

ANNEX 1

LIST OF TASK FORCE MEMBERS

Mr. Ray BOLLMAN, Statistics Canada, Ottawa, Canada.

Mr. Paul FENSOM, Department for Environment, Food and Rural Affairs (DEFRA), York, United Kingdom.

Mr. Christopher GIBBINS, Department for Environment, Food and Rural Affairs (DEFRA), York, United Kingdom.

Mr. Michael GOLL, Eurostat, Luxembourg.

Mr. Berkeley HILL, Imperial College London (Wye campus), Ashford, United Kingdom.

Mr. Jim JOHNSON, Economic Research Service (ERS) of the U.S. Dept. of Agriculture, Washington DC, United States of America.

Ms. Carol JONES, Economic Research Service (ERS) of the U.S. Dept. of Agriculture, Washington DC, United States of America.

Mr. Hans JÖNRUP, Swedish Board of Agriculture, Jönköping, Sweden.

Mr. Jan KARLSSON, United Nations Economic Commission for Europe (UNECE), Geneva, Switzerland.

Mr. Naman KEITA, Food and Agriculture Organization of the United Nations (FAO), Rome, Italy.

Mr. Christian KINGOMBE, United Nations Economic Commission for Europe (UNECE), Geneva, Switzerland.

Mr. Andreas H. LINDNER, Organisation for Economic Co-operation and Development (OECD), Paris, France.

Mr. David A. McGRANAHAN, Economic Research Service (ERS) of the U.S. Dept. of Agriculture, Washington DC, United States of America.

Mr. Robert MAYO, Food and Agriculture Organization of the United Nations (FAO), Rome, Italy.

Ms. Catherine MOREDDU, Organisation for Economic Co-operation and Development (OECD), Paris, France.

Mr. Mitch MOREHART, Economic Research Service (ERS) of the U.S. Dept. of Agriculture, Washington DC, United States of America.

Ms. Susan OFFUTT, Economic Research Service (ERS) of the U.S. Dept. of Agriculture, Washington DC, United States of America.

Mr. Nwanze OKIDEGBE, World Bank, Washington DC, United States of America.

Mr. Federico PERALI, University of Verona, Italy.

Ms. Simone PFUDERER, United Nations Economic Commission for Europe (UNECE), Geneva, Switzerland.

Mr. Edoardo PIZZOLI, Italian National Institute of Statistics (ISTAT), Rome, Italy.

Ms. Cristina SALVIONI, University of Pescara, Italy.

Mr. Peter SZABO, Eurostat, Luxembourg.

Mr. Thierry VARD, Commission of the European Communities, Brussels, Belgium.

ANNEX 2

A SUMMARY OF EU AGRICULTURE AND RURAL DEVELOPMENT POLICIES

The first move towards the introduction of an integrated approach to sustainable rural development as part of EU policy came with the 1988 paper "The Future of Rural Areas." It found expression in the LEADER Community Initiative and the Structural Fund reforms. The **1992 Common Agricultural Policy (CAP)** reform, together with the Treaty of Union ('Maastricht Treaty'), confirmed that the development of rural areas was to be included as part of the Community Policies for economic and social cohesion (Article 130a) (Bryden, 2001) and that the EU "shall aim at reducing the disparities between the levels of development of the various regions and the backwardness of the least-favoured regions." An important element of the new policy approach was the emphasis placed upon the environment and the protection of natural habitats. The measures accompanying the 1992 reform (in particular regulations 2078/92 on agri-environment and 2080/92 on afforestation of arable land) consolidated the redefinition of market policy. In particular, they responded to concerns on the relationship between the environment and the multi-purpose nature of agriculture. This so-called 'multifunctional' nature of agriculture has become a key factor in the EU's negotiating position in the Millennium Round of Trade Talks. In this respect, agriculture and forestry are considered key sectors (Hay, 2002).

In 1991, the EU launched the **LEADER** programme designed to support local rural partnerships with 'bottom-up', integrated rural development programmes in the priority regions. Priority regions were defined in the reform of the Structural and Cohesion Policies. The concept underlying the LEADER initiative reflected the new thinking on rural development that was contained within the document '*The Future of Rural Society*' (Hay, 2002).

The original objective of the LEADER initiative was to find innovative solutions which could serve as a model for all rural areas and ensure maximum integration between measures supporting rural areas and the various sectoral measures. The current LEADER + initiative (a follow-on from LEADER I in 1991-1994 and LEADER II in 1994-1999) will be delivered by partnerships based in clearly defined rural areas and made up of representatives of the public and private sectors (Local Action Groups – LAGs). It is the LAGs that are responsible for devising and implementing rural development strategies for their areas.

LEADER +, whose budget for 2000-2006 amounts to €5,046.5 million (EC, 2003a),¹ is structured around "three actions" designed to enhance local development through support for:

- Integrated territorial rural development strategies of a pilot nature based on a bottom-up approach and horizontal partnerships;
- Inter-territorial and transnational cooperation;
- Networking of all rural areas in the Community, whether or not they are beneficiaries under LEADER+, and all rural development actors (EC, 2005a).

In order to encourage 'bottom-up' development LEADER is largely based on local participation in both the design and implementation phases of projects which, amongst other things, aim to make the

¹ Of which €2,105.1 is funded by the European Agriculture Guidance and Guarantee Fund (EAGGF) Guidance section and the remainder by public and private contributions (European Commission, 2003).

products and services of rural areas more competitive, improve the quality of life in rural areas and add value to local products. In many respects LEADER has been, and remains, the only policy that is specifically directed at rural areas rather than being part of a wider agricultural policy (Hay, 2002).

In 1997, the CAP 2000 working document emphasised that issues of increasing importance to rural areas were economic diversification, quality of life and competitiveness. It emphasised that competitiveness itself depends on a range of crucial factors, including infrastructure, education, proximity of services and the capacity for innovation. Addressing such issues is a key objective of the emerging Community rural policy (Bryden, 2001).

The **Commission's Rural Development Regulation (RDR)** (Council Regulation (EC) No 1257/1999 and amendments in Council Regulation (EC) No. 1783/2003) and the **Structural Funds Regulation (SFR)** provide the framework for taking forwards the Community rural policy in the new millennium (Bryden, 2001). This was introduced as part of the **Agenda 2000** package agreed by Agricultural Ministers in 1999, in which rural development measures were brought together under a single regulation and became known as the 'second pillar' of the CAP (Hay, 2002).²

Agenda 2000 moved the focus more towards the environment, food quality and the vitality of rural life. The reformed CAP was a step towards supporting the broader rural economy rather than simply subsidising agriculture production (EU, 1999). Price support is replaced by direct payments for spatial development and nature conservation and by a consistent rural policy. In this new approach to rural economies there are three main objectives:

- To create a stronger agricultural and forestry sector;
- To improve the competitiveness of rural areas;
- To maintain the environment and preserve Europe's rural heritage (EU, 1999).

The targeting of financial resources is the watchword of regional policy reform under Agenda 2000. To this end it was decided to reduce the number of **priority objectives** from seven to three. These three priority objectives are:

- Objective 1: Regions whose development is lagging behind;
- Objective 2: Regions in structural crisis and assist them into growth and jobs;
- Objective 3: Regions needing support for education, training and jobs; helping people to adapt and prepare for change (EU, 1999).

Nearly 70% of total spending is directed to objective 1.

There are **four Structural Funds** which operate under a common set of rules:

- The European Regional Development Fund (ERDF);
- The European Social Fund (ESF);
- The Guidance section of the European Agricultural Guidance and Guarantee Fund (EAGGF);
- The Financial Instruments for Fisheries and Guidance (FIFG) (EU, 1999).

² Agenda 2000: For a stronger and wider Union [COM(97) 2000], presented 16 July 1997 by the Commission.

Agenda 2000 reduces **Community Initiatives** from thirteen to four, one of which is the LEADER for rural development. The four initiatives are due to receive 5.35% of total Structural Funds in 2000-2006

Total Community spending on rural development has been increasing and is expected to exceed €6 billion in 2003 (Guarantee and Guidance combined). On average, each Community euro is matched by a national euro so total rural development spending is double the above figure. For the period 2000-2006 total programme spending will amount to some €52.5 billion. There is a range of 22 measures, which are available to Member States in their rural development programmes. These measures can be grouped into three main categories:

- Group 1: restructuring/competitiveness;
- Group 2: environment/land management;
- Group 3: rural economy/rural communities (EC 2003a, 2003d).

About 52% of the Community contribution has been targeted to Group 2, followed by 38% for Group 1. Only 10% is allocated to Group 3. For the period 2007-2013, overall expenditures in nominal terms should be kept below the 2006 figure with respect to market-related expenditures and direct payments. However, an exception will be made for spending on rural development.

The source of EU funding varies according to the regions concerned:

- In Objective 1 regions (regions whose development is lagging behind) the source of funding is the EAGGF Guidance.
- Outside Objective 1 regions, the source of funding is the EAGGF Guarantee section. (EC, 2003a, 2003d).
- From 2007, rural development measures will be financed by the European Agricultural Fund for Rural Development (EAFRD) (EC, 2004). To ensure a balanced strategy a minimum funding for Group 1 (competitiveness) and Group 3 (wider rural development) of at least 15% of total EU programme funding will be required. For group 2 (land management) at least 25% of total EU programme funding is required. In addition, a minimum of 7% of the EU funding is reserved for the LEADER axis (EC, 2004).

On 26 June 2003, a fundamental **reform of CAP** was adopted which will completely change the way the EU supports its farm sector (EC, 2003c). The key elements of the new reformed CAP are:

- A single farm payment for EU farmers, independent of production (although some linkage to production may be maintained to avoid abandonment of agriculture land and to ensure that it is maintained in good agricultural and environmental condition).
- Payment will be linked to respect for environmental, food safety, animal and plant health and animal welfare standards as well as the requirement to keep farmland in good agricultural and environmental condition.
- A strengthened rural development policy with more EU money and new measures to promote animal welfare and to help farmers' meet EU production standards starting in 2004.
- A reduction in direct payments for bigger farms to finance new rural development policy.

- A mechanism for financial discipline to ensure that the farm budget (fixed until 2013) is not overshot.
- Revisions to the market policy of CAP concerning the milk, cereals, rice, durum wheat, nuts, starch potatoes and dried fodder sectors.

The 2003 amendments to the Rural Development Regulation reinforced the rural development policy by increasing the range of accompanying measures as provided for in the Regulations. In particular, chapters were introduced concerning standards required of farmers with regard to agri-environmental issues, animal welfare, and food quality (EC, 2003b).

All of the elements of the Community rural policy conform to one or more of the principles of EU operation, notably decentralization, devolution or subsidiarity. These include: an overarching goal of sustainable development including environmental, social and economic objectives; an 'integrated' and holistic approach to development at the territorial level; and recognition of the huge and increasing diversity of rural Europe and hence the need for policy flexibility at the EU level. This is an area of increasing co-regulation (Bryden, 2001).

In 1999, the EU Ministers responsible for Spatial Planning approved a **European Spatial Development Perspective (ESDP)**, which aims to ensure a balanced (equitable) and sustainable (efficient) development of the EU territory. The ESDP argues for integrated and diversified development of rural areas that can ultimately overcome the traditional dualism between the city and the countryside. Sustainable agriculture has been identified as one policy objective that can contribute to this goal. Integrating environmental concerns into wider agricultural policy has been emphasised so far in debates about rural development. However, a shift in emphasis from considering narrow agri-environmental issues towards wider issues of sustainable rural development at a territorial level is occurring. This will be encouraged by EU enlargement, where key priorities concern economic diversification, including the marketing and processing of a wide range of local produce, and service provision in rural regions. Environmental issues will remain very important, but will extend beyond the level of individual farmers to be considered as a pre-condition for sustainable development of rural areas, including the quality of life for those living in them (Bryden, 2001).

Arising from these policy developments is the need to be able to perform in-depth analysis of the regionally specific conditions and tendencies within rural areas as they undergo significant change. The data needs that arise from both recent policy development and current proposals relate to:

- The economic and social changes taking place in different types of rural areas, in different political contexts, information on which is essential for the monitoring of rural changes and the development of future policy approaches.
- The spatial levels that are necessary to reflect the diversity of rural Europe and at which policy is increasingly being implemented and devised (Bryden, 2001).

Although indicators have come to play a significant role with respect to environmental and other policy areas such as health and education, much less progress has been made with respect to rural development. In the past, rural development objectives were broad, multifaceted and subsumed within a range of other wider policy objectives. A variety of rural development issues, as highlighted in the CAP 2000 document, continue to be treated at the sectoral level rather than at the territorial level in Member States. The RDR provides a major opportunity for the development of policy (response) indicators yet there remains a need to identify descriptive and analytical indicators that can meet the data needs identified above.

There have been significant developments in rural policy in the past two decades at EU level. It is increasingly accepted that 'rural' is no longer synonymous with agriculture. Having said this, however, the maintenance of agricultural practice is still important even if it is often as much for the protection of the environment and natural heritage rather than as a direct employer and contributor to the rural economy. Nonetheless, policy is recognizing that rural areas are diverse, and that a territorial approach is required to deal with the changing nature of rural society (Hay, 2002).

References

- Bryden, J. (2001). "Section 3: Rural Development". In: Landsis g.e.i.e. Proposal on Agri-Environmental Indicators PAIS". Luxembourg.
- Encyclopaedia "Common Agricultural Policy – Learn All about Common Agricultural Policy".
http://encyclopedia.lockergnome.com/s/b/Common_Agricultural_Policy
- European Commission (EC) (2004). "Proposal for a Council Regulation on support for rural development by the European Agricultural Fund for Rural Development (EAFRD)". COM(2004) 490 final.
http://europa.eu.int/comm/agriculture/capreform/rurdevprop_en.pdf
- European Commission (EC) (2003a). "Fact Sheet. Rural development in the European Union"
http://europa.eu.int/comm/agriculture/rur/publi/index_en.htm
- European Commission (EC) (2003b). "Council Regulation (EC) No. 1783/2003 of 29 September 2003 amending Regulation (ECE) No. 1257/1999 on support for rural development from the European Agricultural Guidance and Guarantee Fund (EAGGF)".
- European Commission (EC) (2003c). "Council Regulation (EC) No. 1782/2003 of 29 September 2003".
- European Commission (EC) (2003d). "Fact Sheet. Overview of the implementation of rural development policy 2000-2006".
http://europa.eu.int/comm/agriculture/rur/publi/index_en.htm
- European Commission (EC) (1997). "Agenda 2000: For a stronger and wider Union". [COM(97) 2000], presented 16 July 1997 by the Commission.
- European Commission (EC) (2005a). "Agriculture: Leader +".
http://europa.eu.int/comm/agriculture/rur/leaderplus/index_en.htm
- EU (2005b). "Reform of the common agricultural policy (CAP)".
<http://europa.eu.int/scadplus/leg/en/lvb/l60002.htm>
- EU (1999). "Europe's Agenda 2000 Strengthening and widening the European Union".
http://europa.eu.int/comm/agenda2000/public_en.pdf
- Hay, K. (2002). "Rural Indicators and Rural Development. Final report". European Union. (Jan. 2001-March 2002).
- Historiasiglo20.org "The Treaty of Maastricht (1992)".
<http://www.historiasiglo20.org/europe/maastricht.htm>
- Official Journal of the European Communities. (2004). "Commission Regulation (EC) No 864/2004 of 29 April 2004 amending Regulation (EC) No 1782/2003 establishing common rules for direct support schemes under the common agricultural policy and establishing certain support schemes for farmers, and adapting it by reason of the accession of the Czech Republic, Estonia, Cyprus, Latvia, Lithuania, Hungary, Malta, Poland, Slovenia and Slovakia to the European Union".
http://europa.eu.int/eur-lex/lex/LexUriServ/site/en/oj/2004/l_206/l_20620040609en00200036.pdf

Official Journal of the European Communities. (1999). "Commission Regulation (EC) No 2603/1999 of 9 December 1999 laying down rules for the transition to the rural development support provided for by Council Regulation (EC) No 1257/1999". L 316/26. 10. 12. 1999.

http://europa.eu.int/eur-lex/pri/en/oj/dat/1999/l_316/l_31619991210en00260030.pdf

Ray, C. (2000). "The EU LEADER Programme: Rural Development Laboratory".
Sociologia Ruralis. Volume 40: Issue 2, April: pp.163.

<http://www.blackwell-synergy.com/links/doi/10.1111/1467-9523.00138/abs/>

Technical Centre for Agricultural and Rural Cooperation (ACP-EU) (2002). "Overview of agricultural reform".

<http://agritrade.cta.int>

ANNEX 3

RESULTS OF UNECE SURVEY ON METHODS USED FOR MEASURING RURAL DEVELOPMENT STATISTICS IN UNECE AND OECD MEMBER COUNTRIES

Rural Development Statistics Questionnaire

Rural Development Statistics

- 1) Which organisation(s) is/are responsible for statistics on rural areas?
- 2) What variable(s) is/are used to distinguish rural from non-rural areas?
- 3) Are there any subdivisions of rural areas relating to the degree of rurality?
- 4) What is the threshold value that classifies an area as rural?
- 5) What is the smallest territorial unit/area on which the definition of rural is based i.e. postcode areas, community districts, communities, districts or regions?
- 6) What is the percentage of the population that are classified to live in rural areas?
- 7) What is the percentage of the total land area that is classified as rural?
- 8) Is there a set of core indicators used to monitor rural development policy?
- 9) Can rural development statistics be found on the Internet and if so where?

Availability of statistics for small areas

- 10) What is the smallest area for which statistics are available and what is the average size of this area (e.g. average population size, average area, range of population sizes or range of area)?
- 11) What statistics are available for this smallest area?
- 12) Are statistics on urban settlements/urban land use available?

Rural Development Policy

- 13) Which organization(s) is/are responsible for rural development policy?
- 14) What are the aims/objectives of rural development policies?
- 15) What are the main themes of rural development?

Rural Development Statistics Questionnaire
Question 1

Which organisation(s) is/are responsible for statistics on rural areas?	
Australia	Australian Bureau of Statistics (responsible for national statistics for all areas including rural areas); Australian Bureau of Agricultural and Resource Economics (ABARE), State Government agencies and some Industry Associations also collect statistics on various aspects of rural activity.
Bulgaria	National Statistical Institute; Ministry of Agriculture and Forestry
Canada	Statistics Canada; other federal agencies; provincial, territorial and local agencies;
Czech Republic	Czech Statistical Office (Agricultural and Environment, Family Accounts and Population Statistics)
Denmark	Statistics Denmark; Ministry of the Environment; Ministry of Food, Agriculture and Fisheries
Estonia	Statistical Office
Finland	Statistics Finland; Ministry of Agriculture and Forestry (joint Finnish Rural Indicators Project)
France	INSEE; Ministry of Agriculture, Food, Fisheries and Rural Affairs
Germany	Federal and Regional Statistical Offices
Hungary	Hungarian Central Statistical Office; Tax and Financial Control Administration; Research and Information Institute for Agricultural Economics; Institute for Geodesy, Cartography and Remote Sensing; Ministry of Agriculture and Rural Development
Ireland	Central Statistics Office Ireland
Italy	Istituto Nazionale di Economia Agraria/National Institute for Agricultural Economics (INEA), Istituto per Studi, Ricerche e Informazioni sul Mercato Agricolo/Institute for Analysis, Research and Information on the Agricultural Market (ISMEA); Istituto Nazionale di Statistica/National Statistical Institute (ISTAT)
Kazakhstan	Agency of Statistics
Kyrgyzstan	National Statistical Committee of the Kyrgyz Republic
Latvia	Central Statistical Bureau of Latvia
Lithuania	Statistics Lithuania
Netherlands	Statistics Netherlands
Norway	Statistics Norway
Romania	National Institute of Statistics; Ministry of Development and Prognosis; Ministry of Agriculture, Food and Forestry; Ministry of Education and Research; Ministry of Health and of the Family; Life Quality Research Institute; Institute of Agrarian Economy
Russian Federation	Local statistical committees are responsible for statistics on rural areas. Local data are aggregated in regional, territorial and republican committees and in Goskomstat for the country as a whole.
Slovakia	Statistical Office of Slovakia
Sweden ¹⁾	National Rural Development Agency; Swedish Board of Agriculture
Switzerland	Swiss Federal Statistical Office (Agricultural Statistics Section, Spatial Data Section and Population Census)
Turkey	Regional Statistics Division of the State Institute of Statistics
United Kingdom	Defra and Devolved Departments responsible for Rural Affairs/Development; Office for National Statistics; Countryside Agency; Office of the Deputy Prime Minister; and others
United States	U.S. Census Bureau; Bureau of Labor Statistics; Bureau of Economic Analysis; Economic Research Service; National Agricultural Statistics Service

1) no official statistics for rural areas, thus no responsible organisation but some information provided by these organisations

Rural Development Statistics Questionnaire
Question 2

What variable(s) is/are used to distinguish rural from non-rural areas?	
Australia	Population density and population level; remoteness from services and goods
Bulgaria	Population density and population level in the biggest town of the municipalities
Canada	Population level and population density; population level and intensity of commuting to a major urban centre within a labour market radius; population density; population level
Czech Republic	Number of permanent residents in the municipality (population level)
Denmark	Population level of municipalities
Estonia	Administrative distribution; population level
Finland	Various i.e. Urban Network Study
France	Number of jobs and commuting pattern
Germany	Population level of urban centres and population density of surrounding areas of urban centres
Hungary	Population level and population density at settlement level
Ireland	Population level
Italy	Population density (no single official definition though)
Kazakhstan	Population level and share of population engaged in agriculture
Kyrgyzstan	The status of every settlement/village is defined by Jogurky-Kenesh - the Parliament of the Kyrgyz Republic
Latvia	In Latvia the rural area is the total land area excluding urban areas. Rural areas will be in the Draft Law on Agriculture and Rural Development which is not yet approved by the Cabinet of Ministers).
Lithuania	Population level, characteristics of towns
Netherlands	No official statistics to monitor rural policy yet. Discussions started with the Ministry of Agriculture, Nature and Food Quality on possible definitions. Possibly for different aims of rural development policy different definitions of rurality are appropriate.
Norway	At present there is no official definition of rural/non-rural in Norwegian statistics. However, Norway has a Standard Classification of Municipalities based on industry, population density and centrality.
Romania	The 'rural' status for a settlement is established by law without taking into account the demographic size or population density
Russian Federation	Various variables among others types of activities i.e. crop and livestock production
Slovakia	Population density and population level; municipalities that have no urban status and have got a characteristic settlement and economical structure based on agriculture, forestry and that have got less developed infrastructure.
Sweden	Population level of settlement
Switzerland	All the areas outside isolated towns and agglomerations are considered as rural (population level, commuting pattern, population growth rates, built-up area, population/job density and employment in the primary sector are used delimit agglomerations and isolated towns).
Turkey	Population level
United Kingdom	A variety of definitions, including one based on settlement size and one based on socio-economic variables
England	A variety of definitions, including one based on settlement size and one based on socio-economic variables
Scotland	Population density; settlement size
Wales	All rural except for a small list of communities in towns and cities that were deemed to be entirely non-rural; population density
Northern Ireland	n/a
United States	Population level of urban centre and commuting pattern; Population density

Rural Development Statistics Questionnaire
Question 3

Are there any subdivisions of rural areas relating to the degree of rurality?	
Australia	No subdivision for rural area definition but subdivision of remoteness division (major cities, inner regional, outer regional, remote, very remote)
Bulgaria	See Annex C.
Canada	Yes, both major rural definitions currently used in Canada have subdivisions.
Czech Republic	Yes.
Denmark	No.
Estonia	No.
Finland	Yes.
France	Yes.
Germany	Yes.
Hungary	Yes.
Ireland	No.
Italy	No.
Kyrgyzstan	No (except high mountain rural population)
Latvia	No.
Lithuania	n/a
Netherlands	n/a
Norway	No official subdivision. However, rural areas may, for example, be classified according to level of centrality.
Romania	Yes.
Russian Federation	n/a
Slovakia	Yes.
Sweden	Yes.
Switzerland	No, not yet (but subdivision into agricultural, wooded and unproductive area)
Turkey	Yes.
United Kingdom	Yes. England Yes. Scotland Yes. Wales Division into severely disadvantaged, disadvantaged and other but this is not really related to the degree of rurality. Northern Ireland n/a
United States	Yes.

Rural Development Statistics Questionnaire

Question 4

What is the threshold value that classifies an area as rural?		
Australia	Rural/urban definition	There is not distinct threshold as such, since rural areas are defined at those areas other than urban centre. Smaller urban centres are conglomerations with Census Collection Districts with a total population of 1,000 or more and containing a discernible urban pattern of population distribution such as formed streets, etc. Thus, an approximate threshold is 1,000 people.
	Remoteness definition	n/a
Bulgaria		Population density of less than 150 people per square kilometre and the biggest town of the municipality of less than 30,000 inhabitants.
Canada	OECD Definition	A region is defined as rural if 50 per cent or more of the population live in a community with less than 150 people per square kilometre.
	Rural and Small Town Methodology	Areas under 10,000 people outside the commuting zone of a Census Metropolitan Area and Census Agglomeration Area
Czech Republic		Less than 2,000 residents in the municipality
Denmark		Areas that are not urban (all villages of 200 and more inhabitants are defined as urban).
Estonia		2500 inhabitants
Finland		n/a
France		Settlements with less than 2,000 inhabitants
Germany		Regions with a population density of 100 inhabitants per square kilometre with an urban centre of 100,000 and more and regions with a population density of below 150 inhabitants per square kilometre without a urban centre of 100,000 or more.
Hungary	Narrow definition	Less than 120 inhabitants per square kilometre or under 10,000 residential population at settlement level.
	Broader definition	Predominantly rural at NUTS IV level if 50 per cent of residential population live in a settlement with a population density of under 120 inhabitants per square kilometre and significantly rural if 15 to 50 per cent live in a settlement with a population density of under 120 inhabitants per square kilometre.
Ireland		Outside clusters with a population of more than 1,500 inhabitants
Italy		100 inhabitants per square kilometre
Kazakhstan		A village with at least 50 people of which at least half is engaged in agriculture production
Kyrgyzstan		No threshold as rural is defined by the parliament.
Latvia		n/a
Lithuania		Small towns (population less than 3000) and villages (other residential areas having no characteristic features of towns) are attributed to rural residential areas.
Netherlands		n/a
Norway		No official definition, thus no official threshold.

Rural Development Statistics Questionnaire
Question 4 (concluded)

Romania		No threshold as rural is defined by law without taking the demographic size or population density into account
Russian Federation		n/a
Slovakia		100 inhabitants per square kilometre; rural settlement is a municipality with less than 5000 permanent residents.
Sweden		All settlements with less than 1000 inhabitants are rural.
Switzerland		Agglomerations of 20,000 or more inhabitants and isolated towns of 10,000 or more are considered urban. To delimit agglomerations, the number of jobs (at least 2,000) and the commuting pattern (of the economically active population 85 per cent or more work in the agglomeration). Commuting pattern, population growth rates, built-up area, population/job density and employment in the primary sector are used to decide if municipalities are part of an agglomeration or not.
Turkey		Less than 2,000 inhabitants.
United Kingdom		n/a
	England	All areas outside settlements with a population of 10,000 or more.
	Scotland	All areas outside settlements with a population of 10,000 or more.
	Wales	All areas are rural except those of a small list of communities in towns and cities that were deemed to be entirely non-rural; 150 people per square kilometre
	Northern Ireland	n/a
United States	Census Bureau Definition	The Census Bureau classifies as "urban" all territory, population, and housing units located within an urbanized area (UA) or an urban cluster (UC). It delineates UA and UC boundaries to encompass densely settled territory, which consists of core census block groups or blocks that have a population density of at least 1,000 people per square mile and surrounding census blocks that have an overall density of at least 500 people per square mile.
	ERS Metro and non-metro classification	Non-metropolitan areas that contain (1) core counties with one or more central city of at least 50,000 residents or with a Census Bureau - defined urbanized area (and a total metro area population of 100,000 or more), and (2) fringe counties that are economically tied to the core counties. Non-metropolitan counties are outside the boundaries of metro areas and have no cities with as many as 50,000 residents.
	Official Federal definition	Rural areas comprise places (incorporated or unincorporated) with fewer than 2,500 residents and open territory.

