



## Arsyllfa Wledig Cymru Wales Rural Observatory

### KEY FINDINGS: PAPER 1

## An overview of policy and resources for social and economic development in rural Wales

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This paper provides an overview of policies and programmes targeted at community regeneration and economic development in the rural areas of Wales. It also looks at measures taken to ensure that regional development policies and programmes recognise the specific needs and priorities of rural areas. Further information on the key findings presented here, along with details of sources, can be found in the full report available on the Wales Rural Observatory website.

Key findings are:

- The Welsh Assembly Government recognises rural Wales as a distinct policy area. It has stated a commitment to a sustainable rural economy, a sustainable rural environment and sustainable rural communities.
- Policy developed in Wales is strongly influenced by EU and UK policies and funding environments. The current powers of the National Assembly restrict the potential for more distinctive home-grown policy.
- There is no single official definition of ‘rural Wales’. The use of different definitions in different contexts is reflected in the segmentation of rural policy between departments and agencies.
- ‘Rural policy’ in Wales continues to be strongly associated with agriculture. The extent of policy and resources specifically directed at the development of other parts of the rural economy and society is limited, although support is also provided through policies that apply to both rural and urban areas.
- There is a complex mosaic of support for rural development and regeneration across rural Wales. The provision of support for community development is geographically uneven, reflecting the different abilities of local groups to bid competitively for funding.
- The Welsh Assembly Government is committed to a ‘bottom-up’ approach to rural community regeneration in Wales, but this process is strongly guided by central and local government through funding regulations and participation in partnerships.
- The significance of limited-life funding from the EU Structural Funds and other external sources in rural regeneration in Wales restricts the potential for long term planning for community and economic development.



## KEY FINDINGS

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### Welsh rural policy: made in Wales, for Wales?

Devolution has created significant potential for distinct policies and programmes that address the needs and interests of rural Wales. The Welsh Assembly Government has power over key policy arenas for rural Wales, including: agriculture, the environment, economic development, tourism and planning.

The Assembly Government includes a Rural Policy Division with responsibility for developing and delivering non-agricultural rural policy in Wales. The second term of the Assembly has seen the creation of the Department for Environment, Planning and Countryside, replacing the previous Department for Agriculture and Rural Affairs.

#### Current activities of the Rural Policy Division include:

- Supporting the Rural Partnership for Wales
- Managing the EU-funded LEADER+ programme in Wales
- Developing the Rural Community Action programme
- Ensuring that mainstream policies adequately reflect the rural dimension

Policies, programmes and resources for rural Wales are informed and structured by the drive towards Welsh self-determination. They reflect the core themes and values that guide all Assembly work, as well as the challenges and opportunities posed by the Welsh countryside.

The qualification of rural west Wales for Objective 1 funding in the 2000-06 round of the EU Structural Funds, together with Objective 2 funding in parts of north and eastern Wales, have strongly shaped the strategy for rural regeneration in Wales. The most comprehensive programme document for rural Wales, *The Rural Development Plan for Wales 2000-2006*, was created under the EU's Rural Development Regulation. The importance of these resources, combined with the limitations of the powers of the National

Assembly mean that the opportunities for developing distinctive, home-grown rural development policy in Wales are currently restricted.

### Recognising the rural dimension

The Welsh Assembly Government in principle recognises rural Wales as a distinct policy arena. In its strategic plans for the development of Wales it has stated its commitment to a sustainable rural economy, a sustainable rural environment and sustainable rural communities. It has created a dedicated Rural Policy Division within the Department for Environment, Planning and Countryside.

There are, however, few mechanisms in place to ensure that 'mainstream' policies and programmes take account of the rural dimension. Responsibility for this task lies entirely with the Rural Policy Division of the Department for Environment, Planning and Countryside; there is no duty on other departments within WAG to consult with the RPD. This contrasts unfavourably with the arrangements in England and Scotland, where there are specific commitments to and mechanisms for so-called 'rural proofing'.

Although Assembly-Sponsored Public Bodies play a key role in the development and regeneration of rural Wales, few make distinctions between rural and urban areas of Wales. The Welsh Development Agency, despite having a Rural Policy Unit, has focused on local, rather than rural or urban, challenges and opportunities. Other ASPBs largely lack a clear or explicit focus on rural Wales, apart from delivering EU and WAG rural programmes. ELWa and the Wales Tourist Board stand out in that they recognise rural Wales as a distinct policy and programme arena. It is unclear how the incorporation of these bodies into the Welsh Assembly Government will affect the future development of policy for rural Wales within their current remits.

There is no consensus across unitary authorities regarding the need for dedicated resources and programmes to support rural areas. Nine unitary authorities are classified as

predominantly rural and three are classified as predominantly urban but with significant rural areas. The majority of these twelve authorities identify distinct challenges facing rural areas, but they differ significantly in how and to what extent they recognise the rural dimension in their activities.

Some unitary authorities consider that all their policies and activities support rural areas; others identify a need to distinguish between the needs and interests of their rural and urban areas. To an extent, this reflects variation in their territorial remits.

