

POVERTY AND INEQUALITY IN THE EU



EAPN Explainer #1

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Front cover: Little boy: EAPN Italy, Fraternal Compagnia, 2009. Two men: EAPN Czech Republic, 2009. Participant at the 5th European meeting of people experiencing poverty, Brussels, EAPN, 2006. Finnish participant to the 8th European meeting of people experiencing poverty, Brussels, 2009. Photographer: Rebecca Lee. P 2: Les jours sans pain, EAPN Belgium, 2008. Photographer: Benoît Boreux. P 4: Kids, EAPN Italy, Fraternal Compagnia, 2009. P 9: Painting, EAPN Belgium, Brandpunt 23, 2008. P 10: Roma young women. Photographer: Jean-Philippe Ksiazek, 2002. P 11: Gathering on 17th October, EAPN Belgium, Brandpunt 23, 2008. P 13: Moldavian family. Photographer: Tanya Basarab, 2009. P 15: House, EAPN Hungary, 2009. P 17: EAPN Czech Republic, 8th European meeting of people experiencing poverty, Brussels, 2009. Photographer: Rebecca Lee. - Young girls dancing, EAPN Italy - Associazione A.S.C. Europa - Project "Il Mosaico", 2009. P 19: Carnival, EAPN Italy, Fraternal Compagnia, 2004. Back cover: Employment line in Ireland. Photographer: Frank Miller, 2009.



"Days without bread are the longest days."

Why an explainer on Poverty and Inequality?

In spite of the overall wealth of the European Union (EU) poverty in the EU is still at a relatively high level. Nearly 1 in 7 people are at risk of poverty. The figures are even higher for some groups such as children and older people. However, the extent and seriousness of the problem is often not well understood either by policy makers or the general public. As a result sufficient urgency is not given to its eradication. Often this is because people only think of poverty as being something which is so extreme that it threatens people's very existence and they associate this mainly with "developing countries". However, the reality is that poverty in the EU is a very real problem which brings misery to the lives of many people. This is a direct attack on people's fundamental rights, limits the opportunities they have to achieve their full potential, brings high costs to society and hampers sustainable economic growth. Poverty also reflects failures in the systems for redistributing resources and opportunities in a fair and equitable manner. These lead to deep-seated inequalities and thus to the contrast of excessive wealth concentrated in the hands of a few while others are forced to live restricted and marginalised lives, even though they are living in a rich economic area.

The debate on poverty in the EU is often closely associated with "**social exclusion**".

The term social exclusion is used to emphasise the processes which push people to the edge of society, which limit their access to resources and opportunities, curtail their participation in normal social and cultural life leaving them feeling marginalised, powerless and discriminated against. Another common term associated with poverty is "**vulnerability**". People are in a vulnerable situation when their personal well-being is put at risk because they lack sufficient resources, are at risk of being in debt, suffer poor health, experience educational disadvantage and live in inadequate housing and environment. These are important related concepts. However, not all people who are socially excluded or vulnerable are poor and EAPN in this explainer wishes to focus on the specific dimension of **poverty**.

What the explainer will tell you

This explainer sets out to provide a simple **introduction** to the poverty debate. This focuses primarily on current perspectives on the **nature and extent** of poverty, its **causes** and its **links to inequality**. It explains how poverty is understood and measured currently in the EU, and highlights some of the shortcomings of these approaches. This explainer is the first in an EAPN poverty tool kit which will aim to make poverty more visible, understood, and acted on: as part of EAPN's build-up campaign to 2010: the EU year against poverty.



What it is

One of the problems with discussing poverty is clarifying what it means and how it can be defined. Within the *current debate* at EU level, poverty is generally divided into two types, absolute or extreme poverty and relative poverty.

Absolute and relative poverty

Absolute or extreme poverty is when people lack the basic necessities for survival. For instance they may be starving, lack clean water, proper housing, sufficient clothing or medicines and be struggling to stay alive. This is most common in developing countries but some people in the European Union (EU), for instance homeless people or the Roma in some settlements, still experience this type of extreme poverty.

The United Nations tends to focus its efforts on eliminating absolute or extreme poverty.

The first goal of The United Nations Millennium Development Goals is to *eradicate extreme poverty and hunger*. Eradicating extreme poverty is translated into an objective *to reduce by half the proportion of people living on less than a dollar a day*. However, poverty in most EU countries is more generally understood as relative poverty.

