

The fight against poverty in the European Union – expectations versus reality

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Abstract. One of the current ambitions of European Union (EU) policy is to reduce poverty in all Member States (MS). Over the last few years the EU and its MS have made a series of important decisions that imply stronger economic coordination in the EU as a whole and put stronger emphasis on social aspects. The aim of the research was to discuss effectiveness of the current European policy in the field of poverty and social exclusion on a basis of statistics concerning mentioned phenomena. The paper explains the most important notions, describes the attitude toward social protection common in the EU and presents documents concerning the fight against poverty. Then it juxtaposes those issues with data and questions the efficiency of the EU policy.

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INTRODUCTION

An overall aim of almost every country is enhancement of development. It is a process through which an individual, a community or a nation can progress economically, socially, culturally, psychologically and spiritually. The centre of development is the human being, and human wellbeing is an ultimate goal of the process. Because European society proclaims the worth of every human being, the fundamental purpose of the European integration was to promote greater social, political and economic harmony among the joined nations. Nowadays, European society is evolving due to factors such as technological progress, globalisation and ageing populations. It takes place under the shadow of the crisis, which will continue to shape decisions made in Europe for the next decade and even beyond. One of the ambitions of the current policy is to reduce poverty in the European Union (EU). This phenomenon has always existed, but its acceleration was driven by the crisis of 2008 and its fall-out.

The problem of inequality and poverty is not only visible in reality, but also has been discussed in literature. T. Piketty (2014, 2015) is one of the people who pushed inequality to the forefront of public debate, whereas K. Pickett and R. Wilkinson (2009) are the couple arguing that inequality has bad social and economic effects. Among the authors interested in the topic of poverty and inequality it is worth to name A.K. Sen, S. Anand (Anand, Sen 1997; Anand et al. 1997), A. Atkinson (1970, 1998, 2013b; Atkinson, Picketty (ed.) 2007), J. E. Stiglitz (1969, 2009, 2012) and J. Sachs (2005). A significant contribution to the works concerning social inclusion in Europe was made by A. Atkinson (2013a, Atkinson et al. 2002), H. Frazer and E. Marlier (2010a, 2010b, 2011, 2012), A.-C. Guio (2005; Guio et al. 2009; Guio et al. 20011), P. Collier and D. Dollar (2002).

Depending on the point of view adopted and the aspects that need to be highlighted, different poverty analyses can be carried out. Thus, it is worth mentioning that this study has been done by economists, not by sociologist nor by social policy experts. The aim of this paper is to juxtapose expectations and ambitions embodied in EU documents with trends observed in reality. The period studied spanned from 2010 to 2013. 2010 saw the announcement of the new strategy for the EU – Europe 2020 and the starting point of its implementation. Previous statistics would have been corrupted by the impact of the crisis. This research was based on literature review as well as on Eurostat data analysis (including EU-SILC – Statistics on Income and Living Conditions) and European Union reports.

This paper is structured into 5 parts. Following the introduction, a concise overview of the key definitions and ways of measure is provided. Following this, some issues concerning social aspects of European policy are discussed. The subsequent section presents a data set on poverty. In the final part of the analysis there is a display of the main findings leading to the conclusion of the article. The research was based on analysis of literature, statistical data (coming from Eurostat), and European acts and documents.

1. POVERTY, SOCIAL EXCLUSION AND MARGINALITY – DEFINITIONS AND INTERPRETATIONS

Major development concerns worldwide are: eradication of poverty, improvement of health, nutrition and educational status of the people, removal of discrimination along gender, racial, and ethnic lines and protection of the environment for ensuring inter-generational equity. Analysing the ongoing debate on aspects of development one may discern unequal income distribution as the most controversial problem (considering the alleged trade-off: equality or efficiency) whereas such phenomena as poverty, social exclusion and even marginality are commonly perceived as deleterious not only to people, but also to the economy.

There are as many ways of measuring poverty as there are ways of defining it. Some definitions are narrow in scope, mentioning only material possessions, whereas other broader concepts account for social issues. For example, the definition of overall poverty adopted by the United Nations (the UN) talks of social discrimination and exclusion and of lack of participation in decision-making civil, social and cultural life (Poverty and Social Exclusion [www](http://www.un.org); Lisner, 2007, p. 26). Such interpretations determine the makeup of measures like the Human Poverty Index, including a long and healthy life, knowledge and a decent standard of living (UNDP). Being focused mainly on economic aspects of poverty, a few disparate types of poverty can be distinguished (table 1).

Table 1

Types of poverty

POVERTY	
Objective	Subjective
focuses on people’s access to different kinds of resources	
it is demanded to find a reliable measure of the economic resources people are in control of and to define how and where to draw the poverty line	
Absolute	Relative
severe poverty; a situation in which the individual’s basic needs are not covered (there is a lack of basic goods and services – normally related to food, housing and clothes)	a person is considered poor when they are in a clearly disadvantaged situation with regards other people in their environment
a person who is considered poor under this criterion is classified in the same way throughout the world	the idea of poverty closely linked to the notion of inequality
a category used mainly in research of poor and developing countries	locates the phenomenon of poverty in the country/society under study
an example: a measure by the World Bank (one-day budget: 1,25 USD per head)	a category used in research of developed countries
	an example: subsistence level announced by Institute of Labour and Social Studies in Poland, the interpretations by Eurostat
	an individual assesses their state – subjectively presented when one’s actual income does not meet one’s expectations
	subjective indicators are measures of the deficiencies in the consumption of necessities and of perceived over-indebtedness and scarcity

Source: authors’ own elaboration based on World Bank, 2005; INE-SE, 2007; Wójcik-Żołądek, 2012.

