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Supporting social inclusion: addressing rural poverty

A recent study - 'Poverty and social exclusion in rural areas' - and a follow up conference on this topic, have brought to the attention of policy-makers and stakeholders the fact that rural poverty and social exclusion are a diffused phenomenon in rural Europe, with quite specific characteristics distinguishing it from urban poverty. This FOCUS article takes a deeper look at these crucial rural development concerns.

Over half of the EU's total population lives in rural areas and life in the countryside offers a variety of benefits to rural residents. Nevertheless serious structural problems also exist in rural communities. The *study* that examined the extent of social exclusion and poverty in rural areas confirmed that rural poverty is both significant and highly differentiated within the EU.

Key factors behind rural poverty noted by the research include issues related to demography, remoteness, education and labour market. Children, young people, unemployed residents, low-skilled workers, low-income people, farmers and minorities are those most affected by social exclusion in rural areas. These groups are all at risk throughout the EU 27 and particularly so in eastern and southern Europe.

Researchers from the study found that the relative poverty risk in rural areas has been more than twice as high as that in urban areas in countries such as Portugal, whereas rural populations in Lithuania and Hungary can suffer from poverty risk rates as much as three times higher than those for inhabitants of the biggest cities in these Member States.

Remoteness, low density of population and isolation from essential services and income opportunities often exacerbate social exclusion impacts among high risk groups and define the distinctive features of poverty in rural areas in relation to urban ones. Furthermore, the conditions of rural housing stocks remain below standard in many countries and labour market inequalities regarding gender, age or ethnicity, as well as lack of diversification of the rural economy contribute to worsen rural poverty problems.

Such rural deprivation factors are frequently hidden by lack of accurate data and limited capacity to apply poverty indicators within small localised rural territories. Better understanding of the dynamics behind rural poverty thus remains crucial for policy makers involved in addressing the problems. More concerted and coordinated efforts to tackle rural poverty, in all its dimensions, are required and this work will be given greater focus and prominence in 2010, by both the *European Year for Combating Poverty and Social Exclusion* and Spain's EU Presidency goals to enhance a "socially supportive European Union".

EU rural development policy plays a prominent role in helping address these strategic objectives. Working alongside other EU and national policies tackling structural challenges in rural areas, the Member States' Rural Development Programmes (RDPs) help make sizable contributions in alleviating poverty through a wide range of interventions addressing both its economic and social dimension.

Axis 1 offers competitiveness opportunities for farm and forest businesses, contributing to consolidate farm jobs along the food chain. In some cases, economic transitions following





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restructuring may exacerbate existing poverty problems in the short term and this is recognised by an axis 1 emphasis on investments in human capital, which aim to provide more positive long term outlooks, and by specific support for semi-subsistence farms in the Member States who have joined the Union since 2004. In addition, farmers in rural areas with some form of structural handicap receive compensation payments through axis

2 Less Favoured Area schemes, contributing to reduce pressure to abandon farming in marginal and remote areas.

Similarly, axis 3 resources assist quality of life and economic diversification through microenterprise development measures and can also promote social inclusion and the provision of social services and employment opportunities that target priority groups in need of special support, such as old age dwellers in rural areas or the young. Furthermore, the local development strategies of some 2 000 Local Action Groups across rural Europe and their multi-sectoral, participative approach places them well for designing a tailored mix of actions addressing the socio-economic specific needs of rural areas, very often improving the efficiency and effectiveness of existing interventions.

Coordinated systems for tackling rural poverty were highlighted as a key success factor during a high profile EU conference earlier this year debating the topic. Titled <u>'Combating poverty and social exclusion in rural areas'</u> the event was hosted in Budapest by Hungary's government in cooperation with the European Commission.

Delegates and speakers discussed the aforementioned <u>study</u> and other related work to confirm that rural poverty and social exclusion remain concerns for all 27 Member States. Decision makers were encouraged to strengthen delivery mechanisms and capacities to work together within joined up EU approaches. Rural development policy contributions received recognition for their ability to specifically target structural disadvantages in rural areas. Support

from EU regional and social policies was acknowledged as playing a crucial role in finding adapted solutions.



Conference recommendations included creating more effective synergies between these EU interventions, the establishment of improved rural poverty indicators at a more disaggregated territorial level than NUTS 2 (in order to distinguish more precisely rural from urban poverty), as well as agreeing on a harmonised definition of poverty. Furthermore it was suggested to expand the use of the 'Open Method of Coordination' which has proved successful in integrating national and EU policies. Other commentators found useful the distinction made between the concepts of poverty of rural people, (in general as related to urban poverty) from that of poverty in rural areas, with its specific features.

