

CONFERENCE  
COMBATING POVERTY AND SOCIAL EXCLUSION  
IN RURAL AREAS  
BUDAPEST 11-12 JUNE 2009

REPORT OF THE CONFERENCE

**European Commission**

Directorate-General for Employment, Social Affairs and Equal Opportunities



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## Executive summary

Rurality and rural poverty represent important aspects of European poverty, particularly since the last enlargement involving countries with significant rural areas and populations and with lower level of income. Despite this, rural poverty has been neglected and still tends to receive less attention than poverty in urban areas.

Therefore, with the support of the Hungarian Ministry of Social Affairs and Labour, the European Commission's Directorate General for Employment, Social Affairs and Equal Opportunities, in cooperation with the Directorate General for Agriculture and Rural Development, Regional Policy and Eurostat organized a conference on "*Combating Poverty and Social Exclusion in Rural Areas*", held on June 11-12 2009 in Budapest, Hungary. The conference devoted itself to dealing with the issue over two days, bringing together stakeholders in the area of promoting social inclusion from all Member States and from the European Commission, with the aim to exchange good practices and to reinforce good governance and in particular coordination of policies, thus to ensure that rural poverty is not forgotten, especially not during a period of economic crisis.

On the one hand, the conference drew considerable attention to the problems that characterize rural areas and that generate a vicious circle by reproducing and amplifying the phenomenon of poverty in rural areas. On the other hand, the conference placed significant emphasis on the question of the efficiency of the actual policies and measures targeting rural poverty, raising the issue of whether the Common Agricultural Policy, including Rural Development Policy current address these needs and what role the other structural and cohesion policies (ERDF, ESF, PROGRESS) should play. Special consideration was given to two vulnerable groups that are at particular risk of (extreme) poverty: children and Roma people. The conference also provided floor for the issue of social farming, arguing that social farming has the ability to contribute to social inclusion in rural areas.

Even though the conference offered a genuine opportunity to reaffirm the Community's engagement to fight *all* kinds of poverty, the main findings of the conference showed there is still much to do in order to break the "vicious circle" of rural poverty and to close the existing rural gap both from the point of view of policies and the point of view of funds that target poverty, social exclusion.

Speakers and participants urged that in order to end the 'invisibility' of rural poverty, there is a need for a multidisciplinary and harmonised definition, and for better knowledge and correction of the phenomenon. Social issues need to be addressed more vigorously than previously, using better targeted policies in order to tackle the disadvantages of the vulnerable groups most at risk of poverty. It was argued, that the issue should rather be placed under social inclusion policies and should receive greater emphasis within the Open Method of Coordination that could help to deepen mutual learning and to widen involvement of stakeholders at different levels. Regarding policy coordination, it was emphasized that there is a need for more active involvement of NGOs and civil society, but at the same time also for better cooperation and co-ordination of the different actors, both at the European and national, but also at the regional and local levels.

## Summary

Although rurality and rural poverty represent important aspects of European poverty, particularly since the last enlargement involving countries with significant rural areas and populations and with lower levels of income, the specificities of rural areas have until now been neglected in the analysis of poverty in Europe. There still seems to be a lack of public awareness and commitment from the different strands of public institutions in addressing the issue of rural poverty.

As Elena Saraceno (former Bureau of European Policy Advisor, Economic Policy Area of the European Commission) chair-woman of the welcome session highlighted, the conference on “Combating Poverty and Social Exclusion in Rural Areas” aimed to draw attention to the “unfinished business” of addressing rural challenges in fighting poverty and social exclusion, and the need to guarantee that the issue of rural poverty is not entirely forgotten by policy makers and researchers. She argued that the present time, when facing the economic crisis, could be the right political moment to bring together the relevant partners to exchange experiences and to promote good practices in order to reinforce good governance, in particular coordination of policies.

László Herczog, the Minister of Social Affairs and Labour in Hungary emphasized that the issue appears in an even more concentrated way in Hungary, deeply related to the situation of Roma people, a large percentage of whom live far under the relative poverty threshold. In his speech the Minister highlighted the complexity and multidimensionality of the question, which calls for a complex approach. He also mentioned several Hungarian programmes aiming at tackling rural poverty. He suggested giving greater emphasis to the issue under the Open Method of Coordination for instance through the establishment of new common indicators.

Closing the welcome session, Jérôme Vignon (Director for Social Protection and Integration in the Directorate General Employment, Social Affairs and Equal Opportunities of the European Commission) again noted that the Budapest conference on rural poverty, as one aspect of poverty, offered an opportunity to prove the Community’s engagement with fighting against all kinds of poverty.

One of the main recurring comments was the lack of an appropriate (harmonised) definition of rural areas and rural poverty. As was highlighted by several speakers, definitional problems occur among others from the lack of knowledge and understanding of rural poverty, or from their elitist nature, using for instance urban stereotypes of poverty to describe rural poverty.

Another recurring issue was the question of efficiency of the current policies and measures targeting rural poverty. There is some controversy as to what extent one can expect the Common Agricultural Policy, including Rural Development Policy, to make an impact on rural poverty and what role the other structural and cohesion policies should play. Speakers and discussants argued that as the Rural Development Programme does not explicitly target social exclusion, rural poverty can be more effectively dealt with under social inclusion policies. Alison Burrell mentioned as another feature of the Rural Development Programme that the larger part of its resources directly target farmers, but not rural households without a farm base as such.

In addition, the structure of cohesion policies was also criticized on the grounds that its focus on NUTS2 level, is likely to mask the full extent of poverty and may lead to further exclusion of already disadvantaged smaller areas inside the region.

At the same time, however, counter arguments were also heard, stating that the present system should be upheld, though a separate operative programme at the regional level was suggested. And although participants of the last panel emphasized that all their policies (CAP, ESF, Cohesion Policy) have a role and an impact on rural poverty through their funds and programmes, they acknowledged that the present situation requires changes in terms of better integration and vertical coordination, and the need for a bottom-up approach, partnership and multi-level governance.

