

EU Agricultural Economic briefs

Poverty in rural areas of the EU

Brief N° 1 – May 2011



European Commission
Agriculture and
Rural Development

Introduction

More than 80 million people in the EU are at risk of poverty – including 20 million children. Combating poverty and social exclusion is therefore high on the EU agenda. Since 2000, the EU has provided a framework for national strategy development as well as for policy coordination between EU countries on issues relating to poverty and social exclusion. A headline target of the EU2020 Strategy for smart, sustainable and inclusive growth aims to lift at least 20 million people out of the risk of poverty by 2020.

2010 was also the European year for combating poverty and social exclusion. The main objectives of this year were to raise public awareness about these issues and to renew the political commitment of the EU and its Member States to combat poverty and social exclusion.

In this context, rural areas deserve special attention. With the recent enlargements of the EU, the rural population as well as the number of people at risk of poverty in rural areas have considerably increased (from 75 million to 116 million and from 14 million to 26 million, respectively). Therefore, the reduction of the number of poor people in rural areas of the EU is

crucial for the attainment of the EU2020 headline target.

This economic brief examines the latest statistics on the number and percentage of people at risk of poverty in the EU, focusing on thinly populated (rural) areas, and analyses the risk for different age groups and gender.

Data are taken from the EU-SILC (European Union Statistics on Income and Living Conditions).¹ This database includes information about the population density of any given area. For the purpose of this economic brief, we assume that thinly populated areas (with less than 100 inhabitants/km²) roughly correspond to rural areas (for more information, see Annex 2).

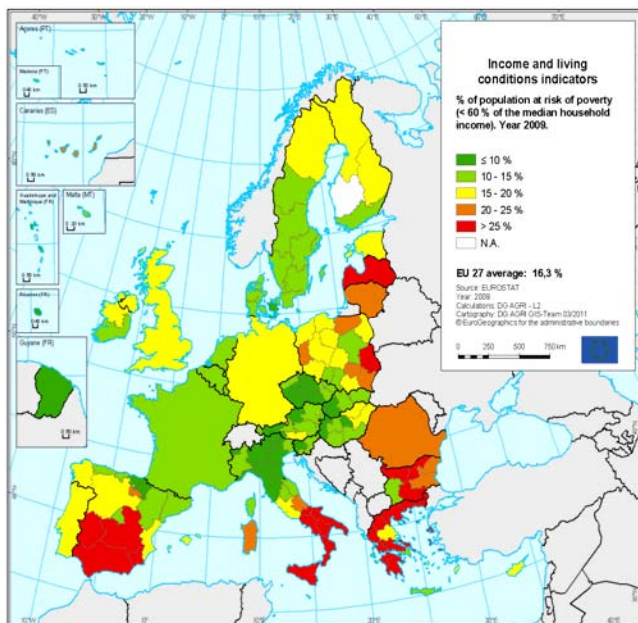
People at risk of poverty are identified as all people in households with an income of less than 60% of the median household income of a Member State (see Annex 1 for further explanations about the definition of poverty).

¹http://epp.eurostat.ec.europa.eu/portal/page/portal/microdata/eu_silc

1. One out of six people in the EU is at risk of poverty

The roughly 80 million people at risk of poverty in the EU-27 correspond to a share of 16.3% of the EU-27 population. Among all EU-27 Member States, the share of population at risk of poverty is particularly high in Latvia (25.7%), Romania (22.4%), Bulgaria (20.9%) and Lithuania (20.6%). Greece (19.7%) and Spain (19.5%) were the EU-15 Member States with the highest shares of population at poverty risk in 2009. The lowest shares were found in the Czech Republic (8.6%), the Slovak Republic (11.0%) and the Netherlands (11.7%).

Map 1: Percentage of population at risk of poverty



Source: Eurostat, SILC.

2. The risk of poverty is highest in thinly populated areas...

About one third of all people at risk of poverty are living in thinly populated (rural) areas, i.e. almost 26 million people in 2009 of which 13.5 million in EU-15 and 12.1 million in EU-12. While the absolute number of people at risk of poverty is the highest in densely populated (urban) areas (about 35.6 million), the greatest share of population at risk of poverty is in thinly populated areas (21%). In other areas (intermediate and densely

populated) the average share of poor population is below 15%.