The objective of the comparison presented in table 1 was to provide a general view without aiming to cover all possible options, but it is enough to prove that poverty is a complex phenomenon influenced by a large number of factors and can be studied from many different perspectives. The problem becomes even more complicated when additional factors are considered. Namely, social exclusion widens the concept of poverty. According to Levitas, it is a complex and multi-dimensional process involving the lack or denial of resources, rights, goods and services, and the inability to participate in the normal relationships and activities available to the majority of people in a society, whether in economic, social, cultural or political arenas. It affects both the quality of life of individuals and the equity and cohesion of society as a whole (Levitas et al., 2007). One of the determinants of social exclusion is poverty, and the relationship between the phenomena can take the form of a vicious circle – poverty generates exclusion of an individual, then this exclusion deepens the poverty. Lack of inclusion might also be a result of disability, addiction, structural changes in the economy, immigration, improper upbringing, stereotypes and prejudices, indoctrination, violence, etc (Wójcik-Żołądek, 2012; Golinowska et al., 2005, pp. 42-46).

The last one worth mentioning, the marginality concept interpreted by Braun and Gatzweiler, calls for the integration of poverty concepts with those of social exclusion, geography, and ecology. The difficulties in reaching the poor at the margins are frequently explained by physical (being located in remote or harsh environments) and social (being excluded, discriminated against, or not having access to resources and

opportunities) distances, but may also be related to technological and institutional infrastructure deficiencies. In the long run, none of these deficiencies need to be taken for granted. Marginal areas, for instance, can be transformed by investments in technology and infrastructure, if this eventually pays off (Braun, Gatzweiler, 2014, pp. 3-6). This concept is useful in studies on extremely poor countries or regions.

When economists do engage in the discourse of exclusion in development, they typically deal with poverty and deprivation. Studies based mainly on the impossibility of access to certain basic consumption elements are carried out, as it is understood that these limitations can result in a lack of social integration. The study of this aspect of exclusion strongly linked to poverty is called multi-dimensional deprivation.

2. SOCIAL PROTECTION IN THE EUROPEAN UNION – IDEA AND GOVERNANCE

Trying to achieve social cohesion in the EU, supranational institutions work with national authorities (in accordance with the principle of subsidiarity) to govern the implementation of some of these sets of standards, though the approach to the problem of inequity and poverty is not the same in every Member State (MS). As Jasiński writes, the EU as a whole has at its disposal a quite unified system of resource allocation (thanks to the single market), the system of stabilisation is also rather common (mainly through monetary policy in the Eurozone, but not only), but redistribution systems have been left to the varying competencies of individual nations. Fiscal policies are also separate (although coordinated), but what has not become a part of integration are social protection systems, maintaining an individualised form in every country. In spite of this discrepancy, something like „The European Social Model” exists. It includes a market economy capable of dynamic development as well as social protection (Jasiński, 2012, p. 173). According to Aiginger, in this approach, one may see solidarity and responsibility for an individual, protecting them from poverty and providing support in case of illness, disability, unemployment and age. Inequity is reduced through transfers as well as income, inheritance and wealth taxes (Aiginger, 2010, pp. 178-179). This concept, current in both academic and political discourse, is used to advance thinking about a third way of achieving a society, as opposed to the neo-liberal path taken by the United States (Becker et al. 2006, p. 91).

It is deeply rooted in the consciousness of European society (so-called “informal institutions”) that policy should not be shaped according to the rule “find a job or go hungry” and these informal institutions determine the shape of policy, documents, declarations and strategies. Care for social issues had been included (though not prioritising) already in the Treaty establishing the European Economic Community (the Treaty of Rome, 1957), but intensification of activities on social fronts took place later. Some of the following landmarks can be mentioned:

- a) the European Social Charter (adopted in 1961, revised in 1996);
- b) the Single European Act (1986);
- c) the Community Charter of Fundamental Social Rights of Workers (1989) which was also the trigger to reform the European Social Fund;
- d) Treaty on European Union (Maastricht, 1991) introducing i.a. subsidiarity;
- e) the Green Paper (1994) and then the White Paper (1995) concerning common social policy (Głabicka, 1997, pp. 45-52);
- f) the European Employment Strategy inaugurated by the Treaty of Amsterdam (1997);
- g) the Charter of Fundamental Rights of the EU (Nicea 2000);
- h) the Lisbon Strategy (2000) and its renewed version (2005) which paid attention not only to the matter of *the most dynamic and competitive knowledge-based economy in the world*, but also aimed to lead to *better jobs and greater social cohesion* (Lisbon European Council);

- i) the Treaty of Lisbon (2007) which has significantly strengthened the social dimension of the EU; it amends the founding Treaties in order to clarify and strengthen the EU's social objectives, namely:
- art. 3: henceforth includes full employment, social progress, the fight against social exclusion and social protection among the Union's objectives,
 - art. 9: specifies that a high level of employment, adequate social protection and the fight against social exclusion should be taken into account in the development and implementation of EU policies,
 - art. 152: establishes the role of social partners in the EU.
- Moreover, the Treaty recognises the legal value of the Charter of Fundamental Rights of the EU, which, among many issues, ensures the social security of residents in EU territory (Lisbon Treaty, [www](#)).