Rural Development Statistics Questionnaire
Question 5

What is the smallest territorial unit/area on which the definition of rural is based i.e. postcode areas, community districts, communities, districts or regions?	
Australia	Census Collection District i.e. census enumeration area.
Bulgaria	Municipality i.e. well-defined system settlements/villages around a municipality centre (municipalities consist of between 1 and 134 villages).
Canada	Census sub-division (CSD); Census consolidated sub-division (CCS); Census division (CD)
Czech Republic	Municipality
Denmark	Address
Estonia	Municipalities but the Territory of Estonian Administrative Division Act divides rural municipalities further into settlements.
Finland	Municipalities (NUTS 5)
France	Municipality (NUTS 5)
Germany	Kreis (NUTS 3)
Hungary	Settlement (NUTS 4)
Ireland	District Electoral Division (DED)
Italy	n/a
Kazakhstan	A village with at least 50 people of which at least half is engaged in agriculture production
Kyrgyzstan	Village
Latvia	Parishes and rural areas
Lithuania	Post code areas
Netherlands	n/a
Norway	No official definition of rural, however, density and centrality variable is mostly applied at municipality level.
Romania	Village/municipality
Russian Federation	Farm, village, selo (rural town)
Slovakia	Municipality
Sweden	Geographical coordinates/address
Switzerland	Community (municipality)
Turkey	Village.
United Kingdom	Land parcel/address; Ward; in future: Census Output Area (COA); Unit postcode; county England Land parcel/address; Ward; in future: Census Output Area (COA) Scotland Unit postcode Wales County (NUTS 3) Northern Ireland n/a
United States	Census block (Census Bureau definition); County (ERS definition)

**Rural Development Statistics Questionnaire
Question 6**

What is the percentage of the population that are classified to live in rural areas?	
Australia	12.84 per cent
Bulgaria	41.9 per cent (11.2 per cent in less developed rural areas)
Canada	22 to 38 per cent depending on the definition used
Czech Republic	26.5 per cent
Denmark	14.7 per cent
Estonia	32.6 per cent
Finland	43 per cent (27 per cent excluding urban adjacent rural areas)
France	24 per cent
Germany	13.03 per cent
Hungary	Narrow definition: 47.35 per cent; broader definition: predominantly rural 31.3 per cent and significantly rural 43.2 per cent
Ireland	n/a
Italy	n/a
Kyrgyzstan	65 per cent
Latvia	47.5 per cent
Lithuania	33.1 per cent
Netherlands	n/a
Norway	22.3 per cent (population not living in urban settlements)
Romania	45.4 per cent
Russian Federation	27 per cent
Slovakia	29.9 per cent (OECD definition at NUTS 4 48 per cent in predominantly rural areas)
Sweden	35 to 40 per cent
Switzerland	32 per cent
Turkey	35.1 per cent
United Kingdom	n/a
England	20 per cent (settlement based definition); 28 per cent (ward based definition)
Scotland	30.9 per cent ¹⁾
Wales	32 per cent
Northern Ireland	n/a
United States	21 per cent (Census Bureau definition); 20 per cent (ERS definition)

1) <http://www.gro-scotland.gov.uk/grosweb/grosweb.nsf/pages/scosett#res>

Rural Development Statistics Questionnaire

Question 7

What is the percentage of the total land area that is classified as rural?	
Australia	99.74 per cent
Bulgaria	83.7 per cent
Canada	99.8 per cent 'rural' and 95 per cent 'predominantly rural' (OECD definition)
Czech Republic	73.7 per cent
Denmark	n/a
Estonia	98.4 per cent
Finland	95 per cent (83 per cent if urban adjacent rural areas)
France	82 per cent
Germany	30.35 per cent
Hungary	Narrow definition: 88.3 per cent; broader definition: predominantly rural 58.3 per cent and significantly rural 37.7 per cent
Ireland	n/a
Italy	n/a
Kyrgyzstan	28.8 (53.9) per cent of the land is agricultural land and land of rural settlements (about 90 per cent of the territory lays higher than 1,500m above sea level).
Latvia	98.2 per cent
Lithuania	97 per cent
Netherlands	n/a
Norway	99.3 per cent (land outside urban settlements)
Romania	89 per cent
Russian Federation	n/a
Slovakia	76.7 per cent (OECD definition 59.5 per cent in predominantly rural areas)
Sweden	more than 95 per cent
Switzerland	77 per cent (approximately)
Turkey	n/a
United Kingdom	n/a
England	93 per cent (settlement based definition); 87 per cent (ward based definition)
Scotland	n/a
Wales	82 per cent
Northern Ireland	n/a
United States	97 per cent (Census Bureau definition); 80.8 per cent (ERS definition)

Rural Development Statistics Questionnaire
Question 8

Is there a set of core indicators used to monitor rural development policy?	
Australia	Not at present but work is underway. The Australian Government is investigating the feasibility of a whole-of-government framework to attempt to measure rural/regional policy and outcomes and indicators will be developed in support of this.
Bulgaria	There is a core set of indicators to monitor the implementation of the Special Accession Programme for Agriculture and Rural Development (SAPARD).
Canada	No official core set of indicators. An integrated Canadian national rural database is currently considered as a developmental component of the National Framework of Rural Policies (NFRP). Sets of indicators for monitoring rural communities usually start with the major variables for demography, labour force, income and health status but each list differs.
Czech Republic	There is no specific set of indicators used only for rural areas. There are several key indicators surveyed jointly in both, rural and urban areas, but they are not strictly divided according to rural or urban area.
Denmark	n/a
Estonia	The most comprehensive system for monitoring and evaluating has been developed for the Special Accession Programme for Agriculture and Rural Development (SAPARD). The indicators used for monitoring the programme are agreed with the Monitoring Committee of the SAPARD that regularly reviews the programme progress on the basis of these indicators.
Finland	Yes, there are the indicators of the Finnish Rural Indicators project. See annex A.
France	Legislation is in preparation and should come into force end of 2003. Indicators should then be set up to monitor this policy.
Germany	Indicators to monitor the EU rural development plan agreed between EU and Member States.
Hungary	Set of indicators is being developed in relation with the National Development Plan, Agricultural and Rural Development Operational Programme and the National Rural Development Plan.
Ireland	Under development. ¹⁾
Italy	n/a

Rural Development Statistics Questionnaire
Question 8 (concluded)

Kazakhstan	The development is monitored by the Agency for Statistics through individual farm accounting on the approved form and the collection of statistical data twice a year from each farm record. It questions members of farms about all social issues and gathers information on current plantings, farms' own property (cattle, poultry and buildings) and sampling data on crop and livestock output. Information for State-owned agricultural enterprises is compiled on the basis of State statistical reporting.
Kyrgyzstan	No but there are a few indicators used for monitoring rural development these include poverty and extreme poverty levels, poverty gap and severity, gini coefficient, children school enrolment, adult literacy level, life expectancy, unemployment level, access to drinking water, access to medical service, average per capita calorie intake.
Latvia	The Ministry of Agriculture uses a set of indicators for drawing up the Rural Development Plan.
Lithuania	No.
Netherlands	n/a
Norway	No.
Romania	There is a set of core indicators used in monitoring rural areas (see 'Carta Verde of rural development in Romania' by the Romanian Ministry of Agriculture and Food and the European Commission).
Russian Federation	The following indicators can be used for monitoring rural development policy: income levels, employment/unemployment, prices of goods and services, the level of development of social, market and utilities infrastructure.
Slovakia	Not yet. There are plans to use data from the Ministry of Agriculture, from the payment agency and from beneficiaries to monitor rural development policy.
Sweden	No.
Switzerland	No, not yet.
Turkey	In the Household Labour Force Survey settlements with 20,000 or less are defined as rural. Numbers of persons employed in rural areas by sex, age, educational status etc are gathered regularly.
United Kingdom	No. England No. Scotland n/a Wales Yes. The main sections are demographics, economy, agriculture, education, health, personal social services, local government finance, housing, transport, law and order, environment, tourism, deprivation, etc. Northern Ireland n/a
United States	No.

1) See paper submitted for the Food and Agriculture Meeting held in Geneva 2-4th July 2003.

Rural Development Statistics Questionnaire
Question 9

Can rural development statistics be found on the Internet and if so where?	
Australia	Some small area statistics on www.abs.gov.au (themes then regional statistics). There is concern however that rural/regional statistics are not visible enough on the ABS website and the home page is currently being redeveloped to include a regional portal.
Bulgaria	Not yet but database is under construction. Some information can be found on the website of the Ministry of Agriculture www.mzgar.government.bg
Canada	No systematic collection on a given site but three (partial) views are available at: a) the Canadian Rural Partnership www.rural.gc.ca b) The Rural & Small Town Canada Analysis Bulletins at www.statcan.ca/english/freepub/21-006-XIE/free.htm c) community profiles of census data at www12.statcan.ca/english/profil01/PlaceSearchForm1.cfm
Czech Republic	No.
Denmark	Population data etc can be found at www.statistikbanken.dk
Estonia	Rural development statistics/regional statistics are available on the homepage of the Statistical Office at www.stat.ee at local government unit, county and NUTS 3 level.
Finland	No.
France	Statistics on rural and urban zones can be found at www.insee.fr under 'territoire'.
Germany	Information on the publication 'Aktuelle Daten zur Entwicklung der Städte, Kreise und Gemeinden' (up-to-date information on the development of towns, districts and municipalities) at www.bbr.bund.de . Information on regional data at www.destatis.de/themen/d/thm_regional.htm
Hungary	No data available on the website of the Hungarian Central Statistical Office. Some selected data are available at the Internet site of the Ministry of Agriculture and Rural Development in the supplement of Hungary's SAPARD Plan at www.fvm.hu/english/annex2.pdf
Ireland	n/a
Italy	n/a
Kazakhstan	www.stat.kz
Kyrgyzstan	www.stat.kg
Latvia	Yes, the Agricultural Census 2001 and Population Census 2000 data base are available at http://www.csb.lv/

Rural Development Statistics Questionnaire

Question 9 (concluded)

Lithuania	www.std.lt/ : General statistics - agricultural statistics by county (NUTS 3); Population and social statistics - average annual number of rural population, main indicators of employed population and earnings by economic activity; Agriculture - main indicators of agricultural activity; Environment - water consumption according to needs.
Netherlands	n/a
Norway	No rural statistics as such but regional statistics can be found at http://www.ssb.no/english/subjects/00/00/02
Romania	No.
Russian Federation	Yes: Ministry of agriculture www.aris.ru/DBASE/ ; Goskomstat Russia www.gks.ru ; Agro-industrial complex Market www.apkmarket.ru
Slovakia	No.
Sweden	No.
Switzerland	Scattered information can be found under www.bfs.admin.ch
Turkey	The press releases and the results of the Household Labour Force Survey are available on the website of the State Institute of Statistics www.die.gov.tr
United Kingdom	Defra Internet site under construction at www.defra.gov.uk/esg/work_html/publications/cs/ruralinfo_web/default.asp . Small area statistics at www.neighbourhood.statistics.gov.uk
England	see United Kingdom
Scotland	n/a
Wales	Yes, in the report 'Statistical Focus on Rural Wales' (http://www.wales.gov.uk/keypubstatisticsforwales/content/publication/comp endia/2001/sb49-2001/sb49-2001.htm), in the Rural Development Plan and in the statistics by Local Authority area on the Local Government Data Unit website http://www.lgdu-wales.gov.uk/
Northern Ireland	n/a
United States	Data related to rural development can be found at a) U.S. Census Bureau at www.census.gov b) Bureau of Labor Statistics at www.bls.gov c) Bureau of Economic Analysis www.bea.gov d) Economic Research Service www.ers.usda.gov e) National Agricultural Statistics Service www.nass.usda.gov

Rural Development Statistics Questionnaire
Question 10

What is the smallest area for which statistics are available and what is the average size of this area (e.g. average population size, average area, range of population sizes or range of area)?	
Australia	Census Collection District (CD) i.e. census enumeration area (average size in rural areas 100 dwellings, in urban areas 220 dwellings, area ranges from under 1,000 square metres to 230,000 square metres)
Bulgaria	Municipality (well defined system of settlements/villages around a municipality centre which may be a bigger village or a small town; between 1 and 134 villages).
Canada	Census subdivision (CSD) which are generally incorporated towns and incorporated municipalities. There are 5,600 CSDs with a population range from 0 to 2.38 million (average about 5,360).
Czech Republic	Municipalities.
Denmark	Addresses.
Estonia	Local Government Unit (average population 5494 with Tallinn, 3903 without Tallinn, range 56 to 396879; average area 176 square kilometres, range 1.8 to 582 square kilometre).
Finland	Sub-regional units (NUTS 4).
France	Municipalities.
Germany	Municipalities (average population about 5,900).
Hungary	Settlements (municipality?) (average population about 3230).
Ireland	District Electoral Division (DED) (average population 1096)
Italy	n/a
Kazakhstan	Private and state-owned farms
Kyrgyzstan	Districts, villages; for agricultural statistics usually the county within a district (between 4,000 and 20,000 inhabitants)
Latvia	Parishes (NUTS 5)
Lithuania	Rural settlement (village) (average size 53 inhabitants, range from 1 to 4700); Rural municipality (average size 24.4 thousand inhabitants, range 6.6 to 83.6 thousand inhabitants; average land area 135.3 thousand hectares, range 43.6 to 220.9 thousand hectares)
Netherlands	District (average population about 1500, range 0 to 30,000; average area 3 square kilometre, range from under 1 to 130 square kilometres); for statistics for funding purposes: statistics based on territorial unit of 500m square
Norway	Basic (statistical) units (subdivision of municipalities, there are about 14,000 basic statistical units in Norway; they are a flexible basis for the work with and presentation of regional statistics)
Romania	Villages (average population about 800)
Russian Federation	n/a
Slovakia	Municipality (average population 1844, range 10 to 117227)
Sweden	Individuals/households.
Switzerland	Hectare or commune - depending on the statistics.
Turkey	Village (average population about 640)
United Kingdom	Census Output Areas (average population about 250)
England	
Scotland	
Wales	Electoral districts; Small Agricultural Area for agricultural statistics (about 1000 farms)
Northern Ireland	
United States	Census Blocks (there are 7,017,427 census blocks)

Rural Development Statistics Questionnaire
Question 11

What statistics are available for this smallest area?	
Australia	Every five years, full range of variables from the Census of Population and Housing (demographics, employment, income, characteristics of dwellings). In non-census years data are only available for larger spatial units. Very few economic variables are available for small areas but agricultural commodity data are available for Statistical Local Areas every five years and for Statistical Divisions in other years.
Bulgaria	Data for age structure, inhabitants, area, population density, employment/unemployment levels, education level etc.
Canada	All Census of Population variables, however, data for census subdivisions with fewer than 200 inhabitants are typically suppressed for questions in the long questionnaire which contains the major variables on educational attainment, labour force participation, income etc.
Czech Republic	Only a limited number of indicators such as population, land area, social and cultural variables, health service and trade possibilities and for some environmental matters such as water supply network, public sewage system, waste collection.
Denmark	n/a
Estonia	The Estonian Rural Development Database contains official statistics on population, stock of urban streets and local roads at the local government unit level. It also contains non-official data on entrepreneurs, local budget revenue and expenditure, income tax, state budgetary relief fund, appropriations for investment, local government debt, dwelling completions, non-residential building completions, subsistence allowances, registered unemployed and the number and areas of fires. Non-official data on the number of schools and students, local land stock, main indicators on libraries and distance of local government unit from the capital and the county centre will be added soon.
Finland	The indicators of the Finnish Rural Indicators project which relate to population and migration, structure and function of the economy, living conditions and welfare, sustainable development.
France	Population census data, agricultural census data, municipality inventory, business survey results, services and facilities available to inhabitants of the municipalities, movements of inhabitants in municipalities lacking facilities.
Germany	Various statistics are available for municipalities, others for Kreise (districts) details can be found at www.brandenburg.de/statreg/regio-stat-katalog_2003.pdf
Hungary	There are about 400 variables collected annually for each settlement.
Ireland	Population statistics, agricultural statistics.
Italy	n/a
Kazakhstan	Individual farm records.
Kyrgyzstan	Statistics on agriculture, wages, population number, selected variables of transport statistics, finances are produced at the level of rural councils. The population census data are available by each town, urban-type settlement and village.

Rural Development Statistics Questionnaire

Question 11 (concluded)

Latvia	Some agricultural, population and social statistics.
Lithuania	Rural settlements - number of population; Rural municipality - majority of agricultural, demographic and social statistics; Total municipality - majority of agricultural, demographic, social, industry, transport and service statistics.
Netherlands	Population data (number, gender, age class, population density, household composition, immigrants (first and second generation) from non-western countries); address density; residences (number and average value for tax); income (average per head, average per person receiving income, persons with high income (percentage), persons with low income (percentage), persons aged 15 to 64 with social security as main source of income (percentage); land area and total area (including water); land use (e.g. urban and rural area, traffic, built-up, semi-built-up recreational, agricultural, forest, nature).
Norway	Mainly population statistics. Furthermore, coordinates or basic statistical unit code identify most enterprises in the Business Register and almost all agricultural holdings are identified by coordinates.
Romania	Various statistics which can be found in the settlement/locality file.
Russian Federation	n/a
Slovakia	Statistics on a limited number of indicators are available (population, land acreage, social and cultural facilities, health service and trade possibilities etc) and for some environmental matters (water supply network, public sewage system, water waste treatment, waste collection, expenditures on environmental protection).
Sweden	Examples: number of inhabitants, number of households, migration, age distribution, educational level, unemployment, disposable income.
Switzerland	For the hectare Swiss land use statistics; for the commune/municipality the population, agricultural and enterprise statistics as well as the Swiss land use statistics.
Turkey	Social, demographic and economic characteristics of population are available for villages from the 2000 Population Census. Information about age and sex structure, literacy, fertility, labour force, occupation, economic activity and employment status is also available.
United Kingdom England Scotland Wales Northern Ireland	Census data, some survey data will be made available at this level. Data for Electoral Districts are only available for data collected in the 2001 Population census. Most socio-economic indicators are only reliable at the Local Authority Level.
United States	Basic population and housing data. More information available at census tract level.

Rural Development Statistics Questionnaire
Question 12

Are statistics on urban settlements/urban land use available?	
Australia	Yes, the full range of Census of Population and Housing variables is available for urban settlements.
Bulgaria	Yes, on urban municipalities.
Canada	Yes, data are available for urban settlements, but urban land use data is only available from specialised surveys on a case by case basis.
Czech Republic	Statistics on urban settlement and land use are available (in the statistical office and the cadastral office)
Denmark	Yes.
Estonia	Yes, on urban municipalities.
Finland	One of the area types is rural areas.
France	Yes, at the level of municipalities to follow the development of the different zones which are recalculated after every population census. At a more aggregated level through the LUCAS surveys.
Germany	Yes, updated every four years.
Hungary	Yes.
Ireland	n/a
Kazakhstan	A sample survey is held for urban settlements once a year.
Kyrgyzstan	Yes.
Latvia	Yes.
Lithuania	Yes, demographic statistics and urban land use statistics.
Netherlands	Yes, land use statistics are produced every 3 or 4 years. Delineating urban settlements on the basis of urban land use statistics is a research project for the next months. In principle, coding addresses to urban settlements is possible and is also subject to research.
Norway	Yes.
Romania	Yes.
Russian Federation	n/a
Slovakia	Yes, statistics on urban settlement and urban land use are available in the cadastral office/land registry and in the statistical office.
Sweden	n/a
Switzerland	Yes.
Turkey	No. However, a project is under way on Land Use by Using CORINE methodology. The aim of the project is to classify 44 classes of land use as applied in the CORINE project. At the end of this project some information on urban settlements will be available.
United Kingdom	Yes. England Yes. Scotland n/a Wales Yes. Northern Ireland n/a
United States	Yes, some data are available.

Rural Development Statistics Questionnaire
Question 13

Which organization(s) is/are responsible for rural development policy?	
Australia	At federal level mainly the Ministry of Agriculture, Fisheries and Forestry, Australia (AFFA - responsible for agricultural policy which impacts significantly on rural areas) and the Department for Transport and Regional Services (responsible for regional development in general and this includes rural areas). Economic development in rural/regional Australia is devolved to State/Territory Governments.
Bulgaria	Ministry of Agriculture and Forestry (MAF)
Canada	The federal Rural Secretariat had the task of co-ordinating the federal approach to rural development because all government departments have policies and programs directed to rural citizens. Similarly, each provincial government has a lead agency with a mandate to co-ordinate the approach of provincial government ministries to rural development. Finally, there are regional and rural development groups within most provinces.
Czech Republic	Ministry for regional development and regional authorities.
Denmark	Ministry for the Interior and Health
Estonia	Ministry of Agriculture
Finland	Ministry of Agriculture and Forestry; Rural Policy Committee
France	Ministry of Agriculture, Food, Fisheries and Rural Affairs
Germany	The 16 federal Länder governments have the main responsibility for rural development policy. Within the Länder governments, it is the Ministries with responsibility for agriculture, regional policies, environment, protection of nature and transport that influence rural development most directly.
Hungary	Ministry of Agriculture and Rural Development.
Ireland	Department of Community, Rural and Gaeltacht Affairs.
Italy	The 20 Italian Regions
Kazakhstan	Ministry of Agriculture.
Kyrgyzstan	At present, on the instructions of the President of the Kyrgyz Republic and in pursuance of the goals of the Comprehensive Development Framework the Kyrgyz Republic has started to prepare a set of documents aimed at comprehensive rural development. Almost all ministries and agencies are preparing relevant documents in their respective fields.
Latvia	Ministry of Agriculture

Rural Development Statistics Questionnaire
Question 13 (concluded)

Lithuania	Ministry of Agriculture is responsible for rural development policy; Ministry of Social Affairs and Labour is responsible for social aspects including rural areas; Ministry of Internal Affairs is responsible for coordinating National Regional Policy.
Netherlands	Ministry of Agriculture, Nature and Food Quality; Ministry of Housing and Spatial Planning and the Environment; Ministry of Economic Affairs, Social Affairs and Employment; Regional Governments/Provinces (at NUTS 2 level).
Norway	Ministry of Local Government and Regional Development (main responsibility and co-ordination); Ministry of Agriculture; Ministry of Fisheries; Ministry of Transport and Communication; Ministry of Trade and Industry.
Romania	Ministry of Agriculture, Food and Forestry and Ministry of Public Finance; Inter-ministry Committee for Agriculture and Rural Development.
Russian Federation	Republics, territories and regions and coordinated by the Government and the Ministry of Agriculture.
Slovakia	Ministry of Agriculture
Sweden	Ministry of Industry, Employment and Communication.
Switzerland	Federal Office for Spatial Development (ARE)
Turkey	State Planning Organization (SPO) is responsible for project planning; Ministry of Agriculture and Rural Affairs is responsible for monitoring rural projects.
United Kingdom	Department for Environment, Food and Rural Affairs and devolved Departments. England Department for Environment, Food and Rural Affairs Scotland Scottish Executive Environment and Rural Affairs Department Wales Welsh Assembly Government Agriculture and Rural Affairs Department Northern Ireland Department for Agriculture and Rural Development Northern Ireland
United States	The Rural Development (RD) Mission Area of the U.S. Department of Agriculture (USDA) operates as the main rural development programs in the United States. However, other Federal development programs critical to rural development are operated by other Federal and State agencies. USDA-RD is responsible for co-ordinating the rural aspects of these programs, to the extent this is possible. USDA also participates in and supports the National Rural Development Partnership, which includes representatives of Federal, State, and non-governmental organizations with an interest in rural development.

Rural Development Statistics Questionnaire
Question 14

What are the aims/objectives of rural development policies?	
Australia	To improve the economic performance of rural and regional areas so that the potential for them to contribute to the wealth and competitiveness of Australia as a nation is maximised.
Bulgaria	See annex C.
Canada	Generally to improve the well-being of rural communities.
Czech Republic	Rural development means creating of administrative and economic conditions to support the rural area residents in their harmonised development of healthy environment, in their care about natural and cultural worth of rural landscape and in the development of environment-friendly systems of farming.
Denmark	n/a
Estonia	The main objective of the pre-accession programme for agricultural and rural development (SAPARD) is to contribute to the implementation of aquis communautaire concerning the common agricultural policy and related policies and to solve priority and problems for the sustainable adaptation of the agricultural sector and rural areas in Estonia.
Finland	The Rural Policy Committee has been structured around five permanent priorities: (1) reform of the economic activities in rural areas (2) development of know-how and human resources (3) strengthening the existing service network (4) development of the quality of the residential environment and community structure in rural areas (5) sustainable utilisation of natural resources
France	n/a
Germany	The directive Nr 1257/1999 put the main focus on the promotion of the multifunctionality of agriculture. However, increasing emphasis was also given to non-agricultural activities, aspects of sustainability and the employment.
Hungary	(1) More competitive economy (2) Better utilisation of human resources (3) Better quality environment, more balanced regional development.
Ireland	Improving the physical, economic and social conditions of people living in the open countryside, in coastal areas, towns and villages and in smaller urban centres outside of the five major urban areas.
Italy	Enhance the competitiveness and viability of rural areas (the objectives stated in the regulations of the second pillar of the Common Agricultural Policy)
Kyrgyzstan	Development of small towns and remote districts.

Rural Development Statistics Questionnaire

Question 14 (continued)

Latvia	(1) Promotion of dynamic development of rural economy, thus ensuring the increase in the level of welfare of the rural population (2) Maintenance of the population living in rural areas and ensuring the availability of various social infrastructure services in rural territory equivalent to the level available in towns (3) Ensuring the sustainable and efficient utilisation of rural resources by maintaining and preserving a tended and biologically diverse rural environment and landscape for future generations.
Lithuania	According to the Law on Regional development of the Republic of Lithuania (adopted in 2000) the main aims are to reduce the social and economic inequality between the regions and within the regions and to stimulate the equal and stable development of all regions. The Law on Agriculture and Rural Development of the Republic of Lithuania (2002) gives legal basis for the main principles of agricultural and rural development. It seeks to create a cooperative and competitive agricultural sector oriented towards the market; to increase agricultural income and to improve the quality of life of rural people as well as to meet their individual, social, economic and cultural needs; to ensure that high quality and safe agricultural and food products reach the market; to expand exports of agricultural and food products; to guarantee as high as possible self-sufficiency of agricultural and food products; to develop a sustainable food industry in which integrated agriculture has a main share; to save the environment by using agri-environmental methods and to induce sustainable use of renewable resources.
Netherlands	Objective for rural development of the Ministry of Agriculture, Nature and Food Quality: The creation of a living and sustainable countryside, allowing space for the various functions of living, work and recreation; to enhance liveability while preserving the existing qualities of the countryside. This is realised through the four policy fields of agriculture, nature, recreation and landscape.
Norway	To maintain the central features of the population settlement pattern and to have equal living conditions throughout the country.
Romania	The strategic objective proposed by the PNADR (Plan National of agriculture and rural development?) are the following: the sustainable development of agri-food competitive sector by modernisation and improvement of processing and marketing of agricultural and fish products; increasing of the living standard in rural areas by the improvement and development of social infrastructure and by defining and establishing good agricultural practice as a need for a sustainable agriculture and rural development; the development of rural economy by establishing and modernising buildings for private agricultural and forest exploitations, the development and diversification of economic activities, in order to maintain and/or create alternative/additional incomes and new employment; the development of human resources by improving professional training of agricultural producers and forest owners and by building institutional capacity consolidation.

Rural Development Statistics Questionnaire

Question 14 (concluded)

Russian Federation	The social components of reforms in agriculture is one of the most important objectives of rural development policy.
Slovakia	The improvement of the quality of life of the rural population, provision of sufficient number of jobs and adequate income. To preserve environment and sustainable development for rural areas.
Sweden	Good living conditions and development opportunities for rural areas and rural populations.
Switzerland	The Confederation's policy in respect of spatial and transport planning, sustainable development and the alpine conservation convention has been prepared and implemented by the Federal Office for Spatial Planning since 1 June 2000. The remit of the Federal Office includes the following: (1) Strategies for spatial and transport planning and for sustainable development (2) Principles for spatial planning, general and leisure traffic, sustainable development and the alpine conservation (3) Liaison between federal authorities on projects affecting land use and transport (4) Collaboration with the cantons in all official tasks (5) Assisting with coordination to solve problems connected with agglomeration policy and equalisation measures in rural areas (6) Information (7) Monitoring spatial planning from a legal viewpoint.
Turkey	The aims of rural development are to support and encourage rural activities to increase income of the rural population by diversification and intensification of agricultural activities; to encourage agro-industry and finally to increase capacity building in those areas.
United Kingdom	England The target is to reduce the gap in productivity between the least well performing quartile of rural areas and the English median by 2006, and improve the accessibility of services for rural people. The evidence for poor economic and social conditions in some rural areas is both compelling and measurable. Our target is to lay solid foundations to achieve sustainable and long term regeneration in these areas. Scotland n/a Wales (1) To create a stronger agriculture and forestry sector (2) To improve the economic competitiveness of rural communities and areas (3) To maintain and protect the environment and rural heritage Northern Ireland n/a
United States	Rural development policies have a variety of objectives. The general aim is to improve quality of life in rural areas. More specifically, USDA's RD programs cover infrastructure, business, and housing assistance, plus several comprehensive assistance programs, including the rural empowerment zone program.