Relative poverty is where some people's way of life and income is so much worse than the general standard of living in the country or region in which they live that they struggle to live a normal life and to participate in ordinary economic, social and cultural activities. What this means will vary from country to country, depending on the standard of living enjoyed by the majority. While not as extreme as absolute poverty, relative poverty is still very serious and harmful.

The European Union's Social Inclusion Process uses a relative definition of poverty (see Box 1).

WHAT IS RELATIVE POVERTY?

Box 1

People are said to be living in poverty if their income and resources are so inadequate as to preclude them from having a standard of living considered acceptable in the society in which they live. Because of their poverty they may experience multiple disadvantage through unemployment, low income, poor housing, inadequate health care and barriers to lifelong learning, culture, sport and recreation. They are often excluded and marginalised from participating in activities (economic, social and cultural) that are the norm for other people and their access to fundamental rights may be restricted.

European Commission, Joint Report on Social Inclusion 2004

The reality of poverty

These "official" definitions, however, often do little to capture the reality of the day-to-day struggle of living in poverty. To understand this better, is it vital to ask people who

are themselves experiencing poverty what this means and to involve them directly in identifying and delivering the solutions. EAPN is committed to ensuring that the voices of those experiencing poverty are heard when describing and defining poverty (see

box 2) and to promoting their active participation in the development, implementation

and monitoring of policies and programmes to eradicate it.

WHAT DOES POVERTY MEAN? WHAT PEOPLE IN POVERTY THINK?

Box 2

Isolation

"I have lost friends as I cannot participate in their activities; even to participate in self-help groups needs money and time; I'm short of money and time to participate in discussions"

"I cannot afford a daily paper; books, especially scientific literature is too expensive"

Lack of basic necessities

"I can afford only cheap food; fruit and vegetables to feed children is too expensive; fish is not affordable; "healthy food" is too expensive for me"

"The problem is not that we run out off money occasionally. The real problem is that we live our entire lives this way and our children grow up into this too"

"In Spain the apartments for tourists are empty during the calm periods. On the other side there are a lot of homeless who have no roof above their head. How can we explain those injustices to our children?"

"I cannot repair my broken TV"

Bureaucracy and lack of information

"The system is too complicated, I don't know where to get what"

"I have slept in cardboard boxes. I had the choice to die on the street or to take back my life in my own hands. I went to social services with the question to help me to find a house. I was confronted with an enormous bureaucracy. I had to tell several times my story, each time again and it took years before I got a house."

"Every time I tell my life to civil servants I receive a lot of compassion, but rules prevent effective aid"

Lack of decent work

"I have no work and no housing. How can I form my life if I have no work?"

"I must admit that to you that I work illegally and this is not because I think it is good. I am fully aware of the consequences, but this is the only way for me to get a job."

Lack of respect and lack of hope

"The way people look at you is humiliating. You are not considered a human being"

"Sometimes you get the feeling that animals are better protected because if you beat a dog you will be sentenced and maybe put into prison whereas if you beat someone I am not sure that you will always be punished for that... My feeling is that dogs are more respected and better treated than Gypsies."

"I don't see any progress since years. I have no future."

"I feel a little bit like Don Quixote. I am fighting against windmills here and there and there is no real hope anymore".

Fear for one's children

"It is impossible for me to invite the friends of my children at home, because my home is so small. So my children at their turn are not invited any more. Thus they become also excluded. We are obliged to lead a hidden life."

"My children cannot participate in school holidays for skiing or a language week abroad. Training for lifelong learning is not affordable. I cannot afford cultural activities".

"My children will inherit my poverty."

Voices of people participating in the 5th European Meeting of People Experiencing Poverty organised under the auspices of the Austrian Presidency of the EU in 2006.

The day-to-day struggle

This means that the reality of poverty in the EU is much more a day to day struggle to live and survive which can adversely affect your health and psychological well-being and put stress on your personal relationships.

Living in poverty can mean:

- becoming isolated from family and friends;*
- lacking hope and feeling powerless and excluded with little control over the decisions that affect your day to day life;*
- lacking information about the supports and services available to you;*
- having problems in getting your basic needs met and accessing decent housing, health services and schools and life long learning opportunities;*
- living in an unsafe neighbourhood with high levels of crime and violence and poor environmental conditions or in a remote and isolated rural area;*
- going without very basic necessities because you may not be able to afford essential utilities like water, heat and electricity or to buy healthy food or new clothing or to use public transport;*
- being unable to afford to buy medicines or visit the dentist;*
- living from day to day with no savings or reserves for times of crisis such as losing a job or falling ill and thus falling into debt;*
- being exploited and forced into illegal situations;*
- experiencing racism and discrimination;*
- being unable to participate in normal social and recreational life such as going to the pub or cinema or sports events or visiting friends or buying birthday presents for family members.¹*

^{1/} See the Reports of the annual European Meetings of People Experiencing Poverty on EAPN's website www.eapn.eu to get a fuller picture of the reality of poverty.

