



ENECON – Baltic-Nordic Macro Regional Conference

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TiPSE – **T**erritorial **D**imensions of **P**overty and **S**ocial **E**xclusion

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Context and Background

- There is a need for concerted pan-European action to reduce poverty and promote social inclusion
 - The co-existence within the ESPON countries of a variety of different social welfare policy traditions
 - The challenge of making valid comparisons between countries
 - The neglect of regional patterns of poverty and social exclusion
 - Gathering a better evidence base on these patterns is important for targeting of policy expenditure
 - There is also a need to achieve better understanding of the exclusion process
-
- → Therefore the central aim of the project is to generate a regional database and associated maps of poverty and social exclusion
 - → The approach in the project is instrumental



Further Objectives

- Establish the macro and micro-scale patterns of poverty and social exclusion across the ESPON space.
- Understanding recent trends, and identifying 'crisis areas'
- Observing associations between poverty and social exclusion and a range of other socio-economic indicators
- Deepening our understanding of 'neighbourhood effects' and regional/micro-spatial processes
- 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 consider potential improvements to the EU 2020 poverty reduction targets.
- Creating a typology of ESPON countries
- Deriving from this evidence-base recommendations for a 'place-based' package of interventions



What is Meant with Poverty and Social Exclusion?

Poverty

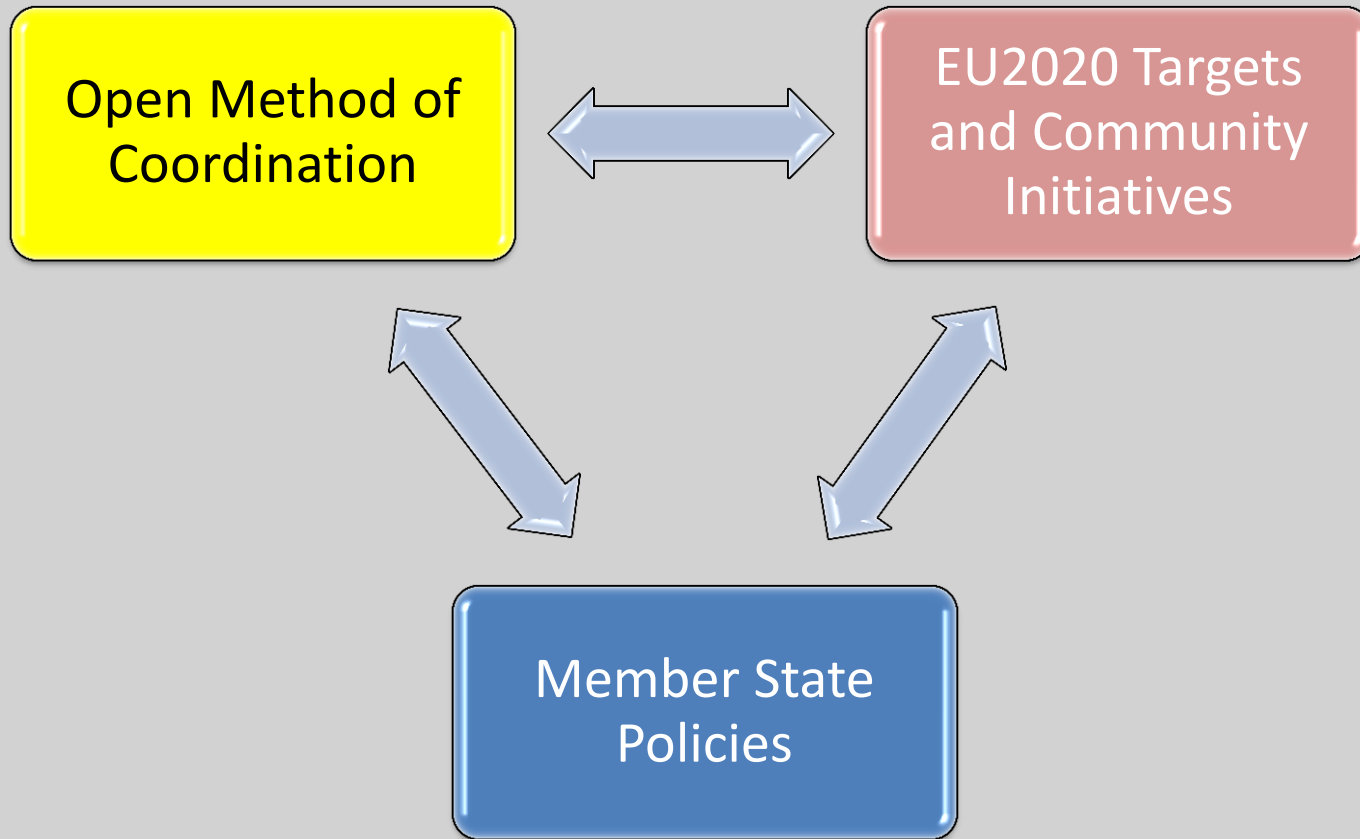
- Absolute poverty → context of less developed countries
- Relative poverty → used in relation to US and European context
- Applied in terms of income

