



The Inclusive City

Approaches to combat urban poverty and social exclusion in Europe



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Table of content

Executive Summary	4
Introduction	8
1. Poverty: definition and measures, causes and effects	10
1.1 What about poverty?	10
1.2 Groups at highest risk of poverty	14
2. The urban dimension of poverty	17
2.1 General changes	19
2.2 Poverty within cities: deprived neighbourhoods	22
3. Key issues of urban poverty and their spatial dimension	25
3.1 Employment and the rise of a new underclass?	25
3.2 Education	30
3.3 Health	34
3.4 Housing	37
3.5 Participation	39
4. Multi-level governance to combat urban poverty: policy trends and responses	42
4.1 The context for developing anti-poverty policies.....	42
4.2 Multilevel governance: a solution?	44
5. Conclusion and Policy recommendations	50
5.1 Conclusions	50
5.2 Policy recommendations	52
Annex A: The link between poverty and migration	59
Poverty and en mobility: the sending regions' perspective	59
Poverty and en mobility: receiving regions' perspective	60
Annex B: Practice examples	64
Introduction	65
European governance Level	66
Fund for European Aid to the Most Deprived	66
National governance level	68
Experts by Experience in poverty and social exclusion	68
microStart - An innovative player working to promote social cohesion	71
National Policy for French Cities	74



Regional and Local Level.....	77
Re-Activate Athens - 101 ideas for the revitalisation of central Athens	77
RE-BLOCK - Reviving high-rise Blocks for cohesive and green neighbourhoods	83
OstWerkStadt - strengthen the local economy by creating jobs.....	86
The Whole Family (Hela Familjen) – A holistic approach for families	89
Second Life - Giving away second hand items creates jobs for the disadvantaged	91
Reverse Scholarships and supporting Education – helping disadvantaged children stay in school	94
National Programme Rotterdam South (Nationaal Programma Rotterdam Zuid, NPRZ)	96
Domicil’Enfance - Flexible childcare for families with irregular jobs.....	97
Supporting People Programme and Whole System approach toolkit – an holistic approach to housing problems in Birmingham	100
“Gezond Geweten”: Healthcare programme in The Hague’s deprived areas.....	102
Conclusion.....	105



Executive Summary

Cities have always been a combination of centres of opportunities and concentrations of social problems. This combination confronts cities with important challenges, three of which are discussed in this report: Is it possible to develop policies and strategies that, while promoting the cities' creativity and economic dynamism, are efficient in treating its social problems of poverty and social exclusion? How to combat poverty and other forms of social exclusion that threaten the social cohesion that cities need to survive? Is it possible to develop an integrated approach to combat urban poverty and social exclusion according to the principles of 'good urban governance', integrating spatial, economic, and social dimensions of urban development, and multilevel governance where needed ?

Chapter 1 deals with the definition and measurement of poverty. In the past, the dominant measure for poverty was in terms of income. Since then, the income dimension has been complemented with or replaced by a multidimensional approach. This is more in line with the major feature of poverty as an accumulation of interrelated forms of exclusion and inequality. Nowadays in the EU the income definition is regularly complemented by measures of material deprivation. The materially deprived are those households that score 'badly' on at least three of nine items, and 'severe' material deprivation is when they score on four or more items. According to the Europe 2020 Strategy, the risk of poverty and social exclusion should be measured by the AROPE rate. This rate refers to the people at risk of poverty or social exclusion which means that they meet at least one of the following three conditions: (1) at-risk-of-poverty (AROP, the income poverty-line), (2) severely materially deprived (SMD), and/or (3) living in a household with very low work intensity (LWI).

In 2012, one in four European citizens, 124 million people was at risk of poverty or social exclusion; an increase of 10 million compared to 2009. The EU has thus drifted further away from its Europe 2020 target – 96.4 million people in poverty by 2020 – and there is no sign of rapid progress. There are major differences in AROPE rates between and within European countries, ranging from 49.3% of the population at risk of poverty and social exclusion (Bulgaria) to 15.0% (the Netherlands) in 2012. The crisis has increased the share of the population at risk of poverty or exclusion in certain Member States, resulting in increases in severe material deprivation and in the share of jobless households.

There are major differences in poverty between and within European countries. Across the EU, about the same population groups are at greater risk of poverty and social exclusion: women, young adults, single-parent families, people with at most lower secondary educational attainment, the unemployed, foreign citizens and some other vulnerable groups including the Roma.

Chapter 2 focuses on the urban dimension of poverty. Besides social differences, poverty creates spatial differences: regional differences between member states, as well as spatial differences within member states and within cities. The crisis has further intensified the concentration of poverty and social exclusion in cities, especially in Western Europe. In 2011, people living in cities in the EU-15 were at greater risk of poverty or social exclusion than those living outside cities, while the opposite is true in the EU-12. The AROPE (at risk of poverty and social exclusion) rate increased between 2008



and 2011 by 1 percentage point in European cities, compared to an increase of 0.5 percentage point outside cities. Due to the impact of global processes of structural economic shifts, the retreating welfare state, demographic changes and sub-urbanisation on the EU countries and cities, the labour market structure has become unfavourable to lower skilled workers, jobs have become more precarious, wages keep declining and social protection schemes are being hollowed out.

Poverty tends to cluster in certain urban neighbourhoods, through a number of selection and causation processes. In the selection process, an important role is played by the functioning of the housing market, both with respect to social housing and private housing. In the causation process, a concentration of poverty in turn exacerbates the effects of poverty, a phenomenon that is indicated by neighbourhood effects. The causal pathways behind these effects are linked with the social composition, the infrastructure level and the location of the neighbourhood. These mechanisms indicate that such a concentration of poverty calls for a multilevel integrated spatial approach.

Chapter 3 presents some data and explanations on the key thematic issues of poverty and their urban and spatial aspects: employment, education, health, housing and social and political participation. Inequalities are increasing in all these domains, because these domains are very much connected. This is what constitutes the essence of poverty: the interconnectedness of these inequalities leads to a vicious circle of poverty that is structural and that becomes very visible at the spatially concentrated levels of cities and neighbourhoods.

The section on **employment** presents data on increasing unemployment and long-term unemployment rates across the EU due to the crisis. But even more threatening are the high levels of youth unemployment and the rising NEET rates (neither in employment, education or training). Although work is the most important source of income for most, having a job is no guarantee of escaping poverty. Indeed, 9.5% of the EU workforce (aged 18 and over) is 'working poor', and the majority of them are living and working in cities.

The section on **education** underlines that the risk of poverty decreases as a person's level of education increases. The place one lives in Europe strongly influences one's educational opportunities and further prospects in life. In recent years attention is paid to the spatial patterning of education resources and its effect. An important factor is the extent of selection and social and ethnic segregation between schools. In order to address these spatial inequalities some governments target more resources towards schools in disadvantaged areas. However these interventions are unlikely to be wholly transformative because of the wider structural influences.

The average level of **health** in the EU has improved over the last decade, but differences in health between people living in different parts of the EU, and between the most advantaged and most disadvantaged sections of the population, remain substantial. Poverty, health and deprived neighbourhoods are closely connected. When looking at the local level, variations in health outcomes and health related behaviour can be explained by several contextual factors, such as neighbourhood characteristics as well as environmental influences (pollution) that are more common in poor areas.



In matters of **housing**, there is discussion about the ‘causal’ relationship. Does poverty affect housing circumstances or do housing circumstances affect poverty? Evidence rather supports the first hypothesis, without however shutting out the second one. Housing costs have the most important and direct impact on poverty, in terms of income or of material deprivation. Homelessness is a phenomenon that links extreme social exclusion with the spatial context. Although in numbers it is not as important as poverty, it is a kind of warning that society is moving in a wrong direction. Empirical evidence shows that homelessness is more likely to be temporary than permanent; this directed attention to routes out of homelessness.

Poverty is closely related to a lack of **participation** in society and in decision-making. Research shows that political disengagement and social exclusion consolidate and drive each other. Social participation is the process of taking part in different spheres of life. There is evidence that people with low incomes score lower on dimensions of social participation in terms of social relationships, membership of organisations and trust in other people.

Chapter 4 discusses policy-relevant insights for developing anti-poverty policies. It starts with describing the changing context for developing effective policies. The retreating welfare state due to globalisation processes, the devolution to the local level in search for new governance regimes and the changing role of civil society are important developments for both understanding the present responses to (urban) poverty, as for developing effective policies.

Next, the chapter provides insights into the various multilevel government approaches to combat poverty. Multilevel urban governance can be defined as an arrangement for making binding decisions that engages a multiplicity of politically independent but otherwise interdependent actors at different levels of territorial aggregation in continuous negotiation, deliberation and implementation, without asserting a stable hierarchy of political authority to any levels. In EU strategies and frameworks to promote anti-poverty policies, ideas of good governance and multi-level governance have received much attention, starting with the ‘Leipzig Charter on Sustainable European cities’ (2007). The Europe 2020 Strategy constitutes the first European policy document to set a European target to reduce poverty and social exclusion. The Social Investment Package (SIP), a series of non-binding documents adopted by the European Commission in 2013, offers guidance on how to modernise social policies and make them more effective and efficient.

A next step into the right direction of the multilevel governance of poverty is the creation (in 2010) of the European Platform against Poverty and Social Exclusion, as part of the Europe 2020 Strategy. It aims at creating a joint commitment among the Member States, EU Institutions and the key stakeholders to fight poverty and social exclusion. At the EU level, the Commission will evaluate actions and set best practices. At the National level, Member States must coordinate their policies better by taking the lead in fighting social exclusion and poverty. Although national governments and the Commission will openly communicate on the process, the absence of the local governments in the process will decrease the effectiveness of the programme.



Chapter 5 answers the main questions raised in the introduction. Challenges that cities are facing now and in the future lie beyond the powers of cities and national states, and require that all levels of government, from the local to the European level should be involved in multilevel urban governance. The number of people living in poverty is rapidly rising in Europe, and even economic growth will not immediately reduce the number of people in poverty and social exclusion.

Building on the conclusions, policy recommendations are formulated.

The most important challenge is to define and to implement the conditions under which the growth model – the core of the Europe-2020 strategy – might be realised while avoiding the almost ‘natural’ result that it further excludes persons and groups that are already in the margins of society and of cities.

The active inclusion of people excluded from the labour market requires that the Member States draw up and implement an integrated comprehensive strategy, which should be composed of the following three strands:

- sufficient income support;
- inclusive labour markets; and
- access to quality services.

Developing a smart, sustainable and inclusive European urban policy that strives to combat urban poverty and other forms of social exclusion requires specific policy measures to ensure:

- the improvement of social inclusion governance of Europe 2020 through effectively implementing the Social Investment Package,
- the delivery on active inclusion,
- the launch a strong initiative on child poverty and activating the Horizontal Social Clause of the Lisbon Treaty.

Within this general framework more targeted recommendations for combating urban poverty and social exclusion are formulated.



Introduction

The core argument of this report runs as follows. Cities have always been a combination of centres of opportunities and concentrations of social problems such as poverty, homelessness and criminality¹; at least, they have been perceived as such. Both features were, are and probably will remain, intrinsically connected. Cities and its leaders, therefore, important challenges. Two of those challenges will be discussed in more detail in this report. Do poverty and other forms of social exclusion threaten the social cohesion that cities need to survive and what are effective strategies to address these forms of social exclusion and to foster social cohesion? Is it possible to develop policies and strategies that, while promoting the cities' creativity and economic dynamism, are efficient in treating its social problems?

Those questions will become even more urgent because of the impact of several developments. First, there is the inverse relation between the level of economic development of Member States and the 'risk of poverty' in their cities. Indeed, poverty is higher in cities than in the smaller towns and in rural areas in economically more developed Member States such as Austria, Belgium, Germany, Denmark, UK, the Netherlands, Luxemburg, France and Sweden than in the other MS (*8th Progress Report on Economic, Social and Territorial Cohesion*, European Commission 2013). Since it is one of the main goals of the EU2020 strategy in particular and of the EU in general, to foster (economic) growth, we may expect that its success will at the same time increase poverty in the cities. The second development is the new dynamism that characterises European cities. Economic growth and rapid social and demographic changes are prone to increase the number of people and groups that are left behind because they do not possess the economic, social and cultural capital that is needed to catch up with those changes. The third is that poverty and related problems are in the increase in Europe in general, because of the present crisis, which has developed from an economic crisis into a societal one. Poverty imposes huge costs on society, through lost productivity and higher expenses (social benefits, health care) and through even less social cohesion. Indeed, this crisis impoverishes middle-class people, it increases the number of children who grow up in deprivation, which not only harms them in their personal development but also makes it difficult for them to contribute to society's welfare.

Combating urban forms of poverty and related forms of social exclusion therefore should be high on the political agenda at all levels: global, European, national, regional and local. The main question is then: How to integrate policies that promote the cities' creativity and economic dynamism and policies that are efficient in treating its social problems of poverty and exclusion into an effective urban strategy? Is it possible to develop an integrated approach to combat urban poverty and social

¹ See also a recent speech of Johannes Hahn, Commissioner for Regional Policy on 12.12.2013, http://europa.eu/rapid/press-release_SPEECH-13-1062_en.htm: 'Cities show concentrations of our greatest problems like unemployment and other social problems. But they are also laboratories for solutions: that is where most innovation takes place, bringing new opportunities for jobs, new technological solutions to make growth more sustainable. Cities are engines of growth – centres for research and knowhow.'



exclusion according to the principles of ‘good urban governance’, integrating spatial, economic, and social dimensions of urban development?

Europe, a most important partner in the development of such a model of ‘urban governance’ that promotes social inclusion, has started to take its responsibilities in this matter. The most visible expression of this increased interest is the renaming of DG REGIO; because ‘we believe cities have to be higher on the agenda for European and national policy makers’ (Speech of Johannes Hahn, Commissioner for Regional Policy on 12.12.2013²), it now is called DG Regional and Urban policy and has a new coordinating function within the Commission.

The city already provides a strong basis for inclusive policies as places of economic strength, innovation, connectivity and creativity, and because they offer a multitude of opportunities for upward social mobility and to stimulate self-realisation, empowerment and participation of the urban dwellers (UN Habitat, sd). This strength of cities therefore should be taken into account to realise Europe 2020 Strategy’s goals of ‘*smart, sustainable and inclusive growth*’. Indeed, the adjective ‘inclusive’ refers to the creation of a context that at the same time advances equal opportunities for participants and economic growth, through built-in redistribution mechanisms. Indeed, even the most successful European cities will have to keep moving forward to maintain their attractiveness and resilience, as was put forward by various policy documents such as the Leipzig Charter for sustainable European Cities and the Cities of Tomorrow report.

Trying to find answers on these questions, this paper will be structured as follows. First, we define poverty and then we will look at the specificities – and causes – of urban poverty in general and of poor urban neighbourhoods in particular. We need those analyses to develop policy proposals. Next, we will discuss crucial domains of poverty and look into their spatial aspects. In chapter three then, after a brief of review local policy strategies, we will focus on the Europe 2020 strategy by looking at the possibilities and the challenges of this strategy, for the Urban Agenda. In the final part we formulate conclusions and recommendations.

² http://europa.eu/rapid/press-release_SPEECH-13-1062_en.htm



1. Poverty: definition and measures, causes and effects

Mollie Orshansky (1956) early on recognised the core problem with defining poverty: ‘poverty, as beauty, lies in the eye of the beholder’. Perceptions and thus definitions of poverty differ. The situation has become even more complicated in recent times, because a whole array of related concepts have been put forward, often by policy-making institutions such as the EC: discrimination, deprivation, exclusion (and inclusion), cohesion. Recently, the almost forgotten concept of ‘inequality’ has been brought to the fore – in the context of the growing income gap and of extreme inequality resulting from the crisis. Everyone agrees that poverty is more than inequality, even more than extreme inequality – but that inequality is the basis on which poverty rests. Vranken (2009) illustrates the difference with the following image: if inequality is a ladder with steps at an equal (and bridgeable) distance, then in the case of poverty, steps are missing on this ladder; thus preventing people in poverty to climb the ladder on their own.

1.1 What about poverty?

What then, is so specific about poverty? A major feature of poverty is that it is an accumulation of interrelated forms of exclusion and inequality (Vranken, 1992). As such it is a special case of social exclusion; some other forms of exclusion being (ethnic) discrimination, absence of civil or social rights, inaccessibility of services, institutional enclosure, long-term unemployment (Vranken, 1995; Vranken 2001). Along the same line, Kronauer identifies six more general dimensions in social exclusion: exclusion from the labour market, economic exclusion, cultural exclusion, social isolation, spatial exclusion, and institutional exclusion (Kronauer, 1998). Forms of exclusion are often related to poverty, in the sense that they constitute its main cause and/or one of its outcomes; they should, however, not be confused with poverty.

Which brings us to that most important matter, how do we measure poverty? In the past, the only (at least, the dominant) measure for poverty was in terms of income. The income dimension is currently complemented with and sometimes even replaced by a multidimensional approach, which enables us to focus on the spatial and, in our case urban aspects of poverty, in relation to other dimensions of poverty. This multidimensional approach was already present in the final report of the first European Poverty Programme and was included in the Council Decision of December 19, 1984. It was however relegated to the backstage of the European approach of poverty, because of the success of the European poverty line that was also developed in the final report (1983). This original definition stipulates that ‘The poor shall be taken to mean persons, families and groups of persons whose resources (material, cultural and social) are so limited as to exclude them from the minimum acceptable way of life in the Member State in which they live’³.

³ This definition was further developed by poverty researchers; an illustration is the one proposed by Vranken in one of the first ‘Yearbooks on Poverty and Social Exclusion’, in 1993 (2010) and that has inspired official definitions of poverty in both Flanders and Belgium. It defines poverty as ‘a network of forms of social exclusion that extends over several areas of



Relatively recently, this multidimensionality of poverty has inspired the EU to complement its traditional income definition with several other indicators: material deprivation, AROPE and subjective poverty. The *income definition of poverty* – the so-called ‘at-risk-of-poverty rate’ – is the share of people with an equivalised disposable income (after social transfer) below the at-risk-of-poverty threshold, which is set at 60 % of the national median equivalised disposable income after social transfers.

Most relevant are the material deprivation and the AROPE indicators⁴. *Materially deprived* are those households that score ‘badly’ on at least three of the nine items⁵ (and ‘severe’ material deprivation is when they score on four or more items). Research has shown that, although material deprivation is closely related to income, it is not the same; especially when older households are concerned.

The *AROPE rate* has become the headline indicator to monitor the EU 2020 Strategy poverty target. The AROPE indicator is defined as the share of the population that is ‘at risk of poverty or social exclusion’, which means that they meet at least one of the following three conditions: (1) at-risk-of-poverty (the income poverty-line or AROP), (2) severely materially deprived (SMD) and/or (3) living in a household with a very low work intensity (LWI)⁶. See Table 1 and Figure 1 for the development of poverty and exclusion in the EU according to the different poverty indicators.

individual and collective existence. It separates the poor from the generally accepted modes of existence in society, creating a gap that poor people are unable to bridge on their own’.

⁴ The subjective method looks at how the population itself experiences whether its income is sufficiently high or not. AROPE stands for people ‘at risk of poverty or social exclusion’.

⁵ The nine items are: (1) (arrears on) mortgage or rent payments, utility bills, hire purchase instalments or other loan payments; (2) one week’s annual holiday away from home; (3) a meal with meat, chicken, fish (or vegetarian equivalent) every second day; (4) unexpected financial expenses; (5) a telephone (including mobile phone); (6) a colour TV; (7) a washing machine; (8) a car, and (9) heating to keep the home adequately warm..

⁶ The work intensity of a household is the ratio of the total number of months that all working-age household members have worked during the income reference year and the total number of months the same household members theoretically could have worked in the same period. Low work intensity refers to the number of persons living in a household having a work intensity below a threshold set at 0.20.



What do these indicators teach us about poverty in Europe?

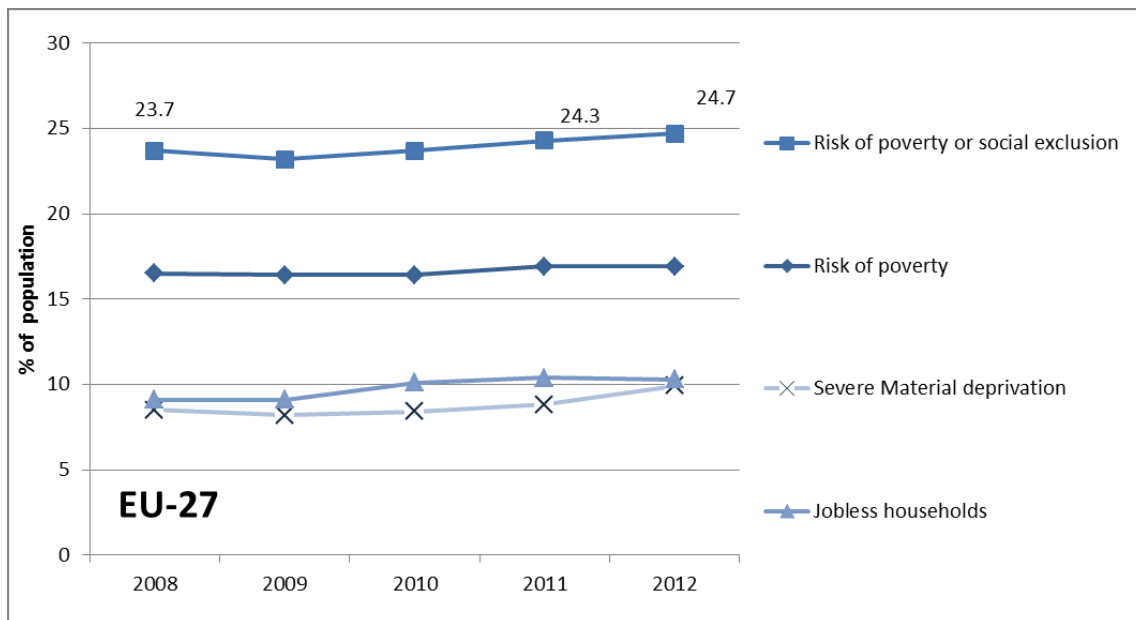
Table 1 Poverty and social exclusion in the EU, 2005-2011

At risk of poverty or exclusion	2005	2006	2007	2008	2009	2010	2011
At risk of poverty or exclusion	25.6	25.2	24.4	23.5	23.1	23.4	24.2
At risk of poverty	16.4	16.5	16.5	16.4	16.3	16.4	16.9
Very low work intensity*	10.3	10.5	9.6	9.0	9.0	10.0	10.0
Severe Material deprivation	10.7	9.8	9.1	8.4	8.1	8.1	8.8

* population aged 0-59
Source: Eurostat

Source: EU 2013

Figure 1 At risk of poverty and social exclusion indicators for the EU 27, 2008-2012



Source: Eurostat, EU-SILC (this figure: EC EU Employment and Social Situation Quarterly Review, March 2014)

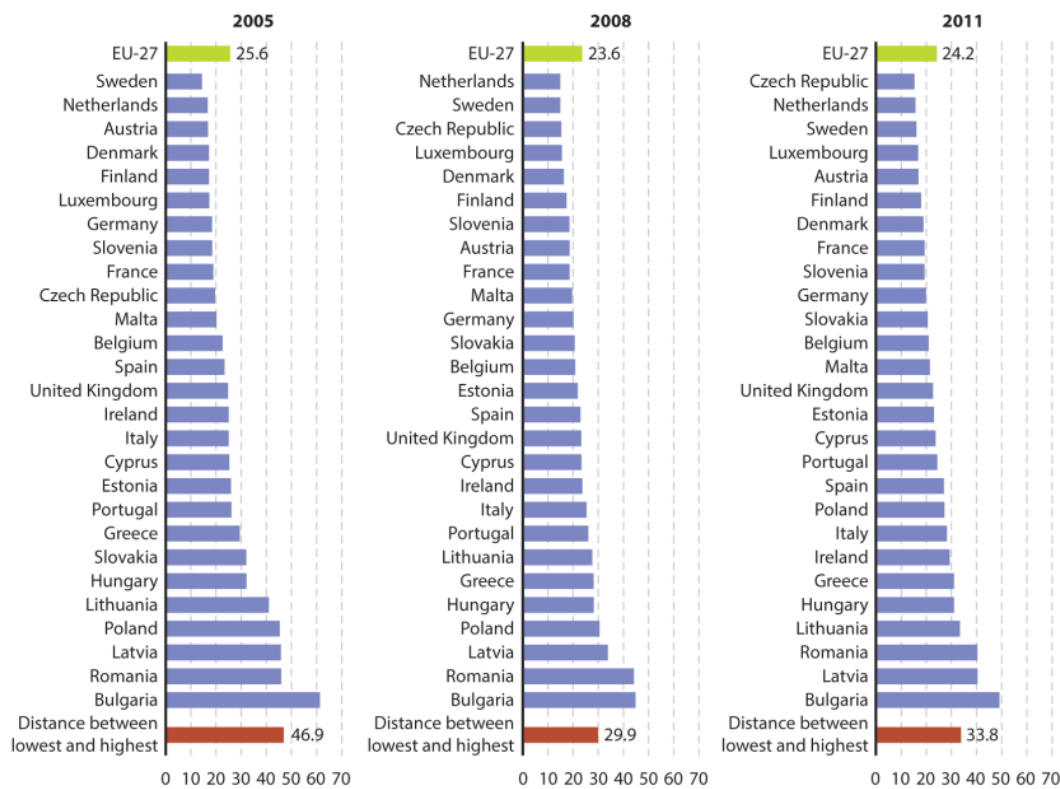
In 2012, one in four European citizens, 124 million people or 24.8 % of the population, was at risk of poverty or social exclusion (comprising people at risk of financial poverty, experiencing material deprivation or living in jobless households); an increase of 10 million compared to 2009. Yet, the Europe 2020 strategy (adopted in December 2010) had put as a headline target the lifting of at least 20 million people out of poverty and social exclusion. The EU has thus drifted further away from its target – 96.4 million people in poverty by 2020 – and there is no sign of rapid progress. The situation is particularly aggravated in certain Member States and has been driven by increases in severe

material deprivation and in the share of jobless households. The crisis has demonstrated the need for effective social protection systems⁷.

