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RURAL–URBAN DIFFERENCES REGARDING THE EFFECTS OF MAIN SOCIO-ECONOMIC FACTORS ON SEVERE MATERIAL DEPRIVATION IN ROMANIA

Simona-Roxana ULMAN

"Alexandru Ioan Cuza" University of Iasi, CERNESIM Environmental Research Center, Iaşi, Romania, E-mail: simona.ulman@uaic.ro

Corresponding author: simona.ulman@uaic.ro

Abstract

Although the financial hardship and material deprivation tended to register decreasing levels among Europeans in the last period, there are still some population segments that did not register the same amelioration trend. In this regard, the rural area is still commonly disadvantaged comparatively to the urban one. Particularizing, in Romania, the poverty indicators show a critical situation and also considerable disparity between rural and urban levels of poverty is recorded. Taking into consideration this national context, using data from Eurostat and GCI, registered in the period 2009-2017, path analysis is applied in order to identify the direct and indirect effects of some of the main socio-economic factors on Romanian severe material deprivation. Our empirical findings highlight that the explanatory variables regarding (1) citizens' particularities in terms of education, employment and gender and (2) characteristics of national economic environment such as government efficiency, government expenditure on social protection and economic growth registered significant and different types of effects on rural and urban Romanian poverty. The fact that the direct and indirect causal relationships were different in terms of rural and urban spaces indicates that the poverty policies should concentrate on the distinction between rural and urban specificities and try to particularly answer to each of them. In this way, our study intends to respond to a real need for research in this field, being also possible to represent a support for the policies addressing poverty in the Romanian context.

Key words**:** *path analysis, rural–urban differences, severe material deprivation, socio-economic factors*

INTRODUCTION

Severe material deprivation is a facet of the complex phenomenon of poverty, responding to one of its most popular definition, i.e. the one of Townsend [31] that emphasizes it as the lack of individual capacity to imply in different activities, to benefit by the same life conditions and facilities detained by the most part of the members of a society. In other words, accordingly to Atkinson and Bourguignon [4], poverty supposes the capacity of assuring the basic needs for living and, also, the minimum needs of social inclusion for participating to social and economic activities. Thus, material deprivation represents a perspective of poverty related to basic and consumption deprivation [34], possibly to be perceived as an effect of the lack of income, but also as a function of self-coordinating in a punctual context (in general, at the household level).

The material aspects essentially contribute to the individuals' capacity of being social included, representing a condition for social acceptance among the people from the belonging community. This poverty approach takes more into consideration the concerns people face about relative poverty, shame and social exclusion [25], focusing on daily or frequently preoccupations such as paying rents, bills at utilities or loans, maintaining home hot, making economies and affording some unforeseeable costs, consuming the sufficient quantity of proteins, affording a holiday away from home or detaining some basic goods like a color TV, a washing machine, a car or a mobile [23]. Thus, the rate of severe material deprivation is related to the level of lacking different goods, but also of important activities or amenities, intercepting financial stability and safety, conditions of habitation, food and spare time, that together constitute pillars for the quality of life [34].

Many of the costs of poverty are quite localized at sub-national level. In this way, the local picture can differ substantially from that at the country level [25]. Moreover, Eurofund [10] emphasized that there are still some subgroups in the population that do not have the capacity of benefiting from the general improvement in terms of financial hardship and material deprivation. In this respect, European Commission [11] also mentioned the large disparities between the rural and urban areas, with a lower standard of living in the rural comparatively to the urban [8, 36]. This is consistent to what happens in the Romanian context, where substantive (especially rural) vulnerabilities may be observed, revealing a low national and local capacity of managing and overcoming the problem of poverty [32]. Thus, despite the transformation of the rural, emphasized in the literature (as seen in some studies like [9, 22]), there are still major disparities that contribute to maintaining high levels of inequality on different components (inclusively of income and material possessions). In addition, in the case of Romania, although the problem of rural poverty was not very deeply analyzed, some studies revealed that it is stringent and requires specific solutions adapted to local, regional and national contexts [9, 26, 30, 32-34]. Starting from this general perspective, we observed a lack of attention on the facet of poverty that points out material deprivation. We consider it as an important one, especially in the context of comparatively discussing the urban and rural differences as it is generally known that the rural area is a more vulnerable area, socially more disadvantaged and economically more deprived. In consequence, we focused on the comparison between rural and urban material deprivation and their main determinants, attempting to understand the specificities of each type of area in the Romanian context. The mechanisms of poverty in terms of levels, evolution and causes may prove to be different in function of the type of belonging area of living (i.e. rural or urban).

