



EFYRA Study

Europe Future of Young in Rural Areas

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Europe Future of Young in Rural Area

EFYRA

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1. INTRODUCTION

Europe's rural areas have one common problem: the young population is leaving the countryside. Considering the negative natural development and the general ageing of the population, which affects many EU member states, the age structure is worsening due to the outflow of the population (European Commission, 2021). The purpose of the EFYRA project is to identify the causes of migration in projects' countries: Croatia, Estonia, Hungary, Italy, North Macedonia, Serbia and Slovenia, through a joint discussion of the project partners and to identify suggestions for preventing youth migration through active workshops. The project will involve young people who will be actively involved in analyzes and workshops, and the creation of this EFYRA Study.

The project discusses a very important topic for the future of Europe, with particular emphasis on the debate on youth migration among young people from different EU areas. This encourages debate among young EU citizens, who are often apolitical and less involved in democratic processes and debates at EU level. The debate will contribute to a better understanding of the European Union and its efforts among the participants, and especially among young EU citizens. Through such a project and discussion, we want to take into account the needs of the local population in order to improve the quality of life in rural areas. To partners from non-EU countries we will present good practice by EU policies as examples of good practice. Our aim is to directly involve local people in creating quality of life in rural areas through the establishment of LAGs (LAG PRIZAG and EAST-HARJU partnership).

Through examples of good practice, project partners and other project participants will gain ideas for increasing the quality of life in rural areas and ultimately reducing rural migration.

Finally, an analysis of the rural areas of all project partners with the assistance of experts was conducted in order to prepare this EFYRA Study.

2. ANALYSIS OF THE SELECTED DEMOGRAPHIC AND SOCIOECONOMIC INDICATORS FOR EFYRA COUNTRIES

In order to understand the various social and economic processes in the rural areas of Croatia and other partner countries of the EFYRA project, this chapter presents relevant statistical indicators on selected aspects of demographic, social and economic development. The information presented in this chapter has been published by Eurostat on its website and in its printed publications. Due to differences in data collection and analysis methodology, Eurostat data may differ in part from statistical data published by national statistical offices, but their downloading from a single source allows for comparability of data across countries, as they are collected and processed using a single methodology.

2.1. Basic demographic and economic indicators of EFYRA countries

The first step in the analysis is an analysis of the basic demographic and socioeconomic indicators for the partner countries. These indicators are presented in Table 1.

Table 1 Indicators for the demographic and economic development of partner countries

Country	Estonia	Croatia	Italy	Hungary	Slovenia	North Macedonia	Serbia
Total population (2021)	1,330,068	4,036,355	59,236,213	9,730,772	2,108,977	2,068,808	6,871,547
Population change between 2001 and 2021 (in %)	-4.5	-6.0	+4.0	-4.6	+6.0	+1.9	-8.4
Population density (2019) (persons per km ²)	30.5	72.8	201.5	107.1	103.7	83.4	90.5

Natural change rate in 2019 (in %)	-1.0	-3.9	-3.6	-3.8	-0.6	-0.3	-5.3
Net migration rate (2019) (in %)	+4.1	-0.6	+0.7	+3.4	+7.8	-0.1	0.0
Population projection (2030)	1,308,435	3,828,089	59,942,512	9,619,020	2,106,316	No data	No data
Ageing index (2020) (in %)	123.9	150.4	182.6	139.5	137.1	91.5	149.0
GDP p. c. (PPS; 2019) (in €)	25,800	20,800	30,200	22,800	27,700	11,900	12,800
GDP p. c. (PPS; 2019) in percentage of EU average	82	66	96	73	88	38	41

Source: Eurostat (2022)

Looking at the population size of the partner countries, there is a clear difference between Italy, with a population of just over 59 million, and the other six countries, where the population is below 10 million. In four countries, namely Estonia, North Macedonia, Slovenia and Croatia, the population does not exceed five million and can be counted among the European countries with a relatively small population. However, if we look at the population trends in these countries between 2001 and 2021, we can see that there is no clear trend according to which, for example, smaller countries would lose their population and larger countries would gain it. Such a population change is tied to a much broader spectrum of demographic, socio-political and economic factors. The relatively largest increase in population was recorded in Slovenia, where the population grew by 6% between 2001 and 2021, followed by Italy, where the population increased by 4% over the same period. This growth in Slovenia was certainly influenced by the rapid transition from the socialist system to a market economy, a relatively high pace of development even in the pre-transition period compared to other transition countries, and accession to the European Union in 2004, which accelerated Slovenian economy and also the migration flows to Slovenia. Italy, on the other hand, is one of the most developed European countries in terms of the strength of its economy and is very attractive for immigration despite the strong ageing of its population and negative natural population change. In North Macedonia, the population grew by just under 2%,

with positive natural population change and relatively low out-migration being the main contributors.

On the other hand, four countries experienced an overall population decline between 2001 and 2021. Estonia recorded a population decline of 4.5% and Hungary a population decline of 4.6%. These are the countries that joined the European Union in 2004, after which part of their population started to migrate to the western member states of the Union, which was accompanied by an ageing population and negative natural population change, leading to an overall population decline. However, the positive migration balance of recent years offers a new perspective for the demographic revival of these countries. According to demographic indicators, population trends are significantly less favourable in Croatia, whose population declined by 6% between 2001 and 2021, and in Serbia, which lost 8.4% of its population during the same period. There are many reasons for this. Complex socio-political developments in the 1990s have strongly shaped the socio-economic development of both countries. Both states also have negative rates of natural population development. In Croatia, population out-migration has been particularly pronounced, especially toward other EU member states since accession in 2013, resulting in even more negative demographic indicators. The 2021 census in the Republic of Croatia showed that the population is well below four million at 3,871,833 inhabitants (CBS, 2022), which is a much more drastic decrease compared to the Eurostat estimate. For this reason, urgent measures are needed to stop this decline and not to jeopardise, above all, the labour market, the state's pension and welfare system, and all other aspects of social and economic development.

Forecasts of further population development until 2030 are only available for the partner countries that are members of the European Union. According to these forecasts, there will be a population decline in all states except Italy. A relatively small population decline is predicted for the period from 2021 to 2030, not exceeding 2% in three countries (Estonia, Hungary and Slovenia), while Croatia's population is forecast to decline by 4.9%. Italy's population is expected to grow by just over 1% over this period. The fact is that all partner countries, with the exception of North Macedonia, are affected by the ageing of the population, as their ageing index (the number of population aged 65 and older is divided by the population aged 0-14 and then multiplied by 100) is greater than 100, which means that the number of old population is higher than the number of young population. Among the partner countries, the ageing index is particularly high in Italy,

where there are 182.6 old people for every 100 young inhabitants. Without a strong pro-birth population policy, it is unlikely that the population loss due to natural change will be halted, as the demographic mass of the young population becomes smaller. However, given the current socio-political situation, which is complicated in particular by the pandemic COVID-19, tensions related to the conflict in Ukraine, energy and migration crisis, it is difficult to predict how its responses will affect all aspects of population development in partner countries in the coming years.

An important economic indicator used in this analysis is gross domestic product *per capita* expressed according to purchasing power parity. If we look at its value for 2019 (Table 1), among the partner countries that are members of the European Union, it ranged between 20,800 euros in Croatia and 30,000 euros in Italy, while in Serbia (12,800 euros) and North Macedonia (11,900 euros) it was significantly lower. The level of GDP and the amount of purchasing power that the population can achieve is an important indicator of the development of a given country and one of the factors that indicate the quality of life and the attractiveness of a given country for immigrants. All partner countries that are members of the European Union have a GDP per capita that is lower than the European Union average. This ranges from 66% of the average, as in the case of Croatia, to Italy, whose GDP p.c. is only 4% below the EU average. Since all partner countries except Italy are transition countries in which the economy has been transformed from a socialist planned system to a market system in recent decades, it can be assumed that they have not yet reached the EU average, but have made considerable progress in this respect. In addition to the advantages offered by the common market within the European Union, access to European Union funding under the cohesion policy and other related financial instruments should be emphasized. On the other hand, the GDP per capita in Serbia and North Macedonia is significantly below the EU average, and in these countries, it is necessary to work, as far as possible, on improving the economic system in order to provide residents and entrepreneurs with a high standard of living and business.

2.2. Degree of urbanization (DEGURBA)

The indicator listed in Table 1 that has not yet been analysed is population density. It varies considerably among the partner countries, ranging from 30.5 inhabitants per km² in Estonia to 201.5 inhabitants per km² in Italy. Population density cannot be related to other development

characteristics because of differences in areas, physical-geographical characteristics, and patterns of urban development in different countries. However, population density is the basic indicator used to classify urban, transitional, and rural areas in the European Union. Eurostat has developed a methodology known as the *Degree of urbanisation*, also known by the acronym DEGURBA for the classification of urban, transitional and rural areas. This indicator is used for other parts of the analysis in this document because rural areas in all partner countries are divided using the same methodology, and based on this methodology, Eurostat country-level data are available for the rural areas of interest in this document. The degree of urbanisation classifies local administrative units (LAUs) as cities (densely populated areas), towns and suburbs (intermediate populated areas) or rural areas (thinly populated areas) based on a combination of geographic contiguity and population density (Eurostat, 2019). The typology is based on minimum population thresholds for square grid cells with an area of 1 km². However, each LAU can belong exclusively to one category of the degree of urbanisation. LAUs in Croatia are local self-government units; administrative cities and municipalities. To classify the area as rural, the population density in more than 50% of the LAU area must not exceed 300 inhabitants per km², or if it exceeds this population density in more than 50% of the LAU area, the population within the LAU must not exceed 5000 inhabitants (Eurostat, 2019). All areas exceeding these values are classified as towns and suburbs, and in addition, the areas where the population density is 1500 inhabitants per km², where a total of more than 50,000 inhabitants live in contiguous cells with an area of 1 km², and where more than 50% of LAU inhabitants live in this contiguous populated and built-up area, can be considered as cities. LAUs by Degree of urbanisation for the countries for which Eurostat processes the data are shown in the attached map (Figure 1).

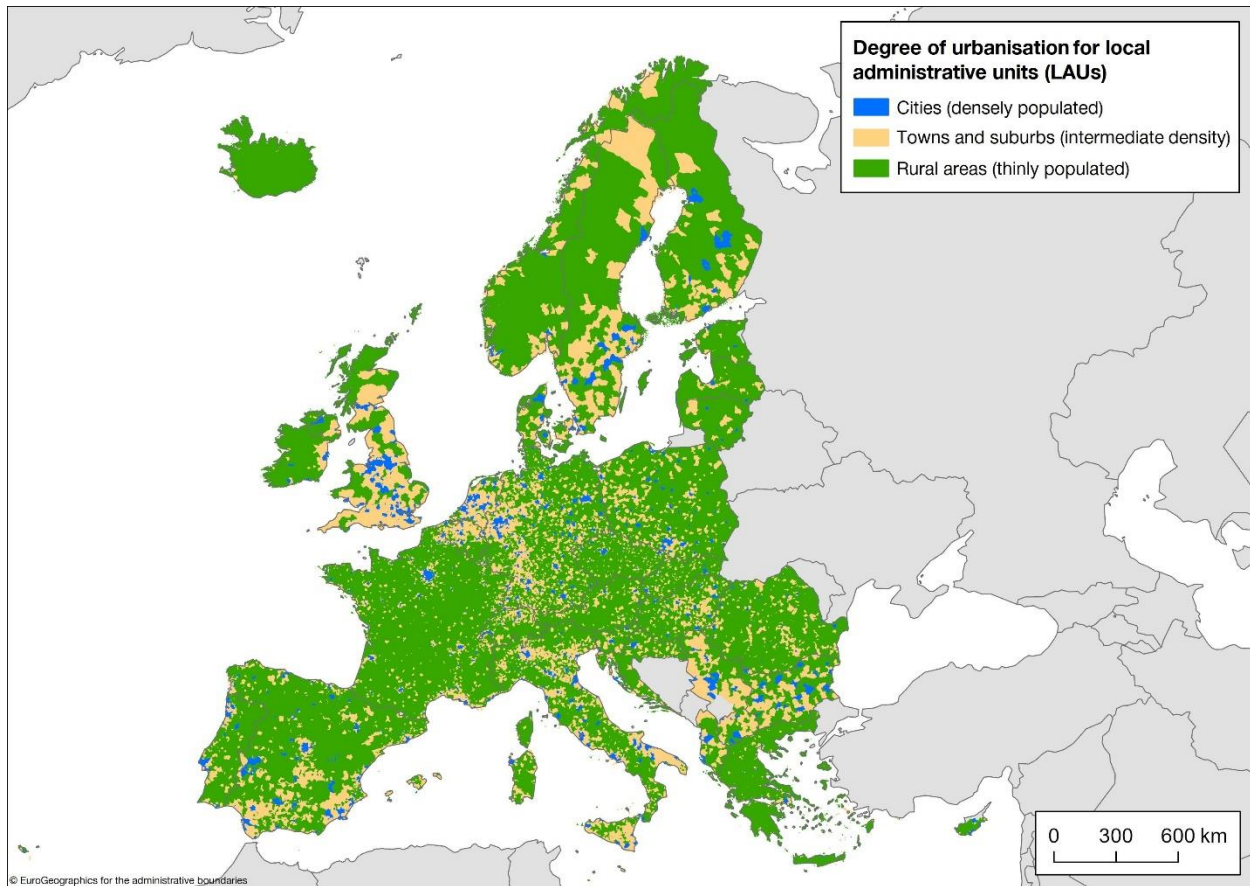


Figure 1 Degree of urbanisation for local administrative units (LAUs) in selected European countries in 2020

Source: Eurostat (2020)

From the map showing LAUs' degree of urbanisation, it can be concluded that most of Europe is classified as rural and that areas classified as densely populated cities are less represented compared to the other two categories. Areas classified as towns and suburbs are mainly found in the larger metropolitan areas of major cities. However, there are also significant differences between countries in the areas covered by each category, due to differences in the size of LAUs in each country. A similar relationship can be seen in the partner countries (Table 2), although there are differences between the five Member States of the European Union on the one hand and North Macedonia and Serbia on the other. In Estonia, Croatia, Hungary, Italy and Slovenia, by far the largest part of the territory is classified as rural (on average about three quarters of the national territory, in Estonia even more than 91%), followed by towns and suburbs, which account for about one fifth of the territory (in Estonia only 7.5%), and cities, whose share does not exceed 5% in any

of these five countries. In North Macedonia and Serbia, the situation is different. Slightly more than half of the territory is classified as towns and suburbs, and about two-fifths of the territory is rural, while the rest is classified as cities. These countries do not have higher population density in the whole territory compared to other partner countries, so it can be concluded that the territorial organization of LAUs and the urban system of these countries in general lead to the recognition of North Macedonia and Serbia in the classification as more urbanised states compared to the other partner countries.

Table 2 Shares of the national territory of EFYRA partner countries by degree of urbanisation

Country	Share of national territory (in %)			Country	Share of national territory (in %)		
	Cities	Towns and suburbs	Rural areas		Cities	Towns and suburbs	Rural areas
Estonia	0.9	7.5	91.6	Croatia	2.2	18.8	79.0
Hungary	4.1	23.8	72.1	Italy	4.1	23.8	72.1
Slovenia	2.1	22.3	75.6	North Macedonia	12.0	50.2	37.9
Serbia	7.8	52.0	40.3				

Source: Eurostat (2020)

Nevertheless, even somewhat urbanised areas that fall into the category of towns and suburbs may have areas of distinct rural character in parts of their territory, and these areas are also important in enabling the quality of life of young people in rural areas. Small towns are an important component of rural areas, as they form an inseparable spatial unit with the surrounding rural settlements, in which there is daily mobility from rural settlements to towns to take advantage of jobs and other services that towns can provide to the rural population. Therefore, available cities should also be considered as one of the most important links for improving the quality of life in rural areas.

Comparing the data on the shares of the national territory of the partner countries in three categories of the degree of urbanisation with the shares of the population of these countries in the same categories, a different picture emerges, which can be seen in the chart below (Figure 2). Each of the observed states has its own population patterns. Estonia is the only country where significantly more than half of the population (60.4%) lives in cities. Such a high representation of a population stratum does not exist in any other country. In countries with slightly higher population density, such as Italy and Hungary, and also in North Macedonia, the largest number of inhabitants live in areas classified as cities and suburbs. In Croatia, Slovenia and Serbia, most

inhabitants live in rural areas, but the deviation of the percentage of the rural category in relation to other categories is not too big.

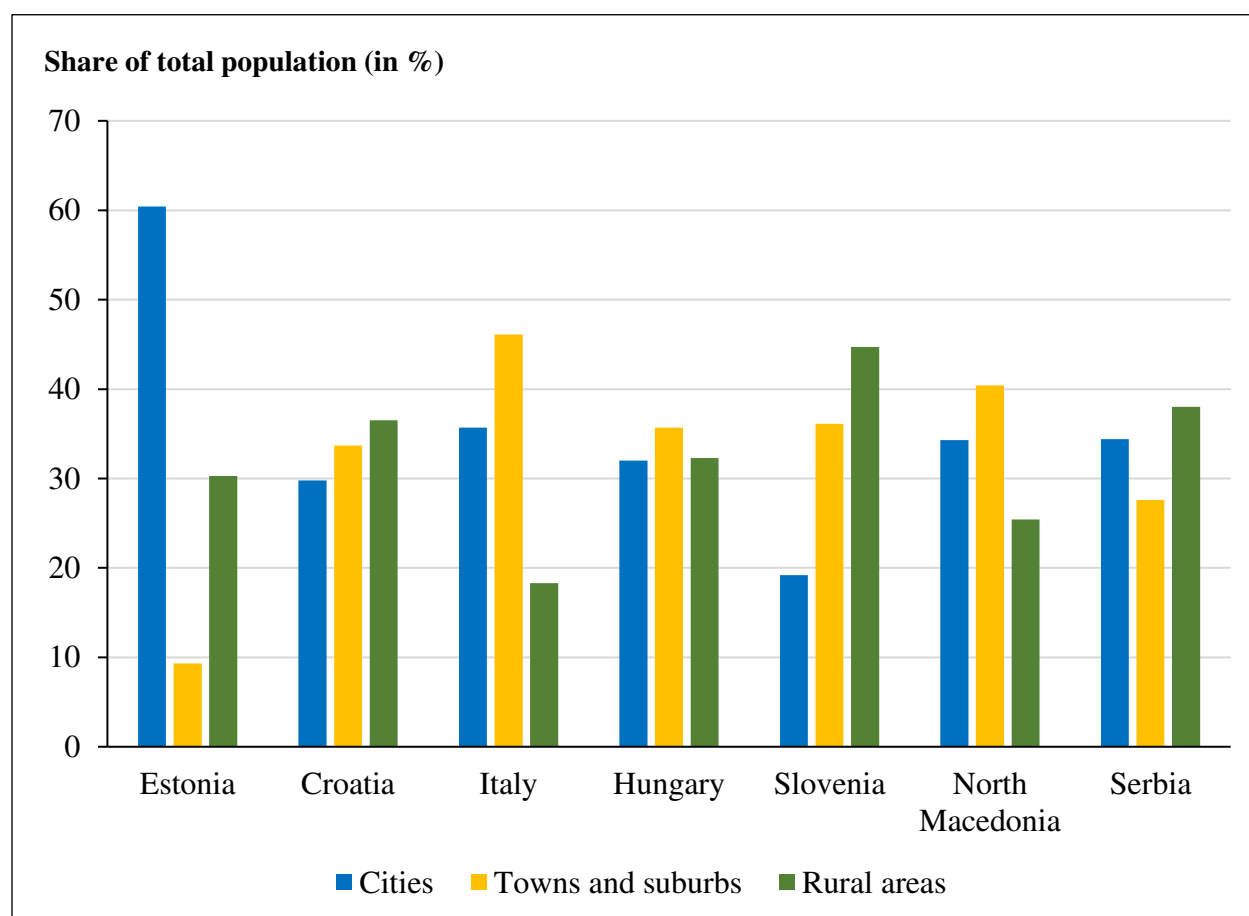


Figure 2 Share of total population of EFYRA partner countries by degree of urbanisation in 2020
Source: Eurostat (2022)

Comparing the data on the share of the population by DEGURBA categories for 2020 with the data for 2016 (Figure 3), we can see that in all countries except Serbia there is some decline in the share of the population living in rural areas. The magnitude of the decline in the share of rural population ranges from 2.4%, as in Slovenia, to 14.6%, the value of the decline in Hungary. In Serbia, the share of the population living in rural areas increased by only 0.7%. However, given the general demographic picture at the state level and the fact that most LAUs in Serbia are classified as towns and suburbs, it is implausible to conclude that Serbia's rural areas are experiencing a demographic renaissance.