There are major differences in AROPE rates poverty between and within European countries. At one extreme, the Member States with the highest AROPE rates in 2012 were Bulgaria (49.3 %), Romania (41.7 %), Latvia (36.2 %), Greece (34.6 %), Lithuania, Hungary and Croatia (all three around 32.0 %). At the other extreme, the share of the population at risk of poverty or social exclusion was the lowest in the Netherlands (15.0 %), the Czech Republic (15.4 %) and Sweden (15.6 %).⁸

The impact of the crisis on the risk of poverty or exclusion was the highest for Estonia, Greece, Spain, Lithuania, Latvia and Ireland, but it was also significant in Italy and Bulgaria. Germany and the UK only witnessed a small increase. In Poland and Romania there was a slight reduction of the risk of poverty or exclusion.

Figure 1: People at risk of poverty or social exclusion, 2005, 2008 and 2011, ranking of countries



Source: Eurostat online data code

⁷ Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions. Taking stock of the Europe 2020 strategy for smart, sustainable and inclusive growth.

(COM(2014) 130 final/2). http://ec.europa.eu/europe2020/pdf/europe2020stocktaking_en.pdf

⁸ Eurostat:

http://epp.eurostat.ec.europa.eu/statistics_explained/index.php/People_at_risk_of_poverty_or_social_exclusion



(*) EU-27 data for 2005 are estimates; 2006 data (instead of 2005) for BG; 2007 data (instead of 2005) for RO; break in series in 2008 for BG, FR, CY, LV, PL and in 2011 for LV.

1.2 Groups at highest risk of poverty

Across the European Union, roughly the same groups are at greater risk of poverty and social exclusion. This is illustrated by the EU AROPE indicator, which shows the number of people affected by at least one of three forms of poverty: monetary poverty, material deprivation or low work intensity (figures refer to 2011)⁹.

- Gender inequality in the risk of poverty and social exclusion. Women generally face a higher risk of poverty or exclusion than men. 25.3 % of women were at risk of poverty or social exclusion across the EU compared to 23.1 % of men. Women were overrepresented in all countries, except Estonia. The gaps were highest in Sweden, Cyprus and Slovenia at more than 3.7 percentage points. Estonia and Lithuania were the most egalitarian countries with gender gaps of less than or around 0.4 percentage points.
- Age group inequalities in the risk of poverty and social exclusion. The risk of poverty or social exclusion for children (0-17) has increased in 21 Member States since 2008. In Hungary and Latvia poverty and social exclusion now affects 40 % of children, while in Bulgaria and Romania half of children live at risk of poverty and social exclusion. This situation of children is mostly driven by the situation of their parents, as working-age adults were the ones most directly hit by the crisis (EC 2014). Young adults, aged 18 to 24, tend to be even more at risk, for both men and women. Although their risk of poverty or social exclusion had been falling between 2005 and 2009, it rose back again in the following years to the level of 2005. Their high risk of poverty can mainly be explained by the difficulty of finding a (stable) job. Old age, on the contrary, used to increase the risk on poverty, but there has been a steady decline in the poverty risk of the elderly over the period 2005 to 2010. People aged 65 or over showed the lowest rates of 20.4 % (17.0 % for men and 23.1 % for women) in 2011. As a result the age gap between young people aged 18 to 24 and older people aged 65 or over has increased in almost all Member States, except for Sweden, Poland and Germany, where the gap increased, massively in some cases. In Latvia, the age gap changed by about 36 percentage points.
- Household type and risk of poverty. Single-parent families constitute the household type most affected by poverty in Europe. About 50% of single parents face the highest risk of poverty or social exclusion: double the average and higher than in any other household type or group analysed. Between 2005 and 2008 the risk of poverty or social exclusion for single

⁹ See EUROSTAT: Europe 2020 indicators – poverty and social exclusion: http://epp.eurostat.ec.europa.eu/statistics_explained/index.php/Europe_2020_indicators_-_poverty_and_social_exclusion



parent households decreased in most countries, but with the onset of the economic crisis (between 2008 and 2011) changes in the at-risk rate were more diverse. Denmark, Latvia, Sweden, Bulgaria and France witnessed the biggest increases, while the biggest falls were in Portugal, Cyprus, Romania, Slovenia and Malta.

- Education level and risk of poverty. 34.4% of people with at most lower secondary educational attainment were at risk of poverty or social exclusion, which is about three times more than those with the highest education levels. However, a better education did not necessarily protect everyone against the crisis; in Greece, Cyprus, Ireland and Lithuania, the rate of poverty or social exclusion increased most among people with tertiary education.
- Unemployment and risk of poverty. Unemployment is a key factor in people being at risk of poverty. January 2013, unemployment in the EU has reached a new high of more than 26 million people or 10.7% of the population and it is closely linked to the level of skills. Youth unemployment rate has increased dramatically to 22.7%, and 7.5 million young Europeans between 15 and 24 are not in employment, education or training in August 2013 (the so-called NEETs). At the same time the Europe 2020 strategy includes the targets of raising the employment rate of the population aged 20–64 from the current 69% to at least 75% and to reduce the share of early school leavers to 10% and increase the share of the population aged 30–34 having completed tertiary to at least 40%. However, even holding a job does not necessarily protect people from poverty. According to Eurostat data and definitions, an 9.1% of the workforce in the European Union is experiencing in-work poverty in 2012, compared to 8.2% in 2005.¹⁰
- Migration and risk of poverty. Foreign citizens and particularly those from outside the EU have a significantly increased risk of poverty or social exclusion, even if they are in employment (see Annex 1). In 2012, 32.8% of the foreign-born persons aged 18 and over were assessed to be at risks of poverty and exclusion; the at risk of poverty and social exclusion rate of immigrants born outside the European Union was at 38,3% in 2012, against 23.9% for immigrants born in another EU country and 23.1% for the native-born persons.¹¹
- There are other vulnerable groups within society that face a higher risk of poverty and social exclusion compared with the general population, including, for example, people with disabilities, homeless people, undocumented migrants and ethnic minorities, including Roma. Extreme poverty appears to affect certain groups within the EU, most notably the Roma in some Member States.

Poverty and exclusion manifest themselves not only in risk groups; other dimensions have to be taken into account, such as the life cycle or the persistence of poverty. The life cycle (still) is structured by a series of crucial events: birth, entering and leaving education, (not) accessing the

¹⁰ <http://epp.eurostat.ec.europa.eu/tgm/table.do?tab=table&init=1&plugin=1&language=en&pcode=tesov110>

¹¹ Eurostat, People at risk of poverty or social exclusion by broad group of country of birth (population aged 18 and over): <http://appsso.eurostat.ec.europa.eu/nui/submitViewTableAction.do>



labour market and leaving it (or being excluded from it), entering a relationship, and retirement. The life cycle of children growing up in poverty, however, is strongly predetermined. That so many children grow up in very deprived circumstances could be termed a scandal from a moral point of view, but it also has important long-term social and economic consequences, such as the loss of human capital for society and the financial burden it will put on the (future) social budget of state and city alike (Vandenhoele, Vranken and De Boyser 2010). Given the concentration of poverty in the cities, any increase in child poverty will result in an increase – and probably, deepening – of urban poverty in general.

Furthermore, the longer someone is poor, the more opportunities to escape poverty are disappearing. *'Consolidation of household and family is linked to minimal everyday mobility, and an almost complete loss of social contacts, leisure activities and other forms of participation beyond the area. The horizon of everyday life shrinks to the neighbourhood and the positive social status individuals attribute to themselves depends almost exclusively upon comparisons with people in the area'* (Tobias & Boettner, 1992: 70 in Friedrichs, 2002: 102).



2. The urban dimension of poverty

Even in the multidimensional definition of poverty, one important dimension is missing when looking at urban poverty and that is the spatial one. Poverty does not only create social differences between people and groups; it also leads to spatial differences. We have already mentioned figures on regional differences between member states, but differences in poverty also exist at a lower spatial level – which is the subject of this paper.

Let us begin by referring to the finding that the crisis has further intensified the concentration of poverty and social exclusion in cities, especially in North-Western Europe (EC 2013, The 8th Progress Report on Economic, Social and Territorial Cohesion). The AROPE (at risk of poverty and social exclusion) rate increased between 2008 and 2011 by 1 percentage point (pp) in European cities, compared to an increase of 0.5 percentage point outside cities (see Table 4). In 2011, people living in cities in the EU-15 were at greater risk of poverty or social exclusion than those living outside cities (23.1% compared to 21.9%; see Table 2). All three components of the risk of poverty and social exclusion (AROPE) indicator – the three sub-indicators of AROP (at risk of poverty), LWI (low work intensity), and SMD (severe material deprivation) - were higher in cities than outside. In the EU-12 (the 12 new Member States after the 2004 and the 2007 enlargements), we detect the opposite; people living in cities have a lower risk of poverty or social exclusion (24.1% compared to 34.5%). Cities in North-Western Europe also tend to have lower employment rates and higher unemployment rates than towns, suburbs and rural areas, while the opposite is the case in EU-12 Member States. The crisis has not altered this pattern. The high share of very low work intensity households in cities with their high concentration of jobs is somewhat paradoxical. This may be due to skills mismatch, precarious jobs or the higher share of one-person households in cities (EC 2013). It may also be related to the higher proportion of residents born outside the EU in cities.¹² In most of the EU-15 Member States, Third Country Nationals were much more likely to live in a household with a very low work intensity (ibid).

¹² The 8th Progress Report on Economic, Social and Territorial Cohesion, European Commission 2013 (http://ec.europa.eu/regional_policy/sources/docoffic/official/reports/interim8/interim8_en.pdf)

Table 2 Risk of poverty and social exclusion in cities, 2011

EU27	AROPE	AROP	LWI	SMD
Cities	23.3	15.7	11.0	8.4
Other areas	25.0	18.0	9.1	9.2
EU15				
Cities	23.1	16.8	12.0	6.8
Other areas	21.9	16.6	9.2	5.3
EU12				
Cities	24.1	9.9	6.5	16.5
Other areas	34.5	22.2	8.9	20.8

Source: Eurostat

Table 3 Change in the risk of poverty and social exclusion, 2008-2011

EU27	AROPE	AROP	LWI	SMD
Cities	1.0	0.6	0.9	0.5
Other areas	0.5	0.5	1.1	0.3
EU15				
Cities	1.2	0.6	1.2	0.7
Other areas	0.9	0.3	1.4	0.9
EU12				
Cities	-0.4	0.3	-0.3	-0.7
Other areas	-1.0	0.8	0.3	-1.5

Source: Eurostat

Source: EU 2013 (based on Eurostat data)

The urban impact of the crisis varies by type of city. Metro regions – urban agglomerations of more than 250 000 inhabitants – in the EU show a mix of resilience and vulnerability. They generally perform better than non-metro regions: they are more resistant to the crisis and showed better employment performance. Especially capital city metro regions performed much better, while second-tier metros performed less well and smaller metros proved quite vulnerable to the crisis (EC 2013).

The question of urban poverty (in cities) includes features such as the position of the city in its city-region, urban flight, rural-urban migration (people on the move seeking employment or for reasons of service provision), spatial concentration within the city and resulting polarisation and even segregation, and stigmatisation based on residence.

What is the relationship between the three concepts of concentration, polarisation and segregation? Concentration refers to the – objectively fairly neutral – phenomenon that (ethnic, religious,



economic) populations concentrate in certain parts of the city. Concentration may develop in two very different directions, which is a positive one - that of segmentation (fragmentation) - or a negative one – that of polarisation and segregation. In the former case, it is a characteristic of almost all cities; they all consist of various neighbourhoods, each with their own functions, character, and architectural styles. It leads to the colourful urban patchwork of ‘ethnic villages’. In the latter case, it may result in forms of polarisation and segmentation. Polarisation is the process that leads to the disappearance of the ‘middle part’ in a distribution, such as in the increasing gap between high incomes and low incomes – a phenomenon that is very much at the core or present debates. An even more relevant example is the dwindling of the middle class, which is perceived as a threat to society’s – and to urban – cohesion. The rise of an (urban) underclass or a ‘precariat’ (Standing 2011) further exacerbates this polarisation, as is the perception of society as an opposition between ‘those who work and pay’ and ‘those who profit’. This brings the increasing disequilibrium in the distribution of power, status and social protection (and risk protection in general) into the picture.

Segregation is the last step on the road towards the development towards a divided city. It refers to the erecting of social and spatial walls between the different parts of the city, which renders them inaccessible and which reduces opportunities for social or/and spatial mobility. It always implies the power to close the close one’s own habitat off from the rest of the city. This power resides with the residents of gated communities (versus ‘the rest of the city’) and with this ‘rest of the city’ (plus the gated communities) versus deprived neighbourhoods (areas where the poor are more or less forced to live, because of the lack of choice¹³). The present development, in a context of increasing inequality and polarisation, seems to be towards more urban spatial segregation.

In other words, the spatial distribution of poverty, although very much related to socio-economic factors, is driven by a number of independent forces. It is not only an issue of labour markets, productivity, incentives, human capital and choice (economists) of social status and relations, behaviour, and culture (sociologists and anthropologists) or of power and access to collective resources (political scientists). Features such as urban structure, the spatial position of neighbourhoods or neighbourhood accessibility by (the provision of) transport are very important matters when trying to understand the urban dimension and spatial distribution of poverty. *This constitutes a plea for developing a coherent set of indicators to measure situations and monitor developments of urban poverty (including specific spatial items), comparable to the AROPE indicator at the level of the general population.*

2.1 General changes

Let us first take a closer look at some of these broader contextual factors – developments impacting on the economic structure, population characteristics, societal institutions, and spatial structure of cities – before shifting to a more outspoken spatial – and especially urban – perspective.

¹³ <http://urbact.eu/en/urbact-capitalisation/outputs/reports-cities-of-tomorrow-action-today/>



Economic restructuring

Economic and employment growth, welfare state provisions and services, and demand-oriented policies that characterised the first post-war decades almost eradicated unemployment, decreased income inequality, and considerably lowered the poverty rate (Kronauer, Noller & Vogel, 2006: 70). In the late 1970's, these were instead replaced by the restructuring and decline of manufacturing industry and the growth of the service sector employment, with the increasing flexibility in the production and consumption and the increased competition between places due to globalisation (Musterd & Murie, 2006: 4). In short, urban poverty is the result of profound *structural economic shifts*: the competitive position of the central cities in the industrial sectors disappeared. As these sectors historically provided employment for the working poor, and especially minorities, the demand for their labour has declined significantly.

The retreating welfare state

The type of welfare regime, and the level of 'generosity' of social policies are frequently mentioned explanations for the diversity in social polarisation in comparative urban studies (Murie, 1998). European welfare states are seen as a major player in preventing the creation of residential ghettos (Hamnett, 1994; Préteceille, 2000). While during the 'Golden Age of the welfare state' (from 1945 to 1975), nation states were able to deliver social protection against the risks of sickness, invalidity, unemployment, and old age (Scharpf, 2000: 192), this is no longer the case. From the 1970s, changes in the economic and international environment made it *'increasingly difficult for advanced welfare states to deliver on their core commitments of full employment, social protection, and reduced inequality'* (Ferrera et al, 2001: 166). Furthermore, neo-liberal thinking has become a dominant element in informing debates about economic and social policy, leading to the privatisation of several services resulting in higher costs for basic needs. According to Wacquant (2008), post-industrialisation resulted in the demise of the socially-integrative properties of labour markets and in the creation of a new type of urban marginality, a type which is disconnected from fluctuations in the economic cycle. In this way, welfare states do not prevent the emergence of urban marginality in post-industrial societies, but they ultimately operate as mechanisms of social and spatial sorting which determine its characteristics in different urban contexts.

Demographic changes

Demographic changes, such as in the nature of marriage and the family and increased life expectancy, lead to a different demographic profile of cities; they now harbour more elderly people and childless households. Furthermore, people's life histories no longer follow the predictable family life cycle that informed former policy (Musterd & Murie, 2006: 4). Family and domestic arrangements are less predictable (one-parent families, blended families, single people, divorced parents, adoptive parents, working students, same-sex partnerships and people who live alone) and there is a greater volatility in (security of) employment. European cities also changed due to migration processes (Musterd & Murie, 2006: 4) that not only took place in different waves but, more importantly, had different functions (cultural, political, economic), different places of departure (within the same region or country, within the EU, or from outside Europe), and concerned different population



groups (in ethnic terms, nationality and citizenship rights (EU citizens vs. Third Country Nationals) but also in terms of skill level).

Firstly, the migration reflected the demand for low-skilled labour forces on the urban labour markets under Fordism. Later, migration was stimulated by colonial histories (decolonisation) and pressure from industrialists. After the fall of the Berlin wall, it was by political changes in Eastern Europe and ongoing European integration that stimulated migration. European cities tend to attract migrants from their own region, across borders and from outside Europe because of their relative affluence and the economic and employment opportunities they provide. As already mentioned, the demand for labour changed, resulting in less employment opportunities for low skilled migrants. This combined with the persistence of ethnic and racial discrimination in employment, this prevents this population from achieving its full potential in the labour market. Especially for the later migration waves (political refugees) there is a significant gap between the educational attainments of the migrants and the occupations they hold in the receiving countries (Bélorgey et al. 2012). Mobile EU citizens in cities, and especially temporary circular and footloose immigrants from Central and Eastern European countries, tend to settle in traditional migrant neighbourhoods already characterised by an accumulation of problems (like overcrowding, exploitation, poor quality housing and homelessness) (EUKN, 2013). But the mobile EU citizens arrive not only in big cities but also in villages and rural areas without immigration experience.

Sub-urbanisation of the wealthier (in some areas)

The suburban expansion was driven by different factors: suburbs as the particular living environment which the inhabitants preferred, living in green field sites instead of the inner city; the widespread diffusion of the automobile; loan programmes encouraging the development of single-family, detached houses in the suburbs; and public policies that favoured highway construction over mass transit (Lichtenberger, 2002; Pacione, 2009). In this way urban poverty results from migration processes that simultaneously remove the middle-class and successful members of the community, thereby reducing social capital, while bringing in new, poorer populations whose competition in the labour market drives down wages and employment chances of residents. In the Western Balkan countries, however, the depopulation processes in rural areas, which started in the 1970s, are still ongoing, partly due to educational and employment related migration. Regions around major cities show the biggest growth in population (Bélorgey et al. 2012).

The afore-mentioned elements illustrate that urban poverty is closely linked to global processes. Therefore spatial policies alone will not resolve urban poverty; an integrated approach is needed. All the local best practices put together will not really help the poor if labour market structure is unfavourable to lower skilled workers, jobs become more precarious, wages keep declining and prices rising, and social protection schemes are hollowed out.



2.2 Poverty within cities: deprived neighbourhoods

These developments have a direct impact on the distribution of poverty within the city, but a number of intra-urban characteristics are also important. Differences between neighbourhoods in providing resources may lead to increasing or mitigating their effects. The cumulative process of social exclusion may be at its worst where the place of residence or quality of the neighbourhood adds to other factors involved (Ostendorf & Drooglever Fortuijn, 2006: 53). Poverty tends to cluster in certain urban neighbourhoods, through a number of selection and causation processes. These processes will briefly be described below.

Selection

In the selection process, an important role is played by the functioning of the housing market, both with respect to social housing and private housing. In countries where social housing was strongly developed after the Second World War, concentration of areas of large social housing projects have often become pockets of poverty. The original attractiveness of these housing estates has withered away (van Beckhoven, Bolt & van Kempen, 2009: 40). Reasons why are the change in population structure and (partly related) signs of physical decay. Households lacking any alternative on the private housing market, started to move to the post-WWII estates, which gradually, became the most important concentration areas for low-income households in European cities (van Beckhoven, Bolt & van Kempen, 2009: 5). This led to a progressive departure of those who could afford better housing solutions. These areas have become the model of urban poverty with the *grands ensembles* in the Parisian banlieue being their most prominent illustration (Tissot, 2007).

This model of concentrated poverty in the urban neighbourhood is not, however, the only one. In countries where social housing was weakly developed, or not developed at all, areas where the most affordable part of the private rented sector is located are under pressure. Some of these areas used to function as transition zones for newcomers with low incomes (Kesteloot & Van der Haegen, 1997). It is, indeed, one of the flaws of an integrated neighbourhood approach that it tends to isolate neighbourhoods and districts from their wider urban context. Different neighbourhoods can and do however, possess specific functions in a wider urban context, and wiping out those differences can have serious consequences. If, for instance, all marginal housing and facilities are cleared in all districts, homelessness may increase. It then may become increasingly difficult for certain newcomers to find a place to live in the city, because there is no longer a 'transition zone'. Moreover, 'margins' – also in the spatial sense - often function as breeding places for innovation and entrepreneurship. Without these margins, cities might lose some of their creative capacity. Last, but not least, where are social outcasts, like drug addicts and asylum seekers, going to live? They are always and everywhere the victims of the NIMBY¹⁴ syndrome, which cannot be solved at the level of the backyard itself – be it as large as a neighbourhood (Vranken 2004). The urgency of such a differentiated approach must become clear to policy-makers, given the increase of a superdiversified population of newcomers, whose need for spontaneous (and not only formalised) integration trajectories is enormous (Vranken, 2004).

¹⁴ Acronym for "Not In My Back Yard"



Sometimes long-term and mostly unplanned gentrification processes occur where a deprived area becomes highly attractive, specifically in areas dominated by owner-occupied dwellings or private rented dwellings. Other forms of displacement also occur. When criminality is seen as a major problem in a given area, and when measures are taken to combat it, this may very well result in a decline in its crime figures. However, criminal activities may increase in adjacent areas, because criminals move their field of activity.

In short, housing systems are very important in determining the shape of areas where urban poverty appears. Due to differences in the social and political structures between EU countries, the housing systems in Europe are diverse. Liberal and Mediterranean welfare regimes have a high share of the homeownership sector, social-democratic and corporatist welfare regimes a high share of the rental sector (Hoekstra, 2010).

Causation

A concentration of poverty will most likely in turn exacerbate the effects of poverty, a phenomenon that is indicated by neighbourhood effects. These effects are understood as the impact on living conditions and on life chances of the unequal distribution of people and resources within the city. The causal pathways behind these effects are linked with the social composition, the infrastructure level and the location of the neighbourhood (Ellen & Turner, 1997; Friedrichs, 1998; Authier e.a., 2007; Fijalkow, 2007; Galster, 2012; van Ham e.a., 2012).

The neighbourhood can function as a source of contacts, of social relations with other residents. On the one hand, social relations provide social resources and access to information and formal institutions. It is assumed that residents in disadvantaged neighbourhoods lack the necessary social resources and information to improve their social position as a result of contacts with disadvantaged co-residents (Wellman, 1992). On the other hand, meaningful social relations in the neighbourhood play a role in the formation of norms, attitudes, values and behaviour. The negative socialisation hypotheses (through peers or adult role models) suggest that residents might develop deviant norms, values and behaviour, which may result in lower aspirations and expectations. This aspect is also linked with culture of the neighbourhood; social exclusion will prevent a positive attitude towards education and employment (Wilson, 1997). Some tiny links with other social groups however can offer possibilities to escape from poverty: the strength of weak ties (Granovetter, 1973). So strengthening the social networks of residents in disadvantaged neighbourhoods is important. But this cannot be realised only by creating more socially mixed neighbourhoods. The relations between the old and new neighbours have to be facilitated so that they really live and actually mix together in their neighbourhood.

The neighbourhood institutional resource-theory (Jarret, 1997; Sampson et al., 2002), links the quality and quantity of services with the opportunities of residents in urban neighbourhoods. The local neighbourhood infrastructure can become an important element in the survival strategies of low income households because of their spatial restriction to their neighbourhood. Ellen & Turner (1997) argue that travel costs have a bigger impact on low-income families and can therefore limit their radius of action (Musterd & Murie, 2002). Deprived neighbourhoods however, typically lack



access to quality goods and services (education, health, transport, social services). Because the residents do not have the possibilities to compensate this by going to non-local facilities their options are even further reduced (Pincon-Charlot, 1986 in Friedrichs, 2002: 103). However, residents might also be negatively influenced by mechanisms outside the neighbourhood such as stigmatisation, or a spatial mismatch between neighbourhood location and employment opportunities, for example.

All these underlying mechanisms contributing to the unequal distribution in certain neighbourhoods, indicate that this concentration of poverty calls for a multilevel integrated spatial approach as the social structure of the neighbourhood is not the only major point of concern. Now the discourses concentrate on the degree of homogeneity or heterogeneity of a neighbourhood; but not so much the concentration *an sich* fosters the debate but the assumed negative effects (Forrest & Kearns, 2001: 2133). Providing adequate housing, better access to services and transport, and a better quality of public space, while avoiding the pitfall of displacing the poor in a bid for gentrification, constitute the main pillars for such a policy.

However, the adequate policy response should not be directed at the disadvantaged neighbourhood only. Musterd (2005) argues that *“Societies (states), cities, neighbourhoods, and citizens are interrelated systems and policy responses to neighbourhood problems, therefore, should take these various units and levels into account simultaneously: (1) the welfare state at the national level; (2) the labor market, and economy at the regional and global levels (3) the social networks, socialization, and stigmatization processes at the local levels; and, (4) personal characteristics at the individual level”*. Which means that we need some form of urban governance (Burgers and Vranken 2004, Tasan-Kok and Vranken 2011).



3. Key issues of urban poverty and their spatial dimension

Whereas in section 2, we discussed some issues that contribute to the context that helps us to understand more specific issues, this section discusses some of those key thematic issues of poverty and their urban and spatial aspects. It is beyond any doubt that the future of our cities is greatly dependent upon what developments in domains such as (un)employment, education, health, housing and social participation. The more so, because inequalities are increasing in all those domains, and because these domains are very much connected. This is, in the end, what constitutes the essence of poverty: that the interconnectedness of those inequalities leads to a vicious circle of poverty that is structural (and not only individual) and that becomes very visible at the spatially concentrated levels of cities and neighbourhoods.

