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**Urban poverty and marginalisation
in times of austerity**

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The presentation outline is as follows:

1. Introductory notes
2. Aim, research questions, data sources
3. Methodological considerations: Concepts and theories
4. Evolution of poverty 2008-2010, risk groups, regional and urban-rural characteristics (Greece-country total)
5. Poverty in four municipalities from Attiki region: Athens, Egaleo, Halandri, Elliniko-Argyroupoli and selected populations (Muslim immigrants and Greek Roma)
6. Conclusions

1. Introductory notes

The debate over the causes, consequences, and solutions to urban poverty has gained renewed interest in recent years due to the economic downturn. The high concentration of poverty in urban and inner-city neighborhoods has coincided with a dramatic increase in unemployment, rising family tensions and discrimination, female-headed households, single parent families, welfare dependency, immigration, segregation, notable increase in xenophobic and nationalistic discourses and in some cases with crime.

The definition of poverty is not a simple theme. There are absolute, relative, and subjective approaches. The way we explain poverty to a large extent, depends on what we intend to do about it. As it is stated (Chambers, 2006, p. 4): *‘There were many poverties or deprivations. Dimensions of the bad life included not only income-poverty and material lack, but many others, some of them represented in the web of poverty’s disadvantages in the figure, for example poverty of time, living and working in bad places – “the places of the poor” and bad social, especially gender, relations.’*

Vulnerability is not identical to poverty, but refers to weakness, insecurity and exposure to risk, shocks and stress. Vulnerability is reduced by assets, such as: human investment in health and education; productive assets including houses and domestic equipment; access to community infrastructure; etc (Chambers 1995, cited by Wratten 1995).

Urban poverty

There is no consensus on a definition of urban poverty. Roughly two broad complementary approaches are prevalent.

Conventional economic definitions use monetary variables (usually income) complemented by a range of other material deprivation indicators, in order to classify poor groups against a common index of material welfare.

Alternative interpretations encompass perceptions of non-material deprivation and social differentiation (Wratten 1995; Satterthwaite 2004).

In this presentation we mainly focus on relative –monetary issues.

2. Aim, research questions, restrictions, data source

This presentation aims to debate on a framework for viewing urban poverty and to present selected poverty indicators, specified and measured for one or more urban area/s in Greece.

Research questions:

- Has urban /inner city poverty any clear characteristics?
- What are the drivers of inner city poverty?

To this end, we first present some methodological considerations in order to clarify the differences/ similarities between urban-inner city and country (general) poverty.

We then proceed with the presentation of poverty indices for Greece, for selected municipalities from Athens Greater Area and for two specific populations (Muslim immigrants and Greek Roma) resided in Athens Greater Area.

Research on urban poverty in Greece utilises (usually)^[1] databases such as the EU-SILC: Survey on Income and Living Conditions, which does not allow analysis at regional, prefectural or communal level.

In this presentation we use data from three different sources:

1. EU-SILC: Survey on Income and Living Conditions.

2. A sample survey conducted from the University of Athens in 2012 in four municipalities from Attiki region: Athens, Egaleo, Elliniko-Argyroupoli, Halandri (Petraki, 2012).

3. Two sample surveys that were conducted in 2014 from the National Centre for Social Research, targeted to employment and entrepreneurship of Muslim immigrants and Greek Roma in Athens.

[1] The Greek Survey on Income and Living Conditions (EU -SILC) is part of the European Statistical Program and since 2003 has replaced the European Community Household Survey (ECHP). The survey is the reference for comparative statistics on income distribution and social exclusion in the European Union. This data source covers the period 1994 – 2012. Other sources are the Household Budget Surveys (HBS) that provides detailed information on consumption expenditure, income and socio-economic characteristics, on a representative sample of households and their member and the Labour Force Survey (LFS) which provides employment and unemployment data for the country's population.

3. Methodological considerations: Concepts and Theories

3.1. Theories

Theories of poverty can be broadly classified into two types:

Structural (liberal or progressive): explain poverty in terms of the conditions under which the poor live: unemployment, underemployment, poor education and poor health. It is grounded in neoclassical economic theory, including human capital theory (Becker, 1964), and its sociological counterpart, functionalist theory (Davis and Moore, 1945)

Cultural (conservative): attention is given to persistently poor populations, culture often enters into these arguments through the 'culture of poverty thesis'.

Bradshaw (2006) refers to five distinct theories of poverty, which however only roughly focus on urban poverty.

