

## **New Challenges for Sustainable Rural Development in the 21<sup>st</sup> Century**

### **INTRODUCTION**

The concept of rural development has undergone an important transformation process during the last decades, which has gone hand-in-hand with changes in the countryside and new demands from society.

Rapid changes in the international economy-globalisation, improved communications and reduced transportation costs, changing trade patterns for commodities, as well as emergence of important non-farm activities in rural regions – confront rural regions with some obvious threats, but also with significant opportunities. Against this background, policy makers increasingly recognise that traditional sectoral policies need to be upgraded and, in some cases, phased out and substituted with more appropriate instruments. Particular concerns are raised by the modest positive impact that agricultural subsidies have on general economic performance even in the most farming dependent communities. Indeed, with farm families relying increasingly on off-farm employment, the economic success of rural communities will depend on the development of new economic engines.

In this context, the majority of governments are showing increasing interest in a more place-based approach to rural policy that emphasises investments rather than subsidies and that is able to integrate different sectoral policies and improve the coherence and effectiveness of public expenditure in rural areas.

In this special issue of the *Journal for Geography* published at the occasion of the 17<sup>th</sup> Annual Colloquium of the IGU Commission on the Sustainability of Rural Systems, entitled *New Challenges for Sustainable Rural Development in the 21<sup>st</sup> Century*, which took place from 13<sup>th</sup> to 18<sup>th</sup> July 2009 in Maribor, Slovenia, experts from Bosnia and Herzegovina, the Czech Republic, Japan, Portugal, Romania, Slovenia, Turkey and the United Kingdom analyse and explain the development of a multi-sectoral place-based approach that aims to identify and exploit the varied development potential of rural areas. Two principles characterise this “new rural paradigm”: the focus on places instead of sectors; and the focus on investments instead of subsidies. This new integrated approach to rural policy can be seen in an increasing number of initiatives in the majority of developed countries.

In the first paper, the author **Muzaffer Bakirci** from the Istanbul University, Turkey, examines negative impacts of forest fires on ecological balance and environmental sustainability on the case of Turkey. Forests, which are a vital element to Earth’s ecological balance, economy, biodiversity, water resources and air purity, are confronted with various threats, one of them being fire. Fires are a major threat to forests, which are vital for the preservation of ecological balance and environmental sustainability. Caused by various reasons, fires result each year in the destruction of millions of hectares of forest land, high fire fighting expenses and loss of recreational value and lives. The paper questions the incendiary causes and negative effects of fires in Turkey. Fires, which are nowadays triggered more and more by the global climatic changes, are becoming increasingly destructive despite all the improved fire protection and extinction methods. Fires occurring despite the preventive measures result in greater economic losses and create an obstacle for the maintenance of environmental sustainability, by destroying the home ranges of

living organisms, by causing erosion, by disturbing the hydrological cycle, by increasing greenhouse gases etc.

73% of agricultural land in Slovenia is situated in the areas with limited opportunities for agricultural production. This is reflected in lower production ability of farms, limited selection of products, specialization of production, adjustment of technologies and higher production costs. Farms in these areas are less competitive and less adjustable.

**Štefan Bojnec** and **Kristina Knific** from the University of Primorska, Slovenia, present in their paper structural changes in agriculture between the years 2001 and 2006 in the mountainous areas of the Gorenjska region in Slovenia. In these areas, agriculture plays multifunctional roles. In addition to the supply of safety and quality food, it has also a social and an ecological role. The research on structural changes in agriculture is based on an empirical analysis conducted from three different standpoints: for a sample of agricultural households as a whole, for agricultural households by socio-economic types, for agricultural households by areas with different level of development and with different natural conditions for agricultural production. The socio-economic type of agricultural household is an indirect indicator of income diversification in agricultural households, which are divided into pure agricultural, mixed, supplementary and elderly farms. For most agricultural households, incomes from agriculture were not enough for survival. The objectives of agricultural households are oriented towards preservation of farms for the next generations and maintenance of family tradition and life in rural areas. Due to small farm size and unclear future, the agricultural households ad hoc adjust business strategies to changes. The abandon of farming is most likely to happen with the passing of the farm to the successor, particularly if incomes from non-farm employment are enough for survival of the agricultural household.

The main objectives of the 1999 CAP Reform regarding rural development, which became the second pillar of the CAP, aimed at the integration of the structural policy into rural development, the promotion of the multifunctional character of agriculture, the improvement of the quality and safety of agricultural production through environmental sustainable practices, and more attention to Member States and specific needs of regions. European countryside was perceived as a space for agriculture for a long time. But understanding rural regions as multi-functional areas is the present challenge. It is connected with the definition of "rural". There are two groups of delimitation: the first one operates with settlements and regions of specific character, the second one prefers rural as a way of life.

