AGRICULTURAL & NON-AGRICULTURAL RURAL EMPLOYMENT IN THE EU: ISSUES AND STRATEGIES, WITH SPECIAL REFERENCE TO ACCESSION & CANDIDATE COUNTRIES

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Abstract

Rural unemployment and rural depopulation are common concerns of European countries, especially the new EU accession and candidate countries. The context for this paper is the substantial change in labour requirements, opportunities and responses of the labour force following the collapse of communism, coupled with the current emphasis on market liberalisation. Associated changes in the structure of farming are reviewed, with special reference to a commonly observed polarisation between small, semi-subsistence farms (sometimes operating as 'hobby' farms) and the far fewer emergent large, commercial farms. Diversification into alternative farm-based economic activities - such as agri-tourism and various types of ecotourism, on-farm processing of raw farm products – is considered. Using recent data, the paper explores the current issues involved in rural employment in Europe. A digest of trends in a number of countries is presented and an exploration of common and contrasting elements follows, together with diagrams/illustrations. In particular, these data are reviewed in relation to The Lisbon Strategy of 2000 and the actual trends measured since that date in a selection of countries. Issues of unemployment, hidden unemployment, under-employment and 'the grey economy' are covered. Changes in labour migration patterns are discussed in relation to the social, contractual and economic consequences of these changes. Contrasts are presented between employment opportunities for rural and urban, male and female, oldest and youngest, well-educated and less educated (especially in regard to appropriate rural vocational education and training). Shortcomings of The Lisbon Strategy are examined and a case is made for some alternative strategy elements in the light of environmental, livelihood and international relations imperatives. These concomitant matters demand management with ingenuity, determination and long-term vision. The paper concludes by suggesting recommended management approaches for both policy-makers and rural enterprise practitioners.

Keywords: rural depopulation, labour, diversification

Introduction

'Rural Vitality' is a comprehensive term that aggregates the economic, environmental and social factors which go to make a dynamic, sustainable countryside. Rural vitality requires enough farmers and farm staff in place 'there to care' for the countryside as heritage asset as well as present and future resource. It also needs the integration of sufficient non-agricultural employment (NAE) of a rurally-compatible kind (i.e. non-urbanising and operating on a modest scale). Growing displacement and disconnection are key rural and agricultural concerns. Farming integrates the delivery of rural vitality in practice. Thus, a viable agriculture with local food and locally-determined farm environmental management is crucial.

The problems faced by rural areas in terms of economic development arise from a complex mix of issues, including social and historical patterns of land use. In the present world, many businesses in rural areas

experience problems which are related to the spatial characteristics of the region, in particular to remoteness – from the centres of population, from markets, from infrastructural and trading links. These problems may be exacerbated by a low population density and limited local markets, as well as by inferior educational, training and technology transfer opportunities. Rural areas, then, typically face numerous and serious economic challenges and often carry a disproportionate share of national poverty. Even though, in some respects at least, the global market is increasingly and actively extending into many rural areas, it remains true that young workers are leaving for urban centres, thus further disadvantaging the future economic and social vitality of rural areas.

In an EU context, the policy debate about rural economic development has moved into a new era with enlargement. The EU enlarged from 15 to 25 member countries in 2004 and added two more – Bulgaria and Romania – in January 2007, with further candidate countries such as the Balkan States and Turkey queuing to join. EU rural development policy (Pillar II of the EU budget) has three 'axes', economic, environmental and social:-

- Competitiveness of agricultural and forestry sectors;
- Improving the environment and countryside;
- Improving the quality of life in rural areas and encouraging diversification.

While it is not clear to what extent these objectives are mutually compatible, or where compromises or 'trade-offs' may result in a re-focussing of one or more of them, the EU's commitment to a three-pronged vision for rural development represents an endorsement of the concept of rural integration within the broader national and super-national economy and society. As such, it is to be welcomed by all who are concerned for those who live and work in rural areas.

The proportion of the rural population employed in agriculture in CEECs varies widely between countries, and even between regions within countries (Baum and Weingarten, 2004), but in many regions, agriculture with its associated upstream and downstream sectors still plays a very important role in rural labour markets (European Commission, 2005). Moreover, it is often the case that its significance in employment terms is rather greater than its importance in terms of total gross value added (GVA) terms, reflecting the relatively lower productivity of labour in agriculture (European Bank for Reconstruction and Development, 2003). This feature of agricultural employment and relative factor productivity is not confined to the transition economies, of course.

Initiated and supported by the European Commission (DG Research and DG Agriculture), the CEEC AGRI POLICY project which was funded for two years to April 2007 aimed to create a network of experts involved in agricultural policy analysis in the New Member States (NMS), in the Candidate Countries (CC) and in the countries of the Western Balkans. Its overall aim was to support the EU Commission and other policy-makers in the formulation of Community agricultural policies, and its main focus is on agricultural markets and rural development. This paper draws principally on the third rural development study conducted as part of this project (CEECAP, 2007) which focused on rural employment.

