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## Contrasting prospects for new sources of rural employment in two regions of the European Union

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**Abstract:** *Historically, the economic contribution of rural areas to regions was clear: it was the provider of farm produce and other raw materials such as coal. Rural employment was evidently based on the exploitation of natural capital. More recently this picture has been obscured by several trends such as the declining importance of agriculture in rural economies which are becoming increasingly diversified, the increasing mobility of populations and new approaches to economic development and to governance. This paper compares current employment patterns, and opportunities for/constraints on, rural economic diversification, in two contrasting regions of the EU in terms of typology, but of roughly similar size in terms of population, the Chelmsford and Braintree 'travel to work area' in Essex CC NUTS3 region (UK), and Bistrita-Năsăud county in Romania. In both regions there is a lack of jobs in rural areas. In Essex the major socio-economic response is commuting while in Bistrita-Năsăud it is international migration and/or withdrawal in self-subsistence agriculture. The former region has an economically diverse rural economy and the greatest opportunities for job creation are knowledge-based, low environmental impact businesses; the agri-food chain (but not primary production); short break tourism; home based businesses/consultancies; home-based working remote from the office; services for the ageing population; and leisure activities. In the latter, the economy is still heavily based on agriculture, and the agri-food supply chain, forestry, tourism, crafts and services for the population are the most promising sectors for job creation.*

**Keywords:** *rural employment, rural economy, Romania, UK, natural capital, production, consumption*

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## Introduction

Historically, the economic contribution of rural areas to regions was clear: it was the provider of farm produce and other raw materials such as coal. Rural employment was evidently based on the exploitation of natural capital which may be defined as ‘a stock of natural resources - such as land, water, and minerals - used for production’ (DFID, 1999). In some regions it still is, but elsewhere this picture has been obscured by trends such as the declining importance of agriculture in rural economies which are becoming increasingly diversified, the increasing mobility of populations and new approaches to economic development and to governance. In response to this, OECD (2006) formulated the principles of a ‘new rural paradigm’ which attaches greater importance to rural competitiveness, the wider rural economy, investments over subsidies, and more inclusive governance. In line with this has been a move towards a more integrated approach to rural and urban development in a regional context in place of a mainly sectoral (i.e. agricultural) approach to the former (Ward and Brown, 2009).

Alongside ‘production’, there has been a strengthening of the role of ‘consumption’ in the rural economy. The concept of the ‘consumption countryside’ is now well established (Lowe and Ward, 2009; Marsden, 1998; Marsden, 1999; Shucksmith et al., 2006; van der Ploeg et al. 2008). Shucksmith et al. (2006) noted that a “consumption dynamic has emerged through falling agricultural employment, increasing farm diversification, repopulation of rural areas by service classes, outmigration of young people and a widening gap between the rich and poor”. This has led to new forms of commodification of the countryside for (mainly) urban consumption such as short food-supply chains, organic agriculture and ecological awareness which in turn has fostered new forms of rural tourism such as ecotourism. Many of these aspects of consumption have been internalised into the concepts of ‘multifunctional agriculture’ (van Huylenbroeck et al., 2007) and ‘public goods’ (Cooper et al., 2009). Although financial remuneration for ‘pure’ (i.e. ‘non excludable’ and ‘non rival’) public goods is difficult or impossible to achieve, the consumption dynamic has provided rural areas with many opportunities to add value to their economic activities.

In the light of these trends, the EU FP7 project ‘RuralJobs’ ([www.ruraljobs.org](http://www.ruraljobs.org)) assessed the potential for new sources of rural employment in a representative set of case study areas across the EU. ‘Rural employment’ was defined as ‘any income-generating activity undertaken by an individual that takes place in a rural area’. This definition covers both the self-employed and employees, and all sectors of the economy. It also covers ‘teleworkers’ who live and work in rural areas even if their job is nominally located in an urban centre.

