

SIESTA

Spatial Indicators for a ‘Europe 2020 Strategy’ Territorial Analysis

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Annex G

Poverty, Exclusion and Ageing



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The partnership behind the ESPON Programme consists of the EU Commission and the Member States of the EU27, plus Iceland, Liechtenstein, Norway and Switzerland. Each partner is represented in the ESPON Monitoring Committee.

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1. Introduction

Even if models concerning the cycle of poverty have been heavily criticised or designated as deterministic, in a context of crisis - as is currently the case in Europe's southern macro-region, and the marginal and peripheral eastern regions - it is clear that poverty persists. Space matters at every scale and in different spatial contexts (urban and rural contexts; developed regions versus stagnating and/or declining regions). Space matters at the national and macro-regional scales where a cycle of weak working experience is associated with deprivation, lack of basic necessities and services. The importance of space can also be seen in the context of crisis of welfare states (at various degrees of 'maturity'), demographic change and renovation of the workforce, all of which are key to economic development. These phenomena occur not only in the less developed regions and countries in the EU but also in the most fragile areas of the large metropolis, where the processes of social and spatial polarization have more recently gained strength.

There is a relationship between poverty and deprivation and ageing in general. In the context of the crisis this is more dramatic because in the rural areas and peripheral regions characterised by low work intensity, the ageing of the population will increase due to migration of the younger groups of population (although see below with reference to the changing demographic balance between urban areas and the urban fringe and beyond).

The cycle of poverty is likely to increase in intensity in the marginal and peripheral regions because in these areas there will be more households with low work experience and work intensity, and increasing numbers of households relying on state support in the form of pensions and benefits. There will be also situations of young unemployed people who, having lost employment in the urban areas, may return 'home' with the intention (to be later realised or not) of migrating from the region. This is the case in both the eastern and southern Europe macro-regions.

The situation is more problematic where the state has been further weakened by the crisis, and is unable to provide basic services such as schools, health services and employment opportunities (either directly or indirectly by means of training schemes, etc.). In these contexts there are decreasing opportunities for formal work, while poorly and underpaid 'opportunities' of informal work may increase in relative importance. There will also be an increased probability of crime.

Situations like this are conducive to the production of territorial enclaves of populations lacking opportunities for social and spatial mobility. The maps presented in this section provide a good representation of the spatiality of a number of indices, including: ageing, poverty and material deprivation. However, in order to see the spatiality of poverty and deprivation it is necessary to associate cartography at the metropolitan level with that at the municipal and intra-municipal levels. This is because

representations at a large regional scale do not give – and can even disguise - the acuteness of certain of these variables as they occur within municipalities at the intra-urban scale. Furthermore, the collection of statistics according to administrative divides may act to dilute a spatial concentration of poverty when it occurs across a border to two administrative areas.

In terms of policy recommendations it is urgent to produce better information, in terms of it being more accurate spatially. This will allow comparisons to be made at various levels and across levels. NUTS 1, 2, 3 represent an important scale for the analysis of spatial differentiation in Europe. In terms of poverty and deprivation, however, NUTS 1, 2 and 3 are too vast to represent the heterogeneity and the complexity of this multi-faceted phenomenon. It is important to capture the '*banlieue*', the 'inner city' and 'welfare housing estate' situations, which can only be achieved at a finer scale and by means of using multi-scaling techniques.

In a situation of severe deprivation and poverty, and in a context of economic and financial crisis where central states are unable to provide services to "soften" poverty and deprivation (i.e. in a period of shortage of resources), it is important to increase the interaction between regions by increasing mobility.

In order to achieve the agenda's targets for decreasing poverty by 2020, it is important to adopt an approach which is both social and spatial, i.e. to develop a socio-spatial focus. Empowerment will be important, as in order to put in to place any measure addressed at reducing poverty it is necessary - and indeed urgent - to provide some of the regions not only with financial resources but also with political and social structures. One means of achieving this could be through identifying 'best practice' in welfare state practices, and disseminating the findings. This should occur as part of measures directed at increasing communications between successful regions and other regions. The impacts of the crisis can be lessened by means of developing integration through mobility, and through the promotion of synergies for the asymmetrical structures of labour markets. This should occur as part of developing cooperation between regions, although it does not have to be restricted to the regional level.

Empowerment can also be achieved through work experience, and education and training programmes. A more comprehensively planned service for the care of the elderly would give rise to job opportunities, while at the same time help to promote intergenerational solidarity and empowerment of the community in general.

One further aspect of the crisis will be forced mobility taking the form of selective counter-urbanization, as young people and fragile households are obliged to leave the main urban areas following loss of employment and a consequent inability to pay for accommodation. This can be anticipated to occur even if there is a decline in urban house prices and rents. Although this will have a positive impact on the age-structure of the receiving areas away from the cities; it can also be anticipated to result in

an increase in the stock of abandoned or semi-abandoned houses in urban areas, and an increase in demand for local schools and other services in the receiving areas. This raises the importance of empowering those communities in which new local development can be anticipated.

In terms of poverty and deprivation it should be underlined that they not only concern the macro-regions of eastern Europe and of southern Europe, but also many urban areas, inner cities, cores of the metropolis, and suburban areas that are only partially represented at the scale of cartography.

For the cohesion of Europe it is important to avoid “blame the victim” practices, because some areas (*Mezzogiorno*, the Balkans, the marginal regions of Greece, Spain and Portugal) were in a peripheral condition before, during and after European Union formation. The vicious circle of crisis/low work intensity/long term unemployment/poverty/ageing can produce conditions of service deprivation. In situations where health services are underfunded, there could be further knock on effects occurring at different stages of the life cycle, and overall in terms of life expectancy. This will risk increasing the demographic problems of some European macro-regions, which will in turn lead to an increase in the gap between developed and underdeveloped regions within the EU. If not addressed, this will act to further undermine the stability of Europe.

2. Comments on maps

2.1. Map 68: Population at risk of poverty or social exclusion, 2010 % of total population

Indicator description

This map represents the percentage of people at risk of poverty or social exclusion, the headline indicator to monitoring the results of Europe 2020 strategy for social inclusion.

According to the definition adopted by this strategy, the “at risk of poverty or social exclusion” (AROPE) indicator is based on three dimensions of poverty (and three corresponding indicators): monetary poverty (i.e. having an income after social transfers below the national poverty income threshold), material deprivation and living in household with a low work intensity.

The relative monetary poverty means that people live in households whom disposable incomes (after social transfer) are less than the 60% of the national median income per equivalent adult. The total household disposable income is the total net monetary income received by the household and its members, net of any taxes and social contributions paid. The income per equivalent adult is calculated by dividing the total

household income by its size, determined after applying a different weights to its members.

This indicator is a relative one because it refers to the national median income. As a result, someone who is considered at risk of poverty in the UK would probably not be considered poor in Bulgaria with the same income, or people can be in truly different living conditions with the same incomes and in the same country, as they live in an expensive or an inexpensive region or city. These considerations show the importance of introducing "absolute" dimensions in evaluating poverty.

Material deprivation rates, the second indicator that composed the "at risk of poverty and social exclusion" indicator is an absolute measure of poverty as it measures access to nine essential items in the same way in all Member States. It provides an estimate of the proportion of people whose living conditions are severely affected by a lack of resources. Namely, severely materially deprived persons encounter the impossibility to afford to the following items (at least four): to pay rent/mortgage or utility bills on time; to keep home adequately warm; to face unexpected expenses; to eat meat, fish or a protein equivalent every second day; to have a one week holiday away from home; a car; a washing machine; a colour TV; or a telephone (including mobile phone).

The third dimension of the AROPE indicator concern the exclusion from the labour market and refers to people living in a household with very low work intensity. Low work intensity is described as the ratio of the total number of months that all working-age household members have worked during the income reference year and the total number of months the same household members theoretically could have worked in the same period.

Therefore, the exclusion from the labour market indicator is defined as the number of people living in a household where on average its working-age components (aged 18-59, with the exclusion of students in the age group between 18 and 24 years) worked less than 20% of their total work potential during the income reference year.

The AROPE indicator is composed by the crossing of this three different dimensions, however the total number of people at risk of poverty or social exclusion (116 million persons or 23.4 % of the EU population in 2010) correspond to the sum of the numbers of people affected by at least one of this three forms of poverty or social exclusion.

The EU-SILC survey

Evidence about social inclusion dimension of European society comes the European Union Statistics on Income and Living Conditions (EU-SILC). This data source, progressively implemented since 2003, aim to increase comparative analyses of income distribution and living conditions in the European Union as well as a growing number of non-EU European countries.

This instrument was implemented in 2008 with the creation of a Net-SILC Network. The Network consisted of eight teams from the National Statistical Institutes of Austria, the Czech Republic, Estonia, Finland, Italy, Norway, the United Kingdom, Luxembourg, eight teams from academic institutions and the additional participation of the Bank of Italy and the French National Statistical Institute (INSEE).

Description of main trends

Despite European 2020 strategy's engagement for social inclusion, in 2010, 116 million persons (23.4 % of the EU population) were at risk of poverty or social exclusion: two millions more than in 2009. This almost unnoticed growth at AROPE rate (passed from 23.1 to 23.4) interrupted the previous four years during reduction trend, when the number of people at risk of poverty or social exclusion decreased on average by approximately two million per year. Furthermore, despite AROPE rates remained approximately stable overall at EU27 level, the risk of poverty or social exclusion between 2009 and 2010 rose by 3.9 pp in Lithuania and 2.1 in Spain, and decreased in Bulgaria(-4.6), Estonia and Romania, (-1.7).

The number of 116 million of persons is equivalent to people falling under at least one of the three criteria of monetary poverty, material deprivation and low work intensity.

Concerning the single components of the AROPE indicator, in 2010 around 16 % of the European population were at risk of monetary poverty, 8 % of Europeans were severely materially deprived (both stable compared with 2009), and 10 % of people aged 0-59 could be considered as living in a household with very low work intensity (increase of 0.9 pp compared with 2009).

The map 68 show the distribution of this 116 millions of individuals in European regions as percentage of the resident populations in each Member State: deep national and regional differences appears in Europeans' incomes and living conditions. In this sense, we premise that as EU-SILC data for France, Germany, Austria, United Kingdom, Netherland are available only at national level, we cannot develop an exhaustive analysis of the regional differences in this countries.

At national level, the map shows considerable variation between Member States, mainly an opposition between Central and Northern Europe (with the exception of Ireland) and Southern and East Europe. The lowest rate of persons at risk of poverty characterise Island, Czech Republic, Norway, Sweden and Holland (in increasing order) that have not more than 15% of people AROPE. The Southern Europe, Italy, Portugal, Spain, Greece, (in decreasing order) with Poland and Ireland do not pass at national level the threshold of 30% of people at risk of poverty and social exclusion (but relevant differences characterise the regions of these countries). The higher rate of people at risk of poverty and social exclusion is in Eastern Europe, mainly in Bulgaria and Romania were more than 40% of the population are AROPE, in the Baltic Republics of Latvia and Lithuania and

in Hungary and Croatia were more than 30% of the population are at risk of poverty and social exclusion.

By the analyse of the tree indicators' data that compose the AROPE, relevant differences appear: in East and South of Europe and in United Kingdom (no data are available for Ireland) an high rate of people, from 17% to the 21%, is monetary poor (disposable incomes after social transfer lower than the 60% of the national median income). This is the case of (in decreasing order) Latvia, Romania, Spain, Bulgaria, Lithuania, Greece, Italy, Portugal, Poland and United Kingdom. Hungary makes an exception with a low rate of people at risk of income poverty.

Analysing the second dimension of AROPE indicator, the rate of severely materially deprived population, we found a huge rate in Bulgaria and Romany, Latvia, Hungary and Lithuania (from 35% to 20%) and important percentage in Poland Greece and Slovakia (more than 10%).

When we analyse the rate of persons living in a household with very low work intensity, huge differences appears. The United Kingdom is the State where there is the most important labour market exclusion, with the 13.1 %, followed by Belgium, Latvia, Hungary, Germany, Denmark and Italy (alls with more than the 10% of persons living in a household with very low work intensity).

The regional level is fundamental in our analysis because of the important differences within the countries especially in Spain, Italy, and Poland (no data are available at regional level for France, England, Austria, Germany, Netherland and Austria, so we cannot provides further analysis about this country).

The highest rate of AROPE persons is in a region of Bulgaria, Severen tsentralen (53%), in the North of the country, and in the macro-region of the Nord East of Romania (51,3%) but high rates of persons at risk of poverty or social exclusion can be found outside these counties.

Considerable differences characterise Italy. In this country, people AROPE are mostly concentrated in the macro-region of South of Italy (Campania, Calabria and Sicilia more than 40%) while this percentage is low in the macro-region of the Nord-Est (14%). In Spain it's significant the contrast between the Central-Southern part of the country, especially Ceuta and Extremadura (approximately 40% AROPE persons), Castile-La Mancha and Andalusia, and the region of Navarra (less than 10%) and of Madrid. In Poland, the high rate of persons at risk of poverty and social exclusion contrast with the low rate of the region of Warsaw and of Podlaskie in the Nord-East of Poland.

Interpretation

Firstly, we have to consider that the economic and financial crisis is introducing a break effect that has just started influencing the development of the indicator: the previous four years during reduction trend has been interrupted. In this way, it will be important to observe the

development of the AROPE rate in 2011 as soon as the data will be available.

Secondly, it is important to underline that there is no univocal interpretation of this indicator as it is constituted by the sum of three indicators, related but different. In this sense, it is important to analyse the three indicators separately, as for the maps 72, 75 and 77.

Having said that, we can try to underline some general characteristics. If we compare data of AROPE people with the people at risk of poverty or social exclusion by degree of urbanization (EUROSTAT), it arose a fundamental difference that was detectable in AROPE regional rates but not so explicit. This figure is indicated as the "urban paradox": the urban dimension of inclusive growth would be inversely related to the level of "economic development", in a way that the capitalistic country tends to have the less inclusive cities. Consequently, in the urbanised region and particularly in the capital regions of Easter Member State (and also in Athens), the AROPE rate is lower than in the rest of the country. In Bulgaria for example the AROPE rate is less than 10 pp in densely populates areas than in the all country. See the table (1) below.

| <i>GEO/TIME</i> | <i>People at risk of poverty or social exclusion in densely-populated area (at least 500 inhabitants/Km²)</i> | <i>People at risk of poverty or social exclusion</i> |
|-------------------------------|--|--|
| European Union (27 countries) | 22.4 | 23.5 |
| Belgium | 24.5 | 20.8 |
| Bulgaria | 30.0 | 41.6 |
| Czech Republic | 12.5 | 14.4 |
| Denmark | 21.8 | 18.3 |
| Germany | 20.8 | 19.7 |
| Estonia | 18.2 | 21.7 |
| Ireland | 27.8 | 29.9 |
| Greece | 23.7 | 27.7 |
| Spain | 21.3 | 25.5 |
| France | 21.2 | 19.3 |
| Italy | 23.6 | 24.5 |
| Cyprus | 22.4 | 24.0 |
| Latvia | 35.3 | 38.1 |
| Lithuania | 29.2 | 33.4 |
| Luxembourg | 21.7 | 17.1 |
| Hungary | 22.1 | 29.9 |
| Malta | 20.3 | 20.6 |
| Netherlands | 15.8 | 15.1 |
| Austria | 22.1 | 16.6 |
| Poland | 21.1 | 27.8 |
| Portugal | 22.4 | 25.3 |
| Romania | 29.4 | 41.4 |
| Slovenia | 16.8 | 18.3 |

| | | |
|----------------|------|------|
| Slovakia | 15.9 | 20.6 |
| Finland | 16.0 | 16.9 |
| Sweden | 16.5 | 15.0 |
| United Kingdom | 25.5 | 23.1 |

Table 1. AROPE people by degree of urbanisation (source: EUROSTAT)

The second consideration which arise is that, except Bulgaria, Estonia and Romania, which substantially reduced their AROPE rate, and some central countries – Germany, Luxembourg, Austria, Romania, Sweden, Norway and Switzerland – whose rates were almost unchanged, AROPE rate rose in Europe, particularly in its “low intensity work” dimension (see Table 2). This dimension is probably the first one concerned by the effects of economic and financial crisis and it mainly affect the Central European countries: Ireland, United Kingdom, Belgium, Germany, Denmark, as Italy, Hungary and Latvia.

