

## Rural poverty in the European Union

### SUMMARY

In 2015, 119 million European citizens, representing almost a quarter of the EU population, were at risk of poverty and social exclusion. Statistics show that the average poverty rate is slightly higher in rural areas, with very contrasting situations across the Union as some countries display a huge poverty gap between rural and urban areas. Rural poverty, which appears to be less documented than urban poverty, is linked to the specific disadvantages of rural areas. These include an unfavourable demographic situation, a weaker labour market, limited access to education and also remoteness and rural isolation. The latter is associated with a lack of basic services such as healthcare and social services, and with increased costs for inhabitants on account of travel distances. These factors are considered to be the main drivers of rural poverty. Through their interaction, they can generate a spiral of decline in which poverty can become entrenched.

While the fight against poverty and social exclusion lies primarily within the remit of the Member States and their regions, this issue is at the heart of the Europe 2020 strategy for smart, sustainable and inclusive growth. Several EU funds and policies can contribute to alleviating poverty, in particular the current EU rural development policy which, for the first time, includes a priority relating to the promotion of social inclusion, poverty reduction and economic development in rural areas. Within this policy, Member States and regions can use EU funding to implement measures that, although not directly targeting poverty reduction, may help tackle those drivers of poverty in many ways, such as fostering job creation, improving services, developing infrastructure for information and communications technologies (ICT), and enhancing access to education. In this regard, local strategies such as the Leader method are particularly suited to supporting disadvantaged groups.



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## Background

In Europe today, nearly a quarter of the population is living in poverty or is at risk of poverty and social exclusion. The European Union has made the fight against poverty a priority. One of the five headline targets of its EU 2020 strategy for smart, sustainable and inclusive growth, launched in 2010, is to reduce by 20 million the number of Europeans at risk of poverty over one decade. However, statistics show that the EU seems to have veered away from its target. In 2008 (the reference year) [116 million](#) people were at risk of poverty and social exclusion; in 2015 they were [119 million](#).

### Concept definition

Poverty and social exclusion are two distinct concepts that can be defined and measured in many different ways.

**Poverty** is usually defined in absolute or relative terms. The absolute measure of poverty, which is more commonly applied to developing countries, is used to identify the number of people below a fixed poverty threshold. For example, according to the [World Bank](#), 700 million people are living on less than US\$1.90 a day (2015 data). In the EU, poverty is generally measured in a relative way and is specified in terms of people whose income is less than a certain proportion of the median household income for the country concerned. Poverty data are focused on individuals and households.

**Social exclusion** is a more complex [concept](#), characterising groups rather than individuals (e.g. the disabled, unemployed, young and old, women, the Roma, recent migrants) and conceived as a dynamic social and economic process rather than a state. A possible definition is given in a joint [report](#) by the European Commission and the Council on social inclusion as 'a process whereby certain individuals are pushed to the edge of society and prevented from participating fully by virtue of their poverty, or lack of basic competencies and lifelong learning opportunities, or as a result of discrimination ...'. According to the Commission, social exclusion is clearly linked to structural change in the economy and society. It can be the consequence of long-term unemployment, but also of changing family structures and value systems, or new migration trends.

In the context of EU policy, both of the above concepts have been combined. To measure progress in meeting the target of lifting at least 20 million people out of the risk of poverty and social exclusion by 2020, within the EU 2020 strategy, the EU uses a wide '**at-risk-of-poverty or social exclusion rate**' ([AROPE](#)) **indicator** that is a combination of three sub-indicators: monetary poverty, material deprivation and low work intensity, and reflects the multidimensional aspect of poverty.

- The [at-risk-of-poverty](#) rate measures the share of the population with an income (after social transfer) less than 60 % of the national median household income.
- The severe [material deprivation](#) rate measures the share of the population who cannot afford at least four out of a list of nine items considered essential for everyday life.<sup>1</sup>
- The share of people living in households with very low [work intensity](#) is the number of persons living in a household with a work intensity below a 0.2 ratio, i.e. where the [adults](#) (aged 18-59) have worked less than 20 % of their total work potential during the past year.

