ESPON

TiPSE

The Territorial Dimension of Poverty and Social Exclusion in Europe

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Inception Report

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This report presents a more detailed overview of the analytical approach to be applied by the project. This Applied Research Project is conducted within the framework of the ESPON 2013 Programme, partly financed by the European Regional Development Fund.

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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LIST OF ABBREVIATIONS

MS Member State
NMS New Member States
NSI National Statistical Institute
OMC Open Method of Coordination
TPG Transnational Project Group
WB World Bank

Standard Abbreviations for Country Names:

AL Albania
AT Austria
BE Belgium
BG Bulgaria
CH Switzerland
CR Croatia
CY Cyprus
CZ Czech Republic
DE Germany
DK Denmark
EE Estonia
ES Spain
FI Finland
FR France
FY FYROM
EL Greece
HU Hungary
IE Ireland
IS Iceland
IT Italy
KO Kosovo
LI Liechtenstein
LT Lithuania
LU Luxemburg
LV Latvia
MO Montenegro
MT Malta
NO Norway
NL Netherlands
PL Poland
PT Portugal
RO Romania
SB Serbia
SE Sweden
SI Slovenia
SK Slovakia
TR Turkey
UK United Kingdom

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1 Conceptual Framework[1]

1.1 The Policy Imperative

Reducing the incidence of poverty and tackling processes of social exclusion are surely among the most fundamental responsibilities for a nation state, or a multinational institution such as the EU. Amelioration of social inequalitiesis, arguably, the ultimate justification for, and measure of effectiveness, with respect to both regional policy and a range of 'sectoral' interventions (supporting business development and the economy, social development, rural development, education, health… and so on). As we enter the second decade of the twenty-first century there are a number of pressing issues which underline the necessity for concerted action, grounded upon a more consistent European-wide understanding, evidence base, and approach. These include:

- The implications of deepening globalisation, and the need to effectively compete with the BRIC economies without increasing regional disparities.
- The continuing tendency for concentration of economic activity into 'hubs' or agglomerations (despite the introduction of new information and communications technologies), and the continuing tendency for human capital to drain away from more remote and sparsely populated regions.
- Recent and anticipated enlargement of the EU, which by removing barriers to migration can lead to fairly rapid adjustments in the geography of poverty.
- EU 'border effects' such as migration from neighbouring countries, which introduces new dimensions of poverty and exclusion.
- The impacts of the current economic downturn which have tended to exacerbate spatial inequalities, whilst the Sovereign Debt crisis, and the consequent requirement to reduce public expenditure represent immediate and grave threats.
- In the medium-long term Europe faces rising energy prices, the emergence of a new energy paradigm, and Climate Change. These are likely to have territorial impacts which will in turn modify the geography of poverty and social exclusion.

At a 'high' strategic level the EU response to these and other 'mega trends' is reflected in the EU2020 Strategy (EC 2010a), with its aim of fostering 'smart, sustainable and inclusive growth'. More specifically the strategy highlights two 'flagship initiatives':

(i) Agenda for Skills and Jobs

(ii) European Platform against Poverty.

[1]Note: The conceptual framework for the project is explored in greater depth in TiPSE Working Paper 1.

1.2 The Geography of Poverty and Social Exclusion

Poverty and social exclusion are not ubiquitous, there is a high degree of variability across space, both between and within Member States. The first ESPON 2013 Synthesis Report (ESPON 2013 Programme, 2010, p56), for example, highlighted major East-West contrasts within the ESPON 31 countries. The same macro-scale dimension of differentiation was shown very clearly in the EDORA project's Performance Typology of non-urban NUTS 3 regions (Copus et al 2011). In addition to this many studies have shown that there are important micro-scale patterns of variation within NUTS 3 regions, and within cities. Achieving an overview, and a better understanding of these patterns is crucial to the success of continuing interventions in support of inclusive growth, for two reasons:

(i) Because the geographic patterns provide many clues to the processes which underlie poverty and social exclusion, not least because they point to associations with other socio-economic indicators.

(ii) Because it facilitates smarter targeting of policy, and thus minimises "deadweight" effects.

The ultimate goal of this project is therefore to improve the evidence base for policy to promote inclusive growth.

One of the difficulties which has hampered the progress of the Lisbon Strategy, and is also a serious concern for the European Platform against Poverty, is the challenge of benchmarking different countries and regions and of measuring progress. There are a number of different aspects to this problem:

- Although there is an accepted, specific and 'operationalised' definition of relative poverty (those receiving less than 60 % of the national median equivalised disposable income after social transfers), this relates to national benchmarks, and comparisons between Member States are tricky.
- Although all Member States now generate national indicators in the context of the SILC (Statistics on Income and Living Conditions) survey, the constraints of the sampling frame mean that regional poverty data is scarce.
- Unlike poverty, social exclusion is a multi-faceted concept, manifest in different ways in different contexts, not amenable to measurement by a simple indicator, against precise targets.
- Proxy indicators of social exclusion are sometimes used, but again data for smaller regions (which can show the detail of spatial patterns) is not widely available.

The above deficiencies collectively constitute a serious 'evidence gap', both in terms of detailed spatial patterns, and in terms of macro-scale processes of change. Addressing these issues could very much strengthen the capacity of the EU2020 strategy, and the various associated policy measures in its pursuit of 'inclusive growth'.

1.3 The Concepts of Poverty and Social Exclusion

Poverty and social exclusion are closely related but nevertheless distinct phenomena. It is a common mistake to treat them as if they are synonymous (Atkinson and Davoudi 2000, p.428). Key differences between poverty and social exclusion concepts and data seems to be in their focus, cultural context, and disciplinary affiliations. Poverty data focuses on individuals and households, which is often easier to capture as statistical data, while social exclusion often revolves around group vulnerabilities and spatial clusters of deprivation with multiple data forms, which makes it more difficult to measure. The term poverty seems to be preferred within Anglo-Saxon (economic) traditions, whilst social exclusion is more commonly used in other parts of Europe, and by sociologists.

Poverty is thus a relatively narrow income-based concept, which is amenable to quantification and definition according to specific benchmarks. Social exclusion, on the other hand is a multi-dimensional characteristic, defined according to context, and often assessed in more qualitative ways. Measurement is made the more difficult by the fact that social exclusion is often a process rather than simply a state at a point in time . It refers “both to processes and consequent situations” (Ibid). Poverty and social exclusion are not necessarily associated, or co-located, since social exclusion is not always a function of low income. This basic distinction is important, and it has implications for the structure of the TiPSEproject – the two concepts being explored by separate streams of work and distinct methodologies.

1.3.1 Poverty.

In the developed world poverty is generally defined in relative terms, in other words the benchmark is set in terms of a certain proportion of the average income for the country concerned. Thus Bradshaw and Mayhew (2011, p6) state: “Poverty in the post war period has been understood as a relative concept that went beyond the notions of poverty as a lack of basic physical needs but aspired to social participation standards or human functioning.” The Council decision of 1975 which first established the relative definition of poverty described the poor as “individuals or families whose resources are so small as to exclude them from the minimal acceptable way of life of the member state in which they live” .

Although this concept is appropriate within a single labour market (or country) comparisons between countries which have very different average incomes become rather difficult to interpret. Ward et al (2009 p11) argue that “while the relative number of people with low incomes defined with respect to the national median is the most widely used indicator of the risk of poverty, it is not particularly meaningful as an indicator of the prevalence of low incomes across the EU”. Bradshaw and Mayhew (op cit) illustrate this by explaining that the official poverty threshold (in Euros of income) for the UK is more than twice that of Estonia.

Strictly speaking the alternative to relative poverty is 'absolute poverty'. This is generally a concept more associated with developing countries, and its definition draws on notions of basic physical necessities to which all human beings have a right. In the European context the recognition of the comparability issue associated with relative poverty has stimulated interest in the alternative concept of 'extreme poverty'. Two approaches have emerged (Bradshaw and Mayhew op cit):

(i) A re-specification of the relative poverty definition, using an EU-wide benchmark, based upon the price of a standard basket of goods (budget standard).
(ii) Deprivation, the inability to afford a number of goods or services which may be considered "essential" within an EU context.

The first of these approaches has recently been implemented (but using the existing Eurostat Purchasing Power Parities rather than fresh budget standard calculations) by Ward et al (2009). The second approach is represented by recent attempts to define a "Mininum Income Standard".[2]

1.3.2 Social Exclusion.

As far back as 1992 the European Commission's paper "Towards a Europe of Solidarity: Intensifying the Fight against Social Inclusion, Fostering Integration" described the key features of social exclusion as: "a phenomenon which is tending to establish within society a mechanism which excludes part of the population from economic and social life and from there (*sic*) share of economic prosperity….the problem is now not one of disparity between top and bottom of the social scale (up/down), but also between those comfortably placed within society, and those on the fringe (in/out)." According to the Commission (op cit p8) there is a clear link between social exclusion and structural change in the economy and society. Social exclusion "*states out the multidimensional nature of the mechanisms whereby individuals and groups are excluded from taking part in social exchanges, from the component practices and rights of social integration and of identity. Social exclusion does not only mean insufficient income, and it even goes beyond participation in working life: it is felt and shown in the fields of housing, education, health and access to services*…." (Ibid).

