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In cooperation with the work group of the federal government and federal states, "Sustainable Land Development"

## **The Rural Area on the Red List**

**The contribution of Integrated Rural Development to the creation of employment with special regard to the demographic development in Germany**

**Series**

**German  
Landeskulturgesellschaft  
DLKG**

## Special Edition 1

# The Rural Area on the Red List

The contribution of Integrated Rural Development to the creation of employment with special regard to the demographic development in Germany

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## Foreword

### The Rural Area on the Red List - Challenges and Chances -



*Dr. Armin Werner*  
*Vorsitzender der DLKG*

One of the central challenges which the whole of Germany will have to cope with in the coming years and decades is demographic change. All decision makers and experts in politics, the economy and the public authorities are called upon to develop forward-looking strategies. People need encouragement and we have to come up with solutions.

For the German Landeskulturgesellschaft (DLKG) as well, demographic change is a central topic. The German Landeskulturgesellschaft has members who come from various specialised fields. Thus, it is able to deal with this topic in an interdisciplinary way and through open dialogue.

For the first time, the DLKG has appointed a work group dealing with this topic in preparation for their annual meeting, thus developing a comprehensive strategic paper.

Under the lead management of Rhineland-Palatinate and in cooperation with the work group of the federal government and federal states, "Sustainable Land Development", and experts from land development authorities from the whole of Germany, a strategic paper has been developed. It contains new approaches for a course of action in rural areas and can be seen as a policy paper for the further development of integrated rural development.

The main work of this strategic paper was done in the context of a research contract between the federal state of Rhineland-Palatinate, the University of the German Federal Armed Forces Neubiurg and the University of Bonn. Prof. Dr. Karl-Heinz Thiemann, professor for land management at the University of the Federal Armed Forces München and Prof. Dr. Kötter, professor for urban development and land readjustment at the University of Bonn, have developed the foundation for this strategic paper and conceptualised this script within the course of a permanent dialogue with the work group.

The aim of the new approach of this strategic paper is to create employment within the rural area with the help of integrated rural development. By creating new jobs nearby, the trend of migration out of the rural areas should be counteracted.

In the course of the 27th annual meeting from October 4th to 6th 2006, one concern of the DLKG is to develop answers to questions connected with these issues. Furthermore, the current functional discussion is to be stimulated and impulses for new developments in the context of integrated rural development are to be given. For the first time, participants of this 27th annual meeting of the DLKG will receive a strategic paper by which they are able to participate in this discussion at a very high level.

A handwritten signature in blue ink, appearing to read 'Armin Werner'.

**Dr. Armin Werner**  
*Vorsitzender der DLKG*





## Greeting



*Minister Hendrik Hering of the Federal State of Rhineland-Palatinate*

Demographic change is a great challenge for the rural area. We should all be taking the right steps now and not just in a few years. However, demographic change is marked by one peculiarity that makes it difficult for many of those who are politically responsible to react properly: this is that the size of the population and the average age do not change overnight but over a relatively long period of time.

For the rural area this means that, at first, people need to be made aware of the fact that demographic change really exists at all. At the same time, the opportunities connected with demographic change must not be overlooked. For tourism, healthcare industry and the building industry, the ageing population offers interesting market potentials. These should be evaluated and made full use of at an early stage.

In many regions there already exist approaches to face this challenge offensively. In this respect, integrated rural development, with its integrated rural development concepts (ILEK) and the ensuing regional implementation management, is an important partner and a future driving force for the rural area. The motto is: Turning those affected into active participants.

This is especially important when it comes to analysing local strengths within the rural area to develop future-oriented strategies. On the one hand it is about “hard” location factors like streets, data highways or industrial parks. On the other hand it is also about “soft” location factors like the quality of life, schools and availability of childcare that help to keep the rural area attractive and economically sound.

The second edition of this strategic paper of the DLKG, which was developed under the direction of the federal state of Rhineland-Palatinate, addresses the needs and requirements of a broad spectrum of inhabitants within the rural area. It covers twelve areas in which integrated rural development can serve as a forerunner for the development of the rural area. This is a completely new approach, integrating entrepreneurs and foundations in integrated rural development more than has hitherto been the case. In my opinion, this strategic paper is also a contribution to promoting business-friendly basic conditions in the rural area and will serve as a generator of ideas and as a guideline for all people in the rural area who are active and have assumed responsibility

**Hendrik Hering**  
*Minister for Economic Affairs, Transportation, Agriculture and Viniculture  
of the Federal State of Rhineland-Palatinate*



## 0. Preliminary Remarks

### **We are becoming fewer, older, poorer...! What next?**

Everybody is talking about the demographic development. Migration, the decline in the birth rate and the increasing average age of the population are shaping the future call for action regarding the development of the rural areas. Especially the migration of young people into the big cities is mainly caused by a lack of jobs in the rural area. Therefore, it is absolutely necessary to create and to ensure a sufficient number of lasting and attractive jobs in the rural areas.

New strategies are to be developed in order to identify existing development potentials, to link them with each other and to use the endogenous potential of the individual rural regions.

The present **strategic paper** reveals which contributions integrated rural development can make to create and to secure jobs and sources of income with special regard to the demographic development in Germany. Firstly, critical basic conditions and trends of the demographic and economic development of rural areas are shown. This is followed by a description of strategic approaches, instruments and cooperation models. Finally, starting from target groups that are differentiated according to economic and demographic aspects, the paper presents the central fields of action of integrated rural development for the strengthening of economic power and the creation of employment in the rural area. The strategic paper closes with central questions of content and organisation as regards the management of implementation, the delimitation of regions and creation of networks.

### **What are the fields of action in rural areas?**

The middle class plays a key role when it comes to the strengthening of regional economic power and the assurance and creation of employment within the rural area. Originally comprising only independent craftsman and tradesman, small and medium-sized business concerns as well as farmers, the middle class today includes a considerably broader spectrum of branches (e. g. the service sector, gastronomy and freelancers). With the help of new media of information and communication, especially innovative small and medium-sized enterprises have emerged.

Now and in the future as well, rural areas will not be shaped by big enterprises, and thus it is the medium-sized enterprises that are important employers, contributing to the development of rural areas and to an alignment of the living conditions in big cities and the rural area. At the same time, medium-sized enterprises are also essential for providing professional training.

When it comes to the economic development of a region, the number of business start-ups is of central importance: New business ideas, introduced into the market through business start-ups, promote structural change and contribute to the diversity and the economical potential of rural areas. Every successful new foundation creates new jobs. Therefore, business start-ups are to be supported directly and effectively. Starting points are “hard” as well as “soft” location factors.

Demographic and economic developments determine each other. A long-term stable population development within the rural area implies jobs and vice versa. This also requires attractive living conditions including an appropriate availability of social and technical infrastructure facilities. These comprise basic school and health care, the close supply of everyday consumer goods and a minimum availability of public transport. Therefore, a **minimum standard** as regards these infrastructural areas is one of the central preconditions to securing existing jobs and to creating new ones within the rural area.

Furthermore, sound and attractive living and environmental conditions are a basic condition for meeting the requirements of the people living in the rural area. To reach this, a **competitive, sustainable and large-scale cultivation of land** is indispensable. Through their agricultural work, farmers are preserving and conserving our diverse cultural landscape. This constitutes a development potential of rural areas in terms of living, leisure time activities and, to an ever-increasing extent, **tourism** as well. Further opportunities for an increase of the creation of value are connected with a **sustainable cultivation of the forest** as a supplier of raw material and as a characteristic feature of the cultural landscape.

Nature and the environment are to be protected and further developed since they are the indispensable foundation of life and the economy and are important resources in rural areas. In comparison with conurbations, nature and environment comprise considerable potential and decisive locational advantages. Preventive and environment-friendly flood protection decreases risks and creates locational advantages in the inter-regional competition.



Furthermore, the establishment and strengthening of **strategic alliances and cooperation** within the economic and intercommunal area is of vital importance for the support of medium-sized enterprises and founders of new businesses within the rural area. Through such networks, structural disadvantages can be offset, synergetic effects used and competitiveness can thus be improved. With the approach of integrated rural development, regional goals can be coordinated even beyond communal borders and regional business cycles can be promoted. This not only leads to a stronger regional awareness but also to an improved market position of the rural areas.

### **What role do the instruments of integrated rural development play?**

With its integral approach and implementation management, integrated rural development offers innovative instruments to strengthen regional economic power and to ensure employment and sources of income within rural areas. For a sustainable development of such areas, **integrated rural development concepts** are becoming more and more important. They enable local actors to contribute themselves to a great extent to the development of their region. Thus, impulses given by the structural policy of the federal state of Rhineland-Palatinate and endogenous potentials of the individual regions can be combined in a useful way. Integrated rural development concepts identify growth and innovation potentials as well as possibilities for a creation of value, which offers new prospects on the regional job markets. They create a balance between the social and economic demands made on an area on the one hand and its ecological functions on the other. A coordinated collaboration including private actors, actors from politics, administration, the economy, associations as well as science constitutes the basis for the creation of realisable development strategies that are able to solve identified regional problems.

The newly introduced management of implementation leads to an institutionalisation of the regional development and to a professional realisation of the concepts that were developed and the individual projects they involve. In this way, for example, leading projects to strengthen medium-sized enterprises and give backing to founders of new businesses are initiated, organised and supported during the implementation phase.

In the course of village development, the structural development strategy of rural land readjustment in combination with investment measures plays a key role when it comes to the assurance and the creation of employment.

The development strategy of rural land readjustment leads to a demand-oriented allocation of land for commercial purposes, agriculture, nature conservation as well as infrastructural measures. This approach contributes to dealing with competing demands for land and coordinating different interests. Thus, economically interesting rural regions are created, which offer professional prospects especially to families and to young people, and hinder their migration to urban agglomerations.

With the help of this **integrated approach** a permanent and purposeful support of handcraft, industry and services is possible. Already in 1997, the work group “Sustainable Development” (ArgeLandentwicklung) of the federal government and federal states affirmed that the securing and creation of employment were a central challenge and one of the main focuses of integrated rural development. Through the networking of different measures, development cores can be initiated and the basic conditions for founders of new business in rural areas can be established. This means that an endogenous development takes priority over an exogenous, “greenfield” strategy. This approach connects up with the generation of ownership by young families and an innovative promotion of the establishment of new businesses to create pull-factors within rural areas that can even open up chances for the return of qualified young professionals who have migrated with their families. Thus, integrated rural development can contribute to a great extent to shaping rural areas as attractive living spaces, economic and recreation areas with a high environmental quality.

Altogether, integrated rural development concepts (ILEK) in combination with the moderation of implementation can contribute decisively to a promotion of a sustainable regional development beyond the borders of single municipalities. Furthermore, they help to realise various processes and projects as well as to develop future-oriented business and tourism locations.

# 1. Demographic and economic basic conditions

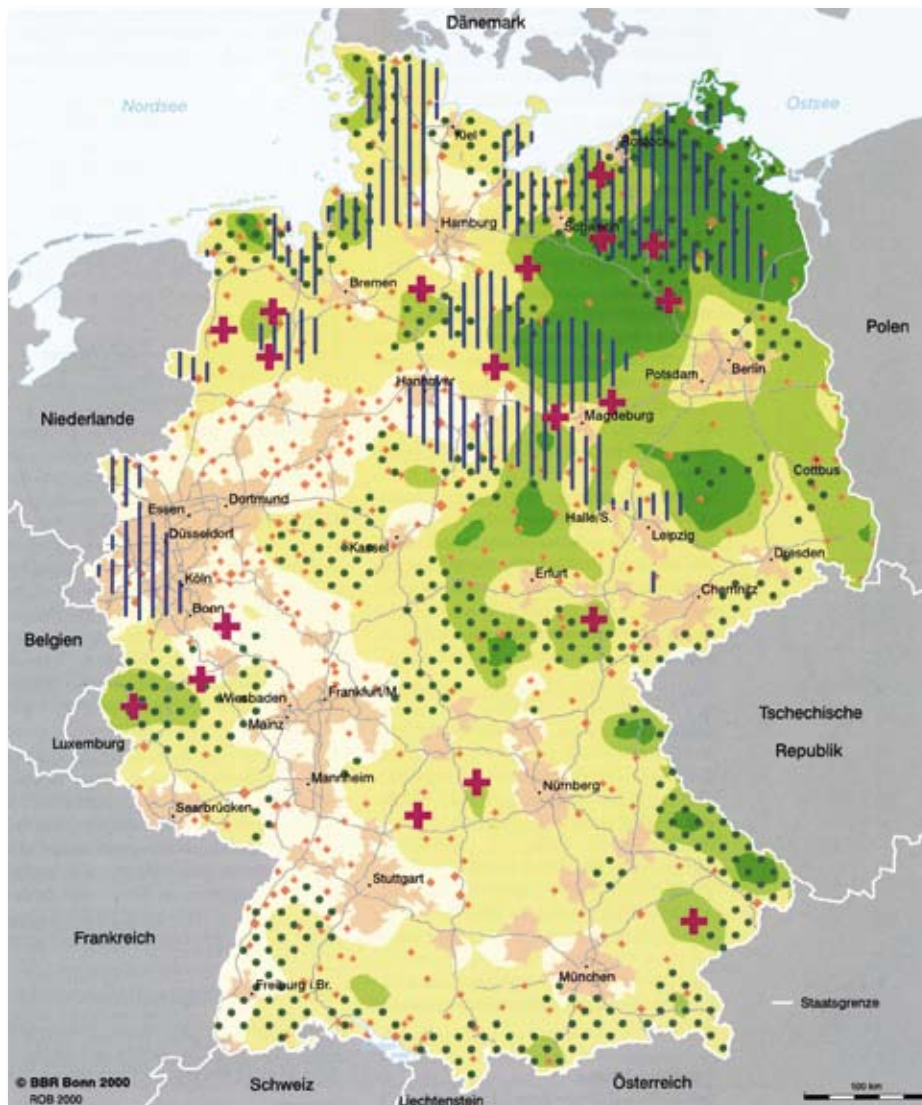
## 1.1 Classification and types of rural areas in Germany

The locational potentials and deficits in different regions have led to disparate development trends in individual areas, which depend on the respective regional structures. These areas can be categorized in four different types according to location, structure and dynamics:

- rural areas within the catchment area of big cities and agglomerations,
- rural areas with an economic development dynamic,
- rural areas with adequate sources of income,
- economically underdeveloped rural areas.

In **rural areas within the catchment area of big cities and agglomerations**, all advantages necessary for a dynamic development can be found. Due to their closeness to cities these areas have the prerequisites necessary for good locational potentials for residential areas, work and leisure time activities. Furthermore, they are characterised by good accessibility, adequate standards of social and technical infrastructure as well as good development chances for agriculture due to the marketability of the produce. In these rural areas, the high number of people who migrate from the cities causes high settlement pressure. On the one hand, one finds lower standards and less availability of public goods there. But on the other hand, a high living standard, especially for families, a low environmental burden and comparatively low land prices can be found. These areas are mainly shaped by small and medium-sized enterprises due to lower costs in the region surrounding the big cities. Additionally, the economic structure is marked by an increasing number of enterprises offering company related services. Although more and more cities offer building land for private homes, in the future as well, many people will seek a home in rural areas. In the light of a decreasing population, this will lead to an amplified competition for residents between cities and their rural surroundings as well as between individual municipalities. Since the trend towards urbanisation and urban sprawl decreases the area available for agriculture, it is essential in these areas only to reduce the amount of land that is re-designated for residential or infrastructural purposes.

**Rural areas with an economic development dynamic** are characterised by the positive structural impact of large-scale infrastructural measures. Large-scale development measures – especially regional transport connections – have increased the locational attractiveness of these areas. Furthermore, they are characterized by the presence of a high proportion of workstations within the secondary and tertiary sectors. Meanwhile, these areas have evolved into cost-saving “relief” locations for agglomerations, which also benefit from this dynamic development. Good accessibility and a good infrastructure offer advantages particularly for manufacturing enterprises. This applies, for example, for the Emsland and the **northeast parts of Bayern**.



<p><b>Strukturschwache ländliche Räume mit</b></p> <ul style="list-style-type: none"> <li><span style="display: inline-block; width: 15px; height: 15px; background-color: #008000; border: 1px solid black; margin-right: 5px;"></span> sehr starken Entwicklungsproblemen</li> <li><span style="display: inline-block; width: 15px; height: 15px; background-color: #90EE90; border: 1px solid black; margin-right: 5px;"></span> starken Entwicklungsproblemen</li> </ul> <p><b>Ländliche Gebiete</b></p> <ul style="list-style-type: none"> <li><span style="display: inline-block; width: 15px; height: 15px; background-color: #FFFF00; border: 1px solid black; margin-right: 5px;"></span> ohne nennenswerte Entwicklungsprobleme</li> <li><span style="display: inline-block; width: 15px; height: 15px; background-color: #FFFACD; border: 1px solid black; margin-right: 5px;"></span> in der Nähe von Agglomerationsräumen</li> </ul> <p><small>Anmerkung: Kriterien und Indikatoren für Strukturschwäche siehe Erläuterungskasten</small></p> <p><small>Datenbasis: Laufende Raubeobachtung des BBR</small></p>	<p><b>Ländliche Räume mit</b></p> <ul style="list-style-type: none"> <li><span style="display: inline-block; width: 15px; height: 15px; background-color: #FF0000; border: 1px solid black; margin-right: 5px;"></span> Dynamik der wirtschaftlichen Entwicklung</li> <li><span style="display: inline-block; width: 15px; height: 15px; background-color: #ADD8E6; border: 1px solid black; margin-right: 5px;"></span> guten Einkommensmöglichkeiten in der Landwirtschaft</li> <li><span style="display: inline-block; width: 15px; height: 15px; background-color: #90EE90; border: 1px solid black; border-radius: 50%; margin-right: 5px;"></span> Potenzialen im Tourismus</li> </ul>	<p><span style="display: inline-block; width: 15px; height: 15px; background-color: #FFDAB9; border: 1px solid black; margin-right: 5px;"></span> Verdichtungsraum</p> <p><b>Städte außerhalb der Verdichtungsräume</b></p> <ul style="list-style-type: none"> <li><span style="display: inline-block; width: 10px; height: 10px; background-color: #FF0000; border: 1px solid black; border-radius: 50%; margin-right: 5px;"></span> 100 000 bis unter 150 000</li> <li><span style="display: inline-block; width: 10px; height: 10px; background-color: #FF0000; border: 1px solid black; border-radius: 50%; margin-right: 5px;"></span> 50 000 bis unter 100 000</li> <li><span style="display: inline-block; width: 10px; height: 10px; background-color: #FF0000; border: 1px solid black; border-radius: 50%; margin-right: 5px;"></span> 20 000 bis unter 50 000</li> </ul> <p><span style="display: inline-block; width: 15px; border-bottom: 1px solid black; margin-right: 5px;"></span> Bundesautobahnen</p>
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Figure 1: Types of rural areas (Federal Office of Civil Engineering and Regional Planning 2000)

**Rural areas with adequate sources of income in agriculture and potentials in the tourism sector.** This category includes locations like fertile plains or wine-growing areas and regions with a highly attractive landscape, such as coastal areas, landscapes with a low mountain range or the alpine foothills. For the former regions, efficient and intensive agriculture can also create competitive framework conditions regarding the European market. However, the continuous enlargement of agricultural enterprises and the assurance of a highly productive agriculture require adequate regulation regarding nature and landscape conservation. In the future, the assurance of a market-oriented and environment-friendly agriculture will be necessary. Due to the high agricultural quality, tourism can be a considerable but seasonally limited economic basis. Income effects are to be achieved in combination with agriculture, gastronomy and small trade. But infrastructural measures for leisure time activities on the one hand and the preservation of the unique cultural landscape with its natural resources on the other hand can lead to land use conflicts in these regions.

**Economically underdeveloped rural areas** are characterised by a peripheral location in Germany and also in relation to European integration. Furthermore, these regions are marked by an extremely low population density, decreasing job offers in agriculture, an exceptionally high rate of unemployment and a lack of job alternatives in the secondary and tertiary sector. The consequence is constant migration, especially of young people, and a birth rate that is gradually becoming lower. The availability of public means of transport is limited and the availability of a technical and social infrastructure is often insufficient. An adaptation of the whole infrastructure (demand-oriented, decentralised, cost-saving) and the exploitation of the potentials of the cultural landscape and the natural resources will strengthen these areas in the long run. Another problem is that very often these areas are not connected with trans-European networks. Specific functions in these regions could gain in significance by the exploitation of locational conditions or other resources.

This typing of rural areas according to locational, functional and structural attributes was applied until 2004. A new method of classification according to the structure of the area was introduced in the Regional Planning Report 2005. The terms “rural area” and “urban agglomeration” are not used anymore. The typing is now done according to the criteria “accessibility of centres” and “population density”.

However, the information on hand refers to the classification of areas from the year 2000. Thus, the old typing method for the characterisation and description of rural areas is still maintained. The advantage of the new typing approach is a regional delimitation according to statistical data, which does not depend on administrative borders. The two indicators applied therefore allow a realistic system of categories that is highly relevant for regional planning. This is because both the accessibility of centres and the population density are fairly representative for many other relevant development trends in a region. However, a comparability of different types of rural areas is only possible to a certain degree.

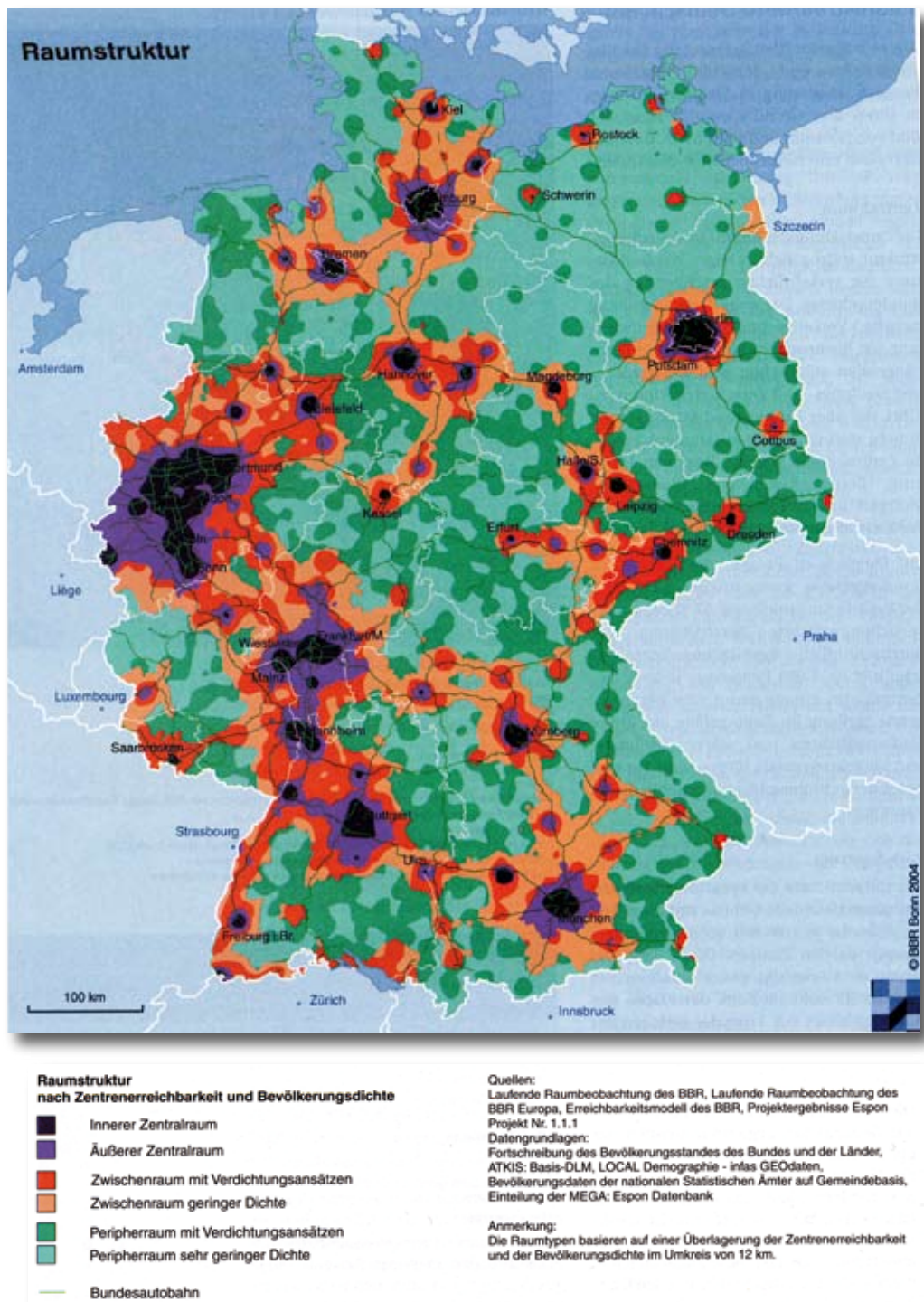


Figure 2: Regional structure according to the accessibility of centres and the population density (Federal Office of Civil Engineering and Regional Planning 2005)



## 1.2 Demographic development in rural areas

### 1.2.1 General trends

The demographic change in rural areas is determined by the following factors: decrease of the population, ageing and migration. Additionally, households are getting smaller due to age- and life-style-related reasons, which leads to increasing isolation. Due to migration, the population is becoming more heterogeneous. Depending on the respective region, the characteristics of these trends are quite different, which partially leads to dramatic disparities. While large parts are affected by a declining birth rate and considerable migration, the population of other areas is still growing. On the whole, since 1990, the total population of rural areas has dropped by about 10 %. Migration has been a typical phenomenon for decades (especially in economically underdeveloped regions) and its effect has been amplified since 1980 by a declining birth rate. But the shrinkage and the ageing of the population were not publicly discussed until the drastic drop in the birth rate and the far reaching losses in the population within the newly-formed German states in the east became widely publicised.

