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# European Rural Development Policy Preferences

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**Paper prepared for presentation at the X<sup>th</sup> EAAE Congress  
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# **European Rural Development Policy Preferences**

by

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Contributed paper submission for the

**10<sup>th</sup> EAAE Congress**

***Exploring Diversity in the European Agri-Food System***

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## Abstract

This paper presents the results of a survey about policy preferences collected from agricultural economists at an EAAE Seminar on rural development policy experiences. It documents the diversity in rural development problems and favored tactics across Europe.

## Keywords

Rural development, policy, preferences

# European Rural Development Policy Preferences

## Introduction

There are those who claim serious economists should not worry themselves with surveys of their colleagues' preferences or opinions regarding rural development. The implied presumption is that there is agreement on the priorities and means of rural development or, at least if there isn't, it is not all that important. Yet, we are reminded that much of rural development policy is *ad hoc* because there is not in fact broad understanding or agreement (Hite, 1997). As an example, while much has been written on the importance of the non-agricultural sector in rural areas, especially for future growth and as a valued part of the "cultural landscape", most of the current EU rural development policies still focus on farms and agriculture. Is this outcome a reflection of the political economy of farm and rural policy or the preferences of those who advise policy makers?

In this paper, we attempt to shed some light on the state of current thinking in Europe about rural development and policy. To do so, the priorities and preferences of European agricultural economists who work in the area of rural development policy were identified using a survey that asked the following questions: *who* do we believe needs help, *what* are the problems and objectives, *which* policies are likely to be effective, *who* is able to deliver, and *where* do we get these ideas?

The most important and interesting results of the survey are presented below along with the occasional probing into what may be suggested by the outcome. We also try to identify when there is or is not a general consensus, where differences occur due to regional heterogeneity, and whether the outcomes imply a degree of internal inconsistency among choices. The survey was not administered as a test of an individual's specific knowledge but rather to reveal certain preferences. For example, we don't ask for a definition of "export base" but do ask about the effectiveness of one strategy relative to another. As always, readers are encouraged to think broadly about what the responses mean in terms of actual policy outcomes and the notion of an European model of rural development.

## Data and Methods

Participants of the 73<sup>rd</sup> EAAE Seminar on *Policy Experiences with Rural Development in a Diversified Europe* held in Ancona, Italy, in June 2001 were asked to complete a survey designed to eliciting their opinions regarding rural development in Europe. Thirty-two surveys were returned yielding a response rate of approximately 50%.

The survey consisted of eight questions for which a number of possible responses were provided. Respondents were asked to rate each response independently using a five point Likert-type scale to indicate the strength of their preference or opinion. In addition, they were given a "don't know" or "unable to rate" option. In constructing and determining the number of responses per question, we sought to balance the need for capturing a potentially broad range of opinion/beliefs while also keeping the number of individual responses sufficiently small so that a clear preference structure could be determined. Consequently, the survey is unbalanced in the sense that each question has a different number of potential responses and because the number of responses exceeds the preference scale.

Summation aggregation is typical for Likert-type scales but is precluded in this case since the “don’t know” option does not express a median or extreme point preference (Cook and Kress, 1992). Instead, frequency distributions of each rating level per each posed problem were taken, summed among the respondents, and expressed as a percentage. This method is commonly used by other social science disciplines (McGinty et al., 2001). In addition, the two top and two bottom rating categories were collapsed leaving a three level scale and the “don’t know” category. The loss of information appears minimal while considerably simplifying the presentation and minimizing the incident of ties in the ordering. The final result is an ordinal, quasi-linear (multiple ties) preference ranking.

Preference ordering by other methods were also investigated but not pursued due to difficulties arising from the number of multiple ties per respondent, because the number of response options exceeded the rating scale, or because the resulting scale was not particularly intuitive. However, among those alternatives examined, the final preference ordering was similar or identical to that presented here.

