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## SOCIAL PREFERENCES AND PERCEPTIONS ABOUT RURAL MULTIFUNCTIONALITY IN CASTILLA Y LEÓN

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The concept of multifunctionality arose in the European Union at the end of the last century to refer to the wide range of goods and services that the agricultural sector provides to the society. This portfolio of goods and services includes those that can be sold in existing markets such as food and fibers (commodity outputs) as well as others that are supplied without any monetary compensation for farmers (non-commodity outputs), but provide some kind of environmental, social or territorial benefits (e.g., ecological biodiversity, maintenance of villages and rural traditions, rural landscapes, etc.), many of which are 'public goods' (non-rivalrous and non-excludable). Thus, the existence of a multifunctional agricultural system that responds to the growing demand for non-commodity outputs may require direct policy intervention. Bearing this in mind, the greatest challenge facing agricultural policy decision-makers must then be the design and implementation of efficient incentives to adequately provide such public goods.

The approach of the concept has further been extended to include all kinds of rural activities in addition to solely agricultural ones, giving rise to the concept of 'rural multifunctionality'. This concept was developed to highlight the increasing importance of new horizontal multifunctional enterprises and networks that are not necessarily agriculture based, but developed in rural areas. In sum, rural multifunctionality is a territorial/regional-based concept that refers to the multiplicity of functions that may be developed in rural areas. Thus, the multifunctionality of rural spaces is increasingly identified as an important feature of any rural settlement and, once again, significant efforts have to be made to develop a rural policy where the benefits being demanded from rural areas (commodity and non-commodity outputs) are balanced with their provision costs with the overall purpose of increasing social welfare.

Considering this framework, the objective of this paper is to analyze social demand regarding rural multifunctionality for a case study focused in rural areas of Castilla y León

(Spain). For this purpose, a public opinion survey has been implemented concerning the social preferences about the several functions that rural spaces should develop, the perceptions regarding the current performance of each function and the opinions about the evolution of this performance through the last years. Conclusions obtained in this research could be considered as a useful informative element to future development of public policies aiming to reach higher level of perceived well-being for the whole society.

A certain amount of consensus exists concerning the different functions that can be developed in rural areas of developed countries: a) *Economic function*. The rural space is considered a provider of different economic activities that range from those related to the agriculture or forestry sector to those linked to other economic sectors such as agrifood, service and non-service related industries. b) *Environmental function*. There are certain societal demands that can only be pursued effectively in the rural space. Thus, rural areas stand up as one of the main actors for sustainable resource management, biodiversity preservation, landscape and environmental protection and water and air quality. c) *Residential function*. Rural functionality is further related to the 'attractiveness' of life in rural areas for both rural and urban populations. And d) *Leisure and recreational function*. This may be defined as the 'legacy' function of the rural space. In this sense, rural areas are seen as a place for the preservation of regional folklore and patrimony, as well as for the provision of tourism, recreational and lifestyle opportunities which are under increasing demand nowadays.

The case of study of this paper is the Autonomous Community of Castilla y León, located in Central Spain and the largest region of the country. One of the main characteristics of this area is its strong rural character, with 43,9% of its population living in municipalities of less than 10.000 inhabitants (as opposed to 21.4% for the national average). Given its strong agricultural tradition, rural areas of Castilla y León suffered the agricultural crisis that occurred during the second half of the 20th century in a very severe manner. The lack of employment opportunities, together with the size of its rural settlements, aggravated aging and depopulation processes, particularly in the smallest villages. It is also worth noting that a repopulation process has been observed in some rural settlements in the last decade, especially those closer to urban areas. All these facts reveal how important the residential functionality of the countryside is to these spaces, for both traditional and new rural inhabitants, and also for a relevant share of urban dwellers who own second homes in these rural areas. Focusing on the economic functions currently developed in rural areas of Castilla y León, farm-based activities remain the main source of income; accounting for 6,3% of the regional GDP and employing 7,3% of the regional workforce (the percentages for the Spanish territory are 2,5% and 4,0%, respectively), while forestry activities account for only 0,2% of the regional GDP despite the potential of forestry activities as a provider of commodity outputs (wood and non-wood forest products). Thus, economic diversification limited to a few agrifood and other non-service related industries (energy, mining, etc.), and a decreasing number of other services (schools, healthcare, etc.) as a result of the depopulation process. Nonetheless, the appreciation for traditional values such as patrimony, folklore or rural customs has significantly increased the leisure and recreational functionality of this area, especially with regard to rural tourism. Regarding environmental functions, the rural space of this region also provides a wide variety of ecosystems, landscapes and singular habitats as evidenced by the 2,5 million hectares (26.1% of the region) that form part of the European Natura 2000 Network (a vast network of nearly 26.000 protected areas covering a total area of more than 850.000 km² in the EU). This area is likely to produce numerous non-commodity outputs so as to improve the environmental quality of the region. This wide variety of resources makes Castilla y León an appropriate case study for the purpose of this research given the strong multifunctional potential of its rural space.