| | <i>Persons at-risk-of-poverty after social transfers</i> | | <i>Persons severely materially deprived</i> | | <i>Persons aged 0-59 living in households with very low work intensity</i> | | <i>Persons falling under at least one of the three criteria (at risk of poverty or social exclusion)</i> | | <i>In thousand 2010</i> |
|----------------|--|------|---|------|--|------|--|------|-------------------------|
| | % of total population | | % of total population | | % of total population | | % of total population | | |
| | 2009 | 2010 | 2009 | 2010 | 2009 | 2010 | 2009 | 2010 | |
| EU27 | | 16.4 | | 8.1 | | 9.9 | 23.1 | 23.4 | 115,479 |
| Belgium | 14.6 | 14.6 | 5.2 | 5.9 | 12.3 | 12.6 | 20.2 | 20.8 | 2,235 |
| Bulgaria | 21.8 | 20.7 | 41.9 | 35 | 6.9 | 7.9 | 46.2 | 41.6 | 3,145 |
| Czech Republic | 8.6 | 9 | 6.1 | 6.2 | 6 | 6.4 | 14.0 | 14.4 | 1,495 |
| Denmark | 13.1 | 13.3 | 2.3 | 2.7 | 8.5 | 10.3 | 17.6 | 18.3 | 1,007 |
| Germany | 15.5 | 15.6 | 5.4 | 4.5 | 10.8 | 11.1 | 20.0 | 19.7 | 15,962 |
| Estonia | 19.7 | 15.8 | 6.2 | 9 | 5.6 | 8.9 | 23.4 | 21.7 | 289 |
| Ireland | 15 | 16.1 | 6.1 | 7.5 | 19.8 | 22.9 | 25.7 | 29.9 | : |
| Greece | 19.7 | 20.1 | 11 | 11.6 | 6.5 | 7.5 | 27.6 | 27.7 | 3,031 |
| Spain | 19.5 | 20.7 | 3.5 | 4 | 7 | 9.8 | 23.4 | 25.5 | 11,675 |
| France | 12.9 | 13.5 | 5.6 | 5.8 | 8.3 | 9.8 | 18.4 | 19.3 | 11,763 |
| Italy | 18.4 | 18.2 | 7 | 6.9 | 8.8 | 10.2 | 24.7 | 24.5 | 14,742 |
| Cyprus | 16.2 | 15.7 | 9.5 | 9.8 | 3.8 | 4.6 | 22.2 | : | : |
| Latvia | 25.7 | 21.3 | 21.9 | 27.4 | 6.7 | 12.2 | 37.4 | 38.1 | 846 |
| Lithuania | 20.6 | 20.2 | 15.1 | 19.5 | 6.9 | 9.2 | 29.5 | 33.4 | 1,109 |
| Luxembourg | 14.9 | 14.5 | 1.1 | 0.5 | 6.3 | 5.5 | 17.8 | 17.1 | 83 |
| Hungary | 12.4 | 12.3 | 20.3 | 21.6 | 11.3 | 11.8 | 29.6 | 29.9 | 2,948 |
| Malta | 15.3 | 15.5 | 4.7 | 5.7 | 8.4 | 8.4 | 20.2 | 20.6 | 84 |
| Netherlands | 11.1 | 10.3 | 1.4 | 2.2 | 8.3 | 8.2 | 15.1 | 15.1 | 2,483 |
| Austria | 12 | 12.1 | 4.8 | 4.3 | 7.2 | 7.7 | 17.0 | 16.6 | 1,373 |
| Poland | 17.1 | 17.6 | 15 | 14.2 | 6.9 | 7.3 | 27.8 | 27.8 | 10,409 |
| Portugal | 17.9 | 17.9 | 9.1 | 9 | 6.9 | 8.6 | 24.9 | 25.3 | 2,693 |

| | | | | | | | | | |
|----------------|------|------|------|------|-----|------|------|------|--------|
| Romania | 22.4 | 21.1 | 32.2 | 31 | 7.7 | 6.8 | 43.1 | 41.4 | 8,890 |
| Slovenia | 11.3 | 12.7 | 6.1 | 5.9 | 5.6 | 6.9 | 17.1 | 18.3 | 366 |
| Slovakia | 11 | 12 | 11.1 | 11.4 | 5.6 | 7.9 | 19.6 | 20.6 | 1,118 |
| Finland | 13.8 | 13.1 | 2.8 | 2.8 | 8.2 | 9.1 | 16.9 | 16.9 | 890 |
| Sweden | 13.3 | 12.9 | 1.6 | 1.3 | 6.2 | 5.9 | 15.9 | 15.0 | 1,418 |
| United Kingdom | 17.3 | 17.1 | 3.3 | 4.8 | | 13.1 | 22.0 | 23.1 | 14,209 |
| Iceland | 10.2 | 9.8 | 0.8 | 1.8 | | 5.6 | 11.6 | 14.3 | 42 |
| Norway | 11.7 | 11.2 | 2.2 | 2 | 6.8 | 7.3 | 15.2 | 14.9 | 737 |
| Switzerland | 15.1 | 15 | 2.1 | 1.7 | 3.4 | 4.0 | 17.2 | 17.1 | 1,280 |

Table 2. Comparison between 2009 and 2010.

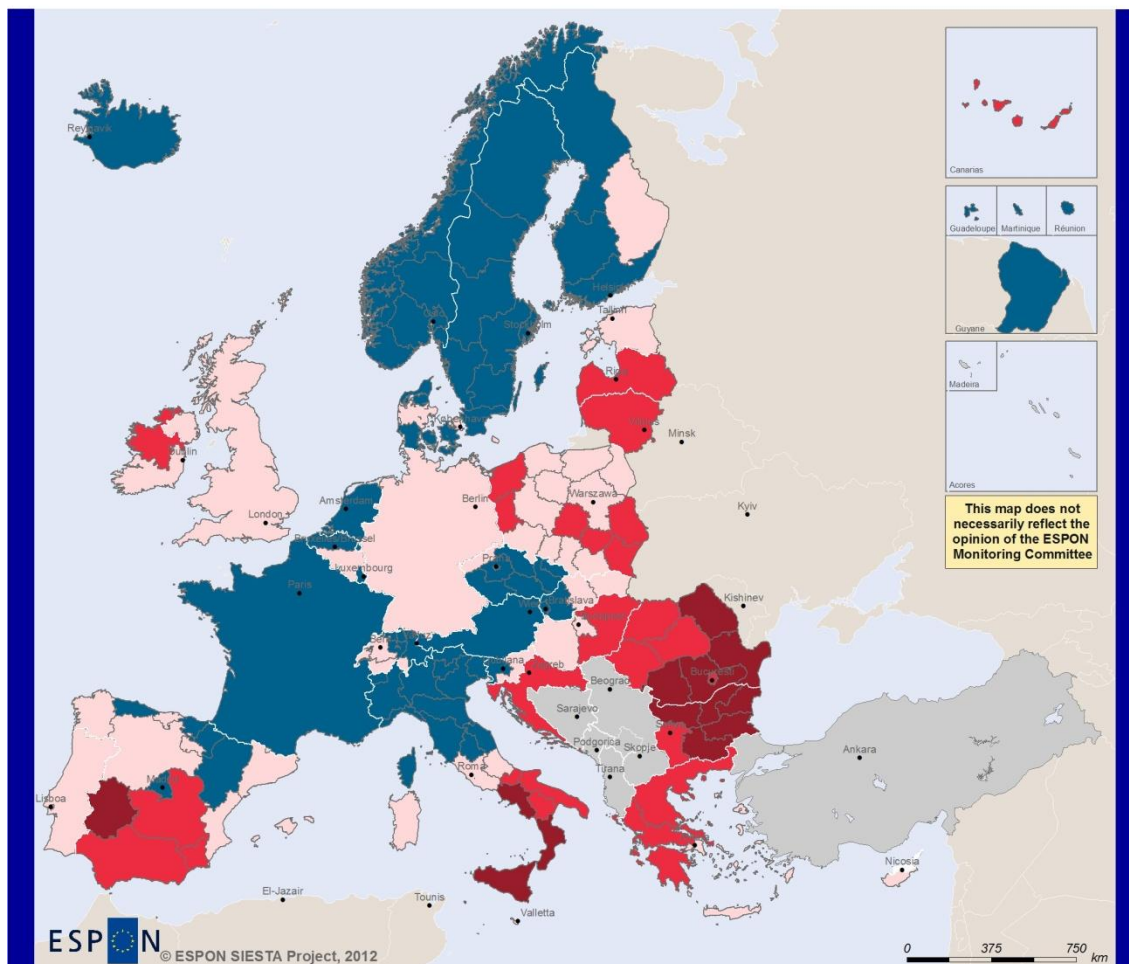
If several differences in East Europe regional rates, such as in others countries, can be explained by the influence of cities and especially of the capital, the regional diversity in Italy and Spain has its roots elsewhere.

In Spain the strong regional autonomy could be the result and the cause of this diversity. Navarre, the region avec the lowest rate of AROPE people, in particularly, as the Basque Country (the second lowest rate), has a great degree of political autonomy (in collecting and administering taxes, in energy policies, etc.). As regard the region of Madrid, we can suppose that the low rate of people at risk of poverty or social exclusion is the effect of the achievement of the capital city's action in concentrating work and socio-economic opportunities. Concerning Ceuta, which has the highest rate of AROPE people, it have to be underlined that it is a Spanish enclave in African continent, with is singular history, its economy depending on the port and on the strategic position, and it cannot be analysed in this context.

In Italy, we can highlight tree main patterns. Firstly the regions with the lowest rate of AROPE are the autonomous regions of Bolzano and Trentino Aldo Adige, which take advantage of its specific administrative status. Secondly the regions of the Nord-East of the country which are characterized by a developed economy of small and medium enterprises and a high participative social life and finally the South of Italy and especially the region of Campania, Sicilia and Calabria. The southern regions despite their great natural resources record high levels of unemployment and huge social and political problems.

Population at risk of poverty or social exclusion, 2010

Percentage of total population

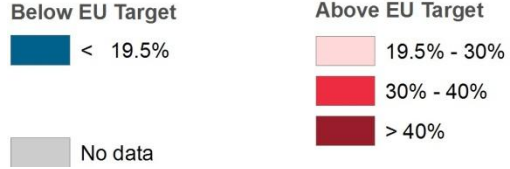


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Regional level: NUTS2, NUTS1, NUTS0
 Source: EUROSTAT
 Origin of data: EUROSTAT, 2012
 © EuroGeographics Association for administrative boundaries

People at risk of poverty or social exclusion rate (%), 2010. EU 2020 Target = 19.5%



Notes:
 EU27=23.5%

The Europe 2020 Target for reducing poverty is a reduction of the number of people at risk poverty or exclusion by 20 million people. This translate into achieve 19.5% of people at risk of poverty or social exclusion of the total population.

Data for AT, UK, FR, DE, NL and PT are shown at country level.
 HU, BE, and EL are shown at NUTS1 level.

2.2. Map 70: Disposable income of the households, 2008. Purchasing power standard based on final consumption per inhabitant

Description of the indicator

According to the Eurostat the « The equivalised disposable income is the total income of a household, after tax and other deductions, that is available for spending or saving, divided by the number of household members converted into equalised adults; household members are equalised or made equivalent by weighting each according to their age, using the so-called modified OECD equivalence scale. It represents the total income (for 12 months) of the members of the household ponderated in order to take into account the size of the households. The scale of ponderation is 1.0 for the first adult, 0.5 for the second adult (aged 14 or over) and 0.3 for each child (under 14). For poverty indicators, the equivalised disposable income is calculated from the total disposable income of each household divided by the equivalised household size.

Relevance of the indicator

On its own disposable income is not an adequate indicator of material well being as areas with relatively high disposable incomes are also areas of relatively high costs of living. It can be more relevant if we can take into account the degrees of social and economic polarization of the areas that are represented as well as the series of social indicators that describe the gap of the welfare state between the areas. This indicator is not taking into account the informal work that is very important in some areas of the EU. It is important relevant to measure the standard income per inhabitant that can be used for consumption or for saving and gives a measure of the consumption capacity potential of an area.

Description of the spatial patterns

The areas exhibiting the highest disposable income are highly concentrated both within the national contexts, the most developed nations of the European core (concentrated in the main centres of industry and commerce) London, Paris Emilia Romagna, South Germany south Germany Stuttgart, Munich, Oberbayern et Stuttgart). Similarly areas with the lowest disposable incomes (with the exception of the northern periphery, Scandinavian countries) occur towards periphery of the south and east.

The map of the disposable income indicates the different gradients of centrality in Europe:

- a) the central regions of the global cities London and Paris;
- b) the Semi-central regions that include the majority of France territory, northern Italy, northern Spain, Norway and southern Sweden, West Germany and Berlin and Great Britain.
- c) A semi-periphery that includes the rest of Spain the Italian Mezzogiorno, Greece at the exception of Athens, Warsaw and Berlin.

- d) The periphery of eastern Europe with exception of Warsaw Prague, Ljubljana.

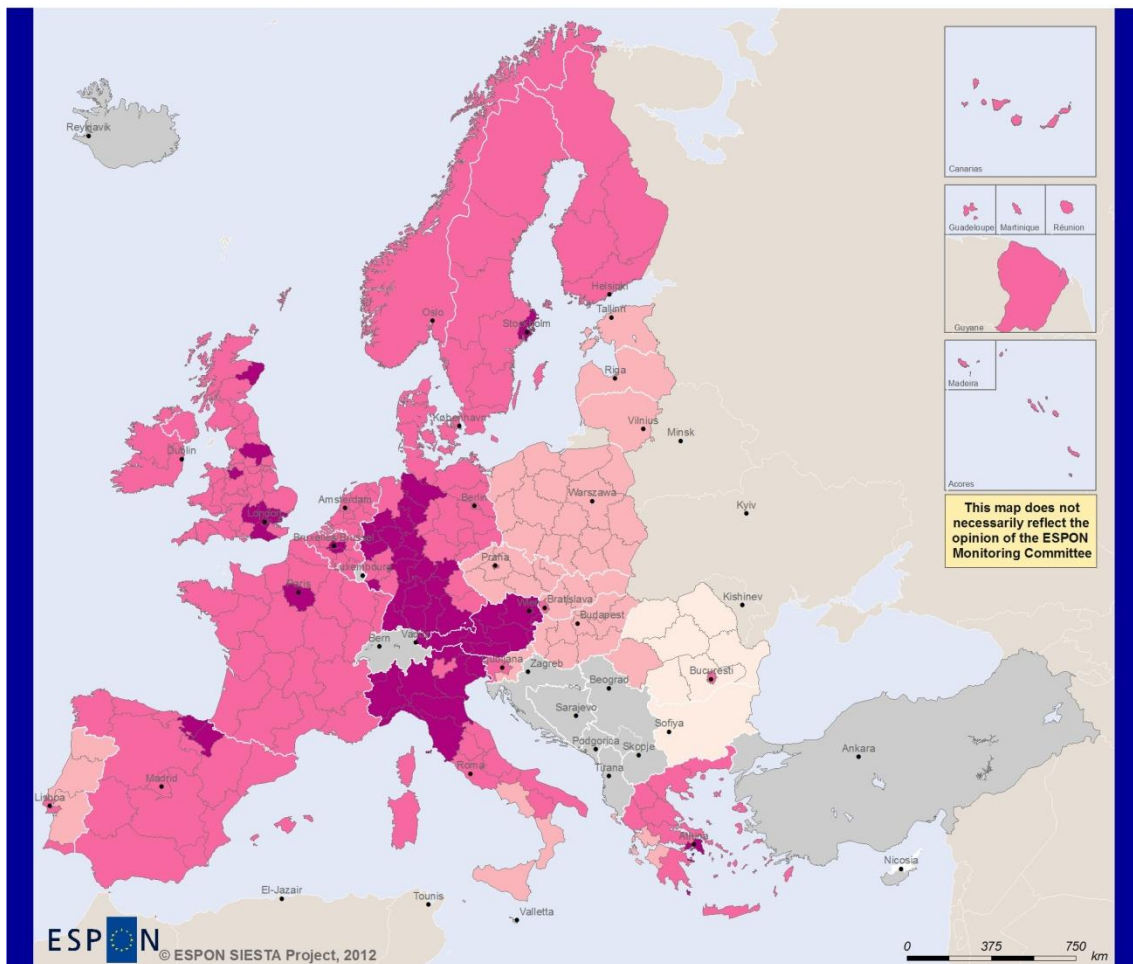
The areas with the lower disposable income of the households are for 2008 the majority of the regions of Rumania. Data for Bulgaria were not available for 2007. Using the 2007 data it emerges that the lowest disposable income concerns mainly the majority of the Bulgarian regions and then the peripheral Rumanian regions. In addition economic and financial crisis that affects Greece, Ireland, Portugal, Spain and Italy and mainly the main urban centres will certainly have an impact on the spatiality of this indicator. Similarly the effects of the earthquake in Emilia Romania.

| <i>Code</i> | <i>Region</i> | <i>Income Min</i> | <i>Code</i> | <i>Region</i> | <i>Income Max</i> | <i>Code</i> | <i>Region</i> | <i>Income Median</i> |
|-------------|---------------------|-------------------|-------------|---|-------------------|-------------|------------------------|----------------------|
| RO2 1 | Nord Est | 4,935. 1 | DE5 0 | Bremen | 20,356. 3 | FR30 | Nord-Pas-de-Calais | 14,944. 3 |
| RO2 | | 5,270. 3 | ES21 | País Vasco | 20,415. 5 | UKD 4 | Lancashire | 14,972. 1 |
| RO3 1 | Sud-Munteni a | 5,442. 3 | FR1 | Île de France | 20,768. 2 | NL42 | Limburg (NL) | 14,999. 6 |
| RO2 2 | | 5,712. 2 | DE1 1 | Stuttgart | 20,781. 0 | SE22 | Sydservige | 15,002. 5 |
| RO4 1 | Sud-Vest Oltenia | 5,729. 1 | UKJ1 | Berkshire, Buckinghamshire and Oxfordshire | 20,827. 7 | UKD 5 | Merseyside | 15,006. 5 |
| RO1 1 | Nord-Vest | 5,745. 7 | UKJ2 | Surrey, East and West Sussex | 21,284. 3 | ES | Spain | 15,028. 0 |
| RO1 | | 5,780. 3 | DE2 1 | Oberbayern | 21,308. 3 | SE21 | Småland med öarna | 15,049. 7 |
| RO1 2 | Centru | 5,817. 6 | UKI | London | 22,650. 6 | BE3 | Région Wallonne | 15,059. 7 |
| RO4 | | 6,151. 1 | DE6 0 | Hamburg | 22,667. 7 | BE35 | Prov. Namur | 15,070. 6 |
| RO | | 6,342. 5 | UKI1 | London | 26,599. 5 | SE12 | Östra Mellansverige | 15,079. 0 |

Table 3. AROPE people by degree of urbanisation (source: EUROSTAT)

Disposable income per capita in pps, 2008

Represented as purchasing power standard based on final consumption per inhabitant



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Regional level: NUTS2, NUTS0
Source: Seventh progress report on economic, social and territorial cohesion.
Origin of data: Seventh progress report on economic, social and territorial cohesion.
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PPS per inhabitant, 2008.

- < 6000
- 6000 - 12000
- 12000 - 18000
- > 18000
- No data

Notes:
BG and NO are shown at country level for year 2007.

2.3. Map 72: People at risk of poverty after social transfers, 2009

Introduction: An indicator of the risk of monetary poverty

This map represents the rate of risk of monetary poverty in 2009. Eurostat and the research instrument to compare the Statistics on Income and Living Conditions in the European Union (EU-SILC) define this indicator in the following way:

"The threshold (of the risk of monetary poverty) is set at 60 % of the national median equivalised disposable income (after social transfers). It is expressed in Purchase Parity Standards (PPS) in order to take into account differences in cost of living across EU Member States." (Eurostat, 2012).