Another suggestion was to mainstream the rural dimension into social inclusion and protection policies to tackle problems of rurality, alongside which the possible assimilation of the cohesion policy to the Open Method of Coordination was also noted by several participants, as the right model to deepen mutual learning, widen involvement of stakeholders and to tackle the specific needs of Member States.

The vulnerable group highlighted during the conference were children, whose situation was compared with urban child poverty and in light of the urban-rural child poverty gap. Zsuzsa Ferge emphasized that in times of crisis, when the main policies aim at stimulating the market, children and poor people in general are hit the hardest as they are not part of the market.

The conference specially focused on the plight of Roma people. It was well highlighted by the contributors that their situation is even more severe (experiencing extreme poverty, segregation and discrimination, especially in housing and schooling) and that they present an even more complex problem than the non-Roma rural poor.

The conference also provided a floor for presenting social farming as a possible addition to rural development policies for combating social inclusion. The speakers argued that social farming can contribute to social inclusion in rural areas by mobilising local resources, reshaping local society and building or re-building new relations with public services and between rural and urban. They noted that social farmers are claiming recognition in order to facilitate and further their activity. However, as the example of the Netherlands showed, a special certification systems should also be developed alongside recognition in order to guarantee its quality.

Generally speaking the conference accomplished its goals and offered a genuine opportunity for different stakeholders to exchange good practices and to reaffirm the Community's engagement to fight all kinds of poverty. The conference was, however, only one step into this direction. As it underscored, there is still much to do both from the point of view of policies and funds (EARDF, ERDF, ESF - even complemented by the recent PROGRESS programme) that target poverty and social exclusion to break the "vicious circle" of rural poverty regarding demography, remoteness, education and labour market and to close the existing rural gap. This, however, also requires the involvement, the close cooperation and the co-ordination of the different actors both at the European and national, but also at the regional and local levels.

## **I. First Panel – “Key findings of the study “Poverty and Social Exclusion in Rural Areas””**

The first panel gave the floor to Paola Bertolini and Vito Peragine (Fondazione Brodolini) to present the key findings of the study on “Poverty and Social Exclusion in Rural Areas”, which served as the basis of the conference and was considered as a point of reference. As regards the study’s key findings, Paola Bertolini identified four main categories of problems that characterize rural areas and determine the risk of poverty and social exclusion: demography, remoteness, education and labour market. As one of the main characteristic of rural poverty, the study argues that these problems can interact and generate a “vicious circle” that reproduce and amplify the phenomenon of poverty in rural areas. On the other hand, based on GDP and other indicators, the study creates a distinction between two “types” of poverty: the so-called “poverty of rural areas” that is the possible disadvantage of the rural context in comparison with the urban one, and the so-called “poverty in rural areas”, describing the different features of the risk of poverty and social exclusion for people living in rural areas.

As the speakers noted, one of the most important features of rural poverty is its invisibility, which occurs in part from the lack of data available both in the EU and in the national surveys, and in part from the lack of a (harmonised) definition of rural areas. Alongside their invisibility, Vito Peragine also noted the weak political voice of the rural poor. The study indicates that compared to urban areas, the poverty rates are general significantly higher in rural areas, which feature is made even worse by the difficulties that specifically exist in rural areas, such as the lower take-up rates resulting from lack of information and/or the fear of social stigma. The speakers first detailed the difficulties relating to the above mentioned four categories of problem<sup>1</sup>, with a special focus on the problem relating to the labour market and human capital, as outlined by Peragine.

The second part of the presentation mainly dealt with the policies aiming to break this vicious circle. The main question posed whether actual policies and measures are able to break the above described vicious circle and if so, then what can be done to improve their effectiveness in attaining this goal. While the study acknowledges that the Common Agricultural Policy (CAP), including Rural Development Policy, together with Structural or Cohesion policies could represent a very important tool for fighting poverty and the risk of exclusion of rural areas, it states that one of the reasons behind the dysfunction of policies that address this question is that while “poverty of rural areas” and “poverty in rural areas” are linked, policies often tackle the two aspects separately, without having real synergies between them against the two aspects of poverty. As another reason for the non-efficiency of the policies, Peragine also noted low awareness of the role of local authorities in social inclusion

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<sup>1</sup> a) demography (out-migration, exodus and urbanisation, counter-urbanisation, returning migrations); b) education (general lack of pre-school facilities, difficulties in accessing primary and secondary schools, strategy of grouping schools; lower quality of education); c) labour market (lower employment rates, persistent long-term unemployment, greater amount of seasonal workers, low pensions, but also inadequate labour market institutions, mismatches between jobs and skills, lack of accessibility of workplace); and d) remoteness, and the lack of access to infrastructure and basic services (such as basic health and care services)

strategies, the lack of a partnership approach, and insufficient vertical coordination between the different actors.

The study therefore recommends to improve co-ordination between policies, to mainstream the rural dimension into social inclusion policies, and to mainstream social inclusion policies into rural dimension, to improve the involvement and co-ordination of different actors and to focus more on human capital investment, infrastructure and labour market in order to break the vicious circle. On the other hand, it asks for more knowledge and a single, harmonised definition of rurality both for analytical and policy purposes. It also calls for better implementation of the monitoring and evaluation system. Based on the experiences gained in the field of social inclusion, the study pointed to the Open Method of Coordination as the right model that can help to deepen mutual learning and to widen involvement of stakeholders at different levels.

