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## **OVERVIEW OF INCOME AND NON-INCOME RURAL POVERTY IN DEVELOPED COUNTRIES**

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### **Abstract**

Despite the long tradition of intervention, rural poverty is still an important issue to face in the economic and social growth of developed countries. Often hidden for many reason recalled in the paper, rural poverty is transmitted by the cumulative negative effects of vicious circle of labour market, demography, education and remoteness. Agricultural and rural policy with social policy has reached important result for reducing rural poverty in developed countries, especially promoting diversification of rural area and sustainability approach to the production. The paper underlines the role of coordination between top-down and place-based policies, as well as the indicators for adapting policies and having successful intervention, shortly discussing some examples of good practices.

### **1. The positive transformation of rural areas in developed countries**

Rural spaces in developed countries have significantly evolved since the Second World War. Several areas show a good level of development, with no particular economic lag with respect to urban areas (OECD 2016). This is due to a series of aspects such as productivity gains in the agricultural sector, which is generally not predominant in rural economies whereby a diffusion of manufacture, tourism and services - especially based on SMEs - is present. The economic growth of the country and the maintenance of a stable link of the relations rural- urban (commuting, tourism) play a positive effect for the growth of the rural contexts. The counter-urbanization observed in those areas that are able to attract population from cities plays a positive effect on rural development.

The positive evolution and transformation of rural areas is also the effect of a long tradition of policies that show different way of intervention depending on the different tradition of the countries. In general, the history of public policy for rural areas in high income countries has several stages. The first stage is focused on increasing agricultural productivity, farm household income and extension services, and supply of basic infrastructures such as water, electricity, transport, communication and markets. Such intervention was driven by the State by means of a “top-down” model focusing on “standard” development (derived by the urban poles of development), that overcome specificities of rural contexts (Shucksmith 2012, Im Jeongbin 2018). Agricultural policy, mainly based on different forms of subsidies, was combined with the implementation of basic infrastructures. Both policies were driven by the State. Since the ‘90s, the change of the economic context, the critical discussion of the previous intervention and the emerging of new economic theories such as industrial districts, aggregation economy and external scale economies, endogenous development, pushed several developed countries to move toward a new a multi-sectoral and bottom-up approach able to cope with the socio-economic diversity of rural areas. This approach was focused on the promotion of investments, rather than subsidies, finalized to promote the local competitive advantages for competition (Shucksmith 2013).

The overall effect of the economic growth of the countries and of the action of policies has certainly been positive: for example rural poverty shows a significant reduction of about 5 millions of people at risk of poverty in EU, were the percentage of people at risk moved from 29.1% to 23.9% in 2010-17 shortening the gap with urban and intermediate areas; in USA the reduction of rural poverty in the last four years was of about 1 million of people (- 925,000 people, - 2.0% in 2013-17).

## **2. Rural poverty and connected risk in developed countries**

However, despite the long tradition of intervention, rural poverty is still an important issue to face in the economic and social growth of developed countries which are still dealing with both the problems of rural development and of rural poverty. The poverty is still persistent in most of developed countries, such as the EU, USA, Canada, Australia, Japan and South Korea. People living in rural areas still experience higher rates of poverty than those who live in metropolitan areas, even if there are remarkable differences among countries and their rural areas, and even if the definition of rurality and of poverty may differ by countries, (Bertolini et al. 2008, NRHA 2017, USDA 2018). Furthermore, rural areas show other risks of social exclusion: the progressive ageing of population makes the social ties weaker threatening the future possibility of economic growth, and increasing the risk of enlarging territorial gaps; the distance from the urban poles makes the access to basic services difficult especially for school and health; the labor market offers a more limited variety of employment compare to the urban context and often the wages are lower, especially for women; the broadband is not well distributed limiting the possible implementation of the economic and social activities with a risk of rural decline. The negative influence of the climate change is important even if not yet well known and it engenders a high risk of deprivation for rural areas threatening their economies: i.e., fires and drought are affecting rural areas where these phenomena were not present, as in the case of the central and northern EU countries, sudden and dangerous floods are unleashed as a consequence of the new phenomena of the water bombs, risk of flooding increases in many rural areas, small tornadoes are more frequent in areas where they were almost absent such as Italy, marine storms and tsunamis occur in coastal areas inducing enormous damages, the advance of dry lands makes vast areas more difficult and expensive to cultivate, avalanches are a threaten for several flourishing areas in the mountains.

