



Independent network  
on European Agricultural  
and Rural development policies

**“Dilemmas of the CAP Reform.  
Between competitiveness and public goods: can  
farmers deliver both?”**

**Workshop 3:  
How can rural development policy contribute to territorial  
balance and the achievement of the Europe 2020 objectives?  
April 8 2011, Athens, Greece**

Moderator: Zdenek Linhart  
Rapporteur: Dr. Leonidas Kazakopoulos  
Number of participants: 21

The discussion in the workshop started by raising the question of the meaning that is attributed to the notion of territorial balance. A first approach to its rather multidimensional character was provided by the notion of geographical mobility. The resulting disequilibrium that may be caused within an area due to the outward movements of its population for various reasons (economic, social, psychological) or movements within it from its less favored parts to its more favored ones may be leading to demographic imbalances or problems of unequal development (LFAreas vs the rest) .

The moderator’s suggestion was to focus group discussion around major “issues”, in the sense that they mainly reflect the limitations imposed by the resources available, as well as around the major “challenges” emerging, that is the prospective destination(s) that we would like to arrive at.

The poor employment conditions, the relative paucity of innovations and the importance of economic impact on rural areas were among the major issues that also imply and the challenges imposed according to the most of the participants in the workshop.

Attention was drawn to the territorial imbalances as depicted by the dichotomy of the LFAreas and the more developed ones. The point made was that the negative trends within the LFAreas, despite the efforts made up to now, continue to be in process during the last 20 years, thus leading to declining numbers of farm holdings that are just securing, in the most of cases, a subsistence level of living, while LFAreas, as a type of areas, are facing high levels of unemployment. Supporting the development of new employment opportunities is a challenge for rural development (R.D.) activities in this type

of areas. Multifunctionality of agriculture - rural areas and hence diversification of economic base of rural areas, mainly with employment opportunities outside of agriculture, were mentioned in several cases. In the case of Greece, the large number of small farms continues to be a structural characteristic of its agriculture, creating an unbalanced employment situation and raising underemployment in agriculture to a key issue. Income inequalities are observed within agriculture and between agriculture and other sectors of economic activity. Under such conditions, employment and innovation issues (in methods, products etc. ) with the ensuing needs for investments came to the forefront of discussion implying the notion of Social Inclusion.

More specifically, the role of adoption of innovations in various areas of economic activity was considered of critical importance for rural areas due to regional imbalances that may be caused from their absence. R.D. activities can contribute, potentially in collaboration with other programmes that are operating in the rural space, to the promotion of innovations in various areas (production, transformation, provision of services, marketing, environment etc). The role of education and furthermore research were stressed in this respect. Also relevant in the discussion was the attention drawn to the existing digital divide among farming people, which implies the presence of two different kinds of populations. From the one hand, those people from the farming population, most likely smaller in size, that are capable of making use of modern electronic technologies with the ensuing broad spectrum of available services and information they are providing, and, on the other hand, the great majority of them that has difficulty in accessing and using this type of new technology.

Schematically, an attempt was made to depict our discussion in diagrammatic terms by putting investments on a horizontal axis and benefits on its vertical counterpart.

In terms of the position of the group on the main issues that were raised, on the top of this diagram were placed the notions of social inclusion (personal in nature) with low demand on investment needs but high on benefits and furthermore the notion of innovations (technical in nature) that rate higher on investment needs but equally high on benefits.

At an intermediate level of the diagram was placed the importance of securing employment as an issue that is concerning people along with the importance of climatic change that is more technical in nature and more demanding from the point of view of investments.

Multifunctionality was considered as cutting across among the above issues up to the bottom of the diagram, where the role of education was placed at an intermediate level in terms of its needs on investment. It is worth mentioning that multifunctionality was considered as an opportunity for supporting small scale farming (case of Greece) and as a means for income support. From the discussion that took place it became evident that interrelationships exist among the above issues and the challenges emerging.

Regarding more specifics of the discussion around innovation, the role of newcomers was especially mentioned in the case of Hungary. More specifically, newcomers (20% of urban origin) and new farmers (80%) proved in the case of Hungary as an important vehicle for innovation and improvement of its status in the rural areas. Innovation was considered in various terms and areas (e-learning, technological type of innovations and reduction of digital divide, green innovations supporting biodiversity, climatic type of innovations, the setting up of provision of new services in the areas of tourism maintenance, of people with handicaps and in the area of wild nature). It was also mentioned the need to give farmers a higher value (a public good value) for the services they provide in the countryside. Furthermore, the need for investments in new technologies was stressed and some of the problems with the introduction of technology and relocation of labor were mentioned.

Our discussion was concluded and summarized by a diagram having the level of required investments on its horizontal axis and the level of benefits derived on its vertical axis.

In terms of the position of the group on the main issues that mostly draw the attention of group members were the notions of social inclusion, on the left hand side of diagram in the sense that concerns people. inclusion was considered of high benefit while at the same time less demanding in terms of investments needed for its support and promotion for rendering through rural development territorial balance. On top also among the preferences of the workshop members rated the notion of innovation, that is more of a technical nature and was placed on the right hand side of the diagram. Innovation was thought to have higher investment needs but equally high also of the benefits accruing from its adoption in various areas of economic activity.

At an intermediate level in terms of preferences of group members was placed the importance of securing employment, as an issue concerning people. Underemployment as a structural characteristic of agriculture certain member states (e.g. Greece) or lack of employment opportunities in certain types of areas (e.g. LFA's) was placed high in the agenda of R.D. activities for rendering territorial balance. Its demands in terms of investments was considered relatively low while its benefits at an about intermediate level. At about the same level of preferences among workshop members was placed the importance of mitigation of climatic change that is more of a technical nature and of about the same beneficial value as employment but more demanding in terms of investments needed. The attention was drawn to issues concerning the management of water and soil resources that may be affected by climatic change but also trends in urbanization, cultivation techniques etc.

At the bottom of the diagram was placed education, as an important means for promoting agricultural and non-agricultural activities for the diversification of rural economy and more balanced trends in territorial development.