Rural Development for Rural Vitality

The objective of rural development has been defined as achieving '…an overall improvement in welfare of rural residents and in the contribution which the rural resource base makes more generally to the welfare of the population as a whole' (Hodge, 1986). Post World War II, rural development was viewed largely as improving the economic conditions of agriculture and, later, as assisting economically depressed regions. Now, however, the emphasis is broader and encompasses achieving greater equity for those who live and work in rural areas, in terms of income, housing, health care, and access to other goods and services. Viewed from this perspective, rural development may be defined as making rural

Europe a better place in which to live and work. The emphasis is on the overall well-being of people, not merely on economic growth and development. The concerns of rural development range widely, involving issues of rural poverty, population demographics, rural housing, public services and creative employment opportunities, as well as economic development. Leon (2005) has argued that the development of rural areas is complex and involves using a wide range of perspectives to integrate and exploit complementary insights. Viable farming is central to rural vitality (Wibberley & Turner, 2006). This is because of the role agriculture plays in the production of public goods such as environmental quality and rural amenity, as well as because it remains the principal user of rural land (McInerney, 1999). In the UK, a CPRE/NFU (2006) survey calculated that 85% of the time for managing the countryside was effectively given freely by farmers rather than from funded agri-environment schemes.

The Lisbon Agenda & Rural Vitality

At the meeting of the European Council at Lisbon in March 2000 an action plan to deal with the EU's low productivity and stagnant economic growth led to the formation of numerous policy initiatives. The Lisbon Strategy forms an over-arching framework for policy development in the EU during the decade to 2010, with the ultimate aim of making the EU 'the most competitive and dynamic knowledge-based economy in the world, capable of sustainable economic growth with more and better jobs and greater social cohesion'. At the European Council held in Spring 2005 EU leaders put economic growth and employment at the top of Europe's political priorities, and the renewed Lisbon Strategy represented a fresh commitment to mobilise and implement a positive reform agenda. In the EU, therefore, the competitiveness agenda has been defined by the Lisbon Strategy, which set out three main goals:

- An increased employment rate (from 61% in 2000 to 70% in 2010);
- Regional cohesion; and
- An average economic growth rate of 3%.

In January 2006, the Strategy was re-launched in order to capitalise on the new momentum for growth, with a strong focus on national reform programmes aimed at improving the competitiveness of the EU in global markets (European Commission, 2006). The focus now is on two main areas, productivity and employment. Already structural changes are considerable. In 2006 in the UK, for instance, the 60,000 biggest farms generated 96% of total production, while 65% of 'diversification income' on farms came from renting out redundant farm buildings.[1] The Lisbon Agenda has caused some general concern.

The key concern expressed is that the Lisbon Strategy should not be reduced simply to an economic goal, but that the social objectives originally identified should be at the heart of the implementation process over the next few years. The outcome of this debate about the meta-policy shaping the rural development of the EU over the coming years will be central to the future rural vitality of much of Europe. One of the challenges to policy makers at all levels is to develop a better appreciation of the range of alternative development trajectories of rural areas, in the context of the intrinsic strengths and possibilities such areas possess. There has been a widespread perception of rural areas as relatively passive recipients of an essentially urban-centred development agenda, and this has to change before real progress can be made. In tropical areas, it has long been recognised that people must participate fully in their own rural development if it is to be owned and sustained (Batchelor, 1993). In the UK in the 1950s, Evans(1956) proposed 'ask the fellows who cut the hay' in order to ascertain the realities faced by rural workers. Farmer participatory research and extension has proven effective in practice (Wibberley, 1988; Chambers *et al* 1989). Such approaches merit wider adoption within the CEEC countries.

[1] Porter, C. (2007) *Farm Business* Vol.6 (2) 2nd February.

Management & Rural Vitality

The contributions of **management** to the attainment of **rural vitality** operate at several levels:-

Strategic thinking 'outside the box' simultaneously to integrate the complex components
Marshalling of the facts and trends concerning contributory factors in the rural context
Focus on rural employment – both in farming and non-agricultural work
Review of the provision of training, extension and advisory services to enable it
Individual enterprise management within a business
Collaboration in learning and earning, including group formation and co-operation
Change management at enterprise, business, regional, national & international levels
Integrated rural development in a locality/region linking businesses & service providers

The present paper is principally concerned with **rural employment**.

Global & EU Rural Employment Trends

For the first time in history, international statistics published by the UN in February 2007 show fewer people employed in farming and land-based work world-wide (38% of the global workforce) than in the service sector (40%). Furthermore, the urban population overtook the rural one globally for the first time ever recorded. The rural-urban exodus, and especially the loss of farmers represents a considerable upheaval for the management of natural resources, let alone the plight of many stressed farm families.[2] Of the estimated 191 million migrants in the world - some of them refugees - many originate from rural areas and have previously been subsistence farmers. In China, there has been recently an active government policy promoting migration to the cities with at least four mega-cities being built for the purpose and an associated, albeit relatively short-term, enormous economic boom. Concern is growing that this policy and this boom is unsustainable. In Europe too, there is considerable recent migration on an unprecedented scale. Much of this migration represents a 'brain drain' from rural areas – particularly, perhaps, of entrepreneurial talent and spirit since those prepared to migrate may be less risk-averse. However, in the short-term, remittances sent back home by migrants can provide very strategic means for survival of those left behind, including enabling them to acquire hardware and so stimulate demand in local shops. In the EU, annual remittances are significant for some of the countries here studied (EPW, 2007) including Poland ($m 2,347), Bosnia ($m1,312) and Turkey ($m 804). Of the study countries, Turkey, Poland, Hungary, Croatia and the Czech Republic have the largest numbers of tourists – though tourism is predominant within the small Cyprus economy, and significant for countries like Slovenia and Slovakia. Both Bulgaria and Romania have high hopes to develop their tourist potential.

