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Urban Poverty in Developed Countries

Andrea Brandolini and Piero Cipollone

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URBAN POVERTY IN DEVELOPED COUNTRIES

by Andrea Brandolini* and Piero Cipollone*

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Abstract

In this paper we investigate the urban/rural dimension of poverty in developed countries. We provide original estimates for Italy, we gather published statistics for France and the United States, and we produce novel cross-country estimates from the LIS database. We show that the size of urban poverty depends on where the boundaries of metropolitan districts are drawn and we observe that overlooking geographical differences in the cost of living is a particularly relevant hypothesis. We find that in France and the United States post-war economic growth and urbanisation were accompanied by a substantial reduction of the poverty risk for the rural population, while poverty rates improved less, or even sometimes deteriorated, for the urban population. The lack of a standard definition of urban/rural area precludes a rigorous comparative study. Our results indicate, however, that only in few countries (Denmark, the United Kingdom and the United States) the greatest poverty rates are found in central cities, while in all other developed countries poor persons are still relatively more frequent in rural areas. This pattern is stronger in the four non-developed economies examined here.

JEL classification: I32, R2.

Keywords: poverty, urban/rural areas.

Contents

* Bank of Italy, Economic Research Department.

1. Introduction[1]

The urban/rural dimension of poverty has received much attention in social sciences. In developing countries rural poverty rates are still much higher than urban rates, often from 2 to 3 times, although the territorial distribution of poverty is forecasted to change radically if the ongoing process of urbanisation continues (e.g. World Bank, 2000, Table 4, pp. 280-1; Haddad, Ruel and Garrett, 1999; Ravallion, 2001; and Eastwood and Lipton, 2000, for a somewhat different evidence). With regards to developed countries, some researchers, especially among sociologists, have stressed that poverty may have been increasing more in cities than in rural areas as a consequence of the downsizing of industry and the growth of the more heterogeneous service sector, the spreading of contingent work, the retreating of welfare states, the loosening of family links, the migrations from developing countries. In North America, the interest for urban poverty has frequently gone hand in hand with the analysis of the spatial segregation on racial and ethnic bases (e.g. Moynihan, 1968; Peterson, 1991-92; Hajnal, 1995; Jargowsky, 1996; Mills and Sendé Lubuele, 1997; Mayer, 2001). Nevertheless, the systematic investigation of differences between rural and urban areas in developed countries is not common both in official sources and the scientific literature.

In the United States, the Census Bureau regularly compares poverty rates in metropolitan and nonmetropolitan areas (Dalaker, 2001). Recent reports by the National Council of Welfare (2000) in Canada and by Insee (1997, 1998, 2001) in France examine how the proportion of low-income families varies with the community or municipality size. On the other hand, the urban/rural breakdown is not a standard feature of poverty statistics at the European level (Eurostat, 2000), nor in Italy (Istat, 2001) and the United Kingdom

[1] We thank Federico Cingano, Giovanni D'Alessio and Paolo Fabbri for helpful discussions in the writing of the paper. Microdata of the Luxembourg Income Study for the United Kingdom are taken from the Family Expenditure Survey for 1995 and are Crown Copyright; they were made available by the United Kingdom Office for National Statistics through the ESRC Data Archive and their use has been authorised. Neither the Office for National Statistics, nor the ESRC Data Archive are responsible for the analysis or interpretation of the data given here. The views expressed herein are those of the authors and do not necessarily reflect those of the Bank of Italy. Corresponding author: Andrea Brandolini, Banca d'Italia, Economic Research Department, via Nazionale 91, 00184 Roma, Italy. E-mail: brandolini.andrea@insedia.interbusiness.it.

(Department of Social Security, 2000).[2] In the rapidly growing academic literature on the structure and evolution of economic poverty the attention for the urban dimension appears to be scarce. Cross-national comparisons are particularly missing. For instance, a recent valuable collection of essays on poverty in Nordic countries (Gustafsson and Pedersen, ed., 2000) provides information broken down by several population characteristics but not by area of residence.

One important obstacle to comparative analysis is the lack of a generally agreed criterion to distinguish "urban" from "rural" as well as intermediate cases. This deficiency is recognised in the United Nations' *Demographic Yearbook*: "although statistics classified by urban/rural areas are widely available, no international standard definition appears to be possible at this time since the meaning differs from one country or area to another" (United Nations Department of Economic and Social Affairs, 2000, p. 36). The *Yearbook* therefore refrains from providing comparable figures on the size of the urban population and reports statistics computed according to national definitions. In Austria, Norway and Spain, for example, urban areas are defined on the basis of demographic size only, whereas in France also the distance between houses concurs to design urban areas. In Italy, the national statistical office does not provide any classification of urban and rural municipalities, although demographic size is sometimes used.[3]

The main purpose of this study is to review what information is available on the differential poverty levels in cities and rural districts in some developed countries. We rely

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[2] At the policy level, the strategy set out by the British Government against poverty and social exclusion (Secretary of State for Social Security, 1999) devotes considerable attention to "communities" and to targeting help to the poorest neighbourhoods, recognising the different nature of poverty in urban and rural areas. However, Shucksmith and Philip (2000, p. 3) remark that: "The Social Exclusion Unit in England has shown a marked lack of interest in the incidence of social exclusion in rural areas … In Scotland, in contrast, social inclusion in rural areas has been identified by the Scottish Office as an important issue requiring further research and policy development". The report prepared by Harrop, Kenway and Palmer (2000) for the Countryside Agency contains a number of indicators on poverty and social exclusion, including the proportion of individuals in low-income households, separately for remote rural, accessible rural and urban areas in England.

[3] The last official classification was based on 13 socio-demographic indicators (e.g. share of the labour force in agriculture, demographic density, availability of water and toilets in houses, etc.) drawn from the 1981 Census (Istat, 1986). In the frame of regional indicators for the evaluation of development policies recently set by Istat in collaboration with the Treasury Ministry, a municipality is classified as rural if the population density is below 100 inhabitants per square kilometre and the agriculture share in total employment is higher than 12.4 percent, equal to twice the EU average (Istat, 2002).

on both national sources for Italy, France and the United States and the international database assembled at the Luxembourg Income Study (LIS). In section 2 we present our estimates for Italy in the period 1987-2000, using data drawn from the Bank of Italy's Survey of Household Income and Wealth (SHIW). We also exploit the SHIW database to experiment how alternative definitions of "urban area" impact on poverty rates. In sections 3 we use the information for France and the United States to shed some light on the long-run evolution of the urban/rural poverty differential. In section 4 we offer comparative evidence for a number of developed countries around mid-1990s on the basis of the LIS data. We summarise the lessons to be drawn from our analysis at the end of the paper.

2. The definition of urban area and the evidence for Italy [4]

2.1 The definition of urban area

As mentioned above, there is no generally agreed criterion to separate "urban" from "rural". This problem overlaps with the choice of the reference territorial unit, which is typically constrained by the available data. The minimum territorial unit to study urban poverty in Italy is the municipality, since no information is available on family incomes at the census tract level. However, this choice may be too restrictive for the largest urban agglomerations, where residential and business districts may extend over many neighbouring municipalities. Among larger territorial units, we may select "provinces" or "metropolitan areas", if we keep following administrative criteria. Alternatively, we may favour a socio-economic characterisation and focus on "local labour systems", i.e. clusters of economically integrated and adjacent municipalities, whose boundaries are set after analysing daily journeys to work (Istat, 1997). We test the sensitivity of results for Italy by specifying four definitions of "large urban area" or "metropolitan area" (henceforth, used interchangeably):

(a) *Municipality*: the municipal territories of the 6 Italian cities with more than 500,000 inhabitants during the period under examination, namely Palermo, Genoa, Turin, Naples, Milan and Rome (including Fiumicino, a nearby town independent since 1992);

[4] This section draws on Brandolini (2002).

(b) *Province*: the provincial territories of the 6 Italian cities with more than 500,000 inhabitants;

(c) *Local labour system*: the territories of the municipalities comprising the local labour systems of the 6 Italian cities with more than 500,000 inhabitants;

(d) *Demographic density*: the territories of the municipalities whose demographic density was higher than 1,500 inhabitants per square kilometres in the 1991 Census. Using this threshold, admittedly arbitrary, we include among metropolitan areas the 6 largest Italian cities together with other cities, such as Bologna and Florence, and many satellite towns of Naples and Milan.

2.2 The Survey of Household Income and Wealth and measurement hypotheses

Italian income data are drawn from the Survey of Household Income and Wealth (SHIW), which has been conducted by the Bank of Italy since 1965 (see Banca d'Italia, 2002, for the last release, and Brandolini, 1999, for a historical description and an overall assessment). In this paper we rely on data from the Historical Archive (HA) of the survey (version 2.0, released in February 2002), covering the years 1987, 1989, 1991, 1993, 1995, 1998 and 2000. Previous surveys were discarded because some income components, namely interest and dividends, are missing. Household income comprises income from work (as employees or self-employed), pensions, public assistance, private transfers, income from real properties, the imputed rental income from owner-occupied dwellings, and interest on financial assets net of interest paid on mortgages. All components are recorded net of taxes and social security contributions. Incomes are expressed at 2000 prices after deflation by the consumer price index.

Observations are weighted by the adjusted weights, available in the HA, obtained by post-stratifying the samples to re-establish the marginal distributions of components by sex, age group, type of job, geographical area and demographic size of the municipality of residence, as registered in population and labour force statistics. These weights should provide greater stability to intertemporal comparisons. Our results relate to resident households only and do not cover the institutional population, nor the homeless.

Poverty measurement implies a number of methodological choices. In the study of Italian data, the *economic unit of aggregation*, i.e. the basic unit for sharing of resources, is the household. This is defined as a group of persons living together who, independently of their kinship, share their income wholly or in part. We assume that the *intra-household distribution* is egalitarian and that the *welfare unit* is the person (rather than the household). We use the *OECD modified equivalence scale*, supported by Eurostat, which assigns value 1 to the first adult, 0.5 to any other person aged 14 or older and 0.3 to any person younger than 14. Distribution is thus measured between individuals, attributing to each person the equivalent income of the household to which he or she belongs. Following Eurostat (2000), the *poverty line* is set at 60 percent of the median equivalent income. As extreme values are more likely to contain measurement errors, equivalent incomes below the 2nd percentile and above the 98th have been re-coded to equal the value of the corresponding percentile. Bottom and top coding, however, does not affect median-based poverty estimates.

2.3 Urban poverty in Italy

According to the SHIW-HA data, metropolitan population makes up between an eighth and a quarter of the Italian population, depending on its definition. In 2000, 12 percent of people lived in the municipal territory of the 6 major cities, 23 percent in their provincial territory and 19 percent in their local labour system (Table 1). The share of population residing in the municipalities with the highest demographic density was above 25 percent. These values had fallen at the end of the 1980s, but were fairly stable during the 1990s.

From 1987 to 2000 mean equivalent incomes in large urban areas are constantly higher than in the rest of the country. These income differentials tend to shrink as the metropolitan area is extended beyond the boundaries of a municipality to include all communities in its local labour system, or further to cover the whole provincial territory. In these three cases, in 2000 metropolitan mean incomes are in excess of nonmetropolitan ones by 14, 8 and 4 percent, respectively, and by about 15 percent when metropolitan areas are identified on the basis of demographic density. Larger mean equivalent incomes go together with more unequal distributions, regardless of the definition of urban area. Higher inequality, however, results from differences at the top rather than at the bottom of the distributions: the 20th percentiles for urban areas are close to those for the other areas, while the 80th percentiles

are steadily above (Figure 1). As a consequence of this shape of the distribution, we may expect the headcount poverty ratios in large urban areas to be lower than elsewhere.

