



New sources of rural employment in the European Union: The Rural Europe 2+2+ strategy

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*Competitiveness of the Polish food economy in the conditions of
globalization and European integration – December 2011*

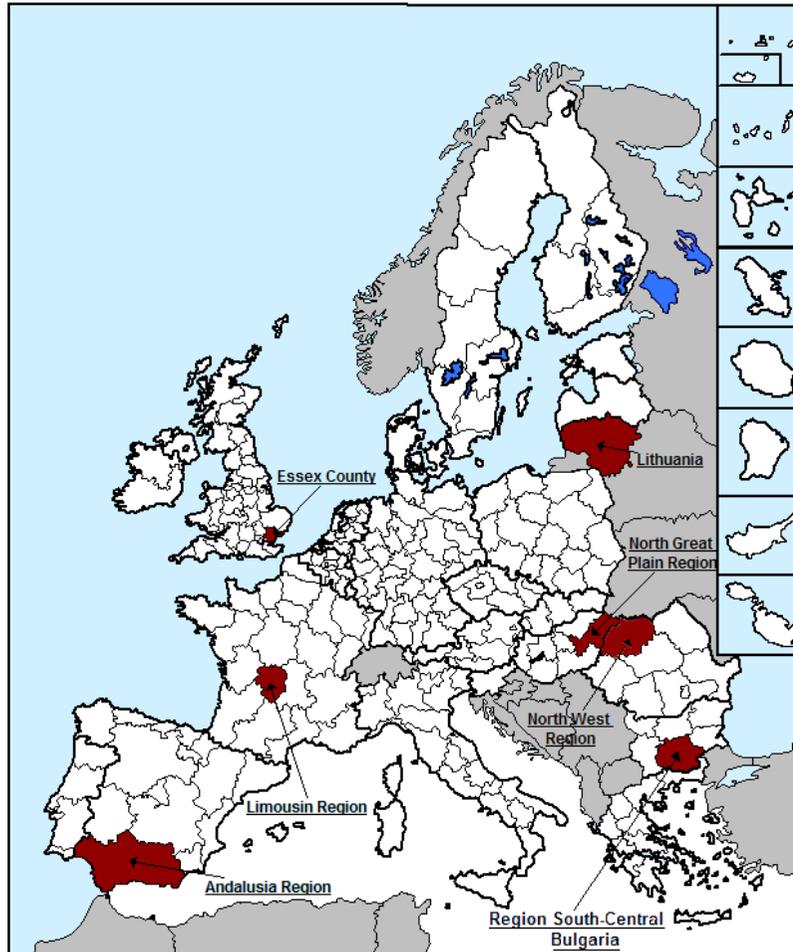
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Presentation outline

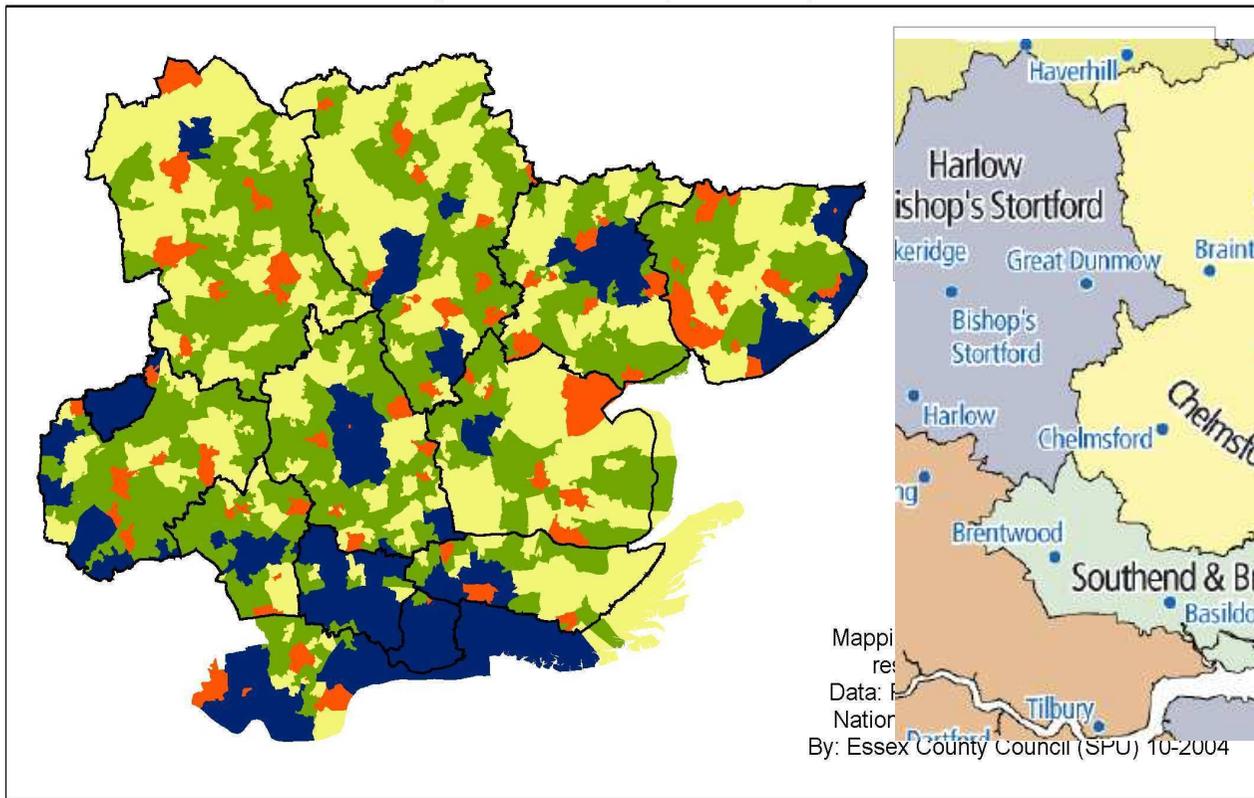
- ✓ The case study areas
- ✓ Employment trends by sector
- ✓ Methodology
- ✓ Rural Europe 2+2+
- ✓ Relevance to EU policy
- ✓ Conclusions

