

Overview of income and non-income rural poverty in developed countries

Paola Bertolini

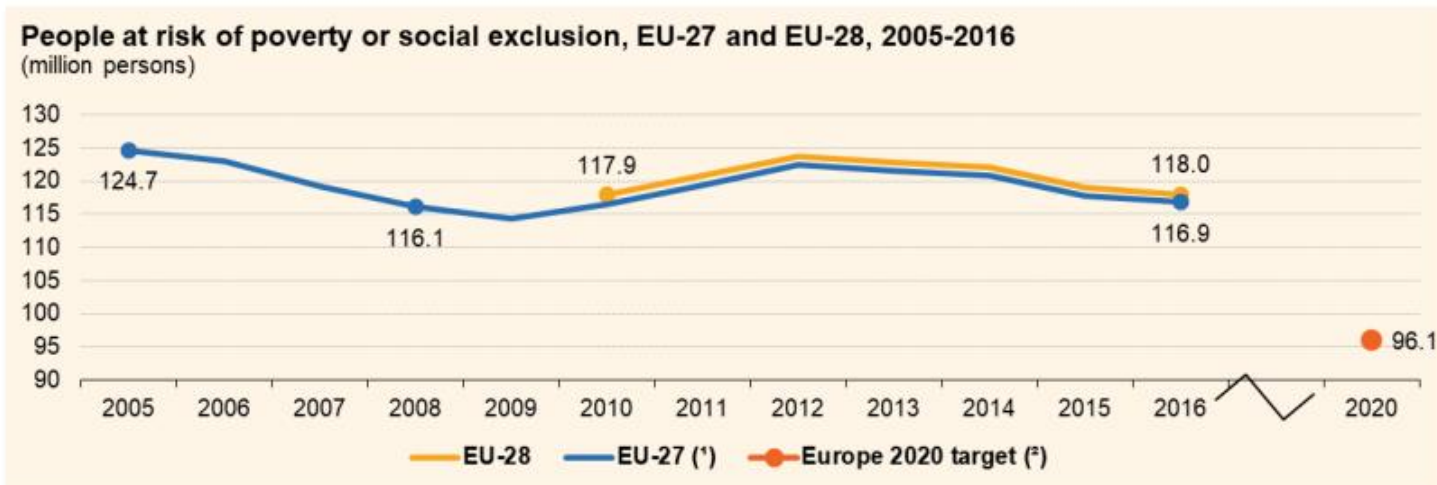
Department of Economics Marco Biagi

Center for the analysis of Public Policy (CAPP)

University of Modena and Reggio Emilia (UNIMORE)

paola.bertolini@unimore.it

If poverty and risk of exclusion is important in EU



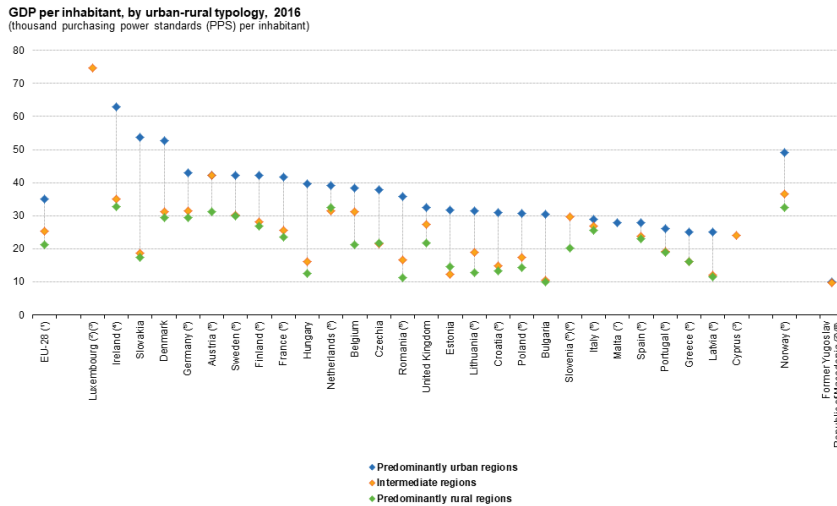
(¹) Data for 2005 and 2006 are estimates.

(²) The overall EU target (referring to the EU-27 — the 27 EU countries before the accession of Croatia) is to lift at least 20 million people out of the risk of poverty or social exclusion by 2020. Due to the structure of the survey on which most of the key social data is based (EU Statistics on Income and Living Conditions), a large part of the main social indicators available in 2010, when the Europe 2020 strategy was adopted, referred to 2008 as the most recent year of data available. This is the reason why monitoring of progress towards the Europe 2020 strategy's poverty target takes 2008 as a baseline year.

Source: Eurostat (online data code: t2020_50)

...rural poverty is more important

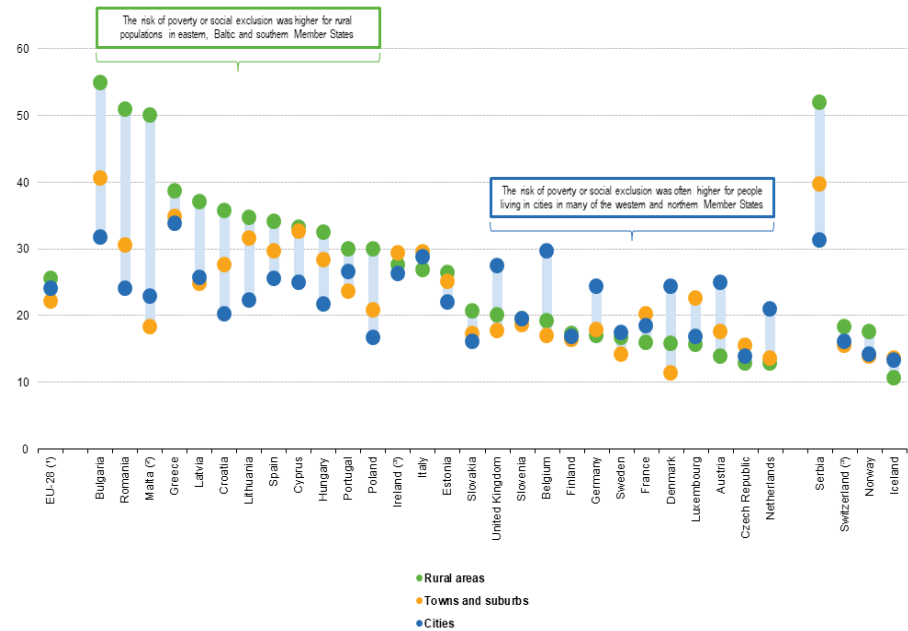
Lower GDP per capita in rural areas



(*) Estimates, based on the latest available information for each of the EU Member States.
 (**) 2014.
 (***) Predominantly urban regions and predominantly rural regions: not applicable.
 (****) Dublin (IE021) and South-West (IE025), 2014; all other regions, 2015.
 (*) 2015.
 (**) Predominantly urban regions: not applicable.
 (***) Intermediate regions and predominantly rural regions: not applicable.
 (****) Predominantly rural regions: not applicable.
 Source: Eurostat (online data code: nama_10r_3gdp)

But divergences in poverty rate between rural areas

Share of people at risk of poverty or social exclusion, by degree of urbanisation, 2015 – Source: Eurostat



Note: ranked on rural areas.
 (*) Rural areas: estimate.
 (**) Rural areas: low reliability.
 (***) 2014.

Rural poverty is still a significant aspect of EU

- According to Eurostat data (see next table), in 2017, **111.6** million Europeans classified as being exposed to at AROPE. In other words, almost one quarter (23.5%,) of the EU-28 population, was living at risk of poverty or social exclusion (AROPE).
- by degree of urbanisation: **people living in rural areas has the highest risk of AROPE (32 millions, 23.9 %)** while people living in towns and suburbs had the lowest risk (21 %) and in city the AROPE was 22.6 % for citydwellers

People at risk of poverty or social exclusion by degree of urbanisation, 2010-17				
DEG_URB	Cities	UNIT	Percentage	
GEO/TIME	2010	2017	G2010	2017
European Union - 28 countries	52.512	47.244	22,7	22,6
European Union - 27 countries (2007-2013)	52.185	47.042	22,7	22,6
DEG_URB	Towns and suburbs		D Towns and suburbs	
GEO/TIME	2010	2017	G2010	2017
European Union - 28 countries	26.943	32.710	20,4	21,0
European Union - 27 countries (2007-2013)	26.729	32.361	20,3	21,0
DEG_URB	Rural areas			
GEO/TIME	2010	2017	G2010	2017
European Union - 28 countries	37.725	32.731	29,1	23,9
European Union - 27 countries (2007-2013)	36.944	32.197	29,0	23,8