RuralJobs used the driving force, pressure, state, impact and response (DP-SIR) framework to show the link between ‘driving forces’ which affect employment and economic prosperity, and policy responses (Fieldsend, 2010a).

Economic prosperity is typically defined as the “stage in an economic cycle in which conditions of relatively low unemployment and high total income prevail, leading to high purchasing power (if the inflation rate is kept low)” (www.businessdictionary.com). Rural 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 responses. These responses may be targeted either at the driving forces which in turn influence the pressures on employment, i.e. supply of labour and supply of jobs.

This paper contrasts current employment patterns, and opportunities for/constraints on, rural economic diversification in two regions of the EU which differ in terms of prosperity, population density and accessibility to urban centres of 50,000 or more inhabitants, but which are of roughly similar size in terms of population. These are Chelmsford and Braintree ‘Travel to Work Area’ (TTWA) in Essex, UK and Bistrița-Năsăud county, North West Region, Romania. A brief description of each, based on data from official sources, is as follows.

The TTWA consists of three LAU1 regions (Chelmsford Borough and Maldon and Braintree Districts) and is defined as a single labour market by Bond and Coombes (2007). In 2001 it had a population of 348,677, and it covers an area of 1313 km<sup>2</sup>. It is located close to London (ca. 35 minutes from Chelmsford by train) and includes five towns, ranging from Chelmsford (population 97,451) to Halstead (population 10,000). Rural areas account for 37.7% of the population and 87.8% of the area. The TTWA is defined as ‘high GDP - intermediate - accessible’ as 100% of the population can access urban areas by car in 45 minutes or less. The population of the rural and urban areas increased by 6.2% and 5.0% respectively between 2001 and 2007 as did the percentage of people aged 65+, reaching 22.0% in rural areas and 17.2% in towns.

In 2001, rural and urban activity rates were 79.5% and 82.1%, and employment rates were 74.6% and 76.7%. Unemployment was around 3%. Of the 40,000 jobs in rural parts of the TTWA, the major employment sectors in 2007 were: public administration, education and health (24.0%); distribution, hotels and restaurants (20.8%) and banking, finance and insurance (15.7%). Although 70-80% of the TTWA is good arable land, it can be farmed with just 1.7% of rural jobs. In rural areas there are many fewer jobs per person of working age (rural jobs density in 2007 was 0.43 c.f. 0.74 in urban centres) and this difference is obscured in the employment data by commuting: 70% of rural workers commute over 5 km to work, and 12.6% commute over 40 km.

Bistrița-Năsăud county area covers an area of 5355 km<sup>2</sup> and in 2009 had a population of 317,205, of which 119,334 lived in rural areas. The urban centres and (2009) populations are Bistrița (84,471), Beclean (11,574), Năsăud (10,906) and Sângeorz Băi (10,912). As less than 50% of the rural

population can access Bistrița (or any other major city) by car in 45 minutes or less it is defined as ‘low GDP - predominantly rural - remote’ in the RuralJobs typology. The towns are located in the centre of the county while the NE (mountain) and SW (hilly) areas are entirely rural. The rural population declined by 1.4% between 2002 and 2007 while the urban population increased by 1.0%. Rural society is both elderly and ageing: 65.6% of the rural population was of working age in 2008, compared to 63.1% in 2002, and 76.7% in towns in 2008. International migration is important, but there are no reliable registered figures on its extent.

In 2002, rural activity rate was 73.2%, employment rate was 67.5% and unemployment rate was 5.7% (c.f. 66.3%, 56.6% and 9.7% in towns) but the rural data are largely due to the high level (72.6%) of agricultural (self) employment in total rural ‘employment’ and are therefore misleading as semi-subsistence agricultural households do not register as unemployed. In terms of ‘formal’ rural employment, of the 13,792 employees in 2007 the main sectors were education (20.2%), manufacturing (15.1%) trade (13.1%), and health and social care (8.2%). In 2002 in some communes (especially close to Bistrița) up to 38% of employees commuted to work, mainly to the towns, while in others the figure was just 2%.

