



The cost of non-rurality – preparing for a better urban-rural balance in EU funding

1 June 2023

Urban-rural balance

Why is it important for policymaking?

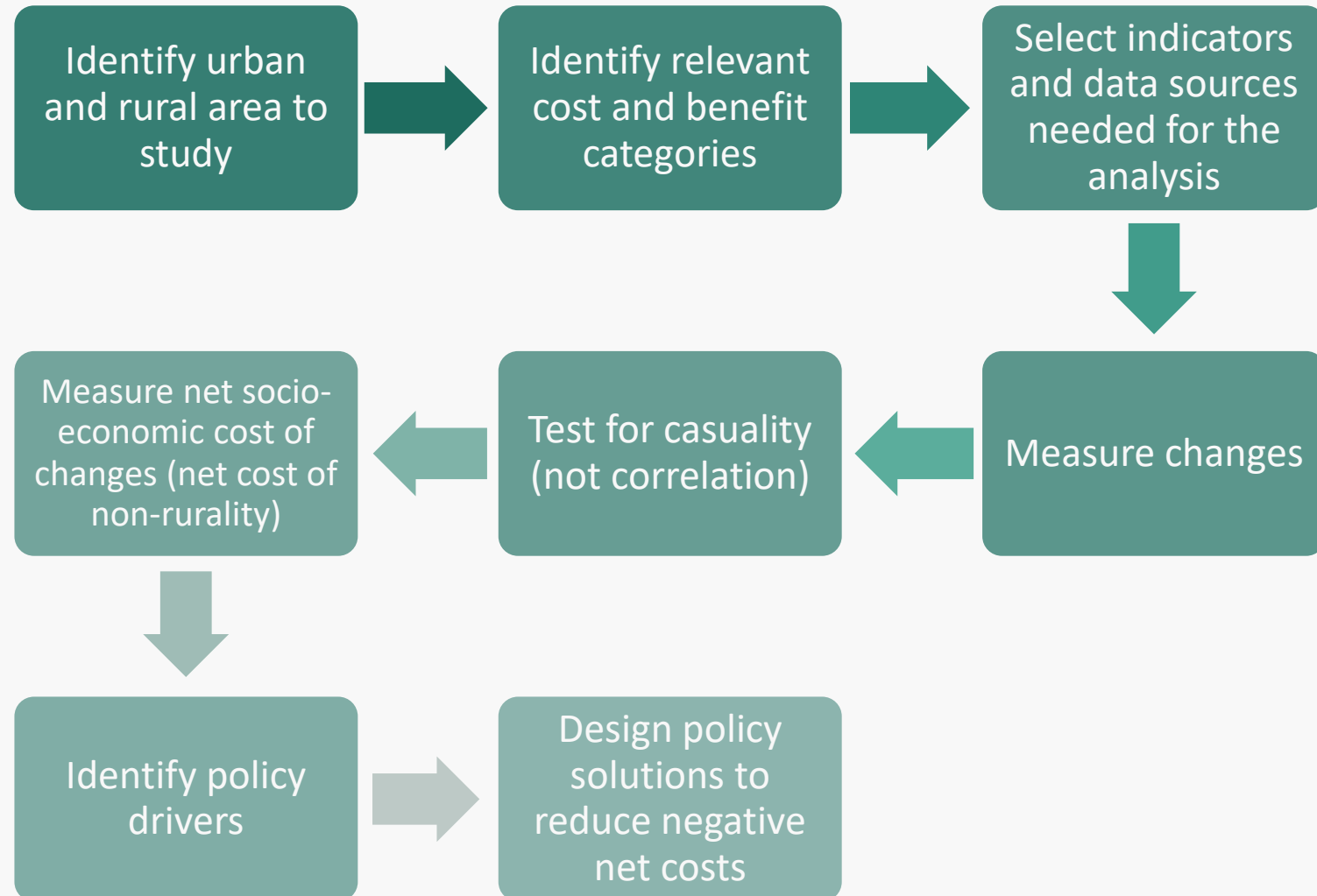
- Urbanisation has traditionally been treated as a necessity for generating growth and wellbeing
- This interpretation is under pressure:
 - Declining rural populations can make these communities unsustainable
 - Rise of urban sprawl and agglomeration 'diseconomies'
 - Geography of discontent
 - Environmental concerns

How to estimate the overall value of costs and benefits of these developments?