In 1989 the proportion of low-income households reached a historical minimum at 17 percent. By 1993 the poverty rate rose to just over 21 percent, where it stood for the rest of the decade (Table 1).[5] The profile is virtually the same in nonmetropolitan areas. In large urban areas the poverty rate showed a sharper increase in the early 1990s, a partial improvement until 1998 and a return towards the 1993 peak value in 2000 (Figure 2). The definition of urban area has a modest impact on the time pattern, but it affects the level of estimated poverty in metropolitan areas. The average headcount ratio for the period 1987-2000 is 16 percent with the municipality definition, 18 with the local labour system definition, 19 with the demographic density definition, and 20 with the province definition. The corresponding mean values in nonmetropolitan areas are all very close to 20 percent.

These figures indicate that the population of the provinces surrounding the 6 largest cities resembles the whole Italian population, while residents in central cities are relatively wealthier. All in all, the aggregate evidence suggests that there is no reason to regard poverty in Italy as a prevalently urban phenomenon. The proportion of low-income households in metropolitan areas is found to be the lowest when they are more narrowly defined and taken to coincide with the municipal territories of the 6 greatest cities.

Two observations are in order. First, the relevant territorial dimension of poverty in Italy is the North-South divide. For most of the years, poverty ratios in southern regions are over 4 times those in northern regions (Table 2). Since the urban share of population also differs, being larger in the North, the results at the national level need not coincide with the sub-national evidence. In fact, metropolitan poverty rates are higher than nonmetropolitan rates in the South (Figure 3). Moreover, the comparison of panels (a) and (b) (or (c)) submits that the poor tend to concentrate in the suburbs of the largest cities, according to a pattern of urbanisation similar to that experienced in less developed countries. In contrast, in the North

[5] These estimates differ from the official poverty statistics released by Istat (2001). The latter are based on household consumption expenditure, use a different equivalence scale and compute the poverty line in a different manner. On the contrary, our measurement hypotheses coincide with those adopted by Eurostat (2000), except for the inclusion in household income of the imputed rents. In 1996, the headcount ratio was 19 percent in Eurostat (2000) and 21 percent in the SHIW-HA data.

inner cities and their surroundings appear to be more homogeneous, for metropolitan and nonmetropolitan poverty rates are roughly similar and results are only marginally affected by the definition of urban area. The second observation is that our estimates do not account for territorial differences in the cost of living, as no suitable index is available for Italy. Scattered evidence (Cannari, 1993; Campiglio, 1996; Caruso, Sabbatini and Sestito, 1993) suggests that the price level is lower both in the South, and in smaller municipalities. It is therefore likely that poverty incidence is overestimated in these areas and underestimated elsewhere.

In brief, our initial conclusion that, in Italy, poverty does not appear to be a prevalently urban phenomenon must be qualified as follows. First, the comparison between metropolitan and nonmetropolitan areas at the national level suffers from a composition effect that hides the fact that poverty rates are higher in metropolitan areas in the South, although not in the North. Second, the impossibility to take into account the geographical variability of the cost of living may have led us to underestimate the extent of urban poverty.

3. Long-run changes in urban poverty rates: France and the United States

As mentioned in the introduction, spatial differences in poverty are regularly examined both in France and the United States. Published statistics for these two countries cover relatively long time spans, from 1970 to 1996 for France, and from 1959 to 2000 for the United States. This information allows us to examine how urban and rural poverty rates have been changing in the post-war period.

The French statistical office (Insee) distinguishes rural municipalities from urban municipalities and classifies the latter by demographic size. The Parisian region (Ile de France) is subdivided into the city of Paris and the rest of the region. On the basis of data from the *Enquêtes Revenus Fiscaux* and with the poverty line set at 50 percent of the national median (the threshold commonly used by Insee), the proportion of low-income households[6] decreased from 16 percent in 1970 to 7 percent in 1984 (left-hand panel of

[6] Income is disposable income adjusted by the modified OECD equivalence scale. To enhance comparability over time, some social benefits, tax-exempt financial incomes and the imputed rents on owner-occupied dwellings are excluded.

Figure 4; Table 3). While common to all areas, the reduction was steeper the smaller the municipality. In rural municipalities poverty risk fell from 32 to 10 percent, as compared to a decline from 6 to 4 percent in the Ile de France. In the following years, the average incidence of low-income families showed a modest increase to 8 percent in 1996, which was mainly concentrated among those living in medium-size and larger cities outside of the Parisian region. As a result, between 1970 and 1996 the spatial distribution of the poor shifted away from rural areas towards larger cities, excluding Paris (left-hand panel of Figure 5). The changes in the area of residence of the French population strengthened this tendency, but their importance was secondary. When the threshold is set at 60 percent of the median equivalent income, the patterns are similar, even if poverty levels are higher (right-hand panels of Figures 4 and 5; Table 3).

All in all, in France rural poverty rates rapidly converged towards metropolitan rates during the 1970s and the early 1980s. Afterwards this tendency came to a halt, leaving rural rates somewhat above urban ones. Such residual difference may arise from measurement assumptions. First, using an income definition more comprehensive than the one underlying the statistics discussed earlier, in 1996 the share of households with equivalent income below half of the median turns out to be 4.5 percent in the Ile de France and 7.7 percent in rural municipalities, as compared to 3.9 and 10.4, respectively, with the former income definition. This result is mainly caused by the inclusion of the imputed rents on owner-occupied dwellings (Insee, 2001, p. 29). Second, using data from the *Enquêtes Budget de famille*, Insee (1997) shows that the difference in poverty rates between the Parisian region and the rest of France vanishes when the national poverty line is replaced by two lines separately fixed for the two regions (bottom panel of Table 3). This method is seen by Insee as an indirect way to account for differences in housing costs.

In the United States, the main distinction is between metropolitan and nonmetropolitan areas. A metropolitan area is defined by the U.S. Census Bureau (2002a) as "… a large population nucleus, together with adjacent communities that have a high degree of economic and social integration with that nucleus". The metropolitan area is further subdivided into central city, i.e. the largest place (or, in some case, places) within the area, and suburbs. It is worth recalling that the methodology underlying poverty statistics in the United States differs in two important respects from that typically adopted in European countries. First,

poverty thresholds are "absolute", that is they are fixed on the basis of the estimated cost of a minimum bundle of goods, updated annually for inflation using the consumer price index. These thresholds vary by family size and composition, but not geographically. Second, the U.S. poverty statistics consider money income before taxes and excluding non-cash benefits, such as Medicaid and food stamps, rather than disposable income.

From 1959 to 1974, the U.S. poverty rate halved from 22.4 to 11.2 percent (thick line in Figure 6; Table 4). It later showed some oscillations, going back beyond 15 percent in 1983 and 1993, eventually returning to 11.3 percent in 2000. Over the whole period, the proportion of the poor living inside metropolitan areas grew substantially, both in central cities and suburbs (Figure 7). The increase was particularly strong in central cities, owing to a much smaller reduction in the headcount poverty ratio than in the rest of the country: 2.2 percentage points, as compared to 4.4 points in suburbs and 19.8 points in nonmetropolitan areas (Table 4). In 2000 central cities accounted for 42 percent of the poor, even if their population was only 29 percent of the total. Suburbs of metropolitan areas constantly exhibited the lowest headcount poverty ratios, but their share of the poor population more than doubled from 17 to 36 percent, due to the growth of their population (from 31 to 53 percent of the total). Lastly, people living outside of metropolitan areas experienced a considerable reduction in the risk of poverty, from 33.2 to 13.4 percent, at the same time as their weight in population declined from 37 to 18 percent. The nonmetropolitan share of the poor fell accordingly, from 56 to 22 percent.

By partitioning total population by area of residence, in year t the national headcount poverty ratio H_t equals the weighted average of the headcount ratios $H_{i,t}$ for each area i, with weights $w_{i,t}$ given by the area shares in total population, that is $H_t=\Sigma_i w_{i,t}H_{i,t}$. This property enables us to assess the contribution of the urbanisation process to the long-run poverty decline. Suppose that the U.S. population was distributed over the entire period as in 1959, but allow the poverty rates for each area of residence to vary as they did historically. The fixed-weight headcount poverty ratio, $\grave{H}_t=\Sigma_i w_{i,1959}H_{i,t}$, falls less than the actual ratio did and in 2000 it exceeds the historical value by 1.3 percentage points. Choosing a different year as a reference, this value changes, but the result is qualitatively the same. Thus, urbanisation reinforced the post-war decline in poverty, even though its contribution was small relative to the improvements in poverty incidence inside each area.

The U.S. Census Bureau has also assessed the effect of geographic differences in housing costs on poverty rates. Adjusting the thresholds for such differences, but leaving the methodology otherwise unaffected, "… leads to a poverty rate of 13.0 percent in 1997, slightly lower than the official rate of 13.3 percent" (Short et al., 1999, p. 6). However, the impact of the adjustment varies among the areas of residence: measured poverty decreases in nonmetropolitan areas and rises in central cities and suburbs, driving up the metropolitan share of the poor (Table 5).

To sum up, the examination of the evidence for France and the United States brings us to two conclusions. First, post-war economic growth and urbanisation were accompanied by a substantial reduction of the poverty incidence among the rural population, while the poverty risk of the urban population improved less, or even deteriorated for the residents of the United States central cities. Second, the adjustment for geographic differences in the cost of living and, in particular, in housing costs leads to upward revisions in the metropolitan poverty rates and downward revisions in the rural rates.

4. International comparisons: evidence from the Luxembourg Income Study

The lack of an internationally agreed criterion to distinguish "urban" from "rural" is an important obstacle to comparative analysis, which compounds with the many difficulties arising in cross-country comparisons of income poverty and inequality (Atkinson and Brandolini, 2001). The best source to compare income distributions across developed countries is the Luxembourg Income Study (LIS). The LIS is an international project launched in 1983 for the dissemination of data on income distribution. The project has led to the creation of a database in which microdata from national surveys are reclassified according to standardised criteria and are completed with full and detailed illustrative documentation. Since harmonisation is effected at a later stage, important national peculiarities remain which make comparability of data between countries only partial, despite the enormous progress made. As aptly remarked by Atkinson, Rainwater and Smeeding (1995, p. 26), "complete comparability is impossible".

In March 2002, the LIS database included about 100 surveys covering 26 countries, from which we selected for each country the most recent data-set containing the type of the

household area of residence (variable *D*20 or, in few cases, *D*7). Since such variable is unavailable for several countries (e.g. Australia, Belgium, the Netherlands), the selection left us with data for the 11 developed countries listed in Table 6 and for Poland, Russia, Mexico and Taiwan, which we included in our sample as a term of comparison. Data refer to 1994 or 1995, except for Spain (1990) and West Germany (1989). In few cases we merged some of the original classes of *D*20 or *D*7.[7] As concerns income, we used the "disposable income" variable *DPI* of the LIS archive, which includes the entire household's monetary income, net of tax and social security contributions. The definition of *DPI* need not coincide with the income notions underlying the statistics discussed earlier. In particular, while the data for Italy included in the LIS are those of the SHIW for 1995, the results in this section differ from those in section 2 for the definition of disposable income (here excluding in-kind labour earnings and imputed rental income from owner-occupied dwellings) and the sample weights (the adjusted weights used earlier are not available in the LIS database). Otherwise measurement hypotheses are the same as before. In particular, disposable income was equivalised using the modified OECD equivalence scale and the poverty line was set at 60 percent of the national median equivalent income in each country. Sample weights were re-scaled to make population totals in each country equal to the mid-year estimates reported in the International Data Base of the U.S. Census Bureau (2002c). All the LIS estimates discussed in this paper were computed on 12 March 2002. They were complemented with statistics for Austria in 1997, derived by Förster et al. (2001) using the same hypotheses adopted in our calculations.