The negative effects of rural poverty do not only concern the rural areas but it affects the entire socio-economic context. For instance, the aging of population and the abandon of rural areas increase environmental risks such as progressive degradation of the natural resources, of landscape, and of the rural culture, of the diversity as a heritage to be preserved or to be put at economic use. Vulnerability of population may engender economic divide, inequality and in perspective an increasing cost of the social policy for Public budget or, in alternative, private social costs for households. If the process is not halted, a cumulative process of vulnerability is foreseeable along with an increase of territorial divide. The private interest is also affected by the negative phenomenon of degradation of rural areas given that real estate value is negatively affected whence located in degraded area. Last, emigration from rural areas may engender congestion and social urban problems .

## **3. Hidden rural poverty in developed countries**

Albeit in developed countries “rural” and “backwardness” are not synonyms (OECD 2016 a; Pagliacci, 2017; Bertolini and Pagliacci, 2017), poverty is still affecting rural areas from many point of view. In the EU, the average rates of poverty and risk of exclusion mask very contrasting situations across the different countries (the Eastern and the Southern ones) and regions (part of the mountain areas, northern and very cold zones, inner or depopulated areas, regions interested to the deindustrialization process). The economic development of high income countries makes rural poverty more hidden (Bertolini et al. 2008). Rural areas - open to urban populations for leisure time - often conceal phenomena of poverty and of risk of exclusion, often times remarkable. For example, ageing and isolated people, with predominance of women, (illegal) immigrants and disabled people are underemployed in agriculture or in peripheral activities, working in fragile seasonal jobs. These phenomena are commonly observed in spaces where the second houses of urban populations give a general image of well-developed context. Rural poverty across the developed countries is more hidden than urban poverty as the consequence of factors influencing its visibility: dispersion of poor population in large

rural areas, lower political organization of the population, social stigma for showing economic vulnerability, wide diffusion of stereotypes that assume a support deriving by family or community.

Difficulties in collecting data on rural poverty is another relevant challenge. The very definition of “rural” and “poverty” change along time and countries. For instance, in the EU, the definition of rurality drifted over time, moving from the OECD definition, which is merely based on the density of population, to a new one, which compounds both population density and the proximity context of each area. In Italy, in the recent National Strategy for Inner Areas for the less developed rural areas of the country, the definition of Inner areas was mainly based on transport distance from the closest location of basic service providers such as schools or health services.

The definition of rural is particularly important for analyzing the possible different drivers of development in rural areas: for fighting against rural poverty it is very important to know the possible appropriate drivers of development but this requires a good identification of rural areas.

Also the definition of poverty is not so evident and there are important differences among the developed countries. For example, in the USA there is a long and consolidated experience of using absolute threshold of poverty while in EU this measure is not considered sufficient for understanding the dynamic aspect of poverty; for this reason, the indicator “AROPE” (at Risk of Poverty and Social Exclusion) combines three different dimensions of the at-risk-of-poverty rate (poverty line is based on a threshold of 60% of the national median equivalized household income), the rate of severe material deprivation (based on a list of 9 basic goods) and the rate of very low work intensity.

Although much research has been conducted in developed countries on the determinants of poverty and on the main at-risk groups, not enough attention has been devoted to the rural dimension of this issue. The aspect is relevant for implementing social and rural policies able to effectively face the problem in its specificities. Also the regular survey on European Statistics on Income and Living Condition (EU SILC) has a sample size that includes a small number of rural population, not offering sufficient information and statistically representative image of rural poverty in EU.

In perspective, it is important to include in the collected data an indicator which describes the multidimensional character of poverty in rural contexts. Moreover, it is important to define clear targets and timelines to lower rural poverty, to regularly monitor and evaluate the evolution of the phenomenon; at this regard and under the light of the progressive and fast arising of inequalities, it is important not only to consider the absolute monetary aspect of poverty but also the multidimensional concept of risk of social exclusion or of well-being.