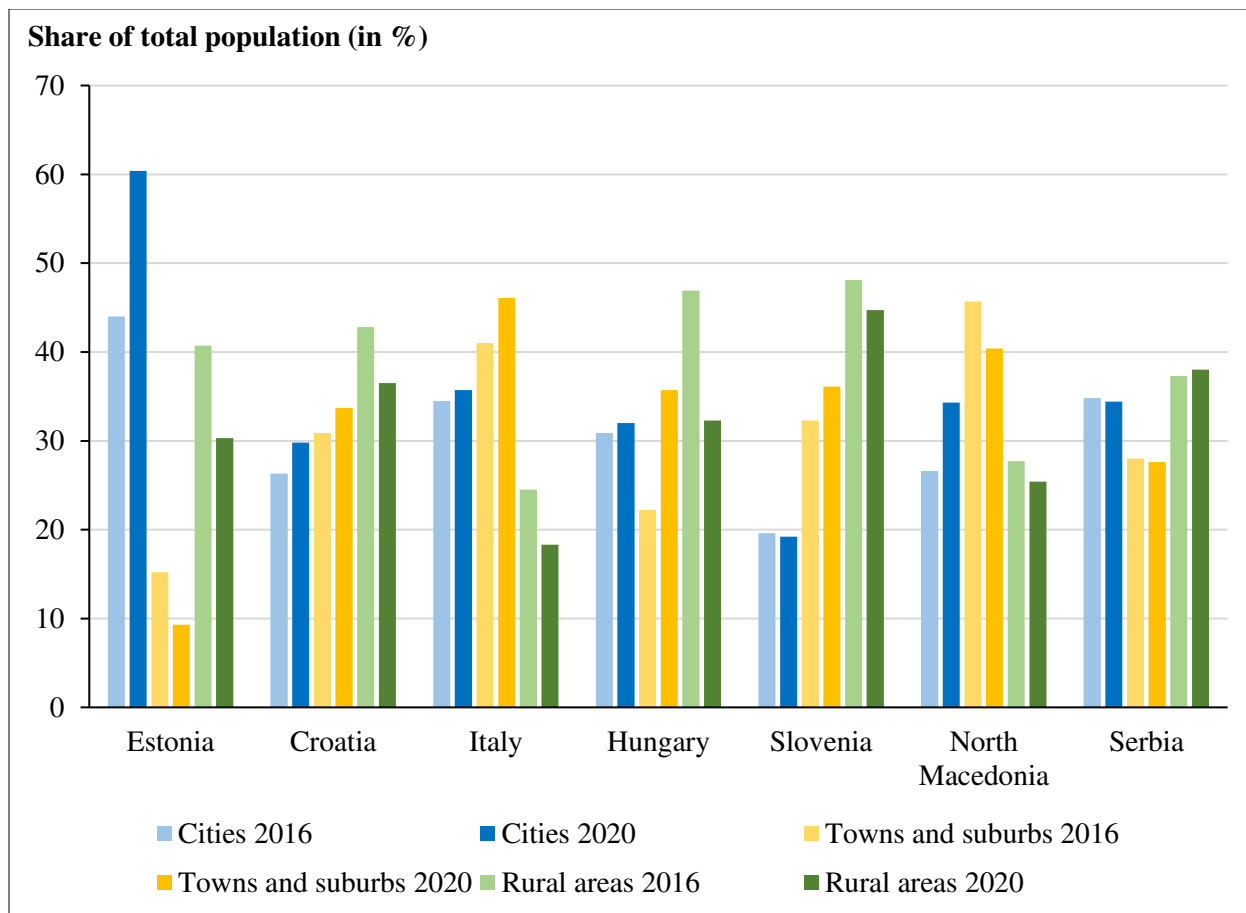


Figure 3 Share of total population of EFYRA partner countries by degree of urbanisation in 2016 and 2020

Source: Eurostat (2022)

On the other hand, the population in cities and towns and suburbs is generally increasing. The largest increase in the proportion of population in cities was recorded in Estonia, 16.4%. The share of population in the cities and suburbs category grew the most in Hungary, by 13.5%. Looking at the population loss in rural areas, it can be concluded from the statistics presented so far that rural areas are generally in an unfavourable environment due to the negative demographic trends at the level of entire countries, especially due to the strong aging of the population and negative natural change. Urban and suburban areas are much more popular as places to live and generally offer high levels of jobs, services, and other opportunities for populations of different ages, making them more attractive as places to live. This assertion is supported by the fact that in each of the countries except Serbia, the percentage of residents in at least one category that includes cities and suburban areas has increased. On the other hand, it should not be forgotten that the suburban zones of large

cities are areas with very positive demographic trends, and that suburban development includes urbanisation of certain amount of rural area, which loses its rural character. Therefore, it is possible that in the coming years part of the population decrease in rural areas will be caused by the positive demographic development of suburban areas.

2.3. Analysis of the selected socioeconomic indicators for EFYRA partner countries

This section presents some of statistic data on the economic and social standard of the population in the rural areas of the partner countries. Eurostat processes a set of indicators related to different social and economic aspects and publishes their results depending on the degree of urbanisation. In this section, six different indicators relevant to the lives of young people in rural areas are analysed.

2.3.1. Employment rate of working age population by degree of urbanization

The first indicator analysed in this strategy is the employment rate of working age population by degree of urbanisation. The attached chart (Figure 4) shows that in 2020, in all partner countries without exception, the largest share of the workforce is employed in the cities. In the five partner member states of the European Union, the lowest share of working-age employees was recorded in rural areas. In Serbia and North Macedonia, the share of employed persons is higher in rural areas than in cities and suburbs. The range of differences in the share of employed persons in the total population of the working-age contingent between cities ranges from 0.7% for Italy to 7.5% for Croatia. Taking this difference into account, Croatia and Hungary are the countries where the difference between cities and rural areas is most pronounced. In addition to differences in employment by degree of urbanisation, there are also significant differences in overall employment rates across states. In some countries, such as Estonia and Slovenia, the employment rate is 70% and above, while in Italy and North Macedonia it is less than 60% in all categories by degree of urbanisation. Even if these differences do not seem dramatic and unemployment of a part of the labour contingent can be explained by various reasons (insufficient job offer on the labour market and difficult employability in certain professions, living as a non-working family member -

caregiver, people with disabilities, people living on capital, etc.), it should be the goal of every country to increase the employment rate of its population. This applies not only to rural areas, but also to entire national territories. With an ageing population, countries' pension systems are under increasing pressure and there is a need to strengthen the labour market to ensure a better quality of life for current and future workers and retirees.

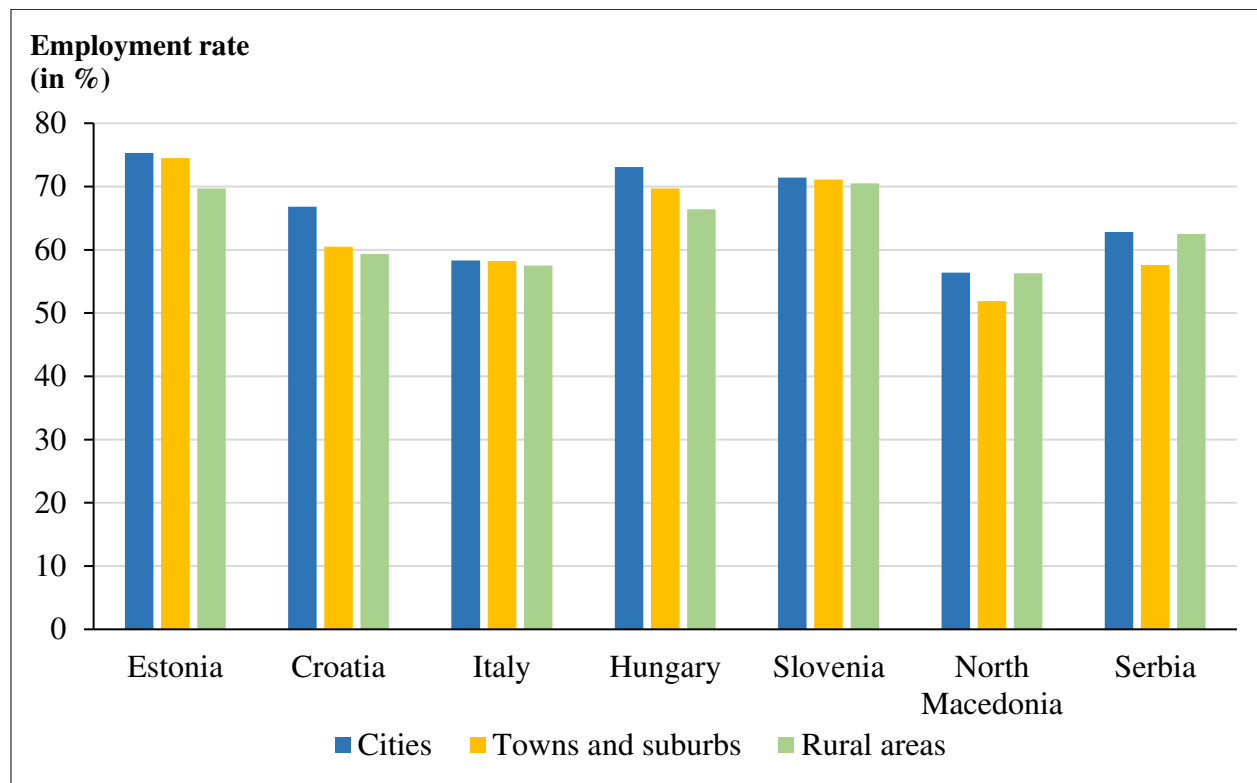


Figure 4 Employment rate of working age population (in %) by degree of urbanisation in 2020 for EFYRA partner countries

Source: Eurostat (2022)

It is also important to observe the movement of the share of employees in the total working contingent of the population of rural areas (Figure 5). In all partner countries, there was a positive trend in the pre-COVID-19 period, where the share of the employed population in rural areas in the total working contingent of the population of rural areas grew. A slight decline was recorded in the pandemic year 2020. Although there are currently no recent indicators to establish a trend in later years, it is possible to assume that after the pandemic shock there was a continuation of this trend of increasing the share of employees in rural areas.

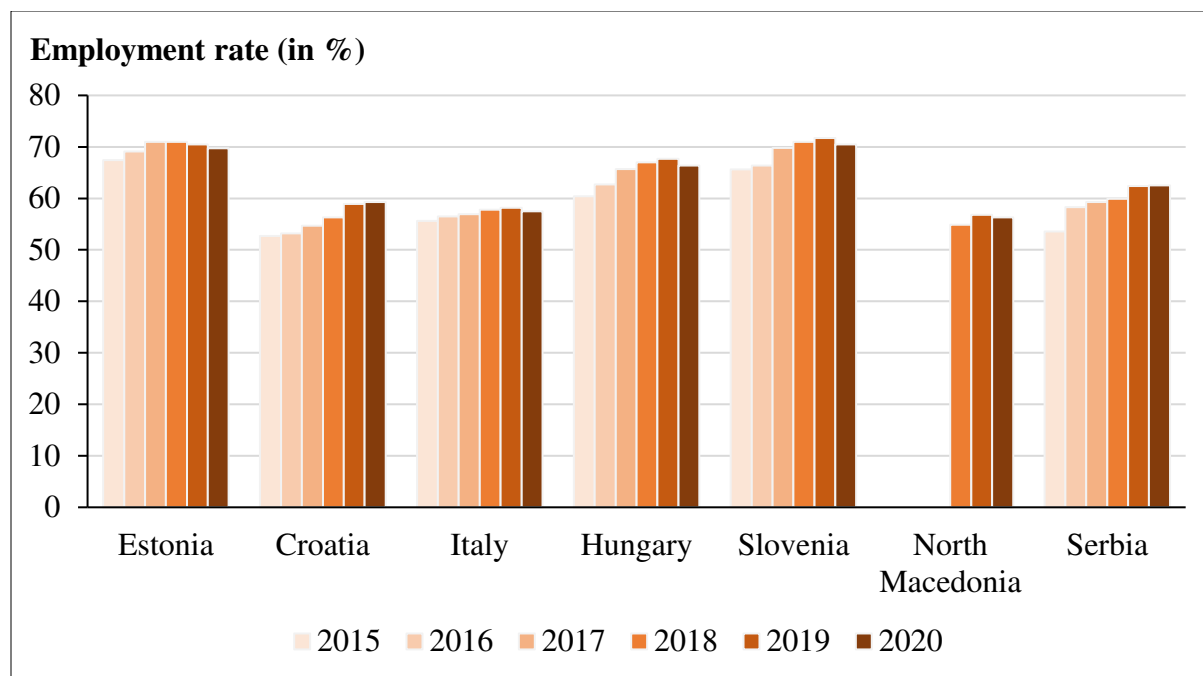


Figure 5 Employment rate of working age population (in %) in rural areas of EFYRA partner countries between 2015 and 2020¹

Source: Eurostat (2022)

2.3.2. Share of the young population that is neither employed nor in education or training (the so-called group NEET)

The following two indicators included in this analysis refer to the socioeconomic characteristics of the young and working age population. The first indicator used for this purpose is the share of the young population that is neither employed nor in education or training (the so-called group NEET). The shares of these individuals in the total young population (15-34 years) by partner country for 2020 are shown in the diagram (Figure 6). According to these data, in all partner countries except Italy, the highest proportion of young people who are neither employed nor in education or training was recorded in rural areas. In Italy, the country with the highest population density, the proportion of the NEET population is slightly higher in towns and suburbs, but the difference between this category and the categories of cities and rural areas is not too dramatic. In general, there is not much difference in the proportion of the NEET group between cities and rural

¹ Employment rate data for North Macedonia were not available in the Eurostat database for 2015, 2016, and 2017.

areas in all partner countries. The differences are in the order of 0 to 2%. Accordingly, the rurality of an area cannot be considered an explicit cause of a higher proportion of the population in the NEET group. However, taking into account the fact that rural areas tend to have a poorer job supply and that training and retraining opportunities for a new occupation are often fewer than in the cities, it is possible that policies at the local, regional, or national level aimed at reducing the NEET population may lead to a more rapid decline in the number of these residents in the cities than in rural areas. Interestingly, in some countries such as Estonia, Croatia, Hungary, and Serbia, the share of the NEET group in the towns and suburbs category is much lower than in the cities and rural areas. It is difficult to explain this phenomenon clearly, especially since it is a difference of a few percentage points. It is possible that the opportunities on the labour market are better adapted to the skills of the population in the suburbs than in the rural areas and cities, and that the job offer is satisfactory for the population in the suburbs.

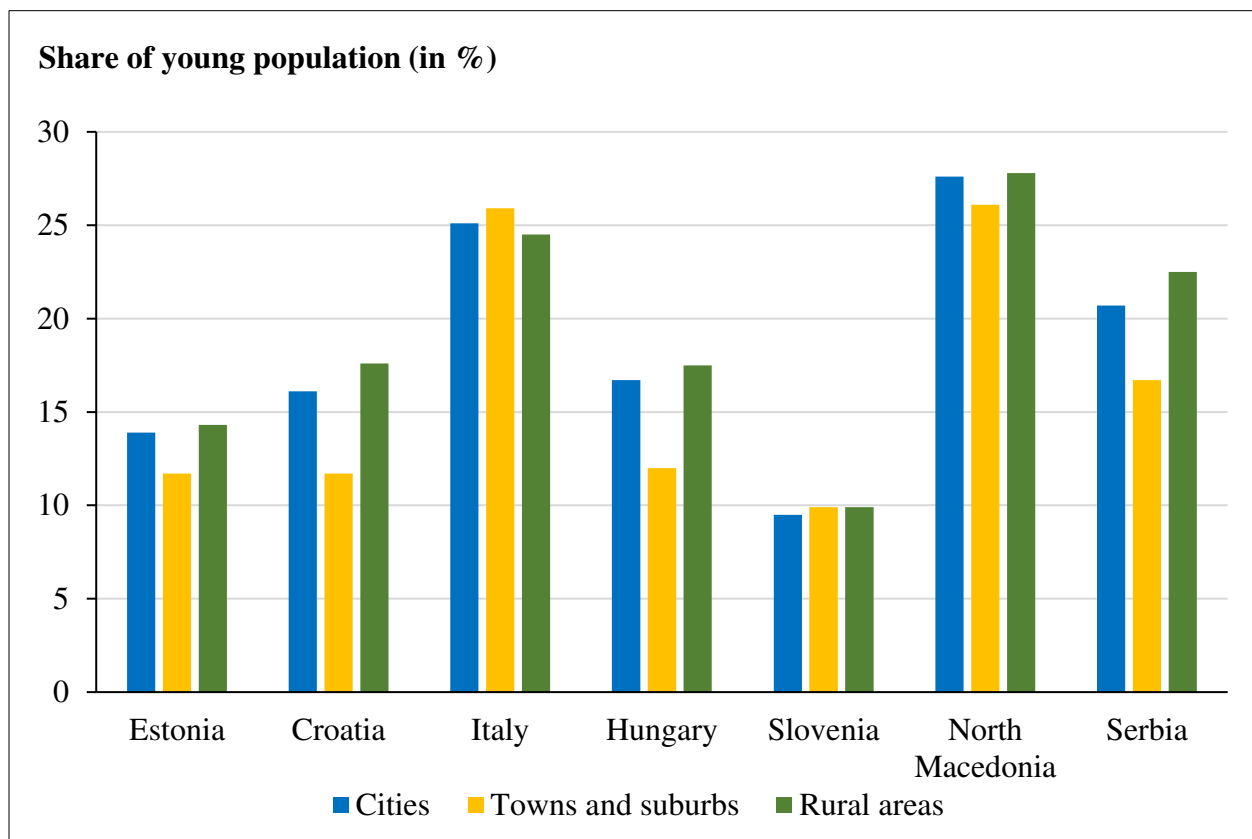


Figure 6 Share of young people (15-34 years) neither in employment nor in education and training in EFYRA partner countries by degree of urbanisation in 2020

Source: Eurostat (2022)

Another important indicator that can be seen from this chart is the total percentage of the young population that belongs to the NEET group. In North Macedonia, Italy and Serbia, the percentage of young people in the NEET group is over 20%. This is a very high value of the indicator, which indicates that significant efforts must be made to provide employment and educational opportunities to young people who want to work and acquire new knowledge and skills needed in the labour market. Looking at the data on the share of the NEET group in the total number of young inhabitants (15-34 years old) for the years 2016 and 2020 (Figure 7), we can see that in all countries, except Hungary, there has been a decrease in the share of these people. This has been influenced by various measures implemented at the national, regional and local levels that enable the inclusion of young people in the labour market and lifelong learning, but demographic changes that reduce the number of young people (low birth rates and emigration) also leave their mark on this process.

