

IESA Forum on the Cohesion of Rural Territories

First Document

FROM RURAL DEVELOPMENT TO TERRITORIAL DEVELOPMENT
Reflections departing of the Spanish experience

December 2009

1. INTRODUCTION

This is the first document presented by the IESA Forum on the Cohesion of Rural Territories. It is not a document on the European Common Agricultural Policy (CAP), nor does it focus exclusively on rural development policy. The aim of this document is to launch a broad debate on the social and economic cohesion of rural territories in Europe departing from the Spanish experience.

It is not, therefore, a document on the situation as it currently stands, but on future perspectives with a view to the debates that have already been initiated in the European Union and that will continue over the next four years coinciding with the discussions on the financial perspectives for 2014-2020.

In line with this forward-looking orientation, we did not want our reflections on the cohesion of rural territories to be limited or constrained by the presence of more contingent or current problems such as the immediate effects of the CAP health check on aid to farmers, the problems of distributing FEADER rural development funds at the regional level, the difficulties involved in implementing the Spanish Law on Sustainable Rural Development, the complexities of applying the Natura 2000 network, the development of the Framework Directive of Water, or the growing concern among farmers about the exorbitant profit margin between prices paid for agricultural products at origin and final destination.

It is unquestionable that these are problems which concern us as citizens and, in particular, political actors and socioeconomic agents in the agricultural sector and rural areas, as well as environmental associations and consumers. While they are issues that have been brought to the fore in one way or another in the debates taking place in this Forum, they have not been the central topic, nor have they been the basis for this first document. Given that responding to these current problems was not the objective of the Forum, we have taken the liberty to reflect upon without restrictions, and with a view to the future, the cohesion of rural territories.

Neither has it been our intention to prepare a conventional document on rural development that merely reiterates what has already been said for more than fifteen years on these issues, but to offer a novel, thought-provoking and bold document in terms of its proposals; a document that proposes ideas for the debate while putting new issues on the table; issues, which until now, have been given little attention.

Our aim has been to deal with topics such as the difficulties of integrating farming policies and rural/territorial development policies, the social and economic viability of disadvantaged rural areas, the complexity of implementing systems of multi-level governance to foment cooperation between social actors and institutions, or the hard task of assigning rural policies to public bodies (policies that have traditionally been channelled

through agricultural departments). Our aim, therefore, has been to make a qualitative leap in the discussion on rural development with a firm desire to propose new questions for the social and political debate, which in our opinion is now more necessary than ever.

Although this is not an academic document, it takes a clearly pedagogical and informative approach as it is directed at a broad and varied audience with a wide range of interests and concerns. In preparing this document, we have attempted to present our arguments in a clear and rigorous manner to ensure that our contributions will be of value to specialists in rural issues and easily understood by those who are simply interested in these issues and concerned about what is occurring in rural areas.

The document is also a text that takes into account of the reality of rural areas in Spain; a country with enormously diverse territories which has made a strong commitment to coordinating public policies and fomenting cooperation between the various departments and public bodies involved. Moreover, we propose a typology of rural areas, albeit at the risk of not pleasing everyone, but with the firm conviction that this is the only way to put some order in the debate on such a complex and diverse issue as territorial development.

The document has been prepared with a view to achieving a harmonious balance between the reflections and ideas it contains and how it is worded. Our aim is to garner support from many and exclude none. Our hope is that when reading the document, those who are most aware and concerned about farming issues as well as others who identify more with territorial development, the environment, the landscape or protecting nature, find a place in which to anchor their points of view. The text reflects the varied makeup of the members of the Forum; all of whom have adhered to the document, bearing in mind that their adhesion does not necessarily reflect the views and opinions of the institutions or entities where the signatories work.

The Forum is a space for reflection and debate independently of political or administrative institutions. It is a place where people from very different backgrounds come together: from specialists of the academic world (universities and scientific research institutes), representatives from the farming sector (trade unions, farmer unions and cooperatives) and rural development networks to important actors involved in the environmental movement and heads of different public departments and agencies (at the national and regional level), in addition to professionals with expertise in agricultural and rural issues. All of those who have participated in the Forum have done so on an individual basis united by a common interest and concern for the development of rural territories.

This first document is the result of two meetings held in April and December 2009 in Cordoba at the headquarters of the Institute for Advanced Social Studies (Instituto de Estudios Sociales Avanzados, IESA) —belonging to the Spanish Council for Scientific Research (CSIC)—, which has sponsored the

Forum. Our intention is to ensure the continuity of the Forum through subsequent meetings to deal specifically with issues related to the cohesion of rural territories and in which our proposals will be more clearly defined with a view to moving forward in the debate that has now gotten underway.

This is, therefore, an open document that serves as a departure point rather than a final destination. Its objective is to share with the greatest possible number of people our reflections and ideas, but also our doubts and concerns about a topic that we are passionate about, namely the future of rural territories and how to achieve better living conditions and quality of life.

2. REFERENCE FRAMEWORK FOR TERRITORIAL DEVELOPMENT

Rural areas have not only shaped the landscape of our territories but are a fundamental element for the social and economic development of Europe. A large proportion of the population of Europe lives in rural territories¹. They provide the physical support for an extensive and varied natural and cultural heritage that is a cornerstone for many economic activities which generate high levels of employment and income.

Traditionally, rural areas have been perceived in terms of the differences that set them apart from urban areas (to such an extent that rural areas have been considered the antithesis of urban areas), rather than for the assets and attributes they possess. Indeed, rural areas have been often described as places lacking infrastructure and services with few social and economic opportunities for the people who live in them.

Nonetheless, the gap dividing rural and urban areas in developed countries, and particularly in the core of the EU, has clearly narrowed in the last decades. As a result, standards of living in rural and urban areas are reaching similar levels, while the social and economic interactions between rural and urban society are becoming stronger. While it is true that some areas continue to be isolated and suffer from structural handicaps that require specific actions by public authorities, it is also true that these are small areas located in very specific places that are more the exception than the norm regarding the integration of rural areas in the social and economic life of European society as a whole.

Moreover, the integration of rural areas is not viewed today in terms of subordination and dependence as it once was, due to an interesting process to revalorise rural areas as spaces that provide good living conditions and quality of life. Indeed, an increasingly larger number of people from urban areas choose rural areas for their first or second residence, while the number of

¹ Around 60% of the population of the EU-25 lives in predominantly rural or intermediate areas, while only 40% inhabit predominantly urban areas (defined as areas in which at least 15% of the population lives in rural municipalities). Large differences do, however, exist between countries.

people born in rural territories (particularly the younger generations) are calling for a dynamic environment that is well equipped with services and infrastructure; a space for peaceful coexistence where they can take advantage of their entrepreneurial spirit and fulfil their desire for social relations.

It is in this framework of an interesting and renewed process of rural/urban synthesis where the economic and social dynamics characterising European territories today are being produced, and the direction at which issues related to the environmental sustainability must be focussed.

Unlike what occurred in not so distant a past, and with the exception of the particular situations mentioned above, it can be said that rural and urban areas today share more similarities than differences. For this reason, it makes sense for the future development of European territories to be based on the complementarities of both areas and the coordination of policies targeted at them if we are to achieve social and economic cohesion and the environmental sustainability of these territories as agreed upon in the European Councils of Lisbon (2000) and Göteborg (2001).

We support this approach and believe that public policies must widen their scope of action to involve all the sectors and stakeholders in the territory from a global and integrated focus in a context of flexible governance at multiple levels. In short, the new policies must foment strategies for cooperation between rural and urban areas, while promoting the necessary synergies between them in order to make use of both endogenous and exogenous resources to put these territories on the road to sustainable development.

What we are referring to here is development and sustainability, not just economic growth. Indeed, we do not believe that the future scenario of growth of our neighbouring countries will be based on the unlimited consumption of natural resources (water and energy) or on ignoring the negative externalities of such consumption (not only in terms of effects on our immediate environment, but also on the landscape, health and mobility). Nor do we foresee a scenario in which the implications of our model of development on global environmental sustainability will continue to be ignored or in which the effects of social and economic imbalances that are devastating poor countries will be overlooked as international organisations such as the FAO or non-governmental organisations specialised in these themes, constantly remind us.