The Czech author **Antonín Vaishar** from the Mendel University of Agriculture and Forestry in Brno analyses in his paper sustainable development of Moravian countryside. Agriculture ceased to be the leading employment in the Moravian countryside long ago. Its production (with the exception of energetic crops) has decreased after 1990. On the other hand the economic importance of forestry and primary elaboration of timber have kept their importance for the countryside. Nowadays, much is said about rural tourism and agro-tourism, yet in reality, tourists are directed to big cities and spas. Second dwellers are typical for the Moravian countryside. They do not bring much money, however they maintain the rural houses. There are also other branches located in the countryside, such as small industrial factories or services. Enterprises with less frequent contact with consumers are typical in rural areas. The importance of social services – especially

for older people – will increase in the future due to population aging. The countryside with its quiet atmosphere is an ideal place for them. Good transport conditions and developed local services are the main pre-requisites. The Moravian countryside is diverse. The sub-urbanized countryside in the surroundings of Brno and Ostrava evokes the question whether it can still be considered countryside. Easily accessible countryside of the Moravian lowlands enables the division of work among individual settlements. Badly accessible countryside at the border and the inner periphery is dependent on small towns which ensure jobs, services, social contacts etc. The Moravian countryside will certainly survive.

In regions defined as predominantly rural, primary agriculture usually accounts for a larger, though still mostly modest, share of employment and GDP. Nevertheless, there are some regions where a significant proportion of the population is dependent on agriculture. At the same time, a significant share of farming takes place in regions that are not defined as rural. For example, less than half of the farms and half of the farmland is in predominantly rural areas, as defined by OECD.

The author **Vasile Surd** from the Babeş-Bolyai University, Romania, examines in his paper the Romanian rural space from the major critical aspects, with the focus on dispersion of population, agricultural land use and infrastructure. From a territorial point of view, Romania belongs to the category of predominantly rural areas. The rural population of Romania is around 10 million, which is almost 45.4% of the total Romanian population. Almost 90% of the total surface of Romania is represented by rural areas, of which 62% is agricultural land used mostly as arable land. There are about 8 million agricultural exploitations with an average size of about 1.7 hectares. Out of 63,670 km of local and county rural roads, only 7.7% are modernized and only 2,467 villages (17%) are connected to centralised water systems. In 20 years after the abolishment of the former centralised economic and political system, Romania has not yet found the proper manner to modernise its agriculture and rural life, despite its high quality agricultural land. The SAPARD Programme with over 5000 investment projects, implemented in the rural areas, is far from satisfying the general needs for modernising the Romanian village.

A growing interest in rural non-farm incomes reflects the increasing evidence that rural people's livelihoods are derived from diverse sources and are not as overwhelmingly dependent on agriculture as previously assumed. Although rural non-farm incomes are important as an off-season, part-time or home based income supplement for households whose main activity is farming, they tend to benefit disproportionately the better-offs, implying significant entry barriers and market segmentation. Moreover, in the absence of an appropriate targeted policy, current trends in the relevant sub-sectors suggest that entry barriers may increase. People's access to education and skills, infrastructure, financial capital, social capital and natural resources (particularly land) is examined in relation to their participation in rural non-farm activities. Improvements in infrastructure, education, health and financial services help facilitate access to rural non-farm income sources. A sound and less risky agricultural base provides a strong foundation, on which other activities can develop. Social capital is important.

**Rahman Nurković** from the University of Sarajevo, Bosnia and Herzegovina, discusses in his paper the influence of tertiary activities on the transformation of rural settlements in his country. In the recent period, particularly after 1995, great spatial changes have occurred in rural settlements of Bosnia and Herzegovina due to

fast development of tertiary service activities, which has had a strong influence on the transformation of rural settlements. The author's research focuses primarily on the development of rural settlements, but also on the expansion of the new tertiary activities in rural settlements, diverse housing constructions and traffic infrastructure development. The mentioned processes have a strong influence on modern spatial and functional structure of rural settlements in Bosnia and Herzegovina. The new rural development of the settlements is connected with other smaller towns into an interacted urban system, in which each of them provides services and products for its surroundings, the region and its hinterland. This is followed by the emergence of specialised shops (bank services, legal services, large market, diverse manpower, extensive public services, car shops, computer equipment, furniture shops and alike). A strong pressure of foreign and local investors leads to poor quality construction and illegal construction of the buildings in rural settlements, which are expanding along the traffic routes.