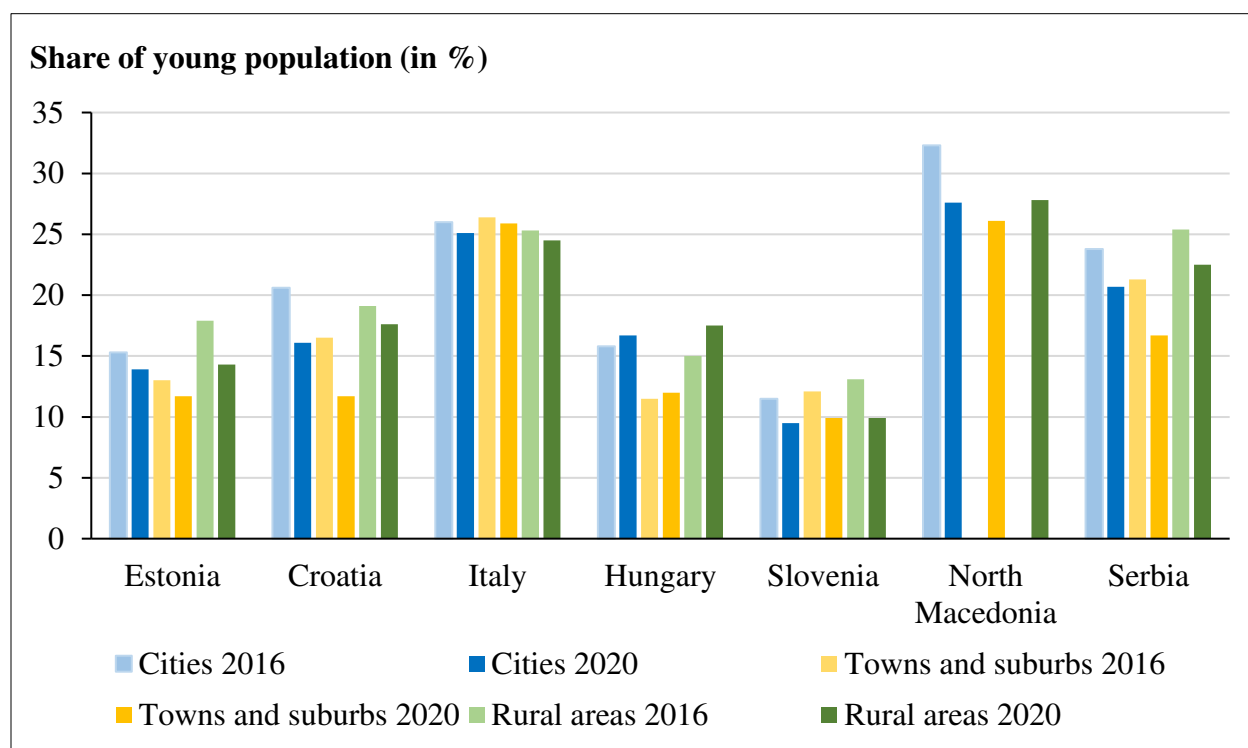


Figure 7 Share of young people (15-34 years) neither in employment nor in education and training in EFYRA partner countries by degree of urbanisation in 2016 and 2020²

Source: Eurostat (2022)

² The share of NEET persons in young population for North Macedonia were not available in the Eurostat database for 2016.

2.3.3. Shares of working age population of EFYRA partner countries by educational attainment level and degree of urbanization

An important indicator of socioeconomic opportunities in rural areas is the educational level of the population. The highest levels of education attained by the working age population according to the degree of urbanisation are shown in the figure below (Figure 8). In all areas, without exception, the percentage of the population that has completed secondary education is the highest. However, the same trend was observed in all countries - the highest proportion of the population with completed tertiary education (higher education, university) was recorded in the category of the cities and the lowest in rural areas, while, on the other hand, the highest proportion of the population with (un)completed primary education (elementary school) as the highest level of education was recorded in rural areas and this proportion was the lowest in the cities.

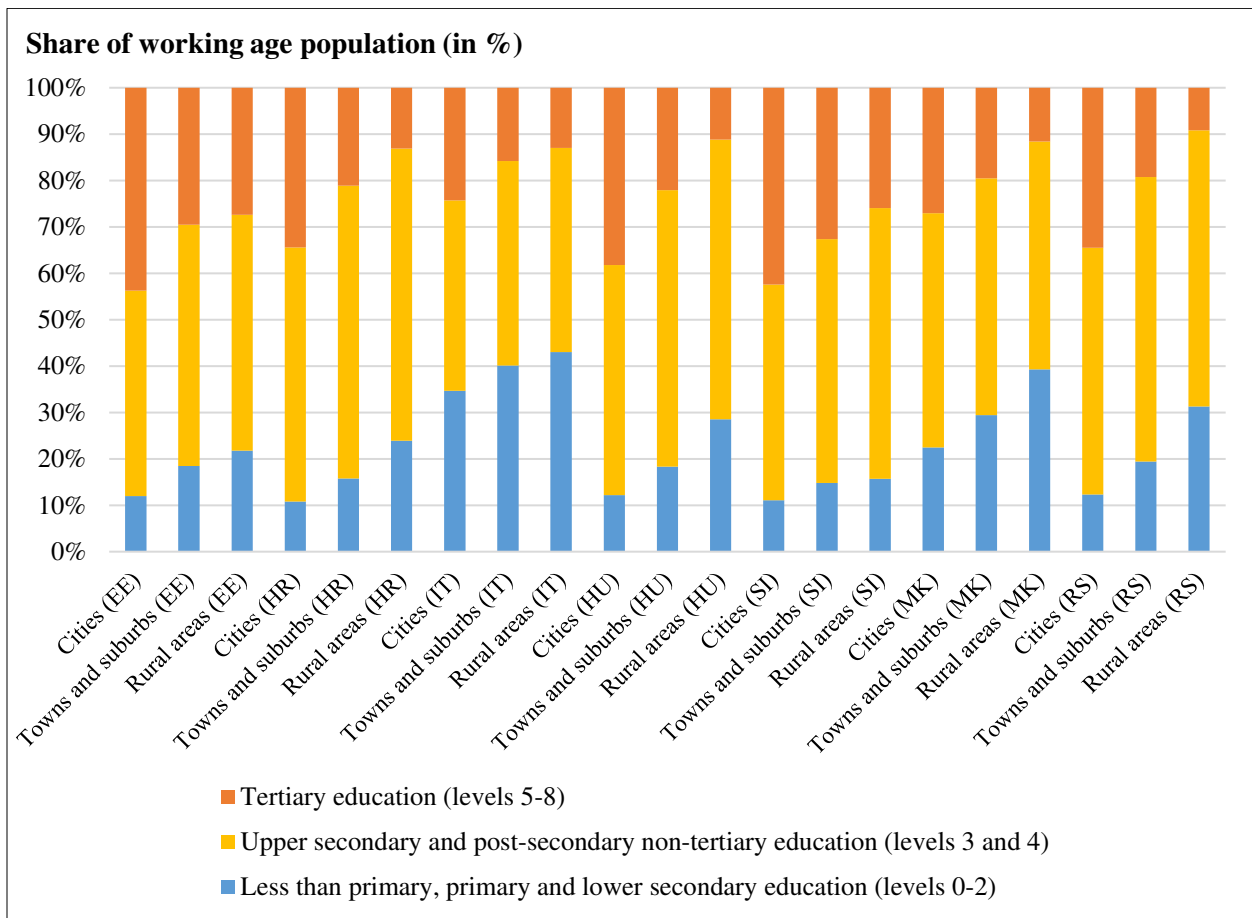


Figure 8 Shares of working age population of EFYRA partner countries by educational attainment level and degree of urbanisation in 2020³

Source: Eurostat (2022)

Since the presence of educational facilities for tertiary education is almost exclusively a feature of cities and these are often not available to the population of rural areas as part of daily mobility, and in rural areas there is often not even a sufficient supply of jobs in activities that would require tertiary education, such a development was to be expected. Because of the inadequate supply of jobs in rural areas, the highly skilled population living in rural areas often choose to move to urban areas or do not return to rural areas after attending tertiary education. On the other hand, with the popularization of home-based work during and after the COVID-19 pandemic, there is a new opportunity to use rural areas as convenient, attractive, and often cheaper places to live from which to perform remote work in a variety of service activities.

2.3.4. Mean equalised net yearly income (in euros) in EFYRA partner countries by degree of urbanization

In addition to indicators related to social status and education, a very important indicator of life quality in rural areas is the level of income that the population can achieve. For this purpose, data on the mean equalised net income of the population for 2020 (Figure 9) were analysed. The chart shows that there are significant differences in mean income per country due to complex socio-political and economic circumstances. The highest incomes were recorded in Italy and Slovenia, and the lowest in Serbia and North Macedonia.

³ In order to improve the readability of the diagram, two-letter abbreviations for country names were used: EE – Estonia, HR – Croatia, IT – Italy, HU – Hungary, SI – Slovenia, MK – North Macedonia and RS – Serbia.

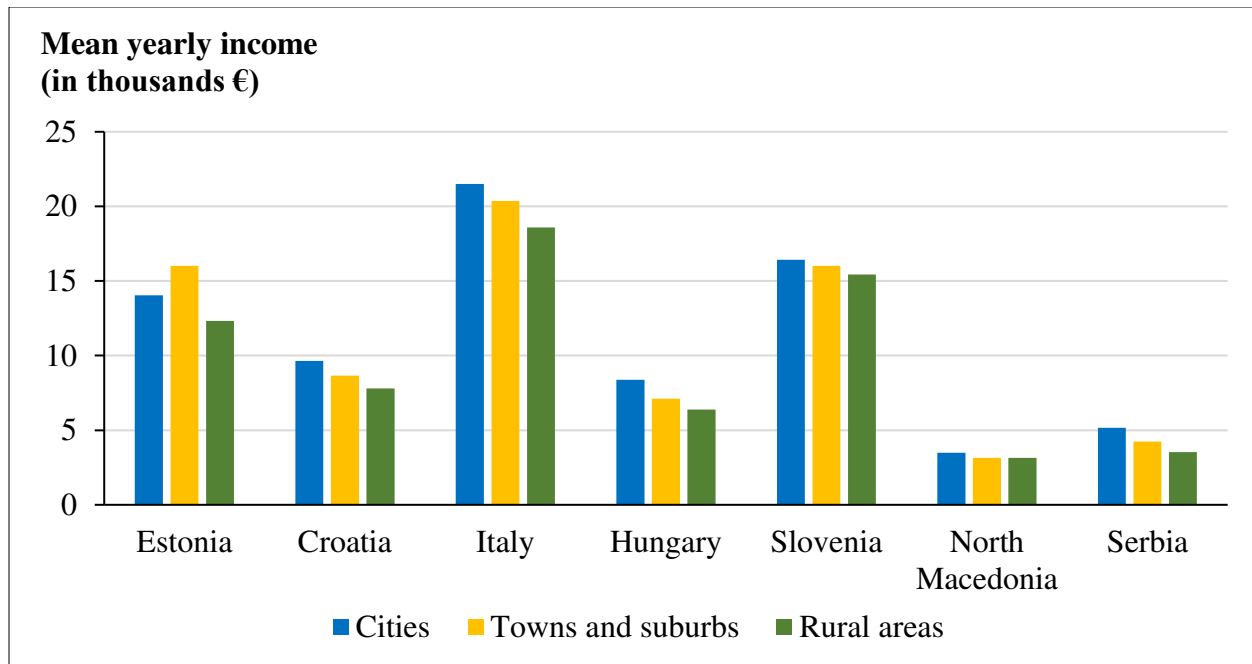


Figure 9 Mean equalised net yearly income (in euros) in EFYRA partner countries by degree of urbanisation in 2020

Source: Eurostat (2022)

Another important fact that can be read from this diagram is that in all partner states the lowest income was generated in rural areas. Due to the concentration of most economic activities in urban and suburban areas, especially profit-making services and high-tech industries, rural areas are often dependent on labor-intensive industrial and service activities that do not generate as much income. Due to the aging and out-migration of the population, resulting in labor shortages and mismatched educational structure of the population, rural areas are often bypassed by some investors who might invest there, although many local self-governing units are trying to take advantage of the opportunities of their space and build infrastructure to support businesses.

Comparing income data for 2016 and 2020 (Figure 10), there is a significant increase in income in the cities, suburban, and rural areas. However, this increase in income has not led to a reduction in income disparities between cities and rural areas; on the contrary, disparities have remained unchanged, only with higher incomes in all categories of urbanisation. It can be assumed that this income increase will continue to some extent in the future, especially under the conditions of inflation that has gripped the European continent, but that the income differences between cities and rural areas will not decrease.

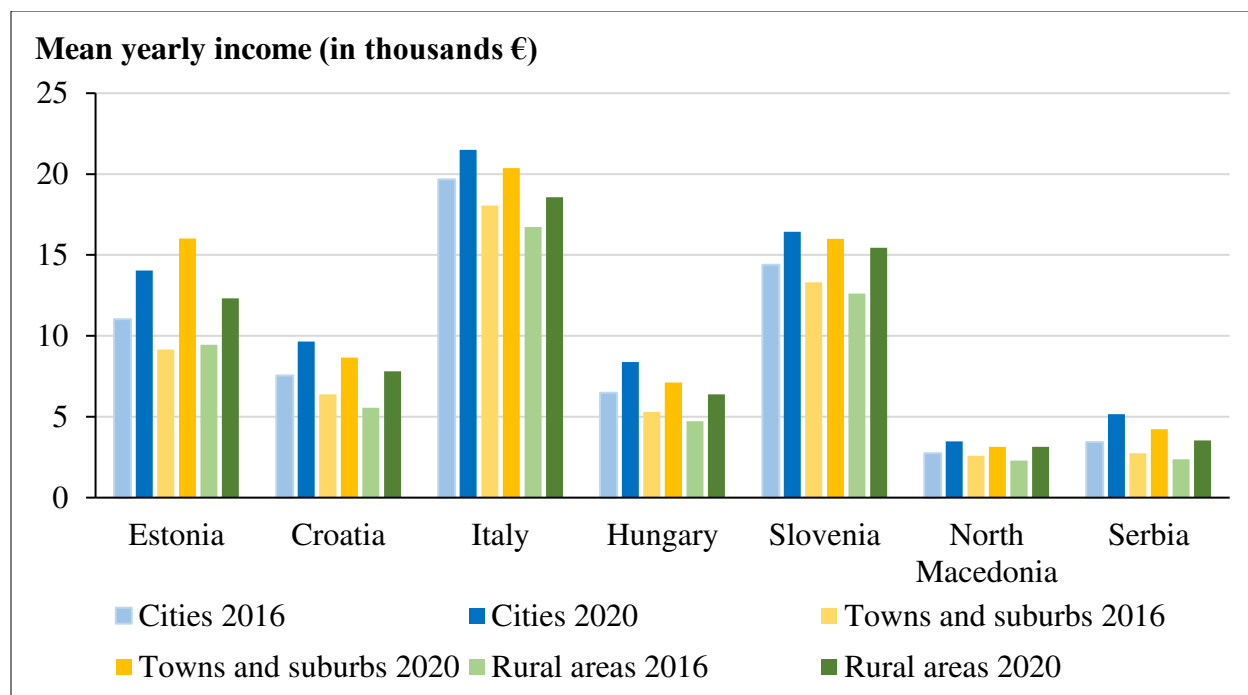


Figure 10 Mean equalised net yearly income (in euros) in EFYRA partner countries by degree of urbanisation in 2016 and 2020

Source: Eurostat (2022)

2.3.5. Severe material deprivation rate in EFYRA partner countries by degree of urbanisation

Severe material deprivation is also associated with the level of income. Material deprivation is considered a state of economic strain and a lack of durable goods in the household. It refers to the inability to acquire certain goods that most people consider desirable or even necessary to lead a satisfying life. The material deprivation indicators used by Eurostat (2022) measure the proportion of the population that cannot afford three to four of the following goods: Rent payments, housing loans, or utility bills; the ability to heat adequately in one's home; the ability to incur unexpected expenses; regular meals of meat or protein; vacations; television; washing machine; car; telephone. People living in households that cannot afford at least three of these nine items are considered materially deprived, while people living in households that cannot afford at least four items are considered severely materially deprived. Looking at the data on the proportion of residents suffering from severe material deprivation in 2020 (Figure 11), we can see that there are significant

differences between the partner states. In North Macedonia, the proportion of the population suffering from severe material deprivation is the highest, as a quarter of the population does not have sufficient income to maintain a satisfactory quality of life. North Macedonian residents of rural areas are the most affected by material deprivation, with almost 31% of them living in difficult conditions.

