

RURAL EUROPEAN POLICIES AND THEIR IMPACT ON EXTREMADURA

Ana Nieto Masot

José L. Gurría Gascón

Área de Geografía Humana. UEX

Cáceres

Extremadura, a frontier region situated in the south-western part of the Iberian Peninsula, has been traditionally characterized by an agrarian economy of subsistence with strong natural limitations (poor and rachitic soil, adverse climatology, slopes, etc.) with an unequal distribution of the soil and resources, being very extensive and producing very little, thus leading to a massive depopulation of the countryside during the sixties and seventies, and a persistent situation of economic backwardness until the present day.

At this moment, about half of the Extremaduran population is still living outside the boundaries of its main cities, this being the reason why it remains as one of Spain's most rural regions. However, ever since the sixties a deep and quickening transformation in these rural areas is taking place, moving on from an agrarian economy of subsistence to one of public services and endeavouring to be one of Information as well. The huge unskilled agrarian surpluses do not have any access to this type of economy which is an immediate consequence of this process. The agrarian population was reduced to half its number throughout 1960 and 1985, and was once again reduced to half this figure since the admission to the EEC till the present day, making up almost 15% of the working population. Simultaneously, the sector of public services has increased from 15 to 60%. An intense process of the tertiary sector has thus taken place, being less intense within the smaller nuclei which still keep a third of its working population and those belonging to the VAB within the agrarian sector.

Exiguous agricultural incomes have given way to a multisectoral system of incomes being complementary within the three activity sectors, among which the agricultural sector is becoming more secondary or taking a part time role. Passive income (unemployment compensations, above all agricultural, communal subsidies, pensions, etc.), which may make up between 40 to 60% of all incomes in some of the most aged regions, have got to be added to these active incomes. A system of incomes has successfully been introduced which even allows for saving and investment on the basis of a self-consumption level which is yet too high and of a low expense. These incomes, in turn, generate through the expenses a series

of synergies within the sector of public services. This applies to the nuclei as well as to the closest cities, thus contributing to the tertiary sector of these areas. In any case, these are very unstable economies so any means taken, although apparently insignificant, may cause irreversible effects on one or several senses: allowing the population's stabilization and the towns' survival, as has been happening during the last two decades or, on the contrary, condemning them to definite abandonment, as has already happened in other Spanish rural areas. All this has allowed the population's stabilization throughout the last two decades.

The role played by the urban and the transport systems is also worthy of mention in order to explain the growing mobility and the diversification of incomes and activities within their rural environment. In Extremadura, a hierarchical network of cities does not exist, but these do make up a polycentric system within the territory. The nineteen higher rank cities make up little more than half of the population, but within the fifteen minutes radius that it takes to get to them, practically 90% of the regional population may be found, still not making up conurbations or metropolitan areas. We could, therefore, speak of a system of 'periurban rural nuclei' and of small 'agrocities' well-equipped and distributed within the territory, which has enabled the diversification of incomes and activities and has, to a great extent, contributed to the population's stabilization in the rural nuclei of its respective areas of influence.

In spite of all this, the rural areas are still dragging a series of structural socio-demographic problems along, which have been inherited from the past and will continue in the future. That is, the aging of the population as a consequence of an increase as far as life expectancy is concerned and of past intense emigrations during past decades, which have gone beyond rates of 100% in some regions. However, the decreasing birthrate is an equally if not more serious issue, due mainly to the effects of emigration, but subsequently due to the abrupt drop as far as fertility is concerned; a drop that is strangling the rural pyramids from the very bottom.

Another serious problem is unemployment, which did not reach worrying figures in Extremadura during the sixties or seventies since as the population reached working age they began to become part of the emigrant contingents. However, soon after the economical crisis of 1973 and the necessary industrial restructuring during the beginning of the eighties, this population began to stay in their hometowns, and the unemployment rate went beyond figures reaching 30% in numerous rural regions. Despite the continuous agricultural surpluses, the economical diversification has managed to reduce this unemployment rate to practically half the amount, but the region still holds one of the greatest unemployment percentages at a national level.

Numerous factors and complex processes have taken place in order to explain these recent socioeconomic and demographic transformations. The aim of this article is to analyse the influence and the impact that communal policies of rural development have surely had on these transformations, since they have been increasing ever since the admission to the EEC during the mid eighties, and the employment of the Rural Development European Programmes since the beginning of the nineties.

The European Agricultural Policy (CAP) will be a fundamental prop for the European Common Market, as it has been since its origins, as stated in the Treaty of Rome (1957). This CAP has been rather important as far as the sector and institutional levels are concerned, as it

came down specifically to a series of subsidies for production and consumption which in turn have traditionally surpassed more than half of the European Union's budget, and still today exceed it by 40%. The economic cost; the appearance of agricultural excesses, and the arrival of very rural countries during the first half of the eighties, Spain among them, proved the inefficiency and unsustainable condition of this policy due to its scarce results as it did not succeed in incrementing rural incomes, stop emigration or the abandonment of agricultural activities.

This is why as soon as the issue of economic and social cohesion is posed in The Single European Act (1986) other concerns such as the environment and rural development are tackled; this being an aspect which will be made concrete in the Commission Communication 'Future of the Rural Environment' (1988). This document reflects the deep concern for certain rural areas which are in very precarious conditions since there are areas around the cities that are subject to great pressure as far as the uses of the land and their ecosystems are concerned. Furthermore, there is a concern about areas which are suffering a rural decline, and alienated areas for which the Commission recommends an integrated rural development and a series of structural actions in order to enable the diversification of activities.

In 1991, the European Programs for Rural Development were created, and from that moment onwards rural development became a constant feature in most documents dealing with economic and social cohesion, CAP, territorial policies, etc., and a new concept of rural development would progressively arise which was meant to be sustainable, territorial, endogenous, innovative, participative, and demonstrative, propelling the autochthonous population itself and on the basis of the diversification of activities.