[2] In the UK during 2006, there was a 60% increase in the number of distress calls to *FCN* (*Farm Crisis Network*)

Figure 1:. A comparative overview of EU Accession and Candidate Countries since 2004

COUNTRY	Area 000 km²	Pop. M	% of pop. rural	Density Pop./km²	HDI #	GDP per capita : $ PPP	Ag. % of GDP	% who work in Ag.	% unemp.
Estonia	45.2	1.32	31	29.26	85.3	14,560	4.0	6	9.2
Latvia	63.7	2.30	34	36.21	83.6	11,650	4.0	14	8.8
Lithuania	65.2	3.44	31	52.82	85.2	13,110	6.0	18	5.3*
Poland	312.6	38.58	37	123.43	85.8	12,970	2.8	18	7.3**
Hungary	93.0	9.87	35	106.20	86.2	16,810	4.0	5	7.1
Czech Republic	78.8	10.23	25	129.80	87.4	19,410	3.4	4	9.1
Slovakia	49.0	5.40	42	110.24	84.9	14,620	6.0	6	11.5***
Slovenia	20.2	1.98	51	98.21	90.4	20,940	3.0	8	9.8
Romania	237.5	22.33	45	94.03	79.2	8,480	13.1	35	6.5
Bulgaria	110.9	7.89	32	71.20	80.8	8,080	10.1	36.4~	11.5
Bosnia - Hercegovina	51.1	4.16	56	81.38	-	7,030	'grey'	34.8	45.4
Croatia	56.5	4.42	-	78.33	84.1	12,190	8.0	-	15.7
Serbia	88.5	9.30	-	103.10	-	2,700 est.	17	-	- ?
Cyprus	9.2	0.80	30	86.70	89.1	22,810	3.8	-	3.2
Turkey	779.4	71.32	34	91.51	75.0	7,750	12.0	34	10.3

***Sources**: Derived from Collins Handy World Atlas 2004; Whitaker's Almanack 2007(139th edn.); Data submitted from National Reports of countries; The Economist Pocket World (2007) for PPP* [Note: $ PPP = Purchasing Power Parity, adjusting for cost of living differences based on a basket of goods and services - relative to USA at index100].

~ In Bulgaria, this figure includes the 26.4% who are farm owners.

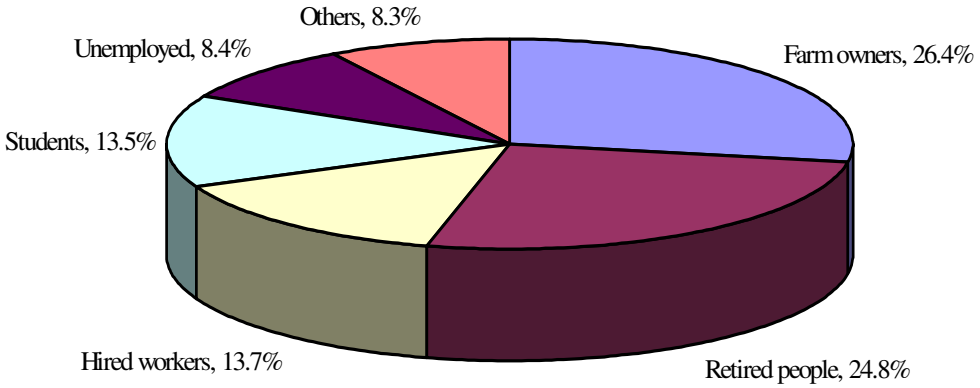
***** *The Economist Pocket World 2007* states significant variances:- * = 12.8% for Lithuania;

** = 19.0% for Poland; *** =18.1% for Slovakia.

 # HDI = Human Development Index, which the UNDP launched in 1990 factoring together income levels, adult literacy and life expectancy data.

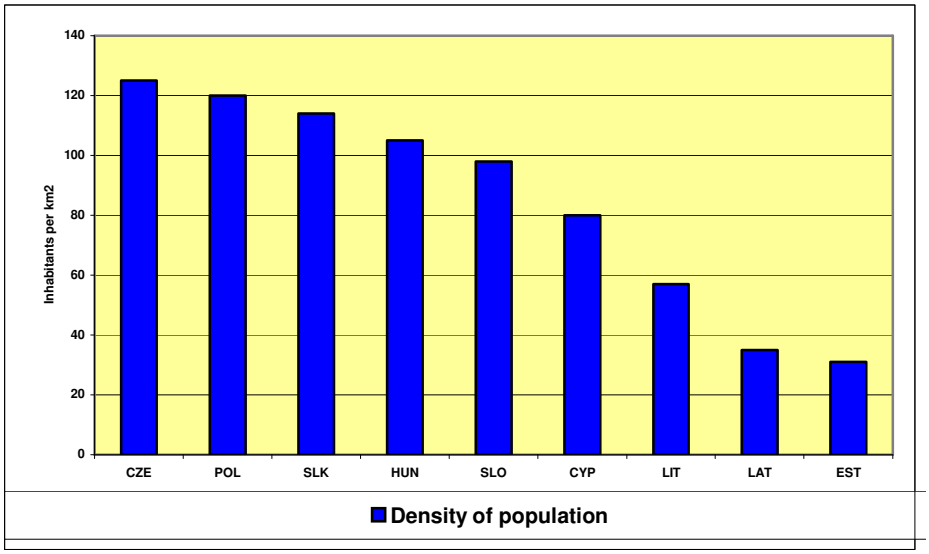
In Bulgaria, 97% of farms are <5ha in size, and only <1% exceed 50ha. The social status of rural household members is shown in Fig.2.