Rigorous statistical inference based on the calculated preference ordering is somewhat limited due to the small sample size, limited demographic (group) information, and parsimonious aggregation method. We are able, however, to test if the ratings achieved by the most preferred response are significantly different from what would be obtained if the proportions found in each rating category were equal in population. The test statistic is calculated as the sum of the ratio of the squared differences between the observed and expected frequency to the expected frequency for each rating category. The statistic is distributed Chi-squared with (n-1) degrees of freedom where n is the number of rating categories. The test statistic and critical value at the 5% level of significance with 3 degrees of freedom are given as follows:

$$\chi^2 = \sum_i \frac{(f_o - f_e)^2}{f_e}$$

$$critical - \chi^2_{(3)} = 7.81$$

To take the expected frequency over the four collapsed rating categories would introduce an upward bias in the test statistics. The procedure used here was to calculate the expected frequencies for the original six categories and then collapse them together as was done with the rating categories.

Because there are occasional strong differences across Europe in terms of landscape and demographic characteristics, it is sometimes instructive to break-out the combined preference responses into regions. Four European regions were distinguished based on survey responses: UK (Britain, Scotland, and Ireland), North (Germany, Netherlands, Northern France, Belgium), South (Spain, Portugal, Southern France, Italy) and East (Czech and Slovak Republics, Romania, Bulgaria, Poland, Hungary, Slovenia). The small sample size makes this exercise illustrative rather than statistical in portraying regional heterogeneity.

## Rural Development Preference Ordering

### *Who Should Benefit?*

The beginning point of any discussion of rural development should be to clearly identify the intended beneficiary(s) of rural development policy. After all, if we say there is a problem with rural areas, we had better be prepared to state who is facing the problem. Should the majority of a country's citizens (who reside in cities) benefit? Should the rural poor benefit? Or, should rural places (the owners of the immobile rural land and capital) benefit?

From the perspective of the economist, the question of who should benefit has a clearly normative component, and is, like definitions of rural economic development, closely associated with distributional and efficiency concerns (Shaffer, 1989). Meanwhile, it is the political economy surrounding rural policy that ultimately determines who benefits most, perhaps somewhat irrespective of social welfare considerations. The result is that farm policy is often recast as rural policy. However, urban influence may begin to have greater impact on the direction and form of rural policy.

The preference ranking resulting from the survey question of who should benefit most from rural development is presented in Table 1. The test of the hypothesis that the top ranked response category distribution is equal in population is rejected with a Chi-squared test statistic of 11.43, easily exceeding the critical value.

Table 1 Rank the following groups according to your opinion of the priority they should have in rural development (*percent*)

	Highest Priority	Mixed	Lowest Priority	Don't Know
Farmers	53	19	9	19
Immobile rural citizens	44	25	16	16
Rural poor	41	28	16	16
Rural non-farm business or industry	38	25	19	19
All citizens equally	34	13	25	28
Mobil rural citizens	25	19	34	22
Nature lovers, environmentalists, future generations	19	19	31	31

There are three striking results of the preference ranking. The first is that farmers are considered to be the most in need of rural development assistance. It is surprising because farmers as a group are probably among the highest net worth individuals in many rural places and rarely comprise the majority of the rural population. Following by ten percentage points are immobile rural citizens, probably composed mainly of pensioners, and the rural poor. These two groups, who are by no means mutually exclusive, are arguably the most economically disadvantaged groups in rural communities and normally are neither producers nor landowners. Clearly, the connection between rural economic development and agricultural activities remains strong.

The second notable result is that there is a surprisingly high degree of uncertainty among economists as to who should benefit most from rural development. Even the first ranked choice barely exceeds 50 percent while the "don't know" category ranges between 15 to 30 percent. This uncertainty as to who the target stakeholders are in rural development not only makes it difficult to select effective strategy but also to evaluate the success or failure of policy.

The third interesting result is the low ranked position of nature lovers and environmentalists. This group is generally comprised of urban consumers, who are the majority of the population, of rural amenities. Whether or not one believes they should rank highly among beneficiaries of rural development, there are indications they are beginning to exercise increasing influence in the sphere of public policy regarding rural areas, particularly in environmental and animal husbandry regulation. If this trend continues to the extreme, then the type of rural development policy supported will depend on the degree to which the needs of the rural population coincide with the desires of the urban population and their frequently nostalgic vision of the rural landscape (Freshwater, 2000).