In terms of 'causes' the 1992 Commission paper pointed to both economic factors (long term unemployment, structural change in the economy which reduces the demand for certain skills and generates a degree of uncertainty among certain groups of workers) and social change (changing family structures, changing value systems, fragmentation of society). It also pointed to the consequences of new migration trends.

[2] See for example: http://www.minimumincomestandard.org/

Atkinson and Davoudi (2000 p438) describe how the "Observatory on National Policies to Combat Social Exclusion", set up by the Commission in 1990, developed an explanation which accounted for exclusion in terms of the breakdown of one or more of four "societal institutions" which support the basic rights of citizenship of European residents:

"*1. the democratic and legal system, which promotes civic integration;*
2. the labour market which promotes economic integration;
3. the welfare system promoting what may be called social integration;
4. the family and community system which promotes interpersonal integration…"

"*Social exclusion can … result from breakdown in any of the institutional systems. But it seems likely that we can only genuinely talk of social exclusion when, for individuals or groups, several of these systems break down as part of a chain reaction."* (Ibid p441)

Social exclusion is often associated with particular groups within the European population. In recent years the Roma have received considerable attention in this respect, but recent migrants, the disabled, unemployed, young and old, and women, have all been considered vulnerable to exclusion. Some of these tend to concentrate in particular locations. The Fifth Cohesion Report (EC 2010c p184) noted "*a growing awareness, … of the concentration of social exclusion in particular places, particularly in inner city areas and deprived neighbourhoods. Such concentrations also occur in rural areas, mostly in the EU-12 where economic activity is limited and few employment opportunities outside subsistence farming exist.*" Very similar points are made in the background document to the Territorial Agenda 2020 document (COPTA 2011 p75)

Atkinson and Davoudi (2000 p441) develop the territorial exclusion concept by explaining that "*in many instances the socially excluded are located in particular areas (such as social housing estates) separate from the rest of society, often referred to as 'excluded spaces'…In these 'excluded spaces' different dimensions of social exclusion interact to intensify the effects of exclusion and create a 'spiral of decline'…*"

Residence within an area characterised by social exclusion may have an impact upon the lives of people, independent of their individual education and skills profile. It is interesting to note that even in 1992 the Commission recognised this, stating that those affected suffer "*stigmatisation, which, particularly in the urban environment, extends to the place in which they live*…(EC 1992 p10). In the same vein the Fifth Cohesion Report states "*It is increasingly recognised,… that the nature of disadvantage affecting people in situations of poverty and social exclusion is influenced by the area where they live.The link between individual circumstances and local situations runs both ways. A concentration of disadvantaged people in certain neighbourhoods results in increased pressure on public services, reduced economic activity and private investment, the emergence of ghetto situations and an erosion of*

social capital. At the same time, living in deprived areas means reduced access to jobs, often inadequate public services, stigmatisation and discrimination. The concentration of disadvantage also appears to be a persistent phenomenon which can spread from one generation to the next." (EC 2010c p187) This is sometimes known as the 'neighbourhood' or 'area' effect.

1.4 Indicators of Poverty and Social Exclusion

In the European literature the most commonly used poverty indicators are:

1. At risk of poverty rate
2. Poverty gap indicator
3. Interquintile share ratio
4. Material deprivation indicator

Social exclusion indicators are rather more indirect and heterogeneous. The concept being a multi-dimensional one, many of the indicators address specific aspects (see for example Eurostat 2007, 2010a). No single indicator has acquired the general acceptance or 'authority, which the 'at risk' indicator has in the context of poverty.

For more information on poverty and social exclusion indicators see Annex 2.

Some poverty and social exclusion indicators have been given official legitimacy in the EU policy context; by the Lisbon 'Open Method of Coordination' (OMC) process and more recently by the EU2020 targets. The OMC indicators are described in Annex 3.

The EU2020 headline target is to lift 20 million people out of poverty by 2020. Three indicators were agreed in support of this:

- The number of persons at risk of poverty.
- The number of persons not able to afford four of the nine items indicative of material deprivation (see above).
- The number of persons living in households where adults (together) work less than 20% of a full time year.

The number of persons in each of these categories are added together (but avoiding double counting of individuals), and each Member State has a separate target which, added together, gives the EU total of 20 million.

The EU2020 indicators are collected at the Member State level only. In 2006 the ESPON Social Dimension project, having carried out a review of social indicators, concluded that "*the availability of European-wide, harmonised data at a regional level (NUTS 2 or NUTS3) for social issues is rather poor… More than 230 indicators were identified as relevant for social-territorial issues. Unfortunately data for about 80% of all these social indicators are only available at national level,…(ESPON 1.4.2 2006 p18).*

The current version of the Eurostat REGIO database contains some data which could be utilised for analysis of patterns of social exclusion. The majority of variables are, however available at NUTS 2 level only. The only potentially useful NUTS 3

indicators relate to employment and unemployment, based upon Regional Accounts and Labour Force Survey data.

The starting point for the TiPSE project (in terms of empirical evidence) may thus be summed up as follows:

- Indicators of **poverty** are established and widely accepted, but there are problems with comparison between different European countries, and a lack of regional data. The challenge for TiPSE is to find, firstly a robust means of making comparisons *between* countries, and secondly a means of estimating regional and local variations *within* countries.
- There are no generally accepted indicators of **social exclusion**. Many variables have been used as proxy indicators in different contexts. This reflects the vagueness around the edges of the concept of social exclusion, and its tendency to manifest itself in different forms in different geographical contexts. On the positive side, many potential indicators are available at regional and local level within the majority the countries across the ESPON space. The task for TiPSE is to identify key indicators which may be useful for pan-European comparative purposes, and which may be gleaned out of national sources with at least some potential for harmonisation.

  In a Developing Country context the World Bank has developed a practical approach to the regional mapping of poverty (Elbers Lanjouw and Lanjouw 2002, Bedi et al 2007). In essence this is a spatial microsimulation approach, linking national panel survey data (which is rich in information on income) to regional census data (which is has geographical detail, but relatively little data on incomes and poverty), using a regression model. The approach has already been piloted in Bulgaria and Albania. However Eurostat is currently carrying out an exercise to explore the potential to exploit its databases, and it is anticipated that the New Member States of Central and Eastern Europe will be the subject of a mapping project during 2012 (Eurostat 2011).

2 Project Overview

2.1 Aims and Objectives

The primary aim of the project will be **to generate a regional database** (NUTS 3 and LAU 1), **and associated maps, of poverty and social exclusion indicators**. This is central in the sense that it is instrumental; very few of the detailed objectives listed below (which are likely to have a more immediate relevance for the policy community), can be fulfilled without it.

More specific objectives include:

- Establishing the macro and micro-scale patterns of poverty and social exclusion across the ESPON space.
- Understanding recent trends, and identifying ‘crisis areas’ where changes have been particularly acute.
- Observing associations between poverty and social exclusion and a range of other socio-economic indicators, suggesting possible causal links and processes.

- Reporting subjective experiences of 'neighbourhood effects' and associated regional/micro-spatial processes within the case study areas[3].
- Deriving recommendations for the monitoring of territorial trends in poverty and processes of exclusion.
- Assessing the reliability and policy relevance of commonly used indicators, and considering potential improvements to the EU 2020 poverty reduction targets.
- Creating a typology of ESPON countries, reflecting their observed profile of poverty and social exclusion.
- Deriving evidence-base recommendations for a 'place-based' package of interventions within the EU social policy OMC.

2.2 Key Challenges

The three key challenges for TiPSE (in relation to data availability) have been described above (p7): They are:

(a) Addressing the need for international comparability in the 'at risk of poverty' indicator.
(b) Mapping regional and local variations in poverty.
(c) Mapping regional and local patterns of social exclusion using indicators harmonised at the regional or local level.

In addition to these there are challenges in terms of conceptualising the processes of exclusion, segregation, and the causes of geographical disparities, and identifying appropriate and effective policy responses. The TiPSE project will respond to these challenges in three ways:

(i) For the 'simple' poverty indicators (such as the 'at risk' measure) the small area estimation procedure developed by World Bank is clearly very promising, and the project team will seek to collaborate and work in parallel with the WB/Commission project, focusing on the EU15 Member States, together with the non-EU ESPON partner countries. This work will be carried out at both NUTS 3 and LAU 1 region levels. The European median benchmarking procedure developed by Ward et al (2010) will be explored as a means of ensuring better comparability across the ESPON space.

(ii) For the various dimensions of social exclusion the approach will first be to review available regional data (focusing upon social exclusion indicators only), to map as many indicators as possible at the NUTS 3 and LAU 1 level, and then carry out a statistical assessment of the assertion of Horváth et al (2011) that "a very small number of robust indicators can bring similar results as complex methodologies and surprisingly well identify crisis areas."

