



Standpoints on Rural Development in the Baltic Sea Region

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Conventional approaches to rural

- Economies in rural areas are still driven by mainly agriculture
- Rural areas indicate negative socio-economic development trends
- Remoteness is related directly with decline and disadvantage
- Rural areas are characterised by out-migration and demographic ageing
- Rural labour markets are commonly associated with segmentation
- Sparsity of population is often perceived as a barrier to entrepreneurship
- Etc...

(Hodge 2004)

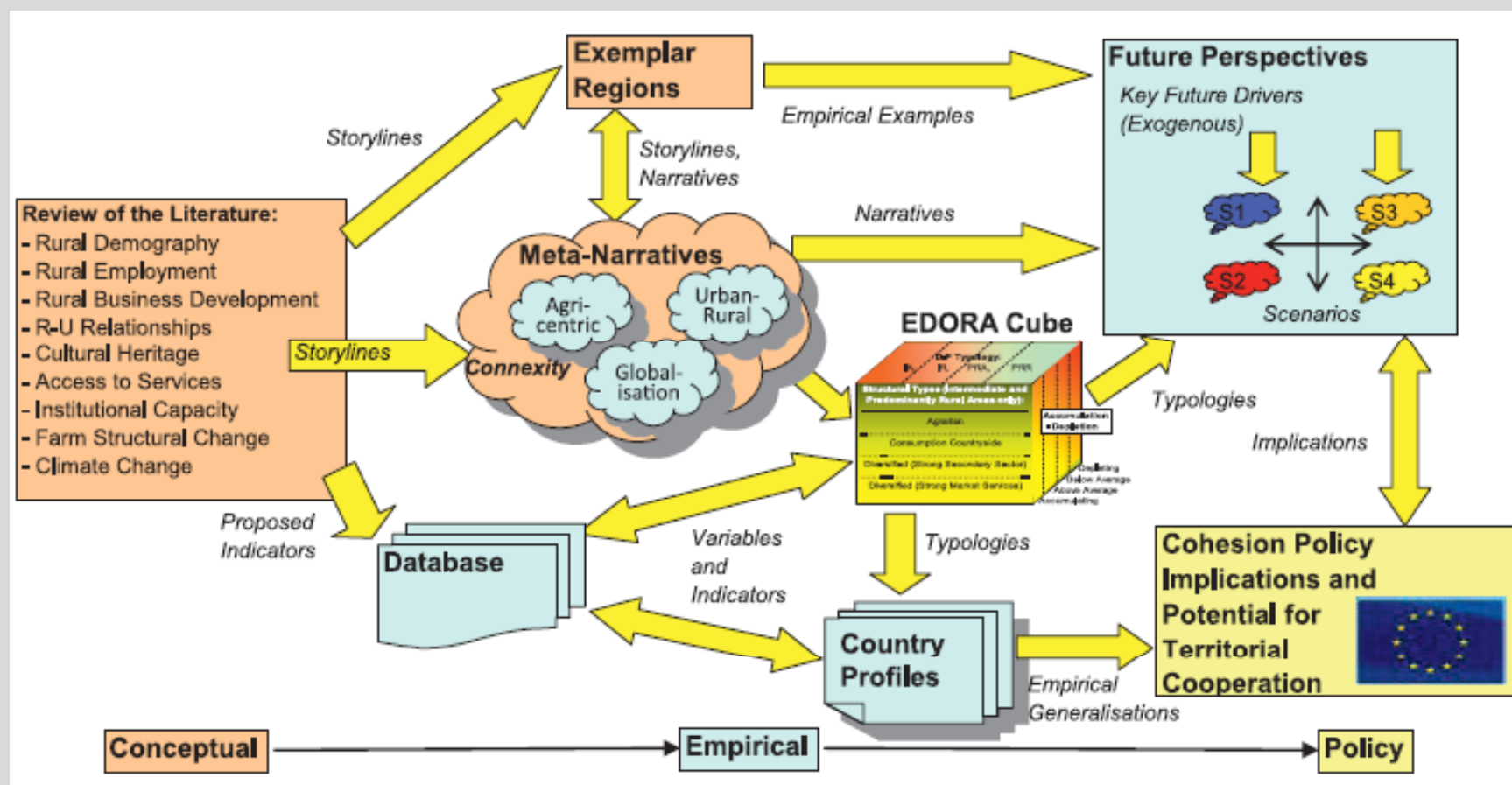
These conventional approaches were a starting point for the **ESPON EDORA project**. They do indicate development in some European rural areas but definitely not in all.