Overall, the reality of poverty in the EU is that it affects many aspects of people's lives and limits people's access to their fundamental rights. People affected often experience a range of different disadvantages which combine to reinforce each other and trap them in poverty.

Poverty limits the opportunity for people to reach their full potential. For instance, children growing up in poverty are more likely to suffer poor health, do less well at school and become the next generation of adults at risk of unemployment and long-term poverty.

Box 3

SOME KEY ISSUES

Why the EU focuses less on Absolute poverty?

Absolute poverty is often seen to be less of an issue for EU Member States than for developing countries. There are two main reasons for this. First, the challenge in the EU is to try and ensure that the whole population share in the benefits of high average prosperity and not just reach basic standards of living, as is often the objective in less developed parts of the world. However, this clearly does not take into account the reality of the extreme levels of poverty affecting specific groups of the population in some new member states e.g. Roma. Secondly, what is regarded as minimal acceptable living standards depends largely on the general level of social and economic development. There is a risk that a minimum standard of living necessary for survival which is set in a richer country would be insufficient to enable people to participate in normal social, recreational and cultural activities. This is contrary to principles of equality and social solidarity.

The problem with comparing relative poverty levels.

Comparing relative poverty levels between different countries does not sufficiently take into account the differences in standards of living. In reality it is more a measure of inequality. For example a person who is relatively poor in a rich country usually suffers less material deprivation than someone who is living in a country with low overall living standards. In these countries poverty can be more extreme, you are more likely to lack basic necessities and survival can be more of a struggle, but because the general living standards are lower in these countries, there may be less relative poverty i.e. less difference between the "poor" and the living standards of everybody else. This can lead to misunderstandings about the extent of poverty and run the risk of underplaying the severity of the poverty suffered by some groups, particularly in some new Member States. Of course, the worst situation is to be found in those EU countries with both a low overall standard of living and a high level of relative poverty. In order to take account of the different economic situation in different Member States, when the EU list of commonly agreed indicators for social inclusion were endorsed by the 2001 Laeken European Council, it was emphasised that the value of the at-risk-of-poverty threshold should always accompany the indicator of those at risk of poverty i.e. what it means in monetary terms - purchasing power in terms of Euros.

How poverty is measured

Living below the poverty line

Within the EU poverty is normally measured by using **relative income poverty lines**.

This involves working out average or median equalised² household incomes in a country.³ A poverty line is then set which is a percentage of that average income. Commonly these poverty lines range from 40-

2/ Household income is "equalised" in order to take account of the differing needs of households of different size and composition so as to better reflect household living standards. Thus equalised median income is defined as the household's total disposable income divided by its "equivalent size" to take

account of the size and composition of the household and is attributed to each household member (including children). For instance the OECD modified equivalence scale assigns a value of 1 to the first adult in the household, 0.5 to each other adult and 0.3 to each child below the age of 14.

70% of household income. This gives one an overall picture of the risk of poverty rate but the figures can also be broken down by age, gender, household type and employment status to give a more detailed picture of who is at greatest risk. This means that one can examine the particular situation of specific groups such as children or older people or the unemployed. In the EU people falling below 60% of median income are said to be “**at-risk-of poverty**”.

One of the limitations of a relative income poverty line is that choosing a cut off point is a rather arbitrary process. It tells us what proportion of people are poor but does not sufficiently take into account other factors that affect people’s situations such as how far below the poverty threshold they are or the length of time they have been poor.

Measuring the **poverty gap** can help to assess how poor people falling below a poverty threshold actually are, that is the **intensity** of poverty. The poverty gap measures the distance between the (median equivalised) income of people living below the poverty threshold and the value of that poverty threshold in terms of purchasing power...

Length of time living in poverty

Generally people who have been below an “at-risk-of poverty” line for several years are likely to be in a more extreme situation than

those who are only in such a situation for a short time. It is thus also important to measure the length of time that people are living in poverty i.e. the **duration and persistence** of poverty. However, at present at EU level and also in many countries, data do not exist covering several consecutive years and this thus limits the possibility to measure those who are longer term below the relative income poverty line and thus likely to be in a worse situation. Such data should become available for the EU from 2010.