Social exclusion

- Complex and multifaceted concept
- Characterises groups rather than individuals
- Relates also to inclusion within various aspects of society
- Basically relational
- Dynamic social and economic process



EU Policy Context

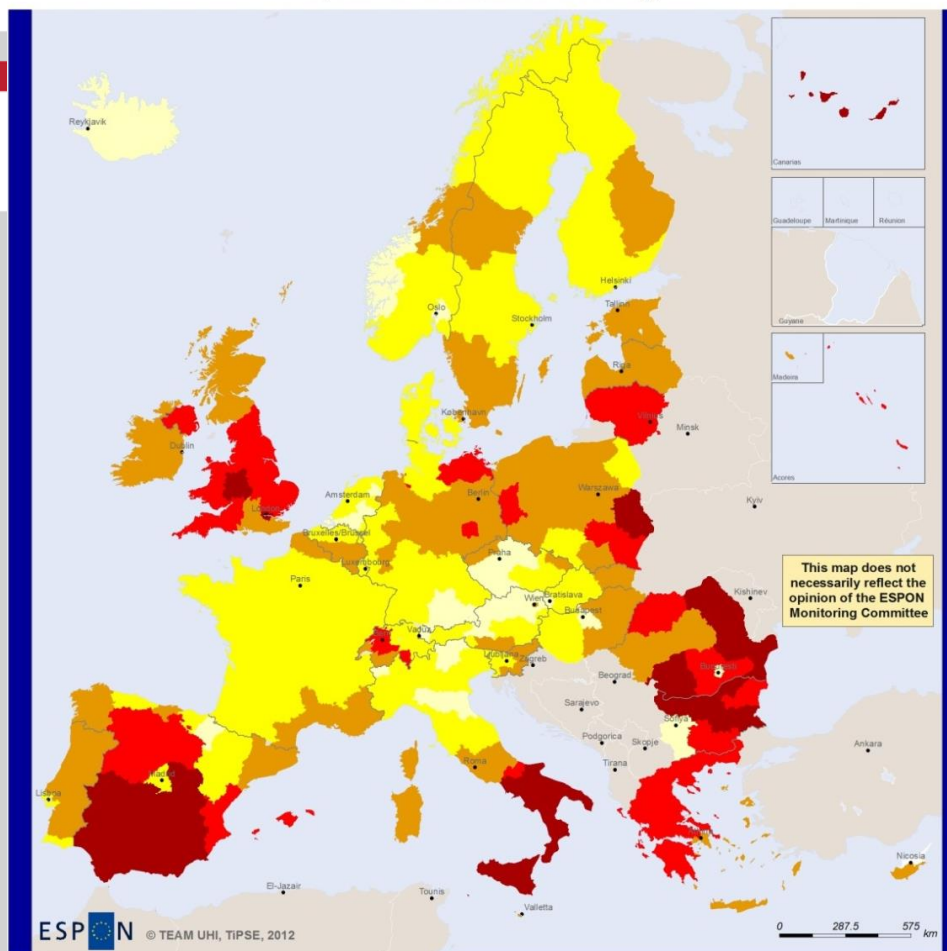


The EU 2020 Indicators

- The EU 2020 operationalises three main indicators in its approach to social exclusion and poverty
 1. Number of individuals at risk of poverty
 2. Number of individuals suffering material deprivation
 3. Number of individuals living in households where adults work less than 20% of a full time year
- Main target to lift 20 million persons out of poverty by 2020



