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Rural Science-Society-Policy  
Interfaces



# SLOVENIAN RURAL DEVELOPMENT VISION



MAP Position Paper

## LONG-TERM VISION FOR RURAL AREAS: CONTRIBUTION FROM 20 SCIENCE-SOCIETY-POLICY PLATFORMS

### MAP POSITION PAPER

MULTI-ACTOR PLATFORM SVARUN

SLOVENIA

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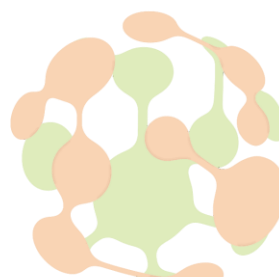
Domžale, October 2020

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## 1. Purpose and key findings

The purpose of this paper is to present a vision of the Slovenian countryside, formed in cooperation with key national stakeholders over the course of several focus groups and on the basis of a survey provided to members of various societal groups.

Slovenian rural areas are diverse in all respects, from their natural resources to socio-economic conditions; they are defined by a number of different trends, from the ingress of high-tech activities and the improvement of the demographic structure in some areas to the decline of agriculture and depopulation in others. Slovenian rural areas offer the potential to raise the quality of life of all the inhabitants of Slovenia, especially those living in them, but they need new recognition, development and the activation of internal potentials with the support of the wider community, which must give them the place they deserve.

The role of the rural areas in Slovenia's development strategies is poorly defined; it is defined primarily by the attitude towards agriculture and food production. Slovenian rural areas are characterized by agriculture, forestry, family farms and village settlements. Farms are key managers of rural land and agriculture has a distinct multifunctional role. Food production is important from the standpoint of supplying the population, as well as the standpoint of national cultural identity, the management of natural resources and balanced territorial development. However, it is necessary to go beyond a single-sector view of rural areas and develop a holistic approach that, while preserving and developing the potentials of agriculture, will also bring to the countryside new economic activities and sustainable approaches to rural resource development and enable a dignified and quality life for its inhabitants. There is therefore a clear need to strengthen measures for a holistic development of rural areas.

In the process of preparing this paper, the need for dialogue has emerged in the Slovenian rural space that would succeed in reconciling different interests and achieving mutual respect and understanding between members of different societal groups; in finding a vision of development and placing different interests in it, it is necessary to find a common language and ways to reach a consensus. The values of rural development stakeholders are generally not so different, but there are different ideas on how to achieve the transition to a more sustainable, inclusive society that balances the interests of urban and rural areas and those of people, the environment and capital. At the policy level, there is a need for effective governance systems based on facts and the strategic cooperation of different sectors and coordinated sectoral policies.

In the process of drafting this paper, various stakeholders stressed, with a high degree of consensus, the importance of appropriately accessible services, jobs and the fair treatment of all social groups in terms of ensuring the quality of life of all rural residents. In Slovenia, there is also a clear position of a significant part of stakeholders that emphasises the role of agriculture, farmers and food production. Agriculture remains an important pillar of the developmental perspectives of Slovenian rural areas, within which the multifunctionality and provision of public goods intended for all of society, as well as the economic perspectives of farmers, must be strengthened.

In decision-making at all levels (local, regional, national and transnational), it is therefore essential to take into account the opinions, wishes, different value systems and needs of all population groups – inclusive and transparent bottom-up decision-making is needed, which, on the other hand, requires the appropriately informed participation of an empowered population. Similarly, the drafters of the vision highlighted intergenerational (and other) cooperation, the coexistence of different social groups and healthy relations between rural residents as important elements of harmonious life in rural areas.

The high level of consensus that Slovenia's existing advantages must be utilized is very clear – quality food, relatively preserved nature and many surviving small farms, which are seen as a more sustainable form of farming, if only they can manage to achieve competitiveness or adequate market revenue; on the other hand, more intensive food production methods will have to be based on modern technologies whose negative effects on the environment will not exceed its carrying capacity.



The future viability of both rural and urban areas will largely depend on the properly market-based and politically evaluated contribution of farmers and other land managers to the well-being of society, i.e. their role in the preservation of a healthy common living environment as well as natural and cultural heritage.

Current public policies related to rural areas are inconsistent, as a sectoral approach and the lack of a common vision and priorities in the field of rural development prevail. Policies therefore do not deliver the desired results; their redefinition in relation to rural areas is needed. The complexity of the conditions in rural areas and the increasing intensity of adverse trends call for new approaches and stronger coordination of public policies in relation to rural areas.

We therefore need a new definition of rurality, which is not necessarily synonymous with farming and agriculture, as it has been thus far. Changed and completely new social roles are coming to the forefront, so we also need a redefinition of the societal view of the role that farmers play in the management of natural resources.

Slovenian rural areas have broad potentials, which should be utilized with new approaches and the collective action of both private initiatives and public policies, new forms of cooperation and the strengthening of communication and solidarity between city and countryside.

**Keywords:** *Slovenian rural areas, balance of interests, sustainable society, inclusive decision-making.*

## 2. Key scientific evidence

It is difficult to form a picture of Slovenian rural areas with facts and data, as we do not even have a clear definition of what Slovenian rural areas are. According to the Eurostat typology ([EUROSTAT, 2018](#)), which divides areas (regions at the NUTS 3 level, i.e. statistical regions) into predominantly urban, intermediate and predominantly rural areas, 12.6 % of the territory and 24.9 % of the population fall under predominantly urban areas. If we exclude larger city municipalities, we already lose a significant part of the suburban countryside. Precise statistics for Slovenian rural areas are thus not even kept, which further testifies to the need for a clear legal and political definition of rural areas.

