



SLOVENSKI SLOVENIAN
PODEŽELSKO RURAL
PARLAMENT PARLIAMENT

Thematic project focused on
Strengthening local and sub-regional economies

Introduction

The ERP 2016-17 Action Programme, centred on a series of multi-national projects, has a highly practical focus. The aim is to gather and disseminate practical ideas which will help rural stakeholders to take action, to build partnerships and to work with governments.

It is proposed that each thematic project should gather, exchange and synthesise practical ideas on its theme from many countries. This will enable the project group to understand the scale and geographic pattern of the key issue that they are working on; to assess the challenges or problems involved; to identify practical solutions; and to clarify the factors which enable rural communities, enterprises and other stakeholders to shape and apply those solutions in a manner suited to each locality and country.

We expect to publish the reports of each working group, and in particular to publicise the practical solutions that they have identified. This will assist our national partners and other rural organisations throughout Europe in their action to support rural communities. It will strengthen their advocacy to governments to ensure a climate of law, policy and action which will enable positive solutions to be found. It will also enable the ERP European partners to draw upon proved reality in seeking to influence multi-national policies and actions.

The outputs of all the working groups will contribute to the preparations for, and the substance of, the Third European Rural Parliament to be held in October 2017.

Local and sub-regional economies

A starting-point for this theme is provided by section 18 of the European Rural Manifesto

“Local and sub-regional economies. The rural regions of Europe embrace thousands of local and sub-regional economies, rich in micro, small and medium-sized enterprises, which form the lifeblood of communities and contribute greatly to the broader economies of European nations. **We assert** the high importance of enhancing the vitality and viability of these local and sub-regional economies throughout rural Europe. The means of doing so will vary from place to place, but can embrace initiative in many different sectors – agriculture, forestry, fishing, energy production, manufacturing including added-value enterprises, supply chains, tourism and service industries, plus businesses based on information technology. There is high scope for social enterprises. Of high importance is the provision of versatile advisory, business support and credit services, plus vocational education and training, accurately geared to the existing and potential job opportunities.”

and by sections 5.1 and 5.2 of the report “ALL Europe shall live – *the voice of rural people*” which was submitted to the Second European Rural Parliament as the synthesis of ideas gathered from 40

countries during the ERP 2015 campaign. The text of these sections is attached as Annex 1 to this description.

The importance to strengthening rural economies is also emphasised in the **Cork Declaration** adopted at the Cork 2.0 Conference in September 2016, as shown in the following extracts from the Declaration :

“Convinced of the value of rural resources capable of delivering sustainable solutions to current and future societal challenges that concern all citizens of the Union such as assuring a safe and sustainable provision of quality food, developing the circular economy, broadening the bio-economy, fostering resource efficiency, combating climate change and reducing the reliance on fossil fuels;

“Expecting that the rural economy and rural businesses will depend increasingly on digitisation as well as knowledge workers who make the most of the digital transformation and enhance rural production in a sustainable manner;

“Persuaded that economic growth and sustainability are not mutually exclusive and can be fostered by innovation to which rural entrepreneurs, farmers, and foresters must have access and which may concern technologies, practices, processes, social and organisational matters, and be research driven or based on interactive bottom-up approaches;

“Concerned about rural exodus and youth drain and the need to ensure that rural areas and communities (countryside, farms, villages, and small towns) remain attractive places to live and work by improving access to services and opportunities for rural citizens and fostering entrepreneurship in traditional rural domains as well as new sectors of the economy;

“Convinced that the agricultural and forestry sectors are still of great importance for the Union's economy, and that their associated value chains are engines of rural growth providing jobs and livelihoods to tens of millions of Europeans, in particular in rural areas and often with jobs that cannot be relocated;

“We, the participants at the Cork 2.0 European Conference on Rural Development, declare that an innovative, integrated and inclusive rural and agricultural policy in the European Union should be guided by the following ten policy orientations:

“Point 1: Promoting Rural Prosperity

The rural potential to deliver innovative, inclusive and sustainable solutions for current and future societal challenges such as economic prosperity, food security, climate change, resource management, social inclusion, and integration of migrants should be better recognised. A rural proofing mechanism should ensure this is reflected in Union policies and strategies. Rural and agricultural policies should build on the identity and dynamism of rural areas through the implementation of integrated strategies and multi-sectorial approaches. They should promote diversification and foster entrepreneurship, investment, innovation and employment. These policies should also give value to rural identity and enhance sustainability, social inclusion and local development, as well as the resilience of farms and rural communities.

“Point 2: Strengthening Rural Value Chains

Union policies should focus on integrated approaches to developing and strengthening rural value chains and local productive networks. They should reflect emerging business opportunities for agriculture, forestry and rural enterprises related to the circular, green, and fossil-free economies. The growing concerns of consumers about the quality of products and production processes as well as their demand for healthy food must also be met. Policies must promote new approaches to horizontal and vertical integration that ensure fair and transparent contractual relations within the supply chain, and legal possibilities for organizing farmers' collective actions. Farmers should be provided with effective risk management tools.

“Point 3: Investing in Rural Viability and Vitality

Union support for investment in rural areas should focus on generating added value for society. Investments in business development, public and private services, essential infrastructure and capacity building should deliver towards the common EU objectives notably in relation to jobs and green and inclusive growth. They should also provide for self-sustaining initiatives that foster a competitive and diversified agriculture and rural economy. Particular attention must be given to overcome the digital divide and develop the potential offered by connectivity and digitisation of rural areas. Policies should promote rural quality of life, and meet the aspirations of rural youth for diverse and well-rewarded employment as well as facilitate generational renewal. Efforts should be made to extend the reach, scope, and leverage of funding by providing innovative financial instruments. Union support should strengthen rural-urban linkages and align the sustainable development of both rural and urban areas.”

Process. The process to be pursued in this thematic project is a matter to be decided by the project group. However, this specific theme is one of six which we included in the ‘SPARCE’ application to the European Commission and for which we have secured funding from the Europe for Citizens fund.

Lead partner in this SPARCE thematic project

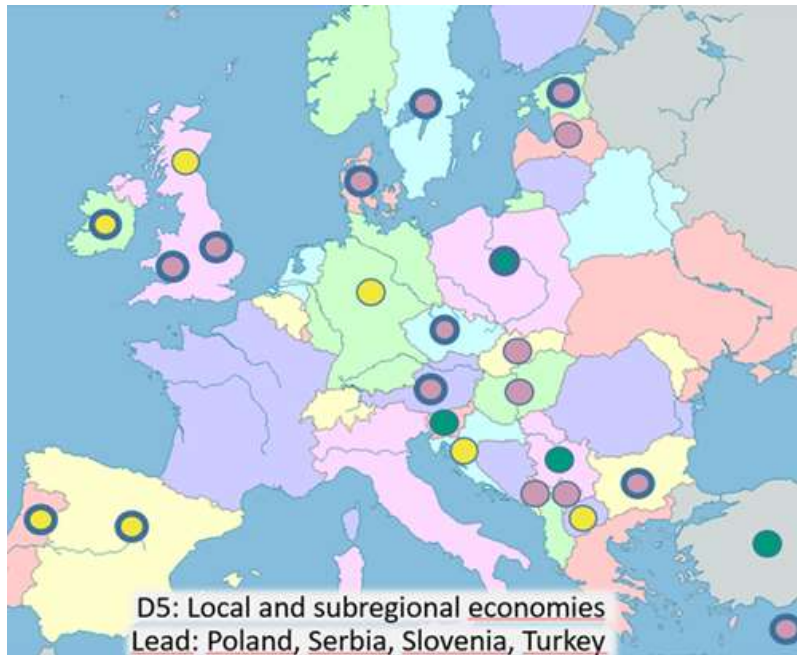
Slovenian Rural Development Network (SRDN) www.drustvo-podezelje.si

SRDN will organize on 21. September 2017 the **travelling workshop and international conference** with title “Strengthening local and sub-regional economies” within the broader frame of 4.Slovenian Rural Parliament. More about events in the attached documents “Invitation”, “Programme” and “Conditions for reimbursement”.

Partners who expressed interest to take part

- Polish Rural Forum
- Network for Rural Development of Serbia
- LEADER-forum Austria
- STEP, Society for Territorial and Environmental Prosperity, Bulgaria
- Croatian Rural Development Network
- Troodos Network of Thematic Centers, Cyprus
- National Network of Local Action Groups in the Czech Republic
- Landdistrikternes Fællesråd (Council of Rural Districts), Denmark
- Action with Communities in Rural England (ACRE)
- Estonian Village Movement Kodukant
- Federal working group of LEADER Action Groups (Bundesarbeitsgemeinschaft der LEADER)
- Rural Workshop Foundation, representing Hungarian Rural Network
- Irish Rural Link)
- Network of Organisations for Rural Development of Kosovo
- Latvian Rural Forum
- Rural Development Network of the Republic of Macedonia
- Network for Rural Development of Montenegro
- MINHA TERRA Network, Portugal
- Scottish Rural Action

- Rural Parliament in Slovakia (Vidiecky parlament na Slovensku VIPA SK)
- Spanish Network for Rural Development (REDR)
- Hela Sverige ska leva, Sweden
- Development Foundation of Turkey (Türkiye Kalkınma Vakfı)
- PLANED (Pembrokeshire Local Action Network for Enterprise and Development), Wales



- Countries where this is said to be a significant theme
- Partners who offered to take part in the project
- Partners who offered to lead the project
- Formal partner in the SPARCE application to Europe for Citizens

Extract from the report "ALL Europe shall live – *the voice of rural people*"

5.1 Local and sub-regional economies.

Governments speak of macro-economies – the European Common Market, free trade agreements, outward links to other major regions in the world economy. They focus on fostering the ability of companies and sectors to compete in European and global markets. They point to the benefits of mass production and of global supply chains in ensuring supply of food and other goods to an increasingly urban population.