## Methodology

The source material for the case study research consisted of (a) information gathered from the 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).

A SWOT analysis was constructed from the results of field research. The internal audit i.e. the 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 within the territory. ‘Proximity to an airport’ may be a strength (S) even if the airport 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 (W) especially if that in the neighbouring territory is particularly attractive. The external audit, i.e. the opportunities and threats, was based on factors which do, or which are likely to, affect the rural employment rates in the case study area. Opportunities (O) could be the basis of the ‘new sources of employment’, while threats (T) are factors which are leading to a decline in employment in rural areas.

From the comprehensive lists of strengths, weaknesses, opportunities and threats, the most important factors in each category with respect to rural economic prosperity and employment were identified for use in the SOR (Strategic Orientation Round) analysis. Here, the importance regarding the employment development potential of each interaction between each strength and weakness on the one hand, and each opportunity and threat on the other, was quantified on a 0 and 3 to scale, and for the most important interdependencies an 'operational objective' was formulated. Where possible, two or more (similar) operational objectives were merged and then the remaining operational objectives were clustered into a set of 'strategic orientations' which could be the focus for future rural employment strategies.

## Results

The results from the two case study areas are presented separately below.

### *The Chelmsford and Braintree TTWA, Essex, UK*

The research identified several opportunities for rural job creation in the TTWA and very few threats. Hence, from the SWOT analysis seven opportunities and only three threats were shortlisted for the SOR analysis (Table 1). From these, the following main routes to rural employment creation in the TTWA were identified. Some effort is made here to quantify their potential based on published data but the information is incomplete as local strategy documents do not include rural employment projections.

- Knowledge based, low environmental impact businesses, mainly in the service sector (O1). In English 'Rural 80' LAU1 regions (such as Maldon District) the percentage of employees in Knowledge Intensive Business Services (KIBS) increased from around 7% to 8% between 1998 and 2005 (CRC, 2008). In 'Rural 50' regions (e.g. Braintree District) the increase was from around 7.5% to over 9%. In 2007, KIBS accounted for 8.6% of jobs in the rural areas of the TTWA, compared to 8.4% in urban areas (Annual Business Inquiry data), and in rural parts of Chelmsford Borough the figure was 15.8%. The roll-out of high-speed broadband and other factors will be major stimuli for further KIBS jobs creation and a 20% increase over the next ten years will generate around 700 rural jobs in the TTWA in KIBS alone. This is only a proportion of the range of jobs covered by the 'knowledge based, low environmental impact businesses' label.
- Agri-food chain (O2). The increase in agri-food chain employment estimated by Collison (2009) would, calculated on the same basis as below for tourism, give a net balance of 940 new jobs in rural parts of the TTWA by 2020. Within this there is likely to be a further decline in employment in primary production, which currently accounts for around 11% of jobs in the agri-food chain in the East of England region. The increases would occur in the areas of processing, logistics and retail/catering.



- Short break tourism (O3). Briggs and Pratt (2007) outlined a strategy for tourism in the Essex NUTS2 region which is consistent with the ideas expressed by the interviewees in this study. The strategic aim of the strategy was to create an additional 7,000 jobs over five years. A crude estimate based on a pro-rata allocation according to population would be 570 new jobs in rural parts of the TTWA. The strategy would be based partly on marketing and partly on an improved quality of the 'offer'.
- Home based businesses/consultancies (O4). Whereas with Home-based working remote from the office the person is an employee of a company which may be based in an urban area, Home based businesses/consultancies are located in the rural area. Their contribution to rural employment is likely to be similar to that described for O1 but of course they are not dependent on a supply of commercial accommodation.
- Home-based working remote from the office (O5). Home-based working ('teleworking') cuts both office expenses and CO<sub>2</sub> emissions from commuting. Whilst it can be pointed out that these are not necessarily 'new' jobs, they can have many impacts on rural areas which are similar to those of new jobs. For example, through having less need to travel out of the village to work, home-based workers may make more use of local services such as shops.
- Services for the ageing population (O6). The official population data show a clear increase between 2001 and 2007 in the percentage of the population above working age and Audit Commission (2010) states that in Essex by 2021 there will be 75% more over 85s than there were in 2009 and that over a quarter of the population will be over 65.
- Leisure activities (O7). Many processes, including an improved work-life balance associated with home working and an increase in the population of the active retired will contribute to a continuing increase in the demand for leisure activities. This can be further enhanced by the provision of a broadly-based, high quality 'offer'.