The ESPON EDORA project

Project objectives

- Description of main processes of change which are resulting in the increasing differentiation of rural areas
- Identification of development opportunities and constraints for different kinds of rural areas
- Question of how such knowledge can be translated into guiding principles to support the development of appropriate cohesion policy

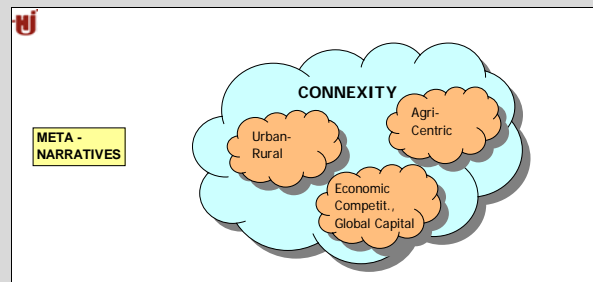
Structure of the project



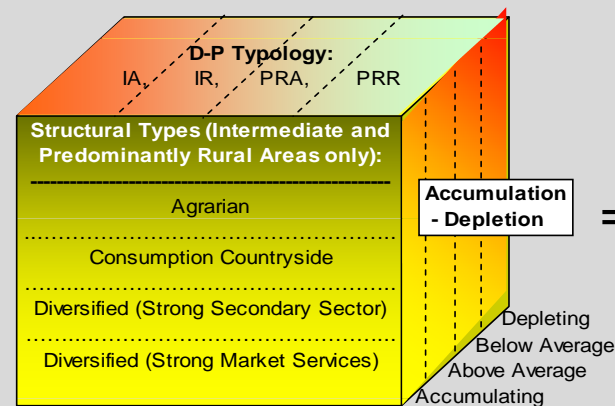
Rural policy design takes place on two levels

Macro level:

Meta-Narratives



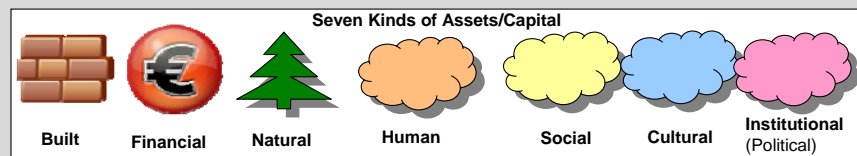
Typologies



Macro level Policy Design and Targeting

Micro level

Local territorial capital



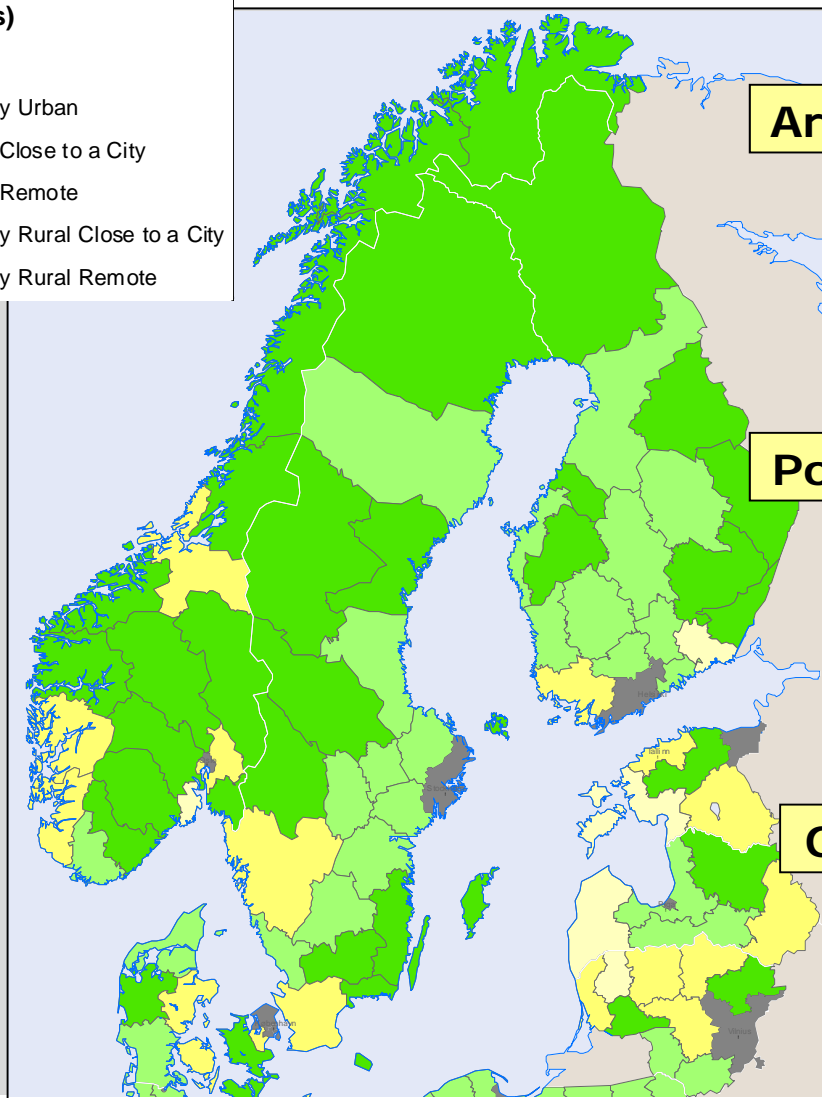
Local/regional auditing of Intangible Assets

Micro level endogenous place-based approaches.

Rurality and Remoteness