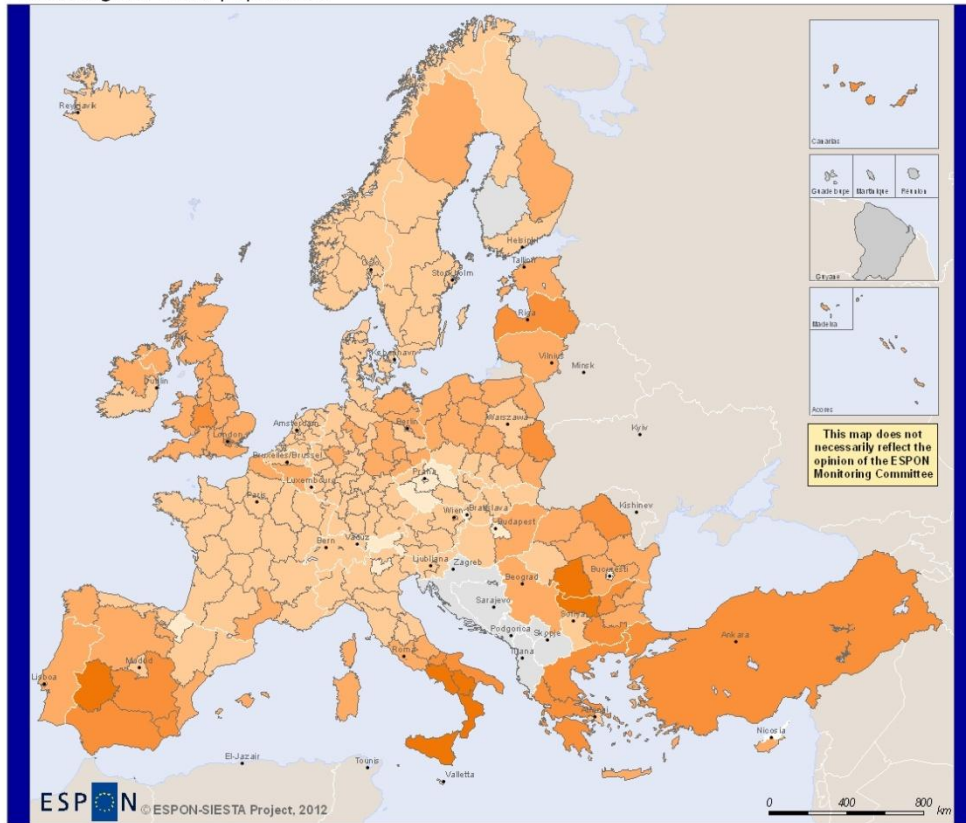
This indicator tries to measure the poverty in monetary terms. European statistics considered the definition of poor provided by the European Council in 1975: *"those individuals or households whose resources are so low as to exclude them from the minimum acceptable way of life in the country where they live"* (European Commission, 2010a, p. 21).

The indicator considers the share (in percent) of the total population with incomes below the 60% of the median of incomes in the State after social transfers. Data has been provided by the European survey: EU-SILC, which is realized by every country in Europe (see maps 74, 72, 75 or 76). This indicator is elaborated after other national surveys about population incomes. This fact is the reason which explains the wider availability of data for this indicator than for others. Results are obviously conditioned to the territorial availability of the information. In our case is the national level and the average of income varies substantially from one state to the other. This means that it is a state-based indicator of poverty and shows social inequalities in the regions in relation to a state-based income trend. Remember the characteristic of the relativity of the data to the national median and not an EU median must be considered in this commentary.

Globally this indicator allows us to produce a global diagnosis of the poverty in economic terms at regional scale for such nation-state member of the EU. Its simplicity facilitates both comparison and availability of data for most of the EU regions. This variable constitutes an essential support for the other considered measures of the poverty and social exclusion. The current map provides a complement to the aggregated index of the risk of poverty after social transfers, following the flagship initiative of The European Platform against Poverty and Social Exclusion (European Commission, 2010a).

People at risk of poverty after social transfers, 2009

Percentage of total population

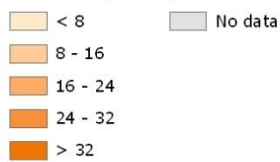


ESPON ESPON-SIESTA Project, 2012

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Regional level: NUTS 2 and 0
Source: EUROSTAT
Origin of data: EUROSTAT, 2012
©EuroGeographics Association for administrative boundaries

At risk of poverty rate



NOTE:
BG, EL, NO and UK are showed at NUTS 1 level.
CH is showed at state level

Indicator definition The share of persons with an equivalised disposable income below the risk-of-poverty threshold, which is set at 60 % of the national median equivalised disposable income (after social transfers).

2.4. Map 72 (complementary): People at risk of poverty after social transfers, 2010

Main results about poverty dissimilarities at regional level

The territorial basis of the map 72, for the majority of the counties, is at NUTS 2 level, but some of them dispose only the data for the NUTS 1 level: Belgium, Greece, Hungary, United Kingdom and Switzerland. For the case of Switzerland we have to mention that data are available at NUTS 2 regions, in the map representing the data of 2010 (see also map 72b). There is not available data for some of Albania and the ex-Yugoslavian countries: Croatia¹, Bosnia-Herzegovina, Montenegro, Kosovo, Macedonia; and a region of the Western side of Finland. Data is referred to 2009 (or 2010 in the map 72b), within the period of the economic recession. For some countries such as Turkey and Portugal, the unavailability of regional data for this indicator produces a homogenization bias of the results. Probably, some of their regions have some of the highest rates (South and East of Turkey or North of Portugal). Dissimilarities between regions of a same country are shown in Swiss case. As one can observe in the map of 2010 (see complementary map 72b) the best results in this country had been recorded in the wealthier cantons (the German ones) while the worst performances concern the South (Ticino) and the Central-Western area of the country (Mittelland).

| <i>the ten regions with the highest share</i> | | | <i>the ten regions with the lowest share</i> | | | <i>the ten regions with or close to the median share (i.e. 14.9%)</i> | | |
|---|---------------------------------|---------------------------------------|--|--------------------|---------------------------------------|---|---------------------|---------------------------------------|
| <i>MS</i> | <i>Region</i> | <i>At-Risk-of-Poverty-Rate (2009)</i> | <i>MS</i> | <i>Region</i> | <i>At-Risk-of-Poverty-Rate (2009)</i> | <i>MS</i> | <i>Region</i> | <i>At-Risk-of-Poverty-Rate (2009)</i> |
| Italy | Sicilia | 39.9 | Finland | Åland | 3 | Denmark | Nordjylland | 14.9 |
| Spain | Ciudad Autónoma de Melilla (ES) | 37.6 | Czech Rep. | Praha | 4.6 | Luxembourg | Luxembourg | 14.9 |
| Romania | Sud -Vest Oltenia | 37.4 | Romania | Bucuresti - Ilfov | 6.4 | Spain | Este (ES) | 14.9 |
| Spain | Extremadura | 36.2 | Slovakia | Bratislavský kraj | 6.5 | Germany | Köln | 14.7 |
| Spain | Ciudad Autónoma de Ceuta (ES) | 35.8 | Czech Rep. | Jihozápad | 6.8 | Sweden | Småland med öarna | 14.7 |
| Italy | Isole | 35.4 | Czech Rep. | Severovýchod | 6.9 | Finland | Länsi-Suomi. Åland | 14.8 |
| Italy | Campania | 34.9 | Austria | Tirol | 7.1 | Ireland | Ireland | 15 |
| Italy | Calabria | 34.6 | Hungary | Közép Magyarország | 7.1 | Sweden | Norra Mellansverige | 15 |

¹ Data for this country is available for 2010

| | | | | | | | | |
|---------|---------------|------|-------|---------------------------------------|-----|-------------|-------------|------|
| Italy | Basilicata | 33.6 | Italy | Provincia Autonoma Trento (NUTS 2006) | 7.2 | Austria | Kärnten | 15.1 |
| Bulgary | Severozapaden | 32.9 | Spain | Comunidad Foral de Navarra | 7.4 | Switzerland | Switzerland | 15.1 |

Table 4. People at Risk of Poverty After Social Transfers in 2009

The target of the European 2020 Strategy consists in reducing 20 millions of people who lives below the poverty threshold (European Commission, 2010b, pp. 22–23). This amount corresponds to reach the share of people at risk of poverty rate of the 19,5 % in the EU for 2020. The current indicator of monetary poverty shows that European regions globally have percentages of people below the national threshold of risk of poverty which varies between the 14% and the 16%, because the median of the values for all the regions is 14,6 and the average, is 16,3. So, globally, we can sustain that 15% of the population is situated below the state-based threshold of monetary poverty in the European regions (see map 72). Extreme data of this variable, especially high values, explain the fact that the average is both higher than the median and far to reach the EU 2020 target.

The Western and Central part of the continental Europe and the Northern periphery show the lowest rate of people at risk of poverty rate. By contrast, in the Southern and Eastern border regions recorded the most problematic results. The regions of the United Kingdom are also recorded among the medium-highest rates.

Concretely, between 8 and 16% (just below the average) are situated the regions of the centre of the continent: from the North of Spain to the South of Poland and Warsaw's region, and from the Scandinavian countries to the North of Italy. Similar rates are also recorded in capital regions of the South-Eastern Europe (i.e. Sofia and Athens).

It is important to underline that a number of regions of the East of Germany, a region near to the Ruhr conurbation (Arnsberg) and Hannover in Germany, Wallonia's region in Belgium and the Northern region and the Languedoc-Roussillon in France present rates over the European regions' average: 16 to 24%. This same class contains the majority of the regions of the United Kingdom, most of the Polish regions, Estonia and Lithuania, Eastern region of Hungary until the Black sea, including Serbia the centre of Romania and Eastern regions of Bulgaria; and the North West of Spain and Portugal, Corsica, Sardinia and the central Italy (Lazio and Abruzzo) and the Mezzogiorno.

Regions which have more than 32% of the population below the threshold of monetary poverty are the peripheral ones of the South and the East of the EU: extreme South of Italy (Sicilia, Calabria, Campania and Basilicata); the Spanish enclaves of Ceuta and Melilla and the region of

Extremadura; and other two in Romania and Bulgaria which limit to Serbia (see table 1). But also, in this group is the Inner London with a 32%.

We can also observe a gradient in the spatiality of these patterns: regions which have 25% of the population below the threshold of risk of monetary poverty are contiguous to the regions with the worst scores. It is the case for the South of Spain, the rest of the South of Italy and regions of Bulgaria, Greek's regions, Turkey, Estonia and regions of Poland and Romania which limit to Ukraine and Moldavia. In this group is also the region of Midlands in UK (25%). All these regions are far to reach the target of the Europe 2020 Strategy.

Finally, regions which have less than 8% of the population below the threshold of monetary poverty are located (see table 1 and map 72):

- 1) in the North: a region in the Baltic Sea which belongs to Finland;
- 2) in the Central and Eastern regions associated with capital cities: Prague (and its Western hinterland), Bucharest, Bratislava, and Budapest;
- 3) in the Alpine regions of Austria (Tirol) and Italia (Trento), and 4) in a Pyrenean region in Spain (Navarre).

It is necessary to examine briefly the recent trend in this poverty indicator in order to acquire a temporal perspective about social dynamics (see map 74). The Table 2 illustrates regions having greater changes between 2005 and 2010. An intensified process of pauperization has appeared in some regions in the South and in the East of the EU (table 2 and map 74). Among these macro-regions (Informal Ministerial Meeting of Ministers responsible for Spatial Planning and Territorial Development, 2011), some areas, which reveal high levels of poverty, have shown great decreasing trends in this indicator. It appears a dichotomy between the European core with a more stable situation concerning the poverty rates, and the Southern and Eastern peripheries shown the greatest transformations.

| <i>the ten regions with the highest percentage points of difference between 2005 and 2010 (or 2006 and 2009)</i> | | | <i>the ten regions with the lowest percentage points of difference between 2005 and 2010 (or 2006 and 2009)</i> | | | <i>the ten regions with or close to the median percentage points of difference between 2005 and 2010 (or 2006 and 2009) (i.e. 0.0)</i> | | |
|--|---------------------------------|---|---|-----------------------------|---|--|---------------|---|
| <i>MS</i> | <i>Region</i> | <i>Difference in At-Risk-of-Poverty-Rate (in the considered period)</i> | <i>MS</i> | <i>Region</i> | <i>Difference in At-Risk-of-Poverty-Rate (in the considered period)</i> | <i>MS</i> | <i>Region</i> | <i>Difference in At-Risk-of-Poverty-Rate (in the considered period)</i> |
| Spain | Ciudad Autónoma de Melilla (ES) | 27.60 | Ireland | Border, Midland and Western | -13.40 | Germany | Unterfranken | 0.00 |
| Romania | Vest | 6.50 | Poland | Pomorskie | -8.50 | Germany | Trier | 0.00 |
| Austria | Wien | 5.40 | Poland | Podlaskie | -7.90 | Germany | Rheinhes | 0.00 |

| | | | | | | | | |
|---------|------------------------------|------|---------|----------------------|-------|---------|----------------------|-------|
| | | | | | | | sen Pfalz | |
| Greece | Attiki | 4.90 | Italy | Puglia | -7.60 | Germany | Dresden | 0.00 |
| Denmark | Hovedstaden | 4.60 | Italy | Sardegna | -7.10 | France | Corse | 0.00 |
| Spain | Región de Murcia | 4.20 | Poland | Warminko - Mazurskie | -7.00 | Ireland | Southern and Eastern | -0.10 |
| Spain | Extremadura | 3.60 | Romania | Nord - Est | -7.00 | Spain | Noreste (ES) | -0.10 |
| Spain | Illes Balears | 3.50 | Poland | Region Pólnocny | -6.90 | France | Pays de la Loire | 0.10 |
| Poland | Lubelskie | 3.30 | Romania | Nord - Vest | -6.70 | France | Aquitaine | 0.10 |
| Italy | Valle d'Aosta/Vallée d'Aoste | 2.90 | Greece | Nisia Aigaiou. Kriti | -6.30 | Norway | Agder og Rogaland | 0.10 |

Table 5. Percentage Points of Difference of People at Risk of Poverty After Social Transfers between 2005 and 2010 (or 2006 and 2009)

We are going to perform the interpretation of the main spatial patterns of this indicator of poverty.

Spatial pattern of the monetary poverty: a multi-scalar social polarization?

In order to explain the pattern of the risk of poverty after social transfers is necessary to establish a link to other social variables analyzed by the present SIESTA-ESPON project or even the FOCI-ESPON project. It exists a strong relationships between this indicator and the indicator of the most reduced level of the unemployment rate in the same year: 2009 (see map 56), and the long-term unemployment (see map 77) and also the more dynamic economies in terms of GDPs per capita (see map 26) or the growth of GDP (see map 28) between 2000 and 2009. These correlated variables explain the lowest values of poverty in EU regions, such as the Northern regions, the mountain regions in Alps and Pyrenees or some capital cities of the East of Europe. For the Eastern regions it is especially important to indicate that the capital regions concentrate the main economic activities and employment and represent islands of wealth within a strongly marginalized hinterland that sometimes contains the rest of the country. Long-term historical centralist policies could have contributed to maintain disparity between the capital city and the rest of the country. Capital cities concentrate investments, opportunities of employment and tend to increase the gap between capital region and the rest of the national urban hierarchy.

This indicator shows an enormous contrast in terms of regional inequalities between the centre which concentrates the wealthiest population and the periphery. But this disparity does not mean a primacy in terms of incomes of these areas among European regions. We would like to emphasize that if we could use an indicator of EU median income these regions would show probably a high level of poverty, but, for certainly, they would present a better situation than that the rest of their country.

Map of long-term unemployment rate has similarities with the indicators of poverty. High rates of risk of poverty also mean probability of diffusion of long-term unemployment rates and *vice versa*. This fact explains the pattern of Eastern Germany and the Alpine regions or the high rates of poverty and employment in the Italian Mezzogiorno and Greece. The more reduced rate of risk of monetary poverty in Alpine region and Navarre can be explained by economic development and the high rate of employment. Together, these three indicators show one of the best examples to an inclusive development in Europe. The case of the region in Finland is similar to the Alpine region, but this is due also to its small size in terms of area and population.

A different pattern exists in the main urban regions in some Western countries, such as Inner London, Brussels, Berlin or Wien, that present both a great dynamism in terms of economic growth and high levels of social inequalities and polarization. This situation is explained by the analysis of the social dynamics at Large Urban Zones (LUZ) level in the previous ESPON project: FOCI (2010, pp. 68–100). A symptomatic situation appears in the Inner London, which has a medium-high GDP per capita, high level of disposable incomes but intermediate rates of unemployment. This fact indicates a duality in the economic development: a social polarization because of the increase of the inequalities between rich and poor people in monetary terms. This pattern exemplifies perfectly the social polarization that numerous scholars have demonstrated in different urban contexts (Hamnett, 2001; Marcuse & Kempen, 2000; Mollenkopf & Castells, 1991; Sassen, 2001). These cities concentrate both people who work in the advanced tertiary sector and very low skilled workers. Nowadays, these regions are nodes in migration flows but employment offers have been exceeded.

High rates of risk of monetary poverty are linked to the ancient industrial urban areas in decline: in UK; North of France, Wallonia or Ruhr region.

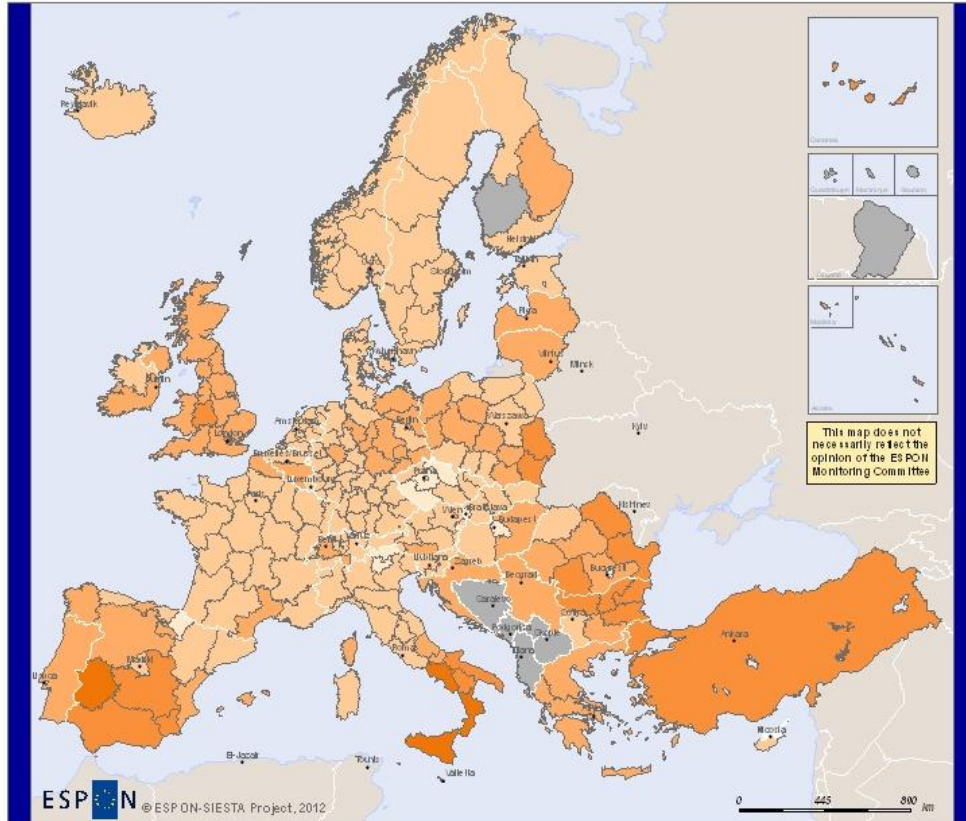
It should also be mentioned the existence of ultra peripheral positions in enclaves which experience a continuous pressure by the flows of economic migrants in the frontiers of Europe can reflect an increase of the monetary poverty rates in these regions (case of African enclaves of Ceuta and Melilla in Spain) or in Eastern Europe. Submerged and illegal activities are predominant in these regions. Border regions which have the highest values of this indicator in the Eastern countries are also remote rural regions, without significant products orientated to markets.