Rural areas have come to fulfil other functions, thus other public policies apart from agriculture have impinged on rural areas, and governments have been drawn in to resolve issues concerning social and economic development in rural areas through rural development policy. However, the nature of rural areas and the challenges they face vary considerably across Europe, the consequence being that what is understood to constitute rural development policy also varies. The common feature is a certain perspective that cuts across sectoral concerns and has a territorial orientation. As a deliberate focus of activity, two other fields are established: agricultural policy and spatial policy.

The paper by **Irma Potočnik Slavič** from the University of Ljubljana, Slovenia, focuses on neo-endogenous rural development that enables development of "traditional" endogenous potentials of rural areas, e.g. human, social, economic, environmental etc. as development resources on the local territorial level, and external resources such as the national state rural development scheme and the EU Rural Development Programme. Contemporary Slovene rural areas are a very heterogeneous, dynamic and complex, multifunctional, fluid, hybrid and globalized space, not a definite and closed category, and not geographically limited. Therefore, Slovene rural areas require a small-scale in-sight research which will try to explain their restructuring and help develop sustainable rural governance of their endogenous potentials. The economic theory defines the term "economic cycles" as a representation of economic relationships between aggregated units: private households, enterprises, state and foreign county or countries – they are not closed, but open to larger systems. The research has partly confirmed that the activation of neo-endogenous potentials of rural areas is evident through the empowerment of regional economic cycles. Slovene rural areas have great endogenous development potentials that should be developed by using the neo-endogenous development approach, by enabling its sustainable use, but also by the appropriate restructuring of national/regional/local institutions, local population activation and a responsible response by all the stakeholders.

People compare the grandeur and beauty of rice terraces in Japan to the pyramids in Egypt. Rice terraces, however, are alive with farmers, crops, cultures, and rituals, which are evolving and are handed over from generation to generation. They are not simply a tourist attraction or a device for producing rice. Rice terraces make people aware of their relationships with their ancestors, families, colleagues and nature. The authors **Koji Kobayashi** and **Chisato Harada** from the Gifu University,

Japan, discuss the preservation of rice terraces in Japan. Since 1960, abandoned rice terraces have been found in Japan. The reason for this is a poor demand for rice due to the changes in the diet. Moreover, rice terraces are not always suitable for growing rice. However, the preservation of rice terraces has been promoted since 1990. People are getting more conscious of environmental problems and food safety issues and more aware of the importance of multilateral functions of agriculture and rural areas. In this context, people have been encouraged to conserve rice terraces all over Japan.

India's farmers are still mostly practicing organic methods, passed down for millennia. Organic fertilizer and natural pest control are the only tools available to most of these farmers, who have always lacked the financial resources to explore chemical solutions. But these farmers, whose produce is as organic, cannot afford to pay the fees required to gain official certification.

**Ana Firmino** from the New University of Lisbon, Portugal, examines in her paper the new challenges for the organic farmers in India, such as tourism, spices and herbs. India is reputed for its spices and herbs, which are used not only for gastronomic purposes, but also for medicaments and religious rituals. The intensive contacts with merchants from different parts of the world, for example with the Portuguese during the 16<sup>th</sup> and the 17<sup>th</sup> centuries, contributed to the enrichment and diversity of the flora, which has been kept up to now, namely in Goa, where the field work for this paper took place. This increasing demand for specific plants of the Indian flora, produced according to the organic farming methods is a new challenge for the local farmers, who have been launching other activities such as visits to the farms, with a guided tour to identify the herbs and spices, meals served in a traditional way, tours in the nature, walk on an elephant, farm shops where handicraft, oils and fragrances can be purchased. Some also offer accommodation; others work together with ayurvedic healers. In this study, the advantages offered by multifunctionality are tackled as well as the threats constituted by the intensification of production, the dilapidation of the natural cover, namely due to wild collections and the misuse of the organic label in farms where this mode of production is not certified.

Whenever the term "mountain" or any image relating to mountains appears on a food product, this constitutes a "promise" to consumers that must be delivered. In fact, the mountainous identity represents very positive communication capital in the eyes of consumers; it is the duty of everyone to ensure that this image is not tarnished or abused.

The contribution entitled *Are Consumers in Slovenia Concerned about the Mountain Quality Food?* by **Andreja Borec** and **Darja Majkovič** from the University of Maribor, Slovenia, presents the first consumer analyses which aim to find out whether consumers are sensitive to such products, and whether there exist positive synergies between the consumers and the area of origin. The consumer analyses were carried out using questionnaires, and the data were processed based on descriptive statistics. The results show that consumers have in general a very positive perception of mountain quality food products, although they do not know exactly what the characteristics of mountain quality food products should be. As regards the synergies between the area of origin and the purchasing of mountain quality food products, the results differ according to the area where the respondents come from, e.g. mountain or non-mountain areas.