Poverty is not just about income

Measuring only relative income poverty captures just part of the picture and does not fully describe the complexity of poverty. It is also important to measure other things that capture the multi-dimensional nature of poverty. These include things such as the level of indebtedness, the level of unemployment and joblessness, the extent of poor health or educational disadvantage, the

number of people living in inadequate housing and poor environmental conditions and the extent to which people have inadequate access to public services. Most EAPN networks consider that more work needs to be done to capture the diverse reality of poverty from the perspective of those suffering from it, as part of the EU’s Open Method of Coordination process on Social Inclusion.



3/ Household income is the money available to spend within a household taking into account how many adults and children

are included. Median is the middle point of the income range from the lowest to the highest income.



Social benefits drastically reduce poverty

When measuring poverty it is interesting to look at levels of poverty before and after income transfers through a country's social welfare system as this gives an indication of the effectiveness of a country's system of redistribution. In the EU Member States the risk of poverty rate would be considerably higher than it is in reality if there were no social transfers. In the most generous and efficient systems the poverty rate is reduced by social transfers by 50% or more whereas in the least efficient the rate is reduced by only 20% or less.

Measuring deprivation

Deprivation indicators are another important approach to measuring relative poverty. These are an attempt to move beyond just monetary indicators and to take better into account the actual standard of living that people enjoy. Essentially the approach involves identifying goods or activities which are seen as basic necessities in the country someone is living. These can be things such as having new and not second hand clothes, adequate shoes, a meal with meat or fish once every two days, adequate heating, a television, being able to go to the pub or a social outing with friends once a week, having an annual holiday and so on. In some countries poverty is measured by combining relative income lines with deprivation indicators.

Other methods

Other ways to measure poverty include:

- the **Budget Standard Approach** where poverty is calculated based on the cost of a specific basket of goods and services (i.e. covering things like food, clothing, personal care, health related costs, household goods and services, educational costs, housing, transport, fuel etc.) that are considered by experts or by society in general to represent a basic standard of living;
- the **Food Ratio Method** where the poor are distinguished from the non-poor by how much of their income they spend on basic necessities such as food, clothes and shelter – generally research has shown that people on low incomes have to spend a higher proportion of their incomes on basic necessities leaving almost nothing for participating in normal social, recreational and cultural activities.
- the **United Nations Poverty Index** which combines measures such as life expectancy, literacy, long-term unemployment and relative income into a single composite measure. Read more at <http://hdr.undp.org/hdr2006/statistics/indices/default.cfm>
- the **UNICEF Report Card on Child Well-Being** which moves beyond just income poverty and combines indicators of material well-being, health and safety, educational well-being, family and peer relationships, behaviours and risk and subjective well-being. Read more at www.unicef-irc.org/publications/pdf/rc7_eng.pdf

SOME KEY ISSUES

Box 4

*The use of equivalised household income, runs the danger of **under-representing the situation of women or dependent adults** within the household, as assumptions are made that income is equally distributed within the household i.e. that each partner in the family has access to the same amount of money. Women's generally lower income is often hidden, which is the more serious when they often have the direct responsibility for the expenditure on children or other dependents.*

*Overall national and European data on relative income poverty (the at-risk-of-poverty line) do not identify some key **groups at very high risk** such as people living in institutions, homeless people and other difficult-to-reach groups such as black and minority ethnic people or migrants and asylum seekers. Thus more focussed research is needed on these groups.*

*A problem with relative deprivation indicators at European level is that what are considered **basic necessities varies from country to country** depending on the overall level of wealth. Also, what are seen as necessities varies as countries become richer. Other factors such as climate or cultural and social patterns can make a difference as to what is considered a necessity from country to country or indeed from rural to urban region. For example having a warm overcoat can be a necessity in one country but not another. This makes it difficult to establish comparisons between countries on the basis of deprivation indicators.*



Key facts and trends

The picture of poverty across the EU⁴

The most recent data available (2007) show that 16% of the EU population, that is about 79 million people, are at-risk-of poverty⁵. However there is a wide difference between Member States: for instance, between 10% and 12% of the population are at risk in the Czech Republic, Netherlands, Slovakia, Sweden, Austria, Denmark, Hungary and Slovenia and Hungary whereas between 19% and 21% are at risk in Estonia, Lithuania, Romania, United Kingdom, Greece, Italy, Latvia and Spain and Latvia.

