POVERTY IN EUROPE

This review attempts to respond to the following questions: i) what are the main poverty indices in use? ii) where are the poor in Europe? iii) what are the specific needs of the poor in Europe? iv) which policies need to be put in place to address the needs of the poor? v) what is being done to address the needs of the poor at national and regional levels? vi) how does/can agricultural research and development address these concerns? vii) where are the gaps? viii) what are the global research challenges?

i). What are the main Poverty Indices
Despite the ambitious goals set by the Lisbon European Council of March 2000 and the subsequent efforts in this direction by the European Community and Member States, poverty is still significant in Europe. Compared with other regional reviews prepared for GCARD, ‘absolute’ levels of poverty are low in Europe with 37 countries out of 42 having less than 2% of the population living on less than 2 dollars a day. The countries with significant and persistent income poverty are in Eastern Europe - Romania, Moldova, Turkey, Albania and Kosovo. However, these national figures disguise the polarisation of poverty in the rural areas – particularly among smallholder farmers – (1). The relevance of absolute poverty has significantly increased with the recent enlargement of the EU that involved countries with a lower level of income. Rural poverty, and its relationship to the farming community, represents an important aspect of European poverty, considering that rural areas account for a large part of the territory and of the ca. 800 million population of the region. Nevertheless, rural areas and their agricultural, environmental and touristic contributions to development have been neglected in their specific features in the analysis of poverty; indeed, the awareness of European public opinion as well as the commitment of the public institutions to the problems of rural poverty is extremely weak (2), (3), (4). The future predictions for the poor are not good in Europe if they are linked to overall economic growth which is forecast to continue to decrease (by 50% over the next 20 years – from 5.5% in 2008 to 2.7% in 2030), - the largest regional decrease in the world (5).
Definitions of the term poor and poverty in Europe.

Absolute poverty per se is traditionally perceived to have 3 principal components: insufficient income, employment, and food. However, poverty is a complex topic which resonates around 7 other criteria captured by the Millennium Development Goals: education, gender equality, child mortality, maternal health, the ability to combat disease, the environment and global partnerships (6).

Other indicators of poverty are used in global discourses and these more sophisticated descriptors are occasionally reported in this document when recent data is available from the European area. Such indicators include: basic human needs such as access to food, water, shelter and clothing; the UN’s Human Development Index (HDI) which looks at quality of life factors including access to education, health systems and credit (38); others are human security indicators – whether people have the assets or skills to survive shocks such as poor rainfall; while others stress the importance of empowerment and participation in decision making, including the right to information and knowledge (7) (8) and (9). And in the agricultural context in Europe, there is a growing body which see poverty reduction not as an uniquely driven by economic parameters but equally or more importantly by an integrated system index whereby social and community indicators and the sustainability of the land and environment in which farmers operate are included – (10) and (11).

Food and Hunger. According to the International Convention on Economic and Social Rights, every human being has the right to adequate food and the fundamental right to be free from hunger. Realization of the right to food requires that every man, woman and child has a right to access at all times to adequate food or means for its procurement. Food, and means for its procurement should be affordable without needing to compromise the enjoyment of other human rights. Access to food also includes physical accessibility of food for vulnerable people, such as infants, elderly, persons with disability, etc. Adequate food means sufficient quantity and quality
to satisfy the dietary needs of individuals, free from adverse substances and acceptable within a given culture. In an European context, this is defined as ‘those who cannot afford a meal with meat, chicken or fish every second day.’

**Food poverty** Some 43 million people are thought to be at risk of food poverty in Europe. Aid is typically distributed to a wide range of people, including families in difficulties, the elderly, the homeless, the disabled and asylum seekers (8) and (9).

**Food prices in Europe.** The price of basic foods in Europe have been subject to a roller-coaster effect over the last 2 years as exemplified by the Graphs and Tables below (22)

**Graph 1**  
Annual rate of change in EU overall and food consumer prices (%)  

Source: Eurostat.
Price of Agricultural Commodities (22)

The continuous pronounced fall in the prices of major agricultural commodities decelerated in February 2009. While cereals, butter and poultry meat prices showed a slight increase in February 2009 as compared to January 2009, the quotations for skimmed milk powder, cheese (Edam), beef, and pig meat decreased (cf. Table 1). For several products, February 2009 price levels were still considerably below the levels observed during February 2008 eg. soft wheat (-46%), durum wheat (-52%), maize (-44%), barley (-47%), skimmed milk powder (-32%), butter (-31%), and cheese (-23%) (cf. Table 2). For cereals and dairy products, prices have now come back to levels comparable to or even lower than those reached before the start of the price surge (cf. Graphs A2 and A4 in annex), triggering the uptake of certain market support measures in the framework of the Common Agricultural Policy (export refunds, private and public storage in the dairy sector).