A different impression is given when considering regional differences in attitudes about who should benefit from rural development, as shown in Table 2. Those in the South and East are most concerned about farmers, perhaps a reflection that farming in those regions may be comparatively more important in the rural economy, that individual farm holdings may be smaller, and that the wealth of farmers, particularly in the East, may be lower than elsewhere in Europe. Preferences in the other two regions seem to be more oriented towards distributional and equity considerations and more inclusive of beneficiaries.

Table 2 Highest Priority Group for Rural Development by Region (*percent*)

Response / Region	Europe	UK	South	East	North
Farmers	53		64	67	
Immobile rural citizens		67			
Rural poor		67			
All citizens equally					55

### *Rural Development Problems*

Realistic objectives and effective development strategies should follow naturally from a well defined and broadly accepted identification of the most significant problems faced by rural areas and, as defined previously, people. Table 3 presents the distribution of ratings for the seventeen responses to the question of what are the rural development problems in the respondent's region. A Chi-squared test statistic of 10.68 was calculated from the rating distribution of the top ranked response category. The statistic exceeds the critical value suggesting that the distribution of observed frequencies is not a chance result but an underlying preference of the population.

The responses indicate that no one problem is overwhelmingly identified as being the most significant, although there is more agreement as to which problem categories are least significant. In fact, only two problem categories exceed the median ("mixed") level of concern. The lack of market rewards to land stewardship followed by rural employment were rated the two most significant rural development problems. Interestingly, poverty among farmers was rated eleventh despite farmers being identified, in aggregate, as the most important beneficiary of rural development.

The weak identification of rural development problems may be due to differences in perceived problems found in different regions of Europe. Data in Table 4 show that regional differences do exist and help explain why on aggregate no single problem has overwhelming priority. Yet, the strength of rural problem identification varies widely: 100% of respondents



from the UK rated the lack of rewards to land stewardship of highest significance while the same top rated category in the South region garnered only 45.5%.

Table 3 Rank the following according to your opinion of their significance as a rural development problem in your region (*percent*)

	Most Significant	Mixed	Least Significant	Don't Know
Land stewardship not rewarded by market	47	31	9	13
Rural under- and unemployment	38	31	25	6
Rural environmental degradation	34	38	25	3
Monocrop externalities	34	34	28	3
Disenfranchisement of local citizens	28	22	34	16
Rural depopulation or rural-to-urban migration	25	25	34	16
Idle farm land	25	25	34	16
Sub-standard rural housing, infrastructure, or public services	25	38	28	9
Poverty among the rural non-farm population	22	19	53	6
Time consuming or costly rural-to-urban commute	22	28	41	9
Poverty among rural farmers	19	28	47	6
Vacant rural commercial and/or industrial property	13	25	50	13
Absentee landlords or rural gentrification	13	16	53	19
Rural social problems	13	9	63	16
Rural cyclical busts/booms too strong	9	13	50	28
Unacceptably skewed rural income distribution	6	31	47	16
High rural cost-of-living	3	16	66	16

Only in the East was employment given a top ranking as a significant rural development problem. Such a regional concern appears consistent with experience in Eastern Europe where structural adjustment in the economy has resulted in a substantial labor surplus and hidden unemployment in rural areas.