Soon after, in 1992, rural development will also be reflected on the European Union's Treaty.

In 1996, a second phase with LEADER II (1994-99) would be introduced and the Program for Rural Development (PRODER, 1996-99) approved at the request of the Spanish government; it would start working in Spain following the same approach as LEADER and with the funding of practically the same funds (European, national, regional, and local as well as with the private initiative). These Initiatives and Programs were extended with LEADER+PRODER II, during the period running from 2000 to 2006 and the CAP, the Initiatives and the Programs mentioned would be combined in the European Agricultural Fund for the Rural development (EAFRD) coming into effect from 2007-2013.

The first European Conference about Rural Development, which will reach its climax with *The Cork Declaration: Rural Europe - Future Perspectives* (1996) stating that rural development should be one of the European Union's priorities; the Agenda 2000 (1999) which sets the bases of rural development as 'the CAP's second pillar; the European Territorial Strategy (1999), which points out the development of numerous rural areas is very often associated to the cities' development; the Second European Conference about Salzburg's Rural Development (2003), etc., are milestones in this evolution of rural development.

Finally, the Spanish government has passed the Law for Sustainable Development in the Rural Development in 2007, which will also contribute to the country's development.

Extremadura, characterized by its rural degree is integrated as a whole within the Spanish and European Rural development Programmes, having as unique exceptions its four main cities, and going from the pilot scheme of four LEADER Programmes in 1991, to the twenty-

four current Groups including 97,6% of all its municipalities, 70% of its territory, and 70,9% of its population. Of all these, ten are included in the LEADER Initiative, and fourteen in the PRODER Programme, and it seems as though they will continue until the year 2013 with the new EAFRD initiative

With these Initiatives and Programmes, a considerable volume of economic resources have been mobilized in order to enable the diversification of incomes and activities in the rural environment. These are, however, insufficient judging from the tenor of the resources destined to the CAP as a whole. Somewhat more than 289 million Euros have been administered during the last fifteen years, especially during the last decade, having a private contribution which makes up almost half of this budget. Almost 8.000 jobs have been created, of which almost half the number were steady jobs, and where special attention was paid to the most needy groups of women and youths; more than 776 companies were created as well as 6.500 more hotel posts in order to foster rural tourism.

As a whole, LEADER has received a great amount of funding; having a smaller territorial area and number of inhabitants, which together with a longer period of action has led to a complete training of human resources, greater experience, and, in sum, better results. LEADER, within the productive means has mainly been directed towards the mobilization of its knitted management, and the promotion of investments and projects in subsidiary companies that in the long run have been proved to be an indispensable initiative along with training for the employment generation and in order to invest or stabilize rural tendencies, propelling socioeconomic development, and the population's maintenance during its short period of action. It is a management's development on the basis of the endogenous agricultural resources, whose revaluation and marketing of its products has also absorbed a great part of these investments.

On the contrary, PRODER has tended to aim, to a greater extent, towards Rural Tourism with acceptable results when these investments have been directed towards the increase in value of the heritage, and not so much when its focus was on the generation of tourist infrastructure, a logical and necessary tendency, on the other hand, during the first stages of action. In any case, the best results are to be found in those Groups which simultaneously have had the private opportunity and initiative to revitalize its knitted management.

As a whole, throughout these fifteen years, the subsidies have been mainly allocated to the most emergent and consolidated sectors in each territory, and to the increase in value of the endogenous resources, obtaining different results and impacts. In this manner, those areas with a previous managing and agroindustrial knitting, on the basis of an intensive agriculture of irrigation or productive rainfed agriculture, have directed their main strategies towards the value of agricultural production, subsidiary companies, and services. They have obtained satisfactory results as far as investments and the rest of indicators are concerned. These are the traditional areas of Extremaduran development and this is why the territorial impact has not been so notorious.

On the other hand, the most depressed mountain areas have chosen the strategy of rural tourism due to the nonexistent private initiatives, resulting from management knitting and from a previous industrial sector as well as the lack of natural and cultural rich resources to exploit. They have obtained the lowest investment figures and the lowest results. Tourism does not seem capable of generating the necessary socioeconomic development and the

population's stability on its own, but may rather generate a complementary income within a multi-sector income system. There is a third joint group, where a series of Groups are integrated around the main Extremaduran cities, taking advantage of the proximity; the economic structure, and their own urban attractiveness; other groups are located along a wide strip of land in the regional periphery, these being traditionally very alienated, suffering a deep socioeconomic depression, and an intense depopulation. The latter suggested a strategy which tended towards the structuring of a management's knitting and to the diversification of activities, starting from the revaluation of specialized agricultural resources and a joint agribusiness among other industrial investments. On the other hand, a decentralization of services and equipment has been produced by the regional government, concentrating itself on a well distributed network of cities and urban rural centres. These Groups have reached optimum results, and the greatest impacts on the territorial structure as far as investments, work, beneficiaries, and business are concerned.

All in all, and in spite of the fact that the impacts of the rural policies have been rather uneven and partial among the twenty-four Groups of Extremadura in half of the Programmes and Initiatives these have been very important and noticeable since they have succeeded in inverting their negative traditional tendencies during the short time of action. Among the rest of the Groups, the impacts have not been very notorious until now, which may be due to their situation of strong economical and demographic backwardness in some cases or, on the contrary, to the fact that these are already the most previously developed, in other cases. In this last case, subsidies in two Groups of six Programs each, there is not as many impacts, since they stem from the most extreme situations, in a positive or negative, and this is why the transformation is not as easy. This is more so when bearing in mind that among them there are those which have joined belatedly.