Figure 2: Social status of the household members in rural areas 2005



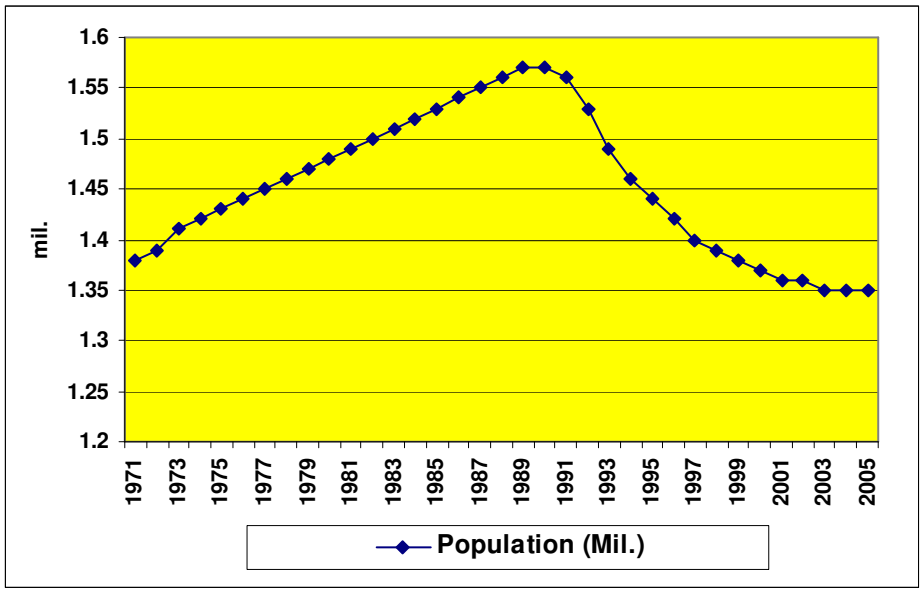
There is considerable variation in population density among the new EU States (Fig.3). Even in the least densely populated country, Estonia, there is an absolute decline in population (Fig.4).

Figure 3: Population density in New EU Member States (2004)



Source: EUROSTAT

Figure 4: Population dynamics in Estonia 1971-2005



Source: Estonian Statistical Office, 2006.

Rural unemployment ranges from 'the biggest social problem' in Bosnia & Hercegovina and the Balkans generally to virtually nil in Cyprus. There is a significant informal employment ('grey economy') sector in many countries, notably in Serbia. Older rural residents are sometimes more likely to be unemployed (e.g. Cyprus) while in many places they provide the 'social buffer' continuity which underpins rural society e.g. in Romania, agriculture is the second earner for 95% of those in NAE. There are great regional differences in many countries, such as in Croatia, and at the periphery everywhere. Migrant labour is moving between the countries studied e.g. from Romania into Serbia for seasonal, casual farm work. Out-migration into the western EU and elsewhere is causing rural depopulation in the Baltic States and Poland. Many farm families face an uncertain future. (Fig.5).

Figure 5: Serbian Farmer: a troubled past; an uncertain future. (Source: R.McCurrach)

In Slovenia, settlement patterns are particularly dispersed and there is a particularly strong attachment to place such that growing numbers commute from rural areas into small towns to work. In general, the standard of living (space and fresh air notwithstanding) is greater in urban than in rural areas of the countries studied, and rising expectations cannot be met out of farm incomes; this is marked in Poland. The most strongly rurally dependent are the economies of Romania and Bulgaria with consequent expected impacts as they integrate into the EU following their accession in January 2007. There are particular ethnic issues, such as the gipsy population in Bulgaria and Romania. There is a rural exodus in Turkey but, because of population growth rate at 2% or so, the absolute rural population is maintained and infrastructure consequently strained (Fig.6).

Figure 6: Population Trends in Turkey

Census Years	**Total Agric. Population:** **villages + towns**	**Agricultural Population (%)**	**Urban Population**	**Urban Population (%)**	**Total Population**	**Population Growth Rate (%)**
1980	25,091.950	56.1	19,645.007	43.9	44,736.957	2.07
1990	23,146.684	41.0	33,326.351	59.0	56,473.035	2.17
2000	23,797.653	35.1	44,006.274	64.9	67,803.927	1.83

Source: DİE, National Censuses, Turkey

Agricultural Employment
A number of factors are relevant in any consideration of the nature, level and trend of agricultural employment:-
Active versus inactive labour force – many on farms are underemployed (Fig.7).
'employed in farming' status – this may fail to count owner-occupiers in some cases
Registered and unregistered workers: The 'Grey Economy' large in e.g. Bosnia
Disguised unemployment and underemployment categories
Part-time employment & self-employment as potentially very good, not always negative
The 'Circulatory Economy' of migrant labour, learning & remitting cash from abroad
Entry incentives, assistance into employment, retention, and retirement schemes
Professionalism in agriculture:- recognition, and ways of enabling CPD and LLL
Targeting of vulnerable or disadvantaged groups – women, elderly, disabled…
SME start-up incentives and conditions
Planning policies facilitating adding value to farm produce by processing *in situ*