With the exception of agriculture, there is thus a lack of sufficiently precise data on the overall economic structure and processes, and in particular on the social situation in rural areas. Rural areas are also not the subject of constant and systematic research by various sciences and professions, which further narrows the view of them and limits the possibilities of a quantified, strategic approach in creating a vision for Slovenian rural areas. Nevertheless, in this paper we present data and facts from which it is possible to create a rough picture of the state and challenges of rural areas. At the same time, let this document be a call for new approaches and attitudes toward rural areas in terms of statistics and research.

### 2.1.1. Socio-economic issues

Slovenian rural areas are functionally, and politically through development programmes, defined primarily by the role of agriculture in them. Despite its relatively small share in the national GDP (1.4 %), agriculture plays an important role in shaping the countryside, as, according to the last structural census of agriculture, conducted by the Statistical Office of the Republic of Slovenia in 2010, approximately 260,000 inhabitants living on 74,425 family farms were managing approximately 475,000 hectares of agricultural land (Agricultural land in use, UAA), which is approximately a quarter of Slovenian territory. Due to historical development, the structure of agriculture is characterized by smaller farms (in 2016, the average size of 6.9 ha of UAA/holding on 69,902 agricultural holdings; [SORS, 2017](#)). The vast majority derive income from several sources, which has made farms an important mitigator of economic and social adversity and conflicts in rural areas and the wider society in the past.

However, their productivity is on average low compared to the average of EU Member States, and the age and educational structure of farm holders is unfavourable. For the past 30 years, an intensive transformation of agriculture has been taking place, which has accelerated since Slovenia's accession to the EU. The number of agricultural holdings is not declining dramatically, but the areas under management of larger holdings are increasing. In 2016, larger agricultural holdings (over 10 ha UAA – 17.6 % of all agricultural holdings) already cultivated more than half of all agricultural land in the country (57 % of all UAA).

The agrarian structure, which has led many self-sufficient semi-professional farms to supplement their income with off-farm work and young people to seek more attractive off-farm employment, is to some extent linked to unfavourable demographic trends ([Potočnik Slavič, 2010](#)). At the same time, the functional and emotional attachment of older people to the land results in a poor and slow transfer of farms to young people, which is reflected in the high average age of farm holders, which was 57 years in 2019 ([SORS, 2020](#)).

We do not have sufficiently accurate and comprehensive data on the economic structure of rural areas and their changing over time. In the previous societal system, Slovenia was characterized by a strategically determined polycentric development of society, which brought an industrial plant and jobs in the countryside to every slightly larger settlement. This supported the structure of mixed farms and made it possible to raise the general standard of living in rural areas. In the transition process, the vast majority of these plants failed. In many parts of the countryside that are not close to urban centres, agriculture has remained the only economic activity. On the other hand, there are also excellent examples of new industrial plants, including high-tech ones, which maintain the demographic structure in their areas and offer different development alternatives.

Due to changes in the economic structure, modernisation of agriculture, population ageing and urbanisation, Slovenia is generally experiencing rural depopulation and demographic asymmetry. The population is expected to decline to 1,796,000 by 2100 ([SORS, 2019](#)), in which 27.5 % of the population should be in the 65+ age group ([MOESP, 2016](#)). We expect that population trends will differ widely in different parts of the country. Nared et al. ([2019](#)) classified Slovenian municipalities into four groups (depending on whether the population is growing/declining and whether it is an urban/rural municipality) (Figure 1) and calculated population change projections until 2038.

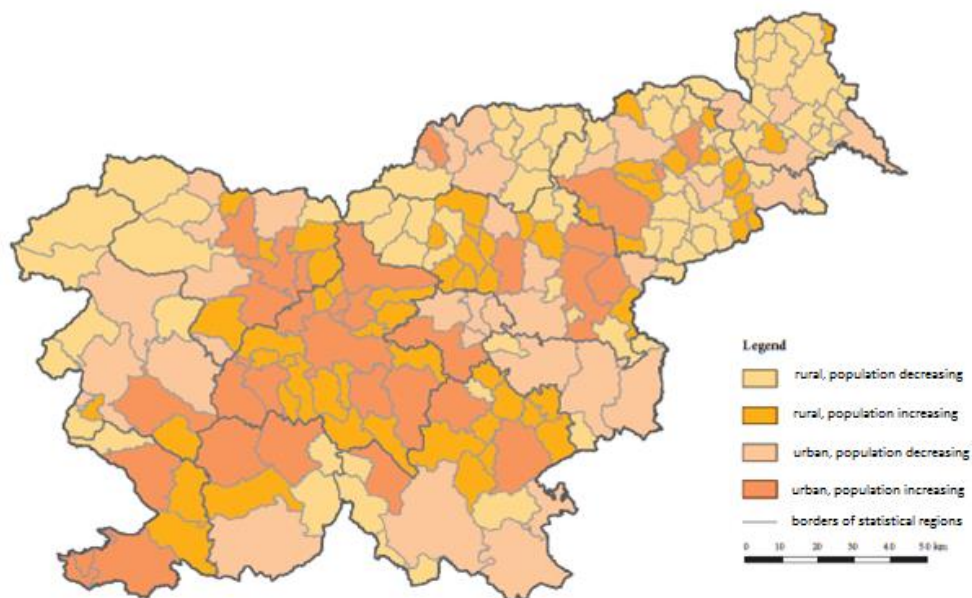


Figure 1: Classification of Slovenian municipalities, [Nared et al., 2019](#).

