

# Rural Renaissance: an integral component of regional economic resilience

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## Abstract

Research carried out in the rural localities of eight contrasting case study areas in Bulgaria, France, Hungary, Romania and the UK reviewed a number of non sector-specific factors that can influence rural employment potential. These can be grouped into two categories. Firstly, those that affect labour supply, namely demographic trends, commuting and migration, and secondly, those that affect the human and, to a lesser extent, financial capitals of the territory. Notwithstanding the diversity of the case study areas, a number of general conclusions about the impacts of these factors on rural employment can be drawn. Commuting and migration flows are complex and are affected by a number of different driving forces, such as young people seeking education and training, people seeking jobs, and people (including retirees) seeking a better ‘quality of life’ in rural areas. Thus demographic trends can both be a consequence of (out-migration owing to lack of jobs) or driver of (in-migrants constituting new markets) of rural job and employment trends. The potential for rural job creation is strongly influenced by the levels of entrepreneurship, innovation, skills, business support and training in the territory. These tend to be lower in rural areas, in part owing to the lower population densities which, for example, impede the delivery of education and skills training. As most European Union regions include both urban and rural localities, the implementation of a smart, sustainable and inclusive regional development strategy must include a specific ‘Rural Renaissance’ component if regional economic resilience is to be achieved.

**Key words:** Rural Renaissance, rural employment, European Union

## Introduction

Pendall *et al.* (2008) suggested that it is most precise to call a region ‘resilient’ if, when faced with a challenge, it responds in ways that maintain or even increase good outcomes. A measure of economic resilience could be the maintenance or increase of economic prosperity, as quantified using indicators such as personal income and housing (crowding). Fieldsend (2010) used the driving force, pressure, state, impact and response (DPSIR) model to show the link between ‘*driving forces*’ which affect economic prosperity, and policy *responses*. Employment represents the *state* in the model. This has an *impact* on economic prosperity and other issues such as social cohesion, which in turn influence policy (and socio-economic) responses. Thus, employment resilience can be used as a proxy for economic resilience, as for example in the Cambridge and Swansea case studies of Simmie and Martin (2010).

The Fifth (EU) progress report on economic and social cohesion (EC, 2008) used the NACE 30 sector<sup>1</sup> breakdown to identify EU high growth sectors in terms of average annual change in employment and average change in GVA. Amongst ‘drivers of economic growth’, including sectors where an increase in one factor balanced any decline in the other, were the following:

- *Business activities* (K) and *Financial services* (J) had high productivity levels
- *Trade* (G); *Hotels and restaurants* (H) and *Transport and communication* (I) had either high employment or GVA growth and average productivity

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<sup>1</sup> i.e. including the sub-sectors of manufacturing but excluding extra-territorial organisations and bodies.

- *Construction* (F) experienced strong employment growth combined with a fairly strong but below average GVA growth
- Three high and medium-high tech *manufacturing* sectors (DG, DL, DM) achieved high GVA growth despite a decline in employment

By contrast, EC (2008) notes that many sectors traditionally associated with rural areas have posted declines both in employment and GVA as an average of GVA in the EU-27, such as:

- *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)

These trends, if projected forward, imply that future economic growth in rural areas would be lower than in urban centres, with direct impacts on employment and economic prosperity, leading to further population decline. Whilst this analysis was carried out before the economic recession, which is known to have caused particularly high job losses in sectors such as financial services, construction and logistics, the results are consistent with the employment predictions of a recently published report on skills supply and demand in Europe (Cedefop, 2010) which noted that, despite the recession, ‘many of the underlying sectoral trends are so robust that they are not expected to change radically’ (p.55).

The results of this sectoral analysis might appear to justify the ‘growth pole’ approach to regional development in which larger urban centres will disproportionately drive economic growth in geographical space. New jobs would be located at the growth poles and commuting would be facilitated by improved transport infrastructure (Parr, 1999a). Experience, however, has shown that the net effects of growth poles on their hinterlands are not necessarily favourable (Parr, 1999b). In fact in many regions such an approach has proved ineffective. Courtney *et al.* (2007) were not able to confirm even the widely held view that ‘market towns’ can act as ‘sub-poles’ for their rural hinterlands. Furthermore, in many parts of the European Union (EU), so-called ‘remote’ rural areas are not part of a ‘labour market area’ with a major urban centre. More recently, the concept has been further confused by the recognition that with increasing connectivity geographical proximity is becoming less important than ‘organised proximity’ (Copus *et al.*, 2011).