Rural Development Statistics Questionnaire
Question 15

What are the main themes of rural development?	
Australia	Two over-arching themes are evident in Australian regional/rural policy: (1) place-based issues of economic growth and development and ultimate competitiveness, and the concomitant natural resource management and environmental impact issues (sustainable development) (2) socially focussed issues - the quality of life and well being of people who reside in rural/regional/remote Australia
Bulgaria	See annex C.
Canada	Creating a favourable environment for rural development by improving infrastructure; supporting the renewal of communities through innovation; support building community capacity potential.
Czech Republic	Development of agricultural activities and processing of the production; reestablishment of handicrafts, trade and business activities and services and tourism; support and development of employment opportunities; improvement of the municipality facilities for residents (schools, health services, etc.); maintenance of the public open space (including care of lawns and water areas)
Denmark	Economic activities and environmental aspects.
Estonia	Promotion of rural entrepreneurship; living conditions in rural areas; infrastructure and land improvements; private forestry and cooperative activities; research, training and advisory system.
Finland	According to the Rural Policy Committee outlines for rural policy are: there is a wide range of economic activities in the rural areas; the possibility to use modern information technology should be made available to everybody, the development of the environment for innovation in rural areas is one of the cornerstones in rural policy, multifunctional agriculture and pluriactive farms are special characteristics of the Finnish rural areas; the connection between culture and development is understood and recognised in all rural development work; curbing and reducing the differentiation of municipalities; in order to for the rural policy to succeed in securing the viability of the rural areas, watertight development systems are needed not only in the municipalities but also at the level of villages and sub-regional units; new means to advance the justice to the citizens and equality between the regions should be found for regional development; the urban, interaction and rural policies constitute an extensive and functioning whole for the regional development that is the best suited for the Finnish conditions
France	n/a
Germany	Improvement of the competitiveness of the agricultural sector; rural development; environment and compensatory measures
Hungary	Modernisation of agricultural production; improving human conditions of production; modernisation of food processing; improving the economic potential of rural areas; increasing employment; making rural areas more attractive; maintenance of agricultural land use in areas with unfavourable conditions and under environment protection restrictions; environment-friendly agricultural production, landscape protection and agricultural environment protection; maintaining the economic, ecological and social role of forests.
Ireland	Vibrant sustainable communities; sufficient income and employment opportunities; adequate access to education, training and social and other services and infrastructure; effective participation in structures and decision-making processes in an inclusive society; a situation where cultural identity including language, traditions and a sense of community are valued and retained; sustainable development and respect for the environment.

Rural Development Statistics Questionnaire
Question 15 (continued)

Italy	Investment in competitiveness, rural viability, quality of life and sustainable agriculture, animal welfare, food quality.
Kyrgyzstan	(1) Development of effective local governments (2) Social development of local communities (3) Development of rural social and engineering infrastructure (4) Provision of sustainable growth in rural areas
Latvia	see annex B
Lithuania	Investment in primary agricultural activity: reconstruction and equipment of farm buildings, purchase of agricultural machinery, creation of specialized farming; investment in agricultural and fish products processing and development of marketing; development and diversification of farm activities: stimulation of small businesses, processing of agricultural product produced on farm, rural tourism, non-traditional economic activities in rural areas; diversification of farm activities including processing; development of rural infrastructure for general use; development of forestry, of forestry infrastructure, afforestation of non-agricultural land; stimulation of ecological farming; professional agricultural training; support for preservation and breeding of rare fish, for breeding and seed farming, for purchase of seeds and pedigree material; support for establishment of young farmers; registration and identification of farm animals; creation and introduction of agricultural information system, development and consultation services; development of food quality control, veterinary and plant protection control including border control; direct payments for declared crop area of cereal, flax, rape, rich in starch potatoes and other agricultural crops, in animal production direct payments for suckling cows, ewes and animals to be slaughtered and to dairy farms; compensatory payments for farming in areas not favourable to farming.
Norway	Development in population, economic development in general, business investments, establishment of new enterprises, employment/unemployment, service provisions, infrastructure.
Netherlands	Our most important policy tasks regarding the physical quality of the rural area are: putting the water system in order; realising the National Ecological Network; making agriculture more sustainable and more in tune with the wishes of society; preserving and developing a valuable living environment; specific tasks regarding specific landscapes (sandy areas, grasslands in the peatlands area and the riverlands).
Romania	The measures proposed by the SAPARD Regulations is as follows: processing and marketing of agricultural and fisheries products; improving the structures for quality veterinary and plant health controls, foodstuffs and consumer protection; development and improvement of rural infrastructure; management of water resources for agriculture; investment in agricultural holdings; setting up producer groups; agri-environmental measures; development and diversification of economic activities, multiple activities, alternative income; forestry; improving the vocational training; technical assistance.
Russian Federation	The main directions of rural development are defined in the Federal programme 'Social development in rural areas until 2010'.

Rural Development Statistics Questionnaire
Question 15 (concluded)

Slovakia	SAPARD: Priority 1 Improvement of the agricultural production sector including food industry (measures: Investment in agricultural enterprises, improvement of processing and marketing of agricultural and fish products, setting up of producer groups) Priority 2 Sustainable rural development (measures: diversification activities in rural areas, forestry, agricultural production methods designed to protect the environment and maintain the countryside, land consolidation) Priority 3 Development of human activities (measures: development of human resources, technical assistance)
Switzerland	Decentralised settlement and conservation of the cultural heritage of the landscape; assisting with coordination to solve problems connected with agglomeration policy and equalisation of measures in rural areas.
Sweden	n/a
Turkey	Employment, rural infrastructure, human resources, settlement patterns, organisational arrangements, sustainability of rural development.
United Kingdom	n/a
England	The white paper focuses on: investing in quality services (schools, education and child care places, health care, internet access); improvements in service delivery (extended service provision by post offices, cash machines, support schemes for village shops, pubs and garages, etc.); affordable homes; better transport; rejuvenating market towns and creating a thriving modern economy; new future for traditional industries (i.e. agriculture); ensuring that everyone can enjoy the countryside (tourism); protecting what makes the countryside special (environment)
Scotland	n/a
Wales	(1) Income and employment of people found on farms (2) The environmental aspects of land use. The most significant strands of the Rural Development Plan for Wales are (1) support for farmers in disadvantaged areas (2) agri-environmental payments. Less important strands are the investment on farms for improving the holding and on-farm diversification, improving processing and marketing of agricultural products, forestry. Support for non-agricultural businesses and community development is not strong.
Northern Ireland	n/a
United States	Sustainable community development; 'bottom-up' policies in the sense that they support the community's own plans and goals for development, rather than a policy solution imposed by a higher level of government; Federal assistance targeted to places that need help the most; Federal assistance should 'leverage' assistance from other sources to get 'the most for the buck'

Annex A: The indicators of the Finnish Rural Indicators project.

POPULATION AND MIGRATION

Population density, inhabitants/km²
Distribution of population by types of area, %
Increase of population
Excess of births
Internal net-migration, total
Internal net-migration by age group
Area's population as percentage of whole Mainland Finland's population
Population by sex and age group
Men's relative proportion of population aged 25-64
Demographic dependency ratio
Summer residents' relative proportion of regular population (summer residents refers to the total number of persons in the household-dwelling units of free-time residence owners)
Free-time residences per 1000 inhabitants

STRUCTURE AND FUNCTION OF THE ECONOMY

Number of labour force
Proportion of labour force in the population of working age
Economic dependency ratio
Unemployment rate, total
Change of unemployment rate
Workplaces by industry
Change of number of all workplaces
Ratio between number of jobs in an area and number of employed living in an area
Number of commuters (commuters are defined as persons who cross the municipal border to get from their place of residence to their place of work)
Percentage of commuters to employed living in an area
Net-commuting
Net income flow of commuting
Value added, whole country = 100
Value added per capita, whole country = 100
Number of establishments of enterprises by size category of personnel
Number of establishments of enterprises per 1000 inhabitants
Number of establishments of enterprises by industry
Number of enterprise openings and closures by industry
Number of active farms
Average area of arable land of active farms, ha
Average income subject to state taxation of farms by source of income
Commercial roundwood removals of private forests, m³
Local income tax rate in municipal taxation
Average total tax revenues of municipalities per inhabitant

LIVING CONDITION AND WELFARE

Average income subject to state taxation per income recipient
Persons in receipt of living allowance as percentage of population
Population aged 15 years or over by level of education

SUSTAINABLE DEVELOPMENT

Arable land under cultivation and uncultivated arable land of all farms
Organic farms as percentage of all active farms
Organically farmed area as percentage of all arable land of active farms

Annex B: Latvia - Answer to Question 15:**Main Themes**

Economic activities not related with the agriculture, forestry or fishery (in line with the National Programme for the Development of Small and Medium Size Enterprises, National Employment Plan, the actions listed in the action strategy of the Ministry of Agriculture for the years 2003-2005, etc.):

- efficiently utilises all resources available in rural environment, thus contributing to the employment and welfare of the rural population;
- maintains and develops the rural environment as an attractive life, work and recreational place for everyone;
- ensures the flexibility of rural economy with respect to the changes in the foreign and domestic markets, and maintains a stable welfare standard of the rural population.

Tourism (in line with the Rural Tourism Development Programme) -

- ensures the availability of the cultural and historical heritage and landscape qualities featuring the rural environment of Latvia to everyone ;
- ensures the good quality and environmentally adequate economic infrastructure for the needs of mobility, communications and economic activity of the population (in line with the Regional Development Law);
- improves, enhances and diversifies the professional skills of the rural population (in line with the National Employment Plan and the Strategy for Investments to Welfare Sector for the Years 2003-2007 and the Concept for Crediting of Students)
- creates and supports the groups / organisations of economic cooperation promoting and supporting the economic development of rural areas, involving socially outcast groups of population in business activity thus reducing the poverty in line with the Commercial Law of the Republic of Latvia, Cooperative Societies Law, Agricultural Law, the Strategy for Investments to Welfare Sector for the Years 2003-2007).

The measures implemented and/or planned for implementation under the objective 'Maintenance of population in rural areas and ensuring the availability of various social infrastructure services in rural territory equivalent to the level available in towns' are aimed at:

- rationalising and developing the services of social infrastructure (education and training systems, healthcare and social security systems, culture, etc.) and tending and maintaining the historical and cultural values / heritage (in line with the National Investment Programme);
- creating and supporting the local initiatives for the activation of economic and social life in the territory, encouraging the cooperation among inhabitants in the implementation of social and economic activities in the territory, and minimising the outcast of various social groups in rural villages / communities;
- establishing and supporting various social matters groups / organisations for dealing with social assistance issues and initiation of economic activities in rural territories (in line with the Strategy for Investments to Welfare Sector for the Years 2003-2007);
- improving and rationalising the operations of local administrative, regional authorities by securing the exchange of information and minimising the outcast of informative character in the periphery (in line with the Regional Development Law of the Republic of Latvia and the Administrative-Territorial Reform Law).

The attainment of the objective - *Ensuring the sustainable and efficient utilisation of rural resources by maintaining and preserving a tended and biologically diverse rural environment and landscape for future generations* – is supported by adoption of certain Regulatory enactments and strategic documents – laws of the Republic of Latvia, Cabinet Regulations, and by implementation of the National Biodiversity Programme (1999). Latvia has ratified different international conventions, and is proceeding with the harmonisation of its national legislation with the Directives of the European Union in the sphere of environment, with a view to:

- ensuring, in all kinds of economic activity, an environmentally friendly management meeting the environmental requirements to cause a minimum negative impact on the ecology of rural environment (nature, air, climate, soil, water) and maintaining a tended landscape characteristic to the countryside of Latvia;
- preserving, protecting and promoting the variety of wildlife populations, species and biotopes recognised both nationally and internationally;
- protecting and maintaining the historical, cultural and landscape (reserves, nature parks, coastline, etc.) values recognised both nationally and internationally.
- protecting, enhancing and promoting the local origin breeding animals of important breeds of agricultural animals and cultivated plants, which are recognised as endangered populations both nationally and internationally.

Annex C: Bulgaria

Answer to question 3: Are there any subdivisions of rural areas relating to the degree of rurality?

At present, Bulgaria doesn't have legislation to regulate assistance for agricultural producers in less favorite areas, compatible with EU analogues. Legal acts, which regulate similar matters are:

The Farmer Support Act (published SG 58/22. 05. 1998)

The Regional Development Act (SG 26/23. 03. 1999)

The Agricultural Land Protection Act (SG 35/24. 04. 1996)

The Farmer Support Act.

The provisions of this law are closest to the provisions in Council Regulation 1257/1999 on support for rural development from the EAGGF. This law regulates the state support to farmers for the production of market oriented agricultural produce. One of the purposes of state support is the development of agricultural produce in regions with deteriorating social and economical characteristics, or in regions with unfavorable environmental conditions. These regions have been defined in the Final provisions to the law as follows:

- **"Regions with deteriorating social and economical characteristics"** are regions threatened by depopulation or regions of low population density, with restricted employment possibilities, which accelerated rate of decline threatens the economic vitality of the specific region and its population in the long run.
- **"Regions of unfavourable environmental conditions"** for agricultural development are regions where there are permanent natural limitations on agricultural development, due mainly to the poor soil qualities, with cultivated land situated on steep slopes, and short vegetation periods. Such limitations can be overcome at high costs leading to high agricultural production cost, which prohibits the generation of incomes by agricultural producers in such areas, comparable to the incomes of agricultural producers occupied in the same kind of agricultural activity in other regions of the country.

The indicators in the Ordinance identifying the "less developed rural areas" are similar to these, used to define "less favored areas" in Article 19 from Council Regulation 1257/1999. According to the Ordinance the "less developed rural areas" cover municipalities or groups of municipalities with predominantly rural way of life, specialized in farming and forestry, with low level of economic development, underdeveloped technical infrastructure and workforce qualification, suffering from acute social problems such as high unemployment rate, low-income per capita, and rapid depopulation.

The criteria for the identification of less developed rural areas are as follows:

1. Absence of a big, very big or medium-sized city or town in the area – the biggest town in the area is with population below 30 000 people;
2. Income per capita during two of the last three years should amount to less than 30 % of country's average in the preceding year;
3. Average unemployment rate in two of the last three years should amount to over 50 % of the country's average in the respective year;

4. Population density below 75% of the country average, expressed in “persons per square km.”;
5. The relative share of agricultural or forestlands should exceed by 20 % the relative country’s average;
6. The relative share of employment in farming and forestry within total number of employed should amount to over 20 % of the country’s average for the preceding year.

According to Ordinance No 14 (SG, No 35/2003) on defining of settlements in rural and mountainous areas, the mountainous areas are defined as follows:

“Mountainous areas are areas with altitude above 600 m., with depth of relief segmentation above 200 m. measured between the lowest and highest point on 1 sq.km., while the density of relief segmentation is above 2 sq.km., and the area slopes are above 12° steep. Mountainous are municipalities, in which more than a half of their settlements territories are mountainous territories”.

With the completion of the Twinning Light Project BG/2001/IB/AG/03/TLF “Strengthening the administrative capacity of the Rural Development Directorate of MAF to implement chapter V of EC Regulation 1257/1999” under the Twinning Light Facility BG 0105.02, we have the methodology for defining of less-favored areas and areas with environmental restrictions in Bulgaria. Criteria for the definition of mountainous municipalities, which give the following indicators, have been prepared:

- Average altitude above 600 m;
- Average area slope above 10° (17,6);
- Average altitude from 500 m to 600 m, combined with an average area slope above 7 ° (12,3 %).

The criteria for the definition of other less-favored areas are as follows:

- Population density less than country’s average – 71 person/sq.km;
- Employed in Agriculture more than 10 % during the last 3 years;
- Low productivity of the agricultural lands with indicators – an average category of the soil less than 6th (country’s average - 5,5);
- Principle of the homogenization: next municipalities with a category of the agricultural land at least 5th.

Answer to question 14: What are the aims/objectives of rural development policies?

The main objectives of the NARDP (National Agriculture and Rural Development Plan 2000-2006) as follows:

- Improvement of agricultural production efficiency and promotion of a competitive food-processing sector by better market and technological infrastructure and strategic investment policies ultimately aimed at reaching EU standards.
- Sustainable rural development consistent with the best environmental practices by introducing employment, diversification of economic activity and establishment of the

necessary infrastructure. This in turn will improve the living conditions and standards of rural communities, generate fairer income and open up employment opportunities.

The main objective of the National Agriculture and Rural Development Plan (NARDP), which is under preparation, is achievement of strategic objectives of the National Development Plan of Bulgaria for the period 2007-2013, namely:

Achievement and maintenance of high economic growth through a dynamic economics of knowledge in compliance with the principles of sustainable development.

Increase of the potential of human capital and achievement of levels of employment, incomes and social integration thus ensuring high quality of life.

On the basis of the strategic guidelines of the Community regarding the policy in the field of rural areas development for the period 2007-2013 and in order to realize the main priorities of EU regarding employment, growth and stability (Lisbon, Göteborg), to guarantee that it complements the other policies of EU (cohesion, environment; especially, coordination with the Structural funds and management of the natural resources in the rural areas) and on the basis of the social-economic conditions, prevailing in the rural areas of Bulgaria, their strengths and potential, the following objectives of the National Agriculture and Rural Development Plan for the period 2007 – 2013 were defined:

1. Development of competitive agriculture, forestry and food-processing sector through support of productions adding value to the agricultural products and by transfer of innovations in small and medium enterprises, production quality improvement and development of human potential.
2. Conservation of the natural resources and protection of the environment in the rural areas through sustainable land and forestry management in compliance with the international commitments, ecological strategies and legislation environment protection.
3. Improvement of the quality of life in rural areas through of creation of employment opportunities in non-agricultural activities, development of services and building of the necessary infrastructure considering nature conservation and protection.

All of the three objectives are intended to improve the economic and social conditions in the rural areas. They complement each other and correspond to the final objective of the National Agriculture and Rural Development Plan. They are clearly directed to improve the competitiveness of the agricultural structures and market effectiveness and to increase the standard of living in the rural areas.

Answer to question 15: What are the main themes of rural development?

The main themes are:

1. Improvement of the conditions for production while taking account of animal welfare , food safety and quality in accordance to the EU requirements; fostering innovation in the processing and adding value, as well as support to organic production.
2. Environment protection and sustainable land management.

3. Sustainable development of the rural areas through the creation of employment and improvement of the infrastructure.
4. Investments in human resources.
5. Investments in the local communities in the rural areas development.

ANNEX 4

EUROPEAN UNION RURAL INDICATORS

Table 1: Key Rural Development Indicators suggested in the PAIS report			
Theme	Issue	Indicator name	No.
Population and Migration	Demography	Population density	1
		% population aged 16 or under	2
		% population aged 65 or over	3
		Infant mortality rate	4
	Population change	Average annual population change	5
		Regional net migration balance	6
Social well-being	Service provision	Accessibility to public services	7 ¹
	Employment	% resident workforce working outside area	8
		Rural employment rate	9 ²
	Quality of employment	% low skilled and high skilled workers	10 ³
		% of part-time workers	11
		% of employees on short-term contract and long-term contracts	12
		% workforce self-employed	13
	Income	% of households in receipt of social payments	14
		Average earnings per capita	15
		Household disposable income	16
	Housing accessibility	No. of second homes	17
		Average house price deviation from national average	18
		Affordability gap ⁴	19
		Rate of transactions (house sales)	20
		% turnover in rented sector	21
Economic Structure & Performance (competitiveness)	Enterprise	Average no. of patents	22
		No. of patent applications	23
		R&D expenditure	24
		New business formation rate	25
		GVA per capita in manufacturing	26
		% GVA in high-technology sectors	27
	Human capital	No. of university students	28
		Share of workforce with higher qualification	29

Table 1: Key Rural Development Indicators suggested in the PAIS report

Theme	Issue	Indicator name	No.
Economic Structure & Performance (diversification of rural economies)	Business infrastructure	Supply of broadband services	30
	Sectoral shares	Sectoral employment shares: high and low tech manufacturing	31
		Sectoral employment shares: shift share analysis	32
		% foreign owned companies	33
		% employment in foreign owned companies by sector (manufacturing and tradable services)	34
		Enterprise size structure by employee numbers	35
		Net revenue by enterprise sector	36
	Farm households	% share of pluriactive farm households	37
		% income from non-farming activities	38
		% income from off-farm activities	39
	Tourism & recreation	No. of bedspaces per 1,000 inhabitants	40
		No. employed in rural tourism accommodation providers	41
		Accommodation occupancy rate	42
		Share of rural enterprises in total tourism turnover	43
Economic Structure & Performance (Addressing the primary sector)	Agriculture	Farm size distribution (area/output)	44
		Total gross output	45
		Gross value added	46
		Farm net value added per holding, hectare and AWU ⁵	47
		Farm business employment	48
	Forestry	Employment (permanent/temporary)	49
		% area forested (on-farm/off-farm)	50
		Total gross output	50
		Total value added	51
		Value of total annual gross fellings	52
	Fisheries, aquaculture & fish processing	Total gross output	53
		Total value added (% of GDP)	54
		Employment by home port	55
		Value of landings (by local registered boats)	56
		CFP Dependency Indicator ⁶	57

Table 2
Indicators suggested in the Hay report

1. Demographic characteristics and changes

ISSUES	INDICATORS	VARIABLES
Population change	Average population	Population year 1, population year 2
Population density	Population density	Population year 1, area (square km)
Age structure	Elderly and young population	% of 55+ to total population % of age group 14 and under to total population % of age group 14 and under to age group 55+
Migration	Age specific migration	Interregional migration
Natural population change	Birth/death ratio and % change	Total deaths year 1, total deaths year 2 Total births year 1, total births year 2

2. Employment and human capital

ISSUES	INDICATORS	VARIABLES
Human capital	Education levels	% Population aged 25-59 having attained only secondary education or less
Change in employment	Employment growth	Total employment by age and sex year 1 Total employment by age and sex year 2
Employment and economic activity	Employment rate Unemployment level Activity rate	Employed persons aged 15-64/working age population Unemployment rate – total population Active population working population
Opportunities for women	Employment rate by gender	Employed females aged 15-64/working age population – national level Employed males aged 15-64/working age population – national Employed females aged 15-64/working age population – regional Employed males aged 15-64/working age population – regional

3. Welfare, income and quality of life

ISSUE	INDICATOR	VARIABLES
Economic prosperity	Average income and growth/decline	GDP per capita year 1, GDP per capita year 1, GDP per capita year 2
Quality of work opportunities	Proportion of employment part-time or seasonal	% of part-time employment as % of total employment % of seasonal employed as % of total employment
Access to services	Proximity to hospital, school, postal services, bank	
Deprivation	Jobless households Dependence upon state aid	Share of households in which no member is in employment Poverty rate before social transfers (original income) Poverty rate after social transfers (total income) % Income from social transfers
Health	Life expectancy at birth	Life expectancy of females at birth Life expectancy of males at birth

4. Agricultural adjustment and structural change

ISSUES	INDICATORS	VARIABLES
Changing agricultural employment	Agricultural labour force and change	Total agricultural labour force in AWU year 1 Total agricultural labour force in AWU year 2
	Changing intensity	Average number of AWU by holding/total holdings Average number of AWU by 100ha/total holdings Number of AWU/Total UAA Yr 1, year 2
	Family labour	Total family labour force in AWU/ Total labour force in AWU
Pluriactivity	Holders with other gainful activities	Holder's being a natural person: work time>0to<25% - persons Holder's being a natural person: work time>25to<50% - persons Holder's being a natural person: work time>50to<75% - persons - as a % of - Holder's being a natural person: sex = female (persons) Holder's being a natural person: sex = male (persons)
Ageing of farmers	Proportion of older holders and change	Holder's being a natural person 55-64 years AWU year 1, year 2 Holder's being a natural person 65+ AWU, year 1, year 2/ Holder's being a natural person AWU
Agricultural viability	Income from agriculture and % change	Average standard gross margin per hectare
Structure of agricultural holdings	Farm size (business size)	Total UAA/ Total agricultural area
	Farm Size (Area)	Total standard gross margin (ESU)/ Total number of holdings
	Intensity	% of agricultural area as irrigated area Standard gross margin per annual work unit SGM per UAA
	Importance of livestock	ESUs from livestock

5. Multifunctionality of agriculture

ISSUES	INDICATORS	VARIABLES
Uptake of agricultural policy	Farms with agri-environment schemes	% of holdings in area with agri-environmental scheme
	Farms in designated areas	% holdings in area covered by designated area status
Importance of forestry	% of farms with forests	Number of holdings with woodland/ Total number of holdings
Farms with pluriactivity	Holders with other gainful activities	Holder's being a natural person: work time>0to<25% - persons Holder's being a natural person: work time>25to<50% - persons Holder's being a natural person: work time>50to<75% - persons - as % of - Holder's being a natural person: sex = female - persons Holder's being a natural person: sex = male – persons
Uptake of organic farming	% of organic farms In region	Total number of holdings/ Number of organic farms

6. Rural economic diversification

ISSUES	INDICATORS	VARIABLES
Dominance of primary sector activities?	Relative importance of primary sector	Total employment in primary sector/total employment
Development of new activities	Employment in manufacturing etc Employment in business etc Value added locally Accommodation capacity and change	Total employment in secondary sector/total employment Total employment in tertiary sector/total employment % of labour force in food processing Number of tourist beds in region % Employed in restaurants and hotels Year 1, % Employed in restaurants and hotels Year 2
Dependence on public sector employment	Strength of the public sector	% Employed in public sector

7. Innovation and enterprise

ISSUES	INDICATORS	VARIABLES
Innovation and research	Patent applications	Total international patent applications per inhabitant
	Research and development expenditure	% GDP spent on research and development – government sector % GDP spent on research and development – business sector % GDP spent on research and development – higher education sector
New enterprise	Investment and creation of new business	Gross fixed capital formation by the private sector as % of GDP Gross business start-ups
Importance of telecommunications	ICT Expenditure	Information & communications technology expenditure/GDP
	Citizens with Internet access at home	% of citizens with Internet access Total population

8. Policy⁷

ISSUES	INDICATORS	VARIABLES
Region eligible for EU aid	Presence of objective 1 or 2 in region	
Importance of rural development regulation	Uptake of rural development regulation	EU spending on agricultural support - the 'Rural development regulation' National spending on agricultural support Number of approved RDR approved applications in region Amount of money awarded to region for uptake of the RDR Amount allocated to Article 33 (Non-agricultural measures)
Region eligible for LEADER funding	Use of LEADER II and LEADER +	EU spending on LEADER II and LEADER+ National spending on LEADER II and LEADER+ Presence of 1 or more LEADER local action groups within territory
Mountain areas & less favoured areas	Proportion of area covered by mountain and less favoured area status	% of area covered by less favoured area status % of area classified as mountainous
Farmers leaving agriculture prematurely	Farmer retirement scheme	% uptake of farmer retirement scheme
Dependency of Farm-Payments	CAP support	CAP support/total SGM

9. Rural environment and landscapes

ISSUES	INDICATORS	VARIABLES
Type and scale of farming	Average farm size (area) Main farm type	Total standard gross margin (ESU)/ Total number of holdings (See farm type classification in farm structure survey)
Levels of exploitation of natural resources	% of farm with forest	Number of holdings with woodland/ Total number of holdings
Landscape and biodiversity	Environmental designations	% of area covered by special protection status % of area covered by EC Birds directive % of area covered by EC Natural habitats directive

10. Infrastructure and peripherality

ISSUES	INDICATORS	VARIABLES
Peripherality	Peripherality index Road quality Rail transport Existence of airport in region Distance to airport from centre point of region	Presence of motorway link to nearest large town Presence of rail link to nearest large town Presence of international airport in region Presence of airport serving national destinations in region

⁷ The main policy areas would include: Structural and Cohesion Policy, The Rural Development Regulation, LEADER +, and Mountain and Less-Favoured Areas.