RuralJobs research areas



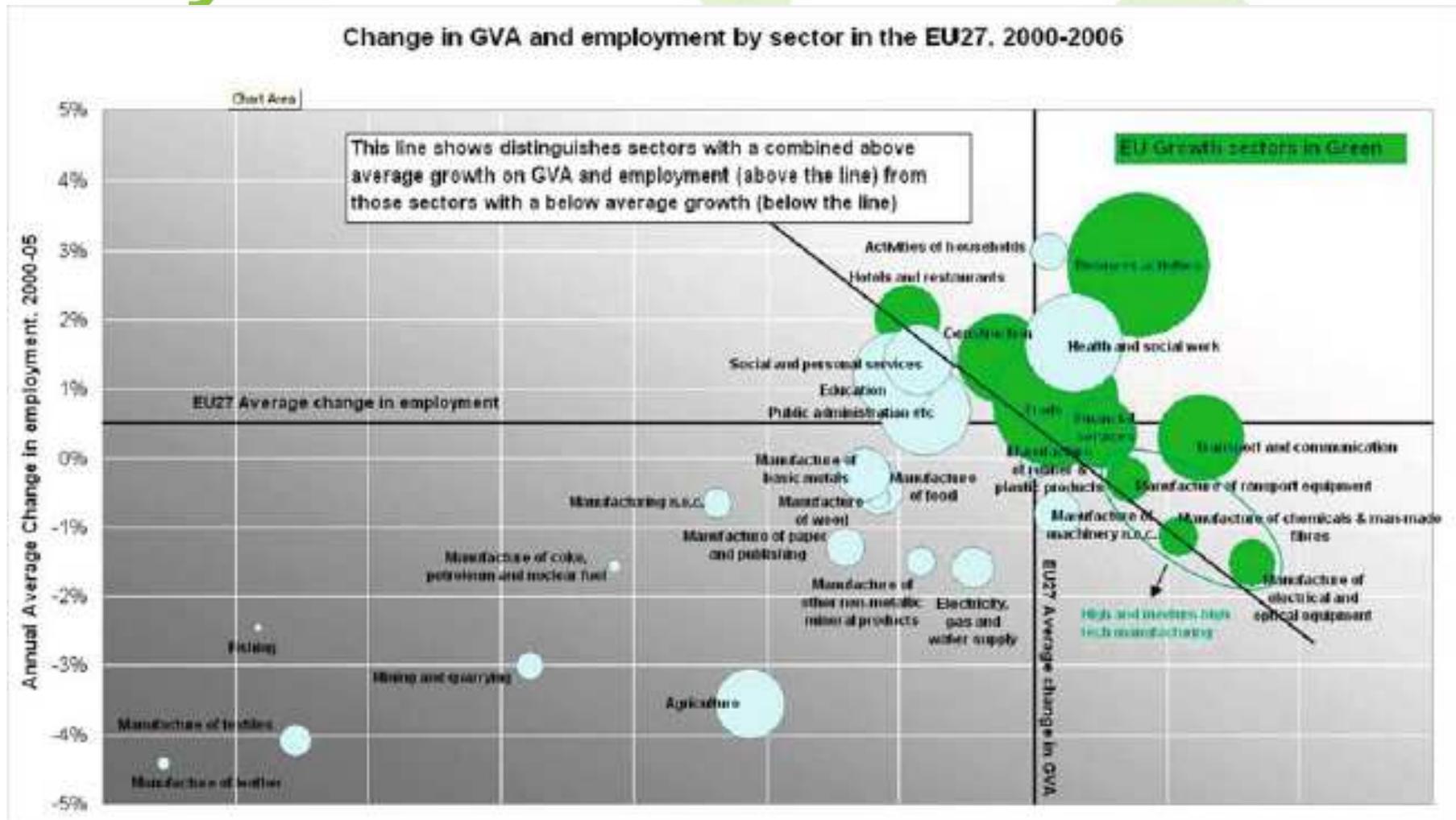
- Andalusia, Spain (SR)
- Limousin, France (PR)
- Essex, UK (PU)
- Lithuania (PR)
- North Great Plain, Hungary (PR)
- North-West Region, Romania (SR)
- South-central Region Bulgaria (SR)