Simmie and Martin (2010) stress the importance to regional resilience of ‘adaptive ability’, of which sectoral variety can be a component. Although rural areas are often perceived to be economically dependent on only a few sectors, notably agriculture but also others such as tourism and mining, the evidence is that the economies of many if not most rural areas in the EU have a diversity approaching that of urban centres. Furthermore, rural areas can have a ‘multifunctional’ role in regional sustainability over and above their economic activity, for example in the form of open space for recreation. Thus, rural areas cannot simply be disregarded when a strategy for regional resilience is being formulated.

Superimposed on the net balance of seven million extra jobs that are expected to be created in the EU-27 between 2010 and 2020 are anticipated changes in skills demands (Cedefop, 2010). The overall number of jobs employing highly qualified people is projected to rise by almost 16 million in the next ten years, while the number of jobs employing people with low (or no) formal qualifications is expected to fall by around 12 million. Jobs requiring intermediate qualifications are likely to increase by almost four million. With respect to replacement needs, around 18 million will be for jobs where low or no qualifications are needed, around 21 million will be for jobs requiring high level qualifications and the balance (34 million) for jobs at intermediate level (Cedefop, 2010). The implication of these trends is an overall

increase in the demand for skills caused partly by the creation of new, highly skilled jobs and partly by the upskilling of existing jobs.

The case study results of Simmie and Martin (2010) suggest that endogenous sources of new knowledge combined with market driven and conscious entrepreneurial decisions could be among the key factors for understanding regional economic resilience. In the ‘adaptive cycle model’ described by Pendall *et al.* (2008), during the regional growth (‘exploitation’) phase productive, human and knowledge capital are accumulated. The ability of a locality to acquire and retain human capital (i.e. the skills and knowledge possessed by workers) is a significant determinant of its ability to contribute to regional resilience. In line with this, the Index of Economic Resilience developed by Ekosgen (2009) measures resilience across five domains: industry mix, the workforce, enterprise, labour market and economic dynamism.

The EU Framework 7 project ‘RuralJobs’ ([www.ruraljobs.org](http://www.ruraljobs.org)) carried out research to identify the potential for new sources of employment in rural areas. This paper describes how this potential and, by implication, the contribution that rural areas can make to regional resilience are influenced by the types of non sector-specific factors discussed above. It concludes that regional development strategies must include a specific ‘Rural Renaissance’ component if regional economic resilience is to be achieved.

## Methodology

The research was carried out in the rural territories of eight contrasting (in terms of GDP per capita, remoteness from urban centres and population density) case study areas in Bulgaria, France, Hungary, Romania and the UK (Table 1). Sabau and Paquet (2009) noted many different approaches to defining case study area boundaries. Frequently, administrative boundaries (NUTS2, NUTS3 or LAU1) were used. In our research we opted to use ‘labour market’ or ‘employment’ areas and in most instances evidence was available which allowed these areas to be defined, as follows: ‘Travel to Work Areas’ (TTWA) in the UK (Bond and Coombes, 2007); ‘Local Labour Systems’ (LLS) in Hungary (Radvánszki and Sütő, 2007); and ‘agglomeration areas’ in Bulgaria (Anon., 2007). In France, a ‘Pays’ is the result of a collective bottom-up approach with regional approval of its boundary. Only in Romania was it necessary to use an administrative territory (a NUTS3 region) as a case study area.