The data clearly show the multifaceted nature of the demographic processes in Slovenia. We can identify four types of municipalities where the urban and rural population is increasing or decreasing. In rural

municipalities closer to the capital and some regional centres, as well as tourist centres, the population is growing, while more remote rural areas are experiencing increasingly pronounced depopulation, which is also shown by projections of trends until 2038 (Nared et al., 2019).

Nared et al. (2019) describe the Slovenian territory as marked by two distinct processes – concentration and emptying. Both are resulting in unwanted consequences, i.e. depopulation, land abandonment and overgrowth of agricultural land (also significantly linked to low labour productivity and low incomes in agriculture), decline of infrastructure and cultural landscapes, pressures on quality land, concentration of economic activity and increased environmental pressure in ecologically sensitive areas and dispersed urbanisation. For Slovenia, the demographic problem is present, but limited to some parts of predominantly rural areas. Compared to some other new EU members (e.g. the Baltic States, as well as Croatia, Romania and Bulgaria), the emptying of rural space is not that pronounced, but the trends are not favourable and need to be addressed seriously.

Demographic trends are closely linked to the lack of adequate infrastructure. In many places, public services such as transport, primary education and health care are insufficient or even deficient due to the lack of critical mass or unprofitability; this has a significant impact on the quality of life of the less mobile segments of society, as well as on attractiveness to potential newcomers (Potočnik Slavič, 2010). As an exception to this rule, access to the Internet in rural areas has improved significantly in recent years (SORS, 2020b).

Lately, a growing number of young families, pensioners and foreigners has been deciding to stay in the countryside or to move there; to some extent, this trend supports technological development, which allows work from home (Potočnik Slavič, 2010).

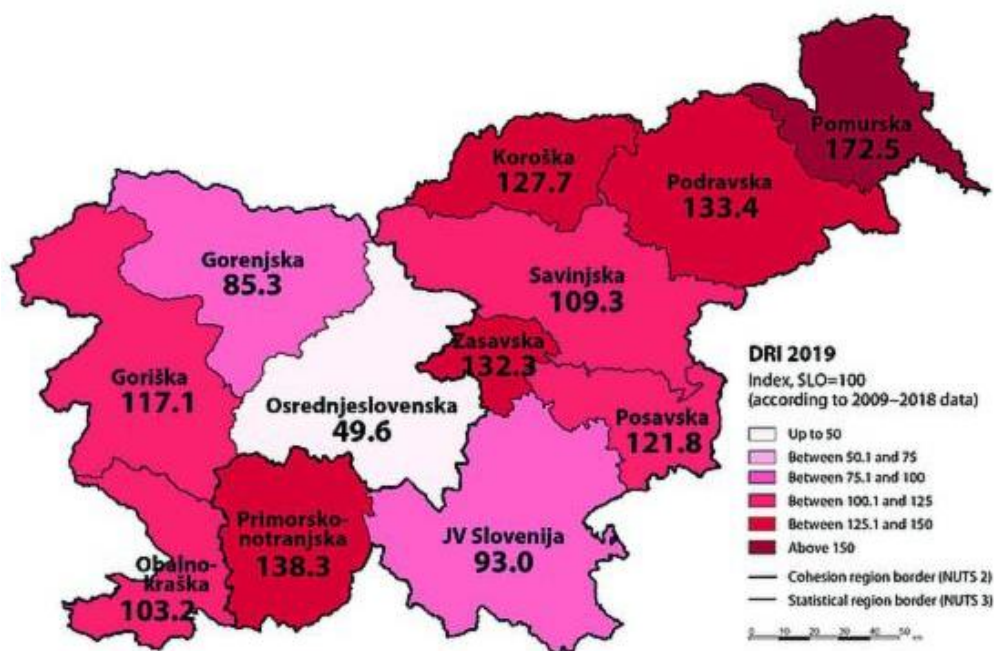


Figure 2: Development Threat Index by statistical regions, 2019. Source: IMAD, 2020

Slovenian regions have a different development perspective. The Development Threat Index, a composite indicator for monitoring regional development used by the Institute of Macroeconomic Analysis and Development (IMAD, 2020), shows that almost all statistical regions, especially the most rural ones (Pomurska, Podravska and the Primorsko-Notranjska statistical region), are extremely developmentally endangered. The exceptions are the Osrednjeslovenska statistical region with the capital and the Jugovzhodna Slovenija and Gorenjska region.

### 2.1.2. Environmental issues and land use

In Slovenia, climate change is already reflected in higher temperatures in all parts of the country, fewer cold days, less snow cover and more extreme weather events (Udovč et al., 2019). Changes in precipitation regimes are much more diverse, though there is a discernible general trend of decreasing annual precipitation (Vertačnik et al., 2018). Average temperatures are expected to rise by 1-3,5 °C by 2061 (Kajfež-Bogataj et al., 2008). Changes in temperature and precipitation regimes, longer droughts, increased duration of solar irradiation and evapotranspiration, and consequent changes in plant phenophases (Vertačnik et al., 2018) will have a major impact on agricultural production, as well as on the wider issue of water use.