Urban-Rural Types (NUTS 3 Regions)

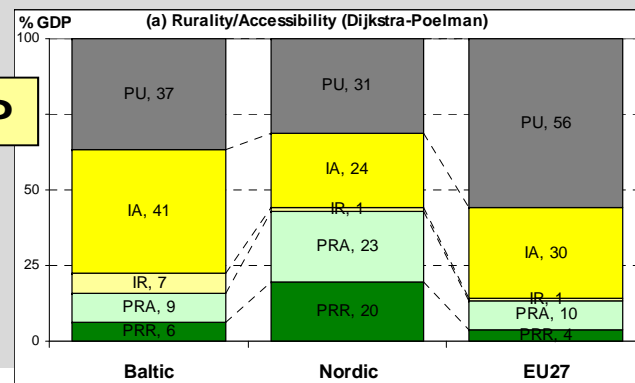
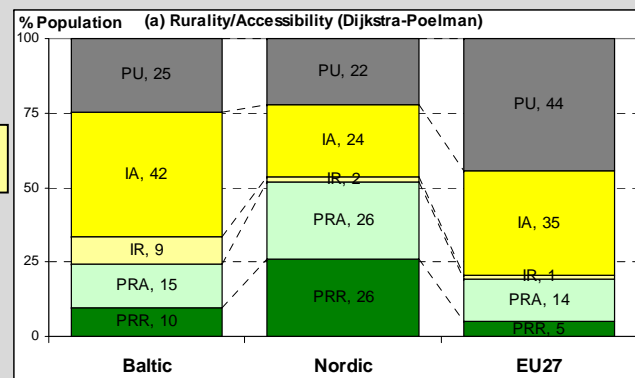
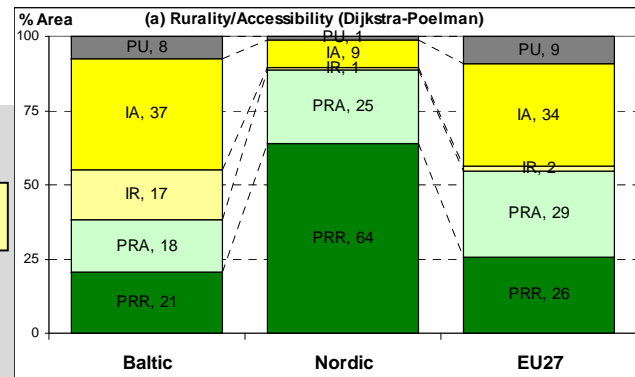
- No Data
- Predominantly Urban
- Intermediate Close to a City
- Intermediate Remote
- Predominantly Rural Close to a City
- Predominantly Rural Remote