Thus, for a better understanding of this national context, we put material deprivation in relation to some of the main causes of poverty, found in different studies, as follows: (1) *education* [3, 8, 19, 33], (2) *employment* [8, 15, 18, 24], (3) *gender* [2, 9, 17], (4) *government efficiency* [1, 14, 27], (5) *social protection* [5, 6, 28] and (6) *economic growth* [7, 13, 15]. We expect that these factors to be also significant in relation to severe material deprivation in Romania, both in the rural and urban spaces, but in different ways. Especially these differences are intended to be observed and analyzed for a better understanding and responses adapted to each type of area.

MATERIALS AND METHODS

This paper analyses the severe material deprivation model proposed for Romania and applied separately on its rural and urban areas, along the 2009-2017 period of time, focusing on the poverty's main determinants, selected according to the results found in the academic literature. The data were collected from Eurostat and GCI (Global Competitiveness Index), as shown in Table 1.

Table 1. Definition of factors considered for analysing severe material deprivation

Indicators	Source
Severe material deprivation rate	
*% of total population having **living conditions severely constrained** by a lack of resources - experiencing at least **4 out of 9 following deprivations items**: they cannot afford: i) to pay rent or utility bills, ii) keep home adequately warm, iii) face unexpected expenses, iv) eat meat, fish or a protein equivalent every second day, v) a week holiday away from home, vi) a car, vii) a washing machine, viii) a colour TV, ix) a telephone.*	Eurostat [ilc_mddd21]
Level of education (Tertiary_education)	
Population aged 25-64 by educational attainment level, sex and NUTS 2 regions (%) – tertiary education	Eurostat [edat_lfse_04]
Employment rate (Employment_rate)	
The number of persons aged 20 to 64 in employment by the total population of the same age group (%).	Eurostat [T2020_10]
Gender employment gap (Gender_empl_gap)	
The difference between the employment rates of men and women aged 20 to 64.	Eurostat [sdg_05_30]
Benefits of social protection (Gen_gov_exp_sp)	
The level of total expenditure devoted to social protection	Eurostat [gov_10a_exp]
Government efficiency (Government_efficiency)	
Government efficiency (Wastefulness of government spending; Burden of government regulation; Efficiency of legal framework in settling disputes; Efficiency of legal framework in challenging regulations; Transparency of government policy-making; Provision of government services for improved business performance).	GCI
Economic growth (Ec_growth)	
Real GDP growth rate	Eurostat [tec00115]

Source: Eurostat [12] and GCI [37].

The indicators measuring severe material deprivation have been adopted since 2009 by EU, with the most frequently used threshold [23] of 4+, including in the category of severely deprived the individuals covering at least four from the nine categories of deprivation (Table 1).

After a short descriptive analysis, with the aim of observing the difference between the rural and urban severe material deprivation rates in Romania, in the 2009-2017 period, we opted for applying path analysis, as an extension to multiple regression analysis [20]. Path analysis does not specify the model, but rather estimates the effects of the variables, once the model has been established on the basis of theoretical considerations [21].

Its main general purpose is to determine if a specific set of interpretations (based on previous findings) is consistent throughout [38].

Path coefficients in path models are derived from the values of a Pearson product moment correlation coefficient and/or a standardized partial regression coefficient [35].

In these models, estimation of parameters permits decomposition of the correlation matrix, implying that the original one can be completely reproduced if all parameters in a path model are specified [29].

To test the significance and goodness of fit, the following statistics were used: chi-square statistics; comparative fit index (CFI) and Tucker-Lewis index (TLI), nearby the modification indices (MI) requirement.

In the case of this paper, we focused on Romania between 2009 and 2017, on its rural and urban areas, proposing an analysis that, in the words of Land [16], "involves the construction of an oversimplified model of reality in the sense that the model considers only a limited number of variables and relations out of the universe of social reality".