Rural urban classification, Output Areas, 2004 (2001 data)



Rural – urban classification and ‘travel to work areas’

From: Fifth progress report on economic and social cohesion (EC, 2008)





Drivers of economic growth

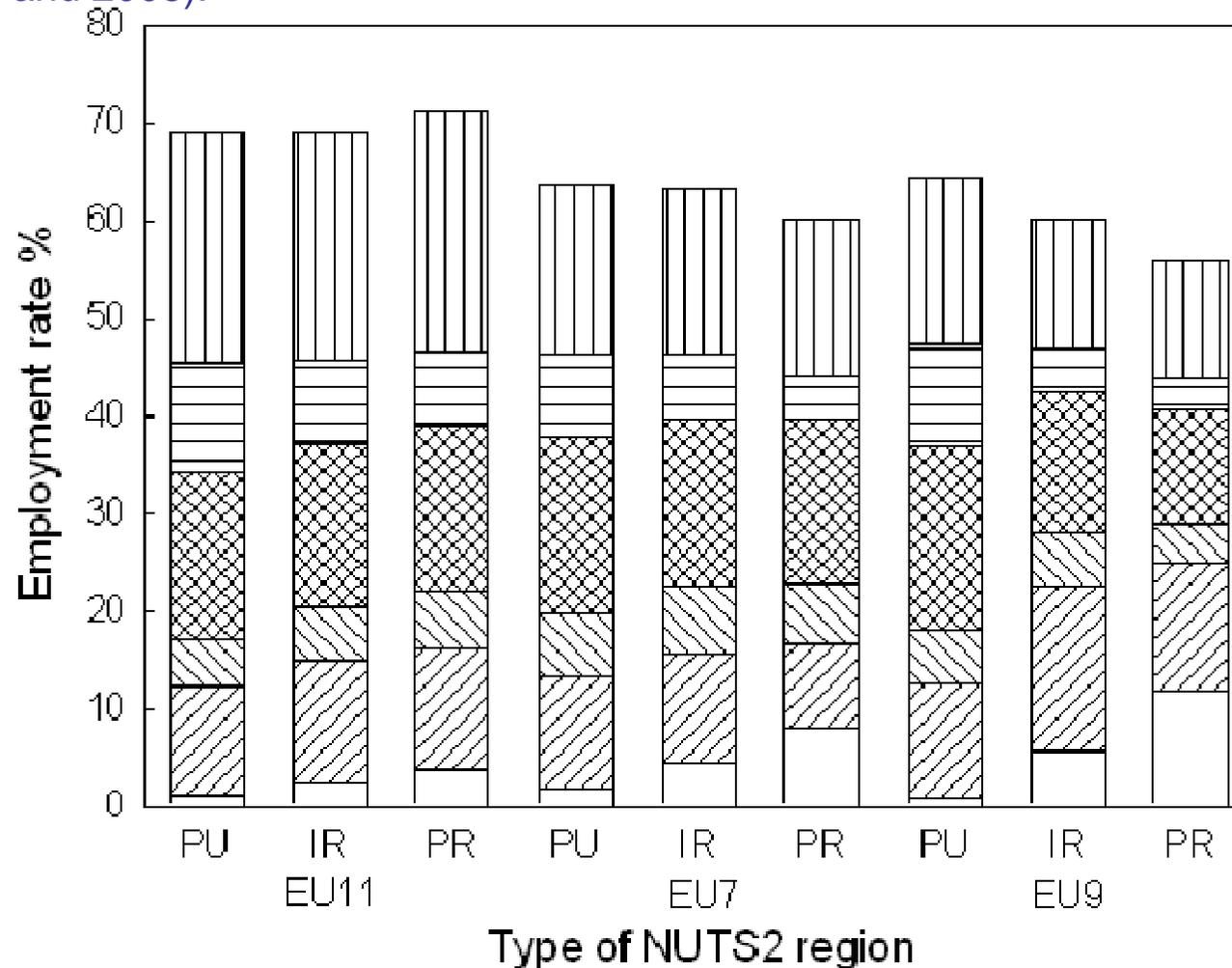
- Business activities (K) and Financial services (J)
- Trade (G); Hotels and restaurants (H) and Transport and communication (I)
- Construction (F)
- Three high and medium-high tech manufacturing sectors (DG, DL, DM)
- (Health and social work (N))

Declining* sectors

- Agriculture (A) and Fishing (B)
- Mining and quarrying (C)
- Manufacturing of food (DA), wood products (DD), basic metals (DJ) etc.
- Electricity, gas and water supply (E)

* Declining both in employment and GVA as an average of GVA in the EU-27

Percentage of working age population employed by broad industry sector in EU predominantly urban (PU), intermediate (IR) and predominantly rural (PR) NUTS2 regions (mean of data from 2007 and 2008).