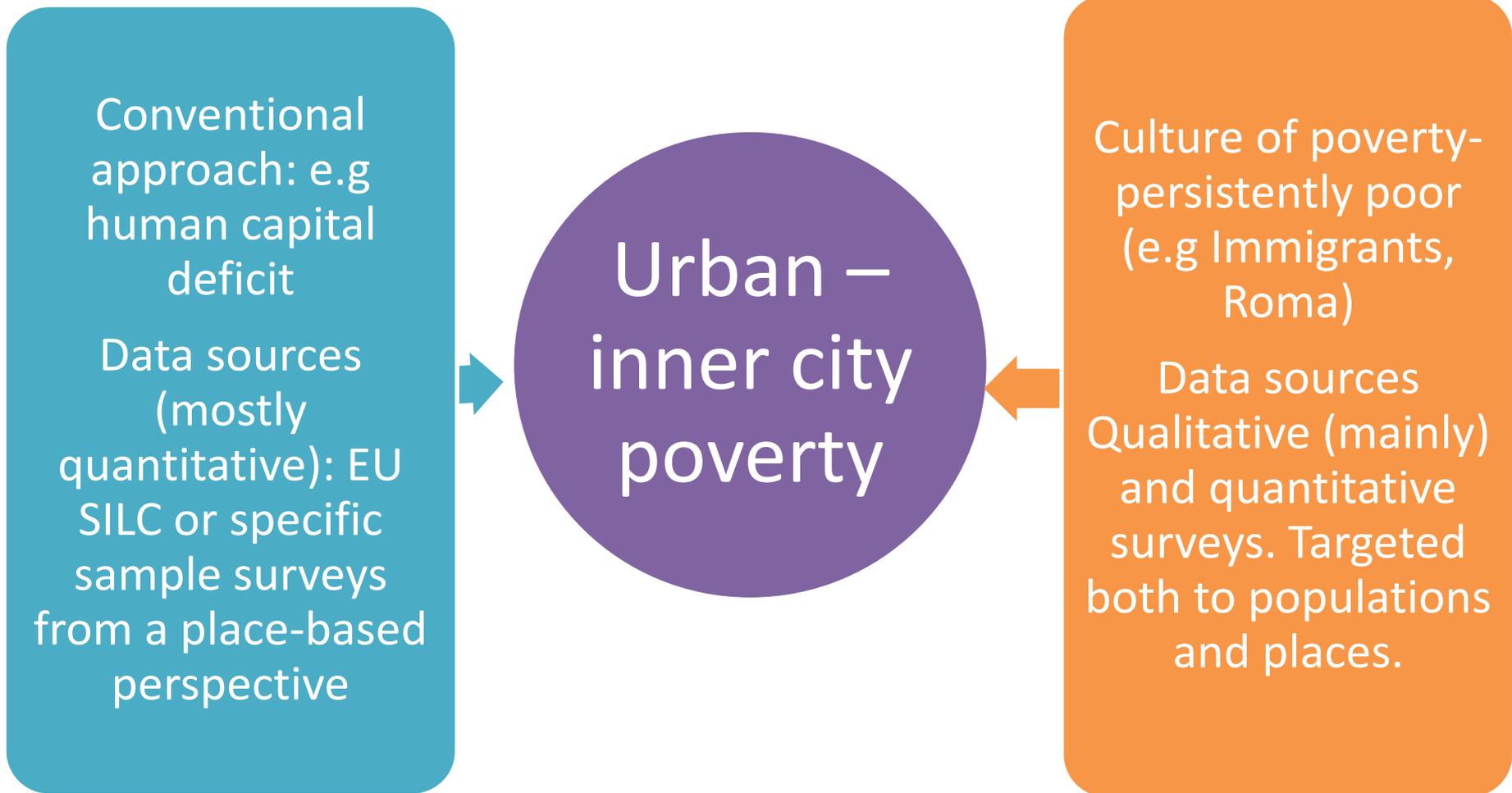
Theory	What causes Poverty?
1. Individual	Individual laziness, bad choice, incompetence, physical disabilities
2. Cultural	Subculture adopts values that are non-productive and are contrary to norms of success
3. Political-economic Structure	Systematic barriers prevent poor from access and accomplishment in key social institutions including jobs, education housing, health care, safety, political representation, etc
4. Geographic	Social advantages and disadvantages concentrate in separate areas (agglomeration, distance, economies of scale, and resource distributions reinforce differences)
5. Cumulative and cyclical	Spirals of poverty, problems for individuals (earnings, housing, health, education, self confidence) are interdependent and strongly linked to community deficiencies (loss of business and jobs, inadequate schools, inability to provide social services) etc.

Proposed analytical framework

For the analysis purpose we propose a composite methodological approach

(see: Figure 1)

Figure 1. A graphic presentation of the proposed methodology



3.2. The concept of urban poverty

Measuring urban poverty is not an easy task. There are numerous debates covering:

- The topic of poverty measurement related to the use of money metric approaches, given the multidimensional nature of poverty.
- Where to set poverty lines, and how to account for the higher cost of living in urban areas in national level poverty estimates.
- There are also debates on the definition of 'urban' which affects estimates of urban poverty.^[2]

[2] An 'urban area' is typically defined by country statistics offices as a non-agricultural production base and a minimum population size (often 10000). There are substantial differences in practice across countries (Greek Statistical Authority).

According to World Bank, urban poverty is a multidimensional phenomenon.

The urban poor live with many deprivations, including:^[3]

- limited access to employment opportunities and income,
- inadequate and insecure housing and services,
- Violent and unhealthy environments,
- little or no social protection mechanisms, and
- limited access to adequate health and education opportunities.

[3] Reference: <http://web.worldbank.org/WBSITE/EXTERNAL/TOPICS/EXTURBANDEVELOPMENT/EXTURBANPOVERTY/0,,contentMDK:20227679~menuPK:473804~pagePK:148956~piPK:216618~theSitePK:341325,00.html>

Measuring urban poverty

- The concept of urban poverty describes the tendency for the concentration of poverty in certain urban –inner city areas under the influence of a range of factors including mainly those most sensitive to the financial crisis:
- Demography: The decline in fertility rate, changes in family formation trends, household structure and size, ageing of population, immigration
- Labour markets and discrimination
- Educational inequalities etc.