First of all, there is definitely no direct correlation between a decreasing population and the structural weakness of certain regions. In fact, the development trends in all types of regions vary greatly. Considerable small-scale differences are to be found. On the one hand, the same decrease in population can be noticed in rural areas without noteworthy development problems as well as in rural areas with serious structural problems. On the other hand, some administrative districts belonging to the category “rural areas with considerable development problems” are showing high immigration rates.

Thus, a regionally differentiated consideration of the demographic change in rural areas is necessary, taking into account the following three characteristic trends:

- a decreasing birth rate
- ageing
- migration

Special attention is to be paid to those regions where these trends overlie each other thus causing a cumulative effect.

### 1.2.2 Declining birth rate and ageing

The current population forecast in Germany until 2050 bases on the following assumptions: a fertility rate of 1.4 children per woman, an increase in life expectancy by the year 2050 to 81.1 years for boys and to 86.6 years for girls, and a positive migration balance of 200.000 persons annually. The “birth deficit” will rise to about 580.000 by 2050. Thus, the annual number of births will only be half of the annual number of deaths.

The population of Germany will grow slightly from the present 82.5 million inhabitants to 83 million in 2013. Thereafter, until 2050, the population will shrink to the level of 1963 (about 75 million inhabitants). There will be a change in the age structure, which can be described with the ageing quotient. While in 2001, 100 employable persons (20 – 59 years old) statistically corresponded to 44 retired persons (60 years and more), resulting in an ageing quotient of 44, the ageing quotient in 2050 will rise to 78. The critical increase in ageing will already be commencing in the years between 2010 and 2030: During this period of time the ageing quotient will rise from 46 to 71.

As regards the regional dynamic, the respective proportion of individual age groups in the total population is a matter of particular interest. The group of those under 20, for example, will drop from the current 21% to 16% in 2050. At the same time, the proportion of those over 60, which is now 37%, will then be more than twice as much. The proportion of those over 80 will then reach an average of 12%.

In comparison to the national average, the ageing in rural areas is advancing faster due to the migration of young people. In turn, rural areas in the eastern federal states of Germany are affected more intensely than those in western federal states.

Rural areas of all different types show an almost equal decrease in the birth rate. Nevertheless, the absolute level shows significant differences. As a consequence, in rural areas that have either fewer or no noteworthy development problems, the highest birth rates are to be found. Additionally, those birth rates are above the national average (compare chart 1.1).

### 1.2.3 Migration

Depending on their respective locational and structural attributes, rural areas comprise regions with the highest immigration rates as well as those regions with the largest exodus rates. Exodus has always been a phenomenon of economically underdeveloped regions and can be seen as a subjective reaction to objectively existing structural problems. In the eastern federal states the exodus rate is especially high. The associated development problems are further aggravated through the fact that it is especially young adults who are leaving these regions (in parts of the eastern federal states proportionately more women). In some municipalities the “deficit in women” already amounts to about 30%.

Likewise, dramatic consequences are caused by the exodus of those between 18 and 35, whose balance of migration is more than six times as much as the overall balance of migration. This age group primarily comprises migrants who leave their area in order to pursue further education as well as job seekers. Their migration leads to a decreasing endogenous development potential in the respective regions. This entire trend leads to a situation where economically underdeveloped regions are shrinking and ageing faster than other regions. Nor can this loss of parts of the young and active generation be balanced by immigration from abroad.



Chart 1.1: Migration balances and natural balances (Milbert 2003)

	Migration balance per 1.000 inhabitants		Natural balance per 1.000 inhabitants	Birth rate born per 1.000 women		
	total 1991-2002	18 - 35 years of age 1991-2002	1990-2001	1990	1995	2001
<b>Rural areas with</b>						
- very serious problems	-41,62	-248,60	-47,51	17,39	10,89	13,86
- serious problems	36,16	-95,42	-38,99	17,91	13,44	15,05
- few problems	82,05	18,38	-3,64	21,76	19,68	17,90
- without noteworthy development problems	67,37	34,36	-14,21	22,39	18,40	17,44
<b>suburban and urban areas</b>	43,04	188,27	-6,62	21,44	18,86	17,80
<b>old federal states</b>	64,64	151,13	0,26	22,21	20,09	18,21
<b>new federal states</b>	-10,05	-21,02	-51,24	17,98	11,48	14,47
<b>federal territory</b>	47,94	116,05	-11,48	21,24	18,22	17,43

At the same time, rural areas are growing areas, profiting from internal migration. It was these areas that absorbed numerous ethnic German immigrants in the first half of the nineties. Consequently, rural areas with fewer or no structural problems and those that are located near cities and possess a good infrastructure show considerable immigration. In rural areas in the surroundings of big cities there is even a double immigration: They benefit from the suburbanisation and from the immigration from economically underdeveloped regions. Thus, they are the winners of the demographic change. In these regions, the high proportion of those between 18 and 35 is remarkable, which considerably contributes to the development potential. The group of those immigrating from cities mainly consists of families with children, who do not merely go to the rural area in order to generate ownership, but rather because of the environmental quality and the social security. Longer access routes to their job and to infrastructural facilities are accepted.

A positive migration balance is also to be found in rural areas that are especially attractive due to their environmental quality, the range of good leisure time and relaxation activities on offer as well as a good infrastructure. They benefit from the influx of senior population groups, especially retired persons. According to studies, in economically underdeveloped regions, for example in the federal state Brandenburg, there is a high immigration rate of older people. On the one hand, this fixes the obsolescence of these regions but on the other hand, it at least stabilises the population and reduces the number of vacant domiciles (Goltz/Born 2005).

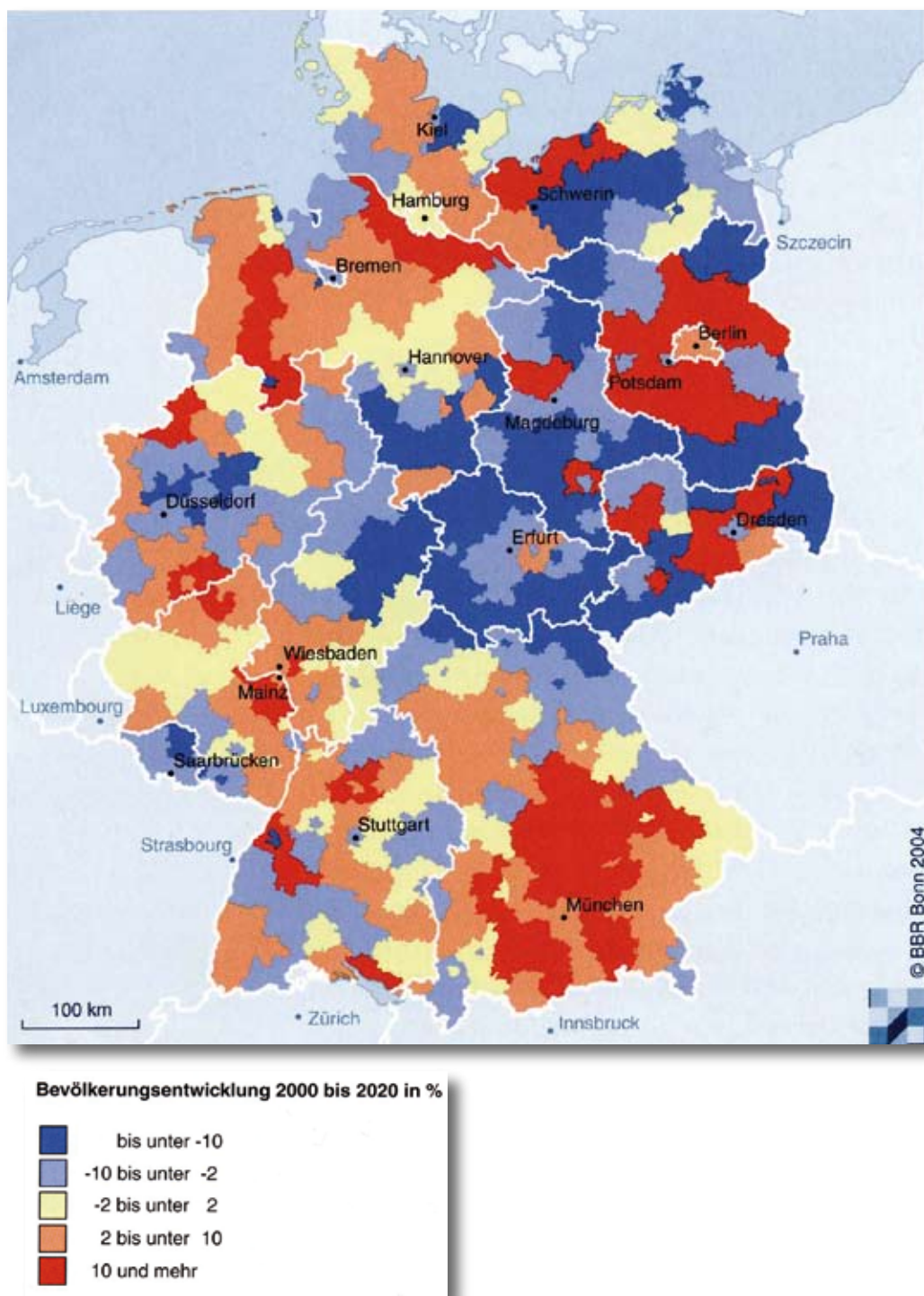


Figure 3: Population forecast 2020 (Bucher/Gatzweiler 2004)

Depending on the respective motives for migration, three different groups of migrants can be roughly classified: Family-oriented immigrants (immigration because of the childrens´residence), immigrants attracted by the respective local landscape (scenic attractiveness and tranquillity) and immigrants with pecuniary motives (generation of ownership, low living costs). As those belonging to the second and third group are, on average, younger and more dynamic and often have a higher income at their disposal, they are particularly able to contribute to the economic development of rural areas and to give new impulses.

For the eastern federal states, a drastic decrease of the population is predicted. External effects can in no way compensate this decrease and the ageing of the population. Altogether, one can assume that the number of deaths exceeds the numbers who immigrate to the western federal states. In the eastern states, on the other hand, a massive exodus further exacerbates the negative impact of the death rate.

As regards international immigration, it is to be expected that this will mainly be concentrated in urban agglomerations. At the same time, the downward gradient from city to the surrounding regions within urban agglomerations is decreasing.

#### **1.2.4 Consequences for the development of rural areas and reasons for action**

The overlap of selective migration, a decreasing birth rate and ageing all lead to a decreasing development potential and to growing problems regarding the capacity and resilience of the social and technical infrastructures within rural areas.

The trends of the demographic change that we have outlined are causing considerable loss in rural areas – especially within the active and dynamic groups of the population. There is a lack of qualified employees for the founding of enterprises as well as for work in existing enterprises. There is a lack of commercial investment and of initiatives for the creation of employment and new sources of income as the recruitment of employees becomes more and more difficult.

In many parts of sparsely populated rural areas, the maintenance of a quantitatively and qualitatively adequate supply of everyday consumer goods is causing increasing economic problems. In the light of a decreasing and ageing population, it is absolutely necessary to develop strategies for an appropriate adaptation – especially regarding the choice of schools, health care, infrastructure, and the provision of goods and services. At the same time waves of demographic change are hampering a continual adaptation of the infrastructure.

Both effects can intensify the exodus and thus aggravate structural weakness. Desperately necessary measures to stabilise the demographic and economic development of rural areas will only be successful if they are coordinated and implemented jointly.

### 1.3 Economic development and employment in rural areas

Despite all efforts of the labour market and economic policy, there was a continuous rise in the number of unemployed from 1990 to 2001 (except for a slight economic stimulation in 1998). At the moment, (August 2005), about 4.7 million people are looking for a job. This corresponds to an unemployment rate of 11.4 %. And still, a clear gradient from west to east is noticeable in Germany. In the eastern federal states the unemployment rate (18.2 %) is twice as high as in the western federal states (9.6%).

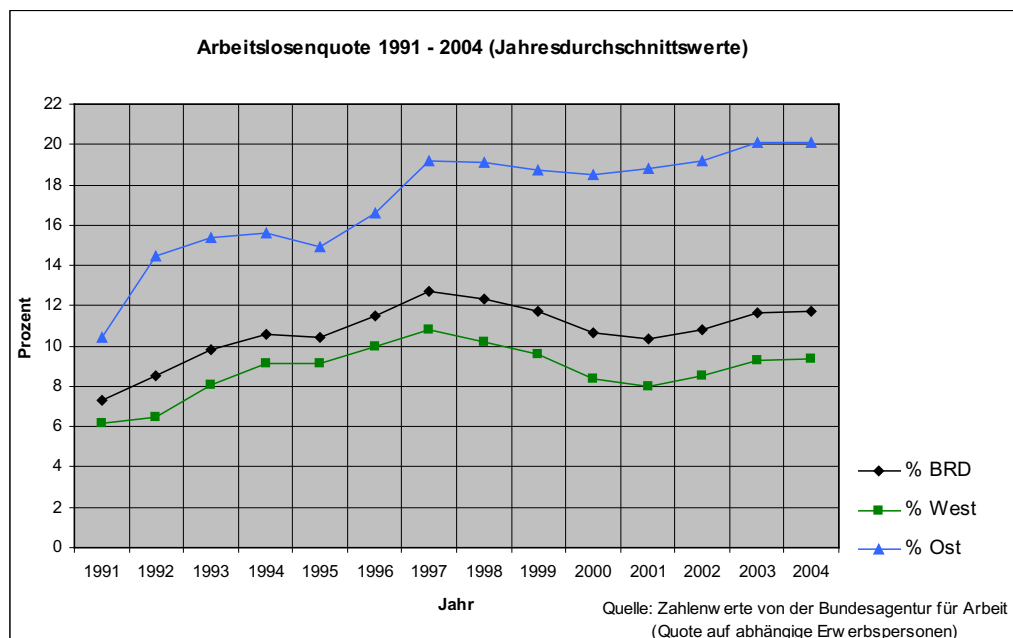


Figure 4: Unemployment rate (annual average) of the years 1991 – 2004 in Germany

If we consider the current economic and labour market development against the background of the large-scale settlement structure in Germany (as shown in cipher 1.1), it becomes clear that those disparities that already have been identified can be verified. Those **regions located within the sphere of influence of larger cities** indeed have to cope with the negative consequences of suburbanisation but they also economically benefit from the good infrastructure, the easy access to high-quality education and job offers as well as the intense dislocation of manufacturing and services from the inner city to the surrounding areas. In general, the establishing of new enterprises causes a growing economic development that in turn amplifies an area’s attractiveness for population and employment.

**Areas with a strong, centrally located structure** likewise benefit from the above-mentioned advantages. However, they are not exposed to such high settlement pressure.

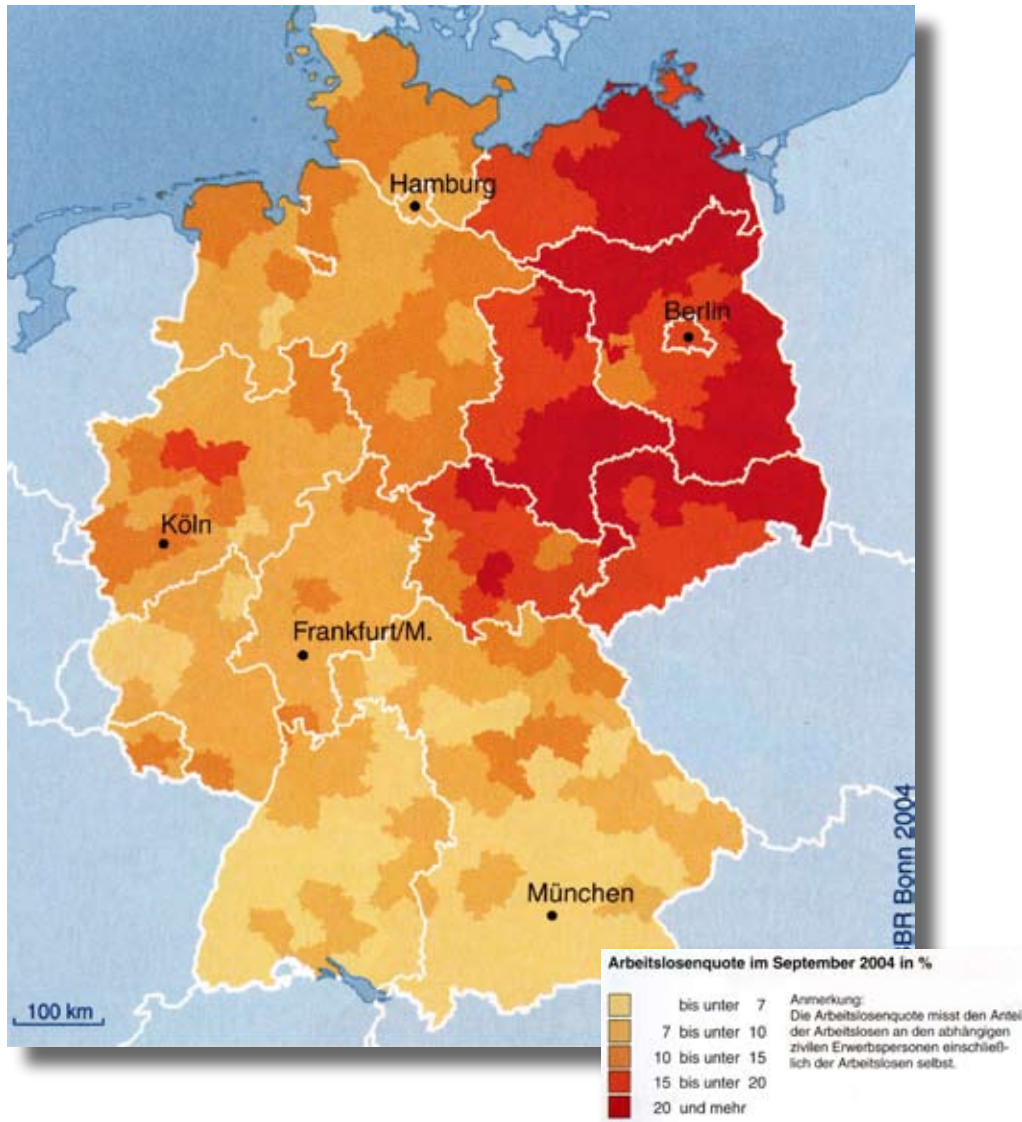


Figure 5: Unemployment rate in September 2004 on the basis of the 97 planning regions within the Federal Republic of Germany (Federal Office of Civil Engineering and Regional Planning 2005), (source: Regional Planning Report of the Federal Republic of Germany 2005)

Through locational advantages and processes of exchange with the centres, an economic momentum has developed that is likely to endure in the future as well. During the last ten years, these regions showed the lowest loss of jobs within the production sector and simultaneously the highest increase in employment opportunities within the service industry. Consequently, they have no noteworthy economic or structural problems. On the contrary, they possess the best socio-economic development potentials within the whole federal territory.

In the frequently cited publication of the Federal Office of Civil Engineering and Regional Planning, the current report on regional planning delimits the above-mentioned area category too sharply from structurally underdeveloped areas that face obvious economic obstacles. In fact, the transition from one type of area to another is fairly seamless. The economically underdeveloped areas (according to chapter 1.1) have to be differentiated further as **rural areas with serious development problems** and **rural areas with very serious development problems**. About two-thirds of the former are located in the eastern federal states (Westmecklenburg, Südbrandenburg, Thüringen and Sachsen) but also in the border areas of the western federal states (for example Eifel, Hunsrück or Bayerischer Wald). The latter are almost exclusively concentrated in the northeast of the eastern federal states (especially Mecklenburg-Vorpommern, Brandenburg and Sachsen-Anhalt).

The economically underdeveloped rural areas account for a labour force participation rate of about 40 employees per 100 inhabitants and thus reach only 4/5 of the national average. This leads to a comparatively low gross value added which lies below 22,000 € annually among those between 15 and 65 years of age. The national average of 35,000 € clearly lies above this figure. The resulting low purchasing power of the population causes a weaker domestic demand and, as a consequence, economic stagnation. Thus, a vicious circle ensues that is hard to break through, and that has led to an unemployment rate of over 25 % within the economically weakest administrative districts.

Considering the individual economic sectors, one can ascertain that the highest reduction of jobs has occurred within agriculture. Since 1990, in the western federal states, more than 30 % of the jobs have been cut. In the eastern federal states, this figure even amounts to 85 % as a consequence of the transition from a centrally planned economy to a free market economy. In the future as well, the continuing structural change in agriculture will lead to a further reduction of jobs within the primary sector. The overall economic importance of agriculture is relatively low, amounting to 1.2 % of the gross value added and involving 2.5 % of all employees. However, especially in economically underdeveloped areas agriculture is of vital importance. In some regions it accounts for up to 15 % of the total economy.

Since 1990, about 17 % of the jobs have been cut in the production sector. Here, especially urban areas and those areas close to the cities have been affected with a decrease of about 20 %. This is a consequence of the massive job losses in larger industrial enterprises. In contrast, the economy in rural areas was able to react more flexibly to the modified framework conditions as it is mainly characterised by small and medium-sized enterprises. Thus, in rural areas, the loss of jobs in the industry and production sectors amounted to only half of that in the agglomerations. In the peripheral and economically underdeveloped rural areas – mainly in the eastern federal states – a decrease of employment opportunities of over 15 % occurred. This is a consequence of deindustrialisation and the transformation process that occurred after the fall of the Berlin wall. Furthermore, the building industry, which at first flourished in the years after 1989, is now affected by an intense recession.





The manifold service enterprises today belong to the future-oriented and dynamic growth sectors. In this industry, since 1990, nationwide about 15 % more jobs have been created. This growth could partly absorb the losses within the production sector and the building industry.

However, the peripheral and economically underdeveloped regions are an exception. Since the local tertiary sector is relatively weak, growth in those regions, at 6.5 %, was noticeably lower than the general development. Only those regions that are shaped by tourism and relaxation activities (especially areas on the North and the Baltic Sea as well as the lake areas such as the Bodensee and Müritz) were able to buck this trend. Here, tourism and the hotel and restaurant industry acted as a motor for economic development.

In summary, an analysis of the economic and labour market situation verifies our conclusion: Structurally weak rural areas also belong to the economically weakest regions. The two terms “rural-peripheric” and “economically underdeveloped” today belong together more than ever before. Normally, these weaknesses are connected with a massive exodus that seems to mitigate their effect. However in the light of the general aims of achieving a balanced regional structure over a wide area, and similar living conditions in all sub-regions, this trend cannot be accepted.

## **2. Integrated rural development**

### **2.1 Approach, instruments and partners**

The new basic principle of “integrated rural development” has existed since 2004, within the framework plan of the joint agreement “Improvement of the agrarian structure and coast protection” (GAK) (BT-printed matter 15/3151 Mai 21st 2004). In the framework plan from 2005 to 2008 it was modified slightly on November 18th 2004 through a decision of the planning commission for the agrarian structure and coast protection (PLANAK) (BT-printed matter 15/5820 June 22nd 2005).

The objectives of integrated rural development (ILE) are the initiation, organisation and management of regional development processes. This includes integrated rural development concepts (ILEK), regional management (RM) and their implementation. Contractors are normally the municipalities. In the context of inter-communal cooperation, they assign the development of the respective concept and management of its implementation (UM) to private planning offices. According to the current framework plan of the GAK, financial support of up to 75 % of the costs for the development of the concept is possible (maximum 50.000 €). Furthermore, the regional management can be supported with up to 70 % of the costs for a maximum period of five years (at most 75.000 € annually).

The motto of integrated rural development is: “from competition to cooperation”. This takes into account that many challenges that exist in rural areas today can only be managed with integral and intercommunal approaches. Thus, synergies can be achieved, which is especially important for smaller municipalities that have fewer employees, less equipment and limited financial means at their disposal. Planned projects are easier to implement and public as well as private projects can be realised more efficiently.

In this respect, the strategic approach bases upon the following basic principles:

1. **Reference to the municipal fields of action** integrating all relevant public and private actors within the region
2. **Transition from isolated single projects to an intercommunal, regional development strategy** and a purposeful use of all instruments for its implementation
3. **The creation of main topical or regional focal points** on the basis of professionally established criteria (e.g. intercommunal management of industrial real estate, endogenous development, redevelopment of village cores, upgrading the landscape for tourism, networks for entrepreneurs)
4. **Implementation** with fast and apparent results, a preferably early realisation of key projects and demonstration projects

The integrated rural development concept is to be worked out in close cooperation with the municipalities (mayors) and all actors necessary to realise, organise and to look after the concept through management of its implementation. In the course of this implementation, mainly the soft instruments of a dialogue-oriented planning process are to be applied. These are primarily:

- Consultation with the municipalities and all relevant public and private actors within the region according to the “bottom-up principle” and simultaneous participation of public agencies and the local population
- Formulation, development and coordination of the projects and single activities to a regional development strategy, especially involving communal land-use planning and the regional promotion of the economy as well as already existing plans
- Informing the public about concerns, main topics and results of integrated rural development in the form of general public relations (PR)

The authorities for land development initiate and stimulate the development process during the important preparation and starting phase. In this context, the authorities for land development are to inform the municipalities systematically about the possibilities of integrated rural development, showing them potential fields of action and rendering professional assistance.

In integrated rural development, the classic instruments of rural land readjustment are the supporting elements of the process. According to the GAK-framework plan 2005 to 2008, the following investment **measures of land development** are to be distinguished:

- Village renewal and village development in rural villages (according to § 1, passage 1, no. 1d GAKG) for the preservation and the design of a rural character, including the ensuring and advancement of shared facilities in order to improve the living conditions of the rural population as well as the respective village development planning and concepts required for this purpose;
- Infrastructural measures, adapted to a rural character especially for the development of the agricultural and tourism potentials within the context of the diversification of sources of income of agricultural enterprises;
- The planting of vegetation strips and comparable landscape-compatible arrangements related to agriculture and forestry;
- Readjustment of rural land tenure and the reorganisation of the rural area in order to improve the agrarian structure within the context of procedures according to the Farmland Consolidation Act (FlurbG) and the Act of the structural adaptation of agriculture (LwAnpG), including measures to ensure a sustainable and effective natural environment as well as lasting and purposeful projects of voluntary land exchange;
- Cooperation of farmers and forest workers with other partners in rural areas for the diversification of sources of income and for the creation of additional employment opportunities and of measures for the conversion of agricultural and silvicultural buildings.