Whilst the major opportunities for rural employment creation in the TTWA are described above, the list is by no means exclusive. Others were identified during the interviews (such as electricity generation from nuclear or wind energy) and raising the wealth generating capacity of rural communities will increase demand for trades/services in other sectors including construction and public services. Building on these opportunities is also the most effective strategy for countering the identified threats to rural employment and only two of the latter merit further comment here:

- Competition from urban-based supermarkets etc. (T1). The decline in rural services such as shops, pubs and post offices is widely documented and, as one interviewee observed, another ten houses in a village will not keep a shop open.
- Economic recession. (T2). Although rural businesses in the TTWA have proved to be relatively resilient to the effects of the recession (EEDA, 2009), there is concern that government spending cuts will lead to losses of public sector jobs and therefore services, which may have a knock-on effect on the viability of rural areas.

**Table 1. SWOT analysis of rural employment in the Chelmsford and Braintree TTWA, Essex, UK**

STRENGTHS	WEAKNESSES
<ul style="list-style-type: none"> <li>• Attractive business location</li> <li>• Good accessibility to/from major markets and service centres</li> <li>• Pleasant place to live and visit</li> <li>• Large stock of redundant farm buildings</li> <li>• Many potential entrepreneurs in the area</li> </ul>	<ul style="list-style-type: none"> <li>• Poor rural transport infrastructure</li> <li>• Low broadband speeds</li> <li>• Urban-centric economic planning and development strategies</li> <li>• Lack of affordable housing</li> <li>• Poor educational and skills profile of the local workforce</li> </ul>
OPPORTUNITIES	THREATS
<ul style="list-style-type: none"> <li>• Knowledge based, low environmental impact, businesses</li> <li>• Diverse demand for agri food products</li> <li>• Demand for short break tourism</li> <li>• Home-based businesses / consultancies</li> <li>• Home based working remote from the office</li> <li>• Demand for services for the ageing population</li> <li>• Demand for leisure activities</li> </ul>	<ul style="list-style-type: none"> <li>• Competition from urban based supermarkets etc.</li> <li>• Economic recession</li> <li>• Competition in low added value manufacturing</li> </ul>

Source: Fieldsend, 2010b

The opportunities, and to a lesser extent threats, to rural employment described above are the context for Strategic Orientation 1 ‘Promote new business activities in rural areas’ (Table 2). Employment creation can be maximised by exploiting the strengths of the area. For example, home-based working is assisted by the territory being a pleasant place in which to live. Strategic Orientations 2 ‘Develop rural skills, infrastructure and services to support rural businesses’ and 3 ‘Improve and valorise rural areas as places to live, work and play’ focus on further developing the strengths and mitigating the weaknesses of the rural areas in the TTWA to support employment creation and also on strengthening the recognition amongst local actors of the importance of these. The potential for knowledge-based job creation, for example, depends on the availability of high-speed broadband access.