Urban poverty, is a composite concept that has usages as the new poor and underclass poverty , describing a different type of poverty from the commonly accepted concept of poverty. It has qualitative as well as quantitative dimensions and can be defined as social deprivation from a decent quality of life.

In this presentation, we focus on relative poverty. The poverty line is set at 60 per cent of median equivalised income (income weighted by the household size according to Eurostat's methodology).

Analysis of urban poverty in Greece, five hypotheses:

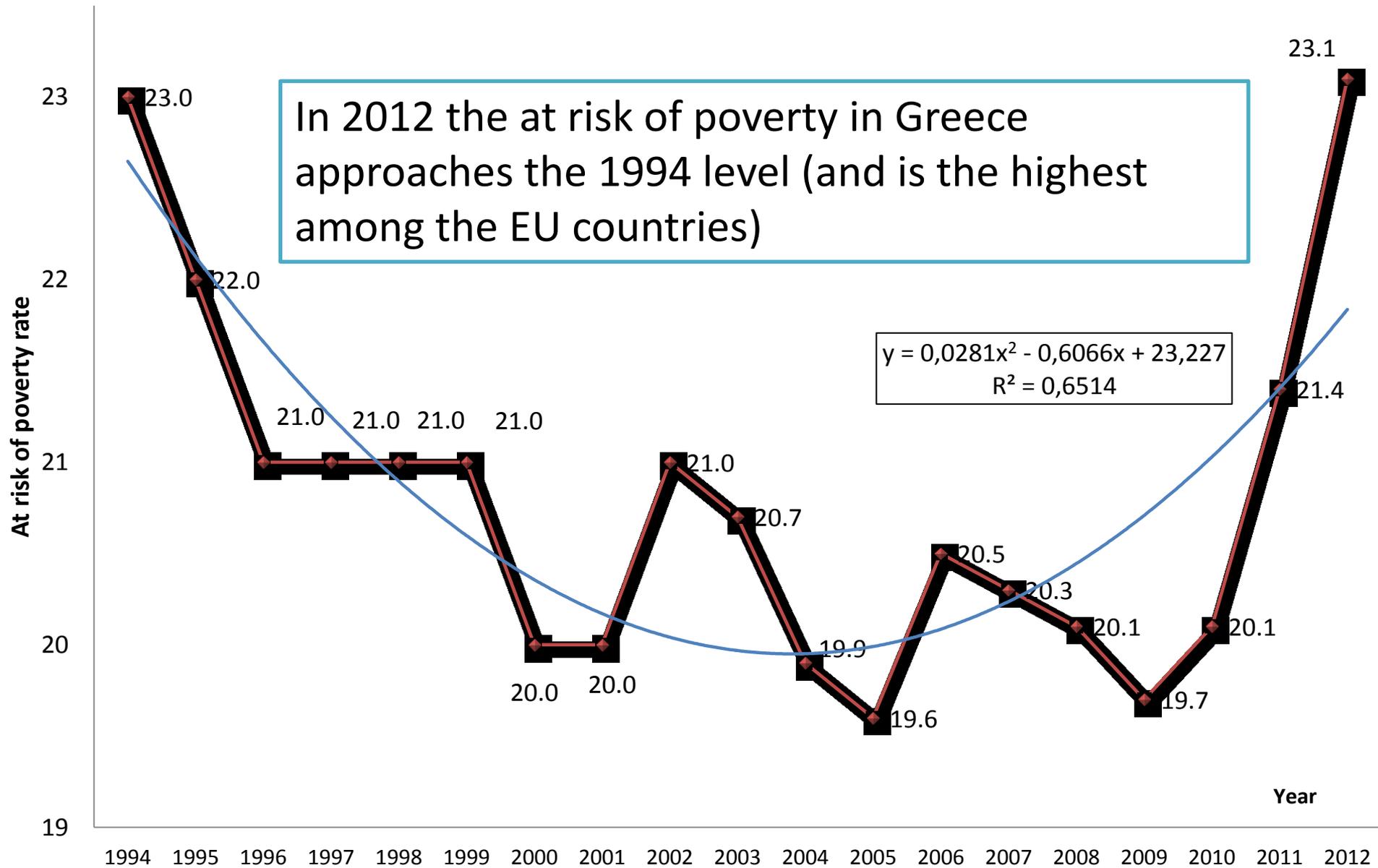
Before the empirical data, we present five hypotheses:

1. Urban poverty is multidimensional
2. Affects people mostly at the community level
3. The risks of falling into poverty are generally difficult to spot and do not come under the control of traditional welfare policies.
4. New urban poverty hypothesis: new urban poverty is different from commonly accepted definition due to the fact that groups of people with no clear financial problems before the crisis, have started to suffer from poverty. New forms of urban poverty are found among the working poor, those with no regular jobs, long-term unemployed, young people in low-income households, elderly pensioners, new regularly or irregularly employed immigrants, homeless low income groups, etc. New forms exist with persistently poor populations such as Roma (culture of poverty thesis).
5. Multiple data sets are required for the empirical investigation of urban poverty.