In this context, it is to be remarked that land consolidation is taking a key position for the realisation of many other projects. Rural land readjustment can allocate the required land for the realisation of public and private projects and simultaneously lay the legal foundations for the planning.

The integrated rural development concept is to be seen as a strategy conception on the basis of stocktaking and analysis, constituting the general orientation for a further development of the region and defining essential fields of action and possible projects for their implementation. Furthermore, the implementation management has to activate all structural instruments for a regional policy based on the GAK as well as on other special fields (departments etc.), thus contributing to the regional development.

Integrated rural development includes the involvement of all relevant planning and projects of the municipalities and the various authorities like road building, water management, nature conservation or the conservation of historic monuments as well as support programmes in other fields. That is why the participation of public and private actors from the economy (chambers, associations, communities of interest and enterprises), and the

different social and cultural fields of action (youth and childcare, youth work, schools, nursing and geriatric care) is of vital importance.

Within the **entire process of integrated rural development**, the creative and activating roles of the development concept and the implementation management are to be particularly stressed. In the course of joint cooperation with all partners involved, new ideas and innovative approaches are to be developed. Certainly, this is an ambitious aim. As a result, a coordinated package of measures for regional development is to be worked out, which can be realised promptly in the course of single projects, also taking synergy effects into account. Public and private actors are to be seen as equal partners, collectively bearing responsibility for the integral development process. Dialogue-oriented planning among all participants and a communicative management of all actors according to the principle of consensus are essential parts of the process. The authorities for land development have an important function: They are initiator and adviser in order to stimulate and to support the development process. Furthermore, they are able to provide assistance when it comes to the realisation of projects.

In detail, their tasks are as follows:

1. **Initiation and organisation of the integrated rural development** through directed information, advice and activation of the respective municipalities
2. **Support of the creation of an integrated rural development concept and management of the implementation** through financial aid for municipalities acting as contractor
3. **Realisation of projects of rural land readjustment** including voluntary land use exchange procedures
4. **Support of projects of the municipalities and other partners** through the possibilities of rural land readjustment (coordination, planning and allocation of land) as well as the promotion of public and private projects in the context of village renewal, conversion (reuse), an improvement of the infrastructure and cooperation
5. **Support of the creation of networks**, especially between traditional areas, for example agriculture and forestry, the manufacturing industry, handcraft and retail trade as well as innovative development approaches like the promotion of new technologies, applied scientific research or regional marketing
6. **Connection and bundling of different sources of finance** and support programmes for a coordinated overall strategy

In integrated rural development, the authorities for land development can (and have to) bring in their longstanding experience in the readjustment and reorganisation of rural areas. This advising and activating role is a decisive motor for the integral development process and provides important impulses and incentives.



## 2.2 Strategic approaches for the ensuring and creation of employment

### 2.2.1 Requirements, development potentials and fields of action

By adopting the new basic principle “integrated rural development” in the GAK, there is now also a formal change in the planning culture, based on new conclusions from regional development. The aim now is an integral development and support of rural areas that is no longer limited to the sector of agriculture. In the future, all the potentials of rural areas are to be identified and activated in an optimal way. These areas are to be developed as living and economic areas, with their own characteristic importance, and additionally as natural, cultural and relaxation areas. In order to achieve this, regional and communal development is to be supported and new jobs in trade and the service sector are to be created. Furthermore, agriculture and viticulture are to be supported during their structural change and the natural basis of life is to be protected. With respect to the business location “rural area”, initially, the following requirements and basic conditions are to be discussed:

#### The principle of a sustainable development of rural areas

The legally standardised principle of sustainability is also to be realised when it comes to rural development. It bases upon three guiding principles:

- **Basic principle of integral development:** According to this basic principle, an integral view of social, ecological and economic concerns should replace a sectoral or isolated optimisation of single issues and objectives, thus enabling an integral consideration of all development aspects. The single concerns do not have to be similarly weighted but considered according to the respective regional requirements. Especially in economically underdeveloped rural areas, special attention will have to be paid to economic concerns such as locational factors. Nevertheless, all other essential regional requirements must not be disregarded. Most important is the coordination of the relevant policies and a bundled application of the development and support instruments.
- **Principle of intergenerational justice:** On the one hand, the needs of the present society are to be fulfilled, on the other hand, the development margin of future generations is to be considered as well. This aspect can especially be taken into account through a reduction of the use of resources.
- **Principle of regional equilibrium and global justice:** Naturally, a sustainable development can not be reached through a regional development that is only related to single administrative areas. The already existing regional linkages necessitate a regional point of view as the inter-communal and international connections in production processes need to be considered. In the context of a sustainable development, concepts of an exclusively “local” economy can not be successful.

Of course, all three of these principles are almost impossible to implement completely. But the new basic principle “integrated rural development” with the integral approach, the “bottom-up-principle” and the regional approach provides favourable preconditions for the realisation of a future-oriented development.

### Potentials and functions of rural areas

Integrated rural development focuses on the potentials of rural areas. If a conversion of these potentials is successful, new functions can be derived. Due to their diversity and their resources, these areas traditionally meet various social and economic requirements. The functions are to be distinguished according to their ability to contribute directly or indirectly to the regional development or to the creation of value. The following functions are to be distinguished:

1. **Residential function:** Capability of the rural area to guarantee high-quality living conditions, taking the requirements of all age groups into account. In this respect, “rural living” comprises outstanding quality. Certain types of households and age groups are especially interested in, for example, the lower living costs, the social environment and the environmental quality. The residential function is directly linked with all economic functions.
2. **Economic and employment function:** Capability of the rural area to provide sufficient and high-quality employment and to create competitive conditions of production for agricultural enterprises and other companies. The economic prosperity of rural areas no longer depends on the development of the primary sector. It rather depends on industrial production and, increasingly, on the dynamic of the service sector. Rural areas with a favourable economic development are often located close to agglomerations.
3. **The locational function of agriculture and silviculture:** Capability of the rural area to ensure the production of aliments and the provision of renewable raw materials through its natural soil quality. At the same time, these two functions, which occupy about 80 % of the federal territory, substantially contribute to the preservation and development of the cultural landscape and to the protection of the natural resources. A multifunctional cultivation of land that has production function and that also fosters the landscape is becoming more and more important.
4. **Relaxation and tourism:** Capability of the rural area to enable the creation of a cultural landscape for tourism and leisure time purposes and to promote spiritual and physical regeneration through attractive scenery and and an appropriate tourism infrastructure.



5. **Location function:** Capability of the rural area to provide appropriate locations for large-scale infrastructural measures (supply and disposal, streets, railway lines, pipelines, purification plants, canals) and other large-scale construction measures. It is also about land for commercial and industrial purposes.
6. **Ecotope and nature conservation function:** Capability of the rural area to provide a living space (biotope) for the biocenosis, to regulate life processes in a positive way, to maintain and to re-establish them as well as to ensure the networking of individual habitats. In this respect, rural areas have an important function as a place for retreat and regeneration.
7. **Allocation of resources:** Capability of the rural area to allocate nonrenewable resources (e.g. sand, gravel and stones) as well as renewable resources (raw materials which can be re-grown, groundwater, energy from biomass and wind) for private households and for industrial production.

The demographic change, the agrarian and economic change, the change of the settlement structure as well as a change in the appreciation of natural resources have caused a rapid transformation of these functions of rural areas.

### **Adaptation of the central-locational classification system**

In 2003, the conference of ministers for regional planning (MKRO) emphasised the role of cities as motors for rural areas and economic development. The development of agglomerations of large cities (metropolitan regions) as “nodes within the global network” is seen as a very important task. This paradigm shift provides a stronger concentration of development funds for large cities and agglomerations according to the concept of growth poles. Rural areas should mainly profit indirectly from these development funds in the form of emanation effects. Such a reorientation of regional planning policy modifies the whole previous system of central locations and is therefore not unproblematic for the development of rural areas and their centres.

This new point of view is a challenge for rural areas and must not lead to a passive re-organisation of peripheral areas, such as already occurred in the sixties. In particular, a central-locational system has to guarantee a balanced allocation of employment and to ensure good basic conditions for the services of general interest through a sufficient density of medium-sized and small centres within the rural area. In the light of the current process of shrinkage, the existing system needs to be checked in order to find out how to adapt the previous functions to the modified requirements. As possible strategies, more intensive cooperation within the region, adaptation through bundling, closer cooperation of public and private facilities and a broader catchment area of infrastructural facilities are under consideration. For all this, the accessibility has to be improved considerably.

Provided that supply offers that are adapted to the respective local structure are established, centres within rural areas will be indispensable as business locations and for providing the services of general interest in the future as well.

## Fields of action of integrated rural development

For a sustainable development of rural areas, four fields of action can be identified. These can be concretised within the scope of an integrated rural development, but only partially realised:

1. **Improvement of the basic economic conditions:** Creation of employment and sources of income within and beyond the sectors of agriculture, forestry, tourism, the service sector and handcraft.
2. **Transport infrastructure:** Creation and ensuring of an appropriate and regionally adapted infrastructure and opportunities for mobility.
3. **Qualitative and quantitative adaptation of the social infrastructure:** Ensuring minimum standards as regards fields of education, health care, the supply of everyday consumer goods and culture.
4. **Protection of resources and environment:** Protection, conservation and development of the cultural landscape as well as ensuring free space through intelligent land management.

These challenges and trends illustrate the importance of the economic sector within the scope of integrated rural development. In order to make use of the development potentials, the respective regional and local potentials are to be identified and evaluated for the regional economic development. Not only is the direct promotion of employment and possible sources of income of vital importance. In the long run, this will only be effective and successful if it is combined with the three other fields of action. In the following, this is illustrated with the help of selected aspects.

## Requirements for enterprises in the rural area

All experience up to now clearly shows that the economy in rural areas cannot be ensured with internal or regional economic cycles alone. External relations to markets, clients, suppliers and processing enterprises necessitate an efficient infrastructural development as an indispensable locational condition and in order to guarantee an economic exchange of goods and services. At the same time, such infrastructure permits longer commuter distances for the inhabitants of rural areas into the centres. Thus, a migration of the population can be counteracted and their overall residential situation be improved. Without the residential function, the locational function of the rural areas cannot be maintained.

The work-related migration of all inhabitants who cannot find a job in the rural area and who cannot afford to commute to neighbouring centres for reasons of time and insufficient public transport would drastically reduce the resident population. As a consequence of such a migration, there would be a decrease in public and private service facilities that provide for basic needs. Thus, the quality of life for the remaining population would further deteriorate.





Enterprises within the rural area are continuously having problems in finding executive employees. A main obstacle is the unwillingness of city dwellers to relocate to the rural area after having finished their education. A frequently named reason is insufficient public transport connections. This locational disadvantage must also be eliminated through a sufficient, regional connection to central locations. Nevertheless, this will not necessarily change the unwillingness of the city dwellers to relocate.

Possible opportunities in the demographic change are especially to be found in connection with the adaptation of an age-based infrastructure. An ageing population will only stay in the rural area if there is an adequate supply in all relevant infrastructural areas – especially as regards health care, geriatric care and the close supply with everyday consumer goods. A growing demand for such services can both create new jobs and ensure sources of income.

Even after having reached retirement age, numerous inhabitants of the rural area want to stay active for a certain time and pursue a meaningful activity. One consideration might be for older people to set up consultancies in coordination with the Chamber of Commerce and Industry (IHK) to advise company founders and young entrepreneurs. Older people can bring in the extensive knowledge acquired during their long professional life, and thus promote economic development. Likewise one can imagine that older citizens might engage in honorary activities in communal social and cultural facilities as well as in offering additional means of transport (“citizen bus”), all of which are significant as soft location factors in rural areas.

Beside a basic infrastructural supply, the cultural landscape is the most important potential when it comes to the rural area as a residential, economic and relaxation area. Thus, the protection and conservation of the cultural landscape also serves economic development.

The conditions for the development of rural areas have considerably changed during the past ten years. Essential forces of change that are to be considered during the organisation of an ILEK-process are:

- Innovation as a decisive competitive factor,
- knowledge as the most important production factor,
- the impact of new technologies, especially of the IuK,
- advancing globalisation,
- the continuing importance of the proximity to agglomerations.

Under these circumstances, production networks between enterprises are becoming more and more important. Important tasks of implementation management within rural areas are the initiation and promotion of appropriate value chains and clusters as well as the promotion of new, knowledge-based company-related services.

## New planning approaches

The planning methods used in the course of an integrated rural development concept have to allow for the altered requirements of regional planning. These requirements arise as a result of the current framework conditions and future trends. In this respect, the following aspects are to be considered:

- **Monitoring instead of stocktaking:** Rapid regional changes and the diversity of developments can only be documented with the help of continuous monitoring. Statistical stocktaking does not create a reliable planning basis. Furthermore, monitoring is able to take over important early warning and controlling functions for the planning process.
- **Scenarios instead of prognoses:** In the light of the various external influences on rural development, it is only possible to make estimations of future development trends in forms of scenarios presuming certain parameters instead of prognoses with fixed output parameters. Globalisation and Europeanization are increasingly influencing local developments and the scope of the activities of the different regions. Both the opening of markets and the regional distribution of production processes within the international value chain affect rural areas. Thus, they are exposed to international competition. But at the same time, such global networking can also be used to ensure employment. The effects of the demographic change are an additional factor.
- **Demand- and implementation-oriented planning instead of supply-oriented planning:** The rapid change of framework conditions does not allow long planning and realisation periods. Thus, the developed concepts need to be realised promptly as long as the relevance and effectiveness of the single measures are given. Furthermore, we must consider that in the future, the term „development“ in regional planning is no longer to be equated with an increase of goods and services. Current development strategies especially have to deal with the assurance and the adaptation of supply standards.
- **Incrementalism as a perspective instead of planning commitments with no time limit:** In times of negative growth, a long-term prognosis for future development is impossible. Planning and strategies are to be worked out and implemented gradually in order to make adjustments and modifications possible at any time. At the same time, a long-term guiding principle is indispensable for the alignment of all single measures.
- **Cooperative instead of sovereign instruments and procedures:** The current understanding of planning is, among other things, shaped by the general principle of the activating state. According to this principle, the initiative and implementation of regional modification processes are to come from the citizens themselves. Such a shift of responsibility can only be realised on the basis of consensual resolutions and cooperative strategies.



- **Regional cooperation instead of communal “development-egoism”:** An appropriate use of the regional resources of rural areas implies integrated communal cooperation. Depending on their main focus, different function-oriented profiles for a region arise as regards the efficient cooperation of the participating municipalities. Such regional development partnerships between cities and rural municipalities can also be successfully installed as basic elements within regional networks.

Thus, the question arises how these approaches for a long-term improvement of the labour market and income situation can be applied and used in consideration of the current trends regarding the structure of the population, settlements and agriculture.

### 2.2.2 Tasks and establishment of an integrated rural development concept (ILEK) in order to promote regional economy

The complexity of the economic problems in rural areas has shown that only an integrated approach can be successful. Thus, a main task of integrated rural development is to develop rural areas as independent living and economic areas and to maintain them as natural and cultural landscapes as well as as areas for relaxation activities. To achieve this, an integrative view of all areas of activity is necessary. This especially applies for residential areas and areas set aside for infrastructure, agriculture, the economy and trade, tourism, environment and culture. The economic sector and the labour market must not be considered as isolated factors.

The main objectives of integrated rural development concepts are, first of all, the assurance of existing jobs and the creation of new jobs and sources of income, but also the accomplishment of strategic, operative tasks. According to the guiding principle of sustainable development, integrated rural development concepts should serve as an orientation for long-term development and as a basis for concrete projects.

Therefore, guiding principles and a guiding orientation need to be worked out and summarised in terms of concrete objectives. Furthermore, fields of action and measures have to be formulated and implementation strategies have to be developed regarding organisational, legal and financial issues. Regional approaches are to be pursued also beyond their actual communal borders. Altogether, especially the following tasks are to be achieved:

- Identification of economic development potentials, finding of strengths and weaknesses in a region and the establishment of concepts for the development of its potentials.
- Determination of the need for action as regards land management, rural land re-adjustment and village renewal in order to promote regional development.
- Giving development impulses for the region as well as for concrete projects.

- Initiation of intercommunal cooperation and development according to functional aspects.
- Connecting single projects in a region in order to achieve added value for rural development. To accomplish this, all single measures are to be coordinated as regards a time frame and a regional framework, and individual fields of action have to be prioritized.
- Basis for the implementation and realisation of single projects and concrete measures (implementation strategies for the respective land management, the organisation, financing etc.).
- Conflict resolution in case of competing land use claims through the consideration of all requirements.
- Strengthening of the identification/awareness of the population with their region.

The following chart 2.1 illustrates the single work steps, the participating actors and their participation.



Chart 2.1: Work steps for an ILEK with special regard to new jobs and sources of income

Work steps	Actors	Participation
<p><b>Phase I: Analysis and evaluation of the initial situation</b></p> <ul style="list-style-type: none"> <li>- Analysis of existing overall and sectoral planning, reports etc., completion of the actual data</li> <li>- Analysis of basic employment-relevant structures and development trends (population, industry, services, agriculture, labour market, tourism, gastronomy, transportation etc.)</li> <li>- Interviewing selected actors</li> <li>- Identification of central development problems and fields of action</li> <li>- Sectoral development scenarios</li> </ul>	<ul style="list-style-type: none"> <li>- Planners</li> <li>- Work groups</li> <li>- Steering group</li> </ul>	<p><b>Inaugural event</b></p> <ul style="list-style-type: none"> <li>- Business development</li> <li>- Chamber of Industry and Commerce, Chambers of Trade</li> <li>- Single enterprises and entrepreneurs</li> <li>- Municipalities</li> <li>- Employment agencies</li> <li>- Population</li> <li>- Tourism facilities</li> </ul>
<p><b>Phase II: Strengths-weaknesses profile</b></p> <ul style="list-style-type: none"> <li>- SWOT-analysis with identification and evaluation of the strengths, weaknesses, opportunities and threats of the region with special regard to the labour market development</li> <li>- Integrated development scenarios</li> </ul>	<ul style="list-style-type: none"> <li>- Planners</li> <li>- Work groups</li> <li>- Steering group</li> </ul>	
<p><b>Phase III: Establishment of the guiding principle</b></p> <ul style="list-style-type: none"> <li>- Formulation of a guiding principle and development objectives for the region</li> <li>- Identification and definition of issues and fields of action (e.g. cooperation with the region, development of the region as a residential and economic location, diversification of agriculture and new value chains, development of industry and trade, tourism, qualification and further education)</li> </ul>	<ul style="list-style-type: none"> <li>- Planners</li> <li>- Work groups</li> <li>- Steering group</li> </ul>	<p><b>Interim presentation</b></p> <ul style="list-style-type: none"> <li>- Business development</li> <li>- Chamber of Industry and Commerce, Chambers of Trade</li> <li>- Single enterprises and entrepreneurs</li> <li>- Municipalities</li> <li>- Employment agencies</li> <li>- Population</li> </ul>
<p><b>Phase IV: Development of the concept and of the implementation strategy</b></p> <ul style="list-style-type: none"> <li>- Fields of action, organisation and evaluation concept</li> <li>- Implementation strategy: List of priorities, schedule and action plan, instruments inside and outside the joint agreement "Improvement of the agrarian structure and coast protection" (GAK)</li> <li>- Public relations</li> </ul>	<ul style="list-style-type: none"> <li>- Planners</li> <li>- Work groups</li> </ul>	
<p><b>Phase V: Arrangement of the implementation management</b></p> <ul style="list-style-type: none"> <li>- Catalogue of measures</li> <li>- Definition of priorities</li> <li>- Realisation of measures</li> <li>- Public relations</li> </ul>	<ul style="list-style-type: none"> <li>- Steering group</li> <li>- Regional manager</li> </ul>	<p><b>Final presentation</b></p> <ul style="list-style-type: none"> <li>- Business development</li> <li>- Chamber of Industry and Commerce, Chambers of Trade</li> <li>- Single enterprises and entrepreneurs</li> <li>- Municipalities</li> <li>- Employment agencies</li> <li>- Population</li> </ul>

### 2.2.3 Approaches and contributions of an ILEK for the development of employment in rural areas

Integrated rural development concepts should serve as informal planning concepts, adapted to the respective organisational and topical local requirements. In contrast to formal and legally standardised planning processes and plan types, integrated rural development concepts serve as working plans for regional development. Their special features are their flexibility as regards the planning process and their dynamic adaptability of content. Thus, the level of acceptance to be expected among the actors and the population is much higher. These features make clear that integrated rural development concepts are also appropriate instruments for an improvement of the labour market situation in rural areas. In order to make full use of the comprehensive advantages of the informal planning instruments and cooperative implementation instruments they are to be coordinated with the informal procedures, instruments and institutions (e.g. AGENDA 21-processes, communal development concepts, regional development concepts, regional conferences, etc.) that are absolutely relevant for communal and regional development today.

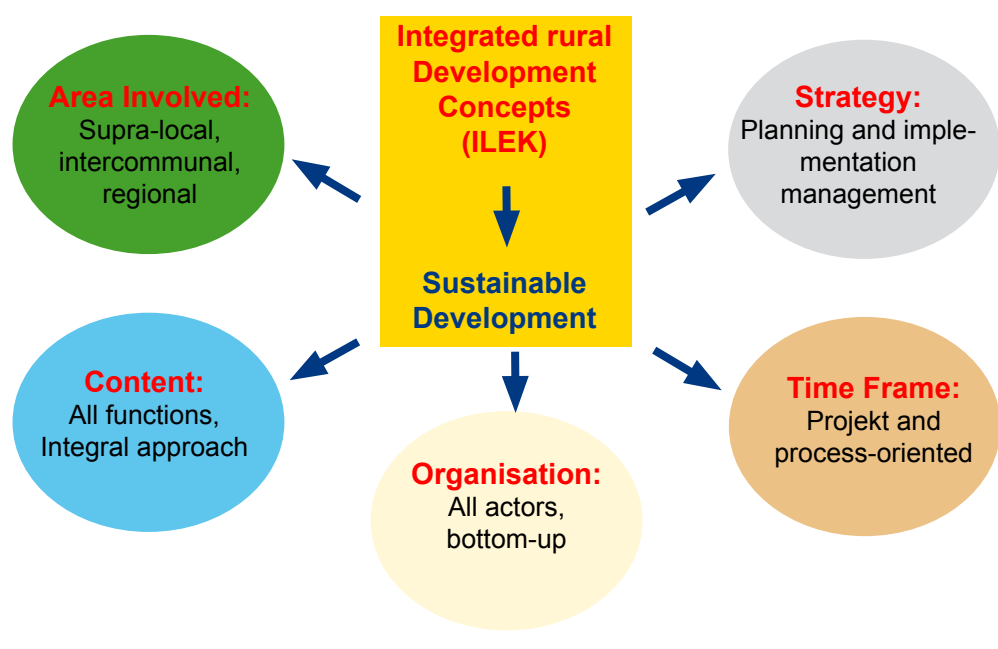


Figure 6: Integrated rural development concepts

Integrated rural development concepts are suitable for a problem- and project-specific application also beyond communal borders and can thus initiate and intensify necessary intercommunal cooperation as regards economic development. Due to the bottom-up principle, they guarantee widespread participation and an activation of the respective actors in an open process.

Planning and implementation as communicative action with information, participation, coordination and cooperation are characteristic features of integrated rural development. Therefore, a high acceptance of the respective results is to be expected. This will work all the better the more all the subject areas and results of the concepts are anchored in the public through intensive public relations. These are the conditions that are favourable for the application of these concepts in a field as sensitive as the development of the economy and the labour market situation beyond communal borders.

As regards the assurance and the creation of employment and new sources of income, the following approaches, tasks and issues are important for an integrated rural development concept:

- **Ascertaining the need for advice and establishing advice-networks:** The upkeep of existing enterprises and the creation of new jobs imply intensive professional and operational advice. In the course of integrated rural development, networks offering advice and information even beyond communal borders can be created through chambers, public authorities and municipalities. The degree of self-organisation on the part of commercial associations and industrial exhibitions that is strived for can be intensified through the participation of enterprises and companies, thus intensifying the whole development process. As the initiative must be taken by already existing enterprises, companies and single actors within the region, this approach is becoming more and more important as regards the safeguarding and creation of employment.
- **Region-specific approach:** The region must be understood as a socio-economic unit for which a standardised profile and an image are to be developed. These should differ positively from those of other competing regions. The characteristic features of the respective region are to be emphasized. The concept of a local economy is quite unrealistic due to the manifold aspects of regional, national and global integration and division of labour. Thus, all large-scale functional and structural areas of rural development are to be considered and the economic, social and ecological aims for the region need to be bundled. Furthermore, regional cooperation with neighbouring municipalities as well as with other relevant actors within the region are indispensable. Such cooperation, which goes beyond communal borders, expands communal spheres of influence and creates added value and synergies for local and regional development. In the future, this will become more and more important as regards industrial/commercial land management and all infrastructural measures and facilities in the areas of agriculture, trade, tourism as well as nature and landscape conservation.
- **Participation of municipalities and communal business development in regional development:** Business development is a communal task. Therefore, an anchoring of the concept within communal development and urban land use planning is necessary. Due to their sovereignty in communal planning, municipalities have a comprehensive view over all land use claims and over the necessary decision-making competences so that they can provide and allocate the required commercial building land and maintain already existing locations. Additionally,

they are thus able to contribute decisively to the preservation of already existing jobs and to the creation of new ones. Yet the limitation of this responsibility to the area of the respective municipality can be seen as a disadvantage. However, this disadvantage can be overcome through an appropriate coordination among neighbouring municipalities in the course of a process that is managed by integrated rural development.

