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Social Exclusion in Rural Areas of Eastern and Central Europe*

Abstract

A marked increase in inequality was one of the significant consequences associated with the social and economic transformations occurring in Eastern Europe in the 1990s. In this paper we discuss the social class and spatial dimensions of this increased inequality by looking in particular at the increasing peripheralisation of rural places, and secondly by discussing three social groups whose participation within a variety of social systems has been limited as a consequence of post-socialist restructuring: women, the elderly and Gypsies. Drawing upon the concept of social exclusion, we discuss the multi-dimensional processes through which inequality is shaped and reproduced in the post-socialist context. We conclude with a discussion of rural development policy, asserting that social welfare programmes meaningfully targeting marginalised groups must be an integral aspect of rural policy in Central and Eastern Europe.

Keywords: social inequality, social exclusion, women, the elderly, Gypsies.

Introduction

While the 1990s brought new wealth and opportunity to some individuals and groups in Central and Eastern Europe, that prosperity has been uneven. The deepening gulf between the haves and have-nots has been one of the most disturbing outcomes of the region's transformation from state socialism to capitalism. The reality of increasing inequality and economic marginalisation of whole segments of the region's population presents a direct challenge to the promises of the transformation made at the beginning of the 1990s, and to the prospects of forming strong and responsive civil societies in the region's nations. Most analysts predicted that inequal-

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ity would increase as a result of the regime change, but at the same time the possibility of sharing in western prosperity was a cause for at least some initial optimism.

Class and Rural-Urban Inequalities

Post-socialist inequality has had both class and spatial dimensions. For some persons – those with skills and knowledge valued in the new technologically-based economy, those who had accumulated substantial material assets during the socialist period, and those with the right social and political connections – the transformation from state socialism has meant greater wealth and opportunity. For others lacking these assets, the transformation has meant increased insecurity, a vulnerability only exacerbated by the withering of the state's social welfare budget (Kołodko, 2002; Schafft, 2000).

Inequality has also increased between urban and rural areas, with rural areas experiencing increased disadvantage compared to their urban counterparts. In Hungary, for example, panel survey data indicate that about 8 per cent of Budapest's population was poor in the mid-1990s, compared with over a quarter of the population living in villages. Most highly paid jobs have concentrated in large cities, especially in their suburbs, while rural labour markets, and in particular those connected with agriculture and resource-based industries, have been especially vulnerable to industrial restructuring. Employment in agriculture, for example, declined dramatically during the post-socialist transformation. Between 1988 and 1993, agricultural employment shrank from 18.5 to 9.9 per cent of all jobs in Hungary (Kovach, 1994). Even in Poland, where agriculture did not collectivise during socialism, the future of small holder farming is in doubt. According to Gorlach (1999), as few as 20 per cent of these individual farming units can expect to survive the economic restructuring process. In contrast, economic growth since 1989 has been almost entirely associated with foreign direct investment targeted almost exclusively at large cities and their suburbs. In fact, Ladanyi and Szelenyi (1998) have observed the formation of deepening pockets of rural poverty in Hungary precisely because the underdevelopment of these places, and their lower costs of living makes them among the few economically feasible places of residence for marginal populations (see also Brown and Schafft, 2002). As a consequence, they report that rural communities have become poorer because the marginal persons they attract become 'trapped' there.¹

¹ However, recent research by Brown et al. (2003) indicates that compared with longer term village residents, immigrants are younger, have more education and are more likely to be employed. Accordingly, this research suggests that urban-rural migration does not seem to be a major reason for increases in rural-urban inequality during post-socialism.

While most rural communities are poorer than their urban counterparts, there is also marked social inequality *within* places located along the rural periphery. Hence, while rural populations in Central and Eastern Europe are generally poorer than urban populations, rural women, the elderly and Gypsies have experienced greater disadvantage during the transformation from state socialism than rural men, working age persons and members of ethnic majorities. Our purpose in this paper is to describe some aspects of the disadvantage experienced by these three populations who have been left behind as a result of the transformation from state socialism, to shed light on why they have experienced relatively greater social and economic insecurity and to propose some directions for rural policy that are responsive to their needs.

