

Poverty in Europe – a real and urgent challenge

What is it like to live in poverty inside the European Union (EU)? 79 million people currently face that harsh reality. Some of them can't afford to keep warm in winter or to get treatment when they are ill. Some can't pay for their children's school meals. Some don't even have a roof to sleep under.

The current financial and economic crisis means that six million Europeans may lose their jobs by 2010. For the most vulnerable people, the prospects are worse than ever.

The European Union wants to ensure a decent life for its worst-off citizens – and to stop others from sliding into poverty. It sees this as a moral, social and economic priority.

In March 2000, European heads of state and government pledged to make 'a decisive impact on the eradication of poverty' by 2010. Europe must rise to this challenge and Member States must step up their efforts. It is the Member States that decide the measures to be taken on this, but the European Union also has a key role to play in guiding, encouraging and supporting their efforts.



79 million living in poverty in Europe

Unlike in some parts of the world, nobody in the European Union dies of hunger anymore. But that doesn't mean that poverty has disappeared.

- 23.5 million Europeans live on less than 10 euro a day.
- One European in every five lives in bad housing conditions.
- More than 9% of Europeans live in households where nobody has a job.

All in all, 79 million people in the EU are faced with poverty. That's 16% of the population. And the percentage hasn't gone down over the past ten years.

But the picture varies greatly from one Member State to another. In the Czech Republic and the Netherlands, 10% of the population are living beneath the poverty threshold, while the corresponding figure for Greece is 21%, and for Latvia it's 23%. In five Member States, between 20% and 40% of the population can't afford to eat a balanced meal at least every other day.

And for poor people too, the standard of living varies widely across the European Union. In the richer countries, it's 3.5 times higher than in the poorer ones.

Measuring poverty

The European Union has adopted a relative definition of poverty. That means it's linked to the standard of living in each country. In money terms, **the poverty threshold is set at 60% of average national income**. So in Poland, the monthly income of people at risk of poverty is less than 200 euro. But in the United Kingdom and Finland, it's 900 euro.

This measure of poverty is now backed up by an assessment of 'poverty of living conditions', which helps to better reflect the differences in living standards in the EU countries.



The different faces of poverty

While poverty threatens 16% of the European population as a whole, the rate is higher for some specific groups. Children and older people are the prime victims of poverty.

19 million children are living in poverty in the European Union. That's 19% of the EU's children. Usually, it's because their parents are out of work or only have casual jobs. In some countries, weak social assistance structures are another reason. One-parent families are particularly vulnerable, as 32% of them are at risk of poverty.

Older people are affected to the same extent (19%). This situation is particularly sensitive in the United Kingdom, Spain and the Baltic countries where the rate reaches 25%.

Women (17%), and particularly single women (25%), are more affected than men (15%).

And jobless people are particularly vulnerable. 41% of them live below the poverty threshold. Social benefits (such as family allowances, unemployment benefit and housing subsidies) do reduce the risk of poverty, but a household that depends on benefits alone will rarely achieve anything like a decent standard of living.

Poverty shuts you out

Being poor isn't just having too little money. It's also not asking friends round to dinner, not going to the cinema and not giving your children a book or a box of paints. Being poor is feeling different and out of place in the society around you. So **poverty isn't just economic, it's also social**.



A job doesn't always stop you from being poor

First and foremost, poverty hits unemployed people. But a job is not a rock-solid guarantee against poverty. More and more people in paid employment are joining the ranks of the 'working poor'. They make up 8% of workers in the European Union. Greece (13%) and Poland (14%) have the highest proportion of working poor. At the other end of the scale, the figure is no more than 4% in the Netherlands, Finland and Denmark.

Low pay, low qualifications, precarious employment and involuntary part-time working are the underlying causes of working poverty. The employment status of a person's partner is another important factor. In households with children, for instance, just one breadwinner is often no longer enough to keep a family out of poverty.

Decent work for all

The EU's action doesn't stop at its borders. In its relations with third countries and in cooperation with the United Nations, it is seeking to strengthen the social dimension of globalisation. This is about 'giving all men and women real opportunities to access decent, productive work in conditions of freedom, equity, safety and human dignity'.



Why fight poverty?

Although Europe is one of the world's richest regions, a significant part of its population do not have the resources they need for a decent life. That state of affairs is in marked contrast to the basic values of the European Union – solidarity, justice and social cohesion. Europeans are particularly attached to these three values. A 2007 Eurobarometer poll showed that 37% of them rank social equality and solidarity among the three most important values to be maintained and strengthened in society today.

Fighting poverty is also an economic priority. A dynamic economy and a socially just economy are perfectly compatible. After all, we must have economic growth if we're going to fund social assistance. But at the same time, providing jobs for those who have so far been excluded, and reintegrating them into society, will help to boost the European Union's economic development.

