

Policy recommendations for supporting rural development



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Smart solutions for rural areas

Rural areas in Europe have a rich variety of natural resources, cultural heritage, food production and peaceful surroundings. At the same time, rural areas often face youth migration, poor public transport, insufficient access to health care, reliance on traditional activities and low education levels of the population. 9 interregional cooperation projects tackling some of these rural development issues have identified a variety of solutions, illustrating that there is no “one size fits all” rural strategy.

Our analysis of the results and good practices of 9 interregional cooperation projects tackling some of these rural development issues allows us to suggest **seven policy recommendations** for regional policymakers and other stakeholders to stimulate rural development.

Marie-José Zondag and Bart van Herck were contracted by the INTERREG IVC programme to analyse, benchmark and capitalise on the wealth of knowledge generated by cooperation projects in the field of rural development.

These policy recommendations are the result of a two-year analysis, providing targeted actions for those involved in this policy field.

1.

Build integrated solutions to achieve the ambitions of the Europe 2020 strategy

Rural areas depend substantially on natural resources for their economic activity. Therefore policymakers should pay close attention to integrating sustainability into their development strategy.

Due to the lower number of inhabitants, facilities and services in rural areas could be used in a more profitable way if policymakers accommodated different types of users.

→ **Rural policymakers should offer particular opportunities to link smart and sustainable growth.**

Good practice from Auvergne, France: The “Smart Working Centers” combine incubation facilities for entrepreneurs with a rural high speed internet office for the local community which enables them to (tele) work and follow (e)training: www.micropol-interreg.eu. Also other INTERREG IVC projects provide many examples of integrated solutions, combining both social and economic objectives.

2.

Formulate a specialised offer for entrepreneurs

We recommend that policymakers develop a specialised business environment to attract young people or new businesses to rural regions, e.g. by concentrating knowledge resources or by offering specialised services.

Smart Specialisation Strategy implies that each region has its own specific regional economic system, building on its territorial characteristics. For instance, rural regions modernising their agri-food or tourism sectors invest in ICT, design, marketing or new distribution channels, while regions in industrial transition stimulate cooperation where two sectors meet such as health and ICT, design and furniture or support the diversification of SMEs, e.g. from automotive to mobility.

→ **More specialised products and services allow regions to stay competitive in a more global economy.**

Good practice from Gers, France: In the “SOHO SOLO” approach the region welcomes, guides, and provides easy access to networks of (potential) teleworkers and SMEs. During the last six years this resulted in 470 new inhabitants in the Gers region: www.grisiplus.eu.

3.

Develop a diversification strategy for the rural region

We recommend that policymakers develop a business diversification strategy for their rural region to counter the negative trends affecting agriculture and rural areas, exploit strong inherent resources in new ways and adapt economic capacity. Successful rural SMEs act on a small scale, but tend towards multiple business activities, not limited to a single sector. Such SMEs draw upon distinct regional characteristics and focus on important niche markets (examples: *B2N*, *RURALAND*, *ICER* and *e-CREATE* projects).

Apart from this, we recommend that policymakers pay sufficient attention to the renewal of the existing industrial production facilities in the region.

→ As the role of traditional industrial sectors declines, all areas - including rural ones - need to consider how the specific assets and resources present within these sectors redeploy to the region's benefit.

Good practice from Östra Mellansverige (Sweden): In "Urnatur" a small-scale, high-quality eco-lodge for retreats, events and conferences supports the continued operation of a traditional farm and conservation projects. The eco-lodge increased the annual turnover from €10 000 to over €100 000: www.business2nature.eu.

4.

Invest in local and external partnerships

We recommend that stakeholders of projects invest in building partnerships. The effect of the rural development projects sometimes remains relatively limited in scale and reach. Creating partnerships helps stakeholders to upgrade the impact of their project.