### **Farming and economy at the heart of rural policy**

At a policy level, there is a commitment to 'integrated rural development' (IRD) in Wales. This approach recognises the requirements and values of different sectoral interests within rural areas. It represents a move away from farming being considered independently of other rural issues, and towards the co-ordination of policies for agriculture, the wider economy, environment and society.

Some of the impetus for this commitment to IRD has come from policy shifts at the EU level; some of it has come from the Welsh Assembly Government's duty to pursue sustainable development in all its work.

However, the principle of integrated rural policy contrasts with the organisation of the Welsh Assembly Government, where responsibility for large elements of the social infrastructure of rural Wales is split between departments including education, health, local government and economic development. The majority of personnel and resources concerned with rural policy in the Department of Environment, Planning and the Countryside continue to be focused on agriculture.

Agriculture is also given greater prominence in the Assembly Government's key rural policy documents than in equivalent papers in England and Scotland. As such, there is far less support, in terms of dedicated policy and funding, for rural development and regeneration beyond farming.

### **Defining rural Wales**

At present there is no standard definition of rural areas used by public bodies in Wales. Government departments, agencies and local authorities employ different definitions, usually based on a range of demographic, socio-economic and environmental indicators. The lack of standardisation can create difficulties as attempts are made to develop integrated rural policy and to 'proof' the impact of policies on rural areas. Recent work by the Office of National Statistics on urban and rural definitions is intended to resolve some of these problems.

### **Diverse policies and programmes for a diverse Welsh countryside**

There is a complex mosaic of programmes impacting on rural Wales. This comprises programmes that cover all Wales (both urban and rural), programmes limited to rural Wales and programmes that target specific rural areas of Wales. There are also regional development programmes that include both rural and urban areas.

Consequently, some parts of rural Wales have benefited more from external support than others. Some areas are covered by a wide range of programmes; whilst support available to other areas is far more limited.

There is increasing emphasis on spatial development in Wales. Spatial development concentrates less on the distinctions between rural and urban areas and more on the needs and opportunities shared by different places and the connections between them. The spatial methodology is most evident in the *Wales Spatial Plan*, which will increasingly guide development policy.

A number of programmes focus on community-scale regeneration, targeting locally-defined needs and priorities. Some of these, such as Communities First, are primarily targeted at the most deprived communities in Wales. Others, such as Rural Community Action, the WDA's Community Regeneration Tool Kit and LEADER+ are awarded through competitive processes in which a range of criteria is considered, not always reflecting an objective assessment of need.

## **Sowing seeds at the grass-roots**

Responsibility for development and regeneration in Wales is increasingly being decentralised. Local authorities are required to take a leading role in delivering national policies whilst addressing local needs and priorities. They have a statutory duty to prepare, in partnership with community stakeholders, community strategies for promoting the well-being of their areas. Local authorities covering rural areas are also encouraged to prepare integrated rural development strategies.

There is growing recognition of the potential for non-statutory organisations to contribute to rural community regeneration. Increasingly, regeneration initiatives require the inclusion of a range of partners. Partnership between the public, private and voluntary sectors is seen as integral to sustainable rural development.

The Welsh Assembly Government is committed to a 'bottom-up' approach to rural community regeneration. This continues the tone set by the 1996 White Paper for rural Wales, transferring the responsibility for service provision, economic development and environmental conservation in rural communities away from the state and onto communities themselves.

In principle, this 'bottom-up' approach is a flexible and efficient way of addressing the needs of rural areas. However, the extent of real devolution of responsibility can be limited by restrictions placed on funding awards and by the influence of local authority and public agency representatives on partnership boards established to manage projects. Thus in practice a strong 'top-down' element remains.

## **Sustaining rural policies and programmes**

Many of the community regeneration programmes available across Wales support one-off projects that are limited in scope and short-term in focus. The Welsh Assembly Government is moving away from such programmes, on the basis that they do not sustain long-term regeneration.

Increasingly, the Assembly emphasises the need for policies and programmes to support

activities over the long term. This approach is exemplified in its Communities First initiative. However, the current significance of limited-life funding from the EU Structural Funds has focused planning on the medium term rather than the longer term.

It is likely that after 2006 the areas of rural Wales currently entitled to EU structural funding will no longer be eligible for such money. LEADER+ also concludes in 2006, and the nature of any forthcoming rural community development programmes from the EU is not yet entirely clear. This has consequences for the long-term future of complementary domestic programmes, such as Rural Community Action.

If policies and programmes are to contribute to long-term regeneration in rural Wales, their impact must be monitored and evaluated. There remains work to be done in establishing the baseline indicators for this task.

This paper is one of a series of reports on rural Wales produced by the Wales Rural Observatory.

The Wales Rural Observatory undertakes independent research and analysis on rural Wales. It is funded by the Welsh Assembly Government to support evidence-based policy-making.

The Observatory's activities are focused on four main areas:

- Collecting and analysing social and economic data on rural Wales
- Presenting these data within a Geographical Information System (GIS)
- Producing a series of descriptive and evaluative reports
- Monitoring and reviewing other research and policy relating to rural Wales

A website providing further information about the Wales Rural Observatory, including its activities and outputs, can be accessed at [www.walesruralobservatory.org.uk](http://www.walesruralobservatory.org.uk)

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