In doing this, we find the concept of *social exclusion* particularly helpful in framing our discussion. Social exclusion emphasises the multi-dimensional processes through which inequality is shaped and reproduced, suggesting systemic forces that both shape and limit the participation of different groups in one or more key social systems. These include democratic participation and legal systems, the labour market, state welfare, and the more informal structures of family and community (see Commins, 1993, as discussed in Shucksmith and Chapman, 1998). Our discussion below indicates how women, the elderly and Gypsies have in varying ways and to varying degrees been excluded from these social systems as a consequence of post-socialist restructuring. Further, we pay particular attention to how inequality and exclusion are manifested spatially, across the urban-rural continuum.

Rural Women: Increased Responsibility but Increased Vulnerability

Women have been disproportionately disadvantaged during the transformation from state socialism because of job loss, declining income and a deteriorating social environment (Haney, 2002; Molyneux, 1995; Wejnert and Spencer, 1996). Spencer (1996) has observed a revival of patriarchy in all post-socialist nations with respect to family relations, reproductive decisions, employment and income, political representation and civic participation. Lobodzinska (1995) has observed parallels in women's situations across Central and Eastern Europe even as particular authors describe what they perceive as 'unique experiences' in each of their countries. In this section of the paper we review what is known about family relations, women's attachment to the formal economy, and women's changing experience with the social welfare systems.

The central irony shaping economic security in Central and Eastern Europe today is that women's economic vulnerability is increasing at the same time as they are increasingly responsible for supporting themselves and their families. Family structure in the region has become more diverse,

reflecting trends characteristic of Western Europe and the U.S. The average marriage age has gone up for men and women in most countries in the region, the average childbearing age has risen, the number and proportion of births born out of wedlock has increased to over 1/3 in Slovenia, over 1/4 in Hungary, and 11 per cent in Poland (Kucera, et al., 2000), widowhood is more prevalent and the number and proportion of divorced persons has climbed steadily, although with some variation across countries (Kucera et al., 2000; Vukovich, 1999). The overall outcome of these trends is that a significantly greater proportion of women live alone and a significantly larger proportion of families with children are headed by women (Kucera et al., 2000; Lobodzinska, 1995; Vukovich, 1999).

Both men's and women's employment have been adversely affected by the transformation from state socialism, but the effect on women across the region has been especially dire. Women have been much more likely than men to leave the labour force since 1989 (Habich and Speder, 1998); their labour force participation rate has declined more rapidly; their unemployment rate exceeds that of men in Poland, Slovakia and the Czech Republic (but not in Hungary) (Kucera et al., 2000; U.N. Economic Commission for Europe, 1999; U. S. Bureau of the Census, 1995); and they are increasingly concentrated in low wage, low skill occupations (Haney 2002; Lobodzinska, 1995; U. S. Bureau of the Census, 1995; Varadi and Kovacs, 1997).

Research by Morell (1999) in Hungary has demonstrated that being a woman and living in a rural area creates a 'double jeopardy.' By 1994, 56 per cent of rural women indicated that they were 'economically inactive' compared with 44 per cent of women in towns. In contrast, economically displaced men in both urban and rural areas were much more likely to indicate that they were unemployed but still in the workforce. Moreover, this study showed that the decline in women's workforce participation resulted in a dramatic departure from the workforce rather than in high unemployment. Rural women's labour force participation was also shown to decline more rapidly than that of urban women in Poland, but the urban-rural difference was not as great (Malinowska, 1999).