In Southern Europe, high rates of monetary poverty in 2009 can be explained by these reasons: 1) crash of the speculative system linked to the construction bubble, 2) the more dependent regions both in tourist sector and submerged economy in relation to their State; 3) weak structure of production in secondary and advanced tertiary sector and 4) traditional rural regions converted in regions which are economically dependent on the performance of certain tertiary sectors such as tourism or construction.

To sum up, certain regions in Western and Northern Europe have the lowest rate of monetary poverty and they are accomplishing the proposed target of the European 2020 Strategy. Meanwhile, both Eastern and Southern Europe show high levels of risk of poverty after social transfers. Even if lower rates appear in the capital cities in Eastern Europe in relation to their surrounding regions, some metropolis of the Western Europe and large urban areas show a higher share of poverty. This fact reflects the emergence of the trend of social polarisation from the intra-urban level to the analyzed regional scale.

People at risk of poverty after social transfers, 2010

Percentage of total population



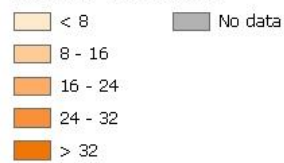
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Regional level: NUTS 2, NUTS 1 and NUTS 0
 Source: EUROSTAT

Origin of data: EUROSTAT, June 2012
 © EuroGeographic Association for administrative boundaries

At risk of poverty rate



NOTE:
 BE, EL, NO and UK are shown at NUTS 1 level.
 HR, RS, TR and PT are shown at state level.
 Data for FR, TR, UK, NL and RS are for 2009.

Indicator definition The share of persons with an equivalised disposable income below the risk-of-poverty threshold, which is set at 60 % of the national median equivalised disposable income (after social transfers).

2.5. Map 74: Change in at risk of poverty rate, 2005-2010

Introduction

The European Council in 1975 defined the "poor" as "those individuals or households whose resources are so low as to exclude them from the minimum acceptable way of life in the country where they live".

In June 2010, Member States have committed to lifting at least 20 million people from "the risk of poverty and social exclusion" by 2020. This commitment is a significant sign stressing the importance of the social dimension for the future of Europe.

The agreed target has been defined on the basis of three combined indicators which reflect the multiple facets of poverty and exclusion across Europe: it is built on the concept of relative income poverty with the addition of the dimensions of the material deprivation and the exclusion from the labour market.

The At risk of poverty indicator

The relative income poverty or at-risk-of-poverty rate represents the share of people with an equivalised disposable income (after social transfer) below the at-risk-of-poverty threshold, which is set at 60 % of the national median. The income of individuals is based on total household income – adjusted to take account of household size and composition – and then allocated to each household member. It is a relative measure of poverty, linked to income distribution, which takes account of all sources of monetary income including market income and social transfers.

As the at-risk-of-poverty thresholds for each country are set at 60 per cent of the median disposable income for that particular country, the rates are relative for each individual country, and the households at-risk-of-poverty in each country will not necessarily have comparable incomes or living standards. This indicator indeed does not measure poverty, but low income in comparison to other residents in that country, which does not necessarily imply a low standard of living.

Because the analysis of the at-risk-of poverty indicator focus on the lack of financial resources available to individuals for meeting their needs and not on the concrete satisfaction of these needs, the approach to poverty and social exclusion of this indicator is considerate as an indirect one.

The At risk of poverty and the other AROPE indicators in the Europe 2020 poverty goal

The at risk of poverty indicator, founded on the 1975 definition of poverty, was the fundament of the enumeration of the poverty in Europe until the enlargements of the Union in 2004 and 2007. In this period it became evident the need to extend the EU poverty indicators to direct measures of poverty, such as the material deprivation indicator (Guio 2009).

Indeed, if the purely income-based indicator of poverty and inequality was recognised as not sufficient to reflect the diversity of the 27 EU countries,

it is still recognised as an essential component for the analysis of the European poverty, notably in relation to the goals of the Europe 2020 Strategy.

The at risk of poverty rate allow to monitoring the changes in monetary poverty during the time. Moreover, by the addition of the others AROPE (At-risk-of-poverty-and-social-exclusion) indicators, it helps to build the image of European poverty and evaluate the achievement or the failure of the European 2020 policies on poverty reduction.

The comparison of indicator in 2005 and 2010, represented in the map 74 as the difference between the percentage of people at risk of poverty in 2010 and in 2005, measure the changes in the Europe relative income poverty during this five years.

| <i>the ten regions with the highest share</i> | | | <i>the ten regions with the lowest share</i> | | | <i>the ten regions with or close to the median share</i> | | |
|---|---------------|----------------------|--|---------------|----------------------|--|----------------------|----------------------|
| <i>MS</i> | <i>Region</i> | <i>Poverty trend</i> | <i>MS</i> | <i>Region</i> | <i>Poverty trend</i> | <i>MS</i> | <i>Region</i> | <i>Poverty trend</i> |
| Austria | AT13 | 5.4 | Ireland | IE01 | -13.4 | Italy | ITD3 | -0.4 |
| Italy | ITC3 | 5.1 | Slovenia | SI02 | -9.5 | Germany | DED1 | -0.3 |
| Greece | GR3 | 4.9 | Poland | PL63 | -8.5 | Italy | ITE4 | -0.3 |
| Austria | AT33 | 4.7 | Poland | PL34 | -7.9 | Germany | DE25 | -0.3 |
| Spain | ES62 | 4.2 | Italy | ITF4 | -7.6 | Germany | DE13 | -0.2 |
| Austria | AT12 | 3.7 | Italy | ITG2 | -7.1 | Germany | DE11 | -0.2 |
| Spain | ES43 | 3.6 | Poland | PL62 | -7 | Germany | DE14 | -0.2 |
| Spain | ES53 | 3.5 | Greece | GR4 | -6.3 | Ireland | IE02 | -0.1 |
| Czech Republic | CZ05 | 3.4 | Italy | ITF5 | -5.8 | Germany | DED2 | 0 |
| Poland | PL31 | 3.3 | Poland | PL42 | -5.7 | | DEB2 DEB3 DE26 | |

Table 6. Changes in at risk of poverty rate (2005-2010)

The EU-SILC framework

Evidences about the risk of poverty spring from the European Union Statistics on Income and Living Conditions (EU-SILC).

EU-SILC were launched in 2003 on the basis of the agreement between EUROSTAT, six Member States (Austria, Belgium, Denmark, Greece, Ireland, Luxembourg) and Norway and expanded two year later in order to cover all of the then EU-25 Member States, together with Iceland and Norway. Bulgaria launched EU-SILC in 2006, Romania, Switzerland and Turkey in 2007.

EU-SILC is not conceived as a common survey but as a common "framework". It defines common guidelines, common concepts and classifications in order to maximising the comparability of the information produced.

In the context of the Europe 2020 strategy, the European Council adopted in 2010 a headline goal for social inclusion, namely the decrease by 20 million people at-risk-of-poverty or social exclusion in 2020. EU-SILC is the source aimed to monitor progress towards this headline target.

Map trends

The map represents the change between the at-risk-of-poverty rate in 2005 and in 2010. For the countries that this was not possible because of the unavailability of the information for these years, the change had calculated at a slightly different period.

Some countries are represented at the national level, such as Turkey, Bulgaria, Estonia, Latvia, Lithuania, Sweden, United Kingdom and Portugal. No data are available for Island, Switzerland, Romania and for some Balkan countries (Croatia, Bosnia and Herzegovina, Kosovo, Montenegro, Macedonia and Albania) and for the West Finland region. These are methodological notes.

Some starting considerations will be developed on the map, while a deepest analysis will be developed by the use of the data.

The map 74 shows a highly contrasted spatial pattern in almost all Europe, with high differences between and within the countries.

If in France, in Finland and in Netherlands, the at-risk-of-poverty rate seems to be unchanged in almost all their regions, in all the other European countries the percentage of income poor changed in a significant way.

Sweden, Bulgaria and Latvia, all represented at the national level, seem to have highly increased their rates (2-4%).

At the regional level, are some the capital regions that mainly increased their monetary poor population, notably Wien, Athens and Copenhagen recorded a strong increase of their risk of poverty rates.

On the other hand, the poor population decrease in Turkey (by more than 4%) and in the Greek Aegean Islands and Crete, in Ireland, notably in the region called Border, Midland and Western Ireland and also in the United Kingdom (represented at national scale).

In the other Member States we founded a strong heterogeneity. In five Italian regions (Puglia, Calabria and Basilicata in the South, the isle of Sardinia and Liguria in the north west of the country) the percentage of poor population decreased, while in Campania (South) and in Toscana it strongly raised. In the same way in Spain, if almost all the Nord of the country reduced its rate, the poor population increased in the South (notably in Murcia, that has one of the highest rate) and in the regions of Cantabria (on the Northern Atlantic coast) and in Catalonia (on the northern Mediterranean coast). The same contrast can be founded in Poland, in Hungary and to a small degree in all the Germany and in the Czech Republic.

Data trends

Looking at risk of poverty data we can add several further details to the map's description of the relative income poverty in Europe.

At the national level, the data show that from 2005 to 2010 the highest increases in poverty rates occurred in the countries with the higher and the lower rates of people at risk of poverty. The first one is the case of Germany and Sweden where this indicator rose by 3,4% in this five-years period, and of Denmark and Finland. The second one is the case of several other countries, as Latvia and Bulgaria where there was already a high level of poverty, that increase by more than 2%.

The national pattern is repeated at the regional level. In the period 2005-2010 the risk of poverty increased by over 4% at both extremes of the index.

Wien, that recorded the highest relative increase of population at risk of poverty (5,4%), had a relatively low rate in 2005 (12,9%), similarly the region of Athens (11,4% in 2005, +4,9% in 2010) and the region of Copenhagen that recorded an increase of its population at risk of poverty of 4,6% between 2007 and 2010 (data for the previous years are not available).

Similarly, some regions characterized by low rates of population at risk of poverty increased their rate between 2 and 4 %.

It is the case of the South-Eastern Norway and the region of Trøndelag, the Italian regions of Valle d'Aosta and Toscana, the regions of Catalonia, Cantabria and the Basque country in Spain, Lubuskie in Poland, Arnsberg in Germany and the Central Slovakia.

The increase of poor people rate also concerned areas that already recorded high rates of population at risk of poverty in 2005.

It is the case of the South of Spain (notably Murcia +4,2%), the Canary islands and the Extremadura (+3,6% in 2010 : 38,2%). It is also the case of the Lubelskie region in Poland and of Campania (+2,7% en 2010 : 35,8%) in Italy.

The reduction in the at risk of poverty rate has a contrasted and complex pattern too. Therefore it is difficult to summarize it in general lines.

We can affirm however that at the national level are mainly the nations that already had high levels of risk of poverty in 2005 that decreased the most the risk of poverty. It is the case of Turkey (- 5%), Ireland (- 3.6 %), Poland (- 2.9%)and Estonia (- 2.5%)

At the regional scale the highest reduction has been recorded in Border, Midland and Western Ireland (-13,4pp, en 2010 15,1%). In Poland many regions in the north and in the south of the country had reduced their rates, notably in Pomerania (-8 points).

In Italy the rate decrease concerned not only the southern regions of Basilicata (-5,8pp, en 2010 : 25,5), Apulia (-7,6pp, en 2010 : 25,5) and Calabria (-4,6pp, en 2010 : 33,1), where there was important shares of monetary poverty, but also some regions where the relative income poverty was relatively weak as Sardinia (-7,1pp, in 2010 :15,6) and Liguria (-5,1pp, en 2010 : 10,5).

An important reduction of the share of population at risk of poverty occurred as well in the insular Greece: the Aegean Islands and Crete.

Interpretation of the data trends

We premise that the extremely heterogeneity of the results do not allow us to describe main patterns or formulate some kind of generalisation.

It is important to underline that, according to us, this analysis of the index population at risk of poverty should be understood in its relation with the index of the average resources (households income of each country) as well as the variations of monetary poverty should be compared with the variation of average income. Unfortunately for the moment there are not data available after 2008, so it is not possible to make this comparison.

However, as suggested by several scholar (see Guio, Layte, Whelan, Maître, Nolan and others) and by the Eurostat analysis on AROPE indicator, the at risk of poverty indicator have to be analysed in comparison with the deprivation indicator.

In this way, it is possible to confront two different approaches to poverty : the "indirect" one (at risk of poverty rate) that notice the lack of monetary resources that a person needs in order to satisfy his needs and the "direct" approach (material deprivation rate) that is based on the definition of such needs and their eventual satisfaction.

The representations of poverty by means of these indicators in 2010 vary substantially as it vary the changes that this map aims to analyse (see Tab. 6).

| <i>the ten regions with the highest share</i> | | | | | |
|---|---------------|-------------------------------------|-----------|---------------|---------------------------------------|
| <i>MS</i> | <i>Region</i> | <i>At risk of poverty 2005-2010</i> | <i>MS</i> | <i>Region</i> | <i>Material deprivation 2005-2010</i> |
| Austria | AT13 | 5.4 | Spain | ES62 | 7 |
| Italy | ITC3 | 5.1 | Ireland | IE01 | 3.2 |
| Greece | GR3 | 4.9 | Belgium | BE1 | 3 |
| Austria | AT33 | 4.7 | Italy | ITC1 | 2.6 |
| Spain | ES62 | 4.2 | Italy | ITE1 | 2.5 |
| Austria | AT12 | 3.7 | Spain | ES43 | 2.3 |
| Spain | ES43 | 3.6 | Ireland | IE02 | 2.2 |
| Spain | ES53 | 3.5 | Italy | ITE4 | 1.9 |

| | | | | | |
|----------------|------|-----|-------|------|-----|
| Czech Republic | CZ05 | 3.4 | Spain | ES23 | 1.8 |
| Poland | PL31 | 3.3 | Italy | ITE2 | 1.6 |

| the ten regions with the lowest share | | | | | |
|---------------------------------------|--------|------------------------------|--------|--------|--------------------------------|
| MS | Region | At risk of poverty 2005-2010 | MS | Region | Material deprivation 2005-2010 |
| Ireland | IE01 | -13.4 | Poland | PL32 | -33 |
| Slovenia | SI02 | -9.5 | Poland | PL33 | -26.4 |
| Poland | PL63 | -8.5 | Poland | PL21 | -23.2 |
| Poland | PL34 | -7.9 | Poland | PL61 | -21.3 |
| Italy | ITF4 | -7.6 | Poland | PL42 | -20.8 |
| Italy | ITG2 | -7.1 | Poland | PL51 | -20.6 |
| Poland | PL62 | -7 | Poland | PL12 | -20.1 |
| Greece | GR4 | -6.3 | Poland | PL41 | -19.5 |
| Italy | ITF5 | -5.8 | Poland | PL31 | -19.3 |
| Poland | PL42 | -5.7 | Poland | PL34 | -18.7 |

| <i>the ten regions with or close to the median share</i> | | | | | |
|--|----------------------------|-------------------------------------|-----------|---------------|---------------------------------------|
| <i>MS</i> | <i>Region</i> | <i>At risk of poverty 2005-2010</i> | <i>MS</i> | <i>Region</i> | <i>Material deprivation 2005-2010</i> |
| Italy | ITD3 | -0.4 | Spain | ES12 | -0.6 |
| Germany | DED1 | -0.3 | Norway | NO04 | -0.6 |
| Italy | ITE4 | -0.3 | Finland | FI19_20 | -0.7 |
| Germany | DE25 | -0.3 | Italy | ITC2 | -0.7 |
| Germany | DE13 | -0.2 | Norway | NO06 | -0.7 |
| Germany | DE11 | -0.2 | Italy | ITD4 | -0.8 |
| Germany | DE14 | -0.2 | Italy | ITC3 | -0.9 |
| Ireland | IE02 | -0.1 | Belgium | BE2 | -1 |
| Germany | DED2/D EB2DEB 3/DE26 | 0 | Finland | FI18 | -1 |
| | | | Italy | ITF5 | -1 |

Table 7. Comparison between changes in material deprivation and population at risk of poverty during the period 2005-2010

By analysing the changes of the two indices during the period 2005-2010 we can see that the countries that increased the most the population at risk-of-poverty they did not increase proportionally their population materially deprived, in some cases they even decreased it.

It is the case for Germany, Sweden and Latvia. In Germany the deprived population did not change substantially but in Latvia it decreases by 11 PP.

At the regional scale we can observe that Athens Region, one of the regions that increased dramatically the rate of its population at-risk-of-poverty did not recorded substantial changes (according to these data) to the rate of the population under material deprivation. In Poland is very relevant the case of the region of Lubelskie that increased substantially its rate of population at risk of poverty between 2005 and 2010 but at the same time decreased the share of deprived population (by 15 and 19 pp respectively). Similarly Slovakia reduced by 11pp the rate of deprived population while increased the population at risk of poverty.

In Spain, the two indices had more contrasted patterns. The increase of monetary poverty between 2005 and 2010 is associated with both with increase or decrease of material poverty. In Murcia, notably, deprived population increased more that the population at risk of poverty while in the other regions the later decreased.