RESULTS AND DISCUSSIONS

For a better understanding of the state of fact regarding severe material deprivation in Romania, in a comparative perspective between rural and urban areas, the evolution of its rate was analyzed for the period of time between 2009 and 2017. As it can be observed from Fig. 1, although improvements in its rates were registered in the analyzed framework, the high levels of severe material deprivation maintained both in rural (from 36.3 in 2009 to 25.2 in 2017) and in urban area (25.5 in 2009 to 14.3 in 2017 in cities; 24.4 in 2009 to 15.6 in 2017 in towns and suburbs), and, even more, with high difference between their levels even in 2017 (equal to 10.9 in the case of cities; equal to 9.6 in the case of towns and suburbs, to the detriment of rural areas). In this way, the real image of the Romanian village, characterized by different vulnerabilities, social and economic marginalized and, also, politically neglected is (one more time) highlighted. This perspective emphasizes more that analysis of poverty should take into consideration the difference between rural and urban areas, particularizing the discussions in the way of deepening and understanding their peculiarities that may impose specific and distinctive solutions for poverty alleviation. This is why we focused our analysis on observing the main factors of severe material deprivation rate in the rural and, also, urban areas, comparing them, trying to explain the main differences and identifying some drivers for reducing the high levels, but also the gap between rural and urban regarding the severe material deprivation.

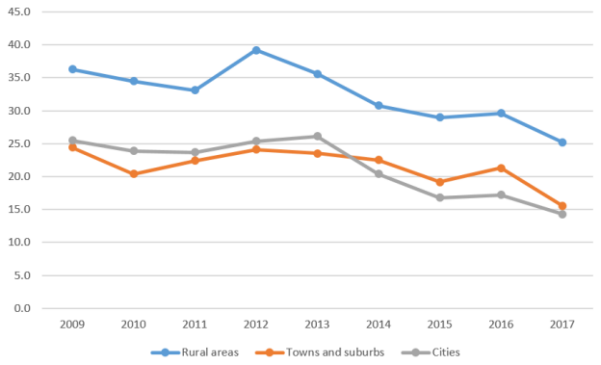

Fig. 1. Evolution of the *Severe material deprivation rate* in the rural vs. urban areas in Romania in the 2009-2017 period

Source: Own determination, based on data from Eurostat, computed in Excel 2013.

As already mentioned in the section dedicated to methodology, path analysis was used to

investigate the relation between *severe material deprivation rate* and the selected socio-economic variables, while also observing, in the case of significant relationships, whether their effects are direct or indirect. In detail, the proposed model hypothesizes that increases in (1) the percentage of people in employment, (2) the percentage of people with tertiary education, (3) the level of expenditures dedicated to social protection, (4) economic growth, (5) government efficiency, along with a decrease of (6) the difference between the employment rates of men and women, are associated with a decrease of the percentage of people living in severely constrained conditions in Romania, both in rural and urban areas.

In order to determine the **total effects** of the selected variables on *Severe material deprivation rate*, but also the direct and indirect ones, we established that:

(1)Sev_mat_depriv_rate is an endogenous variable;

(2)Tertiary_education, Employment_rate, Gender_empl_rate and Gen_gov_exp_sp represent intervening endogenous variables;

(3)Ec_growth and Government_efficiency are exogenous variables.

The estimates for all relationships in the measurement models (the path coefficients using regression analysis) are presented in Tables 2 and 3.

In the first model (Table 2), the one referring to rural areas:

(1)*Sev_mat_depriv_rate* depends on the following variables: Employment_rate, Tertiary_education, Gen_gov_exp_sp and Ec_growth;

(2)*Employment_rate* is affected by Ec_growth and Tertiary_education;

(3)*Gen_gov_exp_sp* depends on Government_efficiency and Ec_growth;

(4)*Gender_empl_gap* is affected by Ec_growth.