Consumer prices for food on the other hand still remained at rather high levels (cf. Graph A1 in annex). Food prices in February 2009 were 10.4% higher than in February 2007 and 3.4% higher than one year ago. Although food price inflation was around twice as high as the overall consumer price inflation (+5.3%) over the last two years, it fell on a monthly basis by 0.1% in February 2009 – see Table 4.
Graph A4  Dairy: EU agricultural market and consumer price developments
(Jan 1997 until Feb 2009, Jan 1997 = 100)

Table 4  Change in EU consumer prices for food (% February 2009 compared to February 2008)

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<th>Milk, cheese, eggs</th>
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Source: Eurostat. NB: The category "bread and cereals based products" includes rice in all forms, cereals in the form of grain, flour or meal, bread and other bakery products, pasta, couscous and other cereal preparations.
Graph A2  Cereals/bread and cereals based products: EU agricultural market and consumer price developments (Jan1997 until Feb2009, Jan 1997=100)

Source: AgriView, Eurostat.
Relative poverty index – an income poverty index

Poverty is measured by Eurostat (25) as a relative concept, with no reference to an EU benchmark. This is because minimal acceptable standards usually differ between societies according to their general level of prosperity - someone regarded as poor in a wealthy, developed country might be regarded as rich in a poor, developing country. Using this data from Eurostat, a first allocation of resources was carried out on the basis of the distribution of food aid to "poor people" in Europe, among the Member States that wanted to participate in the programme.

ii) Where are the poor in Europe?

a) Poverty in the EU

Income poverty The focus of policy attention across the EU so far as poverty and social exclusion are concerned tends to be on the relative number of people in each country with (equivalised) disposable income below 60% of the national median - the key Laeken indicator for the at-risk-of poverty rate. It is defined as “the share of persons with an equivalised disposable income below the risk-of-poverty threshold, which is set at 60% of the national median equivalised disposable income”). The rate of poverty varies between 10% and 23% in the countries of the European Union: with poverty being the lowest in the Czech Republic and the Netherlands, and the highest in Latvia (see Figure 1). Low levels of poverty characterize the Scandinavian countries, the so-called Corporatist countries (Austria, Germany), and the Czech Republic, Slovakia and Slovenia among the ex-Socialist countries. In contract, the risk of poverty tends to be relatively high in the Mediterranean and the Baltic states. Two thirds of the total poor population in the European
Union live in six countries: Germany, France, the United Kingdom, Italy, Poland and Spain. Among these, the rate of poverty is lower than the EU average in Germany and France.

Even if the "at risk of poverty rate" does not allow the most deprived people to be identified - but only the larger category of "income-poor people" – the EC considers that it currently represents the best way to allocate the available resources among Member States.

See Figures below for indicative poverty rates in Europe in 2006 (22).

**Figure 1**
At-risk-of-poverty rates across European countries

**Figure 2**
The size of the poor population and the poverty rate across European countries (bubbles showing the size of the poor population)

*Rural and urban poverty* The OECD (23) established a regional typology according to which regions have been classified as: Predominantly Rural (PR), Intermediate (IR) and Predominantly
Urban (PU). This typology is based on a combination of three criteria: first, it identifies rural communities according to population density; second, it calculates the percentage of the population of a region living in rural communities; third, it takes into account the presence of large urban centres in such a region.

Approximately 59% of the EU27 population live in rural (IR or PR) regions (1). GDP per head, is generally lower in rural than in urban areas. Even taking all the limitations of the GDP indicator into account, this evidence suggests the existence of a higher risk of poverty of rural areas as compared to urban ones. Data thus seem to show the presence of a phenomenon the authors call “poverty of rural areas”, i.e. people living in rural areas are at a disadvantage in comparison with those living in urban areas.

A survey of 8 different EU countries (24) indicated the following patterns: rural areas are characterized by a higher degree of income poverty with respect to urban areas in all countries for which such distinction is possible. The gap in poverty rates between rural and urban areas is larger in Eastern European countries than in Western countries. Moreover, in Eastern countries poverty is generally associated with difficulties in the agricultural sector. In Western countries, within rural areas, poverty is concentrated in remote regions and, in general, regions with accessibility problems.

**Employment poverty** The malaise of relative poverty is coupled with low employment in many EU countries, but particularly in some Mediterranean countries, where the level of unemployment benefits and social assistance are relatively low: in Greece, Italy, and Spain. It is less so in other countries like Portugal or Cyprus where the employment rates are above the EU average. Low employment, however, does not necessarily go together with high poverty levels. There is considerable variation among the New Member States which suffer from low employment: while poverty is high in Poland, it is at the EU average in Hungary, and it is low in Slovakia. Similarly, high levels of employment may go with either high or low levels of poverty. However, those countries which are “top performers” and have the highest levels of employment in the EU, tend to have low poverty levels as well, including Denmark, Netherlands and Sweden.