No direct correlation between the two indicators has been observed, i.e. the areas that reduced their risk of poverty are not necessarily reducing the absolute poverty. The case the most representative concerns region Border, Midland and Western Ireland that between 2005 and 2010 reduced the population at risk of poverty (-13%) but increased its population with severe material deprivation by 3pp.

The Italian regions of Puglia, Basilicata, Calabria, Sardinia in the South and Liguria in the North as along with The Aegean Islands and Crete, the decrease of the risk of poverty was much higher in terms of per cent points than the reduction of the deprived population.

In the opposite in the majority of the Polish regions that decreased the population at risk of poverty (i.e. the big part of the country), the diminution of material deprivation was more important than the diminution of the population at risk of poverty.

In order to understand the differences in terms of dynamics and spatiality of these two indicators it is necessary to analyse the change of average income of household by country, without this analysis the interpretation of change of risk of poverty risks to be incomplete.

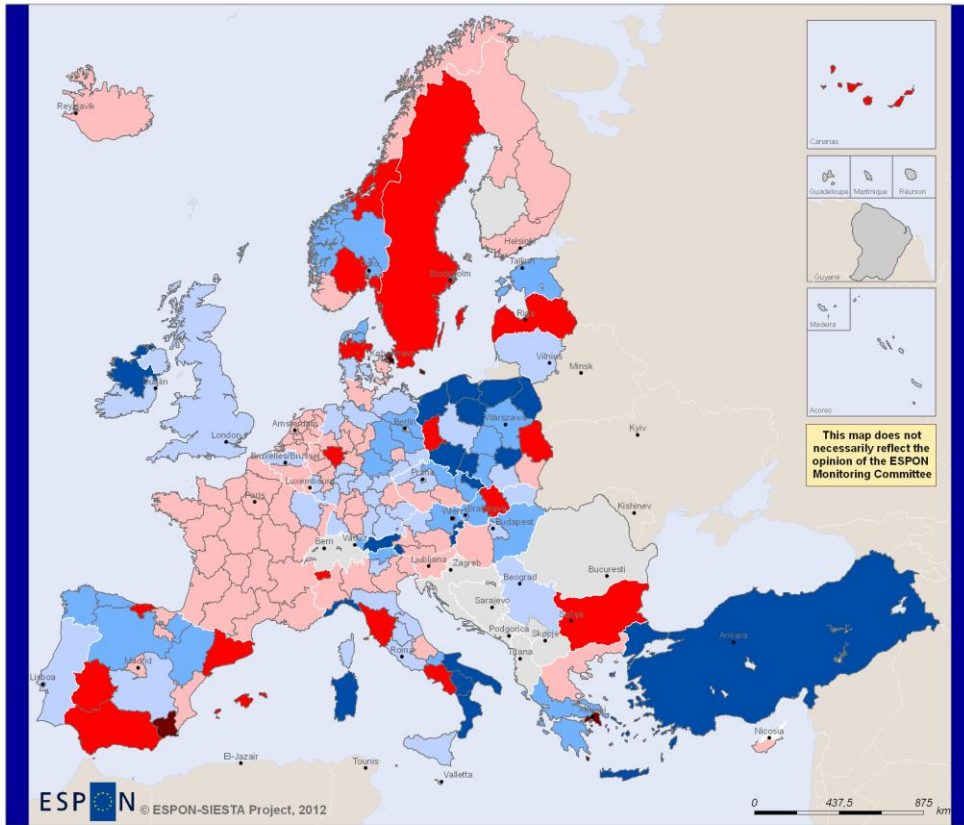
Conclusion

As show by the comparison with the material deprivation indicator, the At risk of poverty rate seems have no direct or predictable links with poverty.

In this sense, even if its role is important in the monitoring and in the achievement of the Europe 2020 Strategy, the meaning of this indicator's results has to be understood in relation with the average resources and/or in its connections with the other AROPE indicators.

Concluding, using Ringen's words (1988), the income indicator is both an indirect and unreliable measure of the underlying concept of poverty.

Change in at risk of poverty rate, 2005-2010



This map does not necessarily reflect the opinion of the ESPON Monitoring Committee

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Regional level: NUTS 2, 1 and 0.
Source: EUROSTAT-EU-SILC
Origin of data: EUROSTAT, 2012
© EuroGeographics Association for administrative boundaries

Percentage points difference



NOTE:
BE, EL and HU are shown at NUTS 1 level.
BG, CH, TR, SE and UK are shown at state level.
ES-64 2006-2010, TR-2005-2009; FR, NL and RS
2006-2009, DK 2007-2010

Indicator definition The share of persons with an equivalised disposable income below the risk-of-poverty threshold, which is set at 60 % of the national median equivalised disposable income (after social transfers).

2.6. Map 75: Severe material deprivation rate, 2010.

The severe material deprivation indicator

The role accorded to social inclusion in the EU 2020 strategy and the consequent need to enlarge the understanding of poverty in Europe led to enlarge the instrument of its analysis.

In this sense, Severe material deprivation indicator came to complement income-based poverty measures in the EU's portfolio of social inclusion indicators. Its major goal is to capture different dimensions or aspects of deprivation, such as basic everyday necessities, housing, invisible at the incomes surveys.

According to Eurostat the material deprivation rate indicator expresses the forced inability to afford some items considered necessary to lead an adequate life. It's is an absolute measure of poverty as it measures access to nine essential items in the same way in all Member States.

Material deprivation refers to a state of economic strain, defined as the enforced inability to pay rent, mortgage or utility bills, to keep home adequately warm, to face unexpected expenses, to afford a meal involving meat, chicken or fish every second day, to take a one-week annual holiday away from home, to acquire durable goods like a washing machine, colour television, telephone or car.

Severe material deprivation rate is defined as the enforced inability to pay for at least four of the above-mentioned items. As the income poverty, the unit of analysis for the EU indicator of deprivation is the individual (considered within the household).

Relevance of the severe material deprivation indicator

This indicator significantly contributes to the analysis of European poverty. Monetary poverty indicator based on a national threshold, indeed, cannot provide a representation of poverty at the European level because it is based on national context. This indicator, on the contrary, allows making comparisons across countries, tracking changes over time and responding to the situation and needs of different groups.

The definition of poverty adopted by EU Council of Ministers (1985) stated that the poor are "the persons whose resources (material, cultural and social) are so limited as to exclude them from the minimum acceptable way of life in the Member State to which they belong". According this EU definition of poverty, income poverty and material deprivation are

complementary and have to be used jointly in order to analyse various aspects of households' and individuals' living conditions.

If this two indicators rates seem to differ in the scale (income poverty is a national based measure while deprivation rates an EU criterion) and in the concept (income vs. deprivation), some researchers underlined that the items covered in the EU indicators of material deprivation refer to financial stress and possession of durable goods which are the dimensions strongly related with income.

Some items – such as 'the capacity to afford a meal with meat, chicken, fish (or vegetarian equivalent) every second day' are directly linked to current income. The possession of a car can be seen as an investment, which makes the deprivation indicators closer to permanent income measures, while the ability to face unexpected expenses seems to be related to savings.

Even if several critics have been formulated on the choice of the items of the Severe material deprivation indicator (see for example Whelan 2011), the measurement of material deprivation is one of the pillar of the Europe 2020 Strategy, notably in its target of lifting at least 20 million people out of poverty and social exclusion in a decade.

Formally added to the EU set of indicators for social inclusion in 2009, this indicator aims to give a more realistic picture of the multiple facets of poverty and exclusion across Europe. It also reflects the diversity of situations and priorities across Member States.

To an additional analysis of material deprivation measure, see B. Nolan, and C.T. Whelan (2011), *The EU 2020 Poverty Target* - Amsterdam, AIAS, GINI Discussion Paper 19.

The EU-SILC framework

Evidences about material deprivation spring from the European Union Statistics on Income and Living Conditions (EU-SILC).

EU-SILC were launched in 2003 on the basis of the agreement between EUROSTAT, six Member States (Austria, Belgium, Denmark, Greece, Ireland, Luxembourg) and Norway and expanded two year later in order to cover all of the then EU-25 Member States, together with Iceland and Norway. Bulgaria launched EU-SILC in 2006, Romania, Switzerland and Turkey in 2007. The data for Croatia are provided by the household budget survey (HBS), another source.

EU-SILC is not conceived as a common survey but as a common "framework". It defines common guidelines, common concepts and

classifications in order to maximising the comparability of the information produced.

In the context of the Europe 2020 strategy, EU-SILC is the source aimed to monitor progress towards the headline target of decrease by 20 million people at-risk-of-poverty or social exclusion in 2020.

| <i>the ten regions with the highest share</i> | | | <i>the ten regions with the lowest share</i> | | | <i>the ten regions with or close to the median share</i> | | |
|---|---------------|--|--|---------------|--|--|---------------|--|
| <i>MS</i> | <i>Region</i> | <i>Several material deprivation rate</i> | <i>MS</i> | <i>Region</i> | <i>Several material deprivation rate</i> | <i>MS</i> | <i>Region</i> | <i>Several material deprivation rate</i> |
| Bulgaria | BG32 | 44.2 | Sweden | SE33 | 0.5 | Italy | ITE3 | 4.8 |
| Bulgaria | BG42 | 40.1 | Norway | NO05 | 0.7 | Czech Republic | CZ02 | 4.9 |
| Romania | RO22 | 40 | Spain | ES12 | 0.8 | Czech Republic | CZ06 | 5 |
| Bulgaria | BG34 | 39.3 | Sweden | SE21 | 0.9 | Spain | ES43 | 5 |
| Romania | RO21 | 39.1 | Sweden | SE31 | 1.0 | Spain | ES61 | 5.2 |
| Bulgaria | BG33 | 36.8 | Sweden | SE32 | 1.0 | Czech Republic | CZ07 | 6.1 |
| Romania | RO31 | 33 | Spain | ES13 | 1.1 | Italy | ITE4 | 6.1 |
| Romania | RO32 | 32.0 | Norway | NO02 | 1.1 | Spain | ES6 | 6.3 |
| Romania | RO41 | 31.8 | Sweden | SE22 | 1.2 | Spain | ES64 | 6.8 |
| Bulgaria | BG31 | 29.1 | Sweden | SE23 | 1.2 | Ireland | IE02 | 6.9 |

Table 8. Several material deprivation rate, 2010

Map trends

We have to premise that the map of the severe material deprivation in Europe in 2010 shows France, Netherlands, Germany, Switzerland, Austria, United Kingdom, Estonia, Latvia, Lithuania, Croatia and Portugal at national scale. Data at a bigger scale are not available. No data are available for almost all Balkan countries.

At general level, high rates of deprivation characterise notably the Eastern Europe – from Baltic republics to Greece. In the South of Europe, in

particular the South of Italy and Portugal, and in Ireland we note lower but elevated rates of material deprivation.

At the national scale the highest rates of poverty are recorded in Bulgaria (35%), Romania (31%), Latvia (27%), Hungary (21%) and Lithuania (19%). On the other side, the lowest rates of material deprivation concern mainly the Northern countries (Finland 3%, Norway 2%, Sweden 1%, Denmark 3%, Iceland 2%) and Netherlands (2%), Luxemburg (0,5%), Switzerland (2%).

Even if the highest rates of material poverty are recorded in Bulgaria, it is important to underline that this country has reduced this rate by 6,9% from 2009 to 2010 and by 17% in the Severozapaden region (in the North-West of the country). Romania and Poland reduced their material deprivation by only 1%, while many of the Eastern countries increased it. Latvia by 5,5 %, Lithuania by 4,4% in the same period and Hungary by 1%.

In Eastern Europe although the general context is determinate by high rates of material deprivation at the regional scale one can observe that the spatial pattern is more contrasted.

In Bulgaria, for instance, there is a gap of 20% between the highest and the lowest regional rate: the northern region of Severen Tsentralen has the highest rate of people materially deprived of the country (and of Europe), 44% (reduced by 9% in 2009-2010), while the region of Sofia has the lowest one, 26%. In Romania, the highest rates concern mainly the East of the country, among approximately 40%, while the lowest ones are found in the North-West and in the Centre, around 20%.

Important regional differences concern also Central, Western and Southern Europe, especially in Poland, Belgium, Italy and in Spain (remember that no regional data are provided for France, Germany, United Kingdom, Austria, Iceland and Netherlands).

The Podlasie Province, in the north-eastern Poland, has the lowest material poverty rate of the country, around 8% while the Lubuskie Province recorded the highest one, 27%.

In the region of Brussels, more than the twenty percent of the population are materially deprived (with an increase of 5,1pp in the one year) while in the rest of the country the rate is less than one third.

In Italy there is a huge divergence between the South (the Isle of Sicily 16%, Campania 13%, Calabria 12%, Puglia 11%) and the Centre-North where some autonomous regions as Bolzano, Valle d'Aosta and Friuli-Venezia Giulia have a material deprivation rate lower than two percent.

In Spain there are modest differences between the rate of the Central and the Northern regions and the Southern and the Eastern ones, with the exception of the region of Murcia which has the highest rate of material poverty of the country (13%) and which increased it by 6% in 2009-2010 and by 3pp in the previous year (2008-2009).

It is important to add to our description of the map's trends that the discretization choice emphasizes the differences in the lower rates of material poverty and press all differences in the rates included between 15 and 45% in only one category.

Therefore some regional differences, such as in Bulgaria and in Romania, cannot be detected only by looking at the map as well as some important but more modest differences, such as in Czech Republic, are evident and easily observable on the map.

General considerations

The first consideration that arise from the map is that a very important percentage of deprived people lives in the new European State Members (entered in the Union in 2004 and 2007). These disparities in material deprivation rates reflect not only the large differences in GDP per capita that remain between EU countries, but also the distribution of resources within countries as show by our data analysis (for further information see *The social dimension of the Europe 2020 strategy. A report of the Social protection committee, 2011*).

Important percentages of people living in a condition of material deprivation characterise also the rest of Europe, notably in Ireland and in the South of the continent. Greece, the South of Italy and the region of Murcia seemed to be the regions more affected in 2010. It's predictable that the continuation of the economic crisis heightened and enlarged this trends.

Finally, the available data shows the importance of the regional scale in formulating analysis and building policies. In this sense, it seems very important to improve the collection of data on material deprivation at regional scale. The lack of data at regional scale for France, Netherlands, Germany, Switzerland, Austria, United Kingdom, Estonia, Latvia, Lithuania, Croatia and Portugal practically excluded this country from deepen analysis and impede to see the huge differences that we think characterise their regions.

Further considerations

In order to verify the pertinence of the Severe material deprivation indicator in detecting poverty figure, we compared this instrument with the persistent risk of poverty indicator.

At national level, by examining the correlation between people who are at a persistent risk of poverty (at risk-of-poverty in the current year and in at least two of the preceding three years) and those identified as being materially deprived it result that in countries with household income below the EU average - as Latvia, the Czech Republic, Lithuania, Hungary, Poland – people identified as being materially deprived are up to five times bigger than those measured as being at persistent risk of poverty. By contrast, in countries with relatively high household incomes, the proportion of people identified as being materially deprived is smaller than those who are at persistent risk of poverty (see Table 9).

| <i>the ten regions with the lowest share</i> | | | | | |
|--|--|----------------|-------------------------------------|----------------|--|
| <i>MS</i> | <i>Persistent at-risk-of-poverty rate 2010</i> | <i>MS</i> | <i>At-risk-of-poverty rate 2010</i> | <i>MS</i> | <i>Severe material deprivation rate 2010</i> |
| Iceland | 3.4 | Czech Republic | 9 | Belgium | 5.9 |
| Sweden | 4.9 | Iceland | 9.8 | Bulgaria | 35 |
| Czech Republic | 5.5 | Netherlands | 10.3 | Czech Republic | 6.2 |
| Norway | 5.5 | Portugal | 11.2 | Denmark | 2.7 |
| Hungary | 5.7 | Norway | 11.2 | Germany | 4.5 |
| Luxembourg | 6 | Slovakia | 12 | Estonia | 9 |
| Denmark | 6.3 | Austria | 12.1 | Ireland | 7.5 |
| Austria | 6.5 | Hungary | 12.3 | Greece | 11.6 |
| Slovenia | 6.9 | Sweden | 12.9 | Spain | 4 |
| United Kingdom | 7.4 | Finland | 13.1 | France | 5.8 |

| <i>the ten regions with the highest share</i> | | | | | |
|---|--|-----------|-------------------------------------|-----------|--|
| <i>MS</i> | <i>Persistent at-risk-of-poverty rate 2010</i> | <i>MS</i> | <i>At-risk-of-poverty rate 2010</i> | <i>MS</i> | <i>Severe material deprivation rate 2010</i> |
| Romania | 18.2 | Lithuania | 21.3 | Bulgaria | 35 |
| Greece | 17.6 | Romania | 21.1 | Romania | 31 |
| Bulgaria | 16.4 | Bulgaria | 20.7 | Lithuania | 27.4 |
| Italy | 11.6 | Spain | 20.7 | Hungary | 21.6 |
| Spain | 11 | Latvia | 20.2 | Latvia | 19.5 |
| Latvia | 11 | Greece | 20.1 | Poland | 14.2 |
| Poland | 10.5 | Italy | 18.2 | Greece | 11.6 |
| Belgium | 9.3 | Slovenia | 17.9 | Slovakia | 11.4 |
| Germany | 9.1 | Poland | 17.6 | Cyprus | 9.1 |

| | | | | | |
|-------------|-----|----------------|------|-------------------|---|
| Netherlands | 8.2 | United Kingdom | 17.1 | Estonia; Portugal | 9 |
|-------------|-----|----------------|------|-------------------|---|

| <i>the ten regions with or close to the median share</i> | | | | | |
|--|--|----------------|-------------------------------------|----------------|--|
| <i>MS</i> | <i>Persistent at-risk-of-poverty rate 2010</i> | <i>MS</i> | <i>At-risk-of-poverty rate 2010</i> | <i>MS</i> | <i>Severe material deprivation rate 2010</i> |
| Luxembourg | 6 | France | 13.5 | Austria | 4.3 |
| Denmark | 6.3 | Luxembourg | 14.5 | Germany | 4.5 |
| Austria | 6.5 | Belgium | 14.6 | United Kingdom | 4.8 |
| Slovenia | 6.9 | Malta | 15.5 | Malta | 5.7 |
| United Kingdom | 7.4 | Germany | 15.6 | France | 5.8 |
| Lithuania | 7.6 | Estonia | 15.8 | Belgium | 5.9 |
| Finland | 7.7 | Ireland | 16.1 | Slovenia | 5.9 |
| Netherlands | 8.2 | Cyprus | 17 | Czech Republic | 6.2 |
| Germany | 9.1 | United Kingdom | 17.1 | Italy | 6.9 |
| Belgium | 9.3 | Poland | 17.6 | Ireland | 7.5 |

Table 9. Comparison between persistent risk of poverty, At risk-of-poverty and material deprivation, 2010

This comparison brings to the conclusion that the expected accordance between the persistent risk of monetary poverty and the material deprivation is not confirmed.