3.1 Employment and the rise of a new underclass?

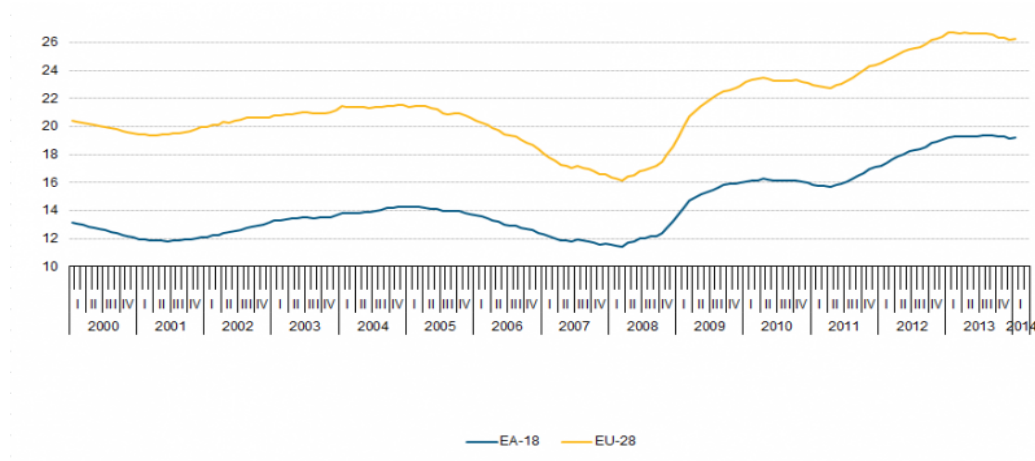
Unemployment in the EU

At the beginning of 2000, about 20 million persons were unemployed in the EU-27, corresponding to 9 % of the total labour force. The unemployment trend at that moment was downwards, but a long period of increasing unemployment followed. At the end of 2004 the number of jobseekers available for work reached 21.3 million, while the unemployment rate was 9.2 %. In the first quarter 2008 unemployment started to rise sharply in the wake of the economic crisis. Between the second quarter 2008 and mid-2010 the unemployment level went up by more than 7 million, taking the rate up to 9.7 %. At the end of 2012 unemployment had reached a record level of nearly 26 million, corresponding to an unemployment rate of 10.7 %. Eurostat estimates that 26.231 million men and women in the EU-28, of whom 19.175 million were in the euro area, were unemployed in January 2014. The lowest unemployment rates were recorded in Austria, Germany and Luxembourg; the highest rates in Greece and Spain.¹⁵

¹⁵ Regional disparities in unemployment among the EU-27 regions remain high. More than one region in three has an unemployment rate above 10%. The highest rates are registered in Spain, Greece and in the overseas departments of France.

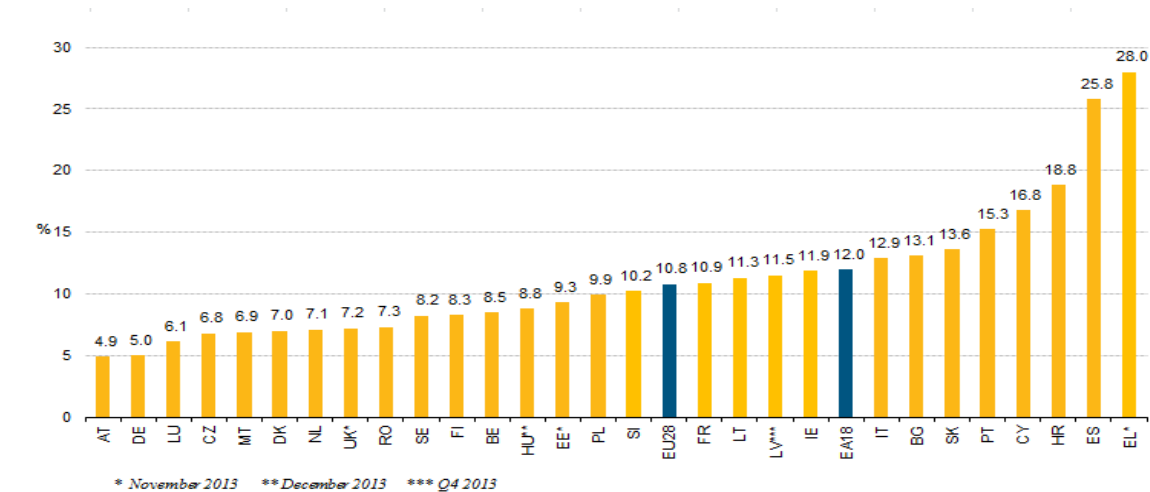


Figure 2 Unemployment persons, in millions, EU-28 and EA-17, 2000-2014



Source: Eurostat

Figure 3 Unemployment rates, 2014.



Source: Eurostat

Youth unemployment rates are generally much higher than unemployment rates for all ages. Until the end of 2008, the youth unemployment rate in the EU-27 was around twice as high as the rate for the total population. The economic crisis, however, seems to have hit the young more than other age groups. From the beginning of 2009, youth unemployment has increased dramatically to 22.7%, and 7.5 million young Europeans between 15 and 24 are not in employment, education or training in 2012. Regional disparities in youth unemployment rates among the EU-27 regions are pronounced - with differences up to 13 times between regions experiencing the highest and the lowest youth unemployment rates. The highest youth unemployment rates are registered in Spain, Greece and Italy. In the top-30 regions in terms of youth unemployment, 29 are located in these three countries. In addition, one out of five young people fear losing their jobs; in 2010, 18% fewer young people have a permanent job compared to 2008 (Eurofound 2010 EWCS survey).

Next to youth unemployment, long-term unemployment has important negative financial and social effects on personal life, on social cohesion and may hinder economic growth. In 2012, 4.6 % of the labour force in the EU-27 had been unemployed for more than one year; more than half of these, 2.5 % of the labour force, had been unemployed for more than two years (an increase compared to 2011, when these figures were 4.1 % and 2.2 % respectively).

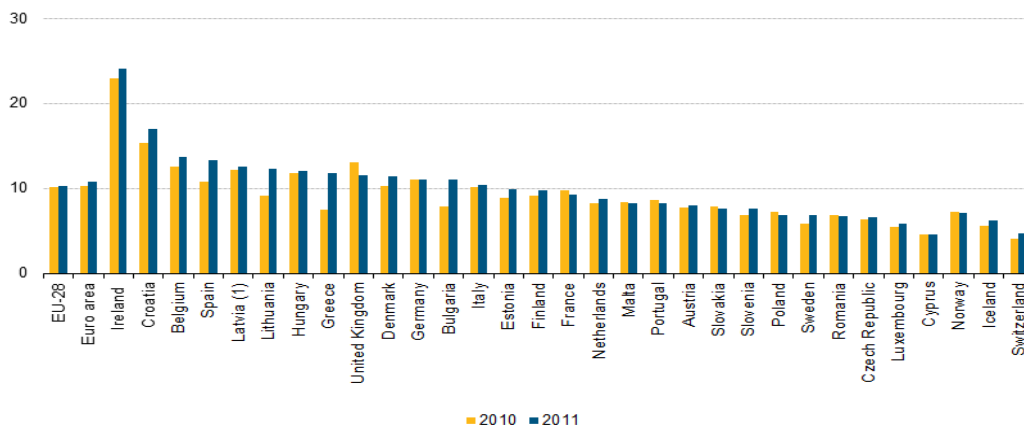
Lack of quality jobs and appropriate of jobs results in brain waste, which is also threatening the future of urban labour markets. These are already confronted with the so-called ‘urban labour market paradox’, a mismatch between the demand and supply of labour in most cities; vacancies for high-skilled labour are not filled but for low-skilled labour it is the other way round. The present crisis, however, has put many highly educated youngsters in the same situation as their lower-skilled counterparts.

Having a job but also at risk of poverty: in-work poverty

Although work is the most important source of income for most households and thus has an impact on the at-risk-of-poverty rate, not only jobless households are at risk of poverty. To assess the relationship between employment and risk of poverty at household level, the concept of work intensity has been introduced. Work intensity reflects how many working age adults in a household have a job in relation to their total work potential over one year. Households with very low work intensity are those households in which, on average, the adults worked less than 20 % of their time over one year.

The proportion of people living in households with very low work intensity remained relatively stable in 2011 as compared to 2010 and accounts for 10.3 % of the population. However this rate varies between Member States.

Figure 4 People ages less than 60 living in households with very low work intensity, 2010-2011



(1) Break in series, 2011

Source: Eurostat



Very low work intensity is most common in single person households with dependent children (26.0 % at EU level), while households with two adults and one dependent child reported the lowest rates (6.1 %).

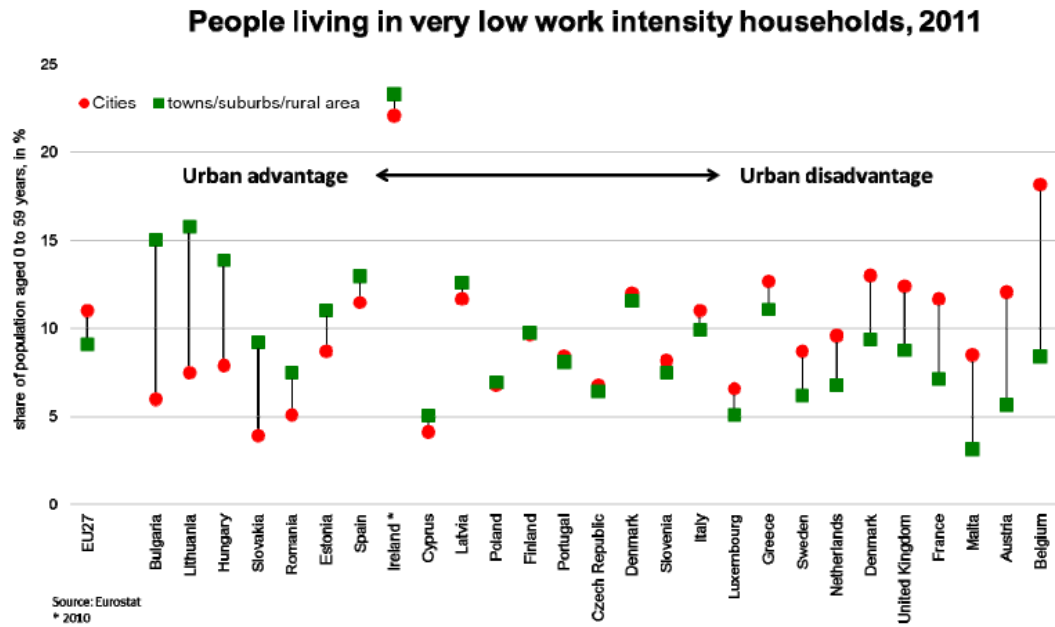
Figure 5 Proportion of population living in households with very low work intensity by household type, 2011.

	Single person	Single person with dependent children	Two adults with one dependent child	Two adults with three or more dependent children	Two or more adults without dependent children
EU-28	22.0	26.0	6.1	8.9	11.7
Euro area	21.2	23.3	6.5	8.3	12.6
Belgium	30.1	33.2	9.2	8.4	12.5
Bulgaria	25.8	19.3	5.2	30.0	8.6
Czech Republic	16.2	24.7	3.1	7.9	7.5
Denmark	25.7	27.6	6.2	2.9	9.3
Germany	23.6	25.4	5.7	9.8	8.8
Estonia	19.9	12.3	6.3	9.3	12.3
Ireland	37.9	46.7	18.4	27.5	22.3
Greece	15.8	34.5	8.4	2.1	18.8
Spain	19.5	24.0	9.5	9.6	18.2
France	17.9	19.9	4.7	8.0	11.5
Croatia	49.5	37.1	10.1	14.9	23.3
Italy	15.0	18.7	7.1	8.0	14.9
Cyprus	11.6	11.3	4.3	2.9	7.8
Latvia	27.9	21.7	7.2	10.3	14.7
Lithuania	33.9	23.5	6.2	17.7	14.2
Luxembourg	15.9	15.7	4.6	1.7	10.3
Hungary	24.4	20.7	8.0	15.5	12.4
Malta	35.9	53.9	8.1	5.9	7.7
Netherlands	25.7	28.6	4.4	1.2	6.9
Austria	20.4	18.1	2.9	8.7	9.0
Poland	29.4	21.2	3.2	3.6	11.3
Portugal	17.7	13.4	4.5	8.3	12.2
Romania	25.0	14.2	3.8	6.3	10.5
Slovenia	27.2	18.3	3.6	5.5	11.9
Slovakia	29.9	16.3	5.1	5.9	8.9
Finland	24.6	20.7	5.6	6.3	8.6
Sweden	17.6	16.6	3.7	4.3	5.7
United Kingdom	23.5	42.4	7.0	13.1	9.0
Iceland	15.1	23.0	3.2	2.8	4.1
Norway	18.7	13.3	2.1	4.5	6.9
Switzerland	10.0	14.5	3.3	4.0	4.3

This is important to take into account when discussing child poverty, because in the EU-27 the highest at-risk-of-poverty rate recorded was for very low work intensity households with dependent children (67.9 %).

Another striking element is that the share of households with very low work intensity differentiated along the spatial context. The following figure shows the shares in cities and in towns, suburbs and rural areas per county. Especially in the Western Member States, the share is higher in cities; this phenomenon parallels the spatial differentiation of the risk-at-poverty we mentioned earlier, but is also one of its causes. In Member States in Southern Central and Eastern Europe, on the other hand, living in a city great reduces the chance of very low work intensity.

Figure 6 Very low work intensity in- and out-side cities, 2011

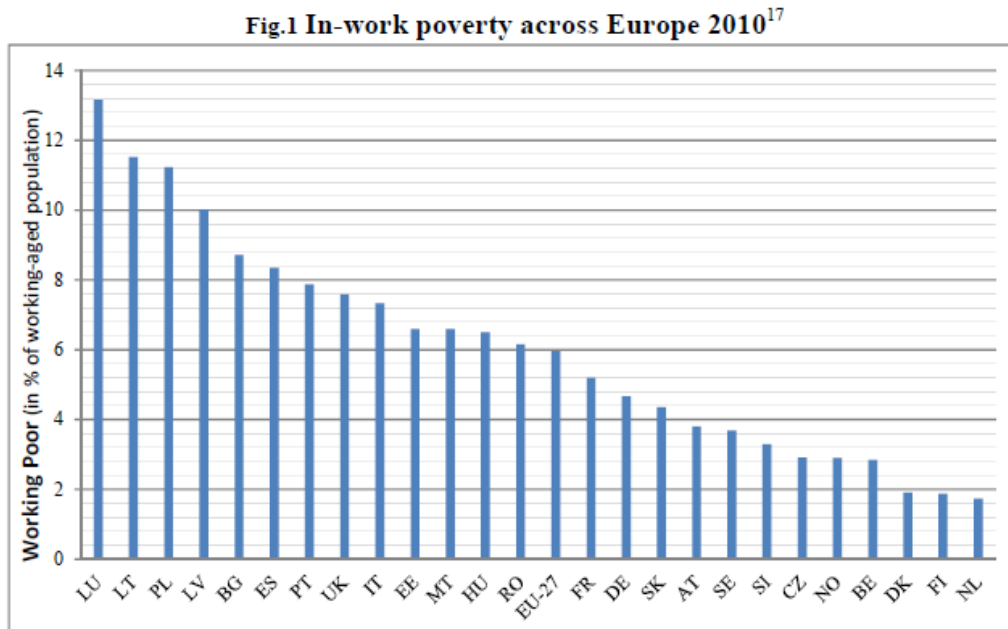


Source: EC/Eurostat

Thus, having a job does not automatically protect against poverty. Indeed, 9.5% of the EU workforce (aged 18 and over) are ‘working poor’ (EAPN working and poor report, 2013; see also the DG Employ Report “Employment and Social Developments in Europe 2013”, 21/01/2014). This increase of the working poor is not only upsetting but also relevant when developing an urban anti-poverty strategy, because the majority of the working poor is living in urban settlements. This rate ranged from 6% or less in the Czech Republic, Belgium, Denmark, the Netherlands and Finland; it was particularly high (about 10 % or higher) in Portugal, Latvia, Italy, Spain, Poland, Greece, and, particularly, Romania (19%) (Eurostat, figures for 2011). Germany (7,7%) and Luxembourg (9,9%) both have a remarkably high incidence of in-work-poverty. Such in-work poverty is linked to low pay, low skills, precarious employment and part-time working which often is involuntary. The type of household in which workers are living and the economic status of the other household members also are relevant variables. A single earner in the household does no longer suffice to stay out of poverty. Moreover, low paid and frugal jobs lead to bad or no pension plans and to lower unemployment benefits.



Figure 7 In-work poverty across Europe 2010



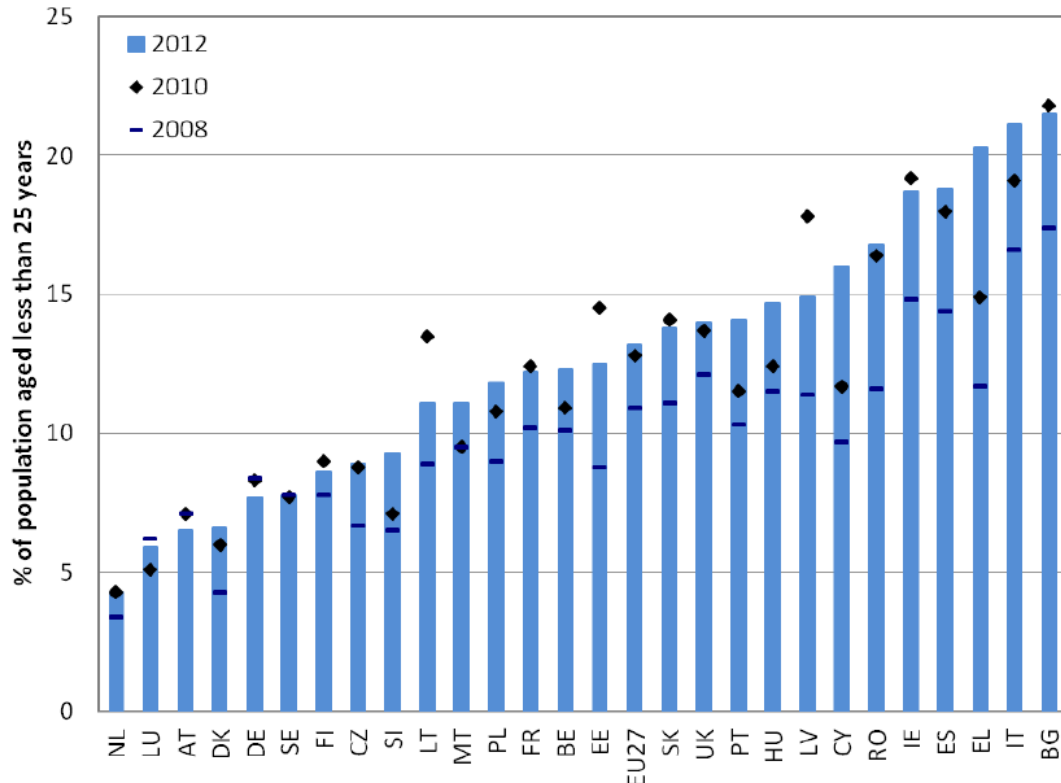
Source: EU-SILC 2010, own calculations.

3.2 Education

The relevance of education in matters of poverty and social exclusion is as clear as that of employment; moreover, educational and employment opportunities are closely linked. Educational qualifications are still the best insurance against unemployment: in 2012 the average unemployment rate in the EU-27 for those aged between 25 and 64 having attained at most a lower secondary education was 16.8 %, compared to 5.6% unemployment for those that had obtained a tertiary education qualification.

It is thus quite evident that the risk of poverty decreases as a person's level of education increases. Strong claims have been made for the fundamental role of education in breaking the vicious circle of poverty (Nicaise, 2010). Education enhances labour market opportunities, but there are also important positive 'spill-over' effects on the social dimension, making people into healthier and more active citizens (OECD, 2011). This importance is also recognised in the Europe 2020-Strategy, which sets as targets to reduce of the share of early school leavers to 10% and to increase the share of the population aged 30–34 having completed tertiary to at least 40%. It thus is clear that supporting the young has huge benefits. Even in countries with early signs of a jobs recovery and where new vacancies are opening up, many unemployed youth still find it difficult to find a job. This leads to rising NEET rates ("neither in employment, education or training") and related discouragement among young people.

Figure 8 Young people not in employment, education or training (NEET) for EU Member States, 2008, 2010, 2012



Notes: EU27, DE, LU, NL and PL – provisional values in 2012; MT – provisional values in 2008, break in values 2010; NL – break in values 2010; PL – provisional values in 2010; FI - see metadata at Eurostat webpage for 2010.
Source: Eurostat, LFS, table: edat_lfse_20

Source: Eurostat/LFS http://ec.europa.eu/europe2020/pdf/themes/21_youth_unemployment.pdf

National and regional differences

The place one lives in Europe strongly influences one’s educational opportunities and further prospects in life. Factors such as access to learning opportunities, success at school, opportunities for higher education or lifelong learning, are socially and spatially divided across but also within EU Member States. Before giving some explanations, we present some facts¹⁶.

Data from the Programme for International Student Assessment (OECD, 2008) shows that students from poor backgrounds attain less well; a problem that is acute in more unequal societies (Wilkinson & Pickett, 2009). The following figure shows how reading performance changes when taking into account the parent’s socio-economic position and the cultural resources available at home. The average score is 38. Some countries are successful in reducing the impact of the social background

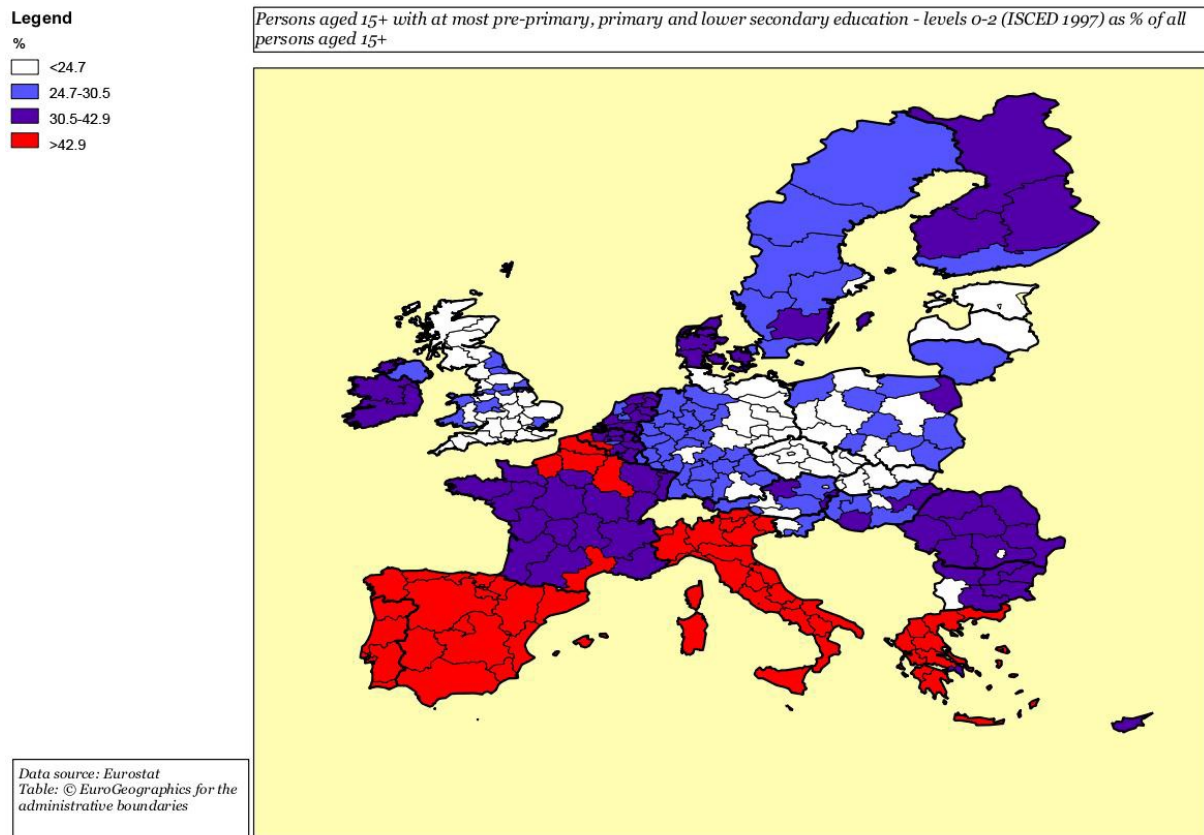
¹⁶ Most studies focus on differences between countries rather than regions. Furthermore there is considerable variation in the availability and geographical aggregation of educational data across EU member states. Although Eurostat undertakes several efforts to bring regional data together in one database, these data are not available yet.



thanks to the structure of the education systems; they are as different as Estonia, Spain, Portugal, Finland and Italy. In Germany, Austria, the UK, Belgium and the Czech Republic, on the other hand, the impact of the socio-economic background is not mitigated by the countries' educational system; although some of those countries are world leaders when it comes to high achievers.

Next to national differences between with respect to equal educational opportunities, regional characteristics also have an impact. The spatial distribution of people with relatively low level of formal educational qualifications in Europe is presented in Map 1. The regions with the highest rates are mostly in southern Europe and especially in Portugal, Spain, Malta, Italy and Greece. Regions where people have higher qualifications are found in central and Eastern Europe as well as in the United Kingdom.

Map 1 Persons with at most pre-primary, primary and lower secondary education attainment (% of the total population in a region).



Source: Ballas et al. 2012 : <http://www.nesse.fr/nesse/activities/reports/mind-the-gap-1>: p. 83

Local educational inequalities

Although much of the data is only available at NUTS-2 level, there is a wealth of data at smaller area levels collected by local authorities or other (sub)regional agencies. This allows us to get a closer



look at the geography of poverty and poor education attainment. For instance, in the city of Sheffield (UK) social and spatial inequalities in educational attainment were examined by using small area data (Thomas et al., 2009). It shows that neighbourhoods on the east of the city, which have the highest concentration of poor households, have the lowest rates of young people over the age of 16 in full-time education. Another illustration comes from the Centre for Education Policy Development of the General Confederation of Greek Workers (KANEP/GSEE 2011) on educational disparities in Greece. Analyses of indicators at three administrative levels (national, regional and local) reveal big disparities between different parts of the country. Areas with low levels of economic growth and high number of population at risk of poverty tend to have lower educational outcomes (higher numbers of pupils with lower academic performance, relatively more early school leavers and less participation in tertiary education). This study also suggests that a different policy approach to education is necessary; there is a need to recognise geographic disparities and to include strategies to tackle them.

Explanations

A plethora of mechanisms are involved in the way social and economic inequalities are translated into educational disparities. Material inequalities refer to a different access to some of the prerequisites of learning such as food, sleep, clothing, adequate housing and stability, emotional security, books, computers, and transport. Educational expectations are about the status and meaning of education and whether it is seen as being for 'people like us'. The ability to speak the right language to negotiate access to education and relationships with other students, teachers and tutors are manifestations of the presence or absence of social and cultural capital, and of social networks. Last but not least, institutions reinforce social divisions as they group students into classes or fail to compensate for material inequalities.