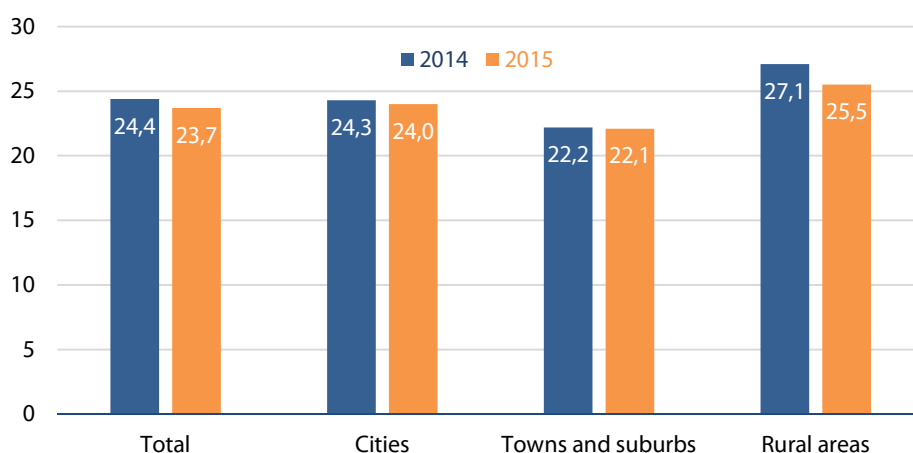
People who fulfil the criteria for **at least one** of these sub-indicators are considered at risk of poverty or social exclusion (AROPE). The data presented here are taken from the [EU-SILC](#) database (EU statistics on income and living conditions), which provides data on income, living conditions, poverty and social exclusion in the EU. It is the main statistical

instrument for monitoring progress made in achieving the targets of the Europe 2020 strategy. It includes also data by [degree of urbanisation](#), defining three types of area: densely populated areas (cities or urban areas); intermediate density areas (towns and suburbs or small urban areas); thinly populated areas (rural areas).

### The rural dimension of poverty

Although much research has been conducted at EU level to analyse the determinants of poverty and the solutions to reduce it, it appears that not enough attention has been devoted to the rural dimension of this issue. Yet [statistics](#) show that people living in rural areas are more likely to be exposed to poverty and exclusion risk. In 2014, the average poverty rate in the EU was 27.1 % in thinly populated areas, against 22.2 % in intermediate urbanised areas and 24.3 % in densely populated areas. In 2015, the gap closed a little, these figures being respectively 25.5 %, 22.1 % and 24 % (see Figure 1).

**Figure 1 – Poverty rate by type of region in the EU-28 in 2014 and 2015 (percentage of total population)**



Data source: [Eurostat](#).

These average rates mask very contrasting situations across Europe. In some countries, the poverty risk is considerably higher in rural than in urban areas. In Romania and Bulgaria, for example, the rate of the population in or at risk of poverty is more than [20 percentage points higher](#) in rural areas than in densely-populated ones, whereas in countries such as Denmark, Austria, Belgium or the United Kingdom, poverty rates are higher in cities. In western countries, rural poverty seems to be concentrated in remote regions.

A 2014 French [study](#) on poverty in Europe<sup>2</sup> shows a correlation between the general poverty rate in a country and the level of rural/urban disparities: the higher the level of overall poverty, the wider the poverty gap between rural and urban areas. On the basis of comprehensive Eurostat [findings](#) on poverty by degree of urbanisation (2013), it can be concluded that poverty and social exclusion tend to be more prevalent in the thinly populated areas of the countries that joined the EU in or after 2004, with values often considerably higher than for the two other types of area. By contrast, in the EU-15 Member States, poverty and social exclusion, as well as housing issues, were more prevalent in densely populated areas.

### Hidden rural poverty

According to a comprehensive [2008 study](#) by the European Commission, there is a lack of public awareness of the rural poverty problem and of the need to address it. Reasons may be the lack of adequate data and analysis, which makes the European rural poor almost

