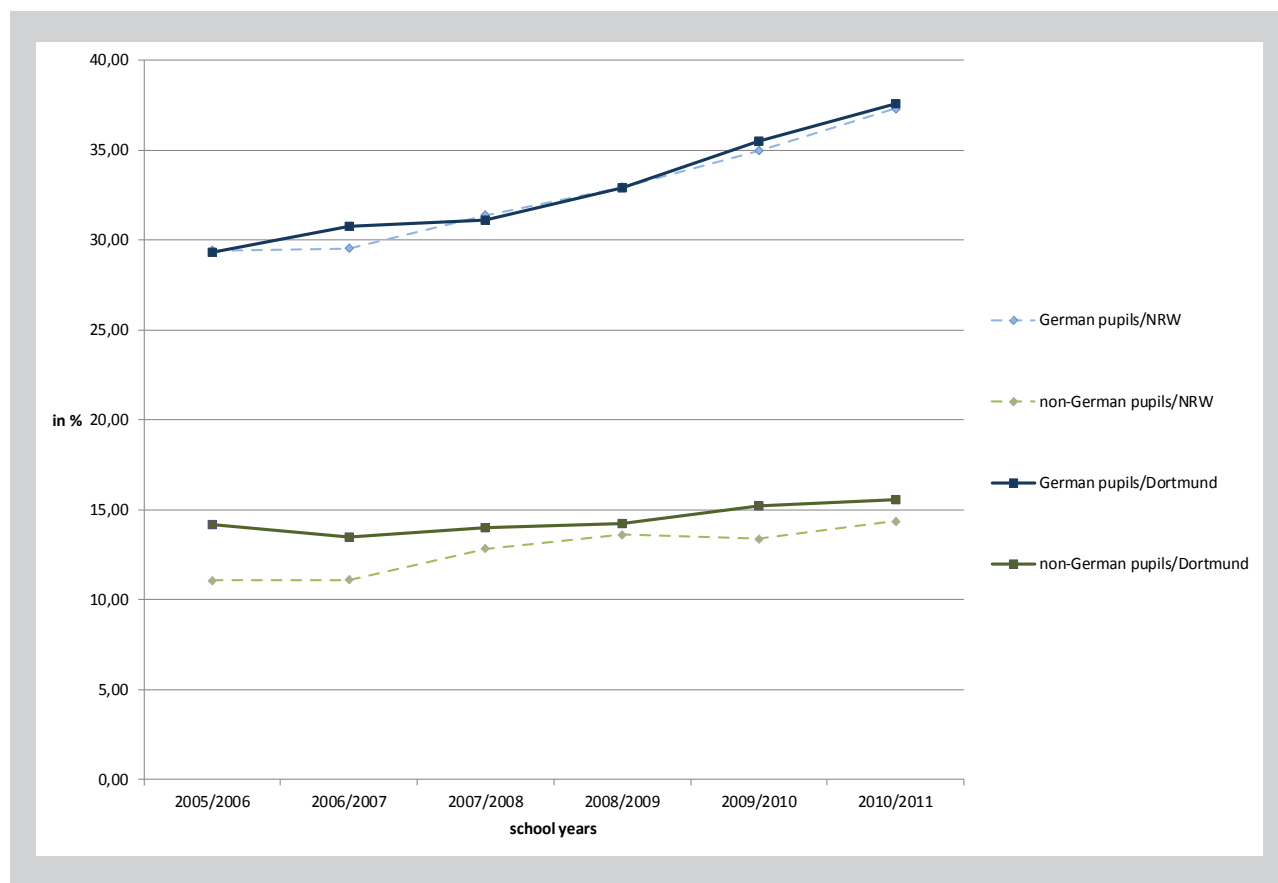


Figure 1 Share of graduates with higher education entrance qualification in Dortmund as compared to North Rhine-Westphalia.



Social exclusion can have a number of consequences and risk factors in different territories. People being at risk of social exclusion are often ethnically or socially segregated, as observed in large urban areas. Another risk factor can be the limited access to social services of general interest. This mainly concerns sparsely populated areas, remote and mountainous areas or islands.