**Table 2. Strategic orientations for rural employment creation in the Chelmsford and Braintree TTWA, Essex, UK**

**SO1. PROMOTE NEW BUSINESS ACTIVITIES IN RURAL AREAS**

- Promote the establishment, growth and sustainability in rural areas of businesses (incl. home based businesses/consultancies) with low environmental impacts, particularly in the knowledge based services, tourism and leisure, and agri-food chain sectors
- Promote, particularly in the public sector, arrangements which allow employees to spend a greater proportion of their work time working from home
- Promote the co-location of retail with other businesses (such as tourism and leisure attractions) and services (e.g. healthcare) to create rural service ‘nodes’
- Encourage farm diversification projects which lead to sustainable, low environmental impact, preferably knowledge-based, rural employment

**SO2. DEVELOP RURAL SKILLS, INFRASTRUCTURE AND SERVICES TO SUPPORT RURAL BUSINESSES**

- Promote the universal coverage of Next Generation Access Broadband for future rural business and household needs via all available technologies



- Improve transport links (including more shared options such as community transport schemes) to improve access to jobs and education/training, to rural service ‘nodes’ and for leisure/tourism activities
- Improve rural delivery of education and training, including entrepreneurship/business skills, to reduce the dependence on low-skilled jobs and/or urban centres
- Provide substantially more affordable homes in rural areas so that residents of all ages have the option of living and working in their community

**SO3. IMPROVE AND VALORISE RURAL AREAS AS PLACES TO LIVE, WORK AND PLAY**

- Promote rural areas as a place for high quality, short-break tourism and leisure on the basis of their good accessibility from urban centres and their built, cultural and natural heritage including their biodiversity, coast and estuaries
- Promote rural areas as a source of high quality, healthy foods (at all points in the supply chain from primary production to retail) and related services (e.g. restaurants)
- Improve service (such as healthcare) delivery to the locality or to the home, where possible via new forms of integrated delivery
- Increase flexibility of spatial planning to promote more economic activities with low environmental impacts in rural areas, for example via more small serviced office units and live/work units, more tourist activities/accommodation etc.

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Source: Fieldsend, 2010b

### ***Bistrița-Năsăud county, Romania***

On the basis of the information summarised from the interviews and focus group meetings with local and county-level stakeholders, a SWOT analysis was elaborated which listed the most important internal and external factors regarding rural employment in Bistrița-Năsăud county (Table 3). The contents of Table 3 were used as the basis of the SOR analysis.

The improvement of both physical and IT infrastructure were seen by interviewees as the most important factors in increasing the level of employment in the rural area, because it contributes both to maintaining the younger and more skilled population and to attracting foreign investors and tourists to the area. Of course they constitute an important background to the increase of the level of occupation in the rural area, but in itself infrastructure development cannot ensure sustainable employment for a larger part of the rural communities. In many communes projects for the improvement of the infrastructure have been carried out, but these have created rather specific short-term jobs, almost exclusively for men.

Local actors have emphasised that backwardness can also be a benefit for local agriculture; meaning that traditional peasant farms produce more ‘natural’ products, which are more tasty than the ones sold in the supermarkets. This could be a basis for eco-farming, as people anyway use few pesticides and chemicals (not because of ecological awareness, but because they cannot afford to pay for them) and the level of mechanisation is anyway very low. It is also easier for a household to develop agro-tourism in a more traditional environment.