Decline in Women's Labour Force Attachment. This decay of women's labour force attachment has led to a dramatic decline in women's financial well-being, and a 'feminisation of poverty.' For example, women's labour force participation declined from 48.5 per cent in 1993 to 42 per cent in 1997 in Hungary and from 57 per cent in 1988 to 50 per cent in 1997 in Poland (Habicsek, 2000; Vojtechovska, 2000). Leaving the labour force and becoming unemployed have proved to be extremely risky during the post-socialist period. In a comparative study of Hungary and Germany during 1990–1996 Habich and Speder (1998) showed that persons who switched from employment to pensions, unemployment or maternity leave and those who had been unemployed throughout the period

or had worked part-time had the greatest likelihood of being economic 'losers.' They also showed that housewives, women on maternity leave, widows and divorcees were more likely to do poorly. Becoming marginalised on the labour market is 'bad for your economic health' and women in Central and Eastern Europe have seen their labour market position deteriorate significantly during the last decade.²

Research indicates that women's labour force attachment has declined for both voluntary and involuntary reasons. Withdrawal of women from paid labour is partly a result of economic restructuring that has reduced employment opportunities for both men and women. However, an 'ideology of domesticity' has re-emerged in the region, contributing to women's greater economic insecurity, and both men and women appear to embrace this position. Women in particular seem to feel that the 'double shift,' e.g. a job in the formal economy in addition to domestic responsibilities, was an unjust situation that was forced upon them by previous totalitarian regimes (Zajicek and Calasanti, 1995). Accordingly, many women report that they prefer to leave paid labour and work exclusively in the home. Eisenstein (1996) has observed that many women in Central and Eastern Europe tend to believe that domesticity and family afford a 'kind of personal privacy' that was impossible under communism, and hence they choose it as a way of life. Toth (1997) reports that both men and women in Hungary believe that mothers of small children should not work. Jentch (1999) observes that both men and women cite tradition rather than male-female differences in abilities or human capital to explain women's inferior positions on the labour market. The problem for many, as pointed out earlier, is that women cannot afford to relinquish their earnings, to be concentrated to low wage industrial sectors, or in low level positions in the firm's hierarchy. This is especially true of women living alone and for an increasing number of single parents, but it is also true for married couples with children. As Heitlinger (1995) has observed, 'One income was insufficient to support a family under communism. It still will be found wanting under capitalism.' Hence, there is an inconsistency in Central and Eastern European societies. There is a recognised need for women to earn income outside the home, but widespread attitudes that they should not do so.³

² The situation of women's labour force participation in rural communities is largely unknown although an ethnographic study of small town women in Hungary by Varadi and Kovacs (1997) noted dramatic class differences in labour force attachment. By and large, well-to-do housewives did not hold jobs after 1989, while working class women continued to hold jobs as manual labourers in factories, laboratories and agriculture, and of course, they continued to be totally responsible for household maintenance.

³ Toth (1997) however, has reported that paternalistic attitudes are not consistent across the region. They are more common in Hungary and Poland than in the Czech Republic and Slovakia.

Diminished Social Welfare Programmes. While many women and men lost their jobs involuntarily in the economic restructuring that accompanied the transformation from state socialism to market capitalism, there is evidence that women were the first to lose their jobs, and with the exception of Hungary, women's unemployment exceeded men's throughout the 1990s (Eisenstein, 1996; Haney, 2002; U.N. Economic Commission for Europe, 1999). Moreover, there is evidence that changes in state welfare policy have contributed to women's relatively greater economic dislocation since 1989. In particular, public policy has not been supportive of women's, and especially mothers' labour force participation. Lynne Haney (1997) has shown how Hungarian welfare was transformed from a 'maternalistic' system during socialism to a 'materialistic' system in post-socialism. The maternal system included three years of paid maternity leave with guaranteed re-employment, special sick leave benefits for mothers and family allowances to offset the costs of child rearing. Eligibility was based on women's labour force attachment and motherhood. She observes that these policies elevated women's identities as mothers to central importance, and taught them that mothers had special needs that entitled them to specific, non-stigmatised resources.

