

URBAN-RURAL TYPOLOGY AND IMPORTANCE OF RURAL AREAS IN EU COUNTRIES¹

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Abstract

The European Commission agreed in 2010, on a new typology of regions based on a variation of the previously used OECD methodology. The aim of this new typology is to provide a consistent basis for the description of regions, which the author describes in the paper. The author points out the importance of cooperation with the aim of improving economic activity and quality of life in rural areas of the EU. On the basis of division, the author further analyzes the main indicators for EU member states, such as: territory, population, GVA and employment in all three regions. Based on the results of analysis performed by the conclusion of the importance of rural areas in EU.

Key words: *typology of the region, rural areas, territory, population, GVA, employment, EU*

Introduction

New typology considers the presence of large urban centers in the same way of the OECD methodology: 1) “predominantly rural” region (or group of regions) is re-classified as “intermediate“ if there is an urban centre > 200.000 inhabitants representing no less than 25% of the regional population; 2) an „intermediate“ region (or group of regions) is re-classified as “predominantly urban” if there is an urban centre > 500.000 inhabitants (in EU) representing no less than 25% of the regional population.

For the 2007-2013 period, the Leader approach is defined within Council Regulation (EC) No 1698/2005 (Art. 61) as comprising the following key features: 1) Key features pertaining to strategy: a) Area-based approach; b) Multi-sectoral integration; c) Innovation. 2) Key features pertaining to governance: a) Local partnership; b) Inter-territorial and transnational co-operation between rural areas; c) Decentralized

1 Paper is a part of research project III 46006 - Sustainable agriculture and rural development in the function of strategic goals achievement within Danube region, financed by the Ministry of Education and Science of Republic of Serbia, project period 2011-2014.

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management and planning. 3) Key features pertaining to both: a) Bottom-up approach; b) Networking. (John Grieve, Ulrike Weinspach, 2010) The primary sector still represented 9% of the employment and 3% of the value added in rural areas (predominantly rural and intermediate regions) of the EU-27 in 2007.

This situation is more marked in the new Member States, with the corresponding shares standing at 12% of employment and 6% of GVA for predominantly rural and intermediate regions. (Directorate General for Agriculture and Rural Development, 2010) In the evaluation of economic impacts on project interventions in relation to Quality of Life, the starting point is following: 1) The economic impacts must be measured in part through an analysis of the economic effectiveness of project management – essentially the transaction costs of delivery of the Quality of Life measures/Leader process; 2) In part through an assessment of the economic impacts of the project interventions supported by RDP funds. (John Grieve, Ulrike Weinspach, 2010)

The importance of cooperation

Farming and forestry remain crucial for land use and management of natural resources in the EU's rural areas, and as platform for economic diversification in rural communities. The strengthening of EU rural development policy is, therefore, an overall EU priority. (http://europa.eu/about-eu/facts-figures/living/index_en.htm)

One of the overall objectives of the Leader approach is to contribute to improved governance in rural areas. The various principles of good governance (GG), as defined by the OECD and the World Bank, can be addressed more specifically at multi- and local levels in the following way: 1) Multi-level: a) Vertical integration: bringing together different hierarchical levels (decision-makers at local, regional and national level) and fostering openness and interactions (co-operation) between all actors and partners at whichever level (regional, national and Community); b) Subsidiarity: decisions are taken as closely as possible to the citizen, keeping in mind the level of effectiveness of implementing these decisions as regards to other levels of decision-making (national, regional, country...). 2) Local-level: a) Transparency: visibility of structures and procedures, access to information, etc. b) Participation: involvement of concerned stakeholders and local population. c) Horizontal integration: bringing together different sectors like agriculture, tourism, and culture, etc., different types of organizations like administration, private businesses, and civil society organizations. d) Legitimacy: the acting of the different players of the governance system gets recognition because it is estimated as appropriate to the legal and other institutional frameworks. e) High quality of communication and conflict management: ensuring professional structures and procedures for information, consultation and joint decision-making. f) High quality of learning mechanisms: installing professional structures and processes for reflection and mutual learning among the different members of the governance system. (John Grieve, Ulrike Weinspach, 2010)

In general, even rural areas, the majority of the economic activity depends more and more on the service sector. (Directorate General for Agriculture and Rural Development, 2010) Dealing with undeveloped areas is not possible out of the context of the regional development. The reduction of the regional unevenness in the Republic of Serbia means the formation of the new institutional framework (on the national, regional and local level), as well as the appliance of stimulating mechanisms and measures defined in numerous developmental policies (credit, agrarian, industrial, fiscal, etc.). In order to have efficient policy, the developmental programs have to be in accordance with regional specificities, i.e. the characteristics of underdevelopment of “endangered” areas. (Miletić R., Todorović M. and Miljanović D., 2009)

Territory

According to standard definition, more than 91% of the territory of the EU is “rural”, and this area is home to more than 56% of the EU’s population. Furthermore, the EU’s fantastic range of striking and beautiful landscapes are among the things that give it its character – from mountains to steppe, from great forests to rolling fields. (http://ec.europa.eu/agriculture/rurdev/index_en.htm) Ireland has a territory in the predominantly rural areas of 98.7%, while in the Netherlands only 2.2%. Cyprus has territory in intermediate rural areas of 100%, while in the Portugal only 8.7%.

