



Facing demographic change

The challenge for Rural Policy and Rural Areas

Target: key drivers of change and best approach to turn agricultural diversity into a positive asset

Paola Lionetti
Paolo Ammassari

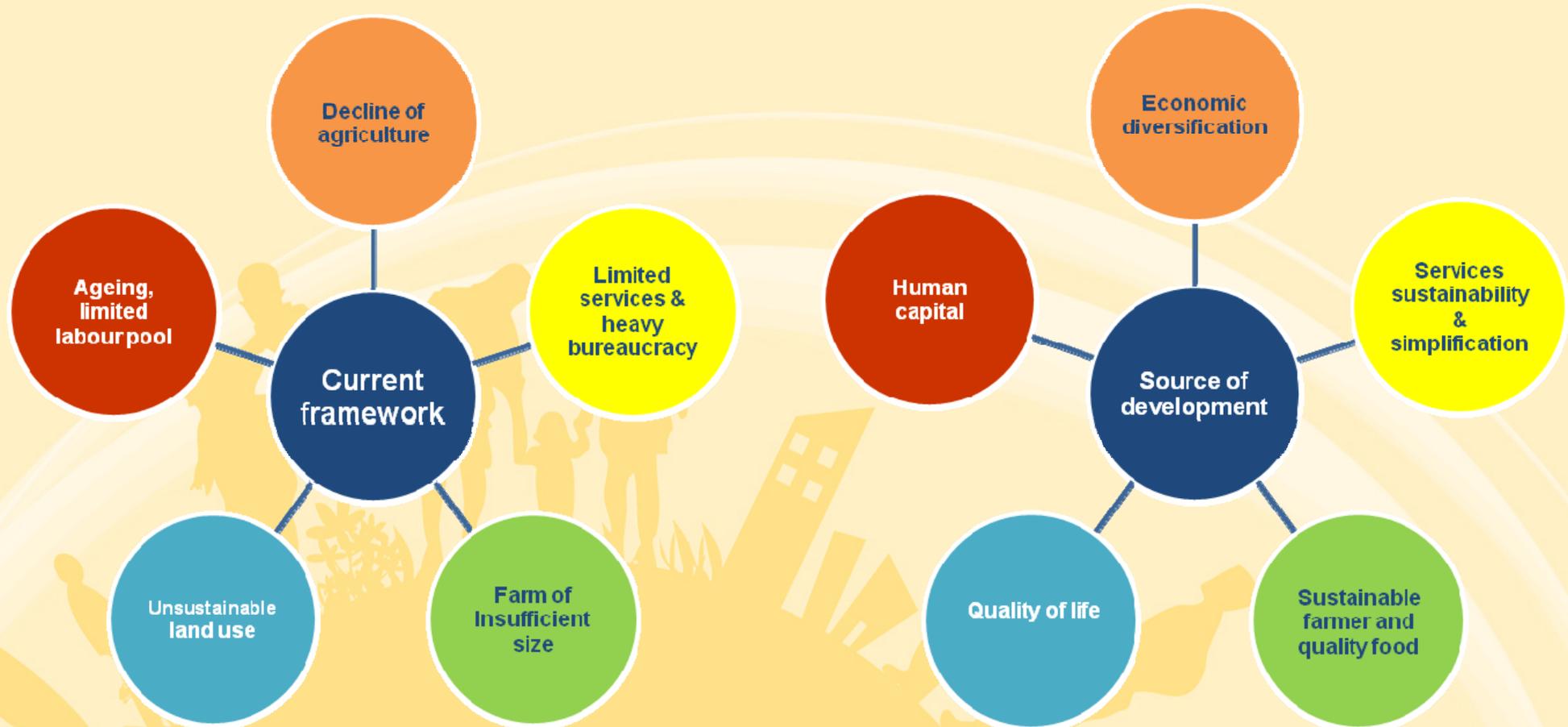
A more comprehensive approach to the territory: the role of the Rural OBSERVATORY

Given the complexity of Rural Italy, a **territorial urban/rural classification** has been provided by MoA to enable a better coherence between policy & rural areas opportunities/needs.

An **observatory** of rural areas has been implemented, within the National Rural Network, through stronger, active partnerships between all relevant Ministries, in order to identify the key economic drivers.



