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EVALUATION OF *RURAL DEVELOPMENT PROGRAMMES* FAILURES WITHIN THE 2007-13 REGIONAL POLICY FRAME.

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Abstract— New 2007-13 planning framework of the EU keeps using economic criteria (GDP) to identify those regions requiring priority attention (convergence objective). Although these criteria are useful for the overall Regional Policy, nevertheless it might result some planning failures of the strategies of rural development.

This work focuses in evaluating possible failures of the Rural Development Programmes. For this purpose, a wide range of member Estates and Regions has been selected and two analysis have been applied: first, the coherence analysis (in relation to the economic, social and environmental situation of territories); and second, the conflict (among the rural territories development objectives) analysis.

As result of this evaluation, a typology of the analysed Rural Development Programmes will be shown, which identifies different cases of failures. This work concludes that the use of methodological criteria in Regional Policy complementing to the Efficiency criteria might improve the territorial cohesion process and reduce some of the analysed failures in rural areas.

Keywords— Rural Development Programmes, Regional Policy, European Union.

I. INTRODUCTION.

European Union Council approved new Regulations for Structural Funds and Cohesion Fund in next 2007-13 period, defining content of new Regional European Policy and, under general Regulation, characteristics of regions to be financed under new regional policy objectives: Convergence; Regional Competitiveness and Employment and Territorial European Cooperation¹. Indicator used for differentiation is an economical criteria, Gross Domestic Product (GDP). The definition established

in the regional policy affects application of other policies such as rural development.

Council of Agriculture adopted also a reform, reflecting conclusions of Salzburg Conference on rural development and the strategic orientations of the European Councils of Lisbon and Gothenburg². There are fixed for this period three principal objectives: to increase competitiveness of agricultural sector; management of environment; and diversification and quality of life in rural zones. Provided that application of Rural Development Policy is based on objectives not only economic but also social and environmental, it becomes necessary regions classification might integrate, under Regional Policy, these other considerations.

Application of new European Rural Development Policy will realise by means of different *Rural Development Programs* (RDPs) that they will include a thematic Axis for every fundamental objective. These will be complemented each other with a methodological Axis dedicated to LEADER approach. There is an available package of Rural Development Measures in each Axis. States establish Rural Development Programs national or regional, selecting measures that better answer to rural area needs and taking into account priorities and strategies concentrated on strategic national plans of rural development.

Nowadays, they are formulated or approved already majority of RDPs 2007-13 in different European territories, so much for the content of measures that will integrate like for financial volume of those and Programs. In this context it seems to be suitable possibility of analyzing a series of RDPs distributed in different territories of EU.

A. Objectives. Methodology.

Main objective of this research is based on the answer to the following question: *Are RDPs to apply in the next period of programming 2007-13 formulated adequately in relation by needs of territories where they are going to be applied?*

Scientific literature establishes as Development Objectives the following ones: Efficiency, Equity and Sustainability. These Development Objectives are in conflict because achievement of anyone implies reducing level of someone of others. For this reason, the form how these objectives are combined turns out to be important at the moment of formulating a public policy and, therefore, at the moment of evaluating it.

To achieve that main objective, it is considered necessary to cover the following partial objectives:

1. *To identify a reasonably representative set of rural territories of the diversity of rural European territories*, to different scales (regions or States), and to obtain a typology of the same ones with regard to Development Objectives (Typology A).

Typology A of Territories is based on three indexes designed: *Differential Value of the Territorial Efficiency (Ft)*; *Differential Value of Territorial Equity (Qt)*; and *Differential Value of the Territorial Sustainability (St)*.

These indexes are constructed through European indicators according to the importance in relation to each Development Objective³; it is quantified relatively situation of every territory situation with regard to set of ten territories average.

2. *To elaborate a typology of RDPs on the basis of conflict that could exist between Development Objectives* (Typology B).

Typology B of RDPs is also based on three indexes: *Differential Value of the Program Efficiency (Fp)*; *Differential Value of the Program Equity (Qp)*; and *Differential Value of the Program Sustainability (Sp)*.

They are designed taking into account RDPs analyzed comparatively according to the Conflict between Development Objective⁴. For it: it is established relative contribution of every rural development measure (adopting a series operative criteria in order to this research); and it is quantified

relatively contribution of every RDP to each Development Objective.