- **Regional land management and regional marketing:** In numerous economically underdeveloped regions, one can find that the designation of commercial building land is often not coordinated and consequently not demand-oriented. Due to limited numbers of staff, the commercialisation of these areas, which can be very small in size, is not carried out very effectively or successfully. A bundling of the communal contingent of land and the concentration of the land on offer in strategically favourable locations within the region will increase the chances for success. A consensual key as regards the distribution of costs and revenues is decisive for the realisation and economic success of intercommunal industrial parks and the pooling of commercial building land. Integrated rural development can contribute considerably to such cooperation. Furthermore, a lot of preliminary work can be done. Thus, cooperation in other areas can contribute to the creation of mutual confidence and promote intensive inter-communal cooperation, even in the case of industrial parks.
- **Formation of clusters:** Competition among regions necessitates an intensive use of the specific advantages (unique characteristics) of a single region in order to promote its development. To reach this, the respective potentials are to be identified and used for the formation of clusters. In this respect, a cluster is a spatial concentration of intercommunicating enterprises from the manufacturing sector, services, public organisations and economic institutions of a region. Reciprocal relations contribute to an increase of the competitiveness of all single actors and therefore of the whole system. The participants of a cluster see cooperation alongside a value chain as a success factor in their development. The cluster has positive effects on corporate strategy. The competitiveness of a cluster mainly depends on the implementation management that formulates future prospects and has to organise services and location marketing. The promotion of clusters of different “stages of maturation” is of vital importance for rural development: This comprises current growth industries, the maintenance of traditional branches of the respective region and the promotion of the establishment of future clusters (founders of new business and soft location factors for this target group). Thus, the risk that fluctuation in one dominant core branch leads to a slump in the regional development can be minimised.



- **Development of clusters:** In rural areas, for example alongside the value chain of agriculture, typical clusters can be developed:
  - Production of food or animal feed,
  - Refinement and commercialisation within the region (supply of households, gastronomy or the retail trade within the region),
  - Production and re-growing of raw materials (wood, straw, grain),
  - Production of renewable energies (biodiesel, biogas, wind energy),
  - Conservation and development of the cultural landscape
    - for the realisation of ecological agrarian measures,
    - for the realisation and cultivation of nature conservation areas and the pooling of measures,
    - as a basis for landscape-oriented leisure time and relaxation activities as well as for tourism,
  - Establishing accommodation capacity (farm vacations, “hay-bed hotel” etc.),
  
- **Improvement of the location factors for enterprises of handcraft, manufacturing and service companies:** The improvement of the soft and hard location factors within rural areas is a necessary precondition for the assurance of new businesses and also for the expansion of the economic sector. In the course of integrated rural development, considerable upgrading can be reached or at least initiated in both areas:
  - Hard location factors:
    - Development (network of roads, cycle tracks, trails and bridle paths),
    - availability of land,
    - legal preconditions (as regards planning),
    - taxes and fees,
    - communication infrastructure (DSL-connections etc.),
    - creation of a demand-oriented public transport,
  
  - Soft location factors:
    - Cooperation with local authorities,
    - an economically sound climate (“round tables”),
    - advice networks,
    - the close supply with everyday consumer goods,
    - social infrastructure (especially childcare and education institutions),
    - basic healthcare,
    - a differentiated cultural programme available within reachable distance,
    - availability of high-quality building land and living space,
    - a child- and family-oriented living environment
    - an intensive village community life.

- **Support of business development:** Of course, integrated rural development concepts cannot replace business development but nevertheless, besides the improvement of the location factors, far-reaching support is possible in manifold areas. This is even more important because traditional forms of business development are carried out in a similar way in all municipalities. This is true of real estate policy, counselling activities, fees and taxation policy, analyses and capital investment in corporate infrastructure. Therefore these functions are no longer important as a strategy of success for the individual municipality. The three strategic fields of action in modern business development are: Service for enterprises, development of an economy-oriented infrastructure as well as marketing and communication. Thus, the following measures are of growing importance and integrated rural development concepts are able to contribute considerably to them:
- Strengthening of the cooperation with universities and research facilities,
  - transfer of knowledge between science and economy (“information-brokering”),
  - counselling founders of new business and providing information for enterprises and companies willing to locate in the area (industrial estates information system),
  - promotion of cooperation and development of value chains through surveys among enterprises,
  - standardised guiding principles for licensing procedures within a region,
  - establishment of centres for business founders by converting vacant buildings,
  - labour exchange and real estate exchange
  - establishment of a regional marketing with joint internet site, image brochures and further public relation measures,
  - inter-communal management of industrial land (estates) together with a common development and commercialisation of land,
  - concepts for postgraduate professional education and training,
  - selective expansion of the service sector (e.g. in the field of geriatric care and supply),
  - new jobs through telecommuting,
  - portfolio management through commercial and trade consultancies, etc..

- Monitoring and continuous updating of the concept: In order to assess measures, the detection and evaluation of effects and results are necessary so that the further steering of integrated rural development processes can be improved. To reach this, a system of indicators is required which makes the effects measurable and which thus enables an effective controlling system for the implementation and realisation of measures. Only with such an approach, will the successful and lasting anchoring of the principle of sustainability within the standards for rural development be possible. Thus, it is of vital importance for the development of the job market to detect the effects of an improvement of hard and soft location factors. Then, the evaluation, together with the development of new project ideas will provide innovative approaches for an adaptation and further development of the concept.
- Coordination with other instruments of rural planning and bundling of subsidies: Integrated rural development is to be coordinated with all other planning and support instruments. In comparison with the formal and informal instruments of regional planning with sub-regional appraisal reports (for example Bayern), or large-scale development programmes and regional conferences, it is important to point out the difference in scale and the fact that comparably little stress is placed on actual implementation. With the help of an integrated rural development concept, the guiding principles of such measures can be supplemented, made more concrete and realised in a manner that is region- and problem oriented. Furthermore, an integrated development requires optimal bundling of the available financial means of support. Therefore, in the course of an integrated rural development, besides the financial support of the GAK, the remaining subsidies provided by other relevant departments for rural areas are to be considered as well (GRW, FAG, GVFG, water management, preservation of historical monuments, support programmes for leisure time and sporting activities). In many cases, there has been a successful link between informal planning instruments and proved implementation procedures, such as land readjustment procedures according to the Farmland Consolidation Act. Finally, through the implementation management of integrated rural development, an efficient use of instruments and financial means can be guaranteed. In this respect, competition between other regional development strategies and concepts is to be avoided.

### 3. Target groups of integrated rural development

The strengthening of economic power as well as the assurance and the creation of employment are central tasks as regards the development of rural areas and the assurance of their manifold functions. Sufficient sources of income are the economic basis of rural areas as independent working and living spaces. Through sufficient job offers, the demographic change can also be counteracted. Especially young people will be attracted and thus their migration to economically more attractive regions can be avoided.

### 3.1 Economy

The economy in rural areas is mainly shaped by small and medium-sized enterprises and thus is quite multiplex in structure. Differences result not only in activities in different economic sectors but also in the coexistence of traditional and innovative enterprises. The specific flexibility of the enterprises is an important starting point for a further development of the economic structure. In general, the following groups with their typical requirements are to be distinguished:

#### 3.1.1 Agrarian economy

**Agrarian economy** especially requires areas of agricultural land and suitable industrial premises that are already well developed and consolidated. Additionally, further sources of income are becoming more and more important for small agricultural family businesses as profits from agriculture are stagnating or even decreasing. Making use of alternative activities is called diversification. Today, these activities are mainly in the fields of landscape conservation, direct marketing, farm gastronomy, local recreation and tourism (“vacations on a farm”).

For profitable **forestry** management, the existence of a year-round accessible network of roads with connection to public roads is crucial in order to develop (open up) the forest. A very disadvantageous structural deficiency is the fragmentation of land tenure, especially in those areas where a landowner entails his land proportionally among a number of children after his death. This fragmentation leads to small and inexpediently formed plots of land of private, municipal, church and state forest. This fact complicates or even hinders the agricultural use of the land in question.

The establishment of profitable, competitive and ecologically sound agricultural structures, especially through the development of road networks, the readjustment of land tenure, the solution of land use conflicts and the establishment of habitat networks have always been classical tasks of rural development. At the same time, measures developing and conserving the landscape lead to a valorisation of the landscape for tourism, leisure time and relaxation activities. Thus, they support the diversification of agricultural activities in the field of tourism. Furthermore, the promotion of cooperation between farmers, forest managers and other partners serves the opening up of further sources of income and the creation of employment – especially as regards cooperation with commercial enterprises.

#### 3.1.2 Commercial enterprises

For all kinds of enterprises a sufficient demand for their products, goods and services is the most important factor. In the fields of manufacturing (industry as well as the corresponding branches of handcraft), transport, logistics and wholesale trade, enterprises are able to react supra-regionally or even globally as they do not depend on the limited markets of the respective region.



Most of all, enterprises require inexpensive and extensive industrial/commercial land, including possibilities for an expansion of their premises. Furthermore, they need appropriate transport connections – especially roads. The latter are a decisive location factor as regards the accessibility and a cost-effective supply and delivery of raw materials and products. This especially applies to enterprises of mechanical engineering that depend on their suppliers as an “extended workbench”. In contrast, having a closely situated working place is less important for them. This fact becomes particularly clear in the case of newer logistic centres and other “greenfield” industrial locations.

With the help of land management and land readjustment, the required land for public as well as for private building and investment projects can be allocated promptly. Thus, upcoming land use conflicts, for example in connection with the allocation of land for industrial purposes or for public road building projects, can be solved efficiently. The construction of rural roads within and outside land readjustment as well as the construction of roads in villages in the course of village renewal make the creation of an appropriate and demand-oriented infrastructure possible and ensure the connection of villages to a superior network of roads.

In contrast to manufacturing enterprises, the service-oriented sections of handcraft as well as retail-trade and gastronomy (restaurants, canteens, catering and lodging) depend on intensive commercialisation within the region as a consequence of the direct contact to their clients that is required. Besides an appropriate location and consumer environment, sufficient demand from the local population as well as from tourists and guests is a vital necessity.

In this respect, the fact that especially economically underdeveloped regions are often thinly populated and therefore have a much lower purchasing power, is gaining in importance. The latter is also illustrated by the gross value added which only lies at about 60 % of the national average in those regions with serious and very serious development problems. As a consequence, there is high competitive pressure as regards handcraft and other service activities and very often there is not sufficient demand for a further expansion of those branches. Given these preconditions, modern marketing strategies and intensive advertising will more likely lead to a displacement of existing enterprises that are not yet able to keep up with the competition than to an actual expansion of the spectrum of enterprises with more jobs within the region. The superior market position of discounters in contrast to smaller shops and specialised dealers particularly illustrates this fact.

Thus, in order to strengthen service companies and to create employment, innovative ideas to open up new market segments are required. Possibilities are to be found, for example, in the fields of social care, such as ambulant care and supply (“food on wheels”), or in the growing health and wellness industry. As regards rural tourism, it is also possible to act supra-regionally and to attract new guests – also from abroad.

In the well-known holiday regions such as the coasts of the North Sea and the Baltic Sea, the Alps and the Alpine Foothills, as well as areas with a great many lakes and low mountain ranges, tourism is a “fast-selling item” and the basis of economic develop-

ment. Nevertheless, tourism does not play an important role in rural areas. In scenically attractive regions, “vacations on the farm” could offer additional sources of income and employment. Also gastronomy leads a more or less shadowy existence outside the city tourist centres and other tourist areas. Despite the trend of staying at home and travelling in ones own country and despite the boom in the health and wellness industry, the situation of gastronomy in the countryside has not improved. It would thus be important to make use of these developments in connection with special offers that target the growing group of senior citizens.

Integrated rural development makes it possible to organise discussion forums, work groups and networks and thus to bring together entrepreneurs of different branches and potential founders of new business. Through the bundling of innovative potential, new business ideas can be worked out and synergies for the opening up of new market segments be established. In this respect, the impartial management that coordinates the implementation of integrated rural development is taking a key position. Furthermore, with its investment measures, integrated rural development is able to optimise cooperation with business development and to considerably shape the economic infrastructure as well as the working environment. The construction of rural roads, for example, both within and outside of rural land readjustment procedures, not only creates an appropriate local development. Beyond that, it is very often the only way to create connected networks of cycle tracks and trails in order to open up the landscape for leisure time activities as well as for tourism. As a consequence, measures to develop habitat networks and to arrange and design local green areas increase the recreational and tourism value and thus the overall attractiveness of the region.

### 3.1.3 Freelance jobs

As in all other economic sectors, for the different branches of freelance jobs a corresponding demand for their services is vital. In this respect, good transport connections can improve accessibility, thus expanding the catchment area. People working in remedial professions and professions in the fields of law, taxation and business consulting are far more dependent on direct, personal contact to their clients than, for example, those in engineering offices or cultural facilities. The latter can usually compensate a remote rural location by using modern media and communication technologies.

Village renewal contributes considerably to an endogenous development and to the creation of an attractive working and living environment. In the course of village renewal, vacant buildings, for example, can be renovated and then reused by surgeries or as office accommodation.

Nevertheless, the attitude towards rural areas still is extremely ambivalent. On the one hand, the rural ambience is seen in connection with solitude, tranquillity, nature and an intact environment. It is seen as inspiring not only by artists but also by innovative, technology-oriented branches and is deliberately sought as a location. On the other hand, these factors and the associated working and living conditions often appear unattractive when compared with those of cities with their urban culture.



This makes clear that so-called soft location factors are of great importance for economic development – also beyond the tourism sector. These include rural cultural landscape that can be used for attractive leisure time activities and as a nearby recreational area as well as active clubs and societies and the social structure within the village community. Within the framework of integrated rural development, the arrangement of all factors can be addressed properly with the help of work groups and combined with the promotion of village culture and a socio-cultural environment. In this respect, it is also important to illustrate the attractiveness of rural regions and their characteristic features with the help of intensive regional marketing and broadly based image advertising.

### 3.1.4 Working population, job-seekers and apprentices

Beside supply and demand as well as the infrastructural and locational preconditions, all branches of course depend on skilled workers and qualified employees. For this reason, the activation of the labour resources within economically weak rural areas is of special importance for the local economy. The labour resources found here are often underused but highly qualified and also highly motivated and can therefore be seen as a decisive location factor. In this respect, diverse existing measures can be used in the course of further education and training provided by employment agencies. The universities newly established within the last decade were deliberately located within rural areas and contribute to the transfer of knowledge, enabling a linkage between technology- and development-oriented enterprises and scientific research.

The above-mentioned measures of integrated rural development for the strengthening of economic power and the creation of employment also directly contribute to the interests of employees. Especially in economically underdeveloped regions with a high unemployment rate and a stagnating economy, the assurance of employment is of utmost importance to the **working population**. **Job seekers** expect to find employment according to their qualifications or, alternatively, hope for entry into other, future-oriented branches through job training or further educational measures. At the same time, a high willingness of mobility can be expected. Today, commuting between the place of residence and the workplace is self-evident and distances of more than one hour's travel by car are not unusual for attractive jobs. Through appropriate transport infrastructure, this inconvenience can be reduced considerably and time and costs be saved.

For apprentices and trainees, finding professional training that suits their interests is decisive. Afterwards, it is important that there are prospects of having a permanent job within the respective region. In general, young adults are quite mobile but also deeply rooted in their social environment. As a consequence, many young adults leave their homes for university studies or professional training but at the same time, they plan to return afterwards. In order to facilitate the actual return of these young adults, an appropriate offer of high-qualified jobs and good prospects for successful self-employment as an entrepreneur or freelancer as well as a good transport infrastructure are absolutely necessary.

### 3.2 Local population

A general aim of integrated rural development is the improvement of the living and working conditions within rural areas, thus contributing to the creation of equivalent living conditions in all sub-areas. In fact, integrated rural development addresses the whole population of the rural area. From the demographic point of view, the population can be separated into different target groups with respectively typical needs and expectations.

For families either living in the rural area or planning to do so, it is of vital importance that they can arrange their life according to their wishes and requirements. All previous experiences show that freestanding single-family houses with a garden still belong to the most preferred construction forms followed by pairs of semi-detached houses or terraced houses. In contrast, there is almost no demand for compact construction forms that save space and they are quite difficult to place on the market.

Within economically underdeveloped rural regions, the overall desire for a generous life style can especially be fulfilled as land prices and construction costs are comparatively low. Thus, it is important to consciously address families through a purposeful and endogenous development of building land. It is, however, important that a sustainable settlement development as well as a sustainable development of the spatial structure can be guaranteed. Through the reuse of vacant buildings or through their demolition and the building of new ones, new and attractive housing space can be created without any additional using up of land. This can be supported through village renewal. With the help of land readjustment (joint and cooperative urban land-use planning between municipalities), deficits in the sustainability can easily be compensated through the allocation of new building land that is ecologically well located. Furthermore, a valorisation of the landscape for leisure time and relaxation activities should be achieved.

Apart from private residential building, an attractive and child-friendly living environment is of vital importance for young families with children. Beside facilities and locations to play and meet in (green areas, amateur football fields and playgrounds) today, this also comprises the sufficient availability of leisure activities at the place of residence (sports clubs, youth clubs, youth work). No less important are cultural and educational facilities (music schools, dance groups, afternoon care) that can be easily reached by means of public transport.

Initial investments that can partly be supported via village renewal are not the main problem. It is rather the problem of financing the continuous costs for their maintenance and for staff. Thus, there is a need for honorary activities that can be initiated and organised through the management of the implementation of integrated rural development.

As regards the choice of the place of residence within a rural area, besides the above-mentioned factors, the compatibility of employment and family as well as the existence of educational facilities are decisive factors for families. In order to meet these requirements, organised activities – especially for small children and for those of preschool age – must be available close to the respective place of residence. In villages where the number of inhabitants is too low to realise these facilities (day-nursery, kindergarten), equiva-



lent alternatives are to be looked for. In the course of integrated rural development, ideas – for example of driving services – are to be developed, initiatives to be stimulated and innovative approaches to be worked out. Good experience has been made, for example, with a combination of children’s activities and senior citizens (senior-kinder-garten) or with private facilities (mutual help in private kindergartens).

For **school children**, naturally, an attractive offer of schools and short ways to the schools are most important. Parents expect the elementary school to be located in their place of residence or in a neighbouring village (“small feet – short ways”). In order to realise this even in areas with a low population density, it is up to the authorities responsible for the different types of schools to come up with new forms of schooling or reactivate old ones: (small schools, lessons which include different age groups). In contrast, longer distances are accepted as regards the ride to secondary modern schools, vocational schools or higher schools of learning, if appropriate public transport exists. Thus, public transport and communal or private driving services play a key role.

If there are no all-day schools available, alternative solutions are to be found for younger children of working parents. Usually, this is only to be realised via private initiatives. These should also include preschool children, and the involvement of senior citizens, who have often offered their generous cooperation, should be strived for. This problem area represents a typical field of action in integrated rural development between municipalities. Cooperation between all concerned parties and the participation of further public and private actors can help to work out and realise appropriate solutions.

**Youths** and young adults, such as pupils of the final classes of high school or trainees, find themselves faced with questions about their further professional orientation and are at the beginning of their own planning. Very often, the general decision of whether to stay in their home region or leave in order to follow more attractive job offers is made during this phase. In this context, previous trends have shown that it is mainly the highly committed and motivated people who leave and thus considerably decrease the development and innovation potential of rural areas (brain drain).

In order to attract the young generation, in addition to an appropriate living environment as well as offers of leisure time and relaxation activities, educational facilities and employment opportunities or the chance for self-employment must be available within rural areas. Here, integrated rural development is able to contribute considerably to the strengthening of economic power and to the creation of employment (chapter 3.1).

Usually, socio-cultural roots (family, friends) combined with the availability of cheap housing space in an attractive environment are the main reasons for **singles** to live in a rural area. Despite the demand for opportunities for socializing as well as for sports and cultural facilities on the spot, young adults typically strive for a high degree of mobility in order to take part in the urban way of life as well. This requires good transport connections, principally for private vehicles but also as regards public transport or alternative offers. The topic “mobility” is one of the classic tasks of integrated, region-oriented rural development. In this respect, extensive experience from different models in Germany can be drawn on.

Traditionally, senior citizens are deeply rooted in their place of residence. Besides the familiar environment and social contacts, for them, the village community is of vital importance. Due to their relatively limited mobility, they depend on easy access to cultural facilities and a close supply of everyday consumer goods. In the context of dialogue-oriented planning, expectations, justified demands and deficits can be recorded and afterwards, solutions can be looked for together with all actors. The above-mentioned involvement of senior citizens in other projects, for example child-care, youth work or the improvement of mobility through transport offers, represents a further option. Such synergies are typical for integrated rural development and open completely new options for the solution of problems.

People suffering from illness are especially dependent on a sufficient number of general practitioners and often also need specific remedial treatment. In addition to that, people in need of care (including younger people and those who are chronically ill) require social services as their care often overburdens their families. Through the conceptual work of integrated rural development, these problem areas can be identified and tackled in the respective region during the course of integrated processes via work groups. Thus, it is more probable that solutions for a sufficient supply of services will be found.

In order to attract new citizens to move to rural areas it is necessary to make their integration in the village community possible. Beside the open mindedness and the tolerance of the citizens already living there, this presupposes opportunities for socializing. Furthermore, people moving from urban regions expect to find an appropriate offer of leisure time and relaxation activities as well as possibilities for further education and professional training. Above all, they are often interested in the scenic attractiveness of rural areas.

Especially for older people (senior citizens), this scenic attractiveness in connection with possibilities for relaxation activities, the tranquillity, nature and an intact environment represent the main motives behind moving to rural areas ("Living where others stay for vacation"). Further motives for moving to a rural area are family-oriented immigration (moving closer to the domicile of the children), the fact that the cost of living is often lower and finally the possibility of the accumulation of property through the acquisition of real estate "in the country".

These typical expectations show that the many fields of action of integrated rural development, tackled for different reasons, increase the attractiveness of an area for potential new citizens, for example the redevelopment of old village cores, the valorisation of the landscape or the promotion of village culture. Beyond this, the bottom-up principle as a part of the planning and implementation management process, intensifies communication as well as integration due to the diverse and broad possibilities of participation which it offers. Specific problems of integration can be dealt with and solved in the course of work groups.

As already portrayed in chapter 1.2.3, older people who immigrate usually generate impulses for economic development and the local community, as they often have high incomes and, after their professional life, are often looking for a possibility for activity in



an honorary position. Integrated rural development is in a position to fulfil this wish. Of course, the whole process benefits and quite often, efficient solutions for many problems can consequently be found.

Finally, the village community plays an important role as well. For a functioning local community, many requirements have to be met within the rural area. Locations where people can meet and communicate (public squares, shops, restaurants), events, festivals and associations and clubs for the celebration of village culture (fire department, sports, local customs) as well as an offer of social activities such as child and senior citizen care – all these are essential aspects. Rural culture is an integral part of the quality of life and of peoples' identification with their home. As a soft location factor, it is becoming increasingly important – also for economic development.

In order to maintain and to develop these local structures as regards construction as well as socio-cultural aspects, integrated rural development can also make use of supporting (financial) measures and extensive experience in the field of village renewal. The support of the village community is a basic concern of village renewal. Within the context of integrated rural development, the improvement of the village community can be supported through investment in the establishment of joint facilities and the activation of initiatives for the stimulation of community life. Rural land readjustment and the support of the infrastructure contribute considerably to the development of the landscape for agricultural purposes and leisure time activities. Furthermore, it contributes to the establishment of habitats and other landscape conservation measures. Thus, ecological damage can be eliminated and the overall attractiveness of the landscape be improved.

*Chart 3.1: Target groups, requirements and fields of action of integrated rural development for the strengthening of economic power and for the improvement of living and working conditions*

Target Groups	Typical requirements and expectations in rural areas - criteria	Central fields of action of integrated rural development - measures	
<b>Farmers and forest workers</b>	appropriate industrial premises as well as developed (roads, preflooded) and consolidated (location, form, size) areas of useful land, additional sources of income, partner in life	strengthening and support of agriculture and forestry	<b>Economy (enterprises)</b>
<b>Entrepreneurs</b>	supply and demand for their goods and services, adequate premises, an appropriate infrastructure, qualified human resources	general support of the economic development, improved provision of basic needs, building land infrastructure, working and living environment)	
<b>Freelancers</b>	demand for their services, demand-oriented surgery and office premises, accessibility, attractive surrounding area	maintaining and creating employment, development of the infrastructure	
<b>Job holders and job seekers</b>	creating attractive and easily accessible jobs, good transport connections	maintenance and creation of employment, development of the infrastructure	
<b>Trainees/ apprentices</b>	attractive educational job offers within easy reach, good prospect for a permanent employment after the professional training		
<b>Families</b>	generous life style (preferably in the form of a home with garden and to a lesser extent in the form of pairs of semi-detached houses/terraced houses, child-friendly living environment, good transport connections	Improved provision of basic needs building land infrastructure, working and living environment)	<b>Population</b>
<b>Infants and children of preschool age</b>	Child care (day-nursery, kindergarten within easy reach, afternoon care, contact to other children and opportunities to play within short distance from the living environment		
<b>School children and teenagers/ youths</b>	attractive offer of schools with short distance to the schools, afternoon care, sports clubs, associations and other leisure time offers, meeting points and opportunities to play within the village and the countryside		
<b>Singles</b>	inexpensive living, good transport connections, opportunities to meet and to communicate (associations, gastronomy), sports offers, cultural offers and further leisure time offers		
<b>Senior Citizens</b>	living within the village community, close supply with everyday consumer goods, cultural events		
<b>People in need of care</b>	medical care, social services (care, pastoral care)	maintenance of the close supply with everyday consumer goods, social services and cultural offers	
<b>New citizens</b>	attractive jobs, integration within the village community, an intact environment, leisure time offers, opportunities for further postgraduate professional education and training	maintenance and creation of employment, development of the potential for leisure time and relaxation activities within the rural landscape, maintenance of the cultural offer	
<b>Village community</b>	meetings and communication among the citizens, events and festivals within the village, associations as well as other cultural and social offers	maintenance of the close supply with everyday consumer goods, social services and of the cultural offer	



#### 4. Central fields of action of integrated rural development for the strengthening of economic power and the creation of employment

Rural areas are structured in manifold ways. Because of geographic location and historical development, different rural areas show different strengths, weaknesses and starting points for an endogenous and independent development. As a result, there exist different region-specific requirements regarding a sustainable policy for the development of the respective living and working conditions. This makes clear that there are no “patent remedies” for integrated rural development. Instead, a concept and its realisation and fields of action are to be worked out and adjusted to the respective local characteristics.