At Risk of Poverty Rate (Most recent data in each country)



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Per Cent of Population



Regional level: NUTS 2
Source: Eurostat, year 2012
Origin of data: EU-SILC, year 2010-11
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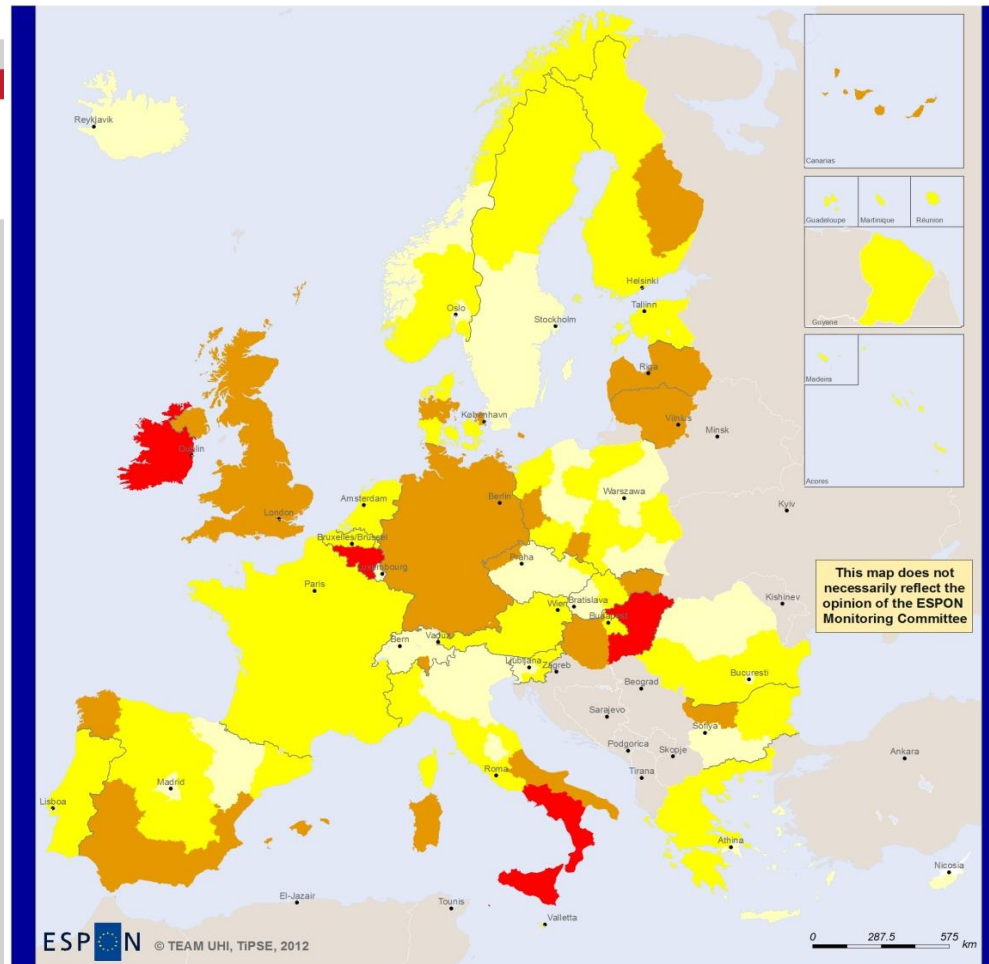
At Risk of Poverty Rate:

ilc-li41

Data availability by Country (updated 28/09/12)

	BE	BG	CZ	DK	DE	EE	IE	EL	ES	FR	IT	CY	LV	LT	LU	HU	MT	NL	AT	PL	PT	RO	SI	SK	FI	SE	UK	IS	NO	CH	HR	TR
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Low Work Intensity Rate (Most recent data in each country)