By the mid 1980s the Hungarian welfare apparatus began to shift from the maternal to the material. Economists such as Janos Kornai (1994) saw a conflict between the needs of the Hungarian economy and the prevailing welfare state, and claimed that the maternalistic system exposed the state to 'soft budget constraints' which jeopardized economic growth. Liberal policy makers proposed instead to base eligibility for welfare on poverty rather than on the unique social and psychological needs of working mothers. Hence, as Haney has stated, 'Hungarian women were then repositioned in the welfare apparatus and their old maternal identities were replaced by new class identities and stigmas' (1997: 225). Maternity leave and child-care grants became means-tested and only the poorest women were eligible. Moreover, even among eligible women, benefit levels were significantly lowered and time limits were imposed. The post-socialist welfare system, at least in Hungary, is not responsive to either women's roles as workers or mothers, and there is little doubt that these policy changes have contributed to declines in fertility, women's labour force participation, and women's economic well-being.

The Aging Populations of Central and Eastern Europe

The segment of the population aged 65 and over is projected to increase to over 20 per cent by 2025 in most Central and Eastern European countries (Kucera et al., 2000). In Poland, for example, the proportion 65+ is expected to double during this time from 10 to 20 per cent, and the proportion

of elderly in Hungary, which is already the highest in the region, is expected to rise to over 23 per cent. Moreover, the region's elderly population itself is aging. Currently, the 'oldest old,' those persons aged 80 and over, constitute almost 20 per cent of all the elderly in Central and Eastern Europe. By 2025, nearly one quarter of elderly people in the region are projected to be in this category. Data comparing urban and rural aging trends in the region indicate that villages have a higher proportion of elderly population than their urban counterparts.

Trends in fertility strongly influence population age composition, family structure and intergenerational relations. Low fertility results in the shrinking size of successive birth cohorts, and growth in the proportion of the elderly. Poland, Hungary, Slovakia and the Czech Republic have all had below replacement fertility since the early 1980s. Moreover, the total fertility rate⁴ has declined in all of these nations since 1989 (Kucera et al., 2000; U.N. Economic Commission for Europe, 1999), and there is evidence that this further decline is associated with concerns that individuals might have about their future economic security (Moors and Palomba, 1995). For example, Klinger (1990) has shown that 25 per cent of Hungarian elders have only one living child, and 15 per cent have no children.

While fertility is the main determinant of age structure, mortality can also affect the proportion of the population in various age groups. All Central and East European countries experienced increased mortality among middle-aged males between the 1960s and 1990, and male life expectancy at birth declined as well. In Hungary, for example, the growth in male mortality was especially large and life expectancy declined by over 2 years between the 1960s and the mid-80s. In Ukraine, male life expectancy declined from 66 to 61 years between 1990 and 1995 before rebounding to about 63 in 1998 (Steshenko, 2000). Current data indicate modest improvements in male mortality in Hungary and Ukraine since the mid 1990s, which will improve men's chances of surviving to old age (Romaniuk, 2002; Vukovich and Harcsa, 1998). While this reversal in male mortality is good news, it also means that increased life expectancy will combine with low fertility to further age the region's populations.

Issues Associated with Aging Populations

E c o n o m i c V u l n e r a b i l i t y. Research has shown that the region's elders are more economically vulnerable than other population groups. A 1994 survey in Poland, for example, demonstrated that age has

⁴ The TFR shows the average number of children who would be born to a group of women if they were to go through the childbearing age conforming to the age specific fertility rates of a specific year.