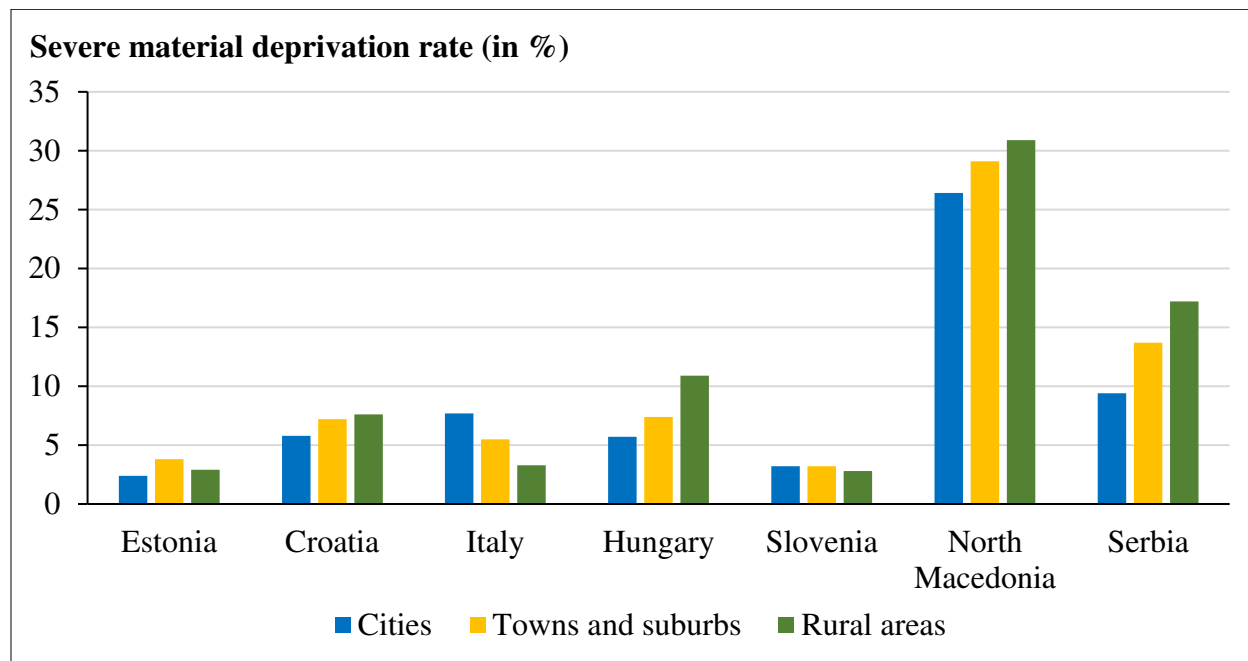


Figure 11 Severe material deprivation rate in EFYRA partner countries by degree of urbanisation in 2020

Source: Eurostat (2022)

In Serbia, a significant proportion of the population in rural areas is also affected by severe material deprivation (17%), as are nearly 11% of residents in Hungarian rural areas. In the partner countries that belong to the European Union, the rate of material deprivation does not exceed 10% in any DEGURBA area, with the exception of the aforementioned rural areas in Hungary. In Italy, the situation is significantly different from the rest of the observed countries, where the share of city population is twice as high as that of rural population. The reason for this could be the fact that Italy is in a very strong urbanisation cycle, where the prices of living in the city are very high and increase material deprivation. In any case, it is necessary to take measures to reduce the proportion of the population in severe material deprivation, to help those people who are able to be competitive in the labour market, and to try to include the entire population in the social

community through various programs, so that there is no social exclusion due to the difficult real estate situation. Positive developments in this direction can also be seen in the chart (Figure 12), which shows that the rate of material deprivation is decreasing in areas with different degrees of urbanisation in all states, with the exception of towns and suburbs and rural areas in North Macedonia.

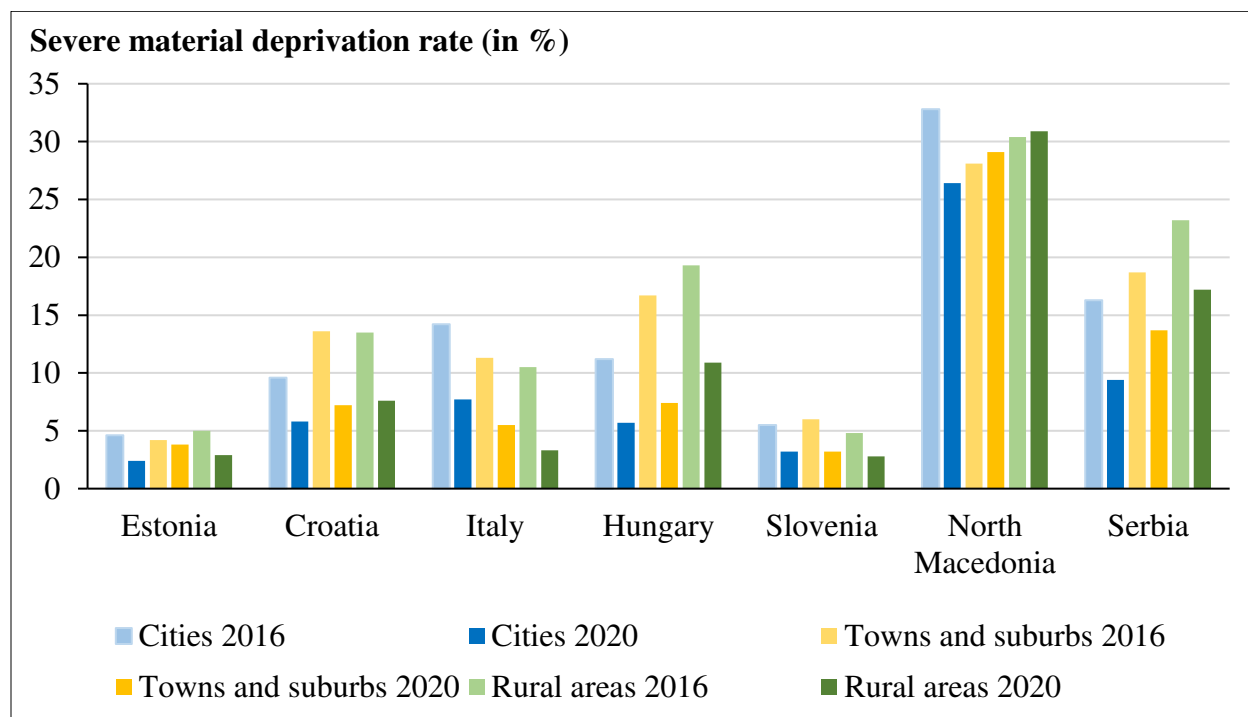


Figure 12 Severe material deprivation rate in EFYRA partner countries by degree of urbanisation in 2016 and 2020

Source: Eurostat (2022)

2.3.6. Share of population at risk of poverty and social exclusion of Estonia, Croatia, Italy, Hungary and Slovenia by degree of urbanisation

The final indicator examined in this analysis is the proportion of the population at risk of poverty and social exclusion. Eurostat (2022) shows this data based on the AROPE indicator (risk of poverty or social exclusion), which indicates the number of people at risk of poverty, severe material or social deprivation, or living in a household with a low work intensity level. For a person to be at risk of poverty and social exclusion, he or she must be in two of the three situations

mentioned. Data on the proportion of the population at risk of poverty and social exclusion as a function of the degree of urbanisation in 2021 were available only for partner countries that are members of the European Union (Figure 13). Similar to the data on material deprivation, the data on the risk of poverty and social exclusion vary by country. The highest risk percentage was found in the rural areas of Croatia, 26.8%, which means that slightly more than a quarter of the population is at risk of poverty and social exclusion. In cities of Croatia, 11.2% of the population is less at risk. A similar situation was reported in Hungary. In general, the risk of social exclusion is highest in Italy, where a quarter of the population is at risk of poverty and social exclusion, regardless of the degree of urbanisation. In Slovenia, the population is least at risk of poverty and social exclusion in percentage terms.

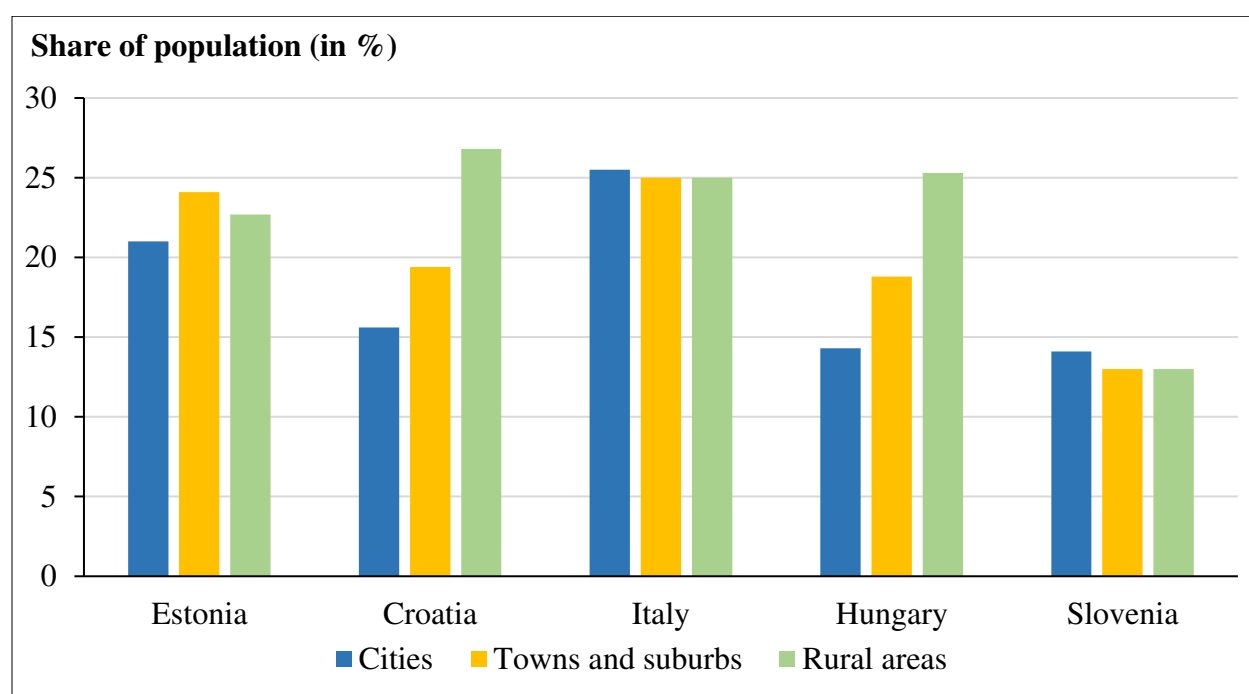


Figure 13 Share of population at risk of poverty and social exclusion of Estonia, Croatia, Italy, Hungary and Slovenia by degree of urbanisation in 2021

Source: Eurostat (2022)

KEY POINTS

DEMOGRAPHIC CHANGE AND AGENING

- EFYRA countries differ according to population change between 2001 and 2021. The relatively largest increase in population was recorded in Slovenia, followed by Italy and North Macedonia. Four countries experienced an overall population decline: Serbia, Croatia, Hungary and Estonia (Tab 1).
- There is no clear trend according to smaller countries would lose their population and larger countries would gain it. Such a population change is tied to a much broader spectrum of demographic, socio-political and economic factors.
- All EFYRA countries, with the exception of North Macedonia, are affected by the ageing of the population: the ageing index is particularly high in Italy, where there are 182.6 old people (over 65) for every 100 young inhabitants (0-14) (Tab 1).

GDP PER CAPITA

- All EFYRA countries that are members of the European Union have a GDP per capita that is lower than the European Union average. Also, the GDP per capita in Serbia and North Macedonia is significantly below the EU average (Tab 1).

RURAL VS. URBAN POPULATION (DEGREE OF URBANIZATION – DEGURBA)

- Estonia is the only EFYRA country where significantly more than half of the population (60.4%) lives in cities (DEGURBA classification) (Fig 2).
- In EFYRA countries with slightly higher population density, such as Italy and Hungary, and also in North Macedonia, the largest number of inhabitants live in areas classified as towns and suburbs. In Croatia, Slovenia and Serbia, most inhabitants live in rural areas, but the deviation of the percentage of the rural category in relation to other categories is not too big (DEGURBA classification) (Fig 2).
- In all EFYRA countries except Serbia there is some decline in the share of the population living in rural areas (DEGURBA 2016-2020). The magnitude of the decline in the share of rural population ranges from 2.4% in Slovenia to 14.6% in Hungary (Fig 3). (Serbia has very modest growth 0.7%).
- The population in cities and towns and suburbs of EFYRA countries is generally increasing (Fig 3).

EMPLOYMENT

- In all EFYRA countries the largest share of the workforce is employed in the cities. In the five partner member states of the European Union, the lowest share of working-age employees was recorded in rural areas (Fig 4).
- However, in all EFYRA countries, the share of the employed population in rural areas in the total working contingent of the population of rural areas grew (2015-2019, Fig 5).
- In all EFYRA partner countries except Italy, the highest proportion of young people who are neither employed nor in education or training (NEET) was recorded in rural areas. But not much difference in the proportion of the NEET group between cities and rural areas exist in all partner countries (0-2 %) (Fig 6).
- In North Macedonia, Italy and Serbia, the percentage of young people in the NEET group in rural areas is very high - over 20% (Fig 6).

EDUCATION

- In all EFYRA countries the highest proportion of the population with completed higher education/university was recorded in the cities and the lowest in rural areas (Fig 8).
- Accordingly, the highest proportion of the population with (un)completed primary education (elementary school) as the highest level of education was recorded in rural areas and this proportion was the lowest in the cities (Fig 8).

INCOME

- In all EFYRA countries the lowest income was generated in rural areas (Fig 9).
- Comparing income data for 2016 and 2020, there is a significant increase in income in the cities, suburban, and rural areas. However, disparities have remained unchanged and rural areas are still lagging behind cities and towns and suburban areas (Fig 10).

RISK OF POVERTY

- Similar to the data on material deprivation, the data on the risk of poverty and social exclusion vary by country. The highest risk percentage was found in the rural areas of Croatia, 26.8%. In Slovenia, the population is least at risk of poverty and social exclusion in percentage terms (Fig 13).

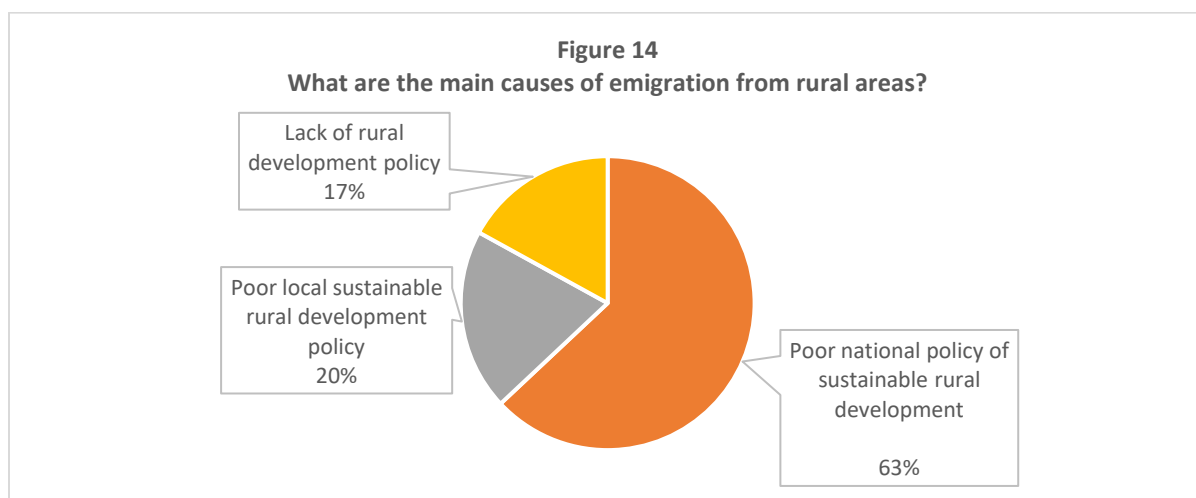
3. PARTICIPANTS' ATTITUDES AND OPINIONS ON RURAL YOUTH OUT-MIGRATION: RESULTS OF ONLINE POLL SURVEYS

This chapter presents participants' attitudes and opinions on rural youth out-migration which have been collected in the three online poll surveys during the project implementation. The purpose of online polls was to identify the causes of migration in projects' countries: Croatia, Estonia, Hungary, Italy, North Macedonia, Serbia and Slovenia and to identify suggestions for preventing youth migration through active workshops.

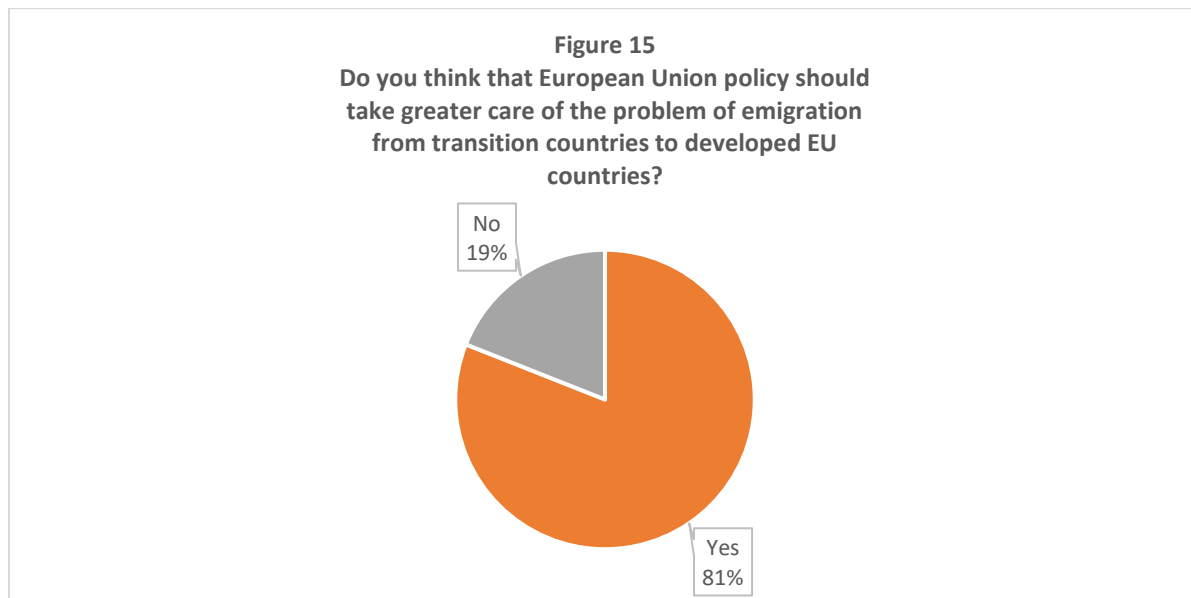
3.1. EFYRA 1st EVENT

The first EFYRA event was held from December 18-24, 2020. An online survey was conducted where 60 participants gave their opinion on the drivers of rural depopulation, population policies and rural development measures, the role of the national and local level in supporting rural areas and finally the importance of innovation. For all questions, there was a pre-selection of responses and no open-ended questions were used.