The dearth of an international standard definition is made manifest in the LIS data. Available classifications of the area of residence are quite heterogeneous (Table 7). At one extreme, Finland provides the binary classification urban/rural; at the other, the U.S. statistics distinguish nonmetropolitan areas from central cities and suburbs, and further subdivide the two latter categories by demographic size. The separation of metropolitan areas into central cities and suburbs is also a feature of data for West Germany and

[7] In the Danish data, where towns are minutely subdivided by demographic size and rural areas by their degree of urbanisation, the 12 available classes were collapsed into 6. For France, Paris and its suburbs were merged into a single district, to facilitate comparison with figures reported in the previous section. German medium-size towns were also merged in a unique class.

Denmark. The simple classification by demographic size is followed by Austria, West Germany, Italy, Norway and Spain. Canada, Denmark and France modify this criterion by isolating rural municipalities from municipalities of smaller size. Swedish data separate cities from the rest of the country, further divided into South, North and northern "sparsely built-up" areas. Lastly, the United Kingdom is the only country for which the nonmetropolitan communities are clustered on the basis of demographic density. In non-developed countries, the classification is basically by demographic size (Table 8).

Even where classification criteria are relatively homogenous, comparability problems may derive from differences in class limits. For instance, the lower limit of the largest metropolitan area is 5 million inhabitants in the United States, as compared to 500,000 in Canada, Germany, Italy and Spain, and 50,000 in Norway. The problem, however, is not merely one of different classification. The underlying issue is whether the definition of urban area should be absolute or relative. Should we adopt the U.S. classification as an absolute standard, we would be led to conclude that in Norway there are virtually no urban areas. On the other hand, a relative approach would fail to recognise the problems typically associated with large agglomerations of people, like traffic congestion, pollution, and so on.

In brief, the variability of the criteria used to classify the areas of residence makes it arduous to draw sound comparisons of urban or rural poverty rates across countries. Within the limits of available data, however, two patterns seem to prevail. Austria, Denmark, Norway, Sweden and the United States exhibit a U-shaped pattern, whereby the highest poverty rates are found both in the largest metropolitan areas (especially in their inner cities) and in rural areas (Figure 8). Canada, West Germany, Italy and Spain show instead a monotonic profile, where poverty goes up as we move from the most to the least urbanised areas. The same pattern characterises Poland, Russia, Mexico and Taiwan (Figure 9). In France, the Parisian region and the small non-rural municipalities have the lowest poverty rates.[8] The United Kingdom is rather peculiar in registering the lowest share of low-income persons in the Greater London area and the highest in the remaining metropolitan districts,

[8] The difference between the French poverty rates reported here and those discussed in section 3 is partly due to the diverse welfare unit (persons and households, respectively). Despite the difference in levels, the patterns are broadly consistent, in particular with regards to what areas show the lowest incidence of poverty.

while nonmetropolitan areas are in intermediate position and rather similar each other. Only in Denmark, the United Kingdom and the United States the greatest poverty rates are found in central cities. All other countries show that poor persons are relatively more frequent in rural areas. This predominance is very strong in the non-developed economies.

In order to describe the two polar situations, we took for each country the share of low-income persons in the top class in Tables 7 and 8 (top two classes for Denmark and West Germany) to denote the urban poverty rate, and the corresponding share in the bottom class (bottom two classes for Denmark) to denote the rural poverty rate. Evidently these figures must be regarded as very rough approximation to the statistics that would be computed on the basis of a standardised classification. The urban rate varies between a minimum of 6.8 percent (Finland) and a maximum of 23.5 percent (United States); its arithmetic mean, 13.0 percent, is above the 10.6 percent recorded for Poland, Russia, Mexico and Taiwan. Rural poverty rates are much higher and range from 8.0 percent (Finland) to 31.0 per cent (United States); their simple means are 17.0 percent in developed countries and 43.0 percent in the four non-developed countries. Both rates are strongly positively correlated with the national poverty rate. If we plot the incidence of poverty in urban areas against per capita GDP at purchasing power parities,[9] we find evidence of a modest positive correlation, indicating some tendency of urban poverty to rise with economic development (left-hand panel of Figure 10). This cross-country pattern seems to be broadly in line with the time series evidence discussed for France and the United States. The corresponding relationship between the rural poverty rate and per capita GDP looks U-shaped, with the poorest countries showing a much higher incidence of poverty in rural areas than the other countries (right-hand panel of Figure 10). Notice that these patterns would be unaffected, possibly reinforced, if we considered the differences of the urban and rural poverty rates from the national average rather than their absolute levels.

[9] More precisely, we used the values for 1990 (1989 for Russia) of the series CGDP drawn from Summers et al (2002), expressed as a percentage ratio to the per capita GDP of the United States.

5. Conclusion

In this paper we have investigated the urban/rural dimension of poverty in developed countries. We have used national sources to provide original estimates for Italy and to gather published statistics for France and the United States. We have carried out an international comparison by producing novel estimates from the LIS database. Our work shows a number of points both methodological, and substantive.

First, the lack of a standard definition of urban/rural area precludes a rigorous comparative study. Despite several countries favour a classification based on the demographic size of the community, other criteria are also used. As a consequence, available microdata, such as those collected at the LIS, do not allow us to achieve a satisfactory harmonisation. The problem is further complicated by the constraints imposed by data protection regulations on the individual information which can be publicly released. For instance, the analysis of three of the four alternative specifications of urban area discussed in section 2 was only possible to us because we have full access to the entire SHIW data-set. An external user would have been unable to assign municipalities to local labour systems or to rank them by demographic density. The definition of a standard classification of the area of residence would be desirable and such classification should possibly be devised by, or in accordance with, data producers. Proper attention should be paid to the question of whether urban/rural should be interpreted in absolute or relative terms.

Second, where we draw the boundaries of metropolitan districts matters. We have shown that in Italy the narrower the urban area, the lower poverty rates tend to be. In the United States, the evidence seems to point in the opposite direction, as poverty is higher in inner cities than in suburbs. Experimenting with alternative definitions seems important.

Third, studying urban and rural poverty rates makes especially manifest that overlooking geographical differences in the cost of living is a strong and perhaps hardly defensible hypothesis. In Italy, France and the United States, the evidence indicates that such neglect may lead to overstate rural rates and to understate urban rates. Whether these effects eventually cancel out at the aggregate level, as seems to be the case in the United States, needs to be carefully investigated.

Fourth, in France and the United States post-war economic growth and urbanisation were accompanied by a substantial reduction of the poverty incidence among the rural population, while the poverty risk of the urban population improved less, or even deteriorated in some cases. Also the cross-country evidence seems to broadly confirm some tendency of urban poverty to rise with economic development. However, only in Denmark, the United Kingdom and the United States the greatest poverty rates are found in central cities. In all other countries poor persons are relatively more frequent in rural areas. This predominance is very strong in the four non-developed economies.

Table 1

POVERTY IN ITALY, 1987-2000
(percent)

Year	Share of total population			Share of poor persons			Headcount poverty ratio		
	Large urban areas	Other areas	Total	Large urban areas	Other areas	Total	Large urban areas	Other areas	Total
Municipality									
1987	14.3	85.7	100.0	9.6	90.4	100.0	12.9	20.3	19.2
1989	12.1	87.9	100.0	9.5	90.5	100.0	13.0	17.0	16.6
1991	13.5	86.5	100.0	10.8	89.2	100.0	14.3	18.3	17.8
1993	12.5	87.5	100.0	11.4	88.6	100.0	19.2	21.3	21.1
1995	12.8	87.2	100.0	11.1	88.9	100.0	18.2	21.5	21.1
1998	13.0	87.0	100.0	10.5	89.5	100.0	16.9	21.7	21.1
2000	12.3	87.7	100.0	11.2	88.8	100.0	19.5	21.6	21.3
Province									
1987	25.7	74.3	100.0	23.1	76.9	100.0	17.3	19.9	19.2
1989	23.1	76.9	100.0	20.5	79.5	100.0	14.7	17.1	16.6
1991	23.6	76.4	100.0	24.4	75.6	100.0	18.4	17.6	17.8
1993	24.0	76.0	100.0	27.6	72.4	100.0	24.2	20.1	21.1
1995	23.2	76.8	100.0	24.4	75.6	100.0	22.2	20.7	21.1
1998	23.4	76.6	100.0	22.5	77.5	100.0	20.3	21.3	21.1
2000	23.3	76.7	100.0	23.8	76.2	100.0	21.8	21.1	21.3
Local labour system									
1987	21.9	78.1	100.0	14.5	85.5	100.0	12.8	21.1	19.2
1989	18.4	81.6	100.0	14.6	85.4	100.0	13.1	17.3	16.6
1991	18.8	81.2	100.0	16.7	83.3	100.0	15.7	18.3	17.8
1993	18.9	81.1	100.0	20.0	80.0	100.0	22.3	20.8	21.1
1995	19.3	80.7	100.0	18.7	81.3	100.0	20.4	21.2	21.1
1998	19.8	80.2	100.0	17.5	82.5	100.0	18.7	21.6	21.1
2000	19.0	81.0	100.0	19.6	80.4	100.0	22.0	21.1	21.3
Demographic density									
1987	26.5	73.5	100.0	22.0	78.0	100.0	16.0	20.4	19.2
1989	25.6	74.4	100.0	23.5	76.5	100.0	15.1	17.0	16.6
1991	24.4	75.6	100.0	22.0	78.0	100.0	16.0	18.4	17.8
1993	25.1	74.9	100.0	26.6	73.4	100.0	22.3	20.6	21.1
1995	24.8	75.2	100.0	23.7	76.3	100.0	20.2	21.4	21.1
1998	25.6	74.4	100.0	22.8	77.2	100.0	18.8	21.8	21.1
2000	25.4	74.6	100.0	25.9	74.1	100.0	21.7	21.2	21.3

Source: authors' elaboration on data from the SHIW-HA (Release 2.0).

