

STRATEGIC ORIENTATIONS FOR RURAL EMPLOYMENT DEVELOPMENT: THE CASE OF TELSIAI DISTRICT LABOUR MARKET

Vilma Atkociuniene¹, Dr., prof., Aleksandras Stulginskis University
Asta Raupeliene², Dr., assoc. prof., Aleksandras Stulginskis University
Alvydas Aleksandravicius³, lecturer, Aleksandras Stulginskis University

Abstract. This article provides the results of analysis of indicators, reflecting the main aspects of economic development and rural employment in Telsiai district municipality (LAU1) in Telsiai county (NUTS3), which were chosen as pilot areas of Lithuania. Potentials for and constraints on rural economic diversification in the researched pilot area, which under the typology could be classified as “developing” and “significantly rural” areas were identified by means of semi-structured interviews. Vision of rural employment development and factors effecting changes in rural labour market taking into account the influence of the economic crisis of 2008 was prepared during the focus groups meetings. The SWOT and SOR analysis were provided based on the collected data and opinions of local labour market actors. Strategic orientations and recommendations for the solution of problems by saving the existing and creating new labour places for rural inhabitants were identified in focus groups meetings.

Key words: rural development, labour market, rural employment, strategic orientation.

JEL code: C14, C61, Q13.

Introduction

The aim of the research is to identify the strategic orientations for the development of rural employment. *The research tasks* are as follows: to analyse the pilot area on the labour market; to conclude whether any employment problems of a specific rural nature existed through the interview of local actors; and to identify the current employment patterns and opportunities for rural economy diversification in Telsiai district municipality. This research is based on two ideas: there are unused local resources, which can be used to ensure better and more jobs in rural areas; “top-down” and “bottom-up” constraints can be used to identify the employment growth potentials and to draw the recommendations for better targeting of future rural development measures.

The empirical research was carried out to identify employment needs and new sources of employment as well as constraints affecting the labour market; to evaluate the past and current employment development policies; and to make recommendations targeting on the new rural development measures for the pilot area.

The synthesis of bibliography and an overview of the employment situation in rural areas have provided a basis for defining the initial means of investigation (Jazepcikas; Raupeliene; Vitunskiene, 2009; Vitunskiene, Jazepcikas; Janauskaite, 2007). A typology of rural areas was subsequently drawn up based on the analysis of existing typologies and in particular the one put forward by the OECD (Raupeliene, Jazepcikas, 2009).

This **research object** focuses on the Telsiai district labour market areas. The territory has been chosen because of the following reasons:

- 1) the boundaries of Telsiai labour market areas are coincident with the administrative territories of Telsiai municipality;

- 2) Telsiai district Local Action Group (LAG) has been implementing the Strategy for Improvement Quality of Life in Rural Areas;
- 3) the official periodical statistics presented the demographic and socio-economic decline in Telsiai district municipality.

An analysis of the area was carried out based on a thorough, joint diagnosis of the situation, mainly from an economic and social point of view and using the data from Lithuanian Official Statistics. To ensure the trend analysis, the stakeholders of Telsiai labour market were enabled to identify the issues at stake and give thought to the strategic orientations. The subject of the SWOT analysis was the rural labour market in the pilot area. The provisional SOR matrix results and the draft wording of the operational objectives were validated during the focus group meetings, attended by interviewees and other key local stakeholders.

Research results and discussion

1. Analysis of the labour market at Telsiai district municipality

Telsiai municipality is one of four LAU1 level areas in Telsiai county (NUTS3), where 40.9% of the population of Telsiai county lives in rural areas. Under the typology, the area of Telsiai municipality can be classified as “remote”, “developing”, and “significantly rural”.