Neither are we talking about the rural development, such as it has been mistakenly understood as the "second pillar" of the CAP, but we are talking rather territorial development, which entails not only a semantic novelty but a different way of approaching the problems affecting the rural society. By broadening the angle that studies on the development of rural territories have taken until now, it is possible to state that it is not the economic growth of small areas that must be targeted by short-reaching policies, but the development of broader and interconnected areas by implementing policies

that are guided not by a sectoral policy, but an integrated policy which pursues the economic, social and environmental sustainability of these territories, promotes cooperation between the social and economic actors in them and contributes to improving the living conditions and quality of life of the people who live there.

This is a more complete and integrated manner of approaching rural development, since it goes beyond simply equating rural development policy to the "second pillar" of the CAP which, as we have already mentioned, has been a characteristic feature of rural development policies in the EU. It also goes beyond the rural/urban division that has marked these policies, to make a firm commitment to social and economic cohesion with a view to reducing the current imbalances between the territories of Europe, be they rural or urban.

These ideas are in line with those set out in the Green Paper on Territorial Cohesion (COM 2008-2550)². This document, which plays a similar role to the Report on the Future of Rural Society of the eighties and nineties, provides interesting reflections concerning which path EU territorial development policy should take in the future; a policy that, without a doubt, will be marked by the Financial Perspectives 2014-2020³ and the foreseeable effects of the current economic crisis in the mid- and long-term.

Moreover, our reflections are framed in a context in which actions targeted at promoting the development of small rural areas within certain spheres and territorial boundaries –actions such as those defined by the European LEADER initiative (of unquestionable impact on the rural territories in social and economic terms and of clear utility as a working method to define and deal with the problems affecting these areas)— are now considered insufficient given the changing internal and external dynamics of rural areas. The same can be said of policies targeted exclusively at the agricultural sector under the CAP, whose evident limitations and shortcomings have been largely ignored due to the importance that the transferring of income has had for farmers and many rural areas of Europe as a whole.

Some of the most important dynamics characterising rural territories today include the following: strong rural/urban interactions; the widespread development of transportation infrastructure in rural areas; the enormous expansion of new information and communication technologies (ICTs); the new perception of what "rural" means to society as a whole; changes in migratory flows (which are no longer permanent and unidirectional from the countryside to the city but have become more complex and multidirectional); changing social demands of leisure regarding nature areas; consumer demands for food security and safety; the cross-compliance of sectoral actions regarding the environment and the countryside (including the fight against climate change and the sustainable use of natural resources); and, the growing number of

² Prepared by the Directorate General for Regional Development of the EU.

³ In 2010 the debate will be launched on the future 2014/2020 EU budget, which is expected to be taken before the European Parliament in 2011.

economic activities that can be developed today in rural areas (which must consider the use of clean energies and impacts on the immediate environment to achieve sound territorial planning).

This changing scenario must be taken into consideration when dealing with the issue of rural development in the EU and all policy design after 2013. Given this context, we believe that the building of schools and healthcare centres, the definition of transport infrastructure needs or providing broadband internet access are very important in qualitative terms. We also believe that such aspects are even more relevant for the development of rural territories than the programmes fomented under the former LEADER initiative or even those financed by the current EU Regulation 1698/2005 on Rural Development.

This statement does not aim to play down the merit that LEADER programmes of rural development have had and continue to have in creating county-wide identities, building institutional structures in rural areas, the acquisition of skills or the introduction of bottom-up and participatory methodologies for defining development strategies. Indeed, while we recognise the overall importance of these rural development programmes (as well as their shortcomings), we believe that the scenario is changing, and think this fact must be taken into account if we do not want to lose sight of global factors that have an impact on rural territories today.

We also believe, however, that while these reflections on territorial cohesion are important and novel, they must take account of the specific features and heterogeneity of European territories. The EU rural areas are not all alike, nor can measures aimed at territorial development all be the same. Nonetheless, all of them should consider connections between and complementarities of public actions (in collaboration with local actors) to achieve a sufficient level of economic and social cohesion, the appropriate territorial balance and high levels of environmental sustainability and landscape quality. All of this should be done with a firm commitment to preventing inequalities in rural areas, providing opportunities to those who live in them to access the labour market, develop their business initiatives and guarantee decent living conditions.

For example, territories with interconnected urban and rural areas should focus their development, at least in part, on strengthening such relations. They should improve these relations using new technologies, while bearing in mind the comparative advantages that rural areas offer as places to live in. Many professionals who work in cities opt to live in the countryside because it provides them better quality of life from economic point of view or because they enjoy being in closer contact with nature.

In other rural territories, agriculture, and in some cases fishing, generate substantial economic activity around other activities (commercial networks, services, distribution of inputs, food processing industries, secondary activities, etc.), thus giving rise to what are known as *local food systems*. At the territorial level, these local food systems are authentic engines driving

development since the activities they engage make a big influence on local labour market and condition the economic opportunities of the citizens who live in these areas (for example, the greater or lesser presence of immigrants, and the proportion of women in the social structure of rural communities). These local food systems also shape the rural and urban landscape, the architecture of its dwellings, the local culture and folklore and even the contents of professional training schemes.

These *local food systems* also form part of a broader market where the presence of large food production chains is unquestionable, independently of the fact that they sell part of their production in local markets or contribute to territorial identity. For this reason, strategies for development in these areas must preferably be based on these local systems —recognizing the subordinate position often held by these small producers—, but without overlooking the importance of economic diversification and the potential of other activities. In these territories, *local food systems* constitute the basis of the economy and a means for the population to build relations with other local and extra-local markets. The integration of these local systems into the global food sector is one of their greatest strengths and opens the door for innovation and modernisation, as well as setting the stage for the territory to become a quality added value.

There are also territories in countries of the EU whose main potential stem from the intangible value of their natural areas, in their contribution to biodiversity, the beauty of their landscape or in the inherent value of the resources they possess. To a large extent, an important part of this biodiversity is tied to human activity (agriculture, pasturage, forestry) and would disappear or largely diminish without the presence of rural dwellers.

However, although these territories are quite heterogeneous, their agricultural and livestock sectors are often not productive enough and therefore unable to compete in a conventional model where production is maximised and costs minimised, even though they have an enormous potential for generating quality products linked to territorial assets. From the viewpoint of social participation, environmental demands have not always been met in a satisfactory manner. This fact, together with the lack of sufficient economic compensations for those affected, have made it even more difficult for residents in these areas to continue to take advantage of their natural resources, while lowering the chances for diversifying traditional activities by means of other complementary or alternative activities.

While it is true that areas closer to larger communities have greater possibilities for using these natural areas for recreational purposes and offering leisure activities on a more continual basis, it is also true that not all natural areas of high environmental value can be used for these purposes.

Indeed, these territories may have a sufficiently large number of inhabitants to demand (and justify) the necessary services and infrastructure to guarantee a

minimum quality of life, or the population density may be so low that any type of development project would be unfeasible, with the exception of far-reaching, specific strategies (a great number of these European territories, especially in countries such as Spain, are already facing severe problems of depopulation affecting very extensive areas).

In addition to the above examples, we must add the problem of urban sprawl which has occurred due to the lack of public-private collaboration and adequate territorial planning programmes that would prevent the negative effects of this phenomenon on the environment and the landscape. Indeed, these new peri-urban developments are creating serious problems of sustainability in many territories. The new rural/urban synthesis mentioned above has, in this case, become a perverse situation which has led to the deterioration of the landscape, has destroyed the environment and has depleted natural resources at unacceptable levels. In short, these are the effects of disperse and disorderly, and at the least, speculative developments that have given rise to urban areas that hardly interact with nearby communities.

Given the enormous variety of situations –each of which must be examined individually– we must avoid the temptation to apply uniform policies to diverse territories. In moving from rural development to territorial development, public policies must incorporate the notion of diversity. Indeed, as the Green Paper on Territorial Cohesion states, the most important asset of European territories lies in their diversity; a diversity which the future of the EU territorial development policy must be built upon.

This policy must also be grounded in the cooperation between actors and institutions as they are fundamental elements of any system of governance. Far from being a rigid system, governance must be tailored to the specific features of the issues at hand and the different levels and spheres of action through flexible structures of collaboration, cooperation and consensus

Territorial cohesion, rural/urban interaction, social consensus, institutional cooperation, environmental sustainability and flexible and multi-level governance are the basic elements in which the EU territorial development policy must be grounded if it is to guarantee the continuity of the model of development characterising European civilisation; a model in which a dynamic, inhabitable and environmentally respectful rural society continues to be one of its greatest assets.