#### **4. The main determinants of poverty of rural areas in developed countries**

The determinants of rural poverty in developed countries may be different, according to the specific condition of the country: the economic development, the infrastructural network, the dimension and distribution of the population on the territory, the geography and morphological condition of the land, the diffusion or concentration of town and villages on territory, the tradition of anti-deprivation measures with respect to rural poverty are examples of very relevant factors of influence of rural poverty. Hence, identifying the primary roots of rural poverty is a deceptive task.

However, the available literature on rural poverty in the different countries indicates that there is a recursive description of the at-risk-groups that regard especially elderly people, youth, women, children, ethnic and minorities, immigrants and refugees, people with disabilities and farmers and agricultural workers. The last group of people only lives in rural areas and the risk is mainly due to the low income, especially for small farms, and for workers interested by seasonality and low wages. If most part of the at-risk group are similar to the urban ones, with the exception of farmers and agricultural workers, the risk of poverty and social exclusion for people living in rural areas may assume different features: for instance, there is a relevant influence of isolation and low pension for the elderly, in great part farmers or workers with low pensions, risk enlarged by the lack of services. For women, especially if leaving alone, the risk is still higher because

of the lower activity and employment rate. For youth and children (especially in large family) there is a risk linked to low education, lower income of the households, poor context of relationships pushing toward emigration, sometimes poor quality of the houses. Ethnic groups and minorities, immigrants and refugees share the risks due to a low activity and employment rate, low quality of work and wages, educational gap, bad housing, difficult access to health and education, large households with many children (for minorities) and work in agriculture, often undeclared (immigrants and refugees). Finally, people with disabilities or those experiencing a long term illness suffer for low support, isolation, lack of services.

Social policy tackles the vulnerability of the at-risk groups and they change in relations to the culture of the different countries; however, this policy is usually set on at-risk-groups of urban contexts rather than rural ones, which instead have their own specificities. As a consequence, a greater attention to tailor social policy to poverty in rural areas is important for alleviating rural poverty.

From the description of the determinants of the risk of poverty for people living in rural areas it is possible to see some common distinctive aspects of rural poverty: the influence of the agriculture in the transmission of risk, social isolation and distance from centers offering basic services of education, health and social assistance. In other words, there are specific traits of rural areas influencing poverty. According to the analysis of rural poverty in the EU (Bertolini et al. 2008), two concepts of rural poverty may be considered in developed countries: poverty in rural areas and poverty of rural areas, the first one regarding vulnerability of people and the second one the possible risks due to the specific vulnerability of the rural context. The concept of poverty of rural areas refers to the existence of specific possible disadvantages of rural areas that result in a higher or specific risk of poverty of these areas in comparison with the urban ones; it moves from the awareness that the differentiation of the space influences economic conditions, social relations, cost of public intervention, the level and typology of vulnerability, and the territorial gap in the economic development. Poverty of rural areas requires the implementation of policy finalized to promote the economic development for reducing the gap and –through this way– reducing the risk of poverty and social exclusion of the people (poverty in rural areas)

From the common experience of the developed countries it is possible to analyze the determinants of poverty of rural areas, due to the action of specific disadvantages related to labor market, demography, education and remoteness.

Labor market in rural areas show specific features, such as relevance of agriculture in terms of employment opportunities; seasonality due to the presence of agriculture and tourism; hindered access to housing and workplace; inadequacy of labor market intermediaries; labor demand concentrated in traditional and less payed work; low demand due to the limited diffusion of industry and services; gender gap, that is a greater difficulty for women to find a regular job.

The specificities of demography are due to the long established “urbanisation” trend drawing population out of rural areas, especially of the more remote, into urban or accessible rural areas; this is the main reason of depopulation of many rural areas, especially the more remote. Moreover, given the selective nature of emigration (young, more educated people, gender specificities of emigration) the population lasted is often unbalanced in term of age and gender. Problems of aging are particularly severe in the remote regions, where old people have difficulties due to isolation and distance to basic services (e.g. health care).