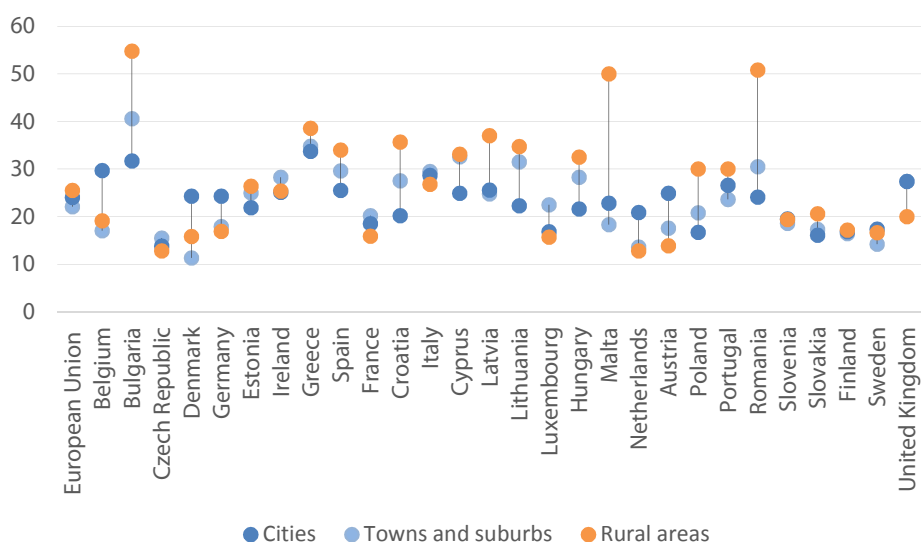
invisible in official documents, the fact that they are less organised than in urban areas, so that their voice is much weaker than that of other groups at risk of poverty, and the existence of stereotypes on rural areas, such as the assumption that family and community support is stronger in rural areas than in cities. The 2014 French study on poverty in Europe explains this lack of visibility by the lesser density of population in rural areas and the fact that poverty is more spread out over a defined area. Another reason could be that people affected by poverty and local actors dealing with it in sparsely populated areas seem less inclined to acknowledge this situation, in particular in surveys. Rural poverty is also mentioned less frequently in the media as it does not represent a major political issue, whereas many articles establish a link between urban violence (for example, the burning of cars) and urban poverty, precariousness and social exclusion.

## Poverty and exclusion in rural areas

### General trends and figures

Member States can be divided into two groups, those where rural poverty is higher than urban poverty, and those where it is lower. Within the first group, the countries with the highest AROPE rates in rural areas in 2015 were Bulgaria (54.8 %), Romania (50.8 %), Greece (38.6 %), Latvia (37 %), Croatia (35.7 %) and Lithuania (34.7 %)<sup>3</sup>. For all these countries, except Greece, the rate in rural areas is significantly higher than in urban areas. In Greece, the AROPE rate is almost as high in cities as in rural areas (33.7 % and 38.6 % respectively). In the second group, countries where AROPE rates are much higher in densely-populated areas are Belgium, Denmark, Austria and the United Kingdom. Finally, there are also Member States where the AROPE rates in rural, urban or suburban areas differ only slightly: the Czech Republic, Finland and Slovenia (see Figure 2).

**Figure 2 – People at risk of poverty or social exclusion by degree of urbanisation, by country, 2015**



Source: Eurostat.

With the enlargements of the EU since 2004, the rural population and the number of people at risk of poverty or social exclusion in rural areas have increased significantly. Recent statistics show that the general AROPE rate (undifferentiated by type of region) is higher in the group of Member States that joined the EU in 2004 or afterwards than in the EU-15 (28.5% and 23.3% respectively). A comparison of the two groups of countries at the level of their rural areas shows an even wider gap.

## Specific groups at risk of poverty in rural areas

### *Small farmers*

Farmers are probably the most visible socio-economic group in rural areas, for reasons linked to tradition and their important role as providers of food and environmental services (such as maintaining landscapes or producing renewable energy). Yet the primary sector (agriculture, forestry and fisheries) [accounts](#) for only 14 % of jobs in the predominantly rural areas of the EU. In the newer Member States, this sector is much more important, representing 24 % of all rural employment (2010). The rural regions of Romania and Bulgaria show the highest employment rates in the primary sector, with 41.5 % and 32 % of all rural jobs respectively. In these two countries, as well as in Hungary and Lithuania, semi-subsistence farms are predominant. The last two enlargements in 2004 and 2007 brought millions of [small farms](#) into the EU (2.7 million very small farms in Romania alone, a country accounting for [one third](#) of the total number of farms in the EU-28 in 2013).

In the agricultural sector, low incomes, low pensions and the seasonality of work can represent a high risk of poverty and social exclusion. In southern countries, the production of fruit and vegetables is mainly a seasonal activity employing many immigrant workers. There is a risk of illegal immigration, which is often associated with low wages, very poor living conditions and absence of insurance. It is also important to note that one in three European farmers undertakes [gainful activities](#) other than farm work, often because of insufficient agricultural income.