3. THE DIVERSITY OF RURAL TERRITORIES IN SPAIN

If there is one country of the EU that stands out for the enormous diversity of its rural territories and the variety of its natural areas, that country is Spain. A large percentage of the Spanish population resides in rural territories (around

35% of the population lives in towns with less than 10,000 inhabitants⁴), thus contributing to the demographic balance between rural and urban areas that is, with few exceptions as we will discuss below, one of the most important economic, social, and cultural assets of Spain today.

Having survived the exodus of the 1960s —when many of the rural areas of Spain were abandoned as a result of the best generations of young men and women emigrating from the country, but which also led to the modernisation of local economies (mainly those based on agriculture)— the reality of rural areas in Spain in the last three decades has evolved in a very different manner depending on the territory. In some areas, social and economic activity has been reactivated thanks to a combination of internal and external factors. Others, however, continue to be depopulated, resulting in the ageing and masculinisation of the population in large areas incapable of ensuring the livelihood of even a small number of towns by offering a minimum of services or social and economic activity. This phenomenon has led to the growing duality of the Spanish territory.

Among the external factors that led to the revitalisation of some areas, the most important has been the entry of Spain in the EU; an event which was accompanied by generous economic assistance for rural areas. These resources were obtained either through CAP aid for farmers (thus improving the living conditions of many rural families and increasing the consumption of and demand for services), structural funds targeted at financing new transportation infrastructure and promoting large investments in the agri-food sector (in both food production and processing) or through funds for social cohesion. At the same time, the overall increase in gross national income has permitted capital to flow into the rural world in many forms. While this fomented the use of these areas for leisure purposes, it also led to problems of sustainability in rural areas demanding new territorial planning schemes.

Due to these resources, but also to the good use to which many farmers, cooperatives and food industries put this aid to —with the exception of unjustifiable situations that were denounced by several political and academic institutions as well as agricultural organisation— and due to the sound management that many public institutions made of these European funds, the rural world of Spain would not be what it is today nor would it have experienced the socioeconomic recovery of the last decades.

Nonetheless, we should not overlook the negative environmental impacts (extremely severe and irreversible in some cases) that this process of modernisation and agricultural intensification has had on some areas, particularly in terms of pollution and the overexploitation of aquifers, soil degradation, destruction of habitats and the loss of biodiversity.

⁴ According to data provided by the MARM for 2008, around 35% of the population lives in towns with less than 10,000 inhabitants. According to this same source, 96% of the more than 60,000 local entities in Spain have an almost entirely rural morphology and function.

Although some positive changes have been made in agricultural policy (such as those under agri-environment programmes) to stem the growing intensification of productive systems and introduce more environmentally sound models, the reality is that these measures continue to be insufficient. A long road still lies ahead before we can achieve the proper balance between the legitimate use of natural resources for agricultural purposes and the sustainability of ecosystems with the greatest environmental value.

One of the most important internal factors that have marked the dynamic nature of rural areas in Spain was the process of democratisation that began with the passing of the Constitution in 1978, and the far-reaching process of political and administrative decentralisation tied to it. Both processes have fomented the implementation of development policies at the regional scale and, to a lesser degree than desired, at the local level. Moreover, they have led to the provision of important public services at the local level, thus contributing to improving the living conditions of those residing in rural communities.

To this we must add the fact that the population in these territories encountered an important source of income from the transferring of funds linked to social welfare benefits (pensions, subsidies, assistance). However, these benefits also had negative consequences as they instilled a culture of passivity among some groups, thus putting a brake on entrepreneurial initiatives.

It is also necessary to recognise the new opportunities being created at the local level through public policies (healthcare centres, centres for the elderly, social services, etc.) which have permitted groups that were traditionally excluded from the labour market to find employment. Clearly, this process has permitted certain groups (women in particular) to access new sources of employment due to improved transportation systems, increased mobility and greater amounts of free time. Moreover, this process has occurred especially in terms of the role played by women, their personal autonomy and their relationship with the labour market.

Nonetheless, infrastructure and social services continue to be deficient in inland rural areas. Furthermore, the process of decentralisation has often been inefficient; a problem that is far from being resolved. Indeed, we are still awaiting the so-called *local pact* —announced on multiple occasions but which is yet to materialise— that would provide town councils with the sufficient public resources (from state budgets) to function as true development agents in their corresponding territorial spheres.

To this combination of factors we must also add the profound cultural changes occurring over the last thirty years among the Spanish society regarding dietary habits and environmental sustainability. Thanks to this change, Spanish society today is increasingly concerned about consuming high-quality healthy foods, more aware of environmental problems and the importance of

maintaining ecosystems in a good state and more interested in protecting natural areas that provide dynamic and inhabitable rural territories that they can visit for recreation or leisure; in short, coming in closer contact with nature.

As a result of this cultural change, public opinion has once again included among its topics of interest issues related to food and agriculture (with a growing concern for health but also the exorbitant profit margins in food prices), as well as others related to the environment and rural areas, thus transferring them to the political agenda (hence the creation of new horizontal bodies such as the Food Safety Agency).

In short, agricultural topics, especially those related to the rural society, are of concern to Spanish population; an interest that is in line with the general revitalisation of rural areas in Spain⁵. However, in spite of this sort of *neo-ruralisation* of the social and political agenda, we should not ignore the unstoppable expansion of urban patterns of consumption and behaviour (and even the urban vision of the world) to Spanish society as a whole (including rural society) and the fact that both populations share common aspirations and problems.

Nonetheless, the process initiated by some rural dwellers to revalorise and revitalise their areas serves to counter the expansion of urban values by reinterpreting the way in which well-being and quality of life is understood, how time is used and relations with nature; thus setting the stage for a new synthesis between rural and urban society.

Obviously, the situation of Spain's rural territories is not homogeneous, but marked by an internal heterogeneity that becomes even more evident when we examine the specific reality of each territory.

Although agricultural activity continues to maintain a strong presence in these areas (with its different kinds of farms, and different levels of modernisation and intensification), a quick glance at the reality of the Spanish rural territories is sufficient to become aware of the enormous contrasts between these territories not only in agricultural terms, but also in social and cultural terms, and the landscape.

3.1. A typology of rural territories

Due to the diversity of the rural territories of Spain and their internal heterogeneity, it is a difficult task to classify the areas in strict lines. However, it is possible to define broad, ideal types, each of which has similar situations and problems regarding territorial cohesion. Although the abstract nature of such a classification simplifies a reality that is much richer and more diverse, it

⁵ According to the Agrobarameter survey of Andalusia conducted annually since 2003 by the IESA, more than 60% of the population say to be interested in agricultural and rural topics.

at least provides some direction for the debate on the problems affecting rural territories in Spain. The reflections on the Spanish experience can be useful for thinking on development of rural territories in Europe.

a) *Areas that have achieved a good level of development based on agriculture and which have well-articulated local food systems.*

These are agricultural areas which are densely populated –such as those situated in the Guadalquivir, Ebro and Tajo Valleys, in certain areas of the Duero River basin, in the Turia and Segura Valleys or in areas near the Mediterranean coast—, whose characteristics depend on the type of agriculture, stockbreeding or fisheries that constitute the basis of their productive system. They are generally areas that are well-equipped in terms of infrastructure and social services, and which have local food systems based on modern and competitive agricultural systems, as well as being well connected with extralocal markets and integrated in the agri-food sector. Nonetheless, in some areas, these food Systems also faces challenges due to the fact that their economic base depends too highly on public policy intervention.

In spite of this, the *local food systems* function as authentic motors of development in these territories as they are an important source of employment and income with links to competitive commercial, industrial and service sectors closely tied to agriculture. In some of these areas, an efficient cooperative movement has been established, which on many occasions is the true cornerstone of the local economy and serves to generate confidence among the population. For this reason, the strategy targeted at developing these territories should be largely based on optimising the *local food system* with the support of agriculture, industry, commerce and the services tied to it. Moreover, special attention needs to be given to cooperatives and SMEs, as well as the important role that food industries play in these areas as processors of the raw materials generated by local producers.