In the EU-12, the risk of poverty is even more pronounced: Here, 24% of the population in thinly populated areas were at risk of poverty in 2009, whereas intermediate and densely populated regions presented lower ratios (14% and 9% respectively). About 70% of all people at risk of poverty in the EU-12 are living in thinly populated areas.

For the EU-15 countries, poverty risk seems to be less concentrated in thinly populated areas (19% of population in these areas, 15% of population in intermediate and 16% in densely populated areas). In average, poverty in the EU-15 seems to be a more urban phenomenon, although with 22% of all people at risk of poverty living in thinly populated areas.

The share of population at risk of poverty in thinly populated areas is particularly high in those Member States with a high poverty risk in general (i.e. Romania, Bulgaria, Latvia, Lithuania, Greece and Spain).

Table 1: Percentage of population at risk of poverty (< 60 % of the median household income) in 2009. (*)

	Thinly populated		Intermediate		Densely populated		Total	
	Population (in 1000)	%	Population (in 1000)	%	Population (in 1000)	%	Population (in 1000)	%
BE	57	13.0	568	12.7	924	16.2	1 549	14.6
BG	1 173	29.4	116	23.6	345	10.3	1 634	20.9
CZ	359	8.5	241	9.8	284	7.8	885	8.6
DK	184	13.5	264	11.6	270	14.8	718	13.1
DE	2 330	19.2	3 477	12.1	6 784	16.8	12 590	15.5
EE	157	23.4	6	12.3	100	16.3	262	19.7
IE	311	18.4	194	15.4	166	10.9	670	15.0
GR	1 282	25.1	199	15.1	669	14.9	2 149	19.7
ES	3 131	25.7	2 235	22.9	3 519	14.9	8 885	19.5
FR	1 494	14.0	2 278	10.7	4 028	14.1	7 800	12.9
IT	2 122	22.0	4 488	18.7	4 463	16.9	11 073	18.4
CY	43	19.6	15	13.8	70	15.1	128	16.2
LV	353	31.7	12	17.0	208	19.9	573	25.7
LT	535	27.9			152	10.7	687	20.6
LU	13	12.6	13	8.5	45	20.3	71	14.9
HU	815	17.1	219	11.0	195	6.2	1 229	12.4
MT			7	16.1	54	15.0	61	15.1
NL	49	13.6	617	10.9	1 149	11.1	1 816	11.1
AT	346	10.8	213	10.2	434	14.6	993	12.0
PL	3 950	22.8	969	17.6	1 517	10.3	6 435	17.1
PT	597	23.4	739	22.2	562	11.9	1 898	17.9
RO	4 332	33.1	26	11.0	387	5.0	4 745	22.4
SI	111	12.5	79	10.6	34	9.7	223	11.3
SK	316	14.6	189	10.6	89	6.1	594	11.0
FI	449	15.1	112	13.0	165	11.7	725	13.8
SE	803	13.9	155	10.6	257	13.5	1 215	13.3
UK	350	14.3	1 299	13.4	8 690	18.5	10 339	17.5
EU27	25 660	21.2	18 728	14.4	35 560	14.8	79 948	16.3
EU15	13 516	19.1	16 850	14.5	32 125	16.0	62 491	16.1
EU12	12 144	24.1	1 878	13.9	3 436	8.9	17 457	17.1

See annex 2 for the definition of rural areas

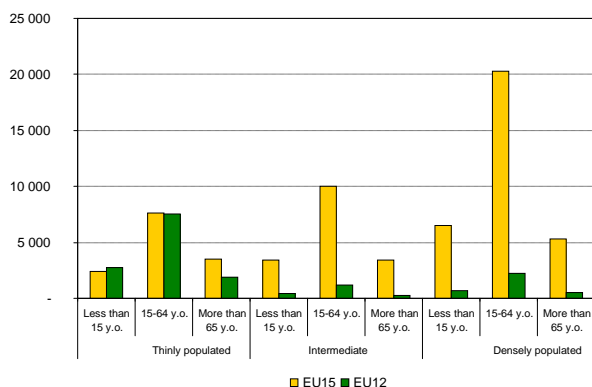
3. ...especially for young people of the EU-12

Among the 25.7 million people at risk of poverty in the thinly populated areas of the EU, 5.2 million (20%) were young people (less than 15 years old) in 2009 (2.8 and 2.4 million in EU-12 and EU-15 respectively). This represents 25% of the young people in thinly populated areas of the EU-27 (20% in EU-15 and 33% EU-12) and therefore indicates a higher-than-average risk of poverty for young people especially in the EU-12.