According to the 2011 Lithuanian census, the Telsiai county (NUTS3) had a total population of 151 352 (i.e. 5.1% of the total national population) and it covers an area of 4350 km² (12% of the total national territory). Telsiai region is defined by the OECD (2004) as “significantly rural”, i.e. 44% of the total population live in rural communities (i.e. in LAU2 areas

¹ E-mail address: vilma.atkociuniene@asu.lt

² E-mail address: asta.raupeliene@asu.lt

³ E-mail address: alvydas.aleksandravicius@asu.lt

Table 1

Total (T) number of citizens living in Telsiai county (NUTS3) and in Telsiai district municipality (LAU1), and its share in rural areas (R) in 2011

NUTS3 region (county)		Population (total)	Area (km ²)	LAU1 region (municipality)		Population (total)	Area (km ²)
Telsiai county	T	151 352	4350	Telsiai district municipality	T	46 768	1439
	R	60 970	4289		R	19 968	1421
		40.9%	98.6%			42.3%	98.8%

Source: the Statistics of Lithuania, 2012

Table 2

Hired employees by type of economic activity in Telsiai county (NUTS3) and Telsiai district municipality (LAU1) in 2011

	Hired employees (main working place) by type of economic activity, % of total (NACE 1.1)									
	A,B	C,E	D	F	G,H	I	J,K	L,M,N	O,P,Q	
Republic of Lithuania	3.6	3.3	22.2	6.1	17.1	7.7	6.1	29.6	4.3	
Telsiai county	2.8	2.0	30.0	8.8	17.3	3.2	2.9	29.0	4.1	
Telsiai district municipality	2.8	2.0	19.7	12.7	16.9	3.0	1.9	35.2	5.9	

Note: according to the NACE 1.1: A,B - agriculture and fishing; C,E - energy and water; D - manufacturing; F - construction; G,H - distribution, hotels and restaurants; I - transport and communications; J,K - banking, finance and insurance; L,M,N - public administration, education and health; O,P,Q - other services

Source: annual research of workplace in business (employment estimates)

defined as rural). The population density of the county equalling 41.4 inhabitants per km² was below the OECD population density threshold of 150.

In 2011, the GDP of Telsiai county was EUR 1302.4 million (4.2% of the total national GDP) or GDP per capita amounted to EUR 8602 (28% of the EU-27 average). The GDP of the County has increased by 96%, while the GDP per capita in the County has increased by 103% since 2001 and it shows a decrease of population. The GDP per capita in the County was 3% less than the national average and it indicates relatively good level of the economic development.

Telsiai County is a remote region, just over 13% of the population in the county can access to urban centres by car in 45 minutes or less (Raupeliene, Jazepcikas, 2009).

The total area of Telsiai district municipality is 1439 km² (rural area - 1421 km² or 98.8% of the total area of municipality). Telsiai district municipality accounts for 32% of the total population and 33% of the total area of Telsiai County. The share of rural population in Telsiai district municipality is equal to the share of rural population in Telsiai county (Table 1). Telsiai municipality (LAU1) had 11 elderships on the LAU2 level.

The number of population in Telsiai county decreased by 16% during the period of 2001-2011, i.e. from 180.0 thousand in 2001 to 151.4 thousand in 2011. The decrease speed was equal to the national average. Population decrease in urban areas was faster than in rural areas.

Population age structure in Telsiai county is a little bit different from the national average. There was a larger

share of children (up to 14 years), i.e. 18%, people of working age (from 15 to 64 years) accounted for 61% and people of 65 years and older accounted for 21% in 2011. During the period of 2001-2011, the share of children decreased by almost 5 percentage points, while the share of population aged 65 and more increased by 2 percentage points.

Population of Telsiai municipality decreased by more than 19% from 57.7 thousand in 2001 to 46.8 thousand in 2011, i.e. by 1.4 percentage points more than the national average or the county average. Rural population in the municipality has decreased by almost 5%, while urban population decreased by 4%.

Hiring process in Telsiai district municipality was very dynamic in the sector of agriculture and fishing, where the share of hiring increased by more than three times from 2.8% to 8.0% in period from 2001 to 2011. The same tendency was observed in the sector of public administration, education, and health, where the share of hiring in the analysed period decreased by 5 percentage points from 35.2% to 30.2%. In the period of 2001-2011, the share of hiring also increased in the sectors of manufacturing and construction, and it decreased in the sector of energy and water.