Proposed methodology

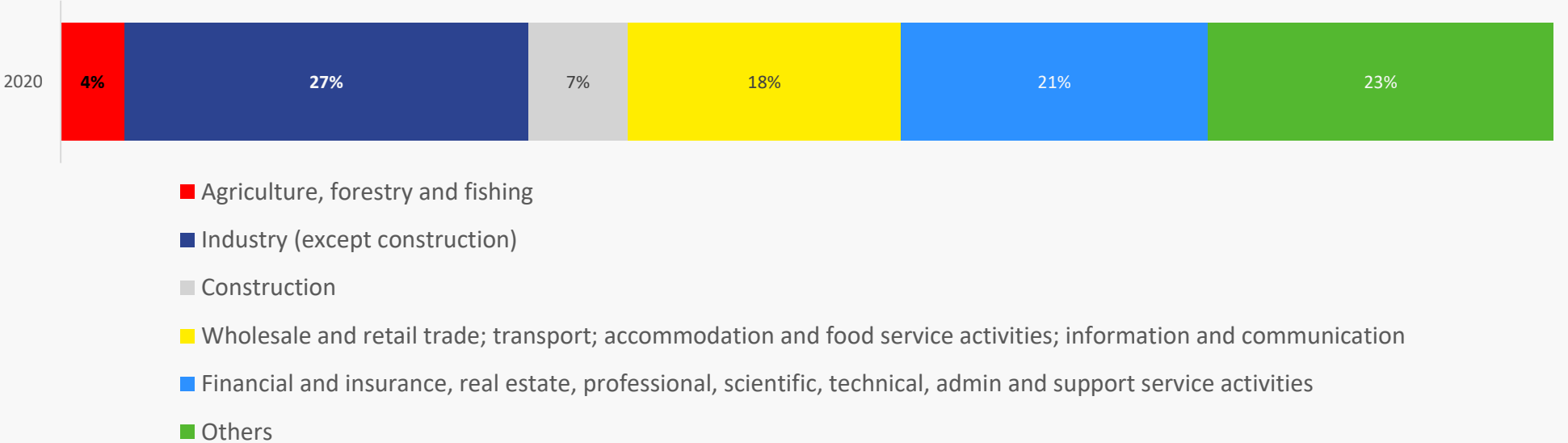
Measuring the net costs and benefits of changes in the urban-rural balance



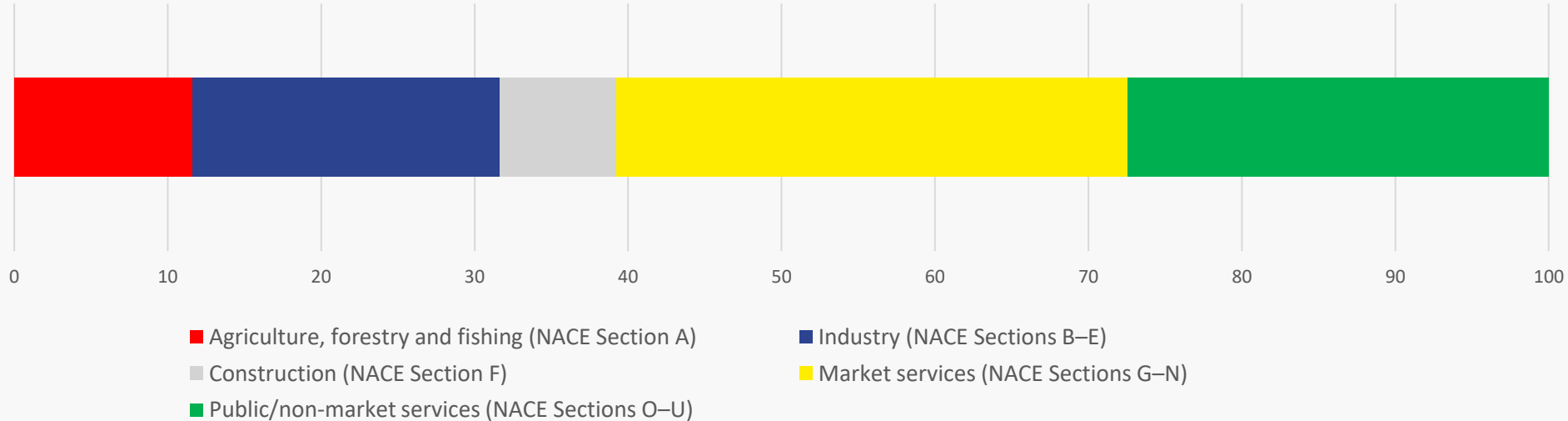
Key figures in rural regions

The structure of rural economies

Value added



Employment



Source: Eurostat

Conclusions and recommendations

1. Rural development policies should not to be designed with the objective of artificially maintaining activities and population based on social preferences
2. Instead, they should build on an analysis of the costs and benefits of current trends; these costs and benefits should form part of a **holistic conceptual model**
3. **More data and research is needed** to understand the opportunity costs of rural decline and neglect (i.e. the net costs of 'non-rurality')
4. Rural development funding is focused on investments linked to the agricultural sector or infrastructure development. **This leaves an insufficient margin to intervene in areas that would be more conducive to addressing the plight of rural territories experiencing decline**



Thank you!



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