In recent years attention is also paid to the spatial patterning of education resources and its effect (Taylor, 2001). An important factor is the extent of selection and social and ethnic segregation between schools. In the UK Johnston et al. (2005) suggest that segregation in schools is greater than that in neighbourhoods. This observation opens up the question of whether this issue is best tackled through mixed community policies which aim to achieve less residential segregation, like housing voucher programmes, or through school voucher programmes which give the disadvantaged young people the opportunity to attend schools in less segregated environments. It is also recognised that neighbourhood characteristics can have a strong and significant impact upon educational outcomes. In their study on the impact of neighbourhood characteristics on the educational outcome of adolescents in Sweden, Anderssons and Subramanian (2005) found that these outcomes are strongly related with the socio-economic resources and socio-cultural capital of the neighbourhood.

Understanding the balance between local factors and wider structural influences is however not straightforward. Although individual and parental characteristics have a strong effect, Lupton and Kintrea (2011) argue that the characteristics of places also influence child development in the early years, school attainment and school dropout rates. Translated in policy terms, this suggests that location-specific interventions designed either to improve neighbourhoods by changing the population mix or by improving local conditions can make some difference. In order to address



spatial inequalities some governments target more resources towards schools in disadvantaged areas through redistributive funding systems. Some have also developed targeted programmes aimed at particular areas and providing locally developed interventions, like the Zones d'Éducation Prioritaires (ZEPs) in France, Territórios Educativos de Intervenção Prioritária in Portugal, or Education Action Zones in England. Sweden and the Czech Republic addressed one of the causes of spatial inequalities without taking an explicitly spatial approach by targeting minority groups who tend to be clustered in particular areas.

However, these interventions are unlikely to be wholly transformative because of the wider structural influences. Furthermore, next to attention to the inequalities at the neighbourhood level, interventions at a number of different sub-national spatial scales (city-regions, regions) are needed.

3.3 Health

Health is a major societal resource and asset. Good health benefits all sectors and the whole society, but it is very unevenly distributed over the population. In 'Solidarity in health: reducing health inequalities in the EU' (2009), the Commission outlined the extent of the challenge: over the last decades the average level of health in the EU has improved but differences in health between people living in different parts of the EU, and between the most advantaged and most disadvantaged sections of the population, remain substantial. Poverty, health and deprived neighbourhoods are closely connected: those who are ill or become ill run a higher risk of becoming poor, and those who live in poverty lack the means to stay healthy.

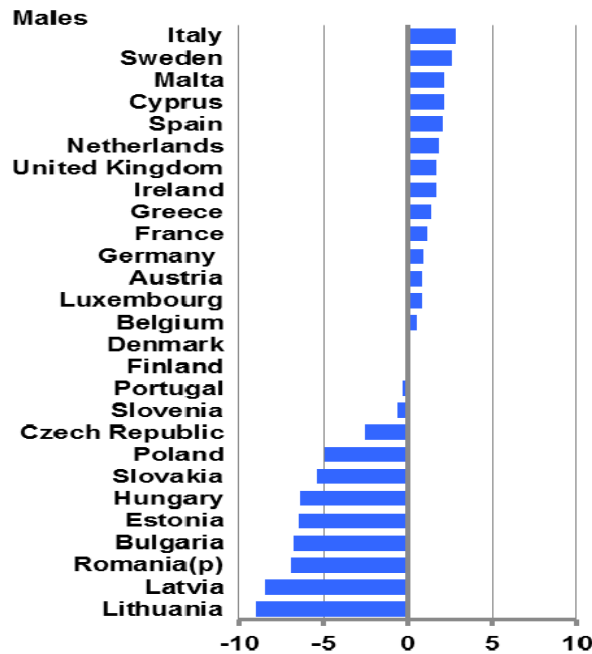
Health differences

One of the main indicators of the health divide is the overall life expectancy. Life expectancy has increased in all Member States in the EU in the 21st century. In the period from 2002 to 2010, the overall life expectancy for males rose from 74.5 to 77 years and for females from 80.9 to 82.9 years but differences between the Member States and within the population are still a reality.

There are significant social inequalities in health because of social and economic inequalities among the populations. In addition, there are also significant spatial differences in health. In 2010, male life expectancy was highest in Italy and lowest in Lithuania (9 years below the EU average). Also in Latvia, Romania, Bulgaria, Estonia, Hungary the life expectancy is lower than the EU average. Inequalities in life expectancy between the Member States were smaller for females than for males.



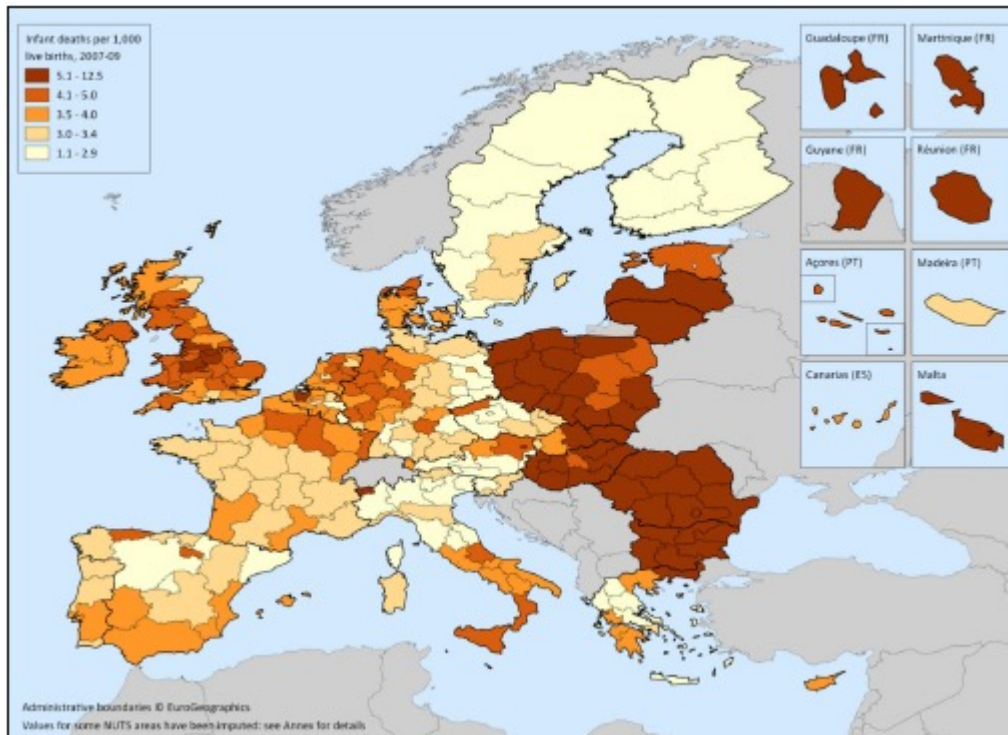
Figure 9 Differences in life expectancy at birth between EU Member States and the EU average, for males, 2010.



The risk of infant mortality also differs between member states. In 2000, the infant mortality rate of 18.6 infants deaths per 1000 live births in Romania was the highest of the 27 EU Member States, and the lowest rate was 3.4 in Sweden. By 2010, infant mortality had fallen to 9.8 deaths per 1000 live births in Romania and the lowest rate in the EU was 2.3 in Finland.

Variations in life expectancy at birth not only exist between Member States but also between regions (NUTS 2 areas). In 2007-2009, male life expectancy at birth in the most advantaged region of the EU was 14 years longer than in the worst-off region. There are also substantial differences in infant mortality between NUTS 2 regions. When zooming in on an even lower level, the data – if available – may show a further variation in for example life expectancy or infant mortality rates between the various boroughs of a city.

Map 2 Infant mortality in EU NUTS 2 regions, 2007-2009.



Source: EC 2013: Health inequalities in the EU – final report

For a number of European cities, data on the health and social characteristics of local neighbourhoods is used in the INEQ-Cities project. The project is aimed at describing the geographical mortality inequalities and the interventions to tackle them in small areas of European cities¹⁷. The study shows that areas with high socio-economic deprivation (percentage of unemployment and manual workers) have a higher excess of mortality in the majority of cities.

Explanations of the spatial health divide

The social, economic, political, environmental and cultural factors that shape health are known as the social determinants of health. Much public health activity has focused on proximate causes of health (inequalities), such as aspects of lifestyle (smoking, diet, physical activity). The lifestyle causes of poor health reside however in the social environment.

When looking at this local level, variations in health outcomes and health related behaviour can be explained by several contextual factors, such as neighbourhood characteristics (social capital, area deprivation, residential segregation) as well as environmental influences such as noise, air pollution or radon gas which cause stress and respiratory problems. These kinds of pollution are more common in poor areas. We also need to take into account the geographical and social variations in access to the spatial infrastructure of local neighbourhoods: like educational resources, health facilities, recreational amenities, access to healthy food provision, and public transport options.

¹⁷ Amsterdam, Barcelona, Bratislava, Brussels, Budapest, Helsinki, Kosice, Lisbon, London, Madrid, Prague, Rotterdam, Stockholm, Turin and Zurich.



Regular physical activity reduces the chance of poor health – poor neighbourhoods however usually do not provide decent access to public spaces for sports or physical activity.

Poor access to retail provision of healthy and affordable food, for example, has become imbedded within debates in the UK on social exclusion and health inequalities with several policy initiatives addressing the issue of ‘food deserts’¹⁸ in often socially deprived neighbourhoods.

3.4 Housing

In matters of housing, there is discussion about the direction of the ‘causal’ relationship. Does poverty affect housing circumstances or do housing circumstances affect poverty?

Evidence supports the first hypothesis, without excluding out the second one. It is, indeed, evident that low incomes prevent or at least restrict access to the ‘primary housing market’, whether that of ownership or of rented houses. Social housing and forms of housing benefit constitute a buffer against the effects of poverty. This does not preclude that people living in poverty have a higher risk of bad housing conditions and this not only refers to the situation of homeless people.

The most important and direct impact on poverty (measured in terms of income or of material deprivation) and related forms of exclusion are housing costs. Workless households, migrants, single people, people renting and those who are living in larger cities are especially vulnerable. Especially the high-risk level of the latter category often is underestimated, because of the lack of specific data at this level. This means that keeping rents low, through subsidies or providing sufficient social housing, substantially contribute to reducing the degree of poverty induced by housing costs amongst social tenants. Especially when social housing is highly targeted on people with low incomes, it is the most effective measure in improving the positions of the poor.

Home-ownership does not totally prevent poverty. This has to do with the overrepresentation of older households in this category. Although many have paid off mortgages and now have low or no housing costs, their income often does not suffice to pay for the costs that their older dwellings imply (repairs and high costs of heating). At the other end of the age pyramid, substantial evidence exists which demonstrated that poor housing conditions affects child development.

This brings what we could call a number of intermediary variables, such as health, education, social participation and employment, which connect poverty and housing. Bad housing conditions have a negative impact on the health conditions of the household members and deprive children of a good setting to do their homework. As bad housing is concentrated deprived neighbourhoods, employment opportunities are also reduced because of lacking transportation facilities and because of ‘spatial stigmatisation’ of those who apply for jobs. We discussed the importance of this spatial context of housing above.

¹⁸ Lack of access to fresh food products within a certain radius.



Homelessness

Around 11 million homes across Europe are empty or not in use; at the same time, there are about 4.1 million homeless persons in Europe, which means that all the EU homeless could be housed twice over.¹⁹

There are two common explanations for homelessness: a structural and an individualistic one. Research evidence seems – not unexpectedly - to point into the direction that homelessness is the outcome of a dynamic interaction between individual characteristics and actions, and structural change. ‘Homelessness is increasingly best understood as a differentiated process with different routes and exits (i.e. pathways) for different sub-populations’²⁰. Moreover, the ETHOS typology has identified several states on those pathways:

- rooflessness (without a shelter of any kind, sleeping rough);
- houselessness (with a place to sleep but temporary in institutions or shelter);
- living in insecure housing (threatened with severe exclusion due to insecure tenancies, eviction, domestic violence);
- living in inadequate housing (in caravans on illegal campsites, in unfit housing, in extreme overcrowding)²¹.

This typology also allows specific operational definitions so as to reflect national situations and policy needs; it defines homelessness as exclusion from several or all of the three domains, which constitute a home: the social, the legal and the physical domain.

Since longitudinal research has provided us with empirical evidence that homelessness was more likely to be temporary than permanent, more attention has been paid recently to routes out of homelessness; the diversity within the homeless population according to age, gender, ethnicity, geography, has contributed to this insight. The predominant users of services for homeless people still are middle-aged, single men, but the share of women, of younger people and of families with children has increased, especially in Western Europe. Contributing factors are crisis-related home evictions and hidden homelessness of women (as a result of violent relationships). There also is a growing number of migrants from Central and Eastern Europe and from outside the European Union among the homeless. The present crisis and recent developments could imply that escape routes for the homeless out of homelessness are becoming less and less effective.

As for homelessness policies, there is some evidence that welfare regimes that offer a range of services to promote social inclusion may be more likely to prevent citizens from entering at least some forms of homelessness. They are also less likely to utilise the criminal justice system in order to manage socially and economically marginal households. This is important, in the sense that having remained in custody for a certain period often is a key trigger for homelessness, also because a period of incarceration may lead to eviction and relationship breakdown. Apart from this

¹⁹ <http://rt.com/news/eu-empty-houses-homeless-444/> (February 26, 2014 16:39)

²⁰ http://www.feantsaresearch.org/IMG/pdf/fea_020-10_en_final.pdf

²¹ <http://www.feantsa.org/spip.php?article120&lang=fr>



differentiation according to welfare regime, the predominant model is that local authorities have the main responsibility for enabling and steering such services and NGOs are the main service providers, financed to a large extent by municipalities. They are still mostly directed at covering the most urgent and basic needs of their clients²².

Some policy implications

Housing policy may be used to combat poverty though reducing or limiting housing costs, particularly for renters. Controlling rent levels in the private sector are increasingly important, especially in countries with a dwindling labour market. Maintaining and further developing traditional social housing remains a crucial means to combat poverty. One important contextual condition with respect to social housing is that it should not contribute to stigmatisation of the tenants, which means that social housing should be integrated into 'normal' building blocks. For owners and renters alike, monitoring and maintaining good housing conditions is necessary because – as mentioned before - bad housing conditions affect health and will have negative effects on income, education, social participation, and employment.

Because housing forms an important part of people's material living conditions, people's experience of poverty and housing circumstances are strongly intertwined, and housing contributes to their life chances, a better understanding and policy attention is required of the links between housing, poverty and material deprivation.

3.5 Participation

'Poverty has many dimensions, extending far beyond a lack of income to include deprivation of choices, capabilities and power. Persons experiencing extreme poverty live in a vicious cycle of powerlessness, stigmatization, discrimination, exclusion and material deprivation. Lack of participation in decision-making is thus a defining feature and cause of poverty, rather than just its consequence. Participation is an affirmation of the right of every individual and group to take part in the conduct of public affairs, but also a part of the solution to poverty and social exclusion. Anti-poverty and development policies are more likely to be effective, sustainable, inclusive and equitable if they are the result of participatory processes. Participatory methods are important tools for empowerment, accountability and ending the cycle of deprivation and dependency in favour of the autonomy and social inclusion of persons living in poverty.'²³

Participation can be broadly defined as the process of taking part in different spheres of life. For instance Ferragina et al (2013) define participation in society in terms of social relationships, membership of organisations, trust in other people, ownership of possessions and purchase of services. They show that people with low incomes score lower on all these dimensions of social

²² http://www.feantsaresearch.org/IMG/pdf/fea_020-10_en_final.pdf

²³ From: Report for the Human Rights Council for June 2013 on the human rights approach to participation of persons living in poverty in decisions that affect their lives,
<http://www.ohchr.org/EN/Issues/Poverty/Pages/ParticipationOfPersonsLivingInPoverty.aspx>



participation. This implies that people in poverty are unable to engage fully in society, socialise less and are less trusting than people with more resources. Participation is lower amongst those in poverty, and this is the case for almost all forms of participation: political, social, economic and cultural participation. However, “while participation declines as income falls, there appears to be a point in the income distribution at which participation stops falling, creating a participation ‘floor’” (Ferragina et al 2013). Apart from the factors related to material deprivation, there is a lack of shared social values, limited access to information and a digital gap. Geographically small networks of the poor also constitute an important factor. Another spatially related factor is their lack of mobility, while mobility is necessary for social participation because of the lack of communal spaces in poor neighbourhoods that prevents the local community from functioning as such in the public space.

Data from the EU-SILC survey on social and cultural participation shows that the population at risk of poverty (with equivalised household incomes below 60% of the national median income) tends to be exposed to greater social isolation: the share of those with no friends is significantly higher among them in all EU countries examined here. The relative disadvantage of those with low incomes is particularly high (with rates over twice as high) in 13 out of 23 countries. Cyprus stands out in particular, where 7.1% of the poor have no friends, while this ratio is only 1.4% among the non-poor population. There is a similar difference by income level with respect to the measure of ‘lack of potential of getting help if needed’: a considerably larger proportion of those on poverty levels (of income) think that they have no one from whom they could receive help. The differences are less pronounced than in case of the ‘no friend’ indicator, and in some countries (Ireland, Slovakia and Finland), they are not statistically significant.’ (Lelkes 2010: 235-236).

The concept of participation more often is understood in a more restricted way as participation in public policy and decision-making. The scope and intensity of participation may range across a spectrum from passive to active (Coote 2011). Climbing the ‘ladder of participation’ is a good indicator of increased power, with partnership and citizenship as the highest rung. But people in poverty almost never reach this level because they are handicapped by a number of internal and external factors. Those experiencing social deprivation tend to be among the most politically excluded within society. Research shows that political disengagement and social exclusion consolidate and drive each other (The Electoral Commission 2005). Social exclusion can impede people’s ability to engage in political activities, and this is detrimental for democracy and trust in societies. Research further shows that poverty and social exclusion leads to disengagement from democratic processes (ibid). Poverty can imply that people become isolated from family and friends and that they feel powerless.

Poverty may limit people’s ability to engage in democratic processes in three particular respects. First, poverty undermines people’s skills to engage with and participate in policy making. Secondly, if life becomes a day to day struggle to survive, there is no energy left to engage with democratic processes. Thirdly, democratic processes often seem very remote and irrelevant for the poor and they think that their concerns and voices will not be listened to (Frazer 2011).



Why should people in poverty participate in developing local actions and policies? It would make those actions and policies more efficient and it contributes to the education of participants to become capable citizens and it promotes active citizenship. Through participating in democracy and civil society, individuals and groups can engage in and influence decision-making by governments (Combat Poverty Agency 2009). The “greater the democratic engagement in public affairs by all sections of society, the greater the legitimacy, inclusiveness, effectiveness and sustainability of a country’s democratic systems” (Frazer 2011). If sections of society do not participate, or feel excluded or lack the skills and knowledge to participate in decision making that affect their lives, people’s fundamental rights are curtailed while it results in less effective policies (Frazer 2011)²⁴.

There are a number of paradoxes in participation. Paradox one concerns bottom-up vs top-down participation. Bottom-up participation often is the outcome of conflicts; it can be productive and if authorities favour it, it often is for opportunistic reasons (having been part of the process, participants also share responsibility for its results). Citizens often are suspicious of top-down participation, because they suspect hidden interests in the outcome of the process. Paradox two is that local authorities often are sincerely trying to engage their citizens, but that few residents are willing or able to participate. That the model for participation often has a strong middle-class bias (including a civic culture that people in poverty don’t recognize) contributes to the absence of participation. Paradox three is that the underlying philosophy usually is the promotion of cohesion and that the positive role of conflicts therefor is not recognized. Conflicts may help to bring problems into the open and to better manage them, if they are about concrete issues.

Pitfalls in promoting participation are the already mentioned danger of elitism (middle-class model) and the exclusion of groups with less social cultural capital. Exclusion often is the result of very concrete facts, such as the timing of meetings, the language used, the meeting place (not in the neighbourhood). In this last respect, it could be important to develop outreaching methods. Last but not least, there is the question whether the neighbourhood is the most appropriate level for taking certain decisions remains. If the decision-making level for the problem is above neighbourhood level, it often creates more frustration than solutions {Burgers, 2004 #33650}.

²⁴ See the various issues papers for the 7th Forum for the Future of Democracy of the Council of Europe’s Forum for the Future of Democracy on ‘The Interdependence of Democracy and Social Cohesion: Strengthening representation and democratic participation through social dialogue and civic engagement’, 13 – 14 October 2011, Cyprus.
http://www.coe.int/t/dgap/forum-democracy/Activities/Forum%20sessions/2011/Working_documents/Default_en.asp



4. Multi-level governance to combat urban poverty: policy trends and responses

Poverty and social exclusion matter for urban policy makers, and not only because of the commitments of inclusive growth in the Europe 2020 Strategy. Several political and ethical reasons may be identified. The increasing social inequality and especially the widening gap between the poor and the rich threatens the very basis of our democracy and the rule of law. Other reasons of the same kind are (see Goodin e.a 1999): fairness and equal opportunities, also for the next generations; the need for social cohesion and avoiding social exclusion; guaranteeing social stability and security (for which the development of gated communities does not constitute an adequate answer) and promotion of positive freedoms (autonomy and emancipation). Social concerns relate to the fact that gross inequalities endanger society's cohesion, by fostering mistrust, polarisation, violence and crime. Still other reasons are of a more economic kind, such as reducing the economic costs of poverty – which, in the end destroys enormous amounts of human capital. Studies have generated evidence that welfare regimes promoting social equality, social integration and poverty reduction are also more effective in promoting economic growth and efficiency.

The chapter provides an insight into the various multi-level government approaches to combating poverty. We start with some contextualisation, referring to three developments the retreating welfare state, devolution of responsibilities to the local level and the role of civil society. Next, we discuss what is being considered as an appropriate framework: governance and more specifically, multilevel governance. Indeed, multilevel governance combines both general principles of effective poverty policies and sensitivity to specificities of the local situation (as well the characteristics of poverty as the institutional setting). What are those general principles for effective poverty policies? Which are the main specificities of EU-countries and cities? Without going into too much detail, these questions shall feed the policy recommendations of chapter 5 and ideally show why Europe needs an Urban Agenda (for integrated approach of poverty as well as other urban issues).

4.1 The context for developing anti-poverty policies

Let us first present some developments that are considered as relevant to understand present responses to (urban) poverty and to develop future policies: the retreating welfare states, the devolution to the local level and the role of civil society.

Retreating welfare states

There is a growing consensus among social and political scientists that globalisation and especially the increased economic competition of transnational companies for multinational markets has forced nation-states to deregulate market barriers. The increased mobility of capital and production, moreover, has led to reductions in welfare provisions, such as cuts in social assistance or unemployment aid, reduced health care and increased share of private provision which in turn has forced care and wage cuts, and flexibilisation of working contracts and reduced pensions. Rising



unemployment due to plant closures or relocation of production is a further consequence. These global developments in combination with the European integration has increased income inequality not only among EU Member States but also overall.

Differences among countries in terms of ‘welfare regime’ (Esping-Anderson 1990; 1996) and ‘welfare mix’ (Ascoli and Ranci 2002) are crucial for determining impacts of neoliberal restructuring and prospects and constraints. The social democratic model, which was based on a fairly insulated national economy, a sufficiently insulated monetary policy apparatus, mass production and firm stability, has lost its premises. Instead, new intermediate organisations and associations such as environmental organisations or neighbourhood associations have taken a position between the individual and the state. While in some welfare states, NGOs are an important force in welfare issues and urban politics more generally, it is expected that this role is secondary to the state in other countries displaying a strong statist tradition in urban governance. In these latter countries, NGOs perform a cradling function as the “underside” of traditional social democratic welfare provision. Processes of neoliberalisation in cities, however, are potentially opening-up greater spaces for NGOs to enter into the fray of political action against injustices. Less statist welfare regimes, such as Italy and other southern European welfare countries (Ferraro 1996), display historically significant local civil organisational presence, with specific reference to Catholic church (Caritas; Opus Dei) activities *in place* of the state (e.g. Milan, Lombardy).

Devolution to the local level and role of civil society

The argument goes that with globalisation, more intense quality-based competition and the knowledge economy, the urban qualities of agglomeration and density provide a competitive advantage. This is what Buck *et al* (2005) call the NCW, ‘New Conventional Wisdom’ of urban policy; the belief that with increased globalisation a new urban era has emerged. For these commentators, the NCW focuses in particular on the conceptual interrelations between *competitiveness*, *cohesion* and *governance*. Policy implications of changing relations between state and NGOs, as part of a wider process of recasting the position of the third sector and the restructuring of the state and state welfare, are crucial.

The withdrawal of the welfare state goes hand-in-hand with decentralisation and the search for new governance regimes and the localisation of social policy. We note centralising tendencies in some parts of welfare state policies and that the nation state wants to discipline the poor and urban outcasts like homeless people, drug addicts, and undocumented people (Uitermark and Duyvendak 2005). Local authorities in this context are obliged to carry out national directives and NGOs are sometimes criticised. A change in attitudes is at stake, from one that sees it is at least a good thing that charities take care of vulnerable and marginalised people, towards a view that charities facilitate people’s adherence to anti-social, or unhealthy habits and lifestyles or even function as a pull-actor in attracting urban marginals to the city (Davelaar *et al* 2006).

In some countries and in relation to aspects of poverty and exclusion, NGOs are integrated in new governance regimes; in some cases they may even situate at the core of new governance arrangements. This seems to be the case where emphasis is laid on governing through (self-



governing) networks (Wälti and Kübler 2003), on openness and ‘pluriformity’ in making and implementing policy, on the virtues of client participation in service delivery and on the interplay between formal and operational policies. When new governance arrangements, however, are inspired by or dominated by ‘New Public Management’ philosophy and structures, such as contracting-out, NGOs are either not even in the game, or unwillingly directed to clearly defined niches in service delivery, where they have to abandon their more ‘holistic’ approach (which is characterised by, for instance: no clear boundaries between voluntary and professional care, unconditioned aid, combination of direct help and political advocacy).