The majority of people at-risk-of poverty in thinly populated areas was found among the working age population (15 to 64 years old), which is also the largest group in terms of total number of people. 15.1 million people of working age in thinly populated areas of the EU-27 were at the risk of poverty in 2009, accounting for 59% of all people at risk of poverty in thinly populated areas and for 19% of this age group. Of these, 7.6 million people were in the EU-15 and 7.5 million people in the EU-12, representing 16% and 23% of the total population of this age group, respectively. The risk of poverty for this age group is therefore below the average for thinly populated areas.

5.4 million people older than 65 years were at the risk of poverty in thinly populated areas of the EU-27 in 2009, which accounted for 21% of all people at risk of poverty in this type of area and for 25% of the population of this age group.

Graph 1: Number of people at risk of poverty (in thousands) by degree of urbanisation and age group in 2009. (*)

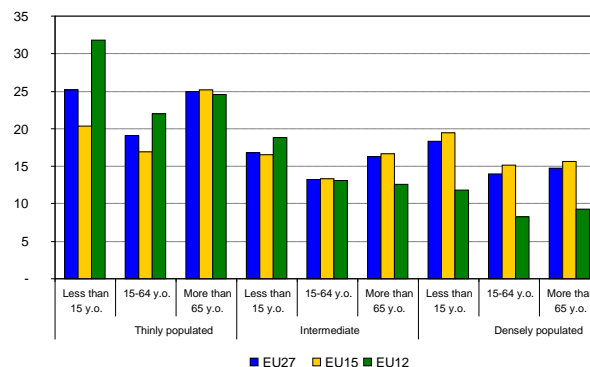


(*) See annex 2 for the definition of rural areas

Of these, 3.5 million people were in the EU-15, whereas the remaining 1.9 million people lived in EU 12, representing in both cases 25% of the total

population of this age group. Older people in thinly populated areas therefore have a significantly higher-than-average risk of poverty especially in the EU-15.

Graph 2: Population at risk of poverty as a percentage of the number of people of the same age group and by degree of urbanisation in 2009. (*)



(*) See annex 2 for the definition of rural areas

The situation is much more severe in certain Member States: 45% of the young people in the thinly populated areas of Romania and close to 35% in Lithuania, Bulgaria and Latvia were at risk of poverty in 2009, whereas Greece and Spain presented the highest ratios in the EU-15 (29% and 27% respectively). The highest rates among the working age population are found in the thinly populated areas of Romania (30%), Latvia (27%), Lithuania (25%) and Bulgaria (24%) for the EU-12 and Greece and Spain for the EU-15 (both 23%). Finally, old people from the thinly populated areas of Bulgaria (43%), Estonia (36%) and Spain (35%) were at the highest risk of poverty (see Annex 3 for data at national level).

Thus, the risk of poverty in thinly populated areas is most pronounced in the EU-12, especially for young people, whereas in the EU-15, older people have the highest risk of poverty.

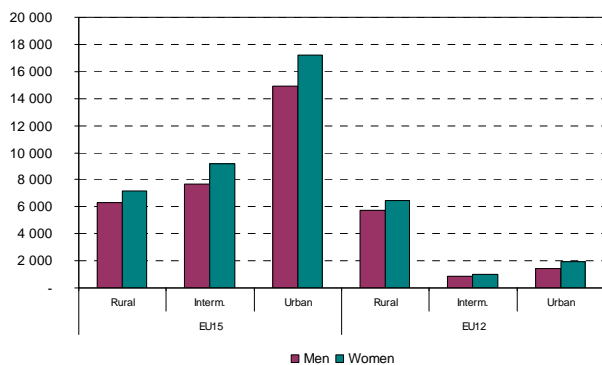
4. Risk of poverty for women is higher than for men.