ESPON © TEAM UHI, TIPSE, 2012

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Per Cent of Population



Regional level: NUTS 2
Source: Eurostat, year 2012
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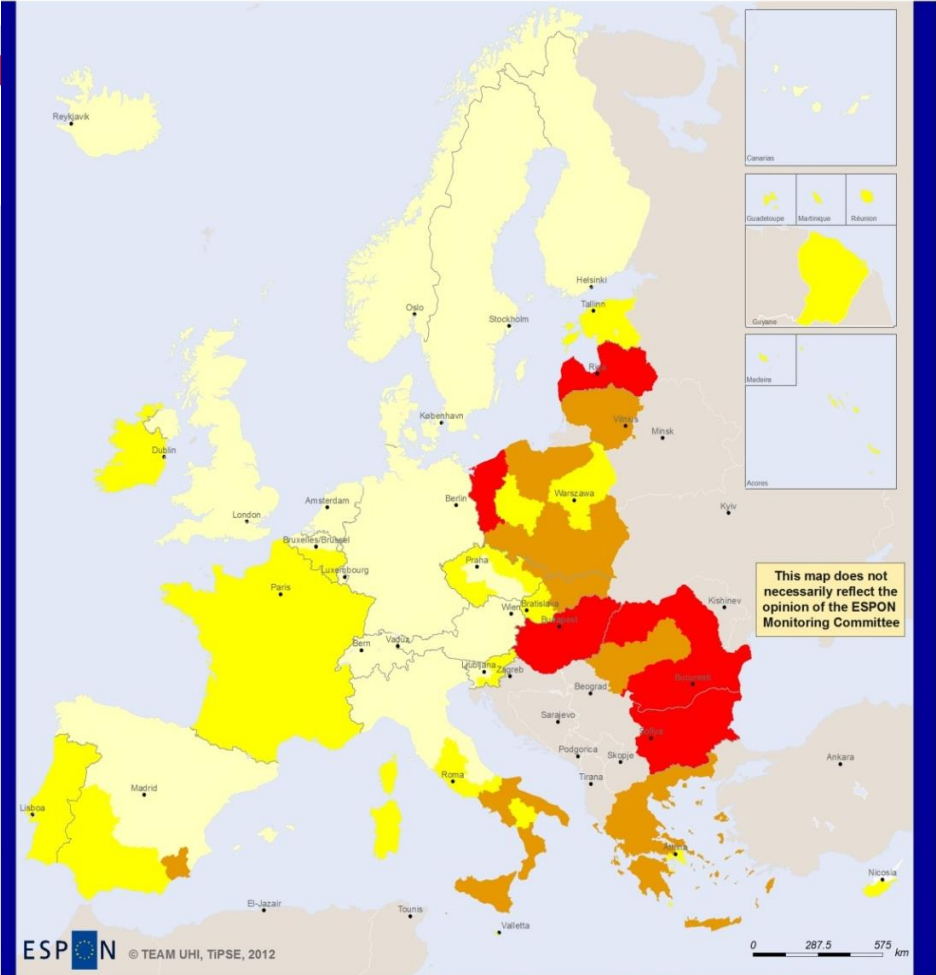
Low Work Intensity Rate:

ilc-ivl21

Data availability by Country (updated 28/09/12)

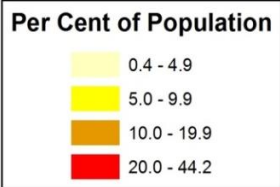
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Severe Deprivation Rate
(Most recent data in each country)



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Regional level: NUTS 2
Source: Eurostat, year 2012
Origin of data: EU-SILC, year 2010-11
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Seve

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Data availability by Country (updated 28/09/12)

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Regions for Inclusive Development

- Generally we may recognise a urban-rural divide in the risk for social exclusion and poverty
 - NMS: poverty and social exclusion higher in rural areas
 - EU-15: poverty and social exclusion higher in urban areas
- Rurality as such does not indicate poverty or social exclusion
 - Other risk factors such as poor accessibility, sparse population, structural problems may lead to development problems
- We should not get entrapped in urban and rural framing

