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RURAL EMPLOYMENT IN THE CONTEXT OF RURAL DEVELOPMENT: AN OVERVIEW

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The project aims to establish a network of experts involved in agricultural policy analysis and rural development in the New Member States, in the Acceding Candidate Countries and in the countries of the Western Balkan. More detailed information on the project can be found at www.agripolicy.net.

This report forms the third looking at aspects of rural development, and draws heavily on the individual reports prepared by each of the members of the research consortium. It has been produced by the Centre for Rural Research at the University of Exeter; the report was written by Dr John Wibberley, with editorial input from Martin Turner, and the help of Ali Edwards which produced a generic bibliography at an earlier stage of the work is gratefully acknowledged.

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RURAL EMPLOYMENT IN THE CONTEXT OF RURAL DEVELOPMENT: AN OVERVIEW

1 Introduction

1.1 The study brief

This report draws on the work done by fifteen partners in the CEECAP project for the third study under the 'Rural Vitality' theme. It has been a desk study of employment and labour market issues in rural areas, which focussed on a number of aspects of policy and social relevance in transition economies. The study covered such topics as the incidence and nature of under-employment, aspects of the subsistence/semi-subsistence interface with the labour market, in addition to collating and interpreting the available statistics on rural employment and reviewing 'Lisbon issues' in the context of rural employment. It included, wherever possible, expert views on the impacts, existing and foreseen, of economic transition on rural employment. Overall, and taking all CEECAP partner studies together, it identifies the more significant differences between countries in the measurement and development of gainful employment.

The policy context

In simple terms, rural development may be defined as making rural Europe a better place for the people who live and work there. Effective rural development requires the integration of policies affecting rural areas, and will involve political, economic and social components which are directed to a broad vision of the future of rural areas. From the perspective of the economic analyst, the objective of rural development has been defined as '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). One of the prime drivers of research into the economy of rural regions has been the widespread recognition that these regions have become fully involved in the spatial restructuring of the post-WW2 era in many, if not all, European countries. The decline in the agricultural sector, and the opening up of rural areas to new economic activities, particularly of services, points to the need to focus research on rural development and not merely on agricultural adjustment and modernisation.

The emphasis of rural development is very much on the overall well-being of people rather than on economic growth as such, and effective development will not necessarily be associated with an increase in real incomes. Clearly, in the more rural areas the quality of life is very directly influenced by the economic vitality of agriculture. However, the concerns of rural development include not only the setting up of new employment opportunities in rural areas, therefore, but also issues of employment opportunities, rural poverty, population distribution, rural housing and public services. The policy priorities in modern rural development are to provide greater equity for all rural people in incomes, housing, health care, and other goods and services.

A further aspect of context for this study is the EU's so-called Lisbon Strategy. At the European Council in Lisbon in March 2000, the heads of state and government of the member states decided the following overall goal for the Union:

> '…to become 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.'

Although it has since been mentioned that some states would have preferred to write 'sustainable economic and social growth', the agreed focus of the strategy is strongly on economic

restructuring. The aim is to make Europe more dynamic and competitive, albeit in a way that is consistent with sustainable growth and improved social inclusion. The strategy was re-launched in January 2006 because of a perceived lack of progress towards meeting the goals. Although the strategy involves a wide range of policy developments, three of the four challenges identified at the re-launch are of potential relevance in this study, in that they relate to people and employment:

- More opportunities for higher education, research and training.
- Creating better opportunities for new business creation and growth.
- Facilitating employment and removing barriers to employment.

The study scope

The study reported here looked at aspects of one of the primary influences on the economic and social well-being of the rural population, the scale and nature of employment in rural areas. For the purposes of the study researchers' used the definition of rural areas which was identified in your first CEECAP 'rural' report. In discussion with the European Commission, the following topic areas were identified as of direct policy interest:

- Background information on the general trends and level of employment in productive activity in rural areas, including both agricultural and non-agricultural sectoral employment (distinguishing between agriculture/agricultural processing and other food chain activities/manufacturing/service sector employment, for example, as appropriate).
- New employment opportunities in rural areas over the past 10 years, including both the diversification of resources formerly used in agricultural activity (land, labour, capital) *and* the establishment or growth of economic activity not directly connected with agricultural production units.
- A range of issues connected with education in rural areas, including the available educational facilities, the level of education of the rural population (and an indication of the range in this), and possible 'bottlenecks' in rural education (e.g. lack of access to further education, etc.).
- Identification and discussion of any other factors which may have an impact on current and future employment trends in rural areas (e.g. environmental concerns, national policies, demographic trends, etc.).
- The current scale and nature of under-employment, including that 'disguised' by unproductive activity in the absence of any other opportunities for gainful employment; it is expected that this section will draw on partial studies or expect opinion. It might also include national assessments (if such exist) of the scale of 'gainful' employment in rural areas.
- An assessment of the scale and nature of semi-subsistence farming: number of people involved (including evidence of associated off-farm employment), time worked, land areas involved, principal production systems, financial returns to the sector, etc.
- Assessments based on **expert views** of the impacts, current and anticipated, of economic transition on rural employment patterns; special attention should be given to the implications of the 'Lisbon Strategy' on rural employment.

Study methodology

It was not expected that original empirical research should be undertaken for this study. Rather, the following sources and activities were used to contribute to the fund of information on which the country reports were based:

- Collation of national statistics on employment in rural areas (using definitions identified in the first rural report) including analyses of as many of the following as possible - by age, gender, level of education or training, disability, etc. as well as by category of rural area (if different classifications are recognised) or by region; and by agriculture and non-agriculture, including sub-classifications as far as possible.
- Review and summary of relevant research and other studies; while ideally this work focussed on the more comprehensive and recent studies, typically it also encompassed partial, regional or older studies.
- Review and summary of government documents where these were published including, if available, policy statements and policy appraisals.
- The formal views of experts, which for these purposes may be defined as people with an acknowledged reputation (e.g. as an academic researcher) or whose work and experience makes them familiar with the statistics and issues.
- Any other appropriate sources of information.

Report structure

Broadly the remainder of the report is structured as follows: a brief overview and outline of the study is followed by a discussion of the key points identified regarding the context of rural employment; then a review of specific employment issues, with a concluding section considering future prospects.

Migration – a global phenomenon

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 is 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. 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 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.

Expectations and overall observations

Different statistical procedures and criteria mean that comparable data are not available systematically. EU and OECD definitions and thus data contrast markedly and there is considerable diversity between reporting countries despite efforts to standardise. FAO data are to be examined as a source seeking to render comparability but are not available until December 2006 according to FAOSTAT. In Serbia, for instance, the data differ according to methods of measuring :-

Table 1 Serbia: unemployment rates by source, 2000 to 2004

	2000	2001	2002	2003	2004
NES*	25.6	26.8	29.0	31.7	31.7
LFS**	12.1	12.2	13.3	14.6	18.5

*NES - National Employment Service- The rate was calculated as ratio between the number of the unemployed and the sum of employed and unemployed persons
**LFS - Labour Force Survey – Rate calculated as ratio of unemployed to active population.

On **rural employment**, one would expect comments on labour mobility and the factors affecting it. Contrasts would be sought between employment opportunities for rural and urban, male and female, oldest and youngest, well-educated and less educated (especially in regard to appropriate vocational education and training). New entrant and retirement schemes should be covered.

Table 2 Latvia: main indicators of employment in rural territory in 2004 & 2005 ('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

For **agricultural employment**, criteria determining definitions of the following are crucial :-

- Active versus inactive labour force
- 'employed in farming' status – this may discount owner-occupiers in some cases
- Registered and unregistered workers
- The 'Grey Economy' – its extent and particular characteristics in any one country
- 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*

The farm structure needs to be clearly indicated, showing recent changes (e.g. as for Latvia) :-

Table 3 Latvia: number of farms, Utilised Agricultural Area (UAA) and Standard Gross Margin (SGM) by economic size, 2003 & 2005

All farms	*Economic size units*				
	Total		**Small farms**	**Medium-farms**	**Large farms**
		<2	**2.0-7.9**	**8.0-39.9**	**>40**
Number					
2003	131414	110282	17828	2846	458
% of total number 2003	**100%**	**83.9%**	**13.6%**	**2.2%**	**0.3%**
2005	133004	113780	15276	3311	638
% of total number 2005	**100%**	**85.5%**	**11.5%**	**2.5%**	**0.5%**
Utilised agricultural land, thsds ha					
2003	1494.9	571.9	394.4	271.2	257.4
% of total utilised land 2003	**100%**	**38%**	**26%**	**18%**	**17%**
2005	1705.2	686.3	369.2	309.8	339.9
% of total utilised land 2005	**100%**	**40%**	**22%**	**18%**	**20%**
Total standart gross margin, thsds lats					
2003	199490.3	64971.2	48898	34277.4	51343.7
% of total SGM 2003	**100%**	**33%**	**25%**	**17%**	**26%**
2005	192797.0	52155.3	38560	36625.4	65456.4
% of total SGM 2005	**100%**	**27%**	**20%**	**19%**	**34%**

Source: LSIAE, by use of CSB 2005 survey on the structure of agricultural holdings in Latvia.

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
- Numbers from Romania and Bulgaria are expected to increase in 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 :-**

a) **opportunities** should be reviewed in relation to actual trends both locally and globally,
b) '**semi-subsistence farming**' should not be used exclusively perjoratively, and
c) '**The Lisbon Strategy**' might be significantly questioned and modified – not simply accepted as being comprehensively and finitely appropriate. For instance :-
   - 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;
   - it omits that many small-scale, private entrepreneurs can 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 need to 'build the middle' in the food chain everywhere.