4.2 Multilevel governance: a solution?

‘Cities thus need to break away from compartmentalised approaches and to integrate formerly fragmented policy actions by taking spatial, economic, and social dimensions of urban development²⁵ into account; an approach that will help them to integrate all these dynamics, activities, and services. *Multilevel urban governance* has been advanced as the government model that meets most of the requirements imposed. It means the exercise of authority at various levels of government. ‘*Multilevel governance can be defined as an arrangement for making binding decisions that engages a multiplicity of politically independent but otherwise interdependent actors – private and public – at different levels of territorial aggregation in more-or-less continuous negotiation/deliberation/implementation, and that does not assign exclusively policy competence or assert a stable hierarchy of political authority to any levels*’ (Schmitter 2004: 49). The Committee of the Regions’ White Paper on Multilevel Governance (CoR 2009), which largely inspired this study, also ‘*considers multilevel governance to mean coordinated action by the European Union, the Member States and local and regional authorities, based on partnership and aimed at drawing up and implementing EU policies*’. (From Tasan-Kok & Vranken, *Handbook for multilevel urban governance in Europe. Analysing participatory instruments for an integrated urban development*) (Tasan-Kok and Vranken 2011)

Partnerships between several actors (state, civil society, for-profit enterprises), which are situated at different territorial levels, and occupy a relatively autonomous position, but accept state actors as stage director. Several levels reach from neighbourhood/district over city, city region, region, nation state to the EU. Cooperation between multiple domains is needed - such as employment, housing, education, health, culture, urban planning – which organisationally is expressed in interdepartmental programmes and projects. Other important characteristics of the urban governance approach are: a new political culture that allows a flexible and responsive administration, structural participation of citizens/clients/users, and decentralised decision-making mechanisms, or as mentioned in the White

²⁵ Urban development refers to the demographic, social, and economic development of cities, which leads to the spatial expansion and change.



Paper on European Governance (COM (2001) 428) - openness, participation, accountability, effectiveness and coherence.

Policy frameworks and strategies at the EU-level

The 'Leipzig Charter on Sustainable European Cities' (2007) already pleaded for integrated policies to combat poverty, not only with its overall focus on deprived neighbourhoods and social exclusion, but also through initiatives such as strengthening the local economy and local labour market policy, the development of an efficient and affordable public transport system that will give residents in these neighbourhoods equal opportunity with regard to mobility and accessibility, and proactive education and training policies for children and young people. A number of subsequent documents have further developed and completed this Charter.

The Europe 2020 strategy has, in the meantime provided us with a new framework, focusing on 'smart, sustainable and inclusive growth'. It constitutes the first European policy document to set a European target to reduce poverty and social exclusion by 20 million people by 2020. This strategy includes several flagship initiatives. One of these initiative is the European platform against poverty, which aims to ensure social and territorial cohesion so that the benefits of growth and jobs are widely shared and people experiencing poverty and social exclusion are able to live in dignity and take an active part in society, is the most relevant in respect to this research.

As for the active inclusion strategy (Commission Recommendation 2008/867/EC of 3 October 2008 on the active inclusion of people excluded from the labour market [Official Journal L 307 of 18.11.2008]), its translation to the city level would be a most productive exercise to fill in the 'good governance framework'. Its relevance is that it puts forward three main strands that need to be integrated in order to be effective. What the governance concept adds, is the multilevel governance dimension and the inclusion of all stakeholders including the civil society.

The active inclusion of people excluded from the labour market requires that the Member States draw up and implement an integrated comprehensive strategy, which should be composed of the following three strands: sufficient income support; inclusive labour markets; and access to quality services. Actions and policies should support the employment of those who can work, providing the resources required for a dignified life, and promote the social participation of those who cannot work.

1. With respect to sufficient income support, Member States should recognise and implement the right of individuals to adequate resources and social assistance as part of consistent and comprehensive efforts to fight social exclusion;
2. With regard to inclusive labour markets, Member States should provide assistance for those who can work to enter or re-enter and stay in employment that best relates to their capacity to work;



3. Regarding access to quality services, Member States should ensure that proper social support is given to those that require it, in order to promote social and economic inclusion.

The Member States are further recommended to ensure that the inclusion policies are effective. This should be done by: combining the above three strands of the strategy in an appropriate manner; implementing the strategy in an integrated manner across the three strands; coordinating the policies among authorities at local, regional, national and European Union (EU) level; including all relevant actors in the development, implementation and evaluation of the strategy.

In particular, the inclusion policies should take account of fundamental rights, the promotion of equal opportunities for all, the specific needs of disadvantaged and vulnerable groups and the local and regional contexts. In addition, the inclusion policies should contribute to preventing the intergenerational transmission of poverty (link with child poverty).

The Member States are also recommended to ensure that the necessary resources and benefits are provided under the social protection instruments, taking into account the economic and budgetary constraints. Active inclusion measures may also be funded from the Structural Funds. In addition, Member States should simplify administrative procedures. At the same time, access for the public to the appeals systems should be made easier.

The Social Investment Package (SIP) is a series of non-binding documents, adopted by the European Commission (EC) on February 20th 2013 as a response to the economic crisis, threatening the achievement of the EU2020 poverty and employment targets and to the demographic changes that produce a shrinking size of the working-age population in Europe. The SIP offers guidance on how to modernise social policies and make them more effective and efficient. It is a potentially important initiative to reinforce the social dimension of Europe 2020, *because it* provides a framework that brings together initiatives in a range of key social protection and social inclusion issues and sets a clear agenda going forward. Implementing the SIP will require Member States to give more attention to spending more effectively and efficiently to ensure adequate and sustainable social protection; to invest more in developing people's skills and capacities so as to improve their opportunities to integrate in society and the labour market; and ensuring that social protection systems respond adequately to people's needs at critical moments during their lives. It thus is very important to ensure that the agenda spelt out in the SIP is effectively built into the *Europe 2020* governance process and then monitoring its implementation.

(Re-)activating the “Horizontal Social Clause” of the Lisbon Treaty requires that *“In defining and implementing its policies and activities, the Union shall take into account requirements linked to the promotion of a high level of employment, the guarantee of adequate social protection, the fight against social exclusion, and a high level of education, training and protection of human health”*. In other words poverty and social exclusion is meant to be at the heart of EU policy making. How to work this out since the adoption of the Leipzig Charter?

Other relevant documents to be integrated into a ‘smart, sustainable and inclusive’ European urban policy are the Employment Package the Youth Employment Package Employment and Social



Innovation programme and, last but not least, the European Structural and Investment Funds and their linkages with urban programmes. The Employment Package suggests measures on the supply and demand side of the labour market and structural reforms contributing to recovery and sustainable growth with a view to inclusive labour markets and addressing in-work poverty. The Youth Employment Package suggests four initiatives including the 'Youth Guarantee' schemes to ensure that every young person under 25 receives a quality offer of employment, education or training within four months of becoming unemployed or leaving formal education. Schemes can be set up with the help of EU funding, in particular the ESF, as well as the additional EUR 3 billion agreed by the European Council in February 2013 with regard to a Youth Employment Initiative. The Employment and Social Innovation programme reflects the overall EU policy priorities tackling poverty, unemployment and social disadvantage.

From social assistance to labour market activation – a common feature for EU MS?

In a recent paper for the GINI-project, Marchal & Van Mechelen (2013) compare activation strategies directed to minimum income recipients in 17 EU member states and three US states²⁶. They identify three dimensions: financial incentives to work (the gap between net income at social assistance and minimum wage), demanding elements (reasonable job criteria, time limits and sanctions applied for activity related infringements) and enabling elements (behavioural conditions on continued benefit receipt, such as prominence of training within the available active labour market programmes, the range of ALMPs (Active Labour Market Policies) and the extent of additional support provided to minimum income recipients). The authors conclude that the degree of overlap between the three dimensions is rather limited; they found little evidence of a trade-off with more demanding or enabling elements compensating for a lack of financial incentives, and vice versa. In a comparative perspective, however, it is interesting to note that countries hold very different views on how the three dimensions as well as the underlying policy instruments should be combined into overall activation strategies. The available information provides little evidence for clear geographical clusters or a clustering along the traditional demarcations of welfare state regimes. At the same time, however, the authors recognise that a cross-country comparison may obscure substantial within country variation in some cases; this might mean a plea for more focus on the regional and city-region dimensions of social assistance schemes and labour market activation policies and the relation between both. As Immervoll and Scarpetta (2012:1) argue: 'an effective policy strategy rests on a finely tuned balance between income support, work incentives, as well as mutual obligations and active labour market programs'.

Governance of poverty and social exclusion policies in the EU

This brings us to the need for a governance approach to poverty. The multilevel governance dimension is of utmost importance in the framework of this report. A step in the right direction is the creation of European policy platforms. Policy Platforms are joint commitments among the Member States, EU Institutions and key stakeholders around a common policy target to set a dynamic

²⁶ Marchal S., Van Mechelen N. (2013). Activation strategies within European minimum income schemes. AIAS, GINI Discussion Paper 87. (<http://gini-research.org/system/uploads/587/original/87.pdf?1385131339>)



framework for local actions. They can support voluntary policy coordination and mutual learning among the participating organizations, as well as inspire EU-wide rules within the framework of Europe 2020 Strategy. In line with proposals in the 5th Cohesion Report, the Commission wants to use EU funding to combat poverty and social exclusion more effectively, through increasing the share of resources devoted to actions tackling poverty, simplifying access for grassroots' actors, strengthening synergies and complementarities between different programmes²⁷.

The relevant Policy Platform regarding poverty is the – alas, much neglected - European Platform against Poverty and Social Exclusion, established in 2010 (December, 16) as part of the Europe 2020 Strategy. It aims at creating a joint commitment among the Member States, EU Institutions and the key stakeholders to fight poverty and social exclusion (COM (2010)758). Its success strongly depends on other flagships of the Europe 2020 Strategy, such as the ones on raising employment and improving education and skills and on a correct equilibrium between the three dimensions of the growth objective (smart, sustainable and inclusive growth).

The mission is to improve access to the labour market, social protection, essential services (e.g. healthcare, housing) and education. EU funds will be better used for those purposes, so that they better support the fostering of social inclusion and the combating of discrimination; they also need to give new incentives to social innovations. Social policy reforms will be tested and assessed to improve their effectiveness with respect to these goals. An annual convention will allow all stakeholders to take stock of progress towards achieving the target²⁸.

What about the multilevel dimension of the Platform against Poverty and Social Exclusion?

At the *EU level*, the Commission will evaluate actions and set best practices. Moreover, it will make the best use of all EU Funds (especially the European Social Fund), to support social inclusion objectives and to propose social policy as a priority for future EU funding. The new Microfinance Facility, which aims to help vulnerable groups' access loans to set up their own business, was set up in early 2011²⁹.

At the National level, Member States must coordinate their policies better by taking the lead in fighting social exclusion and poverty and they must spell out their initiatives in the National Reform Programmes linked to the Europe 2020 strategy, as contributions to deliver growth and jobs³⁰. New partnerships between the public and the private sector will be supported and the potential of the social economy will be harnessed.

The content-related challenges of the European Platform against Poverty and Social Exclusion are defined as: the multiple dimensions of poverty and exclusion, addressing poverty throughout the life cycle, and severe exclusion, new vulnerabilities and specific disadvantages. The main structural obstacle for the effectiveness of this instrument is due to its top-down approach, as it is launched by

²⁷ MEMO/10/687, Brussels, 16 December 2010, Poverty and Social Exclusion in the EU: state of play and next steps

²⁸ <http://europa.eu/rapid/pressReleasesAction.do?reference=IP/10/1729&format=HTML&aged=0&language=EN>

Ibid.

³⁰ Ibid.



the European Commission. Although national governments and the Commission will openly communicate on the process, the absence of the local governments in the process will decrease the effectiveness of the programme.



5. Conclusion and Policy recommendations

The main challenges that we discussed in this report are the following. Do poverty and other forms of social exclusion threaten the social cohesion that cities need to survive and what are effective strategies to address these forms of social exclusion and to foster social cohesion? Is it possible to develop policies and strategies that, while promoting the cities' creativity and economic dynamism, are efficient in treating its social problems? Which are our main conclusions and which are our policy recommendations resulting from those conclusions?

5.1 Conclusions

As a result of structural and cyclical developments, cities are under the threat of becoming less inclusive and thus lose their function as drivers of cultural and intellectual creativity, of technological and social innovation, and of economic development. We discussed contextual factors such as the retreating welfare state, the devolution of responsibilities to the local level (without enough money to accompany it) and the (increasing) role of civil society in this context. That is why urban development should move much closer to the heart of political attention, especially of European policy-making. There are a number of reasons to pay attention to urban forms of exclusion and poverty and thus develop policies to promote urban inclusion, cohesion, creativity and economic dynamism.

The relation between national and city governments has become lopsided since the devolution of extra responsibilities to the local level without, however, transferring the financial means to fulfil the tasks coming with them. Challenges with which the cities are confronted and with which they will even face more in the years to come, lie beyond the powers of cities and national states altogether. Massive immigration, the increase of poverty and other forms of social exclusion, the lack of means to invest in the younger generations that are soon becoming 'lost generations' – if they aren't already doomed to become a burden to society instead of human capital - the pronounced increase in child poverty which will lead to a permanent reproduction of such a lost generation, the increasing gap between rich and poor and the dwindling of the middle class, the loss of social cohesion and civil responsibilities, and the polarisation of societies and cities alike.

The number of people living in poverty is rapidly rising in Europe. Instead of the projected reduction with 20 million in 2020, there is at present an increase of 7 million people in poverty. Poverty is defined in much broader terms than income alone, also including (severe) material deprivation and (low) work intensity. This is important, because material deprivation is not the same as income poverty; it refers to more depriving living conditions.

There is the inverse relation between the level of economic development of Member States and the 'risk of poverty' in their cities. This points into the direction of even higher figures for urban poverty in the years ahead, since it is expected that the present crisis will be followed by at least a period of economic growth, thus bringing urban poverty of the new Member States at the same high level as that in economically more developed Member States.



The economic crisis will perhaps turn into a period of economic growth, but this will not immediately reduce the number of people in poverty and the seriousness of their condition. The longer people are in poverty, the more difficult it is to escape poverty – and this is also the case with respect to unemployment, which is one of the important production lines of poverty. Long-term unemployment is increasing; but there is another development that is even more threatening in the long term and that is the high level of youth unemployment. This rising NEET rates (“neither in employment, education or training”) means that enormous amounts of human capital are being lost and leads to discouragement among young people. It might even become worsen, given the increase in child poverty – huge numbers of children being excluded from opportunities even before their life has started.

It has become clear that a job does not automatically protect against poverty, which is an upsetting phenomenon because being employed always was considered as the royal road out of poverty. Does this undermine the traditional, rather disciplining, approach to labour market activation? Or should something be done about the jobs people in poverty are being directed to, in terms of income and of quality criteria? It is relevant when developing an urban anti-poverty strategy, because the majority of the working poor are living (and working) in urban settlements.

The complexity of factors leading to poverty is perhaps best illustrated in matters such as education and housing. Material inequalities refer to a different access to some of the perquisites of learning such as food, sleep, clothing, adequate housing and stability, emotional security, books, computers, and transport; about educational expectations, the ability to speak the right language, and about social networks. Institutions reinforce social divisions as they group students into classes and neighbourhoods. Housing and poverty are also connected through intermediary variables, such as health, education, social participation and employment. As bad housing is concentrated deprived neighbourhoods, employment opportunities are also reduced because of lacking transportation facilities and because of ‘spatial stigmatisation’ of those who apply for jobs.

Concerning deprived neighbourhoods, it is crucial that we recognize that some of those neighbourhoods function as transition zones for ‘poor’ newcomers, as places of socialisation in urban life and in society at large. Moreover, often they also function as breeding places for innovation and entrepreneurship. Without these margins, cities might lose some of their creative capacity. A differentiated approach towards deprived neighbourhoods is urgently needed, also because of the increased superdiversification of our cities.

Homelessness is a phenomenon that links extreme social exclusion with the spatial context. Although in numbers, it is not as important as poverty or long-term unemployment, its significance is that it is a kind of warning that society is moving in a very wrong direction. Even though homelessness is more likely to be temporary than permanent and that more attention should be paid to routes out of homelessness, it is very much dependent upon the end of the present crisis; it could easily turn into a structural phenomenon of our societies.



Climbing the ‘ladder of participation’ is a good indicator of increased power, with partnership and citizenship as the highest rung. But people in poverty almost never reach this level because they are handicapped by a number of internal and external factors. Very much overlooked is the domination of a ‘middle-class model of participation’, with its small but built-in factors that scare people in poverty away from places where participative activities take place. The place dimension is important (is it in or outside the neighbourhood?) and this should stimulate policy-makers to put more energy into adapted outreaching methods.

5.2 Policy recommendations

The most important challenge is to define and to implement the conditions under which the growth model, that constitutes the core of the Europe-2020 strategy, might be realised while avoiding the almost ‘natural’ result that it further excludes persons, groups and institutions that are already in the margins of society at large and of cities in particular.

Drawing primarily on the work of the EU Network of Experts, Frazer suggests 26 practical steps how this strategy might be rejuvenated (Frazer, 2012). They cover four key areas, which also are relevant for developing a ‘smart, sustainable and inclusive’ European urban policy that, directly and indirectly, strives to combat urban poverty and other forms of social exclusion. These are: improving the social inclusion governance of Europe 2020 through effectively implementing the Social Investment Package; delivering on active inclusion; launching a strong initiative on child poverty and well-being, and activating the Horizontal Social Clause of the Lisbon Treaty. It is within this general framework that more specific recommendations for combating urban poverty (and other forms of social exclusion) should be situated³¹.

1. Urban policy does not stop at the borders of the cities. A first step is to consider city-regions as the basis for developing policies. Next, all levels of government, from the local to the European level should be involved in a multilevel urban governance, the principles of which have been pointed out in preceding pages and have been developed the Leipzig Charter and the Toledo Declaration.
2. In order to make those principles relevant for urban poverty policies, a set of appropriate instruments for urban multilevel coordination should be developed. They should allow for translating these general principles into national policies with specific actions, based on a collaboration between the national, regional and local authorities with common goals, clear targets and action plans.
3. Successful urban poverty policies imply a participative ‘bottom up’ approach, not only taking the needs of the local population as a starting point, but also including them as full participants (as citizens) in the whole process up until the monitoring of the policies. In this

³¹ Inspiration for the recommendations comes from Burgers & Vranken, How to make ... {Burgers, 2004 #33650}, Conclusions of the conference of the Belgian presidency on the 2nd of December 2010 on the development of instruments and methods towards a Multilevel Urban Governance, xxx



respect, it is essential to strengthen urban civil society through structural initiatives, especially concerning self-organisation of the poor and other minorities.

4. In order to be successful, strong partners must be fully part of such a local 'governance regime'. Especially (local) business should be invited; not only as organisations providing jobs but also as important actors responsible for the common good. This might, of course, require the acceptance of principles of social responsible entrepreneurship, promoting opportunities for starters and including ethnic entrepreneurship and diversity as positive dimensions of urban life.
5. Consider urban diversity as a contribution to urban life and as part of the solution to all sorts of problems, such as clashing lifestyles, racial harassment, open conflicts between ethnic groups and covert annoyances. Receptivity for policies and arrangements that view urban diversity as an asset may lead to new ideas about how to increase social cohesion, social mobility and economic performance. Indeed, in many cities business leaders have adopted a positive approach to diversity and accept that the more diverse a workforce is, the more successful its firms.
6. To steer the national policies and actions on a European scale, the key indicators to monitor the progress towards the five targets of the European 2020 strategy should be used. In addition, a coherent set of indicators to measure situations and monitor developments of urban poverty (which means including specific spatial items), comparable to the AROPE-indicator at the level of the general population should be included.
7. A horizontal dimension should be part of urban multilevel governance regarding poverty. This means the development of models of good urban governance, based clear principles and existing good practices. Such an approach will help to integrate all dynamics, activities, and services; breaking away from compartmentalised approaches and integrating formerly fragmented policy actions by taking into account spatial, economic, and social dimensions of urban development. This should be done through mutual learning and the sharing of knowledge, linking policy and practice, through transboundary networks as URBACT and EUKN; special attention should go to the development of peer reviews.
8. To that respect, an adaption of the 'active inclusion' strategy for urban use could be inspiring – by integrating its three core dimensions (support the employment of those who can work, provide the resources required for a dignified life, and promote the social participation of those who cannot work) into a 'smart, sustainable and inclusive' urban model.
9. In the same line, adapt and further develop urban forms of the SIP (Social Investment Package) by giving more attention to adequate and sustainable social protection; by investing more in developing people's skills and capacities so as to improve their opportunities to integrate in society and the labour market; by ensuring that social protection systems respond adequately to people's needs at critical moments during their lives. All those elements have a strong urban dimension or could be re-interpreted from an urban perspective.
10. Recognize and promote the positive functions of some 'deprived neighbourhoods' that function as transition zones, serving as 'socialisation sites' for urban newcomers (and as a



basis for upward mobility) and as breeding places for innovation and entrepreneurship. Without these margins, cities might lose their emancipatory and creative capacities. It would also help to prevent the development of a new urban underclass.

11. Do not, on the other hand, overestimate the importance of place-based local communities as a greater variety of places, such as the community of origin, becoming more important for an increasing diverse and mobile population. ICTs and transnational activities and identifications might have major implications for the everyday life of neighbourhoods, if residents are more oriented towards places elsewhere. These more relational, fluid and diverse forms of identification and activity represent one of the greatest governance challenges associated with new forms of diversity.
12. Develop an efficient and affordable public transport system that will give residents in deprived neighbourhoods equal opportunity to have the mobility and accessibility of other citizens.

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Annex A: The link between poverty and migration

The various links between migration and poverty constitute classical themes in the literature on international migration and development: migration as a livelihood strategy of the poor in rural regions of developing countries, the role of migrant remittances in poverty reduction in regions of origin, and migration as one of the factors affecting the risk of poverty in destination countries. In the literature on intra-EU mobility, little attention is paid to the link between poverty and migration. Is there then no link at all between intra-EU labour mobility and poverty?

Poverty and en mobility: the sending regions' perspective

Poverty may be a motive for migration. Improvement of the socio-economic position is a primary motive for international migration. Migration from third to first world countries requires a lot of social and financial resources. Thus, it is not the poorest people who (legally or illegally) arrive in Europe. People migrating from poverty move especially within their own region (migration as livelihood strategy). However, this pattern may be different for intra-EU mobility, because mobile EU-citizens face far less obstacles in crossing borders.

There is some evidence that poverty and poor living conditions, together with discrimination, are key drivers of migration among the Roma communities in Bulgaria and Romania (NIESR 2013: 17; FRA 2009). However, Roma people are stigmatized and discriminated against in destination countries as well, thus they have few opportunities to improve their position through migration. Migration of Roma people appear to be often of a temporary and circular nature precisely because of the discrimination in destination countries (NIESR 2013: 53). When Roma migrants return as 'failed migrants', that is, returning in a more desperate situation than they had been in before leaving, this tends to worsen their situation.

More in general, even within the EU there are considerable differences between Member States in income levels and employment opportunities: the predominant push and pull factors behind labour migration. This is one reason for the volume of labour mobility from Bulgaria and Romania, two of the poorest countries in the EU. In German and British discussions, East-West migration in the EU is referred to as "poverty migration" ("Armutseinwanderung").

However, data on the profiles of EU 8 and EU 2 migrants show that in general those who leave are not the most disadvantaged, poorest and less-educated within the local populations. The regions from which migrants depart are often disadvantaged ones and migration can thus be detrimental to those who stay behind (especially the elderly) and the development prospects of the region (loss of human capital).

In studies on developing countries, migration is regarded as an important factor in development and poverty reduction (through remittances). Much is known about the ways in which remittances can promote development and reduce poverty, as well as on favourable and unfavourable conditions for development. Labour mobility within the EU also fuels remittances to countries of origin.



Remittances tend to play a role in poverty reduction in the EU (Bélorgey et al. 2012). Surveys show that remittances are predominantly used for consumer goods and housing construction. However, remittances may increase the gap between migrant families and families without migrants. For instance, a well-known phenomenon is that the use of remittances for the purchase of land and building houses may drive up land prices, with negative consequences for families without remittances.

Many intra-EU labour migrants return temporarily or permanently to their country of origin. Although migration may be a strategy of economic improvement, some migrants return to CEE Member States in a worse condition and have difficulties reintegrating into the labour markets of their home countries. This is especially the case for skilled workers who worked below their qualification level ('downskilling'). Returning vulnerable migrants have the highest risk of deterioration of the living conditions after return: especially Roma people and unsuccessful, marginalised migrants (homeless, drug addicts).

Poverty and en mobility: receiving regions' perspective

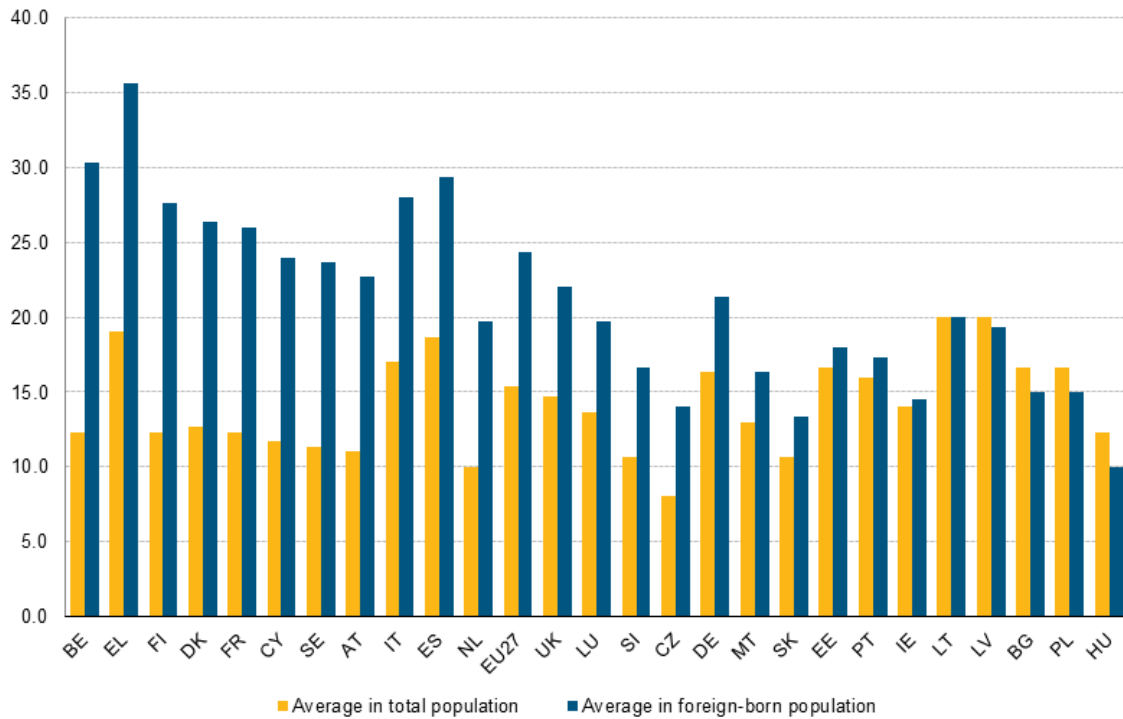
In general, foreign-born persons are at higher risk of poverty and social exclusion than the native-born population, with the Third Country Nationals at the greatest risk of poverty and social exclusion³². In addition, foreign-born persons often live in disadvantaged neighbourhoods, with fewer opportunities and resources to improve their living conditions. There are considerable differences among EU countries regarding the at poverty rates of the foreign-born persons in comparison with those of the total population (see Figure 2). In Belgium, Greece and Finland, foreign-born persons are more 'at risk of poverty' by 15-18 percentage points compared with the total population.³³

³² Eurostat 2014: "Europe 2020 indicators - poverty and social exclusion" - Statistics Explained (2014/3/3)
<http://epp.eurostat.ec.europa.eu/statistics_explained/index.php/Europe_2020_indicators_-_poverty_and_social_exclusion>

³³ Eurostat: Migrant integration statistics:
http://epp.eurostat.ec.europa.eu/statistics_explained/index.php/Migrant_integration_statistics



Figure 10 Persons at risk of poverty after social transfers in the total popul. and in the foreign born-one, EU-27, 2009-2011



Excluding unreliable data.
Excluding RO due to missing data for the foreign-born population.