4. Evolution of poverty 2008-2010, risk groups (Greece country total), regional and urban-rural characteristics

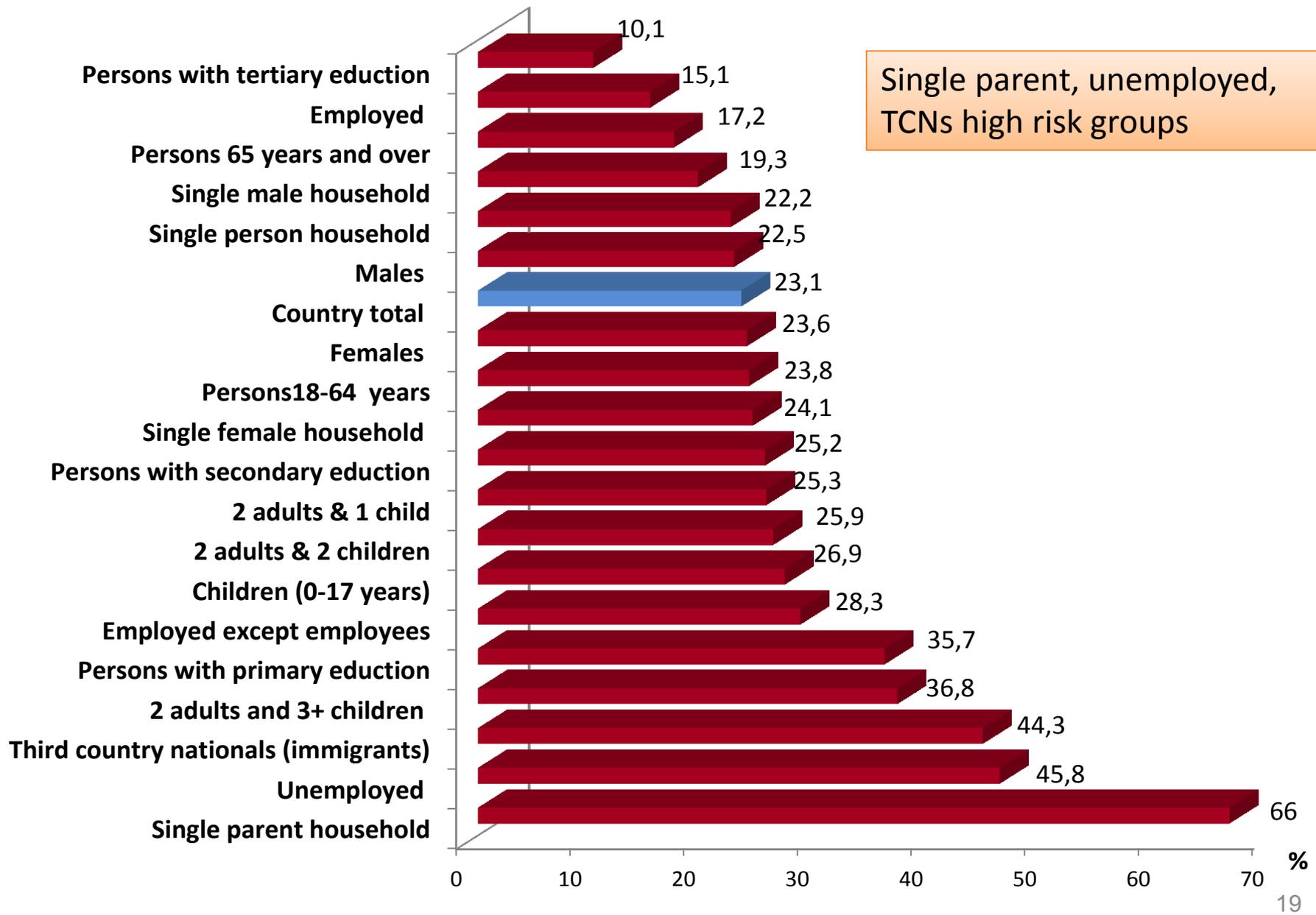
Data source 1: EU-SILC

Figure 2: At risk of poverty in Greece, 1994-2012



Source: EL STAT and Eurostat

Figure 3. Poverty risk groups, Greece 2012



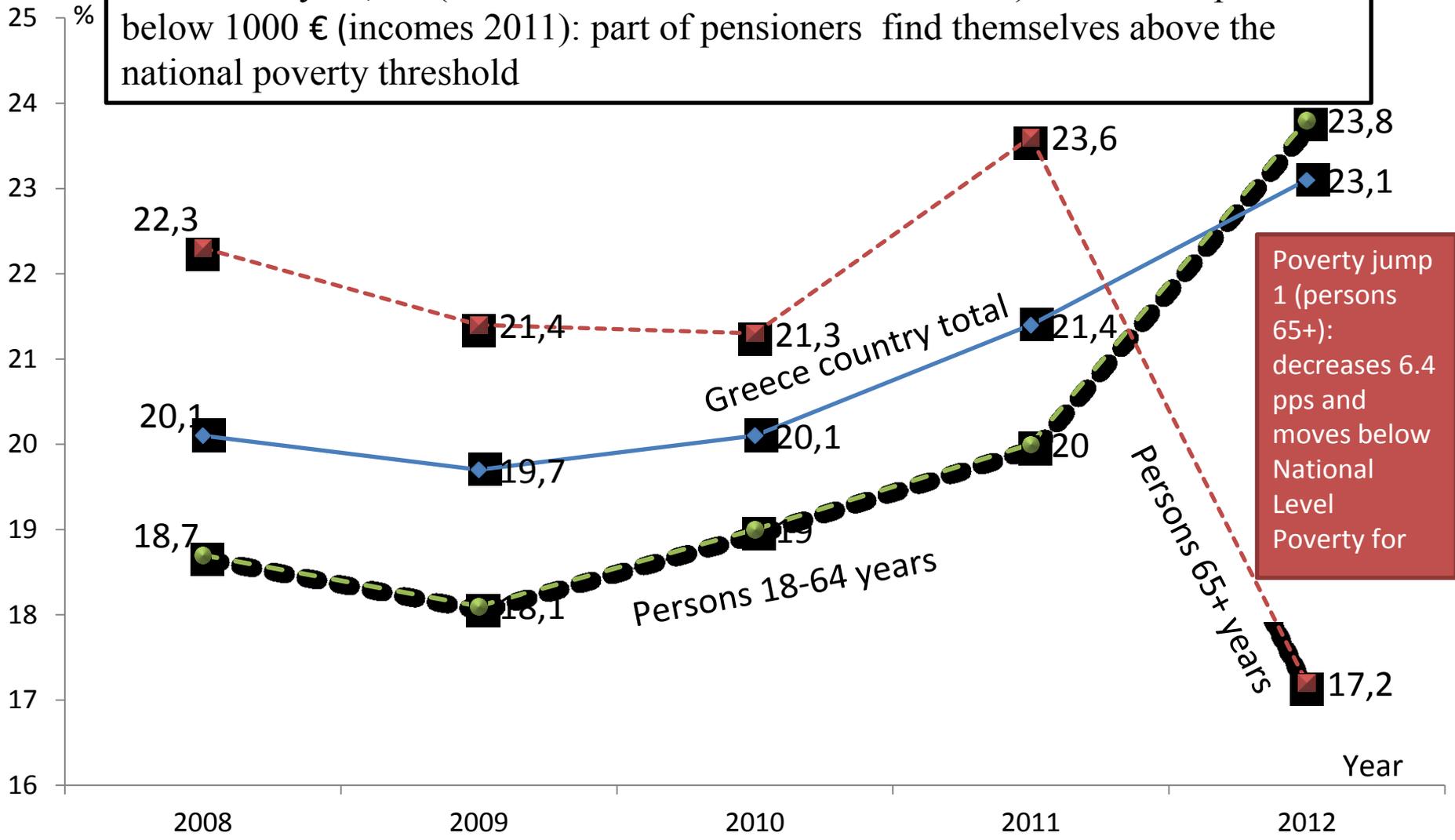
Poverty jumps

Due to the crisis poverty make chaotical cycles (like a pendulum): this could be a fact of the governmental measures, or because the data makes its own revolution. People are tired to answer questions abode the crisis. Consequently the data is not so reliable.

Figures 4-7 present some poverty jumps, occurred mainly during the period 2011-2012.

Figure 4. Poverty pendulum, poverty jumps or Greek tired statistics : 1

In 2012, for the elderly 65+ years poverty decreases because the threshold decreased by 13,4% (from 6591€ in 2011 to 5708€ in 2012). No cuts of pensions below 1000 € (incomes 2011): part of pensioners find themselves above the national poverty threshold



Poverty jump 1 (persons 65+): decreases 6.4 pps and moves below National Level Poverty for