However, *realpolitik* suggests that rural unemployment and rural depopulation are 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. 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 try to comply for EU entry. Only the Poland Report (on p.11) 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'.

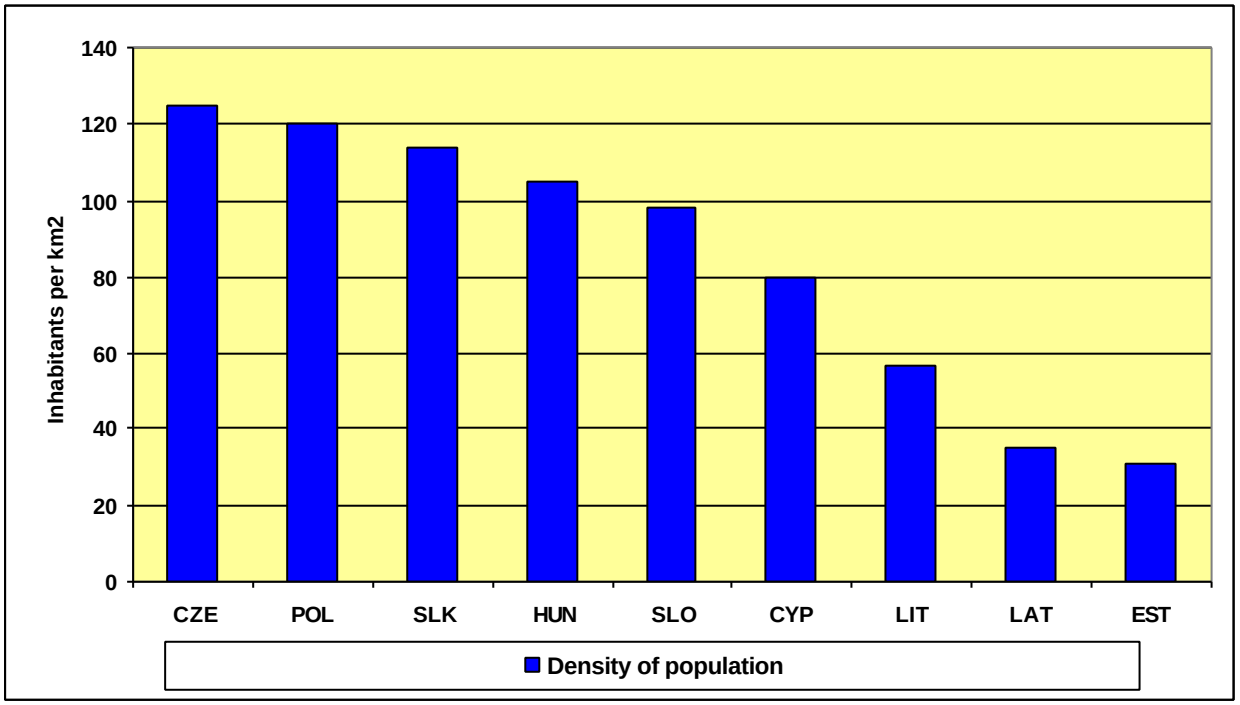
Table 4 Broad comparative overview of basic data & diversity of countries included in this study

COUNTRY	Area 000 km²	Pop. M	% of pop. rural	Density Pop./km²	Capital City	Ag. % of GDP	% unemp.
Estonia	45.2	1.32	31	29.26	Tallinn	4.0	9.2
Latvia	63.7	2.30	4	36.21	Riga	4.0	8.8
Lithuania	65.2	3.44	31	52.82	Vilnius	6.0	5.3
Poland	312.6	38.58	37	123.43	Warsaw	2.8	7.3
Hungary	93.0	9.87	35	106.20	Budapest	4.0	7.1
Czech Republic	78.8	10.23	25	129.80	Prague	3.4	9.1
Slovakia	49.0	5.40	42	110.24	Bratislava	6.0	11.5
Slovenia	20.2	1.98	51	98.21	Ljubljana	3.0	9.8

Romania	237.5	22.33	45	94.03	Bucharest	13.1	6.5
Bulgaria	110.9	7.89	32 [43]	71.20	Sofia	10.1	11.5
Bosnia & Hercegovina	51.1	4.16	-	81.38	Sarajevo	much 'grey'	45.4
Croatia	56.5	4.42	-	78.33	Zagreb	8.0	13.8
Serbia	88.5	9.30	-	103.10	Belgrade	17	-
Cyprus	9.2	0.80	30	86.70	Nicosia	3.8	3.2
Turkey	779.4	71.32	34	91.51	Ankara	12.0	10.3

Sources: Derived from Collins Handy World Atlas 2004; Whitaker's Almanack 2007(139th edn.)
Note: Attempts to acquire current comparable country data (on such matters as % rural by residence and by employment, % in agriculture etc.) via ILO and FAOSTAT proved abortive though the latter is due to release a database on 'labour' in December 2006.
[ ] = data given in National Reports to CEEC-AP.

Figure 1 Population density in the New Member States (2004)



Source: EUROSTAT

The remainder of this report draws on the individual studies carried out by the fifteen partners in the CEECAP project, and aims to provide a summary of the principal findings of each of the country reports following the common format used in those reports. In each case, the main points are first summarised and then collated into a digest of the issues arising, followed by discussion of both common ground and contrasting situations in the different countries.

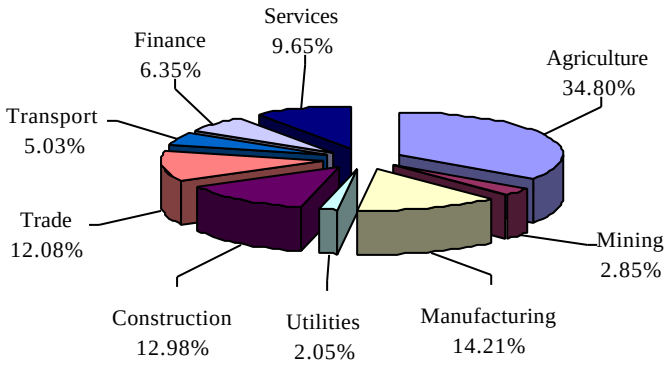
2 Rural employment – some background issues

2.1 An introduction to rural employment

BOSNIA-HERZEGOVINA

- Unemployment (43.4%) is biggest socio-economic problem;
- B-H among poorest countries – 27% below EU average for HDI
- Registered unemployment does not include many workers in informal sector
- Agriculture has 3.1% of employees,18.1% of total workers,39% of informal sector
- 56% of people live in rural areas; big demographic changes/out-migration in war
- Market liberalisation and low productivity of B-H farming are impacting badly

Figure 2 The Structure of rural employment in Bosnia-Herzegovina by economic sector, 2001



Source: Calculations based on Living Standard Measurement Survey (LSMS) in B&H, 2001.

CYPRUS

- Unemployment not an issue being <4% (women 5.1% ; men 2.6%)
- Young more likely to move to urban areas ; older rural residents more likely underemployed

CROATIA

- Great regional differences – mountains and islands special problems
- Great industrial decline + many early retired ; 3 employed support 2 retired
- Registered unemployment 15.7% (Aug ’06); those older & less educated are unemployed

CZECH REPUBLIC

- Agrarian unemployment growing ; farmers are 4.3% of workforce (2005) c.f.10.3% (1989)
- Almost 25% of trained workers in agriculture have college or university education

SERBIA

- High unemployment rate (31.4% of all ; 18.5% of active population) = major concern
- Many in the grey economy work only from time to time thus underemployment is high
- Some from towns are returning to rural as urban jobs close; 44% of refugees went to rural
- Seasonal labour is now coming from Romania rather than Kosovo and Metohija

SLOVAKIA

- Many jobs in primary sector lost affecting secondary sector too yet farming still dominates
- Strong recreational potential in rural areas but lower educational status of people than urban

SLOVENIA
- Persistent divergence between rurally slower economic growth and that in urban areas
- Underutilised human capital
- Regional disparities
- 65% employment nationally ; 6.5% unemployed ; labour productivity growing at 3.1% (2005)
- Low labour mobility owing to strong birthplace attachments and lack of housing to move into
- Dispersed settlement and growth of commuting from rural to small town workplaces

LITHUANIA
- Decreasing rural population owing to higher farm production/capita & emigration
- High hidden unemployment and long-term unemployment is a very sensitive issue
- Unemployment is more likely if uneducated, if young (15-24 years), for women than men
- 2000-05 :- Agricultural employment fell by 13%, industrial rose 41%, services rose 29%

ROMANIA
- 'Rural' redefined ; communes consisting of several villages each are rural + peri-urban areas
- Most of rural employed work in private sector (88% in 2005); almost all self-employed farm
- Agriculture is the second income source for 95% of those in NAE who have a second income

