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Andrew F. FIELDSSEND*

Rural Renaissance: an integral component of regional economic resilience

Rural employment based on a broad mix of industry sectors contributes to the adaptive ability of regions. 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 industry sector-specific factors that can influence rural employment potential. These can be grouped into two categories. Firstly, those that affect labour supply (via the workforce and labour market), and secondly, those that affect enterprise and economic dynamism. Notwithstanding the diversity of the case study areas, some 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 be both a consequence of (via out-migration owing to lack of jobs), or a driver of (via in-migrants constituting new markets) rural job and employment trends. The potential for job creation in rural areas is strongly influenced by the levels of entrepreneurship, innovation, skills, business support and training in the territory. Lower population densities can 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.

Keywords: rural employment, labour supply, enterprise, economic dynamism, European Union

* University of Plymouth, Plymouth, UK. Current address: Agrárgazdasági Kutató Intézet, Zsil utca 3-5, 1093 Budapest, Hungary. andrew.fieldsend@aki.gov.hu

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. They define resilience as 'the persistence of some phenomenon in the face of some stress' (p.3). As Walker (1998) observes (p.187), 'any discussion of resilience ... must be prefaced by the question, 'The resilience of what to what?' ... The system needs to be defined in terms of (1) the variables that describe the state, and (2) the nature and measures of the external shocks'. Using the driving force, pressure, state, impact and response (DPSIR) model, this paper adopts Walker's approach to illustrate the contribution an effective rural development policy can make to regional economic resilience.

The Fifth (European Union, EU) progress report on economic and social cohesion (EC, 2008) used the NACE 30 sector¹ breakdown to identify EU high growth industry sectors in terms of average annual change in employment and average change in gross value added (GVA). Amongst 'drivers of economic growth', including sectors where an increase in one factor balanced any decline in the other, *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; *Construction* (F) experienced strong employment growth combined with a fairly strong but below average GVA growth; and 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.; and *Electricity, gas and water supply* (E).

These trends, if projected forward, imply that future employment growth in rural areas, if based on these traditionally 'rural' sectors, would be lower than in urban centres. 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 employment 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 EU, so-called 'remote' rural areas are not part of a 'labour market area' with a major urban centre (e.g. Radvánszki and Sütő, 2007).

Pender *et al.* (2012) reviewed several 'conceptual frameworks' for wealth creation and rural livelihoods and noted that difficulties exist in linking 'community factors' with 'more macro-level political factors, policies, and programs influencing them' (p.71). To overcome this, Fieldsend (2010) used the DPSIR model (which has been widely adopted with

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

environmentally oriented indicator sets) to show the theoretical link between '*driving forces*' (such as skills levels) 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*. The DPSIR approach was preferred to alternatives, such as the 'pyramidal model of regional competitiveness' described by Lengyel (2009), as it captures the 'feedback loop' whereby responses (such as policy responses) can be applied (especially) to driving forces.

Addressing point (1) of Walker (1998), a measure of economic resilience could be the maintenance or increase of economic prosperity, as quantified by widely used indicators such as *personal income per capita* and *housing (crowding)*, measured as persons per room (Fieldsend, 2010). Consistent with the DPSIR model, Simmie and Martin (2010) used employment resilience as a proxy for economic resilience in their Cambridge and Swansea case studies. Separately, Fieldsend (2012) demonstrated a positive correlation between employment rate and GDP per capita of EU NUTS2 regions.

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 sectoral diversity approaching that of urban centres. For example, data disaggregated by NACE code and town/village location are available from the Hungarian Central Statistical Office 2005 microcensus for urban and rural areas in Hungary (2.68 and 1.67 million working inhabitants respectively). The employment profile of the villages is remarkably diverse. The most notable difference in employment profile is, as would be expected, in *Agriculture and related industries*, which accounts for 2.8 per cent of employment in Budapest and the towns, and 9.4 per cent in the villages. The percentage of jobs in *Mining and quarrying* in the villages is double that in Budapest and the towns, although the total number of jobs is small (0.4 c.f. 0.2 per cent). Notably, however, *Manufacturing* accounts for 27.1 per cent of jobs in the villages and just 20.2 per cent of jobs in Budapest and the towns. Three other sectors, *Construction; Transport and related industries* and *Public administration etc.* are marginally more highly represented in the employment profile of the villages. As these data are presumably based on the location of the worker's residence rather than of the workplace, they may to some extent reflect the dependence of rural inhabitants on urban jobs, but they still imply that the sectoral diversity of the rural economy is greater than is commonly believed.