Area




Pop.

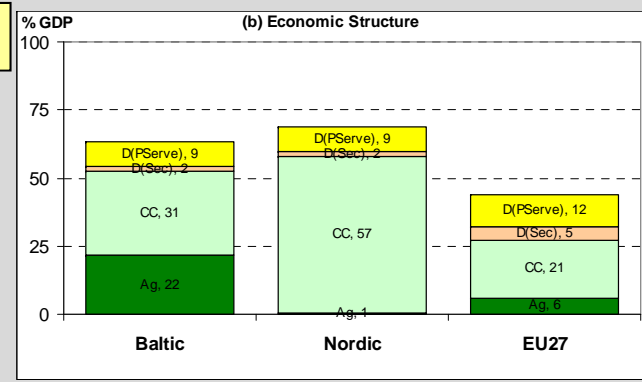
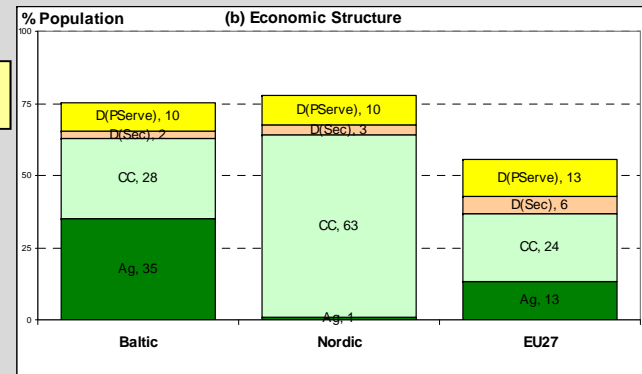
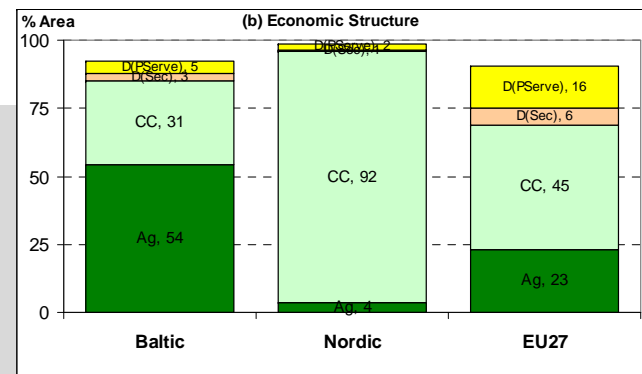
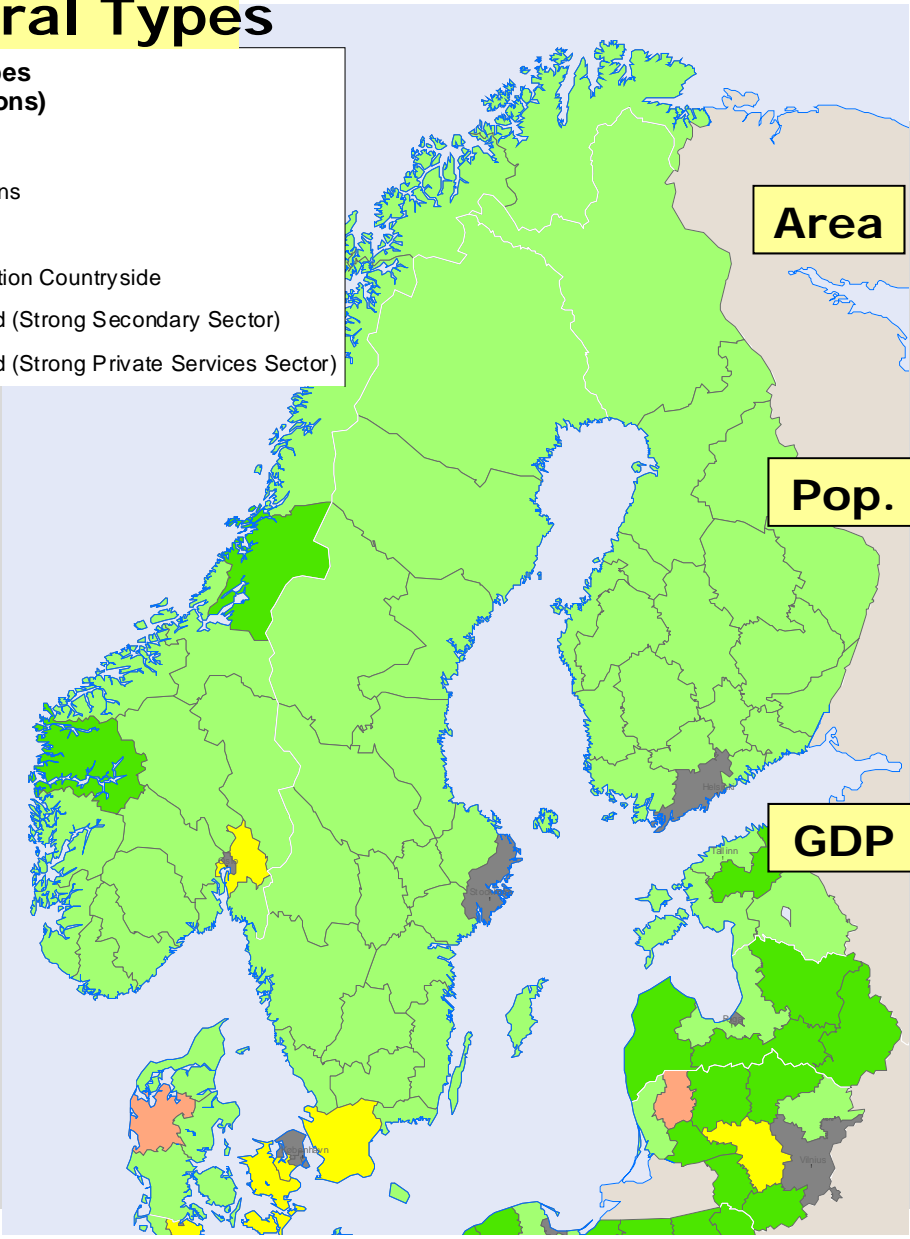
GDP



