

The new EU Member States (NMS) have undergone substantial rural economic sector restructuring and socio-economic transformation. Nevertheless, a great number of them still display tremendous disparity in most structural and socio-economic indicators as compared to the EU15 average; it is therefore imperative that significant structural changes in the labour force, farming, and rural economic sectors will happen. Understanding the dynamics of structural change and insights from up-to date survey data are fundamentally important and constitute the particular value of the 6th framework project SCARLED.



Kick-off meeting at IAMO, Halle, 2007

SCARLED policy highlights.

The multifaceted and complex nature of SCARLED has led to important policy conclusions, notably:

1. The integration into the EU has made a visible positive impact on all aspects of the rural life. At the same time, rural-urban gaps have widened and rural poverty has increased. Agricultural policies can not solve this issue, social policies need to be taken into account.

2. Agriculture is still important in most of the rural regions in the enlarged EU, but it is not always the major source of income for most rural families. Therefore,

diversified rural employment and the development of rural labour markets are central in rural regional development policies.

3. The large number of subsistence and semi-subsistence farms is a special characteristic of NMS. SCARLED has brought up large analytical evidence regarding the operation and motivation of these farms. These farms are hardly comparable to any segments of the EU15 farming sector and require special attention and policies. Currently, the CAP is not tailored to the needs of these farms.

4. Many NMS have a significant potential for agricultural production, however, this potential is still underutilized. SCARLED indicates a number of impediments limiting the competitiveness of farms in the region. For example, the fragmented land ownership and the lack of effective farm consolidation together with restrictions on land ownership and land markets are such serious impediments.

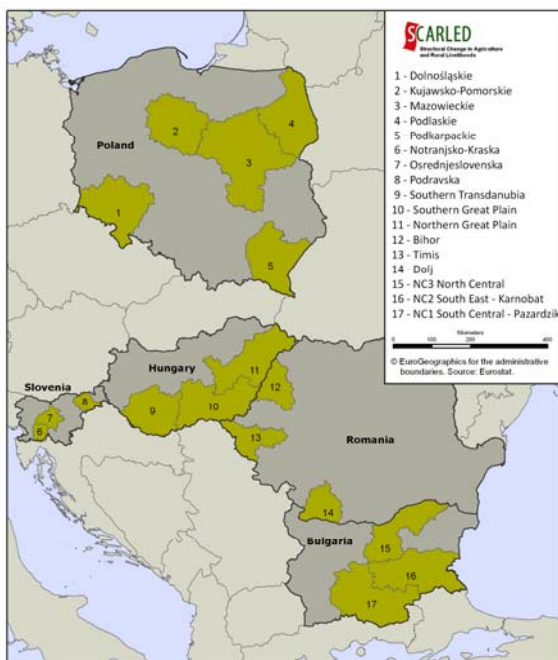
5. Rural development policies play a crucial role in shaping rural livelihoods. The lessons of EU15 suggest that there is no unique model for managing rural development as well as there is no single determining factor of a region's economic trajectory. Therefore, rural policies are required to enhance local capacity and actors' participation, to mobilize initial resources and cope with the external forces, best meeting local needs.

6. SCARLED formulates three key lessons for the future CAP reform. First, it is evident that a fully uniform CAP only partially addresses the needs of NMS. Second, the region's agriculture is not ready for a CAP, which operates mainly by provision of public goods: competitiveness enhancement is still important. Third, the inclusion of small farms in the region in the CAP should be achieved.

7. The study highlights the problem of rural poverty in the region during the process of structural change. This phenomenon has to be fully recognized both on EU and national levels. An approach aiming at poverty alleviation needs to look beyond the agricultural sector. The wider rural economy and improving education as well as rural-urban linkages need to be addressed.

The SCARLED approach

SCARLED addresses two major research objectives: first, it analyses the agricultural sector restructuring process and rural socio-economic transformation including pluriactivity in the NMS, with a particular focus on five case countries (Bulgaria, Hungary, Poland, Romania, and Slovenia). Second, it looks at the patterns behind rural "success stories" in selected EU15 case countries (Austria, Ireland, the new German Bundesländer, Spain, and Sweden) during previous enlargements to identify and codify best practices and to draw recommendations for the NMS.



In order to accomplish these objectives, SCARLED performed a number of important tasks during its more than three years operating time (2007-2010). For example:

- an analysis of the structural change in agriculture within the NMS;

- an analysis of the determinants of subsistence agriculture to understand the factors that influence entry to and exit from subsistence production;
- an assessment of the determinants of rural employment diversification (sectoral labour adjustment);
- an analysis of cross-country differences in rural labour adjustment patterns (regional and sectoral adjustment patterns), and the structure of the rural labour force in the NMS and EU15, by considering the determinants of rural adjustment patterns.

Furthermore, based on selected case studies in the EU15, SCARLED derived lessons of best practice regarding the preservation of the rural social fabric, appropriately managing farm restructuring, and/or changes in multifunctionality. Different econometric models, a fuzzy logic model, agent based modelling (AgriPolis) as well as a Delphi approach were employed for the analyses.

Outlook

The SCARLED project demonstrates the potential values of an advanced and integrative empirical research on ongoing changes in rural areas of NMS. Further empirical studies are highly recommended.

Indeed, even after the official end of the project, SCARLED members will keep working on the analysis of the original SCARLED data. Results will be made available on the SCARLED website, where also all project deliverables are posted: <http://www.scarled.eu/>

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SCARLED 6th framework project

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