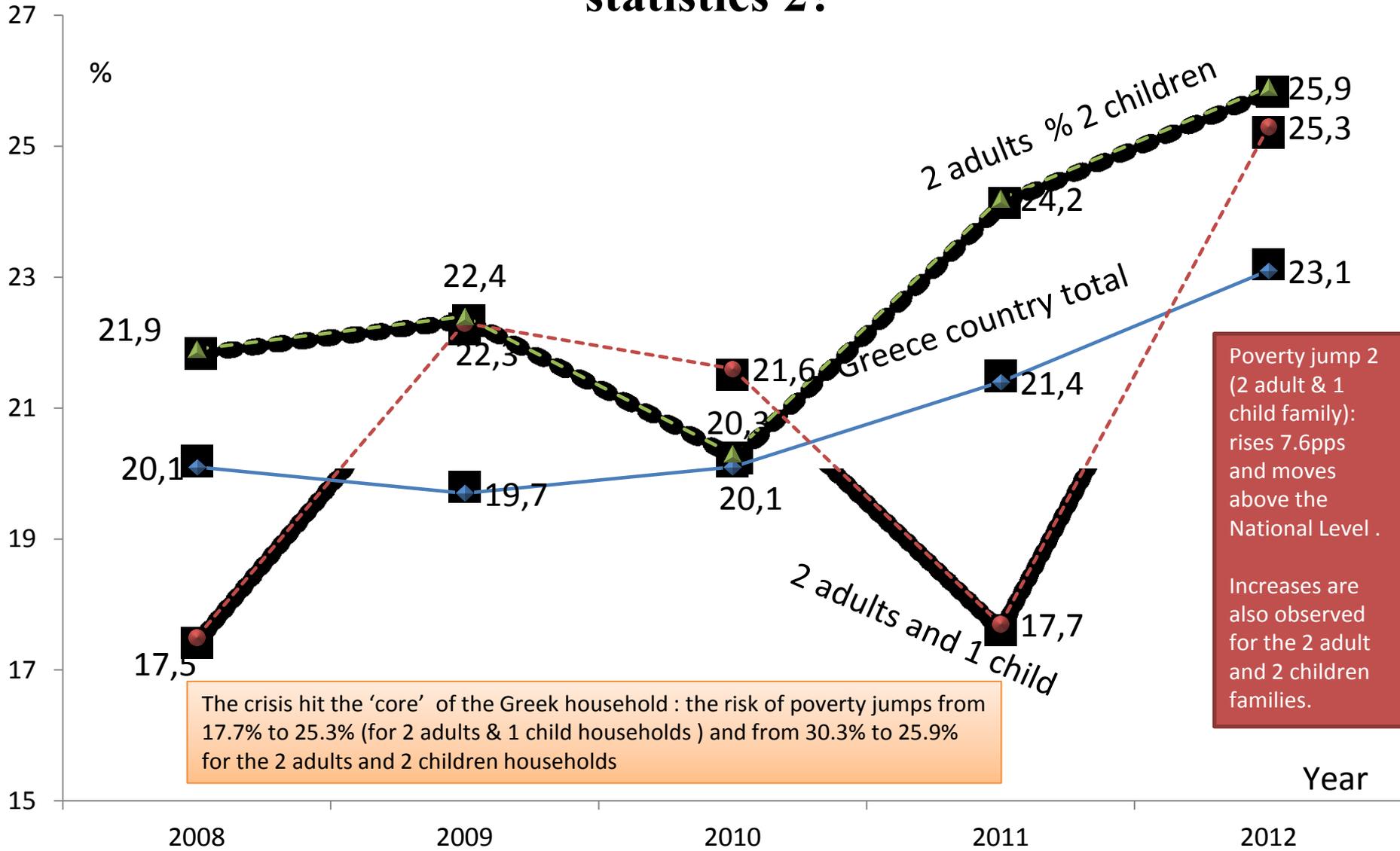
Addressing the social impact of the crisis for the most vulnerable families

The financial crisis and the fiscal adjustment implemented by the government have had a serious effect on the welfare of Greek families. Although the dual-earner family model is still quite common, due to the crisis, many poor families now have a single earner. Combining work and family responsibilities remains difficult for Greek parents— particularly those employed in the private sector.

In the current difficult financial climate, one-off birth payments and family benefits have been readjusted to target those families that are most in need. As it is stated: *“Benefits policy has changed in terms of targeting: some benefits are now means-tested, for example, from the beginning of this year, all family allowances for families with three children and a family income of more than €45,000 have been abolished; others have been reduced, for example family benefits for public sector employees; while for some others the prerequisites for eligibility have become stricter, for example the old age solidarity benefit, or EKAS.”*

These measures seem to affect the poverty rate not only for large households but even households with one or two children.

Figure 5. Poverty pendulum, family and middle class erosion, return to–male breadwinner model, data revolution or Greek statistics 2?



The crisis hit the 'core' of the Greek household : the risk of poverty jumps from 17.7% to 25.3% (for 2 adults & 1 child households) and from 30.3% to 25.9% for the 2 adults and 2 children households

Poverty jump 2 (2 adult & 1 child family): rises 7.6pps and moves above the National Level .
Increases are also observed for the 2 adult and 2 children families.

Figure 6. Poverty pendulum, poverty jumps or ‘tired Greek statistics’