Europe 2020 (2010) is a strategy for smart, sustainable and inclusive growth defining where the EU wants to be by 2020. Europe 2020 puts forward these three mutually reinforcing and – what is also significant – equally important priorities. The last of them, inclusive growth, fosters a high-employment economy delivering social and territorial cohesion. Obviously, since exclusion widens the concept of poverty, the program is beyond the narrow goals of eradicating income poverty.

It should be highlighted that five measurable headline targets were set within this strategy and on the topic of poverty the ambition is to reduce the number of people at risk of poverty by 20 million by 2020 (European Commission, 2010). The remaining four targets are implicitly related to the one discussed. For instance, enhancement of employment as well as the level of education should support the fight against poverty, though, in 2009, the European Commission highlighted that, over the past decade, the increasing employment rate had not sufficiently reached those furthest away from the labour market, and that getting a job was not necessarily sufficient to escape poverty (European Commission, 2014, p. 2). Thus, Europe 2020 is the first document including the fight against poverty presented explicitly as a long-term priority. This fact is crucial for this analysis which is embedded in Europe 2020 postulates.

The central tool of EU social policymaking since the beginning of the current century is the Open Method of Coordination (OMC) consisting of a specific ensemble of elements:

- fixing guidelines for the EU combined with specific timetables for achieving the goals which they set in the short, medium and long term;
- establishing quantitative and qualitative indicators and benchmarks and tailoring to the needs of different MS and sectors as a means of comparing best practices;
- translating the European guidelines into national and regional policies by setting specific targets and adopting measures, taking into account national and regional differences;
- periodic monitoring, evaluation and peer review organised as a mutual learning process (European Commission, 2010, Zeitlin 2005).

The OMC is a form of “soft law”, though the Treaty of Lisbon (art. 156) has institutionalised the OMC to some extent. As Trubek describes, the Commission may undertake initiatives in order to encourage cooperation between MS in the social domain and to facilitate the coordination of their actions. For example, these initiatives may take the form of studies or opinions with a view to establishing guidelines and indicators, and to organising the exchange of best practices with the organisation of a periodic evaluation (Trubek, 2005, p. 343). Europe 2020 is implemented also on the basis of the OMC. All of the strategy targets are representative but they are not exhaustive and to ensure that each MS tailors the program to its particular needs, it was proposed that EU goals should be translated into national targets. The translation includes the problem of poverty, because diverse impacts of the same anti-poverty policies can be expected given the differences between countries in initial conditions. Thus, each country has adopted its own national targets defined in National Reform Programs (NRPs). In order to progress towards the Europe 2020

goals, the Commission has come forward with a set of seven flagship initiatives. In the field of inclusive growth they cover “An Agenda for New Skills and Jobs” and “European Platform Against Poverty” (European Commission, 2010, p. 35).

Overall, progress towards the Europe 2020 targets (including inclusive growth) is monitored as a part of the European Semester (ES) in the EC’s annual cycle to align fiscal, economic and structural policy coordination. Within the framework of the ES, these topics are considered concomitantly and the Commission monitors the development along the dimensions of macroeconomic factors, public finances and growth-enhancing reforms, with the current strategy belonging to the latter. In the Annual Growth Survey (AGS) published within ES, the Commission presents an analysis of macroeconomic conditions of the EU. Then, country-specific recommendations (CSRs) are released. In spite of the OMC institutionalisation, it is still based on rather lax transnational cooperation of avoluntary nature and shared efforts. Admittedly, the Commission may issue policy warnings, but it has not at its disposal any appropriate incentives and sanctions to ensure effective enforcement throughout.

3. EXPECTATIONS AND REALITY – THE PROBLEM OF POVERTY IN THE EUROPEAN UNION

Defining the category of poverty and formulating methods of its assessment (evaluation of chosen indicators) are crucial for the creation, implementation and effectuality of anti-poverty policy in a given country or region. It is also crucial to study: the depth (the scale) of the phenomenon, and the extent and the length of duration. The definitions adopted in the EU are specific but compatible with the general definition of objective and relative poverty (table 1), thus they go beyond the “satisfaction of basic human needs” used to measure poverty in developing countries. People at risk of poverty or social exclusion (AROPE – the main indicator) describes the number of residents stricken by at least one of three forms of poverty (three sub-indicators):

monetary poverty measured by the indicator people at risk of poverty after social transfers (the persons with an equivalised disposable income below the risk-of-poverty threshold, which is set at 60 % of the national median equivalised disposable income; after social transfers),

material deprivation (living conditions severely constrained by a lack of resources, they experience at least 4 out of 9 following deprivations items: cannot afford to pay rent or utility bills, keep home adequately warm, face unexpected expenses, eat meat, fish or a protein equivalent every second day, a week holiday away from home, a car, a washing machine, a colour TV, or a telephone),

low work intensity (living in households where the adults worked less than 20% of their total work potential during the past year).