Following the key-note speakers, Gábor Harangozó (MEP, Rapporteur of the EP Committee on Regional Development on the Role of Cohesion Policy in the Integration of Vulnerable Communities and Groups) presented the main findings of a report on the impact of cohesion policy on the integration of vulnerable communities and groups.<sup>2</sup> He noted that problems occur in part from the structure of the cohesion policies, for instance from the fact that cohesion policies focus on NUTS2 level, which causes further exclusion inside the regions, and in part from the fact that the fund which aims to tackle rural development is attached to the CAP. Therefore the report suggested introducing a financial tool at NUTS4 level, to use integrated development instead of separate funds and to include rural development under the framework of the cohesion policies. The lack of data and statistics in the field of rural poverty (as a result of the present system where statistics are mainly available on NUTS2 level), and the weak political voice were again underlined, and an argument was made for developing new indicators that would describe the social dimension in a more comprehensive way.

The second discussant of the panel was Mark Shucksmith from Newcastle University, who welcomed the commissioning of this study by DG Employment and Social Affairs and emphasised the importance of its contents overall, despite going on to make some specific criticisms of the study. He endorsed its powerful message that many people in rural Europe suffer poverty and social exclusion and yet this is poorly addressed by policy. The report summarises effectively what is known about the causes, the main groups affected, and what might be done to improve their quality of life and their life-chances. It should be the basis for action. He emphasized that analysis at NUTS2 level obscures the full extent of rural poverty. The distinction made in the report between poverty *of* rural areas and poverty *in* rural areas is helpful. He pointed to further research evidence about why some rural areas are poor while others perform well, notably the DORA study. The report's discussion of who is poor in rural areas, and why, is extremely useful. In terms of policies, he argued that there were implications for rural policy, for regional policy and for social policy. The poverty of regions reliant on agriculture points to the need for policies to promote

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<sup>2</sup> "Report on the impact of cohesion policy on the integration of vulnerable communities and groups" (2007/2191/(INI)), Committee on Regional Development  
<http://www.europarl.europa.eu/sides/getDoc.do?pubRef=-//EP//NONSGML+REPORT+A6-2008-0212+0+DOC+PDF+V0//EN&language=EN>

broader rural economies. He noted the complexity of urban-rural relationships, an issue being explored further by DG Regional. And finally, he emphasized that the poorest rural areas, often in New Member States, require measures to address the demand side of labour markets alongside education, training and institutional capacity.

## **II. Second Panel – “EU Cohesion Policy – a tool for addressing rural poverty”**

The next panel was held under the title “EU Cohesion Policy – a tool for addressing rural poverty”, and was chaired by Wladyslaw Piskorz, Head of Unit of Regional Policy, Urban Development, Territorial Cohesion in DG Regional Policy of the European Commission

The keynote speech was given by Paul Milbourne from Cardiff University, based on his paper drawn on recent research evidence from the UK examining key dimensions of poverty, social exclusion and welfare in rural places. In the first part of his presentation he highlighted the definitional difficulties relating to relative poverty and social exclusion, occurring for instance from their conventional approaches and elitist nature, which do not always reflect on how poor people really see themselves. As regards rural poverty the speaker showed, underlined by statistics, that the rural poor do not conform to (urban) stereotypes of poverty and that there is a denial of poverty among poor rural people. In the second part, he described those complexities of rural poverty, resulting for example from addressing rural poverty in the same way as urban poverty, which, together with the limited evidence base available, makes it more difficult to research rural poverty and find the right policy intervention. Milbourne then presented empirical results of the survey of 4,000 households living in poverty in different parts of rural Wales, on the profile and standard of living of poor households and their perceptions of local living. Recent welfare reform in the UK was presented in the last part of the presentation, describing the welfare responses to rural poverty. In his closing remarks, Milbourne raised the question of the impact of the recession on rural areas. As was noted, rising levels of unemployment and lower numbers of job vacancies in rural areas have already appeared, however, further delayed rural impacts are expected, which will create new challenges for workfare policies, but which, as the speaker emphasized, can at the same time also lead to a possible new system of income redistribution and increased recognition of (rural) poverty.

The panel had three discussants: Edelmiro López Iglesias (University of Santiago de Compostela, Galicia, Spain), László Galuska (Vice-President of Hungarian National Association of Local Authorities (TÖOSZ), Hungary), and Andor Ürmös of the Hungarian Ministry of Social Affairs and Labour, head of Department of Roma Programmes. Iglesias reiterated the need to adopt a multidisciplinary definition of rural poverty. However, he stated that in order to avoid the negative factors and their consequences in rural areas, the main question in urban/rural planning is how to achieve progress in the accessibility of public services, how to improve infrastructure. He noted that improving these factors would support people in their decision to stay rather than to leave the small villages and would help prevent the exodus of the population (especially in places where low density rate already exists), scattered population, and growing number of small villages mostly inhabited by old people. As regards the difficulties arising from the weak infrastructure and the lack of access to public services, he highlighted the important role of social networks.

László Galuska, Mayor and Vice-President of the Hungarian National Association of Local Authorities (TÖOSZ), contributed to the discussion from a policy maker's point of view. Describing the Association as one that includes all kinds of local authorities whose aim is to articulate their needs at their local, national and at the EU level, he also pointed to difficulties existing with respect to the funds and arising from their structure. As he noted, the allocation of these funds should concentrate more on regions in the worst situation, which do not reach the NUTS2 level.

Andor Ürmös argued that poverty definitions do not usually take sufficiently into account so-called extreme poverty, which is, however, indeed relevant in the Eastern European countries, and anti-poverty policies are therefore still not able to reach those living in extreme poverty (for instance in segregated neighbourhoods). The situation for Roma people in rural areas is even more severe, he said. As for Hungary, one of the main goals is to ensure access for Roma people among disadvantaged people and to support those EU-funded projects which contribute to a decrease of segregation of Roma in housing and education. Therefore all beneficiaries/applicants have to, for instance, prepare an anti-segregation plan or a report on the situation of equal opportunities in public education, which shall be approved by independent experts.

