Abstract

Poverty in Europe: a comparative study and the Italian emergency

Introduction
One of the five headline targets of Europe 2020 strategy is to lift at least 20 million people out of the risk of poverty and social exclusion in Europe. Considering this strategy, the present work analyses poverty in Europe, presenting at first the debate over its definition and measurement, then, following the indicators adopted by the European Union, figures of poverty in each European country are introduced and analyzed. At last, a focus on the Italian situation explores disadvantaged social groups and public policies.

1. The problem of definition

Since the definition of poverty affects measurement and therefore intervention, defining poverty has social as well as political implications. Value judgments are always involved, therefore there is no single "correct" definition of poverty. In the following paragraphs some of the main areas of debate will be presented.

Broad and narrow definitions
Some scholars believe that poverty deals with material elements, so poor is he who can't participate in society because of a lack of resources. Some others believe instead that the definition of poverty should be broader and include also non material element, such as lack of dignity.

Absolute and relative poverty
An essential distinction has to be made between "absolute" and "relative" poverty. The former has to do with the condition of a person regardless of the other members of society. Relative poverty deals instead with the situation of a person in comparison with the living standards of the society he or she lives in; this means that someone is poor if they can't afford goods that are considered necessary in that society, like clothing but also a personal computer. Some scholars prefer "absolute" definitions, while others believe that relative definition are more effective. The European Union adopted several indicators of poverty, both absolute (the material deprivation index) and relative (the relative poverty index).

Poverty and well-being
A fundamental contribution to the debate over poverty has been given by Amartya Sen, who took in consideration the definition of poverty not only as a matter of income or living conditions but also as denial of choices and opportunities. This contributed to shift the attention to what really counts, namely the kind of life that a person is willing to lead and the possibility to actually lead that life. In this sense, poverty is connected to the broader concept of well being. Sen’s works influenced thus the international development of growth models, contributing to a paradigm shift to a "multilateral" approach in measuring well-being, questioning GDP as effective indicator.

Poverty, social exclusion and inequality
The direct consequence of poverty is "social exclusion", which is poverty combined with social marginalization. Social exclusion means thus isolation, lack of participation in society and the denial of important activities and institutions like instruction, work, healthcare etcetera. Social inclusion is therefore one of the target of Europe 2020 strategy, aiming at giving individuals the possibility to take part in society again. Social exclusion is closely connected to inequality, which is therefore to be attentive monitored and analyzed. One of the most common indicator to measure income inequality is the Gini index; Eurostat data show that countries with an high percentage of poverty present also high levels of inequality. In Italy the level of inequality is higher than the European average, furthermore it has been increasing since 2008.
Different conceptions of poverty in European countries
Studies showed that different models of welfare state in European countries mirror a different understanding of poverty. The main difference is that in some countries (e.g. France, Germany and Italy) the responsibility of poverty is attributed to society, while in others (e.g. Great Britain) it is attributed to the poor themselves. When the responsibility is considered collective, public intervention is wider and generally involves more resources; on the contrary, where the responsibility is considered personal, public intervention is minimal. Since definitions and causes of poverty vary considerably, the EU decided to use several tools to measure poverty.

2. Europe 2020 Indicators
Europe 2020 strategy included the adoption of four indices of poverty, annually collected with the EU-Silc project; this made possible to form comparative statistics and to assign each country a national target. The indicators currently used for measuring poverty are:

i) **People at risk of poverty after social transfers**, that is persons whose equivalised disposable income is below 60% of the national median equivalised disposable income after social transfers. People in this condition are about 83 million in 2011 (about 17% of European population).

ii) **People severally materially deprived**, that is persons that cannot afford at least four of the following: to pay rent or utility bills; to keep their home adequately warm; to pay unexpected expenses; to eat meat, fish or a protein equivalent every second day; a week holiday away from home; a car; a washing machine; a color TV; a telephone. This indicator counts about 43 million people in 2011 (9% of total population).

iii) **People living in households with very low work intensity**, that is households where people in working age worked less than 20% of their potential during the past year. This condition included about 38 million people in 2011.

iv) **People at risk of poverty or social exclusion**, that is persons that are present in at least one of the described indicators.

In 2011, about 120 million people (one person every four) are at risk of poverty and social exclusion. The figure for EU-27 average masks considerable variation between Member States: in general, Northern Europe present the lowest levels of poverty (less than 20%). The share of population at risk is higher in Southern Europe, (between 23% and 31%); finally, the highest percentages (31% to 49%) are to be found in New Member States, in Eastern Europe.

The rate of people at risk of poverty or social exclusion declined until 2009; then, likely due to the economic crisis, it began increasing constantly. Italy presents a significant increase of 3.7 percentage points from 2010 to 2011. Furthermore, in absolute terms, Italy is the country with the highest number of people at risk: more than 17 million.