Table 3
Specification of Eurostat indicators (as laid down in an ESTAT discussion document)

1. Demographic data

Level of geographic detail: NUTS 5

ISSUE	INDICATOR	VARIABLE
Population change	Average total population (this is for a first screening, if there is a change, one should go deeper)	Population year 1 Population year 2
Migration	Age specific migration (active out and in movement has reasons Who migrates and why?)	Immigration Outmigration Across NUTS 5 borders
Natural population change	Birth/death ratio and % change (reflects also the age structure and social well-being)	Total births year 1 Total births year 2 Total deaths year 1 Total deaths year 2
Population density change	Population density year 1 Population density year 2 (pressure on open space?)	Population year Area in km ²
Age structure changes	Age structure year 1 Age structure year 2 (report e.g. ageing of the population. The ratio 5 – 14 and 55 – 64 builds the indicator “demographic labour pressure”)	Minimum 5 – 14 years and 55 – 64 and 65 and older
		Number of households

2. Employment and economic data

Level of geographic detail:

ISSUE	INDICATOR	VARIABLE
Forms of employment	Percentage of self-employed persons (this rate is higher where small and medium-sized businesses exist; generally the rate is also higher in rural areas due to farmers etc.)	Number of self-employed persons
Importance of different sectors	Employment in primary, secondary and tertiary sector (is the area shaped by agricultural activities; is there a change to the tertiary sector visible already)	Average total employment in primary/secondary/tertiary sector (By NACE subsection at the work place)
Importance of public sector	Percentage of employment in public sector	Employment in public sector Total employment
Human capital	Educational level of employees / self-employed people (Is the workforce well educated?)	Number of people with higher education (According to the International Standard Classification of Education , ISCED)

Change in employment	Employment growth	Total employment year 1 Total employment year 2 (By age and gender)
Relative changes of employment	Employment rate year 1 Employment rate year 2 (incl. part-time employment and seasonal employment)	Employed persons aged 15-64 (By gender)
Relative changes of unemployment	Unemployment rate year 1; Unemployment rate year 2	Unemployed persons aged 15-64 (By age and gender)
Potentially available human resources	Activity rate year 1 Activity rate year 2	Active population / working population
Importance of commuting	Change in commuter figures (might give information on the function of the region)	Number of commuters (Number of people crossing NUTS5 borders regularly)
Dynamic of the local economy	Business formation rate (is the area attractive for start-ups? Are incentives given for new businesses?)	Total number of businesses Number of new businesses
Importance of tourism	Importance of tourism (covers both agri-tourism and conventional tourism)	Number of tourist beds Number of over night stays

3. Infrastructure data

Level of geographic detail:

ISSUE	INDICATOR	VARIABLE
Accessibility of the region	Road network, railway, airport (accessibility of the region; in certain regions of Europe the railway network becomes smaller, e.g. certain connections are closed)	Distance in km to next motorway or similar road Distance to next railway station distance to next airport (From gravity points? Or time to be spend to reach sth.)
Development of transport infrastructure	Investments in transport network last 5 years	EU and national subsidies spent in millions of Euros
Access to services	Proximity to services (banks, post, shops, restaurants, schools, doctors, hospitals, pharmacy etc.,) (attractiveness of the region)	Presence and distance to them
Availability of telecommunications	Internet access, mobile phone cover (these are basic parameters for new businesses)	Number of households /businesses with internet access number of registered mobile phones
Potential for new business formation	Availability of land for industry and other businesses	Area of industrial estates in ha

4. **Welfare data**

Level of geographic detail:

ISSUE	INDICATOR	VARIABLE
Deprivation	Dependence upon social aid (difficult variable because the threshold to receive social aid varies between member states)	Number of people receiving social aid
Quality of life?	Percentage of people living in self-owned property	Total number of people living in own property Total number of people
	Poverty rates	

5. **Agriculture and structural change**

Level of geographic detail:

ISSUE	INDICATOR	VARIABLE
	Structure of Agricultural Holdings	
	Total number of holdings	
	Average age of owners of holdings	
	Farm Size (area),	Average AWU per holding
	Intensity	% of area irrigated % of area under ecological farming LSUs per ha
	Main farm type	According to the classification of the FSS
	Importance of family labour	
	Percentage of part-time farmers	
Pluriactivity		Holders with other gainful activities
Importance of Forestry	Percentage of farms with forests	Total number of farms Number of farms with forest

Table 4
EU questionnaire on which common indicators for monitoring rural development programming are constructed

Common cross-cutting evaluation questions
 (related to the individual chapters of the Council regulation)

1. To what extent has the assistance influenced the population level, composition and distribution in rural areas?
2. To what extent has the assistance been conducive to securing employment?
3. To what extent has the assistance been conducive to provide an appropriate level of income to the rural community?
4. To what extent has the market situation been improved through the assistance especially from redeploying production, improving quality and competitiveness?
5. To what extent have environmental concerns been integrated into rural development programming so as to improve the environmental aspects of activities in rural areas, including agricultural practices?
6. To what extent have programming and implementation helped in producing the anticipated impacts?

Common chapter-specific evaluation questions
 (related to the individual chapters 1 to IX of the Council regulation)

Chapter I - Investments in agricultural holdings

- I.1.- To what extent have the investments improved the income of those farmers receiving them?
- I.2.- To what extent have the investments contributed to the improvement of efficiency on holdings?
- I.3.- To what extent have the investments contributed to the reorientation of farming through the redeployment of production and the diversification of activities?
- I.4.- To what extent have the investments improved the quality of farm products?
- I.5.- To what extent has the diversification of on-farm activities originating from the investments helped maintain employment?
- I.6.- How significant are the impacts of the investments on the rural environment?
- I.7.- To what extent have the investments improved the quality of the production process, notably by improving working conditions, animal welfare and hygiene?

Chapter II - Setting up of young farmers

- II.1.- To what extent has the “setting up” aid covered the costs arising from setting up?
- II.2.- To what extent has the “setting up” aid contributed to the earlier transfer of holdings?
- II.3.- To what extent has the aid influenced the number of young farmers of either sex to set up?
- II.4.- To what extent has the setting up of young farmers actually achieved new employment or safeguarded existing employment?
- II.5.- How significant was the synergy with the aid for early retirement in achieving earlier transfer? (cf., question IV.4)

Chapter III - Training

- III.1.- To what extent has vocational training of individuals of either sex assisted in achieving efficient and competitive structures?
- III.2.- To what extent has the improved level of training contributed to increased employment and the enhancement of job quality?
- III.3.- To what extent has vocational training promoted environmentally sustainable management and practice in agriculture and forestry?
- III.4.- To what extent has vocational training enabled farmers to conform to standards of hygiene and animal health in the field?
- III.5.- To what extent has vocational training been conducive to the uptake of rural development activities?

Chapter IV - Early retirement

- IV.1.- To what extent has the aid for early retirement contributed to the earlier transfer of farms and the rejuvenation of the agricultural population?
- IV.2.- Was the income offered to individuals with a holding to transfer and to farm workers appropriate in terms of offering them a fair standard of living and making them abandon farming?
- IV.3.- To what extent has the reassignment of released land to non-agricultural activities contributed to the quality of the environment and the preservation of the landscape?
- IV.4.- To what extent has the aid for early retirement in conjunction with the aid for setting up of young farmers contributed to the improvement of agricultural structures? (cf. question II.5)

Chapter V - Less favoured areas and areas with environmental restrictions

- V.1.- To what extent have the allowances contributed to farm income?
- V.2.- To what extent have the allowances helped in ensuring a continuation of the agricultural land use?
- V.3.- To what extent have the allowances in less favoured areas helped in maintaining the farming population?
- V.4.- To what extent have the allowances contributed to the protection of the environment?
- V.5.- To what extent has differentiation of the allowances with respect to specific natural handicaps and environmental problems and according to the regional, sectoral and structural situation, improved the effectiveness and efficiency of the assistance?

Chapter VI - Agri-environment

- VI.1.- Biodiversity (habitats and damage to them from farm pollution)
- VI.2.- Rural landscapes (biophysical features, appearance of habitats and agricultural ecosystem, cultural & historical features)
- VI.3.- Natural resources (soil, water).

Chapter VII - Improving the processing and marketing of agricultural products

- VII.1.- To what extent have the investments helped increase the competitiveness and value added of agricultural products?
- VII.2.- To what extent have the producers of basic agricultural products benefited from the investments?
- VII.3.- To what extent have the investments improved human health conditions thanks to the higher quality of the products and the improvement in working conditions?
- VII.4.- How significant are the impacts of the investments on the environment and natural resources?

Chapter VIII - Forestry

- VIII.1.- To what extent would forest resources be improved or safeguarded in the short, medium or long term due to the aid?
- VIII.2.- To what extent has the economic function of forests been improved in a sustainable manner?
- VIII.3.- To what extent have the forestry measures contributed to other socio-economic or social functions?

VIII.4.- To what extent has biological diversity been preserved or improved?

VIII.5.- To what extent have the protective functions of forests been better ensured?

VIII.6.- How significant is the anticipated stocking of carbon dioxide due to reforestation and forest improvement on a time scale relevant to international protocols?

Chapter IX - Promoting the adaptation and development of rural areas

IX.1.- Have the actions, specifically those undertaken to improve the living conditions in rural areas, contributed to the maintenance of the population in rural areas?

IX.2.- To what extent has diversification of activities originating from the assistance contributed to the maintenance or creation of employment in rural areas?

IX.3.- To what extent have the actions contributed to the maintenance or improvement of the income of the rural population?

IX.4.- How significant has the assistance been to the improvement of the rural environment?

References

European Commission (EC) (2002). “Guidelines for the mid term evaluation of rural development programmes 2000-2006, supported from the European Agricultural Guidance and Guarantee Fund”. Working Document VI/43512/02 FINAL: 26.2.2002: DOC. STAR VI/43517/02.
<http://europa.eu.int/comm/agriculture/rur/eval/>

ANNEX 5

WORLD BANK INDICATORS

(i) List of indicators

I Basic Data

Annual GDP growth (%)
 Rural population (millions)
 Rural population (% of total)
 Population density, rural (people/sq km arable land)
 Rural life expectancy (years)
 GNI per capita (rural), Atlas method (\$)

II Enabling Environment for Rural Development

Empirical evidence indicates that sound overall macroeconomic policy and a supportive institutional framework, good functioning markets and appropriate infrastructural facilities serve as an enabling environment for economic growth and poverty reduction.

II.1 Policies and Institutions

Agricultural subsidies (% of total)
 Agricultural tariffs (%)
 Fiscal decentralization (% of budget transferred to local governments)
 Food price index (1995 = 100)
 Independence of local courts
 Land Gini coefficient
 Local government elections
 Number of farmers' organizations

II.2 Markets

Agricultural raw materials exports (as a % of total merchandise exports)
 Food imports (as % of total merchandise imports)
 Food exports (as % of total merchandise exports)
 Employment in agriculture, female (% of female labour force)
 Agriculture household net disposable income as a percentage of all household disposable net income
 Net disposable income per agriculture household member compared to that of members of all households
 Gross rural domestic savings
 Percentage of rural households with access to formal credit services in financial institutions
 Number of market outlets for agricultural input - produce
 Rural labour force, employed

II.3 Infrastructure

Rural roads (% of rural population with access to motorable roads all year round)

Rural population with access to electricity (%)

Rural population with access to communications (%): radios, telephone, newspapers and computers

III Broad Based Economic growth for Rural Poverty Reduction

Agricultural development plays a central role in poverty reduction in low-income countries. Increased agricultural productivity, driven by technological investment, has a powerful dynamic effect, which benefits the poor. However, without complimentary growth in non-farm rural income and employment, rural poverty reduction initiatives will not be sustained.

III.1 Poverty

Rural per capita income

Rural poverty gap ratio

Proportion of rural population below \$1 (PPP) a day

Rural poverty headcount ratio (percentage of rural population below poverty line)

Rural per capita dietary energy supply (calories per day)

Rural infants with low birth weight (% of births)

Rural child malnutrition (% of children under five who are stunted)

III.2 Agriculture

Agricultural gross value added (% of total GDP)

Agricultural gross value added (average annual growth, 1980-2000)

Agricultural productivity (gross value added per worker, 1995\$)

Number of farm households (narrow definition)

Number of farm households (broad definition)

Food production index (1989-91 = 100) and index per capita

Irrigated land (% of cropland)

Cropland/ arable land (%)

Cereal yield (kilograms per hectare)

Cereal yield (average annual growth)

III.3 Non-farm

Rural gross fixed capital formation (% of GDP)

Rural labour force, employed in non-farm activities

Share of rural women employed in the non-agricultural sector (% of total employment in sector)

Growth of non-agricultural GDP

Number of rural businesses

Number of non-agricultural jobs created (annual)

IV Natural Resource Management and Biodiversity

Sustainable management of natural resources (soil, water, pasture and fisheries) provide the foundation for pro-poor rural development. Agriculture is a heavy consumer of natural resources and innovative approaches have to be found to meet agricultural productivity goods while conserving the natural resource base.

Forest area (% of total land area)
 Rural protected areas (% of total land area)
 Annual deforestation (% change, 1990-2000)
 Ratio of rural protected area to maintain biological diversity to rural surface area
 Annual freshwater withdrawal (% of total resources)
 Agricultural withdrawal (% of total freshwater withdrawal)
 Emission of organic water pollutants (kg. per day)

V Social Well-Being (Education and Health)

Improving social well-being, and managing and mitigating risks and the vulnerability of rural people is one of the main goals of rural development. To achieve this goal, emphasis should be put on supporting programs that foster human capital (health and education) and social inclusion.

V.1 Education

Rural illiteracy rate (%)
 Rural literacy rate (% ages 15-24)
 Ratio of rural literate females to males (% ages 15-24)
 Net rural enrolment ratio in primary education (% of relevant age group)
 Ratio of rural girls to boys in primary, secondary, and tertiary educational (%)
 Proportion of rural pupils who reach grade 5 (% of grade 1 students)
 Rural primary completion rate (% of relevant age group)

V.2 Health

Prevalence of HIV/AIDS (% of rural adults, age 15-49)
 HIV prevalence among pregnant rural women (ages 15 to 24)
 Condom use rate of the contraceptive prevalence rate in rural areas
 Percentage of rural population 15- to 24-years olds with comprehensive correct knowledge of HIV/AIDS
 Prevalence of child malnutrition (% of rural children under five)
 Per capita caloric consumption
 Immunization rate, measles (% of rural children under 12 months)
 Rural maternal mortality ratio (per 1,000 live births)
 Rural infant mortality rate (per 1,000 live births)
 Proportion of rural births attended by skilled health staff (% of total)
 Rural population with access to improved sanitation (%)
 Rural population with access to an improved water source (%)
 Rural population with access to health services
 Per capita caloric consumption
 Under-five mortality rate (rural, per 1,000)
 Immunization rate, measles (% of rural children under 12 months)
 Prevalence of child malnutrition (% of rural children under five)

(ii) Definitions of the indicators**I Basic Data****GDP growth (annual %)**

Annual percentage growth rate of GDP at market prices, based on constant local currency. Aggregates are based on constant 1995 U.S. dollars. GDP is the sum of gross value added by all resident producers in the economy plus any product taxes and minus any subsidies not included in the value of the products. It is calculated without making deductions for depreciation of fabricated assets or for depletion and degradation of natural resources.

Rural population (millions)

Rural population is calculated as the difference between the total population and the urban population.

Rural population (% of total)

Rural population is calculated as the difference between the total population and the urban population.

Population density, rural (people per sq km arable land)

Rural population (see definition above) *density* is the rural population divided by the arable land area. Arable land includes land defined by the FAO as land under temporary crops (double-cropped areas are counted once), temporary meadows for mowing or for pasture, land under market or kitchen gardens, and land temporarily fallow. Land abandoned as a result of shifting cultivation is excluded.

Rural life expectancy at birth, total (years)

Rural life expectancy at birth indicates the number of years a newborn infant would live if prevailing patterns of mortality at the time of its birth were to stay the same throughout its life in rural areas.

GNI per capita, rural (Atlas method, current US\$)

GNI per capita, rural (formerly GNP per capita) is the gross national income, converted to U.S. dollars using the World Bank Atlas method (see the Statistical Methods in the 2001 World Development Indicators), divided by the midyear population. GNI is the sum of value added by all resident producers plus any product taxes (less subsidies) not included in the valuation of output plus net receipts of primary income (compensation of employees and property income) from abroad.

II Enabling Environment**II.1 Policies and Institutions****Agricultural subsidies (% of total)**

Agricultural subsidies as a percentage of total value of agriculture output.

Agricultural tariffs (%)

Tariffs on imports of agriculture raw materials and food, percentage of total import value.

Tariffs on agriculture raw materials and food in major export markets.

Fiscal decentralization

Fiscal decentralization is the share of total fiscal resources under control of sub-national governments or regional political bodies.

Food price index (1995 = 100)

Food price index is a subindex of the consumer price index.

Independence of local courts

Independence of local courts measures the strength of impartiality of the legal system and observance of the law in sub national government. Besides qualitative appreciation, this indicator can also include information about number of appeals and percentage share of appeals won by plaintiffs.

Land Gini coefficient

Land Gini coefficient measures the extent that land distribution in rural areas, among individuals or households, deviates from a perfectly equal distribution.

Local government elections

Local government elections measure the existence of a system of free and fair elections that are held on a regular basis at the sub-national level. Besides qualitative appreciation, this indicator can also included information about number of political parties or independents taking part in the election, frequency of election, participation rates, number of appeals to election results etc.

Number of farmers' organizations

Number of farmers' organizations as a share of the number of active community groups, including civil society's networks existing at regional and national levels. Alternatively, percentage share of farmers belonging to farmers' organizations.

II.2 Markets

Agricultural raw materials exports (% of merchandise exports)

Agricultural raw materials comprise SITC rev.3, section 2 (crude materials except fuels) excluding divisions 22 (oil seeds and oleaginous fruits), 27 (crude fertilizers and minerals excluding coal, petroleum, and precious stones), and 28 (metalliferous ores and scrap).

Food imports (% of merchandise imports)

Food imports (% of merchandise imports comprising the commodities in SITC rev.3, sections 0 (food and live animals), 1 (beverages and tobacco), and 4 (animal and vegetable oils and fats) and SITC division 22 (oil seeds and oleaginous fruits).

Food exports (% of merchandise exports)

Food exports (% of merchandise exports comprising the commodities in SITC rev. 3, sections 0 (food and live animals), 1 (beverages and tobacco), and 4 (animal and vegetable oils and fats) and SITC division 22 (oil seeds and oleaginous fruits).

Employment in agriculture, female (% of female labour force)

Percentage share of total female labour force engaged in agriculture as employed or through self-employed households. Women as a percentage of all persons engaged in agriculture. Agriculture includes hunting, forestry, and fishing corresponding to major division 1 (ISIC revision 2) or tabulation categories A and B (ISIC revision 3).

Agriculture household net disposable income as a percentage of all household net disposable income

For definition of *agriculture household net disposable income* see Chapter X of the present Handbook. For definition of households, see Chapter IX. Besides comparison with all households, agriculture household net

disposal income could be compared with that of other socio-economic groups, e.g. other self-employed households.

Net disposable income per agriculture household member compared to that of members of all households

Household net disposable income is divided by size of household using equivalence scales as suggested in Chapter IX of the present Handbook.

Gross rural domestic savings per capita, percentage of total gross domestic savings per capita

Gross rural domestic savings per capita is the total savings in the rural area divided by the size of the rural population.

Percentage of rural households with access to formal credit services in financial institutions

Number of farmers and percentage of all farmers with credits in financial institutions.

Number of markets outlets for agricultural input-produce

Number of markets outlets for agricultural input-produce is the total number of all physical outlets where buyers and sellers meet regularly to buy or sell agricultural inputs and products.

Rural labour force, employed

Rural labour force, employed refers to agricultural employment. This is the number of workers in agriculture, excluding self-employed persons or persons working in cooperatives as partner.

II.3 Infrastructure

Rural population with access to roads (%)

Rural population with access to roads (%) is the percentage of rural population with access to roads that can be used by motor vehicles all year round.

Rural population with access to electricity (%)

Rural population with access to electricity (%) is the percentage of rural population with access to public electricity in a given year.

Rural population with access to communications (%)

- Access to radios is the estimated number of radio receivers in use for broadcasts to the general public in a rural area.
- Access to telephone is the access to telephone main lines which are the telephone lines connecting a customer's equipment to the public switched telephone network.
- Access to newspapers is the access to daily newspapers.
- Access to computers is the access to personal computers or public facility computers for personal use in a rural area.

III Broad Based Economic Growth for Rural Poverty Reduction

III.1 Poverty

Rural per capita income

Rural per capita income is the annual GNP per capita based on constant local currency. Aggregates are based on constant 1995 U.S. dollars.

Rural poverty gap ratio (incidence x depth of poverty)

Rural poverty gap ratio is the mean distance separating the rural population from the rural poverty line (with the non-poor being given a distance of zero), expressed as a percentage of the poverty line.

Proportion of population below \$1 (PPP) per day

Proportion of rural population below \$1 per day is the percentage of the rural population living on less than \$1.08 a day at 1993 international prices. The \$1 a day poverty line is compared to consumption or income per person and includes consumption from own production and income in kind. Because this poverty line has fixed purchasing power across countries or areas, the \$1 a day poverty line is often called an “absolute poverty line”.

Rural poverty headcount ratio (% of rural population below the rural poverty line)

The *rural poverty headcount ratio (% of rural population below the rural poverty line)* is the proportion of the rural population whose incomes are below the official threshold (or thresholds) set by the national government. Rural poverty lines are usually set for households of various compositions to allow for different family sizes. Where there are no official poverty lines, they may be defined as the level of income required to have only sufficient food or food plus other necessities for survival.

Rural per capita dietary energy supply (calories per day)

Rural per capita dietary energy supply (calories per day) refers to the total amount of the commodity available for human consumption during the year.

Rural infants with low birth weight (% of births)

Rural infants with low birth weight (% of births) is the percentage of newborn babies weighing less than 2,500 grams, with the measurement taken within the first hours of life, before significant postnatal weight loss has occurred.

Rural child malnutrition (percentage of children under five who are stunted)

Rural child malnutrition (percentage of children under five who are stunted) is the percentage of children under five whose height for age are more than two standard deviations below the median for the international reference population ages 0 to 59 months. For children up to two years of age, height is measured by recumbent length. For older children, height is measured by stature while standing. The reference population adopted by the WHO in 1983, is based on children from the United States, who are assumed to be well nourished.

III.2 Agriculture

Agriculture, gross value added (% of total GDP)

Agriculture corresponds to ISIC rev. 3 divisions 1-5 and includes forestry, hunting, and fishing, as well as cultivation of crops and livestock production. *Gross value added* is the net output of a sector after adding up all outputs and subtracting intermediate inputs. It is calculated without making deductions for depreciation of fabricated assets or depletion and degradation of natural resources. For definition, see System of National Accounts 1993.

Agriculture, gross value added (average annual % growth, 1980-2000)

Average annual growth rate for agricultural gross value added (for definition, see above) based on constant local currency. Aggregates are based on constant 1995 U.S. dollars.

Agricultural productivity (Agriculture gross value added per worker)

Agricultural productivity is measured as agriculture gross value added per worker or hours worked.

Number of farm households (narrow definition)

Number of farm households (narrow definition) is the number of households whose main source of livelihood is directly derived from farming activities, including crop cultivation and animal husbandry.

Number of farm households (broad definition)

Number of farm households (broad definition) is the number of households whose livelihood is to some extent derived from farming activities, including crop cultivation and animal husbandry.

Food production index (1989-1991 = 100) and index per capita

Food production index covers food crops that are considered edible and that contain nutrients. Coffee and tea are excluded because, although edible, they have no nutritive value.

Irrigated land (% of cropland)

Irrigated land (% of cropland) refers to areas purposely provided with water, including land irrigated by controlled flooding. Cropland refers to arable land and land used for permanent crops.

Cropland/arable land (%)

Permanent *cropland* is land cultivated with crops that occupy the land for long periods and need not be replanted after each harvest, such as cocoa, coffee, and rubber. This category includes land under flowering shrubs, fruit trees, nut trees, and vines, but excludes land under trees grown for wood or timber. *Arable land* (in hectares) includes land defined by the FAO as land under temporary crops (double-cropped areas are counted once), temporary meadows for mowing or for pasture, land under market or kitchen gardens, and land temporarily fallow. Land abandoned as a result of shifting cultivation is excluded.

Cereal yield (kilograms per hectare)

Cereal yield, measured as kilograms per hectare of harvested land, includes wheat, rice, maize, barley, oats, rye, millet, sorghum, buckwheat, and mixed grains. Production data on cereals relate to crops harvested for dry grain only. Cereal crops harvested for hay or harvested green for food, feed, or silage and those used for grazing are excluded.

Cereal yield (average annual growth)

Cereal yield, measured as average annual growth is the rate of change of total cereal harvested in a given year.

III.3 Non-Farm

Rural gross fixed capital formation (% of GDP)

Gross fixed capital formation in rural and non-rural areas is related to GDP.

Rural labour force, employed in non-farm activities.

Rural labour force, employed in non-farm activities is the share of rural labour force employed in non-agricultural activities.

Share of rural women in wage employment in the non-agricultural sector

Share of women in wage employment in the non-agricultural sector is the share of female workers in the non-agricultural sector expressed as a percentage of total employment in the sector.

The *non-agricultural sector* includes industry and services. Following ISIC rev.3, *industry* includes mining and quarrying (including oil production), manufacturing, construction, electricity, gas, and water. *Services* includes wholesale and retail trade; restaurants and hotels; transport, storage and communications; financing, insurance, real estate and business services; and community, social and personal services.

Employment refers to people above a certain age who worked, or held a job, during a reference period. Employment data include both full-time and part-time workers whose remuneration is determined on the basis of hours worked or number of items produced and is independent of profits or expectation of profits.

Growth in non-agricultural GDP

Growth in non-agricultural GDP is the annual growth rate for non-agricultural value added based on constant local currency.

Number of rural businesses

Number of rural businesses is the total number of all newly created businesses in the rural area in a given year. This includes all legal forms of businesses, from sole proprietorships to corporations.

Number of non-agricultural jobs created (annual)

Number of non-agricultural jobs created (annual) is the annual number of newly created jobs in the non-agricultural sector in rural areas.

IV Natural Resource Management and Biodiversity

Forest area (% of land total area)

Forest area (% of total land area) is the total surface area of the country covered by forest less the area covered by inland waters, like major rivers and lakes. As defined in the Food and Agricultural Organization's (FAO) *Global Forest Resources Assessment 2000*, forest includes both natural forests and forest plantations. It refers to land with an existing or expected tree canopy of more than 10 per cent and an area of more than 0.5 hectare where the trees should be able to reach a minimum height of 5 meters. Forests are identified both by the presence of trees and the absence of other land uses. Land from which forest has been cleared but that will be reforested in the foreseeable future is included. Excluded are stands of trees established primarily for agricultural production, such as fruit tree plantations.

Rural protected areas (% of total land area)

Rural protected areas (% of total land area) are totally or partially protected areas of at least 1,000 hectares that are designated as national parks, natural monuments, nature reserves or wildlife sanctuaries, protected landscapes and seascapes, or scientific reserves with limited public access in rural areas. The data do not include sites protected under local or provincial law. Total land area is used to calculate the percentage of total area protected.

Annual deforestation change (% change, 1990-2000)

Average annual deforestation refers to the permanent conversion of natural forest area to other uses, including shifting cultivation, permanent agriculture, ranching, settlements, and infrastructure development. Deforested areas do not include areas logged but intended for regeneration or areas degraded by fuelwood gathering, acid precipitation, or forest fires. Negative numbers indicate an increase in forest area.

Ratio of rural protected area to maintain biological diversity to rural surface area

Ratio of rural protected area to maintain biological diversity to rural surface area is defined as nationally protected area as a percentage of total surface area of a country. The generally accepted IUCN–World Conservation Union definition of a protected area is an area of land or sea dedicated to the protection and maintenance of biological diversity and of natural and associated cultural resources and managed through legal or other effective means.

Annual freshwater withdrawals (% of total resources)

Freshwater use refers to total freshwater withdrawals for domestic, industrial, and agricultural use, not counting evaporation losses from storage basins. Total resources refer to total renewable resources, which include internal flows of rivers and groundwater from rainfall in the country, and net river flows from other countries. Withdrawals also include water from desalination plants in countries where they are a significant source. Withdrawals can exceed 100% of total renewable resources where extraction from non-renewable aquifers or desalination plants is considerable or where there is significant water reuse.