Table 2. Standardized path coefficients for the rural area

Predictor	Predictand	Estimate	Sig
Tertiary_education	Employment_rate	-1.017	0.006
Government_efficiency	Employment_rate	-1.067	0.684
Ec_growth	Employment_rate	0.197	0.066
Employment_rate	Sev_mat_depriv_rate	-1.879	0.027
Tertiary_education	Sev_mat_depriv_rate	-3.349	0.037
Gender_empl_gap	Sev_mat_depriv_rate	0.415	0.725
Gen_gov_exp_sp	Sev_mat_depriv_rate	3.469	0.002
Government_efficiency	Sev_mat_depriv_rate	-4.594	0.554
Economic_growth	Sev_mat_depriv_rate	-0.649	0.054
Government_efficiency	Tertiary_education	0.712	0.967
Economic_growth	Tertiary_education	-0.053	0.459
Government_efficiency	Gender_empl_gap	1.683	0.234
Economic_growth	Gender_empl_gap	0.168	0.004
Government_efficiency	Gen_gov_exp_sp	-1.995	0.015
Economic_growth	Gen_gov_exp_sp	-0.181	0.000

Source: Own calculation, based on Eurostat and GCI, computed in StataMP 13.0.

In the second model (Table 3), referring to urban areas of Romania:

(1)*Sev_mat_depriv_rate* depends on the following variables: Employment_rate, Tertiary_education, Gender_empl_gap and Ec_growth;

(2)*Employment_rate* is affected by Government_efficiency and Tertiary_education;

(3)*Gen_gov_exp_sp* depends on Government_efficiency and Ec_growth;

(4)*Tertiary_education* is affected by Ec_growth.

Table 3. Standardized path coefficients for the urban area

Predictor	Predictand	Estimate	Sig
Tertiary_education	Employment_rate	1.688	0.000
Government_efficiency	Employment_rate	0.619	0.000
Ec_growth	Employment_rate	1.744	0.683
Employment_rate	Sev_mat_depriv_rate	-2.602	0.000
Tertiary_education	Sev_mat_depriv_rate	-3.176	0.005
Gender_empl_gap	Sev_mat_depriv_rate	-1.879	0.048
Gen_gov_exp_sp	Sev_mat_depriv_rate	-0.068	0.948
Government_efficiency	Sev_mat_depriv_rate	-3.645	0.705
Ec_growth	Sev_mat_depriv_rate	-0.746	0.062
Government_efficiency	Tertiary_education	3.064	0.164
Ec_growth	Tertiary_education	0.723	0.000
Government_efficiency	Gender_empl_gap	1.581	0.383
Ec_growth	Gender_empl_gap	0.013	0.857
Government_efficiency	Gen_gov_exp_sp	-1.995	0.015
Economic_growth	Gen_gov_exp_sp	-0.181	0.000

Source: Own calculation, based on Eurostat and GCI, computed in StataMP 13.0.

Accordingly, our results showed that, in the rural space, severe material deprivation rate was positively influenced by governmental expenditure on social protection and negatively influenced by the rate of employment, the percentage of people with tertiary education and by economic growth. In other words, the improvements to the levels of expenditure on social protection negatively contributed to reducing poverty rates in terms of material deprivation in Romania along the 2009-2017 period, while the increasing levels of the other three significant variables in relation to poverty proved to have an opposite effect, translated into less people affected by severe material deprivation.

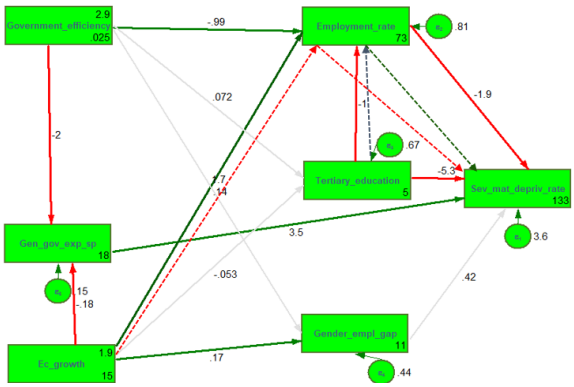

Fig. 2. Path diagram - Direct and indirect effects in the rural area in Romania

Source: Own determination, based on Eurostat and GCI, computed in StataMP 13.0.