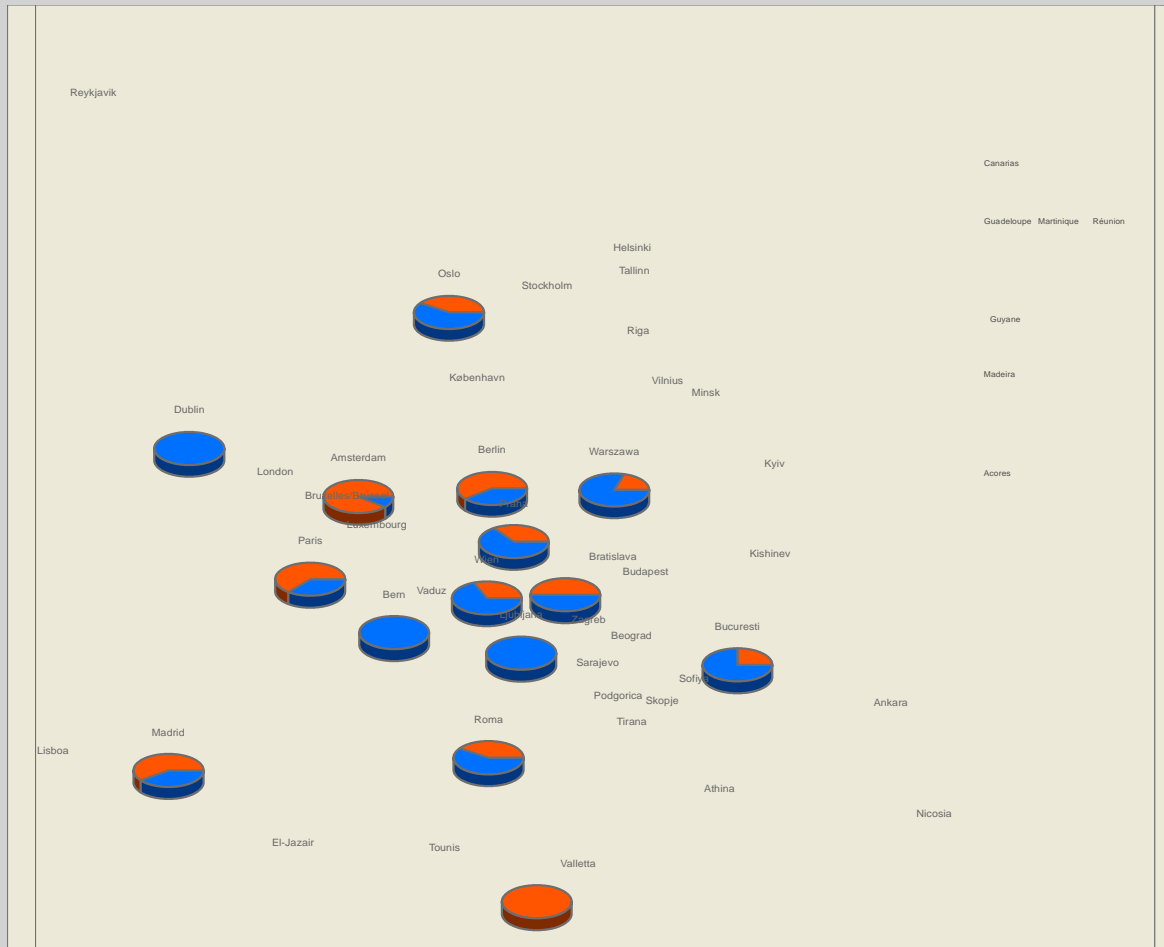
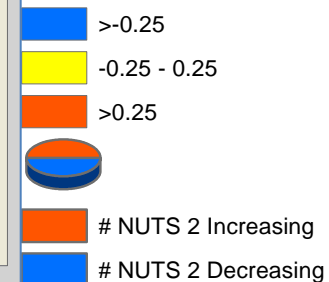


Developments on National Level

Background shading: comparison of the (national) average AROp rates during 2005-07 and 2009-11.

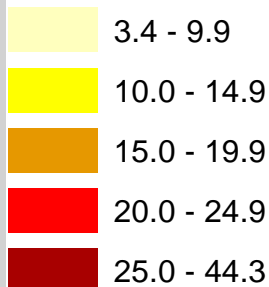
Pies: Where NUTS 2 data exists for both periods the pies show the number of regions increasing (red) and decreasing (blue).