However, a new demographic positive trend of “counter-urbanisation” is interesting many rural areas, also thanks to the diffusion of ICT, with an increasing number of people moving from urban areas to the rural one, especially the most accessible areas. In the EU, the counter-urbanisation has been recently enlarged by the change of societal value and by the Great Depression incurred in 2008: both the aspects pushed an increasing number of urban people to move to the rural areas and also to start new activities in agriculture, agro-food processing and agro-tourism. Moreover, a limited repopulation is also due to the increasing weight of the returning migrations of people to their home villages, and of retired people moving to the rural areas. The last aspect is particularly relevant in some rural areas of USA but also in some countries of EU (Portugal or some Eastern countries). A new interesting phenomenon is the repopulation of rural areas with a flow of immigrants from abroad: this aspect is important even if still limited to some countries, especially in Northern Europe, but also in Italy (i.e. the experience of Riace in Southern Italy). Nevertheless, the new

positive demographic trends are still minor aspects compare to the persistent risk of emigration and depopulation of rural areas, that is affecting more or less all the developed countries, especially the remote regions.

Education has a strategic role in determining the human capital which has an impact on economic growth and on the individual economic perspective. Educational attainment is strongly related to labor market in term of employability and earnings which increase with higher levels of education. In this field, there are important differences between rural and urban areas.

In EU, usually rural population has a lower education and the access to the educational infrastructures is more difficult, starting to emerge with respect to the pre-school education and involving the other orders of school as well. As a consequence of the decline in the number of rural schools, linked to a strategy of grouping schools, the primary and secondary school in rural areas are less accessible in term of distance to cover and higher cost for transport. Access to education up to the end of the second level is in EU quite widespread but the educational attainment is significantly lower in rural than in urban areas. The countries with a high share of low educated people tend to have also low employment rates or high poverty rate both in EU and in USA. The American educational attainment of people living in rural areas still shows a gap with urban areas although it has increased markedly over time: for example, there is a large and growing gap in college and postgraduate education between rural and urban areas, even among young adults. Moreover, evidences show that education is correlated to the regional economic prosperity: rural US areas showing the lowest levels of educational attainment face higher poverty rate, child poverty, unemployment, and population loss (USDA 2017). Moreover, the level of education shows clear divergences between people of different races and ethnicities, even if the educational attainment of racial and ethnic minority groups in rural America is increasing. Rural-urban divide is clearly shown also in Australia and in Canada, where clear evidences confirm the rural disadvantage also in student performance, already pointed out the OECD for all the countries that participated in the Programme for International Student Assessment (PISA) (OECD, 2013). According to the OECD, the average urban–rural gap in performance was very significant: about 20 PISA score points, or the equivalent of half a year of schooling. The lower performance of rural students in comparison to the urban counterparts and the gap is related to the differences in the average educational attainment of adults adult population, combined with the fewer dimension of population itself, lower paid jobs, and jobs not requiring tertiary qualifications (Lamb et al. 2014; Canadian Council on Learning 2008). The progressive closure of rural school (Canada, EU) risks to enlarge the problem.

The remoteness is an important element of difficulty in rural areas, involving relevant aspects of life and of the access to the infrastructures. Concentration of the main services in urban areas impact on the quality of life of groups already at risk of social exclusion: health services for elderly or disabled, child care facilities for female workers, etc. Moreover, in many remote rural areas, there is a progressive reduction in existing public and private services (e.g. retail, postal offices, banks, childcare, libraries, kindergartens), influencing the life of population. The problem is getting more relevant with the continuous reduction of the public expenditure, that penalise low density areas, increasing disparities between urban and rural areas in the access to services. The accessibility of medical assistance is even lower for vulnerable ethnic minorities and immigrants or for people with difficulties in having medical insurance. Undocumented migrants are facing particularly severe problems of access to health care. Limited transport infrastructure and the lack of access to good ICT are still a problem in many rural regions, increasing social isolation. The lack of access to good ICT infrastructure impedes efforts to improve the performance of the rural context given the extreme relevance of internet as tool for building economic activities, such as tourism, or for providing services, such as medical assistance or education, that can improve the quality of life of rural areas.

The four categories of problems of rural areas described above (labour market, demography, education and remoteness) generate cumulative “vicious circles”. Their interaction reproduces and amplifies the phenomenon of poverty of rural areas.