Find out more about other conclusions from the conference.

Latvian LAG actions supporting social inclusion

Like elsewhere in Europe, the global economic crisis has placed increased pressure on Latvian efforts to redress poverty and promote social inclusion in rural communities. NGOs continue to act as important partners in this campaign and the *Latvian National Rural Network* is involved in collecting information about good practices in such areas. These include LAG projects funded under previous programming periods.

For example, useful results and a variety of development benefits have been previously generated by work from LAG, Association Dzirnavstrauts, which supported a 'Local Initiatives Centre' in Zemite parish. The RDP project has provided new training facilities to help strengthen and diversify the rural area's economic skills base. It has also provided new community services and provides a social hub for the rural population. LAG funded equipment remains well used and training apparatus allows local delivery of skills seminars for different groups, including farmers, who might otherwise find themselves traveling long distances to attend training.

Another beneficial approach has been implemented by the Vecumnieki Association of Large Families, which received LAG funding in the past to help families with multiple social and dysfunctional problems. Outcomes from the LAG training for child support workers are facilitating the reintegration of excluded families back into mainstream rural society and increasing employment options in Latvia's social economy.



Thematic Working Group (TWG) progress overview

All TWGs have now launched their second work phases. TWG 1 (Targeting territorial specificities and needs) is currently focusing on how Member States have used their definition of rural areas to ter-

ritorially target rural development measures under axes 1, 2 and 3 and for the selection of LAG eligible territories under axis 4. A TWG 1 meeting was held in September to advance this phase. TWG 2 (Links between agriculture and the wider rural economy) is currently undertaking analysis of eighteen NUTS 3 regions, to assess in both quantitative and qualitative terms, the dynamics of agriculture and its linkages with the wider rural economy. Initial findings from the analysis have been reviewed by the group in October. TWG 3 (Public goods and public intervention) is progressing its RDP screening exercise and Member State survey and findings are expected towards mid 2010 about the main types of public goods provided by EU agriculture.

NRN cooperation on Rural Entrepreneurship

Networking and cooperation go hand in hand and this has been underscored by a new initiative between National Rural Networks (NRNs) from the Netherlands, Germany, Belgium and Ireland. These networks came together earlier in the year to discuss collaborative approaches for supporting rural entrepreneurs in developing innovative products on a cross-sectoral basis.

Several areas of interest were identified as cooperation priorities including knowledge industries, intensive agriculture, inter-sectoral local economies and territorial identities. The role of public-private-partnerships was also discussed as vehicles to support this renewed rural entrepreneurship. More information about the cooperation project is available from <u>Marga de Jong</u> at the Netherlands Rural Network.

NRN meeting in Budapest: Developing effective communication strategies and tools

'Connecting People' through the development and use of modern and dynamic communication strategies and tools, formed the focus of debate at a recent meeting of NRNs in Budapest in September. The growing significance of social networking tools (e.g. facebook, twitter, delicious etc) are rapidly changing the way people communicate in rural areas today. People are becoming increasingly mobile, fast moving, demanding more communication in real-time. Traditional 'one-to-one' communication is also being replaced by communication of 'many-to-many'.

Participants recognised that rural networking organisations seeking to share and disseminate information need to embrace such new communication methods or they may run the risk of being marginalised by these new social networks. It was also recognised that there was an urgent need to develop better tools for the dissemination of 'Good practice' within and between rural networks, recognising the power and potential for 'good practice' examples to inspire and motivate more rural actors to get involved. It was proposed to focus upon good practice examples of entrepreneurship, as a starting point. It was also recognised that a number of other common interests and priorities exist in each network that could provide a platform for future clustered technical cooperation. Piloting of this approach was proposed to focus initially upon Social farming and the development of Leader and its links with other axes. Find out more

Contact Point visits to NRNs in Malta and Portugal

The EN RD Contact Point's role involves mutual exchanges with NRNs. This includes face to face in-country meetings to discuss the current state of play with different NRN activities.

The first country visit took place in Malta and coincided with the launch of the Maltese NRN. Here the NRN has adopted a set of facilities and services accessible to all RDP beneficiaries. A Coordination Committee, comprising representatives from Malta's three LAGs, farmers, NGOs, environmental interests and public bodies, steers the overall NRN work programme.