Restructuring in the farming sector has resulted in a steady decrease in agricultural jobs over recent decades in most EU countries. However, in countries such as Bulgaria, Romania or Slovenia, agricultural employment has been rising as a consequence of the increase in [semi-subsistence farming](#), acting as a social buffer for households with few other assets and other income sources. In these Member States, this type of farming can contribute between 20 % and 50 % of the income of households facing the risk of poverty. Its welfare role has also been observed in Greece, Italy and Portugal where it can alleviate the effects of the economic recession.

Moreover, the long-lasting, deep [crisis](#) in the agricultural sector, resulting from a fall in agricultural prices, especially in the dairy and meat sector, the Russian ban on EU exports of beef, pork and poultry meat, dairy products, fruits and vegetables, and the general volatility of world market prices, has compounded the financial situation of many farmers, those more vulnerable being at risk of bankruptcy.

### *The Roma*

Some [six million](#) Roma people, Europe's largest minority group, live in the EU. Many live in rural regions, in segregated communities. In Romania, according to the 2011 census, some [620 000](#) people are of Roma ethnicity.<sup>4</sup> Around [60 %](#) of them live in rural areas, many in dilapidated settlements with inadequate amenities, and poor sanitation facilities in particular. They are at high risk of poverty and social exclusion: there is a predominance

#### **Poverty of rural areas/in rural areas**

Poverty **of** rural areas: this concept refers to the existence of specific disadvantages in rural areas that result in a higher risk of poverty in comparison with urban areas: the remoteness of rural regions, lower access to education, weaker labour market, an ageing population, etc.).

Poverty **in** rural areas is the human dimension of those disadvantages and refers to the poverty of people living in rural areas. The groups that are considered at risk of poverty may be the same in rural and urban areas, but the problems they face are different as they are linked to the characteristics of each type of area.

of large households with many children, low educational levels, bad health conditions and poor housing. Two thirds are unemployed, and only 15 % of young people complete secondary school. To tackle the social exclusion of the Roma and support Member States in this task, an EU [framework](#) for national Roma integration strategies was adopted in 2011, focusing on four key areas: education, employment, healthcare and housing.

A November 2016 [survey](#) from the European Union Agency for Fundamental Rights (FRA) shows that 80 % of the Roma surveyed live below the at-risk-of-poverty threshold in their country; for Roma households with four or more children, the at-risk-of-poverty rate is close to 100 %. 30 % of them live in housing without running water, 46 % have no indoor toilet, shower or bathroom. Only 53 % of Roma children attend early childhood education. 30 % live in households where someone went to bed hungry at least once in the previous month. These figures tend to indicate that Member States are still falling short of the targets set out in the EU framework.

### *Women*

Women represent another group at risk of poverty and social exclusion in rural areas. This risk is generally [higher](#) for women than for men, regardless of where they live, both for the older and newer Member States. Women's participation in the labour market is lower than in urban areas (this is particularly true for France and Southern Italy). The decline in farming over recent decades means that those who would have been employed in agriculture have been facing great difficulties in the labour market. Women are also more vulnerable to long-term poverty than men, which is partly the result of their over-representation among elderly single people. Finally, the educational gap between men and women is greater in rural than in urban areas.

Other groups at risk of poverty include young people, the elderly, ethnic minorities and immigrants. Young people in the rural areas of the newer Member States face the highest risk of poverty among all age groups. In the older Member States, it is highest for older people.

## **Main drivers of rural poverty and social exclusion**

Many rural regions in Europe are facing a number of problems including poor labour market opportunities, an unfavourable demographic situation, lower educational levels, remoteness, lack of infrastructure and low population density. These specific structural and socio-economic conditions put rural areas at particular risk of poverty.

### **Unfavourable demographics**

Demographics are a key factor in the economic growth of an area. Predominantly rural regions represent [51 %](#) of EU territory but only 22.3 % of the total EU population (112.1 million people). The rural population structure tends to include more elderly people (the share of people above 65 is usually higher than the national average), fewer people of working age and more young people aged 10 to 19. However, in many mountainous or peripheral regions of the EU, the local population has declined as a result of the outward migration of young people.