### **III. Third Panel – Contribution of Rural Development policies to social inclusion**

The afternoon session started with the discussion on “Contribution of Rural Development policies to social inclusion”, which mainly dealt with the issue of social farming. The panel was chaired by Pedro Tarno, Acting Director for Rural development programmes in DG Agriculture and Rural Development of the European Commission.

The keynote speech was given by Francesco Di Iacovo of the University of Pisa. In his presentation, the speaker introduced the phenomenon of social farming as emerged during the SoFar research project<sup>3</sup>, arguing that it has the ability to contribute to social inclusion in rural areas as a tool for mobilising local resources for social needs, reshaping local society, building new bridges with urban ones, while also re-establishing links among local resources and needs, economy and social issues.

The speaker noted that social farming is an already existing phenomenon, both a traditional and an innovative use of multifunctional agriculture, introduced by both new and established farmers. It includes activities that use agricultural resources to promote therapy, rehabilitation, social inclusion, education and social services for different groups of less empowered people (intellectual and physical disability, psychiatric, drugs and alcohol recovery, children, youngsters, prisoners (ex), long-term unemployed, elderly people).

From the point of view of policy making, the speaker argued that as social farming is linked to many sectors, it is difficult to create a common framework. While rural, social and health policies already address social farming they are still far from fully incorporating or recognizing the concept. However, rural development policies were mentioned as the possible starting points for this process. As Francesco Di Iacovo emphasized, social farmers – as the central actors in social farming - are asking for

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<sup>3</sup> <http://sofar.unipi.it> The project was funded by the VI EU research framework.

recognition in order to be able to increase the general awareness about the idea and to facilitate their activity, but not for funding.

The first discussant was Alison Burrell from the Joint Research Centre, Institute for Prospective Technological Studies of the European Commission. She again highlighted the extreme heterogeneity of the rural poor, as a statement that was also underlined by the findings of a study on semi-subsistence households in three new Member States (PL, BG, RO), proving that the one-size-fits all policies are not appropriate even for the semi-subsistence households.

As regards rural development programmes, she emphasized that none of the four Axes of the Rural Development Programme explicitly target social exclusion, furthermore most of the programme's resources directly target "farmers", but not rural households without a farm base. Therefore the latter can benefit from the rural development measures only via spillover from rural development programmes into local labour markets, non-farm activities and/or services.

As regards social farming, the speaker acknowledged its exciting and inspiring features but noted that although it can offer a new opportunity for diversification of non-farm income-earning activity, it can often do so only with significant start-up costs. However, as she noted, it could possibly be stimulated within the current rural development programme by measures under Axis 3. As to whether social farming can be an answer to rural poverty and social exclusion, the speaker said it can, but only partially, as households need a farm-base in order to diversify in this direction, and because farmers that are likely to opt for social farming probably already enjoy a higher-than-average level of education, social inclusion and motivation.

The second discussant, Deidre O' Connor presented social farming in Ireland. She said even though there may be a general unfamiliarity with the concept of social farming, the actual use of agriculture/horticulture in care settings has a long history with many examples of good practice. She highlighted the important role of the Catholic Church, and of the LEADER programme and the SoFar project. Among the emerging issues, the speaker noted the establishment of a national network to further the development of social farming; the aim to increase awareness of and gain acceptance for the existence and potential of social farming; issues of identifying appropriate support forms and the importance of also having the voice of the service users heard.

The third discussant, Gerald Assouline, an expert in social farming projects in France, highlighted the positive economic and environmental impacts of social farming. As regards its economic impact, he noted that the establishment of a social farm offers not only jobs, but profit as well. As for its environmental dimension, he pointed to the possibility of providing high quality products, while from the point of view of its social impact, social farming provides the option for excluded people to become integrated both from labour market and from a social inclusion aspect. Alongside these, the immanent possibility of social farming to build (or re-build) new relations with public services and between rural and urban was again highlighted. However, the speaker also emphasized that social farming cannot and should not be considered purely as a business. Joining the previous speakers, Assouline also noted the importance of ensuring a voice for social farming, for farmers and for service users', even via using the media visibility.

The last discussant, Barto Piersma (Deputy Director of Nature, Landscape and Rural Affairs, Ministry of Agriculture, Nature and Food Quality), offered an insight into social farming in the Netherlands. As he noted, compared to many other rural areas in Europe, the Dutch countryside is slightly atypical as it is strongly under urban influences. However, this strong urban influence is still considered to be a major opportunity for both farmers and city-dwellers. Among recent initiatives he mentioned the introduction of the functions of the so-called “care farms”, as a rapidly professionalizing sector, where indicators, certificates and training programmes for farmers have already been developed to guarantee its quality and where farming activities to promote mental and physical health are partly financed through the national health budgets.

Alongside the “care farms”, so-called “educational farms” have also been introduced. These aim to encourage people to reconnect to their surrounding countryside and to take responsibility and be involved in nature and landscape preservation. As another goal, mention was made of their role to provide learning opportunities for early school leavers or children who drop out of school or have learning disabilities, or cannot cope with ordinary school system. For both types of educational farms, a certification system has been developed and farmers are being trained to teach.

#### **IV. Fourth Panel – Social policies can make a difference**

The first day of the conference closed with the “Social policies can make a difference” panel, chaired by Antonia Carparelli, the Head of Unit of Inclusion, Social Policy Aspects of Migration, Streamlining of Social Policies Unit (DG Employment, Social Affairs and Equal Opportunities of the European Commission). In her starting points the chairwoman again called attention to the importance of the forthcoming European Year for combating poverty and social exclusion in 2010, as an opportunity to reaffirm the importance of collective responsibility in combating poverty. Carparelli noted that although rural poverty as such has not been per se an issue in the National Strategic Report, the present conference can and should provide new insight into this specific type of poverty. As regards the structural and cohesion funds providing financial support, she also called attention to the Progress program, the EU’s new employment and social solidarity programme working alongside the ESF.<sup>4</sup>

The keynote speech was delivered by Zsuzsa Ferge (Eötvös Loránd University, Hungary) on “Trends in European urban-rural disparities and their impact on children”.<sup>5</sup> In her opening remarks the speaker, joining previous speakers and discussants, emphasized that there still is almost no research on the policy consequences of the rural-urban gap, and reliable comparative EU data are missing.