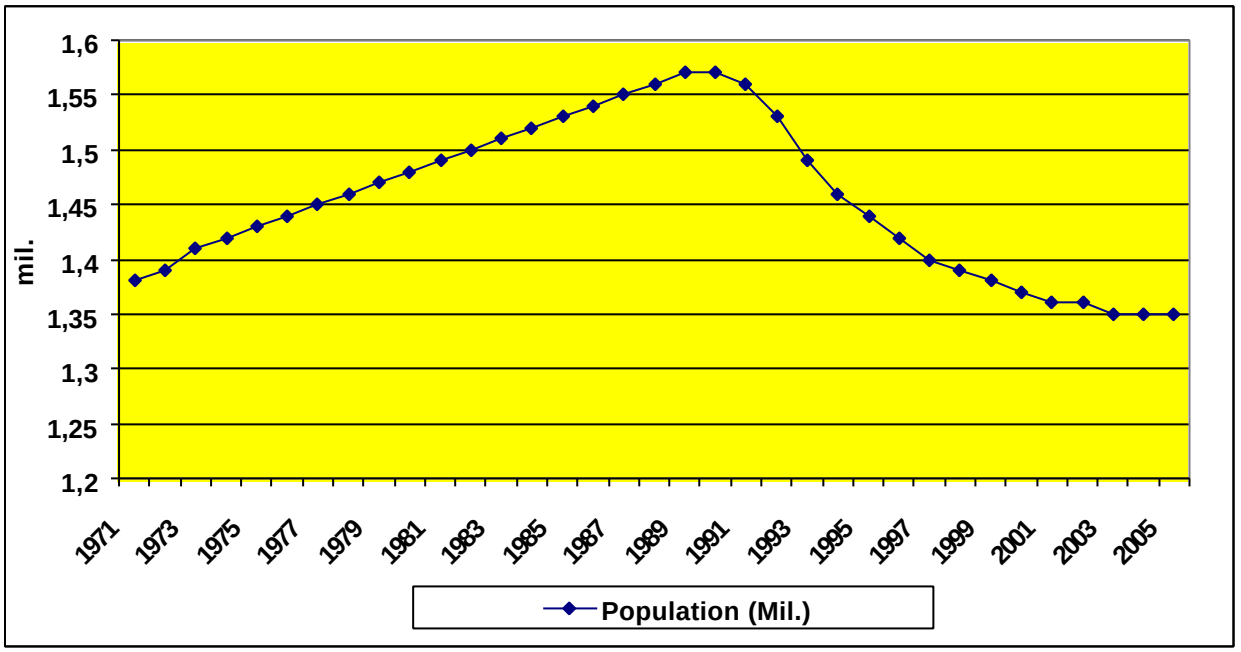
HUNGARY
- 87% of Hungary's area (<120/km²), 96% of settlements & 47% of people = classed as 'rural'
- Rural unemployment is focus of rural development as it is a main consequence of problems
- Rapidly increasing proportion of inactive people owing to lay-offs, especially in rural areas
- Smaller settlements at periphery have greater problems of employment; big regional variation
- 46% of villages had no employed earner, 53% of those with less than 500 residents

BULGARIA
- Underestimation of the consequences from rural regression by politicians/government
- Some 81.4% of territory is rural and has some 43.6% of the population
- 'Rural = all municipalities with main town <30,000 people & population density <150/km²
- Rural unemployment 13.7% in 2005 (19.3% in 1995) but active rural population declining
- Quality of life in villages is substantially lower than in urban areas

TURKEY
- Substantial migration from rural to urban; most rural residents work on farms;
- High unemployment though lower in rural areas but much hidden unemployment there
- 69.4% of rurally employed are in farming (55% of men; and 89% of women)
- Nat. Activity rate 48.3% (70.4% men; 26.6% women); rural activity 73% men, 39% women

ESTONIA
- Population density lowest in EU and overall population declining since 2000
- Employment decreased overall, and in agriculture and hunting especially
- Increased disparities in the rural peripheral areas
- Concentration of economic activity in the capital region
- Changes in the geo-political situation, which has several ties with the Russian markets…

Figure 3 Population dynamics in Estonia 1971-2005



Source: Estonian Statistical Office, Population, Electronic database.

LATVIA

- 31% of 15-74 year old age group live in rural areas; total & rural populations are declining
- 17% of rural population are children
- In 2005, rural employment rate 54.2% cf. 58.5% urban rate; more unemployment in periphery
- Hidden unemployment – unpaid family members, part-timers, and the self-employed farmer
- In rural areas, 36.4% work in the primary sector, 41% in services and 21.7% in industry

POLAND

- Rural people are 38.2% of Poles; proportion of younger people connected with farms rising
- Number and % of people of productive age has increased
- Rising aspirations mean farms are generally unable to supply all income needs

RURAL EMPLOYMENT – A SUMMARY

Rural unemployment ranges from 'the biggest social problem' in Bosnia-Herzegovina 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. T here are great regional differences in many countries, such as in Croatia, and at the periphery everywhere. Migrant labour in moving between the countries studied e.g. from Romania into Serbia for seasonal, casual farm work. Out-migration into the EU and elsewhere is causing rural depopulation in the Baltic States and Poland. Already, Estonia has the lowest population density of all these countries studied.

In Slovenia, settlement patterns are particularly dispersed and there is perhaps the strongest 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, though because of population growth rate at 2% or so, the absolute rural population is maintained and infrastructure consequently strained.

2.2 Agricultural employment

BOSNIA-HERZEGOVINA

- Hidden agricultural and rural unemployment, plus lack of rural pensions cash-flow
- It is reckoned that overall 34.8% of rural population is engaged in agriculture
- Average farm size pre-war was 3.2ha & 540,000 family farms – data lacking since
- State-owned land not yet privatised, and there is little (token) support for farming
- Role of agriculture as a 'social buffer' is likely to continue until NAE develops

CYPRUS

- In agriculture, <100 are unemployed (0.2% of all the unemployed)
- Foreign workers account for >70% of all agricultural workers (Nos. doubled from 1999-2004)
- No potatoes, grapes, citrus, sectors if no foreign labour; pigs, cattle & poultry also use many
- 4.7% of total labour is employed in agriculture
- Young entrant and older retirement schemes have been 'moderately successful'
- Agriculture is the 2nd job of some 44% of those who have 2nd jobs; almost all self-employed
- Men are paid 73% more per hour than women

CROATIA

- Rural population halved from 1991-2001
- Mostly family farms on which >75% of >15 year-old residents work
- Decline in those employed on cooperatives and in agricultural companies
- No detailed research nor data on structure of agricultural population

CZECH REPUBLIC

- Significant impact of economic transformation is 73% fall in agric. workforce 1989-2005
- Large regional variation exists in the proportion of workforce in agriculture; all lost farmers
- Women are 35% of the agricultural workforce, but twice as many than men are unemployed
- In 1989, >20% of the farm workforce was aged <30 : by 2005, <10%; farm wages are low

SERBIA

- 10.9% of the total population are 'agricultural' though for every 2 active in it, 1 is supported
- Population declined by 28.7% between 1991-2002; most (58.6%) live on subsistence farms
- 2002 c.f. 1991 saw a 22.9% increase in >65 age group but education level improved a little
- 23% of the active population are engaged in agriculture which occupies 45% of rural people
- 30% of the employed rural population are >55 years old and only 8.5% are <25 years old

SLOVAKIA

- Agric. employed 3.7% of all employees in 2005 c.f. 13.2% 1989; losing unqualified staff 1st
- Legally-registered Farm Businesses, Farm workers, Individual Farmers and many subsistence

SLOVENIA
- 70% of all who work on farms are part-time; 20% of farms are full-time; few hired workers
- Slovene farms employ 10% more than EU average farm; poor farm structure

LITHUANIA
- Agriculture had 13.8% of total employees in 2005; number employed is 28% below 1999
- Centre commercial farming ; West 'social' farming ; East 'deagrarised' forestry, fishing etc.
- Declining employment in agriculture anticipated short-term with restructuring/modernisation

ROMANIA
- Agriculture was occupational buffer during transition & mass lay-offs in industry/State farms
- Agric. Employment in rural areas = 64% in 2005
- In 2005, 52% of workers in agric were self-employed, 43% unpaid family, 4% employees

HUNGARY
- Agric share of employment constantly decreasing but for 20% of farm people it's sole income
- In 2003, 1.3 million (15.9% of population somehow involved in agric. = 50% down on 1991)
- Most are private farmers but some 5% are employees ;
- Farm sector's social importance exceeds its economic size ; average size of farm = 3 ha

BULGARIA
- In 2003, of 665,000 farms, 97% grow <5ha; 0.8% of farms are >50 ha but till 78.5% of UAA
- Some 7,000 farms are owned by trading companies and tenant two-thirds of all land
- Many farms supply additional income for retired people to subsist (55% of farms so owned)
- Tiniest farms (<0.5ha) are not registered as farms and use only family labour
- 95.5% of all in employed agriculture work for private farmers, 66% of whom are aged >55

TURKEY
- In 2004, agriculture contributed 11.6% of GNP cf. 2.1% for EU-25 & 3.6% for new EU-10
- 33.9% of the economically active population work in agriculture; + also children <15 work
- Much structural change since 1950s – mechanisation, but land fragmentation as population up
- Small farmers also work seasonally on larger farms; 50.9% of all farm labour is unpaid family
- Agriculture employs 83.9% of rural women cf. 50.1% of rural men
- International production quotas for sugar beet, tobacco & hazel nuts affect millions of farmers
- The agricultural population changed little in 20 years but its % of total has dropped :-