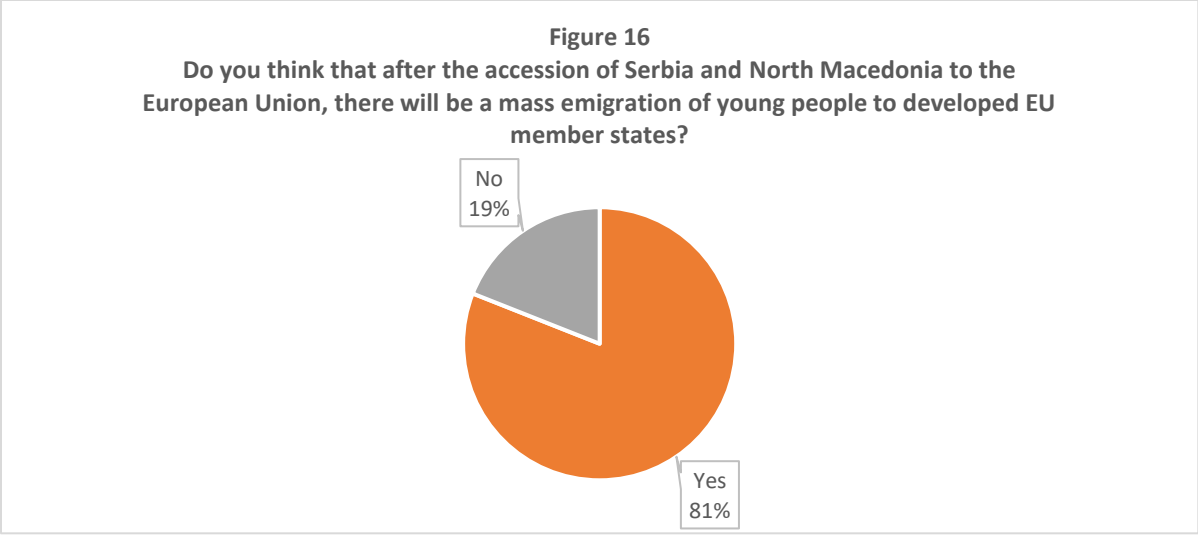
For the first question, "poor national policies for sustainable rural development" was cited as the most important trigger of rural depopulation (63%), while participants were less critical of the local level (20%) (Fig. 14, 59 responses).



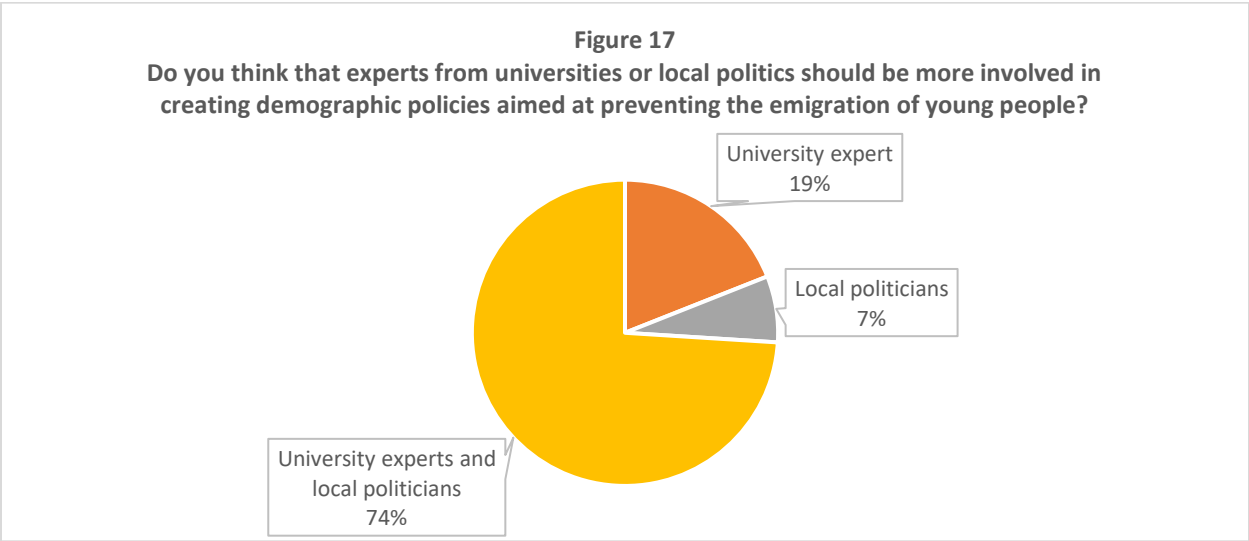
The role of the EU in solving the problem of rural exodus from the post-socialist transition countries, which suffer from high youth emigration after joining the EU, was clearly identified in the following question. A total of 89% of respondents answered YES to the question whether the EU should pay more attention to this problem (Fig. 15, 59 responses).



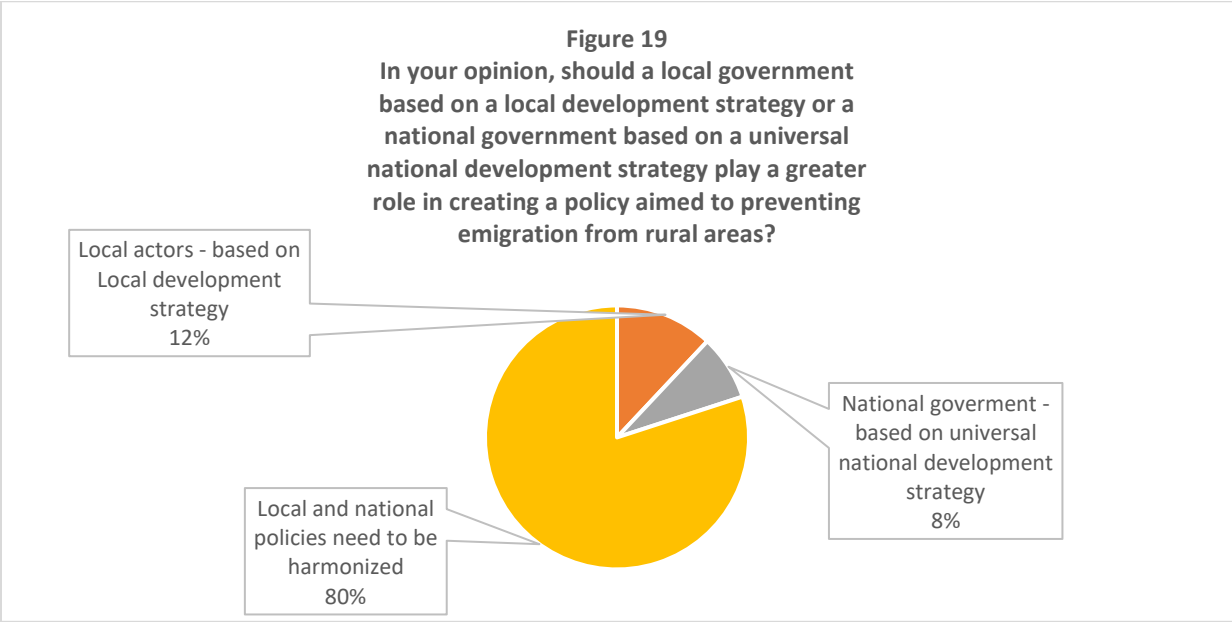
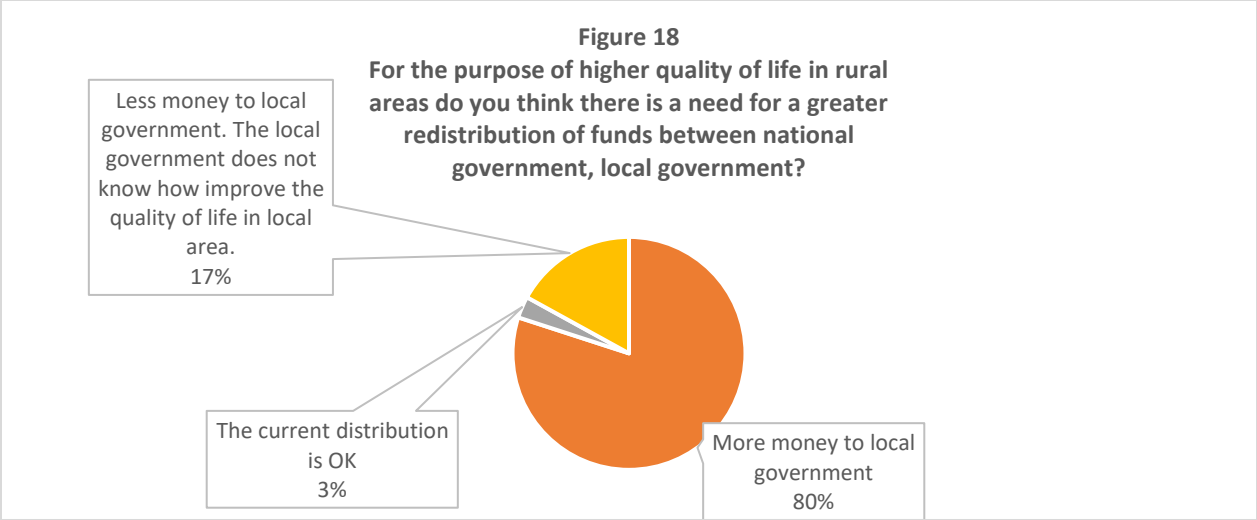
This is particularly important as both Serbia and North Macedonia are seeking to join the EU. According to the data analyzed in the previous chapter, the GDP per capita in Serbia and North Macedonia is significantly lower than the EU average (Tab. 1), so the question was asked whether mass emigration of young people to developed EU member states can be expected after Serbia and North Macedonia join the European Union? More than 4/5 of the respondents answered positively (Fig. 16, 59 responses).



The following question showed that most respondents believe that the involvement of scientists and (local) politicians in the development of a population policy, e.g. in theory and practice, is the most desirable option (74%, Fig. 17, 57 responses).

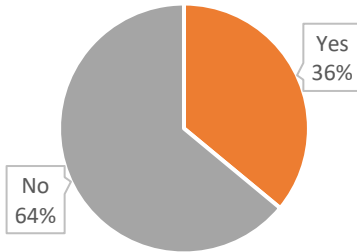


Equally important, and supported by 80% of respondents, is the redistribution of resources between national and local government to promote a higher quality of life (Fig. 18, 59 responses). In addition, harmonization between local and national policies to keep people in rural areas was considered equally important (80%, Fig. 19, 59 responses).



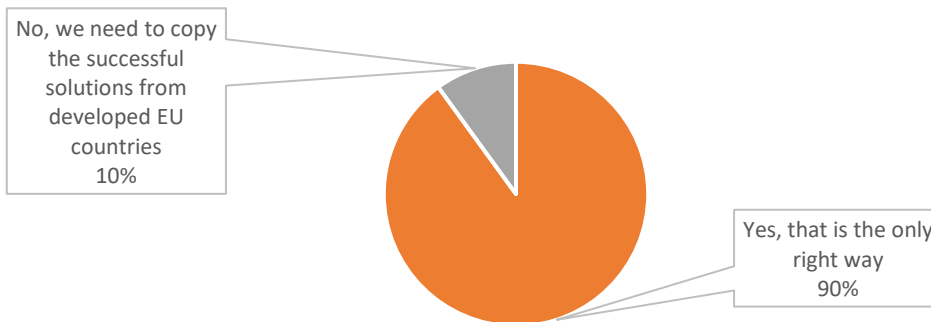
In the political dimension, the question was asked whether the whole territory of a country/national state should be treated equally in the design of rural development policies? The majority of respondents (almost 2/3) rejected this option, clearly recognizing the need for policies focused on territorial specificities (Fig. 20, 59 responses).

Figure 20
Do you think that the whole area of a country / national state should be treated equally in terms of creating rural development policy?



Finally, participants were asked: Do you think that rural areas and local politics must include innovation and think about how to retain and attract young people to live and work in rural areas? 90% of respondents expressed their view that this is the only right way (Fig 21, 60 answers).

Figure 21
Do you think that rural areas and local politics must include innovation and think about how to retain and attract young people to live and work in rural areas?

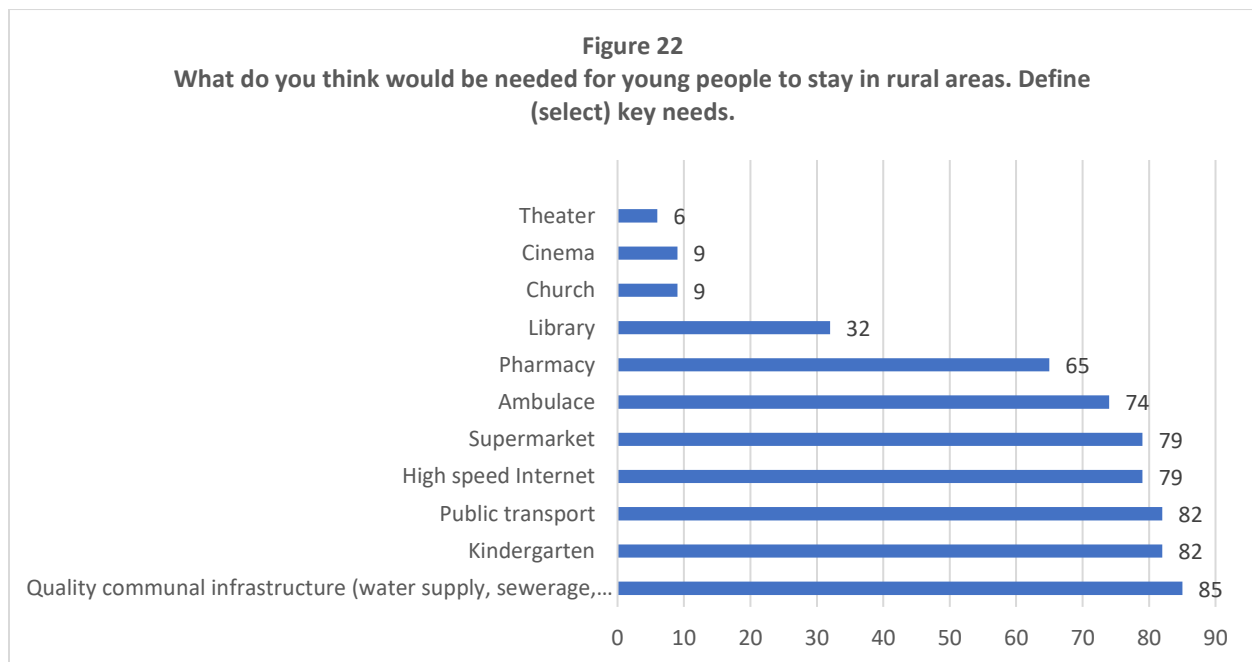


3.2. EFYRA 2nd Event

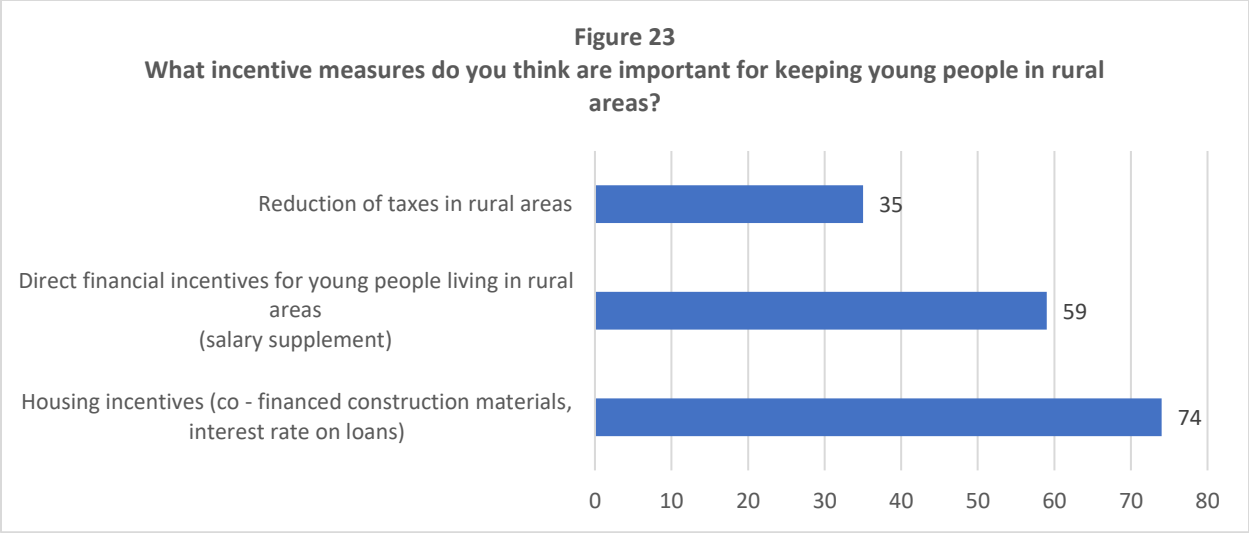
The second EFYRA event was held March 20-22 2021. Online poll was conducted and 39 participants expressed their opinions concerning the needs of young people in rural areas, incentives for preventing youth out-migration from the countryside, different models for rural

revitalization as well as some specific measures such as “Rural Zones for Youth”. All questions had preselected answers and no open-ended questions were used.

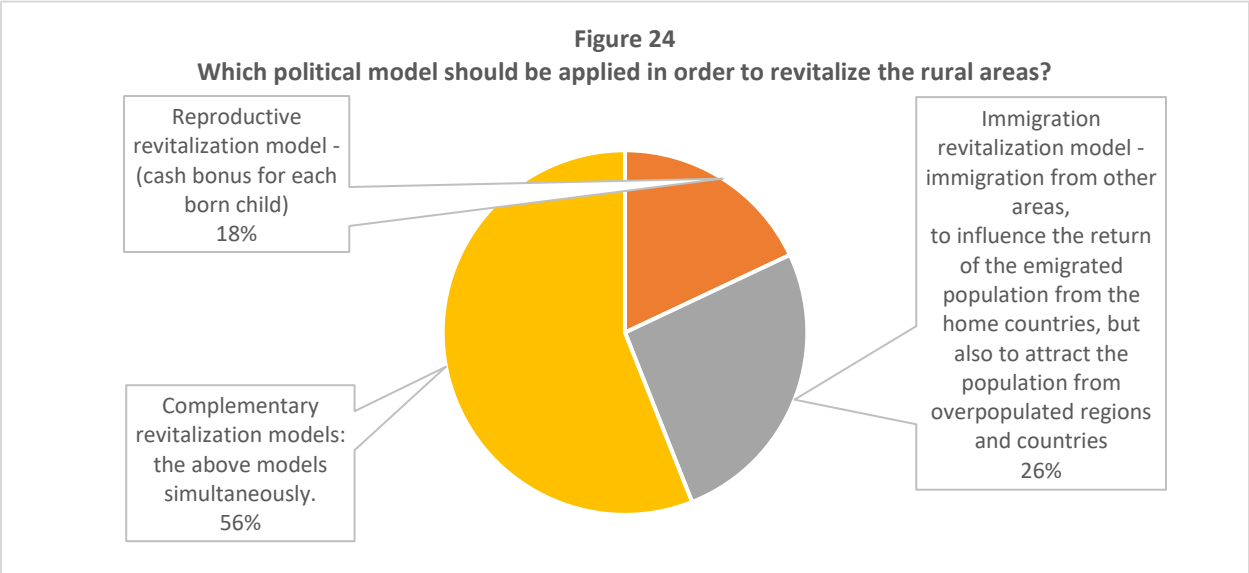
The first question discovered that quality communal infrastructure (water supply, sewerage, footpaths, roads) is perceived as the most important need of young people in rural areas (85% of all answers), closely followed by both kindergarten and public transport (82% of all answers). As the least important need of rural youth respondents perceived theater (6% of all answers and then both cinema and church (9%) (Fig 22).