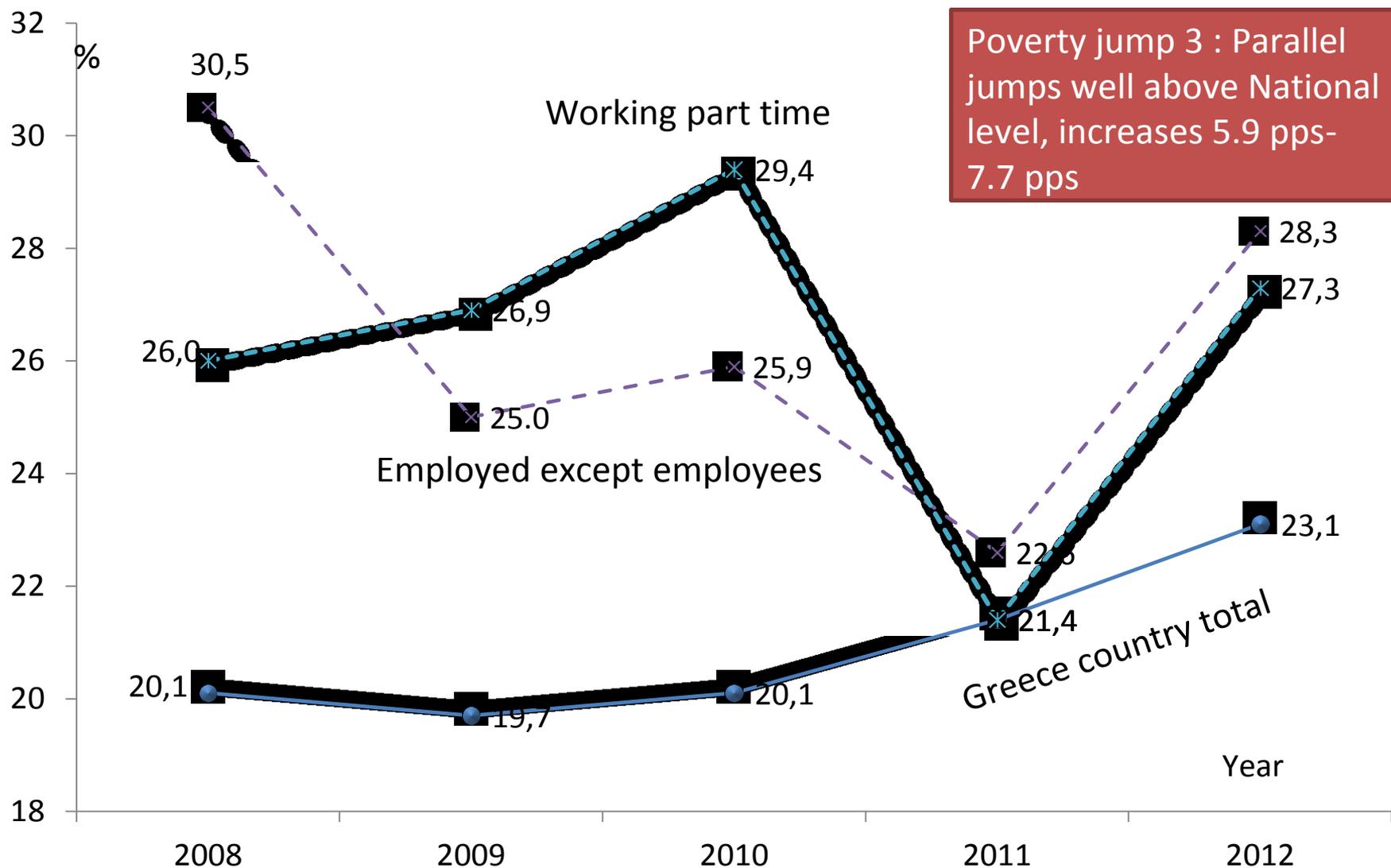


Figure 7. Poverty in Greece by area type, 2008-2012

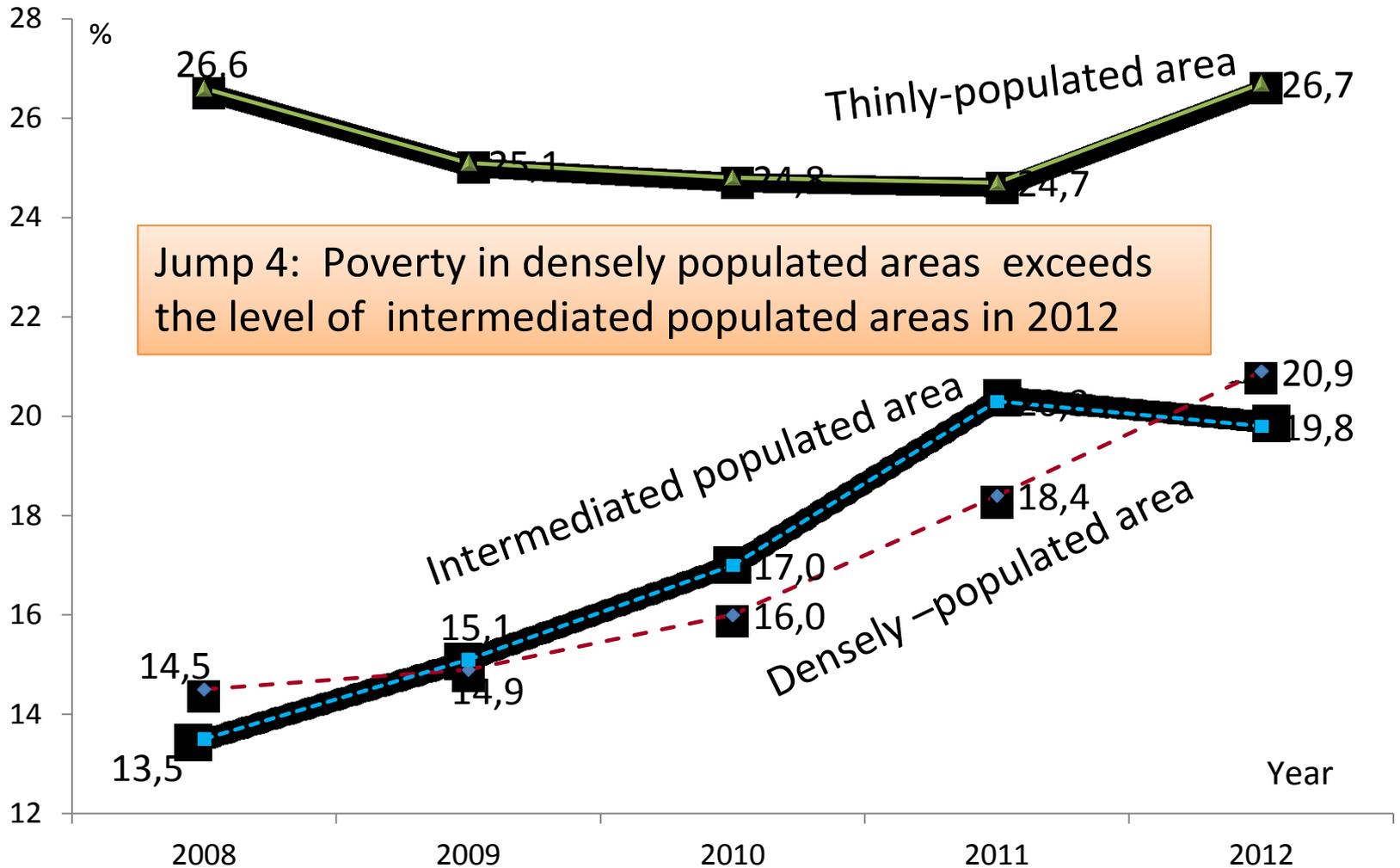