Poverty and social exclusion is a reality both in prosperous and less prosperous regions and cities in Europe. Although some regions seem less affected by poverty and social exclusion than others, in an integrated European territory the impacts of increasing risks of poverty are not limited to single cities or regions. Therefore, the Europe 2020 Strategy promotes inclusive growth throughout the territory. Coordinated policy interventions at different levels seem necessary to provide a mechanism to promote inclusive growth.

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Fighting poverty and social exclusion are among the European Union objectives

Poverty and social exclusion concern all regions in Europe, irrespective of their economic situation. The Europe 2020 Strategy highlights the importance of delivering inclusive growth, giving strong emphasis to job creation and poverty reduction in Europe. The Strategy aims at fighting poverty and social exclusion with the headline target of "having at least 20 million fewer people in or at risk of poverty and social exclusion in the European Union by 2020".

Based on the findings from the ESPON projects TIPSE "Territorial Dimension of Poverty and Social Exclusion in Europe", ECR2 "Economic Crisis. Resilience of Regions", GEOSPECS "Geographic Specificities and Development Potentials in Europe" and SeGI "Indicators and Perspectives for Services of General Interest in Territorial Cohesion and Development", this Evidence Brief sheds light on and compares the risk of poverty and social exclusion in European regions.

Different indicators define at risk of poverty in Europe

European regions reveal diverse at risk of poverty patterns

Being at risk of poverty can be defined in different ways. Following the three most common definitions, people are at risk of poverty when they experience one or more of the following conditions:

- Being severely materially deprived, i.e. being unable to afford basic daily needs;
- Living in a jobless household or household with very low work intensity;
- Living in a household with an 'equivalised disposable income' below 60% of the national median, after taxes and social transfers.

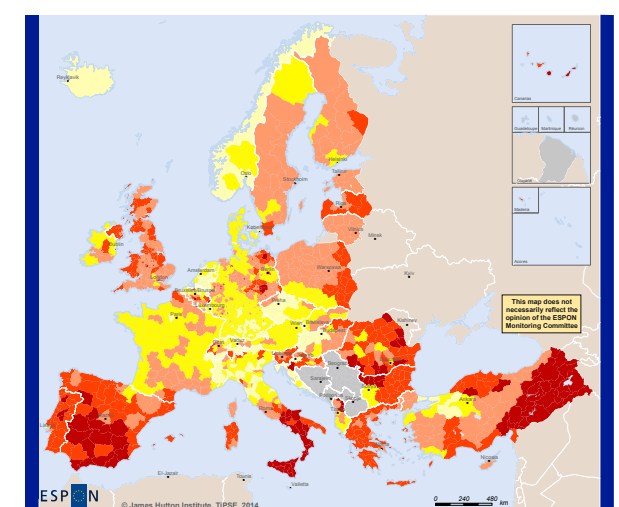
Map 1 shows a classification of the regions of each country based on deviations of the households' income from the national median 'equivalised disposable income' threshold. The poverty threshold upon the distribution of household income across its population ranges from 20,362 EUR in Switzerland to 5,520 EUR in Greece.

There is a main distinction between the core and periphery of Europe. Regions in the Mediterranean countries, as well as in Bulgaria and Romania and some regions in Turkey have generally the highest at risk of poverty rates. This is followed by some regions in Poland, in the Baltic States, in Finland and Sweden, some regions in northeast of Germany, in Ireland and the UK.

Regions in the core, north and west of Europe, such as regions in Austria, Germany, France, Italy, the Netherlands, Denmark, Norway and Iceland demonstrate the lowest rates.

Apart from the overall differences between countries, there are variations on where in a country poverty risks are strongest.

Map 1. Regional at risk of poverty rates 2011, NUTS 3



Percentage population in households (with <60% of the national median equivalised disposable income)

- No data
- < 9.9
- 10.0 - 14.9
- 15.0 - 19.9
- 20.0 - 29.9
- 30.0 - 63.4

Sources:
- BE, DE, EL, ES, IT, AT, PT, TR, CH - ESPON TIPSE project
- DK, SE, FI, NO, IE, NL, FR, UK, HR - National Statistical Institutes
- LV, PL, RO, SI, SK - World Bank
- BG, CZ, EE, CY, LT, LU, MT, PL, LI - Eurostat Regio Database (NUTS 0-2)

Whereas the risk of poverty tends to be higher in large cities and urban areas in the north and west of Europe, poverty is more pronounced in rural and remote areas in the south and east. Accessible rural areas, especially those close to larger cities and capitals, tend to have relatively low rates of income poverty.