In the western countries of the EU, demographic change is taking place in two ways: there is a long established urbanisation trend drawing population away from remote rural areas towards urban and accessible areas, and a more recent counter-urbanisation flow out of cities into the rural areas made accessible through transport and information and communication technologies (ICT) infrastructure. The pattern of demographic change is different in eastern countries: alongside an exodus from rural to urban areas, migration

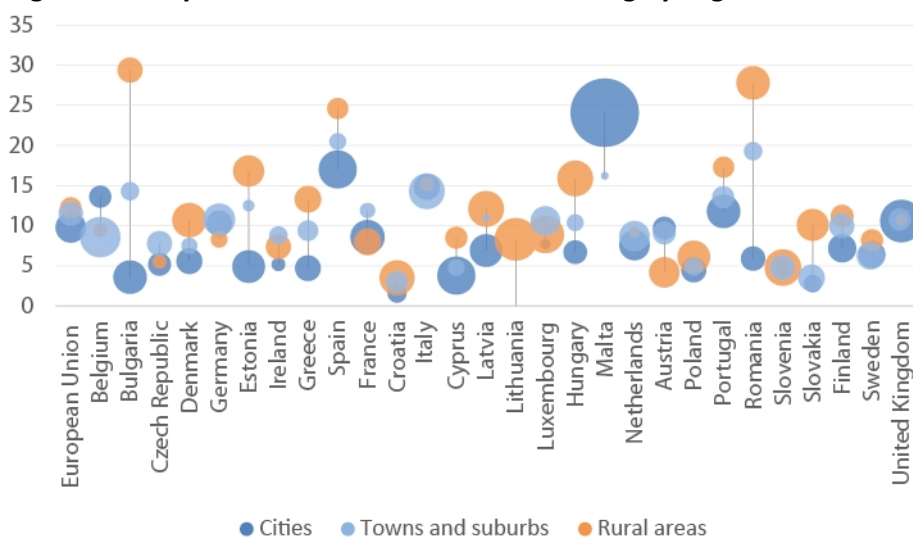
abroad (especially of young people and women) may lead to an impoverishment of rural areas in terms of human resources and economic activity. Outward migration from rural areas is illustrated by the fact that the number of people aged 15 to 64 living in rural areas dropped from [68 million](#) in 2008 to 61 million in 2016.

### Limited access to education

There is a strong [correlation](#) between people's educational level and the risk of poverty and exclusion they face. In many rural areas, access to education, at all levels, is more limited than in cities. Many countries face a lack of pre-school education structures for children under six. Furthermore, primary and secondary schools are often less accessible in terms of cost and the time taken for daily commuting. In a number of countries, such as France, Greece, Ireland and Italy, educational attainment is significantly lower in rural than urban areas. The general quality of education is also lower in rural areas on account of the lower qualification level of staff, a lack of ICT and other equipment for vocational training and apprenticeships.

In the EU, only 18.4 % of the rural population has completed [tertiary education](#), compared to 33.2 % in cities and 23.2 % in intermediate areas; the number of young people not in education, employment or training has increased dramatically in rural areas, reaching [21.1 %](#) in 2015 (17.1 % in cities). The comparatively limited education and training on offer means that young people tend to be less qualified and show a greater tendency to drop out of education at an early stage (see Figure 3). Rural regions also present the [lowest rates](#) of adult participation in life-long learning.

**Figure 3 – Early leavers from education and training by degree of urbanisation, 2015**



Data source: [Eurostat](#).

### Labour market

The capacity of many rural areas to create [sustainable jobs](#) has fallen behind that of urban areas. Generally, incomes are lower and there are fewer job opportunities, within a narrower range of activities. Between 2008 and 2012, the unemployment rate increased from 7 % to almost 11 % in rural areas. Young people are particularly hard hit by unemployment, along with women, unskilled workers and older people. Moreover, [long-term unemployment](#) rates tend to be higher in rural than urban areas.

Agriculture, forestry and fisheries are vital sectors of activity in rural areas, employing around 25 million people, many on a part-time or seasonal basis. Restructuration of the farming sector, which has been ongoing for decades, and the current economic and

agricultural crisis have led to job losses and land abandonment, with very contrasted situations within the EU. The largest reductions in agricultural employment between 2002 and 2012 were in [Slovakia](#) (-58.9 %) and Estonia (-56.2 %), with Bulgaria, Latvia, Romania, the Czech Republic, Hungary, Sweden, Greece and Denmark at -30 % or more).

### **Remoteness, infrastructure and access to basic services**

Remote islands and mountain, coastal or border regions tend to present the highest levels of rural isolation. In many rural regions, limited transport infrastructure hampers access to employment and the development of social relations, increasing the isolation of certain population groups. 12.2 % of the population face difficulties in accessing public transport in rural areas, in contrast to 5.7 % in intermediate areas and 2.3 % in cities.