3. To identify a typology of RDP's Strategies (Typology C) and to determine relevancy of the groups of RDPs in relation with socioeconomic and environmental situation of territories where they are going to be applied.

For it: (i) Different substrategies are identified; it is compared territory and RDP's situation. Identification of substrategies is realized so much by the positive or negative character of the Territories as of the RDPs. They can be: In case of values of opposite sign, Complementary Substrategies: A ("Towards other objectives") or B ("Improvement of the Objective"); In case of values of the same sign, Antagonistic Substrategies called are identified: C ("Reinforcement of the Objective") or D ("Weakening of the Objective"); and (ii) It is established finally a Typology C of RDP's Strategies according to Development Objective, relevancy being valued.

II. ANALYSIS OF EUROPEAN TERRITORIES: DEVELOPMENT OBJECTIVES MEASUREMENT.

It has been chosen four members states at European level: *Spain, Hungary, Ireland and Italy*. Spain and Italy apply rural development policy thorough regions. Five regions NUTS 2 have been selected in Spain (Andalusia, Asturias, Castile-Leon, Basque Country and Navarre); they contemplate diversity of the regional policy programming. Italy is also characterised by decentralized application of rural development policy across programs in 21 regions NUTS2; it has been selected three placed ones geographically in different parts of the country; they also contemplate regional policy diversity (Campania, Marche and Piedmont). States of Hungary and Ireland apply an only RDP to the set of the regions.

It is determined *fifteen European indicators* considered according to the importance in relation to each Development Objective. These indicators and their importance are shown in Table 1.

Table1. Indicators to determine Territories situation.

Dev. Objective	n°	Indicator	Importance (%)
Efficiency (100)	1	Purchasing Power Parities/inhab.	40
	2	Lab.productivity/person	20
	3	Percentage of GDP	20
	4	Motorways&Rail Length	10
	5	Number of holdings >= 40 ESU	10
Equity (100)	1	Employment rate	30
	2	Students at ISCED levels 5-6	20
	3	Number doctors/100.000 hab.	20
	4	Female&Agric.holders<35years	10
	5	Internet access house (%)	10
Sustainab.(100)	1	Natura 2000 over total Area	40
	2	Agricultural Area in Mountain Area	25
	3	Waste collected	15
	4	Organic Farming/UAA (%)	10
	5	KgN/ha Agricultural area	10

EUROSTAT, European Environment Agency.

Source: Own production.

Regions and States are analysed according to Development Objectives. It is decided value of three indicators (Ft, Qt and St) and it is produced a typology of territories with regard to Development Objectives. In the group of *positive Efficiency* it emphasizes Navarre, Castile-Leon, Piedmont, Ireland and Basque Country. Navarre is characterized by positive values in Equity and Sustainability. *Negative Efficiency* group is integrated by Marche, Asturias, Hungary, Andalusia and Campania. Also it is subdivided in two subgroups according to Equity and Sustainability values.

Table 2. Typology A: Territories according to Development Objectives.

Group	RDPs	Efficiency	Equity	Sustainab.
		Ft (%)	Qt (%)	St (%)
I. Positive Efficiency (E+)	Navarre	22,4	8,3	3,5
	Castile-L	12,3	2,4	-1,7
	Piadmont	22,2	2,3	-20,0
	Ireland	29,8	0,7	-52,9
	Basque C.	5,9	-3,4	23,1
II. Negative Efficiency (E-)	Marche	-10,0	3,3	-4,9
	Asturias	-15,9	4,7	35,7
	Hungary	-31,2	-10,2	-26,2
	Andalusia	-14,4	-4,9	22,0
	Campania	-21,1	-3,2	21,5

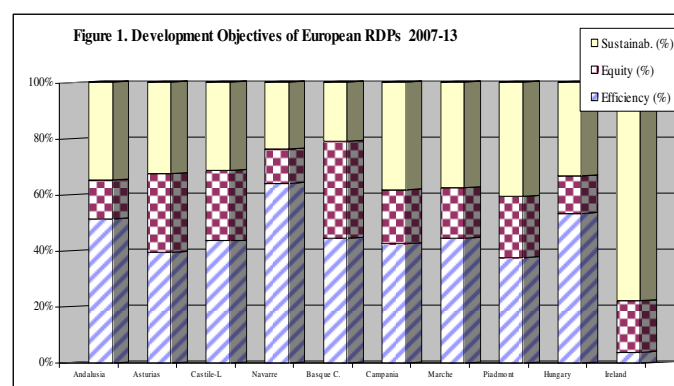
Source: EUROSTAT. Own Production.

