

Keynote presentation
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Workshop: Entrepreneurship in rural areas with population decline

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What is AEIDL?

The AEIDL story

The European Association for Innovation in Local Development was founded in 1988 by like-minded individuals who believed that European integration could make a positive contribution to citizenship and to the sustainable development of local communities.

AEIDL's expertise

Since its creation, AEIDL has been an active stakeholder in various EU policies for local development: policy analysis, evaluation, capacity building, cooperation, exploitation and dissemination.

AEIDL's Projects









LEADER/CLLD, ENRD/CAP Network, Rural Pact Support Office, CLLD for fisheries areas (FARNET/FAMENET), the EQUAL Community Initiative, numerous cooperation programmes, urban development initiatives (URBAN, URBACT), ESF and LIFE helpdesk, social enterprise and the social economy, migration (AMIF), socially responsible procurement and gender

...and 10 Horizon Europe projects on Rural and Territorial Development



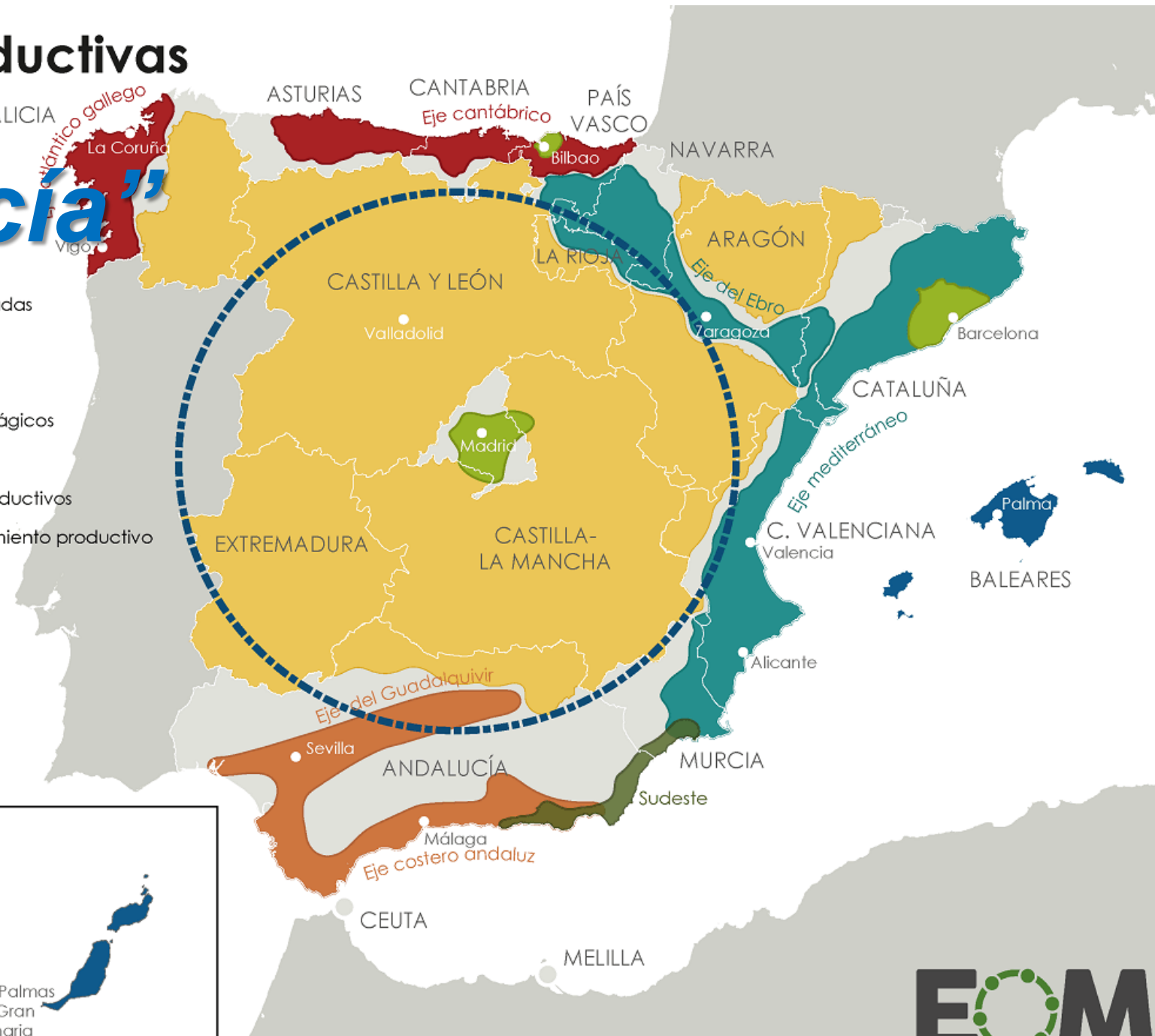
Regiones productivas de España

“España Vacía”

-  Áreas dinámicas consolidadas
-  Ejes industriales en declive
-  Ejes en desarrollo
-  Espacios turísticos archipelágicos
-  "España vacía"
-  Espacios agrícolas ultraproductivos
-  Ejes urbanos con estancamiento productivo
-  Área afectada por la macrocefalia de Madrid