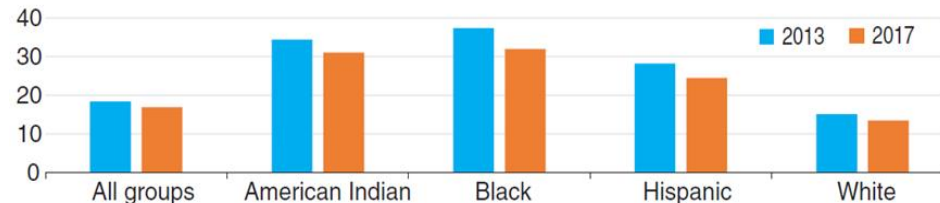
In Us similar patterns

Rural poverty rate in USA in 2017:

- Higher (16,4%) compare to urban poverty rate (12,9%)
- Urban and poverty poverty rates declined since 2013 but urban poverty has a faster decline so the rural-urban gap increased
- Aging is a general aspect for rural areas arising problem of risk of exclusion by basic services such as transportation, healthcare, retail, and other
- The last problem is bigger in the sparsely and populated and remote regions
- (see Rural America at a glance, 2018 edition)

Ethnicity and employment rate are relevant in US rural poverty

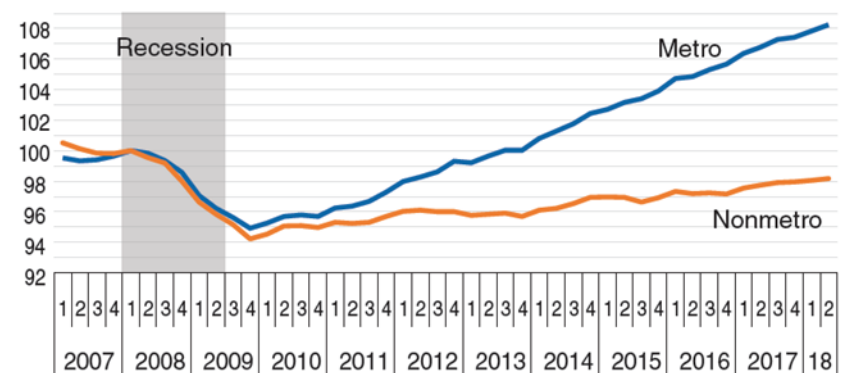
Percent of nonmetro population in poverty



Note: Statistics reported for Blacks and American Indians include Hispanics, whereas those for Whites exclude Hispanics. Groups with relatively few rural residents (Asians, Pacific Islanders, and those reporting multiple races) are not reported here.

Source: USDA, Economic Research Service using data from the U.S. Census, American Community Survey, 1-year data.

Employment index (2008 Q1=100)



Rural poverty declining but urban-rural gap is maintaining

- Rural poverty shows a reduction in both EU (- about 5 millions of people at risk, moving from 29,1% to 23,9% between 2010-17) and US (- 925.000 people, - 2% between 2013-17)
- Diversification of rural areas but rural gap in poverty is still persistent and has specific features and specific groups at risks
- Economic growth of the country, generally, plays a positive effect reducing rural poverty:
 - see differences Eastern-Western countries
 - the higher is the economic development of a country, the more the risk of poverty is moving from rural areas to the urban and intermediate areas

rural poverty is more hidden than urban poverty

- why?
 - Difficulties in defining and collecting data
 - dispersion of population and less organised people with weaker voice compare to other groups at risk of poverty
 - social stigma against the request of attention
 - stereotypes that assume that family and community support is stronger in rural areas than in cities
 - [http://www.europarl.europa.eu/RegData/etudes/BRIE/2017/599333/EPRS_BRI\(2017\)599333_EN.pdf](http://www.europarl.europa.eu/RegData/etudes/BRIE/2017/599333/EPRS_BRI(2017)599333_EN.pdf) pag. 4

Negative effects of rural poverty for whole society

- abandon and environmental risks (flooding, landslides, fires,...) with human, public and private costs
- Risk of degradation of the rural culture and landscape and loss of diversification
- Emigration and congestion of cities (neighborhoods)
- Effect on public/private budget: selective migration requires and public/private support for elderly people who remain
- Cumulative process of vulnerability and in perspective of degradation: territorial divide
- Degradation and decrease of value of real estate

poverty in rural area: vulnerable people

- **Farmers and agricultural workers:** small farmers, agricultural seasonal workers, low pensions, ex-workers of the former state farms
- **Elderly:** lack of services, isolation, low pensions,
- **Immigrants:** undeclared economy, housing, education, family rejoining
- **Youth:** education, employment, migration
- **Women:** educational gap, activity and employment rates, elderly, farm women
- **Children:** large families, education, housing
- **Ethnic minorities:** large households, children, bad housing, health, education, employment

Rural-urban differences in vulnerable people

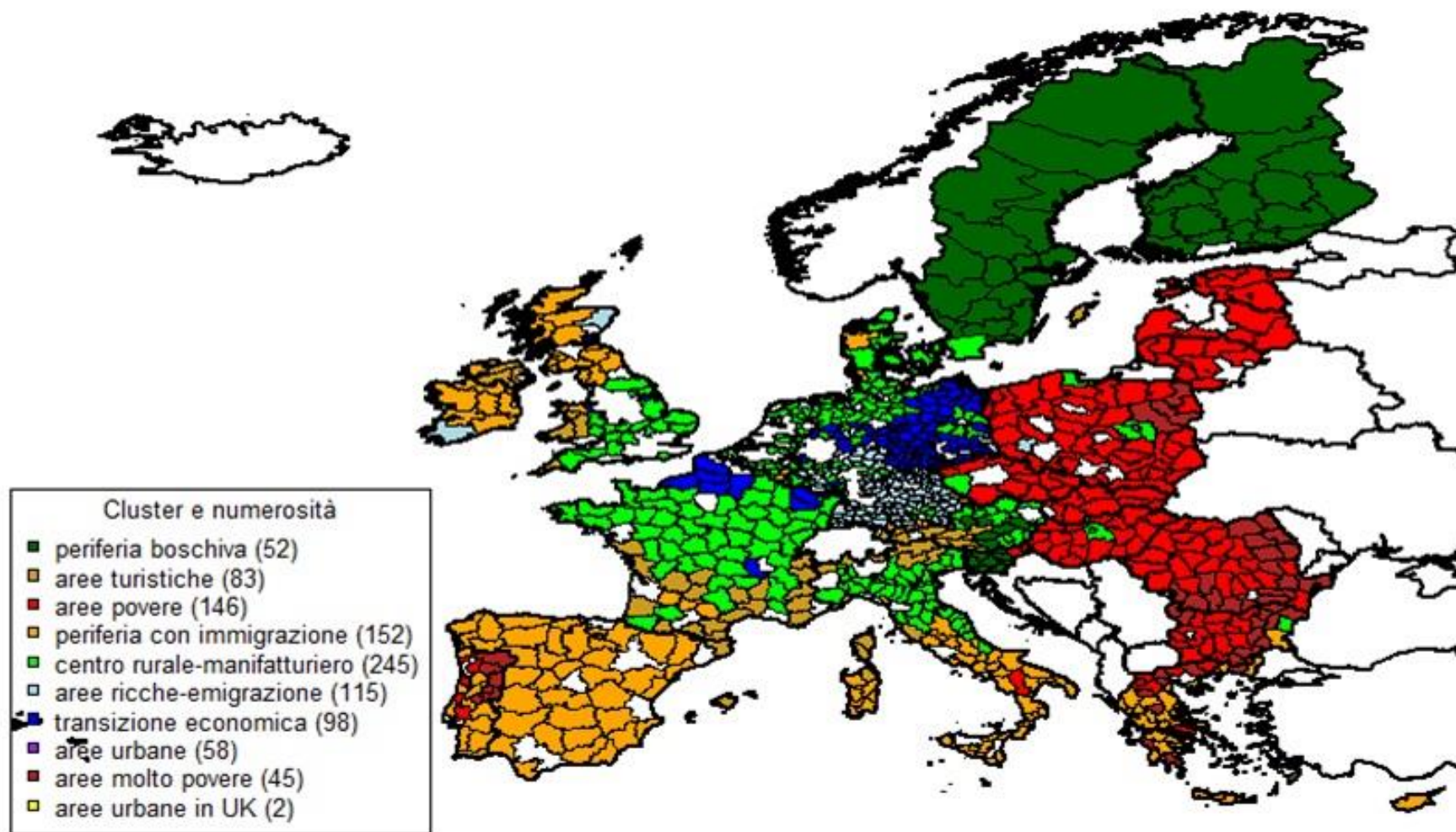
- Not many differences with the only exception of farmers and agricultural workers is the same.
- The great difference is the condition of reproduction of public goods (infrastructures) and common goods (relationships, culture, trust, participation, etc.)