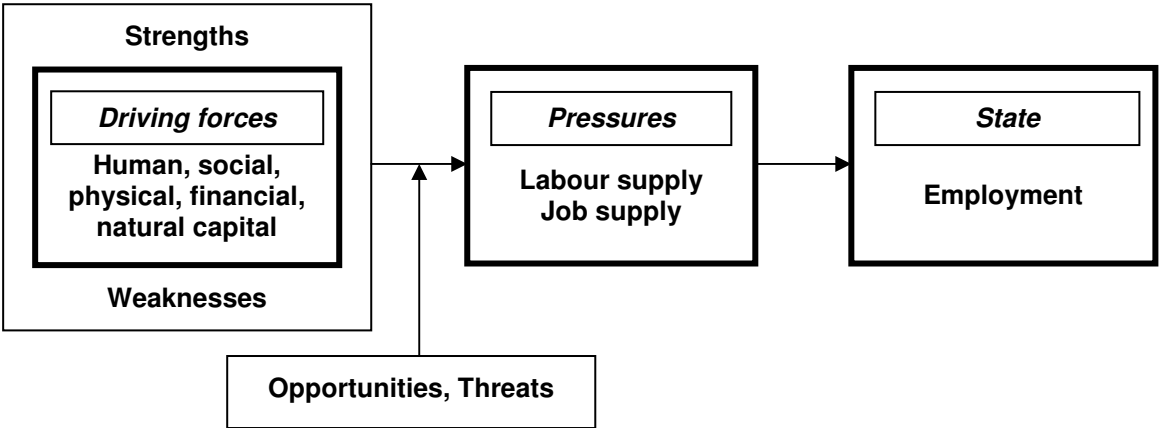
**Table 1.** Case study areas included in the RuralJobs research.

Name of case study area	Region and country
1. Chelmsford and Braintree Travel to Work Area (TTWA)	Essex, East of England, UK
2. Thames Gateway South Essex	Essex, East of England, UK
3. Pays de Tulle	Correze, Limousin Region, France
4. Pays de Guéret	Creuse, Limousin Region, France
5. Pazardjik agglomeration area (AA)	Central Region, Bulgaria
6. Hajdúszoboszló Local Labour System (LLS)	North Great Plain Region, Hungary
7. Karcag Local Labour System (LLS)	North Great Plain Region, Hungary
8. Bistrița-Năsăud county	North West Region, Romania

Information was gathered from (a) interviews with local actors/key experts, (b) quantitative data sets and (c) previously published (mainly local) studies. Approximately 20 interviews were conducted in each case study area, and interviewees included representatives of (a) decision makers (elected representatives of administrative units relevant for the case study

area); (b) Local government experts; (c) other experts (e.g. academics, consultants); (d) community organisations / NGOs; and (e) the business sector (e.g. Chamber of Commerce, Farmers' Union).

The results were used to conduct a SWOT analysis of rural employment potential in each case study area. The relationships between the components of the SWOT analysis and of the DPSIR loop were clearly defined (Figure 1). The *internal audit* (Strengths and Weaknesses) was based on the 'assets' of the case study area, i.e. the 'driving forces' which are internal to the DPSIR loop. The asset does not necessarily need to be located *within* the territory. 'Proximity to a university' may be a Strength even if the university is not within the territory. Also, the status of an asset relative to a neighbouring territory may also be relevant. For example, 'unattractive landscape' may be a Weakness especially if that in the neighbouring territory is particularly attractive. The *external audit* (Opportunities and Threats) was based on factors influencing change in the rural economy (and therefore rural employment) in the case study area. Opportunities could be the basis of the 'new sources of employment', while Threats are factors which could lead to a decline in employment in rural areas.



**Figure 1.** Relationship between the components of the SWOT analysis and the DPSIR loop.

**Results and discussion**

The non sector-specific factors that were identified as influencing rural employment potential can be grouped into two categories. Firstly, those that affect labour supply, namely demographic trends, commuting and migration, and secondly, those that affect the human and, to a lesser extent, financial capitals of the territory. Almost all territories were assessed to have both Strengths / Opportunities and Weaknesses / Threats in both categories (Table 2).

**Table 2.** Presence in each case study area of non sector-specific factors affecting employment in rural areas. See Table 1 for identities of case study areas.

