

Challenges for Rural Development in Transition: the Example of the Sustainable Rural Development in Saxony since 1991

Henning Kuschnig

Zadania rozwoju
wsi w okresie
przejściowym
na przykładzie
zrównoważonego
rozwoju wsi
w Saksonii od 1991 r.

Rural development in Saxony in times of structural change is presented. Tasks and problems concerning in rural areas of Saxony are developing rapidly since the reunification of Germany in 1989.

The rural areas of Saxony underwent substantial structural changes since the years of reunification; the most important challenges are shown below.

1. Privatization of agriculture led to a loss of 700000 workplaces – these are approximately 80% of the agricultural work force in former GDR – within the period from 1989 until 1995.

With the instrument of “village development and country consolidation procedures” it was possible to get numerous workplaces by applying measures of infrastructure extension, building renovation and commercial reuse of rural constructions over a long time. In particular, 3000 workplaces were gained/saved through investments in village development and country consolidation and at least 1600 workplaces were created due of commercial reuse.



An example of the renovation of farm building

On the other hand, an unemployment up to 25% in rural areas is still a central challenge for Saxony.

2. Nearly the whole building stock had to be renovated with re-

spect to sanitary and hygienic standards. Most of the historically valuable building substance drew in danger of getting lost for ever.

A substantial part of funds beyond the scope of village development went into the private sector for the renovation and reuse of these buildings, 37500 renovations and 4600 reuses of rural constructions were financed.

Without binding the rural population on their farm yard and houses, the immigration to West Germany or into more and better developed areas in the suburban region of Saxony would be more intense.



The regional building, ground floor – stone masonry, first floor – brick naggged timber wall

3. The public infrastructure in village was a bad condition, not appropriate for the population and insufficient from economic point of view.

The volume of support for the public infrastructure comprises approximately 2/3 of the entire reconstruction funds for the rural area; 1400 km of municipal roads, 970 km of agriculture tracks and 800 km of wastewater pipes were fixed, for instance.



Village road along a water course

4. The consequences of the migration of young people out of rural areas and the increase of the percentage of elderly people in the rural area have to be solved in the future.



A village square

Cultural and social offers play an important role in the rural development.

More than 500 rural community facilities were newly created or renovated.

The problem how to give to a rural area character of an attractive living space for the people is still an important question.

The demographic problem of social infrastructure equipment in view of a decreasing population has to be solved and is one of the most important challenges of the future.



Sewage-treatment plant



5. Raising energy costs start a run for renewable energy, this fact should be profitable for rural population.

6. The traditional chain from the farmer, refining industries, wholesale and detail traders to the final consumer has been destroyed in times of the GDR's command economy and since re-unification has not been sufficiently re-established.

This is one among reason for unemployment in the rural area.

We began to advance construction and extension of value chain through new economic activities in rural buildings, through the initiatives for regionally tourism and with the funds of LEADER.

For a good-practice example see regionally added values.

7. Regional tourism has to take into account the traditional farmyard besides historically and politically based large-scale farm structures.

Because of extensive financial support a high qualified structure of various offers has been created, which has been offered to the user. Nowadays, the annual turnover in rural tourism is approximately 1 billion EUR.

For a good-practice example see rural tourism.

8. Neglecting the structures of private ownership during the times of GDR and the restitution during the re-unification led to a great number of problem.

Although numerous cases of ownership problems could be solved through the procedures of land reform and ordering soil, we will be preoccupied with this problem over the next decades. Up to now, 4650 procedures concerning unification of

separate soil and building property have been solved.

9. The collective agriculture of the GDR, beside property problems in many cases has also left a devastated landscape, difficult to renovate in terms of ecology. Culture landscape can be enriched with the instrument of the ecological landscape design; for example 900 km of hedge planting and 312 km of brook renaturalization were financed.

With the instrument of the ecological landscape design an rural re-organization, the culture landscapes, can be enriched. 900 km of hedge planting and 312 km of brook re-naturations were financed, for instance.

New conservation and infrastructure projects which concern the agrarian structure and the landscape are here of a great importance.



