



Risk of urban poverty persists

Growing socio-economic inequalities within Europe are widely considered a major challenge for cities. Not just because inequalities may threaten competitiveness, but also because of the social impact on urban communities (Tammaru et al., 2015). Inequality can refer to differences in income levels, employment rates as well as segregation (the separation of groups in space, for instance urban neighbourhoods).

One of the key objectives of the Europe 2020 strategy is inclusive growth. This means growth that increases employment while reducing poverty and social exclusion. The ultimate aim is to spread the benefits of economic growth to all levels of society. Recent statistics show that poverty and social exclusion are concentrated in different types of areas across the EU. In less-developed Member States, these issues tend to be

more prevalent in rural areas, while in more developed countries, they typically are more of a problem in cities. Furthermore, the gap between urban and rural poverty and social exclusion also varies from country to country; for example, it is considerable in Bulgaria and Romania, but almost negligible in Sweden and Finland.

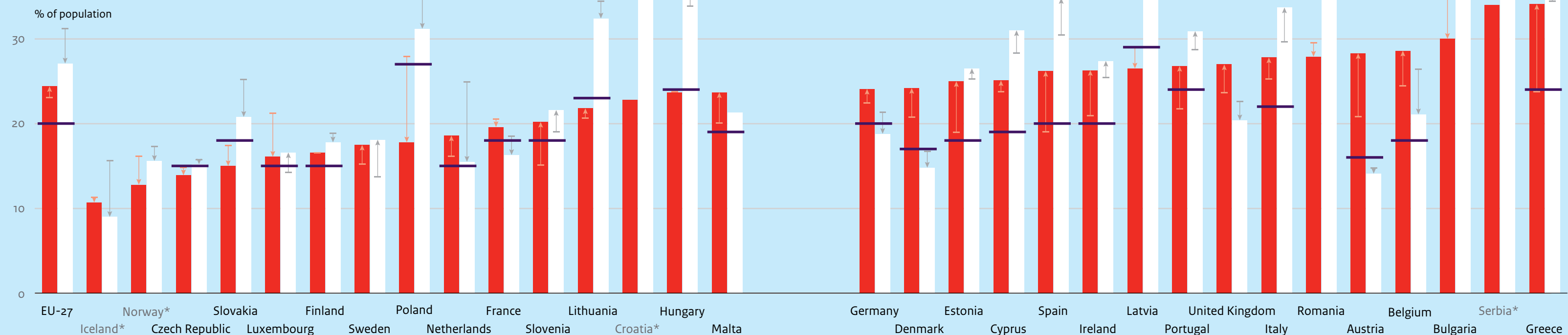
Europe 2020 targets for inclusive growth

- Increasing the employment rate of the population aged 20 to 64 to at least 75%
- Lifting at least 20 million people out of the risk of poverty and social exclusion

In order to monitor the development of poverty and social exclusion, the Europe 2020 strategy (European Commission, 2014) has introduced three indicators: (1) being severely materially deprived; (2) living in a household with zero or very low work intensity; and (3) being at risk of poverty (households with an income below 60% of the national median disposable income).

Population living in households at risk of poverty and social exclusion

Source: Eurostat, adaptation by PBL



* Not in EU-27