[3] More sophisticated and rigorous scientific analysis of neighbourhood effects, based upon separating individual from environmental effects is probably beyond the scope and resources of this project.

(iii) Micro-spatial patterns of poverty, social segregation and exclusion will be explored through case studies of both urban and rural areas from different contexts across the EU.

Research activity to fulfil these broad orientations will be organised in twelve specific tasks, (Figure 1 and Annex 1). The tasks occupy four main phases of research activity:

Planning and Preparation Phase. (Kick-off to June 2012): During this phase the research team will carry out detailed planning of each of the research tasks, establishing available data resources, and the details of the methodology.

Empirical Phase. (July 2012 – May 2013): During this phase the indicators will be formulated and the project database populated. This will include both the implementation of the World Bank Poverty Mapping procedure, and the selection/calculation of social exclusion indicators. The project's map collection will be initiated.

Analytical Phase. (June – December 2013): During the spring of 2013 the focus will shift progressively from assembling/estimating data and indicators to analysis of patterns and trends. This relates both to the outputs from the Poverty Mapping exercise, and the work on social exclusion indicators. The typology of ESPON Countries will also be developed during this phase.

Policy Implications Phase (January – April 2014): The final phase of the project is concerned with preparing the Final Report, both by taking account of the comments received on the Draft from the Sounding Board and Coordination Unit, and developing specific policy recommendations.

3 Research Schedule

3.1 Necessary adjustments to the proposal timetable:

The schedule for the research tasks is shown in Figure 2. The following minor adjustments have become necessary since the proposal was submitted:

(i) In accordance with the comments received from the Sounding Board and Monitoring Committee the case studies (WP 2.4) have been extended, so that 5 areas may be studied during the second half of 2012, and five more in the first half of 2013. Further details of this elaboration are provided below.
(ii) WP 2.2 (pilot poverty mapping will continue until October 2012, reflecting delays associated with accessing EU-SILC microdata (see below) and with acquiring information about the methodology adopted by the parallel WB project.
(iii) WP 2.5 and 2.6 have been rescheduled to the period October 2012 – May 2013, reflecting the delay in WP 2.2, and the need to take account of the outcomes of the WB project, which we understand is not due to deliver maps for until the end of 2012. In effect the empirical and analytical phases of the project will to some extent overlap during the spring of 2013.

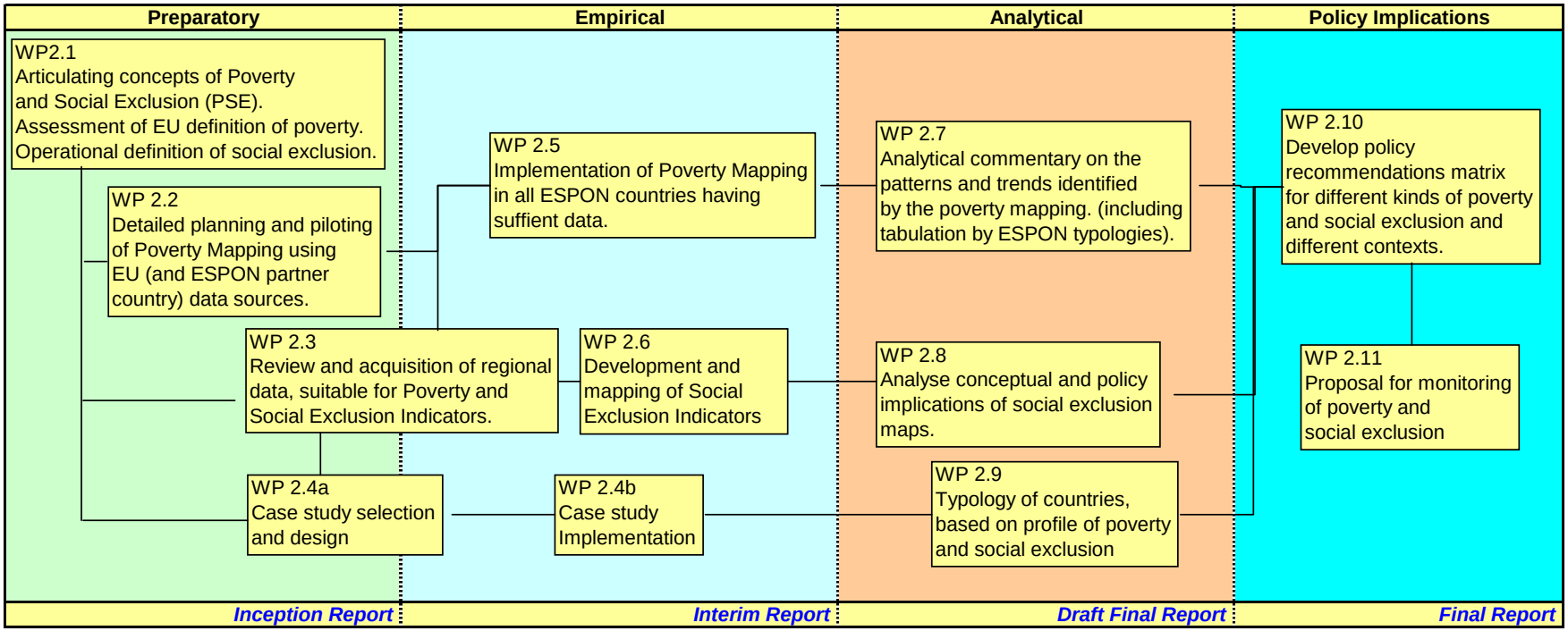
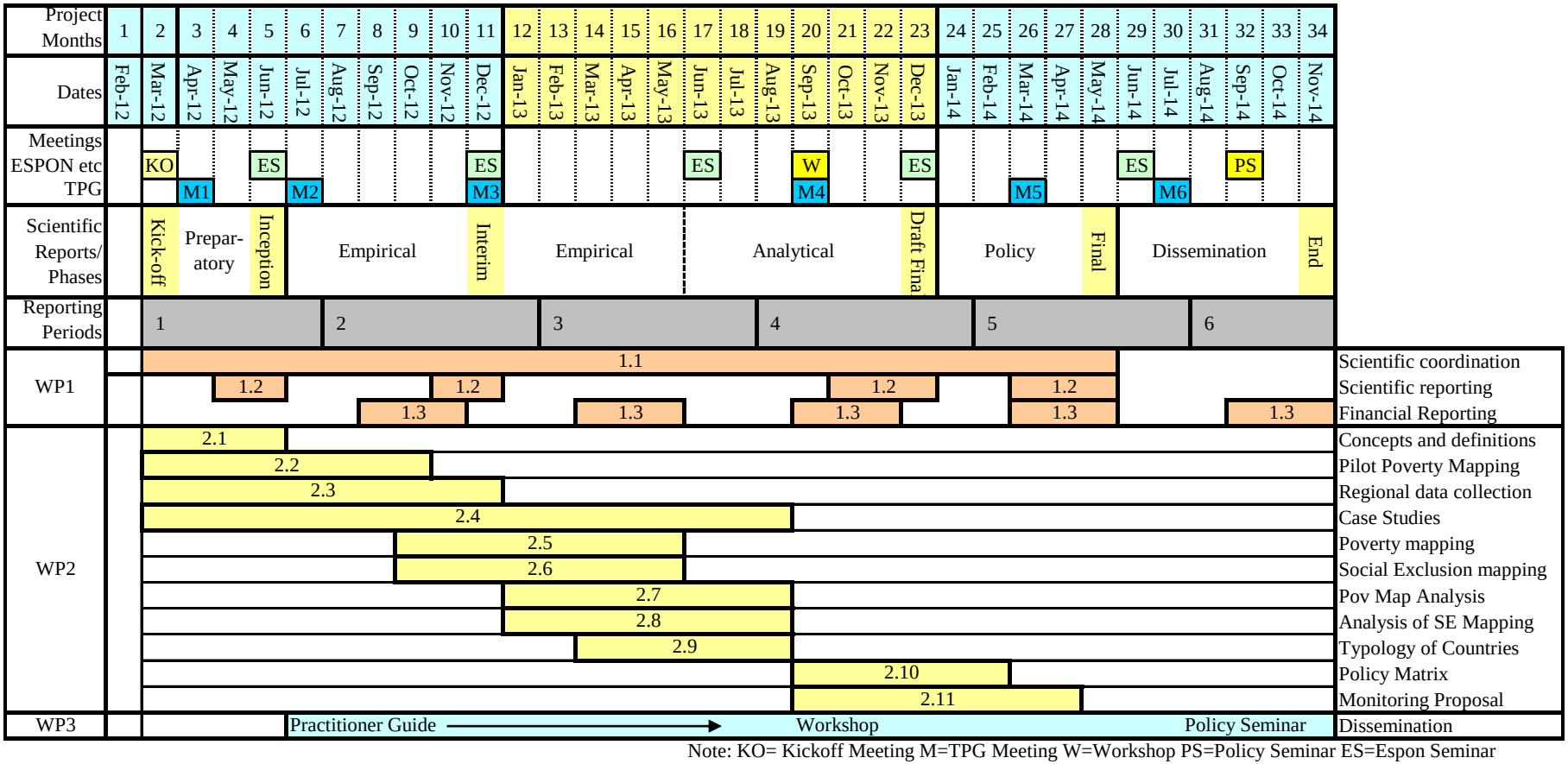