Chart 4.1: *Fields of action of integrated rural development for the strengthening of economic power and for the creation of employment and further sources of income*

<b>Ensuring and creation of employment and sources of income within the rural area</b>	1.	<b>Strengthening agriculture</b> as a supporting pillar of rural areas
	2.	<b>Supporting forestry</b> as a supplier of raw materials and for the conservation of the forest as a characteristic element of the cultural landscape
	3.	Improving the <b>framework conditions for the service sector</b> as a growing industry
	4.	Increase the <b>creation of value within the rural area</b> through an expansion of the local business cycles
	5.	<b>Establishing framework conditions for the foundation of new enterprises</b>
<b>General support of the economic development</b>	6.	<b>Establishing strategic alliances in cooperation with local business</b>
	7.	<b>Strengthening local awareness and anchoring the fundamental idea of integrated rural development</b>
<b>Improvement of the provision of basic necessities: Infrastructure, living and working environment</b>	8.	<b>Allocation of building land</b> and guaranteeing a sustainable land use and settlement development
	9.	Demand-oriented development of the <b>transport infrastructure</b> as a basic location factor
	10.	Ensuring the <b>close supply with everyday consumer goods, social services and cultural offers</b> as basic necessities and for an attractive living environment
	11.	Further <b>developing</b> of the <b>environmental value</b> and of possibilities for <b>leisure time and relaxation activities</b> within the cultural landscape as soft location factors
	12.	Ensuring <b>flood protection and the prevention of water pollution</b> as a locational advantage

Nevertheless, due to the above mentioned target groups and their specific requirements as regards the rural area, central fields of action for the strengthening of the economic power and for the creation of employment should be recognized (table 3.1). These fields of action are to be understood in the sense of a “maximal catalogue of measures”, showing the potential scope of integrated rural development.

#### **4.1 Ensuring and creation of employment and further sources of income in rural areas**

For agriculture and the industries connected with agricultural, land development acts as a direct promotion of the economy. In this respect, land development can immediately contribute to the preservation and the creation of employment. The production and working conditions of agriculture and forestry can be improved considerably. Beyond this, there exist further potentials as regards the diversification of agricultural activities and the increase of the regional creation of value. These are to be used more intensively. Furthermore, through a well-directed use of consulting, the foundation of new enterprises can be supported and their establishment on the market be promoted.

##### **4.1.1 Strengthening agriculture as a supporting pillar of rural areas**

###### **Framework conditions and starting situation**

Within the **new federal states of Germany**, more than 52 % of the agricultural area is being cultivated by about 3,200 enterprises that have replaced the old agricultural cooperatives (“LPG”) in the former DDR, in the form of agricultural cooperatives or agricultural corporations (“GmbH”), with an average size of about 90 ha. Almost 23 % is cultivated by about 3,200 joint ventures (generally multiple-family enterprises in the form of a private company or a limited company) with an average size of about 390 ha. Individual farmers cultivate the remaining quarter of agricultural area. They comprise about 8,000 agricultural enterprises with an average size of 134 ha on almost 20 % of the agricultural area and about 16,000 sideline businesses with an average size of 17 ha on less than 5 % of the agricultural area (report of the Federal Republic of Germany on nutrition and agriculture 2004, table 9).

These statistical data illustrate that – compared with the old federal states - agricultural sideline enterprises only play a secondary role as regards the agrarian structure as well as the conservation of the landscape. These enterprises mainly cultivate their own land and pursue agriculture more or less as a hobby and for the provision of their own food.

Almost  $\frac{3}{4}$  of the agricultural area is cultivated by about 6,400 large agricultural enterprises. These are managed like industrial enterprises and belong to the most effective and profitable agricultural enterprises within Europe. The individual farmer enterprises are also increasingly able to stand the competitive pressure due to their size and their economic situation.



The agrarian enterprises cultivate land mainly on the basis of leasing (90 %). During the restructuring phase in the first years after the fall of the Berlin Wall, they independently coordinated their land use concepts and consolidated their leased land with the help of land use exchange. Thus, the cultivation of large-scale agricultural areas of land as in times of the former LPG's continued to exist to a large extent. This is also illustrated by the size of the plots of land. The average size varies between 30 and 50 ha, depending on the respective region (Dietzel and others 2000).

The structures of agrarian enterprises have been more or less stable since the middle of the nineties. Today, as is usual in commercial industry as well, they are subject to normal fluctuations caused by the closure of enterprises and the foundation of new ones. Thus, the most important agricultural tasks of rural land readjustment are the clarification of the often-ambiguous ownership structures – caused by the collective use of land – and the creation of a demand-oriented development of agricultural premises and land. In this respect, the construction of rural roads and paths within and outside areas in which measures of land readjustment are being carried out is especially important. Further tasks that are to be realised are the establishment of habitat structures in agrarian landscapes that have been cleared-up and the solution of land use conflicts in connection with inter-communal infrastructural measures (especially as regards the traffic projects "German Unity").

In **the old federal states**, individual farm enterprises (with agriculture as a main source of income or as a sideline enterprise) are still the dominant form of agricultural enterprise. They amount to 95.5 % of a total of 39,000 enterprises with an average size of more than 2 ha and constitute over 90 % of the overall amount of agricultural land. The partnerships, which only amount to 4 % of all agricultural enterprises and cultivate less than 9 % of the agricultural land, can actually be counted with the single farmer enterprises, as they are mainly in the form of a two-family enterprise (father-son, siblings) and correspond to larger individual enterprises as regards size. In contrast, all other forms of enterprises are more or less insignificant (report of the Federal Republic of Germany on nutrition and agriculture 2004, table 9).

In the course of ongoing structural change, it is important to differentiate between agricultural enterprises with agriculture as a main source of income and agricultural enterprises that carry out agriculture as a sideline activity. The former are very dynamic whereas the structures of sideline enterprises are more or less stable and show comparably little fluctuation.

The **sideline enterprise** can be either a transitional stage before closing down or a stable individual enterprise. The number of agricultural enterprises is increasing, and agriculture today is no longer carried out because of economic reasons but as a labour of love or hobby. In general one can ascertain that agricultural enterprises (in transition from enterprises with agriculture as a main source of income to sideline enterprises) have been reducing the amount of land they lease and cultivating the remaining land, which they own. This is also the reason for the relatively small size of these agricultural enterprises with 12 ha on average.

Since the middle of the nineties, the number of sideline enterprises has remained more or less constant, increasing very slightly. As a consequence, sideline enterprises can be seen as a stable and continuing form of agriculture. They are quite important for the maintenance of a comprehensive land use in western Germany. The number of these enterprises already amounts to 52 % of all agricultural enterprises and will further increase due to the strong decrease in enterprises with agriculture as a main source of income. The proportion of land involved is about 20 % and will probably stay at this level.

**Enterprises** with agriculture as a main source of income are undergoing profound change. The closure rate of these enterprises currently lies at about 4 % and there is no sign of a change towards more stable structures in sight. In the middle- and long-term, the structural change in agriculture will even increase and thus lead to a higher number of large enterprises. The average size of enterprises with agriculture as a main source of income today already lies at about 50 ha and this is expected to rise to between 100 and 200 ha within the next 20 years, according to an estimate for Rhineland-Palatinate. The increase in the size of the remaining enterprises is almost totally realised through an additional leasing of land. The proportion of leased land here already amounts to about 55 % and is likely to increase to about 80 % within the next decades; today already about ¾ of the agricultural land belonging to competitive enterprises is leased land. Nevertheless, the process outlined here is not a linear development and consequently hardly contributes to an improvement of agrarian structures.



*Figure 7: The infrastructural development (roads, paths) of agricultural land – adapted to accommodate the machinery of the future – is an important investment in the future of the rural area. It ensures the accessibility of agricultural plots of land whose size is likely to increase to between 100 and 200 ha in the near future. This example shows the construction of roads in Thüringen.*



As a consequence of this concentration, it is not the size of agricultural enterprises but their optimal agrarian structures that will be a decisive competitive factor. Thus, within the southwest of Germany, the elimination of fragmented land tenure through consolidation and development is one of the main tasks of rural land readjustment. In large parts, medium-sized plots of land between 1 and 2 ha exist. This is a consequence of the traditional way to entail land in this area (a landowner entails his land proportionally among the number of children after his death). These structures are to be expanded to at least 5 to 10 ha in order to improve competitiveness and to ensure the long-term cultivation of as much land as possible.

In the **northwest of Germany** on the other hand, the plots of land have mostly been consolidated through land readjustment and leasehold. The open fields have also been developed sufficiently. This is mainly a result of the traditional way of entailing land in this region. Here, a father entails all his land on his oldest child without dividing it up. Under these preconditions, today there is no evident need for measures of land readjustment because of the agrarian structure as such. In this case, measures of land readjustment are to be realised for different reasons. Overlapping land use claims between private interests and agricultural interests of farmers are to be coordinated. One of the main tasks is the solution of land use conflicts. Infrastructural measures and other land-consuming measures, often endangering the existence of agricultural enterprises, are to be integrated into the overall area in an acceptable way as regards land tenure and land use.

### **Approach**

With about 3.9 million employees, agriculture and its related industries is still an important economic factor. It considerably contributes to the maintenance of the manifold functions of rural areas and offers various possibilities for economic development and for the creation of employment. Thus, the improvement of production and working conditions is one of the main tasks of rural development.

### **Remarks**

Within the rural area, agriculture with its related industries (the so-called agri-business) amounts to up to 15 % of the total economy. Especially in economically weak regions, agriculture therefore still is of considerable economic importance. Furthermore, it is indispensable for the preservation of the cultural landscape that has grown over centuries and substantially contributes to the conservation and preservation of rural areas as natural, cultural and relaxation areas. The slogan "conservation through cultivation" illustrates this approach. Thus, agriculture fulfils manifold, socially relevant functions.

### **Measures of integrated rural development**

Agriculture has to be seen as a part of the regional development process and must not be considered from the point of view of sectors. The general task is to improve the production and working conditions, to create competitive agricultural structures and to integrate the further development of agricultural enterprises and the diversification of agricultural activities into the overall economy.

**Content and focus of the integrated rural development concept (ILEK):** The data on an individual agricultural enterprise can be collected and analysed by the local agriculture authorities. These basic data provide useful information about the medium- and long-term development regarding the number, the size and the income of agricultural enterprises. In connection with an analysis of the remaining structural conditions, concrete proposals for procedures of rural land readjustment (land readjustment, land consolidation, voluntary land, exchange) as well as for single measures for the improvement of the agrarian structure can be worked out, for example the construction of roads, the planting of vegetation strips or the reuse of vacant buildings. In this respect, a close coordination with urban land-use planning, the planning of infrastructural measures and other organisations responsible for landscape development is absolutely necessary.

**Tasks of implementation management (UM):** The proposed actions and projects are the basis for further discussion among all participants. Thus, management of the implementation represents the interface between the concept, the development and the general preparation- and starting-phase of projects for rural development.

**Contribution of rural land readjustment:** Procedures of rural land readjustment can durably improve the competitiveness of agricultural enterprises and guarantee their trouble-free integration into a sustainable regional development. This is realised through an appropriate infrastructural development (network of roads and water bodies) and a readjustment of the rural plots of land. In the new federal states, the structure of ownership is being readjusted whereas in the old federal states, the respective plots of land are restructured according to their location, form and size and thus adjusted to the modified requirements caused by the ongoing structural change in agriculture. Moreover, rural land readjustment solves existing or upcoming land use conflicts so that a sustainable concept of land use can be realised and ensured for the future.

Numerous studies exist dealing with the effects of land consolidation on single agricultural enterprises and the agrarian economy as such. According to a newer survey in Bavaria, rural land readjustment is able to increase the gross income by up to 45 %. This especially applies to areas with a highly fragmented structure of plots of land. At the same time, up to 40 % of working time can be saved (File no. 75/, Pp. 17 – 23). On average, nationwide, between 20 to 30 % in savings in machinery costs, labour costs and working time were achieved for individual farm enterprises through rural land reorganisation. In the medium-term, this leads to an overall increase in productivity of about 10 %.





*Figure 8: Cost management is a great challenge for cultivation. The costs are mainly determined by the amount of work for the cultivation of the soil, the seed, stock management and the harvest. The key to profitable cultivation is an appropriate agrarian structure. Thus, the creation of large-sized plots of land is one of the main aims.*

#### **4.1.2 Supporting forestry as a supplier of raw material and for the conservation of the forest as a shaping element of the cultural landscape**

##### **Approach**

The forest fulfils various important functions regarding the protection of the natural resources of soil, air and water and is living space for numerous species of animals and plants. Furthermore, the forest serves as a venue for relaxation and leisure time activities and, of course, provides the renewable raw material, wood, that is used in various ways. In order to preserve these manifold functions, for economic development as well, an appropriate and sound use and conservation of the forest is necessary. In private forests, this is hardly to be realised as the respective plots of land are often fragmented, inexpediently formed and there is no appropriate opening up of the plots. Forest consolidation and the construction of roads and paths within the forest are essential measures in order to ensure proper forest cultivation.

##### **Remarks**

The planning and expansion of the network of roads and paths, the consolidation and restructuring of the plots of land, the readjustment of the legal conditions or the arrangement of the field-forest-border are decisive improvement measures of the forest structure. Afforestation can be carried out in the adjacent remaining plots and ecologically valuable areas for the creation of habitats and for the protection of species can be ensured. Additionally, forest consolidation can serve for the creation and the development of facilities for relaxation and leisure time activities such as parking places at the edge

of the forest, hiking trails, footpaths and nature trails and is thus able to contribute to the attractiveness of the forest.

### **Measures of integrated rural development**

Similarly to agriculture, forestry is to be seen as a part of the regional development process. Through the elimination of structural deficiencies in the forest, especially through the construction of roads and paths and the readjustment of land tenure, profitable forestry can be realised and ensured in the long-term. The joint cultivation of land via forest-cooperatives further contributes to this.

Making use of the attractiveness and the potentials of the landscape as regards relaxation and leisure time activities is one of the targets of integrated rural development. These represent soft location factors for the respective regions and are to be developed (see chapter 4.3.4). Together with this, rural tourism is to be promoted (see chapter 4.1.3). Additionally, it should be ensured that the further processing of the raw material wood is carried out within the region where it grew. This not only ensures the profitability of forestry but also contributes to an appropriate conservation of the forest through its utilisation and through the refinement of its own products. Thus, the regional creation of value can be increased.

### **Content and focus of the integrated rural development concept (ILEK):**

Integrated rural development concepts should document the current economic situation and the problems of forestry within the region. Based on this, proposals for an elimination of existing structural deficiencies are to be worked out. In this respect, the protection of habitats and species as well as possibilities for relaxation and leisure time activities are to be considered and included into the concept. Possibly, a few well-directed measures are already sufficient to eliminate essential deficits, for example:

- Maintenance and repair of roads and paths within the forest, expansion and improvement of the existing networks of bridle paths and footpaths
- selective guidance of those seeking recreation with the help of appropriate signage and information boards
- upgrading of parking places, refuges and shelters for hikers

**Tasks of implementation management (UM):** In the course of an analysis of the overall economic situation and its potentials for further development (see chapter 4.1.5 basic conditions for the creation of enterprises) the topic “wood and processing of wood” is to be considered as well. This basic work enables the systematic development of a dialogue for the expansion of regional business cycles. Successful experiences and projects that are worth copying already exist in the following fields:

- insulating materials
- processing of wood (furniture, fences, goods made of wood)
- generation of energy (wood gas, wood chips)



**Contribution of rural land readjustment:** Usually, forest land consolidation procedures are not realised separately. Quite often, various procedures within a certain local sub-district (field, village, forest) are implemented simultaneously. In this way, silvicultural, and private and public interests can be coordinated in an optimal way and realised jointly. This is illustrated by the typical measures in the course of forest land consolidation:

- **internal and external opening up of the forest**
  - extension/upgrading of all-year accessible paths and roads with connection to public roads
  - extension through further roads and skid trails for the development of single plots of land
  - allocation of places for the storage and the loading of wood



*Figure 9 and 10: A major structural deficit within the forest is insufficient infrastructural development. The example from Rhineland-Palatinate shows the preparations for the construction of a new silvicultural road.*

- **appropriate and functional arrangement of the plots of land**
  - consolidation of fragmented plots of land
  - improvement of the form of the plots of land
  - exchange between field and forest plots
  - allocation of afforestation plots
  - restructuring of collective land tenure within the forest and replacement of older land use rights
  - disentanglement of the private, municipal, church and public forest

- **nature protection and landscape conservation**
  - preservation of valuable forest habitats through their transfer into public ownership
  - networking of habitats in field and forest
  - near-natural designing of forest edges
- **provisions for relaxation and leisure time activities**
  - construction of parking places for hikers at the edge of the forest
  - usage of forest roads as hiking trails or cycle tracks (signage and information boards)
  - allocation of special paths as bridle paths, cross-country ski trails or keep-fit trails
  - construction of nature trails and forest playgrounds
  - construction of refuges and shelters

#### 4.1.3 Improving the basic conditions for the service sector as a growth market

##### Approach

Through further increases in productivity, especially with the help of rural land readjustment, more scope for the development of non-agricultural activities can be gained for agricultural enterprises. Thus, the access to various service activities close to agriculture is made possible. These are for example:

- working for nature protection and landscape conservation
- driving services (school bus, daily bus, citizen taxi)
- direct marketing of agricultural products
- farmyard and village gastronomy
- catering
- local recreation (vivariums, petting zoo, horse riding)
- (adventure) vacations (guesthouses, hay-hotel, riding stables)
- (adventure) vacations (guesthouses, hay-hotel, riding stables)
- sport, health and wellness tourism

In the course of integrated rural development, these potential sources of income can systematically be expanded and linked with other economic sectors.



Figure 11: In Pließkowitz (Saxony), a midwife surgery and a surgery for ergotherapy have been integrated gently into the rural fabric. Through the restoration and rearrangement of the adjacent building, the structure of the once three-sided farmyard could be preserved.

### Remarks

The importance of services that are already a key for economic growth and employment in Germany will further increase through an intensified use of modern information and communication technologies. While in other economic sectors jobs are being cut, the lines of business in the tertiary sector belong to the dynamic and growing fields. Chapter 1.3 clearly illustrates this: In the period from 1992 until 2001, nationwide, about 30 % of the jobs in agriculture were cut. In the secondary sector, the number of employees decreased by 20 %. In contrast, the number of employees in the tertiary sector rose by more than 15 %.

Beside company related services such as transport, logistics, consulting and finance, especially tourism and the leisure sector belong to the growing future industries. Thus, it is of vital importance to make use of recent changes in travel behaviour. The potential here can be enhanced especially in connection with the ageing process of the population and the general increase in health awareness. Additionally, the possibility of direct marketing of ones own products should be used, as, for example, in "nature-biotic" vacation farms or health farms in the Steiermark (Austria). In this area, the occupancy rate compared to "normal vacations on a farm" rose by about 30 % only with the help of adequate sports, health, and wellness offers.

The field of action sketched above will lead to a strengthening of economic power and create further sources of income and employment. But not only the hotel and accommodation sector will benefit from this development of high-quality tourism. Producers and suppliers of high-quality food, members of remedial-treatment and care professions as well as restaurants and other providers of leisure time and relaxation activities will equally benefit.

### Measures of integrated rural development

Alternative sources of income within the service sector are especially suited for agricultural enterprises as they can make use of already existing inventory and consequently do not need to invest great amounts of money. Above all, they can easily enter into the fields of direct marketing, gastronomy and local recreation, expand these fields gently and thus gradually create new employment. However, up to now, outside the traditional holiday regions, these development potentials have hardly been coordinated and have not been sufficiently tapped, apart from a few individual activities. Integrated rural development enables a systematic development of these development potentials, the involvement of all participating actors, counselling support as well as the promotion of operational investments of all kinds.

**Tasks of the integrated rural development concept (ILEK):** New proposals for future-oriented fields of action (service sector, new products and markets) and necessary measures for the expansion of rural tourism infrastructure can be derived from a development concept based on an analysis of the agrarian and economic structures, the strengths and weaknesses of tourism in the region and of the development potentials in the gastronomy sector.





Figure 12: Through comprehensive reconstruction and extension measures a sauna and wellness area has been created in a former agricultural farmyard (in Saxony). The facilities on an area of about 1000 m<sup>2</sup> are equipped and suitable for relaxation and cosmetic treatments as well as for therapeutic treatment.

**Tasks of implementation management (UM):** Together with the basic work and development proposals that have been outlined, the integrated rural development concept represents the foundation for the well-directed continuation of dialogue with all actors of the region.

This results in a two track process:

1. Concrete business ideas and the means of their support are to be worked out together with agricultural enterprises, companies and founders of enterprises. Apart from direct marketing and the rural gastronomy sector, cooperation with other economic sectors (for example the local sale of farm products in special local shops) is to be strived for in order to make use of the synergies that occur in connection with already existing structures.
2. The expansion of the rural gastronomy sector with the main focus on local recreation and rural tourism as well as the linkage with further services and marketing processes implies attractive landscapes for leisure time and relaxation activities. Thus, it is very important that the accompanying implementation management also applies to the field of landscape-related relaxation and recreation activities as is further specified in chapter 4.3.4 (further development of the ecological and recreational value of the cultural landscape as a soft location factor).



*Figure 13: Many of the agricultural roads, created in the course of land consolidation procedures can also be used as cycle tracks. They enlarge the offer of leisure time activities and thus contribute to economic stimulation; cyclists welcome additional tips on regional sights. (Example in Bavaria)*

**Contribution of the financial measures of land development:** Provided that measures of reconstruction and restoration come along with preservation and rearrangement of the appearance of the village or the respective landscape, they can be subsidised as private village renewal measures. The reconstruction of former agricultural and silvicultural buildings for alternative sources of income is a typical procedure of conversion that can be financially supported. This also includes interior reconstruction measures. Furthermore, the collaboration and cooperation of agricultural and silvicultural enterprises with other enterprises in order to increase sources of income and create employment can be supported within the context of so-called diversification.

As specified in chapter 4.3.4, rural land readjustment, village renewal and the improvement of the infrastructure considerably contribute to the solution of conflicts between nature protection and relaxation activities as well as to the enhancement of the scenic attractiveness. Additionally, it has to be mentioned that in the course of land consolidation procedures, measures for an improvement of the relaxation-related infrastructure can partly be subsidised when they are realised as a collaborative arrangement by a group of interested parties. Or at least they can be financially supported as communal projects for an improvement of the rural infrastructure. The latter of course also applies for investment measures of municipalities that are not associated with land readjustment procedures.

These are for example

- bridle paths, cycle tracks and hiking trails
- picnic and barbecue areas
- bathing areas and lawns
- information boards
- access-roads and parking places

#### 4.1.4 Increasing the creation of value in the rural area through an extension of regional business cycles

##### Approach

Future-oriented rural areas require independent economic development. This can be supported considerably through a strengthening of the regional business cycles. It is well known that further refinement of products, direct marketing of ones own products and the combination with other service activities serve to broaden the economic basis and create additional employment. In the course of integrated rural development, these processes can be decisively supported.

##### Remarks

Agricultural and silvicultural production are almost tailor-made for an increase of the local creation of value as the products (corn, fruits, vegetables, milk, meat, wood) can be processed and marketed within the region or even by the agricultural or silvicultural enterprises themselves.

### **Measures of integrated rural development**

Nevertheless, all previous experience shows that plans for a diversification are usually quite conservatively oriented. Beside landscape conservation, these plans almost exclusively concern the fields of direct marketing, farmyard gastronomy, local recreation and rural tourism. Doubtless, these already classic fields of action are important as they contribute to the creation of further sources of income and new employment, as illustrated in chapter 4.1.3.

However, integrated rural development also has to ensure the enlargement of the economic basis and to deal intensively with essential questions of the market (analysis of chances, finding of market niches), the further development of products, client orientation and marketing. Sustainable and already proved market fields are, for example, regional building materials and construction forms (insulating material, the processing of wood, timber construction) or the local generation of energy (biogas, wood gas, wood chips, see also chapter 4.1.2).

**Content and focus of the integrated rural development concept (ILEK):** Before new approaches for a further creation of value can be initiated, an analysis of the overall economic situation with region-specific development potentials, strengths and weaknesses is absolutely necessary. Starting points are, for example, regional products such as wine, fruits and vegetables, their processing and commercialisation. They can also serve as gimmicks for regional marketing and image advertising.

**Tasks of implementation management (UM):** A classic task of the implementation management that follows is the initiation of a dialogue with the agricultural enterprises of the region (the basis for this is the compiling and analysis of data as well as developmental work). The objective is to intensify the approaches of the integrated rural development concept and, together with interested entrepreneurs, to figure out the chances of the regional market, new products and services as well as possible areas of cooperation. Based on this, in a second step, new business ideas are to be developed and pursued from their conception right to their realisation.

The difficulty is to develop the creative potential within the region and to initiate innovative ideas. To reach this, it is important to find appropriate forums, outside the realm of everyday business, where agricultural enterprises and commercial enterprises can come together.