The risk of poverty is generally higher for women than for men, regardless of the type of area, both for the EU-12 and the EU-15. However, the risk of

poverty is considerably higher among women in the EU-12 than in the EU-15 (25% versus 20%). Women in thinly populated areas had the highest risk of poverty. 22% of them, or 13.6 million, were at risk of poverty in 2009, reaching 6.4 million in EU-12 and 7.2 million in EU-15.

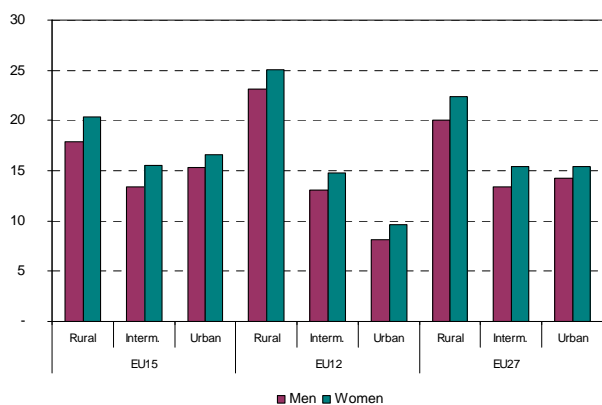
Romania (35%), Latvia (33%) and Bulgaria (32%) presented the highest risk of poverty among women in the thinly populated areas of EU-12, whereas Greece and Spain (both close to 27%) had the highest risk of poverty for women in thinly populated areas of the EU-15 in 2009 (see Annex 4 for data at national level).

Graph 3: Number of people at risk of poverty (in thousands) by degree of urbanisation and gender in 2009. (*)



(*) See annex 2 for the definition of rural areas

Graph 4: Population at risk of poverty as a percentage of the number of people of the same gender and by degree of urbanisation in 2009. (*)



(*) See annex 2 for the definition of rural areas

5. Conclusions

While the highest absolute number of people at risk of poverty is found in densely populated (urban) areas of the EU-15, poverty in thinly populated (rural) areas is a widespread phenomenon throughout the EU. The risk of poverty is higher in thinly populated areas than in any other type of region. It is particularly prevalent in the EU-12 and in the southern regions of the Mediterranean countries (Spain, Italy and Greece).

Young people in thinly populated areas of the EU-12 have the highest risk of poverty among all age groups. This lack of opportunities among future young professionals could lead to a further loss of population in the thinly populated areas of the EU-12, which already presents negative migration rates.² In the EU-15, the risk of poverty is highest for older people, indicating a different dynamic than in the EU-12.

Women are at a higher risk of poverty than men, regardless of where they live. Any intervention aimed at lifting people out of poverty should therefore ensure that women are reached and monitor impacts differentiated by gender.

² For more information about migration in rural areas, see page 127 of the annual report "Rural development in the EU, statistical and economic information", page 127.

http://ec.europa.eu/agriculture/agrista/rurdev2010/RD_Report_2010_Chapter2-25.pdf

Annex

Annex 1: Measuring poverty

One of the main difficulties is how to define and measure poverty. There are two basic units :

- **Absolute poverty**

A measure of absolute poverty identifies the number of people below a fixed real poverty threshold (i.e.: 1 €/person/day). This concept is usually associated with physical necessities and is mainly applied in developing countries.

The second of the indicators endorsed by the Council, material deprivation, describes social exclusion in absolute terms. The material deprivation rate refers to the percentage of population who cannot afford at least three of these nine items:

1. One week annual holiday away from home
2. To face unexpected expenses
3. To pay for arrears (mortgage or rent, utility bills or hire purchase instalments)
4. A meal with meat, chicken, fish or vegetarian equivalent every second day
5. To keep home adequately warm
6. To have a washing machine
7. To have a colour TV
8. To have a telephone
9. To have a personal car

- **Relative poverty**

A measure of relative poverty defines poverty in relation to the general level of income in a society. People who are below a relative poverty threshold are those whose income is less than a concrete percentage (i.e.: 60%) of the median household income. Clearly, the absolute value of the relative poverty threshold (which in itself is an arbitrary figure) varies greatly among Member States. However, this relative measure of poverty seems to be more appropriate for quantifying the number of poor people in developed countries, such as in the EU-27.