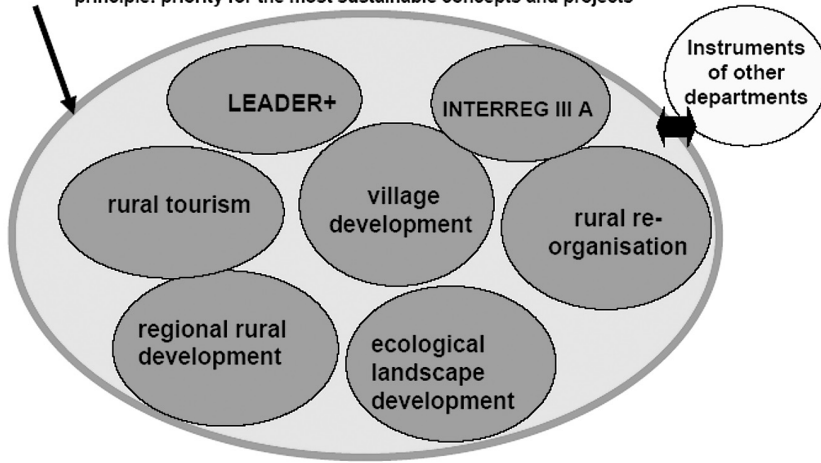
An old windmill as an example of ecological energy source

The above mentioned instruments of the rural development, like the village development, the rural re-organization, the development of land tourism and the ecological landscape design, could be equipped in the past very well with funds due to the financial assistance of the Federation and the EU.

The village playground

Saxon Development Program Rural Area 2007-2013

principle: priority for the most sustainable concepts and projects



Scheme of "Saxon Development Program Rural Area"

- the instruments will more strongly than up to now aim at the creation and preservation of jobs,
- the most sustainable projects will receive promotion,
- the municipalities and regions will be stimulated to cooperate,
- the economic and social partners will be interlaced,
- the regional creation of chains of added value in the rural area shall be supported or extended,
- trade relations between the city and village will intertwine more closely.

The administration can operate which makes these success stories possible, with the help of national efforts and funds of the EU.

Major conditions for administration of a rural development program are:

- a strategic objective, which concentrates on the most important tasks,
- a large variety of instruments of the rural development, allowing the realization of tasks,
- a implementation-oriented planning locally accompanied by technical advice and support,
- the participation of local citizens,
- regional administration technically experienced and close to citizens.

The above insight into the rural development of Saxony since 1991 shows previous successes along with current tasks of structural changes in the country.

Photographs by the author.

Henning Kuschnig

Saxon State Ministry of Environment and Agriculture

The EU funds came and come from the Structural Fund called EAGGF; the Federal Funds are transferred via the so-called "Joint Task Agrarian and Coastal Protection".

Approximately 2 billion EUR of subsidies together with the financial means coming from Saxony have been made available and they flow into the development of the rural area. This amount of money resulted in ca 4 billion EUR investments since 1991.

In the private and business area private investments largely could be initiated with employing a relative small amount of subsidies (usually between 30 and 40%). If there is the possibility of a not repayable subsidy, it is always amazing, how much private capital can be mobilized.

The amount of subsidies for public investments was higher, usually around 60 to 75%, however the public investments resulting from these subsidies are relatively small.

In the initial phase, in which nearly all infrastructures must be modernized simultaneously, the financial weakness of the municipalities in the rural area did not allow a smaller promotion. Otherwise, the modernization of the infrastructure would be very difficult.

For the purposeful conversion of large sums of subsidies, an administration close to citizens is necessary, along with an efficient control

system on all hierarchy levels and interfaces with the EU, the Federation and the so-called Promotion Bank of Saxony.

The promotion business for each of the three governmental districts of Saxony (Chemnitz, Dresden, Leipzig) is carried out by a State Office for Rural Development.

The instruments of the rural development are used on a clear conceptual basis. This is necessary in order to transmit the funds locally to the lasting measures. The conceptual basis includes agro-structural development planning, village development concepts and re-organization plans. A planner or the state office is usually available for rural development as a consultant.

As a result much has been achieved with the citizens and for the citizens. From viewpoint of decreasing funds, the self commitment is a strong driving force for rural development of the population and the municipalities.

We want to make use of the new Structural Fund period 2007-2013 in order to bind instruments of the rural development with "Saxon Development Program Rural Area". (figure 8).

The employment of the instruments is to be made purposefully and comprehensively.

The demand for this is driven by the following: