



**TERESA - Final Conference**

## **Europe's Rural Future**

F. Fischler

Vienna, November 27<sup>th</sup>, 2008



### **Outline**

---

- The Challenges
- The Approach and the Objectives
- The Levers
- Rural Development Policy after the Health check



---

## The Challenges

Vienna, November 27, 2008

3



---

## Globalization

- Production tends to move towards the most competitive regions
- Capital tends to move towards the best hosts
- Agricultural trade grows faster than production
- Rural zones tend to be the losers of globalization

Vienna, November 27, 2008

4



## Urbanisation

---

- In 2030 60 % of world's population will live in urban zones
- Outmigration from rural zones continues
- Thinning out of agricultural rural zones leads to depopulation

Vienna, November 27, 2008

5



## Climate Change

---

Rural zones suffer from climate change and entail climate change.

Vienna, November 27, 2008

6



## **Disadvantages of Rural Zones**

---

- Lack of initiative
- Lack of jobs
- Less advanced infrastructure
- Shortages in public services
- Absence of private investors

Vienna, November 27, 2008

7



## **Differentiation of Rural Zones will increase**

---

- Suburbs and urban surroundings
- Industrial and mining rural zones
- Touristic and recreation zones
- Agricultural zones

Vienna, November 27, 2008

8



---

## The Approach and the Objectives

Vienna, November 27, 2008

9



## The European Economic Model

---

The Union shall work for the sustainable development of Europe based on balanced economic growth and price stability, a highly competitive social market economy, aiming at full employment and social progress, and a high level of protection and improvement of the quality of the environment. It shall promote scientific and technological advance.

Article 1-3 (3) Lisbon Treaty

Vienna, November 27, 2008

10



### **Farming**

vs.

### **Agriculture**

An industry like any other industry

A production and service industry with a cultural dimension

One single goal:  
Competitive production of food, feed and fibre

Multiple goals:  
Sustainability Food- and environmental security safeguarding and enhancing Europe's cultural heritage

Vienna, November 27, 2008

11



## **Future objectives for the European Agricultural Sector**

- Food security
- Environmental security
- A vibrant country side
- Coherence and cohesion

Vienna, November 27, 2008

12



---

## Levers

Vienna, November 27, 2008

13



---

## Innovation

- Know-how intensification
- Stimulation of R&D
- Education and training
- Networking
- Availability of risk capital

Vienna, November 27, 2008

14



## Modernisation and Restructuring

---

- Investment in modern infrastructure and services
- Farm investment programmes and compensation for public services
- Forest programmes
- Horizontal and vertical integration
- Income combinations
- SMI-programmes

Vienna, November 27, 2008

15



## Production of energy and renewables

---

- Decentralised energy supply systems
- Heat production
- Electricity production combined with heat production
- Renewable raw materials for the industry

Vienna, November 27, 2008

16





## Quality of life in rural zones

---

- Stimulation of rural economies
- Diversification of rural economies
- Village renewal
- Provision of modern services
- Conservation of the rural heritage
- Job education, information and networking of rural actors

Vienna, November 27, 2008

17



## Management of Rural Policies

---

- Single programming
- Single funding
- Single controlling

Vienna, November 27, 2008

18



---

## Rural Development Policy after the health check

Vienna, November 27, 2008

19



---

## Outcome of the Health Check

- From 2009–2012 3: 24 Bio will be shifted from Pillar 1 to Pillar 2 via increase of compulsory and introduction of progressive modulation
- SAPS-system prolonged
- Financing of new RD-challenges: Climate Change mitigation, renewable energies, water management, biodiversity, innovation and measures for the dairy sector
- Art 68 to finance the environment, specific disadvantages for dairy, beef & veal, sheep & goats sectors, economically & environmentally vulnerable areas and types of farms, avoidance of land abandonment, crop insurance programmes, mutual funds to address animal & plant diseases.

Vienna, November 27, 2008

20



## The Rural Development Policy after 2013

---

- Continuation of the present policy
- Transfer of money from the 1<sup>st</sup> to the 2<sup>nd</sup> pillar
- Reduction of the weight of farm related measures
- New relation between rural development and structural Policy
- Further weakening of the Pillarstructure



---

**Thank you for your attention!**