Census, some 30% of the Irish population overall lives in rural areas outside towns and villages. In some counties the percentage is much higher.

Previous policy had held that there should be a presumption against urban-generated one-off housing in rural areas adjacent to towns. According to Minister Cullen,

“These new guidelines now being issued are based on the presumption that people who have roots in or links to rural areas and are part of or contribute to the rural community will get planning permission for houses, provided they meet the normal requirements in relation to matters such as road safety and proper disposal of waste water” (Sustainable Rural Development, Foreword).

In summary the guidelines provide that:

1. People who are part of and contribute to the rural community will get planning permission in all rural areas, including those under strong urban-based pressures, subject to the normal rules in relation to good planning. This includes sons and daughters from farm families and family member who may have left an area and now wish to return. It also includes persons working full-time or part-time in rural areas, such as farm or forestry, or teachers in rural schools.
2. Anyone wishing to build a house in rural areas suffering persistent and substantial depopulation decline will be accommodated, subject to good planning practice in siting and design.

In relation to holiday homes in coastal, scenic and lakeside parts of the country, the guidelines emphasise the importance of clustering such tourism driven activity, as far as possible, in well deigned and appropriately scaled development in or adjoining small towns and villages.

The guidelines call on planning authorities to ensure that development plans set out a clear policy framework relating to rural settlement.

The President of the Irish Planning Institute, Iain Douglas, suggested that the guidelines were “railroaded through ... in reaction to pressure from a few highly vocal interest groups.” He argued that the rural housing dilemma is a symptom of a much larger problem, related to lack of investment in infrastructure of smaller towns and villages and the extraordinary cost of building land in serviced centres. He says,

“No one can dispute the fact that there are serious issues confronting the growth and development of rural Ireland, but simply building houses will not solve these problems. The guidelines contribute little by way of a meaningful examination of the problems of rural Ireland” (<http://www.constructireland.ie/articles/0206planing.php>).

An Taisce, in its response, called for research to establish why local people have difficulty in being able to buy into the high number of houses built in rural areas for over decade. It asked whether the development of holiday homes was undermining the access of local people to affordable housing. It suggested a rate on holiday homes and second homes, which could release some homes onto the market. It also professed itself unhappy with the vagueness of definition of the term “with roots or links in rural areas” in the guidelines (www.antaisce.org).

Feasta echoed the call for further research, but also criticised the guidelines for having been prepared without sufficient consultation. It argued that the lack of a participatory framework giving access to all stakeholders meant that the report reflected “an overwhelming dominance of the voice of rural land-owning interests” (www.feasta.org/documents/landhousing/ruralguidelines.htm).

It complained about the lack of research into the impediments to the development of villages or factors contributing to the growth of dispersed single housing. It also strongly objected to the lack of poverty proofing of the guidelines. It says:

“An unsubstantiated assumption underlies the facilitating of one-off dispersed housing for rural dwellers: that all sections of rural society will benefit equally.

Rural transport

Strongly related to the issue of rural housing, is that of rural transport. There are two aspects to this – one is access to public transport, the other is the quality of the road network. If people chose to live in rural areas, and it is not viable to provide state services in these areas, then should they be provided with transport to locations where these services are available?

In recent years there has been growing policy focus on the issue of public passenger transport in rural areas. This arises from a combination of:

- The debate on rural issues generally and rural development policy as outlined in the 1999 White Paper on Rural Development;
- The increasing recognition of rural as well as urban social exclusion;
- Increasing realisation of the close links between spatial and land use planning.

Currently in Ireland there are two rationales for investment in rural public transport:

- To reduce social exclusion – arising from isolation in rural areas, ageing rural populations, and government policy in favour of people living in the community rather than being institutionalised.
- To ensure sustainability – changes in the rural economy, such as the reduction in the importance of agriculture, means that more people drive cars from rural areas to urban areas to work. The traditional argument for subsidising public transport in any situation – that it's good to get people out of their cars – clearly applies here.

The Irish government has recognised the role transport plays in alleviating social exclusion and isolation in rural areas, and has taken a number of steps to address the issue:

- A commitment in the NDP 2000-2006 to put in place pilot rural transport schemes. The Rural Transport Initiative (RTI) is funded by the Department of Transport and administered by ADM. Under the RTI a range of innovative, community-based public transport projects in rural areas have been set-up. The RTI is particularly aimed at people in rural areas “who are excluded or may become excluded because transport is not available, accessible or affordable to them locally” (ADM Annual Report 2002). Some hundreds of passengers are using services provided under this initiative every week. The majority of passengers are older people, and approximately 70% are female.
- In parallel with the RTI, the government has taken a number of steps towards developing a consolidated rural transport policy. In 2000, an Interdepartmental Working Group on Rural Transport was established to carry out pilot rural transport service audit and needs assessments in 4 counties (<http://www.environ.ie/>). In 2001 a new Interdepartmental Committee on Rural Public Transport was established to systematically assess the full nature and scale of the rural transport problem on a nationwide basis, and to prepare a consolidated rural public transport policy for the Minister for Transport.