The national reports show that rural people are ready to acknowledge the reality and the benefits of this world trade. But they also wish to assert the legitimacy and the profound importance of another reality, marching alongside and meshing with this macro-economy – namely the existence of thousands of local and sub-regional economies, rich in small and medium-sized enterprises, which do not all need or seek to compete on the global market but which form the lifeblood of communities, particularly in the rural regions of Europe.

These local and sub-regional economies are not 'islands', isolated from the wider economy. They import and they export. But they often contain a high degree of internal trade: they can provide significant and varied employment: they add value to local resources: they provide essential goods and services, without need for long-distance transport: they offer resilience in times of trouble: and they often act as seed-beds of innovation. They merit the support of peoples and governments.

5.2 Sustaining local and sub-regional economies.

So, rural people point to the challenge of sustaining the vitality and viability of local and sub-regional economies throughout rural Europe. The nature of this challenge will vary from place to place, but the solutions can draw upon experience in many different sectors – agriculture, forestry, energy production, added-value enterprises, tourism and service industries.

Wallonie, Belgium: *Economic activities must be maintained and developed in the villages, based on local resources and respecting the rural environment. Rural communities should gain benefit from the use that is made of these resources. (Fondation Rurale de Wallonie)*

France: *The rural areas have experienced significant economic change in recent years. Agriculture and forestry continue to play a major role even if today they are no longer the dominant economic activity in terms of jobs or of value added. Their role may become more important with the development of local economic chains, which constitute a new pool of jobs for territories. The maintenance and extension of other economic activities, including local shops, is also at the heart of territorial issues. (France)*

Slovenia: *We cannot imagine vital rural areas without a great diversification of local economies and the diversification of farm income, since job positions represent the basis for living in rural areas. Apart from the increase in the offer of local products, the majority of employment opportunities in rural areas are connected to redirecting extensive agricultural activities towards more intensive activities and eco-farming. The creation of supplementary activities on farms, such as tourism, faces unnecessary administrative obstacles, especially when compared to more developed countries. A more diverse tourism offer in rural areas can provide more jobs for young people. (Draft Declaration for the Slovenian Rural Parliament)*

Greece: *An improved quality of life in the countryside, including the revitalisation of economic activity in mountain and hill areas, the implementation of infrastructure projects and support to the business climate, should be a major strategic priority for the coming years. Particular emphasis should be given to the support of additional tourist activities in conjunction with integrated interventions for rural tourism, as well as to the strengthening of administrative structures and the promotion of the endogenous development potential of rural areas through cooperation. Key priorities should be to build the capacity of Local Action Groups, strengthen farmers setting up for*

the first time, promote valuable environmental and cultural assets of rural areas as well as the sustainable use of the natural and cultural environment, enhance the promotion and sale of local products and create information centres. (Greece)

The former Yugoslav Republic of Macedonia. *Diversification of the economic activities in the rural areas should increase the possibilities for employment as a source of additional income that will have an influence for improvement of the living standard and the quality of life in rural areas. (Macedonia)*

Serbia. *The employment structure and basic characteristics of labour force in rural areas of Serbia are similar to those in other transitional countries. Age and education structure of rural employees are unfavourable compared to those of the Serbia's general workforce. The rate of unemployment of the active rural population is higher, employment is high in primary and low in tertiary sector. The economic structure of rural areas of Serbia depends largely on the primary sector and the exploitation of natural resources. About 1/3 of the active population in rural areas is employed in agriculture. Agricultural employment shares are among the highest when compared to the EU, reflecting the continuing high importance of agriculture in the national economy and the low diversification of economic activities in rural areas of Serbia, resulting in the lack of alternative employment and income opportunities. Apart from agriculture, the rural workforce is engaged in the food processing industry, wholesale and retail trade, building construction and transport. The manufacturing sector, some other economic and the service sector are still underdeveloped in rural areas. Besides agriculture, the private sector is only recognized in the trade sector. The main limitation for the more intensive development of services and processing is obviously influenced by the non-favourable financial market. (Serbia)*