Table 1. Percent of territory in PR, IR and PU areas, 2007.

Country	PR predominantly rural	IR intermediate rural	PU predominantly urban
Belgium	33,8	31,8	34,4
Bulgaria	53,6	45,1	1,2
Czech Republic	48,3	37,1	14,6
Denmark	71,8	27,0	1,2
Germany	39,8	48,4	11,8
Estonia	82,3	17,7	-
Ireland	98,7	-	1,3
Greece	82,2	12,1	5,6
Spain	46,1	39,5	14,4
France	64,6	27,3	8,1
Italy	45,5	42,3	12,3
Cyprus	-	100,0	-
Latvia	62,8	21,1	16,1
Lithuania	65,0	19,9	15,0
Luxembourg	-	100,0	-
Hungary	66,3	33,1	0,6
Malta	-	-	100,0
Netherlands	2,2	51,5	46,3
Austria	72,2	18,9	8,8

Country	PR predominantly rural	IR intermediate rural	PU predominantly urban
Poland	55,6	34,5	9,9
Portugal	84,1	8,7	7,3
Romania	59,3	39,9	0,8
Slovenia	61,0	39,0	-
Slovakia	59,0	36,8	4,2
Finland	83,3	14,6	2,1
Sweden	52,6	45,8	1,6
United Kingdom	27,4	47,0	25,6

Source: Author based on Directorate General for Agriculture and Rural Development (2010): Rural Development in the European Union, Statistical and Economic Information Report, December 2010

At the EU-27 level these results in 24% of the population living in regions classified as “predominantly rural”, which is 4% more compared to the results obtained with the OECD methodology. (Directorate General for Agriculture and Rural Development, 2010)

Population

Europe’s population is increasing through a combination of natural growth (more people are born each year than die) and net migration (more people settle in the EU than leave it). At the same time, the population of Europe is aging as life expectancy increases and fewer children are born.” (http://europa.eu/about-eu/facts-figures/living/index_en.htm) With over 56% of the population in the 27 Member States of the European Union (EU) living in rural areas, which cover 91% of the territory, rural development is a vitally important policy area. (http://europa.eu/about-eu/facts-figures/living/index_en.htm)

Table 2. Percent of population in PR, IR and PU areas, 2007.

Country	PR predominantly rural	IR intermediate rural	PU predominantly urban
Belgium	8,7	23,9	67,5
Bulgaria	39,0	44,9	16,2
Czech Republic	33,3	43,6	23,1
Denmark	42,9	36,0	21,2
Germany	17,5	40,0	42,5
Estonia	48,3	51,7	-
Ireland	72,3	-	27,7
Greece	43,2	10,5	46,3
Spain	13,3	38,2	48,5
France	28,7	35,7	35,6

Country	PR predominantly rural	IR intermediate rural	PU predominantly urban
Italy	20,5	43,9	35,6
Cyprus	-	100,0	-
Latvia	38,4	13,4	48,2
Lithuania	43,6	31,2	35,1
Luxembourg	-	100,0	-
Hungary	47,5	35,6	16,9
Malta	-	-	100,0
Netherlands	0,7	28,2	71,1
Austria	39,4	26,5	34,1
Poland	37,9	33,8	28,3
Portugal	36,3	15,2	48,4
Romania	45,9	43,8	10,4
Slovenia	43,8	56,2	-
Slovakia	50,4	38,3	11,3
Finland	43,2	30,7	26,1
Sweden	22,7	56,2	21,1
United Kingdom	2,9	26,0	71,1

Source: *Author based on Directorate General for Agriculture and Rural Development (2010): Rural Development in the European Union, Statistical and Economic Information Report, December 2010*

Ireland has a population in the predominantly rural areas of 72.3%, while in the United Kingdom 2.9%. Cyprus has population in intermediate rural areas of 100%, while in the Greece only 10.5%. Most rural areas are characterized by low population densities: at EU-27 level, population density varies from 48 inhabitants/km² in predominantly rural areas to 514 inhabitants/km² in predominantly urban areas. (Directorate General for Agriculture and Rural Development, 2010)

Gross Value Added (GVA)

Though economic activity tends to concentrate in more urban areas, rural areas generate 48% of the Gross Value Added (GVA) in the EU-27. (Directorate General for Agriculture and Rural Development, 2010)

Table 3. Percent of GVA in PR, IR and PU areas, 2007.