a curvilinear effect on objective social well-being, improving to the age of approximately 37, declining gradually to the age of 69, then declining rapidly (Winter et al., 1999). In Hungary and Poland (but not in Slovakia or the Czech Republic) data from the Luxembourg Income Study indicate that the proportion of elderly households with less than 75 per cent of the average national household income was substantially higher than that of other household types. These data are for 1990, and the relatively disadvantaged situation of the elderly may have improved during the last decade, especially if pension programmes have kept up with inflation better than other sources of income. Research in Hungary, in fact, does show that the real value of pensions has declined less than the value of other income sources (-13 vs. -52 per cent for unemployment benefits or -55 per cent for family assistance) (Forster et al., 1998). Hence, the relative strength of government pension programmes has reduced elderly people's economic vulnerability during this period of high unemployment at least in Hungary. However, it must be emphasised that pensions are the only guaranteed source of income for many of the poorest rural elderly (Brown and Kulcsár, 2000). For this reason, *the elderly people's continued economic security is largely contingent on the state's willingness and fiscal ability to allocate substantial resources to this part of the social budget.* Research in Hungary by Toth (1999) has shown that the risk of falling into poverty for post-retirement age families would increase to 87 per cent from the present (already high) 24 per cent if pensions were eliminated. The fiscal capacity to provide income support programmes for the elderly is itself partly dependent on aging trends, and especially on the ratio between income earners and pension recipients. Hence, changes in the laws governing retirement, and the design and eligibility criteria of state pension programmes will be issues of critical importance for both urban and rural elderly populations.

S o c i a l I n v o l v e m e n t. Social involvement has proved to improve both quality of life as well as health and longevity of the elderly (Moen et al., 1989; Young and Glasgow, 1998). However, recent data from the Hungarian Household Panel shows that Hungarians report a drop in number of friends, a growth in number of those without friends and a withdrawal from interhousehold exchange. Moreover, Albert and David (1998) have demonstrated this decline in friendships has been especially dramatic among the elderly. They reported that almost a third of the elderly lost friends between 1994 and 1997 compared with less than a quarter of younger people. Research by Angelusz and Tardos (1998) indicates that older people in general, and pensioners in particular, are less likely to have dense networks of social relationships than younger people or the elderly who are still employed. Reduction of social network resources is a natural accompaniment of the aging process as members of one's peer group, be-

come disabled or institutionalised. However, in Central and Eastern Europe this natural process appears to have been exacerbated by the regime change which has resulted in a reduction of social engagement at all ages. In the context of reduced social network resources, elderly people's access to health services in villages which no longer have doctors, dentists or other health professionals locally will have a strong impact on their quality of life and longevity. Moreover, it is likely that a reduction in old people's social network resources has a negative effect on their material well-being and increases their (already high) dependence on state pension programmes.

Elderly Women. Because women live longer than men in every country in the region, aging is disproportionately a women's issue (Kucera et al., 2000). In fact, there are only about 60 males per 100 females aged over 65 throughout the region (Velkoff and Kinsella, 1993). Women's advantage in longevity results in low marriage rates among elderly women (between 30 and 40 per cent) and a high likelihood that elderly women live alone. Velkoff and Kinsella (1993) showed that while 38 per cent of elderly Hungarian women lived with their spouses and 28 per cent lived with other family members, a third lived alone. Accordingly, these women's economic security is highly dependent on the state's political will and fiscal capacity to maintain a strong gender-neutral pension system. Research in Poland, however, has shown that retired women only receive 74 per cent of what retired men receive, and that gender inequality in retirement income is not diminished by accounting for differences in human capital (Koh et al., 2000). Hence, the disadvantages experienced by women during their economically productive years affect their economic security in old age.