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.

There is a need for more research on the role of rural areas in regional resilience. This paper discusses the factors affecting, firstly, labour supply (via the workforce and labour market) and secondly, enterprise and economic dynamism in rural areas. Rural Renaissance, i.e. mobilising the Strengths and Opportunities associated with these factors to promote sectoral diversity, is proposed as an approach to improving rural and regional resilience.

Methodology

The EU Framework 7 project 'RuralJobs' (www.rural-jobs.org) carried out case study research in Bulgaria, France, Hungary, Romania and the UK (Figure 1) to assess the potential for new sources of employment in rural areas. To maximise the representativeness of the results at EU level, the research was carried out in the rural territories of eight contrasting (in terms of GDP per capita, accessibility to urban centres of 50,000 or more inhabitants, and population density) case study areas (Table 1). Where possible, each case study area consisted of a 'labour market' or 'employment' area, as follows: 'Travel to Work Area' (TTWA) in the UK (Bond and Coombes, 2007); 'Local Labour System' (LLS) in Hungary (Radvánszki and Sütő, 2007); and 'agglomeration area' (AA) in Bulgaria (Anon., 2007). In France, a 'Pays' is the result of a collective bottom-up approach with regional



Figure 1: Locations of the RuralJobs research. Results from Andalusia Region and Lithuania are not included in this paper.

Table 1: Case study areas included in the RuralJobs research and their typology.

Name of case study area	Type*
1. Chelmsford and Braintree TTWA, UK	High GDP intermediate - accessible
2. Thames Gateway South Essex, UK	High GDP urban - accessible
3. Pays de Tulle, France	High GDP predominantly rural - accessible
4. Pays de Guéret, France	High GDP predominantly rural - remote
5. Pazardjik agglomeration area, Bulgaria	Low GDP intermediate - accessible
6. Hajdúszoboszló LLS, Hungary	Low GDP predominantly rural - accessible
7. Karcag Local Labour System, Hungary	Low GDP predominantly rural - remote
8. Bistrița-Năsăud county, Romania	Low GDP predominantly rural - remote

* GDP: +/- 50 per cent of the EU-27 average; for population density and accessibility thresholds see Dijkstra and Poelman (2008).

approval of its boundary. Only in Romania was it necessary to use a NUTS3 region as a case study area.

Information was gathered from (a) interviews with local actors, (b) quantitative data sets and (c) previously published (mainly local) studies. Approximately 20 interviews were conducted in each case study area in late 2009 and early 2010 (see Fieldsend, 2011). Interviewees were selected by the local research teams as being recognised local experts in rural employment. The results were used to conduct a SWOT analysis of rural employment potential in each case study area. A SWOT analysis based on the components of the DPSIR loop (Figure 2) can, in the words of Walker (1998), show the 'state and nature' of factors that influence the susceptibility of (rural) employment to 'external shocks'. 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 *external audit* (Opportunities and Threats) was based on factors influencing change in the rural economy (and therefore rural employment) in the case study area.

Results and discussion

The non sector-specific factors influencing rural employment potential can be grouped into two categories. Firstly, those that affect labour supply (via the workforce and labour

market), namely demographic trends, commuting and migration, and secondly, those that affect enterprise and economic dynamism. For each category the research identified both Strengths / Opportunities and Weaknesses / Threats in most territories (Table 2).

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.

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 western and eastern EU case study areas, all studies noted a tendency for younger people to seek edu-

Table 2: Presence in each RuralJobs 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
Demographic trends, commuting and migration								
Strength / Opportunity	♦	♦	♦	♦	♦	♦	♦	♦
Weakness / Threat	♦	♦	♦	♦	♦	♦	♦	♦
Enterprise and economic dynamism								
Strength / Opportunity	♦	♦	♦	♦	♦	♦	♦	♦
Weakness / Threat	♦	♦	♦	♦	♦	♦	♦	♦