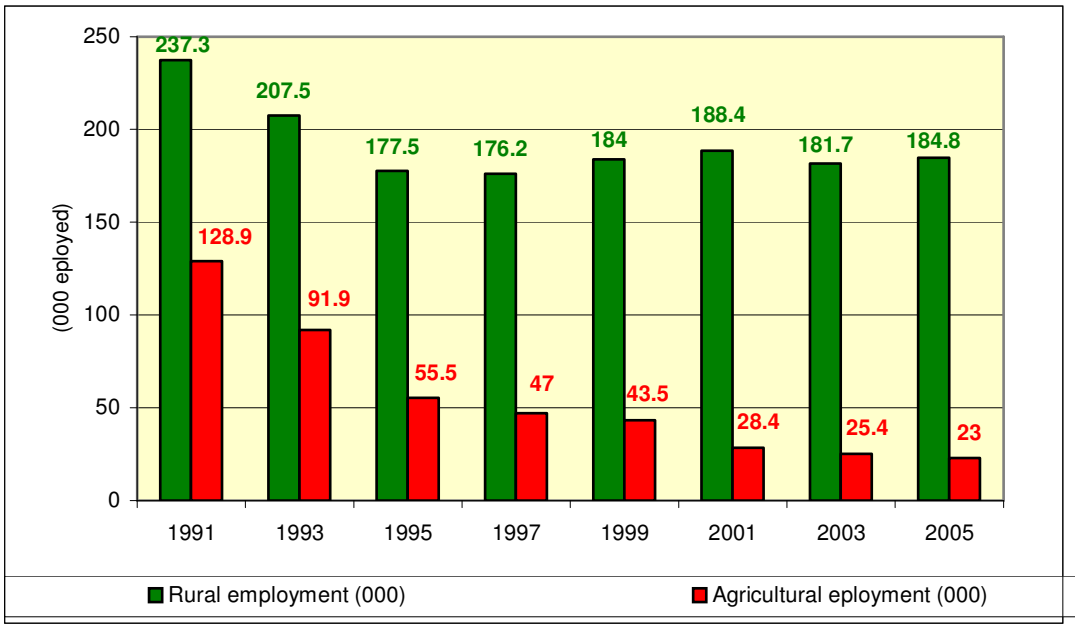
Figure 7: Latvia: Main indicators of employment in rural territory (000 population)

Rural territory	**2004**			**2005**		
	Total	Men	Women	**Total**	Men	Women
Persons aged 15 to 74 years	565.7	281.4	284.3	566.2	282.5	283.8
Active population	332.1	186.0	146.1	331.5	186.1	145.4
Employment rate	53.8%	60.1%	47.5%	54.2%	60.5%	47.9%
Unemployment rate	8.4%	9.1%	7.5%	7.4%	8.1%	6.5%
Economically inactive people	233.6	95.4	138.2	234.7	96.4	138.4

Source: CSB of Latvia, Labour Force Survey

Meanwhile, farmer loss is a common feature (Fig.8.) as agriculture, essentially a primary industry, releases people for employment elsewhere in the economy or, as in the case of some of the post-centrally planned economies, for little productive contribution.

Figure 8: Estonian employment trends in rural areas and agriculture (1991-2005)



Source: Estonian Statistical Office.
*NOTE: Non-Agricultural Employment (**NAE**) increased by 50% between 1991 & 2005.*

There is a lack of rural pensions generally so loss of farm livelihood is serious everywhere. In the Czech Republic, the farm workforce declined by 73% between 1989 and 2005, and dramatic losses occurred elsewhere too. Perhaps for cultural reasons, women have a greater farm involvement in some countries than men (e.g. in Turkey) but men do more farm work in most European countries than women. Men are paid much less than women for farm work in some countries, e.g. Cyprus. Foreign workers account for 70% of all farm staff in Cyprus. Part-timers feature in many countries and 70% of all farm work is done by part-timers in Slovenia, 81% in Latvia. In Turkey, half of all farm labour is unpaid family members, especially women. As well as between countries, there are also huge regional differences in the percentage employment in agriculture e.g. in Poland, Silesia has 9% while Podlaskie has almost 40% in farm work; considerable variation also exists in Hungary (Fig.9), especially in the proportion engaged in agriculture.

Figure 9: Hungary: Regional variation in employment indices (2003)

Region	Activity rate (%)	Unemployed (%)	Employment (%)	Agric.work (%)
Central Hungary	57.5	4.0	55.1	1.6
Central Transdanubia	58.0	4.6	55.3	4.9
Western Transdanubia	57.7	4.6	55.1	4.8
Southern Transdanubia	51.3	7.9	47.2	9.4
Northern Hungary	49.8	9.7	45.0	4.6
Northern Great Plain	49.3	6.8	45.9	7.9
Southern Great Plain	50.3	6.5	47.0	11.6

Source: CSO, Budapest.

The Hungarian farm population declined by 50% between 1991 and 2003. The average farm size is 3 ha but the social importance of farming far exceeds its financial contribution in the economy.

