


Joint Research Centre (JRC)

Conference on Combating poverty and social exclusion in rural areas



Session:

Contribution of Rural Development policies to social inclusion

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Outline of intervention

Opening comment on the final report on Commission's study Poverty and social exclusion in rural areas

- **Extreme heterogeneity of the rural poor**
Brief summary of findings of IPTS study on semi-subsistence households in three New Member States
- **What can RD programmes offer these households?**
- **What scope for RD measures to address social exclusion?**
- **Where does social farming fit into the picture?**

Two perspectives on rural poverty

‘Poverty OF (when rural areas are compared with other areas)

lower average incomes, fewer services, lower life expectancy, worse housing, less health care, older, greater gender imbalance etc

‘Poverty IN (when comparing the poorest strata in rural areas with other rural inhabitants)

women, youth, elderly, low educated/skilled, ethnic minorities, unemployed, ‘working poor’ etc

The poorest *within* rural areas face particular, identifiable constraints or handicaps

Do these constraints identify homogeneous sub-groups each of which could be targeted by specially designed measures?

What *kind* of policy is best suited to help them: (sectoral) incentive-based policies (e.g. RD measures) or (social) income transfers (e.g. housing aid, child benefit payments)?

Results from IPTS study on semi-subsistence

households

most educated, smaller, highest share of non-farm income, least market access, largest range of products, live in more remote regions – yet 96% have off-farm work; the most viable group when only earned income is taken into account

Cluster analysis subsistence

oldest, smallest households, lowest education & net farm income, no earned off-farm income, transfer payments – only off-farm income

- rural non-

higher share of farm income in net household income, largest farms; aim to maximise farm production, continuity for next generation; receive the highest share of farm subsidies, are close to town centres

- rural pens

- larger-scale semi-subsistence farm households

- newcomer rural households with undeveloped potential

lowest share of own consumption, low number of farm products, relatively young, lack of farming expertise; remote from urban centres, yet aim to maximise off-farm income - and leisure time

Analysis: for these different groups, 7 scenarios were simulated – all contained SAPS (Pillar 1) but having different combinations of 4 RD measures

Rural diversifiers – recommendation: no specific policy measure needed now BUT prepare the ground for a poverty-free retirement

Rural pensioners (non-viable in most scenarios) – recommendation: effective & generous social security most benefit

Farmers (most farm development potential) – recommendation: farm investment aids most beneficial & other sectoral policies

Rural newcomers – recommendation: measures to improve their employability off-farm AND/OR training as farmers (advice on investment and production strategies, marketing ideas..)

Conclusions

- **One-size-fits all policies are not appropriate for low-income households**

**CAN THIS CONCLUSION
BE GENERALISED TO OTHER
VULNERABLE GROUPS?**

- **Yet others will gain from measures targeted to them as farmers **but also** from measures aiming to improve off-farm labour possibilities and rural infrastructure in local economy**

What can RD programmes offer "socially excluded" households?

And lack of awareness is probably positively correlated with degree of social exclusion

- IPTS study found **very low awareness** of programmes from which semi-subsistence households could gain
 - Pillar 2 measures are voluntary, incentive-based measures ⇒ a certain level of education/skill necessary to give a household the motivation and confidence to participate
 - RD measures directly target "farmers" - not rural households without a farm base (e.g. casual hired workers, unemployed/elderly village-dwellers etc). The latter can benefit from RD
- Evidence on potential gain is incomplete and variable**
labour markets, non-farm activities and/or services

Where does social farming fit into this picture?

- **exciting and inspiring new development**
- **offers a new opportunity for diversification of on-farm income-earning activity...**
- **... although often with significant start-up costs (e.g. see evidence from NL on the SOFAR web site)**
- **could be stimulated within the current RD programme by measures under Axis 3**

Important questions for discussion

- **is a policy action needed here? If yes, of what kind?**

Until now, no direct policy stimulus, yet rapid development where conditions (cultural, institutional, market demand) have been right. Is there a market-failure argument that would justify a policy stimulus?

- **is there scope for social farming in remote rural areas?**

Distant from main client populations, unlikely to arise spontaneously because demand is lacking. But would supply-side policies remedy this?

- **can it be an answer to within-sector rural poverty and social exclusion?**

Only partial- Household needs a farm base in order to diversify in this direction - Farmers likely to opt for SF probably already enjoy higher-than-average level of education, social inclusion, motivation