Annex 2: Definition of rural areas

Data on people at risk of poverty are collected through a survey³. In many countries, data are only representative at national level. For some others, data are also available at NUTS-2 level.

The database resulting from this survey includes a variable which indicates the level of urbanisation of the local administrative unit (LAU2) of the respondent, measured by the population density:

1. Thinly populated or less than 100 inhabitants/km²
2. Intermediate or from 100 to 500 inhabitants/km².
3. Densely populated or more than 500 inhabitants/km²

The results of this note are presented according to the level of urbanisation of the LAU2, which differs from both the new typology of rural areas and the OECD definition:

- The new typology of rural areas, based on grid cells of 1 km², apply density thresholds of 300 inhabitants/km². This classification is only available at NUTS-3 level.
- The OECD typology defines predominantly rural regions as those where more than 50% of the population is living in communes with less than 150 inhabitants/km². Both NUTS-2 and NUTS-3 regions are classified following this typology.⁴

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http://epp.eurostat.ec.europa.eu/portal/page/portal/microdata/eu_silc

⁴ For more information about the OECD and the new typology of rural areas, please check EUROSTAT

http://epp.eurostat.ec.europa.eu/statistics_explained/index.php/Urban-rural_typology

Annex 3: Percentage of population at risk of poverty by age group and by degree of urbanisation in 2009.

	Less than 15 years old				15-64 years old				More than 65 years old			
	Thinly populated	Intermediate populated	Densely populated	Total	Thinly populated	Intermediate populated	Densely populated	Total	Thinly populated	Intermediate populated	Densely populated	Total
BE	12.6	9.6	21.7	16.4	9.4	10.0	14.4	12.3	27.9	27.6	16.5	21.6
BG	32.9	27.7	13.4	24.8	24.1	21.5	7.8	16.6	43.8	29.6	19.8	34.4
CZ	13.9	14.4	10.2	12.8	7.5	9.1	7.6	7.9	7.1	8.5	6.6	7.2
DK	13.6	9.5	11.4	11.1	9.7	10.0	16.4	12.2	25.3	21.0	11.5	19.4
DE	21.7	11.3	14.8	14.6	18.1	11.9	18.0	15.9	21.0	13.7	14.5	15.0
EE	22.7	14.5	17.9	20.4	19.9	9.1	12.4	16.0	36.7	31.9	30.8	33.9
IE	20.0	19.2	14.0	17.8	17.3	14.1	10.2	13.9	21.0	14.8	8.6	16.2
GR	29.9	20.5	17.3	23.4	23.5	14.5	13.9	18.3	26.6	12.2	16.6	21.4
ES	27.2	26.3	19.9	23.3	22.3	21.3	13.1	17.2	35.5	26.3	17.8	25.2
FR	16.3	12.4	20.0	16.7	12.3	10.2	13.7	12.3	17.1	10.3	7.9	10.7
IT	25.8	25.1	22.3	24.0	19.0	16.6	16.0	16.7	28.1	20.2	15.6	19.6
CY	13.1	6.9	12.3	11.7	14.0	11.0	10.6	11.6	55.5	54.4	44.1	48.6
LV	31.2	17.5	17.3	24.9	26.6	14.0	15.0	20.7	54.9	33.5	41.3	47.5
LT	34.8		9.1	24.1	25.5		10.0	18.6	30.0		16.7	25.2
LU	18.2	12.6	28.9	21.7	11.7	8.5	20.4	14.6	8.0	2.8	7.2	6.0
HU	27.5	16.7	10.5	20.7	16.5	11.3	6.5	12.2	7.0	4.2	1.7	4.6
MT		22.8	20.4	20.6		13.5	12.9	13.0		20.2	18.9	19.0
NL	18.3	19.0	12.9	15.4	11.2	8.4	11.5	10.5	17.2	9.0	6.6	7.7
AT	9.8	11.5	19.5	13.8	8.1	9.3	14.6	10.8	20.7	12.5	9.5	15.1
PL	28.7	23.1	14.6	22.7	21.6	16.8	10.1	16.4	21.6	14.9	6.3	14.4
PT	25.8	28.6	15.3	21.8	20.8	20.6	11.0	16.3	29.5	21.7	11.9	20.1
RO	45.3	7.4	6.3	32.8	31.0	12.3	4.8	20.3	28.2	3.8	4.4	21.0
SI	12.6	9.6	11.0	11.2	9.9	8.7	9.0	9.3	24.4	20.0	11.1	20.0
SK	21.0	16.9	9.5	17.0	13.5	9.0	5.7	9.8	13.3	11.4	4.7	10.8
FI	12.2	11.9	11.2	11.9	12.5	13.8	10.9	12.3	26.6	10.5	16.8	22.1
SE	13.5	9.1	13.7	12.7	12.0	10.7	13.8	12.2	20.4	11.9	11.7	17.7
UK	12.6	13.2	22.9	21.0	12.4	11.2	16.2	15.2	20.9	21.0	23.0	22.5
EU27	25.2	16.8	18.3	19.6	19.1	13.3	14.0	15.1	24.9	16.3	14.7	17.8
EU15	20.4	16.5	19.4	18.7	16.9	13.3	15.2	14.9	25.1	16.6	15.6	17.8
EU12	31.8	18.9	11.9	23.3	22.1	13.1	8.3	15.5	24.6	12.5	9.3	17.5