The proportion of people AROPE in the EU-28 population was 24,5% in 2013. This indicator was lower than the European average in 14 MS, whereas in the rest of the countries the share of people AROPE was higher than 24,5% (fig. 1).

The lowest value of the indicator (14,6%) was in Czech Republic and on the opposite end of the EU profile one may see Bulgaria (48%). PIGS countries (Portugal, Italy, Greece and Spain) also suffer from risk-of-poverty or social exclusion to a significant degree.

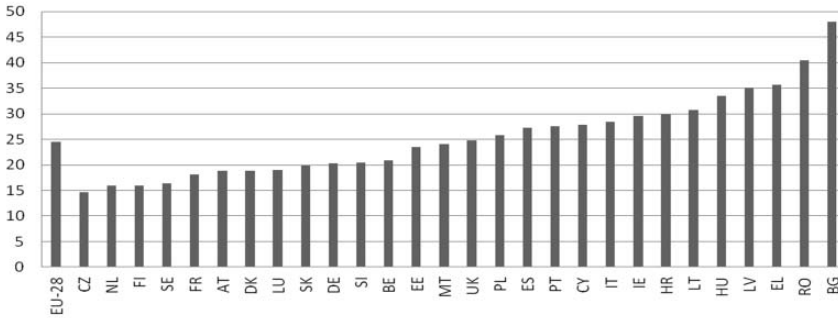


Fig. 1. Poverty and social exclusion in the EU countries, 2013 (people AROPE, % of population)
 Source: authors' own elaboration based on Eurostat database (online data code: τ_{2020_50}).

The number of people AROPE was 122,897,000 in 2013. Some of them suffer from more than one of three forms of poverty, but to calculate the headline indicator individuals are counted only once – even if they are present in more than one sub-indicator. Because of this intersection the total number of people AROPE is not a simple sum of three sub-indicators. The diagnosis for the EU is presented in figure 2.

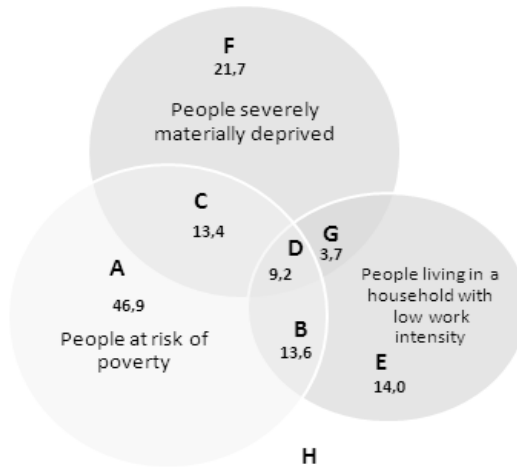


Fig. 2. Sub-indicators of "People at risk of poverty or social exclusion" in the EU-28, 2013 (mln persons)
 Source: authors' own elaboration based on Eurostat database (online data code: τ_{2020_50} ; τ_{2020_51} ; τ_{2020_52} ; τ_{2020_53}).

On the basis of figure 2 there can be distinguished 8 fields illustrating the following populations: A – at risk of poverty but not severely materially deprived and not living in a household with low work intensity (46,9 mln), B – at risk of poverty, not severely materially deprived but living in a household with low work intensity (13,6 mln), C – at risk of poverty, severely materially deprived but not living in a household with low work intensity (13,4 mln), D – at risk of poverty, severely materially deprived and living in a household

with low work intensity (9,2 mln), E – not at risk of poverty, not severely materially deprived but living in a household with low work intensity (14 mln), F – not at risk of poverty but severely materially deprived and not living in a household with low work intensity (21,7 mln), G – not at risk of poverty but severely materially deprived and living in a household with low work intensity (3,7 mln), H – neither at risk of poverty, nor severely materially deprived nor living in a household with low work intensity (377,8 mln). The last group is the biggest, though the statistics are strongly disappointing.

The figures presented above are static and inform only about the conditions, thus it is important to also present some trends (table 2).

Table 2

Population at-risk-of-poverty or social exclusion and sub-indicators in the EU-28, 2010-2013

	2010		2011		2012		2013	
	1000 persons	% of population	1000 persons	% of population	1000 persons	% of population	1000 persons	% of population
People AROPE	118 007	23,7	121 314	24,3	124 060	24,7	122 897	24,5
living in households with very low work intensity*	38 672	10,2	39 518	10,4	39 644	10,5	40 718	10,8
at risk of poverty after social transfers	81 817	16,4	84 017	16,8	84 257	16,8	83 356	16,6
severely materially deprived	41 858	8,4	44 389	8,9	49 673	9,9	48 264	9,6

* % of population aged less than 60

Source: authors' own elaboration based on Eurostat database (online data code: t_2020_50 ; t_2020_51; t_2020_52; t_2020_53).

The number of people AROPE is higher in 2013 than in 2010, though it is a bit lower than 2012. What contributed to such a change between 2012 and 2013 was a decrease in the number of people at risk of poverty after social transfers (but in the same time this sub-indicator is higher than in 2010). The rest of the sub-indicators posted growth, which was most significant in the case of severely materially deprived persons (see: Annex).