In all rural areas of NMS, the relevance of agriculture is still significant in terms of employment opportunities. Here, low incomes and seasonality of work represent important risks of poverty and social exclusion; moreover they are often important elements of intergenerational transmission of poverty, especially among farmers and agricultural workers. In perspective, seasonal workers may suffer exclusion because of the low pensions they receive when retiring eg in Greece, France, Italy, Spain (1)

In some Eastern countries (Poland, Bulgaria, Romania) the problem of farmers and agricultural workers is even more severe because of the transformation of agriculture from state to private farms. Problems of fragmentation of farms and small dimension of economic activities represent important determinants of poverty and exclusion for farmers and their families. However, in countries such as Bulgaria, the majority of very small-scale farmers are pensioners, or have other earning activity, and that may reduce their risk of poverty. Linked to the agricultural activity there is often, and especially in western countries, a large employment of immigrants. Mainly for
seasonal workers, there is a risk of illegal immigration often associated with very poor living condition, low salaries, and absence of any kind of insurance. Those problems are more severe in Southern countries, where the production of fruits and legumes has a strong seasonal cycle that requires a large amount of seasonal workers (Italy, Spain, Greece).

Migration. In NMS countries the exodus from rural to urban areas (especially the capital city) is a current phenomenon; moreover, migration abroad – notably of young people and women – have led to a general impoverishment of rural areas. The latter phenomenon is particularly acute in Bulgaria, Lithuania, Poland and Romania. There are ageing and gender disparities too. The feeling of remoteness in the rural areas is one of the drivers of urbanization since concentration of the main services in urban areas can impact on the quality of life of groups already at risk of social exclusion: health services for elderly or disabled, child care facilities for female workers, etc. The accessibility of schools is another important question for children and parents living in remote rural areas. Also poorer housing and access to transport –the latter increasing the distance from markets and, more generally, creating social isolation of some social groups. Access to quality ICT is also a concern of rural households: in most countries covered by the study, an important digital gap in rural areas is reported. For example, in Spain only 30% of rural households own a PC and a scarce 16% have access to the internet. ICT usage is generally higher in northern Member States, such as Norway, Ireland and the UK, than in most southern and eastern countries (Slovenia being a notable exception) for two main reasons: better physical infrastructure (e.g. broadband connections) and better educational levels. The diffusion of ICT is in general considered as an important tool for stimulating economic development and improving the functioning of economic activity and labour market. In some countries (e.g. France), a specific effort is planned to facilitate the appropriation of and the access to ICT in rural areas.

In Western EU countries, two large scale processes of demographic change are taking place and these need to be understood if the social and economic parameters of poverty are to be addressed: a long established “urbanization” trend drawing population out of more remote rural areas into urban and accessible rural areas, and a more recent “counter-urbanization” flow out of urban areas into accessible rural areas (made possible by new transport and ICT infrastructure) increasingly under pressure from an urbanized lifestyle. The latter phenomenon is particularly evident in the case of France and the UK. Moreover, there is an increasing weight of the so-called returning migrations, i.e, people who return to their home villages after a previous migration to urban areas or abroad.

Poverty and Farmers (1) In Partly Rural (PR) and exclusively rural (IR) areas, farms with very small economic size represent more than a third of total farms in most countries, the exceptions being Germany, France, Ireland, and Norway. Moreover, in Eastern countries semi-subsistence farms are predominant in Bulgaria, Hungary, Lithuania and Romania and very common in Poland. Economic farm sizes of < 2 ESU are common. (1 ESU (European Size Unit) = 1,200 € of Standard Gross Margin of the agricultural holding). The diffusion of very small or even semi-subsistence farms is a matter of serious concern because in most Eastern European and Mediterranean countries (Bulgaria, Lithuania, Romania, Greece, Italy, Portugal) less than 30% of farmers have other gainful activities which can top up the income received from agricultural activities (1). Diversified sources of income may indeed reduce the risk of poverty
among farmers. Therefore small farmers appear to be a specific group at risk of poverty and social exclusion in rural areas. Some specificities characterize Western and Eastern EU countries. In Western Europe, the presence of farmers as a specific group at risk can be explained by a conjunction of factors such as: a) the structural decline in the price of agricultural goods; b) the fact that, in most cases, farming remains a lifetime job. The reason may be strong individual preference for the agricultural lifestyle, but also the guaranteed minimum income provided by agricultural policies.

In NMS however, overdependence of rural areas on agriculture and lack of alternative employment are reported. Moreover, in countries such as Poland, Bulgaria, Lithuania and Romania agricultural productivity is often low, because it is influenced by an unfavourable investment environment, limited agricultural land market, poor technical and environmental status of water management systems (canals, drainage systems, hydraulic structures).The difficulties related to the process of economic transition still appear to be present. In Poland, the study identified ex-workers of the former state farms and their families as a specific at-risk-of-poverty group among rural populations. In Bulgaria, agriculture continues to suffer from a past legacy of central planning and state-ownership. In Lithuania, some former state farms and villages are still enclaves of deep and chronic poverty, while the majority of farms are facing difficulties in meeting EU environmental, hygiene and animal welfare standards. Finally, in Romania it has been observed that the areas where the state cooperative system was implemented through the expropriation of land from private owners are more deprived than the ones where private ownership was resisted.