Poverty of rural areas do exists: EU

Typology of Rural areas	Population (%)	Surface (%)
Rural areas influenced by urban	2,76	0,17
Rural areas with hight development	46,21	47,24
Rural areas with low development	51,03	52,59

Source: Bertolini, Pagliacci (2012)

Poverty of rural areas: geographical patterns and economic conditions



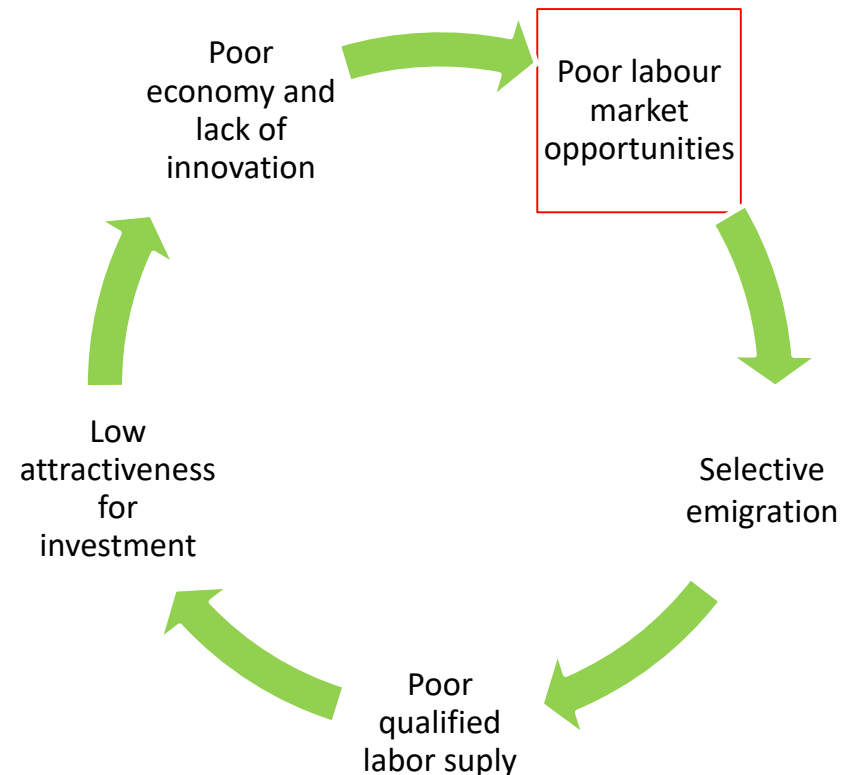
Poverty of rural areas

Influenced by specific traits of rural areas very important in engender, reproduce and enlarge the risk of poverty and social exclusion for the rural population. In particular:

- Labour market
- Demography
- Education
- Remoteness, low infrastructure and difficult access to basic services

Vicious circle of labour market

- Poor presence of manufacture and services requiring high skill work
- Relevance of **agriculture** in labour market
 - Lower income, greater seasonality, lower pensions (for farmers and agricultural workers or low level of state workers)
 - undeclared immigration
- Gender: labour market barriers for women (low qualified work, high seasonality, lower wages)

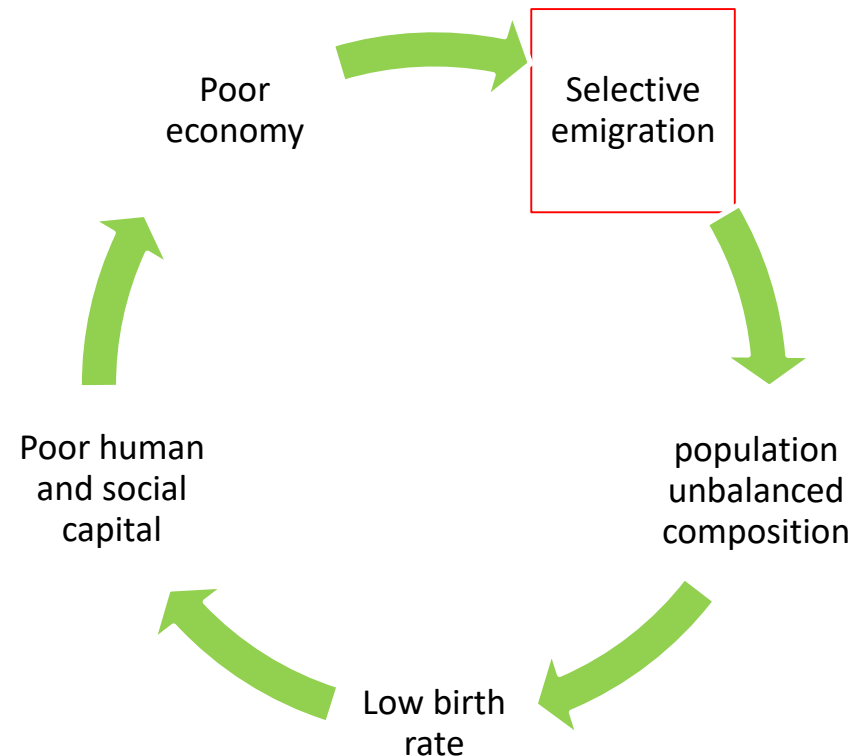


What we learn?

- Pay attention to the **agriculture** and valorise local resources deriving by agriculture and forestry
 - Moving from agricultural perspective to agrofood perspective for reinforcing added value in agriculture
 - Building network of enterprises (agro-agro, agro-processing, agro-retail, also trough cooperation)
 - Multifunctional agriculture (sustainability and natural risk control , education, social inclusion, leisure)
 - Valorize local production and culture of local food (in EU PDO and PGI (good institutions, common rules))
 - Avoid use of illegal low-paid immigrants or women
- ... **but also to industry** (SMEs) and **services** (turism but also basic services and advanced services using ICT)

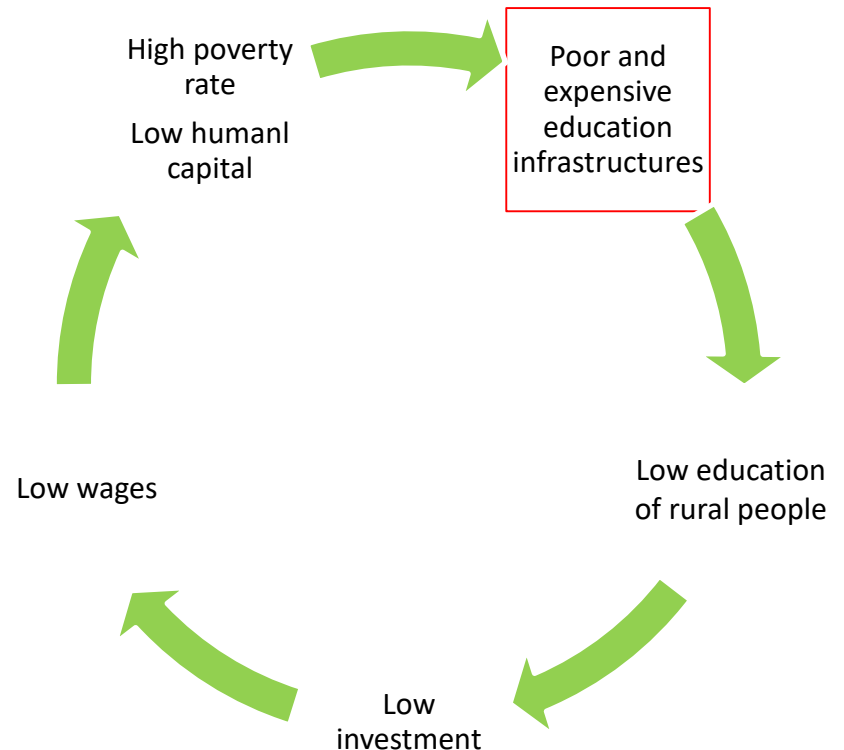
Vicious circle of demography

- High and **selective emigration** toward cities or abroad engenders many negative aspects in demography:
 - unbalanced composition of the population with phenomena of **aging, feminization** (in Western countries) and **masculinization** (Eastern countries)
 - Low birth rate enlarges the progressive disadvantage of demographic trends
 - Aging: particularly severe in remote rural areas (old people living alone, especially single women: isolation of population needing basic services)
 - progressive impoverishment of human and social capital of the areas
 - Poor economy



Vicious circle of education

- Schooling is difficult and expensive, requiring higher public and individual cost (cost and time of commuting)
- general lack of pre-school facilities
- quality of education: lower in rural areas (education infrastructure, qualification of staff, scarce ICT, obsolete or missing equipment for vocational training and apprenticeship)
→ impoverishment of rural areas in terms of quality of human capital