If we consider that the indicator of material deprivation should reflect absolute poverty, than being at persistent risk of poverty in many of the more prosperous Member States does not seem to signify that those concerned are also poor in an absolute sense. In the same way in the Eastern European countries, even if the two measures seem to be more related, the persons materially deprived, poor in an absolute sense, are many more than those registered by at-persistent-risk-of-poverty indicator.

Another consideration arise from the confrontation at regional scale between the material privation and the risk of poverty indicator. Although there is a considerable correlation between these two indicators, some exceptions arise, notably in cities of East Europe.

| |
|---|
| <i>the ten countries with the highest share</i> |
|---|

| <i>Persons at-risk-of-poverty after social transfers (% of total population)</i> | | <i>Persons severely materially deprived (% of total population)</i> | | <i>Persons aged 0-59 living in households with very low work intensity (% of total population)</i> | | <i>Persons falling under at least one of the three criteria i.e. at risk of poverty or social exclusion (% of total population)</i> | |
|--|-------------|---|-------------|--|-------------|---|-------------|
| <i>MS</i> | <i>2010</i> | <i>MS</i> | <i>2010</i> | <i>MS</i> | <i>2010</i> | <i>MS</i> | <i>2010</i> |
| Latvia | 21.3 | Bulgaria | 35 | France | 9.8 | Bulgaria | 41.6 |
| Romania | 21.1 | Romania | 31 | Spain | 9.8 | Romania | 41.4 |
| Bulgaria | 20.7 | Latvia | 27.4 | Lithuania | 9.2 | Latvia | 38.1 |
| Spain | 20.7 | Hungary | 21.6 | Finland | 9.1 | Lithuania | 33.4 |
| Lithuania | 20.2 | Lithuania | 19.5 | Estonia | 8.9 | Hungary | 29.9 |
| Greece | 20.1 | Poland | 14.2 | Portugal | 8.6 | Ireland | 29.9 |
| Italy | 18.2 | Greece | 11.6 | Malta | 8.4 | Poland | 27.8 |
| Portugal | 17.9 | Slovakia | 11.4 | Netherlands | 8.2 | Greece | 27.7 |
| Poland | 17.6 | Cyprus | 9.8 | Bulgaria | 7.9 | Spain | 25.5 |
| United Kingdom | 17.1 | Portugal | 9 | Slovakia | 7.9 | Portugal | 25.3 |

| <i>the ten countries with the lowest share</i> | | | | | | | |
|--|-------------|---|-------------|--|-------------|---|-------------|
| <i>Persons at-risk-of-poverty after social transfers (% of total population)</i> | | <i>Persons severely materially deprived (% of total population)</i> | | <i>Persons aged 0-59 living in households with very low work intensity (% of total population)</i> | | <i>Persons falling under at least one of the three criteria i.e. at risk of poverty or social exclusion (% of total population)</i> | |
| <i>MS</i> | <i>2010</i> | <i>MS</i> | <i>2010</i> | <i>MS</i> | <i>2010</i> | <i>MS</i> | <i>2010</i> |
| Czech Republic | 9 | Luxembourg | 0.5 | Switzerland | 4 | Iceland | 14.3 |
| Iceland | 9.8 | Sweden | 1.3 | Cyprus | 4.6 | Czech Republic | 14.4 |
| Netherlands | 10.3 | Switzerland | 1.7 | Luxembourg | 5.5 | Norway | 14.9 |
| Norway | 11.2 | Iceland | 1.8 | Iceland | 5.6 | Sweden | 15 |
| Slovakia | 12 | Norway | 2 | Sweden | 5.9 | Netherlands | 15.1 |
| Austria | 12.1 | Netherlands | 2.2 | Czech Republic | 6.4 | Austria | 16.6 |
| Hungary | 12.3 | Denmark | 2.7 | Romania | 6.8 | Finland | 16.9 |
| Slovenia | 12.7 | Finland | 2.8 | Slovenia | 6.9 | Switzerland | 17.1 |
| Sweden | 12.9 | Spain | 4 | Norway | 7.3 | Luxembourg | 17.1 |
| Finland | 13.1 | Austria | 4.3 | Poland | 7.3 | Slovenia | 18.3 |

| <i>the ten countries with or close to the median share</i> | | | |
|--|---|--|---|
| <i>Persons at-risk-of-poverty after social transfers (% of total population)</i> | <i>Persons severely materially deprived (% of total population)</i> | <i>Persons aged 0-59 living in households with very low work intensity (% of total population)</i> | <i>Persons falling under at least one of the three criteria i.e. at risk of poverty or social exclusion (% of total population)</i> |

| <i>MS</i> | <i>2010</i> | <i>MS</i> | <i>2010</i> | <i>MS</i> | <i>2010</i> | <i>MS</i> | <i>2010</i> |
|-------------------|-------------|-------------------|-------------|-------------|-------------|----------------------------|-------------|
| France | 13.5 | Austria | 4.3 | Greece | 7.5 | Switzerland/ Luxembourg | 17.1 |
| Luxembourg | 14.5 | Germany | 4.5 | Austria | 7.7 | Slovenia | 18.3 |
| Belgium | 14.6 | United Kingdom | 4.8 | Slovakia | 7.9 | Denmark | 18.3 |
| Switzerland | 15 | Malta | 5.7 | Bulgaria | 7.9 | France | 19.3 |
| Malta | 15.5 | France | 5.8 | Netherlands | 8.2 | Germany | 19.7 |
| Germany | 15.6 | Belgium | 5.9 | Malta | 8.4 | Slovakia | 20.6 |
| Cyprus | 15.7 | Slovenia | 5.9 | Portugal | 8.6 | Malta | 20.6 |
| Estonia | 15.8 | Czech Republic | 6.2 | Estonia | 8.9 | Belgium | 20.8 |
| Ireland | 16.1 | Italy | 6.9 | Finland | 9.1 | Estonia | 21.7 |
| United Kingdom | 17.1 | Ireland | 7.5 | Lithuania | 9.2 | United Kingdom | 23.1 |

Table 10. Comparison between the three Poverty indicators (2010)

The capital cities regions in the East of Europe depict by the risk of poverty analysis seems more inclusive than the rest of the country - such as that the region of Warsaw, Prague, Bratislava, Budapest, Bucharest and Sofia have less monetary poor than the rest of their respective countries. Instead, the analysis of the material poverty data in the same regions show a different picture: these regions have almost the same rate of persons materially deprived than the rest of their country. This divergence in the data could be understood in relation to the variations of the cost of living within these countries: the higher incomes of the city inhabitant do not actually correspond to better material conditions because of the cost of living in these cities is higher than in the countryside.

A further consideration arises by the analysis of the changes in the material deprivation rates, notably in the first three years of the economic crisis (no data are available yet for 2011 and 2012).

| <i>the ten regions with the highest share</i> | | | | | | | | |
|---|--------------------|---|-----------|--------------------|---|-----------|--------------------|---|
| <i>MS</i> | <i>Regio n</i> | <i>Severe material deprivati on rate 2008</i> | <i>MS</i> | <i>Regio n</i> | <i>Severe material deprivati on rate 2009</i> | <i>MS</i> | <i>Regio n</i> | <i>Severe material deprivati on rate 2010</i> |
| Spain | ES24 | 0.5 | Spain | ES24 | 0.2 | Sweden | SE33 | 0.5 |
| Spain | ES41 | 0.7 | Spain | ES13 | 0.6 | Norway | NO05 | 0.7 |
| Danmark | DK05 | 0.8 | Norway | NO02 | 0.6 | Spain | ES12 | 0.8 |
| Spain | ES13 | 0.8 | Spain | ES64 | 1.1 | Sweden | SE21 | 0.9 |
| Sweden | SE31 | 0.8 | Italy | ITD2 | 1.1 | Sweden | SE31 | 1.0 |

| | | | | | | | | |
|---------|------|-----|---------|------|-----|--------|------|-----|
| | | | | | | n | | |
| Norway | NO02 | 0.9 | Sweden | SE12 | 1.1 | Sweden | SE32 | 1.0 |
| Danmark | DK03 | 1.1 | Sweden | SE21 | 1.2 | Spain | ES13 | 1.1 |
| Spain | ES22 | 1.2 | Danmark | DK05 | 1.3 | Norway | NO02 | 1.1 |
| Sweden | SE23 | 1.2 | Sweden | SE31 | 1.3 | Sweden | SE22 | 1.2 |
| Spain | ES12 | 1.3 | Danmark | DK02 | 1.4 | Sweden | SE23 | 1.2 |

| <i>the ten regions with the lowest share</i> | | | | | | | | |
|--|---------------|--|-----------|---------------|--|-----------|---------------|--|
| <i>MS</i> | <i>Region</i> | <i>Severe material deprivation rate 2008</i> | <i>MS</i> | <i>Region</i> | <i>Severe material deprivation rate 2009</i> | <i>MS</i> | <i>Region</i> | <i>Severe material deprivation rate 2010</i> |
| Bulgaria | BG32 | 51.3 | Bulgaria | BG32 | 52.9 | Bulgaria | BG32 | 44.2 |
| Bulgaria | BG34 | 47.1 | Bulgaria | BG42 | 48.3 | Bulgaria | BG42 | 40.1 |
| Bulgaria | BG31 | 46.2 | Bulgaria | BG34 | 45.0 | Romania | RO22 | 40.0 |
| Bulgaria | BG33 | 45.1 | Bulgaria | BG31 | 43.6 | Bulgaria | BG34 | 39.3 |
| Bulgaria | BG42 | 39.7 | Romania | RO21 | 42.0 | Romania | RO21 | 39.1 |
| Romania | RO21 | 39.7 | Bulgaria | BG33 | 41.4 | Bulgaria | BG33 | 36.8 |
| Romania | RO41 | 38.3 | Romania | RO31 | 38.1 | Romania | RO31 | 33.0 |
| Romania | RO31 | 36.6 | Romania | RO32 | 38.1 | Romania | RO32 | 32.0 |
| Romania | RO22 | 36.0 | Romania | RO41 | 37.6 | Romania | RO41 | 31.8 |
| Romania | RO32 | 33.3 | Romania | RO22 | 30.8 | Bulgaria | BG31 | 29.1 |

| <i>the ten regions with or close to the median share</i> | | | | | | | | |
|--|---------------|--|----------------|---------------|--|----------------|---------------|--|
| <i>MS</i> | <i>Region</i> | <i>Severe material deprivation rate 2008</i> | <i>MS</i> | <i>Region</i> | <i>Severe material deprivation rate 2009</i> | <i>MS</i> | <i>Region</i> | <i>Severe material deprivation rate 2010</i> |
| Czech Republic | CZ01 | 4.5 | Czech Republic | CZ05 | 4.9 | Czech Republic | CZ02 | 4.9 |
| Spain | ES61 | 4.6 | Italy | ITC1 | 5.4 | Czech Republic | CZ06 | 5.0 |
| Italy | ITE2 | 4.6 | Italy | ITE2 | 5.6 | Spain | ES43 | 5.0 |
| Czech Republic | CZ02 | 4.7 | Ireland | IE02 | 5.9 | Spain | ES61 | 5.2 |

| | | | | | | | | |
|----------------|-------------|-----|----------------|------|-----|----------------|------|-----|
| Italy | ITE3 | 4.7 | Poland | PL34 | 5.9 | Italy | ITE2 | 5.4 |
| Ireland | IE01 | 4.9 | Spain | ES62 | 6.3 | Czech Republic | CZ07 | 6.1 |
| Slovenia | SI02 | 5.0 | Italy | ITE4 | 6.3 | Italy | ITE4 | 6.1 |
| Czech Republic | CZ03 ; CZ06 | 5.3 | Spain | ES53 | 6.4 | Spain | ES64 | 6.3 |
| Ireland | IE02 | 5.8 | Czech Republic | CZ07 | 6.7 | Ireland | IE02 | 6.8 |
| Czech Republic | CZ05 | 6.1 | Ireland | IE01 | 6.8 | Czech Republic | CZ03 | 7.2 |

Table 11. Severe Material deprivation (2008, 2009, 2010)

If the situation seems to be quite unchanged in the in several European countries, in the Eastern part of the continent, which had the highest percentage of materially deprived persons in 2010, there was a kind of polarization: on one hand the countries - as Poland, Romania and Bulgaria - that greatly reduced their percentage of material deprived rates and on the other hand the countries, especially Baltic republics, which extremely increased their rates.

In the bargain, at a bigger scale, it emerges that also in some countries of Western and Southern Europe where the rates seems not increased, the available data of the first three years of the economic crisis show that several regions enlarged their population materially deprived. This is the case of the region of Brussels, of Murcia in Spain and of some regions of Southern Italy as Molise and Calabria.

Conclusion

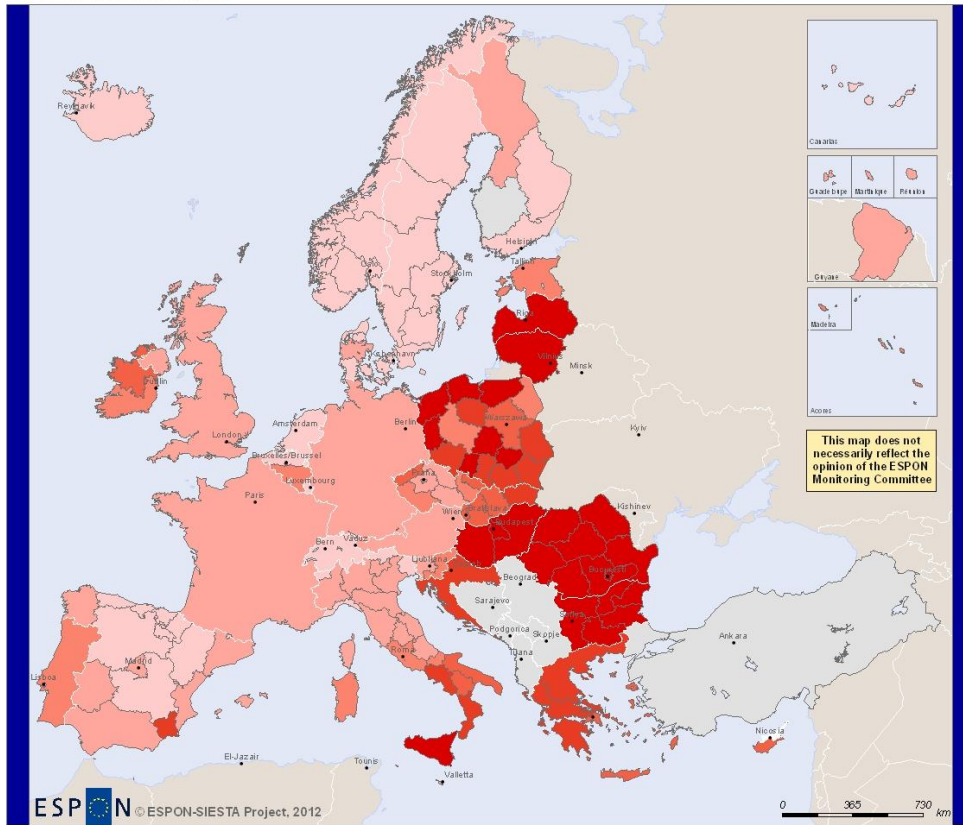
Finally, it seems relevant to underline the correlation between this map and the European Regional Development Fund interventions.

The European Union developed a Regional Policy (or Cohesion Policy), aimed to improve the economic well-being of regions in the EU and to avoid regional disparities. Almost all the regions which has high percentages of material deprived population in 2010 are included in the Objective "Convergence" for 2007-2013 of the Cohesion Police: notably nearly all the regions of the new member states, most of Southern Italy, Greece and Portugal and a large part of Spain.

This means that a huge part of the Regional Policy funding (81.5%) is currently dedicated to improve the economic well-being of these regions. The analysis of the data for the next years thus will tell us more about the efficacy of these integration and equality policies.

Severe material deprivation rate, 2010

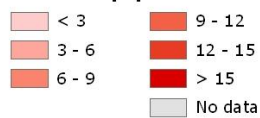
% of total population



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Regional level: NUTS 2, 1 and 0
Source: EUROSTAT EU SILC
Origin of data: EUROSTAT, 2012
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% of total population



NOTE:
BE, EL and HU are showed at NUTS 1 level. FR, DE, UK, AT
and PT are showed at state level.

Material deprivation refers to a state of economic strain and durables strain, defined as the enforced inability (rather than the choice not to do so) to pay unexpected expenses, afford a one-week annual holiday away from home, a meal involving meat, chicken or fish every second day, the adequate heating of a dwelling, durable goods like a washing machine, colour television, telephone or

2.7. Map 76: People living in household with very low work intensity, 2010.

Description of the indicator

The indicator People living in household with very low work intensity is based on 2010 data is based on the number of months that the members of a household that are at working age have worked on the total number of months that they could have worked (if they had the opportunity). The time period is one year (the income reference year). Low work intensity is the threshold of 0.2 This means that for a household with a member at the work age means that low intensity is less than 2.4 months per year, for a household with two members at working age means that the two members worked less than 4.8 months in one year.

Relevance of the indicator

It is important to map the areas of extreme deprivation and the exclusion of families from work, sociability and direct satisfaction of their vital material needs. This indicator represents only the extreme cases of exclusion through work. It should be associated with the share of active population, other indices of poverty and welfare and should be disaggregated taking into account gender. It should be also associated with disposable income and with the indices of material deprivation. In order to be meaningful it is important to have information at the finest level in order to understand urban and rural poverty and exclusion.

One can see at the map that the data for France, Germany, UK and Portugal were at the national scale and the values of this indicator that is homogeneous at the national level may hide conditions that at the regional level may be extreme. In addition it will be very difficult to see the contiguity effect of the distribution of values (for example the importance of the borders in terms of continuity or discontinuity) and to describe the patterns using macro-regional scales.

