

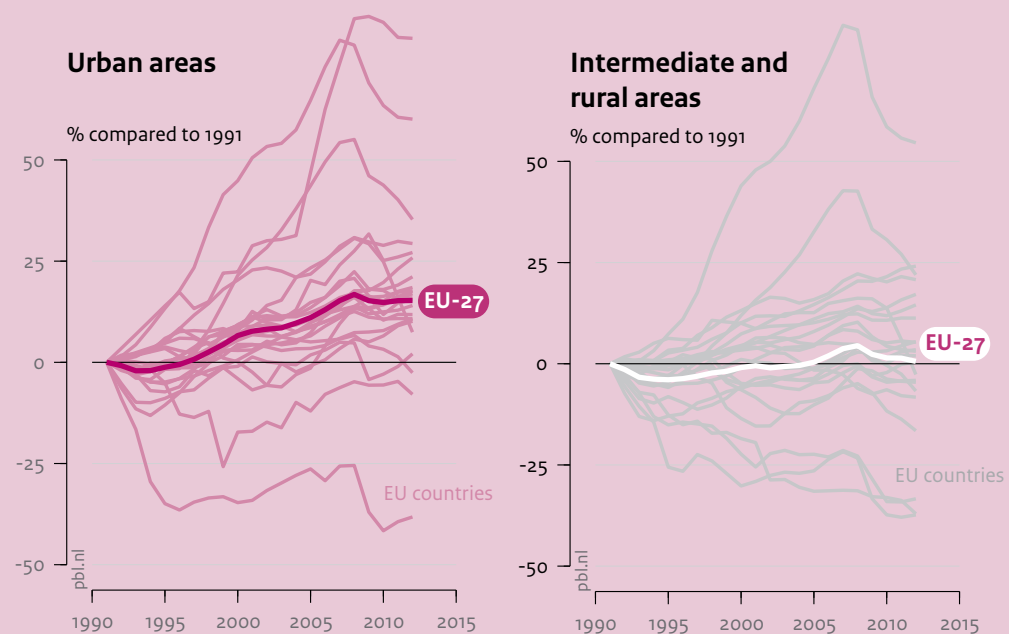
Stronger job growth in urban areas

For centuries, people have migrated to cities to find work, and this trend continued into the 21st century. In the first decade of this millennium, European cities, on balance, outperformed rural areas in terms of job growth. The gap between urban and rural areas is widening; the difference in job growth in the 1990–2012 period in both area types across Europe (EU-27) was almost 15% (PBL, 2016).

Monitoring this trend is important in the context of both the European Union's smart growth and inclusive growth agendas. With these agendas the EU aims, among other things, to raise Europe's employment rate (75% employment rate for people aged 20 to 64, by 2020). This requires not only the creation of more jobs, especially for women, young people and older and low-skilled workers, but also a modernisation of labour markets, and investment in education and skills training.

As 'engines' of the European economy, cities have a key role to play in translating EU and national smart and inclusive growth policy objectives into concrete action. In terms of job growth, different European urban areas show different developments. Geography and differences in the structure of national economies matter. In the 1990–2012 period,

Change in the number of jobs in the EU-27



job growth in rural and urban regions virtually went hand in hand in Ireland, Portugal, Austria and the United Kingdom. At the other end of the spectrum, urban regions in Bulgaria, Romania, Poland, Slovakia, Hungary and Lithuania performed far better than their rural counterparts over the same time period. Romanian and

Lithuanian rural regions, for instance, lost over 30% of their jobs. The Netherlands follows the EU average, albeit somewhat less pronounced in its divergence and at a higher overall growth rate. The only country which seems to defy the trend is Belgium; here, rural job growth outperformed that of the cities.



Source: Cambridge Econometrics, adaptation by PBL