Figure 1: Overview of TiPSE Research Tasks



Note: KO= Kickoff Meeting M=TPG Meeting W=Workshop PS=Policy Seminar ES=Espon Seminar

Figure 2: Research Schedule of the TiPSE Project

3.2 Detailed Plan of work prior to the Interim Report

During the period between June and December 2012 research effort will primarily be in the context of WP 2.1-2.4. WP 2.5 and 2.6 will be initiated towards the close of this period. The following points set out the tasks in greater detail:

WP 2.1: Concepts and definitions: This task is scheduled to be completed in June 2012. A review of both academic literature and policy documentation has been carried out, including contributions from 5 partners, each of which has focused upon a different group of countries. Finalisation of the associated report (Working Paper 1) will take place after it has been reviewed by partners, during July 2012.

WP 2.2: Pilot Poverty Mapping: As noted above this task is now planned to run until October 2012. Partners have familiarised themselves with the structure and variables of the EU-SILC database, and with the WB's PovMap software. Experimental work has been carried out with a database derived from register data from Iceland. The next step, which requires the availability of the EU-SILC microdata, will be to implement pilot analyses of six countries (one per partner) using 2005 EU-SILC data and 2001 census data. Priority will be given to Cohesion Fund countries where data availability permits. This work will be supported by a workshop, organised by the LP, and attended by all partners, during September 2012. It should be noted that the PovMap microsimulation procedure will not be necessary where regional poverty mapping can be achieved on the basis of register data. This includes the Nordic countries (FI, SE, DK, NO) and the Netherlands.

WP 2.3: Review and acquisition of Regional Data: This task has, thus far, been focused upon supporting the needs of WP 2.2. It has established the requirement for EU-SILC microdata, and submitted a request for a user licence. A second strand of work has been the review of available census data as a source of covariates. This work is reported in Annex 3. The next steps will be (i) to prepare data files for use by PovMap, (ii) to review availability of potential social exclusion indicators from Eurostat, and from the NSIs, and (iii) to extract data as required by poverty and social exclusion mapping, and to store it in a database which may readily imported into the ESPON Database. These activities will necessarily continue as long as required by WP 2.5 and 2.6. It is currently envisaged that the bulk of the work will be completed by the end of 2012. This task will be summarised in Working Paper 3.

WP 2.4 Case Studies: This task is described in greater detail in section 5 below. The work so far has been concerned with carrying out a very careful selection of case studies, to ensure representativeness in terms of the ESPON typologies, European macro regions, different welfare policy traditions, and a range of aspects of poverty and social exclusion. The next step will be for the partner leading this task (ILS) to develop a standard methodology and guidelines (Working Paper 2), which all partners will follow. The first set of 5 case studies will be carried out prior to the Interim Report, and the second set of five during the first six months of 2013. Findings will be reported in Working Paper 6.

WP 2.5 Poverty Mapping and 2.6 Social Exclusion Mapping: These two tasks will be initiated during the three months prior to the Interim Report. During this period the main effort of WP 2.5 will be concerned will be concerned with "rolling out" the methodology to additional countries, using 2010 EU-SILC data and 2011 Census data. The order, and pace at which, countries are included will depend very much upon 2011 Census data availability. Task 2.6 (Social Exclusion Mapping) will initially be concerned with supporting the Case Studies (WP 2.4) by establishing their context. Particular consideration will be given to linking the specification of indicators to the conceptual framework and definitions (WP 2.1) and to the requirements of the policy context. Working papers 4 and 5 will summarise the methodology developed within the context of these two tasks.

4 Initial Assessment of Data Availability

4.1 Poverty Mapping data requirements

During the first months of the project WP 2.3 (Review and acquisition of data) has prioritised the needs of the World Bank (WB) poverty mapping exercise (WP 2.2 and 2.5). The WB methodology requires two kinds of data:

(i) Survey data on income, together with a number of socio-economic covariates on such subjects as household size and composition, age, labour market characteristics, education, health and housing conditions. The obvious choice for this data source is EU-SILC. Individual data from surveyed households is required. An application for a licence for the use of EU-SILC 'microdata' for 2005 and 2010 was submitted on 21/05/12[4].

(ii) Census data, which includes comparable covariat data for regions or small areas. An initial review of the Eurostat Regio database quickly revealed that this does not currently contain data for a sufficient number of covariates. It was also established that under new EU Regulations a degree of standardisation will be introduced for national 'census' procedures, at least in terms of the outputs to be collected, and the year (2011)[5]. The 'census' outputs will, in time, become available through a Eurostat 'hub', in the form of hypercube tables covering all or most Member States. However it would be risky to assume that the hypecube data could be available within the lifetime of this project, or that sufficient regional detail will be included, and the decision was therefore made to explore availability of data direct from the National Statistical Institutes (NSIs).

[4] It was not possible to submit an application previous to this, since it was required that a copy of the subsidy contract should be included with the application. The average time from application to delivery of data is understood to be 10 weeks.

[5] There is no standard approach to the way in which the data is collected, a majority of countries having opted for some combination of register data, administrative sources, and sample surveys, and relatively few continuing to take a conventional census.

The review of NSI Census data availability was recorded in the form of a set of standard 'fiches'. The findings may be broadly summarised as follows:

(a) Data from the 2011 'census', especially the 'covariates', will not become available in the majority of MS until early 2013 at the earliest. Task 2.2 (Pilot poverty mapping) can therefore only realistically be carried out using data from the previous (2000/01) census. It is hoped that 2011 data will become available in time to be used for WP 2.5.

(b) Using the EU-SILC variable list as a starting point, available census data in each MS was screened for potential covariates[6]. The EU-SILC covariates were grouped into 6 themes (demography, education, labour market, health, housing and material deprivation): A rather heterogeneous situation was found to exist. The number of potential covariates ranged from about 5 to 25. Health and material deprivation were the themes most often missing. These, together with housing and labour market themes are increasingly dependent upon surveys, for which small area data are unlikely to be available due to sample size constraints. Further details of the findings are provided in Annex 4.

4.2 Social Exclusion Data Requirements.

Some of the census variables identified in the above exercise may well be useful as the basis for indicators of social exclusion. However the latter may be derived from a range of sources in addition to the population census, and additional investigations of NSI dat holdings are planned in order to provide a more comprehensive picture.

4.3 The Western Balkans and Turkey

The degree to which the Western Balkans and Turkey can be included in the analysis and mapping varies according to task. It seems likely that Poverty Mapping (WP 2.2 and 2.5) will be more constrained than Social Exclusion Mapping (WP 2.6). According to EU-SILC documentation (Eurostat 2010b p39) only Turkey carried out a full implementation in 2010. Croatia, FYROM and Serbia carried out a test implementation, and their inclusion may therefore be feasible if micro-data could be made available[7]. In terms of census covariate data, (Annex 4) the situation appears most favourable in Croatia; Serbia and FYROM seem to have fewer useful census variables. The Turkish census data seems to contain disappointingly few (4) potential covariates.

On the basis of these findings it is proposed that Croatia (and possible also FYROM, Serbia and Turkey) will be included in the work of WP 2.5. In the context of WP 2.6

[6] It should be emphasised that the latter were defined narrowly, in terms of variables for which it was reasonable to assume some kind of statistical association might exist.

[7] It is not clear whether it will be included in the micro data files to be provided by Eurostat.

(social exclusion mapping) the inclusion of Turkey and the Western Balkans will vary according to indicator, depending upon data availability.

5 Case study selection and methodology.

5.1 Aim of the case studies and their role in the overall project

The aim of the case studies is to support European-wide data analysis and explore, with a more qualitative focus, in-depth and at micro-scale level, the multiple factors underlying processes of poverty and social exclusion in 10 case studies. The case studies are selected to cover a wide variety of different European territorial, socio-economic, and institutional contexts.

As noted above, five case studies will be carried out in the second half of 2012, and five in the first six months of 2013.The fact that five out of ten case studies are chosen at a later stage, gives the project consortium the opportunity to react flexibly to specific research needs that emerge during the early stages of the project. The ten case studies will follow common methodological guidelines, but the first and second tranches will have slightly different perspectives. The first set of case studies, chosen at the beginning of the project, partly on the basis of preliminary results of WP 2.1, will illustrate and explore the range of poverty and social exclusion processes in different territorial contexts. The second set of case studies, informed by work on WP 2.5 (Poverty Mapping) and WP 2.6 (Social Exclusion Mapping), will aim to generalize drivers and trends and understand the factors influencing patterns and processes of social exclusion and poverty at micro-scale level in different institutional contexts.