Gypsies: the Poorest of the Poor

Each Central and East European nation has a long history of relegating Gypsies to the lowest socio-economic rung (Crowe, 1996). Gypsies are marginalised and are victims of discrimination, they hate crime and are often denied effective protection under the law. The living conditions and health status for the Roma are so far below those of the majority that a recent United Nations Development Programme report found that literacy, infant mortality and basic nutrition rates of most of the four to five million Roma in Europe are closer to levels in sub-Saharan Africa than those for other Europeans (UNDP, 2002). Their plight is particularly relevant to this paper because there are substantial Gypsy populations throughout the region.⁵

⁵ In Hungary and Slovakia about 60 per cent of Gypsy populations live in rural areas. In Poland and the Czech Republic, the Gypsy population is more concentrated in urban

PRIOR TO 1989

Gypsies were seriously persecuted during the Second World War, and it is estimated that as many as 500,000 perished during the Holocaust. Between 1945 and 1989, communist reformers attempted to solve the 'Gypsy problem' by systematic campaigns of assimilation. By 'finding their place in the proletariat,' it was believed that Gypsies would be able to join the mainstream society and labour force, albeit at the cost of their identity and lifestyle. Stewart (1997) reports, however, that Gypsies failed to merge with the working class and 'Gypsy problems' intensified as assimilation programmes continued. By the mid-1980s anti-Gypsy feeling re-surfaced and became more extreme as the socialist economic system stumbled towards collapse. Gypsies were seen as benefiting from an overly generous welfare system while the workers' standard of living stagnated or declined. Hence, the social protections and economic security envisioned for Gypsies by the communists never materialised, and they found themselves exposed to ethnic violence as the socialist regimes changed in the early nineties.

An important elucidation concerning the Gypsies' situation in the region is made by materials depicting Hungary's experience in this regard. We present them below.

GYPSIES IN POST-SOCIALISM

Since 1989 the Gypsies' economic situation has deteriorated throughout the region. Havas et al. (1995) have observed that the likelihood of unemployment among Gypsies is at least twice as high as among ethnic Hungarians. This is partly explained by structural factors, and partly by prejudice. Gypsies are over-represented in industries undergoing downsizing and they tend to live in crisis-ridden regions. Moreover, they lack the necessary education to get jobs in new service-based industries. Only 20 per cent of Gypsies have completed education past the eighth grade compared with over 50 per cent of ethnic Hungarians. However, skilled Gypsies are just as likely to be unemployed as unskilled, and Gypsy youth regardless of the labour market preparation have almost no chance of finding jobs (Csalog, 1994). Many Hungarians told Human Rights Watch (1996) that 'Gypsies don't work because they are lazy or uninterested in bettering themselves...' (85). These prejudicial views contribute to making decisions based on the perceived attributes of an entire group rather than on the abilities, experience or skills of particular applicants. Housing discrimination, poor quality

areas, although the population size is also much smaller. The Gypsy population has been estimated at about 500,000 in Hungary (5 per cent of the national population), 500,000 in Slovakia (9.5 per cent of the national population), 200,000 in the Czech Republic (2 per cent of the national population), and 35,000 in Poland (1 per cent of the national population) (Barany, 2002).

education, anti-Gypsy violence and lack of due process have also been documented by social science research and investigations by Human Rights Watch and other NGOs. Since Gypsy populations tend to be disproportionately rural, their plight deserves a place on the rural policy agenda. *Along with women and the elderly, Gypsies form the troika of vulnerable populations* which have been left behind since 1989 and deserve special consideration in rural policy.

Gypsy Minority Self-Governance. In 1993, the Hungarian Parliament enacted Act 77 on the Rights of National and Ethnic Minorities which created the legal context for a system of minority self-governments. Between 1994 and 1995, Gypsy populations in 477 municipalities formed 'local minority self-governments' (LMSGs). The second term elections occurred in 1998, resulting in the formation of 771 Gypsy local minority self-governments, an increase of over 60 per cent. Since November 2002, after the most recent round of elections, there were 1,004 Gypsy LMSGs, with Gypsy self-governments forming in nearly one in every three municipalities in Hungary. This new institutional framework creates a new political space for Gypsy populations, and holds the possibility of meaningfully addressing the previous systematic social and political exclusion of this population. Our previous research strongly suggested that some self-governments enabled particular Gypsy communities to mobilise resources which may affect their overall standard of living through the use of the LMSG to spearhead a variety of community initiatives (Schafft and Brown, 2000).