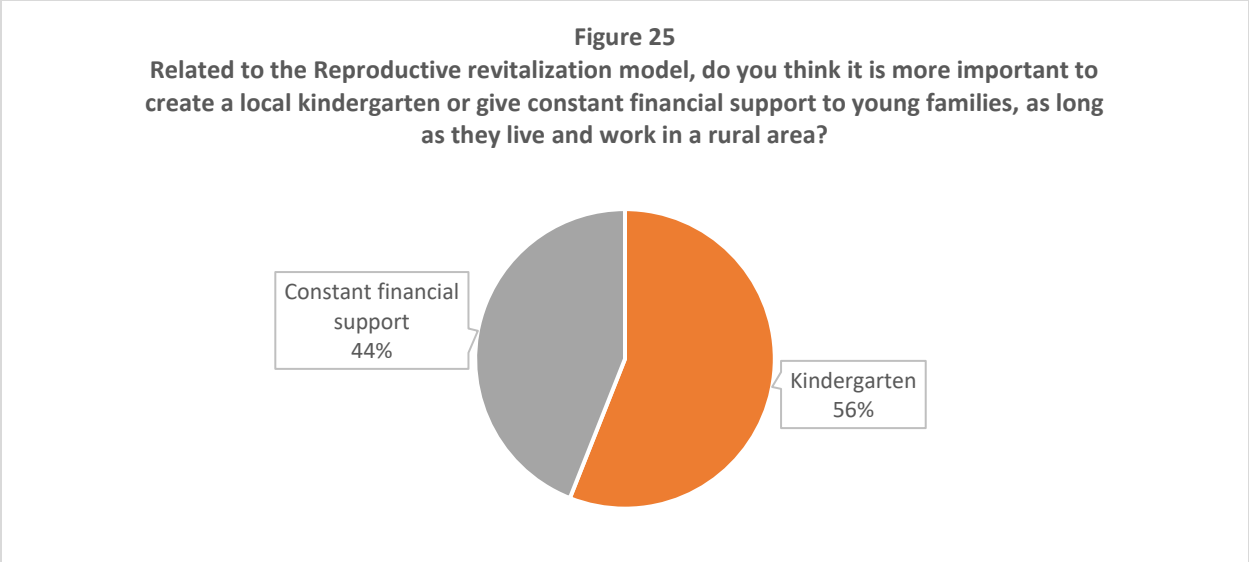


The second question established that in the view of the respondents, housing incentives (co - financed construction materials, interest rate on loans) is the most wished-for incentive for rural youth (74% of all answers) (Fig 23).

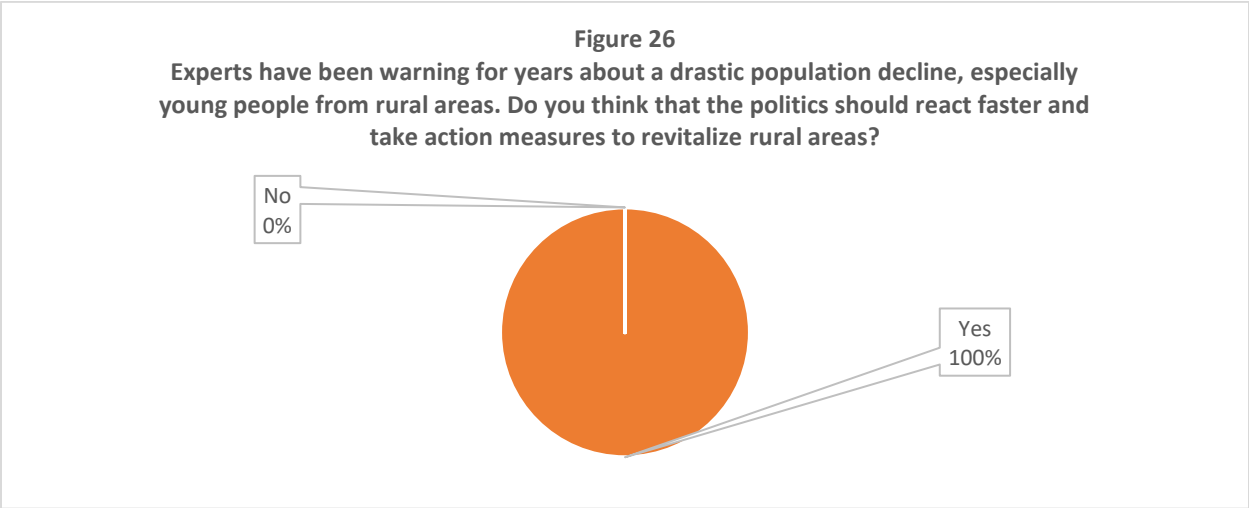


The questionnaire survey then moved more into the policy realm. Participants were asked what policy model should be used to revitalize rural areas. As expected from the previous responses, the option that simultaneously supports the reproductive revitalization model (cash bonus for each child born) and the immigration revitalization model (for both natives who have migrated and newcomers) received the most support (56%, Fig. 24, 34 responses). The reproductive revitalization model, which includes a nursery school, had slightly more support than constant financial support for young families (56% vs. 44%, fig. 25, 36 responses).

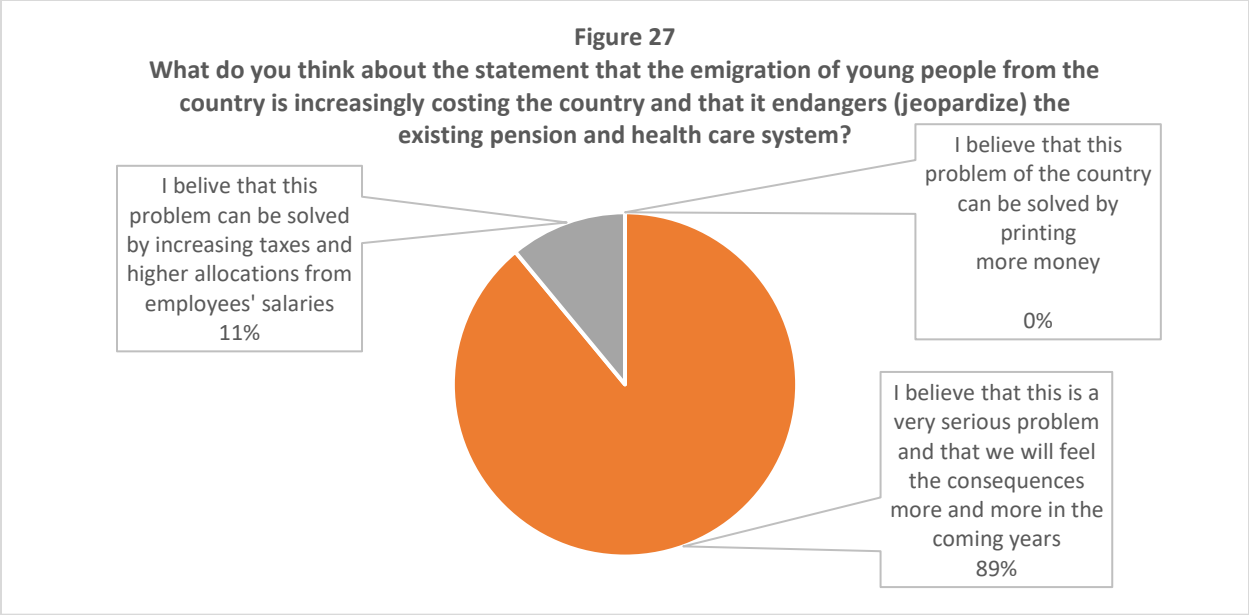




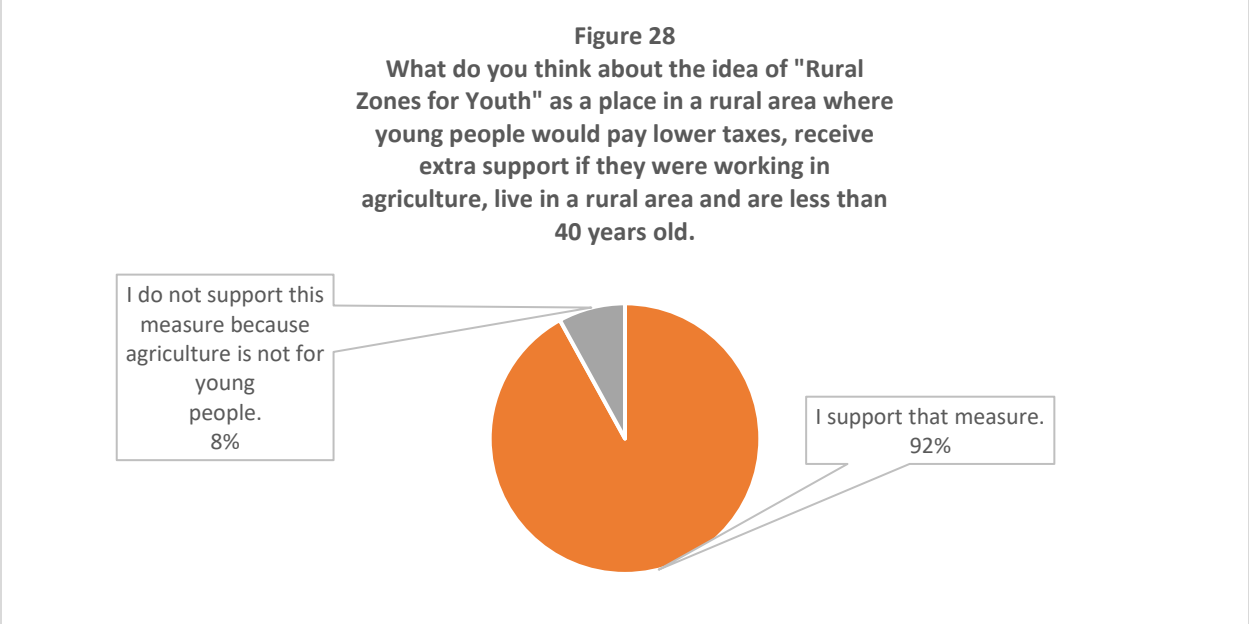
It is often said that the policy is late with the action. Therefore, the question has been asked whether policy should react more quickly and take action to revitalize rural areas? This is, of course, a rhetorical question, so the results of the survey are not surprising: 100% of respondents said yes (Fig. 26, 35 responses).



Looking to the future, respondents were asked whether the rural exodus of young people is increasingly costing and threatening (jeopardizing) the existing pension and health care systems? Again, as expected, the vast majority (89%) clearly acknowledged this threat (Fig. 27, 38 responses), while 11% believe the problem can be solved through tax increases and higher allocations from workers' salaries.

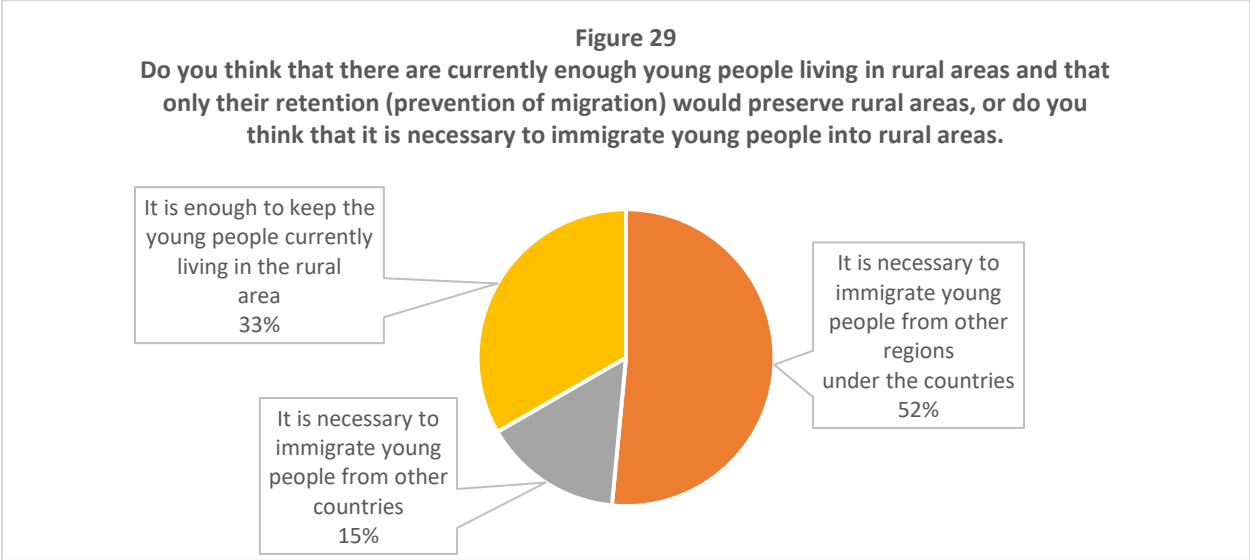


"Rural zones for youth" is a place in a rural area where young people pay lower taxes and receive additional support if they work in agriculture and are younger than 40 years old. Participants were asked if they supported such a measure and 92% responded positively (Figure 28, 38 responses).



The last question was a very challenging one: do you think that there are enough young people currently living in rural areas and that only their staying (preventing migration) would preserve

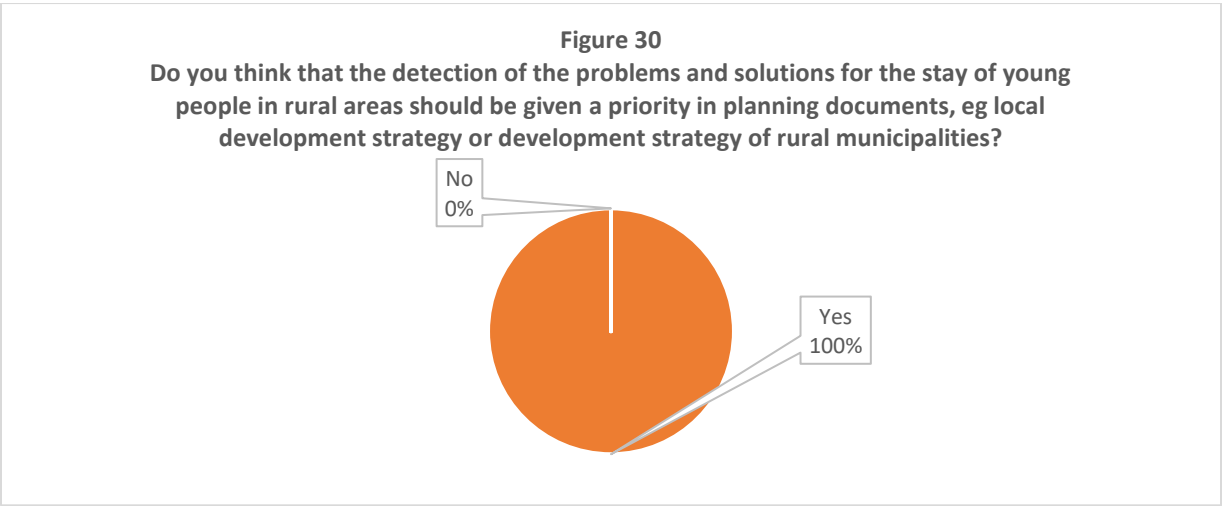
rural areas, or do you think that it is necessary to have young people migrate to rural areas. Slightly more than half of all respondents (52%) answered that it is necessary to immigrate young people from other regions and countries. In addition, 15% think that it is necessary to bring young people only from other countries. Both statements are an expression of the general attitude of the participants that rural areas lack their own regenerative capacity.



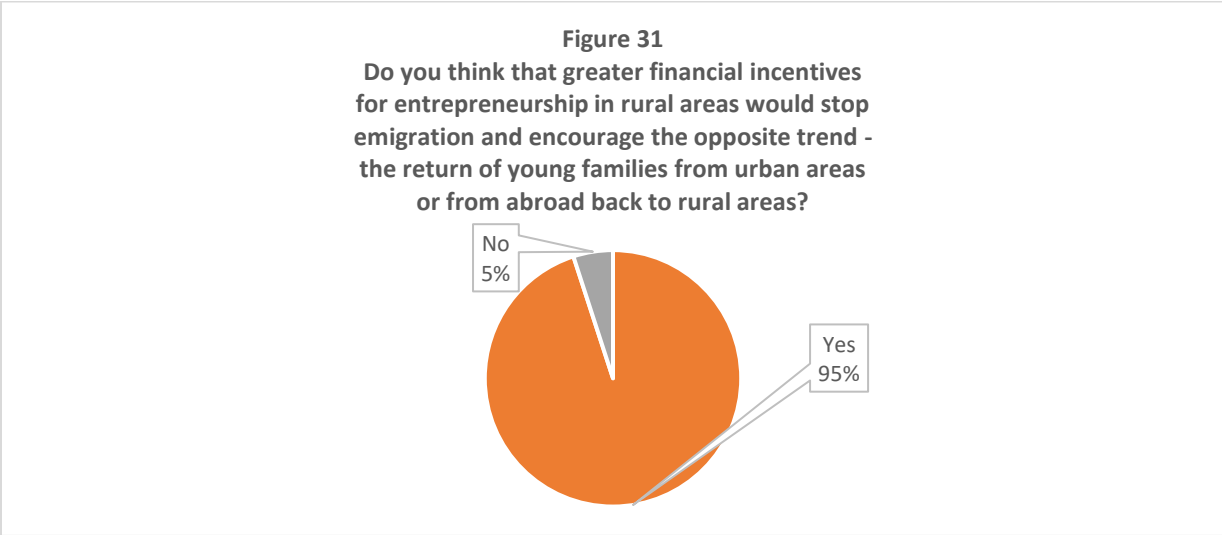
3.3. EFYRA 4th EVENT

The fourth EFYRA event was held from May 20-23, 2022. An online survey was conducted where 22 participants gave their opinion on the prioritization of problems and solutions for young people to stay in rural areas in rural and local planning documents, the importance of entrepreneurship for young people to stay in rural areas as well as other economic and social measures, and the very topical issue of settling and integrating economic and political emigrants in rural areas. There was a pre-selection of responses for all questions and no open-ended questions were used.

The survey began with a discussion of the role of rural youth residency issues and solutions in rural and local planning documents. All respondents (100%) were in favor of including this topic in, for example, the local development strategy or the rural community development strategy (Fig. 30, 16 responses).