The case studies are a focal point for involving stakeholders of urban, rural, regional and national policy communities into the project. Discussion of case study results with practitioners will enhance validity of outcomes and recommendations across all case studies, and ensure that the Practitioner Guide meets the needs of policy communities (see section 7).

5.2 Selection of Case Studies

As the table shows, the TiPSE project strives for a balanced sample of case studies with regard to representative coverage of (1) different macro-regions and (2) ESPON territorial typologies, and (3) EU membership/candidacy. As regards policy-orientation, the selection will ensure, that (4) different institutional contexts (democratic and legal system, configuration of labour market, welfare state characteristics, family and community system characteristics) and (5) relevant thematic challenges across Europe are covered.

In selecting case studies, the TPG had to make a range of strategic choices:

Five out of ten case studies focus on poverty and exclusion in rural areas. The importance of the rural dimension has significantly increased with the enlargement of the European Union and shrinking populations in a range of rural regions in the old Member States. Specifically in the New Member States, the poverty and social

exclusion risk in rural areas is considerably higher compared to the urban areas (EC 2011: 16). Thus, the two case studies carried out in the New Member States, will be situated in a rural context. Three further case studies will be situated in sparsely populated regions in EU 15-regions, which are characterized by ageing and shrinking population.

Table 1: Case Study Selection Criteria

	First set					**Second Set**				
	1	2	3	4	5	6	7	8	9	10
	FI	UK	HU	DE	EL	SE	ES	SK	PT	TR
1. EU Macro Region										
- Nordic	X					X				
- Anglo-Saxon		X								
- East European			X					X		
- Central Europe				X						
- Mediterranean					X		X		X	
2. Linkageto EU										
- EU 15	X	X		X	X	X	X		X	
- New Member States			X					X		
- Candidate Country										X
3. Territorial typology of case study (NUTS3 level)										
- Metropolitan region				X	X	X			X	X
- Predom. urban area				X	X	X			X	X
- Predominantly rural area	X	X	X				X	X		
- Mountainous region			(x)		(x)			X		
- Border region	X		X			X		X		
- Island region		X								
- Coastal region		X			X	X			X	X
- Remote area	X	X	X							
- Sparsely populated	X	X					X			
- In industrial transition			X					X	X	
4. Institutional Environment										
- Universalistic	X					X				
- Liberal		X								
- Corporatist-Statist				X						
- Familialistic					X		X		X	X
- Post-Socialist / Transitory			X					X		
5. Thematic Challenge										
- Education				X						X
- Unemployment	X								X	
- Access to Services(rural)		X					X			
- Ethnic minorities			X					X		
- Urban segregation.					X	X				

All five urban case studies are situated in metropolitan regions. Though migration processes have widely diversified in the last two decades, metropolitan areas have been, and still tend to be, hot spots for the arrival of new migrants. In

metropolitan regions, small scale frictions are the most important phenomenon across Europe. The metropolitan case studies will focus on a range of different aspects linked to ethnic and social segregation processes.

Case studies are linked to five thematic challenges which relate to EU 2020 targets (EC 2010a) in the fields of social inclusion, education and employment:

Education: A sufficient level of skills and competencies is a prerequisite for individuals' participation in today's labour market. Closing the gap in educational achievements for children growing up in poverty and social exclusion remains an important European challenge, especially as the proportion of children growing up in poverty and exclusion has not been significantly reduced (EC 2010b: 4). The two case studies will focus on the topic of educational attainments of children from low-income households and/or migrant population. Case study (CS) 1 will be carried out in a German municipality, within the wider context of an industrial transition region (Ruhr Area), with a high degree of (mainly Turkish) migrant population; and CS 2 in a large Turkish city (Izmir), with a focus on early school leavers and educational segregation.

Unemployment: Employment has long been a priority for EU policy. Unemployment is seen as a main cause of poverty for working age population (EC 2010b: 4). Therefore, the EU aims to bring more people into employment and a 75% employment rate (both, male and female), is a 2020 target. CS 1 will be conducted in a small rural town located near the eastern border of Finland, with a focus on long-term unemployment, particularly among the elderly, and CS 2 in a large Portuguese city, with a focus on youth unemployment.

Access to Services in rural areas: In sparsely populated regions, accessibility is of key importance. Characteristics rural problems are often linked to demographic trends (shrinking and ageing), remoteness, labour market and education (EC 2008).Disadvantages need to be addressed by social services of various kinds (advice, additional training, 'lifelong learning', supported employment opportunities, childcare provision etc.). These are difficult and expensive to deliver to scattered individuals in sparsely populated areas. Rationalisation and privatisation of public services have often increased the subjective disadvantage (marginalisation) of these individuals/groups. The case studies will focus on age-related exclusion issues, both youth (education opportunities and employment) and elderly (access to social and health services). CS 1 will be conducted in a sparsely populated island region (Western Isles, Scotland), CS 2 in a rural region in Spain, characterized by shrinking population.

Ethnic minorities: The Roma population represents the largest ethnic minority group in Europe, experiencing severe forms of deprivation and marginalization. Segregation along ethnic lines and the extreme poverty of Roma in rural areas are major problems in four post socialist countries (Bulgaria, Romania, Slovakia and Hungary), and to a lesser extent in the Czech Republic. The case studies will focus

on the Roma population, and the patterns of segregation in two fields: housing and education. The case studies will be located in rural regions. CS 1 is researching into these processes in a group of villages in Northern Hungary, and CS 2 in Slovakia.

Urban segregation patterns: Major cities across Europe are challenged by the fact of spatially concentrated patterns of poverty and social exclusion in specific urban districts or blocks. The case studies will focus on socioeconomic and ethnic segregation. CS 1 will focus on the consequences of close spatial proximity between individuals and groups at risk of poverty and social exclusion and those in more secure socioeconomic positions in the Metropolitan region of Athens. CS 2 will focus on the themes of unemployment, criminality, overcrowded housing conditions, reputation, and segregation along ethnic and economic lines in a district in the metropolitan region of Stockholm.

5.3 Case Study Methodology and Design

Case studies will be implemented on a level that is appropriate to the chosen thematic focus, usually NUTS 3 or LAU 1, with in-depth research focusing on the micro-scale level below. In order to ensure comparability of findings between the case studies, a common methodology will be developed (Working Paper 2). The overall design and methodology of case studies will be devised by ILS, but implemented by those partners with the best 'local knowledge' of each case study area. Each partner will cover two case studies. Discussion of results with local experts in the selected case studies will strengthen validity of outcomes and provide useful insights for analysis and recommendations.

Each partner conducting case studies will engage in cross-national assessment of the relevance of the results of individual case studies, and will develop a clear understanding in how far the individual case study results are significant and generalise-able across geographic areas in Europe.

Case study findings will support Work Packages 2.10 and 2.11 on policy recommendations and policy monitoring. The case studies will be summarised in short reports (20-30 pages) which will form chapters of Working Paper 6.Initial findings will be reported in the Interim Report, more considered conclusions will be documented in the Draft Final and Final Reports.

6 Exploitation of ESPON results, links with other projects.

Interaction with other ESPON projects will be of vital importance to the successful implementation of TiPSE. The TPG will be in contact with other ESPON projects to facilitate information sharing and identification of relevant outcomes.

Several ESPON projects, including Typology Compilation, SEGI, BEST-METROPOLISES and EDORA have already contributed information to the choice of case studies. Furthermore the TPG anticipate close cooperation with the SeGI project with respect to identification of social exclusion indicators. The significance of demographic ageing and migration as factors in social exclusion point to the

important role to be played by the DEMIFER project, furnishing, for example, data on the spatial distribution of vulnerable groups. TiPSE will also benefit from the forthcoming results of the ITAN project, which will present the basic regional socio-economic status and development trends based on statistics at various levels for the European neighbours. The TiPSE project will maintain close links with the WB project on poverty mapping in the NMS. The Project Manager is a member of the latter's Steering Group

7 Project deliveries and outputs.

The broad policy context within which ESPON TiPSE operates implies that one of the main target audiences for the findings of the project will be Member State policymakers and practitioners. It is therefore essential that the outputs of the project are communicated in an accessible style which, as far as possible, takes account of the widely varying policy traditions and implementation arrangements in Europe. At the same time, particular regard should be paid to the EU2020 objectives, and to the potential of EU Structural and Cohesion policies to facilitate progress towards them. It is important that dissemination begins early in the project, and is closely related to the research activity, allowing stakeholders to make appropriate and timely inputs, addressing the needs of practitioners.