3. Poverty in Italy
Generally, Italy presents higher rates of poverty than the average EU-27: in 2011, people at risk of poverty or social exclusion are 28% percent of total population; people at risk of poverty are about 12 million, that is nearly 20% of population; people severally materially deprived are 6 million, that is 11% of population; finally, people living in households with very low work intensity have a rate of 10%.
The analysis of historical data shows a significant increase of the share of people that suffered severe material deprivation between 2010 and 2011 (4 pp) and of people at risk of poverty (1.4 pp), probably due to the decline of incomes.

Data show also an increase of the income gap between the richest and the poorest part of population, meaning that the economic crisis worsened in particular the conditions of that groups of society that were already disadvantaged. For this reason, next chapters focus on some of the most disadvantaged categories.

**Territorial dimension of poverty: Southern Italy**

Several economic indicators show the gap between the North and the South in Italy. This gap is also reflected in the rates of poverty, that are lowest in the North and gradually increase in southern areas. In particular, the regions with the highest shares of poverty are Sicily (which is the last but one poorest region of all Europe), Campania, Calabria and Basilicata. In these regions nearly one person every four is severally materially deprived, and one every two is at risk of social exclusion.

**Unemployed, neet and occasional workers**

Evidence show a clear relationship between poverty and occupational status: if a person doesn't work or live in households where few people have a job, he or she is more likely to be poor.

In 2013, unemployment rate is 12.8%, and it has been increasing since 2007. Rates are very different if we consider only some age groups, being particularly high for people aged 15-24 (nearly 42%). This age group is also the one that saw the highest increase of the rate.

In absolute terms, Italy is the Member State with the highest number of youngsters aged 15-29 not in education employment or training (neet), therefore most exposed to the risk of social exclusion: in 2012 in Italy there were 2 million 250 thousand neet, 95 thousand more than in 2011. Eurofund researches calculated that the presence of so many neet cost Italy about 27 billion in 2011, that is 1.7% of national GDP. In order to face this emergency, the European Commision lounched the project "Youth on the move".

Occasional workers, that is people employed with temporary or part-time contracts, have less social protection and are more likely to lose their job and fall into poverty. In the last years, the number of occasional workers in Italy on the one hand tended to diminish, since this kind of employees was the first to lose the job with the economic crisis, on the other hand, in the rate of employment the share of occasional workers increased; in 2013 about 60% of part-time workers would have preferred a full-time contract, 5 pp more than the previous year.

**Immigrants**

Statistics show that families composed by foreigners in Italy are more exposed to the risk of poverty and social exclusion than the Italian ones. The average salary of a foreign person resident in Italy is less more than two thirds of an Italian; furthermore the employment rate of immigrants lost 6,5 pp from 2008 to 2012. Difficulties in the labour market are reflected by the indicators of poverty: more than the half of families composed by immigrants are at risk of poverty or exclusion, one family every four is materially deprived and one every two is at risk of poverty.

**Numerous families**

Childless couples are the family typology that is less exposed to poverty, while the most exposed are families with three or more children and lone parents. These typologies are also the ones with the highest increase of poverty between 2010 and 2011. In 2011, about 42% of families with three or more children are at risk of poverty or exclusion, and 18% is materially deprived. In addition, it is particularly worrying the increase in the share of families that cannot afford to eat meat or fish every second day: from 9.4% in 2010 to nearly 17% in 2011.
Disadvantaged age groups: minors and youngsters
In 2011, children aged less than 17 are the age group most exposed to poverty and social exclusion. In Italy, it was at risk one minor every three. The analysis of the distribution of poverty in age groups show that the risk of poverty and exclusion is higher in the youngest persons and gradually decrease for adults and old people. These data are reflected in the distribution of wealth; some researchers that compared results from 1987 to 2008 proved a redistribution of wealth with the oldest part of population becoming richer and other age groups, in particularly those aged less 35, becoming poorer. Probably this is due to the condition of the labour market and to social care policies.

Social policies
The Italian expenses for social policies are not far from the average EU-15, but the impact on the reduction of poverty is definitely inefficient, probably due to two main problems: an imbalance of social protection in favor of old age and the complex distribution of competences at territorial level. The burden of the fight of poverty is attributed to local institutions, that therefore face poverty only according to their plan and resources. Furthermore, there is no basic list of services that every local authority should grant to citizens, so people in different regions have access to different services of social care.

Conclusions
Despite 2010 was declared "European year for combating poverty and social exclusion", the number of persons at risk since 2010 has increased, involving 120 million people in Europe. However, 2010 was an important year in the fight to poverty: Member States set an important target and adopted for the first time common indicators.

In Italy, 17 million of people, that is nearly one person every three, is at risk of poverty and social exclusion. Unfortunately, data confirms that the economic crisis hit particularly those categories that were already disadvantaged. The only possibility to face this emergency seem to be the role of social policies, which need to be reformulated in two areas: old age care and distribution of competences between local-central level. Only in this way it will be possible to respect the Italian national target: lifting 2 million 200 thousand people from the risk of poverty and social exclusion.