



AgEcon SEARCH
RESEARCH IN AGRICULTURAL & APPLIED ECONOMICS

The World's Largest Open Access Agricultural & Applied Economics Digital Library

This document is discoverable and free to researchers across the globe due to the work of AgEcon Search.

Help ensure our sustainability.

Give to AgEcon Search

AgEcon Search
<http://ageconsearch.umn.edu>
aesearch@umn.edu

*Papers downloaded from **AgEcon Search** may be used for non-commercial purposes and personal study only. No other use, including posting to another Internet site, is permitted without permission from the copyright owner (not AgEcon Search), or as allowed under the provisions of Fair Use, U.S. Copyright Act, Title 17 U.S.C.*

Firms and industrial activities in the non-urban environment Assessment and perspectives

Against the massive fall in agricultural employment, industry now represents a major part of the employment in non-urban areas. In addition, it is now appropriate to distinguish a periurban/rural space under the influence of an autonomous-rural space. In the first one, the quite favourable development of employment may be explained by a transfer of activities from the urban areas penalized by the existence of congestion. In the second one, the dynamism attached to certain sectors (agrifood industries, construction...) may be explained by the presence of assets specific to that type of space, the first among which is a "skilled" workforce.

A quantitative assessment

The significant weight of the non-urban non-agricultural work force

Urban areas concentrate 71% of jobs (table 1). The *periurban* has 13% of them and the *other rural municipalities where at least 20% of workers work in an urban zone*, represent 5%, that is to say 18% for a first non-urban subset that we shall call *urban/periurban under influence*. The *employment areas of rural space* represent 7% of jobs and the *other rural municipalities where less than 20% work in an urban zone*, represent 4%, so 11% for our second non-urban subset, the *autonomous-rural*. Therefore, non-urban active workers represent a very significant volume of jobs and in no case merge with their agricultural component, now a minority, even in the most isolated areas.

A more favourable development of non-agricultural employed workers in the non-urban zone

The evolution of agricultural employment is very clearly negative: more than a quarter of agricultural jobs were lost between 1990 and 1999 (table 2). As regards the development of non-agricultural employment, the following spatial hierarchy emerges:

- the *urban/periurban under influence* enjoys a quite strong positive development, clearly over 10%.
- growth is lower in the *autonomous rural* but remains high, between 5 and 10% according to components.
- the *urban* enjoys a much less favourable development, lower than 3%.

The spatial configuration of activities: specialisation versus dissipation

The relative weight of industry is now low in the urban hubs and much greater in the periurban and rural areas. There are various spatial configurations according to sectors (table 3). In

some cases, space specialisation remains the rule: consumer goods industries are the most frequent in the rural zone while the automobile industry and capital equipment are the most common in the periurban area. But there are other forms. The case of agrifood industries is particularly interesting. Because of their evident link with a certain number of agricultural resources, these activities were always distributed in a fairly uniform way over the whole territory, including in the most isolated areas where they now represent a very large weight. But other sectors, less mentioned, such as construction, are in the same case. Even if it often consists of smaller firms, even very small ones, this sector finally represents a relatively large global number of jobs, which are distributed over the whole territory in a well balanced way. It now represents a very significant proportion of rural employment, especially outside industrial rural hubs: more than one job in ten against less than one in twenty in the urban areas.

The spatial structure of the work offering

The occupied active population, considered in its place of residence, is an indicator of the spatial structure of the work offering from individuals (table 4). It first highlights to what extent the category of executives strictly identifies with urban areas. On the other hand, intermediate professions (technicians, supervisors, foremen) are now highly represented in the periurban areas, but without settling in the rural areas. The workers' category is now the most represented in the rural zone, in all its types. There are few workers in the urban area and they are often skilled workers. They are far more numerous in the periurban zone where they are as often skilled (60%). Last, these workers are also numerous in the rural zone, but they are frequently less qualified (only 50%).

A few explanations

The above facts reveal the existence of a very high spatial differentiation, as much in jobs as in activities. This differentiation first opposes the urban and the non-urban areas but also leads us to carefully distinguish the two subsets: the *periurban/rural under influence* and the *autonomous rural*. Therefore, each situation merits a proper explanation.

Periurban/urban under influence: unblocking and new forms of agglomeration

Why settle out of town, but as close as possible to it?

A certain number of studies first shows that it is an active choice by the economic agents and that is does not result from rejection or impossibility. A study of the actual cases of company transfers sheds light on the motivation of companies' managers. It is not a matter of looking for new clients: the market already exists and is on no account limited to the area of implantation. On the other hand, in order to meet the market demand, firms need to increase the capacity of their productive equipment. But such an expansion is impossible in town, particularly because of the constraints linked to space (real-estate cost, in particular) or to urban regulations (linked to pollution, for instance). The location in the *periurban/rural under influence* helps the firm overcome these constraints, while staying close enough to town to keep on benefiting from its amenities.

This strategy brings consequences for the practical organisation of economic activity. The aim is not to be dispersed over the territory but rather to group together according to forms of agglomeration specific to that type of space: *industrial estate, business park...* This form is quite different from the historical example of the huge post-war mono-firm urban establishment (Renault-Billancourt or Fiat-Mirafiori...). Smaller units belonging to various firms, having various activities grouped in the same place to benefit from common facilities (highway access, electricity and fluids, security...) and non sectoral externalities of the transversal type.