Table 5 Trends in the agricultural population of Turkey, 1980 to 2000

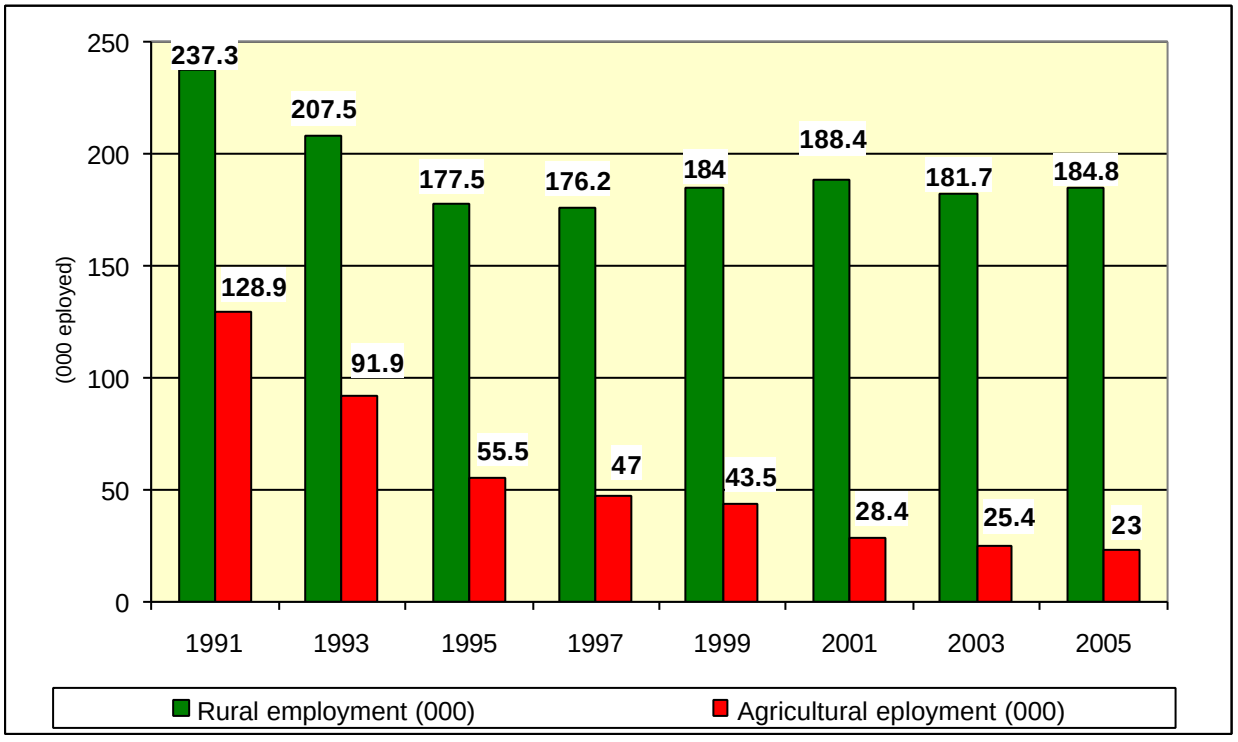
Census Years	Total Agricultural Population (Villages and Towns)	The Ratio of Agricultural Population (%)	Urban Population	The Ratio of Urban Population (%)	Total Population	Population Growth Rate (%)
1980	25.091.950	56,1	19.645.007	43,9	44.736.957	2,07
1985	23.798.701	47,0	26.865.757	53,0	50.664.458	2,49
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: DIE, National Censuses, Turkey

ESTONIA

- Agricultural employment in 2004 was one-sixth of that in 1990
- In 2005, rural unemployment was slightly higher among men than women
- It is much harder to return to the labour market after prolonged unemployment
- 10% of rural non-active job seekers aged 15-74 have given up the search for work
- Young people are leaving rural areas, especially peripheral areas
- Mono-functional industrial regions are having great difficulty restructuring
- Agriculture, forestry and fishing lost 73% of its employment share during 1990-2004

Figure 4 Estonian employment trends in rural areas and agriculture 1991-2005



Sources: Estonian Statistical Office; Electronic database

LATVIA
- 81% of all employed in farming are part-timers (on average half-time)
- In 2005, 86% of farms are 'very small' (<2 Economic Size Units or ESUs)
- Medium to large farms increased by 20% from 2003 to 1005
- Growth since accession due to increased milk and sugar beet prices
- Farms with other gainful income beyond straight agriculture rose from 6% to 36% (2003-05)

POLAND
- Of rural people <15 years old, 50.8% are actively employed (56.6% of women;44.9% of men)
- Activity rate fell from 66% in 1996; increased relationship between farm & off-farm income
- Employment in agriculture varies regionally, from 9% in Silesia to 39.5% in Podlaskie
- Fall in activity on smallest farms, especially for women (from 81% in 1996 to 52.7% in 2002)

AGRICULTURAL EMPLOYMENT - A SUMMARY

Farmer loss is a common feature. In Hungary, for instance, the farm population declined by 50% between 1991 and 2003. There, the average farm size is 3 ha, and the social importance of farming far exceeds its financial contribution within the economy. In Bulgaria, 97% of farms are <5ha in size, and only <1% exceed 50ha.

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 all farm labour is unpaid family members, especially women.

As well very significant differences between countries in the percentage of the working population employed in agriculture, there are often also huge regional differences within countries e.g. in Poland, Silesia has 9% while Podlaskie has almost 40% in farm work.

2.3 Non-agricultural employment (NAE)

BOSNIA & HERCEGOVINA
- As much as 25% of GDP comes from remittances from emigrants from B&H
- Grey economy important
- NAE includes Manufacturing (14%), Construction (13%) and Trading (12%)

CYPRUS
- Tourism leads – from 1 'tourist village' in 1995, there are now 22
- Hotels and restaurants are by far the greatest sources of NAE, then manufacturing and trading
- Nationwide property boom, so construction offers important NAE
- Ageing rural population and poor public transport infrastructure

CROATIA

- Loss of jobs in both agriculture and industry; modest increases in service sector e.g. Zadar county – 37% active rural population c.f. 43% urban; fewer women
- Eastern areas less NAE than by seaside (esp. small private companies and crafts)
- SMEs few as yet in rural areas

CZECH REPUBLIC
- NAE is especially in processing, merchandising and restaurants, but also building & services
- Market services, Business consultancy, IT & education are much poorer than in urban areas

SERBIA
- Alternative non-farm rural jobs = 16% in food processing, 10% in sales, 5.8% engineering
- The grey economy produces some 40% of the 'social product' but overburdens the taxpayers

SLOVAKIA
- Of employees, 5% are in agriculture, 35% in industry and construction, 60% in services

SLOVENIA
- Employment sectors : Agriculture 10.5% ; Industry 38.1% ; Services 51.4% (2005)
- Fastest growth is manufacturing electrical & electronic goods; cars, pharmaceuticals, clothes
- Services sector fastest growth is in financial/business services
- Trade, tourism, transport growing more slowly; public sector education gradually increasing
- Small business and micro-enterprise employment growing at 5% per annum

LITHUANIA
- SME expansion slow; only about 15% of rural SMEs are related to farming
- Rural tourism new (70% of such businesses started only 1-3 years ago; 30% 4-6 years ago)

ROMANIA
- In 2005, NAE among rurally employed totals 35.8% (18.7% industry ; 17.1% in services)
- Much increased circulatory migration; about 33% of commuters are in construction, mining...
- NAE higher in hill areas than plains; but v. low entrepreneurial activity (<1%) – risk averse

HUNGARY
- Decreased unemployment but increased regional differentials; periphery/small villages worst

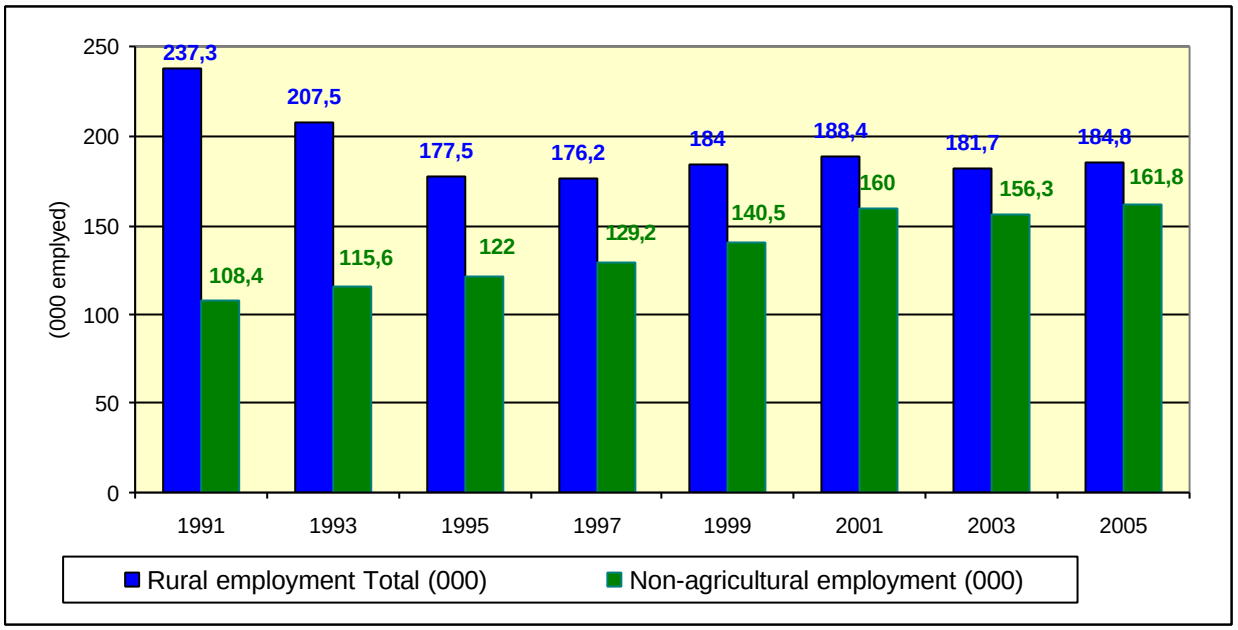
BULGARIA
- Restructuring reduced jobs in towns and in agriculture; hope is put on rural entrepreneurship
- NAE includes services, small food processing plants and garment manufacture

TURKEY
- NAE includes agro-industrial work, handicrafts, weaving, carpet-making, trading
- Much regional variation – few NAE alternatives in remoter rural regions
- Some NAE skilling courses/projects have been run in rural areas for women

ESTONIA
- Emigration has reduced population but urbanites are moving to sub-urbs & rural hinterland
- 54.6% of rural population is outside the active working age range cf. 46.7% in urban areas
- NAE is up since 1991; EU activity rate was 68.9% (2000) while in Estonia it was 73% (2002)
- Unemployment rate is about 10% cf. EU about 7%

- Farm wages were 46% less than in NAE in 1999 but wages after accession in 2004 rose fast

Figure 5 Estonia : non-agricultural employment in rural areas, 1991-2005



Sources: Estonian Statistical Office, Electronic database

LATVIA

- Forestry employs about 11% of all employed rural inhabitants; wood processing adds value
- Contract work on other farms is the second most frequent category of NAE
- Some well-situated farms sell produce directly to the nearby urban public
- NAE is hampered by insufficient education and lack of professional experience

POLAND

- No. of farms with NAE increased by 46% between 1996 & 2002; only farms>50ha less NAE
- Poor road infrastructure & high cost of renting accommodation in cities prevent commuting

NON-AGRICULTURAL EMPLOYMENT (NAE) –A SUMMARY

NAE includes other primary 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. 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-Herzegovina it is reckoned that 25% of its GDP originates in this way.