Structural Types







Structural Types (NUTS 3 Regions)

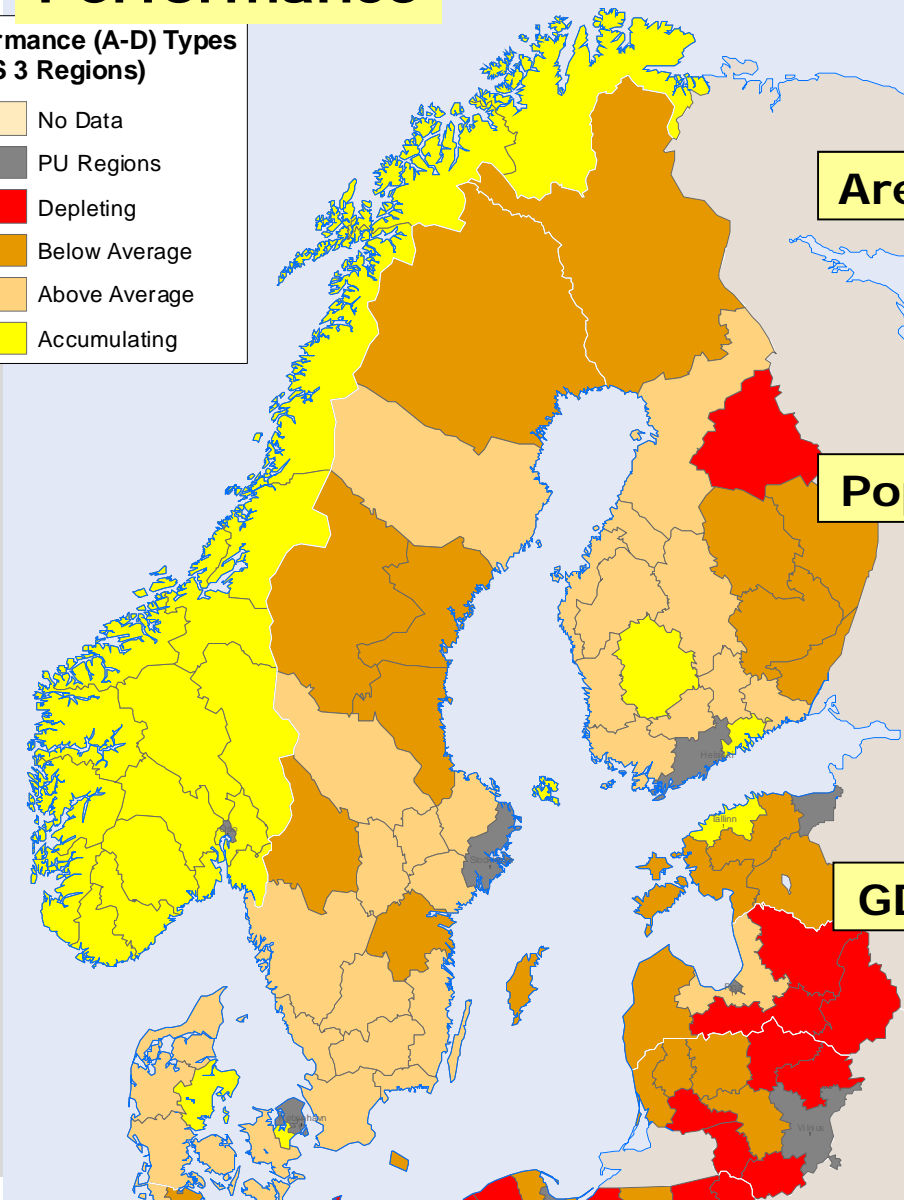
-  No Data
-  PU Regions
-  Agrarian
-  Consumption Countryside
-  Diversified (Strong Secondary Sector)
-  Diversified (Strong Private Services Sector)



Performance

Performance (A-D) Types (NUTS 3 Regions)