As regards healthcare and social services, the Commission study stresses the existence of strong disparities between rural and urban areas. Rural populations are on average much further from major hospitals than city dwellers. Basic healthcare services are difficult to provide in regions with low demographic density. These accessibility problems are most prevalent in Northern Scotland, Southern Italy, the Greek Islands, Eastern Poland and Romania. They are particularly relevant for population groups such as the elderly and children. Access to healthcare is also particularly difficult for vulnerable ethnic minorities and undocumented migrants.

Although [broadband](#) coverage of rural areas has improved in recent years, its availability remains uneven across Europe, and the digital divide between rural areas and cities is still significant. It is particularly acute in the newer Member States and is [reinforced](#) by a lack of ICT education in rural schools. [23 %](#) of people living in EU rural areas had never used the internet in 2015, as opposed to 12 % in cities. As regards the share of people making online purchases, or interacting with public authorities via the internet, there is a 13 percentage-point difference between rural and urban areas. Overall, the biggest digital divide between cities and rural regions is found in those EU Member States with low levels of internet use, such as Croatia, Greece, Romania and Bulgaria.

Low demography, weak labour markets, remoteness, limited access to basic services, insufficient infrastructure: all these factors interact and form barriers to the development of some rural areas. They generate a vicious circle that can reproduce and amplify poverty and social exclusion.

### **The spatial dimension of rural poverty and social exclusion**

According to the 'Territorial dimension of poverty and social exclusion in Europe' (TiPSE) [report](#), the role of space as a driver of social exclusion is more evident for the rural than the urban context. A [case study](#) of the Western Isles (Scotland, United Kingdom), situated on the extreme north-western edge of the EU, shows that in remote rural Scotland, households need significantly higher incomes to reach the same minimum living standard as those living elsewhere in the United Kingdom. They incur extra costs resulting from the longer distances they have to travel routinely, higher prices charged for food, clothes and household necessities, and higher fuel bills, affected by the climate and sources of fuel. A lack of employment opportunities and limited access to education and training leads to youth outmigration and an ageing population. Older people suffer from a lack of home care services and public transport. More generally, poor access to services goes some way to explain why remote rural areas show the greatest social exclusion.

### **EU policies and instruments combatting rural poverty**

In the EU, responsibility for tackling poverty and exclusion remains primarily with the Member States. National policies benefiting the rural poor include healthcare, social security systems and policies for employment and education and training. Cooperation



between EU countries on poverty reduction is organised at EU level and relies on the open method of coordination for social protection and social inclusion ([Social OMC](#)), under the European Commission's supervision. While the EU has limited competence in this field, eliminating poverty and social exclusion is one of its main priorities. The Europe 2020 strategy is aimed in particular at lifting 20 million people out of poverty by 2020 and is supported by the [European platform against poverty and social exclusion](#), which includes a large number of initiatives and allows for regular dialogue between the Member States, the European institutions and the relevant civil society stakeholders.

At EU level, it is possible to distinguish between policies targeting poverty **in** rural areas and those fighting poverty **of** rural areas. Within the European social policy, which belongs to the first category, the fight against poverty receives funding from two main sources: the [European Social Fund](#) (ESF) and the [Fund for European Aid to the Most Deprived](#) (FEAD). For the 2014-2020 period, the ESF budget is more than €80 billion, of which 20 % at least must be devoted to the promotion of social inclusion and the fight against poverty in each Member State. However, the **rural** dimension of poverty is not taken into account. The FEAD budget amounts to over €3.8 billion for the same period.

Poverty **of** rural areas is tackled mainly through regional policy and rural development policy, which both play an important role in enhancing the economic development of rural areas – but do not specifically target the rural **poor**. Regional policy is the EU's main investment policy for all European regions and cities, supporting job creation, business competitiveness, economic growth and sustainable development, on a budget of almost €352 billion for 2014-2020. The EU's rural development policy is the second pillar of the common agricultural policy (CAP) and helps Member States' rural areas to meet a wide range of economic, environmental and social challenges. One of its six priorities in the current period is to 'promote social inclusion, poverty reduction and economic development in rural areas'.