III. RDP's ANALYSIS ACCORDING TO CONFLICT BETWEEN DEVELOPMENT OBJECTIVES.

Quantitative and relative funds volume destined to each Development Objectives are obtained applying operative criteria to relative contribution of every rural development measure. It has thought that measures integrated to Axis 1 (improvement of the competitiveness) contribute most part to the Efficiency objective, except those of subAxis 12 (human potential) and 13 (Quality) that do it also to Equity. Axis 2 Measures (improvement of the environment and rural environment) contribute almost exclusively to Sustainability. Those of Axis 3 (Diversification and quality of life in the rural zones) contribute according to both subAxis integrated to the above mentioned Axis: Diversification measures exclusively to Efficiency and quality of life and formation and acquisition of capacities measures do it to Equity. Finally, methodological Axis LEADER measures, and especially measures directed to subAxis 41 (local strategies), contribute to each DOs according to obtained results in the application of three Axis.

RDPs destine 42,6 % to the attainment of the Efficiency. Ireland only destines 3,7% funds. RDPs that destine to Efficiency over average value are Hungary (53%) and Andalusia (51%); they are convergence regions. Asturias destines a percentage (39,5%) lower than average value of the RDPs in spite of being qualified as convergence region (phasing-out). It does not happen in case of Navarre, Marche and Castile-Leon that, not being qualified as convergence, they destine to Efficiency a percentage superior to European average, reducing funds in the attainment of Equity and Sustainability objectives.

Sustainability is the second Development Objective in the RDPs with 38,9 % of funds. In this case Ireland stands out again; this time for distributing a great part of funds to this objective (77,9%). Finally Equity objective represents 19,8% of funds. Far below of this level it places Navarre (12,4%) and Hungary (13,5%) because they destine most part of funds not only to Efficiency but also to Sustainability.



Source: European RDPs. Own Production.

Each RDP is considered to be Positive (+) or Negative (-) in each Development Objective, according to value of three indexes (Fp, Qp and Sp). It is elaborated RDP's typology (Typology B). First group of RDPs - Spanish regions of Navarre, Andalusia, Basque Country and Castile-Leon and Hungary and Marche present a positive Fp value. It reaches maximum in case of Navarre (21,4). This region and Castile-Leon and Basque Country also present positive Ft value. They have taken fundamentally decision to prioritize this Development Objective. It would seem to be coherent in those qualified as convergence, only Andalusia and Campania. Second Group is integrated by RDPs whose Efficiency values are negative.

Table 3. Typology B. RDPs according to Development Objectives.

Group	RDPs	Efficiency		Equity		Sustainab.	
		(%)	Fp	(%)	Qp	(%)	Sp
I. Positive Efficiency (E+)	Navarre	63,8	21,4	12,4	-8,1	23,7	-13,4
	Hungary	53,3	10,9	13,5	-7,0	33,2	-3,9
	Andalusia	51,5	9,1	13,8	-6,8	34,8	-2,3
	Marche	44,6	2,2	18,0	-2,5	37,4	0,3
	Basque C.	44,4	2,0	34,5	14,0	21,1	-16,0
	Castile-L.	43,5	1,1	25,0	4,5	31,5	-5,5
II. Negative Efficiency (E-)	Campania	42,4	-0,02	19,4	-1,1	38,2	1,1
	Asturias	39,5	-2,9	28,1	7,6	32,5	-4,6
	Piadmont	37,4	-5,0	22	1,5	40,6	3,5
	Ireland	3,7	-38,7	18,4	-2,1	77,9	40,8
Average		42,4		20,5		37,1	

Source: European RDPs. Own Production.

IV. VALUATION OF RDP's RELEVANCY WITH REGARD TO TERRITORIES.

Different substrategies are identified if it is compared territories situation with RDPs according to every Development Objective. RDPs can be grouped in two groups (Efficiency and Sustainability).