3 The context of rural employment

3.1 New employment opportunities

BOSNIA-HERZEGOVINA
- Farm multi-functionality offers scope – crafts, adding value, tourism
- NAE from SMEs, trading, services offer possibilities; little help given so far

CYPRUS
- Some factories have moved to rural areas to get cheaper labour but many failed e.g. clothing
- Some wine-making and dairy-processing ventures moved out to rural areas
- Some crafts located successfully in rural parts e.g. potteries
- Scope to develop inland rural/agri-tourism with smaller hotels etc., encouraged by subsidies

CROATIA
- reducing differential development is State policy but little realised in practice
- most opportunities in urban areas;
- SAPARD for agricultural, food/fish processing, and infrastructure investment
- Computerised service available at 1-stop shop to set up rural business in 6 days

CZECH REPUBLIC
- Very small supply of alternative rural jobs, though rural women are decreasingly unemployed
- Qualified workers for the livestock sector are in short supply (low wages & poor conditions)
- Seasonal workers are important; almost 33% of applicants for farm work are casual labourers

SERBIA
- Tourism is said to offer much scope but yet only occupies 2% of the rurally employed
- Government funds enhancement of rural infrastructure but civil society engages little so far
- Processing fruit & vegetables, cold storage, local branding, and tourism offer greatest scope
- Projects have encouraged self-employment and entry schemes for the young
- Diversification requires new skills and knowledge with consequently more training

SLOVAKIA
- Job opportunities not yet clear; regional differentials exist ;
- Demand for graduate agriculturalists is lacking so they go to towns or emigrate
- Few alternative non-farm jobs exist and there is lack of entrepreneurship

SLOVENIA
- Technology lag, low vocational qualifications, small farm structure impede development
- Alternative farm income sources encouraged - from adding value to processing on farm
- Only 4% of farms are diversified into contracting, tourism, wood & food processing, crafts
- On-farm diversification helps to stem emigration of young people and others from rural areas

Table 5 Slovenia: family farms by supplementary activities; 2003 and 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

LITHUANIA
- Many qualified specialists have emigrated
- Industrial and services sectors offer more jobs; State offers support for agricultural jobs
- Every 2nd work proposal is for qualified workers ; every 5th for unqualified ones
- Reskilling training has tripled 2001-05 cf. 1991-95
- Every 3rd project of the Lithuanian Labour Exchange is implemented in rural areas

ROMANIA
- Rural tourism, agri-tourism – monasteries, ethnography, hills, sports, gastronomy, Black sea
- Pension hotels from 600 (1998) to 3500 (2003)
- Handicrafts, processing agric. output, clothes/shoes making, forestry (gradual deforestation)
- Many rural youths join circulatory migrants owing to rural poverty

HUNGARY
- Only 13% of activity is NAE, trade (54%), transport/haulage, then rural tourism (14%)
- Rural tourism accommodation places up by 32.7% between 2000-2005; guest nights up 9.5%
- Agriculture related activity is especially wineries (76%) followed by food processing
- Great opportunities exist in the renewable energy sector for rural businesses
- Agricultural contract work, especially ploughing, offers some scope for more employment

BULGARIA
- Many rural people are self-employed and in the informal ‘grey’ economy
- WTTC (World Travel & Tourism Council) ranks Bulgaria 68th out of 174 ‘travel economies’
- Villages and small towns are well-endowed with bakeries, pubs etc.
- Service sector contributes 30-35% to rural GDP
- Fruits grow well, and fruit processing into wines and jams offers scope
- Biofuels scope exists and development is expected to boost the construction industry further

TURKEY
- Significant untouched resources & potential exist – notably winter tourism as well as summer
- Improved capitalisation (micro-credit) & marketing for handicrafts, woven goods and carpets
- Agri-industrial development has potential too

ESTONIA
- Micro-enterprises using local resource materials, those offering services, tourism, handicrafts
- Activities closely related to agriculture – food processing etc. – offer scope
- <1% of farms offer agri- or rural tourism services, so this must be developed

LATVIA
- In 2005, the economically inactive % in rural areas was 41.5% cf. 35.6% in urban areas
- Riga area has much faster expanding opportunity than marginal areas
- Agriculture fails to attract enough of the young and entrepreneurial
- Biomass, biofuels and processing are all seen as opportunities

POLAND
- New comprehension of agriculture from professional & social viewpoint as well as emotional
- Increasing specialisation in farming; more add-value processing & services sector jobs arising
- Big scope predicted for biofuels to equate with importance of farmland for food production
- Production of traditional craft and local items, agri-tourism scope; niche rural markets
- Service provision dominates + tele-cottaging, e-business, homecare of the elderly, healthcare..

NEW EMPLOYMENT OPPORTUNITIES – A SUMMARY

To some extent, the individual reports show much common ground in terms of the new opportunities and avenues of livelihood already stated to exist as NAE. Farm multi-functionality is seen as pivotal, with considerable scope to develop farm and forest product processing and value-adding, particularly for niche markets. Renewable energy[1] is seen by many as a major upcoming opportunity, not only for biofuels but also for 'wind farms' and other technologies. Rurally compatible factories - such as those making clothing in Bulgaria – have further potential. 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. Tele-cottages and e-business offers new jobs and has 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.

[1] See Gore, A.(2006) *An Inconvenient Truth.* (Bloomsbury, London, 325 pp.) & www.climatecrisis.net

3.2 Education and skills – levels, access and provision

BOSNIA-HERZEGOVINA

- 18% of employed people have no formal schooling; 29% have only elementary education
- For rural people over 25, 47.5% of females have no formal educ., 24.7% of males
- Employers prefer experience to qualifications, but the young struggle to get experience
- Post-conflict scheme of on-the-job training was good with 80% youth trainees getting jobs

CYPRUS

- Education status considerably lower than urban areas e.g. 5% completed >secondary c.f.19%
- Rural females are more educated than males (1 in 4 completing tertiary ed c.f. <1 in 6 males)
- Rural public primary schools have 12.6 pupils per teacher c.f. 15.9 in similar urban schools
- Trained agriculturalists own on average 30% more land each
- Agricultural sciences get 20% of the total research allocation, 95% of it from government
- MANRE (Min. of Ag., Natural Resources & Environ't) gets 74% of government R&D funds
- MANRE spends 10% on basic research, 74% on applied, 16% on experimental development
- Agriculture & Veterinary subjects make up only 0.5% of total hours in non-formal education
- Most foreign workers have low education but some are graduates from E.European countries

CROATIA

- 76% base all their knowledge on acquired practical experience (lack formal educ.)
- 28% have not completed basic schooling (esp.women); only 4.7% are graduates
- insufficient CPD/LLL; professional/vocational education only advertised on net

CZECH REPUBLIC

- People >15 years old are considerably better educated than in 1991
- Farm labour is poorer educated, poorer paid (minus some 28%) by contrast with other sectors

SERBIA

- 20% are illiterate or lack any schooling ; 25% have only completed primary schooling
- Only 4% of the total rural population >15 has attended college
- Education programmes do not yet focus on building needed rural capacities

SLOVAKIA

- Educational status gradually rising but low agricultural wages deter the able; ageing farmers
- Structure of employment in agriculture by education in % is of interest :-

Table 6 Slovakia: level of education of those employed in agriculture

1.2.1 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 specialized with leaving exam	24.3	22.5	22.8	23.7	25.4	27.7
Higher specialized	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

SLOVENIA
- 98% enrolled in secondary education, >50% in post secondary, 40% as undergraduates
- Those in part-time education quadrupled in past decade but still adults have low participation
- Low functional literacy, and mismatch between education and vocational requirements
- Poor quality, especially of much primary education
- Only 28% of farmers finished some sort of agricultural education

LITHUANIA
- Young, especially males, increasingly avoid studying; most educated women stay in cities
- 36% of the employed rural population are skilled agricultural workers
- Most farmers lack knowledge/skills: management, hygiene, animal welfare, good Ag. practice
- Lifelong learning is very low in rural areas
- Many rural schools have closed and many lack enough teachers

ROMANIA
- Rural education level increasing and male/female differentials decreasing
- In 2002, urban areas still have 9.43% in tertiary education while only 2.07% from rural ones
- Low interest of rural inhabitants in education despite it being key in getting rural jobs

HUNGARY
- Mismatch between labour market demand & trained people; rural areas lack higher educated.
- In 2003, only 7.6% of rural entrepreneurs had secondary or tertiary agricultural education
- Only 3% of rural women have secondary or tertiary education
- Farmers not innovative and only 32% have a computer; tendering and market training needed