### The role of the common agricultural policy

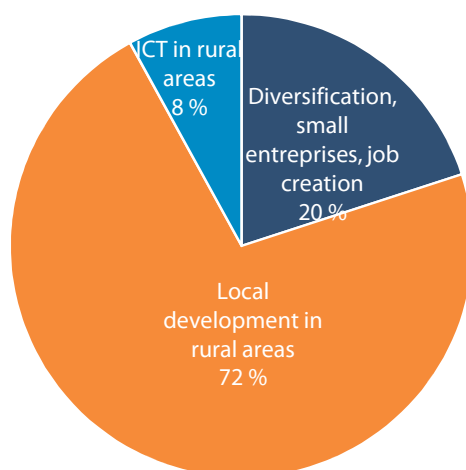
The main objectives of the CAP are to ensure a decent standard of living for farmers and to provide consumers with a stable and safe food supply, at affordable prices. The present CAP, which was reformed in 2013, rests on two pillars:

- The first pillar consists of **income support** to farmers (direct payments per hectare, decoupled from production) and market support (interventions in agricultural commodity markets). It is funded by the European Agricultural Guarantee Fund ([EAGF](#)). Direct payments act as a safety net for farmers and help stabilise their income. Very often, the risk of poverty in rural areas is linked to the [loss of viability](#) of [subsistence](#) or semi-subsistence farms. For these, direct aid is essential and can represent a significant share of revenue.
- **EU rural development policy**, the second pillar of the CAP, is funded by the European Agricultural Fund for Rural Development ([EAFRD](#)). This investment policy goes beyond the farming sector and supports the development of rural areas at every level. While it does not specifically target poverty reduction, it can play an important role in supporting activity, employment and incomes in rural areas and is adapted to the specific poverty and social exclusion risks found in these areas. The rural development measures proposed in the EAFRD regulation allow Member States or regions to address issues linked to population change (outmigration, ageing), remoteness, lack of education facilities, lack of job opportunities, all of which are considered to be factors of poverty and social exclusion.

EU rural development policy is implemented throughout the Union by means of **rural development programmes** designed by Member States and regions ([118](#) in total for the 2014-2020 period). These are based on a set of 20 measures, detailed in the EAFRD Regulation, and organised around six main EU [priorities](#). The policy has been endowed with a total budget of €95 billion for 2014-2020.

**Priority 6** is dedicated to the '**promotion of social inclusion, poverty reduction and economic development in rural areas**' and is new for the 2014-2020 period. It is subdivided into three focus areas: a) facilitating diversification, creation and development of small enterprises, as well as job creation; b) fostering local development in rural areas; and c) enhancing the accessibility, use and quality of ICT in rural areas. To address these issues, Member States/regions can use several measures listed in the EAFRD regulation; the 'Leader' or 'Basic services and village renewal in rural areas' measures are explicitly mentioned in the regulation as being of particular relevance to priority 6. Within **priority 6**, which accounts for 15 % of total public funding for rural development, most funds have been allocated to focus area b) 'Fostering local development in rural areas', as shown in Figure 4, while more limited support is dedicated to focus areas a) and c).

**Figure 4 – Priority 6 focus areas**



Data source: [European Parliament](#).

Recent [figures](#) on planned expenditure within rural development programmes 2014-2020 show that only Germany, Italy and Sweden spend a significant share of funding on ICT. Germany, Bulgaria and Romania give higher than average priority to the fight against rural poverty and social exclusion (in Romania, support under priority 6 will help create almost [27 000 jobs](#) in rural areas and set up 3 000 non-agricultural businesses).

#### **EAFRD contribution to Roma integration in the labour market**

Many social inclusion projects supported by EU rural development funds were implemented during the previous programming period. One of them relates to a Romanian agricultural and commercial [company](#) producing cereals, leguminous plants and seed oil plants, which set up a modernisation project. The farm was located in Găneasa, where close to a quarter of the population was Roma and mostly unemployed. Other specific objectives of the project were to create sustainable jobs for Roma women and youth, to contribute to the social development of the area, to increase revenues and achieve financial sustainability, and to adapt to EU environmental standards. The farm applied for EAFRD support and received a grant worth €286 000. It invested in the best technology available and improved its performance. It created two jobs for Roma women and five for Roma youth to operate the new machinery. Increased financial turnover allowed the farm to more than double the area on which it operated.

**Leader**

The [Leader](#) measure,<sup>5</sup> which is a mandatory feature of all rural development programmes (Member States and regions are required to devote at least 5 % of their EU rural development envelope to this approach), can play an important role in dealing with poverty and social inclusion in rural areas. Many Leader projects have resulted in better inclusion through employment initiatives. These include the development of skills or the analysis of supply and demand on the labour market, on the basis of a tailor-made, personalised approach. Leader can also support initiatives that facilitate access to health, education and leisure services, especially for disadvantaged groups. In the current programming period, the community-led local development ([CLLD](#))<sup>6</sup> approach opens up new opportunities to deal with poverty and exclusion issues, as local strategies in this field can be funded by a combination of EU funds, in particular the EAFRD and the European Social Fund.