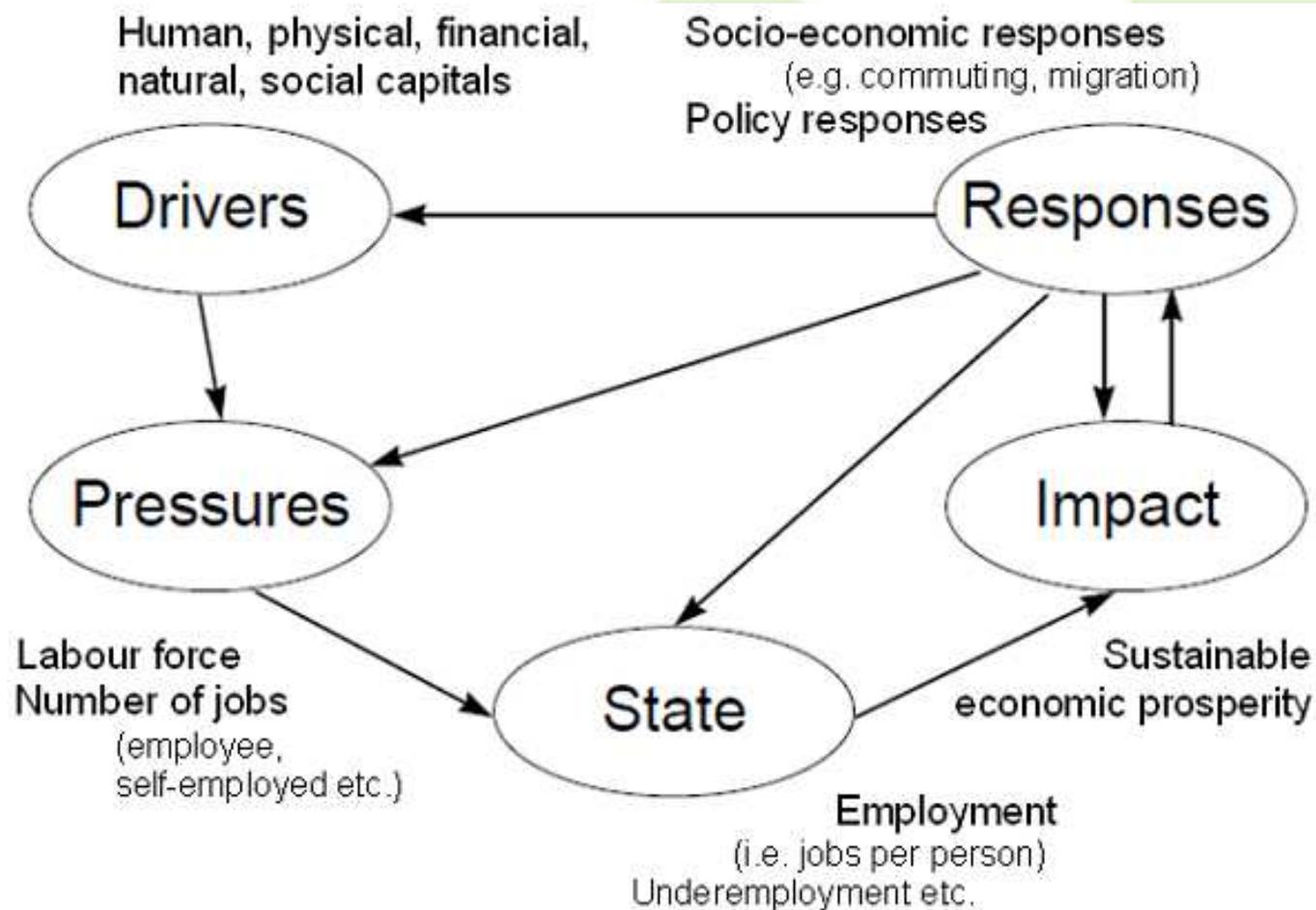
Plain: agriculture (NACE codes A,B); hatched: industry (C,D); opposite hatched: construction (E); cross hatched: trade, hotels and restaurants, transport (G-I); horizontal lines: financial intermediation, real estate (J,K); vertical lines: public administration etc (L-Q).