Source: Eurostat

In 2012, 32.8% of the foreign-born persons aged 18 and over were assessed to be at risks of poverty and exclusion. These higher risks of poverty and social exclusion stem essential form the situation of the Third Country Nationals, 38,3% of whom are at risk of poverty and social exclusion, against 23.9% for immigrants born in another EU country and 23.1% for the native-born persons. Migrants from another EU-country in general have a slightly higher risk of poverty and social exclusion than the native-born persons, although there are significant differences between countries of settlement (see table 1).

Table 4 People at risk of poverty and social exclusion aged 25-54 by groups of country and country of birth and gender, 2008

	Native-born			Foreign-born			Of which					
							EU-27-born			Non-EU-27-born		
	Total	Men	Women	Total	Men	Women	Total	Men	Women	Total	Men	Women
EU-27	20	19	21	37	29	32	21	20	21	35	33	37
BE	13	12	15	36	37	36	22	20	23	51	51	51
BG	36	36	37	:	:	:	:	:	:	:	:	:
CZ	13	12	15	30	27	32	26	21	31	38	:	:
DK	13	15	12	31	30	32	18	21	15	36	33	39
DE	19	18	20	28	29	27	20	22	19	33	34	33
EE	16	17	15	18	15	20	:	:	:	18	16	20
IE	20	18	21	23	20	25	21	18	24	26	25	26
EL	23	22	24	45	46	44	36	37	36	48	49	47
ES	18	17	18	32	33	32	23	25	21	36	36	36
FR	14	12	15	34	28	39	15	17	12	40	32	47
IT	22	21	23	34	31	37	27	22	31	37	34	41
CY	13	13	14	30	28	31	16	13	18	40	41	40
LV	26	25	27	28	25	30	:	:	:	27	22	30
LT	22	21	23	21	24	18	:	:	:	22	25	19
LU	9	6	11	23	21	24	19	18	19	40	38	41
HU	27	27	27	21	22	19	22	25	20	:	:	:
MT	16	14	17	19	20	17	15	:	:	21	:	:
NL	13	13	12	23	19	26	17	15	18	25	21	29
AT	13	12	14	32	31	33	18	18	18	39	37	40
PL	28	29	28	:	:	:	:	:	:	:	:	:
PT	22	21	23	26	26	25	17	:	:	28	28	28
RO	39	39	39	:	:	:	:	:	:	:	:	:
SI	15	16	15	22	24	21	23	:	:	22	23	21
SK	18	17	18	24	:	:	23	:	:	:	:	:
FI	13	13	12	31	33	29	14	7	19	43	51	36
SE	10	9	10	32	35	30	23	20	25	37	41	33
UK	18	16	19	25	24	25	16	17	14	29	27	30
IS	10	10	10	18	19	17	21	22	20	14	16	12
NO	10	10	11	23	19	26	14	10	19	29	27	31

Source: Eurostat 2011 (Migrants in Europe)

The higher rates of poverty and social exclusion of the foreign population relate to their considerable higher levels of unemployment. In 2011 the unemployment rate of foreigners in the EU-27 (16 %) was much higher than for the total population (9 %), while the difference was much higher among third-country nationals (20 %) than among foreigners with the nationality of another EU country (12%).

The most vulnerable categories of mobile EU citizens have been mentioned already: mobile Roma EU citizens. The mobility of Roma EU citizens has raised concerns in some destination countries and some of them have returned Roma migrants, citing public security and health reasons (Collett 2013a). In addition, mobile EU citizens from Romania and Bulgaria are referred to as 'poverty



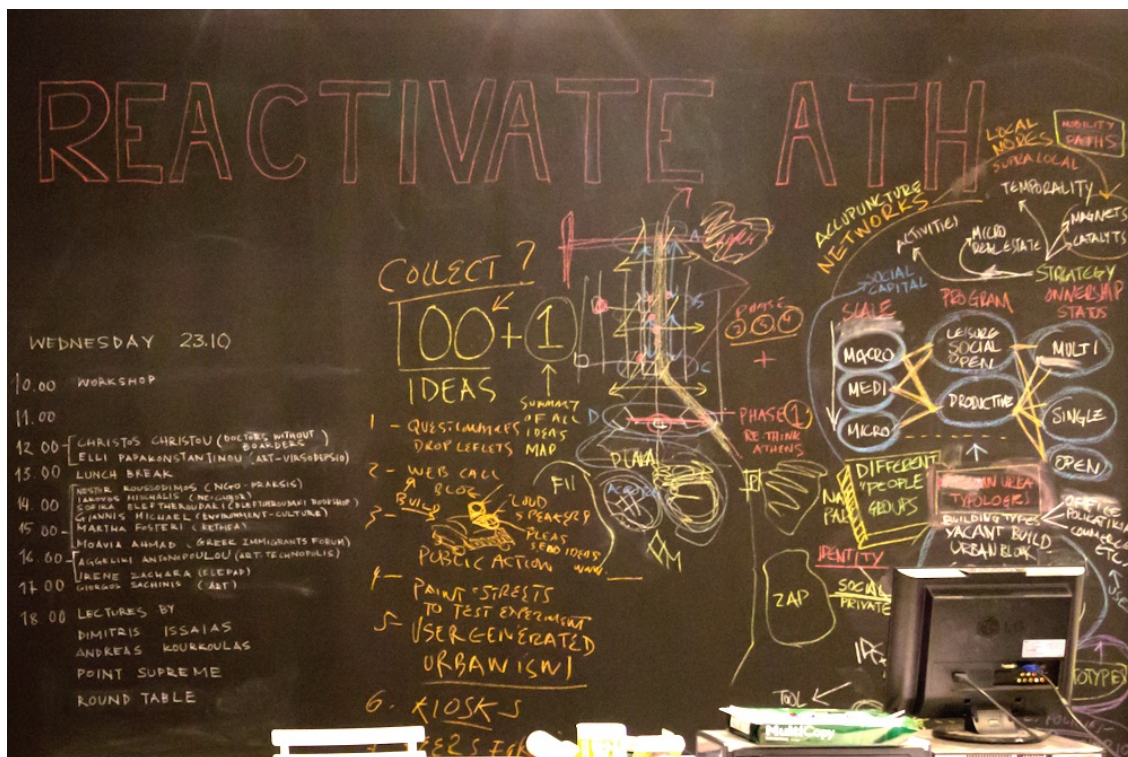
migration' in German and British public discussions.³⁴ Concerns are the inflows in already disadvantaged urban neighbourhoods, "welfare tourism", but also begging Roma on the streets in cities.

Poverty is a less serious problem as long as it is of a temporary nature and the persons concerned have good prospects for improving their living conditions. Migration is intended by many mobile EU citizens as a temporary phase, to earn and save money to improve living conditions in the country of origin (by purchasing a house, starting own business, etc.). Temporarily spending less on housing for example may be a conscious choice to save money for the intended return to the country of origin. However, the history of labour migration reminds us that temporary residence often gradually turns into long-term residence. In addition, there are serious reasons for concern, from a poverty reduction perspective, if improvement of living conditions is hindered by unequal rights, discrimination, exploitation (by employment agencies) and restricted access to general services (housing, education, health, social security). The accumulation of forms of exclusion among categories of immigrants may impede their socio-economic advancement. They tend to suffer more from the rising unemployment in the EU due to the crisis. Non-EU born persons face multiple barriers to entering the labour market (EC 2013). Moreover, they often live in disadvantaged neighbourhoods that further reduce their opportunities.

³⁴ See for example: Germany readies response to 'poverty immigration' (9-1-2014): <http://www.euractiv.com/social/europe/germany-readies-response-poverty-news-532673>

Annex B: Practice examples

Good practice examples for interventions to promote inclusive cities in Europe





Introduction

The good practice examples presented in this Annex have the goal to serve both as inspirational good practices as well as to illustrate the broad spectrum of possible policy interventions regarding poverty and urban inclusion, and its relationship with area-based interventions, multi-level governance issues and financing. Also, the transferability of projects and local circumstances have been taken into account. The examples in this chapter are not meant as an exhaustive list of the best practices in the field of urban inclusiveness in Europe, but rather as an overview of the various ways of tackling this problem, in different governance settings in different European countries, meant to inspire and provide starting points for politicians, policy makers and private parties interested in the inclusive city.

The good practice examples are categorised by primary governance level. This is not because this is the most important feature of any project, but because it gives a good idea of the scope and size of the example, and it is also one of the few clear objectively comparable features. Also, multi-level governance plays an important role in urban policy, including in effective integral policy against poverty, but the initiative can be at any level.

The practice examples are a mix of successfully finished projects, well-working ongoing programmes and projects, and a few examples that are hitherto not in the operational phase, but showed exceptionally promising proof of concept. Some practices have a specific area-based (spatial) approach, others focus primarily on the people involved, through for instance education, but many approaches were found. The examples with the most integral approach tend to have a high level of multi-level governance.

Each example will start out with an easy to read summary, including its title, organisation(s) involved, scope of activities and time, goals, topics covered, beneficiaries and contact persons.

These practice examples are meant to inspire politicians and policy makers around Europe to design practical plans to make cities more inclusive and improve the life of the disadvantaged people at risk of poverty and social exclusion throughout Europe.

The good practice examples cover a variety of topics, such as education, employment, urban renewal, health and homelessness, in order to reflect the topics discussed in the main paper. This also goes for the different target groups and actors collaborating in the various examples.

The examples range from small local projects to multi-million integral programmes, so that it can inspire everyone, from the Director-General to the local social worker.

European governance Level

Fund for European Aid to the Most Deprived

Summary	
Title	Fund for European Aid to the Most Deprived
Start date	2014
End date	2020
Topics	Material poverty, food poverty, Guidance
Country	EU member states
Beneficiaries	The most deprived
Financing	EU budget (€3.8 billion)
Organisation	EU, public bodies or non-governmental organisations selected by Member States
Topics	Material poverty, food poverty, Guidance
Context	The EU promised to help 20 million people out of poverty by 2020, yet between 2009 and 2013, the number of people in poverty increased.
Goal	Non-financial support to MS' emergency relief schemes
Multi-sector approach	Yes
Area-based approach	No
Multi-level governance	Yes, EU, MS, NGO's
Public-Private Partnership (PPP)	No
Involvement of target group	No
Project evaluated	No, evaluation not planned
Strengths	Amount in fund, co-financing requirement
Weaker points	Unknown at the moment
Transferability	Not transferable
Contact	http://europa.eu/rapid/press-release_MEMO-14-170_en.htm

The main purpose of the Fund for European Aid to the Most Deprived (FEAD) to be launched this year (to be worth €3.8 billion in real terms in the 2014 to 2020 period), is to support Member States' social emergency relief schemes. The FEAD will support Member States' actions to provide a broad

range of non-financial material assistance including food, clothing and other essential goods for personal use such as shoes, soap and shampoo, to materially-deprived people.³⁵

The FEAD will also be requiring the distribution of material assistance to be combined with social inclusion measures such as guidance and support in order to help the most deprived escape poverty. Member States may also choose to support the provision of non-material assistance to the most deprived of people, in view of their social inclusion. There will be room for considerable flexibility. Member States will be able to choose, according to their own preferences, the type of assistance they wish to provide (food or basic goods or a combination of both), and their preferred model for procuring and distributing the food and goods.

The Commission will approve the national programmes for 2014-2020 and national authorities will take the individual decisions leading to the delivery of the assistance through partner organisations (often non-governmental). National authorities can either purchase the food and/or goods themselves and then make them available to partner organisations, or provide the latter with the funding to make the purchases themselves. Partner organisations purchasing the food or goods themselves can either distribute the material assistance directly, or entrust the distribution to other partner organisations.³⁶

Over €3.8 billion will be allocated to this Fund over the 2014-2020 period by the European institutions. In addition, the Member States will have to contribute a minimum of 15% national co-financing to their national programme, making at least €4.37 billion available.

This programme values the importance of non-financial material assistance, while giving member states the flexibility to choose the type of assistance they prefer.

³⁵ http://europa.eu/rapid/press-release_MEMO-14-170_en.htm

³⁶ *ibid*

National governance level

Experts by Experience in poverty and social exclusion

Summary	
Title	Experts by Experience
Description	Strategy to link administration and the experience of poverty and social exclusion
Start date	2004 (Pilot)
End date	None – project expanded through Belgium
Topics	Knowledge building, capacity building, target group focus
Country	Belgium
City	Multiple
Beneficiaries	People in poverty, Belgian state organisations
Financing	Belgian state
Organisation	De Link
Topics	Knowledge building, capacity building, target group focus
Context	Policy makers that have a link with the topic of poverty have usually never been poor. This project makes (formerly) poor people consultants, experts by experience on poverty, for the bureaucracy. On the other hand, the poor sometimes have problems in dealing with administrative procedures, and the expert can play the role as ‘interpreter’ between the poor and the bureaucracy.
Goal	To make sure policy makers on poverty take into account the first hand experience from former poor person. To help the poor with the bureaucracy of aid for the poor.
Multi-sector approach	No
Area-based approach	No
Multi-level governance	Yes
PPP	No
Involvement of target group	Very much, it is what the project is based on.
Project evaluated	Yes, pilot very successful, project therefore continued
Strengths	Provides a useful in-house link between policy makers and the every day reality of the poor.
Weaker points	No proof better insight in policy making helps to prevent poverty: poverty rose since the onset of the crisis
Transferability	Yes, easily possible, a similar pilot now runs in four municipalities in the Netherlands



Contact

<http://www.de-link.net/>
<http://www.tao-armoede.be/>

The 'Experts by Experience' project aims at developing an innovative strategy within the federal public services to combat poverty by creating a new function, called "expert by experience in poverty and social exclusion", whose mission above all is, to be a "missing link" between the administration and the poorest citizens. The starting point of this project is to use the personal experience of people in poverty and social exclusion. It is based on a method developed in Flanders in 1999 by De Link, a non-profit organisation whose aim, as in this instance, was to train people in the promotion of their personal experience in poverty in professional contexts.

In March 2004, the federal government decided to engage experts who possessed real life experience in poverty and social exclusion. In doing so, it wanted to integrate the perspectives of poverty in federal policy and thus contribute to having a more accessible service and to realise the fundamental rights of each citizen. In 2005, a pilot scheme intended to carry out the follow-up of this decision was launched with the coordination of the Federal Public Planning Service Social Integration.

The activity of the Experts by Experience is set out on five principal axes of action and intervention. The five axes are:

- To improve the reception and the information provided to the target public: for various reasons (low schooling level, psychological disorders, social disorientation, moral exhaustion, etc.) people who live in a poverty situation often experience difficulties in understanding the intricacies of administrative procedures. The Experts by Experience are thus called upon to play the role of "translator".
- To improve, in general terms, the quality and the accessibility of the services carried out by their department for the target public: another important mission entrusted to experts by experience seeks, in general terms, to improve the quality of the services offered to the target public by their department.
- To guide, accompany and stand in for the users in their administrative activities: Experts by Experience can also accompany a person in their steps, in the department where they work or elsewhere. When the person who is eligible for certain benefits is in a particularly critical situation the expert can also stand in for this person with regards to all procedures.
- To encourage interdepartmental collaboration thereby strengthening the general objective of combating poverty: the Experts by Experience project is seen as one of the possible concrete responses to the inter-ministerial willingness to develop an across the board policy within the entire federal public service.
- To relay the needs and expectations of the target public to a political level: finally, the Experts by Experience mission is to ensure feedback to the political world and to civil society as a whole.

By March 2014, twenty-four experts by experience were taken on and were seconded to thirteen federal public services.



In 2013, four municipalities from The Netherlands approached De Link for a similar pilot project, which now runs from 2013-2015, underscoring the success of the Belgian approach.

The methodology that links administration to underprivileged citizens with a first hand experience of poverty has thus been proven very useful.

microStart - An innovative player working to promote social cohesion

Summary	
Title	microStart
Description	Socially-oriented cooperative which distributes microcredit and an NPO, which provides free support in developing a framework for business creation to encourage self-employment. Through mutually reinforcing partnership (private, public and associative), microStart is able to response to the problems of social and financial exclusion.
Start date	2013
End date	Ongoing
Topics	Microcredit, entrepreneurship
Country	Belgium
City	Brussels, Liège, Ghent, Antwerp and Charleroi
Beneficiaries	Unemployed, job-seekers
Financing	EC, Belgian State (Various levels), Private partners
Organisation	microStart, BNP Paribas Fortis, Adie, EC,
Context	Although certain parts of Belgium face high unemployment, especially in certain cities, it is not easy nor encouraged to start your own business. Bank BNP-ParisBas Fortis teamed up with French NGO ADIE to make microloans available to unemployed Belgians that wanted to start their own business, initially only in Brussels, but now in 6 cities.
Goal	Enable the unemployed to gain their own income through self-employment, by providing them with small lowered interest loans.
Multi-sector approach	Yes
Area-based approach	No
Multi-level governance	No
PPP	Yes, private initiative
Involvement of target group	Somewhat
Project evaluated	Yes, Pilot finished successfully in 2013, project continues without end date
Strengths	Private initiative, Public-Private Partnership, cross-border cooperation, combination of loan and advice.
Weaker points	None found
Transferability	Well possible
Contact	http://www.microstart.be/en/welcome



The rate of unemployment and precariousness is constantly growing in Belgium. There are currently more than 100,000 unemployed in Brussels and only 5,000 job vacancies. Furthermore, the regulatory framework in Belgium does not encourage self-employment; this is not seen as a path to follow. microStart considers self-employment to be a real alternative to employment and unemployment. Self-employment allows greater socio-professional integration, social cohesion and the presence of new businesses, thereby improving urban life.

Its goals are to:

1. Finance through microcredit
2. Provide free support
3. Help to develop the regulatory framework for business creation

In 2009, BNP Paribas Fortis approached Adie, a French association which has pioneered the use of microcredit in Europe, in order to study the possibility of replicating its experience in Belgium. In the organisation's first few weeks of existence, the European Commission (through the European Investment Fund) also showed an interest and joined this innovative project. Its Business Plan and Business Model have been created in such a way that the revenue from its financial activity can cover all operational costs.

microStart is a grouping of social economy businesses consisting of a socially oriented cooperative, which distributes microcredit and an NPO, which provides free support for the clients of the cooperative. The cooperative has capital of €3,210,000 (initial capital of €1,210,000 and an increase in capital of €2,000,000 at the end of 2012), giving it the funds required for its start-up and expansion. The NPO receives donations and subsidies from public partners (particularly the Federal government, the Regions and several municipalities) and private partners (businesses and foundations). In 2013, this funding amounted to €280,000. In 2014, the budget was €500,000. microStart aims to be viable from 2018.

This mutually reinforcing partnership (private, public and associative) has allowed microStart to be created as a concrete response to the problems of social and financial exclusion currently undermining the countries of Western Europe. By supporting the creation of small professional businesses by people in precarious situations, microStart aims to create value for society in general, as reducing exclusion means reducing the social cost and perhaps creating jobs for other people who are currently excluded.

In order to support those excluded from the banking system in creating and developing their own business, microStart offers:

- Funding, thanks to microcredit of between €500 to €15,000. This microcredit allows entrepreneurs to buy a professional vehicle, professional equipment or a stock of produce or to create cash reserves, for example;
- Individual or collective support in different areas such as management, finance, sales, etc. in order to launch and develop their business, as well as guarantee its security. This support is provided by a group of 100 volunteer experts;
- Collaboration with public players in order to develop the regulatory framework.



After a two-year pilot phase with two agencies in Brussels, microStart wanted to go further. During these two years, it met almost 2,000 people and paid out almost 400 microcredits. This showed that there was a huge demand for this type of financing, if only the services were adapted to all those who requested them. microStart consequently decided to extend its activities by creating four new sites, two in Flanders and two in Wallonia. In 2013, agencies were opened in Liège and Ghent and in 2014 it will be the turn of Antwerp and Charleroi. microStart will be in a position to extend its social impact and support micro-entrepreneurs.

This private initiative proves that monetary incentives and personal support encourage professional development and could enable people to become economically self-sufficient. It is also a fine example of private initiative that ended up in successful partnership between private, public and associative stakeholders.

National Policy for French Cities

Summary	
Title	National Policy for Cities
Description	Policy measures regarding priority areas, contracts for cities, urban redevelopment, employment, education, and security to reduce inequalities
Start date	2013
End date	2020
Topics	Urban Redevelopment, Employment, Education, Safety
Country	France
City	Multiple
Beneficiaries	Residence of sensitive areas
Financing	French state
Organisation	French state, French municipalities, NGOs, Businesses
Contact	www.ville.gouv.fr
Topics	Urban Redevelopment, Employment, Education, Safety
Context	In order to sustainably reduce inequalities affecting people living in working-class areas, the French metropolitan policy had to be reviewed in depth: reassess the territories, change the method, maintain the actions that had proved to be appropriate and implement new measures.
Goal	No specific overall goal
Multi-sector approach	Yes
Area-based approach	Yes, only areas where a significant part of the population has an income below €11,250 are eligible
Multi-level governance	Yes, French state, local cities
PPP	No, however businesses are expected to contribute
Involvement of target group	Somewhat, they are consulted in projects under this programme
Project evaluated	No
Strengths	Integral approach
Weaker points	No specific goals of programme.
Transferability	Possible
Contact	www.ville.gouv.fr



In order to sustainably reduce the inequalities affecting individuals in working-class areas, the French metropolitan areas policy is reviewed. The review includes reassessment of the territories, methodology change, maintenance of proven appropriate actions and implementation of new measures. The new national policy for cities rests on three main principles: simplifying the systems, concentrating efforts on the most vulnerable areas, and increasing the involvement of residents in the decisions that affect them. At the forefront of the new policy for cities, the emphasis is on people, in order to bring social justice between the different territories forward.

Priority geography

An updated version of priority areas is identified based on a single income criterion: the share of the population with an annual income below €11,250. The national government justifies this choice by the fact that the income criterion is closely related to other social sensitivity indicators. As a result 2,500 priority areas will be reduced to 1,300 areas by 2015, so that the most vulnerable areas will receive assistance.

Contracts for cities

New contracts for cities will replace the social urban cohesion agreement by the end of 2014, and for the duration of six years, i.e. that of the municipal and inter-communal mandate. The town councils retain the operational leadership and they will guarantee the consideration of proximity issues. The State, region, department, metropolitan policy players, and non-public actors (businesses, inhabitants, and associations) will also be involved. These changes encompass a coordinated account of socioeconomic and urban issues, improved connection with other existing plans (PLU, SCOT, PLH, STATE-Region), and an inter-communal support also from other towns.

Urban redevelopment

Integrated in the new metropolitan contracts, the goals of the projects falling within the new governmental program for redevelopment (NPNRU) will be two-fold: concentrate on the future urban redevelopment operations involving the priority areas only, and meet the needs not covered by the PNRU. Around 5 million people are concerned and €5 billion are committed to the NPNRU.

Employment

“Emplois francs” targets youth unemployment and has been tested nationwide in the past three years. Job-seekers and employers participate in subsidised employment based on several criteria. Eligible job-seekers are individuals under 30 years of age, living in ZUS (Zones Urbaines Sensibles – Fragile Urban Zones) for at least six months, and they have been looking for a job for the past twelve months out of thirteen. Eligible job-seekers in the merchant sector have a priority while the location is not an issue. By recruiting an eligible youth, with an open-ended full-time contract, businesses benefit from a flat-rate state contribution of €5,000. Should the 10,000 created jobs prove to be successful by 2015, the scheme will be implemented throughout France in 2016. Furthermore, 30%



of jobs under this scheme created by 2015 are reserved for youth with little or no qualification from underprivileged areas seeking employment.

Education

The zoning of priority education will be consistent with the aforementioned priority areas. Measures involved in the ZUS school population included: schooling for the under 3-year-olds, “more teachers than classes” initiative, new school life, medico-social positions, and the reduction of drop-out rates. The aim is to facilitate an access to higher education and increase the professional and technical recruitment rate of students from the vulnerable neighbourhoods.

Economic development

In 2013, 40 businesses have committed to employment and economic development in sensitive areas by signing “Businesses & Sensitive Areas” charter. By signing an agreement in 2014 the minister delegate for the city, the Act against Exclusion Foundation (Face) reinforces its presence in the sensitive areas.

Security

The 64 security priority areas (ZSP) have been operational since 2013 over territories where delinquency is particularly active. Long-term aims are to improve: the quality of life of the residents of these territories, reinforce social cohesion, rebuild the link of trust between the people and the public authorities, prioritise prevention of delinquency, and fight against the underground economy and violent crime.

As this programme is an update of an existing policy, it shows that a long-term strategy should sometimes be evaluated, after which proven interventions can be maintained, while new policy interventions can be tested.