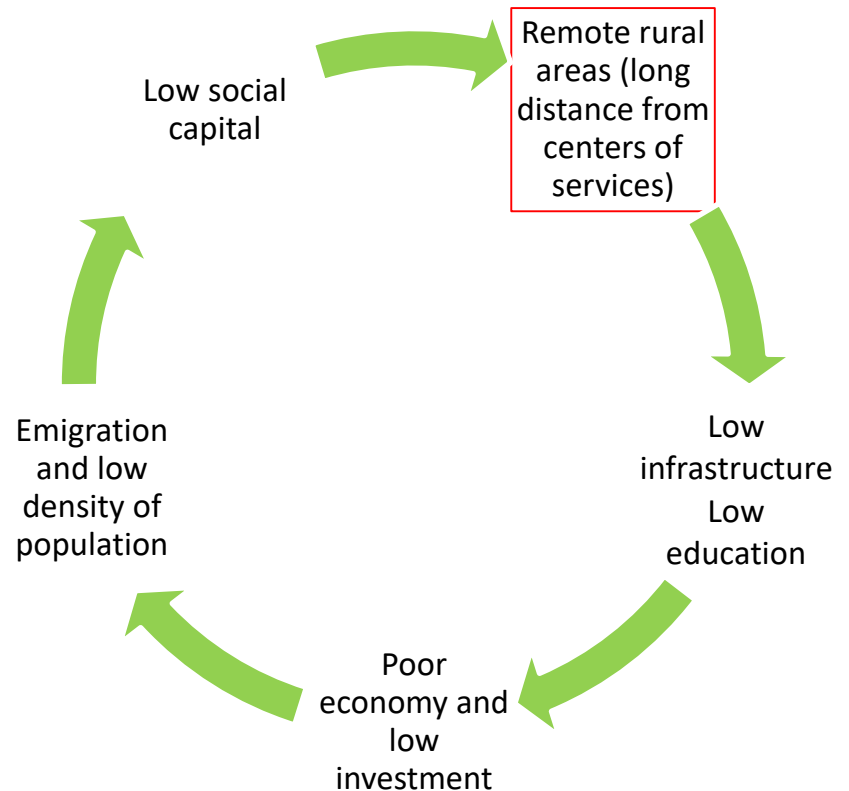


Vicious circle of remoteness

Limited, expensive and time-consuming supply of:

- **public transport**
- **health care** (lack of emergency services)
- **school and services**
- **digital gap**: lack of physical infrastructure (broadband), lack of education for ICT

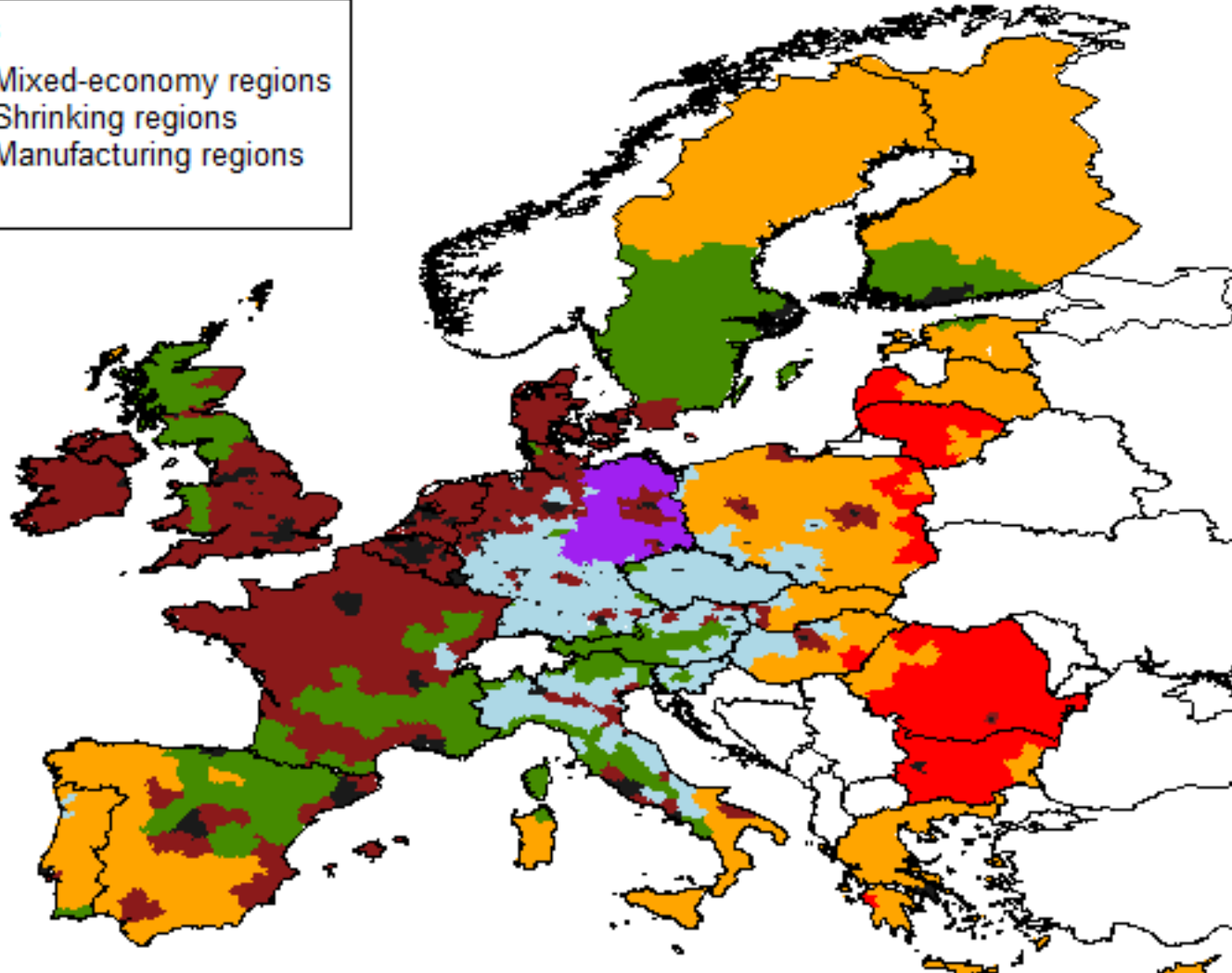
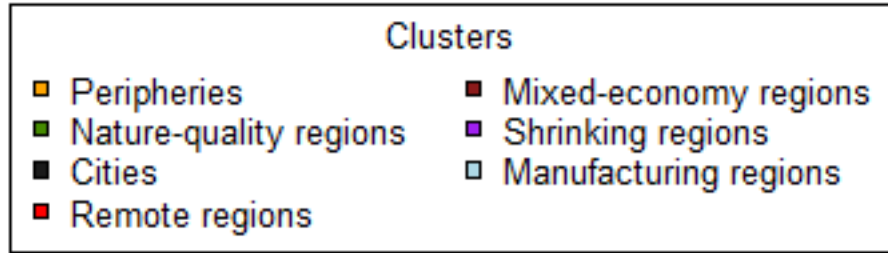
→ impoverishment of rural areas in terms of quality of life/attractiveness for people and capital



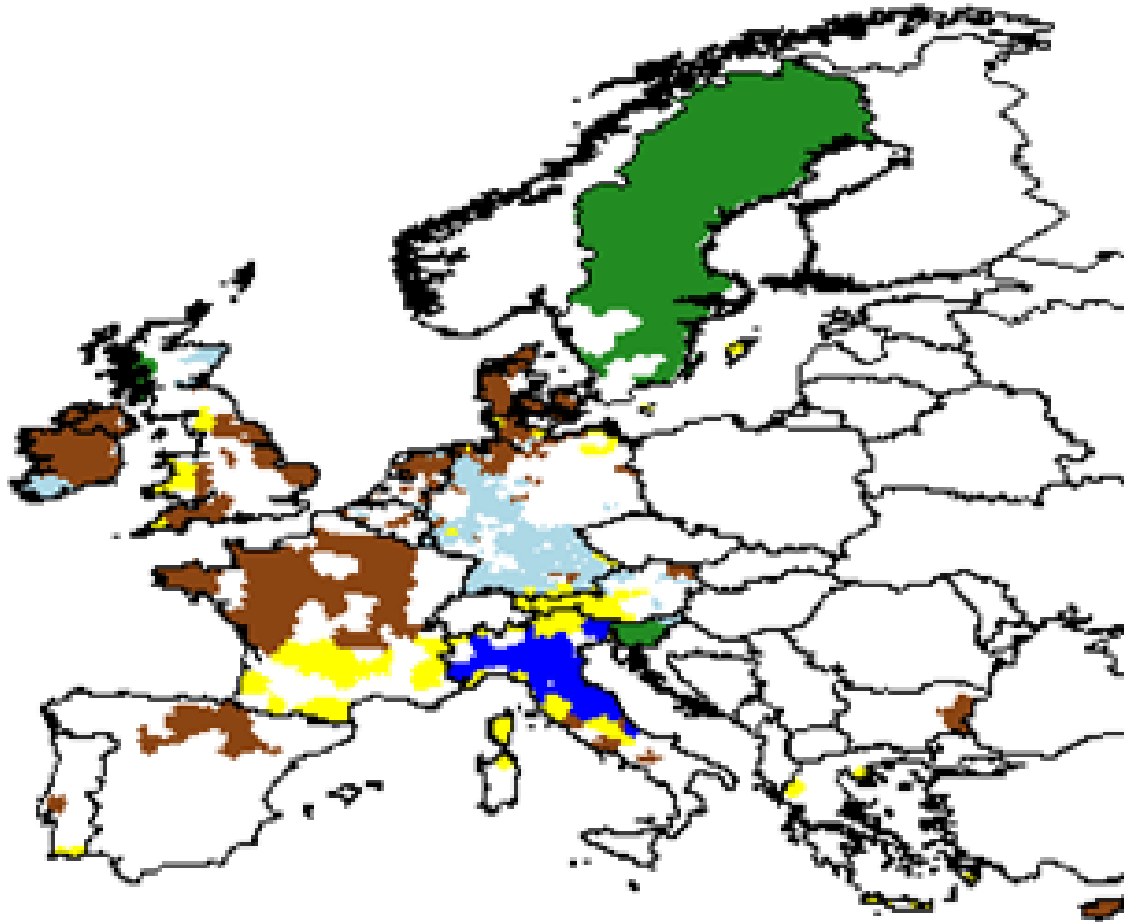
Vicious circles and impoverishment of social capital of rural areas