In order to reach the proposed objective, we have developed a survey that has been implemented by asking a representative sample of individuals resident in the Autonomous Community of Castilla y León to determine public preferences for rural multifunctionality. The methodology chosen to assess the relative importance of the different functions proposed has been the Analytical Hierarchy Process (AHP), a method created as a structured but flexible technique for making decisions in a multicriteria context. The method is based on approaching complex decision problems using a hierarchical structure. Within this hierarchical structure, the relative importance or weighting of each criterion (generic functions) or sub-criterion (specific function) is obtained from pair-wise comparisons of criteria.

Regarding the results obtained, first it is worth pointing out that the society of Castilla y León assigns significantly different weights to the specific rural functions considered. In particular, regional citizens show the greatest preference for the reinforcement of rural settlements as village spaces, accounting for 12,8% of the overall weighting. This function is followed in second place by the development of agriculture and forestry-related activities. The third place is shared (no statistical difference) between the development of service-related businesses and leisure activities (rural tourism, sports, etc.). The environmental function of improving water and air quality in the region and the function of preservation of regional folklore and patrimony rank forth. On the other end of the preference scale we find low support for the establishment of a network of natural parks.

In this sense, some socioeconomic and demographic characteristics shape individuals' preferences regarding different uses of the rural space. Thus, older people have a greater attachment to more economic traditional activities in rural spaces (traditional agriculture and agrifood-related activities) and recreational function related to the development of leisure activities and the preservation of regional folklore and patrimony. Furthermore, as age increases there is greater support for the function related to the provision of public goods through the establishment of a network of natural parks. In other hand, young people give more importance the development of leisure activities in rural areas, especially if they are students. Urban people also give an important weight to the establishment of a network of natural parks, contrary to rural residents. Additionally, urban inhabitants give greater weight to the rural residential functionality, because of the problems of access to housing in large cities. Finally, income is a significant variable for some of the functions considered, and as income rises, individuals are significantly more likely to support the reinforcement of rural settlements.

On the other hand, the general perception of persons interviewed is that rural areas actually are not performing its assigned functions satisfactorily, opinion can be attributed to the current situation of demographic and economic decline of many small villages. However, it is considered that in recent years this situation is improving slightly, especially in regard to cultural and recreational functions. In this sense, it has detected a certain lack of information of individuals on the general situation in the countryside, as their perceptions about a particular aspect are far from the reality of rural areas in the region of this work.

Opinions on rural multifunctionality expressed by residents of Castilla y León differ depending on the particular situation of each individual. So, the group that is most dissatisfied with the current evolution of rural areas is precisely that which is most affected by rural crisis: young people living in smaller towns, especially women, who want to incorporate into the rural labor market because they have completed their studies, but face serious difficulties in doing so.

We believe this research significantly contributes to the scant empirical literature on rural multifunctionality as it aids in constructing a concept that analyses individual preferences. This approach could clearly be used to develop a more effective rural development policy and to select the most appropriate instruments to improve the performance of rural functionality.