Regional and Local Level

Re-Activate Athens - 101 ideas for the revitalisation of central Athens

Summary	
Title	Re-Activate Athens
Description	Revitalisation of central Athens and improvement of the socio-economic conditions of its inhabitants through an integrated holistic approach
Start date	2013
End date	Initial phase complete, second phase starts summer of 2014
Topics	holistic approach, urban renewal, citizen participation, governance, employment, collaborative economy and social cohesion
Country	Greece
City	Athens
Beneficiaries	Central Athens and its inhabitants
Financing	Onassis Foundation, City of Athens, Urban Rail Transport S.A. (STASY)
Organisation	RA LAB
Contact	maria@kaltsa.eu Moschou@onassis.gr http://www.reactivate-athens.com/
Context	Athens has been one of the cities in Europe hit hardest by the economic crisis and subsequent Eurocrisis , its once chaotic, unplanned but vibrant city centre lost most of its lustre, unemployment and poverty are rife.
Goal	Revitalisation of central Athens, improvement of the socio-economic conditions of its inhabitants, improvement of spatial quality.
Multi-sector approach	Yes
Area-based approach	Yes, limited to central Athens
Multi-level governance	No
PPP	Yes, state, NGOs and private sector contributors (a.o. Onassis foundation)
Involvement of target group	Very much, from the start, local stakeholders have been involved in creating ideas.
Project evaluated	No
Strengths	Holistic integral approach, team of experts and local citizens, innovative ideas, relation to Re-Think Athens project
Weaker points	Financial background unclear
Transferability	The programme is rather easy to duplicate, but relies on commitment of local population.



Athens has been one of the cities in Europe hit hardest by the economic crisis and subsequent Eurocrisis, its once chaotic, unplanned but vibrant city centre lost most of its lustre. Much of the economic activity simply disappeared and many of its inhabitants lost a great part of their income. The situation is so problematic, Re-Activate Athens describes the city centre as dying and even compares Athens to Detroit, the decaying American ex-metropolis that is famous for all the wrong reasons.

In spite of the relatively low level of class and ethnic segregation, the centre of Athens started experiencing important problems well in advance of the 2009 crisis. It was overbuilt during a short period in the 1960s and devoid of any improvement in infrastructure and services for the large number of new residents. It started losing population –mainly affluent– since the mid 1970s.

As the population moved gradually to the periphery, commercial services and state agencies followed the spatial displacement of demand and intensified the process of decline.. The less desirable part of the housing stock was abandoned. It was at this point, that immigrants were driven to this declining part of the city. The crisis exacerbated the problems of the centre. Its population became more vulnerable and local resources diminished and/or became underused. Homelessness, raging unemployment and discontinued commercial and other economic activities have become increasingly visible. At the same time, policy remedies have been very modest or ineffective following a long history of laissez-faire urban policies. This was the context for the Re-activate Athens project.

There is a large number of groups and institutions with vested interests in the city centre and its future: old and recent residents, business people of different calibre (from small shopkeepers to prospective large investors), transient populations, local government, real estate owners, policy makers, NGO's etc. They obviously do not share the same interests and views, nor do they have the same power to impose their agenda or even to be heard.

Re-activate Athens aimed at bringing together these vested interests in a frame of mutual acknowledgment, with particular emphasis on empowering the more vulnerable agents in the negotiation process. This was obviously an impossible task for such a short and demonstrative project. The effort was made, however, to establish contacts with groups that do not usually participate in such processes, like immigrant communities.

The philosophy of Re-Activate Athens project coordinators A. Brillembourg-H. Klumpner and of the Urban Think Tank (U-TT) is centred on the need to remodel rather than increase the urban fabric and on finding insightful ways for its social re-appropriation. This approach may be valid for cities in mature urban societies and well as in developing countries. Proposed solutions should be inscribed in a socially integrative spirit promoting social justice and economic effectiveness, the latter at the service of the former. Three main goals can be identified:



1. A socially integrative outcome following the quest of consensus in combining different –and sometimes contradictory interests and views– in a spirit of social justice and to avoid the easy riddance of local problems by their spatial displacement.
2. A vibrant economic environment, through the encouragement of innovative ideas that promote socially responsible entrepreneurial activity; special concern to potential currently buried in unemployment (of young people in particular).
3. An original and appealing urban environment for residents and visitors through the effort to preserve and reveal the city's identity and originality, avoiding repetitious and conformist formulas of urban regeneration.

The body of research generated in the initial phase of Re-Activate Athens was summarised into the comprehensive list of 101 ideas – new urban models that challenge conventional modes of operating in the contemporary city and address the unique challenges facing Athens. To make any of these ideas a success, certain conditions need to be met:

- Good, active local governance is needed for the development of local assets, for utilizing the existing human capital, promoting ways for upgrading buildings, encouraging or making possible occupancy of neglected buildings, providing social or affordable housing for people in need.
- Social housing is the most urgent necessity; it must be understood as part of an integrated approach, to be implemented along with initiatives such as the ones described below, which can drive to employment and social inclusion. A positive aspect of the particular social housing proposal included later on is the fact that it enforces a much needed spatial integration of people, since it is to be realized by occupying vacant units distributed in buildings throughout central city areas of the REACTIVATE ATHENS-101 IDEAS project.
- Innovative tools can also be devised by the local government, in order to secure implementation of certain missing prerequisites; they can be applied when providing its services, when administering temporary permits for allowing uses within its regions and also for managing tasks relating to cleaner, more secure environments. Tools can mobilize local societies and have catalytic impact for transforming neighbourhoods (ex. providing schooling policies increases social mobility).

To give a good grasp of the ideas that came out of the initial phase of Re-Activate Athens, three of the more concrete and feasible ideas, some of which are already in first stage of implementation, are now presented:

1. LOCAL CRAFTS: Artistic production as a “Culture hub”



Serious incentives should be established for new methods of production and for the return of traditional handcrafts manufacturing to 'Gerani' and other central regions which experience decay. Even though the current land use situation permits these uses, the lasting economic and financial crisis, combined with the replacement of many traditional methods of production and the local environmental degradation, has caused their gradual disappearance from the centre of the city. The existence of many buildings with industrial features has contributed to the character of these regions and their economic blossoming. Now, the sale of imported traditional and contemporary crafts is still present but the absence of production activity has created serious unemployment and the loss of real identity. Its revival is of critical importance and also very realistic. The structure of existing tax incentives must be enriched, giving emphasis to light manufacturing and employment opportunities. Also, new demonstrative projects must be initiated in order to produce and diffuse interest and awareness for relevant activities. With the current financing programs available, it is possible to achieve the development of a model "CRAFTS HUB".

The culture hub will reclaim the outstanding world of crafts, through the artistic production of objects, reclaiming forgotten old prototypes or bringing to life modern expressions for crafts fields such as:

- Metalwork, stonework, glasswork, ceramics and pottery
- Calligraphy-typesetting
- Woodwork with traditional and modern patterns
- Decorative objects made with mixed media
- Silversmithery, micro sculptures, microcrafts
- Icon painting, mosaics, wax making, needlework

2. INCLUSIVE FINANCIAL SERVICES: the establishment of a Collaborative Bank in Athens

Strengthening regional economies in lagging areas is a way to tackle social and spatial inequality in EU and to achieve better economic performance. A **Collaborative Bank** could offer **inclusive financial services** and cater specifically and especially for needs and action programs for the deprived areas in the city center. Such type of Bank can foster social development and offer business training as part of its services, leading people to achieve better profits and other types of gains. 'Athens Bank' should include a department to manage the national programs available for **microfinance**, offering access to finance for very low income employees or poor people. These are currently run ineffectively by private banks, which manage relevant to this purpose public fund. The Bank could also have departments to manage funding which is brought in for similar purposes, through public or private sources and to develop access to venture capital for social enterprises.

Crowd-sourced fundraising should be examined as another tool of Athens Bank, as it has proven to be a valuable way to fund projects elsewhere in the world, in areas where funding is either not possible, or where there is a high conscience over projects with social value and values. It is about collecting small funds from a number of people; this way, the initiation of ideas meets the crowd who has the interest to support a cause or a project, via the establishment of a platform. The benefits of having the project initiators in decaying areas engage in dialog with the crowd



are great; this way, approval of projects and supportive feedback is given to improve the success possibilities of initiatives.

The Municipality of Athens has already been working on a Crowd Funding program, which is in its implementation stage. The collective effort of people, who would have an interest to support relief or creative or entrepreneurial projects of organizations, social initiatives or private entrepreneurial bodies, by pooling their money, can bring very positive results to needy areas of Athens Centre, especially the ones which incubate high potential.

3. SOCIAL HOUSING: a work to live initiative

The social housing or 'work to live' proposal is the most important made by REACTIVATE ATHENS -101 IDEAS. It has been developed in collaboration with the research team of the University of Thessaly which works on assessing and developing an urban economy project for central Athens. The proposal has already been submitted to the City of Athens and is being considered for implementation by authorities. The Mayor had included social housing in the current official funding program for social initiatives in the city, and intends to realize it quickly as a pilot project. The rationale and structure of the proposal are described below. It must be mentioned that the approach can be broadened to include 'social occupancy', which means adding business and commercial activity uses to the category of functions which may benefit from the exchange of services, among people who are in need, but can practice their professions.

Many vulnerable central areas of the city of Athens house social groups which are today hard hit by the economic crisis; many are old pensioners, who are especially in need of social presence and daily routine services, in order to improve the quality of their life and feel safe and be in dignity. At the same time, in many central areas there is a significant number of apartments that have for long been vacant; they sometimes comprise over 20% of all housing stock. Their owners are trapped today in an extremely difficult position: they have to pay high property taxes to the State, even if these remain vacant, while due to the real estate market immobility, they have no other option as they cannot sell them. Equally noticeable, due to the crisis, a large number of individuals and families are unable to satisfy the most basic need of housing.

The proposal is as follows:

The City of Athens could use a part of the EU funds available to deal with the economic and social crisis, to rent at very low prices a number of vacant apartments, which will then be available for housing families in need or individuals and students. In compensation, the eligible people selected will have to take over responsibility for offering some daily services to people in need, who live within the same building or block or section of the neighbourhood. For example, a family settling in an apartment could look after the old couple for 2-3 hours a day (clean up, medication and grocery shopping, payment of bills, offer simple company etc.)

The implementation of the proposal would require:

- Research and understanding of the relevant social needs in the districts of the city centre which will be selected; the number of people who need help must be registered, also the nature of their specific needs.
- An open call by the City of Athens, inviting owners of apartments and houses to express interest in renting their vacant properties.
- An open call by the City of Athens, to potential tenants, eligible for social housing



An NGO or other public or private body must take over the responsibility to implement the project and follow it up, regarding.

The scale of the project may adjust to the available funding. The indicative cost of the program, regarding 100 units for 12 months, amounts to about 300.000 Euros. The beneficiaries would amount to 300 families (or individuals): 100 will be the property owners, 100 the eligible families-tenants and 100 those who will receive the tenants' services.

Last but not least, Re-Activate Athens is closely related to the Re-Think Athens project (<http://www.rethinkathens.org/>), which was an architectural competition for the restructuring of an important boulevard and its surroundings, which is now set to become an attractive pedestrian zone, in which quite a few of the ideas presented in Re-Activate Athens can physically take place.

RE-BLOCK - Reviving high-rise Blocks for cohesive and green neighbourhoods

Summary	
Title	RE-Block, Lead Partner's Project
Description	Regeneration of deprived neighbourhoods to improve environmental quality, whilst creating an integrated tailor- made approach to combat poverty
Start date	2013
End date	2015
Topics	Knowledge sharing, International Cooperation, Urban renewal, measures against poverty, ethnic and social segregation, public space, communal space
Country	Hungary (Lead Partner. Partner Projects in Germany, Greece, Italy, Lithuania, Romania, Spain, Sweden and the United Kingdom)
City	Budapest (Lead Partner. Partner Projects in Gelsenkirchen, Magdeburg, Komotini, Rome, Vilnius, Iasi, Malaga, Södertälje and Salford)
Beneficiaries	Residents of the Havanna area of Budapest's XVIII district. (Partners: residents of relevant districts of partner cities.)
Financing	Urbact II
Organisation	Urbact
Context	The "Havanna" housing estate, has a population of more than 17,000 people with low income and social status. The integrated social city rehabilitation of the Havanna high-rise building block was launched back in 2007; however, there are still substantial challenges to be solved.
Goal	The main goal addressed by RE-Block is therefore how to foster efficient regeneration of deprived neighbourhoods consisting of blocks of flats, making them more attractive and improving their environmental quality, whilst creating an integrated tailor-made approach to combat poverty.
Multi-sector approach	Yes
Area-based approach	Yes, limited to Havanna area of XVIII district.
Multi-level governance	No, but the international cooperation between cities and district is noteworthy
PPP	Yes, local business and homeowners are included
Involvement of target group	Yes
Project evaluated	Yes, quarterly peer review meetings of projects; end of project evaluation planned
Strengths	Integral approach, Involvement of a ring of international experts, regular peer



	review meetings, involvement of target group.
Weaker points	Unknown
Transferability	Possible, but the international cooperation make duplication very complex, while mere duplication of the local project would lead to loss of innovative quality and knowledge transfer.
Contact	<p>Ágnes Böhönyey, lead expert bohonyey.agnes@hbhe.hu http://urbact.eu/en/projects/disadvantaged-neighbourhoods/re-block/homepage/</p>

The main issue addressed by RE-Block is therefore how to foster efficient regeneration of deprived neighbourhoods consisting of blocks of flats, making them more attractive and improving their environmental quality, whilst creating an integrated tailor-made approach to combat poverty. RE-Block is a network grown out of the need of expertise by the local authorities of Budapest district XVIII on regeneration of blocks of flats.

RE-Block is committed to finding new, innovative and smart solutions to face the challenges, which are related to the following issues:

- The co-habitation of different cultures and ethnic groups resulting in social segregation and territorial detachment;
- Disintegrated and fragmented population, low level of initiatives for creating cooperating neighbourhoods and communities;
- Low quality/destroyed infrastructure facilities, poor public spaces;
- High community bills due to the lack of energy efficient solutions;
- Few and none appealing community buildings / space for community events to facilitate human contact and social integration;
- Local authorities lacking either policies / tools or experienced workforce to effectively handle these engraving problems.

Existing public housing estates and high-rise building blocks are often dilapidated and their maintenance and current functioning (water, heating, air-conditioning) is not energy efficient.

This is especially true in Budapest where a high percentage of the population live in housing built during the communist era. In addition, these blocks are typically inhabited by those with the lowest income within the society.

The project lead partner started to build up the RE-Block network based on the need to find new tools and solutions to give a boost to rehabilitate the “Havanna” high-rise block building estate, a deprived urban area situated on the outskirts of the 18th district of Budapest. The population of the district is around 100,000 and the “Havanna” housing estate, has a population of more than 17,000 people with low income and social status. The integrated social city rehabilitation of the Havanna high-rise building block was launched back in 2007; however, there are still substantial challenges to be solved. Firstly, the public authority owns only a low percentage of the dwelling, thus public-private cooperation needs to be established with (public and private) investors. Also, the involvement of citizens is a key to carrying out a sustainable rehabilitation process. Furthermore,



parties need to define a sustainable and viable level of physical refurbishment using economically and technically up-to-date methods.

In RE-Block, partners are delegating experts with relevant knowledge and background. They are called the “Knowledge Ambassadors”, and their task is to help the knowledge sharing. They are also responsible to share the experiences among the partners, and are participating in developing the first action plan of urban rehabilitation concerning the study area.

In the development phase of the RE-Block project there were two simultaneous actions carried out: the extension of the initial partnership of five cities to possibly ten and, the identification of those issues which are common for the partnership and those which are specific to one or more partners. They paid special attention to involve partners representing different “systems” of the EU27 both in the initial partnership building and the development phase. Partners are from Scandinavia, the UK, Central and Southern Europe, as well as from the 'old' and the 'new' member states.

RE-Block runs from 2013 until 2015 and is funded by Urbact II.

This programme encourages to use revitalisation to tackle a wide range of issues in deprived districts and as part of a larger URBACT-project, the involvement of (international) experts to promote knowledge sharing.

OstWerkStadt - strengthen the local economy by creating jobs

Summary	
Title	OstWerkStadt
Description	OstWerkStadt was a project to strengthen the local economy and boost employment in the disadvantaged area of Leipzig East (Osten)
Start date	2009
End date	2012, responsibility for target group taken over by Arbeitsladen Leipziger Osten after this date.
Topics	holistic approach, urban renewal, citizen participation, governance, employment, collaborative economy and social cohesion
Country	Germany
City	Leipzig
Beneficiaries	Disadvantaged unemployed from the Leipzig "Osten" district, local business
Financing	European Social Fund, German Federal State, City of Leipzig
Organisation	City of Leipzig
Context	OstWerkStadt was aimed at both regenerating the local economy of the Leipzig Osten district. The area was heavily hit by the crisis that hit the former GDR after German reunification. The economy typically consists of local small business, many belonging to immigrants, which struggle to survive
Goal	Revitalisation of the local economy and employment for the local disadvantaged population
Multi-sector approach	Yes
Area-based approach	Yes
Multi-level governance	No
PPP	Yes, local business are involved
Involvement of target group	Yes, tailored approach to all clients
Project evaluated	Yes, the project was one of the winners of the bi-annual German "Social City Prize" (Preis Soziale Stadt)
Strengths	Integration with other programmes on urban renewal and local employment, thoroughness, flexibility
Weaker points	unknown
Transferability	Rather easy to duplicate
Contact	petra.hochtritt@leipzig.de



OstWerkStadt was aimed at both regenerating the local economy of the Leipzig Osten district and providing work and/or education for the local disadvantaged population. The Leipziger Osten houses 33,000 people and is a mix of nineteenth century buildings and socialist-era flat blocks. The area was heavily hit by the crisis that hit the former GDR after German reunification. The economy typically consists of local small business, many belonging to immigrants, which struggle to survive.

The OstWerkStadt project lasted from January 2009 until October 2013 and cost € 1,1x million, funded by the German Federal State, partially through ESF funding, and the city of Leipzig. The project was part of the federal programme BIWAQ Soziale Stadt, which aims at implementing xxx projects all over Germany. OstWerkStadt is one of the most successful examples in this programme. Within Leipzig, OstWerkStadt is part of the Wirtschaftsinitiative ostWERK (Economic Initiative ostWERK), while the German Federal Programme for Urban Restructuring also has programmes in the Osten district. This multi-sector integrated approach is one of the reasons OstWerkStadt could be so successful. OstWerkStadt won the bi-annual German “Social City Prize” (Preis soziale Stadt) of 2012.

OstWerkStadt was aimed at both regenerating the local economy of the Leipzig Osten district and providing work and/or education for the local disadvantaged population. The Leipziger Osten houses 33,000 people and is a mix of nineteenth century buildings and socialist-era flat blocks. The area was heavily hit by the crisis that hit the former GDR after German reunification. The economy typically consists of local small business, many belonging to immigrants, which struggle to survive. Economic activity is low and precarious, many spaces for offices and retail are left empty, unemployment is rife.

Policies to support businesses in Leipzig Osten district were integrated into the wider urban and local development agenda in 2008, with OstWerkStadt as one of them. It targeted jobseekers, entrepreneurs and small businesses with advice and coaching services, giving disadvantaged groups the opportunity to enter the labour market.

OstWerkStadt was made up of five integrated blocks:

- Business: small businesses receive support to stabilise and develop their activities such as training and coaching measures.
- Employment: entrepreneurs can get advice on how to create jobs, receive small financial incentives for creating new jobs and participate in employment-related projects in the area.
- Local development: entrepreneurs co-operate through business associations and regular open meetings. Entrepreneurs and small businesses considering relocating to the area can attend these.
- Expertise: disadvantaged residents can earn low-threshold qualifications and get assistance in job seeking or training. Local migrant associations get advice on employment, residence regulations, and employment law.
- Strategy/Knowledge dissemination: a city-wide, area-based integrated development strategy was implemented in 2011 based on the lessons learned from OstWerkStadt.



OstWerkStadt was led by Leipzig city council and then implemented with private consultants, trainers and other stakeholders including chambers of commerce, business associations, the job centre and migrant organisations. OstWerkStadt's 'legacy' was taken over by a new kind of one-stop local job centre "Arbeitsladen Leipziger Osten", after the project finished on the 31st of October 2012.

In terms of concrete results, OstWerkStadt gave advice 7,292 times to 1,435 individuals, of which 1,231 were disadvantaged locals, and led to the creation of 320 new jobs. Another 147 people found an already existing job through the programme and 56 people found an internship at a local business while 39 others found job-related education elsewhere. 60 people were helped with starting their own business. The numbers of people helped and new jobs created are very impressive compared to similar German projects and with the cost of the project at €1.1 million being relatively low.

As a result, OstWerkStadt won the national Social City Prize 2012. The jury praised the project as an "outstanding example of strengthening the local economy. (...) This project stands out due to the high number of counselling sessions and the success rate in creating new jobs and apprenticeship opportunities. (...)".

The Whole Family (Hela Familjen) – A holistic approach for families

Title	Hela Familjen
Description	To support families, both parents and young adults living at home, with long term dependency on welfare benefits and make them able to support themselves financially through jobs or financed studies.
Start date	2012
End date	2015
Topics	Education, employment, economical independence
Country	Sweden
City	Malmö
Beneficiaries	Families on long-term welfare
Financing	Sociala investeringsfonden/Malmö stad (The Social Investment Fund in the City of Malmö)
Organisation	The City of Malmö, The Inner City area, Individual and Family Department, The unit for welfare allowances
Context	Malmö is a city with a relatively high amount of people on social benefits. Research shows that families with long-term dependency can damage children's health both in the short- and long-term.. Hela Familjen aims to help families break out of this circle of poverty and health problems.
Goal	The overall goal is to reduce the number of families depending on long-term welfare and is at risk to be excluded from the society. For 2014 and 2015, the specific target is to reduce the number of families depending on long-term welfare by 15 families per year.
Multi-sector approach	No
Area-based approach	Yes, limited to Malmö centre
Multi-level governance	No
PPP	No
Involvement of target group	No involvement in planning and implementation of the project, strong personal involvement when part of programme.
Project evaluated	Constant monitoring of results by comparing participants with control group.
Strengths	Holistic view of the cause of unemployment, flexibility, control group for monitoring outcome. Project meets targets set.
Weaker points	Somewhat limited scope
Transferability	Yes, easy to duplicate
Contact	Lena Christensen, Development leader for "The whole family", lena.christensen@malmo.se Li Lövdén, Manager of The unit for welfare allowances, li.lovdén@malmo.se



Malmö is for many a transit city with a relatively high amount of people on social benefits. Research shows that families with long-term dependency can damage children's health both in the short- and long-term.

The children are at high risk of dropping out of school, unemployment in the future, mental and physical illness and continued dependency of welfare benefits. Hela Familjen intends to break this circle of poverty, unemployment and bad health.

Hela Familjen, unlike most programmes for the unemployed, has a holistic view of the cause of unemployment: at intake, it holds interviews with the household members regarding different areas of life for example living conditions, health, work experience and education, to determine the most feasible way for the family to become self-sufficient.

The programme is set up so that it has maximum flexibility and is easy to approach for its participants, for example through open phone hours during the day and short waiting time for an appointment with the social worker as well as the flexibility to meet with other contacts in the family's life (partners or organisations).

The fact that it has relatively few clients makes it possible for the social workers on Hela Familjen to get a deeper knowledge of the needs in the family and to make a more adjusted and personal planning, compared to traditional social work.

Also, Hela Familjen has frequent meetings with partners for example Arbetsförmedlingen (the employment service), JobbMalmö (the Malmö unit for unemployment), to ensure maximum impact and cooperation.

In numbers, the project is relatively small, but it is successful and growing.

The project was originally implemented with a group of 45 families that lived in a specific area in Malmö. During 2013 the number of families was expanded to 75.

Three experienced social workers were hired for the project from the start and a development leader was added to the team in 2013. The results of the project are reviewed every quarter to measure, there is also a comparison group which receives the ordinary help for the unemployed.

Up to now, the results in numbers are as follows: in 2012, 8 families became self-sufficient in the project compared to 0 families in the comparison group. In 2013, 7 families became self-sufficient in the project compared to 1 family in the comparison group. In 2014, 4 families became self-sufficient the first quarter of the year compared to 0 in the comparison group.

Other results are that the number of families with part-time employment, internships with payment from other welfare systems have increased.

Second Life - Giving away second hand items creates jobs for the disadvantaged

Summary	
Title	Second Life Project
Description	Giving away second hand items creates jobs for the disadvantaged
Start date	2011
End date	2013, however project is ongoing
Topics	Recycling, Re-Use, Employment for those furthest from labour market, social cooperative
Country	Italy
City	Bologna
Beneficiaries	People furthest from the labour market, disadvantaged people
Financing	City of Bologna (€240 000)
Organisation	Bologna municipality and Emilia-Romagna's regional public utility for environmental services (Hera)
Context	In 2011 the Bologna municipality and Emilia-Romagna's regional public utility for environmental services (Hera) put out a tender to manage an innovative recycling project, under the regional sustainable development action plan. The tender included a social clause on work placement for disadvantaged people.
Goal	Second Life creates job opportunities for people far removed from the labour market. The facility recycles usable items that would otherwise be thrown away and distributes these, free of charge.
Multi-sector approach	Yes, employment, material aid to the poor, recycling
Area-based approach	No
Multi-level governance	Yes: Province of Bologna, Region of Emilia-Romagna, Fare Mondi NGO
PPP	No
Involvement of target group	Unknown
Project evaluated	Unknown
Strengths	Fights poverty while encouraging re-use of items, in what otherwise would just be a environmental initiative
Weaker points	Somewhat limited scope
Transferability	Yes, fairly easily. Project has been duplicated in slightly adapted form in the city of Forlimpopoli
Contact	Zeno Gobetti, Fare Mondi del Consorzio SIC E secondlife@comune.bologna.it



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In 2011 the Bologna municipality and Emilia-Romagna's regional public utility for environmental services (Hera) put out a tender to manage an innovative recycling project, under the regional sustainable development action plan. The tender included a social clause on work placement for disadvantaged people. The project, Second Life, was awarded to the Social Initiatives Consortium (SIC), which includes the Fare Mondi (Making Worlds) and La Strada (The Road) social cooperatives.

Second Life, therefore, creates job opportunities for people far removed from the labour market through a social clause in the public procurement procedure. The facility recycles usable items that would otherwise be thrown away and distributes these, free of charge, to people living in poverty.³⁷

The Second Life project indeed gives a 'second life' to items that have been thrown away but are still usable. They are collected and distributed for free, to people who might not be able to afford to buy them. Items include clothing, bed linen, kitchenware, small household electrical goods and bicycles. In this way the project supports the development of the green economy through the fight against wastefulness and helps the underprivileged with free items that might otherwise be unaffordable.