Unemployment is a considerable risk factor that can lead to poverty and social exclusion. Accordingly, the access to the labour market influences the at risk of poverty

rates in European regions. As unemployment rates have risen as a consequence of the economic crisis, more people are at risk of poverty in Europe. La Manchuela in Spain is one concrete example of a region where the economic crisis led to increasing unemployment and subsequently to poverty (see Box 1). In general regions with limited or small local labour markets and limited access to labour markets in close proximity are potentially more exposed to increasing risks of poverty if the local economy declines.

Box 1: The economic crisis influences poverty in La Manchuela rural region

The region of La Manchuela is a rather sparsely populated area, located in the Albacete Province in the southeast of Spain. The key drivers of poverty in the region can be divided into two categories: factors related to the consequences of the economic crisis and factors that are associated with the rurality and remoteness of the region.

The austerity measures that followed the economic crisis have exacerbated poverty and social exclusion in the region. High unemployment rates and loss of income have had a great impact on many people's lives. Many local businesses

in the area have closed, while even highly qualified people are unemployed. The situation is particularly difficult for people lacking qualification or work experience.

The factors focusing on the rurality of the region concern the limited access to basic social services of general interest, such as access to education and health services, two sectors where budget cuts have been reported. Moreover, demographic trends such as depopulation, ageing, migration and higher migration of women as compared to men, result in intensifying at risk of poverty rates.

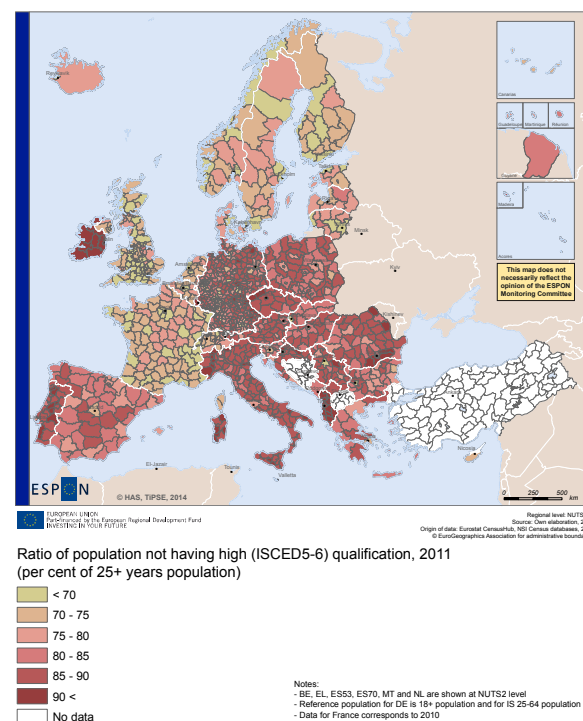
Social exclusion in the European regions depends on several factors

Educational attainment gaps and segregated immigrant groups affect social inclusion

Social exclusion relates not only to income or physical well-being but also to inclusion within various aspects of society, such as the labour market, administrative systems, associations and community, institutions and democracy. The concept of social exclusion focuses primarily on sets of social, economic, political and cultural relationships. It regards population groups, rather than individuals. Major influences include detachment from labour markets, low participation in civic and political life, social isolation and the ability to exercise power.

Educational attainment is one considerable factor that influences social exclusion. People with lower education are more vulnerable to social exclusion than people with tertiary education, as the attainment of higher education offers more opportunities for employment. One example where lack of high education entrance affects social exclusion is the city of Dortmund in Germany (see Box 2). However, it has become evident after the economic crisis that higher education attainment does not necessarily spare qualified people of unemployment, especially as regards younger population groups.