Non-Agricultural Employment (NAE)

NAE includes other primary employment sector work – in forestry (e.g. it is the leading NAE in Latvia), fishing, hunting, mining and quarrying. Agricultural processing and 'adding value' to farm products is often important. Other sectors include construction, manufacturing, services and tourism, including agri-tourism. Niche markets are key, including local handicrafts and other local products e.g. Turkish carpets, Bulgarian garments, Slovenian electrical and electronic goods. Hotels and restaurants are important in established and expanding resorts such as in Croatia, Cyprus, Turkey and Bulgaria. However, education and training is often inadequate for NAE, many areas lack micro-credit sources, and many rural populations are risk-averse e.g. in Romania. Poor infrastructure, e.g. bad roads, impairs NAE in some countries e.g. Poland. Advisory Services are often lacking, though Estonia has remedied this with useful results, together with consultations on business start-up; there, NAE is growing faster than the EU average. Conversion and rental of farm buildings for other purposes can become an increasingly important source of income, as in the UK (Turner, et al, 2006).

It is reported that the 'grey economy' produces as much as 40% of Serbia's 'social product' – though overburdening the taxpayers - and is important in most countries studied. Emigrant remittances are also vital, especially in the Balkans, e.g. in Bosnia & Hercegovina it is reckoned that 25% of its GDP originates in this way.

New Rural Employment Opportunities
Farm multifunctionality is seen as pivotal, with considerable scope to develop farm and forest product processing and value-adding, particularly for niche markets (Fig.10).

Renewable energy is seen by many as a major upcoming opportunity, not only for biofuels but also for windfarms and other technologies. Rurally compatible factories - such as those making clothing in Bulgaria – have further potential.

Figure 10: Slovenia: Family farms by supplementary activities; 2003 & 2005

	Number of farms		Index	Share (%)	
	2003	2005	2005/03	2003	2005
TOTAL	**2.867**	**3.146**	**109.7**	**100.0**	**100.0**
Food processing - meat	101	189	187.1	3.5	6.0
Food processing - milk	115	185	160.9	4.0	5.9
Food processing – fruits and vegetables	354	390	110.2	12.3	12.4
Food processing – others	104	200	192.3	3.6	6.4
Wood processing	508	449	88.4	17.7	14.3
Services with agricultural machinery	905	796	88.0	31.6	25.3
Tourism on the farm	675	628	93.0	23.5	20.0
Cottage industry	130	171	131.5	4.5	5.4
Public utility services	149	297	199.3	5.2	9.4

Source: Statistical Office of Republic of Slovenia

SMEs, services, crafts and tourism are varyingly developed – with tourism, and agri-tourism seen as hopeful in many places, though with great regional differences. Nearer to cities, such as Riga in Latvia, opportunities in general are much greater.

Seasonal work is important in many areas, as is circulatory migration and the remittances it brings, though it could be argued that their arrival diminishes the need for innovative business ventures. In some areas e.g. Slovakia, already there is diminished demand for agricultural graduates.

In Slovenia, many commute from rural areas to work in small towns where opportunities are greater, perceiving the countryside as a preferred place of residence, recreation and sports. These last social changes offer new job opportunities for some in providing the associated services, including retirement homes and healthcare for often growing numbers of elderly rural residents.

Telecottages and e-businesses both offer new jobs but have yet to be significantly developed in most areas surveyed. It is a concern everywhere that primary sector jobs languish, and those in the secondary sector have declined as far as heavy manufacturing industry is concerned. Simply to switch all hope to the tertiary sector may leave economies with a vacuum of solid primary production; not everyone can produce computers, speculate financially or become social workers! However, policy makers can influence opportunities significantly e.g. in Lithuania, it is reported that every third job promoted by the Labour Exchange is in rural areas.

Education, Skills & Rural Employment Opportunities
Rural people are generally less well-educated than urban residents, with commonly as many as one-fifth to one-third having no formal education. Rural schools are often ill-equipped. This tendency is usually greatest for women and for older people. Some countries are making big improvements but from a very low base. However, the Baltic States are focusing on improved relevant agricultural training, combined in the case of Latvia especially with free business consultations and new advisory services.

Discerning employers prefer experience to qualifications *per se*, though a combination of both is increasingly sought. However, it is difficult for many graduates to gain relevant experience, and some employers stage long apprenticeships in these circumstances to cheapen their wage bills – e.g. cited in Slovakia as an issue, where there is quite a supply of educated agriculturalists (Fig.11). Targeted training schemes have been successful in some places e.g. Bosnia & Hercegovina. There is also evidence from Turkey that trained agriculturalists are much more likely to own more land.

Figure 11: Slovakia: Education of those employed in Agriculture (%)

Level of education	**2000**	**2001**	**2002**	**2003**	**2004**	**2005**
Elementary	19.7	16	16.4	14.8	13.8	14.8
Full secondary vocational	51.8	56.7	57.2	54.5	53.7	50.5
Full secondary specialised with leaving exam	24.3	22.5	22.8	23.7	25.4	27.7
Higher specialised	0.2	0.4	-	0.3	0.2	-
University	3.7	4.4	3.6	6.7	6.9	7

Source: Slovak Statistical office, 2006

Many countries report a mismatch between labour market needs and actual vocational training offered, together with a shortage of CPD/LLL. Farm labour is poorly paid, poorly educated and often may be slower to seek educational opportunities – as reported in Romania, for instance. In Bulgaria, rural illiteracy is double that in urban areas and there is concern regarding the danger of regional educational imbalances too.