BULGARIA
- There is significant perceived danger of regionally imbalanced educational development
- Rural illiteracy is double that in urban areas
- There is low enrolment in primary and secondary education in rural regions
- Rural education is inferior to that in urban areas – fewer teachers, poorer facilities
- Many rural schools closing down in smaller villages
- Rural exodus of promising young people owing to poor rural access to higher education
- Ethnic minorities in rural areas consider education less important (e.g. Gipsies)
- Over 20% of rural enrolled children do not finish primary schooling (0.3% in urban areas)
- Most rural parents seek better education for their children to escape agriculture and labouring

TURKEY
- Very poor educational facilities, insufficient teachers and lack of opportunities in rural areas
- Illiteracy rate is 18% among workers in agriculture cf. 3% among construction workers
- Women do 60% of farm work but 33% of them have never attended school
- Rural women have 67.8% literacy cf. 77.4% for urban women

ESTONIA
- Lower levels of educational attainment than in urban areas
- There are 2 proposed Agricultural Training Centres being developed at Türi & Olustvere
- There is co-operation between the Ministries of Education and of Agriculture on this

LATVIA
- Lower educational attainment than urban areas (7.3% have university degree cf. 16.8% urban)
- Lifelong learning seminars and free business consultations have been offered in rural areas
- In 2005, only 4.4% of farm managers had higher agric. educ.; 66% had just practical experience
- There is a Latvian Rural Advisory and Education Centre and a University of Agriculture (ILU)

POLAND
- Running a farm requires diverse skills and knowledge
- Rural graduates of universities doubled between 1996 & 2002 but still only 5.4%
- Most of the unemployed had only primary education or less

EDUCATION & SKILLS – LEVELS, ACCESS & PROVISION – A SUMMARY
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. Targeted training schemes have been successful in some places e.g. Bosnia-Herzegovina. There is also evidence from Turkey that trained agriculturalists are much more likely to own more land.

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.

3.3 Other key factors in employment

BOSNIA-HERZEGOVINA
- Peculiar payments exist - based on previous work, for meals, and ‘thirteenth salary’
- These reduce labour mobility and force older workers to stay on, or go to ‘grey economy’
- ‘Brain drain’ is robbing rural areas of young people
- Women’s share in total employed population is only some 30% but NGOs raise gender issues

CYPRUS
- Foreign workers now account for >22% of all agricultural workers
- Primary sector agriculture will need 4.3% of the workforce by 2015 (some 5.1% in 2005)
- More unskilled, cheap labour will be needed; demand for skilled labour will fall 13% by 2015
- Govt. grants to women to start small businesses didn’t work due to family responsibilities
- Subsidies of 30% exist (on buildings, machines, equipment) for firms relocating to rural areas

CROATIA
- Technology Transfer very poorly provided

CZECH REPUBLIC
- Ageing rural population; poor infrastructure; housing and social/cultural needs not met

SERBIA
- Huge regional differences persist despite government schemes to reduce differentials
- Both professional and geographic mobility of labour is poor
- Unemployment in those <25 years old is 3 times the Serbian average

SLOVAKIA
- Isolation, long apprenticeship periods (3-4 years), low wages, lack of vocational skills

SLOVENIA
- Greater differential between improving/diversifying agricultural areas & others getting poorer
- Most rural inhabitants do not now make their living from farming but enjoy rural leisure
- Economic interaction & coherence between rural & urban areas have arisen

LITHUANIA
- Nothing given

ROMANIA
- Total rural population declining but the proportion of working age rural people is up in 2005
- Both youngest & oldest groups shrinking so reducing dependency rates, but not so long-term
- Vast majority of rural workers do not pay taxes nor do they contribute to social insurances
- Only 33% of rural Gipsies work, most seasonal; 80% are poor, many children, few in school

HUNGARY
- Nothing given

BULGARIA
- Activity, employment & unemployment rates = 54, 47.9, 11.2% urban; 40, 34.2, 14.6% rural
- Gipsies require particular strategies to help them integrate, gain education & then to compete
- Structural reform of farming, diversification and entrepreneurship all offer hope

TURKEY
- Social security in rural regions is very poor – 16.3% of men have it but only 0.8% of women
- Only 11.8% of farmers have social security but even fewer in NAE at 5.8%
- Absolute poverty is more common in rural regions (x3.5), as is relative poverty (x1.5)
- Hence migration to work uninsured in towns
- R&D for agriculture still only 0.4% (of GDP) while in OECD countries it is 2.0%.

ESTONIA
- Advisory Services exist, & County Info. Centres of ECAC (Chamber of Commerce & Ag.)
- Information Systems, including a farmers' newspaper '*Good Advice*' have been launched

LATVIA

- Some 39% of the population live in rural areas & density is low thus infrastructure costs high
- Road network quality is getting poorer (44% of tarmac is 'dilapidated' & 32% of gravel rds.)
- Only 45% of rural municipalities had developed Plans which precede entrepreneurial activity

POLAND

- Decline in activity rate on farms <2ha was 50% while on farms >50ha it was only 6% down
- Mainly young people took up work outside farms; also growth in farm mechanisation recently
- Still high proportion of surplus people in the economy, with high hidden farm unemployment

OTHER KEY FACTORS OF EMPLOYMENT – A SUMMARY

The 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 real rural poverty in many areas. The 'brain drain' is depleting rural areas and, in particular, the loss of able, pioneering types from rural areas has important implications for their future development. 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.

4 Specific rural employment issues

4.1 The nature of under-employment

BOSNIA-HERZEGOVINA
- Employers get highly educated but underpaid personnel with skills (e.g. driving licence) too
- Some farmers are innovative (e.g. going organic) but are a minority yet

CYPRUS
- Underemployment affects women and older men more, especially in more mountainous areas
- Some graduates/postgraduates unemployed because waiting for scarce, higher paid govt. jobs
- Some recent graduates are starting small rural businesses e.g. greenhouses, organic farms

CROATIA
- Disguised unemployment believed significant but not measured/researched

CZECH REPUBLIC
- Underemployment is not recorded in official statistics but is a huge loss to economic potential

SERBIA
- Unemployment and hidden unemployment characterise especially the rural regions
- 'Informal' labour spread due to past rigidity, inert formal labour market, low wages, high tax
- Older people from the range 15-64 years are more likely to be employed
- Flexible labour contracts, multiple simultaneous employers, part-time working help gain jobs

SLOVAKIA
- Entrepreneurs dismiss permanent employees to save costs & take part-time/casuals instead

SLOVENIA
- GVA from agriculture only 20% of national average and 3.4 times less than EU25 average

LITHUANIA
- State gives 'social grants' instead of reskilling the unemployed; land reform is protracted
- Unfavourable agricultural credit system ; poor infrastructure
- Despite many unemployed in rural areas, it is difficult to hire seasonal labour owing to 'dole'
- Rate of disguised rural unemployment is high but also there is 15-20% unofficial employment

ROMANIA
- Insufficient to occupy those in work full-time; many unpaid farm staff under-employed
- Much disguised unemployment in Romania; almost 20% of rural employed are part-time
- >1 million employed in agric. need to retire in order to increase overall farm productivity
- Safety net pension scheme was introduced in 2005 for those >62 to encourage retirement

HUNGARY
- No significant data

BULGARIA
- Problems of under-employment are frequently underestimated (= <40 hours/week, low wage)
- Part-time and 'additional income' employment in agriculture is very widespread
- Many are part-time in forestry, hunting, fishing, tourism, construction etc.
- 55% of those who run farms are retired and so do not seek full-time employment anyway

TURKEY
- Transfer from agric. employment to NAE was 1.3 million during 2005 yet farm output same
- This shows high disguised unemployment such that farm workers are not fully occupied
- As educational level improves so job opportunities can increase

ESTONIA
- Many commuters work outside their parish of residence = one third of all employed people

LATVIA
- Some 75% of all disadvantaged families are in rural areas
- Role of agriculture in employment is decreasing ; >90% are engaged in family farms.

POLAND
- Fast development of private sector, reduced employment on farms & heavy industry
- Main growth for rural employment is in the services sector
- Full-time farmers down from >50% of all at accession to <35%; casual workers x2 to 21%
- Much surplus farm labour is carried

THE NATURE OF UNDER-EMPLOYMENT – A SUMMARY
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 typically appears in the statistics as part-time work, or as part of the so-called 'grey economy', and includes 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'.

4.2 The scale of semi-subsistence farming

BOSNIA-HERZEGOVINA
- >85% of land is in private ownership and >50% of family farms are <2ha and fragmented
- Pre-war, 60% of cattle owners had only 1 cow, 93% of sheep flocks had <20 sheep
- Most income (80%) is from meat and 15% from cheese
- Pre-war, 57% of farms employed no extra labour; most still aim only for food self-sufficiency

CYPRUS
- Semi-subsistence 'Both a necessity and a hobby'; most rural households were self-sufficient
- 1974 Turkish invasion displaced some 40% of people; this and NAE drew people from farms

CROATIA
- Strong polarisation - small family farms (half<1ha) & few large commercial ones
- Only 10-15% of small farms regraded as 'efficient'
- 40% of rural population is poor and depends solely on small farms

CZECH REPUBLIC
- Subsistence is extensive
- 13% are self-employed farmers, 2.5% also employ others; 2.6% are self-employed workers

SERBIA
- Remittances from outside Serbia account for significant part of average household income
- 1-3ha farms were 32.7% of all farms in 2002 (21% <1991) & only 13.8% had diversified
- Social programmes exist for small farms while development focuses on larger farms
- Diversification training programmes lack interest from farmers to take them up

SLOVAKIA
- Number of self-employed farmers & workers down all over Slovakia; land sold to big farms
- Subsidies accounted for 20% of farm revenues; all farm sizes made profit on average in 2005
- Profit /ha was higher on smaller farms when personal income was included in the calculation
- Bigger farms (few people) show higher profit/ha if personal income is excluded in calculation