Many of these territories engage in specialised crop production including fruits and vegetables, intensive horticultural crops, intensive stockbreeding, olive oil, wine or cereals and others. Some of these productive sectors have managed very well on the global economic stage without aid or with low levels of support, although without having to internalise environmental costs in the price of their products; it is a fact that could give rise to problems of competitiveness in the immediate future. In contrast, given the current prices on the world market, the viability of those areas will be seriously threatened in the absence of protection mechanisms.

While it is not the objective of this document to analyse the future direction of the CAP, it is essential to bear in mind that the content of this European policy will have an important impact on *local food systems*, particularly those that are viable today thanks to the aid they receive, but which would not be viable in the future if financial assistance were drastically reduced.

With all likelihood, the agri-food sector in some of these areas is sufficiently dynamic so as to not require public intervention in markets or direct aid schemes to support farmer income with a view to improving competitiveness. What the farmers in these areas really need are strategic plans targeted at structural improvements for their farms, promoting stronger interprofessional relations, enhancing the professional skills of agricultural entrepreneurs (introducing them to new competitive spheres), promoting better models of environmental sustainability (such as integrated production or conservation agriculture) and fomenting quality and safety in food production in response to consumer demands.

To this end, greater importance should be given to marketing channels (which are quite disarticulated today) that permit the high profit margins between prices in origin and final destination to be reduced, while laying the grounds for a new alliance between consumers that will allow the role of farming and farmers in society to be more highly valued.

In short, *local food systems* must become more efficient by not only responding to market needs and the challenge to become competitive, but also to demands for environmental sustainability as well as food safety and security, through complementing intensive and alternative systems in the sphere of differentiated production or in short distribution channels.

These areas must make a firm commitment to innovation if their production processes (especially regarding the use of energy and water in compliance with the EU Framework Directive) and their management systems are to become more efficient. However, these objectives can only be achieved if farmers are capable of making good use of the technologies available to them (especially ITCs which will allow them to understand market trends better and plan their agri-food productions accordingly).

To achieve this aim, it is essential that farmers receive better training, understood in the general sense as knowledge management. In this way, a qualitative leap can be made towards the still pending process of sustainable modernisation of *local food systems* in territories where, as stated above, the agri-food sector continues to be the driving force of the economy and the basis upon which all development initiatives should rest.

Until now, the aid provided under the first pillar of the CAP, alongside measures targeted at improving and modernising agricultural structures (included in a diversity of structural regulations and more recently in Axis I of the EU Rural Development Regulation) was conveniently tailored to the reality of each territory through rural development programmes. While these programmes have aided in achieving some of these objectives, they have proven to be insufficient instruments for the future development of these areas.

The system of governance in these territories should be structured upon the active participation of farmers unions, cooperatives, food industries, commerce and environmental associations and consumers, with special attention paid to the living conditions of growing immigrant population. By doing so, interesting processes of social collaboration and cooperation can be built. In addition to keeping vigil over working conditions, those involved can also monitor the quality, safety and environmental sustainability of production in a framework of balanced interests that permit profit margins to be adjusted so that they are more acceptable for industry, commerce, producers and consumers alike.

The authorities responsible for the agri-food system at the provincial and regional level (provincial councils of agriculture, county-level agriculture agencies, universities and research groups, rural extension centres, transfer institutes, etc.) must play a central role in the system of governance as well as financial entities based in the territory (banks, savings banks and rural savings banks). This would be a flexible and multi-level system of governance which, in practice, would involve different forms of cooperation (political, economic, scientific-technical, etc). Each of these forms of cooperation would be adjusted to the reality of the corresponding thematic area of action or sphere of competence and implemented at the most appropriate territorial scale (local, county, provincial, regional, etc.)

b) Inland rural areas with important structural deficiencies and demographic problems.

At the other extreme, the inland rural areas (frequent in deep rural areas and mountain areas in particular) that are usually far removed from urban communities have important structural deficiencies, small populations, little infrastructure and food systems that are not very dynamic due to either the lack of an industrial or commercial sector linked to agriculture or uncompetitive agricultural systems. Whatever the reason may be, local food systems in these areas are not capable of guaranteeing income for the local population; a population that hard put to reproduce itself socially or economically. The other economic activities in these areas are equally weak and lacking in infrastructure, thus impeding the population from making use of the environmental assets these territories offer.

These areas suffer from severe problems of depopulation and abandonment. They are places where it is hard to reach even a minimum number of inhabitants that would make development projects viable and, from a social standpoint, justify investment in the infrastructure and services needed to guarantee a minimum standard of living for those who remain in the area. Nonetheless, the value of these territories is, in many cases, an intangible, non-marketable asset tied to preserving the landscape or conserving nature. In fact, much of their environmental value stems from activities of longstanding tradition such as agriculture, forestry, pasturage, hunting, fishing, wild berry picking, bee-keeping, mycology, and others. The abandonment of these areas

would lead to the loss of social and cultural biodiversity related to the knowledge of local practices.

The challenge facing many of these heterogeneous territories is how to guarantee decent living conditions as a basis for protecting their nature areas. Moreover, depopulation could lead to an increase in abandoned areas with a high risk of forest fires and the overall degradation of the environment. We believe that a broad social and political debate must be launched on the future viability of these territories to overcome the taboos surrounding these issues; a debate that should include an effective model of territorial management and not one that is merely a description of the environmental functions they must fulfil.

The communication technologies available today open new channels for ensuring the viability of these inland rural areas since they allow services to be provided at the local level, while providing opportunities for tele-working and online training programmes for the population, thus bringing these areas out of isolation and permitting their full integration in the counties and districts of which they form part.

The growing attractiveness of these territories for setting up second seasonal residences (rural tourism, peasant tourism by returning emigrants seeking their local roots) or even as first residences for those in search of a place to live and work (such as emigrants who return to their place of origin or neo-rurals who settle in search of a lifestyle in closer contact with nature) are interesting ways to reactive some of these inland rural areas.

However, when this situation affects large territories —such as certain areas of Spanish regions like Castilla y Leon, Aragon, Extremadura, Castilla La Mancha or inland Galicia—, this geographical imbalance must be dealt with as a matter of state (government) through specific strategies involving ministries at both the national and regional level.

Declaring these areas “protected sites” or “biosphere reserves” may constitute an important channel for ensuring the natural vocation of these territories and defining their corresponding plans for sustainable development. Although economic and productive components should not be excluded from such plans, they must first take account of other priorities, namely environmental conservation and landscape protection as set out under European directives and Spanish legislation (the European Landscape Convention, the European Habitats Directive, the European Birds Directive, the Natura 2000 network or the Spanish Law on Natural Heritage and Biodiversity).

Some of the actions set out under the guidelines for implementing the agri-environmental programme promised to be adequate instruments for pursuing such objectives. The reality, however, is that these actions have had a relatively low impact in Spain and other European countries due to the failure of such a programme, with the exception of some very specific measures such

as those targeted at the *dehesa* meadowlands or the cereal steepes. Thus, it is necessary to open a debate on the shortcomings of agri-environmental programme, as well as the lack of interaction with other instruments aimed at achieving environmental sustainability in the country's rural territories. Indeed, the only way to ensure the future development of these areas is by combining these two channels of action.

Given the specific features of these territories and the need to achieve greater social and institutional cooperation, local corporations, in addition to environmental policy agencies, local environmental associations, local action groups, agricultural and forestry organisations, cooperatives and, in general, industry and small business associations, must form part of their system of governance.

Actors from the educational system, the financial system (banks, savings banks and rural savings banks) and the local media as well as civil and cultural associations based in the territory, are also important elements of the system of governance as they build confidence and generate *social capital* in the rural community, while providing channels to strengthen the social and cultural identity and raise the self esteem of its inhabitants.

By doing so, and through an adequate programme to raise social awareness, the lack of participation characterising earlier plans for sustainable development in these territories could be overcome (these plans have been widely rejected by those affected making difficult to manage them effectively).

c) Intermediate areas with good rural/urban interaction.

Lying between these two extremes, intermediate situations occur in which the *local food system* —and within it the agricultural system— is combined with other economic activities. Due to possibilities for geographical mobility, and the good logistic position and appropriate infrastructure of these areas, the population is able to diversify their sources of income by engaging in activities in different economic sectors such as the industrial sector or the services sector of nearby cities and towns.