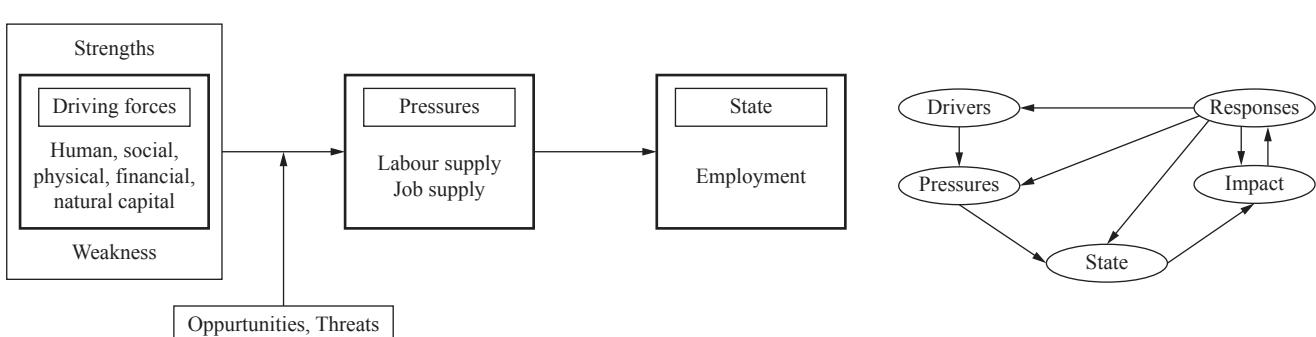


Figure 2: Relationship between the components of the SWOT analysis for rural employment and the DPSIR loop (inset).

cation or work outside rural areas. Contributing 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 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*'. Some 'Corréziens' have migrated out of Pays de Tulle for various reasons but they keep a strong attachment to the region and can '*Mobilise potential (savings, capital, image) for the benefit of the territory*'. The '*Arrival of a new population of Mahorais*' (i.e. from the French *département d'outre-mer* of Mayotte) 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 can serve 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 per cent, 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 is evidently important (and noted as a Strength in the SWOT analysis) in the settlements in central Bistrița-Năsăud county. For example, about 70 per cent 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 per cent of those in employment commute out of the case study area, and in Karcag LLS around 13 per

cent (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 (for example in London) or a job in a particular specialism to having any job at all (for example some long-distance commuters from Karcag LLS). There can be no suggestion that commuting could or should be completely eliminated and indeed in some RuralJobs case study areas better communications infrastructure could help to improve access to jobs. This may be especially 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 per cent 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) that are newly established in rural areas. Availability 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 set up 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 can indeed be created in rural areas. Firstly, the entrepreneur (if he/she does not already live there) and at least some of the employees may eventually move to live in the rural area. Secondly, as the business grows it may 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 high quality and attractive occupations for the workers from rural areas*' is a Weakness there. However, it is in 'remote' case study areas that 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 per cent of the 2007 level and the share of working age population (15-64 years) will decrease from 69.4 per cent to 55.7 per cent. This means that over the next 40 years the working age population will decline by about 40 per cent. 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, in lieu of economic regeneration, 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 eastern EU 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 per cent of the total population. In Feldru, a village in Bistrița-Năsăud county, the figure was thought to be as high as 30 per cent 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 enhanced 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 local unemployment.

In the Essex case study areas the number of temporary in-migrants (mainly from Poland) has been relatively low but 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 flexibility, 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 return 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.

Enterprise and economic dynamism

'*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 among actors 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 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 eastern EU 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 '*Strengthing 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 western and eastern EU, 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 (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, in Bistrița-Năsăud county there are ‘*Few jobs in the rural area for young people with higher education*’. In Karcag LLS, the highly skilled workers cannot find jobs and 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 by interviewees 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.

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 be both a consequence of (via out-migration owing to lack of jobs), or a driver of (via in-migrants constituting new markets) rural job and employment trends. The potential for job creation in rural areas is strongly influenced by the levels of entrepreneurship, innovation, skills, business support and training in the territory.

Fieldsend (2011) proposed that a rural job creation policy should mobilise opportunities provided by ‘natural capital’ (a stock of natural resources - such as land, water, and minerals - used for production) as a component of a wider regional development strategy. In most instances this will mean promoting a broad mix of sectors 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 trend, called ‘commercial counter-urbanisation’ by Bosworth (2010), is part of a wider process of ‘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. Job creation arising from 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 CO₂ 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. They can have a 'multifunctional' role in regional sustainability over and above their economic activity, for example in the form of open space for recreation. Rural areas cannot be disregarded when a strategy for regional resilience is being formulated. 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, through job creation in a broad mix of industry sectors, they can strengthen the 'adaptive ability' of the region as a whole.

Rural Renaissance, a territorial approach that addresses issues such as the quality of life in rural areas and encourages rural enterprise and economic dynamism, can help to stimulate rural job creation and in turn strengthen regional economic resilience. Through this process, 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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