Economic prosperity

- A prosperous, innovative, knowledge-rich, competitive and eco-efficient economy which provides high living standards and full and high-quality employment
 - EU Sustainable Development Strategy
- More and better jobs
 - Lisbon Strategy
- Smart, sustainable and inclusive growth
 - Europe 2020

The DPSIR framework



Definitions

- **Natural capital:** natural resources - such as land, water, and minerals - used for production
- **Physical capital:** any non-human asset made by humans and then used in production
- **Financial capital:** money used by entrepreneurs and businesses to buy what they need to make their products or provide their services
- **Human capital:** the skills and knowledge possessed by workers
- **Social capital:** the networks of relationships among persons, firms, and institutions in a society, together with associated norms



Table 6. Potential new sources of rural employment identified in each RuralJobs case study area in the framework of the Statistical Classification of Economic Activities in the European Community. See Table 5 for identities of case study areas.

NACE sector	Case study area							
	1	2	3	4	5	6	7	8
<i>Agriculture, hunting and fishing</i>								
•A. Agriculture, hunting and forestry	♦	♦	♦	♦	♦	♦	♦	♦
•B. Fishing	♦				♦			♦
<i>Industry</i>								
•C. Mining and quarrying	♦							♦
•D. Manufacturing	♦	♦	♦	♦	♦			♦
•E. Electricity, gas and water	♦	♦	♦	♦	♦	♦	♦	♦
<i>Construction</i>								
•F. Construction		♦	♦	♦	♦	♦	♦	♦
<i>Trade, transport and communication</i>								
•G. Wholesale and retail trade etc.	♦	♦	♦	♦		♦	♦	♦
•H. Hotels and restaurants	♦	♦	♦	♦	♦	♦	♦	♦
•I. Transport, storage and communication	♦	♦			♦		♦	
<i>Financial and business services</i>								
•J,K. Financial intermediation, real estate etc.	♦	♦	♦	♦		♦	♦	
<i>Other services</i>								
•L,M. Public administration etc., education							♦	
•N. Health and social work	♦		♦	♦		♦		♦
•O. Other community, social & personal service activities	♦		♦		♦	♦		♦
•P. Activities of households								



Rural Europe 2+2+

- Production based on renewable resources
 - Foremost amongst these is land, which is used in a renewable way for the production of food, feed, fibres and fuel. Others include sunlight and wind
- Production based on non-renewable resources
 - Coal, gas, oil and other minerals including sand and gravel, clay, limestone and granite



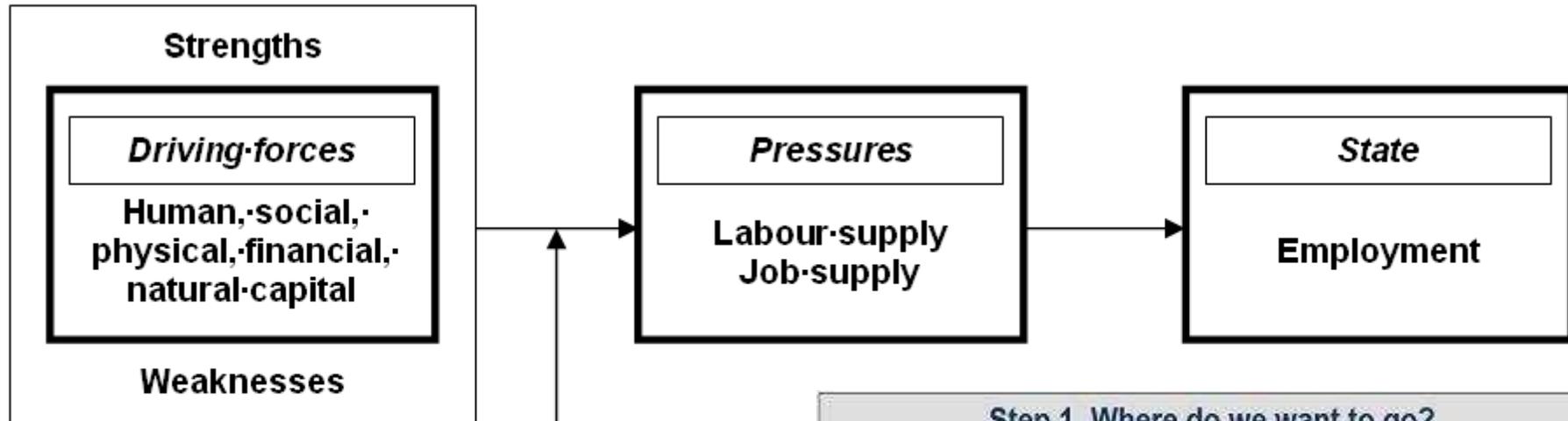
Rural Europe 2+2+

- **Consumption by non-residents**
 - Primarily via tourism and leisure but also includes the consumption aspects of agri-food chains such as geographical appellations, animal welfare etc.
- **Consumption by residents**
 - Many people who locate to rural areas for 'consumption' reasons are entrepreneurs. The wealthy retired can also create jobs by being a market for leisure and care services.