→ Rural regions should **continuously reinforce local partnerships between public and private** local stakeholders (including NGOs) from the region. In Gozo (Malta) local partners provide their services such as hikes, hairdressing, baby-sitting etc. to guests at self-catering accommodation: www.cesr-project.eu.

→ Rural stakeholders should build **strategic relationships and networks with relevant knowledge centres**, within or outside the region (e.g. ENRD, ERRIN). These networks provide the necessary complementary competences and skills to further develop their activities and enhance their effectiveness for the region.

→ Rural regions should **open up to external stakeholders**, in order to bring in new flows and resources from other contexts, which would help catalysing local development processes. In the increasingly diverse and complex rural and urban economies, urban-rural flows and interrelations are ever more important.

Good practice: *e-CREATE*, Saxony-Anhalt (Germany) and Sør-Trøndelag county (Norway) teamed up with a regional university to develop an app promoting Romanesque heritage: www.e-create-project.eu.

5.

Explore all types of innovation

We recommend that policymakers are aware of the different types of innovation. The INTERREG IVC rural development projects focus not so much on technical innovation, but rather on social innovation and the development of practical and effective solutions for their region's social needs. By analysing the INTERREG projects, we found that rural regions introduce four different types of innovation:

→ **Product innovation** introduces a good or service that is new or significantly improved with respect to its characteristics or intended uses.

CesR creates new products by bringing together entrepreneurs from different sectors (slow farms): www.cesr-project.eu.

→ **Process innovation** implements a new or significantly improved production or delivery method.

e-CREATE uses new techniques and platforms such as open source for tourist routes: www.e-create-project.eu.

→ **Marketing innovation** implements a new marketing method involving significant changes in product design or packaging, product placement, product promotion or pricing.

DANTE makes heritage more appealing to tourists by telling stories: www.danteproject.eu.

→ **Organisational innovation** implements a new organisational method in the firm's business practices, workplace organisation, or external relations.

Robinwood Plus exchanges on new public/private governance models for forest management: www.RobinwoodPlus.eu.

6.

Recognise that ICT in rural areas is a pre-requisite for development

We recommend that policymakers consider ICT as a pre-requisite for socio-economic development in rural areas. ICTs are an essential tool to improve the accessibility of rural areas and to facilitate the development and maintenance of internal and external networks. ICT applications certainly help to unlock the potential of rural areas and increase their attractiveness to live, work and visit. This is widely understood by the rural community and several projects achieve interesting results in this field (*DANTE*, *e-CREATE*, *GRISI PLUS*, *Micropol*). However, this is merely a pre-requisite for regional

development. ICT does not make the decisive difference in their economic development (at most a temporary advantage).

→ **The opportunities of ICT must be fully integrated into new products and services** to have real economic or social effects.

Good practice from Sør-Trøndelag (Norway): KULMIN unlocks cultural heritage through an open source storytelling app: www.e-create-project.eu.

7.

Focus government on facilitating, rather than steering developments

We recommend that policymakers focus on facilitating and stimulating the involvement of private partners for innovative and sustainable approaches. Allowing ideas to grow and stimulating businesses to improve by providing advice, support or funding instead of creating rules, can do this. The private sector will benefit from intensive interaction and continuous dialogue among all the stakeholders, to provide them with advice and guidance on the specifics of the rural characteristics.

→ Good practice from Auvergne (France): in "Nattitude", accommodation owners (hotels, B&B's etc.) receive advice and financial support to improve their service levels. Such guidance resulted in improved occupancy rates, with participants reporting an increase in some cases from 30% to 100%: www.icerproject.eu.

Learn more, do more...

To learn more about these examples and explore further innovative good practices in supporting rural development, download the full thematic capitalisation report. The report contains further policy recommendations, an in-depth analysis of the 9 projects and a detailed description of the 9 selected good practice out of more than 150 studied.

This publication is one of a series of twelve thematic policy recommendations.

For more information and downloads, visit:

www.interreg4c.eu/capitalisation

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