**Table 3. SWOT analysis of rural employment in Bistrița-Năsăud county, Romania**

STRENGTHS	WEAKNESSES
<ul style="list-style-type: none"> <li>• Agricultural potential (Livestock, horticulture and wine regions, fisheries, beekeeping)</li> <li>• Natural resources, reserves (mountain and environmental tourism)</li> <li>• Farms and hostels (rural tourism, agritourism, equestrian tourism)</li> <li>• Historic and cultural resources (cultural tourism)</li> <li>• Demographic resources in the northern part of the county</li> </ul>	<ul style="list-style-type: none"> <li>• Inadequate physical infrastructure</li> <li>• Lack of sustainable development strategies and visions at the level of many communes</li> <li>• Few jobs for young people with higher education in rural areas</li> <li>• The problem of storage and marketing of the agricultural production is not resolved</li> <li>• Farmers have not the necessary knowledge to attract European funds (EAFRD)</li> </ul>
OPPORTUNITIES	THREATS
<ul style="list-style-type: none"> <li>• EU and national funds for the improvement of physical infrastructure (roads, utilities etc.)</li> <li>• EU and national funds for the development of the non-agricultural sector in the rural area (development of services for the rural population)</li> <li>• EU and national funds for the development of agricultural services (inputs, equipment, consulting)</li> <li>• EU and national funds for the development of agricultural production marketing, processing and logistics of agric. products</li> <li>• EU and national funds for the development of touristic infrastructure</li> </ul>	<ul style="list-style-type: none"> <li>• Many firms reduce their activity and release personnel because of the economic crisis.</li> <li>• Incapacity of local actors to create partnerships in order to attract funds and implement projects together.</li> <li>• International labour migration of the young people can lead to the depopulation of the villages.</li> <li>• Low domestic interest for rural tourism and local products</li> <li>• Unfavourable taxes and legislation for the business environment</li> </ul>

**Source: Vincze et al., 2010**

The major strengths that can lead to the boost of rural employment were considered to be the agricultural potential and the natural resources, which make the area suitable for rural and mountain tourism; these were the factors ranked highly by all experts regardless of their institutional and territorial background. Forestry and the wood industry also present high potential. Demographic resources were also considered to be an important strength of the case study area.

Weaknesses that could cause the most serious problems are the low level of development of the physical infrastructure, followed by the low supply of skilled jobs for the young people in the rural areas and the lack of development strategies and positive attitudes to sustainability in many communes.

Opportunities that can and should be used are the programmes of infrastructural and agricultural development (national and EU funding). The emphasis should be put on the development of the whole food chain and to introduce new services in the local agriculture as counselling in order to help those who intend to develop an activity in this economic sector. The capitalisation of the local brands (apple, plum, wine) seems to be a solution for the local professionals in order to develop an agriculture that is based on the specificity of the region.

The literature review and analysis of statistical data makes clear that agricultural employment has to be reduced in order to increase the productivity and competitiveness of agriculture. Agriculture cannot be a source of employment growth, but from crop production workforce could migrate towards stock breeding, food processing and other upstream and downstream activities linked to agriculture. The extension of agricultural services, counselling, etc. could retain some of the younger and more skilled people in the countryside, if farmers would be ready to pay for such services.

**Table 4. Strategic orientations for rural employment creation in Bistrița-Năsăud county, Romania**

*a. Strategic measures creating the conditions for economic diversification in the rural areas of Bistrița-Năsăud county (and thus, contributing indirectly to employment creation)*

**SO1. DEVELOP PHYSICAL and ICT INFRASTRUCTURE.** Rural economic activities are currently hindered by the low accessibility and the low development of infrastructure. ICT infrastructure could also contribute to the development of the digital economy, which could provide jobs for highly educated people. By infrastructural development temporary jobs would also be created while the works are carried out (road construction, etc.).

**SO2. IMPROVE THE LEVEL OF EDUCATION AND SKILLS.** The quality of basic education in the rural area should be improved. Vocational training should be more accessible for the rural population and better connected to labour demand.

**SO3 STIMULATE THE SETTLEMENT OF YOUNG AND MIDDLE-AGED POPULATION IN RURAL AREAS.** Cheap houses and terrains for constructions could be provided for urban young people with jobs in the towns, or for the teachers and the physician(s), if they accept to live and work in the communities.

*b. Strategic measures directly contributing to employment creation in the rural area of Bistrița-Năsăud county*

**SO4. DEVELOPMENT OF PUBLIC SERVICES IN RURAL AREAS.** A limited number of jobs (30-40 at the level of Bistrița-Năsăud county) could be created in the field of public services (health, education, social assistance to the elderly), mostly in remote rural areas.