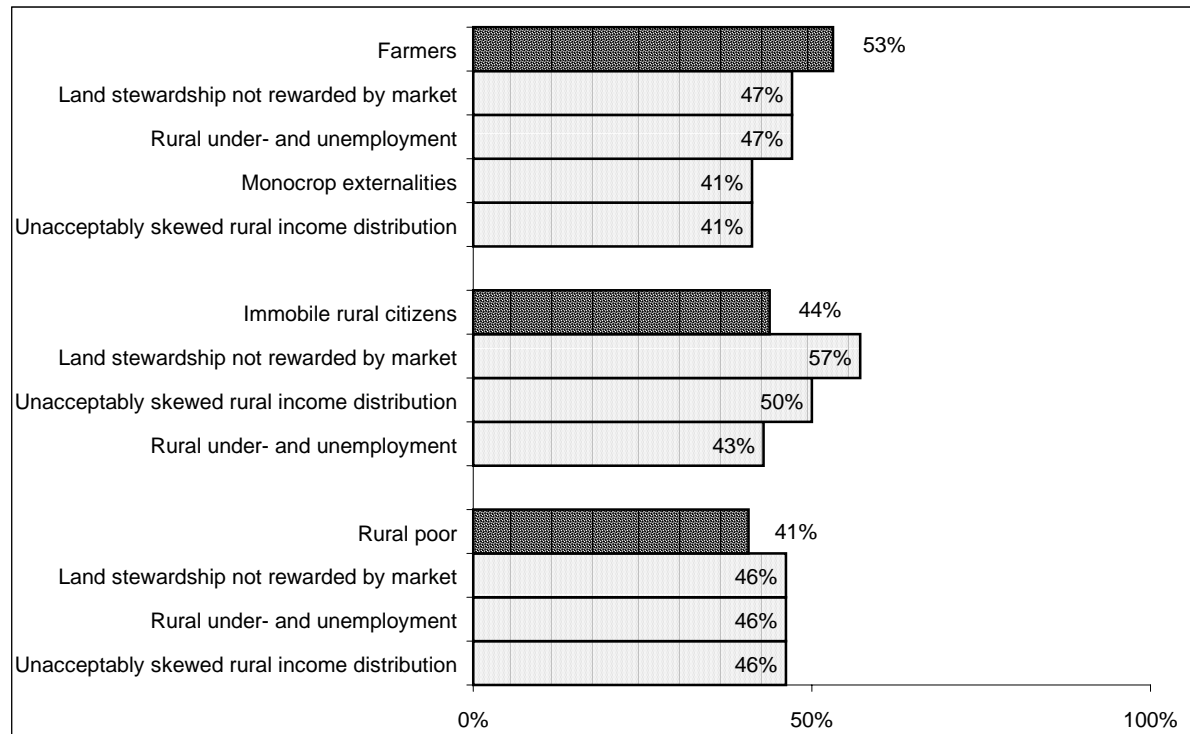
Table 4 Most Significant Rural Problem by Region (*percent*)

Response / Region	Europe	UK	South	East	North
Land stewardship not rewarded by market	46.88	100	45.45		
Rural under- and unemployment				66.67	
Rural environmental degradation					54.55
Monocrop externalities					54.55

The lack of market rewards to responsible land stewardship and concern with environmental effects of agriculture are the most important problems identified in other regions. The first is the hallmark catchphrase associated with the notion of multifunctional agriculture. The concept of multifunctionality is most clearly identified with farmers and farming practices (OECD, 2001). So while the connection in the South between farmers as the main beneficiaries of rural development and land stewardship compensation as a problem is clear enough, the correspondence indicated by UK respondents between the rural poor and immobile rural citizens with land stewardship is less obvious. Of course, a wider audience is thought to benefit from the supply of positive externalities arising out of the joint nature of agricultural production. In some cases these externalities have been interpreted broadly to include not only landscape and environmental attributes of agriculture but also aspects of rural economic activity and employment.

The starkness of the preference structures between who should benefit and what rural problems are most significant at the regional level may appear stronger than intended by the respondents. These distinctions may be further explored by associating the ranking of rural development problems using only the responses given by those who ranked each benefit group most highly. Figure 1 presents these correspondences for the three top rank beneficiary groups.

Figure 1 Correspondence between Top Ranked Beneficiary with Rural Problems



Again, the lack of market rewards to land stewardship is identified as the most important rural development problem associated with farmers, immobile rural citizens, and the rural poor. However, except in the case of immobile rural citizens, it is often tied with other identified problems including concerns about rural employment opportunities and income distribution.<sup>1</sup> From this perspective, regardless of who the preferred beneficiary is, there seems to be general agreement in terms of what groups of problems they face.