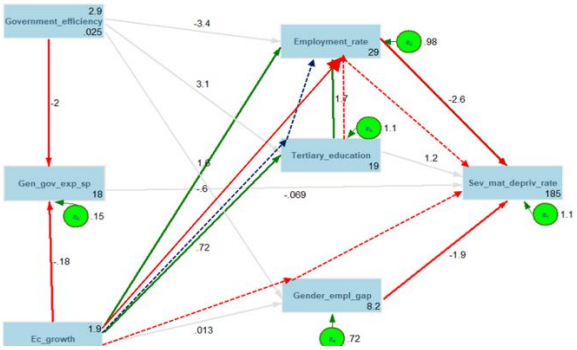

Fig. 3. Path diagram - direct and indirect effects rate in the urban area in Romania

Source: Own determination, based on Eurostat and GCI, computed in StataMP 13.0.

In the case of the urban area, the situation seemed to be different. The governmental expenditure on social protection did not anymore affect the deprivation rate, becoming a non-significant variable in relation to it, while the gender gap in terms of employment was negatively related to the rate of severe material deprivation, nearby the rate of employment, the percentage of people with tertiary education and the economic growth. Thus, in the case of the urban area, all the variables found to be significant in relation to the rate of severe material deprived people positively contributed, when improvements were made, to reducing this facet of poverty.

Comparatively, it seems that the rural severe material deprivation increased when there

were registered higher levels of governmental expenditure on social protection; the urban severe material deprivation seemed to reduce its levels when the gender gap in the case of employment was also reducing; the other significant variables, i.e. the rate of employment, the percentage of people with tertiary education and economic growth, seemed to play a similar role both in the rural and in the urban areas, reducing deprivation when their levels were increasing.

The direct and indirect relationships among the selected variables were also examined, paying attention especially to severe material deprivation rate, as an outcome of the hypothesized model (Fig. 2 and Fig. 3).

Thus, in the case of the rural area in Romania, the most significant paths involved in the outcome of severe material deprivation rate (Fig. 2 and Table 4) were the following:

(P1) Employment_rate → Sev_mat_depriv_rate;
(P2) Tertiary_educ → Sev_mat_depriv_rate;
(P3) Gen_gov_exp_sp → Sev_mat_depriv_rate;
(P4) Tertiary_educ → Employment_rate → Sev_mat_depriv_rate;
(P5) Ec_growth → Employment_rate → Sev_mat_depriv_rate.

Table 4. Direct and indirect effects in the case of rural area

Direct effects				
Predictor	**Mediator**	**Predictand**	**Estimate**	**Sig**
Tertiary_education	-	Employment_rate	-1.017	0.006
Government_efficiency	-	Employment_rate	-0.994	0.606
Ec_growth	-	Employment_rate	0.143	0.078
Employment_rate	-	Sev_mat_depriv_rate	-1.879	0.027
Tertiary_education	-	Sev_mat_depriv_rate	-5.259	0.000
Gender_empl_gap	-	Sev_mat_depriv_rate	0.415	0.725
Gen_gov_exp_sp	-	Sev_mat_depriv_rate	3.469	0.002
Government_efficiency	-	Tertiary_education	0.072	0.967
Ec_growth	-	Tertiary_education	-0.053	0.459
Government_efficiency	-	Gender_empl_gap	1.683	0.234
Ec_growth		Gender_empl_gap	0.168	0.004
Government_efficiency	-	Gen_gov_exp_sp	-1.995	0.015
Ec_growth	-	Gen_gov_exp_sp	-0.181	0.000

Indirect effects				
Predictor	**Mediator**	**Predictand**	**Estimate**	**Sig**
Government_efficiency	Tertiary_education	Employment_rate	-0.073	0.967
Ec_growth	Tertiary_education	Employment_rate	0.054	0.474
Tertiary_education	Employment_rate	Sev_mat_depriv_rate	1.909	0.006
Government_efficiency	Tertiary_education	Sev_mat_depriv_rate	-4.594	0.554
Ec_growth	Employment_rate	Sev_mat_depriv_rate	-0.649	0.054

Source: Own calculation, based on Eurostat and GCI, computed in StataMP 13.0.

In detail, employment rate and the percentage of people with tertiary education registered negative **direct effects** on the rate of severe material deprivation, meaning that their improvements seemed to directly affect this rate, reducing it. Contrary, between the governmental expenditure on social protection and our chosen facet of poverty, a positive effect in the sense that an increase of the first translated into an increase of the rate of deprivation registered.