Sector	Case study area							
	1	2	3	4	5	6	7	8
<i>Demographic trends, commuting and migration</i>								
• Strength / Opportunity	♦		♦	♦	♦		♦	♦
• Weakness / Threat	♦			♦	♦	♦	♦	♦
<i>Entrepreneurship, innovation, skills, business support and training</i>								
• Strength / Opportunity	♦		♦	♦	♦		♦	♦
• Weakness / Threat	♦	♦	♦	♦	♦	♦	♦	♦

### *Demographic trends, commuting and migration*

In the Chelmsford and Braintree TTWA the population of the rural areas increased more rapidly than that of urban areas between 2001 and 2007. Rural areas are seen as pleasant places to live and work, as shown by the following Strengths: *'Pleasant living environment'* and *'High quality of life/lifestyle'*. Major population increases are planned for Thames Gateway South Essex. In Pays de Tulle since 1999 there has been a slight reversal in the long-term trend of population decline and the population has stabilised in Pays de Guéret since 1999. In both cases there has been a slightly positive net in-migration rate including a significant number of retirees. A Strength of the former is *'Pleasant surroundings'* and of the latter is *'Pleasant living environment'*, both of which include the natural environment as well as physical capital and neighbourhood services. In Pazardjik AA in the period 2001-2007 rural population decline was greater than in urban areas. The slight decline population decline in the 'accessible' Hajdúszoboszló LLS contrasts with a stronger decline in Karcag LLS where *'Depopulation, high rate of migration'* is a Threat. Rural population decline exceeding that in urban areas was also recorded in Bistrița-Năsăud county. In Karcag LLS (and in other NMS case study areas) the 'unfavourable village image' does not attract people to live there.

The two components of population change are 'permanent' migration and natural balance, and migration is listed by Fieldsend (2010) as a socio-economic 'response' in the DPSIR model. Although there are contrasting demographic trends between the EU-15 and NMS case study areas, all case study areas noted a trend for younger people to seek education or work outside rural areas. Weaknesses include *'Poor access to further and higher education'* in the Chelmsford and Braintree TTWA, *'Exodus of young people for training and education purposes'* in Pays de Guéret and *'Lack of sustainable livelihood boosts up the migration movement and affects the demographic situation'* in Pazardjik AA. Hajdúszoboszló LLS and Karcag LLS cite *'Aging population and high rate of migrations'* and *'Migration of young and highly qualified people'* respectively. It should be noted that many young people move to urban centres as they prefer an urban lifestyle (EEDA, 2008), and may move back to rural areas later in life either when they have a family or at retirement (Bosworth, 2010). However, irrespective of 'type' of case study area many young (and older) people would prefer not to move. The Threat to employment, via the creation of a 'low-skills equilibrium' is correctly recognised in Pazardjik AA: *'Departure of the young people from the rural areas and an increase in permanent unemployment, which leads to degradation of indispensable working behaviour and weak interest from the entrepreneurs to set up business there'*.

Some Opportunities arising from migration of other groups were noted. In both Pays de Tulle and Pays de Guéret, *'Many incoming recently retired people have significant financial capital which can be mobilised for local projects'*. A certain number of 'Corréziens' have migrated out of Pays de Tulle for various reasons but keep a strong attachment to the place and can *'Mobilise potential (savings, capital, image) for the benefit of the territory'*. The *'Arrival of a new population of Mahorais'* has brought an influx of young people into Pays de Guéret.

Changes in the supply of workers do not necessarily lead to similar changes in employment rates owing to factors such as commuting and temporary (including international) migration. Fieldsend (2010) listed commuting as another socio-economic 'response' in the RuralJobs DPSIR model. Commuting between rural areas and urban centres is mainly in the direction of the latter, and this serves to obscure the lack of jobs in many 'accessible' rural areas. For example, in the Chelmsford and Braintree TTWA, where the rural employment rate in 2001 was 74.6%, the jobs density was just 0.50, compared to 0.77 in urban areas. In other words, there was one job for every two people of working age. Commuting to urban centres within