The farmland bird index (Kmecl, 2019), which can be considered as a reflection of the general health of agricultural land ecosystems, shows a steady decline since the start of regular monitoring in 2008. This (and other forms of biodiversity loss) is largely attributed to the abandonment of traditional agricultural practices through agricultural intensification on the one hand and overgrowth (habitat loss for specialist species, especially extensive grassland) on the other (Udovč et al., 2019).

Due to its irreversibility, the change in land use is also problematic in terms of the increasing share of built-up area at the expense of agricultural or forest land. The exact percentage of built-up land varies depending on the source and methodology, ranging from 3-7% (e.g. Lampič and Repe, 2012; MOP, 2016). Other issues related to land use changes are the rapid overgrowing of agricultural land and, on the other hand, the loss of forests and grassland (Lampič and Repe, 2012).

### 3. Results of stakeholder consultation

The present position is based on a broad consultation with stakeholders. It was based a general discussion paper first prepared within the SHERPA project group and adapted to specific local needs within individual MAPs. On the basis of this document, an expert workshop was organized on the 17<sup>th</sup> of June 2020, which served as a platform for verifying the situation and trends and creating a common vision of rural areas. The results of the workshop were largely confirmed by a widely disseminated survey, with the help of which the vision was supplemented and finally re-examined at the focus group workshop on the 20<sup>th</sup> of October 2020.

#### 3.1. Challenges and opportunities for the next 20 years

In the process of forming the vision and by reviewing the literature, we extracted the key human factors of change in rural areas and tried to quantitatively evaluate them through a survey. We classified them into two groups – public and private. Factors stemming from development support and public policy orientations include:

- A unified development strategy
- Coordination of sectoral policies
- Spatial planning
- Agricultural policy
- Environmental policy
- Social and demographic policy
- Employment policy
- Economic policy
- Foreign policy (including EU relations)
- Regional policy
- Infrastructure policy.

Among private factors, we highlighted both economic and non-economic initiatives, as well as private individual and collective action:

- Individual investments in the economy
- Individual investments in environmental protection and nature conservation
- Own investment in human capital (knowledge, competencies)
- Joint economic initiatives (economic cooperation)
- Joint interest initiatives (non-economic cooperation, e.g. for the preservation of natural or cultural heritage)
- Participation of citizens in governing bodies
- Strengthening mutuality and a sense of community.

The online survey found that respondents ascribe about the same weight to the factors listed above. They also highlighted some others, in particular the need to adapt policies to local specificities, the importance of education and the exchange of knowledge, and civil society activities.

The stakeholder consultation shows that demographic issues are both the most important factor and the biggest challenge in rural areas. Depopulation and the concentration of the population in cities and suburban areas are major challenges that are linked to young people leaving rural areas, in particular due to the lack of suitable jobs, poorer infrastructure and other quality of life conditions. Together with inadequate spatial planning at the municipal level and deficient regional development planning, this trend is likely to lead to the further emptying of dwellings, and even entire settlements in more remote rural areas. In these areas, where depopulation and ageing are strongest, the trend of agricultural abandonment and overgrowth is expected to continue. In many places, social structures and attitudes are already changing and social exclusion is increasing, while social differentiation and stratification, loneliness, lack of interest in cooperation, apathy and passivity are growing. In areas of land overgrowth and depopulation, the issue of coexistence between humans, beasts and other wild animals is also becoming more acute and is becoming a significant stumbling block in urban-rural relations as well.

The decline in access to basic services (kindergartens, primary schools, and health services), other services such as banks, post offices and shops, public transport, as well as cultural activities is also problematic, which is particularly detrimental to vulnerable, less mobile groups. More mobile residents are likely to take advantage of good internet coverage and various innovative forms of work, but the possibility of developing 'smart villages' with greater digital literacy nevertheless offers the potential for enhancing business opportunities and improving living conditions.

Areas closer to urban and economic centres and with better road infrastructure are characterized by suburbanisation, and are usually associated with better conditions for agricultural development and livelier economic activity in general. Here, however, there are significant environmental problems related to the intensification and concentration of agriculture, consequences of inadequate spatial planning, lack of control over diffuse sources of pollution and fragmentation of ecosystems.

Stakeholders who participated in the survey attach great importance to food self-sufficiency, which is a central issue in agricultural policy in Slovenia and an important challenge in shaping the vision of rural development. The COVID-19 pandemic has undoubtedly strengthened this issue and the issue of local food supply. The participants in the discussion and the respondents believe that quality food is produced in the Slovenian countryside and that this is an important advantage of Slovenia in general. This also gives rise to clear beliefs about the need to continue investing in agriculture and maintaining it in its multifunctionality.

Slovenian agriculture does not have the potential for mass and global market-oriented food production, but it does have the potential for a sustainable supply for local and regional markets and also for supplying products with added value. At the local level, there are many good niche stories of individuals successfully marketing their products with relatively high added value, and there is a growing general awareness of the

competitive advantage of local agricultural products from smaller farms, the potential of organic farming, local processing and tourism. In many cases, these are disjointed stories that should be better linked by quality schemes and integrated global value chains.