The ESPON TiPSE TPG will be represented at every ESPON seminar during the project period. Consequently, other members of the ESPON community will be kept well informed of developments in the project. The ESPON TiPSE project will be featured on all of TPG's respective websites, providing links to the ESPON web pages, facilitating access to reports, and awareness of upcoming events. Apart from these general dissemination efforts three specific initiatives will raise awareness of the project and glean feedback from stakeholders and experts: These will be (a) the Practitioner Guide, (b) the International Workshop, and (c) the Policu Seminar.

The main objective of the Practitioner Guide will be to communicate ESPON TiPSE's results in a clear and relevant manner that will be helpful to policymakers, practitioners and stakeholders at different spatial scales in Europe. This should be achieved through cooperation with the Stakeholder Advisory Group, which will help ensure that the guide is oriented towards the needs of its intended audience. The Guide should define and describe poverty and social exclusion and present relevant indicators. It should also describe how poverty and social exclusion are dealt with in different policy contexts and at different scales.

The International Workshop on poverty and social exclusion indicators and mapping will be a one day meeting that aims to bring together leading experts on poverty and social exclusion. It will provide a forum for a range of stakeholders from across the EU to discuss and comment on the mapping and analysis carried out by the project. The workshop will also offer an opportunity to discuss different approaches to dealing with the challenges of poverty and social exclusion. Finally, it will serve to raise

awareness amongst key actors of the range of outputs and dissemination vehicles associated with ESPON TiPSE.

The Policy Seminar will provide a platform (in Brussels) to disseminate ESPON TiPSE results to interested policymakers. The seminar will aim to bring together EU, national and regional policymakers as well as other stakeholders dealing with poverty and social exclusion. It will provide an opportunity to present and discuss the Practitioners Guide, serving to increase its profile and encourage its wider dissemination.

The standard contractual requirements for reports are shown in Table 2. Each report will be accompanied by project working papers (Table 3), which will provide a more detailed account of the work carried out under WP 2. These working papers will later be integrated to form Part C (Scientific Report) of the project's Final Report.

Table 2: Schedule for ESPON Reports, with associated working papers.

Report	Associated Working Papers	Delivery Date
Inception Report		June 7th 2012
Interim Report	1,2.	Dec 31st 2012
Draft Final Report	3,4,5,6,7,8,9	Dec 31st 2013
Final Report	10,11,12 (All incorporated in Part C)	May 31st 2014

Table 3: Working Paper List:

WP No.	Target delivery date (internal)	Provisional Title	Linked to Task:	Lead Partner
1.	June 2012	Review of concepts of poverty and social exclusion	2.1	NEWCL
2.	July 2012	Case Study Guidelines	2.4	ILS
3.	March 2013	TiPSE database description	2.3	UHI
4.	May 2013	Poverty Mapping methodology	2.5	Nordregio
5.	May 2013	Social Exclusion Indicators methodology and description	2.6	HAS
6.	Jan/July 2013	Case Study Reports (Part 1/Part 2)	2.4	ILS
7.	Sept 2013	Commentary on Poverty Maps and analysis	2.7	UHI
8.	Sept 2013	Commentary on Social Exclusion Maps and analysis	2.8	HAS
9.	Sept 2013	Typology of Countries	2.9	ILS
10	Feb 2014	Policy Recommendations Matrix	2.10	NEWCL
11.	April 2014	Poverty and Social Exclusion Monitoring	2.11	HAS
12	April 2014	The Practitioner Guide	All	Nordregio

8 Key Barriers and Risks

The most important vulnerability, which has the potential to cause delays beyond the control of the TPG, relates to data availability. This is particularly evident with respect to Poverty Mapping, (both EU-SILC microdata and 2011 Census). The only strategy available will be to (temporarily) switch attention and effort to tasks not affected, such as the Case Studies and Social Exclusion Mapping. The Poverty Mapping task is also to some extent dependent upon progress in the WB project.

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Annex 1: Description of Individual Research Tasks

WP 2.1 Review of concepts of Poverty and Social Exclusion.

Starting date	Month 2
Ending date	Month 5
Hours Allocated	640
WP Leader Participant ID	P3
Other Participants' ID	P2, P4, P5, P6

This preparatory task will review concepts of poverty and social exclusion as evidenced by both academic and policy literature. This will include a discussion of the (narrow) official EU definition of poverty, but also a more inclusive (but still as far as possible, operational) definition of social exclusion. This will highlight the multi-faceted nature of exclusion (setting the scene for later indicator work and mapping in WP2.6). Particular attention will also be paid to socioeconomic characteristics commonly associated with poverty and social exclusion, to provide a solid theoretical basis for the search for proxy indicators. The output of this work will be a paper which will eventually become a chapter in the Final Report Part C (scientific report).

WP 2.2 Detailed planning of the implementation of WB Poverty Mapping

Starting date	Month 2
Ending date	Month 9
Hours Allocated	776
WP Leader Participant ID	LP
Other Participants' ID	P2, P3, P4, P5, P6

It is intended that the PovMAP 2 software will later be used (WP 2.5) to generate poverty maps for the ESPON countries not covered by the World Bank project. This is a major undertaking, which, to reduce risk, to draw on a wider range of expertise, and to encourage exchange of lessons learned, will be shared by all six partners. Although the task will be led by a researcher based at the LP, P3 will play a crucial advisory role through the input of a very experienced expert in spatial analysis. In the preparatory stage it will be important to identify the most appropriate data sources and variables, both for EU Member States and ESPON partner countries. A strategy for combining data from harmonised international sources (such as the EU-SILC database) and (where necessary) national sources, will be developed at this stage. The partners involved will familiarise themselves with the software and identify issues to be addressed prior to 'rolling out' (WP 2.5) by carrying out pilot implementation for countries eligible for the Cohesion Fund. An important output from this task will be a detailed specification for data collection (both EU-SILC and 'Census' data), which will feed into WP2.3. It will be necessary to liaise with the World Bank team, and Eurostat, to ensure maximum comparability of the maps within the ESPON space.

WP 2.3 Review and acquisition of regional data.

Starting date	Month 2
Ending date	Month 11
Hours Allocated	1,040
WP Leader Participant ID	P2
Other Participants' ID	LP, P4, P6.

The aim will first be to generate an overview of data availability, including an assessment of the quality of each country's data. The countries covered will be the EU27 plus the non-EU ESPON members (Norway Iceland, Switzerland, Liechtenstein, Turkey).The availability of relevant data sets collected by the individual national statistical offices throughout the ESPON space and the Balkan countries will be assessed. A recommendation regarding the inclusion of the Balkan States in the data collection exercise will be made (see section 4 above). The base geographic level will be NUTS 3, but information on LAU1 indicators will also be collected. A strategy for incorporating national data will developed in conjunction with WP 2.2 (see section 4 above).

The second element of this task will be building the TiPSE Database. The basic regional level will be NUTS 3. LAU1 indicators will be incorporated for those countries where they are available. The 'first choice' source (especially for social exclusion indicators) will be harmonised international databases such as Eurostat Regio. Relevant microdata will be extracted from the EU-SILC database, according to the requirements specified by WP 2.2 and 2.5. National 'census' data will be identified and accessed with the support of all project partners.

The database will support the World Bank poverty mapping (WP 2.2, 2.5) the mapping of social exclusion indicators (WP 2.6), and the analysis of relationships with potential explanatory variables (WP 2.7 and 2.8), as a source of raw data. It will also act as a repository for indicators generated by these two tasks, which will also be supplied to the ESPON database.

The output from this task will be two-fold; in the form, firstly, of a paper summarising the findings of the review, and describing the database, (which will form a chapter in Part C of the Final Report), and secondly the database itself.

WP2.4 Case Studies

Starting date	Month 2
Ending date	Month 19
Hours Allocated	1,680
WP Leader Participant ID	P5
Other Participants' ID	LP, P2, P4, P6

The purpose of the case studies is to gather evidence of patterns and processes of poverty and social exclusion at the scale and 'spatial definition' at which they operate. It is assumed that this will generally (though not necessarily) be at a scale below NUTS 3, and perhaps below LAU 1. Analysis of small area data from national or regional sources may therefore be necessary.

The case studies will be carried out in the context of single NUTS3/LAU 1 areas. It is intended that they will:

- Explore in an integrated and comprehensive way the variety and complexity of micro-scale PSE processes.
- Investigate associations and co-location of poverty and social exclusion.
- Assess the validity and usefulness of European-wide and other data sources, and discuss alternatives how to map poverty and social processes with suitable indicators or alternative proxies.
- Explore the diversity of policy responses and understand the links between local processes and the wider institutional environment.
- Understanding how to map and monitor micro-spatial processes and derive recommendations for the monitoring of territorial trends at micro-scale level.

The case study task will be divided into two phases, one for planning and preparation, and one for implementation.