Different tendencies in some sectors are seen comparing the data of Telsiai district municipality and Telsiai county, i.e. hiring process in the sector of agriculture and fishing has decreased by 1 percentage point, in manufacturing, it decreased by 2.5 percentage points and in the sector of distribution, hotels and restaurants it increased by 0.9 percentage points. Other sectors outlined similar tendencies but not so significant (Table 2).

Table 3

Aggregate employment-related data in Telsiai county (NUTS3) and in Telsiai district municipality (LAU1) totally (T) and split for rural (R) and urban (U) areas in 2001, disaggregated by sex and age

		Activity rate, %	Males activity rate, %	Females activity rate, %	In employment, %	Employees, %	Self-employed, %	Unemployed, %
Republic of Lithuania	T	57.4	63.1	52.7	48.7	42.7	11.7	11.0
	R	52.0	59.6	45.0	41.0	29.7	15.6	15.6
	U	60.1	65.5	56.2	52.0	45.6	9.4	10.7
Telsiai county	T	65.5	71.8	59.9	52.7	39.0	13.5	13.4
	R	58.6	67.2	49.8	44.9	25.9	19.0	13.8
	U	72.3	75.1	69.9	57.2	47.2	10.0	15.1
Telsiai district municipality	T	64.0	69.5	58.8	50.2	35.1	15.1	11.7
	R	57.2	67.1	47.0	45.1	23.9	21.2	12.1
	U	68.8	71.3	66.6	53.7	42.9	10.8	11.1

Note: data are taken from the 2011 census and include people aged 15-64

Source: the Statistics of Lithuania

Urban population is much more economic active than rural population in Telsiai county. Rural economic activity is lower and urban economic activity is higher comparing with the national average. Males in rural areas of Telsiai municipality are much more active than females. Male activity was higher than female activity by 9.4 percentage points (in rural areas by 17.4 percentage points). There was a larger share of self-employed in Telsiai municipality than the county average. Especially it was true for rural area of Telsiai municipality, where the share of self employed was 21.2% of the total working age population in 2011 (Table 3).

The unemployment rate in Telsiai municipality was in line with the national average. The unemployment rate in rural areas of Telsiai municipality was 12.1% in 2011 and it was by 1.7 percentage points lower than the average of the county.

A high unemployment rate among young people is a big problem of the local administration of Telsiai district municipality. It is estimated that there were 22% of young people unemployed at the beginning of 2011. These young people are usually uneducated and without any work experience. They do not have any qualification. Therefore, they fit only for a low paid physical work. Sometimes these young people even do not fit for the vocational training programmes because of their illiteracy. These marginal young employees are at the risk of economic and social exclusion.

2. Potentials and constraints on rural economic diversification on the labour market of Telsiai district

Labour market dynamism has increased due to the increase of travel to work area in Telsiai district. Local population began to travel longer distances to the cities in order to get a job. The travel costs were cut by cooperation among them to travel with one car or minivan. Specific services of transporting such employees to the city in the morning and taking them back home in the evening evolved later.

Rural entrepreneurs in Telsiai municipality still see agriculture as the main source of business activity and employment in rural areas. Production of agricultural goods is the main occupation for local population. Despite that agricultural land is relatively good for cultivation in Telsiai municipality, milk production is the most influential agricultural sector there. The conditions of international (global and regional) markets of milk products are strongly affecting incomes of local producers in Telsiai. They are very dependent on the export flows of milk products from Lithuania.

Telsiai district municipality is not fully dependent on agriculture of crafts. It has an alcohol manufacturing line there. Production of spirit and alcoholic drinks support local farmers in terms of consuming agricultural products the farmers deliver to the market. It could be an example of small cluster of agriculture and food products in the local economy.