Implemented by the Managing Authority's NRN unit, the work programme includes providing practical advice about the RDP axes, organising transnational cooperation support and planning for future rural development programming. More information about the Maltese NRN is available from <u>Mr Donald Aquilina</u> at the Ministry of Resources and Rural Affairs.

Portugal's NRN has also met with EN RD Contact Point colleagues to introduce the progress of their capacity building programme for rural areas, which covers five mainland Portuguese regions as well as the Azores and Madeira. Serving such a diverse territory, the NRN is structured around seven regional assemblies. Each of these receives supported from the NRN's central 'Technical Organisation Unit' and the entire network is supervised by a national Coordinating Council. The assemblies provide beneficial bottom-up links to national policy makers and allow NRN support to be tailored to fit with local needs.

Services offered so far by Portuguese NRN include workshops on quality strategies, public procurement, evaluation and cooperation. In addition, NRN studies are aiming to improve uptake of RDP opportunities and explore rural depopulation factors. Publications are also being produced and thematic working groups are starting up. Contact the <u>Portuguese NRN</u> for more information about their rural support services.

ENRD Rural Periodical

Issue 1 of the EN RD Rural Periodical, titled the EU Rural Review, is now available on-line containing a varied collection of articles reviewing EU rural development matters. October's edition of the EU Rural Review explores opportunities available from the European Agricultural Fund for Rural Development and also provides analysis of contemporary issues such as the Common Agricultural Policy (CAP) Health Check, semi-subsistence farming, rural life in EU candidate countries and results from recent rural research projects. Future EU Rural Review features will include



linkages between innovation and EU rural development policy as well as RDP responses to rural diversity and climate change.





Ministerial meetings

Ministers at the informal Agri-Fisheries Council in Sweden on the 14-15 September discussed agriculture and climate change. The discussion was supported by a DG AGRI Staff Working Document on climate change mitigation in agriculture, which

includes a section on possibilities offered by rural development and an overview of the uptake of climate relevant measures in RDPs 2007-2013 (pre-Health Check). *Find out more*

Networking rural stakeholders in south east Europe

The Regional Rural Development Standing Working Group of South East Europe is supporting links between the Balkan countries and other parts of Europe. Comprising an informal network of government representatives from institutions responsible for rural development, the Working Group operates independently from the EU and aims to complement EU support work in the countryside around South East Europe. Members of the network include representatives from Albania, Bosnia and Herzegovina, Bulgaria, Croatia, FYROM, Kosovo, Montenegro, Romania, Serbia and Slovenia.

Cooperation and capacity building remain central to the Working Groups' activities, which have included promoting skills training in branding schemes for products or regions and providing guidance regarding harmonisation with EU wine sector legislation. *Find out more*

New funding for local energy action

A new EU funding programme for sustainable energy investments is being prepared by the European Commission in partnership with the European Investment Bank. The <u>ELENA (European Local Energy Assistance)</u> initiative is expected to become operational later in 2009 and is part of the <u>Intelligent Energy Europe programme</u>.

ELENA will provide €15 million to assist local authority undertakings in areas such as upgrading of public and private buildings' energy systems, energy-efficient district heating and cooling networks, or environmentally-friendly transport. Further information about ELENA is available on the EU's managenergy website which also contains useful good practice case studies.

Promoting agricultural products

Europe's rural business sectors are benefitting from a new support programme promoting agricultural products. €28 million has been provided by DG Agriculture and Rural Development for Member State schemes involved in highlighting the advantages of EU products. Some 16 programmes



in 12 Member States are receiving assistance for public relations and publicity actions promoting the quality, hygiene, food safety, nutrition, labelling, animal welfare or environment-friendliness of agricultural products such as milk, cheese, meat, wine and vegetables. *Find out more*.

€244.5 million of new RDP funds approved from the CAP Health Check and European Economic Recovery Plan

Five Member States have recently had their *proposals approved* for additional RDP actions funded by new finance made available from the CAP Health Check and European Economic Recovery Plan. A total of €244.5 million has been approved by the European Commission for RDP amendments in Austria (€97.0 million), Finland (€67.0 million), Cyprus (€2.0 million), United Kingdom (Northern Ireland region, €40.1 million) and Italy (Toscana and Sardegna regions, together €38.3 million).

Whilst the allocation of new funds across RDP measures differs for each Member State/region depending on the current needs and economic situation, broadband remains a common investment priority for most of the amended RDPs and broadband projects will benefit from to \leqslant 53.2 million of these new funds.