'Consumption' of natural capital

- Regional differences in the perception of the value of landscapes/natural capital:
 - 'Pleasant living environment' - *Essex, UK*
 - 'Pleasant surroundings' - *Région Limousin, France*
 - 'Unfavourable village image' - *North Gt Plain, Hungary*
 - 'Romanians do not like going to the countryside' - *Bistrița-Năsăud county*
- Social attitudes or quality of life issue?
- These perceptions influence development strategies

SWOT and SOR analysis



Opportunities,·Threats

Step 1. Where do we want to go?	
Vision/mission	Objectives
↓	
Step 2. Where are we now?	
SWOT analysis	
Internal audit	External audit
↓	
Step 3. How do we get there?	
SOR analysis	
Strategic objectives	



Strategic orientations

- SO1. Encourage the development of key growth sectors
- SO2. Reinforce the local rural economy
- SO3. Improve skills and labour market participation in rural areas
- SO4. Develop infrastructure and services
- SO5. Ensure proper implementation of the strategy through support actions



Table 10. Strategic orientations for rural employment creation and their components arising from the SOR analysis of each case study area. See Table 5 for identities of case study areas.

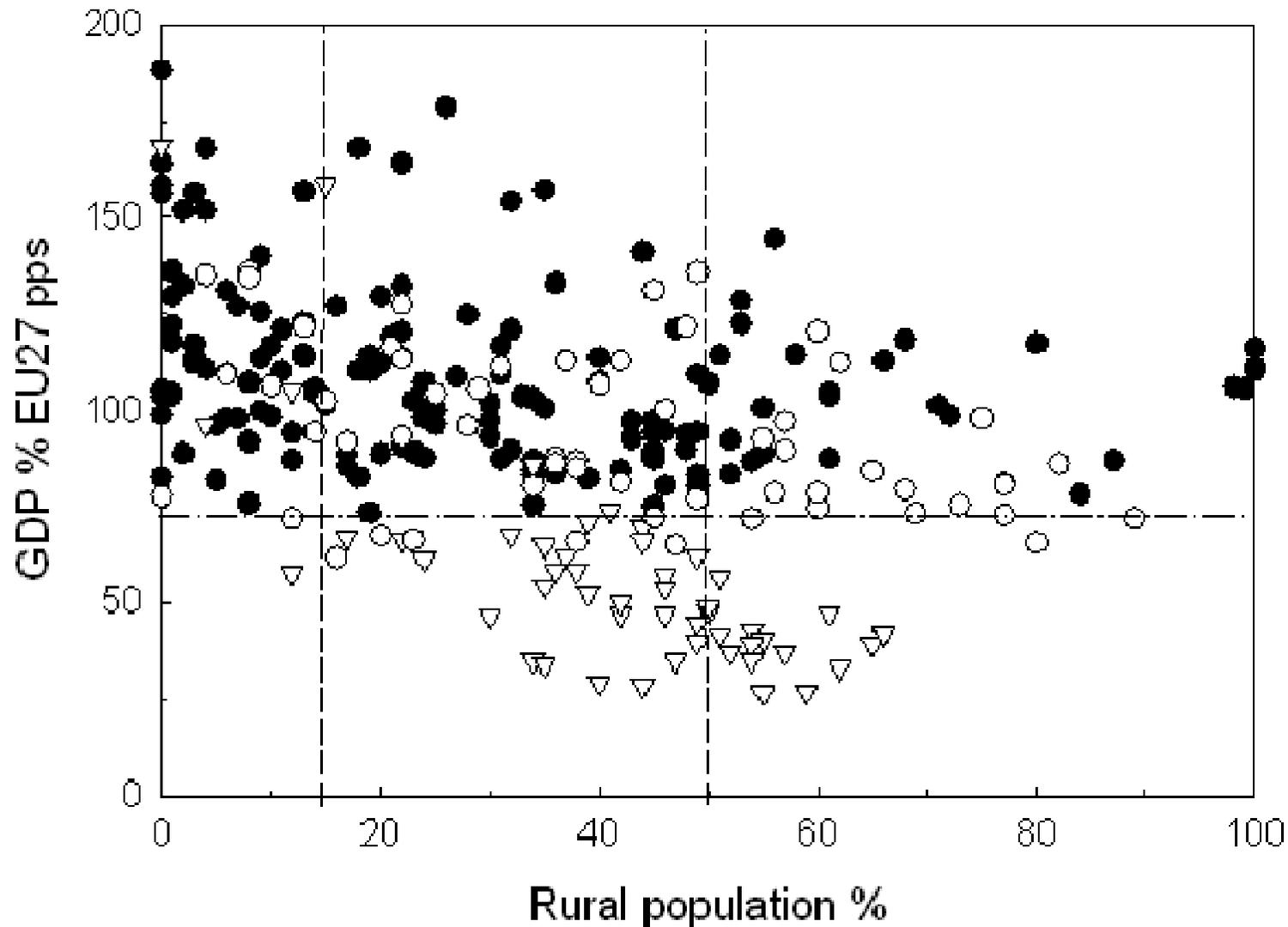
Strategic orientations and their components	Case study area							
	1	2	3	4	5	6	7	8
<i>SO1. Encourage the development of key growth sectors</i>								
• Production based on renewable resources	◆		◆	◆	◆	◆	◆	◆
• Production based on non-renewable resources								
• Consumption by non-residents	◆		◆	◆	◆	◆	◆	◆
• Consumption by residents	◆		◆	◆				
<i>SO2. Reinforce the local economy</i>								
• Improve business practices		◆	◆	◆	◆	◆	◆	
• Improve rural business support services		◆	◆	◆	◆	◆	◆	◆
• Improve the trading environment for rural businesses	◆	◆	◆	◆	◆	◆		
<i>SO3. Improve the skills balance and labour market participation in rural areas</i>								
• Improve skills in rural areas	◆		◆	◆		◆	◆	◆
• Promote labour market participation						◆	◆	
<i>SO4. Develop infrastructure and services</i>								
• Develop infrastructure in rural areas	◆				◆	◆	◆	◆
• Develop rural services	◆			◆				◆
<i>SO5. Ensure proper implementation of the strategy through support actions</i>								
• Mobilise the population around the strategic plan					◆	◆		
• Valorise rural areas as places to live, work and play	◆		◆	◆	◆			◆