Agricultural withdrawals (% of total freshwater withdrawals)

Agricultural withdrawals (% of total freshwater withdrawals) refer to the total freshwater withdrawals for irrigation and livestock production.

Emission of organic water pollutant (kg. per day)

Emissions of organic water pollutants are measured in terms of by biochemical oxygen demand, which refers to the amount of oxygen that bacteria in water will consume in breaking down waste. This is a standard water-treatment test for the presence of organic pollutants.

V Social Well-Being**V.1 Education****Rural illiteracy rate**

Rural illiteracy rate is the proportion of rural population age 15 and above, who cannot, with understanding, read and write a short, simple statement on their everyday life.

Rural Literacy rate of 15–24 year-olds

Rural Literacy rate of 15–24 year-olds, or the youth literacy rate, is the percentage of the rural population ages 15–24 years old who can both read and write with understanding a short simple statement on everyday life. The definition of literacy sometimes extends to basic arithmetic and other life skills.

Ratio of literate rural females to males 15–24 year olds (% ages 15-24)

The *ratio of literate rural female to males 15–24 years old* (Literacy Gender Parity Index) is the ratio of the rural female literacy rate to the rural male literacy rate for the age group 15–24.

Net rural enrolment ratio in primary education (% of relevant age group)

Net rural primary enrolment ratio is the ratio of the number of rural children of official school age (as defined by the national education system) who are enrolled in primary school to the total rural population of

children of official school age. *Primary education* provides children with basic reading, writing, and mathematics skills along with an elementary understanding of such subjects as history, geography, natural science, social science, art, and music

Ratio of rural girls to boys in primary, secondary and tertiary education

Ratio of rural girls to boys in primary, secondary and tertiary education is the ratio of the number of female students enrolled at primary, secondary and tertiary levels in public and private schools to the number of male students in rural areas.

Proportion of rural pupils starting grade 1 who reach grade 5 (% of grade 1 students)

The *proportion of rural pupils starting grade 1 who reach grade 5*, known as the survival rate to grade 5, is the percentage of a cohort of pupils enrolled in grade 1 of the primary level of education in a given school year who are expected to reach grade 5 in rural areas.

Rural Primary completion rate

Rural Primary completion rate is the ratio of the total number of rural students successfully completing (or graduating from) the last year of primary school in a given year to the total number of children of official graduation age in the population.

V.2 Health

Prevalence of HIV/AIDS (% of rural adults, age 15-49)

Percentage of rural population aged 15-49 whose blood test samples test positive for HIV.

HIV prevalence among 15–24 year old pregnant rural women

HIV prevalence among 15–24 year old pregnant women is the percentage of pregnant rural women ages 15-24 whose blood samples test positive for HIV.

Condom use rate of the contraceptive prevalence rate in rural areas

Condom use rate of the contraceptive prevalence rate in rural areas is the number of women ages 15–49 in marital or consensual unions who are practicing contraception by using condoms as a proportion of all of women of the same age group in consensual unions who are practicing, or whose sexual partners are practicing, any form of contraception.

Percentage of rural population aged 15–24 with comprehensive correct knowledge of HIV/AIDS

Percentage of rural population ages 15–24 with comprehensive correct knowledge of HIV/AIDS is the share of women and men ages 15–24 who correctly identify the two major ways of preventing the sexual transmission of HIV (using condoms and limiting sex to one faithful, uninfected partner), who reject the two most common local misconceptions about HIV transmission and who know that a healthy-looking person can transmit HIV.

Immunization rate, (rural children under 12 months)

The *Immunization rate, (rural children under 12 months)* is the percentage of rural children under 12 months of age who have received at least one dose of measles vaccine.

Rural Maternal mortality ratio (per 1,000 live births)

The *rural maternal mortality ratio* is the number of rural women who die from any cause related to or aggravated by pregnancy or its management (excluding accidental or incidental causes) during pregnancy and childbirth or within 42 days of termination of pregnancy, irrespective of the duration and site of the

pregnancy, per 1,000 live births. The 10th revision of the International Classification of Diseases makes provision for including late maternal deaths occurring between six weeks and one year after childbirth.

Rural infant mortality rate

The *rural infant mortality rate* is the probability (expressed as a rate per 1,000 live births) of a child born in a specified year dying before reaching the age of one if subject to current age-specific mortality rates in rural areas.

Proportion of rural births attended by skilled health staff (% of total)

The *proportion of rural births attended by skilled health staff (% of total)* is the percentage of deliveries attended by personnel trained to give the necessary supervision, care and advice to women during pregnancy, labour and the post-partum period; to conduct deliveries on their own; and to care for newborns in rural areas.

Skilled health personnel include only those who are properly trained and who have appropriate equipment and drugs. Traditional birth attendants, even if they have received a short training course, are not to be included.

Rural population with access to improved sanitation (%)

Rural population with access to improved sanitation (%) refers to the percentage of the rural population with access to facilities that hygienically separate human excreta from human, animal and insect contact. Facilities such as sewers or septic tanks, pour-flush latrines and simple pit or ventilated improved pit latrines are assumed to be adequate, provided that they are not public, according to the World Health Organization (WHO) and United Nations Children's Fund's (UNICEF) *Global Water Supply and Sanitation Assessment 2000 Report*. To be effective, facilities must be correctly constructed and properly maintained.

Rural population with access to an improved water source (%)

Rural population with access to an improved water source (%) is the percentage of the rural population who use any of the following types of water supply for drinking: piped water, public tap, borehole or pump, protected well, protected spring or rainwater. Improved water sources do not include vendor provided waters, bottled water, tanker trucks or unprotected wells and springs.

Rural population with access to health services

Rural population with access to health services is the proportion of the rural population that can expect treatment from common diseases and injuries, including essential drugs on the national list, within one hour's walk or travel.

Per capita caloric consumption

Per capita caloric consumption refers to the total amount of the commodity available for human consumption during the year.

Under-five mortality rate (rural, per 1,000)

Under-five mortality rate (rural, per 1,000) is the probability (expressed as a rate per 1,000 live births) of a child born in a specified year dying before reaching the age of five if subject to current age-specific mortality rates in rural areas.

Immunization rate, measles (% of rural children under 12 months)

The *proportion of 1-year-old children immunised against measles* is the percentage of children under one year of age who have received at least one dose of measles vaccine.

Prevalence of child malnutrition (% of rural children under five)

Prevalence of child malnutrition (% of rural children under five) refers to the percentage of rural children who are stunted. This refers to children under five in the rural area whose height for age is less than minus two standard deviations from the median from the international reference population aged 0-59 months. For children up to two years of age, height is measured by recumbent length. For older children, height is measured by stature while standing. The reference population, adopted by WHO in 1983, is based on children from the United States, who are assumed to be well nourished.

ANNEX 6

THE IMPORTANCE OF NATURAL AMENITIES

Historically, rural development has depended on the types of industries present in rural regions and their productivity. Increases and declines in rural well-being were outcomes of changes in agriculture, lumbering and mining, and in some cases manufacturing. It is becoming clear, however, that particularly in more industrialized countries, this jobs approach provides only a limited understanding of rural well-being and the importance of rural regions. The growth of rural tourism, second homes, and retirement populations in many rural areas is a strong indication that rural areas hold an appeal that cannot be understood in traditional economic terms. How is one to understand, for instance, why urban residents sink so much time and money into fixing up old farm houses (or building new houses, for that matter) several hours away from their permanent residences? Why does having an additional home to maintain mean relaxation from the stresses of urban life and not simply more stress?

At least part of the answer is provided by environmental psychology, a field that has developed over the past twenty years and that remains largely unknown to economists and regional scientists. The landmark study on the psychological benefits of nature was done by Ulrich (1984), who examined records of patients with a particular type of gall bladder operation in a hospital for a period of 20 years, comparing the records of those who had views of trees from their windows with those whose rooms faced a blank hospital wall. Patients with a view of trees tended to stay in the hospital just as long, but they used substantially less painkillers and made fewer complaints to the nurses' station. In addition to replicating this study, subsequent research has examined health station visits by prisoners, finding that those with cells facing a rural scene outside the prison made fewer visits than those with cells facing inside the prison.

Wells and Evans (2003) have done one of the more interesting non-institutional studies relating nature to stress reduction. For a sample of over 300 children aged eight to ten in rural New York state, Wells and Evans ascertained home exposure to nature with a simple additive scale based on whether there were live plants in the living room, whether there were views of nature from (a) the kitchen and (b) the living room, and whether the home had a grass yard. Using a stressful life events scale, they found that children with high exposure to nature had far fewer symptoms of psychological distress than children with little exposure to nature, taking differences in household income into account (see Figure 1).

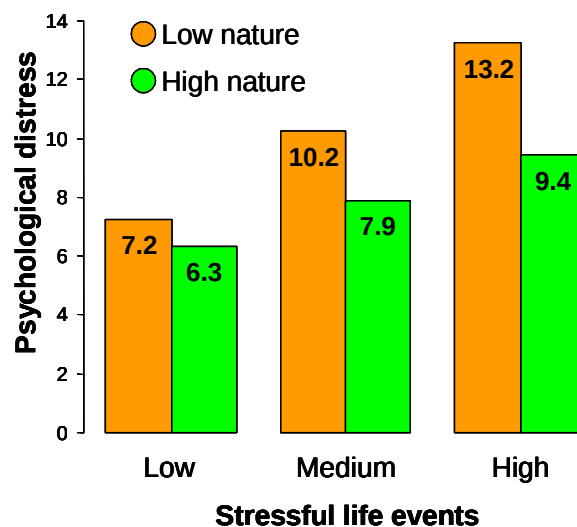
In short, there is now ample evidence that simple exposure to natural scenery reduces the effects of stressful events on psychological well-being. Other research has shown benefits from exercise or recreation, activities often associated with being in a natural setting. In this context, having a second house in a rural area begins to seem rational. It does not explain why, however, contact with nature should be relaxing.

All countryside is not equally appealing. Years of research on landscape aesthetics, often done in conjunction with public land use planning, have shown that people most prefer landscapes that contain open, traversable vistas, clumps of trees, a water source (pond, lake, or stream), and a hint of mystery - a suggestion that there is more around the corner. These preferred scenes often show up in landscape paintings. For instance, the picture below (see Figure 2) is in a lobby of the private building in which the U.S. Department of Agriculture's Economic Research Service is currently located. The picture has all the ingredients of a preferred landscape: clumps of trees, a water source, an open vista, and, with a green pathway extending around the corner, a hint of mystery.

Figure 1

Results

Nature moderates effects of stressful life events on psychological distress



Source: N. M. Wells and G. W. Evans,
"Nearby Nature: A Buffer of Life Stress Among Rural
Children," *Environment and Behavior* 35:3:311-330, 2003.

These preferences are generally consistent across cultures, but they do not necessarily extend to people who have particular occupational or recreational uses that they make of the land. For instance, a recent study comparing three groups of people (rural Chinese, design students in China and U.S. design students) found that the preferences of the Chinese design students (even those that were from rural China) were more like the U.S. design students than the rural Chinese (many of whom were presumably farmers). In general, farmers tend to like agricultural scenes more than others. By the same token, foresters like trees to be evenly spaced and of equal size, while the general public prefers forests that look more natural.

The influence of occupation was also evident in a Netherlands study contrasting local farmers, local residents, and visitors (often bicyclists). Farmers clearly thought agrarian land was more beautiful than "half-open swamp" but local non-farm residents were more like visitors in their preference for the latter.

Figure 2

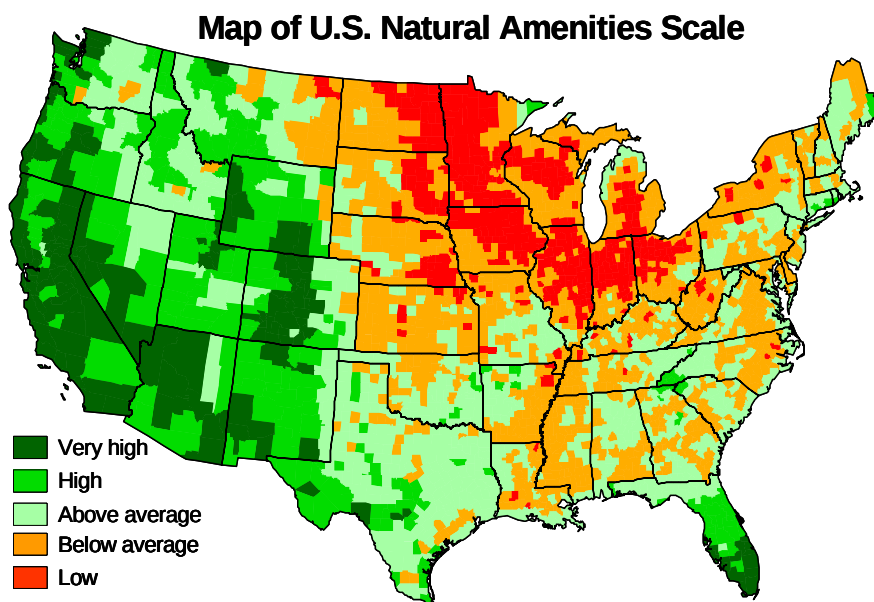
Landscape preference studies have typically been done by asking people to rate pictures of various outdoor scenes. A problem with this approach is that these scenes have varied along several dimensions, so that it is difficult to isolate the important differences. In a recent study of alpine farmland scenery, Hunziker and Kienast digitally altered a single picture, adding and subtracting trees from the scene. This study clearly showed respondents preferences for more forest than there was in the original picture, but not total forestation. Completely cleared land was the least preferred.

The consistency across cultures has suggested to some that there is a vestigial genetic component to landscape preferences. Preferred landscapes, it is argued, are the landscapes that were most suitable to early humans. Other animal species tend to have inherently preferred habitats, why not us? While many are skeptical, no convincing alternative explanations have been forthcoming.

Some attempts have been made to measure natural or landscape evaluation in rural areas. Sjerp de Vries and his colleagues at the Landscape Center in Wageningen in the Netherlands have developed GLAM (GIS-based Landscape Appreciation Model) to reflect landscape attractiveness at a very local level. Their measures include: naturalness (largely forest), historical distinctiveness, urbanization (negative) and skyline disturbance (negative). Two other measures, topographical relief and noise level (negative), proved to be redundant in predicting local evaluations of landscape.

McGranahan developed a scale of “natural amenities” for U.S. counties, based on climate measures (warm, sunny winters; cool, low-humidity summers), water area (ponds, lakes, ocean), and topographic variation (relief). Each measure received equal weight in the overall scale, based on results of regression analyses. Areas scoring high on the scale include the Rocky Mountains and the West Coast (see Figure 3). The lowest scoring areas tend to be the heavily agricultural lands across the centre of the country. Areas with flat, unbroken land, wet winters, and hot humid summers are very good for grains, but tend to inhibit amenity-based development. Counties in the low amenity areas have tended to lose population every decade since 1950. In contrast, high amenity counties have, on average, doubled their populations since 1970.

Figure 3

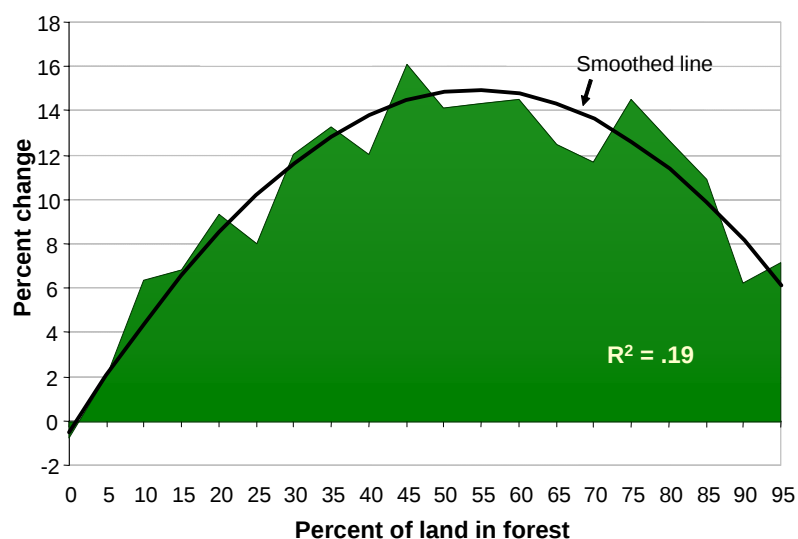


D. A. McGranahan, "Natural Amenities Drive Rural Population Change,"
AER-781, Economic Research Service, USDA, Washington, DC, 1999

Although forest is correlated with topographical variation, this natural amenities scale does not include land use and there is no measure of forest cover. However, a graph of average county population growth, 1990-2000 by percentage of county land in forest (see Figure 4) closely resembles the inverted “U” of the Hunziker and Keinast study showing preferences in a Swiss agricultural setting (see Figure 5). Partially forested counties had the most rapid growth, while counties with no forest lost population and counties almost completely forested had relatively little growth.

Figure 4

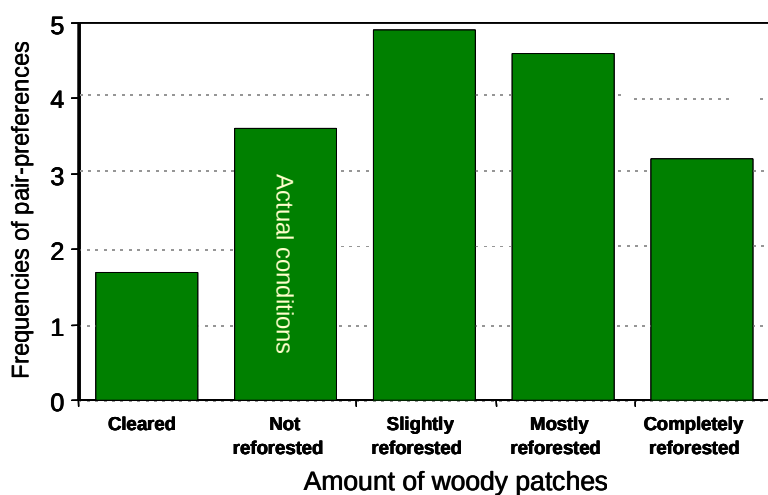
Land in forest and average rural county population change, 1990-2000



D. McGranahan and P. Sullivan, "Farm Programs, Natural Amenities, and Rural Development," *Amber Waves* 3:1:28-35

Figure 5

Preferences in an Swiss agricultural setting



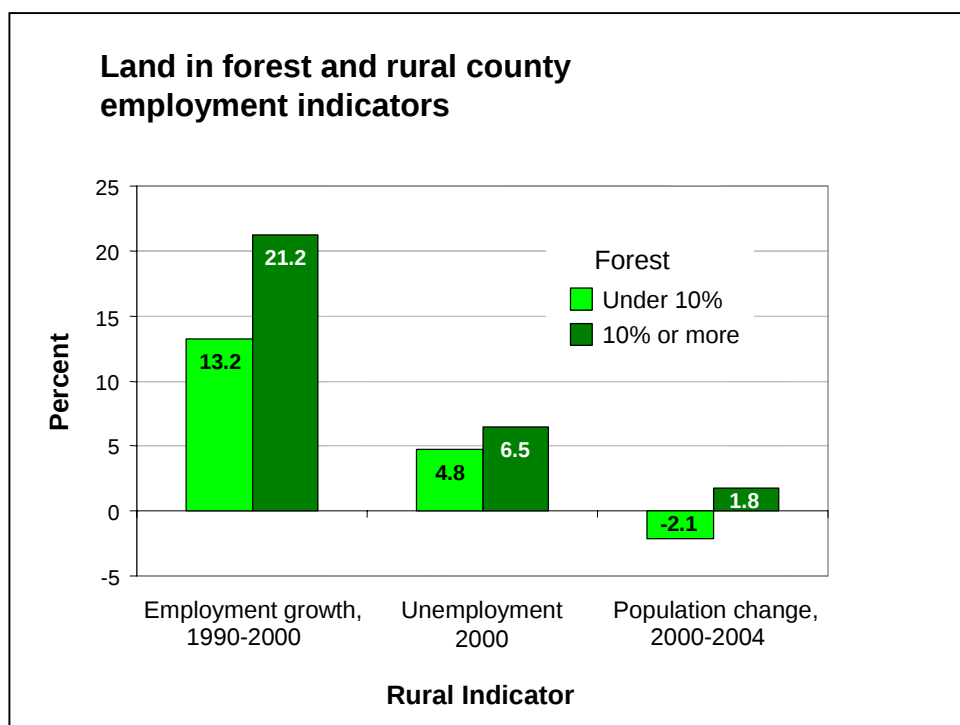
M. Hunziker and F. Kienast, "Potential Impacts of Changing Agricultural Activities on Scenic Beauty: A Prototypical Technique for Automated Rapid Assessment," *Landscape Ecology* 14: 161-176, 1999

The quality of life gains from rural residence, particularly those with attractive landscapes, can generate apparent anomalies in socio-economic statistics. People may be willing to sacrifice economic well-being for residence in an area with beautiful landscapes and a comfortable climate. Economists suggest that the willingness to trade income for quality of life rises with earnings, suggesting that quality of life is likely to play an increasing role in residential location as countries become wealthier, increasing the likelihood of anomalies.

Figure 6 presents an example of an anomaly, using the proportion of land in forest as a simple measure of landscape appeal. Counties with at least 10% forest had much greater employment growth than those without forest from 1990 to 2000. Yet, unemployment rates in 2000 were considerably higher in the more forested counties. Further, even with this higher unemployment, the forested counties gained population in the 2000-2004 period, while those with little or no forest lost population. There are other possible explanations for this pattern. For instance, areas with little forest tend to have more agriculture and in these areas economic hardship may result less in unemployment than in underemployment. Whatever the explanation, the unemployment rate - a key socioeconomic indicator - is of questionable value in many rural contexts.

Amenities, whether natural or man-made, may be reflected in both lower wages (as individuals willingly forgo income for amenities) and higher housing costs (as individuals willingly pay a premium to reside in a high-amenity area). Thus, although household incomes are much the same in low-forest counties as in higher-forest counties, the median value of housing is over 35% higher in the latter counties.

Figure 6



The importance of natural amenities in explaining differences in rural development across rural areas is undoubtedly greater in the U.S. and other countries with wide variations in rural climate and topography than in countries where rural landscapes are more uniform. However, as incomes rise and the importance of national borders diminishes, the future of rural livelihood and well-being may, for certain rural communities, depend increasingly on the scenic appeal of rural landscapes. This will be particularly important for rural areas that are close to urban centres.

The focus here has been on natural landscapes and climate. In many areas, there is a heritage factor as well. For instance, in the China-U.S. comparative study mentioned above, the greatest agreement between the Chinese urban design students and the rural respondents was in the high appeal of a scene evoking traditional rural culture.

ANNEX 7

A MORE FORMAL APPROACH TO “FULL INCOME”

From both a behavioral and a policy point of view, it is relevant to take into formal consideration that decisions made by the household unit are conditional on the information sets related to both the production and consumption side of the household economy. What is often neglected is that the production side of the household economy consists of both farming and domestic activities. Both the extended and full income definitions explicitly recognize the contribution of home activities to the formation of household resources. Farm and “home-produced” incomes are traditionally pooled within the family. In order to derive individual incomes, these sources of income are assigned to each worker in proportion to the amount of contributed labour. Estimates can then be made of the relative contribution of the husband and wife to the paid and unpaid sources of household income and to undertake a gender-specific analysis of the income distributions.

The implementation of the Beckerian notion of full income requires evaluating the time endowment, which is employed in both paid and unpaid working activities and leisure, and measuring non-labour incomes derived from returns on non-farm assets and/or pensions. The accomplishment of this task requires the derivation of total farm household and extended incomes along with the evaluation of leisure time. Both farming and home production are family enterprises, the difference being that farm output is marketable, while domestic output, often composed of public components, is sold within the household at an implicit price.

Each member (i) of a farm household of size N can allocate its time endowment among the following activities $T = (f_i + o_i + h_i + l_i) + I_i = d_i + I_i$, where f_i is hours of time devoted to farm labour activities; o_i is time devoted to off-farm labour either in agriculture or in other sectors (paid at the market wage) and commuting time; h_i is time devoted to unpaid home production activities; l_i is time devoted to pure leisure, such as recreational activities; I_i is time devoted to rest and personal care. The amount of disposable time is $d_i = f_i + o_i + h_i + l_i$.

Traditionally, economists define “unpaid work” as the time spent at home doing housework and producing goods and services for the family. Similarly, for farm households, farm labour supplied by household members is not directly paid to farm operators. Farmers remunerate themselves at an implicit wage. The time contributed by farm operators is often referred to as unpaid farm labour (Huffman 1996). Both farm labour (f_i) and domestic work (h_i) are defined as unpaid work. The availability of individual time-use data permits separating the time devoted to domestic work from the time allocated to pure leisure.

As summarized in the following formula, total farm household income (y^m) is the sum of farm, off-farm, non-labour income and social transfers of the N household members:

$$\begin{aligned}
 y^m &= \sum_{i=1}^N w_i^f f_i + \sum_{i=1}^N w_i^o o_i + \sum_{i=1}^N y_i^{nl} + y^{tr} = \\
 &= \sum_{i=1}^N y_i^f + \sum_{i=1}^N y_i^o + \sum_{i=1}^N y_i^{nl} + y^{tr} = \\
 &= y^f + y^o + y^{nl} + y^{tr},
 \end{aligned}$$

where w_i^f is the gender specific implicit farm wage; w_i^o is the exogenous market wage of individual i ; y_i^{nl} is individual non-labour income derived from non-farm assets and property income; y^{tr} is social transfers and other money incomes, such as universal benefits and social insurance (non-means-tested) transfers (child allowances, social security or retirement, disability insurance, unemployment compensation, workers' injuries compensation), cash mean-tested welfare payments, inter-household transfers (e.g., inheritances, alimony and child support paid and received, or other forms of intermittent income in cash or in kind, such as child care by relatives).

Disposable farm household income is obtained by deducting from total farm household income, including the value of self-consumption (y^a) “sold” by the farm to the household, the value of farm, personal taxes, and social contributions t , $y^n = (y^m + y^a) - t$. Gross or net extended income (y^e) is derived by adding the valuation of domestic activities (y^h) to either y^m or y^n respectively. Similarly, for pre- or post-tax full income, $y^F = y^e + y^l$, which requires the valuation of leisure (y^l).

The way in which the various forms of income relate to each other is shown in table 1.

Table 1
Definition of Total Farm Household Extended and Full Income and Evaluation Methods

	Income	Evaluation methods
1. Total farm household income -		
	$y^m = y^f + y^o + y^{nl} + y^{tr}$	
a. Net (pre-tax) operating income	Farm income - y^f	• Accounting • Market - opportunity cost • Shadow wage
i. From farm self-employment		
ii. From imputed rent for owner-occupied dwellings		
b. Money wage or salary income as <i>dependent</i> employees from off-farm	Off-farm income - y^o	• Market wage
i. Agricultural and/or		
ii. Non-agricultural activities and/or		
c. Net income from non-farm self-employment as <i>independent operators</i>		• As for 1.a
Other cash market income (e.g., interests, dividends, rents, private pensions)	Non-labour income - y^{nl}	
d. Social transfers or other money income	Social transfers - y^{tr}	
2. In Kind earnings (Home own-consumption)	y^a	• Market price
3. Taxes and contributions - t	Disposable farm	
a. Property income paid - (Farm business tax)	Household income - y^n	
b. Net direct and payroll taxes - (Off-farm personal tax)	$y^n = (y^m + y^a) - t$	
c. Social contributions		
4. Value of domestic production - y^h (e.g., food preparation, household chores, child care, etc.)	Extended income - y^e $y^e = y^n + y^h$	• Market or opportunity cost approach • Shadow wage
5. Value of leisure - y^l (e.g., recreational activities, entertainment)	Full income - y^F $y^F = y^e + y^l$	• Market or shadow wage

ANNEX 8

HOUSEHOLD BALANCE SHEET

Assets		Liabilities and Total Net Worth (Owner's Equity)	
<i>Current Assets (Short-term liquidity):</i>		<i>Current Liabilities (Short-term):</i>	
	Cash / currency		Accounts Payable
	Financial assets / securities (stocks and bonds)		
	The current value of all savings forms		
	Money or goods lent to other institutions or people outside household		Sales Taxes Payable
	Value of the crop output retained as seed (stock of grain)		Payroll Taxes Payable
	Accounts Receivable		Accrued Wages Payable
Total Current Assets			Dividends Payable
<i>Inventories (liquid assets)</i>			Unearned Revenues
	Raw materials		Short-Term Notes Payable
	Intermediate goods / products		Short-Term Bank / Credit Union / Cooperative / Money Lender Loan Payable
	(Value of) Unsold (finished) goods / products		
Total Inventory		Total Current Liabilities	
Non-Farm Assets		Long-Term Liabilities	
<i>Fixed (long-term) Assets:</i>			Long-Term Notes Payable
	Land		Mortgage Payable
	Buildings (business or commercial property)		Long-term Bank Loan
	Tools		Amount owed for leases
	Machinery		Bond repayment
	Furniture		Deferred taxes
	Vehicles		
	Equipment		
	Depreciation (Machinery)		Other obligations not requiring interest payments
<i>Durable (consumer) goods</i>			
	Housing		
	Other Durable Consumer Goods Items		
Assets		Total Net Worth (Owner's Equity)	
Farm (Agricultural) Assets			Owner's Equity (Net Worth)
<i>Agricultural land</i>			Capital / Common Stock
	Owned		Net Profit (Surplus)
	Mortgaged		Retained Earnings
	Rented/sharecropped		
	Rented out		
<i>Animals</i>			
	Value of livestock		
	Value of poultry		
	Drafts animals		
	Bullocks		
<i>Farm equipment</i>			
	Tractors		
	Carts		
	Vehicles		
	Mechanical plough		
	Pump		
	Mill		
	Food processor		
	Trailer for truck / tractor		
	Trolley		
	Fodder cutting machine		
	Generator		
<i>Non-mechanical farm tools (implements)</i>			
	Hoe		
	Spade		
	Durable equipment for storage		
Total Farm (Agricultural) Assets		Total Net Worth	
TOTAL ASSETS		TOTAL LIABILITIES + TOTAL NET WORTH	

Source: UNECE.