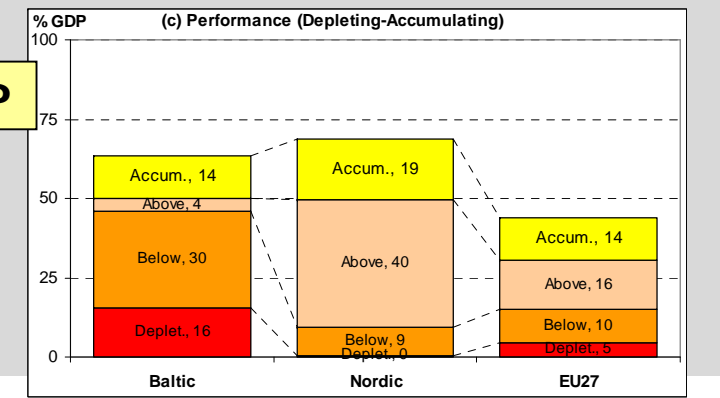
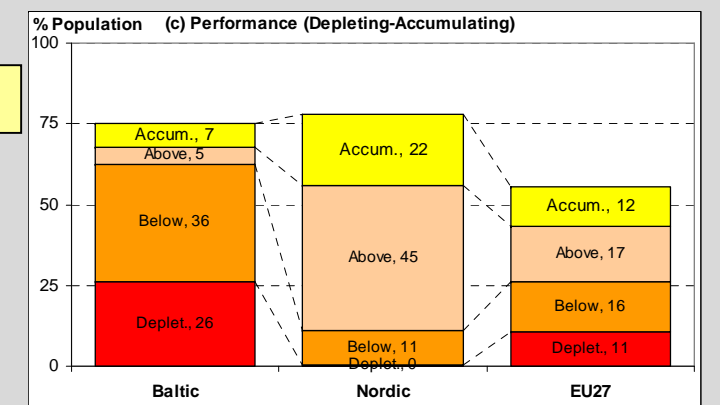
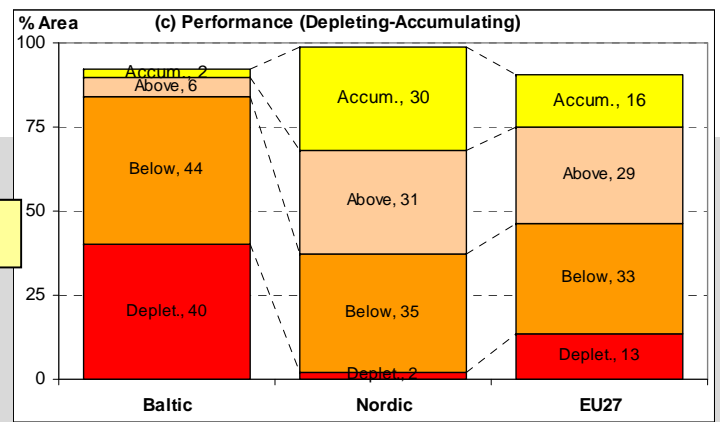
-  No Data
-  PU Regions
-  Depleting
-  Below Average
-  Above Average
-  Accumulating



Area

Pop.

GDP



Reflections from the maps...

- Agrarian regions locate mainly in the NMS and Southern Europe
 - In BSR agrarian regions dominate in Estonia and Latvia
- Consumption countryside prevailing in Sweden, Norway and Finland
- Strong secondary sector only in some regions in BSR
 - However, fine-tuning indicate that most of Swedish and Finnish rural regions have relative strong secondary sector
 - As in Norway and Baltic states private services are emphasised
- Performance shows that Nordic regions are generally above EU average
- Rural regions in Baltic are again below EU average
- Considerable differences between Nordic and Baltic regions
 - but also national differentiation is rather remarkable
- In general macro-patterns support the targeting of EU policy to poorly performing regions
- On the other hand three broader depictions are maybe not a sound base for rural cohesion policy
- Substantial coordination effort necessitates a place-based approach
- Rural reality is far more complex, and “mixed” – not always negative