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<sup>4</sup> The programme, replacing the four previous ones which ended in 2006, started in 2007 and will run until 2013. It will spend its budget of over 7000 million euro on analysing, networking and sharing of information to improve policy and practice and in campaigns to highlight key employment and social issues over its seven years of implementation.

<sup>5</sup> In her introduction Zsuzsa Ferge commemorated Peter Townsend (1928-2009), academic, researcher and prominent social policy, anti-poverty campaigner. His definition on poverty, established in his book on “Poverty in the United Kingdom” (1979) has become one of the most widely cited definition. <http://www.lse.ac.uk/collections/humanRights/peterTownsend.htm>

As Ferge showed, based on the data obtained from the EU-SILC file 2006 (together with statistics provided by TÁRKI, a Hungarian social research company), while the overall child poverty in rate in the EU stands at 15 %, the urban and rural rates show a more varied picture: the urban rates, almost independently from the overall poverty rate, move between 8 % (Finland) and 28 % (UK), while the rural child poverty rate ranges between 10 % (Finland) and 35 % (Lithuania).

As regards the urban-rural gap the speaker ranked the Member States into three groups, based on available data. The first group includes Member States with a higher urban than rural child poverty rate (LU, AU, BG, UK - “urbanized rurality”). The second group is composed of countries with a developed welfare state and a strong policy effort to upgrade the countryside, where urban and rural child poverty shows a similar and low level (Scandinavian countries, CZ, DE). The third, large and heterogeneous group includes basically most Southern and Eastern European countries together with Ireland, where data shows that rural child poverty is higher than the (high or low) urban poverty. However, as the speaker noted, further research needs to be done to identify whether the group could be divided into two (sub)-groups.

After highlighting two specific causes for Eastern European rural child poverty (uneven geographic development as a result of foreign investment; discrimination and segregation of Roma people, both in schooling and housing) and introducing the National Strategy to combat child poverty in Hungary (“Making Things Better for our Children”, 2007-2032)<sup>6</sup>, Ferge criticized in her closing remarks the fact that, according to policies that try to tackle the issue, the main funding instruments usually take a project-approach, and thus create tension with an issue that would require complexity and long-term planning on the one hand, while, on the other hand, in the current crisis when the main policy priority is to save the market, those who are not part of the market are the precisely the ones that are hit the most. These are the children in general and the poor in particular.

The discussants were Hilary Tovey from University of Dublin Trinity College, Antonio Scaglia from Trento University and CEFTUS network, Italy and Ortwin Schulte from the Federal Ministry of Health, Germany.

Tovey in her contribution took a rather critical point of view on the phenomenon of “rural” poverty. Her main argument was that “rural” as a spatial category in the particular context of poverty should not be an important/distinguishing explanatory category. She raised two questions that needed to be answered in her contribution: Does it make sense to explain or characterise certain types or incidences of poverty as rural?; Is it helpful to develop anti-poverty policies which intervene into places, regardless of whether these are ‘rural’ or ‘urban’ places? Highlighting some of the findings of the recent study for CPA by researchers from the Economic and Social Research Institute in Dublin (Mapping Poverty: National, Regional and County

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<sup>6</sup> As the speaker explained, the main targets of the strategy are to decrease the extent of child poverty, to eradicate extreme forms of deep child poverty and to change mechanisms that reproduce child poverty. The horizontal priorities are the Roma children, children with disabilities, deprived areas and to provide more and better personal services everywhere. As was previously emphasized, the requirement of complex programmes and good cooperation on all levels was again underlined.

Patterns, 2005), Tovey emphasized that the importance to policy is not just to identify “poor areas” accurately but to also understand why they exist.

Answering her questions, Tovey argued that since “poverty is primarily a structural, rather than a spatial phenomenon”, policies in order to tackle poverty must continue to prioritize structural causes, rather than focus on spatial outcomes. And while she did not want to deny that there may sometimes be “place effects” or “neighbourhood effects” which result from a concentration of poor families in a particular location, she emphasized that as long as structural interventions are not prioritised, there is a danger that “poor places” will continue to be reproduced.

Antonio Scaglia, representing the point of view of urban and rural sociology, noted that although rural sociology as such seemed to be disappearing, the recent study on rural poverty provides not just a detailed overview about the issue, but, indeed, evidence that the issue continues living and the EU has a role to care for rural poverty. He joined the above mentioned acknowledgements and again underlined the lack of comparative data and modern actual concept to analyse rurality. However, he noted the present conference offers a genuine opportunity for the revival of rural sociology. As regards children and, more specifically Roma children, he emphasized the need to always keep in mind the different cultural and historical backgrounds, which can be significant and determining when dealing with the issue.

Ortwin Schulte presented a programme implemented in the Land of Brandenburg, where almost 70% of inhabitants live in small rural municipalities characterized by declining and ageing populations who suffer from a severe lack of facilities and infrastructure. The pilot project ensures access to basic health-care and medical services via the participation of nurses who visit patients at home. However, as the speaker noted, despite the success that could be achieved in this field, doctors are showing a clear resistance in this direction.

## **V. – Panel discussion on Policy Coordination**

The panel was driven by three questions posed by the chairwoman, Elena Saraceno: Where should the home of rural poverty be? At which level should coordination take place? How to deal with the diversity of rural areas?