On the other hand, a certain degree of disagreement was also detected among the respondents regarding the sense of using agricultural policy measures for the "artificial" preservation of "non-market" small farms in an attempt to counter market forces, which lead to the abandonment of economically unprofitable production typical of many small farms. However, this is a minority opinion; given the generally recognized social (cultural identity, social safety net, preservation of production potential) and environmental importance (preservation of the cultural landscape and biodiversity of the agricultural landscape) and the large number of small farms, the prevailing view is that the diversity in size-structure of agriculture needs to be maintained. Adding value to crops, including through organic production, and adequate payment for environmental and social services is one way to preserve a vital segment of small farms. It should be pointed out that these are often farms with elderly holders, so the challenge is also to design measures that would not disproportionately burden them in terms of administration.

The number of different stakeholders whose interests need to be weighed is growing in rural areas, due to which an increase in tensions and an escalation of conflicts in the future is expected. A clear example of this (in addition to the wildlife issue mentioned above) is the general public's growing interest in food production methods, especially meat, and their impact on people, the environment and animal welfare, which (despite the high level of consensus on the importance of protecting the environment, adapting to climate change and preserving the cultural landscape) is accompanied by a defensive stance of farmers who perceive the new social demands as unfair, unjustified and unrealistic in terms of production economics. These and other issues require the improvement of communication of different social groups, finding common solutions, as well as focusing on decision-making based on facts and a broader scientific consensus of different disciplines. Also essential to rural development in the coming decades in Slovenia will be governance at various levels (national, regional and local level) and within previously coordinated sectoral strategies that will take into account and coordinate the needs of both the local population and society as a whole.

### 3.2 SWOT analysis

The SWOT analysis was based on a review of the literature and an analysis of the results of the focus group. It was then offered to the interested public for review as part of the abovementioned survey. The results showed that we highlighted the appropriate strengths, weaknesses, opportunities, and threats with regard to the development of Slovenian rural areas.

The opportunities of Slovenian rural areas are mainly related to the preserved nature, previously highlighted quality food, as well as elements of quality of life, security, peace and good relationships. Among the elements, biogeographical diversity, neighbourly assistance, cultural heritage and the mosaic landscape, which is especially emphasized by nature conservationists, were given slightly less weight. Fewer strengths than weaknesses were identified, which also speaks to the perception of a weak situation in rural areas.

We have also already mentioned the key weaknesses in the above description of facts. These include both weaknesses stemming from public policies and those related to the behaviour and values of the population. Elements related to agriculture stand out, which indicates a certain sectoral orientation of the participants in the discussion and survey.



Table 1: Strengths, weaknesses, opportunities and threats in Slovenian rural areas – survey results

<b>Strengths</b>	Average assigned importance (1-5)	<b>Weaknesses</b>	Average assigned importance (1-5)
Preserved nature	4,8	Demographic trends (ageing, emigration, centralisation, suburbanisation)	4,7
Quality food	4,8	Poor rural governance and inadequate policies	4,6
Quality of life	4,7	Inadequate spatial planning / unbridled spatial development	4,5
Sense of security	4,6	Abandonment of agriculture	4,5
Peace	4,5	Quality of human resources in rural areas (knowledge, entrepreneurship, leadership skills)	4,4
Quality relationships	4,5	Fragmentation of (agricultural) land and small size of farms	4,4
Geographical diversity and biodiversity	4,4	Degradation of the environment and nature	4,4
Neighbourly assistance	4,4	People's mentality (mistrust, relationships, non-cooperation)	4,3
Cultural heritage	4,2	Living conditions (services, infrastructure, accessibility)	4,3
Mosaic landscape	4,1	Uncompetitiveness of products	4,3
		Income inequality and stratification	4,2
		Technological underdevelopment	4,1
		Price and availability of (agricultural) land	4,1
		Intensification of agriculture	3,9
<b>Opportunities</b>		<b>Threats</b>	
Demand for quality and local food	4,7	Uncoordinated sectoral policies	4,4
Creating green jobs (circular economy)	4,4	Ineffective government policies	4,3
Needs for new services (e.g. care for children and the elderly)	4,4	Pressure to build-up land	4,2
Demand for value added products	4,3	Climate change	4,1
Greater access to knowledge	4,3	Competitive foreign products	4,1
Development of tourism	4,2	Environmental demands	4
Public and private investments in the economy	4,1	Loss of species and habitats	4
New ways of working (remote work)	4,1	Rising populism and misuse of false information	3,9
New technologies of agricultural production	4	Change in society's value system	3,9
Digitalisation	4	(Mass) tourism	3,8
		Digitalisation	3,7
		Greater attractiveness of cities for living	3,4
		Immigrants	3,3

Unfavourable demographic trends are a key weakness, followed closely by weak rural governance and the inadequacy of policies, with particular emphasis on their inconsistency and imbalance. Inadequate spatial planning is also a weakness in the public domain. The abandonment of farming, with all its repercussions for space, natural resources and food supply, is also highly placed. The discussion among the participants of the expert workshop showed, and the survey confirmed, that a significant weakness is the quality of human resources, which would be sufficiently capable of realising development potentials; to this we can add the values and mentality of the population, which, in the opinion of the respondents, do not have a favourable effect on rural development. As agriculture is dominant in the perception of rural areas in Slovenia, the next important weakness that is particularly mentioned is the fragmented size- and ownership structure. Uncompetitive products and income inequality, as well as growing stratification in rural areas, are elements that need to be placed in a wider social context, and it is similar for the perception of environmental and nature degradation. Interestingly, the respondents attributed the least importance to some elements that are related solely to agriculture, such as lagging technological development, an inefficient agricultural land market and the intensification of agriculture and its consequences.