- Interaction of vicious circles and progressive reduction of social capital of rural areas:
 - Reduction and impoverishment of networks of relations among individual or collective subjects
 - On its turn, impoverishment of local institutions, political representativeness, cultural capital and identity
- ... enlarged by remotness
- It is necessary to brake the vicious circles for fighting against rural poverty

However: Polymorphism of rural areas



Developed rural areas

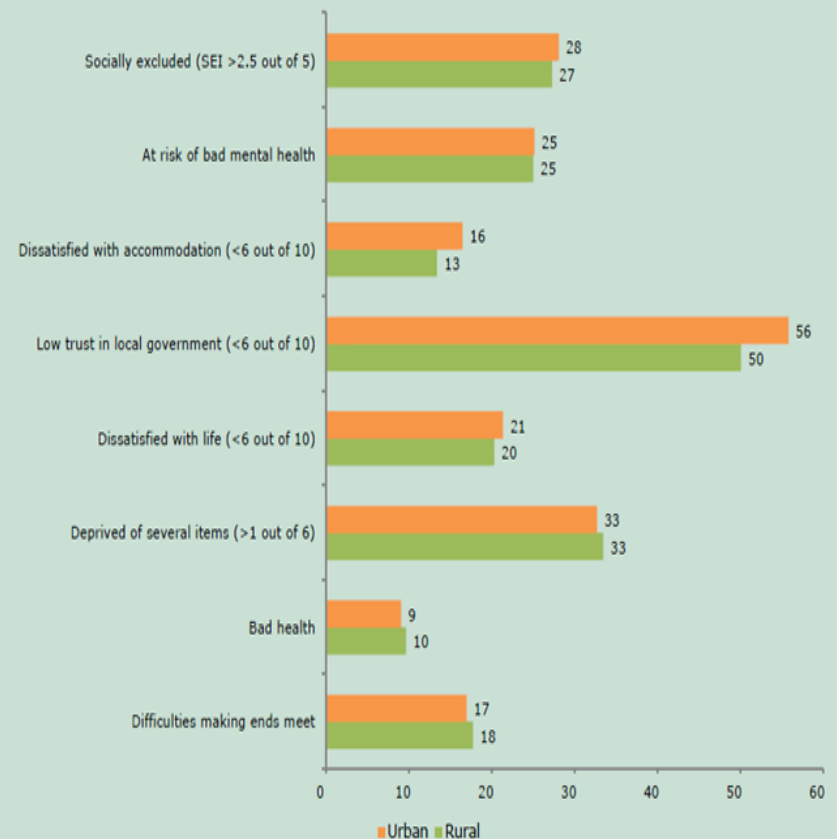


To avoid:

Avoid correlation between:

- rurality and backwardness: no univocal relationship between poverty and rural condition
- poverty and agriculture or poverty and farm dimension
- Rurality and bad quality of life (see Eurofound, European Quality of Life Survey, 2014)

Negative aspect of quality of life EU28, 2014



Source: Third EQLS

What we learn by reach rural areas?

- Differentiation of drivers:
 - General economic situation
 - Link rural-urban
 - Agriculture and agrofood tradition
 - Dispersion of Industry, services and craftsmanship
 - Tourism
 - Environment and nature
 - Counter-urbanisation (commuting, return migration, immigration, pensioners)

Policy?

- Multi-dimensional policies for a multi-dimensional problem
 - poverty in rural areas:
 - There are specific groups at risk inside rural areas, among them farmers and agricultural workers
 - poverty of rural areas
 - there are specific traits of poverty of the context of rural areas (not of all rural areas) and specific drivers reproducing RIPSE
- Complexity and differentiation of policies required

Different policies

- Different path of intervention but in common:
 - national policies for large infrastructures (transport, public health, public schools, aqueducts) (top-down, prevailing in '50s-'70s)
 - national policies to support the vulnerable subjects (no distinction between rural and urban) (top-down)
 - Agricultural policy
 - Since '80s place-based policies (on specific local characters and resources, animation of local people and support of capacity-building to local institution (bottom-up))
 - coordination between different level of policy and mix of both bottom-up and top-down

Limits of local institution and of policymakers

- Institutions (and policymakers) are very important but they are differentiated: how to stimulate institutions to avoid the risk of arising other inequalities?
- Importance of capacity-building and education (help local actors in designing projects, strategy, coordination, evaluation)
- evaluation at each step of a policy (ex ante, intermediate, ex post)
- indicators decided through a participatory process (see open method of coordination in Europe 2020)
- Benchmarking where possible
- competition through incentives (i.e., performance reserve in cohesion policy of EU)
- dissemination of good practices to enlarge imitative process

New rural paradigm (see OECD)

There is no standardized recipe for fighting against poverty of rural areas.

Attempts, errors, learning, progressive adjustments is a method of intervention.

Possibility of shortening the process using imitation and adaptation of good practices

	Old approach	New approach
Objectives	Equalisation, farm income, farm competitiveness	Competitiveness of rural areas, valorisation of local assets, exploitation of unused resources
Key target sector	Agriculture	Various sectors of rural economies (rural tourism, manufacturing, ICT industry etc.)
Main tools	Subsidies	Investments
Key actors	National governments, farmers	All levels of government (supranational, national, regional and local), various local stakeholders (public, private, NGOs)

Source: OECD, *The New Rural Paradigm: Governance and Policy*, Paris: OECD 2006 <http://www.oecd.org/gov/regionaldevelopment/thenewruralparadigm/policiesandgovernance.htm>

Suggestions by developed countries

- knowledge of the problem requires a good definition of rurality and of poverty. no a single and best way to define rural regions but avoid a simple dichotomy rural-urban (no single category of rurality) and capture rural-urban linkages
- rural poverty go beyond the income. The the concept of social exclusion is useful for capturing the multidimensionality of poverty.

••••

- put under control **demography** and **diversification** of the activities, offering support to **youth**, and implementing the necessary **infrastructures** for attracting diversified activities in rural areas and investment, especially by SMEs.
- **Agriculture** maintains a great importance but it has to be renewed in term of age of farmers and workers using also incentives (improving **income and wages**) and new **form of activities** as sustainability and environment, tourism, social aims, et.) new services
- economic activities in rural areas need to have a good productivity based on the exploitation of their competitive advantages, given their location, natural or historical endowments, environment attractiveness, human capital, territorial and social capital and connectivity to other places. At this regard, **networking is very important** for agriculture but also for the other activities (i.e., cooperatives, associations).
- Economic activity is important for reducing poverty but also the **social context is crucial**, especially for maintaining youth or for attracting new residents. In particular social relations are very important and Centers for social relations should be considered: Gym and sport centers, culture and education, pub, or other Supporting initiative of local population at this regard may play an important role in increasing local employment and in maintaining social context. Initiatives in education and care assistance, especially on the basis of the private initiative of people living in rural areas or their proximities, are very important for reducing the gap with urban areas.
- **Environmental protection** is an essential element for defending the economy and the well-being of rural populations. Greater coordination between countries at the international level is very important for implementing actions to reduce existing damage resulting from climate change.
-