**SO5. DEVELOP ADVISORY SERVICES TO LOCAL PEOPLE AND TO THE LOCAL PUBLIC ADMINISTRATION FOR ACCESSING THE EU RURAL DEVELOPMENT FUND.** For the present (2007-2013) and upcoming (2014-2020) programming periods around 20-30 jobs could be created in private consultancies, financed partially by the beneficiaries and partially from the RD funds.

**SO6. PROMOTE, ENCOURAGE AND DEVELOP AGRICULTURAL PRODUCTION AND MARKETING.** These measures would not create more jobs compared to the present situation of subsistence and semi-subsistence agriculture, but would maintain agricultural jobs and increase their quality.

**SO7. CREATE A RURAL TOURISM NETWORK** which could provide around 20 jobs.

**SO8. CRISIS SITUATION MANAGEMENT.** Rural communities are often faced with natural disasters, such as floods, droughts, land slips, etc. Around 10 crisis management specialists could be employed by associations of communes.

**Source: Vincze et al., 2010**

From the above, two sets of strategic orientations were formulated (Table 4), one directed towards the creation of the conditions for economic diversification in the rural areas, which addresses the factors restricting the potential for rural job creation in Bistrița-Năsăud county, and the other, directly contributing to rural employment creation, targets the sectors where potential for rural job creation is the highest.

## Discussion

The RuralJobs research has illustrated markedly different attitudes towards the ‘consumption countryside’ in the two regions studied. The ‘Pleasant living environment’ perceived by interviewees in Essex, UK contrasts sharply with the view in Bistrița-Năsăud county that “Romanians do not like going to the countryside”. These differences suggest that the relative importance of ‘production’ and ‘consumption’ as drivers of rural job creation also differ across the EU.

The opportunities for rural job creation identified in the TTWA are consistent with evidence from the literature. Regarding knowledge-based employment, Hepworth et al. (2004) noted that accessible rural areas in the UK are emerging as important spaces of the knowledge economy, as places where ‘knowledge workers’ increasingly live and start up businesses, and as places where [such] industries increasingly locate. With respect to ‘teleworking’, according to CRC (2009) one third of people working from home live in rural areas. The UK government is keen to promote home working as a response to road congestion and global warming. A study by the UK Chartered Management Institute (cited by Taylor, 2008) predicts that by 2018 the majority of businesses will be based from home. Sixty five per cent of businesses expect working from home to be commonplace and 73% suggest that work-life balance will be the key to job choice. According to Taylor (2008) this trend is most advanced in rural areas. Concerning services for the ageing population, National Housing Federation ([www.housing.org.uk](http://www.housing.org.uk)) research suggests that the number of over 65s living in rural England could increase by 39% between 2008 and 2020. Many will be relatively wealthy. They are not just an increasing market for leisure and other services, but will create a significant increase in demand for rural health, care and support services, particularly if the Audit Commission (2010) recommendation for the adoption of innovative approaches to home-based delivery linked to other services is followed. Employment in Knowledge Intensive Public Sectors (KIPS) has ‘increased rapidly’ over the period 1998-2005 (CRC, 2008), with the greatest growth of KIPS plus KIBS jobs occurring in ‘Rural 50’ (24.3%) and ‘Rural 80’ (22.1%) regions of England, and further increases in this major sector can be expected.

A significant driver of these trends is a desire to live in the countryside. Terluin and Post (1999) strongly stress the importance to rural economic prosperity of recognising the value of local amenities, amongst which they list unspoiled nature, attractive landscapes and historic villages. Bosworth (2010) described the process of ‘commercial counter-urbanisation’ in the north east of England. Up to two thirds of new rural firms are created by people moving from urban to rural areas and for each self-employed in-migrant an average of 1.9 additional jobs were created. This process, which may also be termed ‘Rural Renaissance’, is fundamentally different from counter-urbanisation in that the rural area is the place of both residence and economic activity.