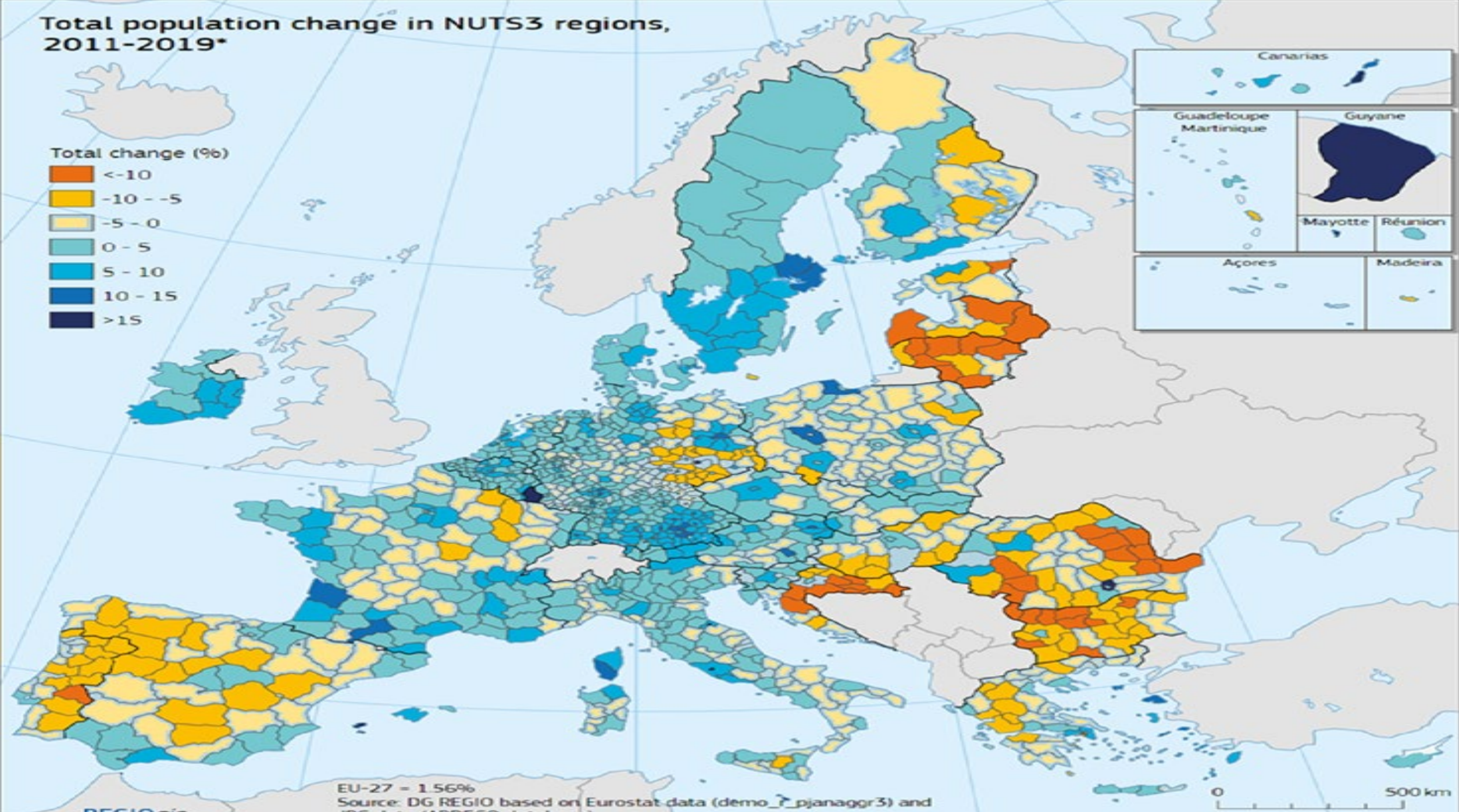
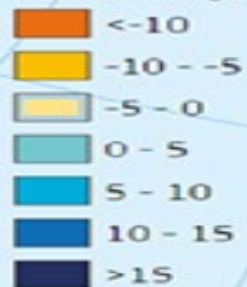
Cartografía:
Abel Gil Lobo (2019)

CANARIAS



Total population change in NUTS3 regions, 2011-2019*

Total change (%)



EU-27 = 1.56%

Source: DG REGIO based on Eurostat data (demo_7_pjanagr3) and JRC data (ARDECO database)

Map 3-4: Sparsely populated areas and areas at risk of becoming sparsely populated

Sparsely populated areas and areas at risk of becoming sparsely populated

Sparsely populated areas and areas with low population potential

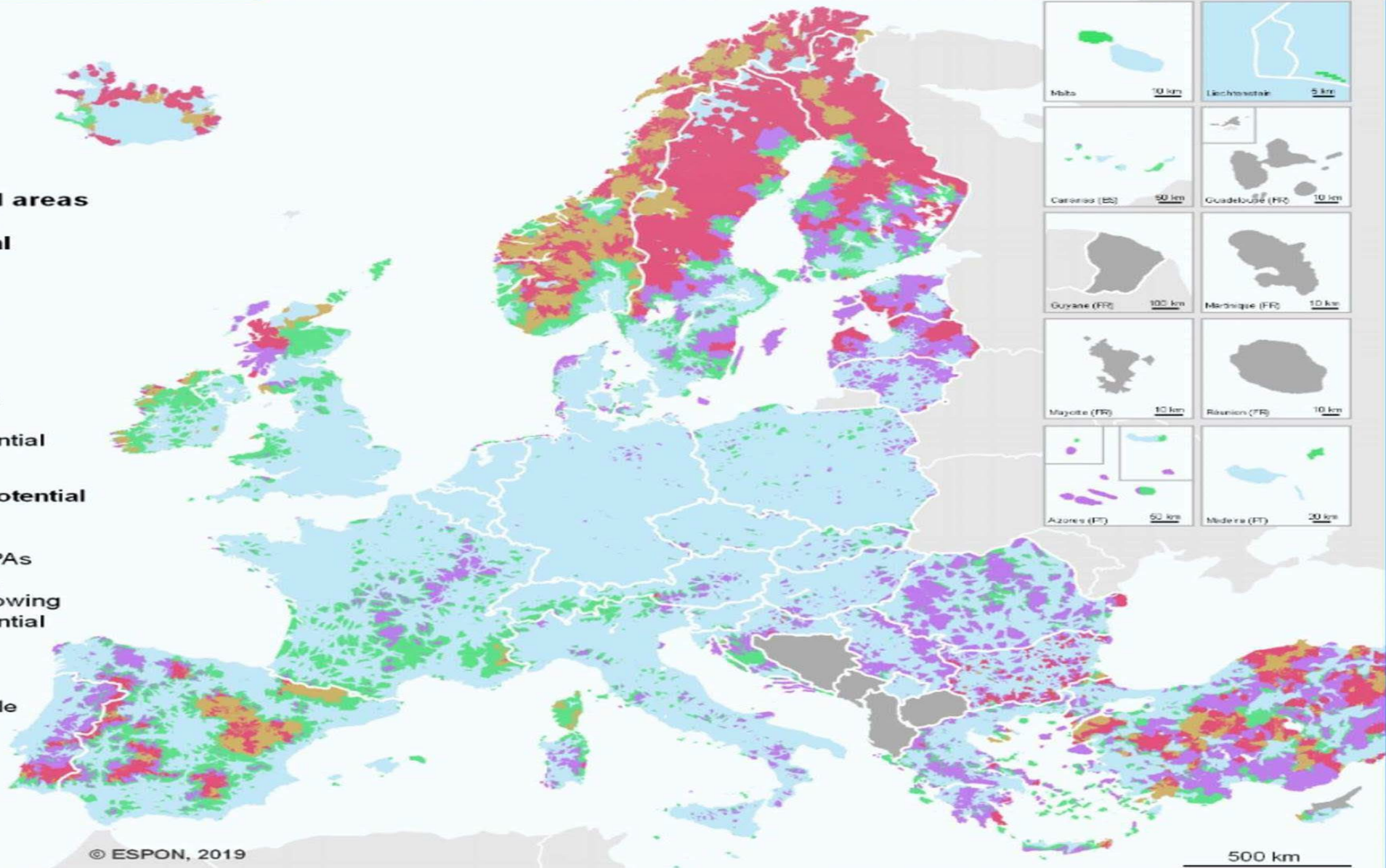
Current SPAs (population potential < 100,000 residents)