Three people far removed from the labour market were chosen and consequently trained and employed to run the facility. These people would have had significant difficulty in gaining employment without the help of a supported pathway. Their responsibilities include the identification, cleaning, preparation and distribution of re-usable items, as well as, inventory maintenance and customer service. The project is located in Bologna's densely populated Borgo Panigale district, which has a high proportion of people at risk of poverty and exclusion.³⁸

Second Life is the first recycling facility in Italy managed by social cooperatives. It is the result of collaboration between the regional, provincial and municipal public administrations, social cooperatives and local associations. The project is innovative in that it integrates both active inclusion and environmental outcomes. It provides jobs and training to people far removed from the labour market and supports many of the most disadvantaged people in Bologna in obtaining items they need. At the same time, the project encourages more citizens to recycle and reduces the environmental impact of items going to landfill. During the project's first 15 months, the Second Life facility accepted 58,524 items and distributed 51,994 items. The most sought after items are clothes and kitchenware.³⁹

Information about the concept has been disseminated to other municipalities in the region. As a result, the Second Life project was introduced with a similar format in another town, Forlimpopoli, with funding under the Emilia-Romagna region's Environmental Action Plan for

³⁷ Eurocities - Cities on the frontline: local practices for active inclusion, 10

³⁸ Ibid.

³⁹ Eurocities - Cities on the frontline: local practices for active inclusion, 11



a Sustainable Future 2011-2013. Second Life is funded by the Emilia-Romagna region, under the Environmental Action Plan for Sustainable Development, with a budget of €240 000.⁴⁰

This project underscores that social clauses in tenders are good instruments for social return on investment and can create jobs for those isolated from the labour market.

⁴⁰ Ibid.

Reverse Scholarships and supporting Education – helping disadvantaged children stay in school

Summary	
Title	Reverse Scholarships and Supporting Education
Description	Tutoring and employment counselling of children, who are at risk of becoming school dropouts, and their family.
Start date	Unknown
End date	Ongoing
Topics	Education, tutoring, income support
Country	Czech Republic
City	Usti nad Labem
Beneficiaries	children at risk of dropping out, currently 80 of them
Financing	1000 CZK monthly per child, provided by Unicredit Bank and Patria Financial Group
Organisation	Člověk v tísní (EN: People in Need)
Context	Ustí nad Labem has a large proportion of people of Roma ethnicity and of low education, due to a reliance on heavy and chemical industries during the socialist era. Unemployment is also a large problem. As a result, a lot of young people stop going to school after finishing grade school at age 15, making it even harder for them to find a job.
Goal	To enable and encourage children from disadvantaged families to stay in school and strive for good grades
Multi-sector approach	No
Area-based approach	No
Multi-level governance	Yes, NGO People in Need, schools, residents
PPP	Yes, funding by Unicredit Bank and Partia Financial Group, execution of project by People in Need NGO.
Involvement of target group	Somewhat, family of the child receives support
Project evaluated	unknown
Strengths	Tutoring programme is easily accessible, project support community building
Weaker points	Scholarships not accessible for the weakest children: those with very bad grades or behavioural problems
Transferability	This project is quite easy to duplicate, provided a sponsor is found and there are no legal obstacles to direct funding of school children.
Contact	Vit Kucera vit.kucera@clovekvtsni.cz www.clovekvtsni.cz www.facebook.com/clovekvtsni.unl



In Ustí nad Labem, a Czech city in Northern Bohemia, the NGO “People in Need” (Člověk v tísní) provides students from underprivileged backgrounds finishing grade school with the opportunity of applying for a ‘reverse scholarship’, as well as general support in the ‘supporting education’ programme.

Ustí nad Labem has a large proportion of people of Roma ethnicity and of low education, due to a reliance on heavy and chemical industries during the socialist era. Unemployment is also a large problem. As a result, a lot of young people stop going to school after finishing grade school at age 15, making it even harder for them to find a job.

People in Need’s ‘reverse scholarships’ helps underprivileged students with modest financial support, while the ‘supporting education’ programme aims at tutoring and assistance with providing a home situation that supports studying and course work for parents.

For the reverse scholarship the student must have meagre, but not terrible grades, when leaving grade school as well as reasonable marks for attendance and behaviour. At least one of their parents must also have the lowest level of education themselves. As a result, this programme excludes the most vulnerable students. The student receiving the reverse scholarship has to sign a contract, dedicating himself to the programme, and in turn receives 1000 CZK monthly (€ 40). To date, 40 students have received the reverse scholarship, of which 8 dropped out of the programme. Two local financial institutions fund the programme.

‘Supporting Education’ is open to any school student and family. People in Need provide a volunteer for two hours a week to tutor the child(ren), while a coordinator supports the parents to create an environment fit for education, as often the parents’ ability and willingness to support the child’s education is limited.

This example promotes social work, stimulates students to finish high school and pursue higher education and provides interventions for structural societal change in the early stages of lifespan.

National Programme Rotterdam South (Nationaal Programma Rotterdam Zuid, NPRZ)

Summary	
Title	National Programme Rotterdam South
Description	Long term strategy that combines innovative urban regeneration alongside active inclusion policies to promote entrepreneurship and combat poverty.
Start date	2011
End date	2030
Topics	Urban renewal, social housing, education, entrepreneurship, local economy
Country	The Netherlands
City	Rotterdam
Beneficiaries	The 200,000 inhabitants of the Rotterdam South district
Financing	Dutch state, City of Rotterdam, various social housing companies.
Organisation	National state, city council, schools, NGOs and entrepreneurs
Context	Rotterdam South is the poorest part of Rotterdam and the largest disadvantaged urban area in the Netherlands
Goal	Long term strategy that combines innovative urban regeneration alongside active inclusion policies to promote entrepreneurship and combat poverty.
Multi-sector approach	Yes
Area-based approach	Yes, an integral approach with physical interventions as well as social ones, limited to Rotterdam Zuid district.
Multi-level governance	Yes: Dutch State, City of Rotterdam, schools, social housing companies, local business and NGOs
PPP	See above
Involvement of target group	Yes, but only in sub-projects.
Project evaluated	No
Strengths	Integral long term approach, multiple stakeholder approach from the start
Weaker points	unknown
Transferability	Very hard, in part due to the large amount of financing and the very specific and large Dutch social housing sector.
Contact	http://www.rotterdam.nl/nprz

Rotterdam South is the poorest part of Rotterdam. It was hit hard in the 1980's crisis, when many jobs in the harbour or shipbuilding disappeared and were not replaced. In addition, the district has a population with a predominantly migrant background. Unemployment is relatively high and even a high percentage of those employed are still at risk of poverty.

As an exception to the Netherlands' decentralised policy on poverty, the city and national government agreed on the comprehensive multi-level multi-target NPRZ in 2011, in which the national state, city council, social housing companies, schools, NGO's and entrepreneurs cooperated, in order to effectively combat the district's social and economic deprivation.

The term national programme does not mean nation-wide action, but refers to the unusual involvement of the Dutch central state – the term is somewhat confusing.

The programme envisages a long-term strategy and runs until 2030. The NPRZ combines innovative urban regeneration alongside active inclusion policies, mainly aimed at the local youth. Initiatives included, an integral approach taken in education whereby pre-school education aimed at learning Dutch was linked to local grade schools while two vocational schools, STC Waalhaven and RDM Campus were set up in direct contact with companies and small and medium sized enterprises related to the logistic and harbour sectors, to ensure that education fits the needs of employers. RDM Campus also functions as a testing lab for local SME prototypes and innovations.

NPRZ Also includes facilities for (aspiring) entrepreneurs, such as a one-stop-shop for entrepreneurs looking for employees, or *het Ondernemershuis*, a facility where start-ups can get help with their business plan and apply for micro-credits.

In the field of urban regeneration, residents, housing corporations, architecture students, researchers and local politicians cooperate in order to refurbish the public space into a welcoming environment that suits the desires of the local population.

Alongside this programme, Rotterdam has a social return policy under which all city funded projects over €15,000 have to allocate between 5 and 50% of their budget (depending on type of project) for employment opportunities for disadvantaged groups. As these projects amount to an estimated €800 million per annum, aid to the employment chances of the underprivileged is targeted directly.

The NPRZ shows that a long-term strategy of combining innovative urban regeneration and active inclusion policies in deprived neighbourhoods. The cooperation between various stakeholders and researchers gives the project a clear link between research and practice and the involvement of local business and disadvantaged people encourages entrepreneurship. In addition, Rotterdam's general policy to have a social return clause for jobs for the underprivileged is an excellent generic system to get a social return on any larger project.

Domicil'Enfance - Flexible childcare for families with irregular jobs

Summary	
Title	Domicil'Enfance
Description	Home-based childcare at short-notice
Start date	1989
End date	Ongoing
Topics	child care, employment
Country	France

City	Lille
Beneficiaries	All parents in the Lille Metropole region
Financing	€20 annual fee plus reduced hourly fee by parents, €127,000 annual budget from municipality.
Organisation	The Innov'Enfance association, Lille and Roubaix municipalities, the CAF family benefit office and the enterprise and employment office.
Context	The Lille Metropole area has a high number of single-parent families who are at risk of labour exclusion.
Goal	To provide home-based childcare at short-notice, on a 24-hour, seven-days-a-week basis in Lille and Roubaix.
Multi-sector approach	No
Area-based approach	No
Multi-level governance	Yes, municipalities, employment office, family benefit office, Innov'Enfance association
PPP	No
Involvement of target group	Not explicitly mentioned
Project evaluated	Results are measured
Strengths	Very flexible and practical, straightforward
Weaker points	Budget is under pressure while more people intend to use it.
Transferability	Project is fairly easy to duplicate
Contact	innovenfance@wanadoo.fr http://www.innovenfance.org/

The innovative Domicil'Enfance service provides home-based childcare at short-notice, on a 24-hour, seven-days-a-week basis, with the main aim of including families at risk, in Lille and Roubaix.

This enables parents to attend training, interviews or work, at short notice, during irregular hours, or when their children are ill, situations in which the otherwise generous French day-care system is unable to provide care.

This supports families at risk of exclusion in entering or staying in the labour market. The lack of flexible, affordable childcare can still be a major barrier to employment and financial security. This is a particular issue for lone parents, most of whom are women. If they are unemployed or new migrants, they must attend training courses, interviews or job placements, often at short notice. If they are employed, most have low-paid jobs with irregular hours and risk losing work if they stay at home to care for children, reinforcing the gap between the haves and have-nots.



The Lille Metropole area has a high number of single-parent families who are at risk of labour exclusion. In 1989, to promote the inclusion of these families and gender equality, the family benefit office (CAF) worked with Lille Metropole, Innov'Enfance (Innovation for Children) association and Lille municipality, to introduce the Domicil'Enfance service. Roubaix followed in 1999.

Developed to meet families' needs, Domicil'Enfance provides immediate affordable short notice home-based childcare, without the need for prior reservation, when traditional childcare is unavailable. Parents pay a €20 annual membership plus a subsidised hourly rate based on family size and resources. The service is open to all, including children with disabilities or an illness. The childcare staff offers a variety of educational and enrichment activities, adapted to each child. The highly-trained staff can also help to highlight any problems, such as developmental delays or motor function issues, so that they can be addressed professionally, precluding future problems in education.

Domicil'Enfance involves an extensive partnership of institutional stakeholders in childcare and employment, including the Innov'Enfance association, Lille and Roubaix municipalities, the CAF family benefit office and the enterprise and employment office. This helps ensure that funds are invested in genuine cases of need.

In 2012, the Roubaix Domicil'Enfance provided childcare on 600 occasions for 3,840 hours, looking after 236 children in 43 families. For 26% of cases, the parent had work placements or training, 22% of cases were due to atypical or irregular hours and 20% were due to a new job. The vast majority of service users are single parent families. In 2012, 65 parents out of the 119 families using Domicil'Enfance childcare moved into employment or training.

Despite Domicil'Enfance's success, the project is under pressure. Each year, due to labour market flexibilisation and the economic crisis, an increasing number of requests are received for Domicil'Enfance childcare, while public sector budgets are cut. The current annual budget is €127,000.

Domicil'enfance aptly helps vulnerable groups (i.e. single parents) and promotes gender equality through a flexible system that helps those that need it more to be able to get or keep employment and is thus an apt example of a smaller institution that does a lot for the inclusiveness of Lille and Roubaix.

Supporting People Programme and Whole System approach toolkit – an holistic approach to housing problems in Birmingham

Summary	
Title	Supporting People Programme and Whole System approach toolkit
Start date	2010
End date	Ongoing
Topics	Homelessness, housing, early intervention, holistic approach
Country	United Kingdom
City	Birmingham
Beneficiaries	The homeless and vulnerable citizens which have difficulties living independently
Financing	For the first quarter €24.7 million, of which €5.82 million was covered by a national fund for most deprived areas
Organisation	Birmingham city council
Context	Birmingham has a significant homelessness problem and accounts for 9% of the UK's homelessness.
Goal	To minimise the risk of vulnerable citizens losing their housing tenancy and becoming homeless.
Multi-sector approach	Yes
Area-based approach	Yes
Multi-level governance	Limited
PPP	No
Involvement of target group	Very much, public consultation on services held in 2013
Project evaluated	Yes, project is evaluated yearly, results are measured
Strengths	Early intervention, integrated approach, stakeholder consultation
Weaker points	While having good results and actually saving money for society, budgets face yearly cuts due to austerity.
Transferability	Yes, programme is quite easy to duplicate
Contact	supportingpeople@birmingham.gov.uk

Birmingham's Supporting People Programme (SPP) provides high quality housing-related services to minimise the risk of vulnerable citizens losing their housing tenancy and becoming homeless. Supporting People is an active inclusion programme based on an 'invest to save' principle: preventative support services avoid costly acute intervention when people become homeless.⁴¹

⁴¹ (EUROCITIES: Cities on the frontline: local practices for active inclusion, 2013).



Birmingham has a significant homelessness problem and accounts for 9% of the national homelessness. In 2012-13, Birmingham received 6,332 applications for temporary housing and there are 29,100 people on the council's housing waiting list. Currently 1,184 citizens live in temporary accommodation. This is expensive to provide and can lead to the increased use of other high-cost services, such as medical treatment, police involvement and custodial sentences. Birmingham also experiences budgetary pressure. UK government grants have been cut and local costs have risen due to increased needs. Birmingham's goal therefore, is to improve the return on investment by providing high quality preventative services through the SPP, to minimise homelessness and stop the escalation of needs and labour market exclusion.

Birmingham's SPP offers its services to various focus groups: these include older people and people with disabilities needing support to live independently in their own home, young adults who have been thrown out of home, victims of domestic abuse, people recovering from substance addiction and ex-offenders. The SPP services include sheltered and extra-care housing, domestic abuse refuges, community-based service centres, and access to training and employment. Users also receive help on benefit entitlements and other financial support, such as subsidised heating improvements to avoid fuel poverty.

At the end over 2013, a public consultation on commissioning of housing support services for social inclusion client groups was held, which will result in a user-based update of SPP's services and programmes in 2014⁴²

In 2013 SPP worked with 55 different service providers in 124 initiatives. Providers are performance managed against clear targets to ensure high quality. The results are measured by the 'Whole System Approach toolkit', which encompasses a range of information, including key performance indicators, local and national outcomes, cost-benefit analyses and non-financial benefits such as quality of life, retaining independence and individual cases.

Birmingham's SPP is successfully collaborating with many organisations to support over 39,000 people a year to avoid homelessness. For example, in a six month period, 484 people were helped to retain their housing tenancy and avoid repeat homelessness, thus also saving €1.87m (£1.6m). Unmeasured savings include a reduced need for temporary accommodation, policing and emergency healthcare. Budget cuts are the biggest challenge for the continuity of the SPP. Between 2011 and 2012-13, Birmingham's SPP team had to reduce their budget by €15 million (£12.8 million), while still providing effective services. For 2012-13, Birmingham's Supporting People budget was €41 million (£35 million).

Birmingham SPP convincingly proves the "Invest to save" principle: preventative support services to avoid costly acute intervention when people become homeless. It also integrates numerous service providers and initiatives to focus on target group and constantly measures its results and proves its worth.

42

<http://www.birmingham.gov.uk/cs/Satellite?c=Page&childpagename=Housing%2FPageLayout&cid=1223432961752&pagename=BCC%2FCommon%2FWrapper%2FInlineWrapper>

“Gezond Geweten”: Healthcare programme in The Hague’s deprived areas

Summary	
Title	Gezond Geweten: Healthcare programme in deprived areas
Start date	2010
End date	2018
Topics	Health, Urban Renewal
Country	The Netherlands
City	The Hague
Beneficiaries	Inhabitants of underprivileged neighbourhoods
Financing	City of the Hague and Dutch state. For the first four years €24.7 million, of which €5.82 million was covered by a national fund for most deprived areas
Organisation	Gezond Geweten
Context	Health is very much related to poverty: in the Netherlands, the Group with the lowest social-economical status dies on average 6 years earlier than average, and live in poor health 16 years longer than the Group with the highest social-economical status.
Goal	To improve the health of the inhabitants of 4 underprivileged districts in the Hague
Multi-sector approach	Yes: health care, sports clubs, social housing and local government
Area-based approach	Yes: programme limited to deprived areas
Multi-level governance	Yes: local government, health care, sports clubs, social housing
PPP	Yes
Involvement of target group	Limited
Project evaluated	Evaluation planned in 2014, when the project is halfway through
Strengths	Integral approach to various causes of poor health, innovative multi-level governance
Weaker points	
Transferability	Possible, but requires cooperation between parties that are not necessarily used to work together and the project requires a rather big amount of funding.
Contact	secretariaatmzv@denhaag.nl http://www.gezondgeweten.nl/ (Dutch) http://www.gezondgeweten.nl/content/downloads/MJPdef-16-2.pdf (Dutch)

In 2008, The Hague launched a programme to get the health of inhabitants of underprivileged neighbourhoods on a par with that of the rest of the city by 2018. In order to make this programme a success, the City Council signed a declaration of intent with two Dutch ministries, several medical institutions, and several social housing companies, starting an alliance called 'Gezond Geweten' (EN: Healthy Conscience).

Poor health might be one of the most dramatic forms of social exclusion: in the underprivileged areas of The Hague, life expectancy was six years lower than the city average and the inhabitants spent 16 years of their lives in poor health!

The alliance created two plans for every four years, 2010-2014 and 2014-2018. Between 2008 and 2010, the alliance focused on 'quick wins'. Six small scale projects were carried out: an awareness campaign in all grade schools; refurbishment of outdoor play - and sports locations; reintroduction of a local 'health and prevention point', including a local nurse; and a campaign creating awareness about the importance of a healthy indoor environment, including a professional check of the state of old buildings.

The first four-year plan, 2010-2014 consists of a four-track approach.

Track 1 aims at getting the inhabitants to live a healthy and sporty life, by means of:

- An integral plan to combat child obesity;
- A preventive programme on all schools promoting health, including ties with sports; clubs and after-school sports activities;
- An integral area-based approach to prevent smoking, social isolation and depression;
- Providing sufficient accessible sports locations.

Track 2 has the goal of creating a healthy environment to live in, by means of:

- Combating health problems related to the building environment including the refurbishment of almost 40,000 old gas heating systems that pose the threat of chronic low-level carbon-monoxide poisoning;
- Securing a healthy environment in schools, by refurbishing old schools and paying special attention to the quality of air in newly built schools;
- Making the outdoor air quality better by a 'traffic circulation plan' and streets that favour pedestrians and cyclists over motorists.

Track 3 should provide easily accessible prevention and care, by means of:

- Better cooperation between city council, health partners and health insurance companies;
- Effective prevention programmes on 5 key health concerns;
- Local accessible mental health care;
- Creating a higher level of 'health literacy' amongst inhabitants by informal networks, and better training for health professionals on cultural differences in health matters.

Track 4 concerns health and employability:



- A joint effort by schools, JGZ (Youth Healthcare Authority) and the compulsory education enforcement officers to reduce absenteeism and reduce the drop-out rate in schools
- Cooperation between social services, the employment agency and the municipal service for health and mental health care to improve chances of unemployed people with health problems on the labour market, in an integral programme called fit-4-work.

The first phase of 4 years had a total projected cost of €24.7 million, of which €5.82 million was covered by a national fund for most deprived areas. The rest will be covered by the municipality of The Hague the Dutch central government and other partners.



Conclusion

Most practice examples included consisted of practical actions that set out to improve the lives of the poor and socially excluded, however, only the Czech *Reverse Stipendiums* provides any sort of supplemented income support. As a result, social inclusion and the life of the poor may have improved in quality, sometimes even greatly. However, the root cause of their poverty, a low income, is usually essentially still not addressed: that would be in a different policy field. It is good to realise that the necessary multi-level multi-stakeholder governance needed for a fully inclusive city does require actors not discussed here; Cities cannot solve this problem with the use of multi-level governance on specific urban problems only: it needs to take multi-level governance to another level and include private stakeholders as well.

This need for multi-level governance is also reflected by the need for a long-term integral approach: programmes that have a multi-faceted integral approach tend to help more people effectively and have a positive impact on an entire neighbourhood.

The examples also show a growing awareness of the need to include the actual target groups. The Belgian Experts-by-experience programme even turns the target group into consultants for policy makers. Programmes that ask the target groups for their opinion tend to be more effective than those that do not – which is a fact more and more people seem to understand. Projects that give the people at risk of poverty or exclusion the feeling that it is *about us, without us* should be avoided and the easiest way is to include them from the earliest possible moment.

Shrinking public budgets have also been a prominent feature.

To emphasise the financial benefits of the project, the Birmingham Supporting People project has kept a convincing record of how much money was invested in the project and compared it to the costs the city would have spent without the project. This method could help to secure (co)-funding during financial difficulties and therefore, medium- to large-sized projects should try to implement a similar approach. There are however more examples here that are very likely to actually save society more than the cost of the programmes themselves, most prominent of which are *Domicil'enfance* in Lille and *Hela Familjen* in Malmö.

It seems however that cost-effectiveness and success of programmes are somewhat irrelevant to politicians and policy makers: Birmingham Supporting People and *Domicil'enfance* face yearly budget cuts ever since the general austerity policies in Europe, despite an increase in demand for the programme's services. Although this survey of examples is too limited in number to draw hard conclusions, it seems that government institutions all over Europe are preoccupied with a quick fix when they face shrinking budgets, which makes a long-term effective policy of anti-poverty measures impossible, and quite likely will lead to higher costs for society as a whole in the future. The need for a long-term integral policy cannot be overstated and is stressed here again: the longer people stay in poverty or excluded from society, the less likely they are to get out of poverty or find their place in society again.



On the other hand, larger and long –term programmes and projects, usually (co-)financed by central state governments, often lack clear goals, despite their usually large budgets and sometimes a methodical evaluation during the project is lacking as well. This does give them the much needed flexibility as well, but it appears that the sheer size of such programmes in a way makes it impossible or unattractive to set straight goals or make a concise evaluation. While these programmes are by all means useful – they do have a clear logic, good intentions and great experts to support them – the fact that such programmes are generously financed, while smaller well-documented projects that prove their worth face budget cuts is a worrying trend.

Closely related is the sustainability of projects. As long-term commitment is pivotal and budgets cannot always be guaranteed it would be advisable that programmes and projects have a clear vision on their future. Should a project continue after its proposed ending date because it is still needed? If financing would dry up, are there alternative means to continue, alternative sources of funding? Is the programme still meeting the needs of its beneficiaries? Recurring evaluations would be a good means of creating a vision of the future.

Of course, there are projects that would simply disappear without adequate funding, and here too, evaluations can show everyone the importance of the project.

Another aspect of size is that, due to the closer proximity of issues, smaller projects usually have a stronger grasp over the social aspects of demographic characteristics regarding the people they are helping. Larger, integrated, but more generic programmes tend to lack this overview and precision and also tend to focus more on urban renewal. Therefore, to improve effectiveness, larger projects must stay focused particularly on who and what they are trying to address. The sheer number of actors in larger projects seems to jeopardise this however, although the way the project leading agent acts might resolve this problem to some extent. Small clear defined projects can be very effective on the other hand, but tend to have a very limited scope and effect. At this moment it thus seems that the city constitutes the best level to create an integrated plan against poverty that addresses both the specific problems of people at risk of poverty and spatial interventions. Cities should therefore take the lead, or get significant room for making policy in national or European projects, while safeguarding an effective multi-level governance approach.

With regard to public-private partnership, socially-oriented practices should promote collaboration between private enterprises and governmental bodies more often, as exemplified by the microStart project. These practices could be better equipped to respond to social exclusion by offering more integrated and economically viable solutions, while the inclusion of private actors could provide a welcome help in a time of shrinking public budgets.

Another issue is the hardened core of people that have no economically viable means of getting out of unemployment, which is the main cause of poverty.

For instance, despite being a success, Malmö's Hela Familjen underscores how difficult the problem of unemployment is: with the traditional approach, just 1 family became self-sufficient. Hela Familjen had considerably more success, but was still only able to help 19 out of 75 families to become self-sufficient in 28 months: this is not so much a weakness of the project, but a reminder that it is not



possible for all families to become economically self-sufficient, even in an affluent and relatively social equal country like Sweden. However, this fictional unattainable ideal remains strongly present in the public debate on poverty.

Likewise, Bologna's Second Life provides a few people far from the labour market with a job, effectively based on subsidies, which in turn might be the job experience they need to get a regular job. But even so, the scope of the project is too limited to make a real impact on the problem of unemployment in the disadvantaged area it operates in.

To make a generic impact on the problem of unemployment, cities should create social return policy, like Rotterdam, where a certain percentage of the budget of any larger project should be used to create jobs for groups that are disadvantaged on the labour market. This forces private enterprises interested in procuring city government projects to play their part in the solution of the unemployment problem many cities face and makes sure all public projects contribute to the fight against poverty.

While the practice examples of this report should inspire politicians and policy makers around Europe to design practical plans to make cities more inclusive and improve the life of the disadvantaged, a paragraph from the report these practice examples are an annex to also stresses the need of social-economic policy:

“(...)an integrated approach is needed. All the local best practices put together will not really help the poor if labour market structure is unfavourable to lower skilled workers, jobs become more precarious, wages keep declining and prices rising, and social protection schemes are hollowed out.”

So although these practices have all improved the lives of the disadvantaged they target, in some cases dramatically, in the greater scheme of things, this is treating the symptom, rather than the disease: the lives of the poor are made more comfortable and individuals or local areas can rise out of poverty as the result of the hard work presented in this practice examples, but the bigger problem of poverty in Europe has to be solved on another level. The problem of poverty and inequality in Europe cannot be resolved without a change in the policies of income and employment, no matter how many great practices against social exclusion and poverty might exist.