Notwithstanding the above, it is an exaggeration to suggest that rural has changed entirely from being a place of production towards being a place of consumption as rural areas retain, and always will, an important production role, not least through agriculture. Furthermore, the extent of this change differs between regions of the EU. In many rural parts of Bistrița-Năsăud county, semi-subsistence farming is still, in terms of employment, the main economic activity. The RuralJobs research demonstrates that there is a strong local desire in the New Member States (NMS) to retain or to attract people to live in rural areas and to set up businesses. In the case of Bistrița-Năsăud county this includes migrants returning from working abroad and to ‘stimulate the settlement of young and middle-aged population in rural areas’ is a strategic orientation. However, the consumption of natural capital by residents is not yet seen as a driver of in-migration by local actors. They still perceive rural development in terms of the traditional sectors.

The RuralJobs research has reaffirmed that most if not all sectors provide employment in rural areas. However, the research has also demonstrated that natural capital still strongly characterises the profile of rural employment and underpins the central contribution of rural areas to the functioning of the regional economy. But this effect can now go far beyond the ‘traditional’ rural sector of agriculture. There are in fact four drivers of rural employment which arise from the exploitation of natural capital. These consist of two groups of two, from which we derive the name ‘Rural Europe 2+2+’, of which the first-level differentiation is between the ‘production’ and ‘consumption’ roles of rural areas.

There are two components of the ‘production’ role of rural areas:

- Production based on renewable resources. Foremost amongst these is land, which is used by the agri-food and forestry supply chains in a renewable way for the production of food, feed, fibres and fuel, and increasingly for new uses like pharmaceuticals. Other renewable resources include sunlight, wind, water and tidal power.
- Production based on non-renewable (depletive) resources. These include coal, gas, oil and other minerals including sand and gravel, clay, limestone, granite and marble.

Thus the ‘production’ role of rural areas is particularly relevant to the agri-food and energy supply chains, but also provides raw materials for construction and other sectors.

The two components of the ‘consumption’ role of rural areas are as follows:

- Consumption by non-residents of the territory including visitors. This is primarily via tourism and leisure but also includes the consumption aspects of agri-food chains such as geographical appellations, local products, animal welfare, environmentally-friendly production methods etc.

- Consumption by residents of the territory. This is a commonly overlooked driver of rural employment, but natural capital is an important factor in encouraging people to remain in, or relocate to, rural areas. Many people who locate to rural areas for ‘consumption’ reasons are entrepreneurs who set up their own businesses and create jobs (Bosworth, 2010), as opposed to those that move from towns to rural areas to take up semi-subsistence farming, where the driver behind the move is production. The wealthy retired can also create jobs by being a market for leisure and care services.

The ‘consumption’ role of rural areas is therefore relevant not just to the tourism sector but also to several others such as KIBS and (KIPS) including health and social work (see also Jauhiainen, 2009).

Clearly there are interdependencies between the four components of Rural Europe 2+2+. For example, between the production and consumption facets of the agri-supply chain, between the consumption facets of the agri-supply chain and tourism, and between consumption by residents (in terms of general ‘quality of life’) and leisure.

In both case study areas, the proposed strategic orientations include measures to promote new business activities in the sectors identified as having potential for growth. However, the importance of creating the conditions to allow rural economic diversification is also recognised. Rural employment creation depends on an integrated development approach which takes full account of other capitals through measures such as skills development, support for innovation and better transport and communication links. Shucksmith et al. (2006) show that while in the richest Member States of the EU there is little evidence of significant urban-rural differences in quality of life, the poorer Member States of the east and south rural areas have a much lower level of perceived welfare and quality of life, particularly in the (then) candidate countries including Romania and Bulgaria. Clearly, for the oft-mentioned “new values placed on rural space” to be fully mobilised in the NMS for the benefit of rural employment, big improvements in the rural quality of life are necessary. Consequently, rural employment policy must be part of an integrated strategy designed to address the constraints associated with low population densities, rather than a purely sectoral (i.e. agricultural) policy. Rural Europe 2+2+ provides a conceptual framework for such a policy.

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