**Education** The data show that the only countries with the share of poorly educated adults above 50% in PR areas are those located in the Mediterranean region (Greece, Italy, Spain and Portugal) —(1)

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**b) Poverty in the Transition States**

Many of the countries reviewed in this report are among those collectively known as the transition states. They were subject to the transition process that occurred in the former centrally planned economies of Central and Eastern Europe and the former Soviet Union at the turn of the 1990s. The economic collapse, privatization and the transformation processes in industry and services, the effects of EU accession, and the post-1998 recovery affected countries differently, and the poorest people were those who suffered most as a consequence. A relatively large literature has emerged on the changes and transformation of the agricultural sector and its consequences for output and productivity; see refs (26 - 34) for a survey of this literature. Interestingly however, little is reported about how all these changes have affected welfare, and in particular poverty, in rural areas. A large share of the population in transition countries lives and works in rural areas and the share is largest in the poorest countries. For example, in Central Asia and part of the Balkan countries, more than 50% of the people live in rural areas (eg in 2000, 58% of Albanians and 25% Czechs). In all transition countries, more than 25% of the population is rural; and an even larger share of the poor live in rural areas. Rural areas in the region, as in most of the rest of the world, have a disproportionate share of poor households. Only in a few countries is poverty risk less in rural areas than in urban areas.
The pre-1998 period was characterized by fundamental economic changes and a dramatic economic decline. In the rural areas, these were largely the result of reform policies such as agricultural price and trade liberalization, land privatization, and farm restructuring. After 1998, economies generally grew strongly in the region. While both rural and urban poverty declined significantly after 1998, rural poverty is not catching up and therefore grows in relative importance. Alam et al. (2005) analyzed the general poverty changes in the post-1998 period. They showed that poverty decreased after 1999 in almost all countries in the region and emphasized the crucial role of economic growth. The positive impact of growth on poverty reduction occurred through increases in wages, job creation, and both social and private transfers. Differences in land reform and farm restructuring, and the migration patterns triggered by those, can help explain why the rural-urban poverty gap is higher in some countries than in others. Differences in human capital and rural infrastructure and services also play a role. Headcount ratios based on 2000 PPP show that there is an enormous variation in rural poverty across the region, with rural headcounts ranging from 0.3% in Hungary to 27% in Albania. Absolute poverty levels largely correspond to differences in overall income levels between countries. Poverty is high in Central Asia and the Trans-Caucasus, and it is lowest in Central Europe. While comparative data are not available for the other higher-income countries in Central Europe (Czech Republic, Slovakia and Slovenia) data from previous studies based on the national poverty lines show very low levels of poverty (less than 3%) as early as 1996 (World Bank, 2000).

**Income poverty** in rural areas is significantly higher than in urban areas in the vast majority of transition countries. Intriguingly, several of the countries with the most extreme differences are Eastern European EU accession countries. Romania, Latvia, Lithuania, and Bulgaria, have the highest differences between rural and urban poverty risks. In those countries the ratio of rural on urban headcount is higher than 1.5, meaning that poverty risk is more than 50% higher in rural than in urban areas. In contrast, poverty is significantly lower in rural areas in Belarus and in two Trans-Caucasian countries (Armenia and Azerbaijan), and this finding is consistent across years and indicators. Rural and urban poverty are about the same in Bosnia&Herzegovina, Macedonia, Tajikistan, Hungary and Estonia.

**Agricultural reforms in the transition states** - Agricultural reforms are key to understanding rural poverty for several reasons. First, agriculture is a major income source and employs a large share of the rural population in most transition countries, and especially so in the poorest countries. For example, agriculture accounts for more than 40% of rural income and employs 40% or more of the total work force – and a much higher share of the rural workforce – in several countries in South Eastern Europe, the Caucasus and Central Asia. These are countries with high rural poverty rates. Second, in the countries where the share of agriculture in employment is (much) lower, the poorest are usually either directly or indirectly linked to agriculture, either because they are involved in subsistence farming and/or because they have been laid off by large farms and have not been able to find alternative employment. Third, collective and state farms were historically the suppliers of social services in rural areas, and continue to do so in some countries. Access to rural services is related to the restructuring of the farms. Reforms in agriculture include several factors, such as price and subsidy policy reforms, trade policy, land reforms, farm restructuring, privatization of agri-food companies, and liberalization of markets. These reforms have affected rural households in several ways: i) Agricultural production and food consumption were heavily subsidized under the communist system. Macro-economic reforms
coincided with price liberalization and subsidy cuts in the early years of transition. The result was major reductions in the support to agriculture and in food consumption subsidies. Reduced domestic demand with falling incomes and subsidy cuts was reinforced by falling foreign demand and increased import competition with trade liberalization.

c) **Poverty in Europe and Central Asia.**

This region has the highest income per capita among all developing regions. Levels of per capita income have been rising rapidly since 2004, and nearly doubled through 2004-2007. Since the beginning of the transition decade, when poverty rose in many countries in Europe and Central Asia, there has been a robust turnaround with all countries having begun to experience positive economic growth. This is likely to continue but at a more moderate pace than in recent years. While growth is leading to poverty reduction in some countries, either growth will need to accelerate or the degree to which the poor benefit from the growth will need to rise to boost prospects for meeting poverty reduction goals region-wide.