Other Factors & Rural Employment

There are a number of other factors which have a bearing on the level and robustness of rural employment, principal among which are the following:

Rural infrastructure is often poor – notably roads – and regional differentials can be great.
Low wages in farming plus a low proportion of farm jobs which are waged at all make for rural poverty in many areas.
The 'brain drain' is depleting able, pioneering types from rural areas. Gender issues are still acute in some areas e.g. for women in parts of Turkey.
Isolation is an issue for many, though improved information systems can help e.g Estonia's new rural newspaper '*Good Advice*'
Foreign workers are socio-economically significant in some countries e.g. Cyprus, while for others (Romania and Bulgaria) the resident though nomadic Gipsies present particular challenges.
For many countries, such as Poland, the key factor is that there is still a high proportion of surplus people in the rural economy leading to many underemployed or high hidden unemployment.

Underemployment in Rural Areas

Under-employment affects especially women, older men and those less educated. Employers get skilled people cheaply because of it. Many countries do not really try to record it, as admitted by the Czech Republic.

Under-employment appears as part-time work, the 'grey economy' and a high proportion of family farmers who may work only part-time on their small farms. One big reason for agricultural under-employment is the lack of development to date of 'value adding' to farm products in many places e.g. in Slovenia GVA for agriculture is 20% of that for the economy as a whole. However viewed positively, the combination of flexible labour contracts, self-employment and multiple part-time work by which people survive may portray a truly sustainable future. Other responses to rural under-employment include commuting to towns for work (as done by one-third of Estonia's rural residents), early retirement schemes (as introduced in Romania in 2005 for farmers >62) and re-skilling training. The Lithuania Report complains that social welfare grant policies are inimical to progress – including rural people's willingness to do seasonal farm work despite high under-employment - and it advocates re-skilling instead of 'dole'.

The place of Semi-subsistence Farming
Methods of description vary but, in general, there is growing polarisation between many, small farms and very few large farms e.g. In Romania in 2002, 76% of farms were classed as 'subsistence only' (selling nothing but eating all their produce), 21.7% 'semi-subsistence' (i.e. selling some of their produce) and only 2.3% 'commercial' ; farms >100ha occupied only 0.23% of all Romanian farms but 48% of the nation's UAA (Utilised Agricultural Area). During restructuring there, as elsewhere, many returned to small farms as their only means to escape poverty. Small farms are often described as providing a 'social buffer' e.g. in Croatia, 40% of the rural population are poor and depend on small farms to survive. Retaining yet enlivening as many as possible of these small farms may well be the key challenge for truly sustainable development. Rural family living costs are smaller than urban ones both financially and in global energy terms.

Examining the Lisbon Strategy in relation to Rural Employment

The '**Lisbon Strategy**' of 2000 emphasises achieving fuller employment and social cohesion as well as raising workplace quality standards. To attain these, its priority is economic growth (albeit sustainable growth) by creating new job opportunities. The Lisbon Strategy's objectives for 2010 include having at least 70% of the labour force employed (at least 55% of the labour force aged 55-64 years, and 60% of the female labour force to be in work). Participating countries are exhorted to pursue :- knowledge-based societies, improved internal markets, better business environments, more dynamic labour markets and sustainable development. According to a PriceWaterhouseCoopers Report (*Daily Telegraph* Business, December 11th 2006), skilled workers are not moving about Europe as freely as anticipated by The Lisbon Strategy. With the exception of the Nordic countries, Ireland and the UK, mobility of skilled workers is said to remain 'disappointingly low'. Barriers to greater labour mobility that are cited include language differences, incompatible or non-transferable health-care benefits and different tax systems. On the other hand, rural depopulation is excessive in some countries owing to particular out-migration e.g. UK Office for National Statistics data show that over 0.4 million arrived in Britain from Eastern Europe between 2004-2006, originating as follows :-

Poland	264,560
Lithuania	50,535
Slovakia	44,300
Latvia	26,745
Czech Rep.	22,555
Hungary	12,870
Estonia	5,110
Slovenia	420

It should be noted that numbers arriving from Romania and Bulgaria are expected to increase in the future.

There is also the phenomenon of circulatory migration whereby people move across borders for seasonal work; this has increased following suspension of the visa for the Schengen space on January 1st 2002, and in Romania accounted for some 62,000 people during 2002.

Alternative considerations are proposed towards a sustainable **context for rural employment :-**
opportunities should be reviewed in relation to actual trends both locally and globally,
'**semi-subsistence farming**' should not be used exclusively perjoratively. Part-time farming can be the least bureaucratically complex way of ensuring a future stake in the land for many people while enabling them to earn income outside traditional farming ventures without the social stigma of being 'only part-time farmers'[3] (i.e. 'not to be taken seriously' or, in some cases, seen as 'mere hobby farmers' – albeit 'hobby farmers' are a legitimate category, often self-labelling).