(a) *Case study selection and design*. The number of case studies (10) was agreed at the Kick-off meeting. A rationale for case study selection will be developed (see section 5 above) on the basis of the findings and definitions developed within WP 2.1, pilot mapping of a few key indicators available at NUTS 3 (WP2.3), representative coverage of different national environments across the ESPON space, and consideration to the requirements of later tasks, especially the Policy Implications Phase. A standard (outline) methodology will be developed to ensure, as far as possible, comparability of findings between the case studies.
(b) *Case Study Implementation.* In addition to the four issues listed above, the following practical outcomes will be sought:

- assessing the output of the World Bank small area estimation procedure
- experimenting with alternative simple proxies,
- illustrating the complexity of patterns,
- understanding links between poverty and social exclusion and the local/national context
- Reappraising the question of 'neighbourhood effects'.

Each of the case studies will be summarised in a working paper, which will be collected together in Part C of the Final Report.

WP 2.5 Implementation of WB Poverty Mapping.

Starting date	Month 9
Ending date	Month 16
Hours Allocated	2,096
WP Leader Participant ID	LP
Other Participants' ID	P2, P3, P4, P5, P6.

This will be carried out using PovMap 2 software in all ESPON countries (except those NMS which will be covered by the World Bank project) within which there are sufficient data resources. Initially each country will be separately mapped (with national benchmarking). A second phase will explore the potential for 'harmonised' mapping across the ESPON space, using the EU benchmarking method developed by Ward et al (2010). A third focus will be upon attempting to measure change through time, by replicating the calculations for two dates (5-10 years apart).

The outputs from this task will be: (i) summarised in a methodological paper which will form a chapter in Part C of the Final Report, and (ii) presented in the form of a set of maps, which will be suitable for slideshows and web page dissemination.

WP 2.6 Development and mapping of SE indicators.

Starting date	Month 9
Ending date	Month 16
Hours Allocated	1,320
WP Leader Participant ID	P4
Other Participants' ID	LP, P2

This work package will aim to develop 'mapable' indicators of social exclusion at the NUTS 3 or LAU 1 level. The aim will be to have an explicit link to the operational definition of social exclusion developed in WP 2.1, with each indicator reflecting a specific aspect of exclusion. The simple proxy indicator approach suggested by the Discussion paper on territorial aspects of extreme poverty (Horváth et al 2011) will be followed. Where harmonised data is available for all/most EU MS from Eurostat, maps will be generated for as much of the ESPON space as the data allows. Where data is available for individual countries or groups of countries the mapping will be illustrative rather than comprehensive. Where data is available for LAU 1 areas it will be mapped. For LAU 1 and smaller spatial units this task will be coordinated with Task 3b (Case Studies).

A specific early priority will be to map a set of key indicators (at NUTS 3) to provide support to the task of selecting case study areas (WP 2.3).

The outputs from this task will be: (i) summarised in a methodological paper which will form a chapter in Part C of the Final Report, and (ii) presented in the form of a set of maps, which will be suitable for slideshows and web page dissemination.

WP2.7 Analytical commentary on patterns and trends revealed by the poverty mapping.

Starting date	Month 12
Ending date	Month 19
Hours Allocated	480
WP Leader Participant ID	P2
Other Participants' ID	LP, P2, P3, P4, P6

This workpackage takes the outputs of WP2.5 and analyses the patterns and trends revealed. A number of approaches will be combined, including:

- Simple commentaries on the maps themselves.
- Analysis of patterns of poverty structured by the ESPON typologies.
- Correlations between patterns of poverty and those of other socio-economic indicators (suggesting possible associations and causal links).

This is an essential preparatory step towards Policy Implications phase. The principal output will be in the form of a paper which will later form a chapter of Part C of the Final Report.

WP 2.8 Analysis of conceptual implications of social exclusion maps.

Starting date	Month 12
Ending date	Month 19
Hours Allocated	680
WP Leader Participant ID	P4
Other Participants' ID	LP, P2, P3, P4, P5, P6.

This fulfils a similar function to WP 2.7, but this time in relation to the maps produced in WP 2.6. The methodology is likely to be more qualitative, reflecting the nature of the indicators. The focus will be upon using the maps as a means to elaborate and verify the multi-dimensional concept of social exclusion proposed in WP 2.1. The output for this task will take the form of a paper which will form a chapter in Part C of the Final Report.

WP 2.9 Typology of countries.

Starting date	Month 14
Ending date	Month 19
Hours Allocated	360
WP Leader Participant ID	P5
Other Participants' ID	P2

This task seeks to identify groups of countries which have similar profiles in terms of poverty indicators, main types of social exclusion, and social policy context. Both quantitative and qualitative approaches will be necessary. The output for this task will take the form of a paper which will form a chapter in Part C of the Final Report.

WP 2.10 Develop policy recommendations matrix.

Starting date	Month 20
Ending date	Month 25
Hours Allocated	840
WP Leader Participant ID	P3
Other Participants' ID	LP, P2, P3, P4, P5, P6.

This task is concerned with reflecting upon the implications for policy of the findings of the empirical and analytical phases of the research. It will be important to organise the policy recommendations which may be derived from all the preceding research tasks according to a structure which corresponds in some way to the broad dimensions of spatial variation across the ESPON space. One way to do this would be to use a matrix in which one axis was divided by the types of countries specified in WP 2.8, and the other by the types of poverty and social exclusion revealed by WP 2.7 and 2.9. A range of perspectives would need to be addressed, including appropriate 'horizontal' objectives to be applied to MemberState interventions, territorial targeting, and local development instruments to address 'crisis areas' and small-scale concentrations of disadvantage.

Particular care will be taken to identify new opportunities for "inclusive growth", and principles for targeting of interventions, in response to the impacts of the ongoing economic crisis. Consideration will be given to the most effective way to 'package' such measures. The output for this task will take the form of a paper which will form a chapter in Part C of the Final Report.

WP 2.11 Proposal for PSE Monitoring.

Starting date	Month 20
Ending date	Month 27
Hours Allocated	320
WP Leader Participant ID	P4
Other Participants' ID	P2

In this task the research team will reflect upon the strengths and weaknesses of the data resources used in the various preceding tasks, and the requirements of the policy recommendations of WP 2.10 in order to identify gaps which should be filled in order to render the task of monitoring patterns and trends in poverty and social exclusion more effective. As a second step the researchers will propose a structured procedure and institutional framework (including a practicable division of responsibility between MemberStates and the Commission) which could allow such a monitoring effort to succeed. In order to do this it would be necessary to consult the parties likely to be involved, and to study precedents, such as the Social OMC monitoring procedure.

The output for this task will take the form of a paper which will form a chapter in Part C of the Final Report.

Annex 2: Definitions of Key Poverty Indicators

1. At Risk of Poverty Rate

Relative indicators are by far the most commonly used. In 1975 the EU Council adopted a standard "**at risk of poverty**" indicator which still plays a role in the EU2020 targets more than two decades later. This indicator is defined as the number (or percentage) of people who have a net income of less than 60 % of the national median equivalised disposable income (after social transfers).

The enduring dominance of this indicator (see, for example Eurostat 2004, 2005a, 2007, 2010a) is probably best explained by its simplicity and transparency, and the fact that it is relatively straightforward to estimate (at a national level) from a panel survey, such as the European Household Panel Survey (EHPS), or, (since 2003), its successor, the EU Survey of Income and Living Conditions (EU-SILC). However it has many disadvantages, especially in the context of pan-European mapping and comparisons. An interesting solution to this problem has recently been developed by Ward et al (2009), using Eurostat Purchasing Power Standard (PPS) data to generate an EU median income benchmark.

Among other issues, Bradshaw and Mayhew point to the arbitrary nature of the 60% threshold, and the fact that incomes are not exactly synonymous with living standards. Various other thresholds have been experimented with, but 60% remains the most commonly used. The threshold itself constitutes one of the official EU indicators for monitoring the OMC process (EC 2009).

2. The Poverty Gap

A second commonly used indicator is derived from the "at risk of poverty". This is the "relative median poverty risk gap", (often simply the '**poverty gap**'). This is the difference between the 60% median income for the whole population (i.e. the threshold for the at risk indicator) and the median income for those who are in the 'at risk' segment of the population (Eurostat 2004, 2005a). For comparative purposes it is expressed as a percentage of the at risk threshold. Whereas the first indicator measures how common poverty is within the population, the second measures how intense that poverty is (on average).

3. The Interquintile Share Ratio

The **interquintile share ratio** (S80/S20) is a measure of income inequality (Eurostat 2004, 2005a). It is defined as the ratio of total income received by the 20% of the country's population with the highest income (top quintile) to that received by the 20% of the country's population with the lowest income (lowest quintile).

4. Material Deprivation Indicator

As we explained earlier, one of the ways of overcoming the issue of relativity and facilitating comparisons between Member States is based on an adaptation of the

absolute poverty concept – material deprivation, in which a set of (EU context specific) basic goods and services are specified. The official EU **deprivation indicator** (EC 2009, Eurostat 2005b) (in the context of the OMC process) is defined as the share of the population not able to afford at least 3 of the following 9 items:
i) to face unexpected expenses;
ii) one week annual holiday away from home;
iii) to pay for arrears (mortgage or rent, utility bills or hire purchase instalments);
iv) a meal with meat, chicken or fish every second day;
v) to keep home adequately warm, or could not afford (even if wanted to):
vi) a washing machine;
vii) a colour TV;
viii) a telephone;
ix) a personal car.