The proportion of people AROPE in the EU between 2010 and 2013 increased by 0,8 percentage points (pp), but analysing 28 MS individually one may spot many differences between them. They are presented in the figure below.

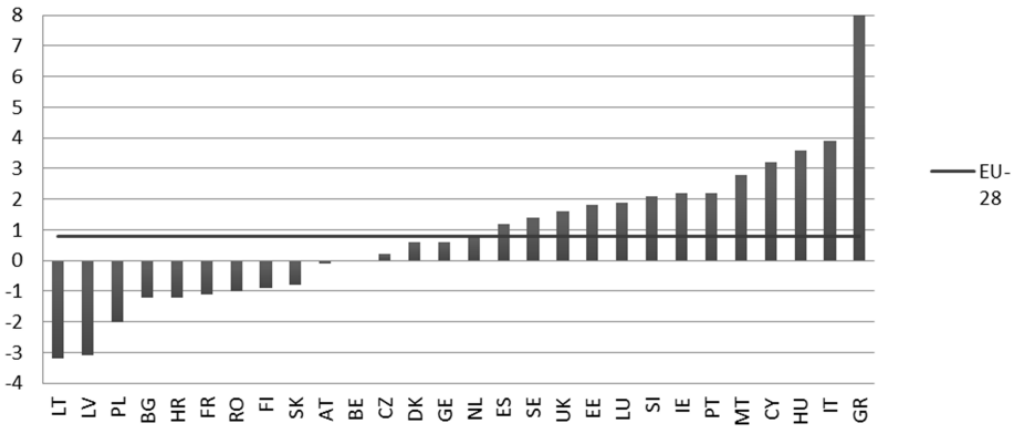


Fig. 3. Population at-risk-of-poverty or social exclusion in EU countries (% change between 2010-2013)

Source: authors' own elaboration based on Eurostat database (online data code: t_2020_50).

The indicator decreased in 10 countries, in 1 country (Belgium) was relatively stable and in the rest of MS (17) it increased, which is tantamount to deterioration. The most significant positive changes can be observed in Lithuania (reduction of the indicator by 3,2 pp) as well as in Latvia (3,1 pp). The most infamous record belongs to Greece, where risk of poverty or social exclusion grew by 8 pp between 2010 and 2013. In the search for trends it might be concluded that 11 out of 17 MS with growing risk of poverty represent the so-called “old Union” (“Fifteen”). There are PIGS countries in this group, but what are perceived as social countries as well (like Sweden, Netherlands and Denmark). Amongst these Scandinavian countries, the most significant deterioration of the indicator was observed in Sweden (change of 1,4 pp). Beyond this the level of indicators is higher in the United Kingdom (UK) and in Germany (fig. 3).

The most advanced negative change concerns a proportion of severely materially deprived people (1,2 pp). The rate became lower only in 11 countries and the opposite tendency was observed in 17 MS. The most serious situation was in Greece where the material deprivation rate increased by 8,7 pp. Italy, Hungary, Cyprus, Ireland, and the UK are also examples of countries which suffered from a quite high increment of this indicator. The most considerable positive changes are visible in Lithuania, Latvia, Bulgaria, Romania and Poland. In these countries the rate of persons who cannot afford to pay for selected items became lower respectively by: 3,9 pp, 3,6 pp, 2,7 pp, 2,5 pp and 2,3 pp. Austria and Sweden can be classified as relatively stable according to discussed criterion (Fig. 4, Annex).

The last sub-indicator, the proportion of people at-risk-of-poverty after social transfers rose by 0,2 pp. in the EU-28. This sub-indicator became lower in 11 countries and the opposite tendency was observed in 17 MS (which is similar to the described rate of people severely materially deprived). Again, the worst situation was in Greece where the rate of people at-risk-of-poverty after social transfers increased by 3 pp. As with other negative records one may enumerate: Estonia (increased by 2,8 pp), Hungary (2,5 pp) and Sweden (1,9 pp). The countries where some positive tendencies were measurable are: Latvia, Finland, the United Kingdom, Croatia, Ireland, and Denmark. The percentage of people at-risk-of-poverty after social transfers decreased there respectively by: 1,5 pp, 1,3 pp, 1,2 pp, 1,1 pp, 1,1 pp and 1 pp. The situation in the Netherlands and Lithuania was rather stable (fig. 4).