- Infrastructures are very important for assuring connectivity among enterprises and services , rural- urban. No isolation
 - basic and traditional infrastructures (transport, road, water, electricity, gas, hospital and education)
 - broadband
 - trade-off between improving rural context and public expenditure control in the delivery of services such as health and education, based on minimum scale requirements of population. In this field it is possible to experiment **new form of delivery of services organized by local population**, such as social cooperative for transport or social/health assistance.
- Capacity building of local administrators
 - education and systematic monitoring are very important.
 - Definition of clear targets and indicators AND self-education through trials and errors.
 - imitation and adaptation of good practices
 - partnership implementation at all the useful level, as rural-rural, rural-urban, public-private, business-no profit. Also for sharing economic initiatives especially in infrastructures.
- Public policies and have to be better integrated and coordinated, with particular regards to social and rural policies
 - Their effectiveness and sustainability for the future require a design based on incentives that promote self-sustained initiatives.
 - The experience of developed countries: not fully apply to developing countries, because especially poverty in developed countries' rural areas may be different in term of vulnerable people or dimension of poverty.
 - It may offer some suggestions to the developing countries on the possible positive elements affecting rural development and on the methodological approach for designing policy
 - Regarding practical implementation, **bottom-up and place-based approach suggests that there isn't any solution if not tray and errors.**

Example of dissemination of good practices

- **RegioStars Awards:** identify **good practices** in regional development and highlight original and **innovative projects** that are attractive and inspiring to other regions.
- See: https://ec.europa.eu/regional_policy/EN/regio-stars-awards/#1



The poster features a dark blue background with a central graphic of a globe and various icons representing different sectors like energy, transport, and urban development. The text 'REGIOSTARS 2019' is at the top, and 'European Commission' and 'Regional and Urban Policy' are in small boxes. Below the graphic, the text 'APPLY NOW' is written in large blue letters, followed by the dates '19/02 > 09/05 2019'. A list of five categories is provided, and there are four horizontal lines for contact information. At the bottom, the website 'ec.europa.eu/regiostars' and the hashtag '#RegioStars' are listed, along with the European Commission logo and 'Regional and Urban Policy' text.

European Commission

REGIOSTARS
2019

Regional and Urban Policy

APPLY NOW

19/02 > 09/05
2019

WE ARE LOOKING FOR EUROPE'S MOST INNOVATIVE PROJECTS!

Category 1 • **Smart growth:** Promoting digital transformation
Category 2 • **Sustainable growth:** Connecting green, blue and grey
Category 3 • **Inclusive growth:** Combatting inequalities and poverty
Category 4 • **Urban development:** Building climate-resilient cities
Category 5 • **Topic of the year 2019:** Modernising health services

ec.europa.eu/regiostars #RegioStars

European Commission | Regional and Urban Policy

Example of award

- An abandoned quarry village on the north west Wales coast has been restored and expanded to become a thriving centre for Welsh culture. The ... centre, ... welcome tourists visiting the picturesque surrounding countryside.
- *“The cultural centre has been a huge success in an area of limited economic activity. It is now a major employer and contributor to the local economy, and known internationally as a visitor attraction and promoter of the Welsh language and culture”* (Jim O’Rourke, Nant Gwrtheyrn project manager).
- *In the topic:* Investing in cultural heritage



Examples of coordination of policies by EU

- Coordination among different policies that may interact in the territory. Example: coordination between Cohesion or Regional Policy (it supports job creation, competitiveness, economic growth, improved quality of life and sustainable development) , Rural Development Policy (the second Pillar of the CAP), Social policy inside ESI Funds and in relations to the Europe 2020
- place-based policies are strongly valorised in the different steps of the policy (decision, implementation and evaluation) but they have to take care of the general objectives decided in the Strategy 2020
- Combination of top-down and bottom-up approaches in the definition of the general policies and in the implementation

Example of good practice

- Policy for inner areas in Italy (remoteness and distance from services)
- Promotion of many experimental policies decided with a bottom-up approach and collaboration between different institutions located in Inner areas

Good practices of top-down initiatives

NATIONAL AND REGIONAL STRATEGIES TO REVITALISE RURAL SERVICES

Rural depopulation

- **Inner Area Strategy in Italy:** a national integrated strategy for the socio-economic development of inner areas affecting some 13 million people who are relatively far from service centres. It includes four multi-funded area-based pilot strategies with a strong focus on supporting local service innovation.
- **Services in peripheral and rural areas of Sweden:** the strategy supports actions to promote accessibility to private and public services.
- **The Spanish law for sustainable rural development:** an integrated approach to support rural infrastructure, ICT and a wide range of rural services, as well as economic development. The law was dormant during the financial crisis, but has recently been revived. The Spanish government is also developing a strategy against depopulation.

The rural-urban divide and the spatial concentration of services

- **'Reciprocity contracts' in France** take the form of a contract between cities and their surrounding countryside

aimed at improving the sustainability of rural services and environment, as well as economic development.

- **The 'Service Design' strategy in Flanders, Belgium,** aims to improve transport and mobility in the Belgian western Flemish municipalities by involving citizens in decision-making processes.
- **Social resilience in the Brabant Region, the Netherlands,** supports learning networks and community-led initiatives.

Promoting a digital transformation of rural areas

- **The 'Smart Countryside' study in Finland** provides a comprehensive analysis of the challenges and opportunities for digitising rural services in Finland. The intention is to develop pilot actions that support innovation in a series of rural services.
- **The 'Digital Villages' initiative in Germany** involves pilot initiatives in three villages to develop digital solutions for rural services.
- **The digital agendas of several countries such as Germany, Spain, Latvia, Sweden** have or are planning to have specific actions directed at rural areas and services.

European Network for Rural Development

- https://enrd.ec.europa.eu/sites/enrd/files/enrd_publications/publi-enrd-rr-26-2018-en.pdf
- hub for the sharing of information about how Rural Development policy, programmes, projects and other initiatives are working in practice and how they can be improved to achieve more

Figure 5. Renewable energy cooperatives across Europe



Refugies and revitalisation of depopulated villages

- In some parts of rural Sweden or South Italy, the number of asylum seekers was bigger than the resident population.
- This has posed important challenges of integration but at same time opened opportunities for revitalising depopulated villages.
- Example of Riace



Making rural youth visible

Keywords: Demography, LEADER/CLLD, **Social inclusion**, **Social services**, Youth

Countries: Finland

A project to give a voice to rural youth, to hear and publish their stories and to make them visible in society and its decision-making process.



An on-demand rural bus service in rural Wales

Keywords: Rural services, **Social inclusion**, **Social services**

Countries: United Kingdom

An on-demand local bus service, 'Bwcabus', tailored to the needs of rural passengers has helped improve accessibility, reduced car dependency and assisted in lifting rural communities out of deprivation.

Social farming

- LEARNING-GROWING-LIVING WITH WOMEN FARMERS Social farming (or care farming): promote and generate social services. Such services include rehabilitation, therapy, sheltered employment, life-long education and other activities that contribute to social inclusion.
- 'Learning-growing-living with women farmers' Italy. Set up in 2007, the cooperative has over 100 daycare mothers who offer flexible childcare on their farms with the direct integration of agricultural resources and the environment as teaching elements. Some of the cooperative members also offer educational farm activities for school children. The cooperative is continuously expanding its activities across the territory and is also planning to expand the social farming activities to people with disabilities, holidays on farms with specific care service, horticulture and animal therapy. In 2014, it also began offering care for the elderly, in response to the ageing of the local population. Today, 32 farms offer these services on request. The cooperative has received European Social Fund (ESF) support. www.kinderbetreuung.it

Smart villages (launched in 2017)

- local people and policy-makers at different levels are testing innovative solutions to some of the major challenges of rural life.
- Move from opportunities created by rural-urban linkages and by the arising interest toward transition to a low-carbon and circular economy
- In some case it is a reaction to the closure of local services (school, shop, pub, bus)
- Based on various forms of community-owned and social enterprises
 - taking over and investing in local buildings and assets
 - running the activity with a combination of public and private funding and voluntary labour. Sometimes public company among inhabitants
 - In Italy: Community cooperative and Albergo diffuso (“dispersed or scattered or virtual hotel” : it is a form of hospitality not in a single block, but dispersed in various historic buildings in a small community)
 - in Scotland: 5 600 social enterprises operating in transport, social care, energy, housing, and shops and many more fields (10% increase in two years)
 - climate change and renewable energy: there are around 3 000 renewable energy cooperatives in Europe active in energy production, monitoring and saving and e-car sharing.
- Sometimes problems arise by the constrains of national legislation

See:

- <https://enrd.ec.europa.eu/sites/enrd/files/public-enrd-rr-24-2017-en.pdf>

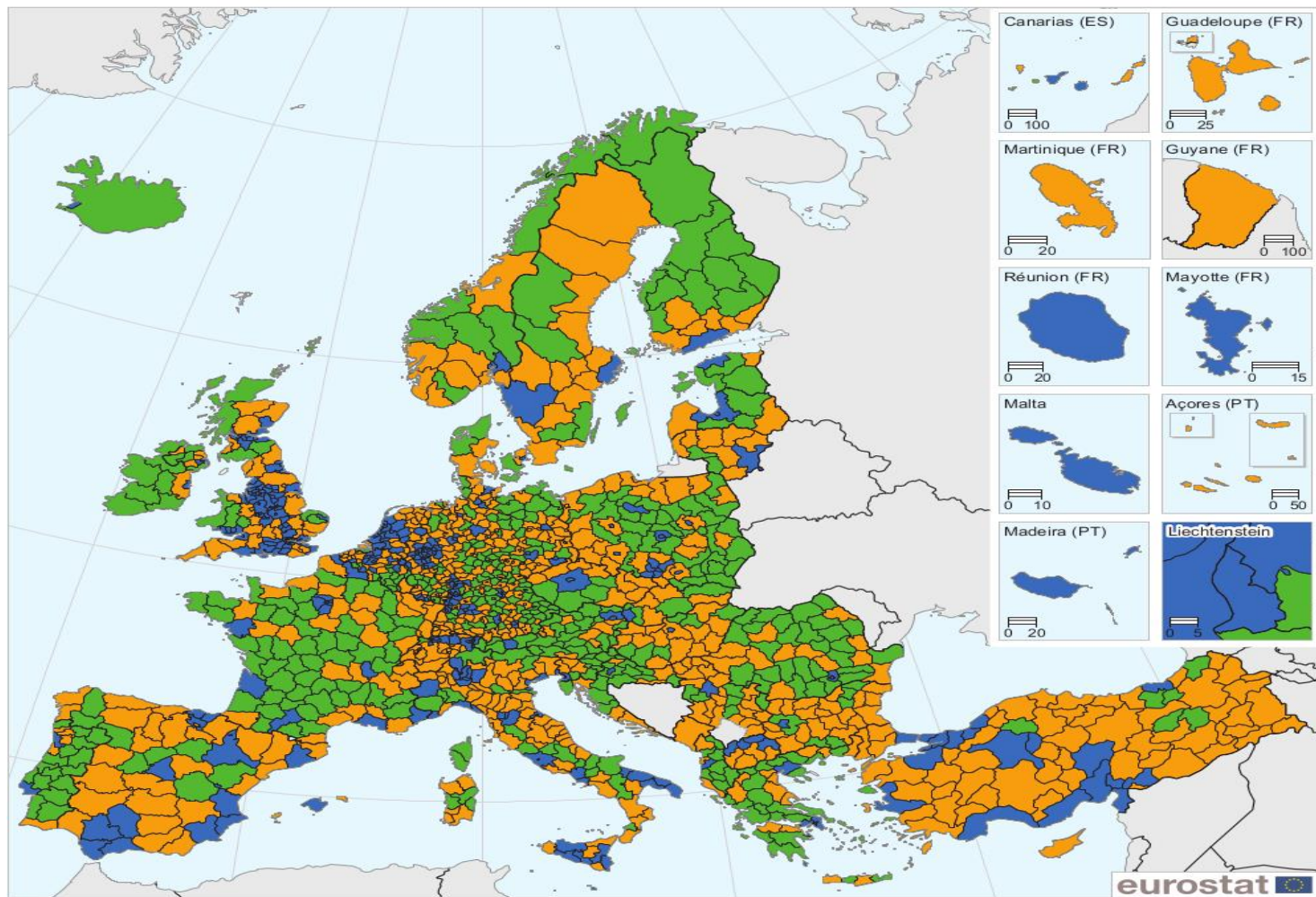
- Thanks

Appendix

Difficult definition of poverty

- Each country has its own definition
- definitions change over time
- GDP, the main economic indicator of growth and development, is not sufficient for identifying rural poverty
- Example in EU: combination of different dimension, such as work intensity in household, social transfer, material deprivation
 - i.e. in EU AROPE, formulated in 2010, in order to improve the evaluation of the multidimensional aspect of poverty and social exclusion
 - the indicator represents combines three indicators: the at-risk-of-poverty rate, the rate of severe material deprivation and the rate of very low work intensity
 - At risk of poverty after social transfers (people whose equivalised income is below 60% of the median equivalised income)
 - Severely materially deprived (people who, owing to a lack of financial means, cannot afford at least four of the following nine household material deprivation items: 1) adequate heating of a dwelling; 2) a one-week annual holiday; 3) a meal with meat or fish every second day; 4) facing unexpected expenses; 5) arrears on mortgage or rent, utility bills, hire purchase instalments or other loan payments; 6) a telephone; 7) a colour television set; 8) a washing machine; 9) a car
 - Living in households with zero or very low work intensity (adults worked for fewer than 20% of the total number of months in which they could have worked during the reference period)

Urban-rural typology

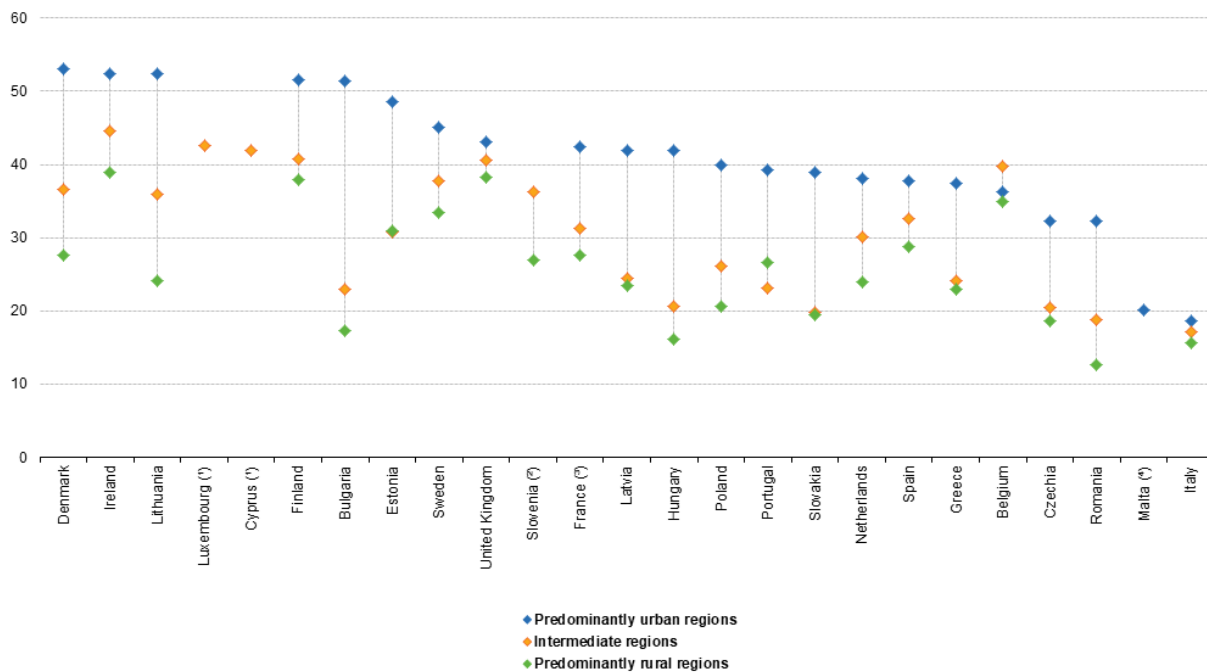


Administrative boundaries: © EuroGeographics © UN-FAO © Turkstat
 Cartography: Eurostat - GISCO, 09/2018

0 200 400 600 800 km

Note: based on NUTS 2016 and GEOSTAT population grid from 2011, additional data from Columbia University, Center for International Earth Science Information Network - CIESIN (2015): GHS population grid.
 Source: Eurostat, JRC and European Commission, Directorate-General Regional and Urban Policy and Directorate-General Agriculture and Regional Development

Population aged 25-64 with a tertiary level of educational attainment, by urban-rural typology, 2016
(%)



Note: Germany, Croatia and Austria, not available. Tertiary education is defined by ISCED 2011 levels 5-8.

(*) Predominantly urban regions and predominantly rural regions: not applicable.