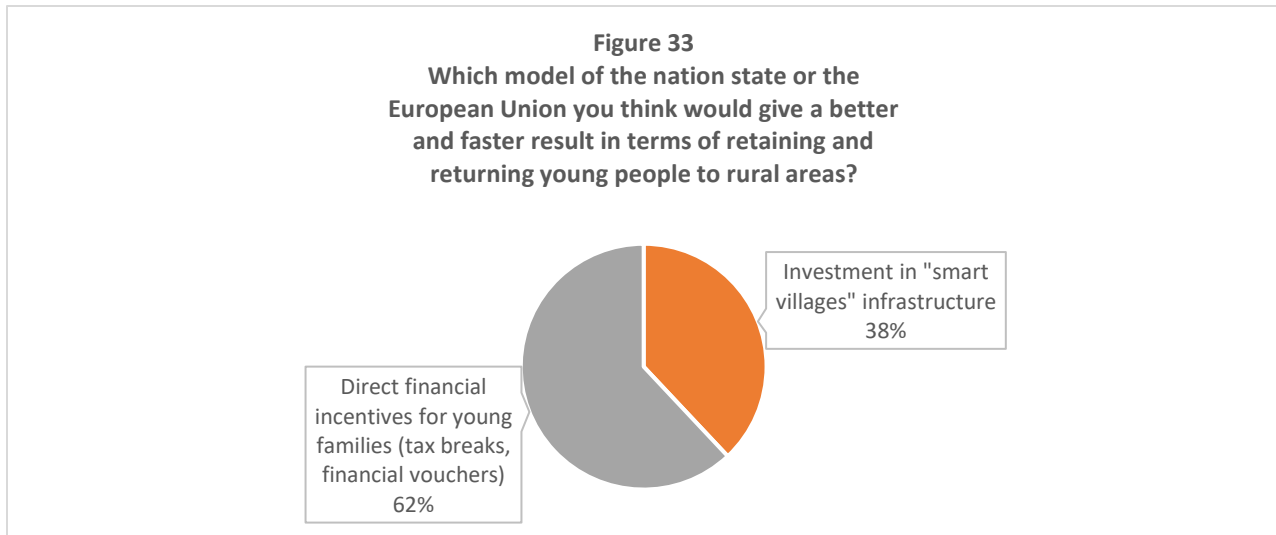
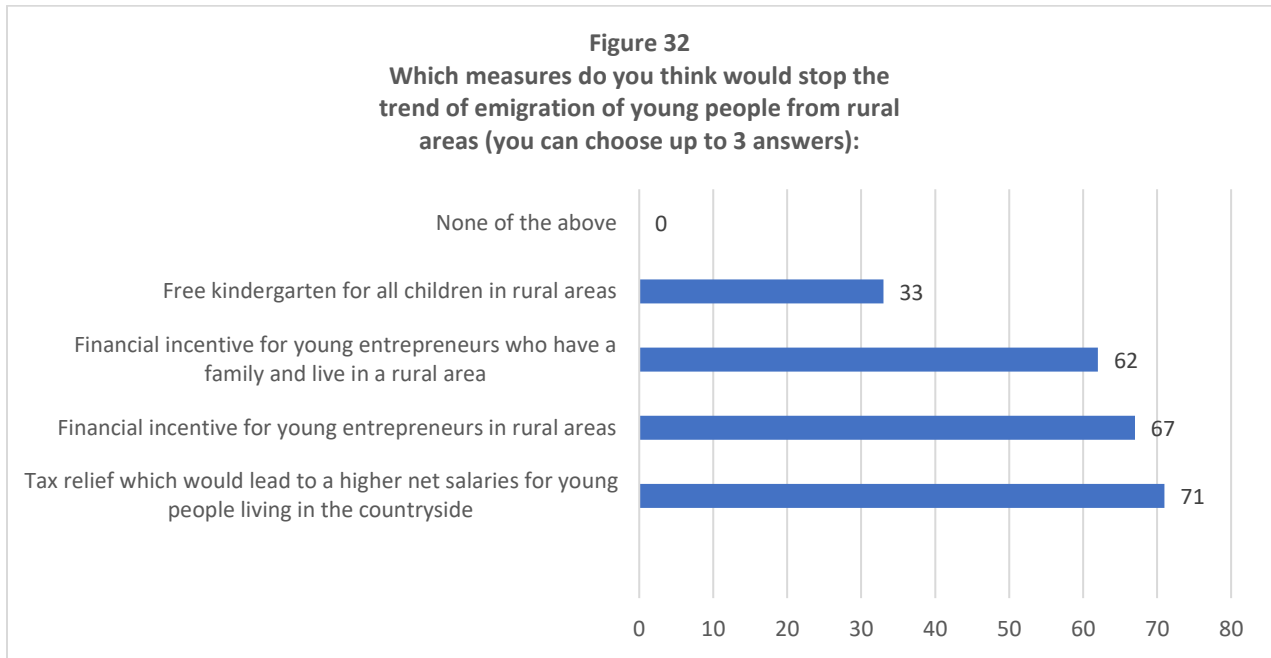


The vast majority of respondents (95%) favored the creation of greater financial incentives for entrepreneurship in rural areas to stop out-migration and encourage the opposite trend, namely the return of young families from urban areas or from abroad back to rural areas (Fig. 31, 21 responses).



In addition to incentives for young entrepreneurs, the next question cited tax reliefs that would lead to higher net wages for young people in rural areas as the most important support tool for stopping rural exodus (71% of all responses) (Fig. 32). Direct financial incentives for young

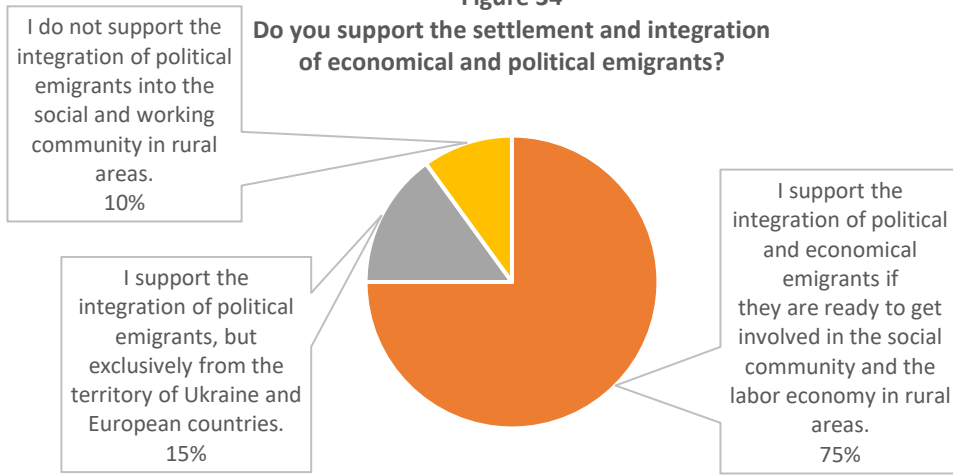
families (tax breaks, financial vouchers) were also favored over investments in "smart village" infrastructure as support to reduce out-migration (Fig. 33, 21 responses) (62%).



The last question directly reflected current political reality. “Do you support the settlement and integration of economic and political migrants?” was the question asked. Precisely $\frac{3}{4}$ of all respondents I support the integration of political and economic emigrants if they are ready to get involved in the social community and the labor economy in rural areas. In addition to that, 15% of respondents support that idea only for the political emigrants coming from exclusively from the territory of Ukraine and European countries.

Figure 34

Do you support the settlement and integration of economical and political emigrants?



4. SWOT ANALYSIS: YOUNG PEOPLE IN RURAL AREAS - WHAT CAN KEEP THEM AND WHAT CAUSES YOUNG PEOPLE TO LEAVE RURAL AREAS?

SWOT analysis was conducted by projects' participants to summarize main strengths, weaknesses, opportunities and threats for young people in rural areas.

Table 3 SWOT analysis: Young people in rural areas - what can keep them and what causes young people to leave rural areas?

<p>Strengths What does rural area have to offer? What unique and helpful resources are available? Are there specific competitive advantages for businesses?</p>	<ul style="list-style-type: none"> ▪ richness of rural space (clean air, less noise, less traffic, fresh and quality local food, less crime, greater connection with the local community) ▪ bio-ecological resources (land availability) ▪ tradition, cultural and historical heritage ▪ availability of labor force ▪ social interaction ▪ lower costs of living ▪ less depression, less neuroses, more privacy
<p>Weaknesses What cannot be changed and what could the rural areas improve?</p>	<ul style="list-style-type: none"> ▪ few jobs alternatives- lack of choice and better (better paid) jobs for young people (greater choice and better paid jobs for young people in urban areas, without young people there is no economic development) ▪ lack of community amenities - poorly organized and fewer opportunities for social life (cultural, entertainment programmes) ▪ bad communication networks (high speed Internet infrastructure) ▪ infrastructure of public services and transport ▪ lack of educational institutions ▪ poor infrastructure – lack of adequate communal infrastructure (waste, tap water, sewage disposal) ▪ lack of health care system ▪ lack of rental properties
<p>Opportunities What can be the advantage of living in the rural area for young people? What business and economic</p>	<ul style="list-style-type: none"> ▪ increased awareness for healthier lifestyle = new trends or life habits of young people are changing; if they have basic living conditions, more and more people are choosing a healthier life in rural areas than living in congested big cities ▪ internet connection - work from home ▪ opportunity for entrepreneurship (agriculture, forestry, social and innovative)

<p>development trends could rural areas take advantage of?</p>	<ul style="list-style-type: none"> ▪ economic diversification in key sectors such as tourism and energy production ▪ the possibility of developing rural tourism which contributes to the development and sustainability of rural areas ▪ new trends in tourism; due to the COVID pandemic, but also the new accelerated way of life, peaceful rural areas - where there is no mass tourism - are increasingly in demand ▪ attractive place for secondary residence ▪ increasing of incentive measures for young people who remain or will immigrate to rural areas (encouragement of marriage, and in connection with that, encouragement of fertility) ▪ different support programmes (governmental, EU) that aimed to the rural areas ▪ listen to local initiatives - give people the opportunity to say and suggest what they would like to increase the quality of life in rural areas and financially support such initiatives from national and EU policies
<p>Threats What political, economic or technological trends could harm the rural area?</p>	<ul style="list-style-type: none"> ▪ loss of identity of the area, if there are no local population - the tradition, the culture, the way of life of a certain area is lost ▪ the future of rural space is questionable; without young people there is no continuation of life, rural space is dying out of people ▪ the process of urbanization of the general population ▪ weak coordination among responsible authorities (planning, development)

5. NATIONAL, REGIONAL AND LOCAL POLICIES SUPPORTING DEMOGRAPHIC, SOCIAL AND ECONOMIC AND/OR REVIVAL OF RURAL AREAS – EXAMPLES FROM PARTNER COUNTRIES

This chapter aims to explore perceptions of the project partners about national, regional and local policies supporting demographic, social and economic and/or revival of rural areas in their respective countries. For that reason, they do not present comprehensive overview of the laws and policies in selected EFYRA countries and have not been additionally reviewed by the authors. The data presented have been collected via questionnaire form. Out of seven EFYRA country, data have been collected for Croatia, Italy, North Macedonia and Serbia.

5.1. National policies on supporting demographic, social and economic and/or revival of rural areas

5.1.1. Croatia

In the Republic of Croatia, there is no law that directly addresses young people. Therefore, the national youth promotion policy is implemented through sub-legal regulations. Youth support policy is implemented by the institution of the Ministry of Labor, Pension System, Family and Social Policy. In addition to the Ministry, another institution is responsible for supporting young people: the State Central Office for Demography and Youth. Its main tasks include monitoring and analyzing demographic trends, proposing measures to increase the birth rate, balance the age structure and maintain the spatial balance of the population, motivating young people to stay in Croatia, measures to support parenthood and harmonize family and professional life, monitoring and controlling the application of regulations on child benefits, maternity and parental leave and allowances, allowances for the equipment of a newborn child; coordinating the work of state and other agencies in the implementation of demographic development and population policy activities; proposing to the Government of the Republic of Croatia amendments to laws and other regulations in the area of population policy; performing tasks to raise awareness and educate citizens on the importance of demographic issues and population revitalization; supporting local

and regional (area) self-government organizations and civil society organizations in developing their own demographic development programs.

Key documents include the Communication Strategy of the Strategy for Demographic Revitalization of the Republic of Croatia, the Strategy for Demographic Revitalization of the Republic of Croatia for the Period until 2033 (in progress), and numerous documents on issues affecting children and young people (e.g. students).

In reality, no significant projects have been implemented by the Ministry or the Central Office in the rural areas of the 11 local self-government units covered by LAG PRIZAG.

5.1.2. North Macedonia

In North Macedonia, there is a law on youth participation and youth policy. The subject of this law are the forms of youth organization and participation of young people in the process of creating youth policies and in decisions related to them, the strategic documents at the national and local level, the activities and the measures taken by the bodies of state administration and local self-government units to improve the position of young people in society, as well as information and joint planning of activities with and for young people.

The purpose of this Law is to ensure the following:

- 1) the creation and implementation of a youth policy at all levels through a more sectoral approach based on the needs and interests of young people;
- 2) Strengthening the participation of young people in the processes of creating policies for young people, actively informing, promoting and protecting the interests of young people, and raising awareness of the importance of young people and their role in society;
- 3) Promote intergenerational partnerships to support young people's participation in decision-making and policy-making;
- 4) Supporting and promoting youth organizations;
- 5) Promote structural dialog at the national and local levels;
- 6) Promoting volunteerism, youth activism and youth work; and

7) Promote the personal, professional, and social development of young people

5.1.3. Serbia

Enforcement: Ministry of Agriculture, Forestry and Water Management

1. National strategy for agriculture and rural development 2014-2024,
2. National Rural Development Program 2022-2024
3. IPARD III program 2022-2027

Example of a support program for young people in rural areas at the national level:

Ministry of Rural Care: Public call for grant funds for young couples for the purchase of a country house with a garden - The maximum amount of the grant for the purchase of a country house with a garden is 1.2 million dinars.

5.2. Regional policies on supporting demographic, social and economic and/or revival of rural areas

5.2.1. Croatia

At the regional (county) level, there are no direct measures and highlighted policies that would help improve livelihoods and keep young people in rural areas. However, it is worth mentioning that counties are responsible for organizing primary education. In this context, counties only perform the administrative redistribution of funds from the state budget to the county budget and are under the authorities for the organization and payment of primary education.

5.2.2. Italy

The Italian partner in the EFYRA project has decided to present the EUSALP - EU Strategy for the Alpine Space as an important framework related to youth development. Among the numerous committees where young people are an important issue, three action groups have been particularly

analyzed: 1. research and innovation, 2. economic progress and 3. labor market, education and training.

Based on one of the main drivers of the Europe 2020 Agenda, which aims at job creation and growth, Action 1 focuses on the development of an effective innovation ecosystem in the Alpine Space. It aims at pooling the existing potentials of the Alpine Space in order to better exploit synergies in the strategic sectors described in the next Action and to address challenges in the field of innovation.

The second action group aims to identify key sectors of the Alpine economy that would benefit from actions at macro-regional level and to implement concrete measures to improve their economic and social environment. The added value consists in a better use of the alpine specific resources and potentials in the identified strategic sectors with a focus on improving the framework conditions and opportunities for SMEs.

The third action group aims to improve the adequacy of the labor market, education and training with the employment opportunities in the strategic sectors in the region and to increase the level of employment in the region through joint macro-regional activities.

The Italian partner also presented two specific programs at the regional level to support the young population.

Provisions for young people

The aid consists of a lump-sum capital grant of €40,000.00 and is paid in two installments (<https://www.provincia.tn.it/Servizi/Aiuti-all-artigianato-di-impres-per-giovani-agricoltori>)

Rural development program

<http://www.psr.provincia.tn.it/>

In addition to more general aspects of rural development, such as the promotion of know-how to strengthen the productive vocation of Trentino, which contributes to the competitiveness of the agricultural, forestry and agri-food sectors, the policy of supporting young people who choose to become agricultural entrepreneurs will continue, both through training and through the establishment premium, which also takes priority over other public funds.

5.2.3. North Macedonia

Pelagonia Planning Region Development Program (2019 - 2023).

The responsible body is the planning region. The program defines the objectives and priorities for the development of the planning region in the period from 2015 to 2019. The entire process of implementing the new program is carried out in coordination and in accordance with the results of the mid-term evaluation and the revision of the Balanced Strategy of Regional Development of the Republic of North Macedonia 2019 - 2023. Youth is an essential component of the program, especially youth in rural areas.

5.2.4. Serbia

1. Development program of AP Vojvodina 2023-2030.

Enforcement: Regional Government of the Autonomous Province of Vojvodina

Example of a support program for young people in rural areas at the regional level: competition for the promotion of young people in rural areas on the territory of AP Vojvodina - the Provincial Secretariat supports the further improvement and development of primary crop and livestock agricultural production, as well as the processing of meat, milk, fruit, vegetables and grapes. The Secretariat disburses 75 percent of these funds to young farmers in advance and 25 percent after the realization of the investment. The minimum amount awarded was up to 500 thousand dinars, and the maximum amount that an agricultural producer could achieve through this competition was 1.2 million dinars.

5.3. Local policies on supporting demographic, social and economic and/or revival of rural areas

5.3.1. Croatia

At the level of municipalities and cities, too little attention is paid to young people. As a rule, municipalities and cities use a primitive model of subsidizing transportation costs for high school students who study outside their place of residence, and modest scholarships for students who have

no obligation to the municipality or city after completing their education. For example, it happens that young people who study in Zagreb never return to their village, but change their place of residence because of the advantages offered by the urban environment and the higher quality of life.

5.3.2. North Macedonia

Local Youth Strategy. The local self-governments are responsible for the implementation of the strategy

In order to successfully implement the project activities within the framework of the project Creation of Local Youth Strategies, two working bodies were established: A coordination body and a working group for the creation of the strategy.

The following priorities were established:

- Unemployment
- Non-formal education
- Culture
- Sports

5.3.3. Serbia

1. Strategy for the Development of Agriculture and Rural Development of the City of Novi Sad 2023-2030

Enforcement: City of Novi Sad

2. Strategic Development Plan of the Municipality of Sremski Karlovci 2022-2029

Enforcement: Municipality of Sremski Karlovci

3. Local rural development strategy 2020-2023, for the area of Sremski Karlovci and Kovilj

Enforcement: Rural Development Partnership "Sremski Karlovci-Kovilj" (Partnership K2)

Example of a support program for young people in rural areas at the local level (City of Novi Sad):

Based on the Support Program for the Implementation of Agricultural Policy and Rural Development Policy of the City of Novi Sad, the City Economic Administration issued a public call for funds to support young people in rural areas on the territory of the city and allocated 23 million dinars for this purpose. The maximum amount of non-refundable aid per application shall not exceed 1,200,000 dinars. Through this public appeal, young people were able to buy new machinery, tools and equipment for primary and complementary tillage.

6. EUROPEAN POLICY MEASURES FOR KEEPING YOUNG POPULATION IN RURAL AREAS

This chapter presents the measures adopted by various institutions of the European Union in their policy documents to help keep young people in rural areas. For this purpose, four relevant documents are analysed:

- *A long-term Vision for the EU's Rural Areas - Towards stronger, connected, resilient and prosperous rural areas by 2040* (European Commission, 2021)
- *Cork 2.0 Declaration “A Better Life in Rural Areas”* (Cork 2.0 European Conference on Rural Development, 2016)
- *Common Agricultural Policy (2023-2027)* (European Commission, 2019-2021)
- *The European Union Youth Strategy 2019-2027* (Council of the European Union, 2018)

These documents are very comprehensive and refer to various aspects of rural life, i.e., measures to support the young population, regardless of the area in which they live. All of these documents more or less explicitly propose measures that affect the quality of life and life opportunities of young people in rural areas, and therefore the focus of the presentation of these documents is on such measures.