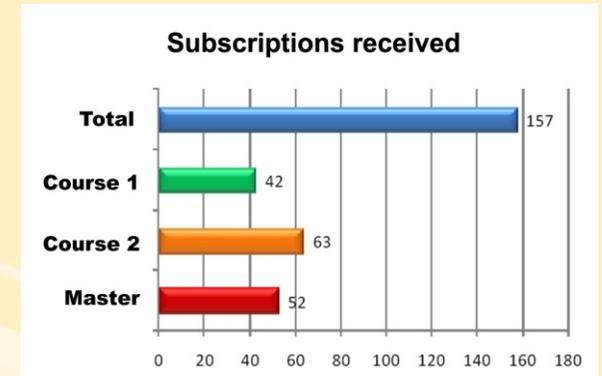
Towards a new rural development: the 5 key components



Key factors to boost demography and economy

Human capital

Target 1*	Farmers education and job match facilities
Main action	NRN strengthening of the skills (business plan, advisory services, e.learning); The OIGA master's degree programme for young farmers.
Target 2	Identification of new Job Profiles, e.g. agritourism entrepreneurs, management and operators
Main action	RDPs measure 313 Encouragement of tourism
Target 3	Give a real perspective to young farmers
Main actions	Special incentives for young farmers (5 M euro for the setting up of new farms; public land grant; call far tender for young farmers projects).
*Tools	NRN (National Rural Network) OIGA (National Observatory for Young Farmers enterprises) ONILFA (National Observatory for female enterprises)



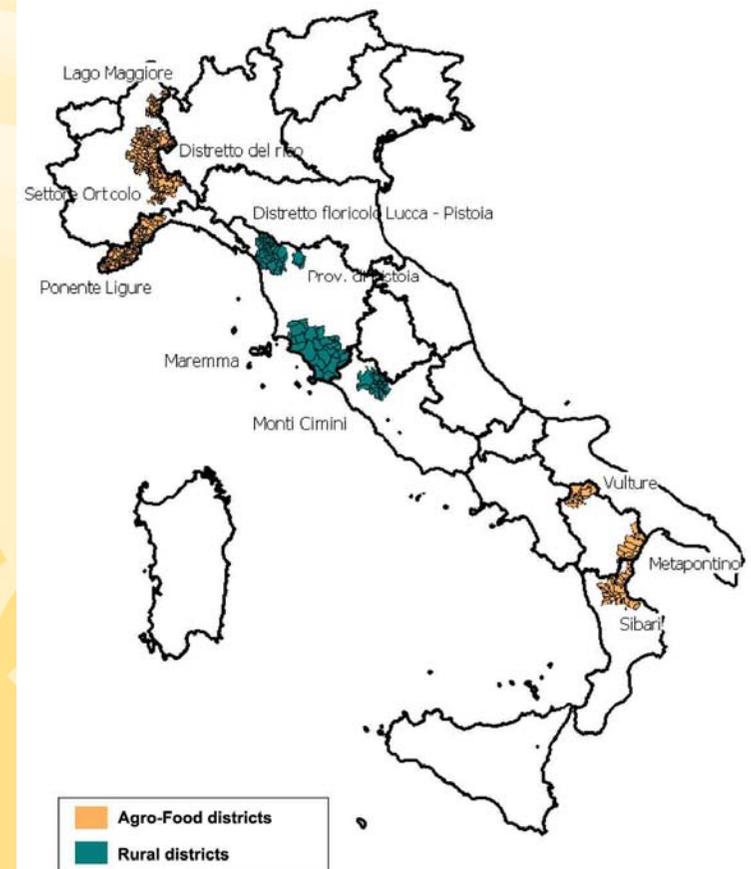
Key factors to boost demography and economy

Economic diversification

Multifunctional agriculture

Agro-Food	Agritourism	Farming for Health
80 thousand firms	17.7 thousand firms	450 farms
+ 20% on p.y. (ISMEA, 2007)	+ 6 % on p.y. (ISTAT, 2007)	On-going process
182 DPO/PGI		

Localization of high quality districts in PRs



Key factors to boost demography and economy

- **Services sustainability and Simplification**
 - The broadband Internet: a “comprehensive” approach to both national and regional level to ensure connection in 99% of rural areas by 2010;
 - Development of “ecosystem” services;
 - Drastic simplification, in order to reduce cost & time-consuming procedures.
- **Quality of life**
 - Capitalizing on landscape and biodiversity;
 - Innovative use of the natural resources (e.g. renewable energy; water management).

Key factors to boost demography and economy

Sustainable farmer & quality food

Main goals:

Narrow the distance between producers and consumers:

- Micromarkets (at Km “0”), short circuits;
- High quality production environmentally sustainable (e.g. organic agriculture; higher animal welfare);
- Made in Italy (Whole chain protection and geographical labelling, food safety standards).