- Red: SPA in decline
- Orange: SPA with stable or growing population potential

Other areas with low population potential (<125,000 residents)

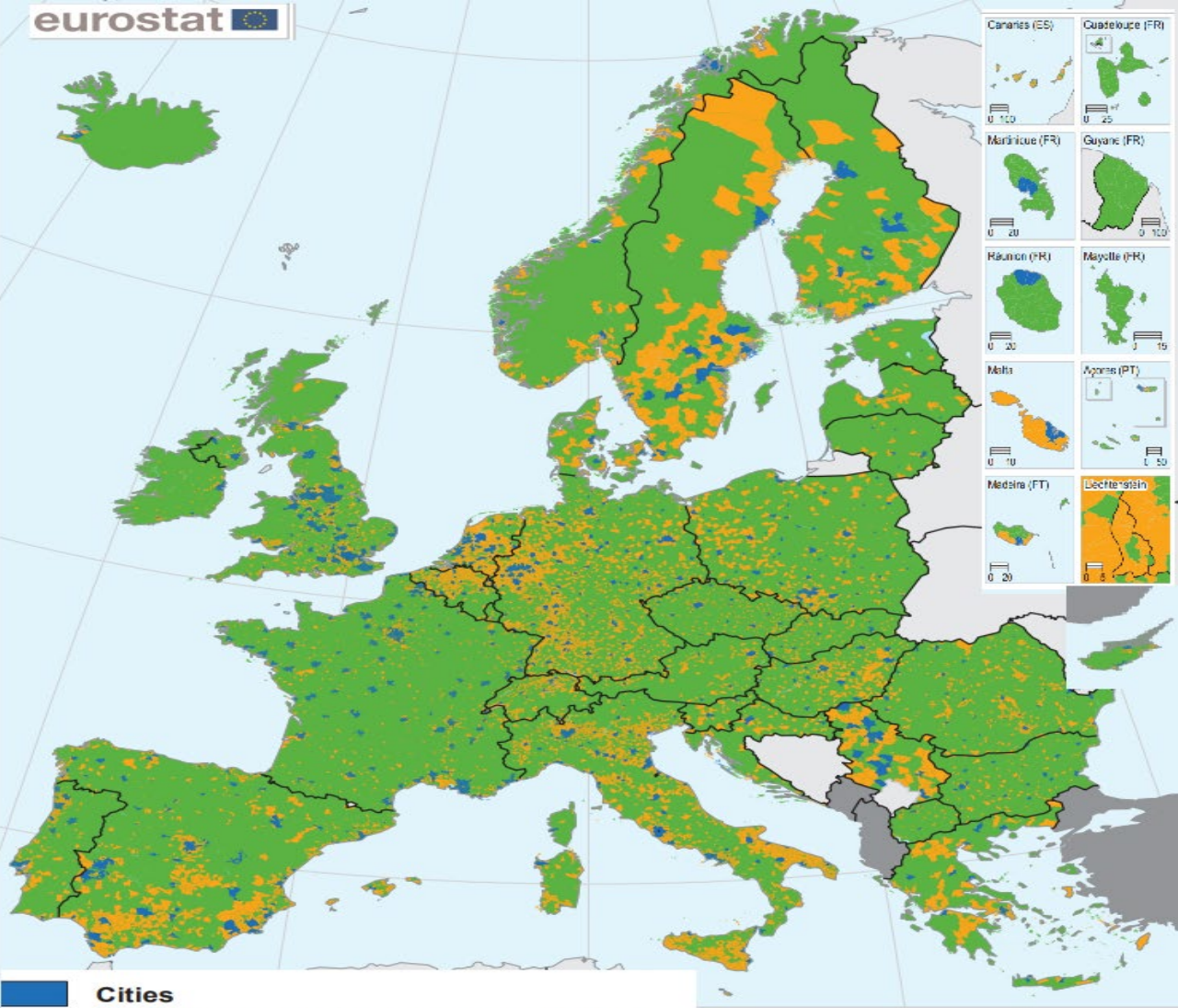
- Purple: Areas at risk of becoming SPAs
- Green: Areas with low, but stable or growing population potential