Table 2

POVERTY IN NORTHERN AND SOUTHERN ITALY, 1987-2000
(percent)

Geographical area	1987	1989	1991	1993	1995	1998	2000
Centre-North	10.2	7.6	8.4	9.8	10.0	10.0	9.2
South-Islands	35.1	32.1	34.4	40.8	40.4	40.4	42.7
Italy	19.2	16.6	17.8	21.1	21.1	21.1	21.3

Source: authors' elaboration on data from the SHIW-HA (Release 2.0). "Centre-North" comprises population resident in Valle d'Aosta, Piemonte, Lombardia, Trentino Alto Adige, Veneto, Friuli Venezia Giulia, Liguria, Emilia Romagna, Toscana, Umbria, Marche and Lazio; "South-Islands" comprises population resident in Abruzzo, Molise, Campania, Basilicata, Puglia, Calabria, Sicilia and Sardegna

Table 3

POVERTY IN FRANCE, 1970-1996
(percent)

Year	Share of poor households						Headcount poverty ratio					
	Ile de France	100,000-2 million inhabitants	20,000-99,999 inhabitants	Less than 20,000 inhabitants	Rural municipalities	Total	Ile de France	100,000-2 million inhabitants	20,000-99,999 inhabitants	Less than 20,000 inhabitants	Rural municipalities	Total
					Enquêtes Revenus Fiscaux (a)							
Poverty lines at 50 percent of median												
1970	7.3	14.0	10.0	13.2	55.6	100.0	6.2	8.5	10.8	14.3	32.3	15.7
1975	8.1	17.3	10.0	14.9	49.8	100.0	5.7	7.7	9.3	12.6	24.4	12.6
1979	8.4	20.0	9.3	13.8	48.5	100.0	4.3	6.4	6.3	8.6	17.5	9.1
1984	9.1	23.1	12.3	17.7	37.8	100.0	3.9	6.0	6.5	7.8	10.2	7.1
1990	10.3	26.3	12.6	16.3	34.5	100.0	4.2	6.6	6.6	7.3	9.9	7.1
1996 (b)	8.4	27.9	13.9	18.0	31.9	100.0	3.9	7.8	8.4	9.0	10.4	8.0
(c)	8.3	27.1	13.7	17.5	33.4	100.0	3.5	6.8	7.5	7.9	9.8	7.3
(d)	9.9	32.2	15.9	18.1	23.9	100.0	4.5	8.8	9.5	8.9	7.7	7.9
Poverty lines at 60 percent of median												
1970	7.4	15.7	10.2	13.9	52.9	100.0	8.7	13.2	15.2	20.6	42.3	21.6
1975	8.1	18.6	10.3	15.6	47.4	100.0	9.1	13.0	15.2	21.0	36.8	19.9
1979	8.3	21.4	10.9	14.9	44.4	100.0	7.4	11.8	12.7	16.1	27.6	15.8
1984	8.4	22.8	12.2	17.8	38.9	100.0	6.5	10.8	11.8	14.2	19.1	12.9
1990	9.9	25.5	13.5	16.6	34.5	100.0	8.1	12.9	14.3	15.1	20.0	14.4
1996 (b)	9.3	27.7	13.7	17.5	31.9	100.0	7.8	13.9	14.8	15.7	18.7	14.4
(c)	9.1	27.3	13.3	17.2	33.1	100.0	7.1	12.7	13.4	14.4	18.1	13.4
(d)	10.4	31.4	15.8	17.8	24.7	100.0	8.9	16.1	17.5	16.3	14.8	14.8
					Enquêtes Budget de Famille							
Poverty lines at 50 percent of median												
1989	9	28	13	15	35	100	4.0	8.4	8.3	8.1	12.3	8.5
1994	10	34	13	13	30	100	5.1	10.1	9.0	6.6	10.6	8.7
Poverty lines at 50 percent of two regional medians (Ile de France and rest of France)												
1989							9	7	7	7	10	
1994							10	9	7	6	9	
Poverty lines at 60 percent of median												
1989							11.9	21.3	23.5	24.0	30.2	22.5
1994							13.2	23.6	23.2	20.1	27.9	22.3

Source: authors' elaboration on data from Insee (2001), Annexe 1, Tables 1-4, pp. 45-8, Annexe 2, Table 4, p. 50, Annexe 3, Table 3, p. 58 (*Enquetes Revenus Fiscaux*) and from Insee (1997), Annex 5, Tables 2 and 3, p. 109, and Tables 8 and 9, p. 42 (*Enquetes Budget de Famille*). (a) Data refer to all households, excluding those comprised of students, which have nonnegative pre-tax income and positive disposable income. (b) To improve comparability with previous years, income excludes some social benefits (*allocation parentale d'éducation*, *allocation aux adultes handicapés*, *allocation d'éducation spéciale, allocation de soutien familial*). (c) Income includes all social benefits (REV1). (d) Income includes imputed rents on owner-occupied dwellings and imputed tax-exempt financial incomes (REV4).

Table 4

POVERTY IN THE UNITED STATES, 1959-2000
(percent)

Year	Share of poor persons					Headcount poverty ratio				
	Metropolitan areas			Nonmetropolitan areas	Total	Metropolitan areas			Nonmetropolitan areas	Total
	Central cities	Suburbs	Total			Central cities	Suburbs	Total		
1959	26.9	17.0	43.9	56.1	100.0	18.3	12.2	15.3	33.2	22.4
1960										22.2
1961										21.9
1962										21.0
1963										19.5
1964										19.0
1965										17.3
1966										14.7
1967	31.1	18.7	49.8	50.2	100.0	15.0	7.5	10.9	20.2	14.2
1968	30.5	20.2	50.7	49.3	100.0	13.4	7.3	10.0	18.0	12.8
1969	33.1	21.1	54.2	45.8	100.0	12.7	6.8	9.5	17.9	12.1
1970	31.9	20.5	52.4	47.6	100.0	14.2	7.1	10.2	16.9	12.6
1971	34.9	22.1	57.0	43.0	100.0	14.2	7.2	10.4	17.2	12.5
1972	37.5	21.8	59.3	40.7	100.0	14.7	6.8	10.3	15.3	11.9
1973	37.4	22.5	59.9	40.1	100.0	14.0	6.4	9.7	14.0	11.1
1974	35.8	23.4	59.3	40.7	100.0	13.7	6.7	9.7	14.2	11.2
1975	35.1	24.2	59.3	40.7	100.0	15.0	7.6	10.8	15.4	12.3
1976	38.0	23.0	61.0	39.0	100.0	15.8	6.9	10.7	14.0	11.8
1977	37.2	22.9	60.1	39.9	100.0	15.4	6.8	10.4	13.9	11.6
1978	37.9	23.7	61.6	38.4	100.0	15.4	6.8	10.4	13.5	11.4
1979	37.3	24.6	61.9	38.1	100.0	15.7	7.2	10.7	13.8	11.7
1980	36.4	25.2	61.6	38.4	100.0	17.2	8.2	11.9	15.4	13.0
1981	35.3	25.5	60.8	39.2	100.0	18.0	8.9	12.6	17.0	14.0
1982	36.9	24.9	61.8	38.2	100.0	19.9	9.3	13.7	17.8	15.0
1983	36.5	25.2	61.7	38.3	100.0	19.8	9.6	13.8	18.3	15.2
1984										14.4
1985	42.9	27.5	70.4	29.6	100.0	19.0	8.4	12.7	18.3	14.0
1986	41.1	28.9	70.0	30.0	100.0	18.0	8.4	12.3	18.1	13.6
1987	42.5	29.0	71.5	28.5	100.0	18.3	8.3	12.3	17.0	13.4
1988	42.9	29.7	72.6	27.4	100.0	18.1	8.3	12.2	16.0	13.0
1989	43.1	29.6	72.7	27.3	100.0	18.1	8.0	12.0	15.7	12.8
1990	42.4	30.5	73.0	27.0	100.0	19.0	8.7	12.7	16.3	13.5
1991	42.9	32.2	75.1	24.9	100.0	20.2	9.6	13.7	16.1	14.2
1992	43.0	31.7	74.7	25.3	100.0	20.9	9.9	14.2	16.9	14.8
1993	42.8	32.6	75.4	24.6	100.0	21.5	10.3	14.6	17.2	15.1
1994	42.3	35.5	77.8	22.2	100.0	20.9	10.3	14.2	16.0	14.5
1995	44.7	33.1	77.8	22.2	100.0	20.6	9.1	13.4	15.6	13.8
1996	42.8	34.4	77.2	22.8	100.0	19.6	9.4	13.2	15.9	13.7
1997	42.2	34.4	76.7	23.3	100.0	18.8	9.0	12.6	15.9	13.3
1998	43.3	35.0	78.3	21.7	100.0	18.5	8.7	12.3	14.4	12.7
1999	40.7	36.2	76.9	23.1	100.0	16.4	8.3	11.2	14.3	11.8
2000	41.6	36.4	78.0	22.0	100.0	16.1	7.8	10.8	13.4	11.3

Source: U.S. Census Bureau (2002b).

Table 5

POVERTY IN THE UNITED STATES: IMPACT OF GEOGRAPHIC ADJUSTMENT, 1997
(percent)

Poverty measure	Share of poor persons				Headcount poverty ratio			
	Metropolitan areas		Nonmetropolitan areas	Total	Metropolitan areas		Nonmetropolitan areas	Total
	Central cities	Suburbs			Central cities	Suburbs		
Official	42.2	34.5	23.3	100.0	18.8	9.0	15.9	13.3
Geographically adjusted	44.1	36.4	19.5	100.0	19.3	9.4	13.1	13.0

Source: Short et al. (1999), Appendix A, Tables A3, pp. A6-A7.

Table 6

SOURCES FOR SELECTED COUNTRIES, AROUND MID-1990S

Country	Year	Survey	Sample size
LIS			
Canada	1994	Survey of Consumer Finances	37,475
Denmark	1995	Income Tax Survey	13,124
Finland	1995	Income Distribution Survey	9,262
France	1994	Family Budget Survey	11,294
West Germany (a)	1989	German Social Economic Panel Study (GSOEP) (b)	3,661
Italy	1995	Survey of Household Income and Wealth	8,135
Norway	1995	Income and Property Distribution Survey	10,127
Spain	1990	Expenditure and Income Survey	21,153
Sweden	1995	Income Distribution Survey	16,260
United Kingdom	1995	Family Expenditure Survey (c)	6,797
United States	1994	March Current Population Survey	56,873
Poland	1995	Household Budget Survey	32,009
Russia	1995	Russian Longitudinal Monitoring Survey	3,518
Mexico	1994	National Household Survey on Income and Expenditure	12,815
Taiwan	1995	Survey of Personal Income Distribution, Taiwan Area	14,706
National source			
Austria	1997	European Community Household Panel	~3,100

Source: for all countries except Austria, authors' elaboration on data from the LIS (12th March 2002); for Austria, Förster et al. (2001), Table 4.2, p. 36. (a) Federal Republic of Germany before reunification. (b) 526 observations were dropped because of missing income components. (c) Crown Copyright 1995. Source: Office for National Statistics.