**HIV/AIDS** is a significant issue for Europe and Central Asia which is experiencing the world's fastest growing HIV epidemic. HIV prevalence rate for population ages 15-49 has nearly doubled between 2001 and 2007. Denial, stigma, and the institutional challenges of providing services to marginalized and vulnerable sub-populations jeopardize progress to combating HIV/AIDS in this region.

### iii) What are the specific needs of the poor in Europe?

Based on the texts referred to in the bibliography, these include:

**Cost of basic foodstuffs**  - rising food prices have led to sharp increases in the number of families in need, but surplus stocks of farm produce used in the past are now at an all-time low – thanks to the ongoing reform of the common agricultural policy.

**Migration and population decline**  – Growth rate in Europe’s (including the CIS’s) 800 million people is projected to decline between 2005 and 2015 to -0.2% - the lowest rate of growth in the world. Urban population will increase to 64% of total population, under 15s will decrease further to 17%, and total fertility (births/woman) will decline to 1.5% (cf 5.5% in Sub-Saharan Africa)

**Social exclusion**  - Marginalisation of the elderly and the young is the result of the interplay of various factors, rather than any single primary cause. In rural areas it is primarily a reflection of poverty through lack of access to economic resources and services. Limited access can prevent the elderly and the young from participating fully in social life or even from reaping the benefits of living in economies with highly developed welfare systems. Low levels of community-based care and assistance, either from health care providers or from family members - due to the effects of out-migration – can make things much worse. Pensions and social benefits are not able to guarantee a standard of life comparable to the national average: the data for their incomes and
expenditures, access to healthcare and services, etc. show a significant risk of social exclusion and lack of adequate social services in rural areas.

**Unemployment** - The malaise of high poverty is coupled with low employment in some Mediterranean countries, where the level of unemployment benefits and social assistance is relatively low: in Greece, Italy, and Spain. It is less so in others like Portugal or Cyprus where the employment rates are above the EU average. Employment opportunities in rural regions are becoming constantly and significantly worse than in urban regions. They show a clear improvement in PU regions, a weaker, but still positive effect on IR regions, and negative for the PR regions (1). The main risk to employment probably concerns labor market issues, namely the undeclared economy, which can be especially significant in areas where economic sectors characterized by strong seasonality and involving less qualified people are relevant. This is mainly the case of Mediterranean rural areas (Southern Italy, Spain, Greece), once traditional emigration areas, which have become a destination for a large number of immigrants during the last fifteen years.

iv) **Which policies need to be put in place to address the needs of poor farmers?**

**Political irrelevance** One the main obstacles faced by a strategy against rural poverty is the political irrelevance of the rural poor. In many western European countries, the small number of people involved in agriculture (less than 2% on average) mean they have no political clout – and policies focus on rural areas as opposed to the rural farmers. However, in Eastern Europe, the percentage of national populations employed in agriculture is much higher (on average 31%) – and in some countries like Albania and Romania, the values are 58% and 32% respectively, and so their views need to be considered more by the governments of the day. Political irrelevance issues are also driven by the fact that the rural poor are less organized than the urban poor, because of their geographical dispersion and because of the remoteness from the political and economic centres of the country: this makes their voice much weaker than that expressed by other groups or categories at risk of poverty. Also because of the stronger community and social links and dependencies which exist in the rural areas, particularly among the farming communities, there is a perception that it makes public support for the poor less necessary. These factors determine a lack of public awareness around the real understanding of rural poverty and the need to intervene to address it. This, in turn, reduces the political support for policy measures which could imply a possible redistribution of resources in favour of the rural poor. Unfortunately, in most European countries, the specific policies that can directly affect poverty do not have the rural poor as a target.

**Sector development policies** These policies are aimed at improving the conditions of particular sectors of the economy or at reducing disparities between regions. The EU’s Rural Development policy and those structural policies which promote regional development and cohesion are part of this framework. These policies can have important consequences for the economy of a rural area, and therefore in reducing the poverty of a region. They influence the general context within which the condition of the rural poor are defined.
**Research policies** There is also the issue of policies governing research process and targets. When conducting market research, researchers are encouraged to understand which human indicators the beneficiaries of such investments wish to improve – and not restrict the vision statement to commodity or productivity or income indicators; these may not automatically be beneficial to poor farmers. In many western European countries, indicators of successful agricultural research at the project level are normally increased production per unit hectare or per investment basis - say for milk, meat. These indices are in common use and it is expected that many of the research benefits accrued will be marketed through national public/private extension systems to commercial farmers and the extra income earned will go to improving the livelihoods of the farming community. However in poorer regions with semi-subsistence farming enterprises, such indices may well be irrelevant. The key appears to be in understanding the farmer – not the farm commodities.