the case study areas as an important means of maintaining rural employment was also reported in Thames Gateway South East, Pays de Tulle, Pays de Guéret and Pazardjik AA (in the latter *'Mobility and flexibility of the working force and its propensity to commute daily instead of permanent leave of the region'* is an Opportunity, and commuting flows have increased since 2000), and is evidently important (and noted as a Strength in the SWOT analysis) in the settlements in central Bistrița-Năsăud county. For example, about 70% of the 4,500 employees of the multinational company Leoni, based in Bistrița city, are recruited from surrounding rural areas. Commuting to larger urban centres outside the case study area is especially significant in the Chelmsford and Braintree TTWA and Thames Gateway South East (to London) and in Pazardjik AA (mainly to Plovdiv). In Hajdúszoboszló LLS approximately 24% of those in employment commute out of the case study area, and in Karcag LLS around 13% (some of them long distances from this 'remote' case study area).

The RuralJobs case study area reports discuss the various reasons for commuting, which range from a desire to have a particularly highly-paid job or a job in a particular specialism to having any job at all. There is no suggestion that commuting could or should be completely eliminated and indeed in some case study areas better communications infrastructure could help to 'connect the (job) offer with the (job) demand' by improving access to jobs. This may be particularly appropriate to regions where employment in agriculture is declining rapidly. A report by the Foundation for the Development of Polish Agriculture (FDPA), cited by Weingarten and Baum (2005), stated that it is a 'fallacy to imagine that sufficient non-farm jobs can be created in rural areas to absorb those exiting the agricultural sector' (p.148), and the evidence from the case study areas supports this point. However, in areas like the Chelmsford and Braintree TTWA where around 12.6% of those travelling to work from rural areas can be classed as long-distance commuters (i.e. a journey time of 45 minutes or more), the carbon footprint is incompatible with the aspiration of a low-carbon economy, quite apart from the negative consequences on work-life balance. Furthermore, commuting is only an option for those rural residents with means of mobility and/or where the financial cost of commuting can be afforded.

The RuralJobs data demonstrate, however, that commuting patterns are often complex (see also EEDA, 2008), including journeys within and between rural areas and also 'reverse-commuting' from urban centres to rural areas. The latter was noted in Hajdúszoboszló LLS, where company leaders and managers commute to work from Debrecen as the 'quality of life' is perceived to be better in the city. In the Chelmsford and Braintree TTWA it is frequently associated with businesses (particularly knowledge-based) which are newly established in rural areas. Proximity of a skilled workforce can be an important component of the business strategy of an entrepreneur, and the lower population densities of rural areas make it much less likely that sufficient suitably-qualified people will be available. Thus, such businesses are often located where urban-based staff can be recruited. This point is often picked up by those opposing economic development in rural areas who stress that such developments do not create local jobs for local people. In time, however, jobs will indeed be created in rural areas. Firstly, the entrepreneur (if he/she does not already live there) and at least some of the employees will eventually move to live in the rural area. Secondly, as the business grows it will recruit lower-skilled staff (office staff, cleaners etc.) from the locality.

In Pazardjik AA even the urban centre may not provide adequate numbers of jobs: *'The main urban centre Pazardjik currently may not bid qualitative and attractive occupations for the workers from rural areas'* is a Weakness there. However, in remote case study areas the lack of commuting opportunities really exposes the lack of rural jobs. *'Scarcity of job offers in very rural areas'* and *'Low local incomes'* are Weaknesses in Pays de Guéret. The worst case scenario is where this coincides with a complete lack of local job creation potential, such as in

Hajdúszovát, a mainly agricultural community in Hajdószoboszló LLS. Here, RuralJobs research shows that ‘improvement in the labour market situation cannot be expected for several reasons’ such as geographical location and accessibility, and decline in the working age population can be expected to continue. In Bistrița-Năsăud county, according to the long-term demographic perspectives of the National Institute of Statistics, in 2050, the total population will decrease to 74.7% of the 2007 level and the share of working age population (15-64 years) will decrease from 69.4% to 55.7%. This means that over the next 40 years the working age population will decline by about 40%. In the period 2002-2004 the average population density in predominantly rural areas of the NMS was twice as high (68 c.f. 32 inhabitants km<sup>-2</sup>) as in EU-15 countries (Gorton *et al.* 2009). Weingarten and Baum (2005) assessed the ‘chances for remote, non diversified rural areas ... to be rather bad’ (p.149). Taken together with the ‘robust trends’ observation of Cedefop (2010), in some localities a social policy designed to manage the consequences of rural economic decline (such as providing adequate levels of old age pensions and healthcare) may be the only appropriate option.