Table 7

POVERTY IN SELECTED DEVELOPED COUNTRIES, AROUND MID-1990S
(thousands and percent)

Country and type of area or municipality	Total population	Poor population	Share of total population	Share of poor population	Headcount poverty ratio
Austria, 1997					
Vienna	1,558	170	19.3	19.0	10.9
10,000-999,999 inhabitants	1,857	162	23.0	18.0	8.7
Rural area	4,658	564	57.7	63.0	12.1
Total	8,072	896	100.0	100.0	11.1
Canada, 1994					
500,000 inhabitants or more	14,163	2,086	48.4	44.2	14.7
100,000-499,999 inhabitants	4,643	680	15.9	14.4	14.6
30,000-99,999 inhabitants	2,151	319	7.4	6.8	14.8
2,500-29,999 inhabitants	2,834	471	9.7	10.0	16.6
Less than 2,500 inhabitants	740	139	2.5	2.9	18.8
Rural area	4,732	1,025	16.2	21.7	21.7
Total	29,263	4,720	100.0	100.0	16.1
Denmark, 1995					
Metropolitan area	643	103	12.3	17.8	16.0
Suburbs of the metropolitan	767	78	14.7	13.5	10.2
100,000 inhabitants or more	617	85	11.8	14.7	13.8
10,000 - 99,999 inhabitants (a)	1,462	143	27.9	24.7	9.8
Rural municipality, with urban areas (b)	1,424	127	27.2	22.0	8.9
Rural municipality, without urban areas	319	42	6.1	7.3	13.2
Total	5,232	578	100.0	100.0	11.0
Finland, 1995					
Urban area	3,246	221	63.6	59.7	6.8
Rural area	1,860	149	36.4	40.3	8.0
Total	5,106	370	100.0	100.0	7.2
France, 1994					
Ile de France	9,735	967	16.8	11.7	9.9
100,000-2,000,000 inhabitants	16,410	2,449	28.3	29.7	14.9
20,000-99,999 inhabitants	7,110	1,203	12.3	14.6	16.9
Less than 20,000 inhabitants	9,776	1,044	16.9	12.7	10.7
Rural municipality	14,876	2,586	25.7	31.3	17.4
Total	57,907	8,249	100.0	100.0	14.2
West Germany, 1989 (c)					
500,000 inhabitants or more, metropolitan areas	18,380	1,941	29.3	27.9	10.6
500,000 inhabitants or more, remaining areas	10,545	610	16.8	8.8	5.8
100,000-499,999 inhabitants, metropolitan areas	5,946	607	9.5	8.7	10.2
100,000-499,999 inhabitants, remaining areas	4,181	271	6.7	3.9	6.5
20,000-99,999 inhabitants	7,172	870	11.4	12.5	12.1
5,000-19,999 inhabitants	9,275	1,488	14.8	21.4	16.0
2,000-4,999 inhabitants	4,351	651	6.9	9.3	15.0
Less than 2,000 inhabitants	2,820	530	4.5	7.6	18.8
Total	62,670	6,968	100.0	100.0	11.1

Table 7 (*continued*)

Country and type of area or municipality	Total population	Poor population	Share of total population	Share of poor population	Headcount poverty ratio
Italy, 1995					
500,000 inhabitants or more	7,329	1,465	12.8	11.7	20.0
40,000-499,999 inhabitants	15,060	3,170	26.3	25.3	21.0
20,000-39,999 inhabitants	7,788	1,740	13.6	13.9	22.3
Less than 20,000 inhabitants	27,086	6,135	47.3	49.0	22.7
Total	57,263	12,510	100.0	100.0	21.8
Norway, 1995					
50,000 inhabitants or more	1,283	140	29.4	33.6	10.9
20,000-49,999 inhabitants	1,051	78	24.1	18.7	7.4
10,000-19,999 inhabitants	821	70	18.8	16.8	8.5
5,000-9,999 inhabitants	628	63	14.4	15.1	10.0
Less than 5,000 inhabitants	576	66	13.2	15.8	11.5
Total	4,359	417	100.0	100.0	9.6
Spain, 1990					
500,001 inhabitants or more	7,311	816	18.6	12.2	11.2
100,001-500,000 inhabitants	9,193	1,175	23.4	17.5	12.8
50,001-100,000 inhabitants	3,669	637	9.3	9.5	17.4
10,001-50,000 inhabitants	9,195	1,739	23.4	25.9	18.9
Less than 10,001 inhabitants	9,985	2,343	25.4	34.9	23.5
Total	39,353	6,710	100.0	100.0	17.1
Sweden, 1995					
Stockholm, Gothenburg, Malmö	2,950	255	33.4	34.4	8.6
Bigger cities	3,243	267	36.8	36.0	8.2
South	1,739	130	19.7	17.5	7.5
North	450	45	5.1	6.1	10.0
North sparsely built-up area	442	45	5.0	6.1	10.2
Total	8,824	742	100.0	100.0	8.4
United Kingdom, 1995 (d)					
Greater London	5,741	993	9.8	8.6	17.3
Metropolitan districts and central clyde	12,797	3,155	21.8	27.3	24.7
Nonmetropolitan area, 3.2 persons or more	12,418	2,390	21.2	20.7	19.2
Nonmetropolitan area, 0.9-3.2 persons	13,376	2,451	22.8	21.2	18.3
Nonmetropolitan area, less than 0.9 persons	14,282	2,575	24.4	22.3	18.0
Total	58,614	11,564	100.0	100.0	19.7
United States, 1994					
Central city, 5 million inhabitants or more	23,058	8,483	8.8	13.0	36.8
Central city, 2.5-5 million inhabitants	8,363	3,006	3.2	4.6	35.9
Central city, 1-2.5 million inhabitants	16,909	5,154	6.5	7.9	30.5
Central city, less than 1 million inhabitants	28,127	7,955	10.8	12.2	28.3
Suburbs, 5 million inhabitants or more	41,043	6,550	15.7	10.0	16.0
Suburbs, 2.5-5 million inhabitants	16,083	2,373	6.2	3.6	14.8
Suburbs, 1-2.5 million inhabitants	31,292	6,106	12.0	9.3	19.5
Suburbs, less than 1 million inhabitants	42,908	9,482	16.5	14.5	22.1
Nonmetropolitan area	52,817	16,354	20.3	25.0	31.0
Total	260,600	65,463	100.0	100.0	25.1

Source: for all countries except Austria, authors' elaboration on data from the LIS (12th March 2002); for Austria, Förster et al. (2001), Table 4.2, p. 36. (a) Includes urban municipalities with more than 10,000 inhabitants in North-East Sjælland. (b) Includes smaller municipalities in North-East Sjælland. (c) 526 observations were dropped because of missing income components. (d) Crown Copyright 1995. Source: Office for National Statistics.

Table 8

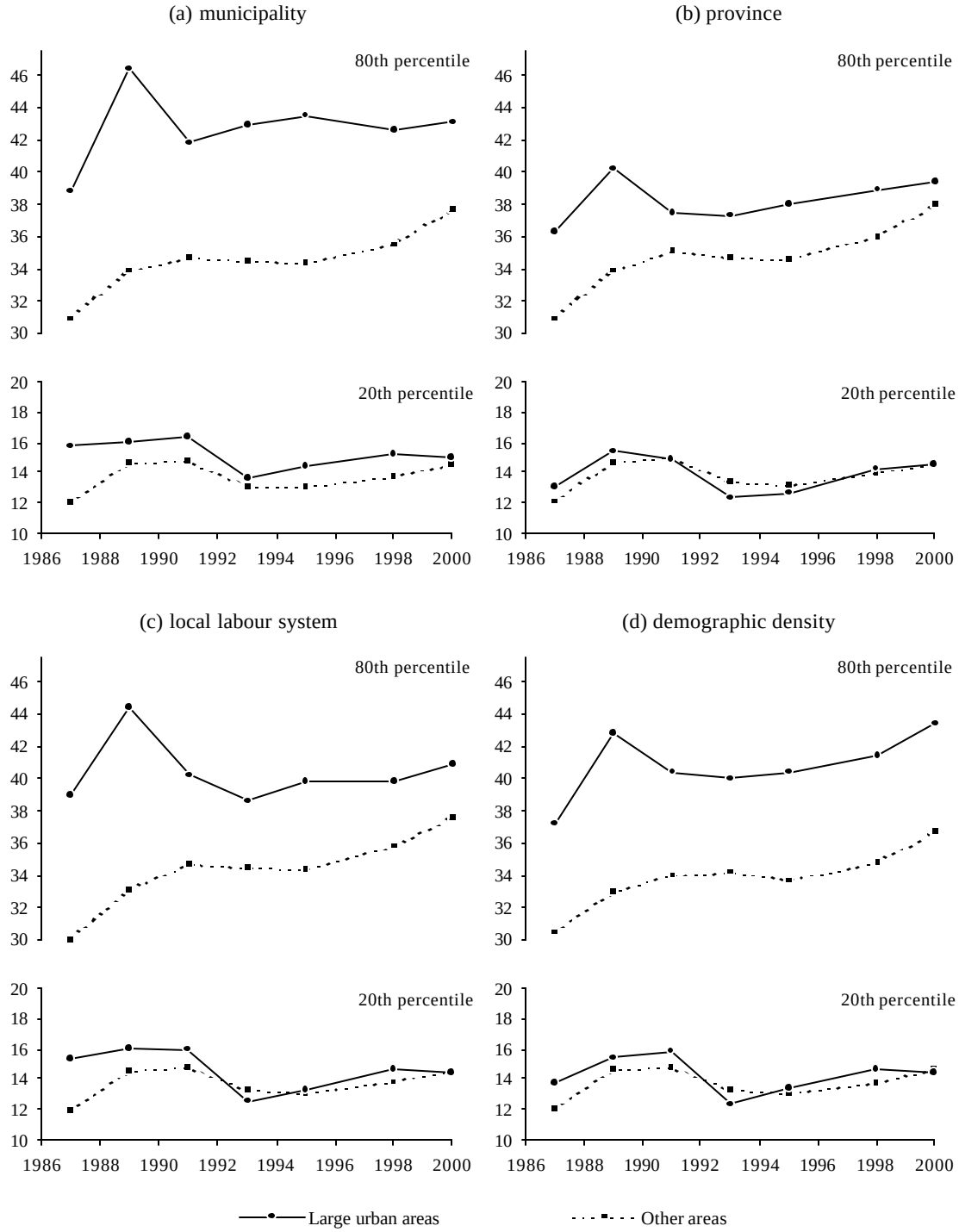
POVERTY IN POLAND, RUSSIA, MEXICO AND TAIWAN, MID-1990S
(thousands and percent)

Country and type of area or municipality	Total population	Poor population	Share of total population	Share of poor population	Headcount poverty ratio
Poland, 1995					
City, 500,000 inhabitants or more	4,222	235	10.9	3.0	5.6
City, 200,000-499,999 inhabitants	4,108	341	10.6	4.4	8.3
City, 100,000-199,999 inhabitants	2,481	213	6.4	2.7	8.6
Town, 20,000-99,999 inhabitants	7,232	742	18.7	9.6	10.3
Town, less than 20,000 inhabitants	4,959	758	12.8	9.8	15.3
Village	15,604	5,459	40.4	70.5	35.0
Total	38,606	7,748	100.0	100.0	20.1
Russia, 1995					
Urban area	101,277	17,744	68.4	47.1	17.5
Semi-urban area	8,608	2,979	5.8	7.9	34.6
Rural area	38,231	16,986	25.8	45.0	44.4
Total	148,116	37,709	100.0	100.0	25.5
Mexico, 1994					
Metropolitan area	33,478	3,565	36.8	12.6	10.6
100.000 or more inhabitants	11,470	1,525	12.6	5.4	13.3
15.000-99.999 inhabitants	7,675	1,528	8.4	5.4	19.9
2.500-14.999 inhabitants	13,691	5,813	15.1	20.5	42.5
Rural area, less than 2.500 inhabitants	24,574	15,915	27.0	56.1	64.8
Total	90,888	28,346	100.0	100.0	31.2
Taiwan, 1995					
City	12,187	1,036	57.3	36.8	8.5
Town	6,182	964	29.0	34.2	15.6
Village	2,914	815	13.7	29.0	28.0
Total	21,283	2,815	100.0	100.0	13.2

Source: authors' elaboration on data from the LIS (12th March 2002).