Change in At-Risk-of-Poverty Rate





Per Cent of Population



Opportunities and Challenges in Regions

- Cities form one extreme and rural/sparsely populated areas the other extreme → both have typical social problems and implications on the economic potential

Cities

- Gentrification processes
- Segmented housing and labour markets

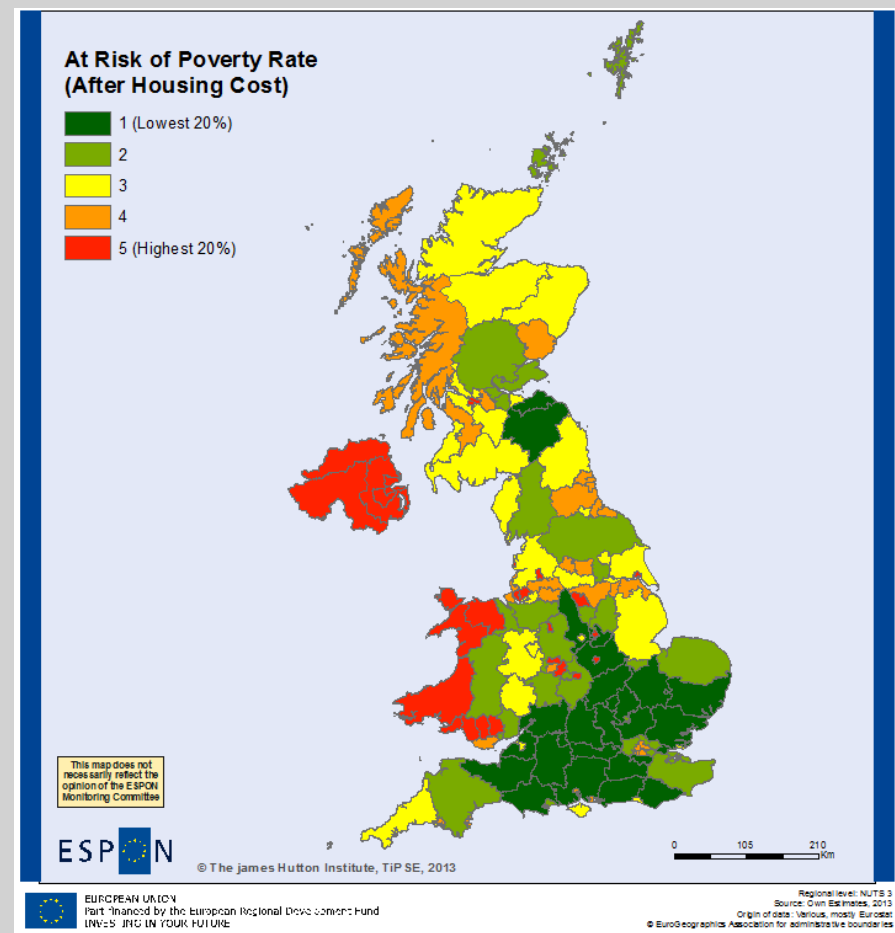
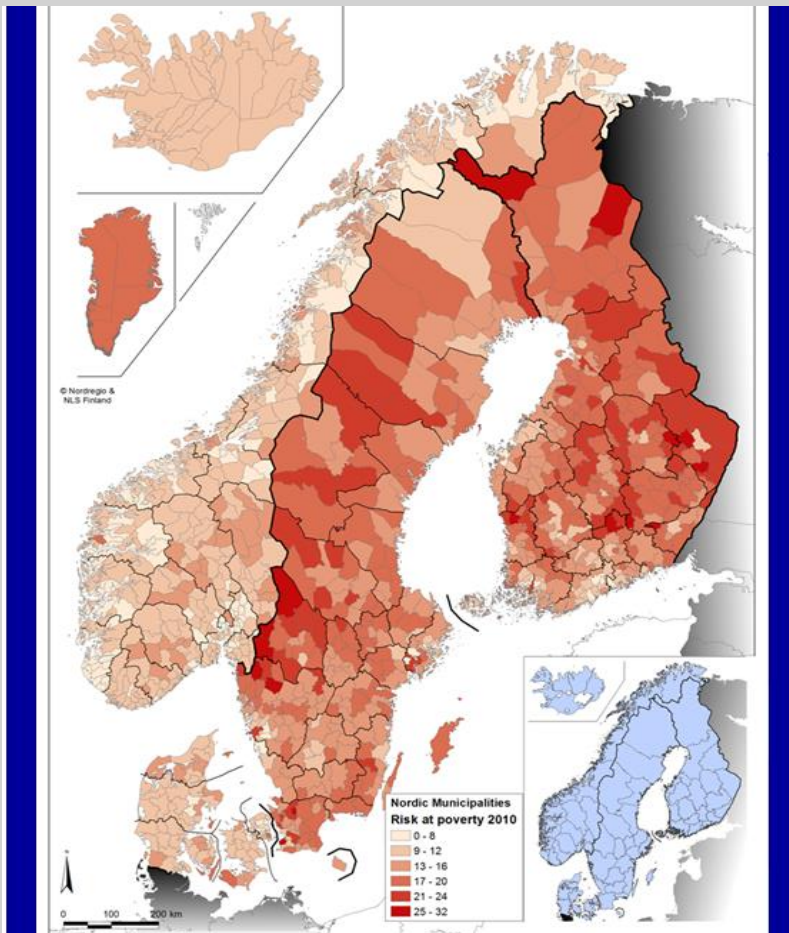
Rural/sparsely populated areas