The great unused potential of Telsiai district municipality is hiding in data industry development. Data collection, analysis, and sharing among rural population would reveal additional incentives to take economic activities in rural areas. In that way more knowledge-based jobs would be created in local economy which would create higher value added. The municipality of Telsiai together with farm and agricultural associations and with local communities should develop a mechanism of transferring good practice across the district municipality population.

Local policy is encouraging employment in Telsiai district municipality. There were some public programmes for stopping the increase of unemployment in the district municipality. Local municipality set priorities for helping small and medium sized economic activities, increasing information and data flows (accessibility, share, and usage) on the local market, and improving environment for the development of a family business. In addition, the municipality was actively working on the indirect support mechanism for local labour market, e.g. tax discounts, social initiatives, and easing the requirements

for manufacturing process or delivering products to the market.

One of the major effects of the economic crisis for Telsiai district municipality was that many of local population who had left their living places and travelled to a city or abroad in order to find a job came back home without any job. Therefore, the number of unemployment in Telsiai district municipality has grown substantially. According to the opinion of some interviewees, about 60% of those who emigrated from Telsiai district municipality came back in time of the economic crisis.

Interviewees emphasise that making progress in their life is related with the financial resources they have. Starting a new business or investing in new training programmes requires substantial financial resources. However, low savings and relatively small amount of wealth that is at disposal of common rural habitant stand as a major hardship for the progress.

Negative externality of the Rural Development programme is that the ongoing funding is concentrated into large farms or agricultural companies. Large farms and agricultural enterprises have competitive advantage compared with the small or medium sized businesses when receiving financial credits from the banks. Besides, large agricultural enterprises have better human resources for filling applications for the support. Therefore, some local people think that the EU funding should be distributed more equally across the economic actors in rural areas.

Another traditional occupation of rural citizens in Telsiai municipality is crafting. According to the interviewees, craft centres are risky due to the underdeveloped supply to the market chain of craft products. Thereby, investing own money is too risky due to the uncertainty of the product sales. Hence, marketing of craft products is the main problem of the development of crafts activities in the local area.

Human capital constraints play a fundamental role in low labour market dynamism. Business management abilities are the major constraint here. Insufficient skills of business planning, organising and analysing market data, preparing an application for support or managing business risks cut the incentives to develop economic activities by rural population. Rural entrepreneurs feel incompetent to develop a relevant business plan by themselves. The future is very uncertain, thus, there is too much risk for taking action. Lack of managerial skills of rural labour force could be solved by developed business services in the local area, initiating better-targeted vocational trainings and developing an institution of local community (or local action groups - LAGs).

The EU policy is targeted at smart (i.e. knowledge-based) economy. Knowledge-based economy is better suited for urban development. Rural development is under the threat due to the low concentration of population, low purchasing power, and lagging behind the technological, social, and cultural development of the cities. However, the most important issue one needs to pay attention to is the fact that data are becoming a major production factor (i.e. ahead the land, labour, and capital); thus, the quantity and quality of data flows play a crucial role in the development of a local area. Businessmen in Telsiai district municipality say that there is lack of market and technology data available for local

entrepreneurs in Telsiai. Business services are poor and slowly developing. The process of data (or information) transfer or good practice transfers is long in rural areas.

From institutional analysis point of view, the organisation of economic activities is chaotic, i.e. they have been evolved under the forces of stochastic business cycles and the short-term economic policy measures adopted by local or national government bodies. There is no strategic involvement of economic relations in Telsiai. Interviewees see that there is a lack of links between the elements of economic system in the rural areas for faster growth. The interaction among economic activities, types and forms of business actors, and ongoing economic processes is weak.

Interviewees emphasise that it is very important to have a community leader who could initiate various processes in order to increase economic activity of local population.

The travelling longer distance to the work could increase employment in Telsiai district municipality but local people are attached to their living place. Most of them are living in a particular rural area from generation to generation. They cannot even imagine living somewhere else. Especially it is true for older rural population. The attachment to the living area decreases labour force mobility and thus local labour market dynamism.