The EU2020 target has 'lowered the bar' by increasing the number of deprivation items to 4, whilst Bradshaw and Mayhew (2010) selected an additional 3 (housing related) items from the updated version of the EU-SILC, (raising the total to 12) but set the criteria at a minimum of 4/12 items.

Commonly cited social exclusion indicators relate to issues such as:

- Employment rates.
- Unemployment rates.
- Long-term unemployment.
- Employment in low wage sectors.
- Education levels.
- Housing.
- Access to health care and other services of general interest (SGI).
- Social benefit recipients.
- Number (or share) of vulnerable groups, e.g. Roma, disabled, recent migrants.

Almost all of these can be specified in a range of different ways. Most of them have different 'significance' in different parts of Europe. For example unemployment rates do not capture social exclusion to the same extent in regions where underemployment, self-employment, or the black economy are important as in those where waged employment is more prevalent.

Another characteristic of such indicators is the extreme difficulty of making comparisons between them; for example how could one compare the degree of exclusion signified by a certain unemployment rate with that indicated by poor access to health care or SGI?

Annex 3 The Lisbon (OMC) Indicators

The social policy OMC which was set up by the Lisbon Council in 2000 was initially monitored by the Member States according to a set of 30 indicators agreed at the Council meeting in Laeken in 2001. Of these the first 11 were described as ‘primary’ the next 8 as ‘secondary’ and the final 11 as ‘contextual’. More recently these have been updated (EC 2009). The current set of indicators is structured into four main ‘portfolios’:

1. Overarching
2. Social Exclusion
3. Pensions
4. Health and Long Term Care

Each of the four portfolios is further subdivided into two or more sub-sections. Only the first two are of interest here (See Box 1). The Overarching portfolio is divided into a set of ‘main indicators, and a set of ‘contextual information’ indicators. The Social Exclusion portfolio has ‘primary’, ‘secondary’ and ‘contextual’ indicators.’ There is some degree of overlap between the Overarching and Social Inclusion lists – for example the ‘at risk of poverty’ rate occurs in both. Some of the indicators are based on harmonised EU data and are agreed to be suitable for comparisons between Member States, others are measured according to national definitions and are suitable for monitoring progress within Member States only.

Box 1: The OMC Indicators (Overarching and Social Inclusion Portfolios only)

The Overarching (Main) Indicators:

1a. At-risk-of poverty rate

1a. + At-risk-of-poverty threshold

1b. Relative median poverty risk gap

2. S80/S20

3. Healthy life expectancy

4. Early school leavers

5. People living in jobless households

6. Projected total public social expenditure

7a. Median relative income of elderly people

7b. Aggregate replacement ratio

8. Self-reported unmet need for medical care

8. + Care utilisation

9. At-risk-of-poverty rate anchored at a fixed moment in time

10. Employment rate of older workers

11. In-work poverty risk

12. Activity rate

13. Regional disparities – coefficient of variation of employment rates

14. Total health expenditure per capita

The Social Inclusion (Primary) Indicators:

1. At-risk-of poverty rate

1+ At-risk-of-poverty threshold

2. Persistent at-risk-of-poverty rate

3. Relative median poverty risk gap

4. Long-term unemployment rate

5. People living in jobless households

6. Early school leavers

7. Employment gap of immigrants

8. Material deprivation rate

9. Housing indicators

10. Self-reported unmet need for medical care

10+ Care utilisation

11. Child well-being (under development)

The Social Inclusion (Secondary) Indicators:

1a. At-risk-of-poverty rate by household type

1b. At-risk-of-poverty rate by work intensity of the household

1c. At-risk-of-poverty rate by most frequent activity status

1d. At-risk-of-poverty rate by accommodation tenure status

1e. Dispersion around the at-risk-of-poverty threshold

2. Persons with low educational attainment

3. Low reading literacy performance of pupils

4. Depth of material deprivation

5. Housing costs

6. Overcrowding

Annex 4: Summary of findings of the review of census data availability (WP 2.3)

In the light of the fact that the Eurostat Census Hub for 2011 Census data is unlikely to be operational in time to be of use to the project, a survey of NSIs was carried out. This survey was structured according to a simple 'Fiche' (see below), and information was principally derived from NSI websites, supplemented, where necessary by personal communications.

Since the PovMap microsimulation is not required in those countries where register data on poverty is available (i.e. the Nordic Countries and the Netherlands), and the NMS are to be covered by the WB project, fiches for these countries were not considered an immediate priority, and some are still missing. In some of these countries (Sweden, Denmark, Finland) the switch to register/survey data has progressed to the degree that the NSIs no longer recognise or present the Population Census as a discrete statistical entity, and it is no longer meaningful to complete Fiche 1, even for 2001 data.

Elsewhere the Population Census remains a meaningful concept, and fiches have been completed for 29 countries. Some initial observations arising from a review of the fiches include:

- 2011 Census data (and specifically for potential covariates) will only become available for many countries late in 2012 or during 2013. It is therefore necessary to implement the pilot PovMap analysis of WP 2.2 using 2001 data.
- The majority of European countries seem to be opting for a combination of register/administrative data supplemented by sample surveys. In this sense the title "Census" is slightly misleading. This raises a methodological issue in relation to the different sampling errors associated with different data sources.
- Care needs to be taken to distinguish between Census 'covariates' which relate to individuals (such as % employed in different SIC categories), and those which derive from household data (such as SIC category of the contact person within each household).
- The documentation of the PovMap software identifies six main socio-economic themes within which potential covariates may be found. These are demography, education, labour market, health, housing and material deprivation. These have been used as a means of structuring a review of (2001) census variables which seem to be defined in a similar way to EU-SILC variables. The table overleaf shows the results of this review.
- The key conclusions from this review are:
  - The Health and Material Deprivation themes are the weakest in terms of covariate availability. Where the traditional census approach has been superseded by surveys data on these themes is more difficult to find, and may have larger sampling errors for regional data.
  - There is quite a wide variation between countries in terms of the number of covariates identified, (from less than five to 25) and the number of themes covered (only three countries covered all six).

Table 4: Number of potential covariates identified in 'census' data, by theme and country

		Demog.	Educ.	Labour	Health	House.	Mat. Dep.	Total
Austria	AT	3	1	2		5		11
Belgium	BE	3	1	6		8		18
Bulgaria	BG	4	1	2				7
Cyprus	CY	5	2	5		6	1	19
Czech Republic	CZ	1	1	4		10		16
Germany	DE	1	1	1		7		10
Denmark	DK							
Estonia	EE							
Greece	EL	5	1	8		5		19
Spain	ES	4	3	6		6	1	20
Finland	FI							
France	FR	2	1	4		9	1	17
Hungary	HU	4	1	6	2	9		22
Ireland	IE	3	1	4	1	3	2	14
Italy	IT	5	1	4		6		16
Lithuania	LT							
Luxembourg	LU	2		4		6	4	16
Latvia	LV							
Malta	MT	6	1	6	1	7	4	25
Netherlands	NL	2	1	5		2		10
Poland	PL	4	1	1	1	9		16
Portugal	PT	2	1	5	1	6		15
Romania	RO							
Sweden	SE							
Slovakia	SK	4	1	4		1		10
Slovenia	SL	4	3	3		10		20
United Kingdom	UK	2	1	4	2	4	1	14
Albania	AL	3	1	2		3		9
Switzerland	CH	2	1	4				7
Croatia	CR	4	3	5	2	9		23
FYROM	FY	3	1	2		1		7
Iceland	IS							
Kosovo	KO	2						2
Liechtenstein	LI							
Montenegro	MO	2		2		1		5
Norway	NO	4	1	3		5	1	14
Serbia	SB	2	5	2		1		10
Turkey	TR	3	1					4
Total		**91**	**37**	**104**	**10**	**139**	**15**	**396**
Countries		**29**	**26**	**27**	**7**	**25**	**8**	**29**

Key:

WB Responsibilities for Poverty Mapping

Register countries

ESPON TIPSE METADATA FICHE 1

Template Version 3 04/05/12

(COUNTRY NAME)

1. POPULATION CENSUS

Country:
Is this a conventional census, an extract from a register, a survey, or a combination? (Please explain)
Who, or what institution, is responsible for it?
Contact details of person responsible (including email address):
Web address for meta data (in English if possible):
Which year was the previous Census? (2000/01 or 2005?)
What is the timetable for release of the 2011 data? If it will be in stages, please make clear when the most likely covariates will be released.
Please attach or enter below a list of variables. In 2000/01? In 2005? In 2011?
What geographic areas may be disaggregated to? In 2000/01? In 2005? In 2011?
Is any of the data available online? – If so provide the URL(s).
If the online database does not include regional or small area data, please explain how such data may be acquired (full contact details)