- Poor employment possibilities
- Depopulation and ageing
- Poor access to services

- However, there are common challenges across the territorial 'urban' and 'rural'
- Risk of poverty and social exclusion is more related to region's characteristics than to its centrality or peripherality

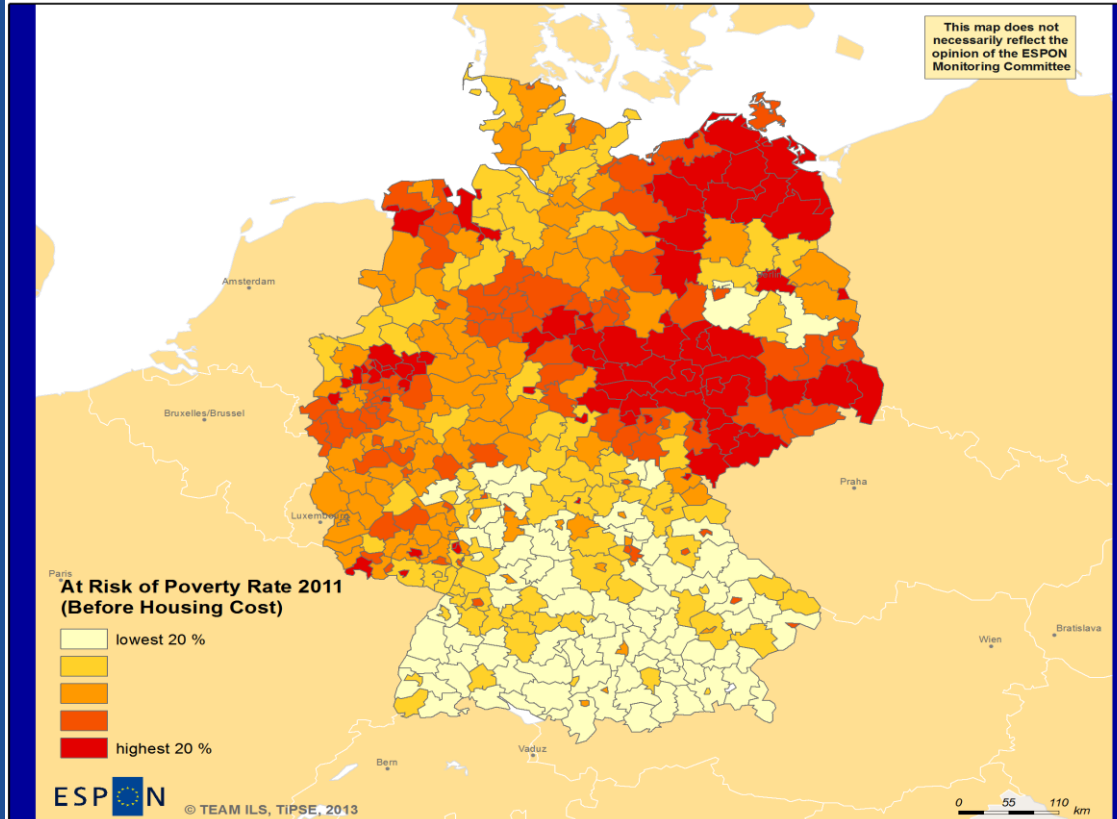


National/regional Values Hide Local Difference (1)