Although there is a large local and county-wide market for the products generated by the food systems in these areas, the principal activities are not based solely in the agri-food sector, but in urban communities since workers from rural areas are able to commute to these towns and cities on a daily basis.

Moreover, due to their strategic location and the comparative advantages they offer (thanks to ICTs and improved transport infrastructure), some of these areas are a magnet for self-employed professionals or those working in the public sector (healthcare, education, social services), permitting these rural communities to be transformed through new social and economic dynamics.

These are territories in which a two-directional migratory flow is produced (rural-urban and urban-rural). This is a phenomenon that constitutes the greatest asset and strength of these areas with a view to guaranteeing their present and future development.

The challenge facing these areas is to understand that both rural and urban communities form part of the same territory and that development must be based on the respect for natural, cultural, architectural and landscape assets as part of a heritage that belongs to all members of society. For this to occur, it is necessary to strengthen the relations between both spaces by providing economic and social actors the appropriate means and infrastructure to make such interaction possible, particularly with regard to sustainable transport, mobility and communications.

In these areas, territorial planning must be undertaken from an integrated and sustainable approach in cooperation and collaboration with local actors to prevent urban sprawl, while bearing in mind the important role played by the “focal points of rural development” as described in the Green Paper on Territorial Cohesion.

Nonetheless, sectoral actions taken by public agricultural agencies are insufficient for pursuing the development of these areas, although they may contribute to improving the agri-food sector and integrating them into local markets. For this reason, the full collaboration and coordination of ministerial departments and/or regional-level bodies as well as financial entities is essential for maximising the necessary synergies to guarantee infrastructure demanded by social and economic agents —all of which must be done in a framework of management and cooperation that must extend beyond local levels to include a wider territorial scope (supralocal).

Likewise, institutional cooperation must be efficient to satisfy citizens’ demands for better quality of life, infrastructure and services with a view to creating new opportunities for employment. More importantly, public policy must take an integrated approach to territorial development, in which the territory is viewed as a space where diverse activities merge and interact in an efficient manner, without forgetting that strategies must be compatible with the global dynamics of all the economic sectors involved. Hence, the objective is to create the appropriate atmosphere for initiatives to be undertaken and rural/urban interaction to occur and in which citizens can make use of the opportunities arising from the territory itself.

3.2. Multifunctionality: an axis of territorial cohesion

The three types of rural territories described briefly above for purposes of simplification respond to areas with very specific features. The development of these areas also requires a wide variety of actions to ensure quality of life for those who live in them. All of these territories contribute in some way to the

social and economic cohesion of a country as vast and diverse as Spain. Hence, these singular factors must be taken into account in public policies by making the corresponding diagnosis, promoting appropriate forms of collaboration and cooperation and designing the most convenient measures to foment their development.

The principle of multifunctionality can be a common element to lend coherence and unity to development strategies, thus preventing isolated and sectoral dynamics that make it difficult to achieve the final objective of territorial cohesion.

Whatever the situation or the specific nature of the situation may be, and irrespectively of individual initiatives, development strategies in the rural territories must be designed from a multifunctional approach in terms of both their territorial and agricultural dimensions. If we want rural territories that are alive and dynamic, multifunctional services must be made available to the population, namely rural tourism, outdoor sports (mountain climbing, hiking, etc.), hunting and fishing, the gathering of wild mushrooms and berries as well as recognising, at the public level, the important role rural areas play in protecting the landscape, conserving cultural heritage and providing environmental services (biodiversity, forestry conservation, prevention of forest fires, the fight against climate change), which do not have a market value.

Agriculture, which is a broad and diverse sector from a social and economic standpoint in a large number of rural territories in Spain and other European countries, must incorporate this multifunctional approach, albeit without losing sight of its productive function and its links to the market, while at the same time taking account of the territorial and environmental implications of its activity. The enormous variety of agricultural holdings lays the ground for exploring new and more sustainable production systems (i.e., organic farming or integrated production), in addition to opening up new channels for multifunctional activity in the sphere of education and health (i.e. farm schools or psychotherapeutic vegetable gardens) or renewable energies (biomass, biofuels or solar gardens). In this way, and with the appropriate systems of regulation and control, farming and farmers can play an important role in the social and economic cohesion of the territory. In turn, multifunctionality will no longer be viewed as a threat but rather as an opportunity to supplement farmer income and improve the social recognition of the agricultural profession.

Public policies in the rural territories should therefore be targeted at promoting this multifunctional approach and based on adequate schemes to encourage entrepreneurship through incentives, professional training programmes tailored to these new activities and fomenting cooperation between the social and economic actors involved.

Public institutions must also play a central role in these strategies as they can provide the necessary leadership to ensure that individual initiatives are transformed into projects that transcend individual interests, or better yet, encourage and collaborate in private initiatives (cooperation projects, local production systems, small and mid-sized business clusters in the same sector or between firms and associations from other sectors) in order to offer a sufficient critical mass in rural territories.

The mission of public authorities should be to ensure that a good system of governance is in place at the territorial scale with a view to guaranteeing social and economic cohesion. The Agenda 21 experience at the local level, together with other participatory experiences, could facilitate and speed up this process. However, local strategies must take account of sectoral dynamics and strategies at the regional scale if they are to be successful.

The Local Action Groups, which were created under the LEADER initiative framework, constitute an important social and cultural asset for rural territories in Europe, as well as being a central component of the systems of governance mentioned above⁶. Thanks to their experience in bottom-up and participatory management (obviously there is still room for improvement, but they have been positive in general terms) and the fact that they have involved public and private actors in the territorial "thought process", today these Local Action Groups play a central role in channelling development initiatives. Nonetheless, they must face these new challenges from an increasingly open and integrated approach by incorporating innovative methods for the overall management of territorial development.

To ensure the good governance of rural territories under the framework of multifunctionality, cooperation between the Local Action Groups mentioned above, farmers unions, cooperatives, forestry organisations, industry associations and small businesses (those tied to the food systems, and any other sector present in the territory), as well as environmental and consumer associations, trade unions and, in general, any groups interested in promoting territorial development will be necessary. Collaboration between the different public bodies and the private sector, and coordination with higher ranking structures (particularly financial entities) is essential.

Educational institutions, as well as the local media, could play an interesting role in disseminating this new way of approaching issues related to the rural world by transmitting to both the urban and the rural population the idea that the territory must be preserved and protected because it is not only a space in which productive activities take place, but a place that provides services which are fundamental for the well-being of society.

⁶ In Spain, these groups have developed more that 200 projects in each programming period, some at the interregional and even transnational scale, thus demonstrating their capacity to go beyond the municipal or county level.

The actions taken until now under the framework of rural development initiatives have been necessary but insufficient for promoting the development of rural territories. Tapping into the potential of the environmental, landscape and cultural assets of rural areas, and the productive and multifunctional dimension of agriculture cannot be constricted to the sphere of action of a given sectoral policy, nor can it depend solely on the resources provided by a variety of public programmes. Instead, it must be targeted at involving a wide range of stakeholders and institutions and diversifying sources of financing.

For this reason, in all the rural areas, the implementation of development strategies should be aimed at building synergies between all the public and private actors interested in the future of territories whose greatest potential lies in the enormous number of services they can provide to society as a whole, that is, their multifunctional scope.

4. THE SPANISH LAW ON SUSTAINABLE RURAL DEVELOPMENT

Among the legislative instruments that constitute a tool for promoting the cohesion of rural territories in Spain today, Law 47/2007 on Sustainable Rural Development is one of the most important due to its novel approach and the methodology it uses.

Together with other legislative tools such as Law 42/2007 on Natural Heritage and Biodiversity or rural development programmes at the regional scale (in accordance with the implementation of European Regulation at the regional level), this Law on Sustainable Rural Development has sufficient potential to implement a policy of territorial cohesion in rural areas that respects the singular features of each territory, while promoting connectivity with surrounding areas, be they rural or only urban.

While recognising the potential of this law, the reality is that developing and implementing it is no small challenge due to the difficulties involved in coordinating the new Ministry of Environment and Rural and Fisheries Areas (MARM) with other ministerial departments as well as regional bodies (even so, they process to implement the law is moving forward as attested to by the recently approved Programme for Sustainable Rural Development 2010-2013).

