Combating poverty and social exclusion in rural areas: key findings and key questions

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The political irrelevance of rural poor

- lack of adequate *data, analysis and systematic knowledge*. European rural poor *invisible*
- rural poor less organized than other groups: their *voice* is much weaker
- existence of *stereotypes*:
  - strong family and the *community support*
  - non-monetary (compensation) factors

⇒ Need to *improve awareness and understanding of rural poverty*
The income poverty

- higher degree of income poverty in rural areas
  - confirmed by a lower GDP
- The gap bigger in Eastern countries
- In western countries rural poverty concentrated in remote regions

⇒ Importance of universal (means-tested) schemes of income support for rural unemployed people

- Some evidence of lower take-up rates
  - Need for better access to information
  - In rural areas disincentive effects of social stigma
  ⇒ undeclared poverty
The labour market

- Recent trend (2000-2005): rural areas perform worse than urban areas
  - Employment rate
  - Youth unemployment
  - Long-term unemployment
- Big gender gap in employment rates. Main difficulties on the demand side
- Specific difficulties of seasonal workers (often immigrants).
  - weaker (sometimes absent) social security
The labour market (ctd)

- Inadequacy of labour market “institutions”
  1) job centres less accessible
  2) illegal job intermediaries (immigrants)
  ⇒ Build a more formal network for job search
- Mismatches between jobs and skills (and low skills);
  ⇒ Training provision - based on analysis of the local demand for skills
- Accessibility of workplace (remoteness, inadequacy of infrastructures);
  ⇒ Transport solutions
- Opportunity cost of working: childcare, eldercare
  ⇒ Childcare and eldercare support
The human capital

Important individual and regional poverty indicator:
- Differences rural/urban in pre-school education
- Other orders of school: the educational attainment is significantly lower in rural than in urban areas
- The share of adults with low educational levels is higher in rural areas (particularly in Mediterranean countries: Greece, Italy, Spain and Portugal)
- In some countries (East) still a problem of illiteracy
- Many mature workers in rural areas have only basic levels of education: unskilled workers
The human capital (ctd)

Consequences: equity and growth
- **Low productivity**: efficiency and distributional effects
- “Inequality traps”
  - Inequality of educational opportunities between rural and urban areas
  - Inequality of educational opportunities within rural areas: inter-generational transmission of poverty and education
- Social immobility trap => geographical mobility?

Explaining factors
- selective **migration** (talented people migrate?)
- education **infrastructures** and qualification of staff
- culture and **preferences**?
Education and training: policies

- pre-primary education, guidance and counselling, tutoring, grants
- compensatory actions such as second-chance schools
- vocational training
- innovative approaches beyond formal education
- active policies: closer link between training and employment
- re-training and life-long education for adults and mature workers, especially in peripheral regions
- higher education: support more dispersed provision and distance learning
The actors, the design and the governance

Main difficulties (and points of action):
- **low awareness** of the role of **local authorities** in social inclusion strategies
- **lack of partnership approach** in social inclusion policies
  - support the construction of partnerships among local actors
  - encourage the participatory process (e.g., participatory and social budgeting);
- **insufficient co-ordination between** central, regional and local institutions
  - **Optimal scale** of intervention
- **Underdevelopment of the social economy**
  - training social enterprises in business and fund-raising activities
Thank you.