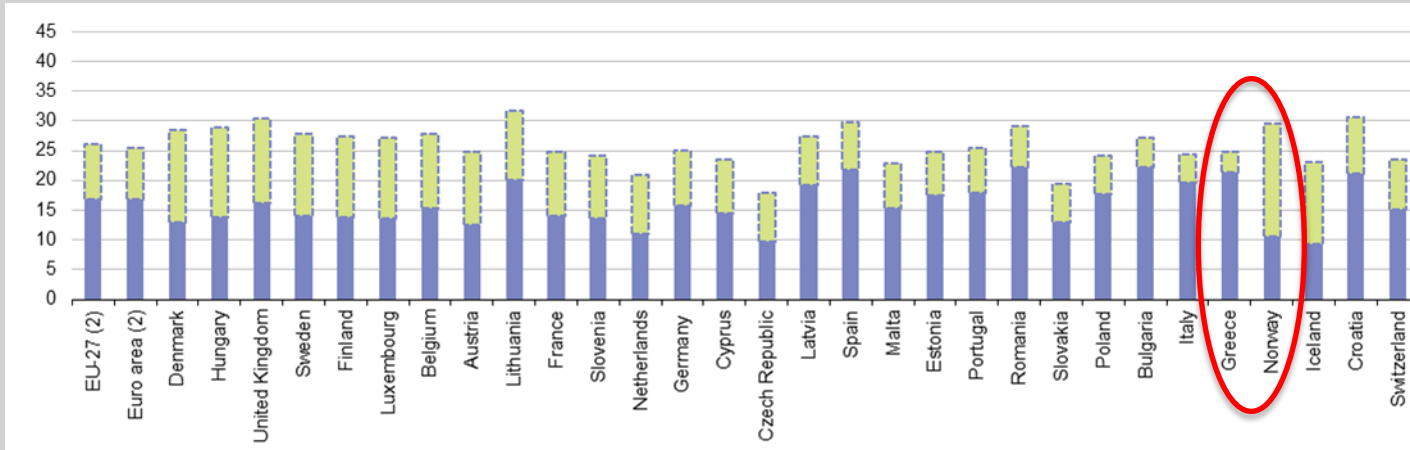
National/regional Values Hide Local Difference (2)

Germany: NUTS 3



- Strong differentiation within larger regions
- Differences greater in Germany and UK than in Nordic
- Poverty is clearly both urban and rural issue

The importance of Welfare Policies



Source: Eurostat, Statistics Explained, Income distribution statistics,
http://epp.eurostat.ec.europa.eu/statistics_explained/index.php/Income_distribution_statistics

The blue columns show the ARoP rate in 2011 (including transfers).

The green coloured columns on top show what the ARoP rate would be *in the absence of transfers*. There are some thought provoking juxtapositions in the graph (e.g. Greece and Norway!)

What are the implications of austerity programmes?

Approaches in Policies towards Social Exclusion and Poverty

- Many policies are macro-economic and have been launched on national level
- There is an obvious need to appreciate the emergence of regional/local differentiated aspects of social exclusion
- Current governance approaches are not capable to tackle the right problems
- Geography of social exclusion and poverty is complex
 - It is influenced by many dimensions and policy areas – not only by welfare policies
 - Importance of regional/local informal/voluntary community based solutions are emphasised
 - Joint working and integration of policies are crucial factors in pursuing long-term efforts



Territorial Approaches Needed

- Poverty, social exclusion and welfare provision are *regional/local challenges*
- Regionally differentiated policies are required to get a grip of poverty and social exclusion related issues in regions
 - Many strategies in re-integrating people are macro-economic and developed on national level
 - Re-integrating strategies need to be developed so that they will correspond the existing local opportunity structures