Involve the young generation and increase the visibility of local products and services in the international market :

MoA Communication Plan (i.e. “School fruit scheme”, Food 4U”)

Challenges ahead

- ❑ Tailor-made policies to capitalize on differences (land, production, traditions);
- ❑ Strengthen quality food product (made in Italy) concept & increase export;
- ❑ Socially, economically and ecologically sustainable communities (see best practice).

Development of demo farms for renewable energy production - Scaramagli (Emilia Romagna)



From weakness	To strengths
Unproductive soils	Sustainable production
Ageing population	Dynamism
Low level of education	Capacity building
Difficulty of providing services	More cohesive and productive rural communities

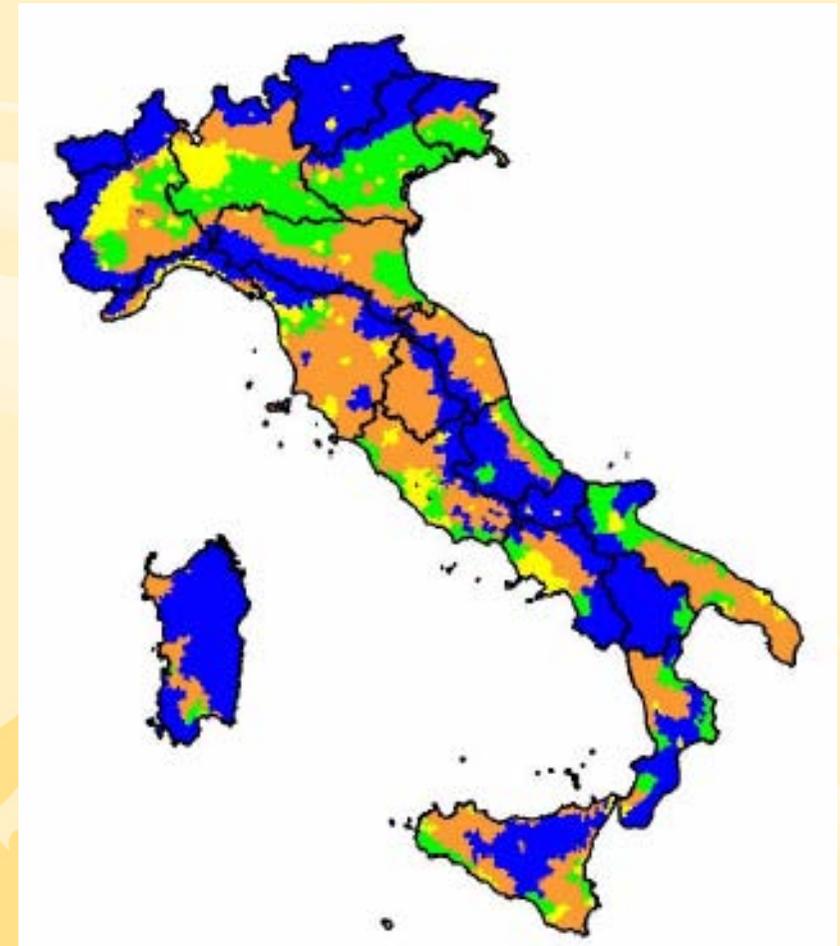
An agro-economic chain integrating production of pure vegetal oil (from *Brassica carinata*), to agritourism, to bio-energy.



Demographic changes “Rural / Urban”: 1971 – 2006

	1971	2006	Change	Over 65 percentage (2006)
Urban poles	24,7	25,2	+2%	20
Rural areas with specialised agriculture	10,2	12,9	+21%	18,5
Intermediate rural areas	12,0	13,9	+14%	20,4
Rural areas with development problems	7,2	7	- 3%	21,5
Total	54,1	59	+ 9%	19,9

(*) Million of inhabitants



2007-2013 Rural Development programming period: institutions involved in EAFRD management