Pedro Tarno emphasized that at present, having an integrated policy, the Common Agricultural Policy still covers both agriculture and rural development. And even though there are discussions about the need to change it, the preference of Directorate General Agriculture and Rural Development is still to keep things in their current form, and to deal with these two aspects together. He emphasized that since rural development is not a priority for the other funds, there is a danger it might be abandoned were it to be put together with other priorities (e.g. with urban development policies).

As regards coordination he mentioned that “mono-fund” programmes have been introduced for the period of 2007-2013, which raise all the problems of synergy and articulation between the different instruments and funds, replacing the previous period when “multi-fund programmes” existed, where integrated strategies/approaches with different funds and with different areas of intervention were possible. And although

the Regulation<sup>7</sup> on support for rural development by the European Agricultural Fund for Rural Development clearly indicates the Member States' responsibility in establishing the necessary coordination between the different funds and interventions while also ensuring consistency, this does not always occur in reality. Therefore, as regards what could be done for the future, the speaker stressed the need for better integration.

Tarno emphasised that although rural development policy is not in itself a social policy, through the four dimension of its socio-economic element (Axis 3) it makes a vital contribution to the socio-economic development of rural areas, prevention of poverty and elimination of social exclusion in rural areas and helps to maintain a balance between urban and rural areas.<sup>8</sup>

Thomas Bender, Head of Unit for European Social Fund Coordination in Directorate General for Employment, Social Affairs and Equal Opportunities of the European Commission. Bender noted that taking into account that social policy and social protection are first and foremost universal policies, there should also be a rural dimension in social policies to tackle problems of rurality. He argued that even though the ESF is, at first instance, associated with the notion of labour market instruments, it also invests directly into social inclusion aspects and tries to tackle rural problems. This dimension of ESF became even more important due to the changes brought about by the recent enlargement. This is now reflected in many ESF programmes which aim at targeting people in disadvantaged regions, including rural areas. The speaker, in order to illustrate this mentioned examples in Poland, UK, Slovakia and Romania.

As regards the questions raised by the chairperson, Bender noted that the home should be in the sectoral policies to a large extent, but the key starting point should be to ensure the basic safety net. As regards coordination, he noted it is, firstly, about policy coordination and not coordination of funds, and this should also take place at the EU level, not least in the Commission. More importantly, however, it has to take place to a large extent at national and regional, local levels as well.

As regards the question of diversity, the speaker again noted that as a consequence of the recent enlargements which brought a dramatically different dimension, the Commission has a role to ensure that diversity is now, more than ever, taken into account amongst and within the Member States. It cannot provide a simple, clearly defined framework, but it needs to have a much wider framework within which Member States would operate and address their specific needs, and the Commission needs to increase its capacity to look at countries' problems specifically. As an idea, he mentioned the efforts to assimilate the cohesion policy to the method of Open Method of Coordination to help Member States in tackling their specific needs.

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<sup>7</sup> <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2005:277:0001:0040:EN:PDF>

<sup>8</sup> First dimension is competitiveness, supporting farmers in their agricultural activities through farm structure modernisation, investment in human capital and support to semi-subsistence farming undergoing restructuring. Second dimension supports the economic diversification towards non-agricultural activities and the creation of micro-businesses. The third dimension promotes the quality of life of the rural population by improving their access to basic services. The fourth dimension by funding local initiatives such as Leader the rural development policy plays an essential role in mobilising the rural population to actively participate in the development of innovative concepts to improve their socio-economic situation.

Wladyslaw Piskorz again argued that even though rural poverty is not an explicitly target of Cohesion Policy, it still strives to care for rural areas as well, providing relevant support for improving the economic performance of poor regions of the EU under its main objective to facilitate social-economic policy. Many national and regional Cohesion Policy programmes cover poor rural areas and have direct impacts on these regions.

However, Piskorz also emphasized the need to change the image of the cohesion policies from a pure redistributive nature to a policy form that facilitates development, creates jobs and growth. He also mentioned the "Barca-report"<sup>9</sup>, which highlighted the need for cohesion policies to be more place-based and for better utilizing the potential of each of the regions.<sup>10</sup>

As for where the home should be, the speaker noted that Directorate General Regional Policy recently looked closely at the link between urban and rural, to try to change the way these areas are perceived from competition towards partnership and cooperation. And although it tries to move towards the partnership approach between urban-rural relations, it is, as he noted, difficult to find the way to finance urban-rural partnership due to the differences, coordination and cohesion between the funds.

As regards diversity, the speaker again emphasised that the successful response must rely on the best possible use of the territorial and social capital of every European region – certainly the rural ones – and the cooperation between them. This includes the potential of local development initiatives based on a holistic approach, since such initiatives are effective in delivering results on the ground and are key factors in facilitating both social inclusion and sustainable growth. Among the recent local development initiatives he mentioned the mainstreamed LEADER, as one of the best examples, alongside which the URBAN Community Initiatives was noted too

In the concluding remarks, he stated there is a need for a system that takes an integrated and bottom-up approach, where participation is the key word and which is based on the principle of partnership and is carried out together with all relevant stakeholders. Multi-level governance and concerted efforts are needed to achieve results, not only between Commission directorates but also among all levels involved (local, regional and national), he said. However, he remained reluctant to criticize the current system, saying there is still not enough information.

The following participant was Jan Douwe van der Ploeg (Wageningen University, the Netherlands). As regards the first question, he noted that there cannot be one single home, but there should be several homes. Mentioning the new medical insurance scheme in China and a public procurement programme ("Null Hunger") in Brazil, the speaker argued that specific policy investigation in one field can have an effect on

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<sup>9</sup> [http://ec.europa.eu/regional\\_policy/policy/future/barca\\_en.htm](http://ec.europa.eu/regional_policy/policy/future/barca_en.htm)

<sup>10</sup> To contribute to the debate on future cohesion policy, the Commissioner for Regional Policy, Danuta Hübner, asked Dr. Fabrizio Barca (Director General, Ministry of Economy and finance, Italy) to prepare an independent report containing an assessment of the effectiveness of cohesion policy to date as well as a series of proposals on how to reform cohesion policy for the post-2013 period. In short, the Barca report argues that the future cohesion policy needs to be reformed and based on ten "pillars". The choice of core priorities should result from a high-level political debate. However, one of the possible priorities is related to social inclusion with focus on issues such as migration, children, skills and ageing. Cohesion policy actions within these fields will have impacts on rural poverty.

another field, these fields can positively interact and that can be seen as a possible and important way to evaluate poverty. However, good policy coordination is needed to this end. As he noted if it works well, it can have a very important impact on poverty reduction.