SLOVENIA
- 25% of farms are<1ha and 60% <2ha ; 65% of land is in farms of <10ha
- Only 43.5% of farms are specialised – rest are mixed, traditional
- 48% of farms are small <2 ESU (European Size Units); some 80% of these are subsistence

LITHUANIA
- Subsistence farms have at least 1 ha but produce for own consumption only =31% of all
- Semi-subsistence = 55% of farms ; only 14% of farms are 'commercial' producing for sale
- Semi-subsistence farming is often the only income source for the unemployed

ROMANIA
- Subsistence farms produce for own consumption; commercial sell; semi-subsistence = partial
- In 2002, 76.0% subsistence farm holdings, 21.7% semi-subsistence, 2.3% commercial
- Polarising farm structure; farms >100ha occupy 0.23% of farms but 48% of utilised agric area
- Between 1996-2000 (main restructuring) many returned to farms to escape rising poverty
- Living costs are much lower in rural than in urban areas because one can subsist

HUNGARY
- Under 10% of total agric production is for home consumption & declining
- Eggs 20% home consumed ; potatoes, pigs, chicken 17%; milk 1%; fruits 9%; veg.10%
- The share of self-produced food is <1% of total food expenditure

BULGARIA
- Most farms are mixed farms; most very small (but key 'social buffer') & a very few are large
- Small farms cultivate only 15% of land but have 96% of goats, 86% of sheep, 78% of cattle
- Small farms are isolated from social programmes, lack ability to access capital and markets
- Direct EU payments will be swallowed up mainly by very large farms
- High quality production and ecological standards difficult to attain for most smaller farms

TURKEY
- Most farms are subsistence or semi-subsistence with little expertise & insufficient technology
- 65% of all farms are <5ha; 94% of all farms are <20ha;
- Most rural people get main income from small farms so EU entry would cause social problem

ESTONIA
- There is support for semi-subsistence farms doing restructuring & for less favoured areas
- Some 5000 farms are taking advantage of this scheme which lasts for 5 years

LATVIA
- 63% of farms produced nothing for sale at all; only 19.5% produced for the market
- Number & area with very small farms increased since EU accession due to decoupling policy
- 96% of farms are small/v.small with 62% of UAA & produce 47% of Standard Gross Margin

POLAND
- Need to generate income beyond traditional farming; use IT, trade more, start craft workshops
- Develop part-time employment, and become more realistic about real labour needs on farms
- Develop better use of own local resources

THE SCALE OF SEMI-SUBSISTENCE FARMING – A SUMMARY

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.

4.3 The implications of the 'Lisbon Strategy'

BOSNIA-HERZEGOVINA
- B&H aspirations to join EU are based on wide consensus
- Full employment, Productive & Quality work and Social Cohesion are sought
- B&H wants to reduce market fragmentation, increase vocational education & LLL
- Eliminate job discrimination, stimulate labour mobility, improve unemployment benefits
- Increase control framework over employment, and reduce the 'grey economy'

CYPRUS
- Already near full employment in farming but foreign labour creates social cohesion problems
- R&D may help the 'Lisbon goals' but agriculture gets the lion's share of R&D funds already

CROATIA
- National Action Plan of Employment (NAPE) 2005-08 : esp. young, disabled, SMEs helped

CZECH REPUBLIC (CR)
- CR follows main EU priorities and has National Strategic Rural Development Plan 2007-13
- With economic growth, CR seeks to 'maintain the agricultural character of rural landscapes'
- Rural living beats urban; CR seeks better rural environments, living standards, diversification

SERBIA
- Main goals OK (full employment, labour quality/productivity, social cohesion/labour market)
- 10-point National Employment Strategy to comply with EU aspirations by 2010
- Extra points are:- supporting foreign investments/domestic too; reducing regional differentials

SLOVAKIA
- Economic growth was 6.1% in 2005 owing to growing private consumption and investment
- Rural Development Plan 2007-13 was created based on The Lisbon Strategy

SLOVENIA
- 4th point National Development Programme = modern social country, more jobs, competitive
- Aims are to improve labour market flexibility, social protection, health, social inclusion
- Rural Development Strategy aims for higher number of SMEs with diversification

LITHUANIA
- No comments…

ROMANIA
- Far from Lisbon Strategy targets & can't attain; 2005, only 57.7% of 15-64 year-olds in work
- Rural areas 61.1% of 15-64s in work (only 41% women) in 2005, 88% of them in agriculture
- Only 9 SMEs per 1000 rural inhabitants cf. 20 for urban areas ; non-salary labour costs v.high

HUNGARY
- Diversification favoured to ease labour market tensions & improve rural income opportunities
- Improving the competitiveness of agriculture & food processing is not expected to create jobs

BULGARIA
- More concern for stable national development than for new jobs, innovation, knowledge
- Creation of economic units based on private property has occurred = prerequisite for growth
- Some small but active groups of entrepreneurs have arisen ; services sector has developed
- Internet access and communications improving; NGOs and business associations arising
- Tourism development, and role of rural regions in social development perceived important
- Need to support business initiatives based on local resources (tourism, crafts, energy crops…)

TURKEY
- Turkey is said to need a national Lisbon Strategy Reform Programme
- Turkey needs to address gender equality in women's employment, and trade union issues
- Turkey has promising growth prospects with its burgeoning young population
- Labour market policy needs to be developed, plus improved quality and productivity at work
- Released labour from rural areas needs integrating into jobs, & rural diversification is vital

ESTONIA
- From 1950s to 1970s, Europe was catching USA's GDP per capita; still only 70% of USA
- Reasons are less labour productivity in Europe than US (unemployment + less hours worked)
- R&D investment should climb from 2% in EU to beat USA's 2.5% at 3% by *Lisbon Strategy*
- Estonia will move from area-based farm support to SFP (Single Farm Payment) in 2009

LATVIA
- Aim of Latvian NDP 2007-13 is 'prosperous people in sustainably populated countryside'
- By promoting permanent activities and so reducing dependency on public income support
- Aim to reduce differentials between regions by higher co-financing of projects in LFAs
- Aim to balance support for agricultural competitiveness, sustainable management, rural jobs

POLAND
- People's educational attainment plays an increasing role in the knowledge-based economy
- Multi-professionality needs promoting for the majority of the countryside's 21st C population
- Need other skills of husbandry, land-care, heritage protection & withstanding rural hardships
- Experts say Lisbon Strategy well prepared but realised wrongly owing to weak political leadership
- Lack of social acceptance of raised market role + individual responsibility, less State welfare

IMPLICATIONS OF THE LISBON STRATEGY – A SUMMARY

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. It appears that 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. Policies to deliver the 'Lisbon agenda' include :-
- More diversification and SMEs
- 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.

5 Overview and prospects

Key points from the national reports

BOSNIA-HERZEGOVINA
- Unemployment, poor age and educational status, bad infrastructure, massive war damage
- Ensuring food security remains the first role of the farm sector
- Strong rural communities essential for political/economic stability need farm & NAE support
- B&H government has established rural development department with an integral approach
- Harmonised laws with EU and reformed farm structure should help attract foreign investment

CYPRUS
- Primary sector employs 24,400 (93% agric./hunting /forestry; 5% fishing; 2% mines/quarries)
- Tertiary sector employment from 1975-2005 grew from 63,300 to 229,200, mainly in towns
- Foreign workers enable both farms and agro-industry to survive; but social cohesion problems
- Generous subsidies are favouring development of agri-tourism
- Rural Development Plan 2007-2013 exists to 'revitalise rural areas and stabilise agriculture'

CROATIA
- Changes mostly involved cutting both agricultural and industrial job chances
- Young and educated people especially move out of remoter rural areas
- More funding is needed to realise goals of NAPE

CZECH REPUBLIC
- The agricultural workforce is hampered by poor education, low mobility, ageing, low wages
- Diversification by adding value through food enterprises + consultancy to help it is advocated

SERBIA
- Grey economy predominates and investors are discouraged by underdevelopment
- Needs reform of land & labour markets, infrastructure, institution & human capacity-building

SLOVAKIA
- Decline in agricultural employment due to low education, low wages, less work
- Diversification is key to rural regeneration, but also modernise agriculture & train for it

SLOVENIA
- Training, advisory services and investment support programmes promote employment
- State aims to pursue more intensive support for development of rural entrepreneurship
- Better use of rural resources of traditional knowledge, manpower and raw materials
- Rural building conversion/adaptation to be encouraged, yet use rich rural heritage
- Develop handcrafts and rural tourism based on landscape diversity and heritage
- Using LEADER to achieve the above aspirations

LITHUANIA
- Long-term unemployment accounts for 52% of the unemployed ; most are unskilled
- 42% of those rurally employed farm; scope for more tourism, services, ecological farms

ROMANIA
- By 2008 balance/convergence between rural and urban employment rates predicted
- In 2005, agric has 64% of rurally employed and 32% of total employed Romanians
- Much seasonal employment in summer
- Favourable impact of circulatory migration in rural Romania because durables bought
- However, very few invest earnings abroad to set up SMEs in Romania.