**Contribution of special financial measures of land development:** According to the classic understanding, the improvement of the agrarian structure and business development are to be seen as two separate fields of action. But in order to lead the diversification of the agrarian economy to new and innovative markets, a more intensive collaboration with industry is required.



Figure 14: A historic four sided farmyard in the in the centre of Wolkau (Saxony) has been restored and converted by the enterprise Müller Systeme GmbH preserving the original character of the building. Thus, existing jobs could be maintained and new ones created.

The missing network between these two sectors is being created by integrated rural development, which offers the possibility of cooperation between farmers, foresters and other partners within the rural area beyond the sector of agriculture. This serves the opening up of new sources of income and the creation of additional employment. A typical example is the support of investment in buildings and construction measures to establish the required preconditions for alternative industries (for example craftsmen and their work), or the promotion of investment in sales facilities (for example in connection with commercial enterprises selling their own products).

These measures particularly aim at an increase of the creation of value through the expansion of regional business cycles by encouraging cooperation that spans different sectors. As long as there is no double subsidy, projects can also be supported through the manifold programmes of business development. Furthermore, integrated rural development can support the allocation and development of land within the course of private village renewal. In this respect, the conversion of buildings for reuse can be supported as well. In the following chapter 4.1.5 this topic will be discussed in more detail.



*Figure 15: Living and working in the same house: Mrs. Lewandoske and her husband run a software company in Unterneuses (village in Upper Franconia). Here, they have realised their lifelong dream. They restored an old farm building in order to reuse it for their special purposes. In this respect, village renewal could provide essential financial support.*

### 4.1.5 Creating basic conditions for the foundation of enterprises

#### Approach

Activating the potential for the foundation of new enterprises represents a very important measure for the stimulation of economic development and the creation of new employment.

Nevertheless, the realisation of this task will only be successful if appropriate framework conditions and networks for the founding of different types of new enterprises are established at the same time. Furthermore, especially in rural areas, women must be involved more intensely in the economic development. An increased involvement of young, female entrepreneurs is expected to provide important impulses for more economic growth and employment.

#### Remarks

Founders of a new business are innovative; their ideas and processes are accompanied by a high degree of commitment. Despite this personal activity, many business start-ups in the rural area fail because of the lack of basic conditions and networks. In order to start a new business, right after the clarification of all questions regarding the concept and the financing, the land required, buildings and other facilities must be procured. This is of vital importance for the actual realisation of the project. No less important is the development of the local infrastructure close to the respective premises. It must be established according to the specific requirements of the new enterprise in order to integrate it into already existing informal networks. Without these preconditions, the start-up of a new business or the relocation of an enterprise to a rural area is doomed to failure from the first. Already at an early stage the necessary communication with the respective planning authorities of the municipalities as well as with the Chamber of Industry and Commerce (IHK), the Chamber of Trade (HWK) and other common interest groups must be established on the spot in order to fulfil the necessary regional and other requirements facing the founders of a new business.

The percentage of women employed in rural areas is constantly rising. Today, women are much more highly qualified than in the past and mostly possess good social and communicative skills that are in great demand in the modern world of economy. Despite this fact, the proportion of women founding a new business has increased only slightly. So far, only a third of all business start-ups have been owned by women. Thus, it is important to increasingly integrate their knowledge and their potential into the regional economic development.

#### Measures of integrated rural development

One of the major tasks of integrated rural development is the initiation of business start-ups and expansion of already existing businesses. Beside employment agencies and the counselling centres of the Chambers of Industry and Commerce (IHK) and the Chambers of Trade (HWK), especially the associations for business development and investment banks are important partners.



*Figure 16: The realisation of procedures according to the Farmland Consolidation Act is one of the main competencies of rural land readjustment; the equal exchange of land also makes possible the allocation of building land for residential and commercial purposes.*

Usually, as central funding institutions, the latter offer a whole range of services of business development and investment assistance. Their aim is the development of optimal finance packages (a combination of grants, loans, surety, guarantees and shares) for convincing business concepts, technology and innovation projects as well as for a further development of existing enterprises and for those with financial difficulties.

However, general consulting and the provision of information are of rather minor importance within the framework of a classic economic and employment policy, as these activities would usually imply an already existing involvement or a sustainable business idea. It is here that we have the interface to integrated rural development, whose task must begin much earlier. Integrated rural development points out possible fields of action and raises interest and a readiness to act in order to generate new impulses for economic stimulation.

Nevertheless, this innovative work will only be successful if all other necessary preconditions are present as well. Beside appropriate ideas, the courage of entrepreneurial commitment, a broad professional knowledge and business skills on the part of the founders of a new business, there are further aspects that are of vital importance. For the foundation of new businesses, the required land and/or premises must be properly procured and the necessary contacts to common interest groups, professional associations (IHK, HWK) and to the municipalities must be established.





Figure 17: *Through the exchange of land in the course of rural development, the municipality Maihingen (administrative district Donau-Ries) could allocate the required land for a recycling yard, the communal building yard and other industrial establishments.*

**Content and focus of the integrated rural development concept (ILEK):** Firstly, an economic strengths/weaknesses analysis, based on the fundamental economic data of the respective region and on a summary of the current overall economic situation, is to be carried out. This will lead to the identification of new possibilities for an intensification of economic activities and the foundation of new enterprises. In this respect, the main task of integrated rural development is the improvement of the structural framework conditions and the establishment of the networks necessary for an effective activation of business foundation potentials.

**Tasks of implementation management (UM):** In order to initiate and to promote dialogue between actively involved entrepreneurs and prospective founders of a new business on the basis of the developmental work of the ILEK, these two groups must be directly addressed and invited to collaborate. This is a typical task of implementation management, which can be expanded to an innovative development process, usually comprising the following five steps:

1. general information about the development opportunities of the region as well as about potential fields of action regarding new business ideas and the possibilities of business development
2. checking framework conditions for prospective founders of a new business and actively involved entrepreneurs

3. linking the foundation and business concepts with municipality planning and the concepts of the IHK or HWK in order to harmonise the offer of land with the specific requirements
4. support of the foundation of new businesses on the way to autonomy as freelancers, trades- or craftsmen through counselling in the framework of the different support programmes for economic development and labour market policy
5. monitoring of enterprises after the initial founding stage, for example in workshops on special topics of marketing or coaching sessions for the strengthening of client orientation through the regional associations for business development

The medium- and long-term objective is the creation of autonomous communication structures and networks that continue the process independently and, at the same time, address new prospective founders of businesses and also integrate women to a greater extent. To achieve this, the well-directed provision of information, motivation and perhaps also specific measures of coaching and networking are required.



*Figure 18: In the course of a land consolidation procedure the land management for an inter-communal industrial park Morbach provided the decisive foundations for the expansion of already existing premises and for establishing new commercial enterprises. The example shows the enterprise Mettler in Morbach, Rhineland-Palatinate.*

**Contribution of the financial measures of land development:** The promotion and the support of the foundation of new businesses and the expansion of already existing ones is a primary task of the business development of the federation, the federal states and the local authorities. For economically underdeveloped regions in particular, there exists the joint programme “Improvement of the regional economic structure (GRW)”. However, these manifold possibilities of support can be effectively complemented through the financial measures of land development.

- **Allocation of land:** The expansion of already existing businesses or the establishment of new enterprises very often depends on an appropriate and early allocation of the required land. With the help of land management, rural land readjustment can significantly contribute to the realisation of urban land use planning, the creation of appropriately formed plots of land and to the solution of land use conflicts, for example in connection with outdoor building projects.
- **Development:** The ensured access and suitable connection to the network of public roads is a vital necessity for each enterprise. The demand-oriented development of the local infrastructure (reconstruction and basic maintenance) is one of the main tasks of road building. Thus, the construction of roads in the course of village renewal as well as the construction of rural roads within and outside the measures of land readjustment contributes effectively to the provision of this basic necessity.
- **Investment assistance:** Besides an appropriate location and a suitable working environment, new businesses naturally require premises for manufacturing, as well as for offices and further facilities. If necessary construction measures lead to an investment in an already existing structure, then financial support in the form of a private village renewal measure is possible. This can always be realised if the construction measures contribute to the preservation of the rural character of the respective village. Furthermore, the conversion of former agricultural or silvicultural buildings for commercial purposes can also be supported. Here, in contrast to private village renewal measures, indoor construction and reconstruction measures are included as well. When farmers and foresters are involved in the foundation of a new business, other investments in buildings and enclosures as well as in premises for manufacturing, production and marketing can also be subsidised (see chapter 4.1.4).



Figure 19: *The use of renewable energies is “the order of the day”, and not only for ecological reasons. Farmers and municipalities can benefit as well by establishing a second foothold. Processes connected to founding new business in the rural area are an important signal for the creation of employment.*

## 4.2 General support of economic development

In agriculture and all its connected fields, land development can directly contribute to the strengthening of economic power and to the creation of employment with its own instruments of land readjustment, village renewal and the improvement of the infrastructure. In other economic fields of the second and tertiary sector, however, beside the already mentioned measures of support, land development can only optimise the overall framework conditions. It provides appropriate counselling and information work (chapter 4.3), stimulates cooperation between business and the municipalities, strengthens the regional awareness of the population and improves the overall economic climate.



*Figure 20: Well known international companies can also operate successfully in the rural area. This is illustrated by the example of the company Benkert (manufacturer of environment-friendly outdoor furniture) in Altershausen (administrative district Haßberge). In addition, the company is one of the main suppliers for the local heating plant that runs on wood chips. The impulse for a relocation of the company from Schweinfurt to Altershausen was due to the initiative of the ecologically oriented village renewal in Altershausen.*

### 4.2.1 Developing strategic alliances in close cooperation with the economy

#### Approach

There is no doubt that the solution of the manifold development problems in rural areas today requires inter-communal approaches and strategies. In regional networks, not only is the interaction and cooperation between single municipalities possible but also that between municipalities and enterprises. Thus, both of them benefit. Through a joint approach, it is easier to optimise locational advantages and develop innovative potenti-

als. From the point of view of communal and economic policy, the overall objective is an equal strengthening and expansion of already existing enterprises as well as the promotion of start-ups in order to maintain and to create employment.

### Remarks

Competitive operating methods today more and more necessitate costly investment in infrastructure (development), working environment, premises and manufacturing facilities by municipalities as well as by enterprises of all sectors. On the communal level, inter-communal cooperation has been gradually developing and already comprises, for example, joint bidding and acquisition, jointly operated building yards, social and cultural facilities or inter-communal industrial parks. However, business has as yet not been integrated sufficiently into this process.

### Measures of integrated rural development

Possible starting points for a joint regional development are for example the planning and financing of business-oriented infrastructure, the establishment of innovation and technology centres, and centres for business start-ups, but also the location marketing for the respective region or information and consulting offers for specific lines of business. In order to make full use of the potential we have outlined, within the framework of legally acceptable cooperation, right from the beginning the focus should be on the participation of enterprises and their associations (chambers, associations and communities of interest) as regards the initiation and organisation of inter-communal cooperation. The bundling of the communal, infrastructural and commercial activities within the region and the use of synergies is in the interest of all parties. At the same time, the municipalities are being sensitised to establish a business-friendly climate and to consider more carefully the effects of their other plans and projects on economic development.

**Content and focus of the integrated rural development concept (ILEK):** The formulation of the integrated development concept provides an ideal platform to bring municipalities, other planning authorities and enterprises together. Here, the opportunities for the strengthening of economic power can be discussed and analysed. Based on this, it is much easier to identify those areas where successful cooperation between municipalities and the economy is possible, meaningful or even necessary.

The realisation of integrated rural development concepts is a two-stage process. Projects for an improvement of the business-related infrastructure, for example the maintenance of streets, paths and squares or other single measures regarding the working environment, can be implemented comparatively fast. As the respective responsible bodies generally stand firm, "only" the questions regarding the financing of the projects have to be clarified. In contrast, joint investments in a comprehensive village core restoration, for example, or innovative projects regarding the support of start-ups or the establishment of regional marketing all require intensive and long-term preparatory work. These fields of action are to be prepared in the course of the development concept, followed up during the implementation management and finally brought to the stage of realisation.

**Tasks of implementation management (UM):** Management of the implementation represents the interface between the development stage and the actual realisation of the project. It has proved useful to establish work groups that correspond to the fields of action and the main measures that have been worked out. Within these work groups, the starting points, ideas and the degree of cooperation shown by industry can be tracked from the planning stage to the final realisation.

Ideally, the established structures should continue to exist even after the completion of the implementation management, in order to continue the cooperation between industry and the municipalities. In this context, mention should be made of the realisation of investments in business-related infrastructure, with projects such as parking places, signage and other improvements of the surroundings or marketing projects such as exhibitions, fairs and information facilities.

**Contribution of the financial measures of land development:** As we have already illustrated in more detail in chapter 4.3, the financial measures of land development considerably contribute to the improvement of the working and living environment. Nevertheless, especially in economically underdeveloped regions, the municipalities continually have problems in raising the required financial means for public measures of village renewal or for the improvement of the infrastructure. Here, a joint financing together with industry would make possible the joint realisation of projects that otherwise might be impossible to finance.

Such win-win-models have already proved themselves in the course of rural land readjustment. In the eastern federal states, larger agricultural enterprises work to an extent of about 85 % on the basis of leasing. The actual landowner usually leases his land long-term. Thus, it is quite difficult to explain to the landowner the necessity of a personal financial contribution for the expansion of the network of rural roads and paths (contribution of participants according to § 19 Farmland Consolidation Act). Against this background, many agricultural enterprises voluntarily pay a part or even the whole sum of this financial contribution in order to make possible an adequate development of the open fields and the agricultural premises. As a consequence, it is possible to develop a demand-oriented infrastructure, connecting the single municipalities with each other and with the network of public roads. Furthermore, a development of nature and landscape for leisure time and relaxation activities can be realised.

*Figure 21: The existence of appropriate agricultural roads is a valuable asset for rural development. Modifications of this network of roads and paths are expensive financial measures of land development that have to be carefully planned and realised.*



## 4.2.2 Strengthening regional identification and broadly anchoring the fundamental idea of integrating development

### Approach

Many activities in the course of integrated rural development (initially) imply honorary involvement. Thus the necessary motivation can stem from connectedness with the region and from the eagerness to lobby for one's home as well as from the personal wish to establish an economic existence or alternative sources of income. Very often, these aspects are associated with each other. Thus, a distinct regional identification, broad knowledge of the economy and a general awareness of the positive effects of integrated rural development considerably contribute to a sustainable anchoring of this idea and consequently to its greater success. Furthermore, the establishment of regional value chains is facilitated if the people are willing to support an endogenous development and the assurance of employment through the purchase of products from their own regions and through the use of local services.

### Remarks

A feeling of connectedness with the rural area and one's own living environment as well as the consciousness of being able to contribute to a sustainable development should preferably be developed early on at school, for example in subjects like general knowledge and local history. Another primary task of school education is the teaching of business skills and of overall economic interrelations. Up to now, subjects of integrated rural development have hardly been considered among the educational standards that determine school syllabus.

### Measures of integrated rural development

Although one of the basic interests of land development is to inform the younger generation of its tasks, approaches and strategies, considerable deficits can be found in school education. Thus, the authorities for land development have to bring this concern home to the respective institutions of education more intensively in order to make sure that integrated rural development becomes a permanent feature of school education and of the general collaboration with pupils and young adults.

On the other hand, the authorities must not forget the importance of general public relations work. The presentation of their work via publications, road shows and the media are of vital importance for a long-term and sustainable anchoring of this process. In this respect, especially the following should be mentioned

- articles in periodicals/magazines, brochures and leaflets
- lectures, fairs and expositions
- internet presentations, reports in the local and regional press

**Content and focus of the integrated rural development concept (ILEK):** The comprehensive experiences from the communal AGENDA-21 processes have shown that local actors are usually quite open-minded as regards local development processes and often easily motivated for cooperation. During the starting-phase, there is very often an overall atmosphere of embarking on a new venture, which finds expression in numerous ideas and proposals for a sustainable development. The bundling of these various contributions and the development of an innovative strategy is one of the ambitious tasks of the integrated development concept.

Nevertheless, this initial enthusiasm gets lost quite quickly if the efforts lead to no apparent results. Thus, the medium-term development strategy of integrated rural development will only be successful if, directly after or already during the conception phase, projects are realised and presentable results are achieved. These successes in turn are ideal connecting factors for the necessary public relations. Typical pegs to hang reports on are events in the course of the opening of communal facilities, social and cultural initiatives or celebrations for the inauguration of newly designed streets and squares. To make these processes possible, the integrated rural development concept has to specify starting points, demonstration and key projects that are to be realised as early on as possible.

**Tasks of the implementation management (UM):** Integrated rural development is to be accompanied by intensive public relations and general promotion events. This is especially important during the starting-phase. Regional awareness must be activated and the public informed about the approach of a process as well as the planned scheme of action. Right from the beginning, as well, industry should be involved and motivated to engage in active cooperation. This can only be reached through close contact to the respective enterprises and their associations (chambers, associations, communities of interest). In the course of this process, brand development (name of the region and logo) can evolve as well. This should base on widespread image advertising that is both local (identification and regional awareness) as well as “external” (advertising and regional marketing).

In order to promote the necessary cooperation with schools mentioned above, the management of implementation has to develop close contact to the schools within the region. Schools should be informed about possibilities of offering integrated rural development as a supplementary subject and also possible internships and projects or final papers on related subjects:

- Placement of instructors to organise individual lessons or tutorials on topics regarding integrated rural development, land readjustment, village renewal and the improvement of the infrastructure
- Offer of internships and professional practical training at the authorities for land development as well as in planning and engineering offices
- Provision of topics, facilities and tutors for final papers in advanced level classes



- Creation of work groups (study groups) in which pupils or classes can work on projects related to child- and youth-oriented topics of integrated rural development
- Participation of children and young adults in work groups of integrated rural development within the context of school projects or youth work
- Provision of topics and partners for long-term alternative methods of instruction using, for example, farm gardens, or tree or creek sponsorships



*Figure 22: The example from Thuringia shows that integrated rural development is always based on partnership. Among all participating actors there is always an optimal compromise to be found.*

**Contribution of the financial measures of rural development:** The financial measures of land development – especially village renewal and the improvement of the infrastructure – are particularly suited as starting projects. In contrast to other projects, these require a comparatively short lead time, planning- and authorisation-phase. Furthermore, the facilities that are realised or supported are used by the public and are thus much easier to present and "sell" to the public.

The forms of participation already established in the context of village renewal and land consolidation are especially suited for the involvement of young people (workshops, work groups dealing with the different fields of village renewal, seminars on farms and in villages). As these projects usually last several years they are quite suitable for school projects and youth work.

### **4.3 Improvement of the provision of basic necessities: Building land, infrastructure, working- and living environment**

Land development with its well-known instruments of land readjustment, village renewal and infrastructural improvement has always contributed to an optimisation of the overall economic framework conditions. Especially with the help of basic or comprehensive village renewal and land consolidation procedures, land development can improve the working- and living environment and is thus able to achieve a sustainable endogenous development. These classic tasks represent among other things the core competences of rural development. The support of communal urban land-use planning and of larger infrastructural projects connecting villages and towns through land management and land readjustment also form part of these core competences.

Integrated rural development consistently integrates these extraordinarily successful instruments into the regional development process. Thus, land readjustment and village renewal can easily be coordinated and linked with the new instruments of integrated rural development (integrated rural development concept and implementation management). Consequently, a new and innovative strategy can be developed whose principles are illustrated in the following:

#### **4.3.1 Allocation of building land and guaranteeing a sustainable area and settlement development**

##### **Approach**

Every public and private investment requires an appropriate amount of building land. As regards the establishing of new enterprises, an early allocation of well-developed industrial areas is a decisive criterion. Private builders usually want generously formed and inexpensive plots of land, located in an attractive environment. In addition, especially in the cores of the villages, there exist considerable and so far unused development potentials in the form of gaps between buildings, fallow land and vacant buildings. With the help of rural land readjustment and village renewal, the allocation of building land can be facilitated and any questions regarding an endogenous development can often be solved efficiently. At the same time, a sustainable development of the local area and the settlement structure can be realised.

##### **Remarks**

Undoubtedly, the large potential of land is one of the outstanding advantages of economically underdeveloped rural areas. Here the population density, the demand for land as well as the number of land use claims are all quite low. As a consequence, the allocation of building land for commercial as well as for residential purposes is much easier to realise. If required, building land can be provided and offered to builders and investors comparatively quickly.

Nevertheless, land is a precious commodity and must not be wasted. In fact, intelligent strategies are needed in order to exploit this availability of land in the most effective way. At the same time, nature and landscape are to be conserved and the environmental potential is to be preserved and, if possible, further developed as a soft location factor.





Figure 23: *The already existing pottery works Bedrich now also offers pottery classes. Through the preservation of the rural character of the building, it has become a trademark for traditional craftsmanship.*

### Measures of integrated rural development

Integrated rural development offers the possibility to activate local actors (municipalities, other planning authorities, investors) and the population (builders) for a more sensitive handling of the resource soil/land and for a more efficient use of the local development potentials. Together with this, sustainable and future-oriented forms of constructions and settlements are to be developed. Inter-communal coordination of preliminary and finalised urban land-use planning as well as the joint establishment of a pool of regional compensation areas and of further possible measures are also part of this process.

With the help of an inter-communal eco-account, the necessary compensatory measures can be bundled. Thus, they must no longer be realised as isolated single measures and consequently represent an effective overall contribution to the conservation of the landscape in the form of an integrated and comprehensive management of resources. The allocation of new land for residential and commercial purposes can thus improve the sustainability of the respective region and, at the same time, a valorisation of the landscape for nature conservation and relaxation activities can be reached.

Through this regional approach that bundles the manifold development potentials, the rather small-scale of communal development strategies that has been achieved so far can be given a new dimension. Sustainable synergy effects arise, something that is clearly illustrated by the example of already well-established industrial parks.

**Content and focus of the integrated rural development concept (ILEK):** The analysis of the area and settlement structure within the respective region is a typical task of the integrated rural development concept. Similarly, the detection of open space within already allocated residential and commercial areas is part of this process, as well as the finding of local development potentials in the forms of gaps between buildings, fallow land and vacant buildings. Furthermore, possibilities for a meaningful and effective densification of the building structures within an already existing built-up area should be found. Based on this, a broad estimate of the middle- and long-term demand for building land and the focus of further settlement development should be worked out. These results determine where existing building areas should be further developed, where village cores should be restored, and where measures for local development and the densification of village structure should be accelerated. Beyond this, the results of such an estimate will determine the allocation of joint industrial parks and also the focal points of landscape conservation measures.



*Figure 24: After its modification and the creation of holiday apartments, this characteristic farmhouse from 1840 is now used for tourism. The family-oriented design of the plot and the recultivation of an orchard meadow form the framework of this project of a sustainable development of tourism.*

**Tasks of the implementation management (UM):** Determining the main focal points of the development we have sketched above comes along with a difficult task, namely that of equally distributing both the advantages and the burdens of a region-oriented urban land use plan. This is done in the context of an inter-communal dialogue where appropriate compensation measures are worked out. As these complex issues are not easily solved and, so far, almost no practical experience exists, the solution to these problems will demand a longer period of time and thus requires the intensive support of implementation management. The final objective is to develop both a preparatory land-use plan and a binding land-use plan that have been well coordinated among the affected municipalities. These plans should also comprise all required information regarding compensation measures and landscape conservation for purposes of tourism as well as for leisure-time and relaxation activities (as illustrated in chapter 4.3.4). This particularly serves to reduce the consumption of land and thus contributes to a sustainable regional development taking economic, ecological as well as socio-cultural aspects into account.

**Contribution of land readjustment:** The role of land readjustment is of vital importance when it comes to the realisation of a sustainable development strategy for regional structure and settlement structure. Only land consolidation is flexible enough to offer the possibility of allocating municipal areas for an eco-account in such a way that these areas can be used for the establishment of a habitat network and for the realisation of measures of nature conservation. Afterwards, these areas can be counted as compensation measures in the urban land-use planning. The following are some of the advantages of such a development strategy, supported by rural land readjustment:

- **Optimisation of compensation measures and of measures of landscape conservation** through their integration into an extensive landscape and habitat network planning
- **Avoidance of so-called time-lag-effects** through the early realisation of ecologically effective measures right from the beginning. Thus, ineffective periods of time can be minimised
- **Provision of appropriate public plots of land for eco-accounts** that contribute to the structural development, supporting the realisation of landscape conservation measures
- **Reducing the costs for the acquisition of land** by using public plots of land, making use of cases where private landowners are willing to sell their land and avoiding competitive situations among the different interested parties
- **Simplification and acceleration of communal urban land-use planning** through the early accumulation of plots of land for compensation measures. Later on, these can easily be used for the compensation of foreseeable interventions in nature and landscape.



*Figure 25: Integrated rural development is always to be understood as a service for nature and landscape conservation as well. It is always about the preservation and the development of the natural diversity of the respective landscape. In landscapes that have been cleared the diversity should be increased. To this purpose, integrated rural development contributes through land readjustment, landscape-friendly constructions, landscape conservation measures and through the acquisition of plots of land that are significant for landscape conservation.*

More concretely, this is realised with the help of the following measures of rural land readjustment:

- Coordination of the acquisition and the allocation of land (land management) for all responsible bodies of planning through consultation and the briefing of the responsible bodies for public concerns (§ 5 paragraph 2 and 3 Farmland Consolidation Act) as well as through planning talks (§ 52 Farmland Consolidation Act and § 59 paragraph 2 Law on Adjustment of Agriculture)
- Acquisition of land via letters of renunciation in favour of the municipality (waiver of compensation payments for land) at any place within the land consolidation area (§52 Farmland Consolidation Act and § 58 paragraph 2 Law on Adjustment of Agriculture)
- Minimising land deficits through the allocation of land taken from participants in a Land Readjustment programme for public purposes (§ 40 in association with § 47 paragraph 1 Farmland Consolidation Act)
- Consolidation of plots of land in areas where there are plans for construction, infrastructural measures, compensation measures or landscape conservation measures. Compensation land should be of the same value as original plot of land (§ 44 paragraph 1-5 Farmland Consolidation Act and § 58 paragraph 1 Law on Adjustment of Agriculture)

- Solving conflicts of interests with and among land owners and land users in the context of the rearrangement of land tenure and land ownership
- Making use of synergies that arise during the establishment of the habitat network. This should be done according to the specifications of an overall concept of landscape planning as found in the plan for collective and public facilities according to § 41 Farmland Consolidation Act
- Keeping land in private ownership and assuring land use obligations as stipulated in the land readjustment plan. After termination of the procedure, these obligations operate as municipal statutes.