More generally, rural development policy should be about coordination of new markets (and creating new markets), combining different sectors, different flows, he said. Therefore he suggested that instead of rural development, one should probably rather talk about natural resources and the possibility to use these resources in the best possible way (including issues as, for instance, ecological stability, making the countryside more attractive, landscape). However, he emphasized that as new problems like energy, climate change, or food supply are increasingly occurring, a so-called natural resources department, or directorate-general should be set up and the policy should then be delegated to the regions, which should be closely linked with the local, regional dynamism that requires highly decentralized policies.

Discussing evaluation and monitoring, the speaker noted that as regards regional development programmes there is a need to re-study and even to re-orient the knowledge and experience accumulated to date with respect to evaluation.

The discussion ended with the presentation of Madior Fall (INRA, Paris School of Economics) on how to assess the effectiveness of public policies, by presenting its context through the example of France.

As regards the question of how to evaluate the impact of policy measures, the speaker noted there seems to be a lack of visibility in the direction to be followed by development policies in rural areas. The actual impacts are not known, therefore there is a need to invest in correcting/improving the system, to build transparent evaluation systems. As a possible solution, he stressed the need to measure impact, to develop assessment tools from the very beginning of the process, when policies are drafted, and to also assess valid impact, as the comparison between ex post and ex ante situations are not always sufficient. Alongside these issues the speaker emphasized that due to the multidimensional factor of poverty, one sole measure cannot be enough to capture which policy measure has certain results, therefore there is a need for impact assessment that can deal with this multidimensionality.

Comments from participants: one suggestion – which others also supported later – was the need for coordination at regional level and for a separate regional operative programme. It was, however, also stated that the already existing place of rural development under the CAP is sufficient enough, and should therefore remain there. Another participant mentioned the example of the Directorate General for Maritime Affairs and Fisheries (DG Mare), saying that similarly to DG Mare a common fora could be created where all issues relating to rural areas (including rural poverty) could be discussed in an integrated manner. Others raised the problems of coordination that result from a double shift in power towards to supranational level on the one hand and downwards to a local level on the other hand, highlighting also the weak research-based knowledge on vertical coordination. The issue of lack of data and statistics was again mentioned, highlighting that EUROSTAT can measure only NUTS1 level, while poverty indicators should rather be measured at NUTS3 level

## **VII. Policy conclusions**

The policy conclusions were given by Thomas Bender and Lajos Korózs (Ministry of Social Affairs and Labour, Hungary). As his opening comment, Bender emphasized that despite the clear objectives that were articulated in the Lisbon European Council in 2000, very little is actually happening. All the same, Member States still face persistent, if not even increasing poverty rates. As an introductory remark, he underlined that while the EU can and should help, it cannot solve the problem by itself. It needs, however, to even more vigorously address the social issues than it did previously, and to draw a picture of a Europe that can be seen and can be looked upon as a social Europe, where people would feel they are genuinely involved.

Reacting to the contributions heard, Bender drew five provisional conclusions. First and foremost he highlighted the importance of social policies, social protection systems, the real implication of welfare policies which work across countries. As his second point he noted, that since poverty and social exclusion persist more in some areas for some groups, it requires much better targeted and not poverty-blind policies, and special focus for specific groups that are at risk of poverty. This is the only way to break the vicious circle described by the study.

As the next provisional conclusion, the role of all the other interrelated/related policies was again emphasized, all of which should work in a better coordinated or concentrated manner. This is also true both for the cohesion (ERDF and the ESF, complemented by the PROGRESS programme, the EU's new employment and social solidarity programme) and the rural development funds that need to work closely together in order to tackle poverty. Alongside this, however, as an equally, if not even more important element, the role of national and regional administration was also mentioned.

As the fourth provisional conclusion, he noted that local administrations face greater difficulties because they must tackle different difficulties and problems. The speaker therefore highlighted the need for the more active involvement of NGOs and civil society, who are apparently more active in fighting urban poverty than rural poverty. He said these actors shall probably take a similar role in rural areas to tackle social exclusion.

As the fifth point he mentioned the importance of experimentations, social innovation that should also be provided in rural areas to achieve progress. To reach this, however, he raised the need to rethink the role and scope of the European Social Fund.

Ending his concluding remarks, Bender called attention to the fact that the first four points do not and should not lose their importance in a time of crisis. As he argued, automatic-stabilizing safety nets should indeed be built into the system. On the one hand, the European Community and all the Member States should avoid that more people slip into poverty, but, on the other hand, should keep the focus on those who are already in poverty and are threatened and hit twice by the crisis.

Bender, speaking on behalf of the European Commission and the participants of the conference, thanked the Hungarian Ministry of Social Affairs and Labour for their support and hospitality and the technical assistance team and interpreters for their professional contribution.

Lajos Korózs offered the concluding remarks on behalf of the Hungarian Ministry of Social Affairs and Labour. He emphasized again that the European study provides several important thoughts that should be further addressed. He said regional and territorial development has to provide certain catch-up mechanisms, while a general integrated approach should be taken that covers all policies. He emphasized that policies and all the stakeholders need to make sure that the right policies target the areas in the most difficult positions. He argued that under the Open Method of Coordination rural poverty has to receive due attention. European funds should focus more on this issue, common indicators should be developed alongside which more and more seminars should be organized for the purpose of mutual learning.