Children (0-17) have a high rate of poverty at 19%. One parent households and those with dependent children have the highest poverty risk. For single parents with dependent children the risk is 34%. Other age groups with high risk are young people (18-24) at 20% and older people (65+) at 19% with older women at much higher risk than men (22% compared to 16%). Of course, as highlighted earlier, these figures do not include some of those in the most extreme situations such as some minority ethnic groups, especially the Roma, immigrants, undocumented migrants, the homeless, people living in or leaving institutions, etc.

In most but not all Member States where poverty affects a large share of the popu-

^{4/} The most recently available data precedes the recent economic and financial crisis and thus does not take account of factors such as the rapid rise in unemployment in many Member States. An important challenge over the next period will be to monitor closely the impact of the crisis on poverty and social exclusion.

^{5/} The most up to date EU figures on poverty can be found on the EUROSTAT web site at http://epp.eurostat.ec.europa.eu/portal/page?_pageid=0,1136184,0_45572595&_dad=portal&_schema=PORTAL. Recent data on poverty can also be found in the annual Joint Reports on Social Protection and Social Inclusion and supporting documents on the Commission web-site at http://ec.europa.eu/employment_social/spsi/joint_reports_en.htm. The figures in this explainer are taken from the Eurostat tables as of January 2009.

lation, it also tends to be more severe. The depth or severity of poverty (i.e. how far below the at-risk-of-poverty threshold the income of people at risk of poverty is) for the EU as a whole (2005) is 22% but this ranges from as low as 14% in Finland to as high as 26% in Greece and Lithuania.

Unemployment is a key factor in people being at risk of poverty. 42% of people who are unemployed are at risk of poverty compared to 8% of those at work, 17% of retired people and 24% not at work. On the other hand, if one considers the overall breakdown of people over 16 who are at-risk-of-poverty more of them are either at work (27%), retired (25%) or otherwise inactive (35%) than actually unemployed (14%). The at-risk-of-poverty rate for those in work in the EU is 8%. Thus, while a job is a key route out of poverty not all jobs pay enough to actually lift someone out of poverty.

Is poverty decreasing?

Given the commitment by the EU to eradicate poverty by 2010, most people want to know if poverty has been decreasing. However, it is not possible with current data to be very specific about recent trends over time in poverty. The most recent EU comparable data (2007) is based on a relatively new data source, EU SILC. This shows that the percentage of people at risk of poverty in 2007 (16%) was the same as in 2005. For technical reasons EU SILC data is not directly comparable with surveys undertaken before 2005. However the current overall figure for the percentage of people-at-risk-of-poverty (16%) is not very different for that for the older Member States over the previous decade (17% -1995; 16% - 1997; 15% - 1999; 15% 2001) or for the EU as a whole (15% - 2002). Thus it is reasonable to assume that over the EU as a whole the level of poverty has remained fairly constant, though there may have been significant changes within some countries, particularly in the composition of poverty, i.e. which groups are poor.



SOME KEY ISSUES AND PROBLEMS

Box 5

The real value of the poverty threshold

*Current methods of measuring poverty can hide significant differences in real deprivation levels between member states unless the actual **value** of the poverty threshold is taken into account. That is, when you look at how much money somebody has to live on if they are on the poverty line in different countries (the at-risk-of-poverty threshold) the differences, particularly between old and new member states, can be stark. For instance a single person on the poverty line in Lithuania, Latvia, Poland only gets between 1,96666 and 2,101 euros annually compared to between 12,572 and 17,929 euros in the United Kingdom, Ireland, Denmark and Luxembourg. Single people in Bulgaria, Romania, Lithuania, Latvia and Poland who are at-risk-of-poverty live on less than six euros a day.*

INEQUALITY

What it is

Unlike poverty, which concentrates on the situation of those at the bottom of society, inequality shows how resources are distributed across the whole society. This gives a picture of the difference between average income, and what poor and rich people earn, and highlights how well different Member States redistribute or share the income they produce.

Data on inequality is vital when considering poverty, as the overall distribution of resources in a country affects the extent and depth of poverty. This is particularly important when the debate at EU level is generally focussed on relative poverty and where the poverty levels are calculated in relation to average incomes. Generally countries with high levels of inequality are also likely to have high levels of poverty and those with lower levels of inequality are likely to have lower levels of poverty. This shows that the problem of poverty is fundamentally linked to the issue of how resources are distributed and redistributed in a country.