Strengths will need to be built on in the future, and weaknesses will need to be reduced, if not eliminated. It is different with opportunities and threats, which we cannot influence, but we can adapt to.

According to respondents, key opportunities are related to the growing demand for quality and local food. The same applies to new employment opportunities in the context of creating green jobs, new, especially social, services, tourism development and demand for higher value-added products. New technologies and ways of working offer opportunities in terms of the application of new skills and the possibility of remote work. Public and private investments in the economy also present an opportunity. Interestingly, respondents see the least opportunities in digitalisation and new agricultural technologies, which can be attributed to the already relatively favourable coverage of rural areas with broadband Internet, which results in other opportunities being prioritised over digitalisation.

Threats are mainly related to weak public policies (inconsistency, inefficiency) and unbridled building. In Slovenia, fear of competing products is considered to be an important factor in the perception of conditions. Respondents consider the climate crisis to be a particular threat; but on the other hand, they see both environmental requirements and the extinction of species and habitats as a threat to agriculture, which may seem contradictory at first glance, but becomes more understandable if we see agriculture as an economic activity for which the adaptation to climate change and environmental requirements represents an additional cost. They attribute less importance to changes in social values and norms and to growing populism. Threats, even if they have less weight, are also brought about by mass tourism, as well as digitalisation (due to social aspects such as cyber security, alienation, as well as the digital illiteracy of many farmers). It is, however, important to note the finding that advantages of the city over rural life are not given much weight. Newcomers entering the countryside were rated the lowest in terms of threat.

### 3.3 Vision of rural areas for 2040

In the survey, we offered respondents three ideal scenarios with different emphases in the fields of society, environment, economy and governance. The main elements of the scenarios are presented in Table 2, and the full text is in the Appendix.

The first scenario (A – high-tech) envisages rural development based on a paradigm of new knowledge and high-tech companies located in rural areas, which should make the countryside desirable and attract new inhabitants. In this scenario, agriculture is competitive and undergoes a transformation towards technological development and digitalisation. The second scenario (B – environmental) is based on the environmental and nature conservation paradigm. It emphasizes a carbon-neutral economy and the radical transformation of agriculture towards the provision of public goods and ecosystem services. The third scenario (C – balanced) is a combination of both and tries to pursue a complex set of goals related to the knowledge society and environmental reversal, as well as polycentric development and multi-polarity of economic structures.

Table 2: Development scenarios over the next 20 years

	Economy	Environment	Society	Governance
<b>A – high-tech</b>	Intensive investment in polycentric economic development, infrastructure projects, high-tech investment projects, jobs are prioritised, highly specialized intensive large industrial-agricultural plants, good traffic connections, high-tech food industry and developed supply chains	The environment does not restrict economic development, investment in technologies for remediation of environmental damage, control of emissions within 'realistic' capabilities, abandonment of marginal habitats and species, conservation of high-nature-value areas in isolated protected areas	High wages, accessible jobs, infrastructure and services are provided	Policies are strategically oriented toward smart specialization and knowledge & skills
<b>B – environmental</b>	Extensive agriculture, small farms, local production and processing, limited green and adventure tourism, green taxation and strict control of industrial plants, high criteria for setting up new ones, abolition of industrial livestock farming	Carbon-neutral economy, conservation of habitats and species, limitation and prevention of emissions into the environment, limitation of building-up	Accessible basic services and infrastructure, even population distribution, good relations, cooperation, integration of newcomers, decent income, strong local communities	Policies are strategically oriented toward a green economy, stricter environmental impact assessments, payments to farmers to provide environmental benefits
<b>C – balanced</b>	Polycentric economic development, diversification of activities, focus on adding value, economic cooperation, sustainable intensification (large share of organic agriculture, efficient regional and local supply chains, precision agriculture), adaptation to climate change	Carbon neutral economy, conservation of habitats and species, limitation and prevention of emissions into the environment, limitation of building-up	Accessible basic services and infrastructure, even population distribution, good relations, cooperation, integration of newcomers, decent income	Coordinated, strategically designed sectoral policies, coordination of different levels of decision-making, taking into account preferences and needs of local population, learning (policy cycle)

Most respondents to the online survey supported scenario C and many explicitly stated that they would consider appropriate the combination of B and C, or in some cases a combination of the positive characteristics of all three.

It is thus possible to extract from the discussions the following ideal vision of rural areas, which summarizes all three scenarios. We desire a development of Slovenian rural areas that will be distinctly sustainable and will take into account all three pillars of sustainability in a balanced manner – it would provide the rural population with an adequate income, preserve natural resources and the environment, and be socially sustainable and equitable:

*A polycentric settlement pattern is forming in rural areas. The economy is on the path to carbon neutrality and relies on sustainable renewable energy sources and circular bioeconomy. The population is employed or self-employed in many small and medium-sized service and manufacturing companies in smaller rural towns, market towns and villages. High-tech industrial plants are also being established that enable local employment and relatively high incomes of employees, as well as lifelong learning. Many work from home, including for businesses and the public sector located in cities. Numerous business collaborations are established at the local level, and at the same time there is also economic cooperation with foreign countries (purchasing, sales, online trading). Economic development is based on innovation and a balance between nature conservation and the provision of jobs.*