More recent work however, has caused us to take a more qualified stance. We have observed in later writing that success in using this institutional innovation is strongly contingent on historically embedded contours of social inequality which produce unequal power relationships in localities (Molnár and Schafft, 2003; Schafft and Brown, 2002). That is, the chances of a Gypsy community using the structure of the LMSG to meaningfully reduce social exclusion is directly contingent upon the degree of social exclusion *already existing* within a locality. Hence, in many communities the minority self-governance system is likely to be a negligible social and political resource for minority groups which already experience pronounced social exclusion.

The minority self-government system as it relates to Gypsies has also been criticised because its institutional focus concerns *cultural* autonomy, whereas the most immediate and pressing concerns for most Gypsy communities are not cultural in nature as much as connected to the *social* issues of their impoverishment. Many Gypsy self-government leaders have responded by trying to adapt the cultural mandates of the minority self-government to serve the social needs of their constituencies. However, Gypsy minority self-governments have neither the resources nor the insti-

tutional authority to adequately assume this role. Many municipal governments, on the other hand, are all too willing to pass the responsibility of social programming onto Gypsy LMSGs. This places many Gypsy self-governments in positions wherein they are bound to fail. Seeing this failure, Gypsy constituencies become frustrated with their minority representation and often feel that the self-government yields little benefit except perhaps to those closest to the resources (Molnár and Schafft, 2003).

Secondly, both the fiscal and material resources provided to minority self-governments, as well as their influence on local decision-making are severely limited. Apart from a small grant from the Hungarian government, local minority self-governments are almost wholly dependent on the municipal government for fiscal and material support which the municipal government may provide at its own discretion. Minority self-governments may participate in discussions on local decision-making but apart from a very circumscribed veto power associated with cultural issues affecting the minority population, they have little political power at municipal level. This can easily result in clientelist relations between the minority self-government and municipal government. It can also result in the simple exclusion of minority self-governments from the local political process. For this reason there is strong evidence that this institution, designed to ameliorate the social exclusion of Gypsies, may in many instances only further solidify their status as marginal citizens.

Conclusion

Rural development policy typically concerns: (a) increasing economic opportunities for rural residents, and (b) strengthening rural population retention through job generation. Although scholars and policy makers still debate whether equity driven policies which target assistance to lagging rural areas have a positive or negative impact on national economic growth, most European countries, at least those that belong to the EU, currently have territorial policies in place that focus resources on rural economic development. Even though the current trend in European rural policy is to emphasise overarching policy goals such as 'sustainable rural development,' most rural development programmes continue to concentrate on local economic development. They tend to pursue economic diversification and development by providing direct and indirect support for small and medium-sized enterprises, especially those which involve local specificities such as natural and cultural amenities (Bryden, 2000).

While the rhetoric of sustainable rural development emphasises equity and social inclusion, we are not convinced that women, the elderly and Gypsies will benefit much from local economic development schemes unless they are included in programme design and administration. As Shuck-

smith (2000) has observed, 'Endogenous development only has the potential to challenge the processes of exclusion if it empowers those without power' (210). The LEADER programme and other grass roots development approaches have many promises but unless disadvantaged groups are included in managing the programmes it is likely that present forms of social inequality will be reproduced within rural communities. Our discussion on Gypsy Self-Governance in Hungary is an example of how a disadvantaged group will face serious challenges in mobilising resources for its own betterment if that group is not provided the opportunity to meaningfully exert its agency within the community's governance institutions. As we have observed, social inclusion is unlikely if the underlying social, economic, and political systems systematically produce and reproduce inequality and exclusion. In such instances, focusing on institutional innovations such as Local Minority Self Governance is likely to deflect attention from the underlying causes of social exclusion.