Temporary (including seasonal) out-migration to access work was significant in some NMS case study areas. In Pazardjik AA international emigrants (mainly to Spain, Greece and Italy) for the period 2000-2007 is estimated at about 7-8% of the total population. In Feldru, a village in Bistrița-Năsăud county, the figure was thought to be as high as 30% of the economically active population (mainly to Spain and Italy) and ‘*High migration rate of the active population*’ is a Weakness in the case study area. International migration can have social consequences and economic benefits. The relative macro stability, investment costs and income livelihood in Pazardjik AA are significantly contributed by the remittances of the emigrants. In Bistrița-Năsăud county the community attachment of the labour migrants is strong as they do not leave the village for good but buy a house or some land, working in the same time abroad. In both case study areas international migration has significantly contributed to reducing unemployment.

Even if there has been a decrease in the flow abroad in the last two years, owing to the economic recession, it has not stopped. Although in the Essex case study areas the number of temporary in-migrants (mainly from Poland) has been relatively low, they have been recognised as important to the economy (Legrain, 2008). Free movement of labour, a fundamental right in the EU, has therefore led to more employment for those coming from rural areas, although the jobs themselves may not be rural jobs. The importance of international migration to rural economic prosperity confirms the need for flexicurity, part of European Employment Guideline 7: Increasing labour market participation and reducing structural unemployment (EC, 2010). However, in Bistrița-Năsăud county, at least, it is not general that international migrants come home and establish a business and the potential Threat to the viability of rural communities (‘*International labour migration of the young people can lead to the depopulation of the villages*’) is recognised.

### ***Entrepreneurship, innovation, skills, business support and training***

‘*Many potential entrepreneurs in the area*’ is a Strength in the Chelmsford and Braintree TTWA. In Pays de Tulle, a Strength is the ‘*Strong, solid fabric of very small, small, and medium-sized companies*’ but the ‘dynamic’ of the territory is sub-optimal, as ‘*Economic fabric with low potential for fast development (not many ‘gazelles’)*’ is a Weakness and there is little entrepreneurial spirit. The potential for innovative growth is low and some companies, such as in general mechanical engineering, are too dependent on single customers. In Pays de Guéret the ‘*Dynamic fabric of SMEs and very small structures with a primarily local market*’ is a Strength but there is also a ‘*Lack of structuring of local stakeholders and of innovative*

*spirit*. RuralJobs research in the UK and France noted concerns about business succession in rural areas, especially amongst companies in ‘traditional’ sectors (such as manufacturing and construction as well as agriculture). ‘*Non-takeover of companies and farms whose company director is old, without potential takeover managers, loss of know-how*’ is a Threat in Pays de Tulle and Pays de Guéret. Regarding business support, ‘*Businesses have inadequate access to knowledge*’ and ‘*Poor business support*’ are minor Weaknesses in the Chelmsford and Braintree TTWA, reflecting a feeling amongst businesses that business support services do not understand their needs. ‘*Existence of business support creation mechanisms*’ is a Strength in Pays de Tulle but ‘*Lack of forecasting tools to attract creators of businesses, to create a dynamic and import manpower*’ and ‘*Large number of territorial echelons*’ are Weaknesses, while in Pays de Guéret there are ‘*Numerous initiatives, infrastructures and schemes to attract businesses*’. Indeed it is commented that there are perhaps too many schemes.