6.1. A long-term Vision for the EU's Rural Areas - Towards stronger, connected, resilient and prosperous rural areas by 2040

The European Commission has developed “A long-term Vision for EU rural areas” to identify the challenges and issues facing EU rural areas and to highlight some of the most promising opportunities available to these regions. Based on a forward-looking vision and extensive consultations with citizens and other rural stakeholders, this vision proposes a Rural Pact and a Rural Action Plan aimed at strengthening, connecting, making resilient and making prosperous our rural areas. The Vision also addresses the need to develop place-based policies and actions that take into account the diversity of EU territories, their specific needs and relative strengths, in order to use them as a successful response to the megatrends and challenges arising from globalisation, urbanisation and ageing, and also to take advantage of the green and digital transformation.

The main starting points that point to the need for the development of such a document as this Vision are the following: In rural areas of the EU, the population is on average older than in urban areas and will slowly shrink in the coming decade. Combined with lack of connectivity, underdeveloped infrastructure, lack of diverse employment opportunities, and limited access to services, this makes rural areas less attractive places to live and work. At the same time, rural areas are also expected to be active players in the EU's green and digital transformation. Therefore, achieving the goals of the EU's 2030 Digital Ambitions can provide more opportunities for the sustainable development of rural areas beyond agriculture and forestry, thus open new perspectives for the growth of manufacturing and especially services, and contribute to a better geographical distribution of services and industries. In this regard, experiences learned in the COVID-19 pandemic shall be used in particular.

The Vision identifies two basic trends regarding the young population. The first trend is that the young population is leaving the rural areas. Considering the negative natural development and the general ageing of the population, which affects many EU member states, the age structure is worsening due to the outflow of the population. The gender structure is also changing, as younger women are more likely to leave rural areas than younger men. Another trend the Vision notes in rural areas is that unemployment rates for young people in rural areas are higher than unemployment rates for the total labour force, and that unemployment rates for young people are higher at the EU rural level than in urban and suburban areas.

Three basic policy directions can be identified in the vision that can help keep young people in rural areas. These are employment, development of basic services, and integration. Employment opportunities for young people are seen in agriculture. Because of the high scenic value of rural areas, on the one hand, and the opportunity to develop services related to agriculture (e.g., tourism), young people need to be encouraged to start and develop small and medium-sized farms. On the other hand, there are also more and more opportunities for young people to work in the service sector, especially through the development of teleworking. In addition, it is necessary to work on the development of basic services and infrastructures in rural settlements, so that the young population has the opportunity to develop professionally and have satisfactory living conditions. The existence of services of general interest, as well as good employment and educational

opportunities, would contribute significantly to the inclusion of rural populations in local communities.

The vision identified the main drivers for the future of rural areas in the EU until 2040 and four complementary action areas. They are shown in the following graphic (Figure 1). Based on the identified drivers, scenarios, and numerous consultation activities, four complementary action areas were identified that embody a long-term Vision of, by, and for stronger, connected, resilient, and prosperous rural areas by 2040.

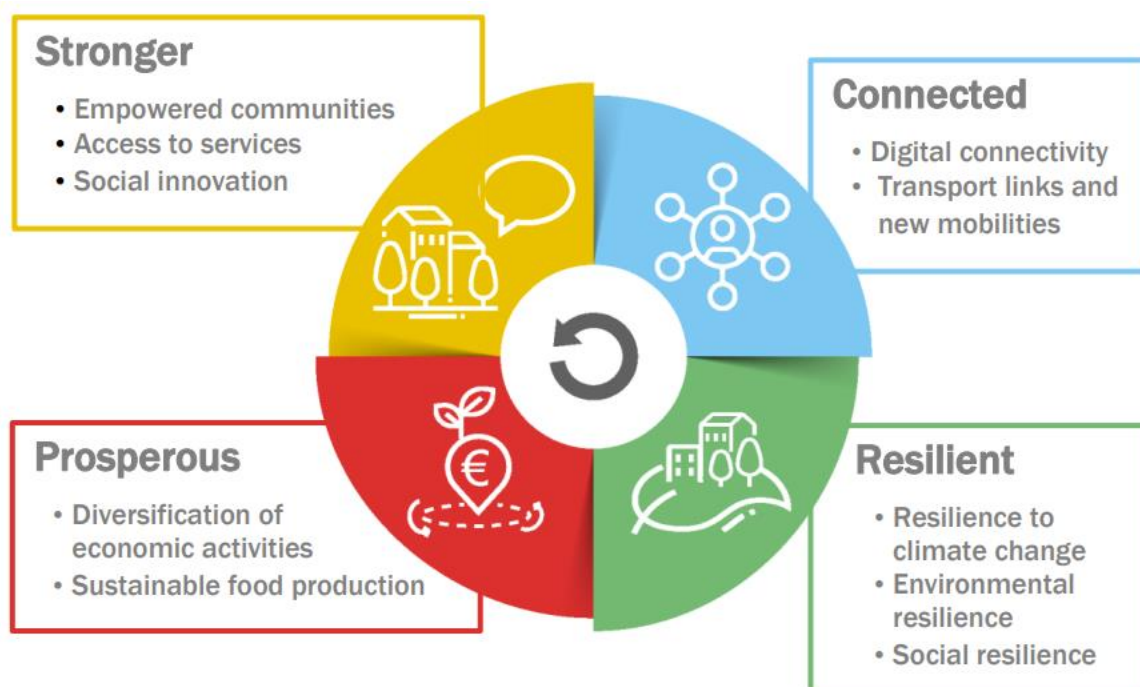


Figure 35 Main drivers for the future of rural areas in the EU until 2040 with complementary action areas

Source: European Commission (2021)

Although there are several actions (measures) in each complementary area that can contribute to the lives of young people in rural areas, two actions can be singled out that almost exclusively affect the young population:

- Action title: *Continue encouraging Member States to increase education, training and employment opportunities for young people in rural and remote areas under the reinforced Youth Guarantee and the European Education Area.*

- Description of the action: With the enhanced Youth Guarantee, EU Member States commit to providing all young people under 30 with a high-quality offer of employment, further education, apprenticeships or traineeships. As part of this commitment, Member States should address the needs of young people in rural and remote areas. Particular attention will be paid to the provision of jobs and other opportunities. The Commission monitors the implementation of the enhanced Youth Guarantee, including progress on the situation of young people in rural areas. The Commission's Communication on Achieving of the European Education Area by 2025 outlines the Commission's vision and provides for major initiatives to promote the quality and inclusiveness of national education and training systems, which will also have an impact on rural and remote areas. (Source: Annex of *A long-term Vision for the EU's Rural Areas*, page 9)
- Action title: *Support education, training, youth, sport and volunteering activities in rural areas.*
 - Description of the action: The new Erasmus+ and European Solidarity Corps Programmes (2021-2027) will reach more people in rural areas through inclusion actions covering all areas of education, training, youth, sport and volunteering, such as: specific funding mechanisms, targeted communication actions, more accessible formats for mobility and cooperation activities, enhanced digital actions (particularly suitable for cooperation and initiatives at local and regional level), training and networking opportunities. (Source: Annex of *A long-term Vision for the EU's Rural Areas*, page 2)

6.2. Cork 2.0 Declaration “A Better Life in Rural Areas”

On September 5 and 6, 2016, the European Conference on Rural Development was held in the Irish city of Cork under the auspices of the European Commission and the European Rural Development Network. At this conference, a new declaration (Cork 2.0 Declaration) was drafted, building on the twenty-year-old rural development declaration adopted in the same city (1996 Cork Declaration - "A living countryside"). The need to update the old declaration arose in part from

the need to meet the 2030 Global Sustainable Development Goals set by the United Nations in 2015.

With respect to the young population, the conferees recognized that rural depopulation and out-migration of young people is occurring in rural areas and therefore believe that there is a need to ensure that rural areas and communities (countryside, farms, villages, and small towns) remain attractive places to live and work by improving access to services and opportunities for rural people and encouraging entrepreneurship in traditional rural areas as well as in new sectors of the economy.

The conferees proposed ten policy guidelines in the declaration for an innovative, integrated and inclusive rural and agricultural policy in the European Union:

- Point 1: Promoting rural prosperity
- Point 2: Strengthening Rural Value Chains
- Point 3: Investing in Rural Viability and Vitality
- Point 4: Preserving the Rural Environment
- Point 5: Managing Natural Resources
- Point 6: Preserving the Rural Environment
- Point 7: Boosting Knowledge and Innovation
- Point 8: Enhancing Rural Governance
- Point 9: Advancing Policy Delivery and Simplification
- Point 10: Improving Performance and Accountability

The young population of rural areas is specifically highlighted in Point 3: Investing in Rural Viability and Vitality. Young people are mentioned in the context of creating a high quality of life in rural areas, which should be achieved by understanding and meeting the needs of the young population. The young population should be offered various jobs, e.g., in agriculture and other economic fields, with appropriate incentive measures. This would greatly facilitate the renewal of generations in rural areas.

Although the policy guidelines presented are not binding on EU institutions or Member States, as the Declaration itself is not a legal act, the authors of the Declaration encourage these public institutions to include them in their policy documents.

6.3. Common Agricultural Policy (2023-2027)

The EU Common Agricultural Policy (CAP) was first introduced in 1962. Since its inception, it has been the largest financial programme of the European Union. It aims to support farmers and improve agricultural productivity to ensure a stable supply of affordable food; provide a fair income for farmers in the European Union; contribute to the management of climate change and the sustainable management of natural resources; preserve rural areas and landscapes throughout the EU; and keep the rural economy alive by supporting jobs in agriculture, agri-food and related sectors. The CAP is a common policy for all EU countries. It is managed at the European level and financed from the EU budget. Over the years, CAP has undergone various changes to adapt to current socio-political, economic and technological opportunities, and since the beginning of 2023, the so-called New CAP has been in force. The New CAP 2023-2027 contains ten new objectives for agricultural and rural development, to which are added other specific objectives for each Member State. New CAP is aligned with the European Green Deal as one of the fundamental plans for the future development of the EU area, society and economy.

The ten general objectives of CAP 2023-2027 are:

- to ensure a fair income for farmers;
- to increase competitiveness;
- to improve the position of farmers in the food chain;
- climate change action;
- environmental care;
- to preserve landscapes and biodiversity;
- to support generational renewal;
- vibrant rural areas;
- to protect food and health quality;
- fostering knowledge and innovation.

A particularly relevant objective concerning young people in rural areas is #7 *Structural change and generational renewal*. This objective is based on following statement: "A vibrant agricultural sector needs skilled and innovative young farmers to respond to societal demands, from quality food to environmental public goods." (European Commission, 2019-2021). Indeed, the agricultural

sector is undergoing structural change in terms of the number, size and specialisation of farms, while the number of young farmers has decreased over time. Young farmers also face major challenges, such as low availability of land, high land prices and low profitability, difficult access to credit, and lack of knowledge and training. However, the authors of the policy brief for this objective explain that a dynamic agricultural sector needs skilled and innovative young farmers to meet society's needs, from high-quality food to environmental public goods. The proposals for a future CAP provide a policy framework that, in combination with national instruments, supports the establishment of young people in agriculture while creating good working and living conditions in rural areas. To achieve generational renewal in agriculture, there are several instruments that can be used by EU member states:

- Complementary income support for young farmers
- Installation grant for young farmers
- Investment support (support for processing and marketing activities, as well as diversification into non-agricultural activities, such as agritourism, landscaping, etc.)
- Cooperation (development of farm partnerships between older and younger generation of farmers)
- Knowledge transfer and innovation
- Financial instruments (loans, guarantees, subsidised interest rates).

Through the use of these instruments, certain elements of this objective can be achieved, such as lowering the average age of farmers, empowering a new generation of highly skilled young farmers, taking full advantage of solutions that technological advances have brought, or achieving sustainable practices in agriculture. Significant funding can be used from the European Agricultural Fund for Rural Development for the following purposes:

- Business start-up aid for young farmers
- Investments in agricultural holdings
- Advisory services
- Investments in physical assets
- Investments in creation and development of non-agricultural activities
- Support the operations under the CLLD strategy

- Support for investments in the setting-up, improvement or expansion of local basic services

The second objective of the CAP which is important to the young rural population is objective #8: *Jobs and growth in rural areas*. The key components contained in this objective are as follows: to promote employment, growth, gender equality, including the participation of women in farming, social inclusion and local development in rural areas, as well as the circular bio-economy and sustainable forestry. The authors of the policy brief for this objective cite several basic reasons for its existence (European Commission, 2019-2021). Predominantly rural areas account for 44% of the territory of the EU-28 and are now home to 19% of the EU population. As employment in these regions is more dependent on the primary sector and its links to the food chain, per capita income is significantly lower (by one third) than the EU average. Both the level of poverty and the proportion of poor people in the total population are higher in rural areas, but the differences between member states are so large that comparison is difficult. The degree of structural change and access to the Internet play an important role in determining employment prospects in rural areas. Remote rural areas suffer more from a lack of social inclusion and a poorly functioning labour market than rural areas that are close to urban centres.

To achieve this objective, it is necessary to work in different areas. For example, diversification activities bring economic activity to rural areas, even outside the agricultural sector. This is particularly important in areas where there is a high proportion of part-time farmers or where the restructuring of the agricultural sector is not yet complete. A great potential still lies in LEADER, which has led to the cooperation of different actors within local communities in different areas of the EU, which has significantly improved the management of the local community and thus enabled the implementation of various projects that have improved different aspects of life in rural areas. Actions should also aim to improve the availability of general services in rural areas to reduce the gap between rural and urban areas in an attempt to reduce the depopulation of rural areas by making them more attractive and sustainable, which will benefit future generations.

6.4. The European Union Youth Strategy 2019-2027

The EU Youth Strategy is the framework for EU youth policy cooperation for the period 2019-2027 and is based on the European Council Resolution of 26 November 2018. EU youth policy

cooperation aims to maximise the potential of youth policy. It promotes young people's participation in democratic life, supports social and civic engagement, and aims to ensure that all young people have the necessary resources to participate in society. The EU Youth Strategy focuses on three key action areas centred around the three words: Engage, Connect, Empower, while working on cross-sectoral implementation. The strategy therefore aims to empower young people to take charge of their lives, support their personal development and growth in autonomy, strengthen their resilience and equip them with life skills to navigate a changing world, encourage young people and equip them with the resources they need to be active citizens, actors of solidarity and positive change, inspired by the values of the EU and a European identity, to improve policy-making in terms of its impact on young people in all sectors, in particular employment, education, health and social inclusion, and to contribute to the eradication of youth poverty and all forms of discrimination and promote the social inclusion of young people (Council of the European Union, 2018). The strategy developed 11 objectives reflecting the perspective of the young population of the EU and the vision of the future development of young people as part of European society, defined by young people themselves through a participatory approach (EU Youth Dialogue). European Youth Goals are the following:

- 1) Connecting EU with Youth
- 2) Equality of All Genders
- 3) Inclusive Societies
- 4) Information & Constructive Dialogue
- 5) Mental Health & Wellbeing
- 6) Moving Rural Youth Forward
- 7) Quality Employment for All
- 8) Quality Learning
- 9) Space and Participation for All
- 10) Sustainable Green Europe
- 11) Youth Organisations & European Programmes

For rural youth, goal #6: Moving Rural Youth Forward is particularly relevant. Its aim is to create conditions which enable young people to fulfil their potential in rural areas. The targets of this goal are:

- Ensure appropriate infrastructure in rural areas in order to provide equitable delivery of public services, data connectivity and housing opportunities for young people.
- Ensure that sustainable, high quality jobs, accessible to young people are created in rural areas.
- Ensure the decentralisation of different activities by, for and with young people in order to support their inclusion and to benefit local communities.
- Ensure that young people in rural areas are actively participating in decision-making processes.
- Ensure equal access to high quality education for young people in rural areas.
- Establish a positive image of rural areas.
- Ensure the protection of rural traditions.

7. CONCLUSIONS AND RECOMMENDATIONS

The EFYRA project aimed to address one of the biggest challenges facing rural Europe: the outflow of young people from rural areas. Some of the main reasons identified at the EU level are the lack of diverse employment opportunities, limited access to services, underdeveloped infrastructure, and lack of connectivity, which together make rural areas less attractive as places to live and work (European Commission, 2021). EFYRA's focus was to identify the root causes of migration in the project countries: Croatia, Estonia, Hungary, Italy, North Macedonia, Serbia, and Slovenia, through a joint discussion among project partners, and to develop proposals to prevent youth migration through active workshops.

The study found that, similar to rural areas in the EU, EFYRA countries are affected by the aging of the population (with the exception of North Macedonia), the decline in the proportion of the population living in rural areas (with the exception of Serbia, which experienced a modest growth of 0.7%), and the higher proportion of young people in rural areas who are neither employed nor in education or training (NEET). However, in addition to the similarities, the statistical analysis has also revealed some peculiarities in the EFYRA countries. For example, all EFYRA countries that are members of the European Union have a GDP per capita that is lower than the European Union average. GDP per capita in Serbia and North Macedonia is also significantly below the EU average. Combined with the fact that in all EFYRA countries the lowest income was in rural areas, this certainly represents an additional push factor for rural youth to migrate, both to urban areas in their home country and abroad, to more economically developed countries. It was no surprise that participants expressed high hopes and expectations for the EU in dealing with the problem of out-migration from new member states and candidate countries.

EFYRA participants took part in three online surveys that confirmed but also deepened the aforementioned findings. The surveys found that a well-developed physical infrastructure is considered the most important need for young people in rural areas of EFYRA countries, followed closely by kindergartens and public transportation. Respondents considered the least important need of rural youth to be some cultural services, such as theater or cinema, and also church. Housing incentives (co-financed building materials, interest rates on loans) are the most desired incentives for rural youth. In addition to such more traditional population policies, "Rural Zones

for youth," where young people pay lower taxes and receive additional support if they work in agriculture, were mentioned by participants as an example of innovative and concrete policies. Economic measures were also considered important, such as creating greater financial incentives for entrepreneurship or tax breaks that would lead to higher net wages for rural youth.

The SWOT analysis provides further insights, and we highlight the opportunities. Participants identified increased public awareness of healthier rural lifestyles, telecommuting, and new trends in tourism (due to the COVID pandemic but also more generally in terms of slow tourism) as very important new assets for rural areas. These complement existing strengths, namely bio-ecological resources, social interaction, lower cost of living, fresh and high quality local food, less crime, etc., as growing potential for rural renaissance.

Finally, participants suggested **recommendations for future rural policy development** through online surveys.

- In EFYRA countries, **well-developed physical infrastructure** (water supply, sewerage, sidewalks, roads) is seen as a prerequisite for any further action. **Services of general interest aimed at young families** (e.g., kindergartens) follow closely behind, as does public transport.

- In general, participants were more critical of national rural policies than local policies. It is therefore not surprising that the vast majority of all respondents voted for a **redistribution of funds between national and local government in favor of the latter**.

- At the same time, the surveys revealed strong support for **harmonization between local and national policies** to keep people in rural areas.

- Moreover, the majority of respondents recognized the need for **policies focused on territorial specificities**.

- In order to revitalize rural areas, respondents considered a **complex approach** based on supporting young local families with financial incentives (**so-called reproductive revitalization model**, cash bonus for each child born) and, at the same time, introducing an **immigration model** to **attract locals** who **have left** the territory but also **newcomers**.

8. LIST OF SOURCES

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