## **The programme of the site visits**

The afternoon session offered an opportunity for a site visit and to receive an insight into the programmes delivered that aim to fight against poverty. One group of the participants visited the so-called Szécsény micro-region while the other group had the possibility to go to the small villages of Tarnabod in north-eastern Hungary's Heves county, and Szomolya, in north Hungarian Borsod-Abaúj-Zemplén county.

The reason behind the choice of these places and programmes was to show good examples for fighting poverty, from three different angles with three different challenges. Therefore the three different venues introduced three different programmes. Those who chose to go to Szécsény were familiarized with the **Pilot Project “Better Opportunity for Children in the micro-region of Szécsény”**, aiming to reduce the number of children living in poverty and improve their living conditions. The so-called **“Inclusive Village”** programme, in Tarnabod, aims to create a genuine opportunity for families struggling with extreme existence difficulties to break out of homelessness and to establish their own home and existence. The **“Roma integration programme”**, being realised in Szomolya, offered an insight to a programme that specifically aims to improve the living situation of Roma living in segregated colonies, and to develop the local Roma community in a village that is in a very disadvantaged situation.

### **Pilot Project “Better Opportunity for Children in the micro-region of Szécsény”**

A pilot project was begun in 2006, in partnership between the micro-region of **Szécsény** and the Child Program Office of the Hungarian Academy of Sciences, with the aim of reducing the number of children living in poverty and improving the living conditions of those living in deep poverty and exposed to extreme segregation. Szécsény is one of Hungary's most disadvantaged sub-regions, and participants visited two villages there: Rimóc and Endrefalva, with the latter having a considerably higher percentage of Roma residents. At both places, visitors were guided through the activities of the pilot programme by the mayors and the social workers or other actors involved in the programme.

As one of the most important activities, the so-called “Sure Start” Children’s House was introduced to help children between 1 and 5 years of age, to offer parents various services and to therefore begin the fight against exclusion as early as is possible. Conference participants were also familiarised with another important element of the programme, the so-called “Tanoda” (a special after-school study room to help children outside the school hours), as well as active youth-clubs, all of which offer programmes for the development of public education and integration (children with disabilities, Roma and non-Roma children), and aim to help organize micro-regional meetings and enrich the network of young people.

Targets of the programme include providing information society courses and organizing access to all internet services at community spaces with the help of trained IT mentors. The last part of the presentation at Rimóc explained their efforts to develop social economy, namely the recent foundation of a cooperative with the long-

term aim to increase the very low activity rate, which seemed to be indeed important at Endrefalva.

As was mentioned, one of the lessons learned is that in order to achieve development, everyone should work together in close cooperation - the different social professionals and all actors taking part in the programme – and not just within one small community but within the whole sub-region, and should exchange experiences, methods and best-practices. However, the need to win the support of the communities was also emphasized. Social workers have a role in explaining the aims and advantages of the programme in order to receive the support of the inhabitants as well.

For the second group the site visit offered an opportunity to be familiarized with two programmes. The first was the “Inclusive village” programme at **Tarnabod**, the main aim of which is to create a real opportunity for families struggling with existence problems to break out of homelessness and to establish their own home and existence. The programme was started in 2004, with support from the Hungarian Maltese Charity Service, the “Tutor” Foundation, the Public Foundation for Homeless People and the Ministry of Youth, Family, Social Affairs and Equal Opportunities. In order to attain their goals, the programme aims to develop the entire disadvantaged village and increase the low educational level, to reduce unemployment, improve the underdeveloped infrastructure, to provide access of basic services and to abolish the segregation of Roma families.

The first rental houses were bought in 2004, which could be used for a charge, while it continues to be the property of the charity organizations. As the main purpose was to help the inhabitants to create their own lifestyles, all the rental houses have a vegetable garden and those who live there were trained and assisted in caring for the garden and realizing a farming programme.

As regards education, mention was made of expanding the kindergarten, renovating the school and transforming the pub into a Playhouse. Among the efforts to reduce unemployment rates, mention was made of widening the range of public work, operating an electronic dismantling factory and the employment of a factory social worker. To improve access to social services, the operation of, among others, a so-called village-bus was noted.

### ***SZOMOLYA - Roma integration programme***

The other programme was the visit to **Szomolya**, one of the villages in the worst situation in the country, with decreasing number of inhabitants, 20% of who are Roma. Of the Roma resident, 34,7% live in sub-terrain basement homes (cellar-houses), or cottages/shanties that are far from being suitable for use as homes (no electric network, public lighting, water and sewage system, no communication tools). In order to improve the living situation and to develop the local Roma community, the village applied for and received a subsidy from the Ministry of Social Affairs and Labour and from the National Employment Foundation (OFA). The programme was realised by the “Organization for the Roma in Szomolya”, in partnership with the Roma Minority Local Government and the Foundation Supporting the Poor in Eger (SZETA Foundation).

As the first step, the programme included the creation of the Community House that today houses the project bureau, and which has become the central place for the local Roma people and a community centre for adults and children on weekdays, from 8 am to 5 pm (providing free activities, sport-races, trips, board games etc.).

In the framework of the programme, 26 families were provided with new homes, while seven other families received support to have their homes linked to the clean water and sewage system. The cave-houses have been walled up to prevent others from moving in again.

As regards social services, the employees of the project try to help inhabitants with their difficulties, either via assistance in the Community House (which has a huge role in information-flow), or visiting those families who are involved in the housing project. As regards education, alongside activities provided in the Community House, mention was also made of the Tanoda (“Study Hall”), which organizes clubs for teenagers, provides career guidance and counselling, and tutoring for 6-10 year-old children. For mothers with small children, a Mother-Toddler club is held twice a month which, among others, assists mothers with their child-rearing problems with the help of a qualified nurse.