### *Rural Development Objectives*

The next question asked respondents about their most preferred objectives, or goals, of rural development. Objectives should address the identified problems facing rural areas and help provide guidance in choosing appropriate strategy. The distribution of the rankings for ten suggested development objectives is presented in Table 5. The null hypothesis that the distribution of observed frequencies for the top ranked response is equal across rating levels is convincingly rejected ( $\chi^2=29.9$ ).

<sup>1</sup> The order of the problem statements in the case of ties is determined by comparing the ranks of lower preference indications (i.e., “mixed” and then “least significant”).

Table 5 Rank the following objectives according to your opinion of the priority they should have in rural development (*percent*)

	Highest Priority	Mixed	Lowest Priority	Don't Know
High quality rural environment and biodiversity	69	22	3	6
High quality rural community life	69	19	13	0
Rural social equity (within rural and between rural/urban)	59	13	19	9
Full employment of rural labor	53	31	13	3
Beautiful rural landscape	50	19	19	13
Equal rural and urban political power	34	19	25	22
Preserved traditional rural occupations	28	38	22	13
Equal rural and urban incomes	25	34	31	9
Full occupancy of rural farm, commercial, industrial and/or residential land	22	41	25	13
Equal rural and urban population growth rates	13	13	56	19

In aggregate, there is much more agreement and less uncertainty as to what respondents believe the rural landscape should look like. One observation to note is that, while ranked equally at the high end of the scale, characteristics of the rural physical environment slightly surpass that of the rural human environment (community life), although the following two objectives do augment concerns about the condition of rural residents. Nevertheless, one wonders how rural residents themselves might rank rural environment and biodiversity relative to community life, social equity and employment opportunities.

In addition, while farmers may be seen as having the greatest priority in rural development, the preservation of traditional forms of rural employment (such as farming) is not ranked all that significantly. This may reflect, through ideas such as multifunctionality, that the role of the farmer/producer is changing from that of a resource extractor to a more explicit and guided stewardship role that is consistent with the provision of biodiversity and landscape amenities.

Rural development objectives viewed from a regional perspective in Table 6 closely mirror the aggregate response with the exception of the East. There, community life and employment objectives dominate those of the environment. Again, this may be a likely consequence of a much different rural economic condition than currently experienced in other areas of Europe.

Table 6 Highest Priority Rural Development Objective by Region (*percent*)

Response / Region	Europe	UK	South	East	North
High quality rural environment and biodiversity	69	67	91		64
High quality rural community life	69			83	64
Rural social equity		67			
Full employment of rural labor		67		83	

### *Rural Development Strategies*

Developing effective strategies is probably the most important yet difficult aspect of rural development. It is generally agreed that development strategies need to be fairly closely tailored to the specific target environment in order to be effective. But to suggest that each situation is unique unto itself leave few opportunities to apply lessons learned in one place to

another. There are also practical and theoretical questions about the effectiveness and desirability of national, “top-down” versus local “endogenous” development strategies. On the other hand, partnership strategies entail their own set of shortcomings and advantages and can hardly be viewed as a safe “median” position between national and local. Finally, do certain strategies lend themselves to solving a number of diverse problems or does Tinbergen’s (1952) thesis of an instrument per objective hold fast?

To better understand how European rural development economists resolve these issues, survey respondents were asked to rank twenty-three rural development strategies in terms of their effectiveness. The distribution of frequencies of the top ranked strategy presented in Table 7 is significantly different from an equal proportional distribution in population ( $\chi^2=38.53$ ).

Relative to previous questions, queries about strategy elicited the strongest response among the survey questions. Seventy-five percent of respondents ranked investment in human capital and rural municipal infrastructure as the most effective strategy. Environmental regulation and capacity building of local leadership closely follow these.