*Quality food, preserved nature and organic farming become trademarks of the Slovenian countryside, which means that agriculture and related activities preserve the ability of ecosystems to provide ecosystem services. On this basis, on the one hand, sustainable agri-food chains develop (producer groups, food processing industry, contractual relations, revival of cooperatives), and on the other hand, collective brands and ecological regions to support green and adventure tourism. Intensive agriculture is specialized, follows the principles of precision farming and other modern technologies of sustainable agriculture, and is integrated into efficient supply chains. There is an intensive exchange of knowledge and practices in agriculture. Farmers have strong and direct support of advisers and experts, are well organized and cooperate with each other in the form of cooperatives and other forms of association. The food processing industry is strong and highly technologically advanced.*

*Negative impacts on the environment are prevented; where this is not possible, they are restored with technological solutions. Mass tourism is limited to green and adventure tourism. Changed agricultural practices contribute to the conservation of biodiversity, the decline of which is greatly slowed down and even halted. The small-scale structure of agriculture is partially preserved, where small and extensive farmers connect and invest in complementary activities, stay on farms and earn enough for a dignified life through a combination of income sources, including the marketing of ecosystem services from agricultural ecosystems. With its traditional agricultural use, the cultural landscape is preserved and attracts adventure tourists, who bring additional income and employment in rural areas. Infrastructure projects and other interferences with the environment are subject to in-depth environmental impact assessments.*

*The population is happy and enjoys a high degree of quality of life. The trend of emigration from rural areas is reversed, young people stay at home and start families in the countryside. Services and infrastructure are accessible, traffic connections are well-developed, the railway infrastructure is updated; a high-speed internet connection is available everywhere. The remaining municipal infrastructure is built (e.g. wastewater-treatment plants). The development of services and infrastructure, including transport, supports carbon neutrality (development of railway traffic and combined forms of public transport, electric cars, hydrogen-powered trucks). Through stimulation the circular economy, the integration and connecting of sectors, industries, communities and stakeholders are supported.*

*Local communities are highly integrated and strive for independence, self-sufficiency, participation in management and for the integration of new residents (from cities as well as from other countries). The centres of rural towns and market towns are vibrant. New rural residents are integrated into the life of local communities, which are vitally and functionally distributed and connected.*

*Regions are established as administrative units and are strongly transnationally integrated into the wider regional environment. At state level, a close inter-sectoral cooperation between different development policies is established. Decision-making is inclusive, transparent and takes into account the needs of local residents and the wider society, and balances all three pillars of sustainability – society, environment and economy.*

The vision of Slovenian rural areas thus defines the countryside as an attractive place for work, living and leisure for all social groups. More specifically, this means a demographically and spatially homogeneous distribution of the population with a high degree of quality of life, which entails:

- jobs (in traditional and new forms of employment, including high-tech industries), housing, services and infrastructure that provide a decent income, add value and meet basic needs locally, and reduce mobility needs; new forms of mobility (e.g. transport sharing) and service provision are utilised;
- good interpersonal relations, solidarity, intergenerational cooperation in an environment open to dialogue, conflict resolution and new ideas (including entrepreneurial innovation), as well as accepting newcomers;
- public goods such as clean air and water, a well-preserved natural environment, landscape character and fertile soil; internalized notion in society about the importance of nature conservation;
- a comfortable, safe, decent life for all generations, active ageing, high digital literacy, young people as drivers of development, less inequality and more solidarity and cooperation.

A common point is also the need to balance different interests – between the individual and the community, as well as between individuals or legal entities. This would be supported by various policies operating in the fields of economy, natural resource management and social policy. An important role in the vision is also played by agriculture, which, in addition to the production of food and other resources, also has an important spatial role (preservation of natural and cultural heritage), which society must recognize and reward. In this context, the cooperation of the rural population in various forms and with different purposes (economic, environmental and social cooperation) is essential.

### 3.2. Factors that will help achieve the vision

We will achieve the vision by creating a favourable environment for individual and collective private initiatives, joint activities of public and civil institutions in the Slovenian countryside and integrated public policies. Their common denominator is the realization of common goals related to the vision, which is based on integrated rural development and its evaluation, the new role of knowledge, cooperation and sustainable development.

Policies should be based on effective inter-sectoral and vertical cooperation. At the same time, they should be based on strengthened participatory approaches that build on trust, stronger public engagement, stronger bottom-up decision-making and direct democracy. Decision-making should be based on facts and recognition of local needs and not on individual interests. The LEADER/CLLD approach, which is more effective in balancing different, often conflicting interests in rural areas, has been highlighted as an appropriate mechanism. The LEADER/CLLD approach realizes the need for a higher level of participation and at the same time establishes an active dialogue between three key sectors – public, non-governmental and economic. Therefore, this approach should be strengthened and a larger part of rural development should be conducted through this mechanism. Future rural development policies should focus on raising investment capital and promoting the development of human capital (knowledge, leadership skills and ability to cooperate).

Public policies should be based on strategies that appropriately prioritise different objectives and coordinate all relevant sectoral policies. The narrowness of some purely sectoral approaches needs to be broadened and rural development should be viewed in its entirety. In the discussion, the need to empower and improve the training of spatial planning experts was explicitly mentioned, as were measures to protect strategic resources such as water and soil.

Rural areas must become an integral part of the realisation of European and national strategies for economic development, solving the climate crisis, nature protection, infrastructure development, social development, education and, in particular, agriculture (CAP Strategic Plan). We propose the establishment of a government coordination of rural development policies involving key stakeholders. Research and continuous monitoring

of the situation in rural areas need to be strengthened, which should strengthen the evidence-based policy approach.