How it is measured

Income inequality in the EU is normally measured in two ways: the S80/S20 ratio and the Gini coefficient. Both these measures can be difficult to understand and have some basic limitations in terms of capturing an accurate picture on inequality.

The S80/S20 ratio is the ratio of the total income received by the 20% of the country's population with the highest income to that received by the 20% of the country's population with the lowest income. The higher the ratio the greater the inequality.

The **Gini coefficient** is a way of measuring the inequality of distribution of income in a country. It takes account of the full income distribution whereas the S80/S20 ratio only looks at the top and bottom. It is a technical formula which identifies the relationship of cumulative shares of the population arranged according to the level of income, to the cumulative share of the total amount received by them. If there were perfect equality (i.e. if each person received the same income), this coefficient would be 0%. If the entire national income were in the hands of only one person then the coefficient would be 100%. The higher the coefficient - the greater the inequality in the distribution of income in a country. You can read more about the technical aspects of the Gini coefficient in Wikipedia at: http://en.wikipedia.org/wiki/Gini_coefficient.

SOME KEY ISSUES

Box 6

Poverty and Wealth have to be studied together. *In the EU inequality is studied by looking at the distribution of income. However, this is only part of the picture. Another key element in inequality is the study of wealth: where it comes from, who has it, and how society redistributes it. An important area is the extent to which people own capital and assets of one sort or another – for example, property, shares and investments. However, there is a lack of comparable data across Europe on ownership of capital and assets. Unfortunately depending on income distribution only gives a partial picture and may well lead to a significant underestimation of inequality in some Member States (See EAPN Wealth Explainer).*



Key facts and trends

There is a considerable diversity within the EU in the degree of income inequality, measured by the ratio of the income share of the top 20% to that of the bottom 20%. The ratio for the EU25 as a whole is 4.8 (2007) but this varies from 3.3 up to 6.53. Slovenia, Sweden, Bulgaria, Czech Republic, Slovakia, Denmark, Finland and Hungary have the lowest inequality ranging between 3.3 and 3.7 while the highest inequality is to be found in Estonia, Italy, United Kingdom, Lithuania, Latvia,

Greece and Portugal ranging from 5.5 up to 6.53. Overall inequality has increased significantly since 2000 when the EU ratio was 4.5.

The Gini coefficient shows a similar ranking pattern to the S80/S20 ratio. The overall EU figure (2007) is 30, an increase from 29 in 2000. The lowest inequality is in Slovenia, Sweden, Slovakia, Czech Republic and Denmark (23 to 25) and the highest is in United Kingdom, Lithuania, Greece, Latvia and Portugal, Greece, United Kingdom (33 to 37).

CAUSES OF POVERTY AND INEQUALITY

Some people imagine that in a rich region like the EU no one can be poor or if they are it must be the result of some personal failings or problems. However, this is not the case. **The overall persistent high level of poverty in the EU suggest that poverty is primarily the consequence of the way society is organised and resources are allocated**, whether these are financial or other resources such as access to housing, health and social services, education and other economic, social and cultural services. Indeed, the fact that there are very different levels of poverty in different Member States demonstrates clearly that different approaches to allocating resources and opportunities leads to different outcomes. **The least unequal societies in Europe tend to have the lowest levels of poverty.** This is primarily because these Governments chooses to give priority to ensuring adequate minimum income levels and ensuring good access to services, through the social protection system and through guaranteeing minimum wage levels. They are usually the most effective at redistributing wealth through the tax and other systems. This means that the decisions over how to eradicate poverty in the end are political choices about the kind of society we want.