Annex 4: Percentage of population at risk of poverty by gender and by degree of urbanisation in 2009.

	Men				Women			
	Thinly populated	Intermediate populated	Densely populated	Total	Thinly populated	Intermediate populated	Densely populated	Total
BE	10.8	11.6	15.1	13.4	15.0	13.9	17.2	15.7
BG	27.2	19.9	8.5	18.8	31.5	26.9	12.0	22.8
CZ	7.3	9.2	6.6	7.5	9.6	10.4	8.9	9.5
DK	14.1	10.4	15.4	13.0	12.8	12.9	14.2	13.3
DE	17.8	11.5	16.1	14.7	20.6	12.8	17.5	16.3
EE	21.7	7.6	13.2	17.5	24.8	16.2	18.8	21.6
IE	18.9	14.7	10.6	14.9	17.9	16.1	11.2	15.1
GR	23.5	15.8	14.9	19.1	26.7	14.4	14.9	20.2
ES	24.8	21.4	13.6	18.3	26.6	24.3	16.1	20.6
FR	12.4	9.3	13.8	12.0	15.7	11.9	14.3	13.7
IT	21.2	16.8	15.5	17.0	22.9	20.4	18.1	19.8
CY	17.4	11.5	13.5	14.4	22.0	15.8	16.6	17.9
LV	30.8	14.2	17.4	24.2	32.5	19.4	21.8	27.0
LT	26.7		8.5	19.1	28.9		12.7	21.9
LU	10.8	7.9	19.3	13.8	14.4	9.1	21.2	16.0
HU	17.7	11.2	5.9	12.8	16.5	10.9	6.5	12.1
MT		16.2	14.5	14.7		15.9	15.6	15.6
NL	13.3	10.8	10.8	10.8	14.0	11.0	11.4	11.3
AT	9.0	9.0	14.0	10.7	12.6	11.3	15.2	13.2
PL	22.6	16.8	9.9	16.9	23.1	18.3	10.6	17.4
PT	22.2	20.8	11.8	17.3	24.6	23.4	11.9	18.4
RO	31.2	5.5	4.7	21.4	34.9	16.5	5.2	23.4
SI	10.7	9.3	8.2	9.8	14.3	11.8	11.0	12.8
SK	13.7	9.7	5.1	10.1	15.4	11.5	7.0	11.8
FI	13.6	13.9	10.8	12.9	16.5	12.1	12.6	14.7
SE	11.9	11.3	13.0	12.0	15.8	9.8	14.0	14.5
UK	12.3	12.7	18.1	16.9	16.3	14.1	18.9	18.0
EU27	20.0	13.4	14.2	15.4	22.4	15.5	15.4	17.1
EU15	17.9	13.4	15.3	15.2	20.4	15.5	16.6	16.9
EU12	23.2	13.1	8.2	16.3	25.0	14.7	9.6	17.8