Grey: No data available



© ESPON, 2019

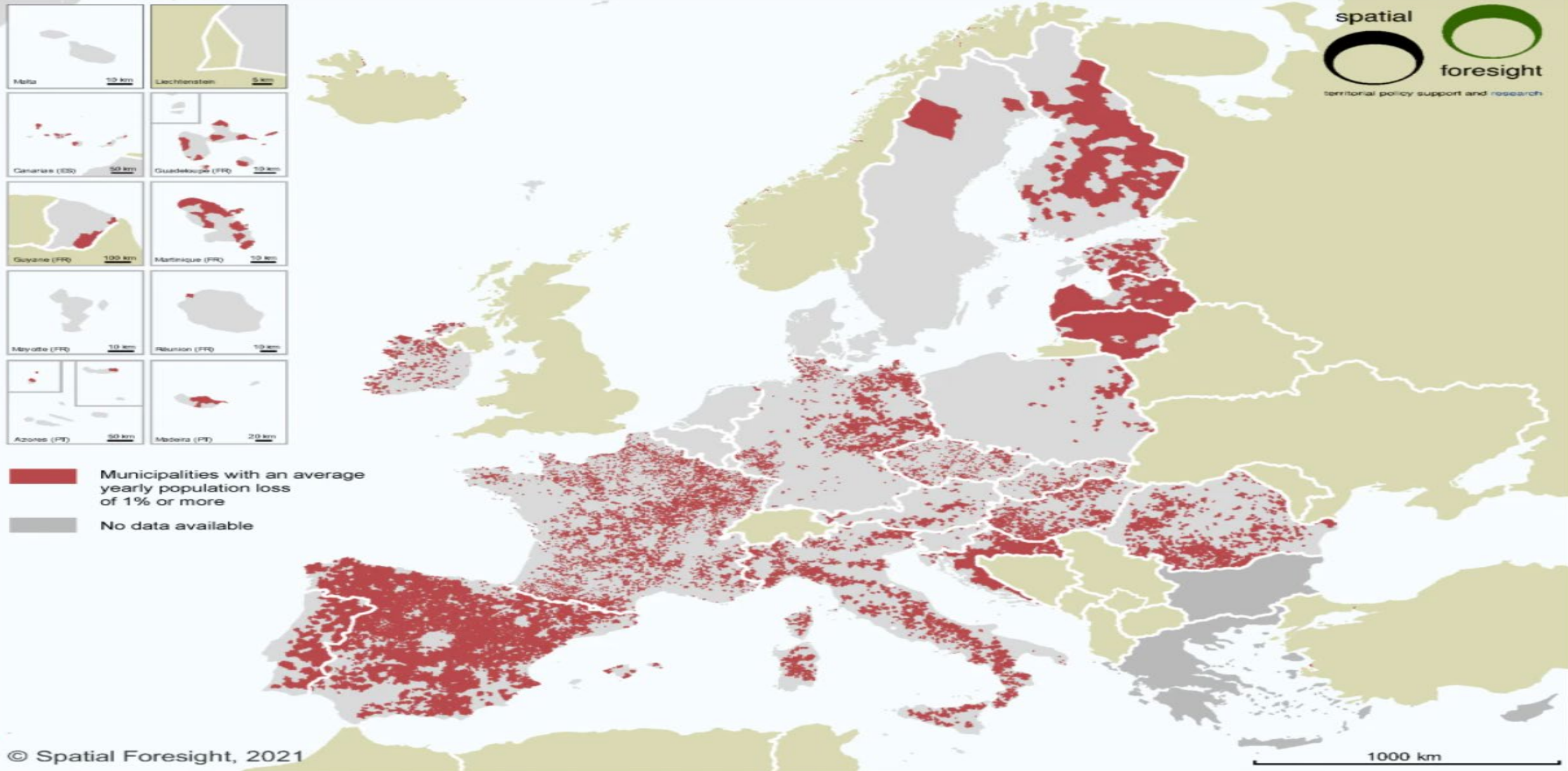
Resolution: 1x1 km grid cells
 Source: ESPON BRIDGES, 2019
 Origin of data: TCP International, 2019; ESPON GEOSPECS, 2012; RRG GIS Database, 2018
 ©UMS RIATE and University of Geneva for administrative boundaries



-  **Cities**
(Densely populated areas: at least 50 % of the population lives in urban centres)
 -  **Towns and suburbs**
(Intermediate density areas: less than 50 % of the population lives in rural grid cells and less than 50 % of the population lives in urban centres)
 -  **Rural areas**
(Thinly populated areas: more than 50 % of the population lives in rural grid cells)
 -  **Data not available**
- Fuente:** DEGURBA (2014) & TERCET EUROSTAT (2017)



Source: Gutierrez et al. , 2020



© Spatial Foresight, 2021

Administrative boundaries: Eurostat GISCO

Population trends 2011-2017, except:

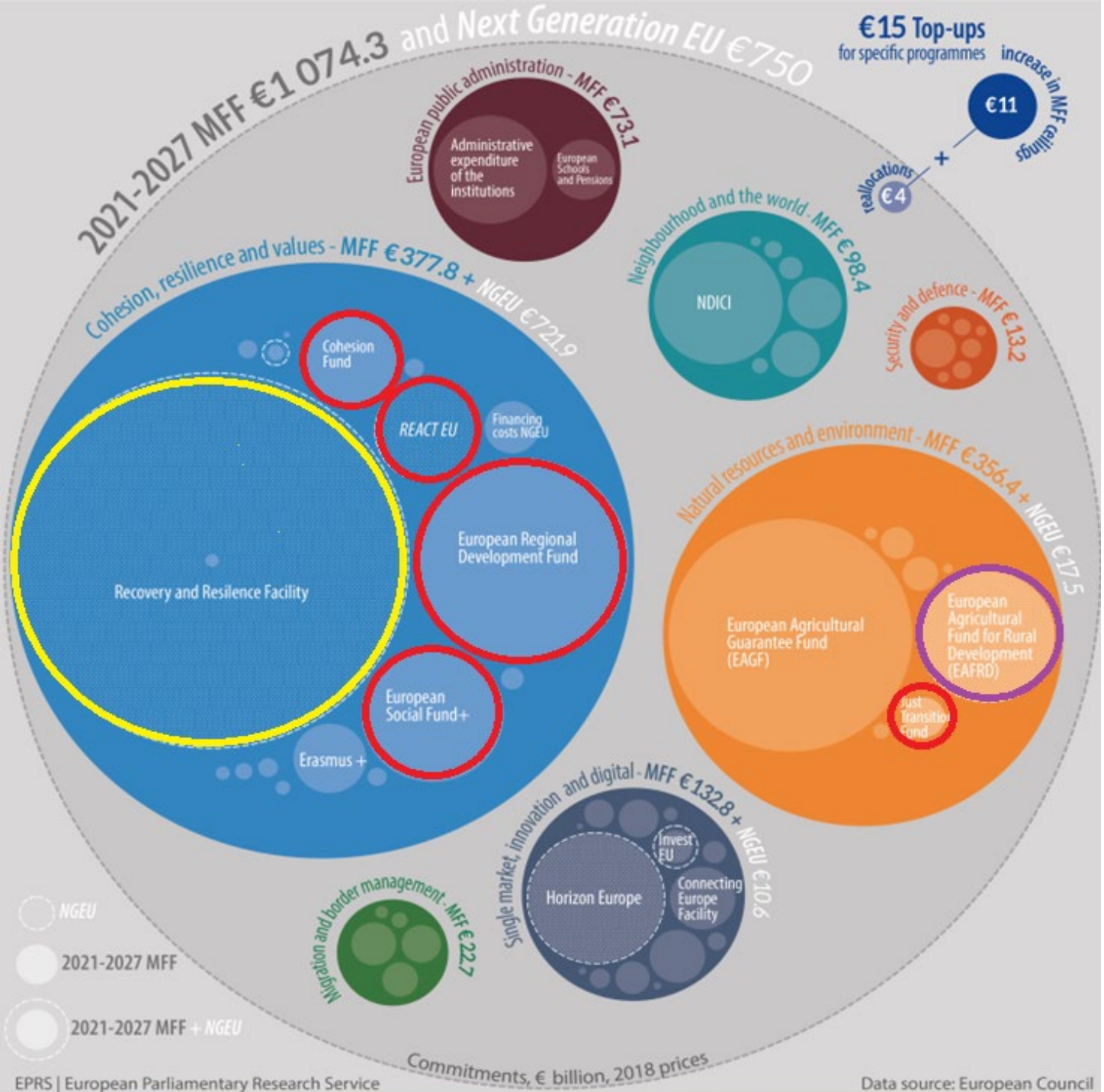
- Portugal: 2011-2021
- Guyane, Guadeloupe, Martinique: 2008-2018
- Mayotte: 2012-2017

Sources: Eurostat, BBSR - Bundesinstitut für Bau-, Stadt und Raumforschung (2019): Raumbeobachtung Europa des BBSR, Statistics Lithuania, Statistics Portugal, French National Institute of Statistics and Economic Studies (INSEE)

Challenges for rural entrepreneurship in EU

- ▶ SMEs are
 - ▶ 99.8% of EU enterprises,
 - ▶ 56.8% of EU value added,
 - ▶ 66.4% of the EU labour force
- ▶ Rural SMEs face
 - ▶ Digital divide
 - ▶ Skills and worker shortages
 - ▶ Seasonality
 - ▶ Access to finance / exports support
 - ▶ Urban-centred regulatory framework
 - ▶ Receive only 17% of total ESIF SME support

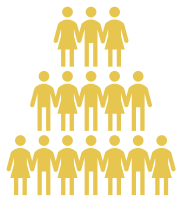
Cohesion AND Reforms



- ▶ From Structural Funds to Structural Reform NGEU is One-off (till 2026), but size DOUBLE of Cohesion
- ▶ Cohesion & Rural Development programmed separately in 2021-2027
- ▶ NGEU was not born out of COVID
- ▶ It comes from Single Market/ Eurozone Governance/ Structural Reform Programme
- ▶ Centralised management
- ▶ Diversified support for Rural Entrepreneurship:
 - Cohesion, Rural Development, COSME, JTF, Horizon NGEU funds
 - EU State Aid/Procurement rules)

The state of territorial development today

Integrated Territorial Development is taking place across Europe (EU and non-EU funded):



351

ITI



795/2782

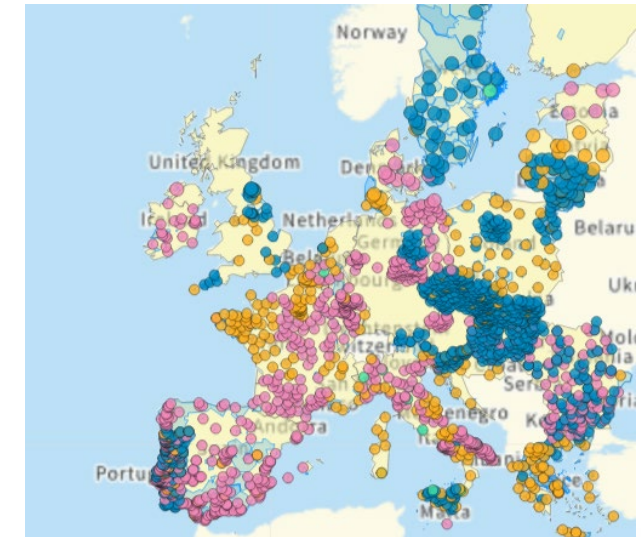
Multi-fund CLLD



100's

Non-EU funded local innovation

(community-led decision making, sub municipal and intermunicipal partnerships, etc.)



¿Is the LEADER model in crisis?