Last but not least is if the working inclusion is due to the dynamics of job market or specific policies at the government level or at the local authority level to keep people in occupation. Unemployment as opposed to underemployment may result from a number of factors including government policies aimed a getting people into work. In the period of the crisis there is an increase to the number of households that are affected by low work intensity, unemployment that have an effect on the increase of the number of population that are at risk of poverty and at conditions of severe material deprivation. This is the case in the Mediterranean macro-regions that are the most affected by the intensity and the duration of the crisis.

Analysis of the Map

At the national level Ireland presents the highest proportion of population living in households with very low work intensity (22,9%), followed by

Croatia (15,4%), UK (13,1%), Belgium (12,6%), Latvia (12,2%), Hungary (11,8%), Germany (11,1%), and Italy (10,2%).

At the regional level, Ciudad Autónoma de Ceuta is the region with the highest proportion that live in households with low work intensity 27,4% (that increases by 10,1% during the period 2008-2010), followed by two Irish regions Border, Midland and Western (24,1% increased by a further 7,1%) and Southern and Eastern d'Irlande (22,5% that grew by 10,1%). These regions are followed by Bruxelles-capitale (23,1%) and Wallony (17,8%), the southern Italian regions of Basilicata (17,7%), Calabria (17,4%) , Campania (17,2%), Sicily (15,2%), and the region Alföld És Észak in Hungary.

At the opposite, Swiss and Cyprus are the countries where the percentage of population living in households with low work intensity is the weakest (4%), followed by Luxembourg (5,5%). At the regional level the lowest values are found in Prague (2,3%), Bratislava (2,6%), Bucharest (3%) and Sofia (4,1%).

It is important to underline that that there were not available data at the NUTS 2 level for pour France, UK, Germany, Netherlands, Austria, Portugal, Estonia, Latvia, Lithuania, Croatia, Island and data describing Belgium, Irlande and Hungary were available at the NUTS 1 level. Given the uneven economic development that characterise the big nations it is very difficult to comment this map equally for the whole of the EU territory.

It is also important to observe that the most developed nations of the EU are heterogeneous and in the main metropolitan areas there are concentrated people living household with low work intensity. In the UK, Portugal, France, Austria and Belgium, urban unemployment rates are between 3-5% higher (24)" Espon Report.

| <i>the ten regions with the highest share</i> | | | <i>the ten regions with the lowest share</i> | | | <i>the ten regions with or close to the median share (i.e. 2,25%)</i> | | |
|---|--------|--|--|--------|---|---|---------|--|
| MS | Region | Share of long term unemployment % 2010 | MS | Region | Share of long term unemployment % 2010, | MS | Region | Share of long term unemployment % 2010 |
| Hungary | HU3 | 15.6 | Czech R | CZ01 | 2.3 | Poland | PL22 | 8.1 |
| Italy | ITF3 | 17.2 | Slovakia | SK01 | 2.6 | Poland | PL51 | 8.1 |
| Italy | ITF6 | 17.4 | Romania | RO32 | 3.0 | Poland | PL62 | 8.1 |
| Italy | ITF5 | 17.7 | Cyprus | CY | 4.0 | Finland | FI19_20 | 8.1 |
| Belgium | BE3 | 17.8 | Swiss | CH | 4.0 | Greece | EL1 | 8.2 |

| | | | | | | | | |
|---------|------|------|----------|------|-----|-------------|------|-----|
| Ireland | IE02 | 22.5 | Bulgaria | BG41 | 4.1 | Netherlands | NL | 8.2 |
| Ireland | IE | 22.9 | Spain | ES22 | 4.4 | Poland | PL61 | 8.2 |
| Belgium | BE1 | 23.1 | Czech R | CZ03 | 4.5 | Danmark | DK03 | 8.3 |
| Ireland | IE01 | 24.1 | Italy | ITD2 | 4.5 | Greece | EL2 | 8.3 |
| Spain | ES63 | 27.4 | Sweden | SE11 | 4.5 | Poland | PL31 | 8.3 |

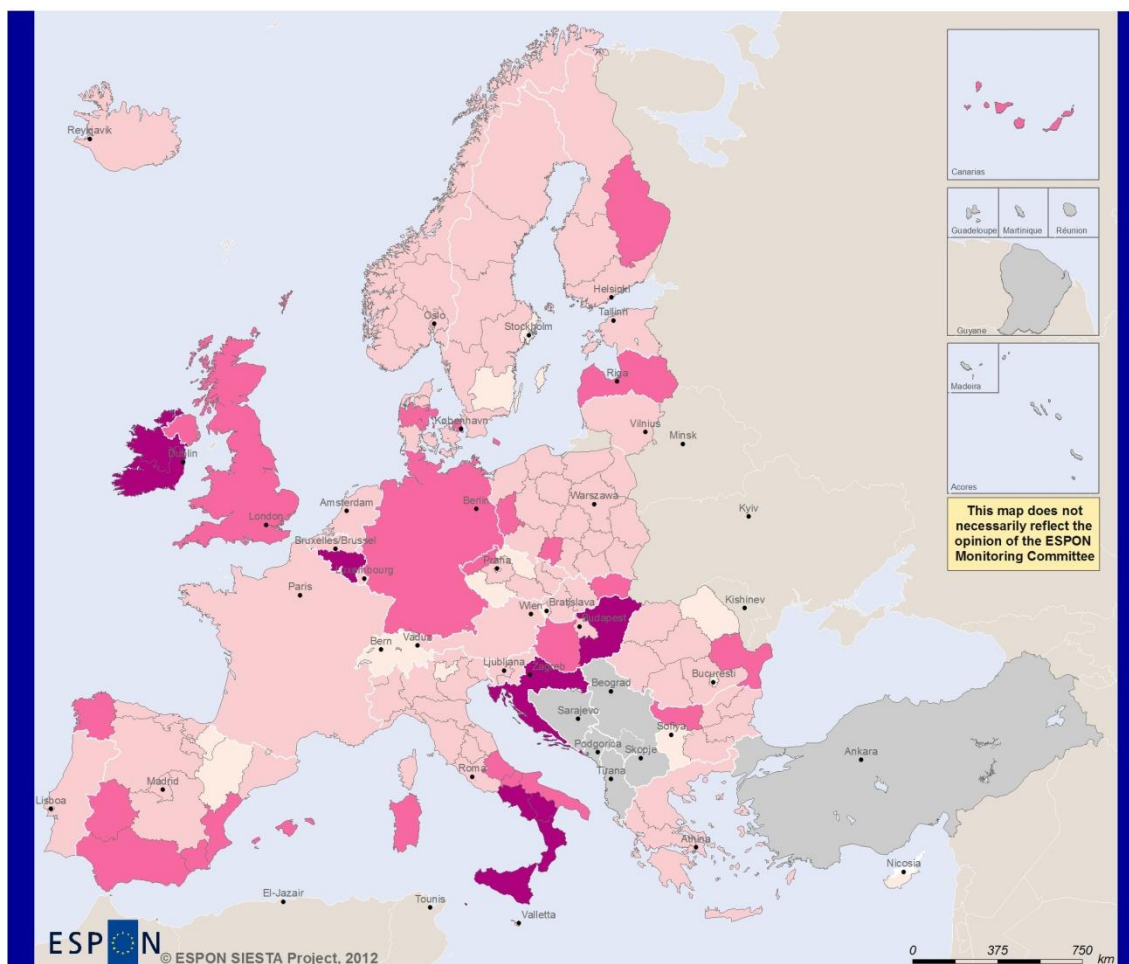
Table 12. People living in household with very low work intensity, 2010.

Policy recommendations

In an ideal situation the solution to the low work intensity is to increase the work intensity of households by increasing employment. But as everyone know it is very difficult to create employment in the period of crisis and for the areas that need it most. In the absence of this, it is important to increase the levels of cooperation between regions and to empower the populations for local development. Mobility can play an important role in order empower population on low work intensity through work qualifications and work experiences that last in time.

People living in households with very low work intensity, 2010

Represented as percentage of population aged 0 to 59 years

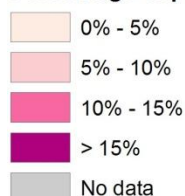


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Regional level: NUTS2, NUTS1, NUTS0
Source: EUROSTAT EU SILC
Origin of data: EUROSTAT, 2012.
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Percentage of population aged 0 - 59 (%), 2010.



Notes:
BE, EL and HU are shown at NUTS1 level.
AT, DE, FE, NL, PT and UK are shown at country level.

The indicator people living in households with low work intensity is defined as the number of persons living in a household having a work intensity below a threshold set at 0.20.

Definition: The work intensity of a household is the ratio of the total number of months that all working-age household members have worked during the income reference year and the total number of months the same household members theoretically could have worked in the same period.

2.8. Map 77: Share of long-term unemployment (12 months and more)

Description of the indicator

The indicator is a ratio of the long-term unemployment to the total unemployed population. The share of long-term unemployment is expressed as the percentage of unemployed persons that are out of work 12 months or more in the total number of unemployed persons.

Relevance of the indicator

This is a very important indicator because it gives a measure of the persistence of unemployment and the long-term unemployment on the total population of unemployed. In order to make a proper interpretation of this index it is important to relate it with the total population of the various territorial units the active population and the total unemployed. It is important also to diversify the indicator by gender because the men and women are unequal also in terms of employment and in terms of under employment. This is an important indicator in order to understand the complex phenomenon of poverty. It is obvious that the higher the long time unemployment and the longer it lasts the bigger the probabilities that live in these conditions to experience material deprivation and being in high risk of poverty. This is more easy to occur in a context of crisis that has as a consequence the decrease of employment and the decrease the levels of consumption that had a feed back effect on employment. This indicator has a strategic importance for the objectives of EU2020S to reduce poverty. Age and gender play an important role for this issue. People that are on long term unemployment, mainly women and the over 45 years old, in many cases have less possibilities to improve their qualifications and obtain a new lasting employment.

Analysis of the map

The spatial patterns of this map show a gap between the Scandinavian macro region and Turkey on the one hand with an area between Bern and Prague and the rest of Europe. These are the areas of the lowest long term unemployment.

On the other hand the areas of the highest share of long-term unemployment are concentrated in France (DOM TOM) and Slovakia.

The lowest rates of long-term unemployment expressed as a percentage of total unemployment occur at the north western and south eastern extremes of Europe. The intervening areas are characterised by a patchwork of differing rates, although high concentrations of relatively high rates occur on mainland Greece, in central and southern Italy along the Mediterranean coast of France, in Northern Portugal and Ireland , and to the north and south of central Europe the highest rates occur in Slovakia and in DOM TOM. In the central northern Europe some of the

areas with above average rates correspond to the old industrial heartlands.

The overseas departments of France (*Départements d'outre-mer*) record the highest level of long term unemployment 67% average : Guadeloupe 78%, Guyane 73%, Martinique 70% and Réunion 61%). In Slovakia (east, west and central) the the share of long term unemployment is the highest in continental Europe with values between 64% and 67% (64% being the national average).

There are also important gaps recorded within Belgium, Germany, Italy and Greece. Hainaut province in Belgium reaches 60%, more than 10 percent points the national average, and Brussels 56%. In Italy the Mezzogiorno regions of Campania, Sicily and Basilicate record 10 percent point above the national average for Italy (48,5%). In Germany, Berlin records the same score as the national average for Germany (i.e. 57%). In Greece Epirus (60%) Peloponisos (57%) are over the national average by 15 and 12 per cent points..

From this picture it comes out that the spatiality of long term unemployment is very complex because there are important pockets of long term unemployment in both economically developed countries and less developed countries and the for the later it is important to act at European and at national level in order to tackle chronic and dramatic situations of economic and social deprivation.

| the ten regions with the highest share | | | the ten regions with the lowest share | | | the ten regions with or close to the median share | | |
|--|--------|--|---------------------------------------|--------|--|---|--------|--|
| MS | Region | Share of long term unemployment % 2010 | MS | Region | Share of long term unemployment % 2010, 2010 | MS | Region | Share of long term unemployment % 2010 |
| France | FR94 | 61.75 | Rumani a | RO32 | 5.00 | UK | UKI1 | 35.93 |
| Slovakia | SK | 64.02 | Finland | FI2 | 6.18 | France | FR71 | 35.97 |
| Slovakia | SK0 | 64.02 | Finland | FI20 | 6.18 | Swiss | CH02 | 36.01 |
| Slovakia | SK03 | 64.48 | Turkey | TR61 | 13.03 | Spain | ES1 | 36.17 |
| Slovakia | SK02 | 64.52 | UK | UKM5 | 14.00 | UK | UKG | 36.21 |
| Slovakia | SK04 | 66.80 | Sweden | SE33 | 14.64 | Rumani a | RO21 | 36.54 |
| France | FR9 | 67.92 | Greece | GR42 | 14.76 | Spain | ES | 36.58 |
| France | FR92 | 70.43 | Sweden | SE22 | 15.26 | France | FR7 | 36.62 |
| France | FR93 | 73.63 | Sweden | SE32 | 15.29 | UK | UKC | 36.72 |

| | | | | | | | | |
|--------|------|-------|---------|------|-------|---------|------|-------|
| France | FR91 | 78.80 | Austria | AT32 | 16.05 | Germany | DE26 | 36.84 |
|--------|------|-------|---------|------|-------|---------|------|-------|

Table 13. Share of long-term unemployment (12 months and more).

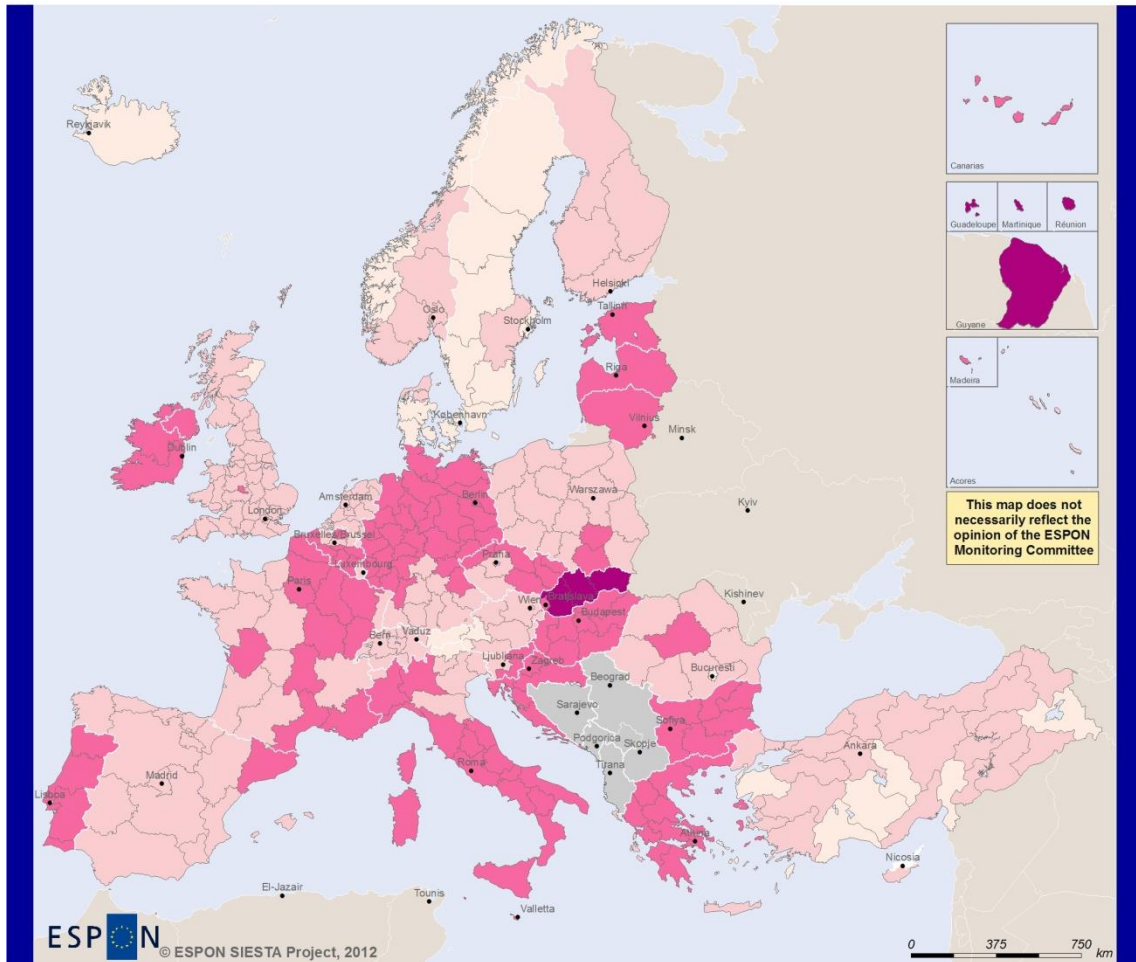
Conclusions

The decrease of long-term unemployment can only be prospected in a period of better economic conditions and in a context of job creation that replaces the dynamics of job destruction. But even in a period of job creation the solution of long-term unemployment not automatic if it is not focused on the social groups and on the areas that are the most deprived.

It is important a better understanding of the structure of this population and on its distribution in space. The empowerment of this population through formation and improvement of work their skills and effective work experiences can increase their chances for a lasting employment in a future period of economic expansion. Mobility and stronger interregional cooperation may contribute to attend the 2020S targets.

Long-term unemployment, 2010

Represented as percentage of unemployment population



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Origin of data: EUROSTAT, 2012.
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Percentage of unemployment population, 2010.



Notes:

EU27 = 40.10%

Definition: The share of long-term unemployment is the share of unemployed persons since 12 months or more in the total number of unemployed persons, expressed as a percentage.

2.9. Maps 79 & 80: Ageing Index, 2010

The map 79 represents the Ageing Index (AI) in 2010 at the level of NUTS 3. The map 80 represents the Ageing Index (AI) in 2010 in Urban Audit cities. Data are provided by EUROSTAT. This indicator is a quotient of the share of population aged over 65 in the total population of a country or region divided by the share of population having an age inferior to 15 years of the same area. The value 1 means that the shares of the two groups are equal: i.e. there is a quantitative equilibrium between the older and younger groups of the of population pyramid at the region in question. $AI > 1$ means an overrepresentation of the older population while $AI < 1$ shows an overrepresentation of the young population.