2010 – European Year for Combating Poverty and Social Exclusion

If the fight against poverty is to reach the decisive stage, everyone at all levels must be involved in and committed to action. That's why the EU decided to make 2010 the European Year for Combating Poverty and Social Exclusion. Many events will be held across Europe calling for the recognition of everyone's basic right to live in dignity and be able to take an active part in society.



What is the European Union's role?

Social policy is a matter for Member States. They are the ones who decide on the measures to be taken to combat poverty and social exclusion. But national governments are increasingly aware that it is useful to coordinate their policies at the European level. This is reflected in the Treaty of Amsterdam (1997), which makes the fight against social exclusion a specific aim of EU social policy. That fight has been carried into the field of action of the European Community, which 'supports and complements the action of the Member States'.

Concretely, the European Union intervenes in several ways:

- coordination: it guides, encourages and assesses the Member States' national policies;
- mutual learning: it enables local or national administrations and associations to share their experiences and learn from each other;
- financial support: it contributes to the integration of people who are in difficulty and it promotes mutual learning initiatives.

But poverty can't be countered through social policy alone. That's why the European Union makes sure that social objectives are taken into account across the whole range of public policies that can have an impact on poverty and exclusion – such as employment and housing policies.

The European Social Fund

The European Social Fund is the main financial instrument of European social policy. Of the 76 billion euro in the budget for 2007-2013, 20% are devoted to social inclusion, mainly helping disadvantaged people to find lasting employment.



European strategy to combat poverty and social exclusion

There's no one-size-fits-all European solution to poverty and social exclusion. But there is a need to act jointly and swap expertise. That's the main idea underlying the European strategy to combat poverty.

The strategy took shape in March 2000. When they pledged to make 'a decisive impact on the eradication of poverty', the European heads of state and government also agreed on a novel political cooperation framework called the Open Method of Coordination (OMC). In effect, they laid down objectives that they have set out to achieve through, notably, mutual learning. Their action is assessed annually by the European Commission.

- By asking the Member States to draw up programmes to combat poverty, the European Union stimulates them to give greater importance to this issue.
- By assessing the results and progress of the policies, it encourages the Member States to adjust and strengthen their measures.
- By enabling the Member States to learn from each other, it prompts them to seek better solutions for achieving social progress.

National social inclusion strategies

Every year, the Member States report back on their social inclusion strategies. The Commission and the Council jointly assess the progress made, set key priorities and identify good practice and innovative approaches that could serve as examples for other States.

Child poverty – breaking the vicious circle

19% of children in the European Union live in poverty and deprivation. These children are less likely to succeed at school, to be healthy and to find a job later on. They risk being caught up in a vicious circle, which ultimately carries the problem over from one generation to the next. That's why the EU and its Member States have made the fight against child poverty a key priority.

Recent European-level studies have produced in-depth analysis of the problem, and this should help to prevent and combat it more successfully. What emerges quite clearly is that the most effective policies for tackling child poverty are those that combine back-to-work measures for the parents with minimum income mechanisms for families and better access to key services (such as childcare, education, housing and healthcare). Also, the countries that achieve the best results are those which combine universal benefits for all families with targeted measures for the most vulnerable.

Today, 22 EU States have set themselves precise objectives and most of the governments have provided for strengthened action to tackle the various facets of child poverty.

Heading towards active inclusion

As people in situations of poverty and exclusion generally face a whole series of difficulties (including joblessness, a lack of qualifications, health problems and housing issues), the European Union has, since 2006, focussed on the pursuit of an overall strategy called 'social inclusion'. This is all about strengthening the links between income support, labour insertion and access to social services of general interest.

Although most of the Member States have many support mechanisms, these do not always manage to reach those in need and bring them out of poverty.

To give fresh impetus to this strategy, in October 2008 the Commission proposed that the Member States adopt common objectives aimed at strengthening the coordination of their policies for those furthest from the labour market. Concretely, this means that States must define policies to get the maximum possible number of people back into employment, while ensuring that those who do not manage to get a job have sufficient resources for a decent life. It's all a matter of finding the right incentives and the right mix.

Better integration of migrants

Migrants are more at risk of marginalisation and social inclusion than citizens of the European Union. Joblessness, health and education are all fields in which inequalities between migrants and nationals persist. Employment is a particularly clear case in point. Work is one of the best ways of keeping out of poverty. Yet in many countries, such as Germany, France, the United Kingdom, Belgium, Sweden and Denmark, the employment rate among migrants is between 6% and 16% lower than for nationals.

Recent studies of migrants' social situation show that policies aimed at improving their integration into society must go beyond mere reception policies. A broad definition of integration should make it possible to tackle inequality on all fronts – housing, social protection, education, training and discrimination.

Since 2006, Member States have made the integration of migrants one of the priorities of their national strategies to combat poverty and exclusion. They are making more effort to coordinate their integration policies with anti-discrimination measures. The European Social Fund has also earmarked a specific budget of more than a billion euro to increase migrants' participation in the labour market.

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