Country	PR predominantly rural	IR intermediate rural	PU predominantly urban
Belgium	5,5	18,9	75,6
Bulgaria	27,0	36,6	36,4
Czech Republic	27,8	36,5	35,7
Denmark	38,8	31,4	29,8

Country	PR predominantly rural	IR intermediate rural	PU predominantly urban
Germany	14,7	35,9	49,5
Estonia	32,6	67,4	-
Ireland	59,6	-	40,5
Greece	32,5	8,8	58,6
Spain	10,7	35,6	53,6
France	23,2	31,3	45,5
Italy	18,6	42,6	38,9
Cyprus	-	100,0	-
Latvia	23,0	10,3	66,8
Lithuania	29,9	30,7	39,4
Luxembourg	-	100,0	-
Hungary	34,9	28,4	36,7
Malta	-	-	100,0
Netherlands	0,8	25,4	73,8
Austria	30,5	28,8	40,7
Poland	27,3	30,9	41,8
Portugal	31,1	11,5	57,4
Romania	33,8	43,2	23,0
Slovenia	36,5	63,5	-
Slovakia	40,5	32,8	26,7
Finland	36,2	28,0	35,8
Sweden	20,0	51,7	28,3
United Kingdom	2,0	22,2	75,8

Source: *Author based on Directorate General for Agriculture and Rural Development (2010): Rural Development in the European Union, Statistical and Economic Information Report, December 2010*

Ireland generate 59.6% of the Gross Value Added in the predominantly rural areas, while in the Netherlands only 0.8%. Cyprus generate 100% of the Gross Value Added in intermediate rural areas, while in the Greece only 8.8%.

Employment

Rural areas provide 56% of the employment, these shares being larger in the new Member States (66% and 75% respectively). (Directorate General for Agriculture and Rural Development, 2010) Ireland provide 68% of the employment in the predominantly rural areas, while in the Netherlands only 0.6%. Cyprus provide 100% of the employment in intermediate rural areas, while in the Greece only 10.8%.

Table 4. Percent of employment in PR, IR and PU areas, 2007.

Country	PR predominantly rural	IR intermediate rural	PU predominantly urban
Belgium	6,8	20,5	72,7
Bulgaria	35,3	41,8	22,9
Czech Republic	32,2	40,2	27,6
Denmark	40,6	32,6	26,7
Germany	15,8	38,3	45,9
Estonia	42,5	57,5	-
Ireland	68,0	-	32,0
Greece	40,8	10,8	48,4
Spain	12,0	36,6	51,4
France	26,6	34,1	39,2
Italy	19,4	43,5	37,2
Cyprus	-	100,0	-
Latvia	35,4	13,0	51,7
Lithuania	41,2	31,4	27,4
Luxembourg	-	100,0	-
Hungary	44,0	31,5	24,5
Malta	-	-	100,0
Netherlands	0,6	26,1	73,3
Austria	n.a.	n.a.	n.a.
Poland	35,2	31,9	32,9
Portugal	36,8	14,7	48,6
Romania	42,2	46,4	11,4
Slovenia	40,3	59,7	-
Slovakia	44,3	36,4	19,3
Finland	39,7	29,2	31,1
Sweden	21,4	54,4	24,2
United Kingdom	2,3	26,0	71,7

Source: Author based on Directorate General for Agriculture and Rural Development (2010): *Rural Development in the European Union, Statistical and Economic Information Report, December 2010*

The employment rate in the EU-27, calculated as a share of the population of 15 to 64 years old, is lower in predominantly rural than in other areas (62% in predominantly rural areas against 67% for all areas in 2007). (Directorate General for Agriculture and Rural Development, 2010)

Conclusion

Based on survey results (PR, IR, PU regions) performed a conclusion that half the population of the European Union live in rural areas, which suggests that rural development is a significant interest in the EU area. EU rural development objectives of countries have focused on the improvement of competitiveness, providing alternative sources of income, promotion of local values, improving the quality of life in rural areas and biodiversity protection. The value of rural landscapes as place of rest and recreation is evident and the idea of rural life and production of organic products is increasingly common trend in Serbia, provided people have access to appropriate services, infrastructure and employment opportunities in rural areas. Rural development is engaged in realization of the objectives for rural areas and includes a wide range of different socio-economic activities and a high level of cooperation at all levels.

Literature

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URBANO-RURALNA TIPOLOGIJA I ZNAČAJ RURALNIH PODRUČJA U ZEMLJAMA EU

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Sažetak

Evropska komisija je 2010. godine na osnovu OECD metodologije i uz određene izmene usaglasila kriterijume za tipologiju regiona. Cilj ove nove tipologije je da obezbedi dosledan osnov za kategorisanje regija, koji autor opisuje u radu. Autor ističe značaj saradnje s ciljem unapređenja privredne aktivnosti i kvaliteta života u ruralnim oblastima EU. Na osnovu podele, autor dalje analizira glavne pokazatelje za zemlje članice EU, kao što su: teritorija, stanovništvo, GVA i zaposlenost u sva tri regiona. Na osnovu rezultata analiziranja, izvodi zaključak o važnosti/značaju ruralnih područja u EU.

Ključne reči: *tipologija regiona, ruralne oblasti, teritorija, stanovništvo, GVA, zaposlenost, EU*