The “labour market circle” starts with poor labour market opportunities of several rural areas, which force qualified people to migrate and thus worsen the quality of the local labour force; a low-skilled labour force is a disincentive for investment by domestic or foreign firms in the area and for innovation; the consequence is a further deterioration of labour market situation. The “demography circle” starts with the unfavorable demographic situation of many rural areas: large share of elderly, few young people and low density negatively affect the human and social capital of the area and its economic performance; as a consequence,

low birth rates and migration of young people further worsen the demographic situation. The “education circle” is generated by the low educational levels of most of the rural population; this causes a low human capital and employment rate and consequently may increase the poverty rate, which in turn negatively affects the chance of receiving high quality education. The “remoteness circle” is generated by poor infrastructure, which negatively affects the economic performance of the area and its social capital, thus fostering out-migration; this has a negative consequence on the demographic situation, representing a further obstacle to the development of infrastructure (Bertolini et al 2008).

To break the vicious circles described above, policies by all levels of government should focus on human capital investment, infrastructure and labour market, promoting investment aimed at increasing the employment, the educational opportunities to the rural people, the infrastructures, and especially transportation services, diffusion of ICT and health assistance.

## **5. Policies for fighting against rural poverty in developed countries: European Union**

Three main policies interact in developed countries for coping with rural poverty: social policy, agricultural policy and rural policy. The first tackle the vulnerability of the group at risk, the second aims at improving agriculture, that is still shaping the context of rural areas being an element of distinction in comparison to the urban areas; the third one is specifically aimed at removing the possible development gaps among different regions by promoting appropriate actions. Agricultural policy and rural policy are related in influencing the general conditions of rural areas where also the individual conditions of poverty are rooted; thus they can play a crucial role in fighting against poverty of rural areas and in reducing disparities between regions.

Agricultural policy is a sectoral policy and in the first stage of its implementation has been especially focused on stabilizing market, conditions of competition and agricultural income support. This policy is usually top-down policy, centrally decided, although it has different features depending by the countries. For instance, the European Union Common Agricultural Policy (CAP) includes measures supporting also rural development, which in the last thirty years have been of increasing importance. Also United States have a rural development policy, especially focused on promotion of competitiveness but also on several programmes where place-based policy have an increasing importance: usually the last ones encourage more flexible policy designs and interaction across all levels of government and with the private and NGO sectors (OECD 2016 b).

Following more specifically EU policies, agricultural policy plays an important role in supporting income of small and medium size enterprises, that are very important in the EU agricultural production. So, it has a positive effects on rural poverty, both on income and emigration, partially curbing the possible negative effects of massive rural exodus. Moreover, the support of agriculture has positive spill-over effects on many other rural activities (e.g. manufactures, local industries, services, tourism). The CAP in EU has been deeply reformed, through a gradual removal of undifferentiated system of price support and with the introduction of new areas of intervention, such as food safety and quality promotion, strong attention to the environment protection and sustainability, progressive differentiation in income support in favor of small and medium size enterprises, incentive for maintaining or attracting youth in agriculture, cooperation and networking inside the food chain, knowledge-building and innovation finalized to the new Cap perspective and goals. Rural development plays a particularly important role. In this case, the top-down decisions, related to the general framework of intervention, are accompanied by a bottom-up approach that adapts the intervention to the local context. A good example is given by the well-known ‘LEADER’ (from the French acronym for “Liaison Entre Actions de Développement de l’Économie Rurale”, meaning ‘Links between the rural economy and development actions’; since 2004 it is also called Community-Led Local Development or CLLD. This action has provided rural communities across the European Union with the resources to enable local partners to actively engage and direct the local development of their area, through community-led local development. It is implemented by Local Action Groups (LAGs, about 2600 in all EU for a coverage of more than 50% of rural population) which bring together public, private and civil-society stakeholders in a particular area.