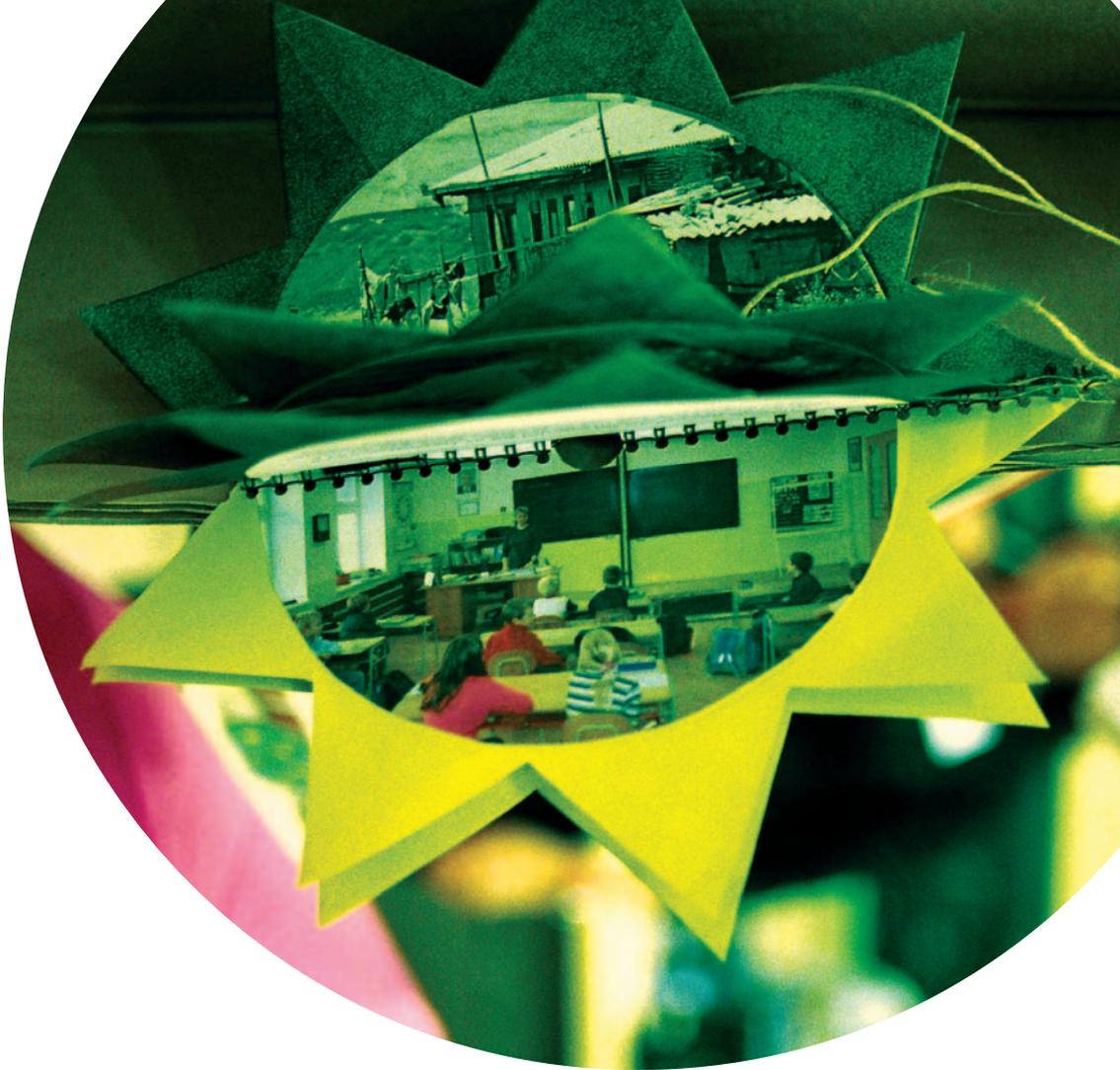
Key factors

In terms of individuals, some key factors are seen as making a person more “at risk” of being in poverty such as:

- **unemployment or having a poor quality (i.e. low paid or precarious) job** as this limits access to a decent income and cuts people off from social networks;

- **low levels of education and skills** because this limits people’s ability to access decent jobs to develop themselves and participate fully in society;
- **the size and type of family** i.e. large families and lone parent families tend to be at greater risk of poverty because they have higher costs, lower incomes and more difficulty in gaining well paid employment;
- **gender** - women are generally at higher risk of poverty than men as they are less likely to be in paid employment, tend to have lower pensions, are more involved in unpaid caring responsibilities and when they are in work, are frequently paid less ;
- **disability or ill-health** because this limits ability to access employment and also leads to increased day to day costs;
- **being a member of minority ethnic groups** such as the Roma and **immigrants/undocumented migrants** as they suffer particularly from discrimination and racism and thus have less chance to access employment, often are forced to live in worse physical environments and have poorer access to essential services;
- **living in a remote or very disadvantaged community** where access to services is worse.

All these factors create additional barriers and difficulties, but should be seen within the overall structural context of how a particular country chooses to distribute wealth and tackle inequality.