Survey of the pilot area revealed a fact that there was a shortage of good practise for the local population on how to increase their economic and/or social activity. The survey also revealed that many of local population in Telsiai district municipality did not trust successful good practices of others. So, there is no just a shortage of data or information for local communities but also psychological issues of believing in them. Employment policy in rural areas should not only "show" how to be employed but also to "persuade" to be employed. Therefore, it is a continuous process of inclusion of rural population into the labour market, which requires a lasting infrastructure of services for promoting human capital there.

Mechanisms of data or knowledge transfers/sharing exist in Telsiai district municipality. There were number of consultancy companies, which could help with business organisation, accountancy, or development. There were also public exhibitions in the region, which attracted lots of local population and were an interesting and attractive way of transferring good practice, new technologies, or products for local communities.

Leader could inspire other members of the community to take actions, help organise social events when local community gathers together or initiate community projects targeted at improving living conditions in the local area.

Finally, summarising the results of pilot research in Telsiai municipality, the most important constraints of rural employment development were identified:

- 1) complicated demographic situation and migration;
- 2) lack of own financial resources and lot of bureaucratic barriers;
- 3) insufficient managerial abilities and problems with marketing, business, and good practice information exchange;

- 4) lack of entrepreneurship, leadership and risk fear;
- 5) low quality of life and decrease of purchasing power.

Summarising the research of labour market in Telsiai district municipality the following potentials could be emphasised for rural employment creation:

- 1) changes of personal values and mobility of rural citizens;
- 2) better usage of existing resources and skills;
- 3) activation of exchange of business information and usage emphasised ICT infrastructure;
- 4) expansion of activity of local office of labour exchange.

3. SWOT and SOR analysis for Telsiai district municipality labour market

The following Strengths, Weaknesses, Opportunities, and Threats were considered by experts to be the most relevant to the rural employment in Telsiai municipality.

Strengths (S)

- S1. Extensive network of institutions providing public services to the labour market
- S2. Attractive market places for agricultural products
- S3. Attractive environment and countryside, rich in natural recreational resources
- S4. Developed traditional agriculture and ecological farming
- S5. Competitive SMEs (wood processing, bio fuel production, canned food production, furniture manufacturing)
- S6. Good geographical location for local tourism development. Good road network to visitors from Latvia, Russia, Poland, Germany, and Sweden
- S7. Established public Internet access points in rural areas

Weaknesses (W)

- W1. Significantly lower turnovers in retail and service business
- W2. Lack of labour places for the qualified specialists
- W3. Underdeveloped physical and social infrastructure in rural areas
- W4. Low entrepreneurship levels among rural population and weak motivation for the unemployed to find a job
- W5. Lack of cooperation among rural population involved in different economic activities
- W6. Professional retraining and education are insufficiently based on the market and marketing research or specific suggestions/calculations related with the development of new economic activities
- W7. Lack of territory attractiveness due to the underdeveloped sector of entertainment and leisure, passive social life

Opportunities (O)

- O1. The EU and national financial support for the improvement of the rural life quality
- O2. Growing supply of qualified labour force
- O3. Improvement of place marketing system
- O4. Development of cooperation between local actors
- O5. Increase in education and consulting service supply
- O6. Financial support for the environment protection and forest management

- O7. Development of the non-traditional trades, crafts and cultural heritage
- O8. Development of the information infrastructure

Threats (T)

- T1. The state social support policy fails to encourage work
- T2. Very high sanitary, safety at work and other standard requirements for business, compared with other EU countries
- T3. Non-sustainable investment into physical and social infrastructure of rural areas
- T4. Growth of bureaucratic practices in administration of the EU and national support to business
- T5. Reorganisation and centralisation of the rural public sector (local authorities, schools, libraries, cultural centres, and public utilities)
- T6. Growth of living alone, disabled people, social risk families and people number, who need social care
- T7. Macro-environment unattractive to foreign investment