In Pazardjik AA entrepreneurship is ‘subdued’ but ‘*High percentage of people with working experience in the EU, with entrepreneurial experience*’ (who may set up a business on their return) is a Strength in Bistrița-Năsăud county. Lack of business support and cooperation is a general concern in the NMS case study areas, for example ‘*Administrative barriers which encumber the evolution of entrepreneurship*’ in Pazardjik AA, ‘*Extreme bureaucracy further weakens the economy*’ in Hajdúszoboszló LLS, ‘*Unfavourable political environment and inconsistency*’ in Karcag LLS (where ‘*Strengthening multi-level regional cooperation*’ is needed) and ‘*Unfavourable taxes and legislation for the business environment*’ in Bistrița-Năsăud county. In the latter, ‘*Lack of development strategies and sustainable views in many communes*’ along with ‘*Incapacity of local actors to create partnerships in order to attract funds and implement joint projects*’ are Weaknesses. This incapacity is considered to be, besides the effects of the economic recession, the most important menace in the evolution of rural employment in the case study area. ‘*EU funding*’ is an Opportunity for job creation and communes with a negative approach to cooperation will lag behind as more funding is channelled through the Leader programme and Local Action Groups. Many case study area reports, both from the EU-15 and NMS note a lack of rural business development sites (incubators) in their case study areas.

Two consequences of the loss of young people which can reduce the ‘dynamic’ of rural areas have already been mentioned. Firstly, an ageing population (this is noted as a Weakness in Pays de Tulle) and secondly (most noticeable in high GDP case study areas) in a lack of skills to meet demand. In the Chelmsford and Braintree TTWA ‘*High percentage of the young people capable of going on to graduate education*’ is a Strength but ‘*Poor skills level of local workforce*’ is a Weakness. Skills mismatches are reported in other case study areas. ‘*Low skilled workforce*’ is a Weakness in Thames Gateway South Essex, as is ‘*Discrepancy between the job offers and the qualification of locally-available labour*’ in Pays de Tulle, while ‘*Skilled labour is scarce*’ (and difficult to attract to the area) in Pays de Guéret. Whilst the fact that ‘*Young people are keen to return to the area*’ is a recognised Opportunity in Pays de Guéret, there are very seldom positions available for their level of qualifications. Similarly, a Weakness in Bistrița-Năsăud county is ‘*Few jobs in the rural area for young people with higher education*’. In Karcag LLS, the highly skilled workers cannot find jobs therefore those who otherwise would be satisfied with lower wages, are also forced to leave.

More generally, the ‘*Quality of the workforce*’ (reliable, locally trained, stable in the company etc.) is a Strength in Pays de Tulle and Pays de Guéret although ‘*Low workforce mobility*’ is a weakness. Pazardjik AA has a ‘*Relatively cheap and qualified workforce*’ but ‘*Stereotype of the people and faint social capital*’ is a Threat. In Hajdúszoboszló LLS and Karcag LLS a Weakness is the ‘*High rate of disadvantaged people dealing with employment difficulties*’ (young people, elderly workers, Roma etc.) Consequences of this are ‘*Generation growing up*



*in a passive environment* in Hajdúszoboszló LLS and *'Situation of people living on the periphery becomes impossible'* in Karcag LLS. In this situation young people tend to have low aspirations and, reinforced by negative peer pressure particularly among males, they may even lack basic literacy and numeracy. For those with a desire to work, relocation from an unfavourable settlement to places that have more job opportunities is prevented by the fact that in Hungary housing prices are higher in the economically more developed settlements.

Several concerns were expressed about education and training, namely *'Delivery of, and access to, training are not properly adapted to rural needs'* and *'Educational results poorer than in urban centres'* in the Chelmsford and Braintree TTWA, *'Mismatch between the training available and the actual job market in the area; lack of local vocational training infrastructures'* in Pays de Guéret, and *'Education is not corresponding to labour market demands'* in both Hajdúszoboszló LLS and Karcag LLS (where *'Education, professional trainings suited to labour market needs'* is an Opportunity). Frequently, the major problem is not the provision of training courses, but the fact that they are not in a form that rural people can conveniently access. Conversely, the low population densities in sparse rural areas inevitably make it difficult to create a 'critical' mass of demand. In some case study areas, such as those in Hungary, the willingness of employers to train their employees is low, while in Bistrița-Năsăud county the demand for skills is likely to increase but interest in professional training, especially amongst the unemployed, is also quite low. On the other hand, the present scarcity of skilled jobs means that a vocational training graduate is not sure that he or she will be able to get a job in a rural area on the basis of the skills obtained during the training.