It should be mentioned that the support of public concerns through land management and land readjustment has long been one of the core competences of the authorities for land development. What is new is their integration into a sustainable regional development. As it is impossible to rearrange a region several thousands of hectares large in the course of one large land readjustment procedure, individual, selective projects should be realised in areas where structural deficits make this necessary (agriculture, landscape conservation). Through the integration and exclusion of smaller areas that are to be rearranged, these procedures can take effect in neighbouring municipalities as well.

#### **4.3.2 Need-based extension of the transport infrastructure as a basic location factor**

##### **Approach**

Especially in rural areas, good public transport connections are an essential precondition and of vital importance for an endogenous regional development as well as for the establishment of enterprises of all kinds. Thus, developing a demand-oriented local infrastructure is absolutely necessary in order to maintain and to develop rural areas as independent living and working areas. With the help of village renewal, the construction of rural roads and rural land readjustment in particular, integrated rural development is able to contribute considerably to this process.

##### **Remarks**

In cooperation with other responsible bodies, the restoration of village roads, paths and squares can be realised as a public village renewal measure. Furthermore, the construction of rural roads can be realised as road construction measures and thus need not be part of land readjustment measures.

One of the legally defined tasks of land consolidation and land readjustment is the support of land development and the improvement of the agrarian structure. The establishment of a demand-oriented and need-based infrastructure and the realisation of infrastructural projects are to be facilitated by means of land readjustment. For example, local development is to be supported through the construction of rural roads and paths.

### **Measures of integrated rural development**

The tasks described above have long been part of the core competences of the authorities for rural land development and have been realised with great success for decades now. Nevertheless, in the course of integrated rural development, the integration of these measures into the regional context and their coordination with all other development projects and support programmes can still be improved.

**Content and focus of the integrated rural development concept (ILEK):** First, all middle-term planned infrastructural projects within the region have to be registered in the integrated rural development concept. These are to be coordinated with each other and with other important regional planning projects. Thus, the integrated rural development concept defines the main focus of the village renewal measures, the construction of roads and the rural land readjustment within the respective region and determines the major projects. Here, a close cooperation with the authorities for land development is self-evident.

**Tasks of implementation management (UM):** Nevertheless, the strategy that has been worked out is not an inflexible, finished plan. Instead, this strategy is to be understood as a dynamic process because it is very likely that planned projects are cancelled or postponed and that new ones emerge. The management of implementation has to monitor this development to be able to act promptly and to adapt its concepts to the modified framework conditions.

**Contribution of land readjustment and special financial measures of land development:** The scope of land readjustment far exceeds the mere task of allocating land when it comes to procedures aimed at the support and the realisation of infrastructural projects (federal highways, bypasses, railway lines, waterways, airports).

If the preconditions allow it, land consolidation for large-scale projects of public interest can be implemented in combination with other procedures as well. In this case, the applied instruments of coordination and planning as well as the development and rearrangement of land tenure enable an adequate realisation of large-scale construction measures. Thus, the interests of the affected land owners and land users are considered as far as possible and the environmental sustainability of all measures is ensured. Furthermore, this integral approach can improve structural deficits within the respective municipalities. As in the course of all other procedures of land consolidation, this combined procedure also aims at the establishment of a demand-oriented network of roads and paths, appropriate water management and the creation of an extensive habitat network. Within this context, all plots of land are to be arranged effectively according to their form, size and location. Plots of land located within and next to municipalities can also be integrated into this procedure. This facilitates the realisation of simple and comprehensive village renewal measures and, in particular, a modern development and rearrangement of all green spaces within the villages.

In municipalities where land consolidation procedures have been realised, there is a remarkable surge in development. This is especially due to the extensive rearrangement of land tenure, taking all regional aspects of planning into consideration. Unfortunately, there are no comprehensive evaluations available up to now.



In Bavaria only, a state-wide inquiry has been made in order to collect statistical data on these effects and to substantiate the data with actual figures (printed material: notebook No. 36/1999 and file No. 76/2001, page 17 – 23). According to this inquiry, the municipalities in which land consolidation measures have been realised gain a sustainable development boost of about 10 to 15 % compared to similar municipalities where these instruments have not been applied. But it has to be taken into account that this inquiry was made in Bavaria and is thus not fully representative for other federal states. Because of the low base level and a higher backlog demand for the basic supply of everyday consumer goods and infrastructure, these effects are likely to be much higher in economically underdeveloped regions.

A newer study in North-Rhine-Westphalia illustrates the overall economic effects of five selected procedures of land consolidation for large-scale projects of public interest. According to this study, the financially subsumable proportion of the overall creation of value already shows an efficiency factor of over 150 %. This means that the practical effect that is financially quantifiable exceeds the procedural costs and the implementation costs at a ratio of more than 3:2.

Another positive factor is the subjective evaluation of the efficiency of land readjustment that is not included in the cost-benefit analysis. This means the quality and the effect of the reorganisation and rearrangement from the point of view of the participants. On a scale of 1 to 5, the responsible bodies of public concerns evaluated the overall performance adduced for them and the resulting satisfaction achieved with the grade 1.3. The various project carriers and the directorate of the common interest group gave these results the grade of 1.4 and the landowners gave the grade 2.1. This evaluation shows that land consolidation for large-scale projects of public interests fulfils prior expectations of realising diverse infrastructural projects, taking the interests of land-owners, land users and environmental sustainability into account. Thus, the rearrangement of the respective area is used purposefully to activate a sustainable development within the municipalities.



*Figure 26: With the help of integrated rural development, conflicts of interests in the course of large-scale projects of public interest within the rural area can be solved without expropriations. Through an early coordination between the responsible body of the large-scale project and the authorities for land development, agreeable and compatible solutions can usually be found as regards the agrarian structure, nature conservation and water management. If required, already existing deficits of the agrarian structure can be eliminated while improvement of the infrastructural facilities is being carried out werden.*

### 4.3.3 Ensuring that there is a close supply of services, social services and availability of cultural activities as a necessary basic accommodation and for an attractive living environment

#### Approach

In order to maintain rural areas as independent residential and living areas, the basic supply with everyday consumer goods and services, social services as well as cultural activities has to be guaranteed. This basic supply is elementary for an adequate living environment, attracting young families in particular. Besides, it is of vital importance for the less mobile population groups (youths, senior citizens, people in need of care).

#### Remarks

Especially in rural areas, the decline in the population leads to a problematic situation as regards the supply with everyday consumer goods and services. Since the seventies, trade, services and the gastronomy sector have been slowly disappearing from rurally shaped areas due to centralisation and a lack of demand. The same has been observed regarding public facilities such as administrative bodies, banks and post offices. But their closing not only affects the close supply of services. At the same time, meeting points and opportunities for communication that were once important within the community life of the village disappear as well. The consequence is that the village becomes less attractive for the inhabitants as well as for potential new citizens, visitors and guests.



Figure 27: *In Steffling, a village in the Bavarian Forest, farmers were confronted with the question: "Growing or giving way?". Now, they are successfully working together for the production, the refinement and the commercialisation of "hot things" made of fruit.*

#### Measures of integrated rural development

In the course of integrated rural development, changes in the supply of everyday consumer goods and services are to be recorded and analysed. Based on the results, sustainable adaptation strategies are to be worked out. In this respect, the authorities for land development benefit from their longstanding and comprehensive experience in villa-

ge development. There has also been good experience with, for example, multifunctional communal facilities (community centre, village stores) or the support of social and cultural initiatives (labour exchange, care services, welfare centres). These strategies are to be focused and enhanced with special regard to the demographic development.

The regional approach offers new possibilities. So far, solutions could only be found in individual municipalities. Now, a joint, inter-communal action plan based on a division of labour is possible as well. Due to the “catchment areas” of the projects, which are much larger than they used to be, facilities that were not sustainable if only used by one municipality can now be realised and are “profitable” as well. In order to guarantee the accessibility of these regional facilities, new approaches in local public transport are required. For less mobile population groups without a car (children, youths, senior citizens and people in need of care), additional services can be organised, for example driving services or daily busses. Another possibility is mobile facilities that visit individual municipalities of the region at fixed times.

In order to realise such projects for the assurance of minimum standards in the provision of basic necessities, flexible management and a further development of the system of population centres as well as an adaptation of the principle of the bundling of locations to the respective conditions is necessary. In Germany all population centres are organized according to size in a system that determines what facilities for the provision of basic necessities a centre may have. The bundling of locations allows small centres to team up in order to qualify for a greater range of facilities. This system functions to ensure that there is an evenly balanced provision of basic necessities in all areas. A decentralized concentration of facilities - meaning the bundling of functions at different places – is gaining in importance. According to this principle, the final decisions regarding single locations are based less on formal, regional factors but rather on organisational factors.

**Content and focus of the integrated rural development concept (ILEK):** In the development concept, an overall analysis should ascertain the deficits in the supply of consumer goods, social services, and cultural activities and also what middle-term demand there is for these commodities. With the help of these data, it can be estimated whether there is sufficient demand to warrant the foundation of new businesses (perhaps in combination with other sources of income), or whether, right from the beginning, alternative sources for some basic necessities have to be found. Furthermore, apart from appropriate management forms, suitable responsible bodies have to be found. With facilities that are not yet profitable, questions regarding financing have to be clarified. To support these processes, the integrated rural development concept is able to make proposals and suggest projects.

**Tasks of the implementation management (UM):** The further development has to be realised during the implementation management. Entrepreneurs should be encouraged to set up profitable, private enterprises such as retail trade, restaurants, daily busses, driving or care services, and all existing possibilities of business development should be used. This has already been illustrated in chapter 4.1.5 (promotion of the foundation of enterprises). Apart from that, the implementation management has to develop and to organise alternative solutions in cooperation with public and private actors. Here, vo-

luntary work on an honorary basis plays a special role. All previous experience shows that citizens' initiatives for the assurance of the daily supply of necessities and for the maintenance of village culture sometimes lead to the foundation of new businesses that offer full-time and part-time employment.

**Contribution of the financial measures of land development:** With the possibilities of allocating land, land development and investment incentives, rural development can efficiently support the foundation of new businesses as well as the development and the expansion of already existing enterprises - see also chapter 4.1.5. Communal facilities for social and cultural purposes or for the maintenance of village culture can be promoted as typical public village renewal measures. In this respect, the authorities for land development benefit from their longstanding experience.



Figure 28: *New village centre and place for communication. General view from the outside – the three economic pillars of food, services and social services that are available here are clearly visible. Additionally, this centre houses a dental surgery.*



Figure 29: There is a broad range of goods in the new VILLAGE-centre in the middle of Jülich-Barmen. Besides offering fresh food (meat, bread, vegetables and dairy products), this centre also meets local demand for stationery, communication and information and has a cash dispenser.

#### 4.3.4 Further developing of soft location factors, for example nature-, relaxation- and leisure time values of the cultural landscape

##### Approach

Without a doubt, the maintenance of the ecological balance of the environment, including the creation of all near-natural living spaces and landscape structures as well as the ecological enrichment of the village and its natural environment are the main tasks of a sustainable development. Through such an approach, the ecological attractiveness of rural areas - also in terms of relaxation and leisure time activities - is increased. In connection with an appropriate infrastructure, attractive living and working environments can be established. A well-directed development of the cultural landscape as an important soft location factor must thus be part of integrated rural development.

##### Remarks

In the context of interregional competition, the environmental potential as a soft location factor is of great importance. This especially applies to economically underdeveloped regions. It is this location factor that makes for the type of attractive living environment so much appreciated by large parts of the population and also by industry, which benefits from an attractive working environment. Beside tourism, it is the environmental factors (tranquillity, nature as such, an intact environment) together with an adequate infrastructure that are also of special interest for investors operating in innovative, technological and communication-oriented economic sectors. They highly appreciate the stimulating atmosphere of a beautiful landscape and can easily cope with their "isolated" location by use of modern media. However, the use of these locational advantages presupposes easily accessible countryside with no visible damage to the landscape.

##### Measures of the integrated rural development

Integrated rural development is especially suitable for the communication and realisation of the Agenda 21-concept of sustainability. Apart from the means of land readjustment, and village renewal, integrated rural development offers possibilities for bundling individual measures and using them efficiently for a valorisation of the landscape. These are for example

- Measures in the context of eco-pools of municipalities (legally regulated compensation measures)
- Compensation and replacement measures of other responsible bodies/project investors
- Protection, conservation and development measures of the authorities for nature conservation
- Renaturation of water bodies, protection of planting in riparian zones by the authorities of water and soil management
- Landscape conservation measures and planting by private land owners

At the same time, the transport infrastructure is to be used for the development of agriculture, tourism and for local recreation. A typical example of this is the multi-functionality of rural roads. Due to the low volume of traffic on these roads, they can easily be used as cycle tracks or hiking trails.

Through the coordination of all single activities as well as through the solving of different land use claims, conflicts between ecology and recreation can efficiently be solved. Thus, for example, the establishment of a comprehensive habitat network together with a lasting improvement of the attractiveness of the landscape can be facilitated.

**Content and focus of the integrated development concept (ILEK):** Thus, one task of the integrated rural development concept is to work out a guiding principle for landscape development among all affected planning authorities and major actors. The basis for this work is the guidelines of communal landscape planning with their measures for protection, conservation and development. These are to be enhanced with special regard to the valorisation of the landscape for recreational activities and tourism. The guiding principle should contain the middle-term objectives for the coming years in the form of a common and feasible concept including concrete ideas, targets and measures regarding a further development of the landscape.

**Tasks of the implementation management (UM):** The development of the concept and the realisation of the guiding principle for the development of the landscape correlate closely with the realisation of a sustainable development of the regional structure as already illustrated in chapter 4.3.1. For this reason, the guiding principle is to be integrated into the inter-communal urban land-use planning and is an essential aspect of the inter-communal development of the land-use plan. Nevertheless, selected projects are to be realised in advance as single projects, such as for example

- Renaturation of water bodies
- Construction of cycle tracks and paths alongside classified roads
- Construction of parking places, picnic and barbecue areas

These tasks should be fixed in the course of the implementation management and brought to a stage of realisation. Through this approach, right from the beginning of the development process, visible results emerge. These have positive effects on other fields of action and contribute to the sustainable anchoring of the integrated rural development. This has already been illustrated in more detail in chapter 4.2.2.

**Contribution of land readjustment and special financial measures of land development:** The establishment of an extensive habitat network and the valorisation of the landscape for tourist and recreational purposes imply an effective and integral regional strategy, closely connected with the realisation of sustainable development of the regional settlement structure. Only through these processes, for example, can the necessary compensation measures be realised in the course of the designation of a new residential area in a municipality. These selective compensation measures are to be implemented for the assurance and the development of important habitats and they also contribute



to the attractiveness of the landscape. Moreover, other municipalities can benefit from them as well.

The solving of land use conflicts, different land use claims and the solving of conflicts between nature conservation and recreation is more difficult. Very often, this requires an extensive approach and land readjustment measures. With the help of rural land readjustment, the coordination, the plan approval procedure and the allocation of land as well as the implementation of all construction measures for structuring the landscape can be realised most efficiently. They can thus be realised regardless of coincidentally existing ownership structures. At the same time, the construction of rural roads within and outside the measures of land readjustment helps to develop nature and landscape for recreation and leisure time activities. Due to the low traffic volume on rural roads, these are not only local connections and agricultural roads but are also used as cycle tracks and hiking trails. They ensure the accessibility of the landscape and simultaneously contribute to the protection of ecologically sensitive areas. Thus, they support the solution of conflicts between nature conservation and recreation activities.



Figure 30:

*The “Eifelturm of Boos” is a symbol for the upward trend of tourism in the rural area. With the help of integrated rural development, the growing importance of tourism and recreation activities has been taken into account. The “Eifelturm” is located within sight of the Nürburgring and has become a popular tourist attraction. The construction of this tower has significantly boosted the development of the municipality.*

### 4.3.5 Ensuring the protection of floods and water bodies as a locational advantage in interregional competition

#### Approach

The increasing number of floods in the last years has raised public awareness regarding flood protection and the protection of water bodies. Climatologists expect these extreme weather situations to become normal case, indicating the beginning of a global climatic change. But floods not only occur in large rivers. Local thunderstorms can cause flooding in water bodies that are seemingly quite harmless, usually, and these floods can cause considerable damage. For the enterprises affected, the potential of this damage is a significant competitive disadvantage. For this reason, flood protection is a very important aspect when it comes to the assurance of regional business locations within the affected regions. Through integrated rural development, the integration of the various measures for a reduction of flood hazards into a sustainable land use concept is possible. This especially comprises the protection of the surface and ground water as well as the assurance of the drinking water supply. These measures are of great importance in order to preserve the vital resource water, to guarantee a sufficient supply and to use it as a further locational advantage.

#### Remarks

Flood protection requires comprehensive measures for water bodies of the primary category, such as the elevation and relocating of dikes, the expansion of natural retention areas or the construction of polders, as well as the creation of extensive water retention areas within catchment areas. At the same time, these measures efficiently contribute to the prevention of floods in water bodies of the secondary category, which account for 85 % of the overall network of water bodies and thus affect extensive areas.

Extensive, decentralized water retention measures especially contribute to the prevention of small-scale floods for a duration of up to 20 years. In combination with additional retention systems, such as embankments or controllable retention areas, a prevention of floods in more endangered regions for a duration of up to 100 years is possible. These manifold measures are to be combined with other projects regarding the renaturation of water bodies, the prevention of erosion or the protection of water bodies (surface and ground water). Finally, all these measures should come together to form an integrated flood protection programme and sustainable land use strategy.

The better the soil can fulfil its function as a water reservoir, increasing the volume of ground water, the better drought damage can be counteracted naturally. It is predicted that, due to the climatic change that seems to be looming ahead, within the coming ten years, there will be more frequent, intense rainfall and also distinct periods of extreme drought, as experienced in the summer of 2004. In areas that anyhow have low amounts of rainfall these occurrences already threaten an unrestricted water supply



**Measures of the integrated rural development**

Integrated rural development offers the unique opportunity to approach the topic “water” for each individual catchment area in a comprehensive and extensive manner. In cooperation with the authorities of agriculture, water management and nature conservation, an integral concept can be worked out and realised jointly. Some typical measures are the renaturation of running waters, the designation of riparian zones and the support of the development of large-scale water retention areas. The appropriate use of water in water protection areas is a further measure. When it comes to preventive protection from floods and to the accumulation of ground water, in the end, it is the sum of many single measures - all targeting the longest possible retention of water - that is effective. To minimise the surface runoff, many small barriers with an abrasive surface are being installed. These can be created through use of transverse cultivation, pastureland, succession areas, trenches with a slight downward gradient or soil basins. Paths, hedges and balks can also be used.

**Content and focus of the integrated rural development concept (ILEK):** As recent floods and climatic and topographic conditions show, the need for action is quite obvious and requires no intensive problem analysis. In close cooperation with the authorities of water management, the integrated rural development concept can develop and propose suitable flood protection measures, based on an estimate of the potential damage and the probability of occurrence. In this context, there already are field-tested models. With the help of these, the potential contribution of extensive water retention – possibly in combination with local water retention systems (small water retention tanks widely scattered within the area) - can be evaluated.

Special attention is to be paid to regions with a predictable shortage of water. A slow-down of the surface runoff may accelerate the regeneration of the ground water store after longer periods of drought. In regions with partly contaminated ground water (residues of pesticides and an increased proportion of nitrate), less intensive land use and a reduction of the livestock and of organic fertilisation are to be strived for.

**Tasks of the implementation management (UM):** Typical tasks of the implementation management are to sensitize farmers regarding soil and water protection and to motivate them to take voluntary measures. In cooperation with the authorities for agriculture, water management and nature conservation, for example, exhibitions, information events, individual counselling sessions, workshops, seminars on farms and in villages and work groups can be organised in order to develop and to realise a sustainable use of land in terms of a comprehensive management of resources. Apart from a competent and professional cultivation of land, agriculture can directly contribute to the protection of surface and ground water.

This can be reached for example through the following measures:

- Reduction of organic fertilisation (output of liquid manure)
- Fertilising adapted to the respective weather conditions
- Cultivation of fruit which ripens outside seasons, planting of winter grain
- Minimal cultivation of soil, for example through mulching and direct sowing
- Adaptation of the crop rotation, especially for the reduction of the cultivation of corn
- Maintenance or increase of pasture land in sensitive areas
- Integrated pest management with a view to the injury level
- Ecological cultivation

These agricultural measures are an elementary component of an integrated land use concept and are thus inevitably linked with efforts for a sustainable development of the regional structure and landscape. Farmers for example can implement compensation measures by contract if they have experienced any disadvantage through the laws which regulate where one can build, how far apart buildings must be, etc. These compensation measures also act as landscape conservation measures and can thus increase the attractiveness of the landscape and, at the same time, serve the protection of water bodies and the prevention of erosion. In this way, the diversification of incomes comes along with a sustainable development of the regional structure and an efficient conservation of the cultural landscape.

**Contribution of land readjustment and special financial measures of land development:** As we have mentioned, the surface runoff, soil erosion and the protection of water bodies are closely connected topics. This especially applies for areas with a high proportion of cultivated land or steep slopes. In case of an unhindered surface runoff, heavy rainfalls can lead to immediate flood peaks in the receiving waters. Furthermore, the transported material (soil) and the nutrients it contains place a burden on the water bodies through aggradation and excessive eutrophication. These processes clearly illustrate that measures to reduce soil erosion simultaneously serve the protection of both the soil and water bodies. Finally, they represent an important contribution to an extensive retention of water. Accordingly, these projects have long been part of the catalogue of measures of rural land readjustment and have been implemented with great success. Examples are:

- Renaturation of running waters
- Renaturation of ditches and receiving waters
- Designation of riparian zones
- Creation of small water retention tanks (soil basins)
- Planting of hedges, balks or vegetation strips
- Reduction of sealing (for example of unnecessary roads)





Figure 31: *Integrated rural development can considerably contribute to active flood protection through its measures of land readjustment, such as the allocation of land and land compensation measures. These are important preconditions for an appropriate realisation of many projects. One example is the polders alongside the Rhine serving as artificial retention areas for a decrease of the runoff peaks. Another example is the allocation of land for the foundation of dikes, which contributes to an optimal designation of land for compensation measures. Through the acquisition and exchange of land, cultivated land that is endangered by floods can be relocated. In this way, a nature-oriented development of water bodies and meadows is guaranteed.*

Nevertheless, the realisation of a sustainable land use conception requires a large-scale and extensive approach, which usually means the use of land readjustment measures.

In this context, the support of extensive water retention measures for soil, measures to decrease soil erosion and the promotion of an environment-friendly and location-adapted land use are all standard tasks. Beside the individual measures mentioned above, this approach is mainly realised through the following effects of land readjustment:

- Enabling a transverse cultivation of land in hillside situations through a corresponding reallocation of the plots of land
- Maintenance of old pasture land and creation of new pasture land in meadows
- Preservation and creation of natural retention areas (meadows, wetland)
- Realisation of extensive land use within water protection areas

Furthermore, the required land for single installations of flood control can also be allocated in the course of land consolidation or land readjustment procedures. If larger areas of land are needed – for example for the construction and the relocation of dikes or the construction of polders and reservoirs – the implementation of land consolidation procedures for large-scale projects of public interest is possible as well. This enables an adequate realisation of flood protection measures, taking the ecological requirements of the landscape as well as the interests of all affected land owners and farmers into account.



## Effects of the instruments of integrated rural development

Chart 4.2: Instruments of integrated rural development and their effects for the strengthening of economic power

Effects of the instruments of integrated rural development in the form of a direct rearrangement (G), the support through promotion and consulting (F/B) or other positive effects (E) within 12 central fields of action			Consulting among all actors	Development of an ILEK	Management of implementation	Land readjustment	Village renewal	Infrastructural measures	Promotion of cooperations
Central fields of action of integrated rural development (ILE) for the strengthening of the economic power and the creation of employment									
Employment	1.	<b>Strengthening agriculture</b> as a central pillar of rural areas	E	E	E	G	G	G	G
	2.	<b>Supporting forestry</b> as a supplier of raw materials and for the conservation of the forest	E	E	E	G	G	G	G
	3.	<b>Improvement of the framework conditions of the service industry</b> as a growing market	E	E	E	F/B	F/B	E	G
	4.	<b>Increase of the creation of value</b> within the rural area through the development of local business cycles	E	E	E	F/B	F/B	E	G
	5.	<b>Creation of the framework conditions for the foundation of new businesses</b>	F/B	F/B	F/B	E	G	E	G
	7.	<b>Strengthening of the regional identity</b> and anchoring of the fundamental idea of integrated rural development	F/B	E	G	E	E	E	E
Economic development	6.	<b>Establishment of strategic alliances in close cooperation with local business</b>	G	G	G	E	E		E
Provision of basic necessities	8.	<b>Allocation of building land</b> and guaranteeing a sustainable development of the regional structure	F/B	F/B	F/B	G	G	E	
	9.	<b>Expansion of the (transport) infrastructure</b> as an essential location factor	E	E		G	G	G	
	10.	<b>Ensuring the close supply with everyday consumer goods, social services and cultural life</b> , thus providing an attractive living environment	F/B	F/B	F/B	F/B	F/B	E	G
	11.	<b>Development of the potential of the landscape regarding the environment and relaxation and leisure time activities</b> as a soft location factor	F/B	F/B	F/B	G	G	G	E
	12.	<b>Guaranteeing an adequate protection against floods and water bodies</b> as a locational advantage in the competition between the regions	F/B	F/B	F/B	G	G	G	F/B

## 5. Organisational aspects of integrated rural development

### 5.1 Tasks and organisation of the implementation management

For a successful regional development, several factors are of importance. Beside realisable, innovative concepts and the provision of financial assistance for planning procedures and financial measures, an effective management of implementation is of vital importance. First of all, this term must be differentiated from the term “regional management”. Regional development stands for the further development of regional planning to a more dialogue- and implementation-oriented planning process. It is associated with the field of politics and also represents the management approach of “regional governance” and the realisation of measures in the course of the common task of “improvement of the regional economic structure” (GRW). To delimit these tasks from the coordinated implementation of an integrated rural development concept, the term implementation management was introduced. Implementation management is both concept- and project-related, and is limited to the local ambit of the planning region of an integrated rural development concept. Thus, in contrast to most of the above-mentioned forms of regional management, both the duration of the implementation management and the area involved are limited. Because of the integral approach, various tasks overlap with those of regional management or other departments. These require careful coordination.