First group is characterized by a Strategy related to Efficiency Objective: *improvement* in case of Andalusia, Hungary and Marche (sub-strategy B) and *reinforcement* in Castile-Leon, Navarre and Basque Country (sub-strategy C). Andalousie, Hungary and Castile-Leon RDPs debilitate at least a Development Objective. Hungary does it in two, Equity and Sustainability. Although Navarre' territory presents positive situation in three Development Objectives, its RDP directs an enormous quantity of resources towards Efficiency (63,8%). Castile-Leon's territory presents a positive situation in Efficiency and Equity and negative in Sustainability; RDP's strategy, based in the reinforcement of Efficiency and Equity, it drives to debilitate even more Sustainability. For this reason, RDPs' relevancy is valuated as Low (Hungary, Castile-Leon and Navarre).

It is qualified a medium relevancy in Basque Country and Marche. Basque Contry's RDP penetrates into Equity objective, taking into account that the rest of Development Objectives are positive. Marche's RDP plan a coherent programming because it penetrates into initially low objectives (Efficiency and Sustainability) without reducing Equity.

On the other hand, another subgroup (Asturias and Campania) is weakening Efficiency objective. Its relevancy is qualified as low because these territories are weakening efficiency and they are convergence regions.

Finally, Ireland and Piedmont raises a *strategy mainly to the improvement of Sustainability*, intensively in case of Ireland and more moderately in Piedmont. Ireland territory is characterized by positive Efficiency and Equity and low Sustainability. It programmes fundamentally towards improvement of Sustainability. Provide that Ireland is the first territory in terms of Efficiency; it

is considered that it can design a pertinent RDP. Piedmont’s territory presents same characteristics that Ireland and an acceptable strategy because it raises improvement Sustainability and reinforcement Equity without reducing Efficiency. Qualifications granted to both RDPs are high.

Table 4. Typology C: RDPs’ Strategies.

				Strategies		
				E	Q	S
I. Efficiency:	I.1. Towards Efficiency	Improvement	Andalusia	B	D	A
			Hungary		D	D
			Marche		A	B
		Reinforcement	Castile-L	C	C	D
			Navarre		A	A
			Basque C.		B	
	I.2. Weakening Efficiency	+Reinforcement Equito	Asturias	D	C	A
		+Reinforcement Sustainab	Campania		D	C
II.Sustainability:	Improvement	+Improvement Equito	Piadmont	A	C	B
			Ireland		A	

A: Towards Other DO. (+/-); B Improvement of the own DO (-/+)

C: Reinforce (+/+); and D: Weakening (-/-)

Source: RDPs, EUROSTAT. Own production.

Second subgroup of RDPs directed to the weakening of Efficiency objective is integrated by Asturias and Campania. It does not also seem to be sufficiently valid because they are considered as convergence region.

On the other hand, they are only two RDPs directed to Efficiency (Basque Country and Marche) that could be programming according not only economical situation also social and environmental situation. Analysis determines a pertinent programming in case of RDPs directed to Sustainability (Ireland and Piedmont).

For all this, it can be concluded that, existing a great variety of European RDPs and territories in the European Union, a *great part of RDPs are not coherent formulated in relation to socioeconomic and environmental situation of rural areas where they are going to be applied*. Besides it is necessary to integrate new criteria in the classification of European regions where RDPs are going to be applied. This new criteria must not be only based on economical data but also social and environmental one.

V. CONCLUSIONS.

It has been identified two big groups of RDPs in the present work. The most numerous group presents a strategy towards Efficiency objective. This would like an ideal assignment of resources in convergence regions in order to overcome 75% GDP per capita European level (case of Andalousie and Hungary). Nevertheless, advancing in the territory situation and RDPs analysis, taking into account others social and environmental indicators, obtained results show that these regions scarcely plan adequately RDPs. They are debilitating Equity, already low, to promote Efficiency. In addition Hungary aggravates Sustainability objective to obtain Efficiency. Navarre presents a GDP over threshold established for the convergence regions; so this great assignment of funds to Efficiency does not seem to be too suitable. Castile-Leon’s RDP is even less coherent because reinforcement of Efficiency is at the cost of weakening of territory’s Sustainability.

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