It is not common practice in Spain for public actions to be implemented in a coordinated manner with other departments and different levels of the administration. For this reason, the law's success will depend on making a firm commitment to innovation in territorial management (in many cases by reactivating the county scale, although not exclusively), and that all the actors involved (both public and private) become aware of how much is at play and the vital need to cooperate in order to respond to the challenge ahead: ensuring the viability and cohesion of rural territories in a context of intense global competition and open markets.

For this reason, we believe that if this law is to be successful, territorial management structures must enhance cooperation between the public and private sphere at the local, county, regional and even national scale through innovative methods of public policy management. We also believe that the process to implement the law should not be limited solely to transferring or reassigning competences in the core of the central and regional government, but must also foresee the creation of a State Agency for Territorial Development similar to those already existing in other countries of the EU. In short, fomenting the participation and cooperation of public and private actions at the policy level to manage territories effectively and thus ensure the success of this law.

The definition of "rural area" and the classification established under the law are, to a certain extent, equivalent to the notion of "rural pole" set out in the Green Paper. Likewise, the "territorial contracts of area" (complemented by the "territorial contracts of farm" proposed under the EU Rural Development Regulation) could be a good instrument for implementing strategic development plans from an integrated approach which does not exclude agriculture.

Defining these plans from the bottom-up in conjunction with institutions and actors at the territorial level will ensure that the singular features of each territory are respected and all the factors that can contribute to their development are taken into account: factors related to the productive and multifunctional potential of agriculture, others linked to the attractiveness of the territory for urban dwellers as a space to engage in recreational or leisure activities or for second residences; and yet others related to the inherent value of the landscape or the conservation of nature areas.

This strong support for bottom-up and participatory processes reflects a firm commitment to the principle of subsidiarity at the local level, while taking account of the difficulties that can arise due to the interventionist inertia of territorial-based public bodies when delegating tasks to actors of civil society aimed at implementing development programmes.

In short, Spain has an excellent opportunity to contribute to the debate on the future of territorial cohesion through its own policy instruments which, for the first time in its history, have come ahead of those that the EU aims to set in motion. In terms of rural development, Spain has gained broad practical experience through the LEADER initiative. Likewise, many of the Spanish regional rural development programmes are currently being implemented in the framework of EU Regulation of Rural Development, as well as the above mentioned Law on Rural Sustainable Development designed specifically to promote social and economic cohesion in these territories. Spain therefore does not lack instruments with a social or institutional base to implement the rural and territorial policies. If all those involved make an effort to cooperate, we will be able to deal with the challenges facing the future of the Spanish rural territories in an effective and efficient manner.

The Spanish presidency of the EU provides a good opportunity to show our partners in Europe that Spain has many interesting contributions to make concerning territorial development⁷, and that the settlement model that the Spanish government is attempting to introduce in rural territories is based on a combination of between agricultural and non-agricultural activities and the connectivity of the rural world and the urban world, as well as the coordination and cooperation of public bodies, local actors, sectoral interest groups and, in general, all the groups that represent civil society in a wide range of spheres including agriculture, forestry, industry, environment, consumers, education, and finance.

We have the opportunity to manifest in European forums that rural areas have no future without agricultural systems that are sound in economic terms, sustainable in environmental terms and capable of sustaining efficient, quality and safe local food systems. Nor can the future of these rural areas be ensured without a strong social fabric, the appropriate infrastructure and services, local political systems whose legitimacy stems from their efficiency and transparency, the effective interaction of rural areas with surrounding territories and a dynamic and diversified economy. We also have the opportunity to highlight the fact that urban areas have no future without rural territories that are alive and open to economic and social exchange, without territories capable of supporting a wide range of productive activities and that these territories are capable of building synergies that will permit all of us to use and enjoy their natural resources or simply to contemplate the beauty of the landscape they have contributed to shaping.

In short, rural areas and urban areas are not separated by a divide, but are extensive, diverse territories whose viability depends on the synergies they build between their social and economic groups and the cooperation of institutions at all levels. Only in this way can we ensure the cohesion of our territories and prevent the risk of being excluded from increasingly competitive and demanding global contexts.

The Spanish experience has shown that wherever and whenever synergies are built between individual or collective actors and public or private institutions, territorial development has been successful. Our experience has also shown that when this has not occurred, it has not been possible to make use of the opportunities available. A strong and well-functioning system of governance in these territories has encouraged people to settle in these areas, facilitated their geographical mobility in search of better job opportunities, boosted the modernisation of traditional activities and attracted new professionals in pursuit of the comparative advantages of rural areas.

⁷ Under the CAP reform, some interesting proposals are coming out of the MARM, which should be examined by this Forum in terms of their implications on territorial development.

Spain's experience in rural development (including successes and failures alike) has earned the authorities of Spain sufficient legitimacy to launch a serious and rigorous debate during this semester of the EU presidency on the future of rural areas and the need to approach this issue through public policies that take account of the specific features of our territories.

5. THE FUTURE OF TERRITORIAL DEVELOPMENT BEYOND 2013

When debating which direction the EU's future territorial development policy should take after 2013, the current scenario must be evaluated; a scenario marked by the implementation of the above mentioned European Rural Development Regulation (Reg. 1698/2005) and the creation of EAFRD fund.

This Regulation constituted an important turning point in European policy as it incorporated agricultural, territorial and environmental approaches for dealing with issues related to the development of rural areas and created high expectations among those of us who supported these new approaches. In fact, the idea of creating a specific fund to finance the European rural development policy (the EAFRD) meant—in spite of the scant resources assigned to the fund—a step forward in the process to consolidate an autonomous policy, which until that moment, had been secondary to the CAP or dependent on European Commission initiatives.

However, when the above Regulation was approved in 2005, many experts warned of the risk of giving the Member State governments too great a margin for implementing the different Axes and distributing EAFRD resources (in fact, the distribution of 50% of the funds was left to the discretion of the national and regional governments). These critics feared that during the phase to implement the Regulation, the Axes of action would be fragmented, thus missing the opportunity to implement an innovative, bottom-up and participatory policy that incorporated an agricultural, environmental and territorial focus and which took account of the effects of agricultural activity on the territory and nature areas.

Having now reached the halfway mark for the full implementation of the Regulation, we can now say that these fears have been confirmed in a large majority of European countries; countries which have missed the opportunity to make use of the integrating potential of the Regulation. With some exceptions, the fact that the agricultural departments of the Member States have been responsible for preparing their national rural development programmes and implementing the Regulation has led to its fragmentation. As a result, priority has been given to measures targeted at the productive dimension of agriculture, while the brunt of EAFRD funds has been used to finance actions under Axis I (modernisation and improving the competitiveness

of agriculture) at the expense of Axis II (environment programme, the Natura 2000 network, etc.) and Axes III and IV (diversification of activities)⁸.

To this we must add the recently renewed discourse on the strategic importance of agriculture; a discourse that has been produced more at the national government level than at the EU level, whose recent "health check" has not echoed this process. Given that the EU does not suffer from serious food supply problems, it seems that this renewed "agricultural" debate has been influenced by the growing concern of national governments about fluctuations on world food markets following the crisis of 2007, leading them to support measures to improve the competitiveness of agriculture. Nor should we overlook the social and economic relevance of agriculture and the agri-food industry thanks to the role that cooperatives have played in the development of many rural areas, and especially to the fact that agricultural activity is the cornerstone for generating wealth and employment in these areas.

The fact that agriculture is a priority goal for the distribution of EAFRD resources also reflects the concern of agricultural interest groups (farmers unions and cooperatives) regarding the gradual reduction in funds used to finance the first pillar of the CAP, with actions under Axis 1 and in part under Axis 2 of the Regulation viewed as a way to improve the competitiveness of agricultural holdings and a channel for supplementing farmer income.

Moreover, reports by international analysts (especially those based at the FAO) have led to a growing interest in agricultural topics. These reports predict a greater demand for foods⁹ and severe food supply imbalances at the global level due to increasingly frequent droughts and floods as a result of climate change. In particular, the reports point to the fact that the new middle and upper classes of emerging countries such as China, India and Brazil are changing their dietary habits (consumption of milk and dairy products, beef, cereals, vegetable fats, wine, fruit, etc.). The explicit support that the governments of certain Member States such as France are giving to the agri-foods sector (specifically through large financial allocations) are a clear indication of this trend.