Table 7 Rank the following rural development strategies according to your opinion of their effectiveness (*percent*)

	Effective	Mixed	Counter-productive	Don't Know
Invest in rural human capital	75	19	3	3
Upgrade rural municipal infrastructure	75	19	3	3
Regulate to preserve rural environmental quality	69	25	3	3
Develop local citizenship/leadership	69	19	3	9
Certified labeling of the geographic origin of products	66	22	3	9
Rural product export promotion	66	16	13	6
Subsidize rural social services	59	28	9	3
Incentives for tourism development	50	28	9	13
Reforestation or other rural environmental amelioration projects	50	25	16	9
Subsidize rural telecommunications infrastructure	50	22	19	9
Area use designations, zoning, parks	47	28	16	9
Subsidize human or commercial transportation	47	13	31	9
Public facility decentralization	41	38	9	13
Incentives for rural non-basic activities	41	31	16	13
Incentives for rural manufacturing	31	44	16	9
Support farm prices or incomes	28	31	28	13
Provide incentives for rural out-migration	28	25	28	19
Common currency (Euro)	25	25	22	28
Regulate against absentee ownership of rural property	25	19	41	16
Nation-wide (binding) minimum wage	22	19	41	19
Subsidize rural housing	16	44	28	13
Protectionism against imports	9	22	63	6
Incentives for urban residents to move to rural communities	6	34	44	16

One observation drawn from those responses with ratings of 50% or more is that broadly defined strategies which focus on “place” outnumber those that focus either on “people”, the condition of the environment, or welfare transfer. This distinction might be significant depending on what strategy is considered to be the primary catalyst for changing the

economic environment of rural areas and providing it with a useful economic function (Freshwater, 2000a).

Environmental strategies are interesting and may be considered somewhat separately in the context of rural development since environmental attributes by themselves have little economic value for rural people unless they are also valued by urban citizens. Only then, through mechanisms such as rural tourism, lifestyle choices or direct compensation, are significant economic benefits realized. There is also a strong regulatory component to the preferred environmental strategies. This coercive element might imply that negative externalities are large, that private benefits of environmental quality (such as sustainability) are low, or that existing rural or agricultural policy distorts incentives to manage environmental quality. It is true, however, that environmental attributes are being viewed as an increasingly important feature of rural areas but this concern is likely being driven more by non-rural populations who may be more concerned with preservation than strictly with economic development (Freshwater, 2000b).

Among the least preferred strategies is found import protectionism, a restatement of the idea that the gross benefits from open trade are great enough to justify losses in particular locations. Or put another way, that the benefits accruing to industry and places protected are not great enough to justify the loss in overall consumer welfare. This serves as an indictment of agricultural protection (or protection of other extractive activities typically taking place in rural areas) as being justified in terms of productive rural development. On the flip side is tacit acknowledgement that rural places should be more or less fully exposed to economic shocks originating in the global economy. This point is important since it is precisely such narrowly specialized export orientated rural places that are most vulnerable (Jacobs, 1984).

Differences in regional strategy preferences are fairly pronounced as demonstrated in Table 8 and gives one indication why efforts to settle on a preferred European strategy may be somewhat difficult. While the UK region respondents have indicated a general preference for a bundle of strategies, the other regions have each focused strongly on one or two different strategies. The preference in the East for environmental regulation is interesting since this strategy does not seem to follow the preferred regional objectives of rural labor employment and quality rural community life. Similarly, the regional objective of high quality rural environment and biodiversity in the South seems to be only weakly supported by the choice of strategy.