Figure 1

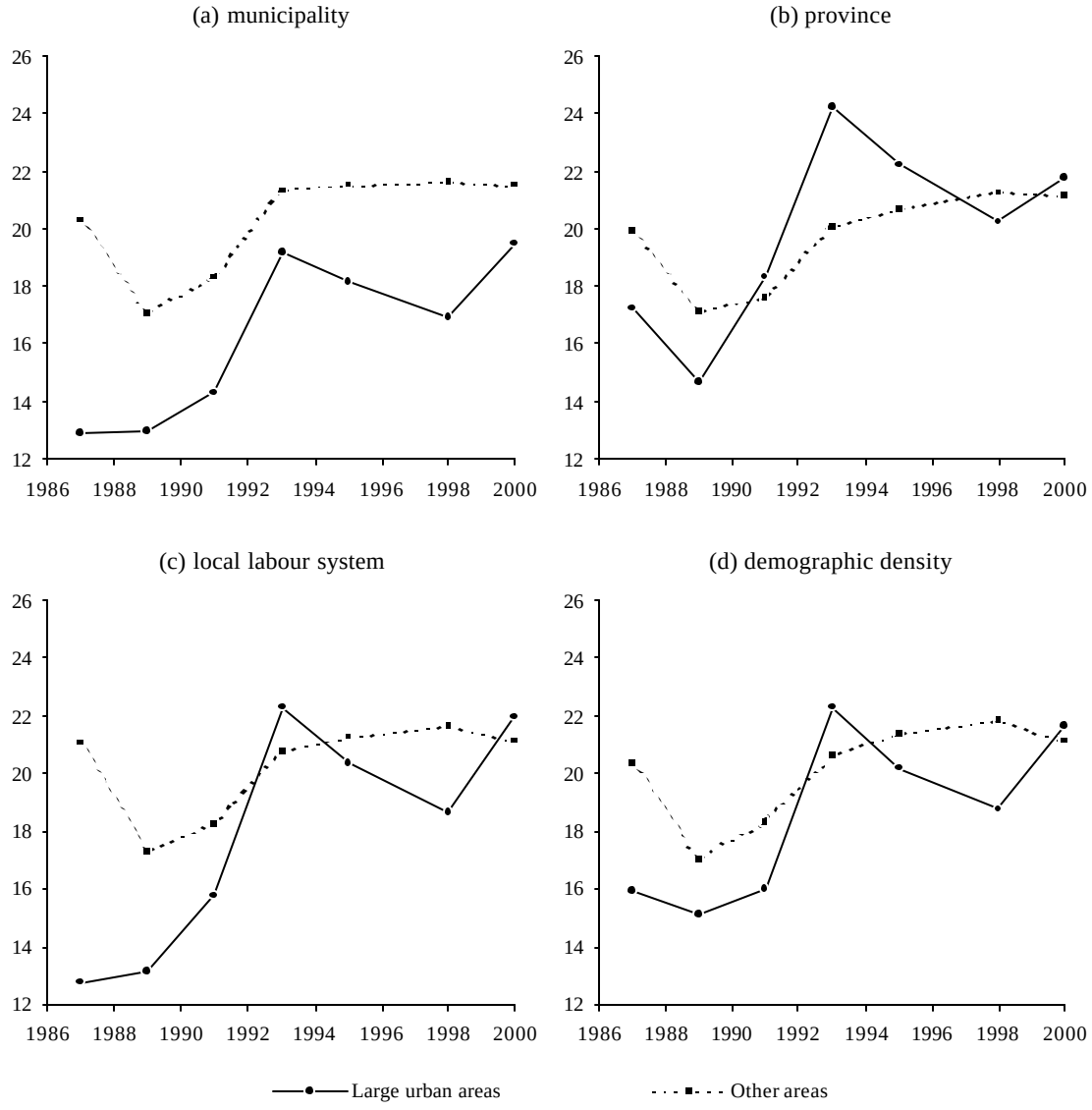
20TH AND 80TH PERCENTILES OF EQUIVALENT INCOME DISTRIBUTION IN ITALY, 1987-2000
(million lire at 2000 prices)



Source: authors' elaboration on data from SHIW -HA (Release 2.0).

Figure 2

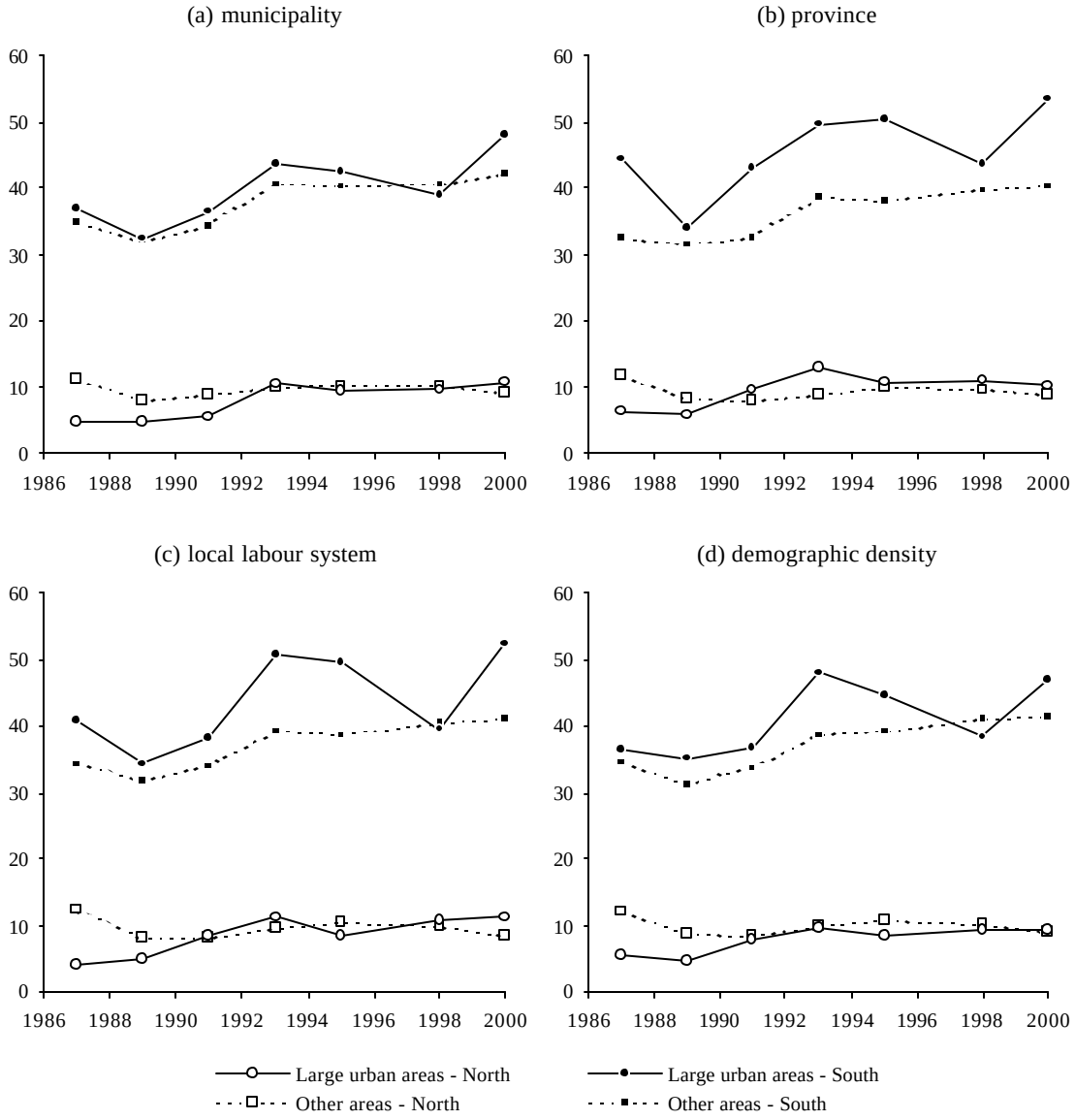
HEADCOUNT POVERTY RATIOS IN ITALY, 1987-2000
(percent)



Source: authors' elaboration on data from SHIW -HA (Release 2.0).

Figure 3

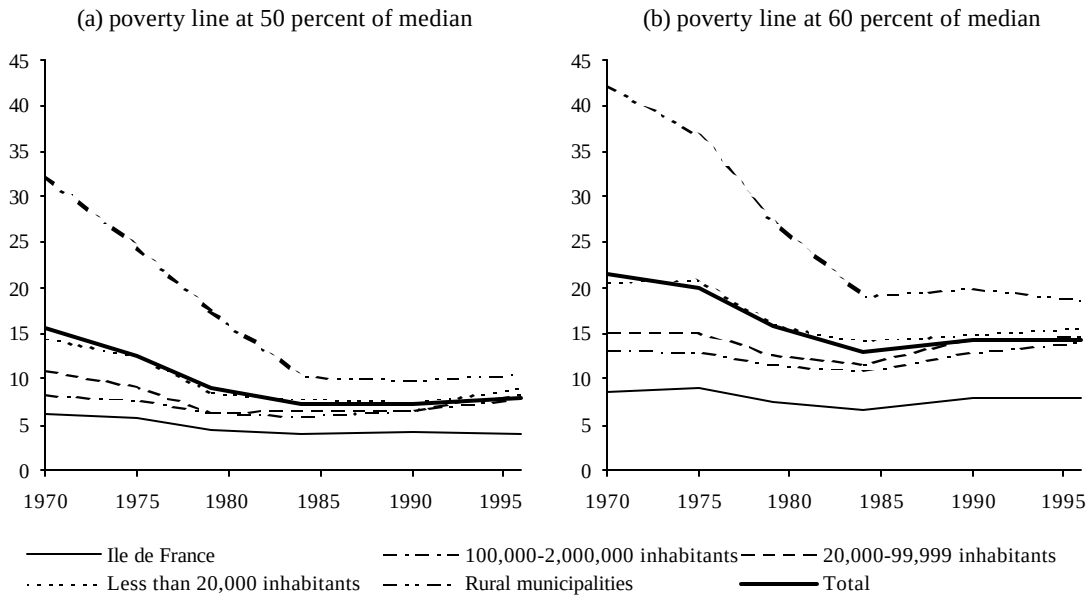
HEADCOUNT POVERTY RATIOS IN NORTHERN AND SOUTHERN ITALY, 1987-2000
(percent)



Source: authors' elaboration on data from SHIW -HA (Release 2.0).

Figure 4

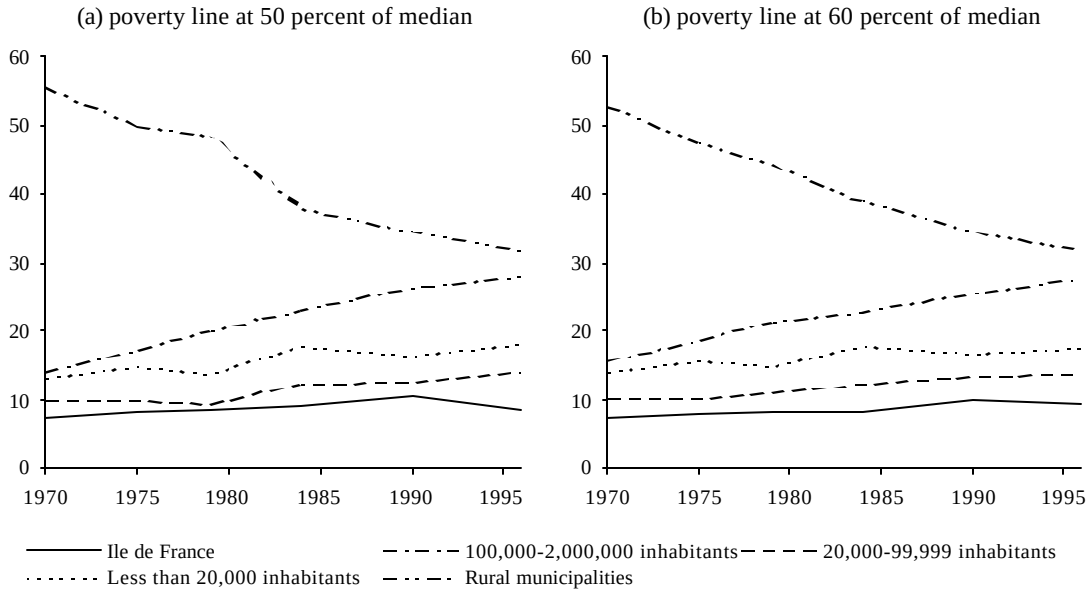
HEADCOUNT POVERTY RATIOS IN FRANCE, 1970-1996
(percent)



Source: Insee (2001), Table 1, p. 45.