**Barriers to inclusion** Some successful EU policy interventions in remote rural areas involve specific measures that have been implemented to address the barriers to inclusion and job opportunities arising from lack of ICT in rural areas.

v) **What is being done to address the concerns of the poor nationally and regionally?**

**EU food distribution scheme** has been underway since 1987. The commission proposes to increase the budget for food aid by two-thirds to around €500m - starting in 2009 – so that it reaches even more of Europe’s deprived families. Initially, the EU will meet 75% of costs (85% in poorer areas), but by 2015 costs will be split 50/50 between the EU and the member countries (and 75/25 in poorer areas). The new proposal will also allow countries to choose which foods they distribute – based on local needs and nutritional criteria. Three-year food distribution plans would ensure continuity and better management.

When EU farms were producing more food than the EU population could consume, giving surpluses to those in need was an obvious solution – especially in the harsh winter of 1987. Since then, surplus food has been given to charities and social schemes to distribute in each EU country. From the mid-1990s, shrinking agricultural stocks were supplemented with food purchased on the market.

In 2006, more than 13 million people in the EU benefited from the scheme. But some 43 million are thought to be at risk of food poverty; the EU admits that has inadequate data and analysis is difficult as the European rural poor are often invisible in official statistics and documents. Food Aid is typically distributed to a wide range of people, including families in difficulties, the elderly, the homeless, the disabled and asylum seekers.

vi) **How does/can agricultural research and development address these concerns?**

For the poorest people, GDP growth originating in agriculture is about four times more effective in raising incomes than GDP growth originating outside the sector.
“A dynamic ‘agriculture for development’ agenda can benefit the estimated 900 million rural people in the developing world who live on less than $1 a day, most of whom are engaged in agriculture,” said Robert B. Zoellick, World Bank Group President. “We need to give agriculture more prominence across the board. At the global level, countries must deliver on vital reforms such as cutting distorting subsidies and opening markets, while civil society groups, especially farmer organizations, need more say in setting the agricultural agenda.”

A recent draft report by UN High Level Task Force on the Global Food Crisis (13) to examine the food crisis and its possible solutions proposes a Comprehensive Framework for Action to increase food production. It proposes a ‘menu of actions’ that need to be taken now or be scaled up at the global, regional and country-level so that they can yield immediate impacts to assist communities and Governments in need:

1. Better access of the vulnerable to emergency food assistance, nutrition interventions and other safety nets.

2. Boost to smallholder farmer food production.

3. Adjustment of trade and taxation policies to support immediate food availability.

4. Management of macroeconomic implications to avoid broader impacts on economic opportunities.

5. Improved assessment and monitoring systems.

It also foresees a need for both applied and adaptive research. Of more immediate value to poor smallholders, it proposes to boost their food production through

-Providing productivity enhancing safety nets to those who are net food buyers by providing critical inputs such as locally adapted quality seeds, fertilizer, animal feed, small irrigation pumps, and veterinary drugs and services, as well as technical advice. Modalities may include vouchers for purchase from the private sector (where markets are working and inputs available). Where inputs are not adequately available, vouchers would likely contribute to inflation of input prices and make inputs less accessible to non-recipients of vouchers. Where input markets are not working, input distribution contracts with existing private dealers, NGOs, projects and government services are an alternative. To the extent feasible, provision of productivity enhancing safety nets should go hand in hand with emergency food assistance. This should help leverage participation in training and promotion of farmer organizations for collective marketing, in order to enhance farmers’ share of the end market price.

- Intensify production systems by rapidly scaling up seed production, fertilizer input schemes and adapting available technology to boost productivity of smallholder farmers. Many developing countries are facing a critical shortage of quality seed, combined with depleted soils.
Rehabilitate rural and agricultural infrastructure, including by scaling up already ongoing rehabilitation efforts for small scale irrigation structures, market infrastructure, rural roads, and soil conservation/restoration of fertility, through cash or food for work programmes.

Reduce crop and livestock losses through pest and disease control and post harvest support for storage rehabilitation, supply of small scale silos, small processing equipment and improvement of storage techniques; and by reinforcing extension services with inputs, refresher training and logistics. There also needs to be a sufficient supply of high quality animal source foods and veterinary medicines and treatments.

Increase rapid interventions to link small farmers to markets. Interventions should rapidly target the constraints that rural food producers and sellers believe are hindering their ability to benefit from local, regional or global markets. Such interventions could address quality of produce; reliability of supply; efficiency improvements; waste reduction; collective marketing;
investments in small-scale market infrastructure; value addition activities such as rural processing; and facilitation of contractual arrangements between smallholders and companies.

vii) Where are the gaps?