Rural Europe 2+2+

- Natural capital (*a stock of natural resources – such as land, water and minerals (and landscapes) – used for production*) strongly characterises the profile of rural employment
- A strategy which integrates
 - exploiting **natural capital** in a sustainable way with
 - the development of the other **capitals** of the territory (**physical, financial, human, social**)
- can create jobs, and encourage working age people to stay in, or relocate to, rural areas

Relationship between the GDP per head (PPS) of EU NUTS2 regions expressed as % of the EU27 value (mean of data from 2006-2008) and % of the population living in rural LAU2 regions (OECD). Filled circles: EU11; open circles: EU7; triangles: EU9.



Inner London, Brussels Hoofdstedelijk Gewest, and Luxembourg (Grand-Duché) not shown

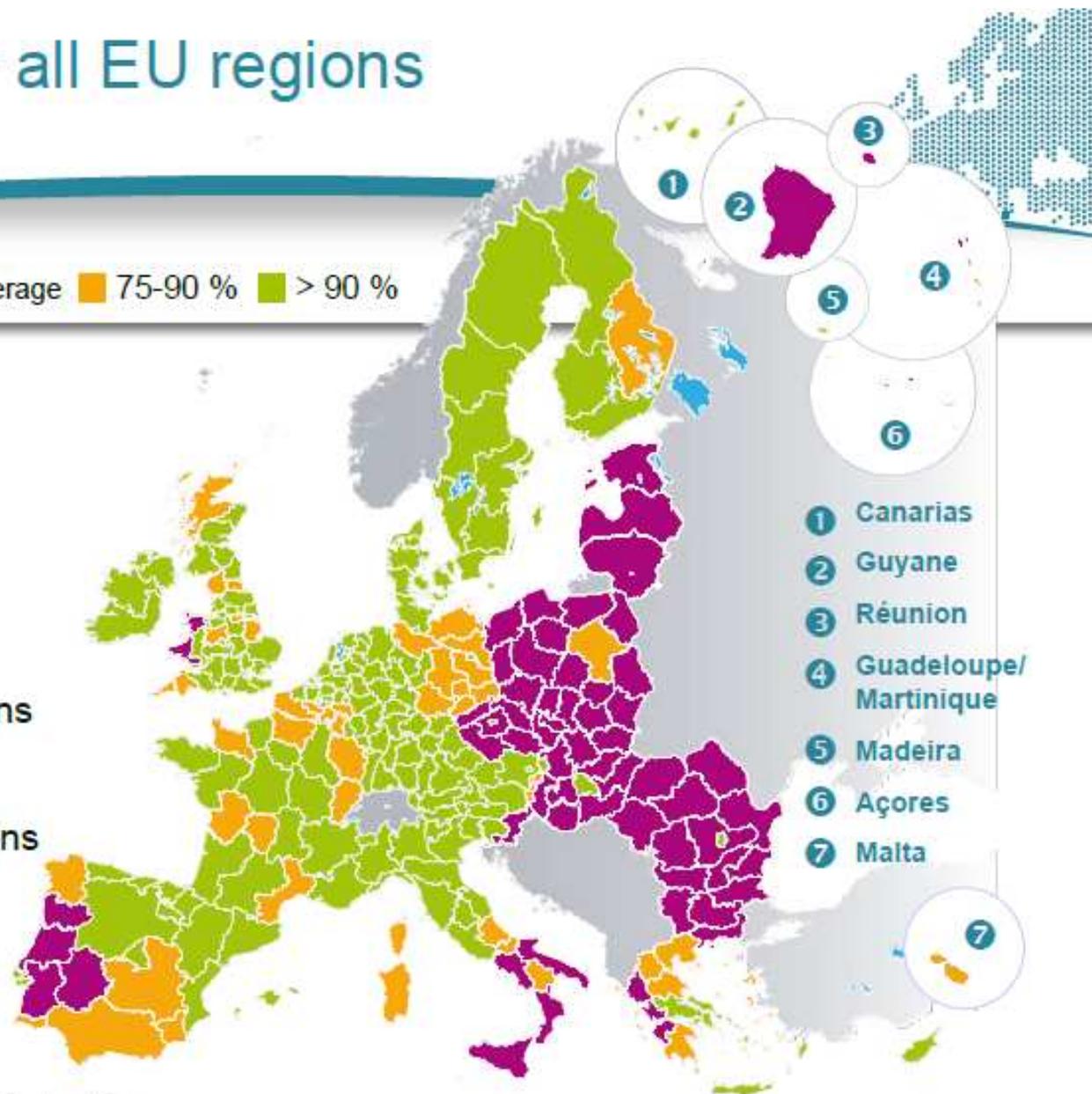
A fair system for all EU regions (eligibility simulation)