Figure 5

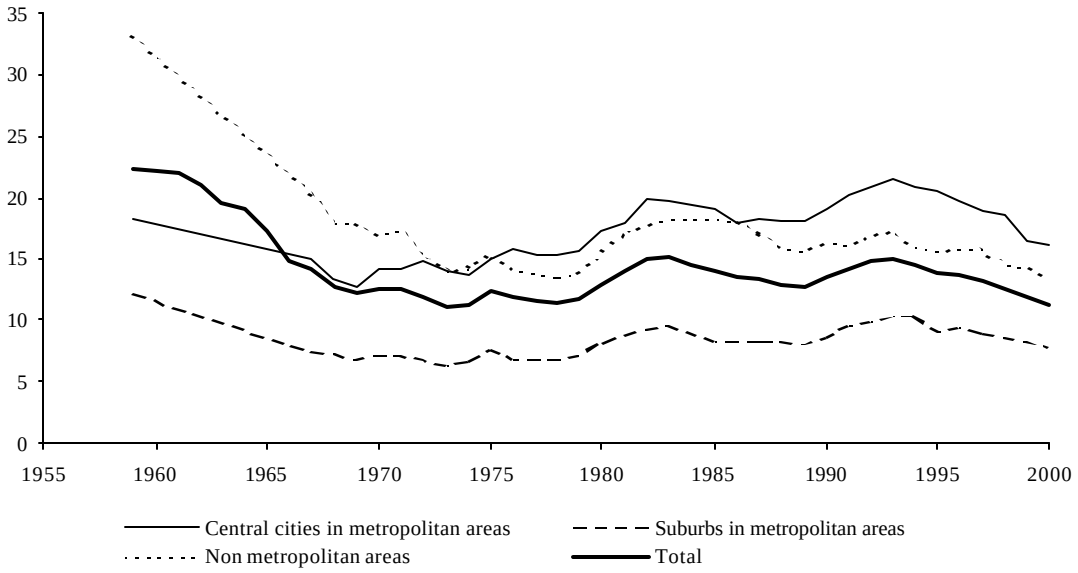
COMPOSITION OF THE POOR HOUSEHOLD POPULATION IN FRANCE, 1970-1996
(percent)



Source: authors' elaboration on data from Insee (2001), Table 2, p. 46.

Figure 6

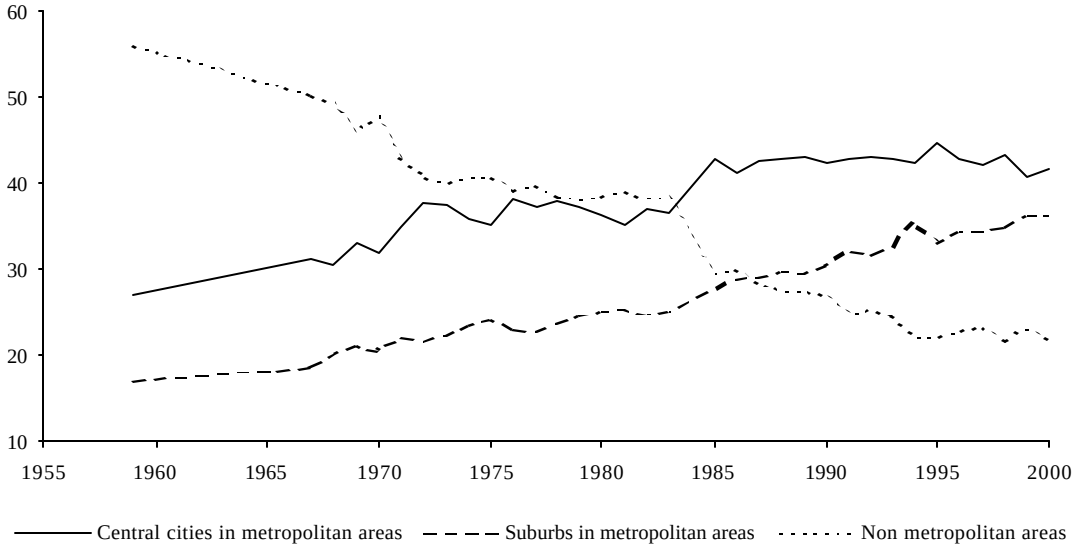
HEADCOUNT POVERTY RATIOS IN THE UNITED S TATES, 1959-2000
(percent)



Source: U.S. Census Bureau (2002b).

Figure 7

COMPOSITION OF THE POOR POPULATION IN THE UNITED STATES, 1959-2000
(percent)



Source: U.S. Census Bureau (2002b).

Figure 8

POVERTY IN SELECTED DEVELOPED COUNTRIES,AROUND MID -1990S
(percent)

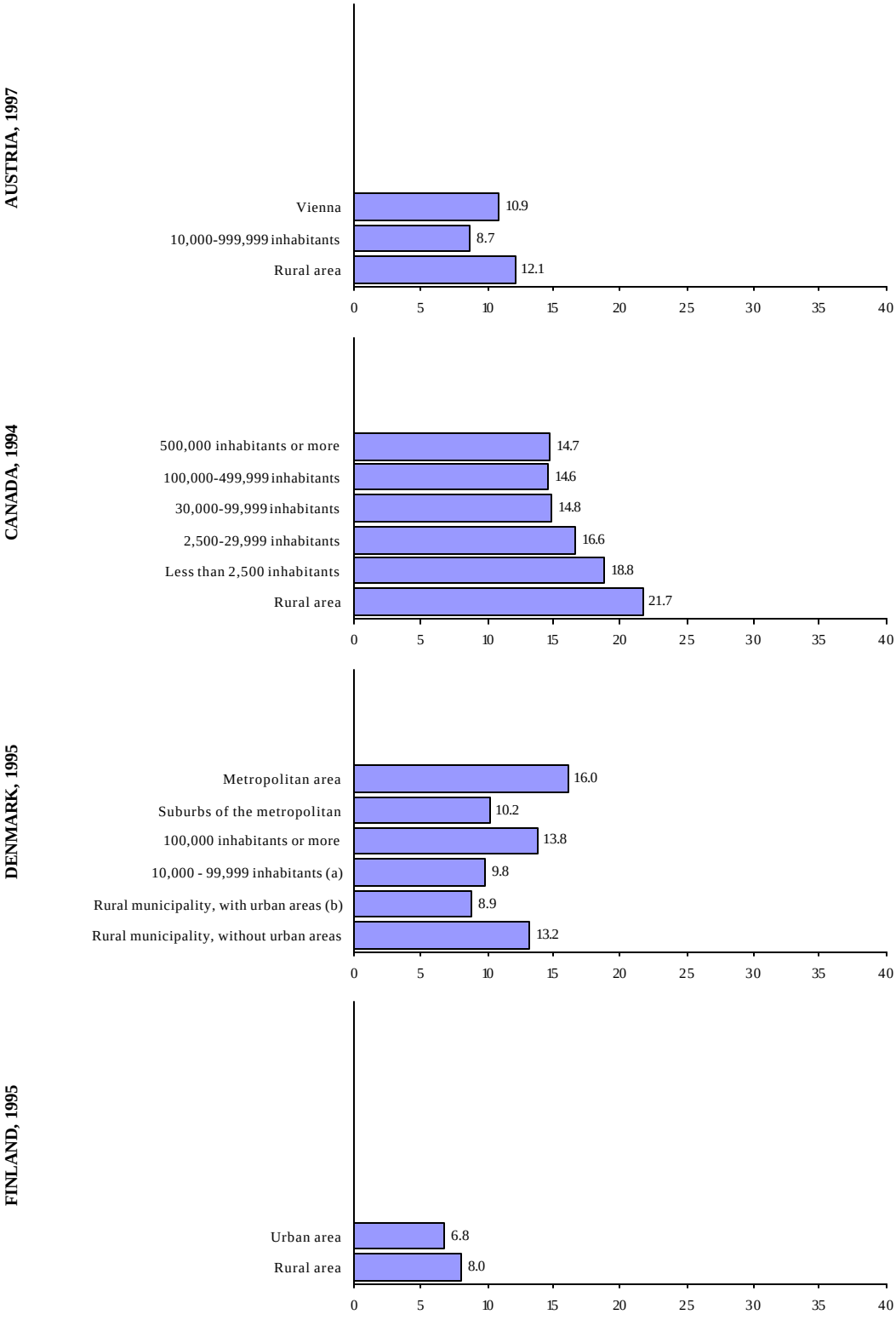


Figure 8 (*continued*)

