

Indicator name	Percentage of poor people living in rural areas
Prepared by	FAO
Example	See annexed table: Percent of poverty headcount
Rationale	Knowing proportion of poor people living in rural areas, where agriculture and related activities are the primary source of livelihood, provides a measure of the importance of agriculture in the fight against poverty
Position in DPSIR chain	State
Definition of indicator	Percentage of poor people living in rural areas
Underlying definitions and concepts	Poverty is pronounced deprivation of well-being. To be poor is to be hungry, to lack shelter and clothing, to be sick and not cared for, to be illiterate and not schooled. But for poor people, living in poverty is more than this. Poor people are particularly vulnerable to adverse events outside their control. They are often treated badly by the institutions of state and society and excluded from voice and power in those institutions. Poverty does not only encompass material deprivation (measured by an appropriate concept of income or consumption) but also low achievements in education and health. Poverty also includes vulnerability and exposure to risk – and voicelessness and powerlessness (World Bank, <i>World Development Report 2000-2001</i>).
Specification of determinants needed	Number of poor people living in rural areas (RPP) Total population (TP)
Computation	$100(RPP/TP)$
Units of measurements	Percent
Data sources, availability and quality	Available by country from World Bank. World Development Indicators Database Online, FAO, IFAD
Scale of application	All scales; data available at country level
Geographical coverage	Global
Interpretation	The proportion of the poor making their living in rural areas has remained, and is expected to remain, strikingly high. Over half of the world's extreme poor depend for their livelihood mainly on farming and farm labour. The welfare of the rural poor, of course, depends on many aspects other than direct investment in support of agriculture – on schools, clinics and civil order – and on private as well as public action. Nevertheless, poverty reduction does depend, in part, on an adequate share of public spending and international aid devoted to economic development going to agriculture. Addressing rural poverty not only has the potential to raise food supplies but may also reduce migration, thus helping reduce urban poverty (IFAD, <i>Rural Poverty Report 2001</i>).
Linkage with other indicators	Percentage of undernourished people Relative importance of agriculture in the economy
Alternative methods and definitions	Problems of measurement of poverty, which has to be linked to other non-consumption-based indicators and to self-assessment to allow comparisons. Definition of rural differs from country to country. Methodology and definitions need further elaboration.
Related indicator sets	World Bank database IFAD database FAO FAOSTAT database
Sources of further information	World Bank World Development Report 2008: http://econ.worldbank.org/WBSITE/EXTERNAL/EXTDEC/EXTRESEARCH/EXTWDRS/EXTWDR2008/0,,menuPK:2795178~pagePK:64167702~piPK:64167676~theSitePK:2795143,00.html (Accessed 04 March 2009) IFAD: http://www.ruralpovertyportal.org/web/guest/home (Accessed 04 March 2009) UNDP: http://hdr.undp.org/xmlsearch/reportSearch?y=* &c=* &t=* &k=&orderby=year (Accessed 04 March 2009)
Other institutions involved	World Bank, IFAD, UNDP