GDP/capita* ■ < 75 % of EU average ■ 75-90 % ■ > 90 %

*index EU27=100

3 categories of regions

- Less developed regions
- Transition regions
- More developed regions



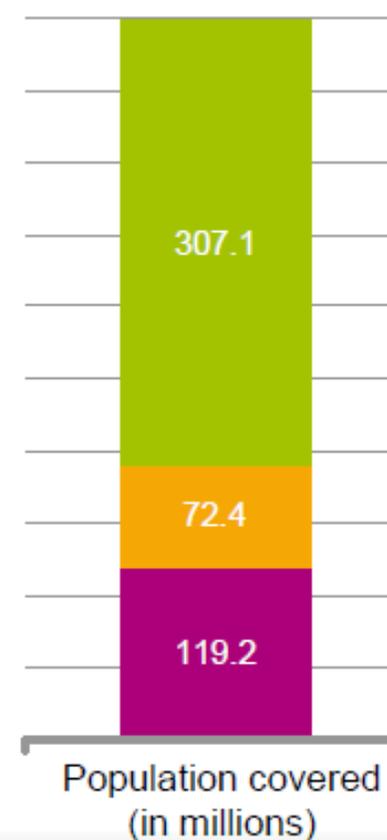
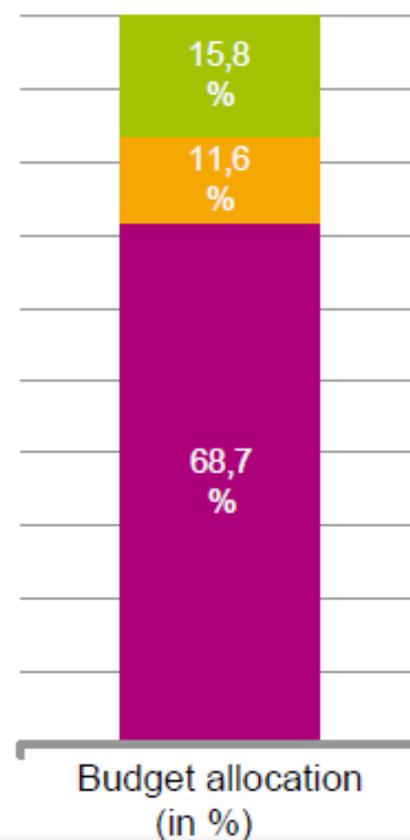
Regional GDP figures: 2008-07-08
GNI figures: 2007-08-09
© EuroGeographics Association for the administrative boundaries

How will funding be allocated?



■ Less developed regions/MS
 ■ Transition regions
 ■ More developed regions

Cohesion Fund ¹	68.7
Less developed regions	162.6
Transition regions	38.9
More developed regions	53.1
European Territorial Cooperation	11.7
Outermost regions and sparsely populated areas	0.9
Total	336.0



¹ €10 billion from the Cohesion Fund will be allocated to the Connecting Europe Facility



Funding implications

- The SF budget is approximately ten times bigger than CAP funding outside agriculture
- Rural areas have a greater need for SF investments to promote economic prosperity
- The Convergence Objective should take into account the significance of rural needs
- Delivery of Structural, CAP (and national) funds should be better aligned, maybe through Leader



Thank you for listening 😊

