Rural Development in Germany

Around half of Germany's inhabitants are living in rural areas, which also comprise around 90% of the German territory. Similar to rural regions and towns in the United States, rural areas in Germany are faced with increasing pressures and difficult circumstances such as lack of investment and good paying jobs, population flight especially among young people, a disproportionate and aging population, loss of tax revenues, and decreasing access to basic quality services such as healthcare and education.

To address these challenges, the German government has investment and implemented programs to maintain rural areas as attractive and vibrant regions. The new German Federal Rural Development Scheme is one of the primary instruments to achieve this goal.

Source: BMEL/Walkscreen

One major objective of the Federal Government is to create and maintain attractive, livable and vibrant rural regions. The Federal Ministry of Food and Agriculture assumes this responsibility and supports rural regions. The new "Federal Rural Development Scheme" (BULE) is one BMEL instrument to shape rural areas in a sustainable manner. In October 2014, Federal Minister of Agriculture Christian Schmidt introduced the core principles of the national scheme for the first time.

The core components of this strategy are as follows:
Model and Demonstration Projects - model and demonstration projects on rural development are intended to develop innovative, future-oriented strategies and solution concepts for specific issues, to verify their practicability and to promote them throughout the country. Topics for project may include basic services, housing, economic and business development strategies, and cultural development.

Model Project Rural Upswing - a measure aimed at structurally disadvantaged rural areas. It addresses entrepreneurial people on the ground who decide themselves about innovative ideas and their implementation in the region on the basis of a regional budget. It is planned to support structurally disadvantaged rural regions in dealing actively with demographic change on the ground, in increasing regional value-added, in securing rural employment and hence also in shaping the shrinking process.

Competitions – A competition has been created and implemented to reward forward-thinking and organized rural regions across Germany that will contribute to rural development.

Research and knowledge transfer – In order to continually monitor its investment and improve rural development programs, the German government uses the program findings and makes them available on a research platform. In addition, they plan to support further applied research activities in the field of rural development and share that information with the public.

Relationship between Germany and the EU in Rural Development

When considering the issue of rural development in Germany, one must also consider the importance and relationship to the European Union and its Common Agricultural Policy (CAP). EU rural development policy has been continually refined to take account of the change in rural regions and the news challenges that have arisen. A partnership agreement between the European Commission and Germany describes the goals of the 2014-2020 programming period.

The most recent EU-reforms under the Common Agricultural Policy (GAP) were completed in December 2013. These reforms retain a strong first pillar for the agricultural sector (direct payments) and a properly financed second pillar to provide support for rural development.
The main support instrument in implementing the EU priority areas for the development of rural areas is the European Agricultural Rural Development Fund (EAFRD). The priorities in supporting rural development, the so-called 2nd pillar of the CAP, are long-term strategic goals: a high level of competitiveness in the agricultural sector, the secure sustainable management of natural resources and the support of economic strength in rural regions.

The focus is on the agricultural sector taking voluntary agri-environment-climate measures. The Member States must, for example, use at least 30 percent of the EU support funds allocated to them from the 2nd pillar for organic farming or the support of areas facing natural constraints. A second important area is the strengthening of agricultural enterprises via investment in agriculture and also in tourism, countryside stewardship and farm shops. The third area supports local village-development projects in order to make rural areas attractive and viable and provide villages with good future prospects. Fourthly, regional networking of rural development measures - the so-called LEADER approach - plays a very important role for the implementation of the above goals.

Germany will have approximately 1.4 billion Euros of EAFRD funds at its disposal annually between 2014 and 2020. These funds are underpinned by national funds from the Federal Government, Länder and municipalities. The German Federal Government contributes approximately 600 million Euros annually in development measures via the Joint Task for the Improvement of Agricultural Structures and Coastal Protection; these measures are then implemented in the various German states by their own rural development programs and agencies.

(Source: German Ministry of Food and Agriculture)

Information about the EU Common Agricultural Policy and its adoption in Germany can be found by visiting:

http://www.bmel.de/EN/Agriculture/EU-AgriculturalPolicy/_Texte/GAP-Reform-Entwicklung.html;jsessionid=FBB1B165E79993E2B56879BE78A4077E.2_cid365