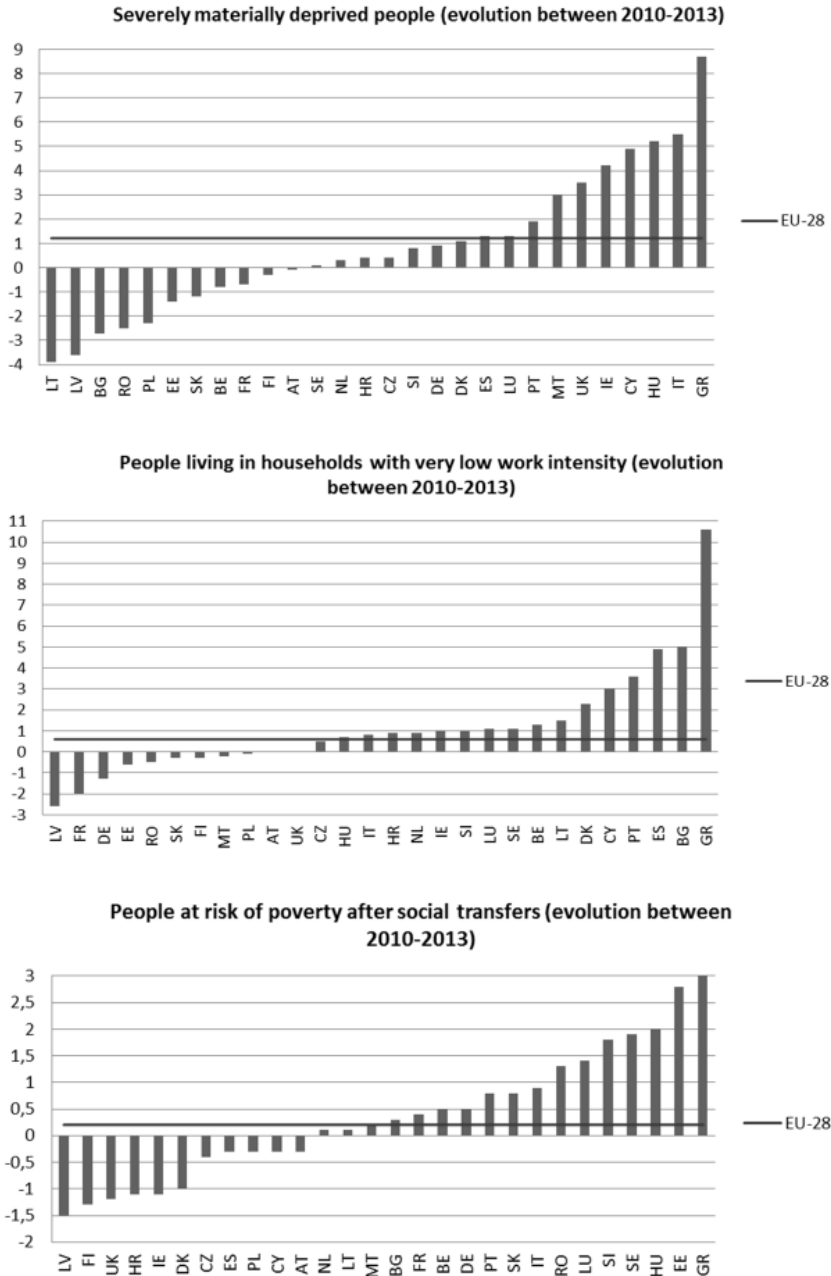


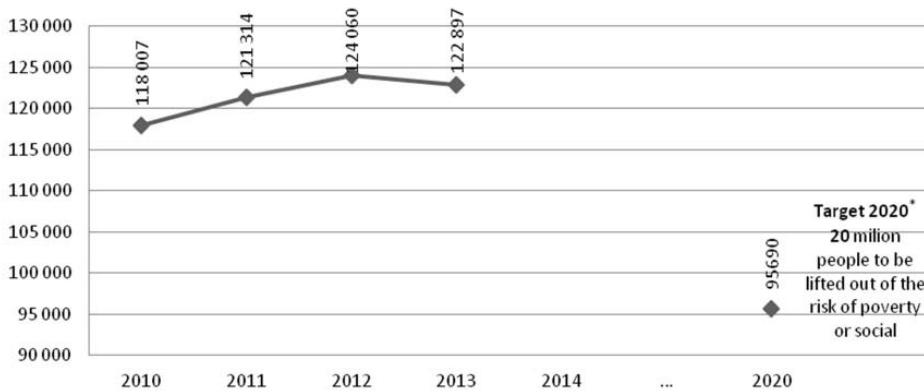
Fig. 4. Sub-indicators of AROPE indicator in the EU countries (% change between 2010-2013)

Source: authors' own elaboration based on Eurostat database (online data code: τ_{2020_51} ; τ_{2020_52} ; τ_{2020_53}).

The conducted research enables one to highlight some observed facts:

- an increase of poverty and social exclusion for the overall population with diverging national developments (registered in 17 MS), an increase of the proportion of working poor (registered in 17 MS) as well as of severely materially deprived people (17 MS),
- most of the increases are more significant than decreases,
- a growing risk of poverty or social exclusion involves the „old”, as well as the „new” Union,
- taking the “Fifteen” into account, the most significant deterioration is observed in the countries suffering badly from the crisis in the Eurozone (especially Greece),
- a growing level of poverty pertains also to welfare states and egalitarian societies like Sweden or Denmark,
- the most significant curtailment of poverty took place in the “new” Union countries (especially Lithuania, Latvia, Bulgaria and Poland), but their starting level of poverty was much higher than in the “Fifteen”.

According to Europe 2020, the ambition was to lift at least 20 million people out of the risk of poverty or social exclusion (by 2020). For the time being, instead of moving towards the target, a rise in poverty has been witnessed since the target was set – the number of people AROPE increased by 4,89 million between 2010 and 2013. Hence, the current level of poverty and social exclusion deflects the headline target showed in fig. 5.