ANNEX 9

RESULTS OF UNECE SURVEY ON METHODOLOGIES USED FOR MEASURING AGRICULTURE HOUSEHOLD INCOME STATISTICS IN UNECE AND OECD MEMBER COUNTRIES

Abbreviations and Symbols

ARMS	U.S. Department of Agriculture's Agricultural Resource Management Survey.
CBS	The Centraal Bureau voor de Statistiek (Central Bureau of Statistics of Netherlands).
CSO	Central Statistical Office.
EU	European Union.
EU-SILC	EU Survey on Income and Living Conditions (EU-SILC).
ESU	Business size is measured in European Size Units (ESU). One ESU was measured as €1,200 of SGM at 1996-1998 values.
HA	Hectare (a unit of measurement of an area of land (10,000m ²)).
HBS	Household Budget Survey.
HIS	Household Income Survey.
IAHS	Income of Agriculture Household Sector Statistics.
ILO	International Labour Organization (Office).
N/A	Not Applicable (Not applied).
OECD	Organisation for Economic Co-operation and Development.
SER	Sociaal Economische Raad (The Social and Economic Council of the Netherlands).
SGM	Standard Gross Margin [see the Eurostat leaflet "Structure of agricultural holdings in the EU" (Theme 5: 22/2002) in the series "Statistics in Focus."].
STATEC	Le Service central de la statistique et des études économiques (Central Service for Statistics and Economic Studies – Luxembourg).
UNECE	<u>United Nations Economic Commission for Europe.</u>
y	Yes, explicit data.
*	Implied data covered elsewhere.
(y) and (*)	Covered in part.
@	Gross of capital consumption.
(?)	Information needs to be further verified.
y ⁱ	covered elsewhere for years 1992 and 1993
y ⁱⁱ	for some types of socio-professional group, but not agricultural households
y ^{vii}	number of holdings
*iii	figure for agricultural households included in under that for "all self-employed"

Table 2

Definition of household in non-EU countries

Countries	Definition of 'household'
Albania	No information on definition provided.
Andorra	A household is a person who lives single or a group of people who live in the same place, and who maintain a common budget or, more restrictively, who share food expenses. All members of the family that contribute to and enjoy the family budget belong to the household, whether they live in the house or not.
Armenia	People who usually live together in the household, share the same housekeeping, and have the same budget.
Australia	No information on definition provided.
Azerbaijan	A household is defined as a single person or a group of persons with a common budget and residence (house, flat, etc.). They are not necessarily relatives. In ambiguous or unclear situations, the interviewer must always ask: "Do you eat together and have a common household?"
Belarus	A person or a group of people who have common budget and housing unit; their family relationship is not essential.
Bulgaria	A regular household is considered to be: a) one person living alone, having meals separately and having his/her separate budget, b) two or more persons who live in one dwelling or part of dwelling, having their meals together and having a common budget irrespective of whether they are relatives or not. Persons who are temporarily absent are considered members of the household: children, students, conscripts on compulsory military service, those for treatment in hospitals, sanatoria and other health establishments.
Canada	A household refers to a person or a group of persons (other than foreign residents), who occupy the same dwelling and do not have a usual place of residence elsewhere in Canada. It may consist of a family group (census family) with or without other non-family persons, of two or more families sharing a dwelling, of a group of unrelated persons, or of one person living alone. Household members who are temporarily absent on Census Day (e.g. temporary residents elsewhere) are considered as part of their usual household. For census purposes, every person is a member of one and only one household. Unless otherwise specified, all data in household reports are for private households only.
Croatia	A household is every family or other community of individuals who live together and spend their income together for covering the basic existential needs (accommodation, food etc.).
Georgia	Individual or group of persons living in one dwelling and sharing their budget. If persons are not relatives but satisfy the two conditions above they are treated as one household anyway.
Japan	Household refers to a group of two or more persons sharing living quarters and living expenses or a person living alone or living in a dormitory or a boarding house. 1/
Kazakhstan	A group of persons who share the same living accommodation, who pool some, or all, of their income and wealth and who consume certain types of goods and services collectively, mainly housing and food. A household may consist of one person.
Kyrgyzstan	A household is a group of persons who live together and provide themselves with everything necessary for living. It may consist of relatives or people not related to each other and can also consist of a single person.
Mexico	A household is a group of one or more persons who live in the same place and who share food expenses.

TABLE TO BE CONTINUED ON THE NEXT PAGE

Table 2 (concluded)

Definition of household in non-EU countries

Countries	Definition of 'household'
New Zealand	A household relates to a 'private household' which is defined as a single individual living in a dwelling who makes his or her own housekeeping arrangements or a group of people living in or sharing a dwelling for four or more days a week, who participate in some measure at least in consumption of food purchased for joint use by members. Or who, if not dependent upon a household member, contribute some portion of income towards the provision of essentials of living for the household as a whole.
Norway	A household consists of persons that are permanently resident in the same dwelling (housing unit) or institution. Such a household is called a dwelling household. Census 2001 does not supply any information about housekeeping units, i.e. persons living in the same dwelling with joint board (food expenses?).
Republic of Korea	A household consists of a person who provides for his own food or other essentials for living, or a group of two or more persons who make common provision for food or other essentials for living.
Republic of Moldova	A household, as observation unit, means either one person living separately, keeping the house alone, or a group of persons, not necessarily related, living at the same address with common budget.
Romania	A group of two persons or more, generally relatives, with or without children, that usually live together and are keeping the house in common, integrally or partially take part in forming and using the income and expenditure budget. Persons who live and keep the house by themselves and do not belong to another household represent households comprising one person.
Switzerland	A household is defined as a small group of persons who share the same accommodation, pool all, or some, of their income and wealth and consume certain goods, mainly accommodation and food, collectively. 2/
The former Yugoslav Republic of Macedonia	A household is defined as each single person who lives on their own and does not have any other household in some other place. Family or any community of people who live and spend their incomes together in order to cover their basic costs (those for living, food and etc.) regardless of whether all the members of the household are continually present in the place of residence or whether some of them are staying for a longer time in other places or countries for the purpose of education or employment. Persons who are not members of the family are classified as household members if they work, eat and reside in the same house community (e.g. housemaid, permanent workers on private agricultural holdings). Persons who were absent more than 45 days in the last three months are excluded as members of the household. Pupils and students are considered to be household members irrespective of how much time they spend outside the household.
Turkey	No information on definition provided.
Turkmenistan	A collection of individuals sharing the same living accommodation or part thereof, who may or may not be related, and who together provide themselves with all they need to live by pooling some or all of their resources.
Ukraine	A household is represented by a set of persons who live together in a dwelling or its part and make common provision for living, manage a common economy, completely or partially unite and spend funds. The persons could be relatives or brothers-in-law and sisters-in-law. They could have no relations at all or could be in both situations. Household can consist of one person.
United States of America	A household consists of all persons who occupy a housing unit.

Source: UNECE survey on agricultural household income statistics.

1/ Source: not the questionnaire but <http://www.stat.go.jp/english/data/shakai/2001/yogo2.htm>.

2/ Source: not the questionnaire but translation from http://www.statistik.admin.ch/stat_ch/ber20/erc/download/eve01_d.pdf.

Table 3

Definition of agricultural household and treatment of fishery/forestry in EU countries

Country	Definition of 'agricultural household'	Treatment of fishery/forestry
Austria	Primary plus secondary agricultural holdings.	Agricultural activity is deemed to include forestry up to 200ha. Thus the income to the household comprises both that from the production of goods and services that are classed as belonging to agriculture within the framework of the EU's Economic Accounts for Agriculture, and also from forestry.
Belgium	No information on definition used.	Forestry and fishery households excluded.
Denmark	IAHS definition used.	Forestry and fishery households excluded.
Estonia	Not in use.	Forestry and fishery households excluded.
Finland	Not in use.	Forestry and fishery households excluded.
France	Not in use.	Forestry and fishery households excluded.
Germany	IAHS definition used.	Forestry and fishery households excluded.
Greece	IAHS definition used.	Both included with agriculture, as income from these is not separated in the Family Budget Survey, used as the basis for distribution coefficients.
Hungary	No information provided.	Forestry and fishery households excluded.
Ireland	IAHS definition used.	Forestry and fishery households excluded.
Italy	IAHS definition used.	Agricultural households can be defined so as to include or exclude fishing (excluded for IAHS results).
Latvia	Not in use.	
Lithuania	Households in which the main source of income (in cash and in kind) of the head of the household is from independent agricultural activities.	Forestry and fishery households excluded.
Luxembourg	Not currently applied.	
Netherlands	IAHS definition used.	Forestry and fishery households excluded.
Poland	Farm households are those where the exclusive or main source of maintenance is income from independent activity in agriculture.	Forestry and fishery households excluded.
Portugal	N/A.	Agriculture is defined broadly, and also includes forestry, fishing (and hunting).
Slovakia	N/A.	No information provided.
Slovenia	Agricultural households are all households that achieve income with selling of their own agricultural products. According to the definition, agricultural activity also include the manufacturing of own agricultural products (definition of EU-SILC*).	Forestry households are not included if they have forestry as the independent activity. In the case that agricultural households has among agricultural activity also forestry and get some income from that source, they are included.
Spain	Households in which agriculture is the main income source of at least one member of the household.	
Sweden	IAHS definition used.	Forestry and fishery households excluded.
United Kingdom	Present coverage is between the IAHS "narrow" and "broad" definitions. Does not cover operators of farms that are arranged as companies, responsible for about a quarter of total Net Operating Surplus.	

Source: UNECE survey on agricultural household income statistics.

Notes: IAHS definition: agricultural households are those where the income from independent agricultural activity, net of capital consumption, constitutes the main source of the total income of the reference person.

Austria: Primary farms are where at least half the income from the labour of the operator and spouse plus members of the family forming part of their household and working together full or part-time in farming or forestry comes from farming or forestry activities.

* EU Survey on Income and Living Conditions (EU-SILC) is an annual survey conducted by the Central Statistics Office (CSO) to obtain information on the income and living conditions of different types of households. The survey also collects information on poverty and social exclusion. A representative random sample of households throughout the country is approached to provide the required information. The survey is voluntary from a respondents perspective; nobody can be compelled to co-operate. The 2003 survey, the first in the series, commenced on June 16th 2003 (Source: http://www.cso.ie/eusilc/about_eusilc.htm).

Table 4

Definition of agricultural household and treatment of fishery/forestry in non-EU countries

Country	Definition of 'agricultural household'	Treatment of fishery/forestry
Albania	No information on definition provided (only for agricultural holding).	No information provided.
Andorra	No definition provided but in the survey of family budgets the category 'worker in agriculture' is one of the ten socio-professional groups based on the main source of income of the household reference person.	No information provided. Limited availability of economic indicators in Andorra.
Armenia	No information on definition provided.	No information provided.
Australia	Definition not provided (Only 150-250 households holdings (depending on definition) in the 2000-01 Survey of Income and Household Costs).	No information provided.
Azerbaijan	No information on definition provided. However, the Household Budget Survey has information on main source of income of household head of which one is 'hired workers in agriculture' and one is 'work in household production'.	N/A.
Belarus	Not defined but 97% of rural households (see table with definition of rural household) are engaged in producing agricultural produce for own consumption and partially for sale.	N/A.
Bulgaria	Broad definition from the Manual of Income of Agricultural Households (Rev. 1), 1995. Households cultivating under 0.2 ha are excluded.	Excluded.
Canada¹	One of the residents of the household must be a farm operator, as identified on the Census of Agriculture. (for definition of household see separate table).	Excluded unless household is also involved in agricultural activity.
Croatia	An agricultural household is every household that has an agricultural estate (over 10 ha) and whose members are involved in agricultural production.	Included.
Georgia	No information on definition provided.	No information provided.
Japan	Household having cultivated land of 30 acres or over, or whose annual sales of agricultural products amounts to 500,000 Yen and over.	Excluded.
Kazakhstan	No information on definition provided.	No information provided.
Kyrgyzstan	An agricultural household is a household in a rural area (according to the Territorial Classification of the Kyrgyz Republic SAOTO) and produce agricultural produce.	Excluded?
Mexico	Households in which agriculture is the main income source.	
New Zealand	Not currently applied.	N/A.
Norway	The current statistics on farmers' income and property cover holder and any spouse, registered partner or cohabitant. Cohabitants include only those who belong to the same household and in addition have children in common with the holder. Any children or other family members are not included. The classification uses the amount of utilised agricultural land and number of livestock. An agricultural household may have zero or negative income from agricultural activity and still be included in the statistics.	Households solely engaged in forestry and/or fisheries are not included.
Republic of Korea	If a farm with 10 acres or more is operated during the reference period and household which raises livestock and sells livestock products annual worth more than 500,000.	Excluded.
Republic of Moldova	Household category 'farmers': Households whose heads have their main source of income from individual agricultural activity. Household category 'Employees in agricultural sector': Households whose heads have their main source of income from remunerated agricultural activity.	No information provided.
Romania	A farmer household is a household where the head of household has the occupational status of being self employed in agriculture or is a member of an agricultural association.	Not existing in household budget survey?
Switzerland	No information on definition provided.	No information provided.

TABLE TO BE CONTINUED ON THE NEXT PAGE

Table 4 (concluded)

Definition of agricultural household and treatment of fishery/forestry in non-EU countries

Country	Definition of 'agricultural household'	Treatment of fishery/forestry
The former Yugoslav Republic of Macedonia	A household with its own agricultural holding and all its members able to work are engaged on the holding as agricultural workers. None of the household members is officially employed outside the holding, none of them owns a store for trade and none of them is a pensioner, but one or more of its members can occasionally work outside the holding in order to earn some additional income. It also includes agricultural workers with no land who work regularly on the holdings of other private agricultural workers; agricultural households with elderly members who own a holding, but are not capable of working, regardless of whether they pay for the cultivation of land, lease their land or give it to sharecroppers since their income comes from the holding and they do not have any other income; households whose members have acquired the right to receive agricultural pension on the basis of the Law on Retirement and Disability Insurance; agricultural households whose members are temporarily working abroad.	Included.
Turkey	No information on definition provided (only for agricultural holding).	No information provided.
Turkmenistan	Households can be categorised as urban or rural, depending on the place of residence, but do not belong to the agricultural sector.	Not applicable since there is no definition for agricultural household; only rural household and the definition of rural is geographic.
Ukraine	Not in use. But information on types of activities is available so that households with income from agriculture, fisheries, forestry could be identified.	N/A.
United States of America	A subset of households engaged in the operation of a farm business establishment (land under operating arrangement on which there are or could be sales of at least logging and fishing are \$1,000 annual worth of agricultural products). For purposes of the U.S. Department of Agriculture's Agricultural Resource Management Survey (ARMS), the National Agricultural and Statistics Service's Terms and Definitions refer to a household as: American Industry "The operator, spouse and all individuals living in the operators residence who share the financial resources of the farm operator. Students living away from home who are dependent upon the operator's household for support are included."	Excluded. (Forestry and logging and fishing are defined as separate industries in the North American Industry Classification System. Household operating these establishments would not be considered farm households).

Source: UNECE survey on agricultural household income statistics.

Table 5

Broad definition of agricultural household in EU countries

Country	Definition of 'household'
Austria	Primary plus secondary agricultural holdings. Excludes farms outside the SGM# range Austrian shilling 90 000 - 1.5 mio, those with horticulture >25% of total gross profit, and mixed enterprises, such as forestry plantations over 200 ha. Covers only 50% of farms.
Belgium	No information on definition used.
Denmark	*
Estonia	Not in use.
Finland	Household which owns an agricultural holding with at least 2 ha of arable land under cultivation ("broad" definition).
France	Not in use.
Germany	*
Greece	*
Hungary	No information provided.
Ireland	*
Italy	*
Latvia	Not in use.
Lithuania	Household, where income of the head of the household (in cash and in kind) is received from individual agricultural activities.
Luxembourg	Not currently applied.
Netherlands	*
Poland	
Portugal	N/A.
Slovakia	N/A.
Slovenia	Agricultural households are all households that achieve income with selling of their own agricultural products. According to the definition of agricultural activity, the manufacturing of own agricultural products is also included (definition of EU-SILC).
Spain	Households in which agriculture is the main income source of at least one member of the household.
Sweden	*
United Kingdom	Present coverage is between the IAHS "narrow" and "broad" definitions. Does not cover operators of farms that are arranged as companies, responsible for about a quarter of total Net Operating Surplus.

Source: UNECE survey on agricultural household income statistics.

* IAHS target definition used: households that derive some income from dependent activity in agriculture.

Theoretically the Survey of "Structure of agricultural holdings in the EU" collects data on a comparable basis throughout the EU but in practice there are significant differences, particularly in the threshold for inclusion, ranging from 0.1 ha of agricultural land (Greece) to at least 2 ha (Sweden) or more than 1 European Size Units (ESU) (Netherlands). Average size ranged from 6.3 ESU in Greece to 89.6 ESU in the Netherlands, with the UK average of 47.4 fourth highest; that of Northern Ireland, 21.5 ESU was above the EU average and similar to that in the Irish Republic. (Source: <http://europa.eu.int>).

Table 6

Broad definition of agricultural household in non-EU countries

Country	Broad definition of agricultural household
Albania	N/A.
Andorra	N/A.
Armenia	N/A.
Australia	N/A.
Azerbaijan	N/A.
Belarus	N/A.
Bulgaria	The "broad" definition is applied in surveys. Households that are considered "leisure units" are excluded by using a threshold. This is one of the methodological requirements of EAA97, Rev.1.1. ¹
Canada	Main definition includes every household where at least one member has been identified agricultural operator in the Census of Agriculture and is as such already 'broad'.
Croatia	N/A.
Georgia	N/A.
Japan	N/A.
Kazakhstan	N/A.
Kyrgyzstan	N/A.
Mexico	N/A.
New Zealand	N/A.
Norway	N/A.
Republic of Korea	Full-time farm households: Members of the household engage in farm work only for themselves and for others. Off-farm work is less than a total of 30 days per member during the year. Part-time farm households: Any member of the household engage in paid off-farm work for more than 30 days during the year. Part-time type 1: farm receipts exceed off-farm receipts. Part-time type 2: off-farm receipts exceed farm receipts.
Republic of Moldova	No information provided.
Romania	N/A.
Switzerland	N/A.
The former Yugoslav Rep. of Macedonia	The broad definition includes agricultural households and mixed households. A mixed household is a household with its own agricultural holding in which, in addition to the members who work on the holding, one or more members are permanently employed outside the holding in the public or private sector or are engaged in some non-agricultural service (self-employed craftsmen, catering workers, hauliers etc.). This category also includes households where one or more members receive pension payments. It also includes households which own their own agricultural holding to the stipulated criteria and all its household members able to work hold an employment outside the holding, are self employed craftsmen, pensioners or have other personal income but work on the holding in their spare time or pay for the cultivation of land under their supervision, lease their land or give it to sharecroppers since part of their income comes from agriculture.
Turkey	N/A.
Turkmenistan	N/A.
Ukraine	N/A.
United States of America	N/A.

Source: UNECE survey on agricultural household income statistics.

1. In both the economics accounts for agriculture and income of agricultural households surveys this threshold excludes: 1) units under 0.2 ha of agricultural land; 2) units with only fallow land; 3) units that have land only in the house yard; 4) units with only natural pasture; and 5) units that breed only a limited number of animals (by kind).

Table 7

Definition of rural household in EU countries

Country	Definition of rural household
Austria	
Belgium	
Denmark	
Estonia	A rural household is a household, which is living in a small town or village. This term is actively in use in annual analyses of the Estonian HBS.
Finland	Not in use.
France	
Germany	
Greece	
Hungary	Rural households are those who live in rural areas (areas with a population density under 120 heads/km ² or under 10.000 residential population, at settlement level).
Ireland	
Italy	Not in use.
Latvia	Rural households are all households who live in rural areas.
Lithuania	Rural households are those who live in rural areas, that is in areas without any town and city signs. <i>Urban population</i> refers to those persons, who live in cities and towns, i.e. in the population areas with the closely built permanent dwellings and with the resident population of more than 3,000 of which 2/3 of workers are involved in the industry, social infrastructure and business. In a number of towns the population may be less than 3,000 because these population areas had already had the town status before the law was enacted (19 July, 1994).
Luxembourg	
Netherlands	
Poland	Not in use.
Portugal	
Slovakia	Not in use.
Slovenia	Not in use.
Spain	
Sweden	
United Kingdom	

Source: UNECE survey on agricultural household income statistics.

Table 8

Definition of rural household in non-EU countries

Country	Definition of rural household
Albania	No information on definition provided.
Andorra	No definition used.
Armenia	Those who live in rural areas.
Australia	No information on definition provided.
Azerbaijan	No information on definition provided.
Belarus	A rural household is a household living in rural areas.
Bulgaria	No definition used.
Canada	Refers to a person or a group of persons (other than foreign residents), who occupy the same dwelling and do not have a usual place of residence elsewhere in Canada. The dwelling must be located in a rural area. (For full definition of 'household' see table on household definition). An urban area has a minimum concentration of 1,000 persons and a population density of at least 400 persons per square kilometre, based on the current census population count. All territory outside urban areas is classified as rural.
Croatia	A rural household is every household in a rural area or in a dwelling outside settlements. Whether or not these conditions are met is the subjective assessment of the interviewer of the household budget survey.
Georgia	No information on definition provided.
Japan	No definition used.
Kazakhstan	Households living in rural areas. Rural areas are small human settlements ('auls' - villages) where at least 50 per cent of the population is composed of workers engaged in agricultural production and members of their families.
Kyrgyzstan	A rural household is a household in a rural area (according to the Territorial Classification of the Kyrgyz Republic SAOTO).
Mexico	A rural household is a household living in areas with fewer than 2,500 residents.
New Zealand	No definition used.
Norway	No official definition used.
Republic of Korea	No definition used.
Republic of Moldova	No information on definition provided.
Romania	No information on definition provided.
Switzerland	No information on definition provided.
The former Yugoslav Republic of Macedonia	No information on definition provided.
Turkey	No information on definition provided.
Turkmenistan	Households can be categorised as urban or rural, depending on the place of residence.
Ukraine	Households which reside in rural areas.
United States of America	The U.S. Census Bureau defines rural areas as open country and settlements with fewer than 2,500 residents. Farm household incomes as developed from ARMS can be classified by geographic area.

Source: UNECE survey on agricultural household income statistics.

Table 9

Treatment of non-personal form of institution in the household sector and of holdings operated as corporate institutions but de facto run as family businesses in EU countries

Country	Treatment of non-personal form of institution in the household sector	Treatment of holdings operated as corporate institutions but de facto run as family businesses
Austria		
Belgium	*	They appear under another category.
Denmark		
Estonia	Not included in household survey.	
Finland	Excluded.	
France		
Germany		
Greece		
Hungary	Institutional households are a part of the households sector in the Hungarian National accounts, but they are not treated as part of IAHS statistics.	
Ireland		
Italy		
Latvia	No information provided.	
Lithuania	Not in use.	
Luxembourg		
Netherlands		
Poland	Not included in household survey.	
Portugal		
Slovakia	Not in use.	
Slovenia	No information provided.	
Spain		
Sweden		
United Kingdom		

Source: UNECE survey on agricultural household income statistics.

Table 10

Treatment of non-personal form of institution in the household sector and of holdings operated as corporate institutions but de facto run as family businesses in non-EU countries

Country	Treatment of non-personal form of institution in the household sector	Treatment of holdings operated as corporate institutions but de facto run as family businesses
Albania	No information provided.	No information provided.
Andorra	No information provided.	No information provided.
Armenia	No information provided.	No information provided.
Australia	No information provided.	No information provided.
Azerbaijan	No information provided.	No information provided.
Belarus	Included.	Included.
Bulgaria	Excluded.	Included for calculation of total income of agricultural households in 2004
Canada	The household for religious colonies is considered to be the collective dwelling. Farming cooperatives are not identified as such on the Census of Agriculture, therefore the households of the agricultural operators of the cooperative would be considered as agricultural households. Community pastures, prison farms and other institutional farms do not have agricultural households associated with them.	A household is considered to be an agricultural household if a farm operator resides there, regardless of whether the farm is a family corporation, non-family corporation, partnership or sole proprietorship.
Croatia	Excluded from household budget survey.	Holdings operated as corporate institutions cannot be identified separately.
Georgia	No information provided.	No information provided.
Japan	Excluded.	Will be covered from 2004 onwards.
Kazakhstan	Excluded from survey.	No information provided.
Kyrgyzstan	Excluded from survey.	Not used.
New Zealand	Excluded.	If a respondent defines themselves as self-employed the net profit from the business is counted as self-employment income.
Norway	No information provided.	See note.
Republic of Korea	Excluded from survey.	Excluded from survey.
Republic of Moldova	No information provided.	No information provided.
Romania	Excluded from household budget survey.	Does not exist in household budget survey.
Switzerland	Income of the agriculture households sector activity removed from statistical programme in 2003.	
The former Yugoslav Republic of Macedonia	Excluded from household budget survey.	The kind of institution that is registered as legal entity is included in the Household Budget Survey and for incomes data on wages from their family business is included.
Turkey	No information provided.	No information provided.
Turkmenistan	N/A.	Not really mentioned - the main source of data is the survey of household budgets. It is therefore assumed that these kind of institutions are excluded.
Ukraine	Not included in household survey.	Household survey but some special treatment for agriculture. Households probably identified as agricultural - not substantial probably anyway.
United States of America	Households of operators of non-family corporations, other legal entities and hired manager households are excluded.	Operators households for farm corporations and partnerships are included in agriculture household income measurement.

Source: UNECE survey on agricultural household income statistics.

Note concerning Norway: Holdings organized as general partnership ("group holdings") or legal person (limited company, institution, foundation, government, county, municipality etc.) are not included in the current statistics. Nevertheless, many holdings organized as general partnership are joint operation in milk production. These holdings are not treated as independent units in the context of taxation. Income, property etc. are shared among the partners. Due to the present regulations regarding governmental subsidies in agriculture, many partners participating in joint operations in milk production in addition operate their own individual holding. Income, property etc. for these persons will include both own holding and share from the general partnership (joint operation). As from 2002 changes in the subsidy regulations will reduce this "problem."