Importance of the indicator

This indicator is very important for the 2020S strategic development of the EU because aging is not an abstract biologic and/or demographic concept but it is also a phenomenon that has huge impact on the economic and social development of a country or a macroregion. Because economic life, social life, the transmission of individuals from one role to another and functional structuration of space (services, infrastructures, commodities) are strongly influenced from the age structure of population and the balance between age groups. The decrease of the birth rates and death rates, and the increase of life expectancy change the structure of European population dramatically with important effects on the economic and social structures (quantity of active population, dependency rate, location of commodities and services for the elderly in the territory, pension schemes).

The analysis of the map 79

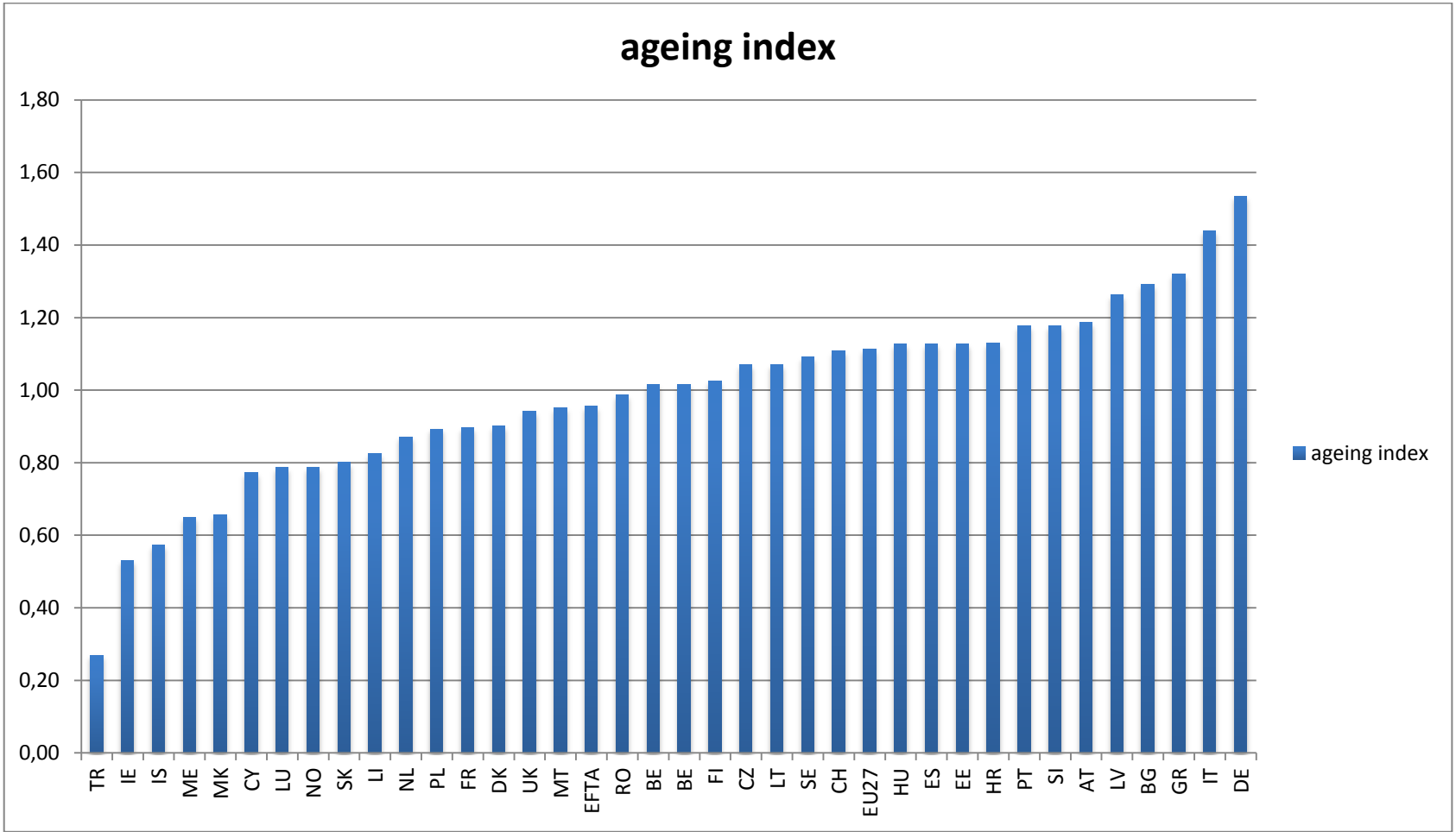
It is important to introduce an analysis by macro-regions and espon regions. Afterwards you can introduce the analysis by countries.

The following graph that represents the values of the Ageing Index at the national level that the lower degrees of the index are those of Turkey, Island, Ireland that are mainly small territorial entities apart Turkey while the highest values are recorded in Germany, Italy, Greece Bulgaria Latvia, Austria, Slovenia and Portugal.

In Belgium, Romania, Finland and Czech Republic the values of the Ageing Index are close to the median. This table means that in order to interpret the ageing process the variables are very complex and this process is not only concerning the most developed countries but as well countries of the south of Europe that have weaker economic development, low birth rates and more recent international migration flows.

| <i>the ten regions with the highest share</i> | | | <i>the ten regions with the lowest share</i> | | | <i>the ten regions with or close to the median share (i.e. 1.16%)</i> | | |
|---|--------|--------------|--|--------|--------------|---|--------|---|
| MS | Region | Ageing index | MS | Region | Ageing index | MS | Region | people as a % of total employment, 2010 |
| Greece | GR243 | 2.70 | Turkey | TRC33 | 0.06 | France | FR252 | 1.16 |
| Germany | DEG0M | 2.72 | Turkey | TRB24 | 0.07 | Germany | DE277 | 1.16 |
| Germany | DE421 | 2.72 | Turkey | TRB21 | 0.07 | Germany | DE22B | 1.16 |
| Spain | ES419 | 2.76 | Turkey | TRC21 | 0.08 | Hungary | HU322 | 1.16 |
| Spain | ES112 | 2.92 | Turkey | TRB2 | 0.08 | Germany | DE236 | 1.16 |
| Spain | ES113 | 2.95 | Turkey | TRA21 | 0.08 | Poland | PL22A | 1.16 |
| Portugal | PT166 | 2.95 | Turkey | TRC32 | 0.09 | France | FR61 | 1.16 |
| Germany | DEE01 | 2.96 | Turkey | TRC2 | 0.09 | Poland | PL22B | 1.16 |
| Germany | DEG04 | 3.01 | | TRB22 | 0.09 | | LV003 | 1.16 |

Table 14. People living in household with very low work intensity, 2010



The map however indicates that the situation is far from being homogeneous at the regional level and at the NUTS 3 level.

The main observations are the following: The areas that have high aging indices at the national level represent also high ageing indices in the majority of the regions. These regions are mainly less developed economically and include also what in Italy are called "internal regions" (*aree interne*) and mountain areas. In France there is a Youth crescent (North East and South) that includes the conurbations of Paris and Lyon). In Germany the ageing index grows considerably recording the highest value in the Eastern part of the country. In Italy the highest values are in the north west area (between the regions of Piedmont and Lombardy and in the Internal areas and in Spain the phenomenon is most concentrated in Galicia.

The major metropolitan areas in the UK and notably those which were the areas of settlement of immigrants from new commonwealth in the 1960's have the lowest indices of ageing. The relatively low index in Aberdeen (NE Scotland) reflects immigration in the 1980's consequent to the off-shore oil industry. The Republic of Ireland relative to the rest of Europe, with the exception of Turkey, has low ageing indices in all areas. The lowest levels are found in the Dublin conurbation. Over all the map of the northwestern Europe contrast strongly with a map for the same area in the 1980's, when the old industrial areas (heavy manufacturing industries were in decline and the population had a high age dependency ratio. Thirty years later the same metropolitan areas after processes of industrial restructuring, international and national migration these areas now exhibit relatively low ageing indices. The same pattern is also found in metropolitan areas of the Mediterranean that had experienced more recent flows of international migration.

The analysis of the map 80

The map indicates that there is a correlation between ageing regions and ageing cities and that the most ageing cities are located in the most ageing countries. This is the case for North and Eastern Germany and for central and Northern Italy and it is the case for Greece. For the rest of the European cities we can see weaker levels of ageing: The majority of the cities in France, in United Kingdom and Spain (except the North). The weakest levels of ageing concern the Irish cities. This is not a surprise because Irish regions were presenting the lowest ageing index (Map 79).

In Italy urban areas that have high aging indices are mainly more developed economically and are situated in the north west, in the north east and the centre of the country. In Greece the most ageing urban areas are situated in marginal regions (Epirus and Macedonia).

In France the majority of the cities present low ageing index and a fortiori the conurbations of Paris and Lyon. In Germany the ageing index follows the pattern of the ageing regions with a divide of the highest values in the

Eastern and Northern parts of the country and the lowest values in the Southern and the western parts.

The majority of the conurbations of the areas in the UK record very low indices of ageing. Urban areas in Central and Easter Europe have very low ageing indices, mainly in Poland. In Bulgaria and Rumania, many cities have high ageing values. This is similar to the Greek situations and is mainly due to emigration processes and marginality.

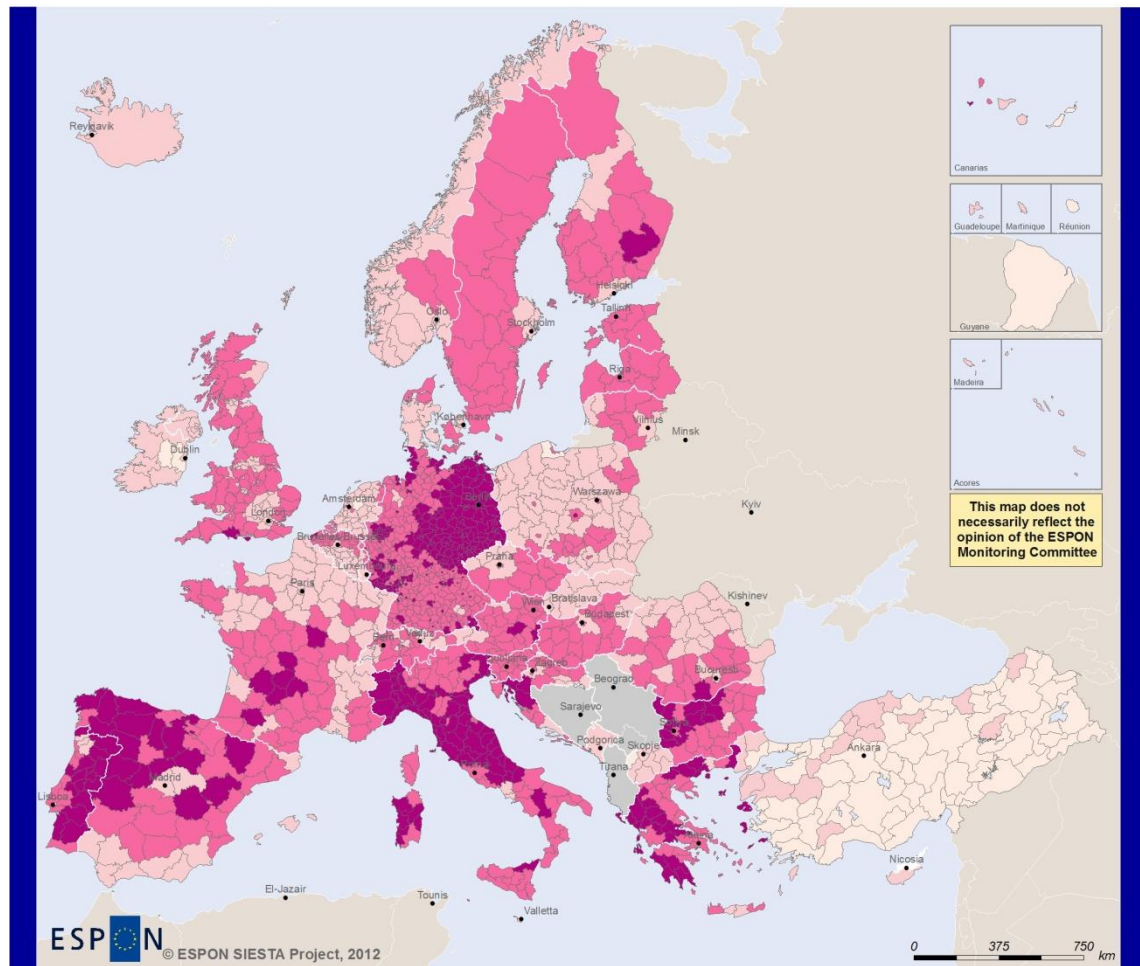
By comparing this map with the map 79, one can observe that ageing is less pronounced in urban areas. This is due to the migration processes old (in the case of UK and France) and new (Spain, Italy) and to international and domestic migration. In terms of policy, it is important to make the distinction between urban areas and rural areas. For the urban areas there is a concentration of the population but at the same time the ageing problem is not as dramatic as in the rural areas.

Conclusions

It is very difficult to set necessary a set of policy guidelines on this topic, because there are not direct policies on ageing. The only policies possible are those to improve birth rates in order to equilibrate the index (the denominator increases faster than the nominator). It is possible to increase the cooperation between regions that have complementary age structure and increase mobility.

Ageing index, 2010

Represented as share of people aged more than 65 between people aged less than 15

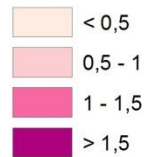


This map does not necessarily reflect the opinion of the ESPON Monitoring Committee

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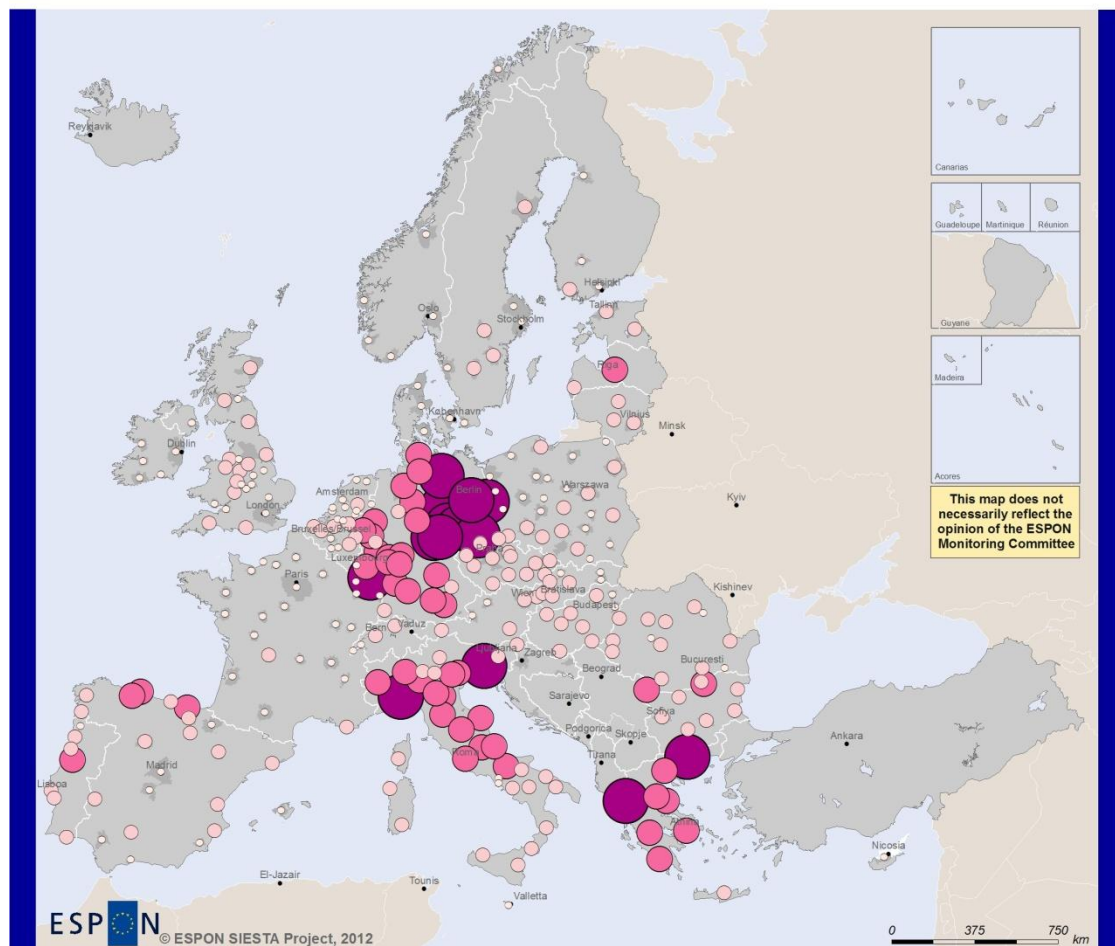
Regional level: NUTS3
Source: EUROSTAT
Origin of data: EUROSTAT, 2012.
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Ageing index, 2010.



Ageing index in LUZ, combined years*

Represented as share of people aged more than 65 between people aged less than 15



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Regional level: LUZ
Source: EUROSTAT
Origin of data: EUROSTAT, URBAN AUDIT, 2012.
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Ageing index, combined years*.

- 0,25 - 0,50
- 0,50 - 0,75
- 0,75 - 1,00
- > 1,00
- Large Urban Zones

Notes:

*Data are not available for the following countries:
PT, FR, IT, NO, DK, NL, LV, RO, BG, CY and CZ.
Data for HU are shown for 2005.
UK, IE, ES, SE, EE, SI and HR are shown for 2004.
Data for EL, DE, PL, FI, LT, PL and BE are shown for 2008.

Urban Audit defines Larger Urban Zones (Label "LUZ") as an approximation of the functional urban zone centred around the town/ city.

3. Conclusions

The peripheral regions of Europe, with the exception of the Scandinavia, are the ones that have a major percentage of persons in risk of poverty and social exclusion. The regions in Eastern Europe and the most southern of the Mediterranean slope especially stand out, which are far from complying with the target proposed by the EU2020S.

Although with social transfers, the regions with a major volume of person in a situation of poverty and social exclusion achieve certain progress, the poverty levels do not lessen sufficiently in order to be comparable to the rest of the regions.

The persons with a major risk of poverty and social exclusion are the groups of with more difficulty for the labour insertion (young people, women, long term unemployed), and the elderly with little income.

Nevertheless, it is observed that while social transfer and the welfare state continue, the most aged regions of Europe do not run the risk of seeing increased percentages of poverty and social exclusion.

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