According to the last Report on the evaluation of the CAP (European Commission 2018), that makes use of 178 indicators and more than 900 sub indicators, the CAP has achieved its three primary objectives of: i) viable food production, ii) sustainable management of natural resources and climate action, and iii) balanced territorial development. Moreover, the CAP is contributing to reducing the poverty rate in rural areas, approaching it to the poverty rate of the whole economy and reducing the gap between agricultural incomes and incomes in other economic sectors, still substantial but decreasing. As a consequence, even if CAP is criticized by many point of view, it is out of doubt its effectiveness as a tool for fighting against rural poverty. In this perspective the new directions followed in the most recent years has many interesting aspects for the fight against poverty, including an important effort for facing problems raised by environmental challenges.

At this regards it is also important to underline the positive effect of the Europe 2020 Strategy, that is the EU's agenda for growth and jobs for the current decade, which emphasizes smart, sustainable and inclusive growth. The Strategy is the reference framework for policies in EU at all the levels (national and regional): the governments in their policies (included CAP) have set national targets to achieve the overall EU targets, that are direct drivers for EU funding opportunities. Three of the five headline targets regard poverty reduction (lifting at least 20 million people out of poverty and social exclusion), employment (achieve 75% occupation), education (reduce early school leaving to 10% and increase the completion rate for tertiary to at least 40%); the other two are indirectly linked, regarding R&D (3% of GDP in research), energy and climate change (20% reduction of greenhouse gas emissions, 20% deriving from renewable energy, 20% increase in energy efficiency). Moreover, the Open Method of Coordination, based on the use of indicators and on the regular monitoring of the progress toward the targets, has helped to deepen mutual learning and to widen involvement of stakeholders at different levels. Even if many criticalities may be pointed out on the Strategy, it has played an important role for implementing and progressively adapting policy of social inclusion: defining indicators, monitoring the progress toward the targets, evaluation, education of institutions and stakeholders through the monitoring process are now considered basic tool for implementing effective policies in EU, included those for fighting against rural poverty.

More generally, the path of intervention of the developed countries for fighting against poverty of rural areas, even if it has moved along different lines according to the culture of political action of the countries, usually started with national policies aimed at increasing agricultural productivity and providing large infrastructures (transport, public health, public schools, aqueducts) (Shucksmith 2012 and 2013). The approach was top-down, centrally decided by the State and following a unique model of development based on the following aspects: centrality of urban centers as drivers of economic growth of a region, big scale of the industry, modernization of the agriculture through scale economy, specialization and increase of labor and land productivity. The effect was a large emigration of population toward cities and very low effects on local economic development because of the leakages derived by the underdevelopment itself in a developed national context (Amstrong et Taylor 2000). New ways of action have been experimented, learning from the mistakes of this approach; they move progressively in the direction of valorizing territorial approach, recognizing the specificities of the different territories without imagine a unique trajectory of development

## **6. Place-based policies and good practices: the case of European Union**

The place-based approach is very important now in EU representing an crucial tool for fighting against rural poverty, especially of rural areas. This approach is followed by numerous experiences of national policy, where top-down approach of the national legislative framework is combined with bottom-up approach in the definition of specific initiatives, tailored to the local context by local actors. For instance, the Inner Area Strategy in Italy is a national integrated strategy for the socio-economic development of remote rural areas, having a strong focus on place-based policies supporting socio-economic innovation in those area. Another example is in France where the Reciprocity contracts policy provides collaboration rural-urban with contracts between cities and their rural surrounding, aimed at improving the sustainability of rural services and environment, as well as economic development (ENRD 2018). Many other examples may be founded in the experiences of different member States of EU.

The initiative EU Action for Smart Villages, launched in 2017 by the European Commission, is finalized to testing innovative solutions to some of the major challenges of rural life providing cooperation among

citizens and institutions at different level. The initiative acts on the main drivers of development, as demographic change, new innovative solutions for services, linkages with cities, digital transformation and sustainability.