The pair-wise combining of SOR factors was done by the experts from Telsiai municipality. The above table lists the issues for each combination. Each issue is given a mark according to the importance to be attributed to it for the implementation of the strategy (from 0 - not important, to 3 - very important). The SOR analysis conducted in Telsiai municipality identified 19 relationships, which were "extremely important" to rural employment in Telsiai municipality (i.e. scored 3) and 13 relationships, which were "very important". Twenty-two relationships were "important" and the other 33 were "not important". The total score of Maxi-maxi strategy was 39; Mini-maxi strategy - 32; Maxi-mini strategy - 21; and Mini-mini strategy - 16. Maxi-maxi strategy has a priority over others in Telsiai municipality.

The relationships, which scored 3 or 2 in the SOR analysis were grouped into "strategic orientations" (SO) as follows:

SO1. Promote multifunctional agriculture and new economic activities

- Develop the economic activities like wood processing, bio fuel and furniture manufacturing, canned food manufacturing, regional food products, and traditional craft items
- Facilitate the diversification of agricultural activities based on local resources
- To achieve high productivity activities through innovations and new technologies
- To promote nature-friendly behaviour in rural areas

SO2. Promote cultural and natural tourism

- Develop cultural and natural tourism: creating and offering unique services (reflecting customs and traditions of region)
- Organise marketing of rural tourism and its services
- Develop the poles of rural tourism near memorials of nature and National park
- Promote cooperation between businesses, producers of regional products, actors from tourism sectors, and the government

Table 4

SOR matrix of Telsiai municipality Labour Market Area

Factors affecting Telsiai local labour area	O1. Demand for the EU and national resources for the implementation of regional strategies	O2. Growing supply of free labour force	O3. Improving image of Telsiai	O4. Development of cooperation between local actors	O5. Increasing education and consulting service supply	T1. Insufficient state social support policy	T2. Extensive SME business control	T3. No sustainable investment policy into physical and social infrastructure of rural areas	T4. Growth of bureaucratic practices in administration of the support
S1. Developed labour market infrastructure	3	1	2	1	1	0	1	1	2
S2. Attractive market places for agricultural products	0	0	0	2	0	3	2	1	0
S3. Many potentials of natural and cultural resources	3	3	3	3	1	2	1	0	0
S4. Developed rural tourism service	2	3	3	3	2	0	3	2	3
S5. Developed traditional agriculture and viable new SMEs	1	0	1	0	1	3	2	3	3
W1. Lower traditional activities processing volumes	1	1	0	1	3	1	2	2	3
W2. Limited labour places in public administration service sector and for the qualified specialists	1	3	0	0	0	0	0	0	0
W3. Rather weak motivation for the unemployed to find a job, low entrepreneurship levels among rural population	0	0	0	0	1	3	0	1	1
W4. Underdeveloped physical and social infrastructure in rural areas	0	0	2	0	0	0	1	2	0
W5. Insufficient cooperation among rural population involved in different economic activities	1	1	1	2	3	0	0	0	0
Total	12	12	12	12	12	12	12	12	12

SO3. Enhance rural physical and social infrastructure

- Develop a strategy for sustainable and integrated rural physical and social infrastructure development
- Increase and develop social service in rural areas for senior people involving local communities
- Develop transport system in the remote areas of region
- Create information infrastructure based on e-service for rural people

SO4. Promote entrepreneurship among rural population

- Promote consultation and continuing education taking into account the specifics and needs of SMEs working in rural areas
- Create the Labour information system orientated to the jobs seekers and offers from rural areas
- Reinforce motivation of the unemployed, entrepreneurship education, creating possibilities to work and earn money

The main recommendations, based on four strategic orientations, to increase rural employment in Telsiai district municipality were identified.