For the majority of the rural development programmes the approval of the Health Check and European Recovery Package modifications is foreseen for November and December.



Our tour of Member States continues in this edition with a look at rural development in Ireland.

Situated on Europe's western fringe, Ireland

comprises large areas of extensive green livestock pastures. Despite impressive prosperity growth at national levels, structural issues remain in the

countryside. Concerns regarding productivity rates among some older farmers are compounded by high land prices which deter rural transitions. Uptake of ICT is still low and depopulation continues to affect many communities.

Nevertheless, the high standard of Irish rural products supports their popularity and Ireland's green, 'Emerald Isle', image also fits EU consumer preferences for quality, safe

and eco-friendly goods. Agri-environmental schemes enjoy high participation levels, rural tourism is widespread and a strong cultural identity exists. The national RDP reflects these development issues via targeted intervention measures that include (*inter alia*) an emphasis on young farmers and environmental training in axis 1, organic products and NATURA 2000 sites in axis 2, and all axis 3 actions are delivered through the Leader approach. *Find out more*

Facts and figures about rural Ireland

- Agriculture accounts for 62% (4.3 million ha) of total land use and forestry covers another 10% (710 000 ha).
- · Average farm size is around 30 ha and nearly 75% of farmers qualify for Less Favoured Area payments.
- Farming is becoming more 'part-time' as over 40% of Irish farmers have another occupation.
- Ireland's RDP covers an area that includes 60% of the national population.
- RDP funds from the EU total €2.339 billion (2007-2013), of which axis 1 receives around 10%, axis 2 is allocated almost 80% and LAGs receive 10% for their work with axes 3 and 4.



Priorities of the National Rural Network in Ireland

The overall objective of the National Rural Network in Ireland is to assist in the efficient and effective implementation of the RDP. Paul Keating, who manages the support unit for the Network in Ireland emphasises that in practice "we must always ask ourselves how we add value to the programme and the value added by the NRN revolves around promoting synergies between measures, synergies which open new possibilities for collaboration and innovation". Mr Keating outlines the logic that collaboration, whether at a practical or a strategic level, is based on common interest and mutual benefit. He reaffirms that the first step in developing constructive relationships hinges on a shared understanding of the issues and such understanding must be informed by

good quality, clear and timely information. "So in Ireland we see the organisation of seminars, conferences, meetings, research, publication and dissemination as being linked together and all contributing to the same objective."

With a total budget of €2.7 million (2007-2013) the Rural Development Support Unit will deliver the NRN in Ireland and will, where possible, build from its own expertise rather than subcontracting. "We feel that a strong multidisciplinary team in itself adds value in the delivery of a network" adds Mr Keating.

A significant focus of the work of the NRN will be to secure and co-ordinate the flow of information, including performance indicators, between local beneficiaries, intermediate bodies and the managing authority. There is also a strong emphasis on documenting



and disseminating

best practice across the four axes. The Irish NRN is developing a strong web and social networking presence in order to secure the maximum impact with our information. Such work involves close liaison with NRN's partner organisations from other established environmental, agricultural, enterprise and rural development networks including the network of LAGs in Ireland.

Ireland's reputation for innovative rural development is demonstrated by an RDP project involving the conversion of farm waste into green energy. Based on demands to find alternative solutions to poultry litter disposal, a team of agri-technicians have invented a unique piece of on-site biomass technology capable of producing heat and electricity from farm residues. The system uses 'Fluidised Bed Combustion' and has now been developed to offer a variety of environmentally-friendly, cost effective business support applications beyond just poultry litter. Find out more.

A further example of innovative rural development action in Ireland can be seen by the country's unique methodological approach for mainstreaming LAG activities. This involves using LAGs to deliver all axis 3 measures and LAG mandates have also been expanded to cover other development support programmes for rural areas, which run in parallel with the RDP activities. Such integrated rural development approaches include LAG coordination and implementation of state-led social inclusion interventions. Find out more about this joined up approach to social inclusion and rural development from Paul Keating at Ireland's NRN support unit.



WHERE TO FIND OUT MORE

EU Rural Development policy 2007–13: http://ec.europa.eu/agriculture/rurdev/index_en.htm

Directorate-General for Agriculture and Rural Development: http://ec.europa.eu/agriculture/index_en.htm

The European Evaluation Network: http://ec.europa.eu/agriculture/rurdev/eval/network/index_en.htm

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