In addition to this work on public transport, the Department of the Environment's "Sustainable Rural Housing – Consultation Draft of Guidelines for Planning Authorities" calls for:

"Key objectives and policies to include in the development plan should focus on the efficient ongoing development and safe operation of roads."

Rural Services – Rural Post-Offices

Historical rural depopulation has led to a decline in services in rural areas. In recent years, the closing down of rural services provided by the state has been proposed, and in some cases has in fact happened – rural Garda Stations. Rural Post Offices have also been the subject of such a proposal. This has been strongly opposed by many rural dwellers who argue that the rural Post Office is often that last remaining state presence in rural areas, and provides a vital link for many rural dwellers. In fact it maybe the only source of interaction with the state, and even with society in general, that some rural dwellers have.

There have been a number of proposals for saving the rural Post Offices. In particular it has been suggested that the services offered be expanded and that the rural Post Office become a 'one-stop-shop' for a range of state and other services. Both State and Local Government services could take place there, as well as private market ones such as banking. In the 1990s, the EU funded Rural Post Office Development Programme expanded the range of services available in rural post offices and helped to refurbish and modernise 400 rural post offices throughout the country. However, threats to the service continue, with fears expressed by the Communications Workers Union in November 2004 that up to 700 rural post offices, half of the total, may be in danger of closing.

Partnerships

Ireland's local partnerships emerged in distinctive economic, social and institutional conditions. The performance of the national economy during the 1980's was lack lustre, following several decades of boom and bust. Widespread disenchantment with the conventional approach to national economic policy led to a new 'social partnership' model (tripartite). Partnership agreements set wage levels, but also gave the trade unions, business leaders and farmers' bodies influence over social and economic policy. This was later extended to community and voluntary sectors, thereby creating 'four pillars' of partnership (Turok, 2001).

National partnership was perceived to be largely a success, and pressure emerged in the late 1980's for a similar partnership approach at local level. The availability of European funds, encouragement from the voluntary and community sector, combined with support from unions and from within central government helped the process of creating local partnerships. But due to the perceived weakness of local government, these partnerships were given a relatively

autonomous status. The first step in formalising the government's commitment to local development and decentralisation was in the National Development Plan 1994-1999.

Partnerships create a framework for the voluntary-state-private sector to work together. Partnerships allow for better targeting of resources. It is argued that people "on the ground" are far more effective in recognising issues like unemployment and social exclusion than those in centralised administration. Partnerships are seen to allow communities to bridge the gap between local and state agencies and encourage people to become involved in their own areas by promoting principles of equality. This enables the empowerment of the marginalised and excluded groups through the development of skills and knowledge. Area-based partnerships can be more responsive to local need. For example, farmers in the West of Ireland may need more varied agricultural assistance than their counterparts in the South East who are more specialised and enterprise specific.

The ultimate target of a partnership is the local community it serves. The demand for active participation has been fuelled by greater access to information, higher education levels and a realisation that these have a large impact on the quality of people's lives. But if partnerships are to progress they must harness all elements of the rural base, the private sector, local co-operatives, community groups, the local county council and other state agencies. Partnerships are unlikely to benefit from their innovations until the broader political elite addresses their long-term future.

Rural Governance

Co-ordination of services at point of delivery to citizens is a challenge for public services everywhere. In Ireland a large number of separate groups and specialist agencies deal with such matters as local development, planning, social services, and so on. These all report vertically to their parent Departments at national level. In response to this lack of local co-ordination, calls for increased regional governance have ensued from both European and local stakeholders. Ireland has such complex political origins that its current system will have to change if any degree of local or regional autonomy is to be forthcoming. Many argue that local planning is *ad hoc* and more responsive to government funding than strategic planning. But local area-based initiatives promote community empowerment, participation in decision-making and local control over resources. These changes in the governing structure of Ireland attempt to maximise the potential of area-based initiatives.