Contemporary data - A first set of actions in order to help national governments to address the problem of rural poverty includes the collection of adequate contemporary data at EU and national levels in order to study, on a comparative basis, the extent and the features of rural poverty; the promotion of research and data analyses focused on rural poverty; the promotion of campaigns, conferences and meetings in order to raise public opinion’s awareness on the necessity of social inclusion; new policies directed towards the rural poor; change in national and regional agricultural policies to sustain and improve the livelihoods of poor European farming communities.

People centred policies as opposed to rural policies - The set of policies affecting rural poor which need to be addressed include the social security system (and the promotion of welfare benefits including health care), the labour market policies, the policies of education and training. In addition to these, there is a problem of governance and institutional design which need radical change.

Education - evidence suggests that dispersed delivery of education, at all levels of the school system, is likely to prove an important means of increasing the growth rate of rural and peripheral areas and of helping the poor and socially excluded in those areas.

Governance issues – bottom-up research. The heterogeneity in institutional capacity among local levels of government throughout the EU implies that where such capacity is weak, there may be difficulties in promoting a bottom-up approach. This problem may be more severe in the case of very small and dispersed communities. A possible solution could be the creation of networks of local communities in order to reach a critical mass of population and territory, and technical capacity required for a more effective bottom-up action.

Effective monitoring and evaluation of the policies implemented is crucial. To improve in this respect, it is necessary to develop a set of indicators measuring the performances of the policies implemented, as well as a systematic process for the exchange of good practices

Advocacy – at the European level, the problems faced by people living in rural areas have been neglected in their specific features in the analysis of poverty; indeed, the awareness of the European public opinion as well as the commitment of the public institutions, at different levels, with respect to the problems of rural poverty is extremely weak (Lanjouw 2007) Therefore need far greater advocacy.

viii) What are the global research challenges?
Worldwide, the number of people living in extreme poverty in 2009 is expected to be 55 to 90 million higher than anticipated before the current global economic crisis, though the impact will vary across regions and countries. Likewise, the encouraging trend in the eradication of hunger since the early 1990s was reversed in 2008, largely due to higher food prices. The prevalence of hunger in the developing regions is now on the rise, from 16% in 2006 to 17% in 2008. A decrease in international food prices in the second half of 2008 failed to translate into more affordable food for most people around the world. Not surprisingly, children bear the brunt of the burden. More than one quarter of them in the developing regions are underweight for their age, stunting their prospects of survival, growth and long-term development. It is unlikely that the MDG on child nutrition, survival, growth and cognitive development will be met by its 2015 target, and will likely be eroded by higher food prices and economic turmoil.

Current projections suggest that overall poverty rates in the developing world will still fall in 2009, but at a much slower pace than before the downturn. In sub-Saharan Africa and Southern Asia, both the number of poor and the poverty rate are expected to increase further in some of the vulnerable and low-growth economies. Prior to the economic crisis and higher food prices, the number of people living in developing regions in extreme poverty — on less than $1.25 a day in 2005 prices — fell from 1.8 billion in 1990 to 1.4 billion in 2005. As a result, those considered extremely poor accounted for slightly more than a quarter of the developing world’s population in 2005, compared to almost half in 1990. There was a dramatic fall in the poverty rate in Eastern Asia — thanks in large part to rapid economic growth in China, which helped lift 475 million people from extreme poverty. Elsewhere, progress has been slower and, in some regions, growing populations have caused the ranks of the destitute to swell. Sub-Saharan Africa counted 100 million more extremely poor people in 2005 than in 1990, and the poverty rate remained above 50 per cent (though it had begun to decline after 1999). Globally the target of reducing the poverty rate by half by 2015 seems likely to be achieved. However, some regions will fall far short, and as many as 1 billion people are likely to remain in extreme poverty by the target date.

The magnitude of the poverty eradication challenge is determined not only by the number of poor people worldwide, but also by how far they fall below the poverty line. The increase in average incomes since 2000 has enabled many people to lift themselves out of poverty and has reduced the depth of poverty of those who remain extremely poor. Against a poverty line of $1.25 a day, the poverty gap fell between 1990 and 2005 in all regions except Western Asia. In 2005, the depth of poverty was greatest in sub-Saharan Africa, but has fallen since 1999 to reach the level that prevailed in Eastern Asia in 1990.
The latest reports from FAO and other global contemporary information sources indicate that the number of hungry people in the world increased in the past 2 years by 75 million to 963 million and that issues such as decreasing area of farm land for food, higher input prices, greater demand for and increased price of food, and climate change are primary culprits for this (12-16). Consequently, every day, some 16,000 children die from hunger-related causes—one child every five seconds (17-19). In essence, hunger is the most extreme form of poverty, where individuals or families are unable to grow, do not have access to, or simply cannot afford to buy their most basic need for food. And the consequences are particularly disastrous in families suffering from HIV-AIDS, malaria, dysentery etc (20, 21).