Implementation management is important for the integrated rural development regions since it imparts the necessary authority to act and provides the motor for a successful development. In order to enable adequate implementation and a further development of the concepts that were developed in the course of the planning process, both the institutionalisation and professionalisation of the implementation management are indispensable. The implementation management comprises the organisation and coordination of all actors and tasks within the respective region (horizontal coordination). Additionally, it is about the networking of the integrated rural development region with governmental and, if necessary, also with international levels (vertical coordination) (Hahne 2004).

The tasks of implementation management that deal with initiation, organisation and monitoring of the implementation of rural development processes can be summarised under the following three headings:

#### **Information, communication and consulting**

Ensuring communication among the individual organisational levels, and a continuous flow of information among all actors of the integrated rural development (municipalities, clubs, associations, self-organised groups, single persons etc.)

- Interface function between management and work groups,
- Creation of networks within the region,
- Organisation of “round tables” for local enterprises in order to support the exchange of information,
- Informing the public about the objectives, measures and positive results of integrated rural development with the help of events and public relations,





- Presentation of the region through continuous public relations,
- Consulting with founders of new businesses,
- Networking of different integrated rural development regions for the exchange of information.

### Concept and project development

- Support of the development, management and further development of integrated rural development concepts
- Development of new fields of action
- Activation of the population, the economy and all administrative bodies
- Acquisition of knowledge necessary for commercial development
- Providing ideas and impulses as well as motivating the members of the work groups
- Development of region-specific projects and strategies for their realisation
- Promotion of lead projects

### Process and project management

- Process management and mediation of conflicts
- Support of the work and project groups during the whole process through the administrative offices
- Acquisition of financial means and fundraising
- Evaluation of the effects of the individual measures through continuous monitoring of the regional development  
Fiskalisches Projektcontrolling
- Consulting with the responsible bodies as regards financing and promotion

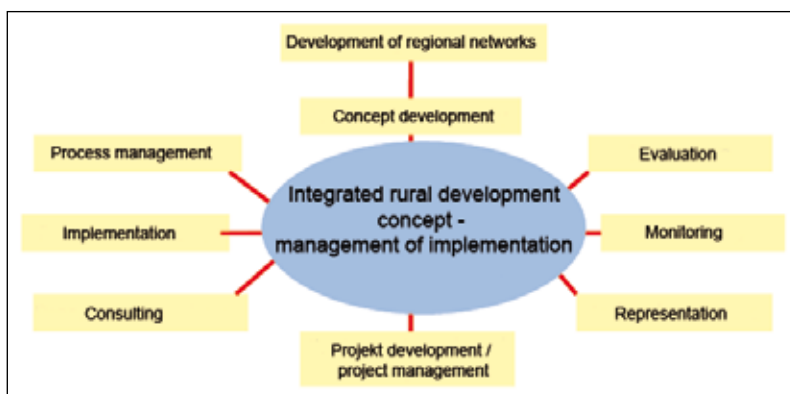


Figure 32: Tasks of the implementation management (UM)

The accomplishment of the tasks illustrated in figure 32 implies a qualified and efficient organisational implementation. The form of organisation is to be derived from the single tasks as well as from the specific requirements and characteristic features of the respective planning region. As regards the implementation management, there are generally three organisation models:

1. Integration into already existing organisational structures (local/municipal administrations, special authorities, business development associations etc.)
2. Implementation of new organisational structures (clubs, associations or agencies for integrated rural development)
3. Engagement of external service providers (enterprises of land development or planning agencies).

When it comes to the selection of the form of organisation, the following criteria are to be considered in particular: neutrality of interests, efficiency and durability. These criteria are of central importance for inter-communal cooperation. Thus, a combination of the second and third model implies some essential advantages. The institutionalisation is realised through an already existing or newly founded organisation, located outside existing administrative structures. The actual implementation of measures is realised by an external, qualified service provider. Thus, the permanent availability of know-how – depending on the respective requirements and the duration of the projects – can be ensured without establishing long-term financial and personnel commitments. To ensure and to create employment in rural areas and to realise the above-mentioned tasks with the necessary professionalism, the implementation management should have a high degree of business competence.

Successful integrated rural development requires the appropriate integration of communal politics and local municipalities. Working without or even against these actors, it is hardly possible to realise long-term and efficient results. At the same time, these groups must not dominate the process. Thus, the establishment of a management board can be quite effective. Its members should be elected and representatives from politics and administrative bodies from the whole region can stand as candidate. Additionally, the implementation management and the subject- and project-oriented work groups should also be represented within the management board. Figure 33 illustrates the basic structure of a functional, regional management form of integrated rural development.

This board should be entitled with central competences regarding the whole process of integrated rural development. In this respect, the implementation management serves as an interface between the management board and the subject- and project-oriented work groups as well as other active organisations, administrations and authorities of the region. Entitled with clear instructions and the corresponding legitimation, the implementation management is responsible for the actual implementation of the decisions made. If no new levels of responsible persons or groups are created, but instead, the focus is directed toward the concrete tasks for a joint development of the whole region, the acceptance of communal politics can be considerably increased.

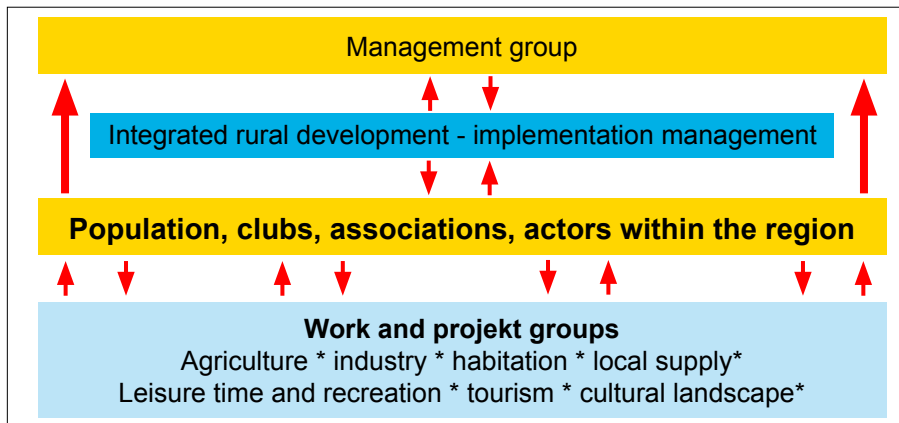


Figure 33: Basic structure of an integrated rural development as a regional management form

An institutionalisation of the integrated rural development, for example with the help of a three-level structure with management group, implementation management and work groups is an essential factor for the success of the informal development processes. An institutionalisation furthers continuity in the completion of tasks and ensures a result- and implementation-oriented process. Implementation management that has been firmly integrated plays a key role here.

## 5.2 Delimitation of the region

Two main principles of integrated rural development are a regional approach and intensive cooperation beyond municipal borders. Thus, an appropriate delimitation of the respective region is a core task. However, an area, comprising at least two municipalities or associations of municipalities with a minimum number of inhabitants generally does not yet fulfil the requirements for a region. For successful processing according to the requirements of a sustainable development with the assurance and creation of employment as main tasks, careful deliberation is necessary when delimiting a region. Important pointers are economic structures (economy, employment) and their linkages within the respective area. Furthermore, agriculture and forestry are to be considered as firmly integrated factors of the local business cycles and thus they are to be promoted more intensely. Consequently, the location of already existing enterprises as well as the linkages among them through production processes should be considered as essential criteria for the delimitation of the region. Additionally, newly planned value chains and clusters within the region are to be taken into consideration as well (e.g. wine-growing region, wood industry). The objective is an optimal use of the local potentials of added value.

A meaningful delimitation of such a region in areas close to agglomerations requires an even more detailed consideration of the manifold local linkages. Thus, the existing relations between a city and its surrounding region (catchment area of commuters, coverage/supply area) mean a larger area involved.

The proximity of agglomerations still is an important locational advantage for the economic development of rural areas. This advantage should be used.

Globalisation and internationalisation are likely to have positive effects on the development of large cities and metropolitan regions. At the same time, governmental subsidies policies will focus on these agglomerations more than they have so far. City-land-partnerships and the establishment of regions are thus logical options. In this way, the potentials of agglomerations as well as the spill over effects can be used more efficiently for the development of industry and the service sector. Furthermore, agglomerations serve as important markets for agricultural and commercial products and services provided by the surrounding rural regions. On the other hand, one argument against such cooperation is the “inequality” of the partners. Thus, it is of vital importance that rural regions do not rely on their proximity to agglomerations as the only existing motor of development. Instead, they should identify and use their own economic potentials (availability of land, environmental quality, high recreational value, closeness to nature etc.).

Regional identity plays a key role in the success of regional development approaches. Shared nature areas and historic elements of the cultural landscape, or areas that are historically and thus culturally and economically connected can serve as characteristic features that support and promote the establishment of a regional identity. Very often, historical, political and administrative borders such as administrative districts still shaping regional identity can also serve as starting points for the delimitation of a region. At the same time, a reinstallation of old administrative structures is not necessary. Regions of this kind not only have a connecting endogenous value but can also develop an important external value by using appropriate regional marketing strategies. Especially in tourist areas, shared advertising and marketing strategies are indispensable. They only work if they can rely on a uniform planning region and landscape.

If the delimitation of a region is carried out according to the aspects illustrated so far, then, very often, the result is a large area. In contrast, the bottom-up-principle, implying an optimal participation of the local and regional actors “produces” smaller areas. Here, a more intensive personal involvement and motivation can be achieved, and these are important preconditions for the realisation of all kinds of projects and measures. On the other hand, especially commercial and service enterprises in rural areas are striving for a more intensive regional networking and cooperation. And the general claim of integrated rural development that it facilitates and supports integrated development processes also implies correspondingly large-scale structures. Finally, the effective and efficient use of available subsidies usually requires large-scale structures as well.

In this context, it should also be said that the number of inhabitants alone is not sufficient as the exclusive criterion for the delimitation of a region. For the delimitation of an integrated rural development region with its emphasis on the assurance and the creation of employment potential, new value chains and clusters have to be considered as well. Thus, for pragmatic reasons, a consolidation of several municipalities to one integrated rural development region often seems reasonable.



To sum up, it is clear that the ideal type of region does not exist. Instead, the delimitation must be oriented to the interests and objectives of the respective local authorities. Thus it is of vital importance that the consolidations of municipalities mentioned above are voluntary and that all participating municipalities are equal partners who formulate a joint development principle on the basis of identical, local interests.

### 5.3 Networks

The cooperative and joint collaboration of the manifold actors within the respective region is an essential precondition for a successful regional development. This cooperation among the different actors should ultimately form an enduring network (see figure 34). Individual municipalities, enterprises or local institutions and associations cannot fundamentally improve the economic development of rural areas. To achieve this, the intensive and close cooperation of all participants is necessary. This cooperation is supposed to create synergies and thus new development impulses – an effect which individual actors are not able to create.

This concept can be illustrated with the example of a tourist region that has mainly focussed on cycle tourism: First of all, an attractive and extensive network of cycle tracks with appropriate signage and resting places has to be established by all participating local authorities. Bicycle stations with cycle rental and repair services would be practical additional facilities. This infrastructure can be supplemented with special offers for accommodation and food from the local gastronomy and hotel industry including a luggage transport service. The public transport system should forward cycles as well and thus adapt its service accordingly. Another objective is to integrate local sights and tourist offers with special events and guided tours into those routes. Finally, professional marketing via modern media - especially on the Internet – is necessary to inform the respective target groups about existing offers and to attract them to book online. To achieve this, it is essential to establish cooperation between the tourism organisations, travel agencies and other associations both inside the respective region and outside its borders, in the agglomerations. By doing so, demand-oriented offers can be developed and provided.

It would be possible to draw examples from numerous other economic sectors, showing analogous network structures and how their important contribution to regional development helps to establish and strengthen local business cycles and improve cost structures and competitive advantages.

The initiation, development and permanent support of such networks consisting of private and public actors is a main task of the implementation management. Depending on the respective focus of content, very often, various networks are necessary within one region. These should also integrate partners from other regions. In many cases, already existing structures can be used and expanded. Thus, already functioning networks of cooperation can be both strengthened and extended.

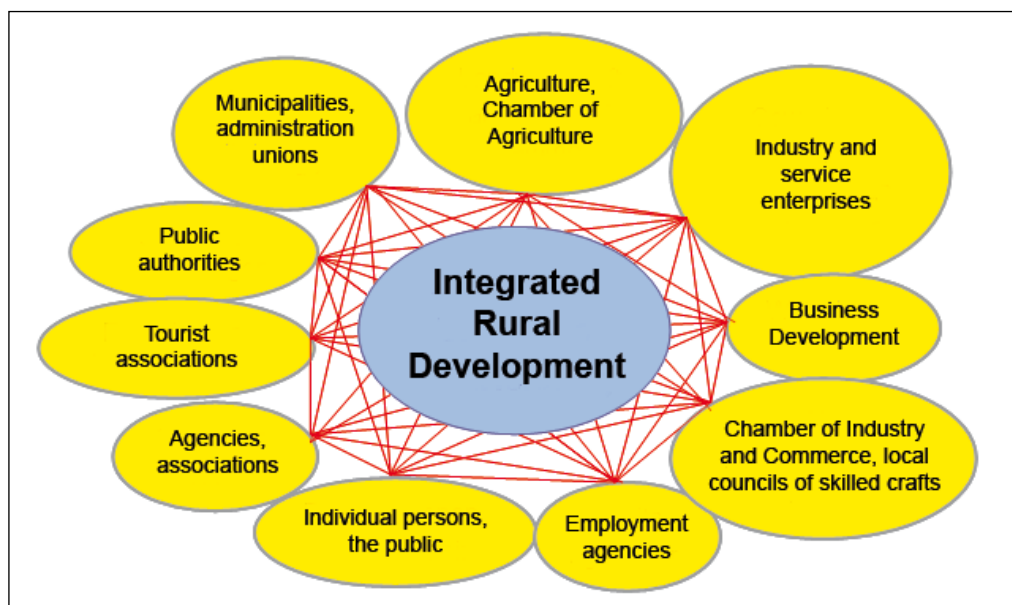


Figure 34: Networks

Usually, entrepreneurs are highly interested in networks where they can exchange information and knowledge with other local enterprises, municipalities and public authorities including those outside already existing communication structures. The exchange of information beyond municipal borders is becoming increasingly important.

The municipalities in particular are most important strategic partners of rural development since they have communal planning sovereignty. An effective and enduring improvement of the already existing location factors can only be realised through the support of the respective municipalities. Thus, in order to ensure the necessary political support for all projects of the integrated rural development and to involve all projects in the communal development planning, the municipalities must be integrated in all networks. The same applies to municipal associations and regional authorities (e.g. regional corporations, administration unions, regional planning authorities) including business development.

On the one hand, networks between private and public actors can develop new fields of action and create synergies. On the other hand, they can also help to find additional financial resources that are required for the realisation of the concepts. However, due to the tense municipal budget situation, some projects can not be realised as the municipalities are not able to raise sufficient financial support. Here networks can contribute to the development of innovative private financing models.

The involvement of network partners from other regions can also be meaningful or even necessary. Cooperation and the exchange of information are especially useful between regions suffering from similar structural deficits and problems. Both regions can benefit from their experience, which, in turn, increases the efficiency of their own planning and realisation. Furthermore, strategic partners within the agglomerations are needed for regional marketing and the marketing of local goods and services. These help to directly attract target groups and potential consumers.

Nevertheless, these networks and the desired cooperation among their partners must be on a voluntary basis and cannot be enforced. Within these networks, occasionally “free riders” are to be found. They neither contribute to the realisation of the projects and the organisation nor do they raise active financial assistance. But at the same time they are beneficiaries of the efforts of all other actors and thus also benefit from the economic regional development. First of all, the willingness to cooperate and to contribute to joint projects can be increased through an intensive provision of information and advice by the implementation management. The more the individual actors can be convinced of the necessity or at least the profitability of such networks and their joint concept, the more willing they will be to cooperate. At the same time, every actor must be able to trust in the solidary cooperation of all other actors. Finally, the well-directed use of public means of support can also contribute to the establishment of such networks (“golden reins”).

Thus, it is an important task of the implementation management to cooperate with all private and public actors in order to identify existing economic potentials. To develop these potentials, a joint strategy is to be worked out on the basis of a regional development concept. All actors should voluntarily bind themselves to “pull together”. Through an adequate coordination of their cooperation, the networks they create can induce a development that was not achievable by individual efforts only. The most important advantage of networks is the coordinated action of the different actors involved. Although these actors all generate individual performances, in the end, synergies arise that are of use for all participants. Furthermore, networks increase awareness of existing problems and increase identification with the topics of the single concepts. They increase the motivation of all participants and thus contribute to a long-term anchoring of the integrated rural development.

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## Enclosure 1

# Integrated rural development concept (ILEK)

Contributions to the creation of employment  
with special regard to the demographic development

### - Specifications -

#### Preliminary remarks

The following specifications for the development of integrated rural development concepts (ILEK) according to § 1 passage 2 of the joint agreement on the improvement of the agrarian structure and coast protection (GAKG) focus on the creation of employment with special regard to the demographic change. The work steps necessary for this focal point of integrated rural development are to be found in the following four work phases of an integrated rural development concept:

#### 1. Brief characterisation of the region

##### 1.1 Contents

- Regional structure and infrastructure (settlement structure, locations of industrial parks, nature areas, landscape, infrastructural development, communication media)
- Population (development of the population, age structure, social structure)
- Economy (industry, services, agriculture and forestry, tourism, gastronomy, labour market, commuters, founders of a new business)
- Sectoral development scenarios

##### 1.2 Basis

- Analysis of existing regional surveys, regional development concepts, communal development plans, preliminary urban land-use planning, planning expertises and surveys
- Interviews with selected actors
- Compiling and analysing official statistics

##### 1.3 Activities

- Starting event (informing the public, the authorities, agriculture and forestry, economic associations, enterprises and freelancers within the region)

- Constitution of the management group
- Establishment of work groups
- Public relations

## **2. Strengths-weaknesses-opportunities-threats analysis (SWOT-analysis)**

### **2.1 Contents**

- Analysis and evaluation of hard location factors:
  - Development (network of roads, cycle tracks and bridle paths),
  - Availability of land for commercial purposes,
  - Legal requirements,
  - Fiscal burdens,
  - Communication infrastructure (DSL-connections, etc.),
  - Short distance public transport and other means of transport.
- Analysis and evaluation of soft location factors:
  - Cooperation with local authorities,
  - Economy-friendly climate (“round tables”),
  - Consulting networks,
  - Close supply with everyday consumer goods,
  - Social infrastructure (child care and educational facilities in particular),
  - Basic health care,
  - Differentiated range of cultural activities within a reachable distance,
  - Offer of high quality residential areas,
  - Family- and child-friendly living environment,
  - Offer of an intensive community life within the village.
- Evaluation of strengths, weaknesses, opportunities and threats within the above-mentioned fields
- Identification of the endogenous development potentials
- Finding potential new value chains

### **2.2 Basis**

- Results of work phase 1
- If necessary, additional interviews with selected actors within the region

### **2.3 Activities**

- Initiation of information meetings for industry, founders of a new business, young entrepreneurs



- Broad participation (agricultural organisations, regional corporations, consumer associations, environmental associations, cultural facilities and organisations, tourist organisations, business development, Chamber of Industry and Commerce, Chambers of trade and other economic facilities, Chamber of Agriculture, individual enterprises and entrepreneurs, employment agencies, municipalities, population)
- Public presentation of interim results of the SWOT-analysis
- Public relations

### **3. Guiding principles and fields of action**

#### **3.1 Contents**

- Development of a guiding principle for the region
- Formulation of development goals
- Specification of fields of action and “lighthouse projects”

#### **3.2 Basis**

- Results of the SWOT-analysis

#### **3.3 Activities**

- Broad participation (see list of actors under 1.3)
- Systematic development of networks
- Public relations

### **4. Concept and implementation strategy**

#### **4.1 Contents**

- Development of a comprehensive development concept
- Preparation of drafts for the lead projects
- Development of a strategy for the implementation of the development goals, measures and lead projects
- Specification of criteria for the selection of support programmes
- Determination of primary development projects
- Realisation of first lead projects
- Cost overview and financing concept
- Evaluation concept including criteria for the evaluation of compliance

- Preparation of the implementation management with regard to content and institutions involved

#### **4.2 Basis**

- Results of the previous work phases (guiding principles, formulation of objectives)
- Possibilities of financial support according to the joint agreement on the improvement of the agrarian structure and coast protection (GAKG)
- Further support programmes from the EU, the federal government, federal states and administrative districts

#### **4.3 Activities**

- Participation of exclusively selected target groups highly relevant for the implementation
- Acquisition of project initiators
- Acquisition of subsidies/funds
- Consulting
- Public relations

#### **5. Cross-functional tasks**

- Chairing work group meetings
- Preparation and post-processing of work group meetings
- Preparation and post-processing of management group meetings
- Organisation and realisation of public presentations
- Documentation of the process and the working results
- Continuous public relations
- Establishment of a network together with municipalities, public authorities, associations, enterprises, etc.

The above-mentioned work steps are to be understood as a generalised catalogue of maximal tasks. However, these generalised work steps are to be adjusted and modified according to the respective requirements and objectives of the region.

**These work steps are incentives for a further development of the already existing specifications for integrated rural development concepts and regional management in the federal states.**



## Enclosure 2

# Implementation Management

Contributions to the creation of employment  
with special regard to the demographic development

### - Specifications -

The implementation management serves the initiation, organisation and monitoring of the implementation of rural development processes for the creation of employment with special regard to the demographic development. In particular, the implementation management has to fulfil the following tasks:

#### 1. Informing, consulting with and activating the actors

##### 1.1 General services

- Ensuring communication and a continuous exchange of information among all the organisational levels as well as among all actors of the integrated rural development (municipalities, clubs, associations, self-organised groups, individuals, etc.)
- Intensive integration of the municipalities into the development process
- Interface function between the management group and the subject- and project-oriented work groups
- Establishment and maintenance of networks within the region
- Informing the public about objectives, measures and results of the integrated rural development through events and public relations
- An adequate representation of the region through continuous public relations
- Networking with other integrated rural development regions in order to stimulate the exchange of information and experience

##### 1.2 Special employment-oriented services

- Organisation of “round tables” for an informal exchange of information and experience of the local industry
- Professional advice for founders of a new business
- Advancement of the transfer of knowledge between universities and the industry (“information-brokering”)
- Provision of information for enterprises interested in locating within the region (information systems for industrial areas)
- Maintenance of existing networks through organised talks in individual business sectors

## **2. Concept and project development**

### **2.1 General services**

- Contribution to the working out and further developing of the integrated rural development concept
- Development of new fields of action
- Providing ideas and impulses as well as motivating the members of the work groups
- Developing and concretising new projects together with actors from the local population, industry, public authorities, etc.
- Acquisition of knowledge necessary for the industrial/commercial development
- Development of lead projects
- Monitoring of the lead projects till the stage of implementation
- Development of lead projects within all fields of action and concretising strategies for their realisation

### **2.2 Special employment-oriented services**

- Process and conflict management
- Acting as an agency for the work groups and thus handling organisational activities and providing professional advice
- Adequate convocation of the work groups for a further development of the respective fields of action
- Continuous coordination of the implementation process and other regional development processes
- Acquisition of subsidies and fundraising
- Evaluation of the effects of measures through a continuous monitoring of the regional development
- Fiscal project controlling and coordination of the realisation of projects
- Consulting with the project initiators as regards financing and support programmes

## **3. Process and project management**

### **3.1 General services**

- Process and conflict management
- Acting as an agency for the work groups and thus handling organisational activities and providing professional advice





- Timely convening of work groups for a further development of the respective fields
- Continuous coordination of the implementation process and other regional development processes
- Acquisition of subsidies and fundraising
- Evaluation of measures through a continuous monitoring of the regional development
- Fiscal project controlling and coordination of the realisation of projects
- Consulting with the project initiators as regards financing and support programmes

### 3.2 Special employment-oriented services

- Promotion and establishment of rural start-up companies, for example through the reuse of vacant buildings
- Establishment of exchanges for buildings, land and jobs
- Development of regional marketing with joint internet presence, image brochures and further measures for public relations
- Support of business development for the establishment of a regionally coordinated or intercommunal management of industrial land/areas
- Initiation and support of concepts for further education and training

The municipalities should only entrust private organisations and authorities with the realisation of the implementation management. These organisations/authorities should have the appropriate qualifications. The above-mentioned work steps are to be understood as a generalised catalogue of maximal tasks. However, these generalised work steps are to be adjusted and modified according to the respective requirements and objectives of the region.

**These work steps are incentives for a further development of the already existing specifications for integrated rural development concepts and regional management in the federal states.**