Moreover, **indirect effects** of (1) the percentage of people with tertiary education and of (2) economic growth on severe

material deprivation rate, with the employment rate in the role of mediator, might be observed. In detail, a higher percentage of people with tertiary education translated into a lower employment rate in the rural area, effect that seemed to contribute to the fact that more people with tertiary education meant a higher severe material deprivation rate. Economic growth seemed to have a beneficial implications on the deprivation rate, based on its direct positive effect on employment rate. In this way, in the Romanian rural area, economic growth seemed to mean more employed people, effect that, in its turn, translated into less people severely deprived from the material point of view.

In the case of the urban area in Romania, the most significant paths involved in the outcome of severe material deprivation rate (Fig. 3 and Table 5) were the following:

(P1) Employment_rate → Sev_mat_depriv_rate;
(P2) Gender_empl_gap → Sev_mat_depriv_rate;
(P3) Tertiary_educ → Employment_rate → Sev_mat_depriv_rate;
(P4) Ec_growth → Gender_empl_gap → Sev_mat_depriv_rate.

Table 5. Direct and indirect effects in the case of urban area

Direct effects				
Predictor	**Mediator**	**Predictand**	**Estimate**	**Sig**
Tertiary_education	-	Employment_rate	1.688	0.000
Government_efficiency	-	Employment_rate	-3.427	0.142
Economic_growth	-	Employment_rate	-0.601	0.015
Employment_rate	-	Sev_mat_depriv_rate	-2.602	0.000
Tertiary_education	-	Sev_mat_depriv_rate	1.216	0.104
Gender_empl_gap	-	Sev_mat_depriv_rate	-1.879	0.048
Gen_gov_exp_sp	-	Sev_mat_depriv_rate	-0.069	0.948
Government_efficiency	-	Tertiary_education	3.064	0.164
Ec_growth	-	Tertiary_education	0.723	0.000
Government_efficiency	-	Gender_empl_gap	1.581	0.183
Ec_growth	-	Gender_empl_gap	0.133	0.857
Government_efficiency	-	Gen_gov_exp_sp	-1.995	0.015
Ec_growth	-	Gen_gov_exp_sp	-0.181	0.000

Indirect effects				
Predictor	**Mediator**	**Predictand**	**Estimate**	**Sig**
Government_efficiency	Tertiary_education	Employment_rate	5.171	0.178
Ec_growth	Tertiary_education	Employment_rate	1.220	0.000
Tertiary_education	Employment_rate	Sev_mat_depriv_rate	-4.492	0.000
Government_efficiency	Gender_empl_gap	Sev_mat_depriv_rate	-3.645	0.705
Ec_growth	Gender_empl_gap	Sev_mat_depriv_rate	-0.746	0.062

Source: Own calculation, based on Eurostat and GCI, computed in StataMP 13.0.

Analyzing **direct effects**, employment appeared to have a significant role, both in terms of the rate of employed people and of gender employment gap. In this way, more employed people meant more people not affected by severe material deprivation. Contrary, as an unexpected result, it seemed that a higher difference between the employment rates of men and women translated into a lower rate of deprivation. This finding might be explained by a potential high gender wage gap and needs future

research for its understanding. Still, its negative role in reducing severe material deprivation seemed to be ammeliorated by the fact that it appeared to play the role of mediator for the economic growth, that indirectly contributed to improve the situation of the people severely material deprived. In addition, a higher percentage of people with tertiary education translated into more people with a job, seeming to concrete, in its turn, into a lower level of severe material deprivation rate in the urban area. It is interesting to observe the opposite role of higher education in the two types of areas regarding employment. While a better education seemed to help people to get employed in the urban areas, in the rural space, probably because of the lack of opportunities, it translated into a lower percentage of people having a job.

Table 6. Comparison of the total effects between rural and urban areas

Variables	Rural	Urban
Employment_rate	(-)	(-)
Tertiary_education	(-)	(-)
Gender_empl_gap	Non-significant	(-)
Gen_gov_exp_sp	(+)	Non-significant
Government_efficiency	Non-significant	Non-significant
Ec_growth	(-)	(-)

Source: Own interpretation.