The economic recession has been identified as a Threat to rural employment in many case study areas: *'Economic recession'* in the Chelmsford and Braintree TTWA, *'Vulnerability of small rural enterprises'* in Thames Gateway South Essex, *'Negative consequence of the economic crises'* in Hajdúszoboszló LLS, *'Amplification of the negative effect of the international economic crises'* in Karcag LLS and *'Many firms reduce their activity and release personnel because of the economic crises'* in Bistrița-Năsăud county. However, in the Chelmsford and Braintree TTWA, Pays de Tulle and Pays de Guéret there is evidence that rural businesses, owing to the fact that they tend to be smaller and often family operated, have been less likely than urban businesses to make staff redundant and indeed in the former case study area many small rural businesses are already considering expansion (see also CRC, 2010).

## **Conclusions: towards Rural Renaissance**

Commuting and migration flows between rural and urban areas are complex and are affected by a number of different driving forces, such as young people seeking education and training, people seeking jobs, and people (including retirees) seeking a better 'quality of life' in rural areas. Thus demographic trends can both be a consequence of (out-migration owing to lack of jobs) or driver of (in-migrants constituting new markets) of rural job and employment trends. The potential for rural job creation is strongly influenced by the levels of entrepreneurship, innovation, skills, business support and training in the territory. These tend to be lower in rural areas, in part owing to the lower population densities which, for example, impede the delivery of education and skills training.

The 'RuralJobs' research showed that rural job creation should not be targeted only at specific sectors (such as agriculture or tourism), but on developing the sectors most appropriate to any particular rural territory through mobilising opportunities provided by 'natural capital' (a stock of natural resources - such as land, water, and minerals - used for production) as part of

a wider regional development strategy (Fieldsend, 2011). In most instances this will mean promoting a broad mix of sectors actually within rural areas. While different types of rural areas will follow different routes to economic prosperity depending on their local circumstances, and the ‘production’ roles of rural areas (e.g. agriculture, forestry and mining) will remain a significant part of the rural economy, the ‘consumption dynamic’ associated with multifunctionality (characterised by tourism and leisure, and people choosing to relocate to rural areas to start a business, see e.g. Johnson and Rasker (1995) and Bosworth (2010)) is becoming increasingly important to rural job creation in many areas.

This latter process, called ‘commercial counter-urbanisation’ by Bosworth (2010), may also be termed ‘Rural Renaissance’, and is fundamentally different from ‘counter-urbanisation’ (which is associated with commuting) in that the rural area is the place of both residence and economic activity. Rural Renaissance can take several forms, sometimes following on from counter-urbanisation. For example, many businesses and local authorities are encouraging employees to work from home, thus cutting both their corporate accommodation costs and CO<sub>2</sub> emissions from commuting. The economic activity may therefore *de facto* be transferred to a rural area. Home-based working remote from the office (teleworking) can help to keep more money from salaries earned in urban areas in the rural community as the incidence of ‘trip-chaining’ (Champion et al., 2009), i.e. linking commuting with shopping, leisure activities etc. is reduced.

Regional resilience can be considered as an ongoing process rather than a recovery to a (pre-existing or new) stable equilibrium state (Simmie and Martin, 2010). This shifts the theoretical analysis from questions about how a system such as an economy is resilient to how it adapts through time to various kinds of stress. As providers of farm produce and other raw materials such as coal, of open space for recreation, and of ‘ecosystem services’ such as biodiversity and climate change mitigation, rural areas are an indispensable component of regions. The long-term decline in employment in ‘traditional’ rural sectors represents a significant stress to which rural areas must adapt. If they can successfully do so, their contribution to the sectoral variety of the region can strengthen its ‘adaptive ability’.

Thus regional policies that, via a territorial approach, address issues such as the quality of life in rural areas, and rural entrepreneurship, innovation, skills, business support and training can help to stimulate rural job creation and in turn strengthen regional economic resilience. By mobilising the opportunities provided by natural capital, rural areas can be part of a smart, sustainable, inclusive - and resilient - regional economy delivering high levels of employment, productivity and social cohesion.

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