All of these are factors that have contributed to reactivating the agricultural discourse among political leaders and explain the agricultural-productive orientation of the policy set out in the EU Rural Development Regulation and the consequent fragmentation that has occurred in implementing it.

Now almost four years after entering into force, the Regulation cannot be said to be positive in terms of integration (an objective that led to its initial approval by the institutions of the EU) given that the actions set out under the

⁸ In the case of Spain, these percentages have been established, on average, as follows: 55% for Axis I; 32% for Axis II, and 13% for Axes III and IV.

⁹ At its last summit, the FAO forecasted a 35% growth in the world population by the year 2050 (reaching 9,000,000 million inhabitants), thus requiring a 70% increase in food production.

different Axes have not been implemented in an integrated manner, but quite the contrary. In this scenario of reflection, it has become clear that actions which were once undertaken in the framework of the now extinct LEADER initiative have been confined to Axis 3 of the Regulation; an axis which is disconnected from the other axes, scant in funding and whichever way you look at it, insufficient for improving living conditions in rural areas and ensuring the social and economic cohesion of rural territories in Europe.

Apart from the exemplifying but limited nature of these bottom-up and participatory initiatives in their corresponding spheres of action, this has meant that the continuity of rural development policies such as those implemented under the LEADER programmes and now defined in the Regulation are being questioned, while greater awareness has been taken of the practical difficulties involved in the commendable objective of integrating agricultural policies and rural/territorial development policies.

It should therefore come as no surprise that certain forums are beginning to question the convenience of making a distinction between, at the one hand, agricultural policies whose objective should be to promote a new, more sustainable phase for the modernisation of European agriculture and, the other hand, policies targeted at development and cohesion of rural territories. Indeed, many are proposing separating the two policies given the failed attempts to integrate the agricultural and the territorial approach.

At the heart of this debate, which should be followed with attention given its implications, we propose the following. If in the next ten years agricultural production is to be reactivated to satisfy Europe's demand for foodstuffs, it will be necessary to implement in EU territories with the greatest potential for agricultural production an farming policy targeted towards production and centred on the modernisation and competitiveness of food systems, while taking account of the environmental sustainability demanded of all productive activity today.

This sectoral commitment to fomenting at those areas agricultural production and strengthening of agri-food systems would in turn mean that greater attention must be given to other areas where agricultural production is insufficient to ensure good living conditions for the population and guarantee territorial cohesion; areas where it would be necessary to complement the agricultural policy with other policies.

Thus, the development of rural areas must be approached through a combination of policies. Although these policies may respond to a different logic, they must have a territorial and integrated focus aimed at the cooperation and coordination of local, regional and national public bodies and their corresponding departments (education, health, social welfare, public works, territorial planning, scientific and technological innovation, the environment, industry, commerce and, of course, agriculture, particularly those with competences in water). Under this proposal to restructure

agricultural and rural policies, the cohesion of rural territories can only be ensured by complementing the new wave of productive modernisation with actions at the territorial scale that are guided by the principle of multifunctionality.

As regards agricultural policy, this approach would be marked by a renewed albeit more temperate productivist discourse due to the irreversible advance of sustainability (which imposes environmental controls to minimise the negative externalities of agricultural activity), efficiency (with limitations on the use of natural resources such as water, the use of machinery and inputs), food safety and security (increasingly demanded by consumers) and restrictions imposed by the WTO regarding mechanisms of intervention.

The need for an agricultural policy with a clearly productive vocation around a single pillar and a single fund has also been proposed once again (merging the two current pillars of the CAP into a single pillar has also been discussed). This single fund would be used to finance actions targeted at regulating markets and modernising the structures of agricultural and stockbreeding holdings as well as providing additional incentives to meet the challenge of multifunctionality. In reality, what is being proposed is to recover the two-fold dimension of agricultural policy (markets and structures in conjunction with the agri-environment programme and other socio-structural programmes such as setting up young farmers or early retirement) based on production and in which farmers are the principle beneficiaries.

In short, these debates propose an agricultural policy which can contribute to the development of rural areas by producing a more efficient, sustainable and competitive agricultural model that would not have to compete for resources with a broad and varied policy of territorial development targeted at the population as a whole and whose objective is to diversify activity, create infrastructure, protect nature areas and the landscape and improve the quality of life in these territories.

These forums conclude that if it not possible (due to the difficulties involved) nor convenient (due to the characteristics of the new scenario) to incorporate both the agricultural and the territorial focus into a single common policy, the agricultural policy (in both its productive and multifunctional dimension) must remain separate from the territorial development policy; assigning each its own funds and its own instruments of action.

This debate, which has already been launched at the EU scale and also in Spain, should not be ignored, but dealt with courageously and with an open mind from a mid and long-term perspective given that the outcome will have far-reaching implications for all of the EU territories. In the case of Spain, it will mean taking a position on the possible reforms that may be adopted in the upcoming financial scenario (2014-2020).

In light of this situation, at least two questions merit being put to debate. The first has to do with how Spain views the possibility of a single CAP pillar, thus transferring the territorial development policy to another institutional sphere. The second question refers to the degree of compatibility between the current Law on Rural Sustainable Development and the new proposals for territorial cohesion that impregnate debates on the future EU rural policy (proposed in a general way in the Green Paper), but also with the future Spanish Law on Sustainable Economy (currently before Parliament).

As regards the first question, it is logical that the immediate reaction towards separating agricultural policy from territorial development policy would be one of reticence as it is contrary to the agri-territorial integration called for in the current EU Rural Development Regulation and to which so many made a firm commitment. However, the reality has shown that integration has not been as successful as hoped. Hence, it would be reasonable to discuss the consequences of maintaining the integrated model set out in the Regulation in the next financial scenario, and think of other possible models, among them the option of dividing both policies.

Whichever model is proposed, it must not be the result of disputes for spheres of competence, power or influence, nor financial engineering (similar to what occurred when designing the Rural Development Regulation and the EAFRD). Instead, the proposals must be well thought out, functional, and contribute to the development and cohesion of rural territories.

In this sense, let us make it clear that strengthening the productive dimension of agriculture does not mean that the territorial implications of agriculture will be ignored, nor its effects on the environment, the landscape or nature areas, but exactly the contrary. An agricultural model which prides itself on being modern and competitive in today's world must respond to both territorial and environmental demands (in the use of inputs but also the use of water and energy), in addition to consumer demands in terms of food safety and security. Likewise, fomenting the productive dimension of agriculture can and must be accompanied by measures to promote its multifunctional dimension (especially, but not only, for agricultural holding with serious difficulties to become competitive in open markets). These two dimensions of agriculture are complementary and necessary for the development of rural territories. What should vary is the emphasis placed on one or the other dimension; a factor that will depend on the situation of each productive system and the needs of each territory, as well as the instruments used.

It is important to ask if the current model integrating agricultural, territorial and environmental policies (as desirable as it may be), actually permits us to achieve this objective, or if on the contrary, this objective could be attained through other formulas of cooperation and coordination. This is a central theme for the debate; an issue that should be a key concern (alongside other themes) in the future agenda of our Forum.

Transferring the reflection to the Spanish case, the proposal to concentrate the CAP into a single pillar that incorporates the current first pillar (market regulation, intervention mechanisms and direct aid schemes for farmers) and part of the second pillar (actions that fall under Axis I of the Rural Development Regulation targeted at improving the competitiveness of the agricultural sector, the environment programme or the setting up of young farmers) is a possibility that, irrespective of the positions previously taken on the future CAP reform, should be discussed in the heart of the Forum. In short, it is a proposal that would have to be evaluated to determine whether or not it offers opportunities to foment a generational change in the agricultural sector, and by extension in rural areas, as well as promoting change in productive systems to make them more efficient, competitive and sustainable and adapt them to the new demands of consumers.