MiPAAF: Ministry of Agriculture, food
and forestry policies

20 Regions

110 Provinces

8.101 Municipalities

373 Mountain Communities

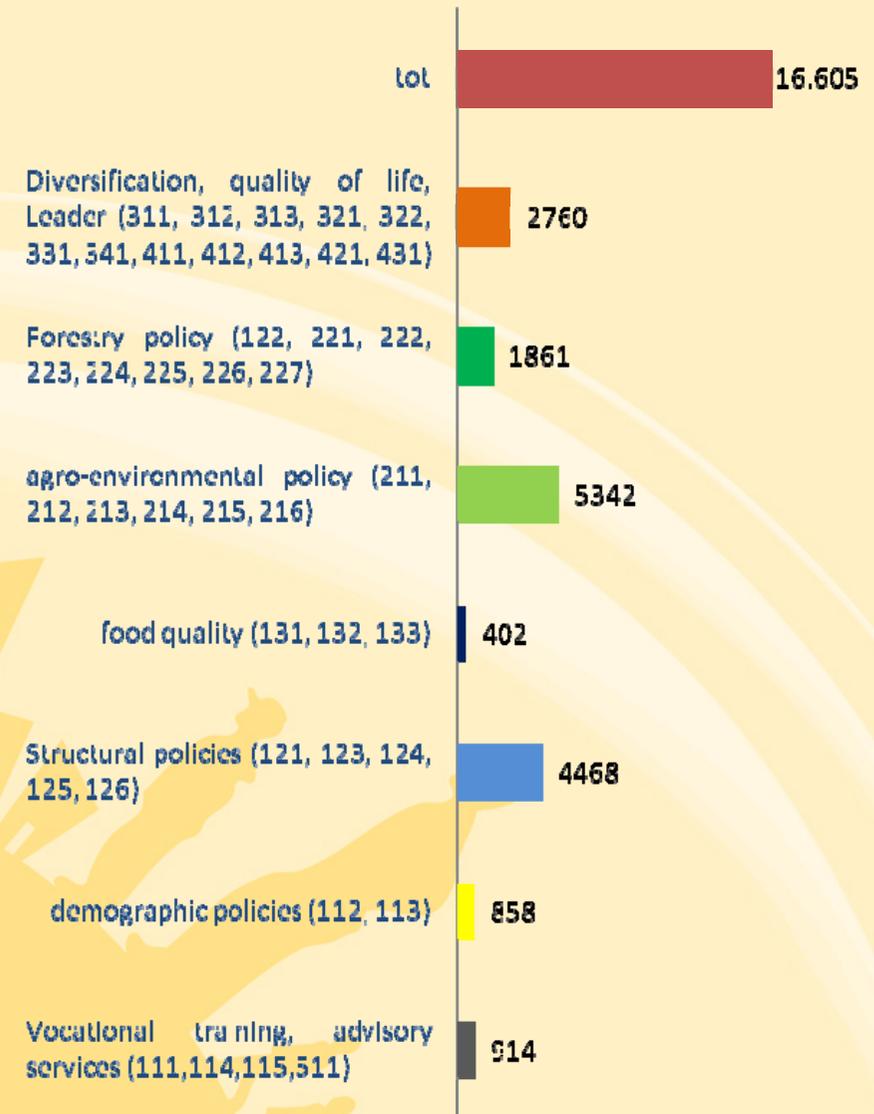
State-Regions Permanent Conference

Conclusion: Italian Rural policy in a EU context: a complex policy
requiring fine tuning



EAFRD Measures by Axis and Policies (millions euro, including national cofinancing)

AXIS	Public expenditure and %	Main measure of the Axis (%)	On the whole
I (Improving the competitiveness of agricultural and forestry sector)	6.435 (39%)	Modernisation of agricultural holdings (37%) Adding value to agric. and forestry products (19%) Setting up of young farmers (12%)	14% 7% 5%
II (Improving the environment and the countryside)	6.981 (42%)	Agri-environment payments (53%) Natural handicap (mountain area) payments (12%)	22% 5%
III (Quality of life in rural areas and diversification of rural economy)	1.414 (9%)	Diversification into non agricultural activities (42%)	4%
IV (Leader)	1.346 (8%)	Implementing local development strategies (66%)	5%
V (Technical assistance)	429 (3%)		
TOTAL	16.605		100%



Future scenarios for rural communities



- The importance of a continuous flow of information and communication (rural network)
- Agriculture in rural areas: the issue of administrative costs. A different model for different farms? (simplification on cross-compliance)
- Better integration of a (EU driven) sectoral approach with territorial approach
- The problem of the pooling of resources: no real synergy with other (national, EU) financial flows (as ocse review underline)
- Better integration of immigrants
- Promote the network between policy deliverers and local actors (final goal: a greater synergy between urban and rural areas, where rural areas contribute to services such as food, amenities, renewable energy)

For more info: www.reterurale.it