At the EU level, the European Network for Rural Development (ENRD) is itself a good example of networking finalized to the improvement of rural area: the ENRD is a network serving as a hub for sharing of information about the practices in implementing Rural Development policy, for dissemination of good practices and for promotion of networking among stakeholders. Many examples of good practices valorize the opportunities in sectors of food economy, bioeconomy, green and circular economies, digital economy, social economy. For instance, an example of social agriculture is offered by the cooperative 'Learning-growing-living with women farmers' located in Italy: here daycare mothers offer flexible childcare on their farms and some of the cooperative members also offer educational farm activities for school children. Other examples of social agriculture focus on care for the elderly, activities to people with disabilities, integration actions for immigrants. However it is possible make examples in every recalled fields (see ENRD 2018). Here it is just interesting recalling two examples finalized to build the social capital of a community at risk of desegregation through the implementation of a collaborative network between the habitants of the community. The first experience is that of the village of Alston Moor in UK, that is the first certified 'Social Enterprise Town': when the local shop closed, after the closure of all the business activities of the town, the community mobilized for building new social enterprises in the area ranging from a bakery, gymnasium, snow plough, heritage valorization; the profits of the activities are reinvested back into the local economy and volunteers give their aid. Similar experiences are those of Community Cooperatives in Italy: the socio-economic drivers pushing population to build network is grown up in similar conditions of Alston Moor and the Community Cooperatives are based on the network local stakeholders for offering services to the local community and to sell services of external visitors, such as tourist services.

The multiplicity of good practices is surprising and they are rooted in the culture and tradition of the specific country: for instance, in Northern area there is a great development of experiences to provide social services in health, assistance and transport, while in Southern EU regions are emerging especially actions for offering tourism and hotel services; in central and northern part of EU there are many experiences for providing renewable energy sources; in North regions there are community actions to integrate immigrants in order to repopulate the villages depopulated in disadvantaged areas but similar experiences are also present in Italy; wherever there is a flourishing of activities aimed at sustainability and environmental protection. It is clear that the common trait of most of the initiatives is based on the ability to collaborate as a "common" of the local community (Ostrom 2010).

## 7. Conclusions

This short analysis about poverty in developed countries suggests many important conclusions. First of all, the knowledge of the problem requires a good definition of rurality and of poverty. There is no a single and best way to define rural regions across the different countries. However, according to the OECD there are emerging best practices at this regard to take into account such as avoiding a simple dichotomy rural-urban because a single category of rurality is unable to understand the differences in rurality. Moreover, rural-urban linkages are very important and a definition able to capture urban-rural interactions has a good potential for offering a description appropriate for deciding and implementing policies.

Poverty has also specific features in rural areas, although sometimes they have been made more complicated by the lack of appropriate data on rural poverty. However, there are evidences that rural poverty go beyond the income and at this regard the concept of social exclusion is more useful for capturing the multidimensionality of poverty. The necessity of simplifying the definition for collection of data should not arrive to a too reductive definition for avoiding the risk of maintaining hidden the phenomenon. Risk connected to unemployment and education are very important in shaping poverty and should be taken into consideration.

If policy support is important for fighting against rural poverty, policies should 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 especially in term of age of farmers and workers: incentives at this regard may have an important impact. Moreover, the evolution toward new form of activities offered by farm (sustainability and environment, tourism, social aims, et.) is very important for improving income and employment in this sector and for offering new services to the rural and urban population. In general, 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 Centers able to maintain the relations among people is a key of success for fighting against poverty of rural areas . 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. Investment in this area also makes it possible to carry out initiatives of economic interest in the production of goods and services that take environmental protection into account. However, in this respect, 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 at local level but also at the external level. The isolation is a big risk to combat. All the infrastructures are important, moving from the basic and traditional infrastructures (transport, road, water, electricity, gas, hospital and education) to the broadband that plays a crucial role for fighting against the territorial divide. There is an evident trade-off between the necessity of 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 play a great importance in defining effective place-based policy. In this regard education and systematic monitoring are very important. Definition of clear targets and indicators on the aim to reach and monitoring of the progress is an important way of self-education through trials and errors. Moreover circulation, imitation and adaptation of good practices is very important for designing a good local policy: the circulation of such information requires partnership implementation at all the useful level, as le rural-rural, rural-urban, public-private, business-no profit. Moreover networking and partnership are in general important for sharing and induce imitative positive behaviors but also for sharing economic initiatives especially in infrastructures.

Public policies are very important 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 may provide some valuable lessons, although they may 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. For instance, food security and safety for poor people have different shapes in developing and developed countries, the first ones still facing problems of lack of food while the second ones have problems of bad nutrition. The experience of rural development in high income countries 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.

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