HUNGARY
- Remote rural regions have x2 or x3 the national unemployment rate & this is increasing
- 40% of cropland is cultivated by 760,000 private farmers, & some 16% of people farm
- Commuting to town jobs increases as farming jobs decline

BULGARIA
- Rural unemployment, though less than a decade ago, is still higher than national average
- Number of farmers has decreased and those employed on farms have declined even faster
- In past 5 years, only 10% of the rurally unemployed have found constant alternative work

TURKEY
- 11% of GNP is produced by the 34% of employed people in agriculture; this must change
- Lack of job alternatives & education force people into poverty, migration, uninsured work
- Need value-added products, NAE, micro-credit, comparative advantage-based job creation
- Need more accessible rural health, education and social services
- Agri-and rural tourism offer scope
- Conditions for seasonal working rural women and children need improving
- Cheaper social insurance with an annual premium is needed for those working in agriculture

ESTONIA
- EAGGF has funded support for LFAs, agri-environment schemes, afforestation
- It has also supported farms restructuring, meeting higher standards, direct & technical aid
- Useful SWOT analyses of Estonian rural development, agriculture, forestry & fisheries…

LATVIA
- No comment given

POLAND
- Distinct reduction in size and activity of the agriculturally involved population
- Smallest farms look for additonal off-farm income; only large farms have employees
- Men more active than women in farm employment, in off-farm employment, in job-seeking
- Rural market has limited jobs requiring higher educational qualifications
- Unemployment increasing, but general correlation with better educated getting well-paid jobs

OVERVIEW AND PROSPECTS – A SUMMARY

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. Commuting to town jobs is increasing e.g. in Estonia, Hungary. Food security and the 'social buffer' of small farms remains of crucial importance.

5.2 Some broad conclusions

There needs to be more concerted effort towards **Integrated Rural Development**, with its in-built income and employment 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-Herzegovina 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**'.

There is 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, '**multi-professionality**' 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 Polish Report.

Appendices

A Estonia : SWOT analyses – a very useful way of summarising the situation

Rural development

Strengths	Weaknesses
- The labour-force from decreasing agri-cultural sector is open for other rural activities, for which there are available natural resources (clean environment, forest, picturesque landscape etc.); - The heritage of state and collective farms: vacant and semi-vacant production buildings.	- Lack of jobs in rural areas, long-term structural unemployment reducing labour-force quality; - Small size of local market, - Emigration of young people; - The weakness or lack of representative organisations and the resulting difficulties in organising training and marketing; - The lack of and difficulty in accessing investment means, insufficient advisory system to cover needs of sector.
Opportunities	**Threats**
- Development of favourable investment environment; - Dynamic development of new enterprises, based on former agricultural production buildings with good infrastructure and taking advantage on available natural resources; - Establishment of co-operative organization for rural banking, insurance, training, marketing and economic activities; - Diversification of rural activities implementing achievements of modern technology; - Development of rural tourism and recreational activities, based on diverse landscape, fauna and flora, as this provides jobs in related sectors: local food production and processing, catering, recreational activities; - Further development of agricultural advisory system to cover alternative activities.	- The lack of qualified advice and unfavourable investment environment, which may prevent the carrying out ideas; - The low income of rural inhabitants, which together with insufficient management skills may be an obstacle to getting loans; the credit institutions' lack of trust in loan collateral; - Environmental protection restrictions and low-level technologies used in waste processing in certain geographical areas (ca 15% of Estonian territory is under various special restrictions).

Agriculture

Strengths	Weaknesses
- A relatively good structure – 75% of agricultural products are produced by technologically viable units; - A relatively large cultivated land stock and natural preconditions for growing traditional crops and remaining competitive; - The relatively good professional skills and development potential of farmers; - Employment in the agricultural sector reduced from 16,0% (1991) to 5,3% (2005) compared to EU average of 5%; rate of employment corresponds to current market demand.	- Very low investment level during the last 5 years (outdated means of production), and a general non-compliance of the sector with the EU requirements; - The low profitability in the agriculture sector lead to decrease of livestock (cows: 2,5 times) and agricultural land use (arable from 1,12 million to 0,8 million ha); - The poor availability and use of professional information in changing economic environment; vocational and higher education in agriculture does not meet current requirements; - The weak development of co-operative activities and influence of producers' organisations in the organisation of common economic activities; - The low use of certified seed material, poorly developed seed propagation system (defined seed centres do not meet EU requirements yet); - The low popularity of the sector, largely caused by the low income and the specific historical nature of sector
Opportunities	**Threats**
- the further development and establishment of an optimum farming structure and rapid improvement of agricultural technology; diversification of production and primary processing by the primary producer; - Development potential for applied research in co-operation with other countries, particularly in priority areas. - Development of common supply and marketing organisations; - To expand extensive sustainable environment friendly farming on the available land stock;	- Lack of reproduction (the investment need for reproduction exceeds actual investments by nearly 3 times); - The slow pace of the land reform – uncertainty of agricultural producers on land and degeneration of lands out of active agricultural use; - The continuing loss of skilled labour from the sector; - The breeding of new animal breeds is decelerating, the re-launching of livestock production is time-consuming

Forestry

Strengths	**Weaknesses**
- Estonia's large forest area (about 50% of total land territory); - Strong state forest management system; - Relatively high number of skilled people; - Different kind of wood processing industry (modern sawmills, furniture, ski and construction).	- Insufficient capacity (management skills) of private forestry related organisations; 1/3 of private forest owners lack forest management plans; small forest properties due to land reform scheme; no viable economic use of fuel wood in quantities, available in Estonian forests; - Inadequate afforestation of the areas, which have fallen out of agricultural production and reforestation volume has been considerably smaller than the clear cutting area in need of reforestation, resulting with poor quality stands; - Local road network in private forests have not been properly maintained within last 10 years and private forest amelioration scheme has not been started; - Slow development of local small-scale wood processing industry; lack of capacity for low-valued timber (grey alder etc)
Opportunities	**Threats**
- Consolidation of private forest lands, and common economic activities on forest management and primary wood processing; - Development of effective vocational training and advisory system; - Afforestration and reforestation; - Additional income in rural area; - Optimisation of tax system.	- Non-sustainable forest management leads to poor living environment; delay in certification of private forest management may close access to main markets of full forestry sector; - Large areas of young stands have not been tended resulting with poor stand structure resulting with lack of raw materials for wood processing industry; - Forest growth rate too small due to lack of forest amelioration - Poor quality and lack of local forest road network (demolished with heavy machinery) leads to non-proportional felling (good-quality cut-aged stand remains in forest) and harm to environment.

Fishery

Strengths	Weaknesses
- 37 well located ports equipped for receiving trawlers and long shoreline for coastal fishing; - Relative high number of skilled people; - Sizeable inland fishery sector providing income to rural coastal areas, however, inadequately described in official statistics.	- General management weaknesses in sector - Quality: outdated fish farming technology and fishing vessels, with low quality and efficiency, incompatible to EU requirements - Quantity: low competitiveness with quality fish farming because low volumes of fish farming
Opportunities	**Threats**
- With local flexible fishery regulations to achieve within 5-6 years the stable catch and thus sustainable management of coastal and inland fish resources; - Development of fish farming to cover local consumption; including using industrial warm water resources (North-East region); - Crayfish farming development (mostly for Nordic markets); - Common economic activities (marketing and supply).	- Continuation of present fishing strategy leads to significant decrease of resources; - Lack of Euro-compatible fishing equipment (ships, boats, engines, nets etc) may cancel further marketing of fish and products; - Extreme weather conditions may harm inland fish hatchery sector; - Reliance on CIS markets (on some species)

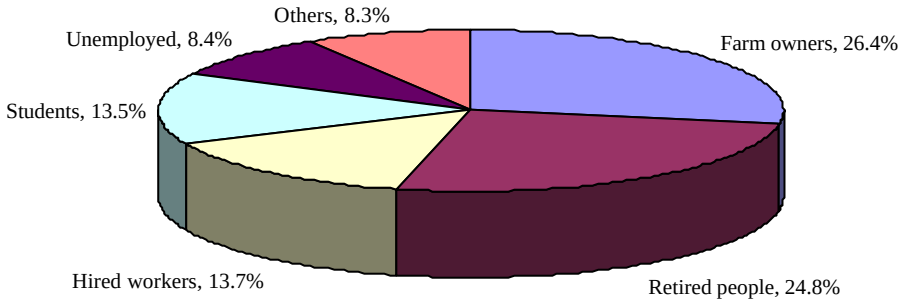
B Hungary: main employment indices in regional division, in relation to total employment (2003)

Region	Activity rate, 2003, %	Unemployment rate, 2003, %	Employment rate, 2003, %	Rate of agricultural employees, 2003, %
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
Southen Great Plain	50,3	6,5	47,0	11,6

Source: CSO

C Bulgaria: rural population characteristics in 2003

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



Source: National Statistical Institute, 2005

D Romania: key definitions used

Employed population = persons of age 15 and above who have performed an economic activity resulting in goods or services, for at least 1 hour (at least 15 hours for certain categories working in agriculture), in order to obtain income (salary, goods or other benefits) in the reference period.

ILO Unemployed population = persons of age group 15-64 who are not employed, do not perform any activity to obtain income and are actively seeking a job. Also, certain employed categories are included here.

Economically active population = employed + unemployed persons

Economically inactive population = persons who haven't worked for at least 1 hour in the reference period and are not unemployed either i.e.: pupils, students, house-wives, dependents, other categories.

Activity rate (of age group X) = (active population of age group X / total population of age group X)*100

Employment rate (of age group X) = (employed persons of age group X / total population of age group X)*100

Unemployment rate (of age group X) = (unemployed persons of age group X / economically active persons of age group X)*100

Level of education – the highest level graduated (with or without diploma)

High level – tertiary education

Medium level – high school, vocational school, speciality post high school studies, technical foremen school

Low level – secondary (gymnasium), primary or without graduated school

Rural areas - the areas belonging to communes and to the periurban areas of towns and cities. (MAFRD/MAI Ordinance no. 143/610/2005 published in the Romanian Official Journal no.382/6 May 2005 - *Monitorul Oficial al României*). The commune is the smallest administrative unit in Romania and it is composed of several villages (in average 4-5/commune; villages do not have their own administration, this is performed by the commune they belong to). On 31 December 2004, we had 2827 communes and 12957 villages (NIS, 2006).