1. Cooperation among local development stakeholders: partnership strategies and networks; correlating activities: agriculture, production, manufacturing, processing, tourism, retail, and transport (logistic).
 2. Manufacturing high value added products and services: agriculture - traditional agriculture, organic farming, horticulture, alternative business (snails); production, manufacturing, processing - manufacturing of organic food, rape processing, wood processing, biofuel, solid fuel briquettes, manufacturing of regional products, agricultural food production, confectionary, crafts; tourism - agro tourism, sightseeing tourism, rehabilitation services; retail - selling local products in internal marketing; transport - logistic services centre, transit transport services.
 3. Stimulating young people's interest in living and doing business in rural areas: education (knowledge centres in rural area); social infrastructure and quality of services; cooperation between institutions: providing services to the labour market and the employers, schools, and families.
 4. Improvement of business development, employment and social policies: liberalisation of the legal, political, and economic (tax system) environment; cooperation between public policy administration institutions.
 5. Decentralisation of decision-making, wide use of "bottom up" approach.
2. Empirical analyses show that the pilot area is different in the local labour market performance in Telsiai. The regions are affected by local-specific shocks and they react differently to national shocks. Therefore, the labour market policy is increasingly being decided on the regional or local level.
 3. Rural entrepreneurs in Telsiai district as the main source of business activity and employment in rural areas still see agriculture, because land is relatively good for cultivation. Another traditional occupation of rural inhabitants of Telsiai municipality is crafting but this type of economic activity is relatively weak and information about crafting products is scarce. Consumers often do not know how a craft product could be applied in daily life. There have been efforts of establishing centres of crafts with support from the EU Structural Funds but the results did not fully meet expectations.
 4. The main recommendations to increase rural employment in Telsiai rural areas were identified during the research together with local actors from Telsiai pilot areas: 1) to increase cooperation among local development stakeholders: partnership strategies and networks; 2) to ensure high value added manufacturing of products and services; 3) to stimulate young people's interest in living and doing business in rural areas; 4) to improve business development, employment and social policies; and 5) to decentralise decision-making and wide use of "bottom up" approach.

Bibliography

1. Jazepcikas, D., Raupeliene, A., Vitunskiene, V. (2009). Institutional Model of Employment System in a Rural Area. Rural Development 2009: Proceedings of the Fourth International Scientific Conference, 15-17 October, 2009. Akademija, Kaunas region, Lithuania. Akademija: Lithuanian University of Agriculture, ISSN 1822-3230, Vol. 4, b. 1, pp. 196-202.
2. Raupeliene, A., Jazepcikas, D. (2009). Typologies of Rural Areas in EU-27 for Spatial Analysis: Rural Labour Market Approach. Rural Development 2009: Proceedings of the Fourth International Scientific Conference, 15-17 October, Akademija, Kaunas region, Lithuania. Akademija: Lithuanian University of Agriculture, ISSN 1822-3230, Vol. 4, b. 1, pp. 127-134.
3. Vitunskiene, V., Jazepcikas, D., Janusauskaite, G. (2007). The Unevenness of Life Quality in Lithuania's Rural Areas: Economic and Social Dimensions. The Role of Social Capital and Grass-roots Initiatives in Rural Development: Proceedings of International Symposium, May 16-17.
4. Barredo, J.I., Petrov, L., Sagris, V., Lavallo, C., Genovese, E. (2005). Towards an Integrated Scenario Approach for Spatial Planning and Natural Hazards Mitigation. EUR 21900 EN. Retrieved: <http://moland.jrc.it>. ISBN 9986-820-24-3.
5. Moritz, L. (2008). IGEAT-ULB, Exploring Rural Futures. The ESPON Scenarios, Europe's Rural Areas in Action - Facing the Challenges of Tomorrow, Limassol, Cyprus, October 16-17, 2008.

Conclusions and recommendations

1. The economic and employment situation in Telsiai municipality (LAU1) of Telsiai county (NUTS3), which were chosen as pilot areas in Lithuania was analysed for the implementation of the research aim. These areas under the regions typology could be classified as "developing" and "significantly rural", while Telsiai labour market area is characterised as "remote" region.