Table 11

Criteria for classification of households into socio-economic groups in EU-countries

Country	Classification criteria
Austria	A distinction is made between <i>primary</i> and <i>secondary</i> activity holdings. Primary farms are where at least half the income from the labour of the operator and spouse plus members of the family forming part of their household and working together full or part-time in farming or forestry comes from farming or forestry activities.
Belgium	Grouping is made according to the reference person's main occupation, determined on the basis of the time spent on the occupation and, as a secondary criterion, the income brought in. This system is based on that used for the agricultural census.
Denmark	The reference person system takes agricultural households to be those where the person with the highest gross income has agriculture as his or her industry and employment status as self-employed (independent). The industry of the reference person is determined by the administration (that is, not subjectively by each reference person) according to several criteria, including the composition of income, registration for Value Added Tax and non-receipt of unemployment benefit. Reference persons are allocated to industries if that industry forms more than 50% of the total income of that reference person; total income must be positive.
Estonia	Working household is a household with a least one working member aged 16 or more. Unemployed household is a non-working household with at least one member aged 16 or more who is employed. Retired household is a non-working and non-unemployed household with at least one old-age pensioner. Other inactive household is a non-working, non-unemployed and non-retired household (no member is working, no unemployed members nor pensioners). Until now there was in HBS not in use the division of household by main source of income of the household's reference person. Technically it is possible to separate employee income, received from agricultural activity, but this needs some methodological work, also there has not been interest from users of statistics for this kind of division. To Social Survey questionnaires of future periods one can add some specific questions for better qualifying the income received from agricultural activities.
Finland	The reference person is used for the classification of households into socio-professional groups. First, the reference person are classified as economically active or inactive. Second, economically active persons are further classified as (i) employees or (ii) employers or own-account workers. Classification into socio-professional groups is based on the main activity and occupation of the reference person.
France	Grouping is made according to the industry in which the head (reference person) declares himself/herself to be primarily active.
Germany	* 1/
Greece	* The target system is now used. Two other classification systems are available for comparative purposes. The first is based on the main employment (occupation) of the head of household, as declared to the Household Income Survey (Family Budget Survey). Under this system, heads of agricultural households who are in receipt of retirement pensions are classified as pensioners (that is, not as farmers) even if at the same time they continue to work on their farms. The second is based on the main source of income of the entire household.
Hungary	Based on the main source of income of the household's reference person (holder).
Ireland	*
Italy	Heads declare the branch in which they pursue their main activity. Both time and income factors are taken into account.
Latvia	Not in use.
Lithuania	Socio-economic group is determined by the main income source of the head of the household.

TABLE TO BE CONTINUED ON THE NEXT PAGE

Table 11 (concluded)

Criteria for classification of households into socio-economic groups in EU-countries

Country	Classification criteria
Luxembourg	Agricultural households are taken to be those which operate "professional agricultural holdings". These are holdings headed by a person who satisfies all the following conditions: the head of the holding works more than 50% of his time on the holding; he gets from the holding more than 50% of his income; he is affiliated to the agricultural social insurance; he has no other non-agricultural main activity.
Netherlands	Classification is based on the main source of income of the household as a whole. Seven income clusters are used. Independent activity falls within "profit prior to deduction of stock and capital," which in turn leads to class of business being determined.
Poland	Households are qualified for a particular socio-economic group based on the criterion of the source of income earned by household members. If the household members get income from several sources, it is the prevailing income that decides on the socio-economic group of household.
Portugal	Households headed by a self-employed worker in agriculture, including both those with and without paid employees.
Slovakia	No information provided.
Slovenia	Not in use.
Spain	Where there is doubt which is the main occupation of the reference person, the one providing the highest income is recorded. Incomes are used gross of capital consumption in allocating reference persons to socio-professional groups.
Sweden	The classification has been based on the main occupation of the reference person.
United Kingdom	On the basis of the income of the tax case. Up to the 1990/91 year of assessment agricultural cases were those in which self-employment (independent) income from agriculture or horticulture usually constituted the main or principal additional source of <i>self-employment income</i> (not, it should be noted, of total income) of single persons or husbands or the main source of self-employment income of wives. Since then, husbands and wives have been treated separately and included in the analysis only if they <i>as individuals</i> have a main or principal additional source of self-employment income deriving from agriculture or horticulture. Households which operate their farms as corporate bodies, and therefore receive income in the form of compensation from dependent activity rather than as income from independent activity, are therefore not treated as agricultural.

Source: UNECE survey on agricultural household income statistics.

1/ * The definition used corresponds to the IAHS target: the main source of income of the household's reference person.

Table 12

Criteria for classification of households into socio-economic groups in non-EU countries

Country	Classification criteria
Albania	No information provided.
Andorra	The criterion for classification of households into socio-professional groups is based on the main source of income of the household's reference person. There are 10 socio-professional groups: worker in agriculture, director, manager of company, superior technician, intermediate technician, administrative employee, worker of restoration and personal services, qualified worker, operator of machinery, non-qualified worker.
Armenia	No information provided.
Australia	No information provided.
Azerbaijan	No information provided.
Belarus	Rural household are not classified by socio-professional groups. They are classified by source of income (compensation for labour or pension) and by its size.
Bulgaria	N/A.
Canada	The identification of persons as farm operators on the Census of Agriculture provides the indicator for households or families as agricultural or non-agricultural.
Croatia	The household's main source of income or self-reported agricultural status of the head of household.
Georgia	No information provided.
Japan	Not used.
Kazakhstan	No information provided.
Kyrgyzstan	N/A.
New Zealand	N/A.
Norway	In the current statistics, (agricultural) households are not classified into socio-professional group
Republic of Korea	Main source of income of the household members.
Republic of Moldova	No information provided.
Romania	Households are grouped on the basis of the occupational status of the head of household (employee, employer, farmer, pensioner etc.).
Switzerland	No information provided.
The former Yugoslav Republic of Macedonia	Split into agricultural, mixed or non-agricultural households depending on ownership of an agricultural holding: if all members exclusively work on the holding - agricultural; if some income derived from the holding (includes income from leasing of holding) - mixed; if household does not own an agricultural holding - non-agricultural.
Turkey	No information provided.
Turkmenistan	In sample surveys of household budgets in both urban and rural areas, households are not categorized by social and occupational group.
Ukraine	Household are presently classified only by social characteristics of the household (size and composition) but there are plans to group data according to the main income source of household
United States of America	Data on sources of income or gross sales.

Source: UNECE survey on agricultural household income statistics.

Table 13

Mechanisms used to introduce short-term stability in numbers of agricultural households

Country	Mechanisms used	Information from IAHS document
Austria	Results calculated per holding, not grossed up.	Not yet applicable.
Belgium	Main occupation classification system. Household numbers taken each year from the agricultural census. Numbers of household members for 1987 calculated on the basis of fiscal statistics and extrapolated according to the number of households.	No smoothing apart from the characteristics of the occupation system.
Denmark	Annual classification in income statistics records, but with some experimental averaging.	No regular smoothing.
Estonia	Not in use.	
Finland	Not in use.	
France	Main occupation classification system. Household numbers extrapolated from base years using the annual survey of employment.	Smoothed.
Germany	Numbers established in the five-yearly Income and Consumption Sample Survey, and extrapolated using the annual Microcensus.	Smoothed between base years.
Greece	Numbers taken from the Family Budget Surveys (1982, 1988) and interpolated and extrapolated.	Smoothed between base years.
Hungary	The use of average incomes over several years.	To be used in the future, at the moment there are data for one year.
Ireland	Results only calculated for base years of household budget survey.	Not yet applicable.
Italy	Numbers of households with head working as self-employed in agriculture are extracted from Labour Force Survey.	
Latvia	No information provided.	
Lithuania	Not in use.	
Luxembourg	Results only available for a single year.	Not yet applicable.
Netherlands	Appears to be reclassified annually in the SER according to the household's main source of income.	No smoothing apparently applied.
Poland	Not in use.	
Portugal	Main occupation classification system. Numbers taken from the General Population Census of 1981 and 1991, interpolated and extrapolated.	Smoothed between base years.
Slovakia	Not in use.	
Slovenia	Not in use.	
Spain	Numbers taken from the Family Budget Surveys (1980, 1990) and interpolated and extrapolated.	Smoothed between base years.
Sweden	No smoothing applied. Number of households taken from the Farm Register providing information on all households with an agricultural holding with more than 2,0 hectares of arable land.	
United Kingdom	Classification of cases by taxation authority is believed to take into consideration the normal income composition.	Informal smoothing, though subjective.

Source: UNECE survey on agricultural household income statistics.

Table 14

Mechanisms used to introduce short-term stability in numbers of agricultural households in non-EU countries

Country	Mechanisms used
Albania	No definition of agricultural household provided.
Andorra	Not applicable as no definition of agricultural household used.
Armenia	No definition of agricultural household provided.
Australia	Not applicable as no definition of agricultural household used.
Azerbaijan	No definition of agricultural household provided.
Belarus	Not applicable as no definition of agricultural household used.
Bulgaria	No such mechanism used.
Canada	?
Croatia	No information provided.
Georgia	No definition of agricultural household provided.
Japan	No such mechanism used.
Kazakhstan	No definition of agricultural household provided.
Kyrgyzstan	No such mechanism used.
New Zealand	No such mechanism used.
Norway	No such mechanism used.
Republic of Korea	No such mechanism used.
Republic of Moldova	No information provided.
Romania	No such mechanism used.
Switzerland	No information provided.
The former Yugoslav Republic of Macedonia	No such mechanism used.
Turkey	No information provided.
Turkmenistan	No such mechanism used.
Ukraine	No such mechanism used.
United States of America	No such mechanism used.

Source: UNECE survey on agricultural household income statistics.

Table 15

Equivalence scale used to give consumer units in EU countries

Country	Equivalence scale
Austria	Used, but scale not stated.
Belgium	Not used or reported.
Denmark	1st person in household including and above 17 years = 1, 2nd and following = 0.7, persons $\leq$ 17 years = 0.5. (Source: <i>OECD Standard</i>).
Estonia	The equivalence scale used in Estonia is 1: 0.8; 0.8.
Finland	Standard and modified OECD scale.
France	Reference person = 1, additional persons of 14 years and over = 0.7, children (less than 14 years old) = 0.5.
Germany	1st adult in household aged 14 years and above = 1, each additional adult = 0.7, children aged below 14 = 0.5. (Source: <i>SOEC request for Poverty Related Data, 1988, p.8</i>).
Greece	Head of household = 1.0; other members of 14 years and over = 0.7; members under 14 years = 0.5.
Hungary	Not yet calculated for agricultural households, but the same scale will be used as in the Household Budget Survey. The consumption unit factors applied by the Hungarian Central Statistical Office (Household Budget Survey) are the followings. In the households consisted of active earners and children: the first adult member of the household represent 1.00; any other adult household members = 0.75; the first child = 0.65; second child = 0.50; other children = 0.40 consumption unit. In case of inactive (pensioner) households (if no active earner among the household members) the first adult member represents 0.90, any other persons 0.65 consumption unit.
Ireland	Head of household = 1.0; other members of the household aged 14 years or over = 0.7; children under 14 years of age = 0.5.
Italy	Head of household = 1; other members of the household aged 15 years and over = 0.7; children less than 15 years old = 0.5.
Latvia	No information provided.
Lithuania	Not in use.
Luxembourg	Scale used by STATEC in family budget surveys. Men aged 14-59 = 1.0; women 14-59 = 0.8; men and women 60 years or over = 0.8; children under 2 = 0.2, 2 to 3 = 0.3, 4 to 5 = 0.4, 6 to 7 = 0.5, 8 to 9 = 0.6, 10 to 11 = 0.7, 12 to 13 = 0.8.
Netherlands	Used, but scale not stated.
Poland	The household budget survey results are published as average per capita data with no account for equivalence scales. The OECD equivalence scales is used for the analysis of poverty (based on HBS results).
Portugal	ILO scale. Head of household and other men aged 14-59 = 1; other women aged 14 and over, and men aged 60 and over = 0.8; children aged under 2 = 0.2, 2 and 3 = 0.3, 4 and 5 = 0.4, 6 and 7 = 0.5, 8 and 9 = 0.6, 10 and 11 = 0.7, 12 and 13 = 0.8.
Slovakia	No information provided.
Slovenia	Used a modified OECD scale, but modification not stated.
Spain	Head of household = 1.0; other persons over 14 years old = 0.7; other persons, or those of 14 years and under = 0.5 "Oxford" scale.
Sweden	Not in use.
United Kingdom	None used.

Source: UNECE survey on agricultural household income statistics.

Table 16

Equivalence scale used to give consumer units in non-EU countries

Country	The equivalence scale used to give consumer units
Albania	No information provided.
Andorra	No information provided.
Armenia	Adult man = 1.0; adult woman = 0.8; children under 15 = 0.5 (only used as alternative assessment).
Australia	No information provided.
Azerbaijan	OECD scale equivalence scale used.
Belarus	Head of household = 1.0; other adults = 0.75; children under 14 = 0.5.
Bulgaria	Not used.
Canada	Not used in the agriculture-population linkage database.
Croatia	Modified OECD scale; head of household = 1.0, other adults = 0.5, children = 0.3.
Georgia	Adult man 16 to 60 = 1.00; adolescent 7 to 16 = 1.00(?); pensioner age men 60 and over = 0.88; adult woman 16 to 55 = 0.84; pensioner age woman 55 and over = 0.76; pre-school age child 0 to 7 = 0.64.
Japan	None used.
Kazakhstan	Proposed equivalent scale for households for poverty line calculations: first adult = 1.00, all other members = 0.8 (1+(n-1)*0.8).
Kyrgyzstan	None used.
Mexico	None used.
New Zealand	The Revised Jensen Scale is used.*
Norway	Equivalence scales are normally used in analysis of household income.
Republic of Korea	None used.
Republic of Moldova	First adult in the household = 1.00; other adults = 0.70; children under 16 = 0.50.
Romania	None used.
Switzerland	No information provided.
The former Yugoslav Republic of Macedonia	None used.
Turkey	No information provided.
Turkmenistan	None used in the sample survey of household budgets.
Ukraine	Yes, in relation to poverty issues. First adult = 1.00, all other members including children = 0.70.
United States of America	Not estimated for farm household income measurement.

Source: UNECE survey on agricultural household income statistics.

Notes: * Jensen Equivalised Annual Household Income is a measure of household income which takes into account household composition. (Source:

http://www2.stats.govt.nz/domino/external/web/prod_serv.nsf/Response/Indicator+16:+Jensen+Equivalised+Annual+Household+Income).

Table 17

The basis of estimating the value of own consumption
(of agricultural and non-agricultural goods and services) in EU countries

Country	Basis of estimating the value of own consumption
Austria	
Belgium	Basis not clear. Prices and quantities provided by the Agricultural Economics Institute. Amounts produced by non-farmers from the family budgets survey. Prices the same as LEI data.
Denmark	In principle the sales value of the quantity consumed.
Estonia	Estimate provided by the respondent, at market prices.
Finland	Excluded from 2000 onwards.
France	The Preliminary Information section of the DTT (1990) states that own-consumed goods, as reported in the Family Budget Survey, are valued at market prices. The earlier TIAH report from France (1986) states that these correspond to producer prices, whereas a previous system used consumer prices.
Germany	At producer prices (as in national accounts). Various statistics used for this purpose, including income and consumption sample survey.
Greece	From Household Income (Family Budget) Survey. Agricultural goods valued at ex-farm prices: non-agricultural goods at basic prices.
Hungary	At average market prices.
Ireland	At retail prices in data source (Household Budget Survey), but revalued for the IAHS to farm-gate prices.
Italy	Included, but method of valuation not stated. Various statistics used for this purpose, including REA starting from 1999.
Latvia	No information provided.
Lithuania	Estimate provided by the respondent, at market (retail) prices.
Luxembourg	No details given.
Netherlands	At market prices.
Poland	At market prices.
Portugal	Not stated.
Slovakia	No information provided.
Slovenia	At market prices.
Spain	Self-supply and own-consumption cover goods only, not services. In 1980 only foodstuffs were included. Where goods have been included they have been valued at local retail market prices.
Sweden	At market prices.
United Kingdom	Tax rules apply: some forms of income in kind are subject to taxation, but coverage and valuation probably understates the true value.

Source: UNECE survey on agricultural household income statistics.

Table 18

The basis of estimating the value of own consumption
(of agricultural and non-agricultural goods and services) in non-EU countries

Country	Basis of estimating the value of own consumption
Albania	No information provided.
Andorra	No income statistics for agricultural households.
Armenia	Value of own consumption is estimated using the mean price at country level.
Australia	No information provided.
Azerbaijan	No information provided.
Belarus	The purchase price of similar goods sold on markets serve as the basis for estimating the value of own-consumption of agricultural goods.
Bulgaria	Value of own consumption is estimated from average weighted prices, calculated from prices of sales both within the agricultural sector and outside the agricultural sector (including direct export from agricultural producers - if any). Data are collected from the survey on economic accounts for agriculture.
Canada	Not used in the agriculture-population linkage database.
Croatia	The value of own-consumption is estimated on the basis of prices of similar goods sold on the regional market.
Georgia	Estimated in market prices.
Japan	Price of agricultural products is the farm gate price based on results of the 'Statistical survey on prices of agricultural products' carried out by the Statistics Department of the Ministry of Agriculture, Forestry and Fisheries.
Kazakhstan	Monetary estimate of consumption by household members of produce from private plots is made using the average prices of goods purchased in shops and on markets in the region (oblast).
Kyrgyzstan	N/A.
Mexico	Not applied. (?)
New Zealand	The value of own consumption is not estimated.
Norway	The value of home consumption of products produced on the holding is included in the tax return data. The values are based either on information reported by the holder or standard values stipulated by the Tax authorities.
Republic of Korea	The value of own-consumption is estimated based on market prices.
Republic of Moldova	The own consumption assessment is done on the basis of average buying prices for similar products in a certain area for the period of reference.
Romania	Lei (monetary) equivalent of own-consumption of food and non-food products (agricultural production, stocks from previous periods, labour, gifts, etc.) is calculated using the medium purchase prices of similar goods in the statistical regions in the reference month.
Switzerland	Income of the agriculture households sector activity removed from statistical programme in 2003.
The former Yugoslav Republic of Macedonia	The value of own-consumption is estimated using data from the survey on quantities of food consumed from own-production. The quantities are multiplied with average prices.
Turkey	No information provided on calculation but own consumption is included in the calculation of agricultural income in the Household Income and Consumption Expenditure Survey.
Turkmenistan	The value of food and non-food items received in kind is estimated using average purchase prices as calculated for each district.
Ukraine	The estimation of the consumed natural revenues is made using the average prices for purchasing the appropriate commodities in the reference period in trade outlets and markets of the given region.
United States of America	Estimates of the value of farm produced goods consumed on farms are self reported.

Source: UNECE survey on agricultural household income statistics.

Table 19

The basis of calculating the imputed rental value of own dwellings in EU countries

Country	
Austria	Not included.
Belgium	Included. Method not specified exactly. Calculations (as) for national accounts and tax data.
Denmark	A percentage of the value of the dwelling; normally considered to be below market value.
Estonia	Imputed rental value, if asked in Household Budget Survey (HBS), was determined by respondents. Because of low quality of the received answers this data were not published and questions were excluded from HBS 2003 questionnaire.
Finland	Included. Measured by the value of actual rents of similar dwellings.
France	Estimated on the basis of local values (actual rents paid by local households). These estimates are based on the characteristics of the dwellings and their locations.
Germany	Computed on the basis of the kind of rent payable per square metre for comparable rented dwellings. Characteristics of (agricultural) own used dwellings, such as surface area, level of fittings and age, are available from buildings and housing censuses, housing sample surveys and supplementary microcensus surveys.
Greece	In the Household Income (Family Budget) Survey (HIS) households are asked to estimate the rental value of their dwelling had it been rented out. Figures on combined real and imputed rents are taken from national accounts, the imputed part derived by applying HIS coefficients and distributed between agricultural and non-agricultural households.
Hungary	Not yet calculated in the IAHS statistics, but in the National accounts it is estimated on a cost basis.
Ireland	Not included. Crude calculations indicate that imputed rents represent on average about 7% of gross household income as measured in the Household Budget Survey.
Italy	Rental values of own dwellings are estimated on the basis of information provided from the household surveys. The values are then compared with the national accounts data (branch: hiring of factory premises).
Latvia	No information provided.
Lithuania	Self-estimated value of rental that a tenant would pay for the same accommodation.
Luxembourg	Imputed rental value of owned dwellings is measured by the value of actual rents of similar dwellings in the countryside, found by an annual survey of rents conducted by STATEC.
Netherlands	CBS (1985). Valued at the economic rentable value, i.e. based on the rental value of an economically equivalent dwelling in the rented sector. Earlier estimates were "according to tax guide-lines ("fiscal laws")."
Poland	In Household Budget Survey imputed rents are planned to estimate starting from 2005. In national accounts, beginning with data for 2003, imputed rental value of owner occupied dwellings is calculated by user cost method. Additionally data for years 1995-2002 have been recalculated using this new method. Shortly, user cost method consists in adding specific cost items like consumption of fixed capital, expenditures on maintenance and repair, taxes, net insurance premiums paid by owner occupants as well as some allowance for net operating surplus.
Portugal	Not stated.
Slovakia	No information provided.
Slovenia	The rental value of the own dwelling is determined by respondents. These data are used only at an aggregate level in the National Accounts.
Spain	A value is imputed similar to the rent which a household would have to pay for a dwelling like the one it occupies if it were a tenant.
Sweden	From income year 1999 an imputed rental value of owner dwellings has been calculated. The total imputed rental value according to National Accounts has been distributed to the households by the tax assessment value for small houses.
United Kingdom	Not included.

Source: UNECE survey on agricultural household income statistics.

Table 20

The basis of calculating the imputed rental value of own dwellings in non-EU countries

Country	
Albania	No information provided.
Andorra	No income statistics for agricultural households.
Armenia	No information provided.
Australia	No information provided.
Azerbaijan	No information provided.
Belarus	No imputation of owner occupied dwellings.
Bulgaria	No imputation of owner occupied dwellings.
Canada	Not used in the agriculture-population linkage database.
Croatia	The estimate is based on an estimate made by the reference person. They are asked in the survey to state the amount they would have to pay if they rented the same type of dwelling.
Georgia	No information provided.
Japan	Based on purchase value of own dwellings: value of own dwellings = present value - depreciation per year.
Kazakhstan	In SNA, the imputed value of housing services in owner-occupied dwellings is calculated on the basis of rentals paid for similar accommodation.
Kyrgyzstan	N/A.
Mexico	The estimate is based on an estimate made by the reference person. They are asked to state the amount they would have to pay/receive if they rented the same type of dwelling.
New Zealand	Imputed rental value of own dwellings is not calculated.
Norway	The value is included in the tax return data. In general, the calculated value is the gross rental value of a similar dwelling in the region concerned. Costs related to the dwelling are deductible. For all kinds of households, the stipulated taxation value of own dwelling is much lower than the real market value.
Republic of Korea	No imputation of owner occupied dwellings.
Republic of Moldova	No imputation of owner occupied dwellings.
Romania	No imputation of owner occupied dwellings.
Switzerland	Income of the agriculture households sector activity removed from statistical programme in 2003.
The former Yugoslav Republic of Macedonia	No imputation of owner occupied dwellings.
Turkey	No information provided.
Turkmenistan	No imputation of owner occupied dwellings.?
Ukraine	No imputation of owner occupied dwellings.
United States of America	USDA measures the rental value of operator dwelling by using direct reported values of the operator dwelling and rent to value ratios obtained from the U.S. Department of Commerce. The product of these two items gives a measure of gross space rent. Survey respondents report expenses on their dwellings except for depreciation which is imputed. Gross rents and expenses are used to calculate an estimate of net rent for operator dwellings.

Source: UNECE survey on agricultural household income statistics.

RESULTS OF UNECE SURVEY ON METHODOLOGIES USED FOR MEASURING AGRICULTURE HOUSEHOLD INCOME STATISTICS
IN UNECE/OECD MEMBER COUNTRIES

Table 21 (part 1)
Calculation of Net Disposable Income of Agriculture Households in EU-countries

	Austria (IAHS)	Belgium (IAHS)	Denmark (IAHS)	Estonia	Finland	France (IAHS)	Germany (IAHS)	Greece (IAHS)	Hungary	Ireland	Italy
Number of households	y ^{2a}	y	y	y	y	y	y	y	y	y	y
Number of persons		y	y	y	y	y	y	y	y	y	y
Number of consumer units			y	y	y	y	y	y		y	y
1 FROM INDEPENDENT ACTIVITY	y	y	y		y	y	y	y	y@	y	y
1a From independent agricultural activity									y@		
Net Operating Surplus		y	y	(y) and (*)				y	y@		y
Income	y			y		y	y			y	y
1b From independent non-agricultural activity					y				y@		
Net Operating Surplus		y	y	(y) and (*)				y	y@		y
Income	y			y		y	y			y	y
1c Net Operating Surplus from imputed rental value of owner-dwellings		y	y ⁱ	@	y	y	y	y			y
2 DEPENDENT ACTIVITY of which	y	y	y		y	y	y	y	y	y	y
2a Wages and salaries		y	y	y	y	*	y	y	y	y	
2b Employer's actual social contributions				(y) and (*)		*	y	y ⁱⁱ			
2c Imputed social contributions				(y) and (*)		*	y				
3 PROPERTY INCOME RECEIVED of which	*	y	y		y	y	y	y	y	y	y
3a Interest	?	y	*	y	y	y	*	y	y	*	
3b Dividends	?	*		y	y	y	*	y	y	*	
3c Withdrawals from quasi-corporations		*	*	(y) and (*)	*	*	(*)	*		*	
3d Property income attributed to insurance policy holders		y		(y) and (*)		y	*	*			
3e Rents on land and subsoil assets	*	*	*	y	*	y	*	y		*	
4 NON-LIFE INSURANCE CLAIMS		y				y	y	y			y
4a Claims on capital items		*		(y) and (*)		*					
4b Claims on personal accident		*		(y) and (*)		*					
5 SOCIAL BENEFITS received (other than social transfers in kind)	y	y	y	y	y	y	y	y	y	y	y
6 MISCELLANEOUS INWARD CURRENT TRANSFERS		y	y	y	y	y	y	y	y	y	y
7 CURRENT RECEIPTS Sum of 1-6	y	y	y	(y) and (*)	y		y	y	y		y
8 PROPERTY INCOME PAID of which	*	y	y		*	y	y	y		*	y
8a Interest on loans for		y	*		*	y		y			
(i) farming purposes		y	*	(y) and (*)	*	*	*	*		*	
(ii) purchase of agriculture land and		*	*	(y) and (*)	*	*	*	*			
(iii) other business purposes		*	*	(y) and (*)	*	*	*	*		*	
(iv) private and other credit		y	*	(y) and (*)			y	*		*	
8b Rents on		y			*	y	*	y		*	
(i) agricultural land and buildings		y	*	(y) and (*)	*	*	*	*		*	
(ii) other business land and buildings			*	(y) and (*)	*	*	*	*		*	
9 NET NON-LIFE INSURANCE PREMIUMS	*	y		(y) and (*)		*	y	y			y
10 CURRENT TAXES ON INCOMES AND WEALTH of which	y	y	y		y	y	y	y	y	y	y
10a on income		y		(y) and (*)	*	y	*	y	y	*	
10b on capital gains				(y) and (*)	*	y	*	*		*	
10c on capital or wealth				(y) and (*)	*	y	*	y		*	
10d on private use of vehicles etc.				-		y	*	y			

TABLE TO BE CONTINUED ON THE NEXT PAGE

Table 21 (part 1 concluded)

Calculation of Net Disposable Income of Agriculture Households in EU-countries

	Austria (IAHS)	Belgium (IAHS)	Denmark (IAHS)	Estonia	Finland	France (IAHS)	Germany (IAHS)	Greece (IAHS)	Hungary	Ireland	Italy
11 SOCIAL CONTRIBUTIONS of which	y	y	y		y	*	y	y	y	y	y
11a Actual		y			y	*	y	y	y	y	
(i) employers' actual social contributions				(y) and (*)		*	y	* ⁱⁱ			
(ii) employees' social contributions				(y) and (*)	y	*	y	*		*	
(iii) by self-employed and non-employed	y	y		(y) and (*)		*	y	*		*	
11b Imputed				y		*	y	y ⁱⁱ			
12 MISCELLANEOUS OUTGOING CURRENT TRANSFERS of which		y			*	*	y	y		y	y
12a to NPISHs				@		*	*	y		*	
12b between households		y		y	*	*	*	y			
12c other		y		y		y	*	y		(*)	
13 NET DISPOSABLE INCOME (7 minus 8-12) OR ANOTHER DEFINED CONCEPT	y	y	y	(y) and (*)	y	y	y	y		y	y
14 SOCIAL TRANSFERS IN KIND				(y) and (*)							
15 NET ADJUSTED DISPOSABLE INCOME				(y) and (*)							

Source: UNECE survey on agriculture household income.