Given the productive potential of a broad sector of Spanish agriculture, and the margin they still have for becoming fully modernised, the proposal to concentrate the CAP resources into a single pillar aimed at reactivating agricultural production (bearing in mind criteria of efficiency and sustainability) should be evaluated in terms of the benefits to be gained in territories where agriculture remains a driving force of development. Moreover, the proposal should be evaluated from the standpoint of the opportunities it provides to increase farmers' involvement at the territorial scale by supporting the multifunctional dimension of their activity through contractual schemes (such as the yet to be implemented "territorial farming contracts", the already implemented agri-environmental programme contracts or other schemes).

Another issue to be put to debate has to do with the effects that separating (not disconnecting) the agricultural policy from the territorial development policy will have on the content of the second policy and the manner in which to implement it. In reality, the territorial development policy would be a policy built upon the actions set out in part under the second Axis (especially the Natura 2000 network) and under the third Axis of the EAFRD (diversification of activity), but complemented with actions at the national or regional scale such as those included in the Law on Sustainable Rural Development or the Law on Natural Heritage and Biodiversity. Under this framework, we must ask if the territorial development policy should continue to be based on the broad network of existing Local Action Groups or if these groups should be incorporated into the new channels of rural/urban cooperation to foment participation by all the actors that comprise the system of governance.

Clearly, if the current model integrating the two policies is to be modified, the territorial development policy must have its own fund with greater economic resources than those allocated under the current EAFRD. This funding would obviously have to come from resources assigned to the EU's structural funds and be supplemented by financing from the corresponding national and/or regional governments.

The question of whether the proposed model would be useful or not solely for fomenting the diversification of activities in rural areas and enhancing rural/urban cooperation must also be put to debate. Or, if the model can also contribute towards the principle of multifunctionality in areas where the productive dimension of agriculture and local food systems are insufficient to ensure the social and economic reproduction of the population, but where territories and farmers themselves have the possibility of developing services specifically targeted at society (environmental, educational, cultural, recreational, therapeutic, etc.)

As we mentioned above, the Law on Sustainable Rural Development bears a close resemblance to the new proposals for development and territorial cohesion and the ideas set out in the Green Paper. For this reason, we must ask if a proposal such as the one put forward here (the separation of, but not the disconnection, between policies for agricultural development and policies for territorial development) would permit us to advance in the complex process to implement the law and facilitate the distribution of EU resources to finance the actions set out under the law, or if it would lead to greater problems and restrictions.

What seems to be quite clear, irrespective of the model chosen, is the need to establish channels that would allow the EU's current EAGF, EAFRD, ERDF and ESF funds to be applied in a coordinated manner in order to achieve social and economic cohesion in the territories. To do so, it is necessary that the competences in terms of territorial development (many of which already fall under the regional sphere) be coordinated in the core of State Agencies for Development to prevent dispersion in a heavily centralised structure such as the Spanish one.

In short, the next phase on the EU's policy horizon regarding the debate on agricultural and rural issues provides an excellent opportunity for Spain due to our experience and the singular nature and excellent potential of our agriculture and rural territories. We will be able to champion the debates being launched on these topics provided if we are capable of developing well-reasoned and well-constructed proposals, since we have gained legitimacy as a country with enormous agricultural and rural resources. Spain is a EU Member State that has been able to efficiently manage European resources for modernising agriculture and protect our natural areas, without it means to ignore the deficient infrastructure and services that continue to exist in inland rural areas and which must be improved if we are to ensure good living conditions and quality of life for those who live in these areas.

The purpose of this Forum on the Cohesion of Rural Territories is to contribute to the debate by assessing what we have achieved until now regarding rural and territorial development, evaluating in a constructive manner the shortcomings of this process and providing new ideas and imaginative proposals based on rigorous arguments that are presented in a clear manner.

6. CONCLUSIONS

With a view to providing a summary of the present document, in what follows we present some of the conclusions that were reached at the two meetings held during the Forum. These conclusions constitute our initial contributions to the debate on the cohesion of rural territories; a debate that has only begun with this document.

1. Rural areas have not only shaped the landscape of our territories but are a fundamental element for the social and economic development of Europe. For this reason, the future of rural areas should be based on social and economic cohesion, environmental sustainability, rural/urban interaction, cooperation between institutions and multilevel flexible governance. Those elements are key to the EU's future development policies.
2. Any discussion on territorial cohesion must take account of the specific features of the territories of Europe given that not all territories are equal nor can their development be approached in the same manner. Nonetheless, the development of broad and interconnected territories must be promoted through coordinated policies based not on a sectoral approach but an integrated approach that encourages cooperation at all institutional levels.
3. Territorial development policies offer a wider horizon than previous rural development policies set out under the second pillar of the CAP as they are based on the understanding that achieving the cohesion of rural territories entails not only taking account of the effects of agricultural activity on natural areas and the territory, but all elements that encourage social and economic exchange between rural communities and urban communities by creating the necessary infrastructure and services to do so.
4. Spain stands out for the enormous diversity of its rural territories and the variety of its landscapes and nature areas. A large percentage of the country's population has settled in these areas, thus helping to preserve and protect the natural environment as well as the demographic balance between rural and urban areas, which with few exceptions, is one of the most valuable economic, social and cultural assets of our country.
5. A multifunctional approach to agriculture (thanks to a combined productive and territorial approach) may be fundamental to rural development as a potential source of employment and wealth and a basis for protecting natural areas. Nonetheless, the extent to which multifunctionality of agriculture will contribute to territorial cohesion depends on the efficiency and competitiveness of the farming systems, as well as their capacity to respond to consumer demands in terms of food safety and security and to adapt to environmental criteria.
6. The new Spanish Law on Sustainable Rural Development may be an instrument with sufficient potential too to implement a policy of territorial cohesion in the rural areas that respects the specific features of each territory and which is committed to connecting each territory with its

surrounding areas. Its success will depend, however, on making a firm commitment to innovating territorial management schemes and raising awareness among both public and private payers of the need to cooperate if they are to respond to the challenge of ensuring the viability and cohesion of rural territories in a context marked by intense competition at the global scale and open markets. It also requires greater cooperation between regional governments and the designing of broad strategic lines at the national scale (and implementation at county scale without ruling out other territorial scales) that take account of the most urgent problems still affecting certain rural areas (deficient infrastructure and services, severe depopulation, ageing population, lack of opportunities for women and young people, etc.) with a view to offering real solutions to these problems.

7. In the debates being launched on the future of territorial cohesion and the connectivity of agricultural and rural policies, integrated models such as those defined in the EU Rural Development Regulation are being questioned due to their inefficiency. The shortcomings of these models has given rise to the idea of separating (not disconnecting) the farming policies (channelled through the CAP) from policies targeted at the development of rural territories (by converging diverse structural funds). In this context, the development of rural territories must be approached by means of policies channelled through non agricultural departments as before, but through inter-departmental agencies capable of integrating and coordinating the various sectoral divisions of the governments and public bodies involved.
8. This debate has important implications for all the territories of Europe and must not be ignored. Indeed, the stakeholders must participate in it with arguments and proposals. In the case of Spain, the debate involves taking a position on the possible changes that the EU will adopt in the next financial scenario (2014-2020). From the perspective of territorial cohesion, we believe that before undertaking new reforms, it is important to evaluate the effects on the territory of such measures as the decoupling of agricultural aid, the application of the principle of ecoconditionality, or the implementation at the regional level of the EU Rural Development Regulation.
9. It is evident that a solid and credible policy targeted at developing the rural territories of Spain and promoting social and economic cohesion must fall under the competences of a State Agency for Territorial Development with its own fund and a higher economic assignation than that provided under the current EAFRD (which would involve raising the budget limitations of the EU). This funding would no doubt have to come from resources assigned to other European structural funds, but should be complemented by contributions from the national and regional governments.
10. In short, the future of rural areas will be bleak in the absence of agricultural systems capable of combining efficient production, food safety and security and environmental sustainability under the aegis of multifunctionality. Neither will the future of these areas be ensured

without a strong social fabric, close interaction with the surrounding territory, a dynamic and diversified economy, the necessary infrastructure and services and local political systems whose legitimacy stems from their efficiency and transparency. The future of urban areas likewise depends on the presence of rural territories that are dynamic and open to social and economic exchanges; territories with the capacity to support a wide range of productive activities and offer good living conditions to the people who reside in them. To sum up, territories capable of building synergies that will permit all of us to use and enjoy their natural resources or simply to contemplate the beauty of the landscape they have contributed to shaping.