As of the end of 2007, 7.8 million hectares in Europe were managed organically by more than 200,000 farms. In the European Union, 7.2 million hectares were under organic management, with more than 180,000 organic farms. 1.9% of the European agricultural area and four percent of the agricultural area in the European Union is organic. 24% of the world's organic land is in Europe. The countries with the largest organic area are Italy, Spain and Germany.

In the paper entitled *Organic Farming: a Solution to Agriculture Crisis or a "New" Trend to Healthy Eating?* **Annabelle Boulay** from the Institute of Food Research, United Kingdom, examines organic production, which is often seen as a viable alternative to conventional ways of farming. In France and the UK, many farmers would like to switch from conventional farming to organic farming but the obstacle is very often the time that must elapse between abandoning the use of chemicals and being certified organic. As a result, much organic food is imported because domestic production cannot supply the market, despite the higher prices organic products attract. At the same time, many farmers in France and the UK are not willing to engage in organic farming, as the concept of organic farming goes against their belief: a farmer must produce food for the nation and only technology and chemicals can help to produce enough food to feed the world. Many people have a different view regarding the concept of organic farming. The idea of organic farming seems quite appealing for consumers as it is often assimilated to quality products, whereas farmers are less enthusiastic about the concept. Only a minority of farmers, especially in dairy areas, is in favour of organic farming.

Sales of organic products amounted to approximately 16 billion Euros in 2007. The largest market for organic products in 2007 was Germany with a turnover of 5.3 billion Euros, followed by the UK (2.6 billion Euros), France and Italy (both 1.9 billion Euros).

The authors **Silva Grobelnik Mlakar**, **Matjaž Turinek**, **Manfred Jakob**, **Martina Bavec** and **Franc Bavec** from the University of Maribor, Slovenia, discuss in their paper the grain amaranth as an alternative and perspective crop in temperate climate. Globalisation of agriculture and consequently its industrialisation seem inexorable, with negative side effects felt throughout the world. These effects include, but are not limited to, biased technological development and usage of only some, fertilisation and energy high demanding plant species, monoculture production and in this way reduced genetic diversity in agriculture. The mentioned facts with profound environmental concern and consequences in loss of crop varieties stimulate organisations and scientists worldwide in retrieving, researching and disseminating the knowledge in production and utilisation of neglected, disregarded, underexploited and new plant species, or the so called alternative crops. Besides the ecological advantages of their inclusion in agricultural production, the alternative crops have, in principle, also a high nutritional value. The immediate objective of this paper is to present information gained as results of a national project on grain amaranth; its production, nutritional quality and possible utilisation in our production environment.

As the largest business sector in the world economy, the Travel and Tourism industry is responsible for over 230 million jobs and over 10% of the gross domestic product worldwide. If tourism were a country, it would have the second largest economy, surpassed only by U.S. In over 150 countries (four out of five), tourism is one of five top export earners. In 60 countries, tourism is the number one export.

**Uroš Horvat** from the University of Maribor, Slovenia, examines in his paper the importance of health resorts for the development of less development areas in Slovenia. Health resorts are one of the oldest kinds of tourist resorts and started to develop in Slovenia already in 18<sup>th</sup> and in the beginning of 19<sup>th</sup> centuries. The main reasons for the first tourists' visits were connected with bathing in thermal waters, drinking of healing water, socializing of the higher social classes and entertainment. Later, the health resorts became centres of highly qualified medical rehabilitation based on the use of natural remedies and modern medical treatments. The so called classical health resorts prevailed in Slovenia until the mid 1980s. The beginning of the 1990s marked an important turnabout in the development of health resorts in Slovenia. With the construction of modern swimming pools, some health resorts have started to use thermal water for fun and "experience". The so called "thermal rivieras" or "thermal parks" have emerged with covered or open pools, which are open throughout the year. The reorientation to mass tourism based on recreation, healthy lifestyle, wellness etc., as well as spending of holidays in apartment accommodation have significantly increased the tourist visits in the so called recreation health resorts. These are usually located in less developed areas of the country, which means their importance is even greater for the employment of the inhabitants and the spatial and functional development of rural areas.

The papers published in this issue represent different views on how to manage rural development. The development on international as well as domestic level is changing the rules for rural regions, necessitating new approaches. Three factors in particular are influencing rural policy making across countries: increased focus on amenities, pressures to reform agricultural policy, and decentralisation. Diversification of farm households into other activities on- and off-farm affects the rural economy by raising the level of farm income and the viability of farms, and thus affecting farm households' consumption of local goods and services, and the provision of agriculture-related amenities. But this is a two-way relationship, whereby farm families depend on the existence of a healthy and diversified rural economy, which provides off-farm work opportunities as well as the economic, social and cultural services that attract and retain people in rural areas.

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Chief and responsible editor