Entrepreneurial Parameters and Classification – Typology for Rural Areas

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Abstract: Up to the mid 1980's, the European Union (EU) based its rural development policy approaches on uni-dimensional models. The need for a more comprehensive, multidimensional tool for policy formulation and evaluation became evident when the negative repercussions of the EU Common Agricultural Policy (CAP) in the mid '80's had to be faced by policy makers, especially in response to rural areas depopulation problems, increasing income inequalities, and environmental degradation problems.

Over the past thirty years, rural regions in Greece have undergone dramatic structural changes, which in turn have altered their identity. The change in employment composition in the newly formulated rural areas is a typical indication of the transformations taking place in the agricultural sector, and leads to a pressing need for a set of new definitions for typology of those areas.

More specifically, the emerging need for applying new methodologies for Greece, and other EU regions with similar characteristics, as well as defining the appropriate classification data sets, is pertinent to rural policies. Such policies, for example territorial policies, aim explicitly at the economic development of rural areas and in many instances focus on regionalized interventions for particular places.

This paper introduces a set of classification – typology criteria which originate from entrepreneurial behaviours in the rural areas. Further, aiming at the requirements set by the new EU Rural Development Regulation EC 1698/2005, the existing typology methodologies are reviewed, their strengths and weaknesses are presented, and the emerging need for an enhanced methodological tool for rural classification is elaborated.

In conclusion, the primary contribution of this paper is the proposition that for a flexible response to policy needs (policy targeting and monitoring of rural development), the classification-typology is best derived when accounting for entrepreneurial activity parameters.