

Employment dynamics in rural regions in the EU

RAPIDO workshop, Vila Real, November 27, 2008

Ida Terluin, Agricultural Economics Research Institute (LEI),
The Hague (email: ida.terluin@wur.nl)



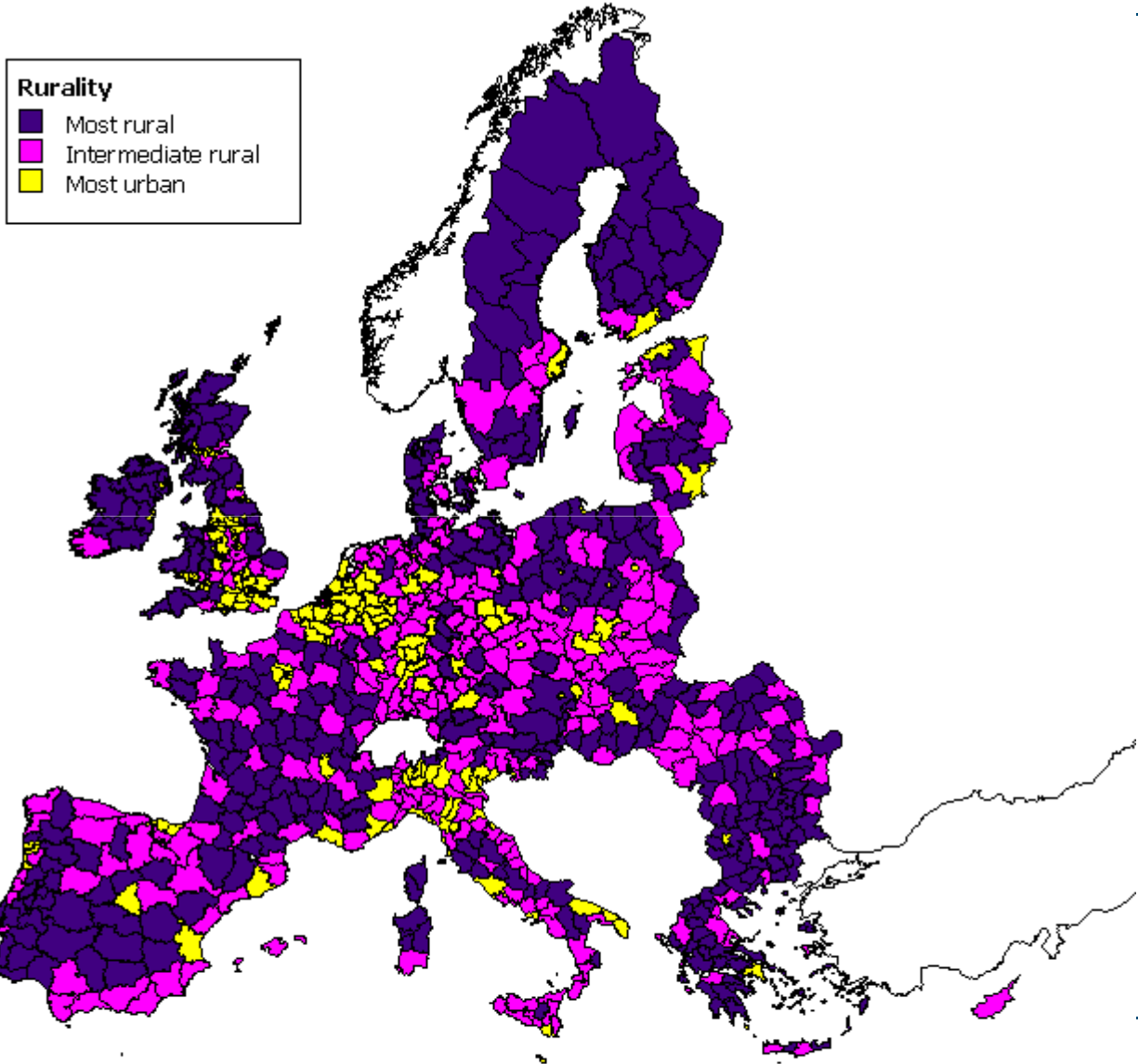
Plan of this presentation

1. What is a rural region?
2. Data on employment dynamics in rural regions in the EU
3. Theories on economic growth
4. Empirical findings: driving forces in leading and lagging regions
5. Guideline for territorial development strategies

OECD rural typology

- Derived from population density
- Distinguishes three types of regions:
 - 1. Most rural regions;
 - 2. Intermediate rural regions;
 - 3. Most urban regions.