*The overall EU target is to lift at least 20 million people out of risk of poverty or social exclusion by 2020 with 2008 as a baseline year - 116,6 mln people. In other words, the number of people AROPE should not be higher than 95,7 mln by 2020 (Eurostat. Statistical Books, 2013, p. 9).

Fig. 5. Number of people at-risk-of-poverty or social exclusion in the EU-28, 2010-2013 and the desired level of poverty in 2020 (1000 persons).

Source: authors’ own elaboration based on Eurostat database (online data code: t_2020_50).

It seems to be ironic that the second decade of the XXIst century, which started with such high hopes for Europe and ambitions described in the Europe 2020 document, after a few years of implementation and intensification of the cooperation among the MS, very poor results can be noted. Actually, a worrisome trend in European poverty is visible: the number of people AROPE accounts for nearly one-fourth of the population and it is bigger than it was in 2010. In such circumstances it is natural to ask some questions, especially about the effectiveness of the EU policy on the social front, about its premises and way of governance.

What makes some groups of people vulnerable or not to the aforementioned phenomenon are some specific dimensions: age, sex, activity status, level of education, degree of urbanization or household type.

The most serious risk of poverty and social exclusion involves young people. This indicator for the age group 16-24 is roughly 30% in the EU – the highest one is in Greece (48,6%), Bulgaria (48,1%), Romania (47,5%), Hungary (41,3%), as well as in Denmark (39,8%), Ireland (38,8%), Latvia (38,7%), Spain, Italy, Portugal, Cyprus and the UK. What might be surprising (because the strategy and other documents draw attention to the elders) is that the lowest proportion of individuals AROPE is in the group above 60 years old. It is noticeable especially in Luxemburg, the Netherlands, Denmark, Czech Republic, France, Slovakia and Sweden (below 15%).

More women are at risk of poverty or social exclusion than men (25,4% vs 23,6%).

The condition of the labour market is always strongly related to the condition of households. Following an increase of unemployment, the share of individuals living in jobless households increased. As a consequence of long-lasting hardship, severe material deprivation also has grown across Europe. There is also a new phenomenon – the so-called „working poor” which involves mainly youth and people above 50.

Considering unemployed persons, not employed persons, other inactive persons and retired persons, the risk of poverty and social exclusion is the highest in the group above 50, whereas in the case of employed persons except employees and employees, the most vulnerable group is between 18 and 24 years old.

A higher level of education is perceived as a factor supporting the fight against poverty and social exclusion. Particularly vulnerable are those who have pre-primary, primary and lower secondary education (levels 0-2) and are from 25 to 59 years old (for example, the proportion of people AROPE in such a group is 80,5% in Bulgaria and between 80% and 60% in Greece, Hungary, Ireland, the United Kingdom, Romania).

What can also be taken under consideration in the analysis of poverty in the EU is degree of urbanization. Namely, more people living in densely-populated areas or thinly-populated areas are at risk of poverty or social exclusion, whereas the situation of people dwelling in intermediately urbanised areas is more advantageous.

On the topic of household type, the most vulnerable are single persons with dependent children (EU-28 - 49,9%), adults younger than 65 years (EU-28 - 38,2%), single persons and two adults with three or more dependent children (EU-28 - 33,3%).

Some of the observed tendencies can also stem from hidden contextual factors and be specific to each country (i.e. rural versus urban regions, a lack of decent infrastructure, structural changes). That is why MS can include demanded issues into their NRPs.

The brief characterization of the phenomenon of poverty in the EU shows that focus in the strategy is put on the right issues. Also in the AGS 2015 the Commission recommended:

- improving the dynamics in labour markets and tackling the high level of unemployment, increase of the proportion of a skilled workforce,
- support education to ensure the responsiveness of skills to labour market signals, promotion of lifelong learning,
- determined action in reference to the situation of young people and the long-term unemployed in particular,
- ensuring adequate income in benefit systems,
- ensuring both sustainability and adequacy of pension systems,
- modernising social protection systems (childcare and education, prevention of early school leaving, training and job assistance, housing support and accessible health care).

The statistical data as well as the going recommendations of the Commission (at the halfway mark of the implementation of Europe 2020) generate questions about determinants of the dissatisfying results of implementation of this inclusive growth policy. One of them may be underestimation of the crisis' long-

term impact. It is undeniable that the crisis has translated into an overall negative change and a kind of domino-effect has been triggered. The question is whether it is simply too early to assess effectiveness of the Europe 2020. Does Europe simply need more time? Are there still hopes for focusing inclusive growth and meeting the goal of having 95,7 mln people AROPE? A second reason might be sought in the way of governance. The described OMC offers a forum for developing a consensus over key priorities that need to be addressed in the fight against poverty and social exclusion. It was built on the premise that the Member States could be trusted to evaluate themselves and motivate each other to achieve greater goals through coordination at the MS level. "Peer pressure" as a tool of control and motivation. It is highly dubious whether it can be effective.

CONCLUSIONS

Indicators evaluating the level of poverty and social exclusion (people at risk of poverty or social exclusion and 3 components: monetary poverty, material deprivation and low work intensity) show multi-faceted phenomena and allow for the study of the risk of poverty and social exclusion in particular social groups. Additionally, they allow for monitoring the progress and realisation of set targets, and evaluating the effectiveness of policy and formal solutions to problems of poverty. Highlighting the main characteristics of poverty is important in creating social policy which helps marginalised groups and supports inclusive growth at the same time. Poverty and social exclusion are the main barriers restraining inclusive growth being one of three main priorities in the EU.