Notes: y = yes, explicit data; * = implied data covered elsewhere; (y) and (*) = covered in part; @ = gross of capital consumption.

Table 21 (part 2)

Calculation of Net Disposable Income of Agriculture Households in EU-countries

	Luxemb. (IAHS)	Latvia	Lithuania	Nether- lands	Poland	Portugal (IAHS)	Slovakia - no info	Slovenia	Spain (IAHS)	Sweden	United Kingdom
Number of households	y	y	y	y		y			y	y	y
Number of persons	y	y	y	y		y			y	y	
Number of consumer units	y			y		y			y		
1 FROM INDEPENDENT ACTIVITY	y	y		y		y		y	y	y	y
1a From independent agricultural activity		y	y					y			
Net Operating Surplus	y	y	y	y	-	*(@)			y		
Income		y	y		y					*	y
1b From independent non-agricultural activity			y					y			
Net Operating Surplus	y		y	y	-	*(@)		y	*		
Income		y	y		y					*	y
1c Net Operating Surplus from imputed rental value of owner-dwellings	y	y		y	-	y		y	y	y	
2 DEPENDENT ACTIVITY of which	y	y		y		y			y	y	y
2a Wages and salaries		y	y	y	y			y	y	y	y
2b Employer's actual social contributions			*	y	-			y	y		
2c Imputed social contributions				*	-				y	y	
3 PROPERTY INCOME RECEIVED of which	y	y		y		y			y	y	y
3a Interest	y	y	(y) and (*)	y	y			y	y		*
3b Dividends	y	y	y	y	y			y	*		*
3c Withdrawals from quasi-corporations					y				*		
3d Property income attributed to insurance policy holders					-			*	y		
3e Rents on land and subsoil assets	y	y	y	*	y			y	y		*
4 NON-LIFE INSURANCE CLAIMS	y					y			y	(*)	
4a Claims on capital items	y				y			*			
4b Claims on personal accident	y		y		y			*			*
5 SOCIAL BENEFITS received (other than social transfers in kind)	y		y	y	y	y		y	y	y	(y)
6 MISCELLANEOUS INWARD CURRENT TRANSFERS			y	y	y	y		*	y	(*)	
7 CURRENT RECEIPTS Sum of 1-6	y		y	y		y			y	y	y
8 PROPERTY INCOME PAID of which	y	y		y		y			y	y	*
8a Interest on loans for				y					y		
(i) farming purposes	y	y	(y) and (*)	*	-			y	*		y
(ii) purchase of agriculture land and buildings		y		*	-				*		*
(iii) other business purposes		y		*	-			y	*		*
(iv) private and other credit	y			*	-			y	*		
8b Rents on				y							
(i) agricultural land and buildings	y	y	y	*	-			y			y
(ii) other business land and buildings				*							*
9 NET NON-LIFE INSURANCE PREMIUMS	y					y			y	(*)	
10 CURRENT TAXES ON INCOMES AND WEALTH of which	y			y		y			y	y	
10a on income	y		y	y	-	*		y	*		
10b on capital gains					-			y	*		
10c on capital or wealth	y			y	y	*			y		
10d on private use of vehicles etc.	y			*	y				y		

TABLE TO BE CONTINUED ON THE NEXT PAGE

RESULTS OF UNECE SURVEY ON METHODOLOGIES USED FOR MEASURING AGRICULTURE HOUSEHOLD INCOME STATISTICS
IN UNECE/OECD MEMBER COUNTRIES

Table 21 (part 2 concluded)

Calculation of Net Disposable Income of Agriculture Households in EU-countries

		Luxemb. (IAHS)	Latvia	Lithuania	Nether- lands	Poland	Portugal (IAHS)	Slovakia - no info	Slovenia	Spain (IAHS)	Sweden	United Kingdom
11	SOCIAL CONTRIBUTIONS of which	y		y	y		y			y	y	
11a	Actual	y		y	*					y		
	(i) employers' actual social contributions			(y) and (*)	*	-			y	y		
	(ii) employees' social contributions				*	-				y		
	(iii) by self-employed and non-employed persons			(y) and (*)	*	-			y	y		
11b	Imputed				*	-				y		
12	MISCELLANEOUS OUTGOING CURRENT TRANSFERS of which	y		y	y		y			y	(y)	
12a	to NPISHs				*	y				y		
12b	between households			(y) and (*)	y	y			y	y		
12c	other	y		y	y	y				y		
13	NET DISPOSABLE INCOME (7 minus 8-12) OR ANOTHER DEFINED CONCEPT	y		y	y	7- (8b+10cd +12)	y			y	y	
14	SOCIAL TRANSFERS IN KIND			(y) and (*)		-			*	y		
15	NET ADJUSTED DISPOSABLE INCOME			y		-				y		

Source: UNECE survey on agriculture household income.

Notes: y = yes, explicit data; * = implied data covered elsewhere; (y) and (*) = covered in part; @ = gross of capital consumption.

Table 22 (part 1)
Calculation of Net Disposable Income of Agriculture Households in non-EU countries

		Albania	Andorra	Armenia	Australia	Azerbaijan	Belarus	Bulgaria	Canada 1/	Croatia
	Number of households	y	n/a	n/a	y	y	y	y	y	y
	Number of persons	y	n/a	n/a	y	y	y	y	y	y
	Number of consumer units	y	n/a	n/a		y	y			(y) and (*)
1	FROM INDEPENDENT ACTIVITY	(y) and (*)	n/a	n/a						
1a	From independent agricultural activity		n/a	n/a		y		y		
	Net Operating Surplus		n/a	n/a		@		y	y	y
	Income		n/a	n/a	1/	y		y		y
1b	From independent non-agricultural activity		n/a	n/a		y		y		
	Net Operating Surplus		n/a	n/a		@		-	y	y
	Income		n/a	n/a	2/	y		-		y
1c	Net Operating Surplus from imputed rental value of owner-dwellings		n/a	n/a		@				
2	DEPENDENT ACTIVITY of which	(y) and (*)	n/a	n/a						*
2a	Wages and salaries	(y) and (*)	n/a	n/a	y	y	y	y	y	*
2b	Employer's actual social contributions	(y) and (*)	n/a	n/a		y		y		*
2c	Imputed social contributions		n/a	n/a		y		-		*
3	PROPERTY INCOME RECEIVED of which	*	n/a	n/a				y	y	
3a	Interest		n/a	n/a	y	y	y	y	y	*
3b	Dividends		n/a	n/a	y	y	y	y	y	*
3c	Withdrawals from quasi-corporations		n/a	n/a	*	@		-	y	*
3d	Property income attributed to insurance policy holders		n/a	n/a		y		y	y	*
3e	Rents on land and subsoil assets		n/a	n/a	*	y		y	y	*
4	NON-LIFE INSURANCE CLAIMS	*	n/a	n/a				y		
4a	Claims on capital items		n/a	n/a		@		y		*
4b	Claims on personal accident		n/a	n/a		@		y		*
5	SOCIAL BENEFITS received (other than social transfers in kind)	(y) and (*)	n/a	n/a	y	y	y	y	y	(y) and (*)
6	MISCELLANEOUS INWARD CURRENT TRANSFERS	(*)	n/a	n/a	y	y	y	y		*
7	CURRENT RECEIPTS Sum of 1-6	(*)	n/a	n/a		y		y		
8	PROPERTY INCOME PAID of which	(*)	n/a	n/a				y		
8a	Interest on loans for		n/a	n/a		y		y		
	(i) farming purposes		n/a	n/a		@			y 2/	*
	(ii) purchase of agriculture land and		n/a	n/a		@			y 2/	*
	(iii) other business purposes		n/a	n/a		@			y 2/	*
	(iv) private and other credit		n/a	n/a		@			y 2/	*
8b	Rents on	(*)	n/a	n/a				-		
	(i) agricultural land and buildings	n/a	n/a		y		y	y	*	
	(ii) other business land and buildings	n/a	n/a		y				*	

TABLE TO BE CONTINUED ON THE NEXT PAGE

RESULTS OF UNECE SURVEY ON METHODOLOGIES USED FOR MEASURING AGRICULTURE HOUSEHOLD INCOME STATISTICS
IN UNECE/OECD MEMBER COUNTRIES

Table 22 (part 1 concluded)

Calculation of Net Disposable Income of Agriculture Households in non-EU countries

		Albania	Andorra	Armenia	Australia	Azer- baijan	Belarus	Bulgaria	Canada 1/	Croatia
9	NET NON-LIFE INSURANCE PREMIUMS	(*)	n/a	n/a		y		y		*
10	CURRENT TAXES ON INCOMES AND WEALTH of which	(*)	n/a	n/a		y		y		
10a	on income		n/a	n/a	y (imputed)	y		y		y
10b	on capital gains		n/a	n/a		@		-		*
10c	on capital or wealth		n/a	n/a		@		y		y
10d	on private use of vehicles etc.		n/a	n/a		@		-		y
11	SOCIAL CONTRIBUTIONS of which	(*)	n/a	n/a				y		
11a	Actual		n/a	n/a		@		-		
	(i) employers' actual social contributions		n/a	n/a		@				*
	(ii) employees' social contributions		n/a	n/a		@				*
	(iii) by self-employed and non-employed		n/a	n/a		@				*
11b	Imputed		n/a	n/a		@		-		*
12	MISCELLANEOUS OUTGOING CURRENT TRANSFERS of which	(*)	n/a	n/a		@		y		
12a	to NPISHs		n/a	n/a		@		-		*
12b	between households		n/a	n/a		y	y	-		*
12c	other		n/a	n/a		y		-		*
13	NET DISPOSABLE INCOME (7 minus 8-12) OR ANOTHER DEFINED CONCEPT	(*)	n/a	n/a		y		y		
14	SOCIAL TRANSFERS IN KIND	(*)	n/a	n/a	y (imputed for HIES only)	y	y	y		(y) and (*)
15	NET ADJUSTED DISPOSABLE INCOME	(*)	n/a	n/a		@		y		

Source: UNECE survey on agriculture household income.

Australia: 1/ Number of consumer units could be calculated but isn't.

Australia: 2/ Income from independent activity – income from unincorporated business (including sole traders and partnerships) is measured in the survey as the profit or loss of the business. Profit/loss consists of the value of gross output of the enterprise after the deduction of operating expenses (including depreciation). This income is not able to be split by whether it relates to agricultural or non agricultural activity.

Canada: 1/ Data in the table is based on the Census of Agriculture. A separate table is available with information on income from all data sources in Canada.

Canada: 2/ Property income received and interest loans as a group not individually.

Croatia: There is no income data classified by the socio-economic type of the household.

Notes: y = yes, explicit data; * = implied data covered elsewhere; (y) and (*) = covered in part; @ = gross of capital consumption.

Table 22 (part 2)
Calculation of Net Disposable Income of Agriculture Households in non-EU countries

		Georgia 1/	Japan	Kazakh- stan	Kyrgyz- stan	Mexico	New Zealand	Norway	Republic of Korea
	Number of households	y	n	n/a	y	y	y		y
	Number of persons	y	n	n/a	y	y	y		y
	Number of consumer units	y	n	n/a		y			n
1	FROM INDEPENDENT ACTIVITY			n/a				y	y
1a	From independent agricultural activity			n/a		y		y	y
	Net Operating Surplus		y	n/a		y*	y* 1/	y	y
	Income	y	y	n/a		y		y	y
1b	From independent non-agricultural activity			n/a		y		y	y
	Net Operating Surplus		y	n/a		y*	y*	y	y
	Income	y	y	n/a		y		y	y
1c	Net Operating Surplus from imputed rental value of owner-dwellings		y	n/a		y		(y) and (*)	n
2	DEPENDENT ACTIVITY of which			n/a					(y) and (*)
2a	Wages and salaries	y	y	n/a		y	y	y	y
2b	Employer's actual social contributions		y	n/a		y*			n
2c	Imputed social contributions		y	n/a		y*			n
3	PROPERTY INCOME RECEIVED of which	y		n/a					y
3a	Interest		y	n/a		y	y	y	y
3b	Dividends		y	n/a		y	y	y	y
3c	Withdrawals from quasi-corporations		y	n/a		y	(y)	y	n
3d	Property income attributed to insurance policy holders		y	n/a		y		y	n
3e	Rents on land and subsoil assets		y	n/a		y	y		(y) and (*)
4	NON-LIFE INSURANCE CLAIMS			n/a					(y) and (*)
4a	Claims on capital items		y	n/a		y			n
4b	Claims on personal accident		y	n/a		y			y
5	SOCIAL BENEFITS received (other than social transfers in kind)	y	y	n/a		y	y	y	y
6	MISCELLANEOUS INWARD CURRENT TRANSFERS	y	y	n/a		y	y	y	y
7	CURRENT RECEIPTS Sum of 1-6		y	n/a		y	y (except 4)	y	(y) and (*)
8	PROPERTY INCOME PAID of which			n/a					y
8a	Interest on loans for			n/a			y 2/	y	y
	(i) farming purposes		y	n/a		y		*	y
	(ii) purchase of agriculture land and buildings		y	n/a		y		*	y
	(iii) other business purposes		y	n/a		y		*	y
	(iv) private and other credit		y	n/a		y		*	y
8b	Rents on			n/a			y		(y) and (*)
	(i) agricultural land and buildings		y	n/a		y			(y) and (*)
	(ii) other business land and buildings		y	n/a		y			(y) and (*)

TABLE TO BE CONTINUED ON THE NEXT PAGE

Table 22 (part 2 concluded)

Calculation of Net Disposable Income of Agriculture Households in non-EU countries

		Georgia 1/	Japan	Kazakh- stan	Kyrgyz- stan	Mexico	New Zealand	Norway	Republic of Korea
9	NET NON-LIFE INSURANCE PREMIUMS		y	n/a			y 3/		y
10	CURRENT TAXES ON INCOMES AND WEALTH of which			n/a				y	(y) and (*)
10a	on income		y	n/a			y	y	(y) and (*)
10b	on capital gains		y	n/a				*	(y) and (*)
10c	on capital or wealth		y	n/a		y*		y	(y) and (*)
10d	on private use of vehicles etc.		y	n/a		y		*	(y) and (*)
11	SOCIAL CONTRIBUTIONS of which			n/a					n
11a	Actual			n/a					n
	(i) employers' actual social contributions		y	n/a		y*			n
	(ii) employees' social contributions		y	n/a					n
	(iii) by self-employed and non-employed persons		y	n/a				y	n
11b	Imputed		y	n/a		y*			n
12	MISCELLANEOUS OUTGOING CURRENT TRANSFERS of which			n/a					(y) and (*)
12a	to NPISHs		?	n/a		y			n
12b	between households		y	n/a		y		y	(y) and (*)
12c	other		y	n/a		y			(y) and (*)
13	NET DISPOSABLE INCOME (7 minus 8-12) OR ANOTHER DEFINED CONCEPT		y	n/a		y*	y (7 minus 10a)	y	n
14	SOCIAL TRANSFERS IN KIND		y	n/a		y			n
15	NET ADJUSTED DISPOSABLE INCOME		y	n/a		y			n

Source: UNECE survey on agriculture household income.

Georgia : Information not provided in this form but information taken from a different table which was provided.

Kazakhstan : Data for money incomes being of low quality, the level of incomes has therefore been evaluated since 2001 on the basis of expenditure on consumption plus a monetary estimate of consumption by household members of produce from private plots.

Kyrgyzstan : Net disposable income not calculated.

New Zealand : 1/ Net operating surplus doesn't differentiate between agricultural and non-agricultural activity.

New Zealand : 2/ Interest on loans and rents are classified as expenditure.

New Zealand : 3/ Insurance premiums are estimated.

Republic of Korea : Disposable income = Farm household income - non consumption expenditures (taxes & dues, remittance by family, other cash and gift donation, etc).

Notes: y = yes, explicit data; * = implied data covered elsewhere; (y) and (*) = covered in part; @ = gross of capital consumption.

Table 22 (part 3)
Calculation of Net Disposable Income of Agriculture Households in non-EU countries

		Republic of Moldova	Romania	Switzer- land	The former Yugoslav Rep. of Macedonia	Turkey	Turkmen istan	Ukraine	United States of America
	Number of households	y	y	n/a	y	n/a	y	y	y
	Number of persons	y	y	n/a	y	n/a	y	y	y
	Number of consumer units	y	n	n/a		n/a		y	not calculated
1	FROM INDEPENDENT ACTIVITY			n/a	y	n/a		y	y
1a	From independent agricultural activity	y		n/a	y	n/a	y		y
	Net Operating Surplus	y	n	n/a		n/a			y
	Income	n	y	n/a		n/a	y	y	y
1b	From independent non-agricultural activity	y		n/a		n/a	y	y	
	Net Operating Surplus	y	n	n/a		n/a			
	Income	n	y	n/a		n/a	y	y	y
1c	Net Operating Surplus from imputed rental value of owner-dwellings	n	n	n/a		n/a		n	y
2	DEPENDENT ACTIVITY of which		y	n/a	y	n/a			y
2a	Wages and salaries	y	y	n/a	y	n/a	y	y	y
2b	Employer's actual social contributions	n	n	n/a		n/a		?	
2c	Imputed social contributions	n	n	n/a		n/a	y		
3	PROPERTY INCOME RECEIVED of which	y	y	n/a	y	n/a			y
3a	Interest	y	y	n/a		n/a	y	y	y
3b	Dividends	y	y	n/a	y	n/a	y	y	y
3c	Withdrawals from quasi-corporations	n	n	n/a		n/a			
3d	Property income attributed to insurance policy holders	n	y	n/a		n/a	y		
3e	Rents on land and subsoil assets	y	y	n/a	y	n/a	y	y	y
4	NON-LIFE INSURANCE CLAIMS	n	1/	n/a	y	n/a	y		
4a	Claims on capital items	n		n/a	y	n/a			
4b	Claims on personal accident	n		n/a	y	n/a			
5	SOCIAL BENEFITS received (other than social transfers in kind)	y	y	n/a	y	n/a	(y) and (*)	y	
6	MISCELLANEOUS INWARD CURRENT TRANSFERS	y	2/	n/a	y	n/a		y	y
7	CURRENT RECEIPTS Sum of 1-6	*		n/a	y	n/a		y	y
8	PROPERTY INCOME PAID of which	*		n/a		n/a			y
8a	Interest on loans for	*	3/	n/a		n/a			
	(i) farming purposes	*		n/a		n/a			y
	(ii) purchase of agriculture land and buildings	*	n	n/a		n/a	y		y
	(iii) other business purposes	*	4/	n/a		n/a			y
	(iv) private and other credit	*	y	n/a		n/a	y		
8b	Rents on	n		n/a		n/a			
	(i) agricultural land and buildings	n	y	n/a		n/a	(y) and (*)		y
	(ii) other business land and buildings	n	y	n/a		n/a	(y) and (*)		

TABLE TO BE CONTINUED ON THE NEXT PAGE

Table 22 (part 3 concluded)

Calculation of Net Disposable Income of Agriculture Households in non-EU countries

		Republic of Moldova	Romania	Switzer- land	The former Yugoslav Rep. of Macedonia	Turkey	Turkme- nistan	Ukraine	United States of America
9	NET NON-LIFE INSURANCE PREMIUMS	n	y	n/a		n/a			
10	CURRENT TAXES ON INCOMES AND WEALTH of which	n	n	n/a		n/a			
10a	on income	n		n/a		n/a	y		
10b	on capital gains	-		n/a		n/a			
10c	on capital or wealth	-	n	n/a		n/a			
10d	on private use of vehicles etc.	-	y	n/a		n/a	(y) and (*)		
11	SOCIAL CONTRIBUTIONS of which	-	y	n/a		n/a			
11a	Actual	-	n	n/a		n/a			
	(i) employers' actual social contributions	-		n/a		n/a			
	(ii) employees' social contributions	-		n/a		n/a			
	(iii) by self-employed and non-employed persons	-	y	n/a		n/a			
11b	Imputed	-		n/a		n/a			
12	MISCELLANEOUS OUTGOING CURRENT TRANSFERS of which	y		n/a		n/a			
12a	to NPISHs	n	5/	n/a		n/a			
12b	between households	y		n/a		n/a		?	
12c	other			n/a		n/a		?	
13	NET DISPOSABLE INCOME (7 minus 8-12) OR ANOTHER DEFINED CONCEPT	y		n/a	y	n/a			
14	SOCIAL TRANSFERS IN KIND	-		n/a	y	n/a	y		
15	NET ADJUSTED DISPOSABLE INCOME	y		n/a		n/a			

Source: UNECE survey on agriculture household income.

Romania : 1/ Sums cashed as compensation within the insurance for goods and persons.

Romania : 2/ Amounts received from persons outside the household and amounts received monthly from non-profit societies.

Romania : 3/ The payment of interest for loans taken for own dwellings, loans from banks and from the 'Mutual Benefit fund', from credit co-ops, loans from private people or economic agents etc.

Romania : 4/ Payment of rent for buildings rented from the state, payment of rent for furnished and non-furnished dwellings.

Romania : 5/ Equivalent value of in-kind income obtained by employees, equivalent value of in-kind incomes obtained by beneficiaries of social benefit allowances.

Switzerland : Income of the agriculture households sector activity removed from statistical programme in 2003.

United States: Number of consumer units could be calculated but isn't.

Notes: y = yes, explicit data; * = implied data covered elsewhere; (y) and (*) = covered in part; @ = gross of capital consumption.

ANNEX 10

FROM AGRICULTURAL TO RURAL STANDARD OF LIVING SURVEYS

In recent years there has been a progressive shift in interest of both of the academic community and policymakers from narrow agricultural support policies to wider rural development policies. This change has prompted a rethink of the data needed to assess the socio-economic impact of the new rural policy programs and to monitor the living standard of the rural population.

(i) The statistical data presently available

The statistical information presently available is not very helpful for assessing the socio-economic impact of these new rural policy programs. Graph 1 depicts the portion of the “rural living standard space” covered by the different kinds of surveys that are currently undertaken.

The traditional *agricultural surveys*, such as the FADN/RICA, usually provide only the information needed to capture the economic impact of farm programs at the holding or at the sector level. In contrast, *farm business household surveys*, for example the ARMS of the USDA (see chapter XIV.1) as well as the Italian Ismea survey (see chapter XIV.2), provide the data needed to better understand agricultural household behaviour and to assess their welfare. Accordingly, they can be defined as *agricultural household standard of living surveys*. While these kinds of surveys represent an important advancement in terms of agricultural policy assessment, they are of little help in monitoring and analysing the well-being of the wider rural population. This is particularly true in the industrialized countries, where the agricultural population constitutes only a small subset of the entire rural population.

Household budget surveys and *living conditions surveys*, for example the EU-SILC, collect data on the household income of the whole rural population, including both the agricultural and non-agricultural population. As a consequence, these surveys can be used to monitor the overall standard of living in rural areas.

However, there are some problems with these surveys. A first problem is that the agricultural subsample is often too small to be statistically significant (see Annex on UNECE survey). A second problem stems from the kind of information they provide: for example, living conditions surveys do not collect data on consumption. In addition, both living condition and consumption surveys do not usually collect data on farm and non-farm businesses that are run by households. As a consequence, their contribution to setting policy goals and priorities and to the evaluation of policy programmes is insufficient due to lack of some of the information needed to model household behaviour.

The most comprehensive survey presently in use is the one proposed by the *Living Standards Measurement Unit of the World Bank*. This survey collects data on the socio-economic condition of households, the business run by the household and the socio-economic environment within which the household operates.

(ii) The Living Standards Measurement surveys of the World Bank

The long-term experience that the Living Standards Measurement (LSM) Unit of the World Bank has in the design of surveys aimed at measuring the living standards of both the urban and rural population represents a valuable learning opportunity. The objective of the LSM Unit, originally established by the World Bank in 1980, was to develop new methods for monitoring progress in raising levels of living, to

identify the consequences for households of current and proposed government policies, and to improve communications between survey statisticians, analysts, and policymakers in order to explore ways of improving the type and quality of household data collected by government statistical offices in developing countries (Grosh and Glewwe, 1995). Given the economic environment of the less developed countries, the surveys produced by the LSM Unit are especially concerned with the problems of rural communities and are therefore especially important.

To collect data on many dimensions of household well-being, including consumption, income, savings, employment, health, education, fertility, nutrition, housing and migration the LSMS surveys make usually use of three different kinds of questionnaires.

The first of these questionnaires are *household questionnaires*. These collect detailed information on the household members. Because economic welfare is traditionally deduced from consumption data, the measurement of consumption is usually strongly emphasized. A wide range of income information, such as wages or in kind compensation from principal as well as secondary jobs, is also collected. In addition, agriculture and small enterprise modules are designed to yield estimates of net household income from these activities. Data on other sources of miscellaneous income, such as private or public transfers, are also collected.

In order to limit the length of the household questionnaire a second questionnaire, the *community questionnaire*, is used to obtain information on local conditions that are common to all households in the area. Community questionnaires are normally used only in rural areas, where local communities are easier to define than in urban areas. Key community leaders and groups are asked to give information on the location and quality of health facilities and schools, the condition of local infrastructure such as roads, sources of fuel and water, availability of electricity, means of communication and agricultural conditions and practices.

In countries in which prices vary considerably among regions, a *price questionnaire* is used to gather information on the prices that households are faced with in practice.

A fourth type of questionnaire, the *Special Facility Questionnaires* on schools or health facilities, is sometimes used as well.

(iii) A prototypical rural living standard survey

In order to assess the impact of policy programmes on the standards of living of rural households a new kind of survey has to be designed. This survey has to collect detailed information on both agricultural and non-agricultural household enterprises, as well as on the whole socio-economic environment in rural areas.

Figure 1 demonstrates what kind of information is provided by the surveys that are presently available and how each contributes to the overall coverage needed to represent the socioeconomic dimension of rural space. It is easy to see that none of this surveys covers all the information needed: agricultural surveys such as FADN collect much information on the agricultural production process but not enough detailed information on the agricultural household and on other businesses run by households; the ARMS and Ismea surveys gather the information needed to assess the welfare position of agricultural households but none for all the other rural households; urban/rural surveys on living standards (LSMS) and living conditions (SILC) do not usually provide important information about farm and non-farm enterprises run by rural households.

It is clear that some linkage between these different surveys would provide comprehensive coverage of rural socio-economic conditions. In order to assess the overall welfare of rural households, the multitopic structure used by the LSMS can be integrated with modules providing information on:

- consumption of household members;
- time use of household members;
- real and financial wealth of the household;
- intra-household transfers;
- non-farm business run by the household
- environmental impact of the farm.

A prototypical rural living standard questionnaire, obtained by integrating the LSMS modules with those in use in the Ismea and ARMS surveys is presented in the first column of table 1.

References

Grosh, M. & Glewwe, P. (1996). "A Guide to Living Standards Surveys and Their Data Sets". LSMS Working Paper #120, The World Bank.

Table 1
A prototypical rural living standard questionnaire

	Rural	Rural/urban		Agricultural		
		LSMS	SILC	Ismea	ARMS	Rica/FADN
HOUSEHOLD MODULES						
DEMOGRAPHIC DATA	X	X	X	X	X	X
CHARACTERISTICS OF HOUSING	X	X	X	X		
EDUCATION	X	X		X	X	
HEALTH	X	X				
EMPLOYMENT	X	X	X		X	
TIME USE	X	X		X	X	
MIGRATION	X	X				
AGRICULTURAL ACTIVITIES	X	X		X	X	X
NON AGRICULTURAL HOUSEHOLD ENTERPRISE	X	X			X	
EXPENDITURE ON FOOD	X	X		X	X	
EXPENDITURE ON NON-FOOD	X	X		X	X	
FERTILITY	X	X				
OTHER INCOME	X	X	X	X	X	
SAVING AND BORROWING	X	X		X	X	
ANTHROPOMETRIC	X	X				
BEQUEST AND PREFERENCES ABOUT CHILDREN	X			X		
TECHNOLOGY AND ENVIRONMENT	X			X		
INTRA-HOUSEHOLD DECISIONS	X			X		
INTRA-HOUSEHOLD TRANSFERS	X			X		
COMMUNITY MODULES						
DEMOGRAPHIC INFORMATION	X	X				
ECONOMY AND INFRASTRUCTURE	X	X				
EDUCATION	X	X				
HEALTH	X	X				
AGRICULTURE	X	X				
PRICE MODULE						
	X	X				
SERVICES						
access, need, reason for not using, satisfaction, type use	X	X				

Figure 1