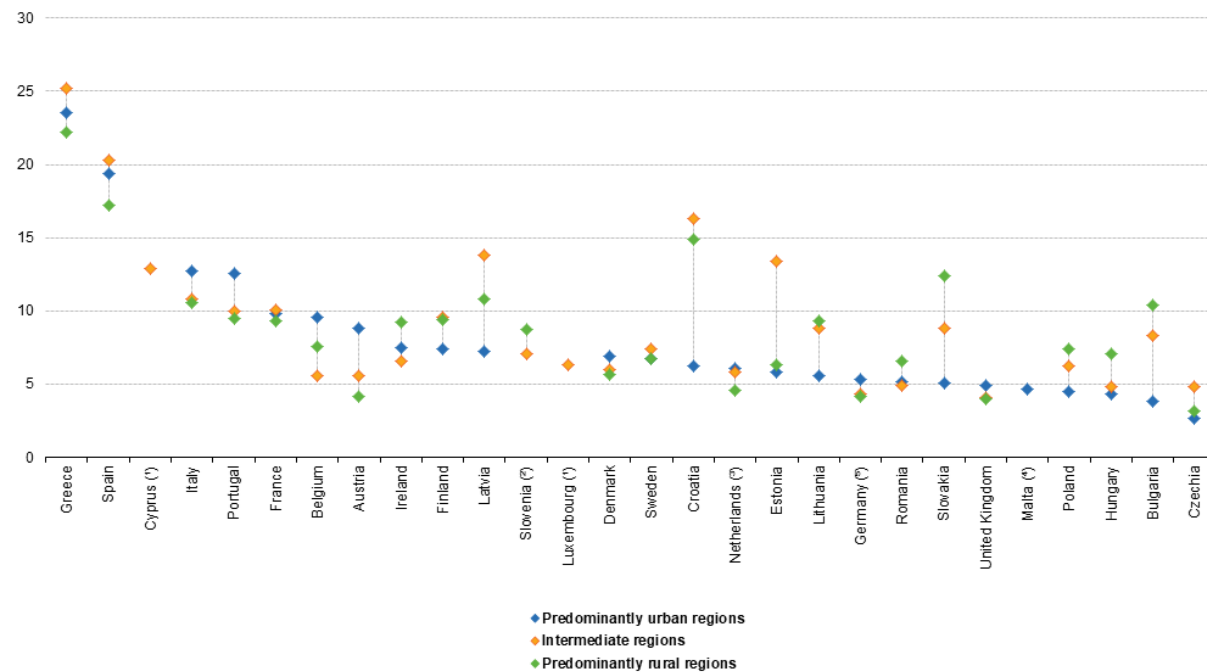
(*) Predominantly urban regions: not applicable.

(*) 2014.

(*) Intermediate regions and predominantly rural regions: not applicable.

Source: Eurostat (online data code: urt_edat_lfs_e4)

Unemployment rates, by urban-rural typology, 2016
(%)



(*) Predominantly urban regions and predominantly rural regions: not applicable.

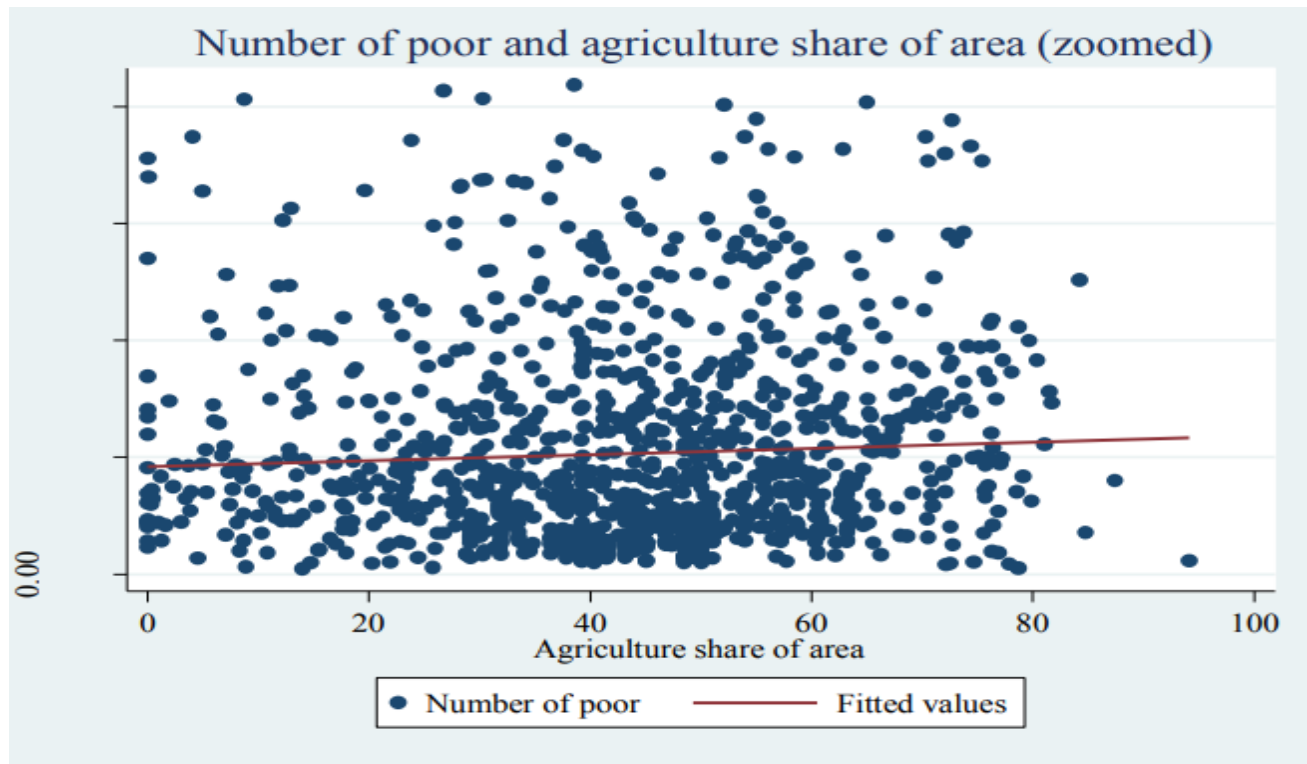
(*) Predominantly urban regions: not applicable.

(*) Predominantly rural regions: low reliability.

(*) Intermediate regions and predominantly rural regions: not applicable.

(*) 2015.

Source: Eurostat (online data code: urt_lfu3rt)



Rural? Poverty?

- Difficult definition of rural:
 - From OECD definition focused on population and density rate (Urban, Intermediate and Rural areas) toward accessibility to services (Examples: Eurostat, Inner areas, ...)
- Difficult definition of poverty:
 - In US: mainly income definition using absolute threshold adjusted for family size and age composition (poor family has a total income s below the absolute threshold)
 - In EU: multidimensional concept of poverty (not only material deprivation but a more general concept of risk of social exclusion, based on 3 aspects
 - monetary poverty (income inequality)
 - severe material deprivation (access to a list of 9 basic goods)
 - living in a household with very low work intensity

Europe 2020 and SILC: survey, indicators, collaboration

- Europe 2020 strategy: headline poverty target on reducing by 20 million of poor in 2020
- EU-SILC (Statistics on Income and Living Conditions) survey: data collection for monitoring the poverty and social inclusion in the EU (since 2003 and since 2010 for Europe 2020). Cross-sectional and longitudinal multidimensional microdata for income poverty and social exclusion using portfolio of indicators
- Two very important aspects: 1) definition of indicators and 2) collaboration among statistical services of Member States

General strategy Europe 2020

- Five targets to reach for the EU in 2020 (using indicators; Each Member State has adopted its own national targets to reach the Strategy:
 - Employment: 75% of the 20-64 year-olds to be employed
 - Research & Development: 3% of the EU's GDP to be invested in R&D
 - Climate change and energy sustainability:
 - Greenhouse gas emissions 20% (or even 30%, if the conditions are right)
 - 20% of energy from renewables
 - 20 % increase of energy efficiency
 - Education:
 - Reducing the rates of early school leavers below 10%
 - At least 20 million fewer people in or at risk of poverty and social exclusion
 - Fighting poverty and social exclusion: At least 20 million fewer people in or at risk of poverty and social exclusion
- ESI funds have to take care of the realisation of the objectives of the Europe 2020 in their programs and in the allocation of the financial resources

OECD New Rural development paradigm for developing countries

	Old paradigm	New context	New paradigm
Principles	Focus on rural areas only Growth will follow agricultural and industrial development	Widening inequalities between rural and urban Climate change Rapid population growth in many developing countries Information revolution	Rural areas inextricably linked to cities, regions and national context Women critical for rural development Governance capacity is key
Key target sector	Agriculture, rural communities	Agriculture not able to provide sustainable livelihoods for growing populations Urban areas not able to productively absorb large inflows of rural migrants	Multi-sectoral: all economic sectors that can contribute to productive growth: agriculture, rural industry, services, tourism, ICT, biofuels.
Main approach	Project-based Agricultural technology Green Revolution	Sustainable Development Goals Multi-dimensional poverty assessment and Multi-dimensional Country Review Community-driven development	Tailored to the specific context (natural, economic, social, and institutional) Prioritised and realistic Well-sequenced to maximise synergies
Key actors	Agricultural ministries, agricultural research and extension, donors, local governments, farmers	Greater participation by non-state actors including the private sector, rural communities, CSOs, and foundations	Multi-agent: participation and collaboration of broad set of stakeholders across public and private sectors and from national to local

USA: education

