Rural areas and the primary sector in the EU

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1. Territory / land

Importance of rural areas

- Rural regions cover 44% of the EU territory, intermediate regions another 44%, while urban regions only represent 12% of the territory.

- In the EU-N13, rural regions cover a slightly higher share of the territory (48.4%) while urban areas are less important (4.6%).

- Predominantly rural regions represent around 80% and more of the territory in Ireland, Finland, Estonia, Portugal, and Austria.

- Due to the classification method based on NUTS 3 regions, Cyprus, Luxembourg and Malta do not have any predominantly rural region.

Figure 1: Importance of rural territory in NUTS 2 regions


See also Common Context Indicator 3: Territory
2. Economic importance of rural areas and the primary sector

Economic growth

- **GDP per capita** is lower in rural areas than in other areas – in 2014 it stood at 72% of the overall EU average, compared with 88% in intermediate areas and 121% in urban areas. The GDP per capita in predominantly rural regions of Bulgaria, Romania and Latvia was below 40% of the EU-28 average during the period 2011-2013, whereas in the Netherlands it was 113%.

- The variation between urban and rural regions is less distinctive than the East-West divide in Europe. The problem behind this phenomenon is the statistical collection of GDP data. GDP data is collected on the household level rather than the place where economic value is created (i.e. the place of work). As households are far more territorially disperse than jobs (especially in urban hinterlands) the territorial distribution of economic performance “frays” along the settlement structures. If adjusting the GDP data to the work places the picture would be far more focused around the urban agglomerations, which host the European wealth creation to a large extent. However, rural areas around urban centres and along traffic corridors are also showing an increasing GDP per capita performance (quoted from: The role of the EU’s Common Agricultural Policy in creating rural jobs).

![Figure 2: GDP per capita by type of region in relation to the EU-28 average](image-url)
Figure 3: GDP per capita in NUTS 3 regions, average 2012-2014

See also Common Context Indicator 8: GDP per capita
Gross Value Added (GVA) of the primary sector

- The primary sector (agriculture, forestry and fishery) represented **1.5% of GVA** in the EU-28 in 2016. This proportion has remained roughly stable since 2008.

- In **rural areas**, the primary sector contributed **4.2%** of total GVA. It is more important in the rural areas of the EU-N13 (7.1%) than in the EU-15 (3.7%).

- In **Bulgaria, Estonia, Lithuania, and Latvia** the primary sector still represents around 10% or more of total GVA in rural areas, followed by Romania, Hungary and Greece (between 8 and 10%). By contrast, in Belgium, Germany and Ireland the primary sector accounts for less than 3% of the total GVA in rural areas.

See also **Common Context Indicator 10: Structure of the economy**

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2 Data by type of region are from 2014.
3. Diversification of rural economies

- Whilst the share of agriculture, forestry and fisheries in rural economies has declined, the importance of diversification in rural economies has grown. In the EU-28 as a whole, around 6.8 % of farms had at least one other source of income (referred to as other gainful activities).

- This share ranged from 1 % in Cyprus, Lithuania, Bulgaria to more than one third in Germany, Sweden, Austria and Denmark (where it reached 60 %), while among those Member States that joined the EU in 2004 or 2007 the highest proportions of agricultural holdings with other gainful activities were recorded in the Czech Republic (19%) and Slovenia (16 %).

- The overall EU-28 average is strongly influenced by the low proportion of agricultural holdings in Italy, Poland and Romania that had other gainful activities, while each of these three Member States had a very high overall number of holdings — together they accounted for well over half of the total number of holdings across the EU (note that many of these were very small in size and employed the equivalent of less than a single, full-time person).
4. People in rural areas

- In 2016 the EU-28 population came to 510.3 million inhabitants, continuing the slow but steady increase of roughly 0.3% per year since 2000, with 79.5% living in the EU-15 and 20.5% in the EU-N13.

Population density

- In 2015, the population density in the EU-28 was 117 inhabitants per km².
- Malta, the Netherlands and Belgium are the most densely populated countries, while Finland and Sweden have the lowest population densities.
- Over the period 2010-2015, population density remained broadly stable in the EU as a whole but decreased in rural and intermediate regions.
- By definition, population density in rural regions is lower than in intermediate and urban regions (the classification of regions into rural, intermediate and urban is based on population density).

See also Common Context Indicator 4: Population density
Population by type of region

- The majority of the EU population lives in predominantly urban regions (45%) and in intermediate regions (36%), except for the EU-N13 where most people live in intermediate and predominantly rural regions (45% and 34%, respectively).
- The distribution of the population by type of regions varies greatly between countries. In Ireland, Slovenia and Romania more than 50% of the population is still mainly located in rural regions, while in 7 other Member States, people live mostly in urban areas (Malta, the United Kingdom, the Netherlands, Spain, Belgium, Latvia, and Sweden).

See also Common Context Indicator 1: Population

Figure 8: Population by type of region and EU group, 2016

These results are strongly influenced by the delineations of NUTS 3 regions, especially for the urban centres.
Rural population by country

- In Ireland, Slovenia and Romania, more than half of all people live in rural areas.
- On the other hand, less than 10% of the population in Italy, Sweden, Lithuania, Belgium, the UK, Spain and the Netherlands live in rural areas.\(^4\)
- Over the last decade, the proportion of people living in rural areas decreased in all countries except Greece, Poland and Slovakia (where it increased only marginally).
- The greatest losses of rural population took place in Estonia and Romania.