- ▶ Separated funding EAFRD, Structural Funds (ERDF, ESF, INTERREG)
- ▶ Heterogeneous rules, high management costs
- ▶ Insufficient results
- ▶ Innovation is not priority
- ▶ Low representativeness LAG
- ▶ Limited territorial link
- ▶ Political dependency
- ▶ *Can* support rural entrepreneurship,



Long Term Vision for Rural Areas (2021-2040)

VP Democracy and Demography
4 Blocks & 10 Objectives

EU Commision Rural Action Plan

Flagship Initatives

EU Rural Pact (2023-2026)

- Multilevel Actors, supported by DG AGRI, DG REGIO
- 3 Objectives
- 3,000 signatories – specific commitments

Cross Cutting Initiatives

- Rural Proofing (“Better Regulation” 2021, ENRD Guidance and CoR Guidelines, 2022)
- EU Rural Toolkit
- EU Rural Observatory
- Gemographic Atlas 2020, Informe Demografía 2020
- Demographic Toolbox (2023)



Rural Pact Community Platform

Rural Pact ▾ Rural revitalisation ▾ The platform ▾ Resources ▾ News and events ▾

Home > Groups

Groups

GROUP
Rural Pact Coordination Group

• Austria Belgium Bulgaria Croatia Cyprus Czechia...

• Stronger Rural Areas Connected rural areas Resilient...

• English

GROUP
Smart Villages

• Austria Belgium Bulgaria Croatia Cyprus Czechia...

• Stronger Rural Areas Access to services Democracy an...

• English

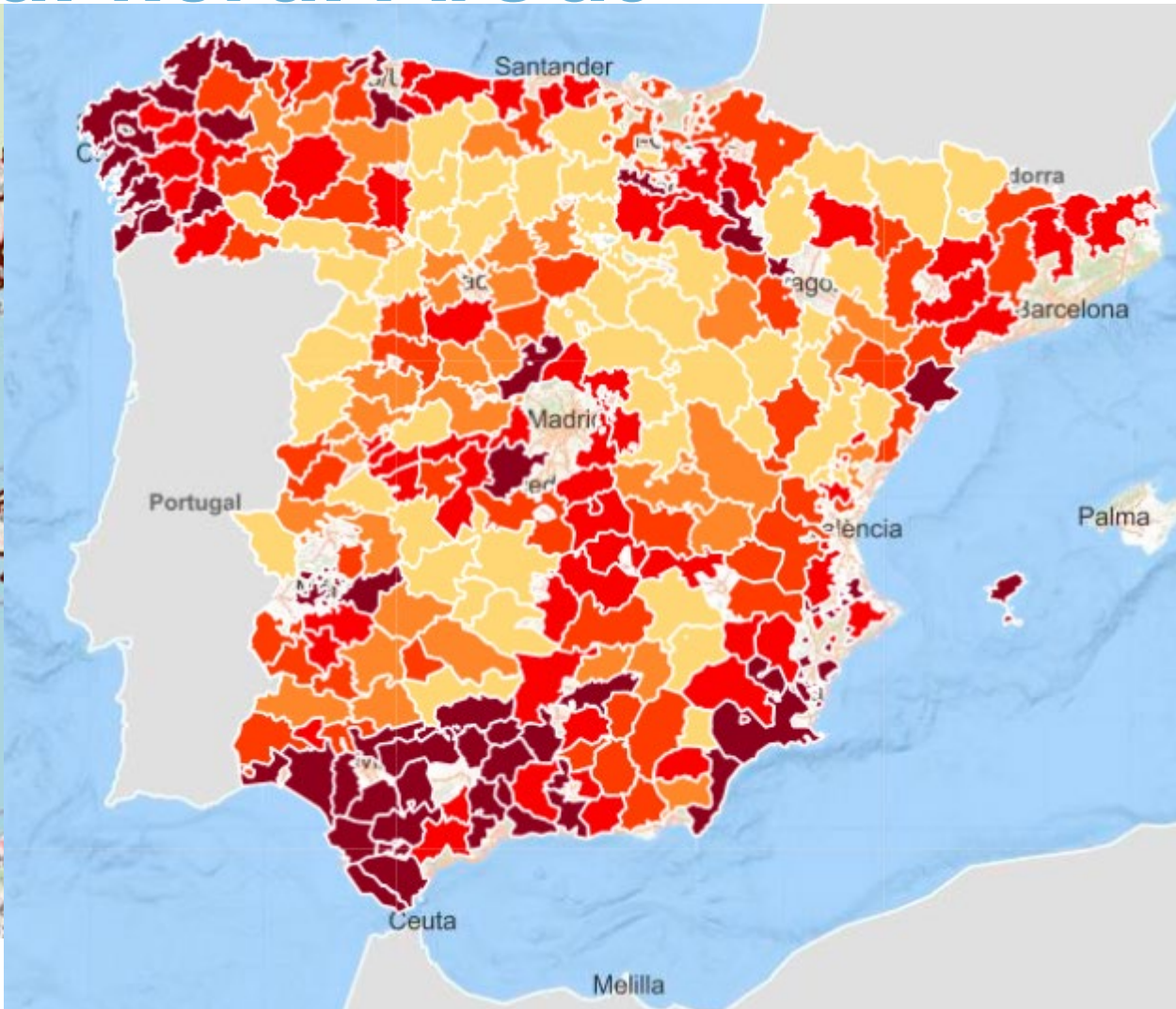
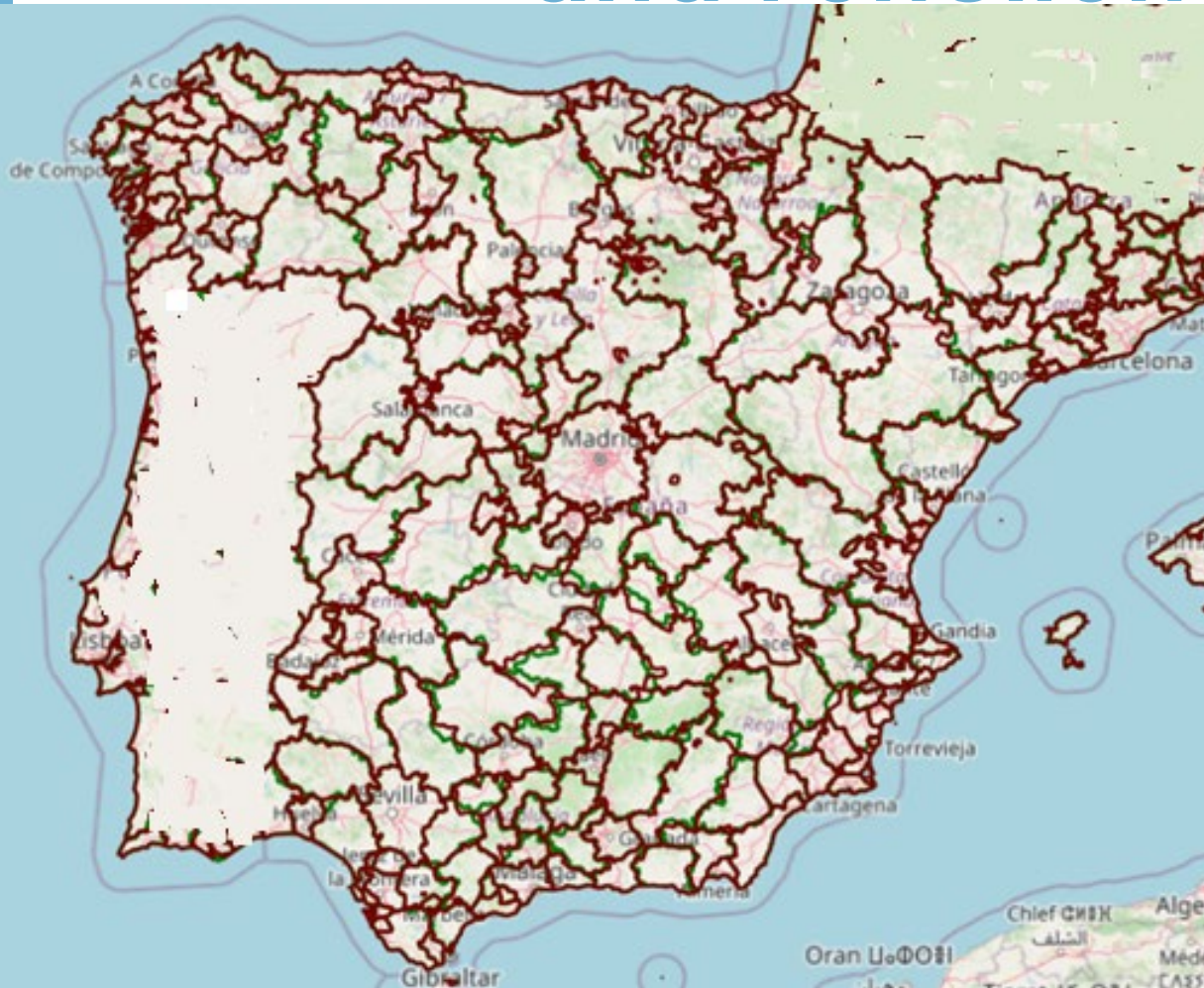
GROUP
Women in Rural Areas