The issue of governance is not only complex in its conceptualisation, but as McDonagh (2001) notes, implies more significantly a major change of emphasis, specifically in the changing relationship between the state and its society. In response to this 'new' approach to regional development, governance in Ireland can be illustrated by a three-layer system.

1. The first layer consists of the 'Local Authorities'. Traditionally local authorities have been constrained in their ability to foster such things as local economic development or to plan effectively in a number of areas. More recently local authorities have been encouraged to develop links with the local development bodies active in their areas.
2. The second layer refers to the 'Regional Authorities' that were established to co-ordinate public services in each of eight regions and encourage joint action between the different agencies responsible for the provision of public services, including the local authorities. The eight regional authorities in existence consist of an amalgamation of different counties.
3. The third layer resulted from the creation of two Regional Assemblies in Ireland in 1999 and suggested a move toward a less centralised form of government. McDonagh (2001) asserts that the reason for this was more to do with the government's dedication to chasing the EU money train than the desire to promote regional actors in the state. The remit of the Regional Assemblies is that they are funded by central government and are the lead agencies for the Regional Operational Programmes.

The Regional Operational Programmes are EU funded and are committed to focusing on the development of local infrastructure, local enterprise and promoting social inclusion (www.ndp.ie). The Regional Operational Programme operates at two levels in Ireland:

- Objective One Level – Border Midlands and West Region
- Objective Two Level – Southern and Eastern Region.

At the same time, Ireland's local government system has undergone a process of major reform and renewal. A key aspect of this is the establishment of County and City Development Boards (Department of Environment and Local Government, 1999). The County or City Development Board (<http://www.cdb.ie/>) bring together for the first time the key players at local level to engage in a process of long term planning for the county or city.

Matthews (in O'Hagan, 2000, p. 256) notes a dichotomy "between local partnership bodies charged with drawing up and implementing local development plans for their areas, but without any real democratic accountability" and local authorities with their "elected councillors, but with a limited tradition of promoting economic and social development". He also notes a difference in culture between "the voluntary and community sector with its emphasis on capacity building and participation" and local government "whose experience mainly relates to managing top-down" development initiatives. The County and City Development boards were an attempt to bring together these two traditions "without losing the strength or vitality of either".

These Boards were established to pursue horizontally integrated service delivery across separate groups and specialist agencies which deal with such matters as local development,

industrial development, planning, social services and agriculture. The process allows areas to plan for public service delivery in an integrated way at local level (<http://www.cdb.ie/>). One of the central tasks of the CDBs is to create a locally 'Shared Vision' towards the implementation of a 'Strategy for Economic, Social and Cultural Development within the County / City.

Coupled with this and in response to a more co-ordinated and bottom up approach to government, 'Community Forums' were established. These consist of committees at county level that represent the community and voluntary sectors. These committees generally consist of representatives from a number of different sectors, for example Community Enterprise, Disability Organisations, and so on. They are the mechanism by which representatives of the community and voluntary sector can feed into the County Development Boards. The aim of these forums is to facilitate a participatory and consultative approach and co-ordinate activities through a partnership approach at both and between national and local level.

These developments in governance and the growth in partnership make possible a more participative, targeted yet co-ordinated approach to rural development than has traditionally been the case.

5.5 Summary

In this final unit you were introduced to some current issues in rural development.

The section on global concerns centred on the WTO. Farm subsidies in the EU and the US have negative effects on the ability of developing countries to develop and to move out of poverty. The WTO has highlighted development as an issue, but progress is slow.

In relation to Europe, you saw that CAP reform means a shift in spending from agriculture to "rural development". However, the CAP definition of rural development is narrow, and is focused on those involved with agriculture. You also considered implications of the accession of countries to the EU which are strongly dependent on agriculture, such as Poland the Czech Republic.

In Ireland, you looked at the following issues:

- Rural housing: Many problems are associated with one-off rural housing. Clustering is preferred, but the debate continues.
- Rural transport: Access to services requires access to transport. Several initiatives promote the development of public transport for rural areas, and also the development of roads.
- Rural services: You considered the case of the rural post-offices which provide vital services in rural Ireland, but many of which are threatened with closure.
- Partnerships: You learned how local partnerships allow better targeting of resources.

- Rural governance: Combining local and regional authorities, regional assemblies, local participation. Participative and consultative approach, yet co-ordinated and targeted.

You have now completed unit 5, the final unit in this module.

You should now take a few minutes to review your learning from this final unit. Can any of the ideas in this unit help you in your work? Does your work shed any light on the ideas expressed in the unit? What is your main learning from this unit? What is your main learning from the module as a whole?

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