According to some participants in the debate, funding for rural development should be increased through several measures that support the maintenance and modernization of the diverse structure of farms, especially smaller ones, which are able to remain multifunctional and provide a decent quality of life for their members.

In economic development, family businesses play a special role in the processing and service activity, which supply major economic systems on the one hand and provide basic services to the rural population on the other. Modern cooperatives and other forms of economic and social integration in rural areas must also play a new role.

Furthermore, the attractiveness of farming and rural life needs to be improved through various forms of support for community life of all generations and social groups, such as study circles and support for e-literacy. Measures to support the integration of good business practices and cooperation need to be implemented, as do approaches to increase local economic transactions, and human capital – knowledge and competences – needs to be invested in.

Innovation and entrepreneurship, as a bottleneck in both agriculture and other economic sectors, need to be given special attention, while respecting the values relating to nature and culture. The strengthening of other forms of mobility, green public procurement, active ageing support services, enhanced quality schemes (including schemes to help ensure proper market recognition of production methods that contribute to the conservation of nature and the environment) and the traceability of agricultural products may play a more prominent role in this.

An important aspect that can have a significant impact on future development relates to the different value systems encountered when addressing issues concerning rural areas. Different value systems and their changes often lead to mutual misunderstanding of different social groups, which needs to be overcome; communication and a culture of dialogue need to be established, and social capital, mutual trust, reciprocity and a sense of community strengthened, which would also contribute to a greater capacity for conflict resolution.

We conclude with the thought that, in Slovenia, we must revise our understanding of “rural areas” and what we want them to be like. With this position paper, we have endeavoured to make a contribution to the search for answers to these two difficult and complex issues.

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## Annex 2. Scenarios

*A) In rural areas, high-tech industrial plants are being developed, enabling local employment and relatively high incomes for employees. Services and infrastructure are accessible, traffic connections are well developed. Industrial centres and a polycentric settlement pattern are formed, agriculture in the plains is intensifying and specializing; the food processing industry is strong and highly technologically advanced. Impacts on the environment and nature are corrected mainly through technological solutions, marginal habitats are abandoned, and conservation takes place mainly within protected areas. Policies are aimed at obtaining investment capital and promoting the development of human capital (knowledge, leadership and cooperation skills). The life of local communities is concentrically arranged around development centres, and remote areas are abandoned as places of permanent work and living.*

*B) Economic activities are subject to green taxation, the economy is carbon neutral or negative. The intensity of agricultural production is declining. Natura 2000 rules are consistently enforced. Mass tourism is limited to green and adventure tourism. Farmers are paid for providing environmental and social public goods (partly through agricultural policy, partly through quality schemes (e.g. Selected Quality - Slovenia), complementary activities and direct sales on the farm), which is the result of intensive knowledge transfer and long-term professional support. Infrastructure projects and other interferences with the environment are subject to in-depth environmental impact assessments. Local communities are highly integrated and strive for independence, self-sufficiency, participation in management and for the integration of new residents (from cities as well as from other countries).*

*C) The trend of emigration from rural areas is reversed, young people stay at home and start families in the countryside. All essential services and infrastructure are provided in the local environment. Economic development is based a balance between nature conservation and the provision of jobs. Intensive agriculture follows the principles of precision farming and other modern technologies of sustainable agriculture. Small and extensive farmers connect and invest in complementary activities, stay on farms and earn enough for a dignified life. With its traditional agricultural use, the cultural landscape is preserved and attracts adventure tourists who bring additional income and employment in rural areas. New rural residents are integrated into the life of local communities, which are vibrant and spatially dispersed.*

## Annex 3. Methodology

The Position paper was prepared in the following steps:

- modification of SHERPA discussion paper (DP) according to Slovenian data and requirements (published on SHERPA website)
- discussion based on Slovenian DP on an expert workshop (June 17, 2020) addressing the situation, trends, vision and challenges
- confirmation of outcomes of expert workshop with online survey with 268 complete responses with three main groups of questions: 1. main issues, 2. SWOT, 3. vision scenarios and enabling factors
- preparation of position paper based on survey findings with three rounds of confirmation by MAP members and experts: 1. by e-mail, 2. at online consensus meeting (Oct. 20, 2020), 3. by e-mail and exit survey.

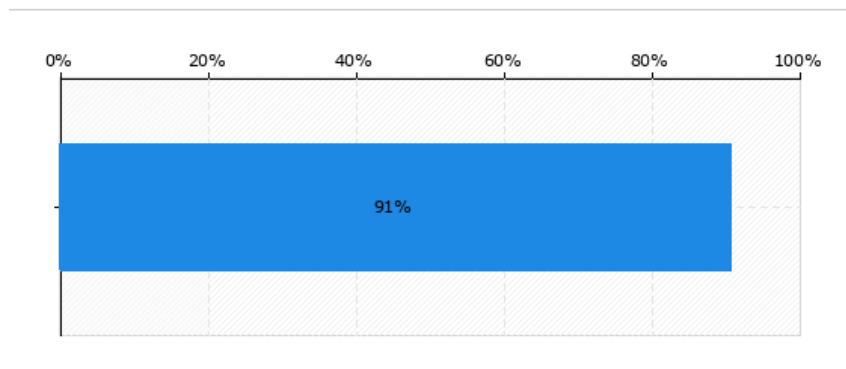


Figure 1: Degree of agreement with final position paper among MAP members and experts in exit survey (N=20)