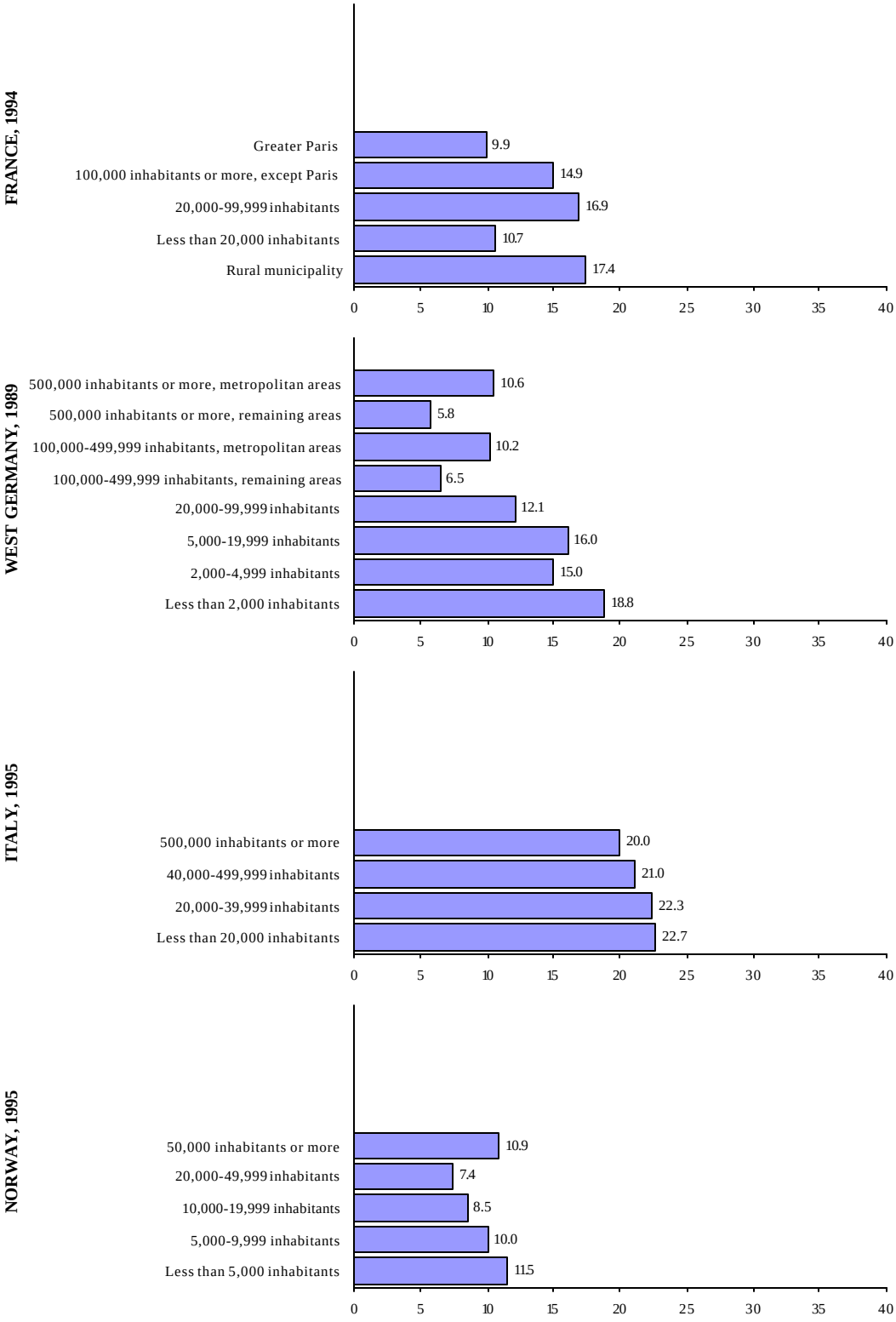
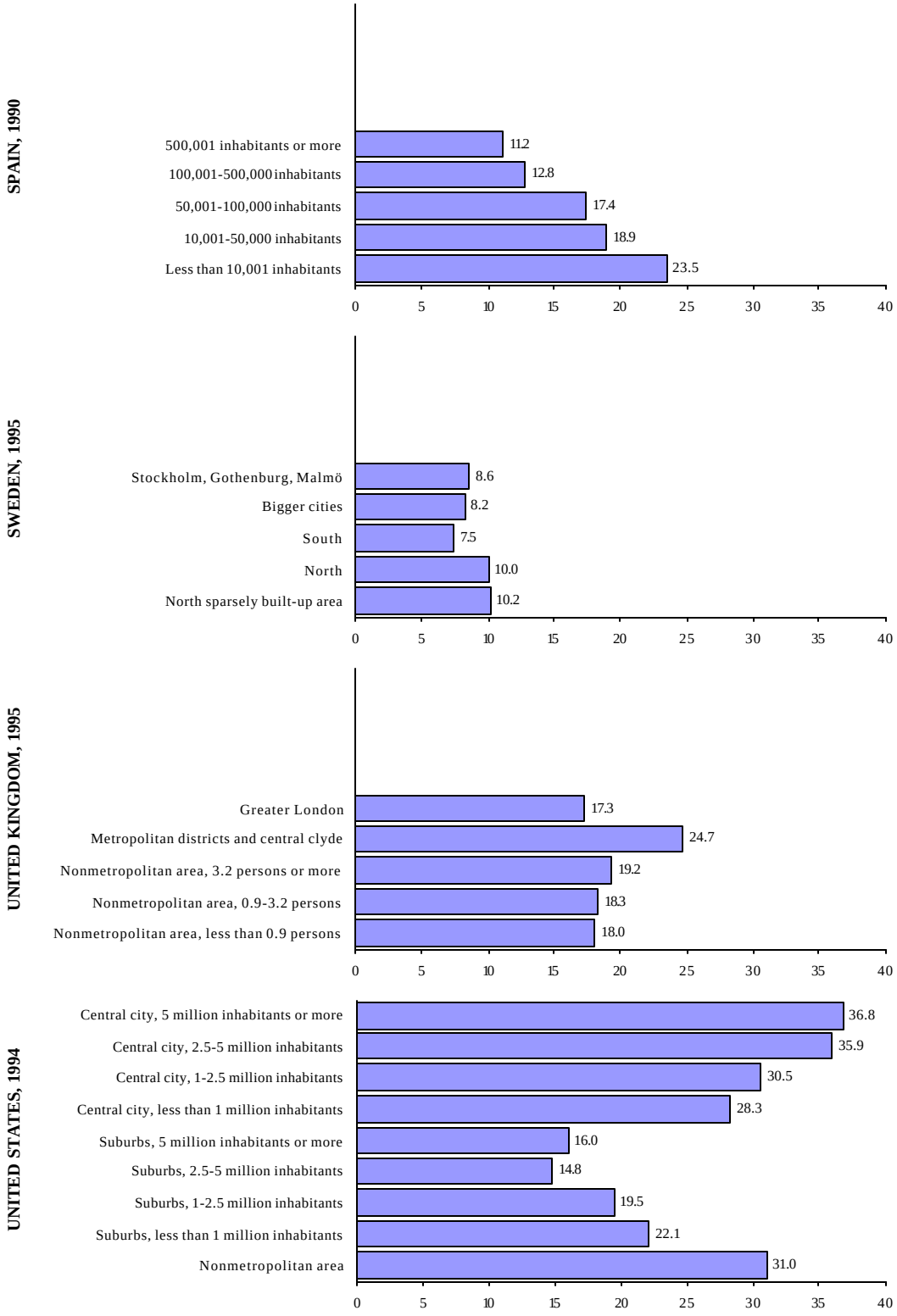


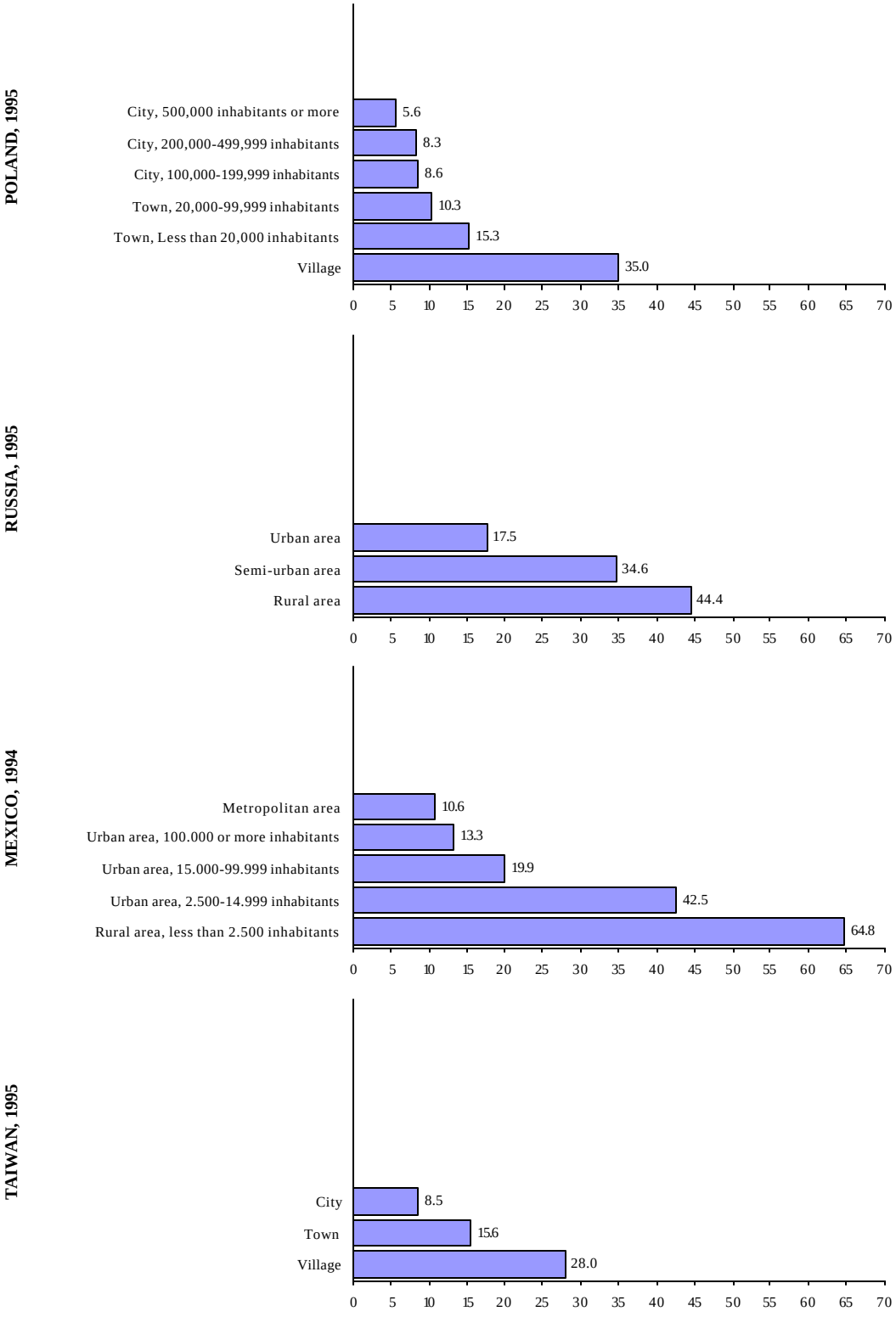
Figure 8 (*continued*)



Source: see Table 7.

Figure 9

POVERTY IN POLAND, RUSSIA, MEXICO AND TAIWAN, MID -1990S
(percent)

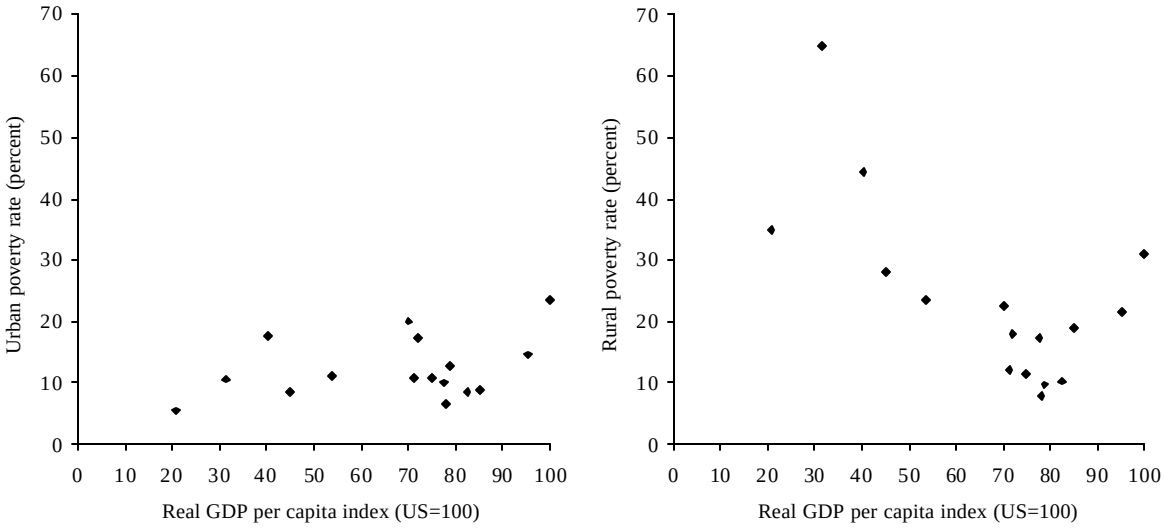


Source: see Table 8.

Figure 10

URBAN AND RURAL POVERTY RATES AND ECONOMIC DEVELOPMENT

(percent)



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