Micro-scale patterns: South-Savo, Finland

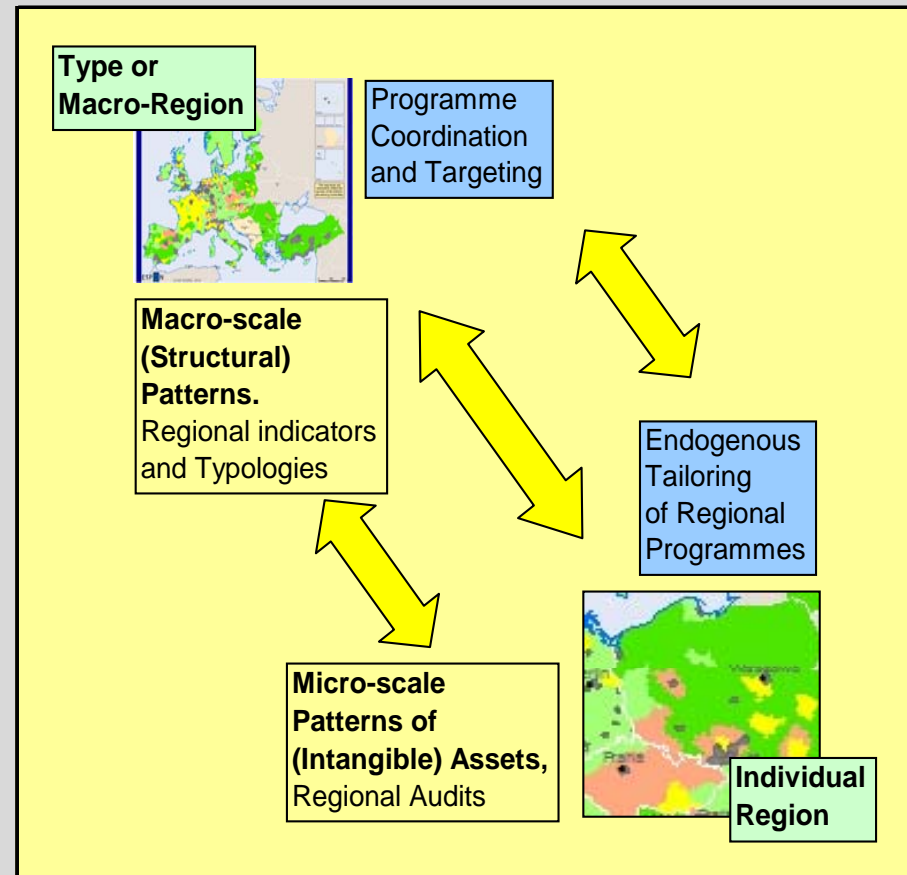
- South-Savo was one of 12 exemplar regions
 - Predominantly rural remote - Consumption countryside - Below average
- Challenges
 - Improve agricultural competitiveness
 - Cope with remoteness, low population density and out-migration
 - Address functional division between different types of areas (environment, economy, culture)
- Opportunities
 - Diversification → development of organic agriculture and food
 - Functional specifics → second homes
 - Quality of life aspects
 - Public goods provision
- Rationales
 - Multifunctionality and farm restructuring
 - Regional governance
 - Endogenous growth
 - Local economy approaches

Generally the main outcomes of EDORA

- Globalisation processes reshape social, economic, cultural and environmental conditions
 - Rural regions are not passive players → globalisation is mediated through region's territorial capital and regulatory frameworks
- Intangible assets are main aspects in each rural region to perform their potentials
- Responsive capacity of rural regions comprise two elements
 1. Some reveal macro-scale patterns of differentiation
 - Diversifying in each rural region
 2. Intangible assets vary in aspatial way
 - Can only be achieved on regional/local basis

Two approaches to rural policy required

- First there is a need for strategic perspective
 - based on macro-scale
- Second there is also need for micro-scale approach
 - based on “bottom up” responses and neo-endogenous initiatives
- CAP have to comprise important territorial cohesion impacts
 - CAP needs to be closer woven to overall cohesion policy



Finally

- Elements such as multi-level governance, integration of territorial development and utilisation of the region's territorial capital are main drivers for successful territorial cohesion
- The EDORA project has underlined that there is a requirement of close coordination between various interventions
- The proposed Common Strategic Framework and Partnership Contracts pave the way towards better multi-level governance
 - However, there might be a danger that this legal requirement is interpreted rigidly
 - Attempt to form multi-fund approach necessitates profound communication using new kind of channels
- The EDORA project argues that even remote rural regions may exhibit an endogenous economic dynamic
- Therefore requirements of rural economies cannot be fully met by interventions of ERDF or ESF
- Important is to define programme areas to address territorial needs and functional geographies

ESP  N



For more information visit **EDORA project website:**
www.nordregio.se/EDORA



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