Social policies are perceived as implemented more effectively at the Member State level than at the European level. In this way, and in accordance with the principle of subsidiarity, the role of the EU in this area is limited to supporting and complementing the activities of individual countries. In spite of this fact, some of the competences are shared between the EU and MS, and, as a result, achieving ambitious Europe 2020 targets depends on the EU and the actions of particular countries as well. For the time being, the level of poverty and social exclusion seems to fall short of the headline target, because every fifth European citizen (greater than 122 mln people) is still at risk of poverty and social exclusion. It is not conducive to social cohesion in the EU – a priority of integration. Deterioration of social conditions being a consequence of the crisis has become a factor threatening the stability of social protection systems. A successful fight against poverty is important, not only to the implementation of Europe 2020, but to the future of the European Union.

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Annex: Evolution of the components of the poverty and social exclusion 2010-2103

	People at risk of poverty or social exclusion (AROPE)			People at risk of poverty after social transfers			Severely materially deprived people			People living in households with very low work intensity		
	2010	2013	Change	2010	2013	Change	2010	2013	Change	2010	2013	Change
EU (28 countries)	23,7	24,5	0,8	16,4	16,6	0,2	8,4	9,6	1,2	10,2	10,8	0,6
Decrease in AROPE												
Lithuania	34	30,8	-3,2	20,5	20,6	0,1	19,9	16	-3,9	9,5	11	1,5
Latvia	38,2	35,1	-3,1	20,9	19,4	-1,5	27,6	24	-3,6	12,6	10	-2,6
Poland	27,8	25,8	-2	17,6	17,3	-0,3	14,2	11,9	-2,3	7,3	7,2	-0,1
Croatia	31,1	29,9	-1,2	20,6	19,5	-1,1	14,3	14,7	0,4	13,9	14,8	0,9
Bulgaria	49,2	48	-1,2	20,7	21	0,3	45,7	43	-2,7	8	13	5
France	19,2	18,1	-1,1	13,3	13,7	0,4	5,8	5,1	-0,7	9,9	7,9	-2
Romania	41,4	40,4	-1	21,1	22,4	1,3	31	28,5	-2,5	6,9	6,4	-0,5
Finland	16,9	16	-0,9	13,1	11,8	-1,3	2,8	2,5	-0,3	9,3	9	-0,3
Slovakia	20,6	19,8	-0,8	12	12,8	0,8	11,4	10,2	-1,2	7,9	7,6	-0,3
Austria	18,9	18,8	-0,1	14,7	14,4	-0,3	4,3	4,2	-0,1	7,8	7,8	0
Stable AROPE												
Belgium	20,8	20,8	0	14,6	15,1	0,5	5,9	5,1	-0,8	12,7	14	1,3
Increase in AROPE												
Greece	27,7	35,7	8	20,1	23,1	3	11,6	20,3	8,7	7,6	18,2	10,6
Italy	24,5	28,4	3,9	18,2	19,1	0,9	6,9	12,4	5,5	10,2	11	0,8
Hungary	29,9	33,5	3,6	12,3	14,3	2	21,6	26,8	5,2	11,9	12,6	0,7
Cyprus	24,6	27,8	3,2	15,6	15,3	-0,3	11,2	16,1	4,9	4,9	7,9	3
Malta	21,2	24	2,8	15,5	15,7	0,2	6,5	9,5	3	9,2	9	-0,2
Portugal	25,3	27,5	2,2	17,9	18,7	0,8	9	10,9	1,9	8,6	12,2	3,6
Ireland	27,3	29,5	2,2	15,2	14,1	-1,1	5,7	9,9	4,2	22,9	23,9	1
Slovenia	18,3	20,4	2,1	12,7	14,5	1,8	5,9	6,7	0,8	7	8	1
Luxembourg	17,1	19	1,9	14,5	15,9	1,4	0,5	1,8	1,3	5,5	6,6	1,1
Estonia	21,7	23,5	1,8	15,8	18,6	2,8	9	7,6	-1,4	9	8,4	-0,6
United Kingdom	23,2	24,8	1,6	17,1	15,9	-1,2	4,8	8,3	3,5	13,2	13,2	0
Sweden	15	16,4	1,4	12,9	14,8	1,9	1,3	1,4	0,1	6	7,1	1,1
Spain	26,1	27,3	1,2	20,7	20,4	-0,3	4,9	6,2	1,3	10,8	15,7	4,9
Netherlands	15,1	15,9	0,8	10,3	10,4	0,1	2,2	2,5	0,3	8,4	9,3	0,9
Germany	19,7	20,3	0,6	15,6	16,1	0,5	4,5	5,4	0,9	11,2	9,9	-1,3
Denmark	18,3	18,9	0,6	13,3	12,3	-1	2,7	3,8	1,1	10,6	12,9	2,3
Czech Republic	14,4	14,6	0,2	9	8,6	-0,4	6,2	6,6	0,4	6,4	6,9	0,5

Source: authors' own work based on Eurostat database <http://ec.europa.eu/eurostat/data/database>.