Map 2. Ratio of population not having high qualification, 2011



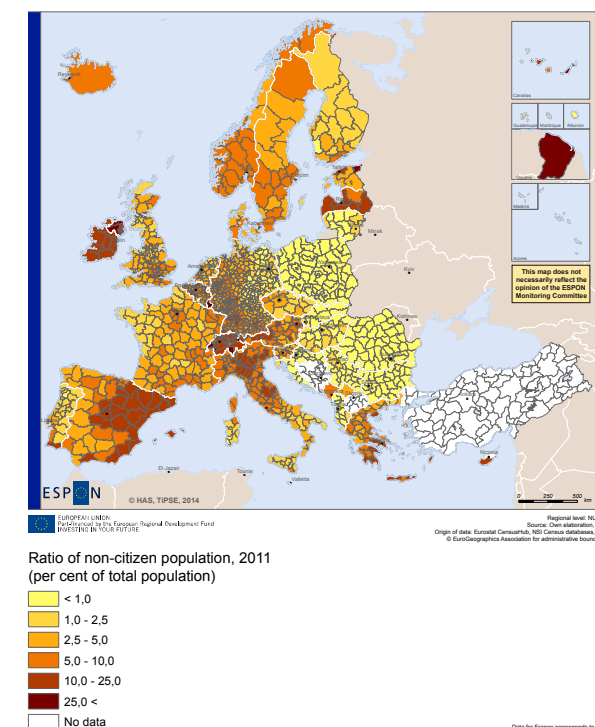
The share of population older than 25 years without high qualification is shown in Map 2. The highest shares can be found in Portuguese, Spanish, Italian, Greek and Irish regions. High shares of young people lacking high qualification also show up in Bulgaria, Romania, most regions of Germany, Austria, Poland, Czech Republic, Hungary Slovenia and Slovakia.

Non-citizen or immigrant population and ethnic minorities represent a social group which is particularly vulnerable to social exclusion (see Box 2). The spatial concentration and segregation of poor, excluded or immigrant groups in an area may reinforce marginalisation. The stigmatisation of specific localities, due to either low housing quality or poor access to social services, is among the impacts of social exclusion. Although this issue does not affect every country and region in Europe evenly, looking at the non-citizen population ratio in European regions may shed some light on this aspect of social exclusion.

Map 3 shows the share of non-citizen population in Europe, i.e. the share of the population not holding the citizenship of the country where they are registered. Regions in Ireland, in Spain, in northern Italy, Greece, Cyprus, Estonia and Latvia, but also some regions in the south and west of Germany, in Austria and Belgium have the highest shares of non-citizens. The lowest shares of non-citizen population can be found in the east of Europe, for instance in Romania and Bulgaria and regions in Poland, Lithuania, Slovakia, Hungary, Croatia, but also regions in northeast of Germany (shown in yellow).

High shares of population having attained higher education can be found in the regions of Northern Europe, especially Finland, Sweden, Denmark, Iceland, Latvia, Lithuania, Estonia and Norway, but also in regions in the UK, Belgium, the Netherlands and France.

Map 3. Ratio of non-citizen population, 2011



Box 2: Educational disparities in non-citizen population affects social inclusion in the city of Dortmund

Dortmund is located in North Rhine-Westphalia, Germany. Although the region has not been severely affected by the current economic crisis, social exclusion phenomena are visible in the city. High educational attainment gaps of immigrant population influence social inclusion in Dortmund.

Educational disadvantages are often related to the social and economic background of pupils. Pupils coming from families with low social and economic status and often with a migration background are more affected by educational disadvantages. Figure 1 illustrates the share of German (in blue) and non-German (in green) graduates with higher education entrance qualification in Dortmund, as compared to the region of North Rhine-Westphalia. Looking at the non-German population, the share of graduates with a higher education entrance qualification is less than half of German graduates, both in Dortmund and in North Rhine Westphalia.

Graduates lacking access to higher education tend to be more vulnerable to unemployment than people with a higher education entrance qualification, as employment opportunities often depend on qualification degrees. Immigrant population with lower educational attainment faces higher risks of unemployment, which can result in social exclusion or poverty.