KEY SOURCES OF INFORMATION AND DATA

EU-SILC: The main source for comparable annual data on the level and composition of poverty and inequality in the EU is *Community Statistics on Income and Living Conditions (EU-SILC)*. This has replaced the European Community Household Panel. The results can be found on the Eurostat web site at: http://epp.eurostat.ec.europa.eu/portal/page?_pageid=0,1136184,0_45572595&_dad=portal&_schema=PORTAL.

Eurostat is the official statistical data office of the EU and in addition to EU-SILC has a lot of relevant data pertaining to issues of poverty and inequality. The web site's home page can be found at: http://epp.eurostat.ec.europa.eu/portal/page?_pageid=1090,30070682,1090_33076576&_dad=portal&_schema=PORTAL. In addition Eurostat produces a number of relevant publications such as the *Statistics in Focus* bulletin, the annual *Social Situation in the European Union* and various sectoral publications.

DG Employment, Social Affairs and Equal Opportunities produces valuable analyses of data on poverty and social exclusion as part of the EU social inclusion process. In particular Commission Staff Working Documents produced as supporting documents for the annual Joint Report on Social Protection and Social Inclusion contain important analyses and accompanying tables. These can be found on the DG's social inclusion web site at: http://ec.europa.eu/employment_social/social_inclusion/jrep_en.htm.

Also on this web site one can find important research reports on different aspects of poverty and social exclusion in the EU. These include studies commissioned by the European Commission: <http://ec.europa.eu/>

[employment_social/social_inclusion/studies_en.htm](http://ec.europa.eu/employment_social/social_inclusion/studies_en.htm)) and reports prepared by the network of independent experts on social inclusion who advise the European Commission (http://ec.europa.eu/employment_social/social_inclusion/naps_rep_en.htm).

European Networks: EAPN, produces regular reports, briefings and tool kits on poverty and social exclusion EU, reflecting the work carried out by its national networks www.eapn.eu. In addition to EAPN there are a number of key European-level networks of organisations involved in the fight against poverty and social exclusion which prepare important reports and information briefings on particular aspects of poverty and social exclusion. These include **AGE** (The Older People's Platform - www.age-platform.org); **CARITAS EUROPA** (a network of Catholic relief, development and social service organisations - www.caritas-europa.org); **EU-ROCHILD** (a network of organisations and individuals working in and across Europe to improve the quality of life of children and young people - www.eurochild.org); **FEANTSA** (the European Federation of National Organisations working with the Homeless - www.feantsa.org); **ATD QUART MONDE** (International Movement ATD Fourth World - www.atd-quartmonde.org). More European networks can be found in EAPN's membership list, on the European Commission's social inclusion website http://ec.europa.eu/employment_social/social_inclusion/networks_en.htm) and the **SOCIAL PLATFORM's** web site (The **Platform of European Social NGOs** - www.socialplatform.org).

European Foundation: The European Foundation for the Improvement of Living

and Working Conditions is an EU body that conducts a number of surveys on employment and social conditions in EU countries. Among its regular surveys are the *European Quality of Life Survey*, the *European Working Conditions Survey* and the *European Survey on Working Time and Work-Life Balance*. More information and results from these surveys can be found on its web site at www.euro-found.europa.eu/index.htm.

OECD: The Organisation for Economic Cooperation and Development provides important comparative statistics and reports on social protection and related matters. More information can be found on its web site at www.oecd.org/topicstatsportal/0,2647,en_2825_497118_1_1_1_1,00.html.

UNICEF: The UNICEF Innocenti Research Centre in Florence produces important reports on child poverty including its recent report *An overview of child well-being in rich countries*. More information can be found on its web site at www.unicef.org/irc.

UNDP: The United Nations Development Programme publishes an annual *Human Development Report* which produces a Human Development Index, a composite index of quality of life and standard of living indicators. For more information, go to <http://hdr.undp.org/>. The UNDP's regional office for Europe and the Commonwealth of Independent States also produces important statistics and reports on pov-

erty in its region (http://europeandcis.undp.org/?menu=p_practice&FocusAreald=1).

Indicators: Important information and the result of discussions on indicators to measure poverty and social exclusion can be found on the web site of the Indicator's Sub Group of the EU's Social Protection Committee (http://ec.europa.eu/employment_social/social_protection_committee/spc_indic_en.htm#intro). Another very detailed and useful discussion on indicators and statistics in the EU's social inclusion process can be found in *The EU and Social Inclusion: Facing the challenges* by E. Marlier et al (The Policy Press, 2007).





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EUROPEAN ANTI POVERTY NETWORK