\(^4\) Cyprus, Luxembourg and Malta have no areas classified as predominantly rural.
**Age structures**

- In 2016, 16% of the EU-28 population was younger than 15 years, the working-age population (15-64 years) represented 65% of the total and elderly people (65 years and above) accounted for 19%.

- Since 2011, the proportion of elderly people increased in all types of regions while the share of young people decreased in all regions except for the urban ones where it increased slightly (+0.1 percentage points).

- The share of young people is highest in the urban regions of the EU-15 (16%) and lowest in the urban regions of the EU-N13 (14.5%). Elderly people are most prevalent in the rural and intermediate areas of the EU-15, where the difference with EU-N13 regions is 6.6 (rural) and 3.5 (intermediate) percentage points.

- At Member State level, in 2016, Ireland had the highest proportion of young people (22%), followed by France (18.5%) and the United Kingdom (18%), while the lowest percentages were found in Germany (13%) and Italy (14%).

- The share of young people decreased slightly between 2011 and 2016 in 18 Member States. The highest decrease of 1.1 percentage points was found in Denmark and Luxemburg, while in Latvia the share of young people grew most strongly over the considered period (+1.1 percentage points).

- With regard to elderly people, Italy, Greece and Germany presented the highest percentages (around 21-22%), all of which increased since 2011 (+0.4 percentage points for Germany, +1.5 percentage points for Italy and +2 percentage points for Greece). However, the highest increase in the share of elderly people was recorded in Hungary (+3.3 percentage points) and Finland (+3 percentage points).

- The proportion of young people to elderly people is highest in Ireland (166) and lowest in Italy (62).

**Figure 11: Age structure, young/old population ratio, 2016**

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*See also Common Context Indicator 2: Age structure*
5. Educational attainment

Rural areas have the lowest (but increasing) levels of people with tertiary education.

Most people in rural areas have upper-secondary and post-secondary non-tertiary education levels.

The percentage of people with less than lower secondary education is decreasing everywhere, also in rural areas.

Source: Eurostat
6. Poverty

- Rural areas in the EU have higher poverty rates (25.5%) than cities (24%) or towns and suburbs (22%).

- However, over the last 8 years the percentage of total population at risk of poverty decreased in rural areas and increased in cities, towns and suburbs. This led to a reduced gap between rural and other areas.

See also Common Context Indicator 9: Poverty rate

![Figure 13: Poverty rate by degree of urbanisation in the EU-28, 2014](source: Eurostat)

![Figure 14: At-risk-of-poverty rate by degree of urbanisation, 2007-2015](source: Eurostat)
7. Internet access

- For households in the EU as a whole, internet access at home has reached a level of 85% in 2017, slightly lower in sparsely populated areas (79%).
- Compared to just 10 years ago, this is a massive increase of more than 100%. In sparsely populated areas, the increase is even higher: from 31% in 2007 to 79% in 2017, a plus of 155%.
- The situation in sparsely populated areas is different across Member States. In 12 countries, fewer than 75% of households have internet access at home (in Bulgaria, every second rural household is without internet access).
8. Employment and unemployment

Employment by type of region
- The employment rate (the percentage of employed persons in relation to the comparable total population) is generally higher in urban regions than in rural ones.
- Employment rates in cities are close to the EU-28 average, while the rates of towns and suburbs are higher and those of rural areas are lower.
- From 2012 onwards the urban-rural gap in employment rates began to narrow.

See also Common Context Indicator 5: Employment rate

Unemployment by type of region
- Since 2012, the unemployment rate is highest in cities.
- From 2013 onwards, unemployment rates have declined in all types of regions.
- The gap between different types of region is diminished.
- In 2016, unemployment in rural areas is at the same level as in towns and suburbs (and lower than in cities).

See also Common Context Indicator 7: Unemployment rate
Youth unemployment by type of region

- Youth unemployment is significantly higher than overall unemployment rates.
- As in the case of overall unemployment, the highest level of unemployment was registered in the cities.
- The youth unemployment rate is declining since 2013.
- The situation is analogous in all types of regions.

Young, no work, no education or training

- The percentage of young people who are neither in employment nor in education is higher in rural areas than in cities, towns and suburbs.
- In all regions, this percentage started declining in 2013.
Figure 21: Youth unemployment rate in NUTS 2 regions, 2016
**Unemployment by gender**

- The unemployment rate is higher in the cities than in towns and suburbs or rural areas for both men and women.
- Unemployment is higher for women than for men in towns, suburbs and rural areas. In cities, the rate is higher for men.
- For both men and women, unemployment rates are declining everywhere since 2013.
- From 2008 onwards, male and female unemployment rates are converging in towns, suburbs and rural areas. Previously, unemployment rates for women were much higher.

![Graph showing unemployment rates by degree of urbanisation and gender](source: Eurostat)

*Figure 22: Unemployment rates (15-64 years) by degree of urbanisation and by gender, 2006-2016*
Employment in the primary sector

- The vast majority of jobs in urban, intermediate and rural regions are provided by the tertiary (services) sector (73.9% for the EU-28).

- The primary sector is still important for rural employment in a number of countries, above all in Romania and Bulgaria.

See also Common Context Indicator 11: Structure of employment

**Figure 23: Role of the primary sector in rural employment (2016)**

**Figure 24: Share of employment in agriculture, forestry and fishing in the EU by type of region, 2005-2014**

*Issues related to employment in agriculture are addressed in more detail in the chapter on farm structures*