Table 7. Comparison of the direct and indirect effects between rural and urban areas

Variables	Rural	Urban
Direct effects		
Employment_rate	(-)	(-)
Tertiary_education	(-)	Non-significant
Gender_empl_gap	Non-significant	(-)
Gen_gov_exp_sp	(+)	Non-significant
Indirect effects		
Tertiary_education	(+)	(-)
Government_efficiency	Non-significant	Non-significant
Ec_growth	(-)	(-)

Source: Own interpretation.

Observing Tables 6 and 7, the **main differences between the rural and urban areas** in terms of total, direct and indirect effects of the selected factors of severe material deprivation rate were the following:

(1)Gender employment gap seemed to be significant only in the urban area, but not in the expected manner, its increasing translating into lower levels of deprivation;

(2)Government expenditures on social protection seemed to be significant only in the rural space, but in the way in which their increasing did not imply the decreasing of the severe material deprivation rate;

(3)The percentage of people with tertiary education was significant in both rural and urban areas, but, analyzed in detail, its direct effect seemed to be significant only in the rural space. Moreover, it appeared to have a contrary indirect effect through the mediation of employment rate, affecting, when its levels were improving, the severe material deprivation rate in the way of increasing it. In other words, according to our results, in the rural space, more people with tertiary education meant more unemployed and, in consequence, more severely material deprived individuals. Contrary, in the urban area, more people with tertiary education seemed to translate into a higher employment rate and, in addition, in a lower severe material deprivation rate.

CONCLUSIONS

In this paper, we intended to offer a comparative perspective of the rural and urban material deprivation's mechanism of forming in terms of socio-economic causes (education, employment, gender gap, social protection, economic growth and government efficiency), also pointing out the necessity of finding solutions for poverty alleviation based on them.

Firstly, our paper evidenced the high levels of severe material deprivation in Romania, both in rural and in urban areas, nearby the unreasonable gap between them.

Secondly, according to our results, in the case of Romania, in the period between 2009 and 2017, this poverty indicator was significantly affected by the percentage of people with tertiary education, the employment rate and economic growth, both in rural and in urban

spaces. The difference was identified in the case of government expenditures on social protection that seemed to be linked only to the rural deprivation, while gender employment gap appeared to be significant only in relation to the urban one.

We also observed that, in the Romanian context, regardless of type of area considered, government efficiency, evaluated in terms of wastefulness of government spending, burden of government regulation, efficiency of legal framework in settling disputes, efficiency of legal framework in challenging regulations, transparency of government policy-making and provision of government services for improved business performance, appeared to have any significant effect (direct or indirect) on severe material deprivation rate.

Nearby these general findings, we identified some main differences between the rural and urban areas in terms of effects on severe material deprivation rate. First of all, referring to education, it was shown, as it was above mentioned, that the percentage of people with tertiary education was significant in relation to this indicator of poverty, either rural or urban. But, analysing in detail, its direct effect seemed to be significant only in the rural space. Still, its indirect effect through the employment rate in the role of mediator might be observed both in rural and in urban areas. However, if in the rural space, more people with tertiary education meant less employed and more severely deprived individuals, in the urban area, the effect of attaining higher education by more people was contrary, translating into higher employment and lower severe material deprivation rates. In this way, education is one more time shown to have a significant role in social inclusion, being essential for what people could be and do. The challenges are put in terms of opportunities that seem to be not the same in rural comparatively to urban areas. This might be a plausible explanation for our finding regarding the different indirect effects of the education indicator on deprivation rate in function of the type of analysed area.

In addition, the unexpected effect of governmental expenditures devoted to social protection on the deprivation indicator, attracting attention on their incapacity of improving the state of material deprivation of the rural residents, strengthens once again the idea according to which it is essential to teach the deprived people how to catch fish, not to give them the already cooked one.

This perspective might also be certified by the results regarding employment in terms of (1) the direct link between it and deprivation and of (2) its positive role of mediator in the relation between, on one hand, education and economic growth and, on the other hand, severe material deprivation.

Finally, we consider that these findings indicate that the poverty policies should concentrate on the distinction between rural and urban specificities and try to particularly answer to each of them. Intending to respond to the need for research in this field, our study might represent a support for the policies addressing poverty in the Romanian context. Still, future research needs to concentrate more on rural structural problems in order to identify the main drivers of change, capable of substantially attenuating the level of deprivation in the rural areas.

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