**Rural networks**

The current rural development regulation has strengthened the role of **rural networks**, at both European and national levels.<sup>7</sup> These facilitate the exchange of views and experience around issues of interest by bringing together various stakeholders. They are well placed to address the issue of social inclusion, one of the three main working themes of the European Network for Rural Development (ENRD) in 2014-2020. National rural networks (NRN) contribute to social inclusion in rural areas by engaging directly with organisations of marginalised groups and helping them to build capacity in order to address social inclusion issues more effectively. These organisations can be local action groups (in the framework of Leader), NGOs or managing authorities, etc. that act as connectors to people on the ground.

**Expected outcomes of rural development investments in 2014-2020**

[Analysis](#) by the European Commission of the 118 regional and national rural development programmes as finalised by the end of 2015 provides a clear view of the way rural development funding will be spent by the Member States and regions. The two most relevant measures for the implementation of priority 6 ('Leader' and 'Basic services and village renewal in rural areas') have attracted 6.9 % and 6.7 % respectively of total public expenditure for rural development. 25 Member States have used the new possibility to implement multi-funded Leader/CLLD strategies.

Improving employment opportunities in rural areas is crucial in the fight against poverty and social exclusion. The analysis shows that rural development funds will provide for the direct creation of 117 500 non-agricultural new jobs, of which 73 000 linked to diversification actions and the creation and development of small enterprises, and 44 500 through Leader groups. Also, 51 million rural citizens will benefit from improved services and 18 million rural citizens will have improved access to ICT services and infrastructure. In total, nearly €16 billion will be devoted to social inclusion in rural areas.

**European Parliament**

In its November 2011 [resolution](#) on the European platform against poverty and social exclusion, Parliament acknowledges that the risk of poverty directly affects rural communities, in particular small farms and young farmers as a consequence of the economic crisis and excessive fluctuations in commodity prices. In a May 2016 [resolution](#) on poverty from a gender perspective, Parliament draws attention to the fact that women living in rural areas are particularly affected by poverty, suffer from extremely high unemployment rates and limited access to education and healthcare. It therefore

encourages Member States, in cooperation with regional and local authorities, to improve general living conditions of women in rural areas in order to reduce the risk of poverty. Emphasising the close link between rural development and job creation, in its [resolution](#) of 27 October 2016 on how the CAP can improve job creation in rural areas, Parliament stresses that rural development policy should progressively be strengthened, without reducing first pillar support, as it allows for more direct and effective action to fight social exclusion in rural areas and boost employment and the dynamism of these areas.

## Main references

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European Commission, Poverty and social exclusion in rural areas – Final study report, 2008.

European Commission, [The Territorial Dimension of Poverty and Social Exclusion in Europe](#) (TiPSE), European Spatial Planning Observation Network (ESPON) Programme, April 2014.

Policy Department B, Directorate-General for Internal Policies, ['Structural and cohesion policies and the fight against poverty'](#), European Parliament, January 2011.

## Endnotes

<sup>1</sup> To pay their rent, mortgage or utility bills; to keep their home adequately warm; to face unexpected expenses; to eat meat or proteins regularly; to go on holiday; a television set; a washing machine; a car; a telephone.

<sup>2</sup> E. Boulineau, E. Bonerandi-Richard (dir.), [La pauvreté en Europe, Une approche géographique](#), 2014.

<sup>3</sup> The figure for Malta (50 %) is deemed unreliable as the country does not have any predominantly rural areas.

<sup>4</sup> According to various organisations, this number could be four to five times higher. There are reasons to believe that the census data are not reliable, as many people may not have wanted to declare themselves as being of Roma origin.

<sup>5</sup> LEADER is a community-led local development method for mobilising and developing rural communities through local action groups (LAGs) made up of representatives of public and private socio-economic interests. LEADER is co-funded by the EAFRD.

<sup>6</sup> For the 2014-2020 period, a new approach called community-led local development (CLLD) was introduced, based on the LEADER methodology but eligible for support from other European Structural and Investment funds.

<sup>7</sup> Under EU rural development policy, Member States are required to establish a national rural network (Article 54 EAFRD Regulation). All national networks are gathered under the European Network for Rural Development (ENRD).

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