In addition, we question whether local economic development schemes will improve women's, and especially mothers,' economic situations in rural areas unless programmes are designed to meet their special needs. Since Central and Eastern European women are increasingly responsible for their own and their children's economic support, special programmes are needed to enhance their access to the labour market to ease the cost of child rearing and to facilitate their dual roles as providers and mothers. In other words, it seems that *the very programmes which have been abandoned since 1989 need to be reconsidered in the light of the significant negative impacts their demise has had on mothers and children*. As Haney (1997) has argued, women are entitled to assistance by virtue of their service to society as mothers.

Many scholars have commented on the ironic situation which increased gender inequality in Central and Eastern Europe has not given birth to broad based gender politics in the region. The lack of a broad based women's movement in the region does not mean that gender politics are wholly absent. In fact, research by Patrice McMahon (2002) indicates that alliances between western and local NGOs in Poland and Hungary have resulted in modest women's movements in both countries. In Poland, the movement's effectiveness has varied over time and is currently constrained by a lack of commitment to gender equality on the part of the nation's government. Ironically, prior to 1997 the Polish government had established several institutions that worked with NGOs to promote women's issues. In 1997, however, the new conservative government abandoned this initiative. As a result, McMahon reports that NGOs representing women's issues in Poland have become marginalised from domestic politics. In Hungary, a nascent women's movement also seems to be emerging. In 1996, the Hungarian government established an Office on the Status of Women which is

responsible for promoting gender issues in the media and coordinating with NGOs. McMahon reports that this office gets high marks from many activists, but she also observes that local NGOs, many of them supported by international organisations, are the main actors in Hungary's women's movement.

Hence, while there is ample evidence of organised women's politics in post-socialist Eastern and Central Europe, the volume of activity is not what one might expect given the region's degree of gender inequality and the increasing disadvantage experienced by women since the regime change. Research reviewed earlier suggests that the relatively low level of gender-based politics is due to the fact that few Central and East European women embrace feminist ideas originating from Western Europe and the United States, and because both men and women are more comfortable with a gender division of labour where women work in the home and men work in the labour market. Here we point out the inconsistency of the situation in which women are increasingly responsible for their own and their children's economic support at the very time that they are disadvantaged on the labour market and in which social welfare programmes supporting the rearing of children are being withdrawn. This places women and children at a greater risk of being poor and excluded from multiple institutional spheres. We strongly recommend that rural development programmes provide access to jobs for women who wish to work, and that female workers receive equitable pay for their efforts. In addition, rural policy should facilitate women's dual roles as mothers and employees.

The situation of the rural elderly is perhaps the least problematic of the three groups discussed in this paper. As indicated earlier, pensions have retained their value better than any other form of income since 1989 (Forster et al., 1998). However, since the elderly are so heavily dependent on pensions, their future economic security is closely tied to the state's willingness and fiscal ability to maintain a strong and solvent pension system. The rapid aging of populations in the region will place even more pressure on the system as the ratio of active workers to retirees declines over the next several decades. Perhaps more troubling is the evidence suggesting the declining social involvement of today's elderly people. Withdrawal from dense networks of friendships and reduced participation in civic and community associations has been shown to have a negative impact on elderly people's physical health and quality of life.

Our overall conclusion is that social welfare programmes are an integral aspect of rural policy in Central and Eastern Europe. While a more diversified set of employers, more opportunities for local entrepreneurs, and more amenity-based businesses will undoubtedly strengthen rural economies, the elderly are not in the labour force and women need financial and other types of assistance to balance work and family. These forms of

assistance will come from the state, not from the labour market. Further collapse of the social welfare systems across Central and Eastern Europe will place women and the elderly at further risk. We also observe that disadvantaged rural populations such as Gypsies and women are further excluded from society and the economy by the failure to enforce legal protections against discrimination. *While enforcement of anti-discrimination laws is not typically on the rural policy agenda we contend that it is one of the most effective actions the state can take to increase the inclusion of women and ethnic minorities in rural life. Clearly, this is consistent with any definition of sustainable rural development.*

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