**Addressing the needs of the poor**
The Agrimonde 1 scenario (13) integrates a change of viewpoint on the multi-functionality of agriculture, assessed as essential both by the recommendations of the 2008 International Assessment of Agricultural Knowledge, Science and Technology for Development (IAASTD).
(37) and by the *World Development Report 2008* on agricultural issues (38). One of the first tasks to make it meaningful would consist of producing performance criteria to evaluate the accomplishment of the different functions, not merely to remunerate them but to frame them politically and to administer them.

It would become evident that in such a scheme the different types of agriculture complement one another rather than having to fit into a single model (e.g. from commercial specialized to family multipurpose farming).

In both scenarios, the question remains as to the real capacity for emerging new technology options, which are affected also by other factors including social, economic and local development issues. It could prove difficult to break away from past choices that are embedded in current technical solutions (e.g. mechanization, fertilizer and pesticide use, or genetic engineering) as well as in cognitive systems (such as knowledge and know-how, representations of nature, pollution or landscapes) and in the values of the main actors involved. Are we not trapped in a technical rationalization? It is a sort of lock-in that other sectors have also experienced – except we cannot do without agriculture.

The CGIAR Science Forum (35) has provided some scenarios of the future of food for the mid-21st Century. This article has also briefly addressed the major developments in food production, especially the possible role of food technology, and based on this analysis, some issues for shaping a priority agri-food research agenda have been identified. Next to technological issues, it should be realized, however, that institutional barriers can be a major obstacle for the developing world to gain access to local, regional and global markets. At the same time, it is also clear that technology could help to overcome these institutional barriers by making it possible to produce high-quality, safe and nutritious food. If it is possible to realize such a development, it should also be possible to reduce poverty by linking urban food demand in the developing world to local food production. In summary, the key messages are:

1. **Projections indicate a tightening of world food markets as resource scarcity increases, adversely affecting poor consumers.** Real world prices of most cereals and meats are projected to increase in the coming decades, dramatically reversing trends from the past several decades. Price increases are driven by demand and supply factors. Rapid growth in meat and milk demand is projected to put pressure on prices for maize and other coarse grains and meals. Bioenergy demand is projected to compete for land and water resources. Growing water and land scarcity are projected to increasingly constrain food production growth, adversely impacting food security and human wellbeing goals. Higher prices can benefit surplus agricultural producers but can reduce poor consumers’ access to food, including farmers who do not produce a net surplus for the market. As a result, progress in reducing malnutrition is projected to be slow.

2. **Growing pressure on food supplies and natural resources requires new investments and policies for AKST.** Tightening food markets indicate that a business-as- usual approach to financing and implementing AKST cannot meet the development and sustainability goals of reducing hunger and poverty, improving rural livelihoods and human health, and ensuring equitable, environmentally sustainable development.
Innovative AKST policies are essential to build natural, human, and physical capital for social and environmental sustainability, which will require more investment in AKST. Important investments that support increased food supply and access include those in agricultural research and development, irrigation, rural roads, secondary education for girls, and access to safe drinking water.

3. Continuing structural changes in the livestock sector, driven mainly by rapid growth in demand for livestock products, bring about profound changes in livestock production systems. Structural changes in the livestock sector have significant implications for social equity, the environment, and public health. Projected increases in livestock numbers to 2050 vary by region and species, but substantial growth opportunities exist for livestock producers in the developing world. With rising prices of maize and soybeans, the cost and availability of animal feed will affect both the rate and extent of this growth. Moreover, declining resource availability could lead to degradation of land, water, and animal genetic resources in both intensive and extensive livestock systems. In grassland based systems, grazing intensity (number of animals per ha of grazing land) is projected to double globally and possibly quadruple in sub-Saharan Africa. In addition to the potential environmental impacts of more intensive livestock production systems, the sector faces major challenges in ensuring that livestock growth opportunities do not marginalize smallholder producers and other poor people who depend on livestock for their livelihoods.

4. Growing water constraints are a major future driver. Agriculture continues to be the largest user of freshwater resources in 2050 for all regions, although its share is expected to decline relative to industrial and domestic uses. Sectoral competition and water scarcity problems will intensify. Reliability of agricultural water supply is projected to decline without improved water management policies. However, AKST and supporting interventions geared towards water conservation and productivity enhancement in rainfed and irrigated agriculture can offset impacts of water scarcity on the environment and risks to farmers.

5. Agricultural research cannot ignore human nutrition issues as well as processing and distribution types. Food systems are no longer supply-driven but demand-driven. It has critical consequences on the processes of location or relocation of productions, on the technologies that can be implemented, on the priorities not only regarding products but also production patterns, on the way urban and rural areas are connected and the role a diversity of farming systems (commercial, familial, specialized or multipurpose) could play to satisfy a diversity of food demand, of spatial organisation regarding environmental issues as well as a frantic rural life. Feeding Planet Earth in 2050 is not impossible, but we should be aware that with the food habits and the types of productions being encouraged, we cannot expect “building” the same World!

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