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HETFA Research Institute

HETFA is an independent think tank in Budapest, Hungary established in 2009. It was founded by young economists, political scientists and sociologists sharing theoretical and practical experience in social research, public administration and consultancy.

Our goal is to provide useful and evidence-based analyses on national as well as local policy issues for the decision-makers and the policy expert community to improve the quality of public debates and public decisions. We also prepare and coordinate cross-border, transnational and EU projects.

HETFA uses a multidisciplinary approach in its research projects on the following fields:

- public governance,
- entrepreneurship and SME policy,
- better regulation and cutting red tape,
- employment policy,
- health & education,
- local governance,
- cohesion policy,
- regional policy, and
- rural development and development opportunities of lagging regions.

Interest in getting involved in the tender for Applied Research “The Future of Europe’s Shrinking Rural Regions: Trends, Perspectives & New Agendas for Territorial Governance”

Theme A – Improving the adaptive and innovative skills of rural areas

Recently global trends have contributed to the **demand for goods produced in rural areas** and the transformation of urban-rural relations provide new opportunities for rural areas.

The growing demand and need for healthy, organic food in urban areas, renewable energy sources and interest in rural tourism, as well as on the supply side the decentralization of the organizational structure of large

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companies, can be highlighted as “offshoring”.

Only a very few rural areas have the resources to recognize the opportunities and to pursue their endeavours by exploiting the right forms of financing. Many Hungarian research prove that an **open-minded attitude towards novelties greatly contributes to the success of innovation and the development of the region.**

The question is **which skills and features a rural community has to acquire to adapt to the ever changing economy more easily, and to play an active role in various innovative approaches.** It is particularly important to identify good practices, to familiarize themselves with the possibilities of an extensive application, to designate directions for state intervention and to assign appropriate tools for rural development guidelines.

Theme B - Opportunities for effective employment policy instruments to be used in rural areas

Another direction of the research could be specifically directed on those **employment policy instruments that have become the inevitable, compulsive tools of the most isolated, disadvantaged rural regions.** There may be reasons to believe that the **range of active assets** (such as vocation training, wage subsidies and housing allowances) as well as **flexible forms of employment** (like part-time employment, teleworking, social cooperatives, etc.) are constantly growing in Hungary. However, it is a major issue that the use of active assets is most often applied in an ad hoc way and not in multi-step, complex programs, thus they do not take proper account of the specific features of rural areas (such as transport isolation and low local labour supply) and the directions of rural development. It is **only possible to get out of the poverty trap with the effective use of active assets**, like providing income for the long-term unemployed and through their return to the labour market.

Understanding the underlying conditions for the effective use of active assets in rural areas is key to the future of rural communities. Under these circumstances, it is important to apply employment policy tools adjusted to local conditions and to use them with already existing rural development efforts in an integrated way. In this part of the research, with the help of qualitative research methods we would **explore the areas and initiatives that have made a lasting success in the employment of local disadvantaged workers.**