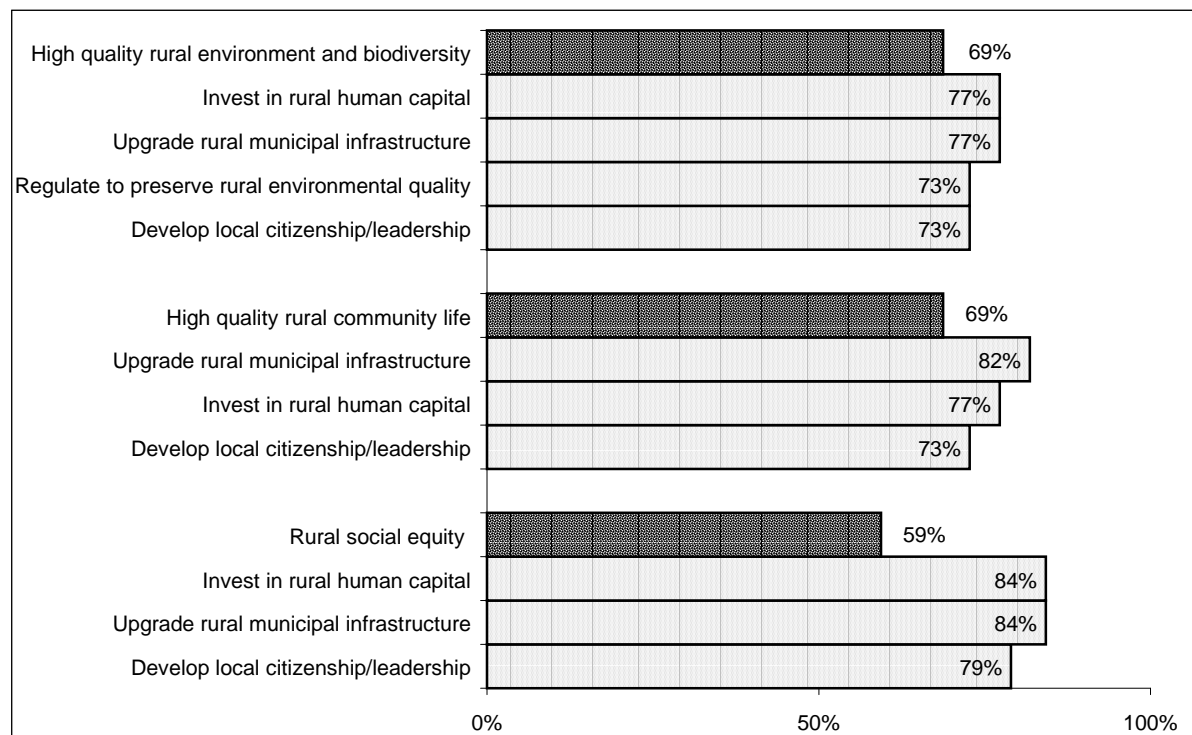
Table 8 Most Effective Rural Development Strategy by Region (*percent*)

Response / Region	Europe	UK	South	East	North
Invest in rural human capital	75	67	82		
Upgrade rural municipal infrastructure	75	67	82	83	
Regulate to preserve rural environmental quality		67		83	
Develop local citizenship/leadership		67			82
Certified labeling of the geographic origin of products		67			
Rural product export promotion		67			

As alluded to above, the question of appropriate strategies is important in understanding why or why not rural development initiatives might fail to produce desired outcomes. Figure 2 attempts to further examine if there is any disconnect between preferred strategies and stated objectives by associating the top ranked strategies with highly ranked objectives across respondents.

Of the twenty-three different strategies, three were chosen as being most effective for each of the three most important objectives, although they were ranked in a slightly different order between the objectives. Only one strategy, environmental regulation, was unique to the mix. This begs the question of whether the objectives are so closely related as to essentially mean the same thing (which does not seem likely) or whether this choice of strategies reflects purposeful consideration of strategies that are broadly applicable to a number of rural objectives and circumstances (Freshwater, 2000b). Or more cynically, to what extent does this selection of strategies reflect current funding opportunities rather than application of theory and experience to rural development problems and objectives?

Figure 2 Highest Ranked Strategies by Highest Ranked Objectives (percent)



### *Budget Allocation Criteria*

How does one decide which rural areas should benefit from EU funding of their development strategies? The question inquires about the degree of transparency involved in funding projects and whether there are generally accepted standards that help prevent rent seeking. Table 9 presents the outcome of this question posed to our European respondents. Again, the distribution of frequencies of the top ranked response is significantly different from an equal distribution drawn from population ( $\chi^2 = 17.04$ ).

Means testing as the allocation formula emerges as the most preferred option, followed by a case-by-case consideration of funding requests. Historical and land area shares are least preferred which is sensible because the implication otherwise is that improvement in the rural condition cannot be made over time. These preferences are strong across regions as demonstrated in Table 10. Only in the East is case-by-case chosen while the UK respondents prefer the application of a number of different, yet complementary, allocation criteria.