Most rural, intermediate rural and most urban regions in the EU



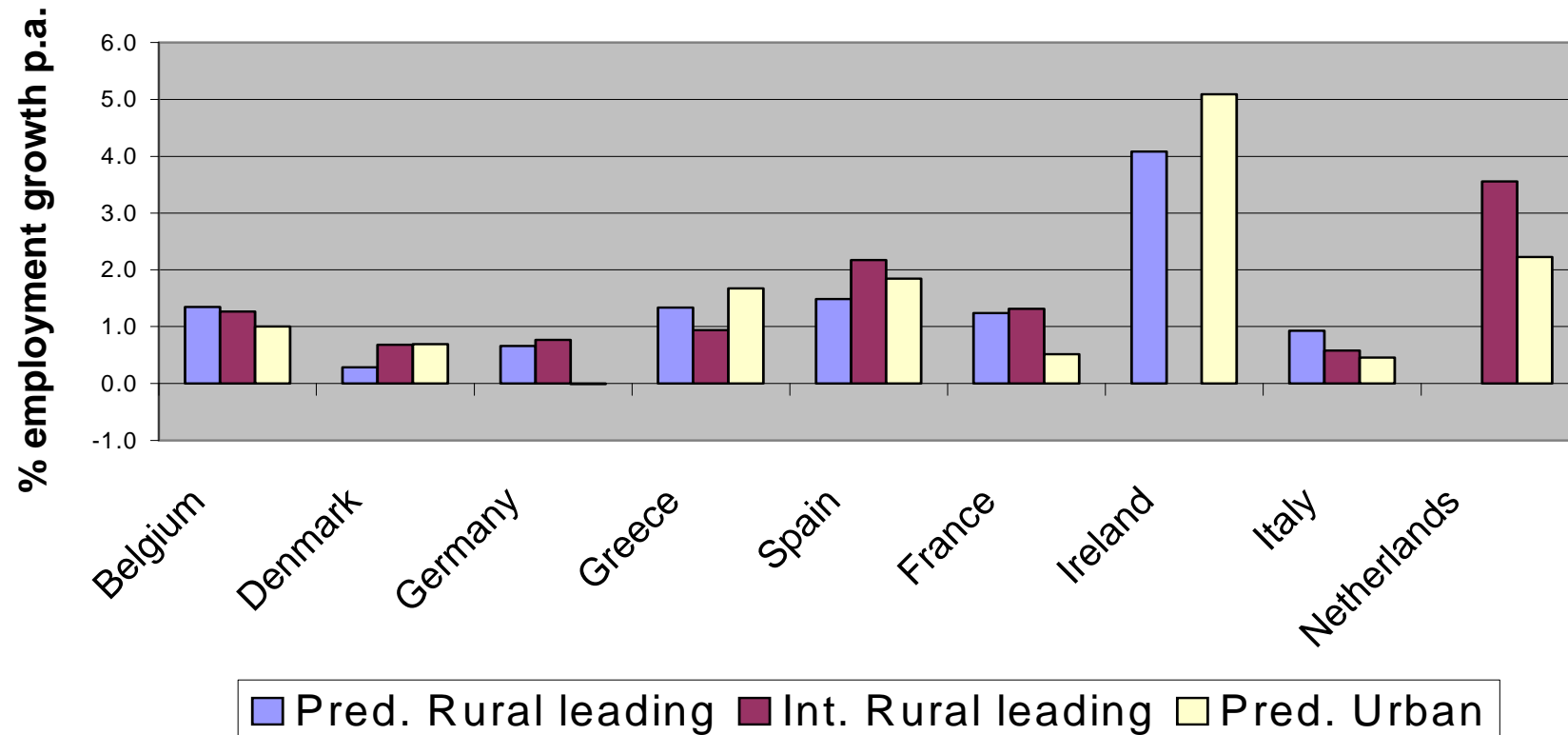
Definition of leading and lagging regions

Within each country regions are <u>ranked</u> according to their <u>employment growth</u> in a decade from <u>high</u> to <u>low</u>	Top 1/3 Leading regions
	Middle 1/3 Middle regions
	Bottom 1/3 Lagging regions

Employment and population growth in EU15 regions, 1990-2000

	Employment growth (% p.a.)	Population growth (% p.a.)	Share agriculture in employment (%)
Leading most rural	1.2	0.5	11
Leading intermediate rural	1.4	0.8	5
Lagging most rural	-0.6	-0.1	11
Lagging intermediate rural	-0.7	-0.1	6
Most urban	0.8	0.3	2
All regions	0.6	0.3	4

Employment growth in leading rural, leading intermediate and urban regions in the 1990s



Development of rural regions: a mosaic

Rural Europe is no longer the scene of losses of population and jobs

but

- a rural mosaic with winners, in- between and losers;
- agriculture is no longer the backbone of the rural economy.