The Lisbon Strategy might be significantly questioned and modified – not simply accepted as being comprehensively and finitely appropriate. For instance, some of the more serious criticism made of it include the following :-
it is weak on sustainability and integration of development in the light of energy-efficiency;
it does not sufficiently address environmental management issues;
it does not address the growing interest in the role of land in relation to climate change;
it does not address the 'citizen acceptability' in civil society of EU CAP & Rural Policy;
it is lacking in relation to retention of people in rural areas 'there to care' for land/heritage;

[3] This was a conclusion of a 7-country study: Wibberley, E.J.(1990) *Survival of the family farm: family-worked dairy farms & the viability of rural communities*. **NSch** Report , Nuffield Farming Scholarships Trust/ Trehane Trust, 59 pp.

it omits that many small-scale, private entrepreneurs make for a strong agrarian structure;
it places insufficient priority on local food strategies and national/regional food security and
it is silent on food sovereignty, and the need to 'build the middle' in the Food Chain everywhere.

However, *realpolitik* suggests that rural unemployment and rural depopulation are and will remain common concerns of European countries, especially the new EU accession and candidate countries. Thus, targeting more funds towards rural development is close to the real needs of these countries. Appropriate rural development ought to take proper account of the factors noted above, not to separate production and beauty conceptually as well as via the 'pillars' through which EU policy addresses them. Countries should be encouraged to articulate their concerns about the shortcomings of The Lisbon Strategy rather than simply being deferential towards it in order to appease current EU policy-makers, or to comply for EU entry. Only the Poland Report (on p.11; Wibberley, 2006b) alluded directly to any critical appraisal :- 'Experts think that the Lisbon Strategy was prepared well but is realised in a wrong manner, among other things due to the intra-country barriers – weakness of the political leadership and lack of the social acceptance for increasing the market's role and individual responsibility, and limitation of the welfare role of the State'. This is taken as a plea for integrated realism not a return to the shortcomings of socialism.

Most countries seek to comply with 'Lisbon' policies to favour: economic growth via private property and enterprise, social inclusion, eliminating job discrimination, stimulating the labour market and improving labour mobility. Some countries e.g. Romania, admit their inability to comply with 'Lisbon' targets as yet. Only Poland questions somewhat the feasibility of the 'Lisbon' agenda. Bulgaria is more concerned with its own national stable development than with new jobs *per se*. The role of foreign and domestic investment is crucial, together with reduction of regional differentials within countries. A range of policies have been devised in the attempt to deliver the 'Lisbon agenda', including :-
More diversification and the encouragement of SMEs
Increased R&D spending on rural job creation and related topics (raising this to 3% of GDP)
National Action Plan for Employment – in Croatia
National Strategic Rural Development Plans 2007-13: e.g. Czech Republic, Cyprus, Slovakia
More NGOs: Civil Society duly motivated towards self-help and enterprise, not 'hand-outs'.
Internet access and other communications improved.
Local resource development being fostered for renewable energy, crafts, local produce…
Gender equality addressed where necessary e.g. for women in Turkey
'Multi-professionality' for most rural people is advocated in Poland.

Conclusions & Recommendations

The studies on which this paper has drawn have identified a wide range of conditions and an almost equally wide range of policy initiatives, as might be expected (CEECAP, *op cit*). Most countries report poor rural infrastructure and weak demographic structure (many outside the active working age range). The agricultural workforce is hampered by poor education, low farm wages, few paid jobs, low mobility of workers, ageing and much under-employment. Remoter rural areas are losing many young people.

Countries aim to attract investment and EU grants by compliance with EU policies to reform farm structure etc. Diversification, training and harnessing advice are seen as keys to rural development. The huge continuing importance of agriculture is highlighted especially in some countries e.g. Romania has 64% of its rural workforce farming with 32% of its total workers; Turkey has 34% of its workforce engaged in agriculture. However, it is reported that commuting to town jobs is increasing e.g. in Estonia, Hungary. Nevertheless, food security and the 'social buffer' of small farms remains of crucial importance for the rural population in particular.

There needs to be more concerted effort towards **Integrated Rural Development**, with its in-built diversification and appropriate 'rural hubs' (one-stop advice, sales and information points). These should logically include 'rural development forestry' as a long-term strategy, incorporating heritage and leisure-based business opportunities. Rural living costs are lower than urban ones, both in terms of family finance and in energy costs of the whole system. The 'local resource management' theme needs better, more overt linkage into upcoming global issues, notably energy security as well as food security and water security. Bosnia & Hercegovina recognises an outstanding fact - which some established EU members have been inclined to ignore to their peril – by stating, '**Ensuring food security remains the first role of the farm sector**'.

In some countries at least there appears to be an ambivalence towards the 'grey economy' and this is conflated with a general note of seemingly 'expected' disapproval of part-time employment for the eyes of those in EU circles. However, '**multiprofessionality**' in rural areas, with a solid core of self-employed and part-time employed people is wisely seen as a key hope for the future by the authors of the Polish Report.

The essentials for sustainable rural vitality – vibrant ecology, economy, employment, energy-efficiency, equity and ethics – do not simply fortuitously coincide. They need to be simultaneously conceived, pursued and **managed within an integrated vision.** The role of government in this is to signal that food security matters in each nation/region, to ensure that laws deter bad practices and penalise where necessary, and then to minimise bureaucratic interference in creative rural enterprise. The Lisbon Strategy is essentially about improving the competitiveness of the EU, but it is widely acknowledged that achieving this is difficult. Competitiveness is an idea that is widely used but usually understood in only its simplest sense and, in particular, its relevance to a nation, region or locality is sometimes disputed. Typically, the policy focus often becomes one of improving labour productivity rather than sustainable, integrated rural development.

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