It is interesting to note that while means testing was most preferred, GDP shares and population ranked fairly low. It is these latter two measures that are used in the determination of which European regions qualify as being rural and eligible for assistance from the budget.

Table 9 Rank the following budgetary allocation formulas for rural development according to your opinion of their appropriateness for the European Union (*percent*)

	Best	Mixed	Worst	Don't Know
Means tested (i.e. according to need)	59	16	9	16
Case-by-case basis	47	22	19	13
Magnitude of local match or self-help	44	22	16	19
Outcomes based (i.e. highest payoff)	34	16	16	34
Population	31	22	34	13
GDP shares	16	19	44	22
Land area shares	9	16	59	16
Historical shares	3	3	78	16

Table 10 Most Appropriate Budgetary Allocation Formula for Rural Development by Region (*percent*)

Response / Region	Europe	UK	South	East	North
Means tested (i.e. according to need)	59	67	64		73
Case-by-case basis				67	
Magnitude of local match or self-help		67			
Outcomes based (i.e. highest payoff)		67			

### *Diagnosing Rural Development Problems*

Finally, the last question to be considered is whom do we believe is best at being able to identify and diagnose rural development problems. The survey results are given in Table 11. There is a clear bias towards those entities and people who specifically live in or work on issues relevant to rural areas. It is note-worthy that university faculty rank higher than officials elected by their rural constituents who presumably have higher diagnostic skills than either of the former groups. For the most part, this outcome reflects a grass-roots orientation to rural development policy.

Table 11 Rank these public servants and entities according to your opinion of their ability to diagnose rural development problems (*percent*)

	Excellent	Mixed	No Ability	Don't Know
Local development organizations	78	6	13	3
Rural citizens	63	28	9	0
Universities and their faculty	56	16	25	3
Local elected officials	47	31	16	6
Regional or national development agencies	44	34	19	3
Business-agency partnerships	28	31	25	16
Civic and volunteer organizations	28	28	31	13
City and/or regional planners	25	44	28	3
European Community project personnel	22	28	38	13
Private consultants	19	34	34	13
Charitable entities	16	59	16	9
National government administrations or bureaucrats	9	31	53	6

## Comments/Summary

The survey results highlight the diversity of opinions across Europe about rural development objectives, challenges, and strategies. The following paragraphs consider responses by region. We conclude with a few implications for the new CAP.

United Kingdom respondents' values are dispersed across rural environment and biodiversity, social equity, and full employment. They all agree, however, that the main rural development problem is that the market does not reward land stewardship. They do not agree about effective strategies, but do agree that the beneficiaries should be the rural poor, especially the immobile.

Southern European respondents value the rural environment and biodiversity most. They also identify the lack of market rewards to land stewardship as the worst problem, but not as intensely as the UK respondents. They focus investments in human capital and rural municipal infrastructure as the most effective strategies, and identify farmers as the beneficiaries to target.

Eastern European respondents value rural community life and rural full employment most. They identify rural unemployment as their most significant problem. They believe that the most effective rural development strategies are to upgrade rural municipal infrastructure and to regulate environmental quality. Like the Southerners, they too identify farmers as the target beneficiaries of rural development.

Northern Europeans value the rural environment, biodiversity, and rural community life most. They identify rural environmental degradation and externalities from monocropping as their most significant problems. They believe that developing local leadership capabilities is the more effective rural development strategy. And they think rural development policies should benefit all citizens equally.

European policies have indeed focused on farmers, consistent with the preferences of Southern and Eastern European agricultural economists. CAP spending has been almost exclusively on the support of farm prices and farm income. This strategy, however, was considered to be counterproductive by as many specialists as considered it effective at achieving rural development objectives. Completely different strategies were suggested.

While each region has its own goals and problems, some concerns and interests are shared. This survey suggests that European policy makers should continue to work towards providing higher rewards to land stewardship and rural environmental management. It also suggests that they consider expanding CAP support of rural training programs, investment in rural infrastructure, and development of local leadership capacity.



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