Theories on regional economic growth

Production function: $Y = f(L, K, X)$

In which:

Y = output

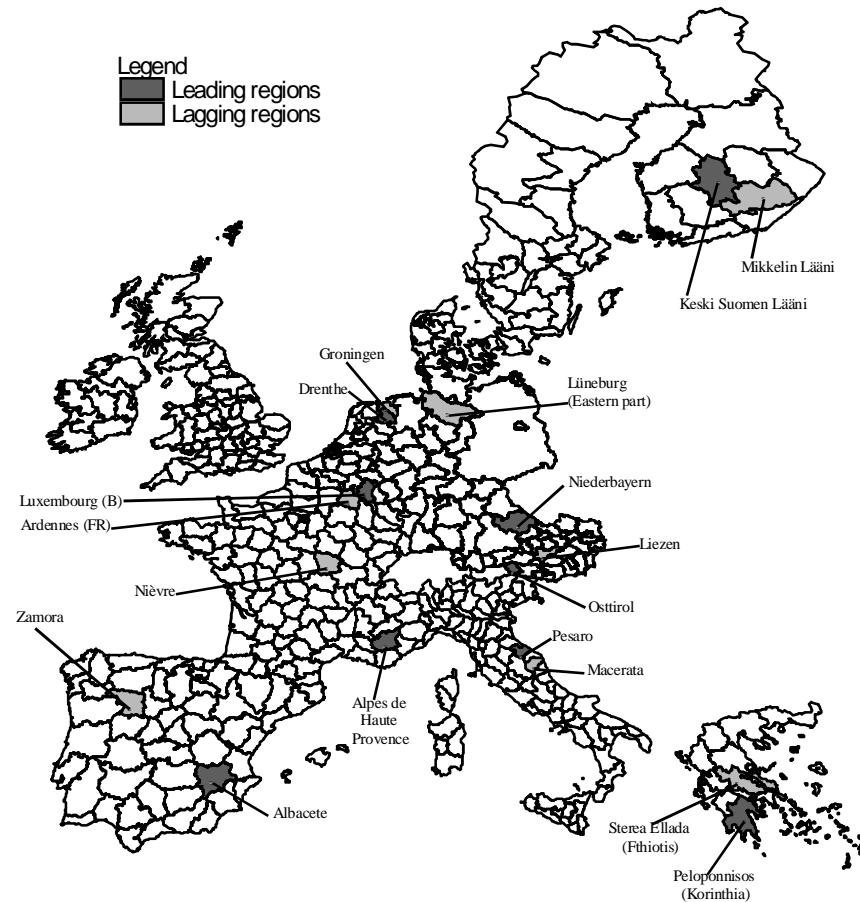
L = labour

K = capital

X = factor X; something in addition, like technology, agglomeration, networks, trust, innovation etc.

→ driving force behind economic development

18 leading and lagging case study regions from the RUREMPLO project



Case study regions: main similarities

	Leading regions	Lagging regions
Natural resources	+	+
Rual amenities	+	+
Infrastructure	+	-/+
Infrastructure management	+	-

Case study regions: main differences are related to actors

	Leading regions	Lagging regions
Mobilisation and organisation of actors	+	-
		-
Capacity of actors (knowledge, skills, attitude)	+	-
Internal networks	+	-
External networks	+	-
Migration balance	+	-

Guideline for territorial development strategies for rural regions (1)

1. Think global and act local

(development process in rural regions is affected by the interplay of global forces and local responses)

2. Improve the capacity (knowledge, skills and attitude) of local actors for establishing and sustaining development within the region

Guideline for territorial development strategies for rural regions (2)

3. Strengthen the cooperation of local actors inside
and outside the region
4. Try to affect the balance of power in the external
networks in such a way that local actors are able to
benefit to a reasonable extent from these networks

Guideline for territorial development strategies for rural regions (3)

5. Adjust administrative structures in such a way that they encourage and respond to bottom-up initiatives
6. Use a comprehensive territorial development plan, based on the strengths, weaknesses, opportunities and threats of the region