The autonomous rural: the weight of specific assets

The previous analysis could not apply to the *autonomous rural*, where the structural characteristics and the recent development differ from those of the periurban/rural under

influence. These spaces group together quite specific activities: some agrifood industries, some services to private individuals... Here, on average, firms enjoy lesser growth in productivity, and consequently they maintain a high level of employment, in particular unskilled. The specificity of this mode of development naturally leads us to look for an explanation in the specificity of the assets available in these areas.

The first of them is the workforce; a classical approach naturally leads us to consider that firms try to minimize costs, especially salaries, and that is the reason for their implantation in rural zones where, on average, salary levels remain lower, especially for unskilled groups. This approach is insufficient: the agents surveyed and in particular, the company directors, add a criterion, which is the workforce *quality* in the rural environment. Such a statement may be surprising when looking at the figures presented in the first section and relating to the qualification level of the occupied jobs. But the argument of lesser qualification, in the formal meaning of the word, is quickly rejected by the economic agents who replace it with notions such as *non formalised know-how, familiarity with the product*, physical capacities such as *resistance*, and more generally working behaviours supposed different from those encountered in other areas: *stability, integration to the firm*.

The workforce is not the only asset to take into account. The definition of the product and/or of the production process also refers to a *localised* definition of quality. This definition may directly result from geographical characteristics, through the mobilisation of a specific natural resource. Of course, here we find the sphere of the various quality labels, among which Protected Designations of Origin are only one of the specific institutional forms. But this definition of quality also finds its origin in *history* through the mobilisation of recognized know-how and the image that goes with it.

Jean-Pierre HUIBAN, INRA UMR CESAER, Dijon, France
jean-pierre.huiban@enesad.inra.fr

For further information

Aubert, F.; Blanc, M. (2002). *Activités économiques et emplois: le rural refuge de secteurs déclassés ou milieu attractif?* In: Perrier-Cornet, P. (éd), *Repenser les campagnes*, Paris, Datar/Ed. De l'Aube, pp. 147-172.

Huiban, J.P. (2000). Localisation spatiale et efficacité de la firme agroalimentaire, *Revue d'Economie Régionale et Urbaine* n°3, pp. 423-448.

Huiban, J.P.; Aubert, F.; Mariettaz, J. (2002). De l'urbain vers le rural: les transferts d'établissements de l'agroalimentaire, *Revue d'Economie Régionale et Urbaine*, n°3, pp. 423-448.

Valceschini, E. (2000). La dénomination d'origine comme signal de qualité crédible, *Revue d'Economie Régionale et Urbaine*, n°3, pp. 489-500.

Table 1: Employment: levels of workforce per type of area in 1999

Type of area	Total	Urban	Periurban	Employment areas rural area	Other municipalities in the rural area (at least 20% of active hired people)	Other municipalities in the rural area (less than 20% of active hired people)
Employment						
Total employment	22801	16365	2881	1446	1097	1012
Agricultural employment	947	142	297	67	226	215
Non-agriculture employment	21853	16223	2583	1380	871	797

Source: INSEE, RP 1999, in thousands

Table 2: Employment: evolution of employed people from 1990 to 1999

Type of area	Total	Urban	Periurban	Employment areas rural area	Other municipalities in the rural area (at least 20% of active urban people)	Other municipalities in the rural area (less than 20% of active urban people)
Employment						
Total employment	3.31	2.79	10.49	3.44	-0.72	-2.74
Agricultural employment	-26.2	-13.6	-28.5	-22.7	-28.9	-28.1
Non-agriculture employment	5.13	2.96	17.88	5.31	10.69	7.50

Source: INSEE, RP1990 and 1999, in %

Table 3. Weight of the sector in the number of jobs in the area

Type of area	Total	Urban	Periurban	Employment areas rural area	Other municipalities in the rural area (at least 20% of active urban people)	Other municipalities in the rural area (less than 20% of active urban people)
Part of the employment in the area						
Agrifood Industries	2.8	2.0	4.5	5.6	6.3	7.2
Industries including:	15.0	13.3	20.2	21.2	19.8	18.1
<i>Consumer goods industry:</i>	3.4	3.2	3.5	5.1	4.6	4.3
<i>Car industry</i>	1.2	1.2	1.8	0.8	0.6	0.6
<i>Capital goods Industry</i>	3.8	3.8	4.4	3.4	3.7	2.5
<i>Semi-processed goods</i>	6.6	5.1	10.5	11.9	10.9	10.7
Construction	6.1	4.9	10.3	6.2	10.8	10.1

Source: INSEE, RP 1999, in % of the active population as a whole in the area

Table 4: Structure of the active population (in the place of residence)

Type of area	Total	Urban	Periurban	Employment areas rural area	Other municipalities in the rural area (at least 20% of active urban people)	Other municipalities in the rural area (less than 20% of active urban people)
Employment						
Executives	12.1	15.0	9.1	6.2	5.4	4.7
Intermediate professions	22.1	23.6	22.3	17.5	16.2	14.2
Employees						
Workers including:	27.1	24.2	29.9	35.7	34.8	33.4
<i>Skilled</i>	16.0	14.7	18.2	18.9	18.5	16.7
<i>Unskilled</i>	11.1	9.3	11.7	16.8	16.3	16.7

Source: INSEE, RP 1999, working people in the place of residence, except public jobs, in % of the active population as a whole in the area

Published by the INRA Social Sciences, Agriculture and Food, Space and Environment

Publishing unit

Editorial Director: Hervé Guyomard – Editor: Didier Aubert (Chief Editor),

Translation and composition: Ariel Gille

Parts of reproduction may be used only with mention of origin

Copyright: 4th term 2003 - ISSN 1778-4379