• Austria Belgium Bulgaria Croatia Cyprus Czechia...

• Stronger Rural Areas Connected rural areas Resilient...

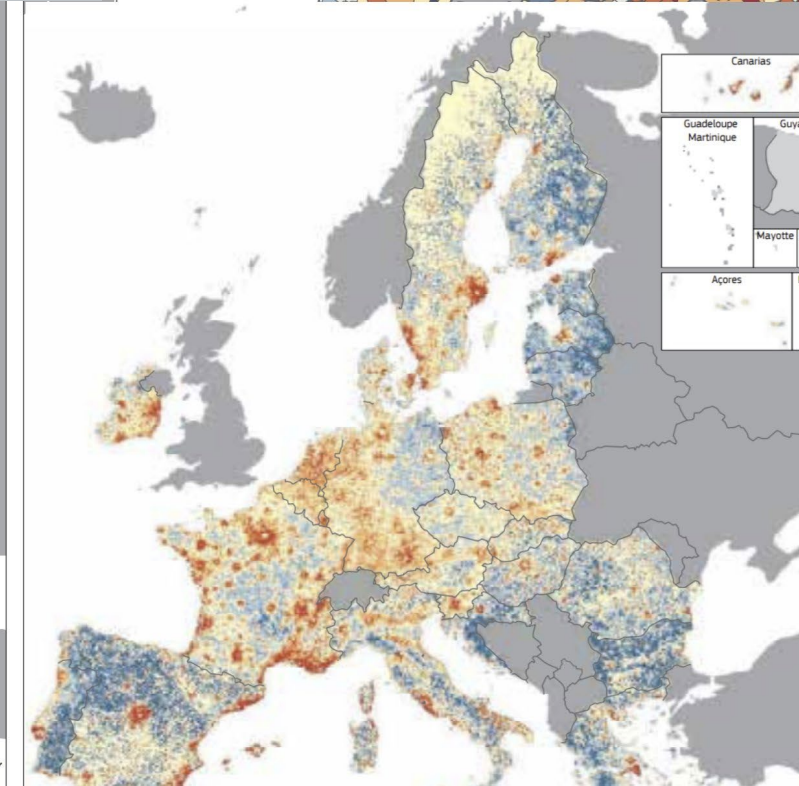
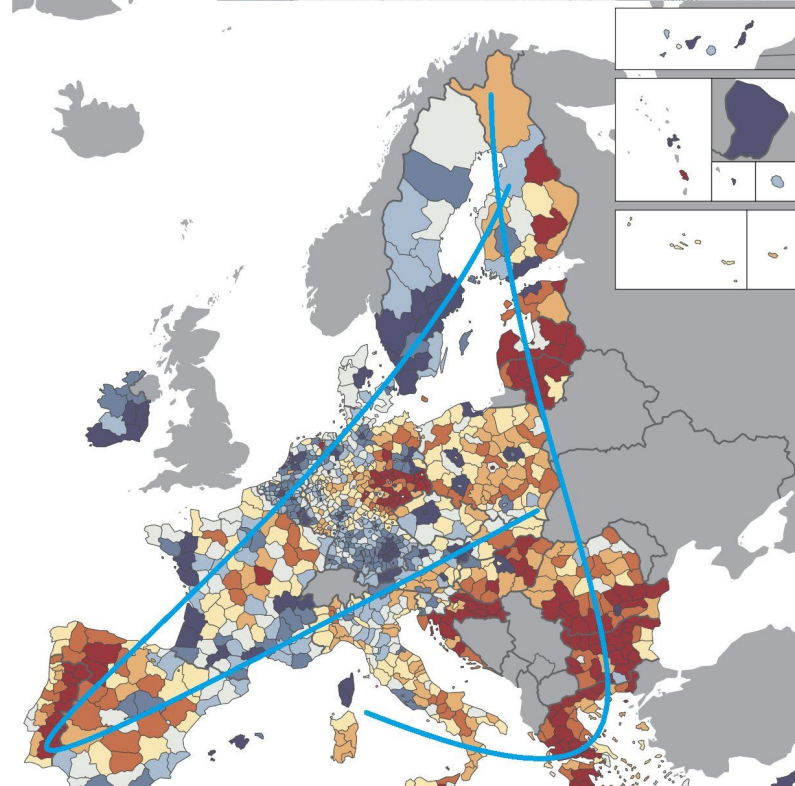
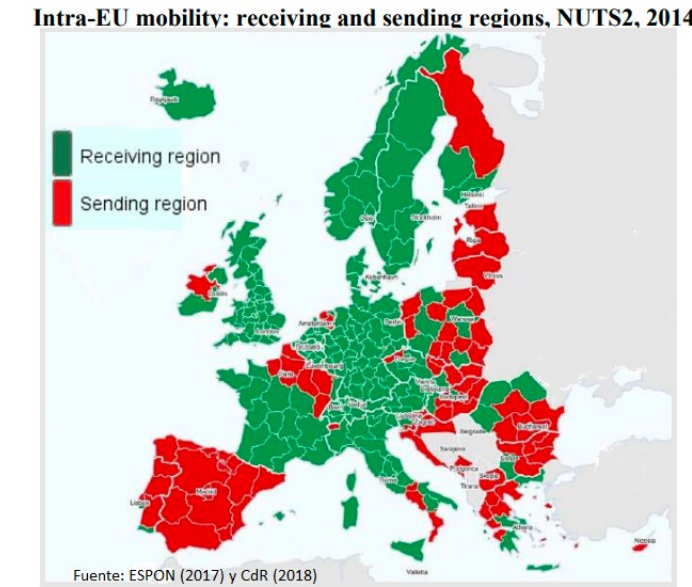
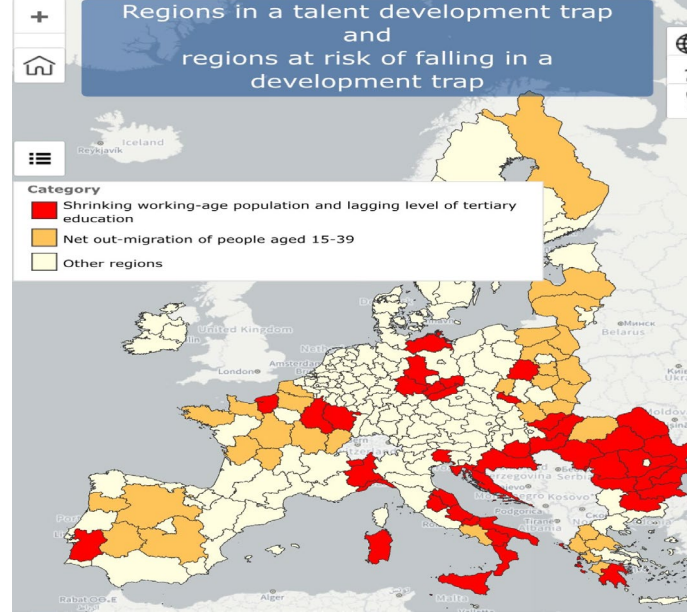
• English

Local Action Groups and Functional Rural Areas



Talent Development Traps

- ▶ Demographic Transition alongside Green and Digital transitions in new EU priorities
- ▶ “Brain Drain” (Eastern EU) as an alternative to “Depopulation” (Spain)
- ▶ Harnessing Talent Regions Platform (2023)
- ▶ Talent Development Trap (9th Cohesion Report, 2024)
- ▶ EU Demographic Toolbox (2023)
- ▶ New EU Definition?



Potential EU Funded Territorial Development in Spain 2021-2027

- ▶ ERDF Interregional Programme (POPE) – local development, functional areas, demographic perspective
- ▶ Demographic sections in many Regional Programmes (very limited earmarking)
- ▶ More detailed Programmes in regions with already developed territorial or demographic strategies (Castilla La Mancha, Navarra, Valencia)
- ▶ Areas with more needs and incipient territorial & demographic strategies have less detailed programmes (Galicia, Asturias, Castilla y León)
- ▶ *Early stages* of programming allows for more integration and innovation
- ▶ Entrepreneurship is one of the priorities, but diverse emphasis



Potential for EU support for rural entrepreneurship

- ▶ Very diverse set of EU-funded programmes – but dispersed
- ▶ Need more synergies incl. capacity building (e.g. National Contact Points)
- ▶ Rural entrepreneurship rests on social capital, available investment, and a favourable regulatory landscape
- ▶ EU competition rules (State Aid, Procurement, Small Business Act) more pro SMEs than usually being given credit for.
- ▶ Challenges in domestic regulatory framework (incl. interpretation of EU rules) – Goldplating → Rural Proofing

Thank you!

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Panel discussion

Serafin Pazos Vidal, AEIDL

Ricardo Pizarro Villanueva, Director
SODEBUR, Society for the Development of the Province of Burgos

Florencio Cano Serrano, Deputy Director of Initiatives,
National Spanish Directorate General for Policies against Depopulation

Simone Sasso, Economist and Policy Analyst
European Commission Joint Research Centre in Sevilla