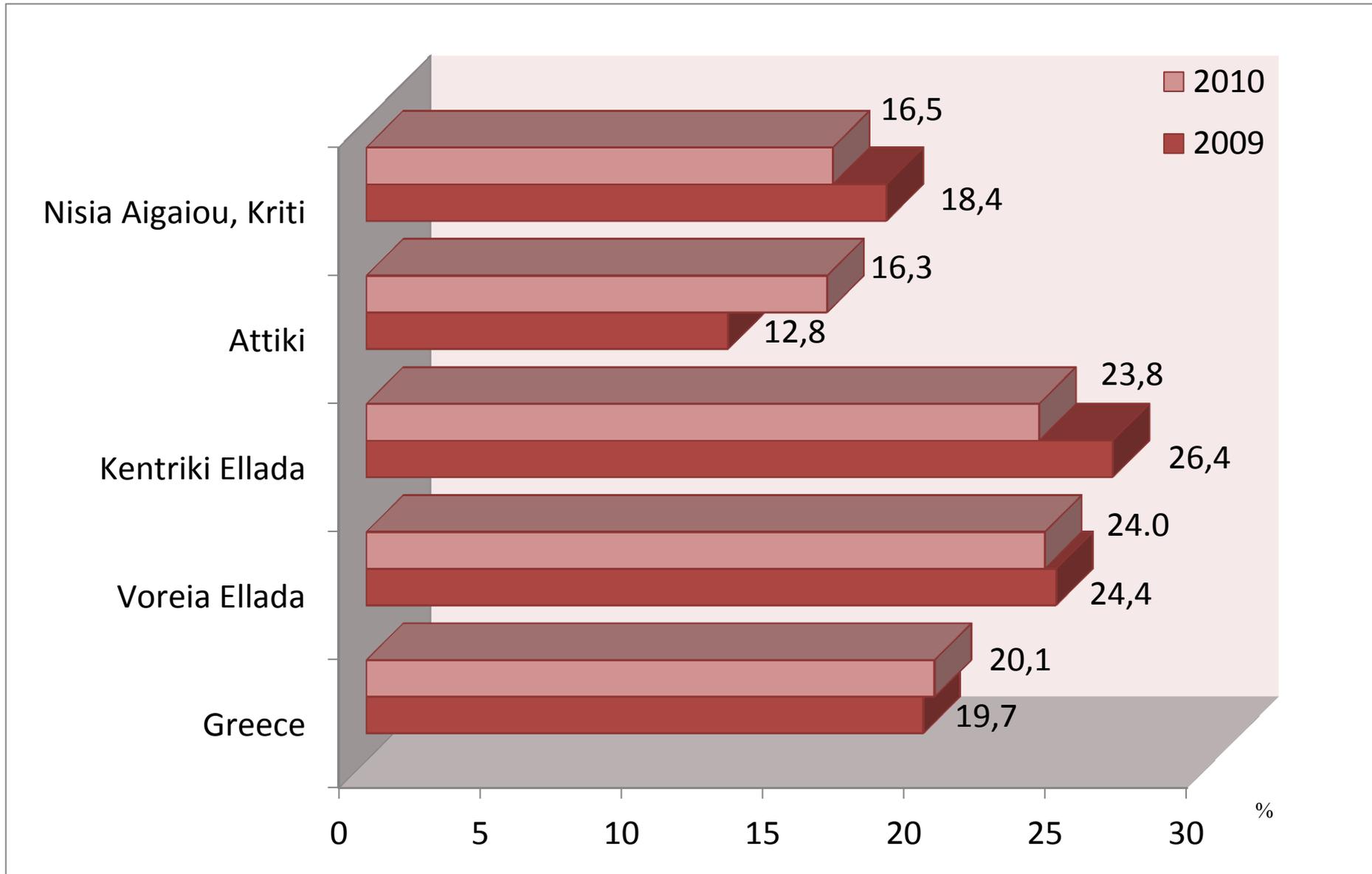


Figure 8. At risk of poverty rate by broad regional area, Greece 2009-2010

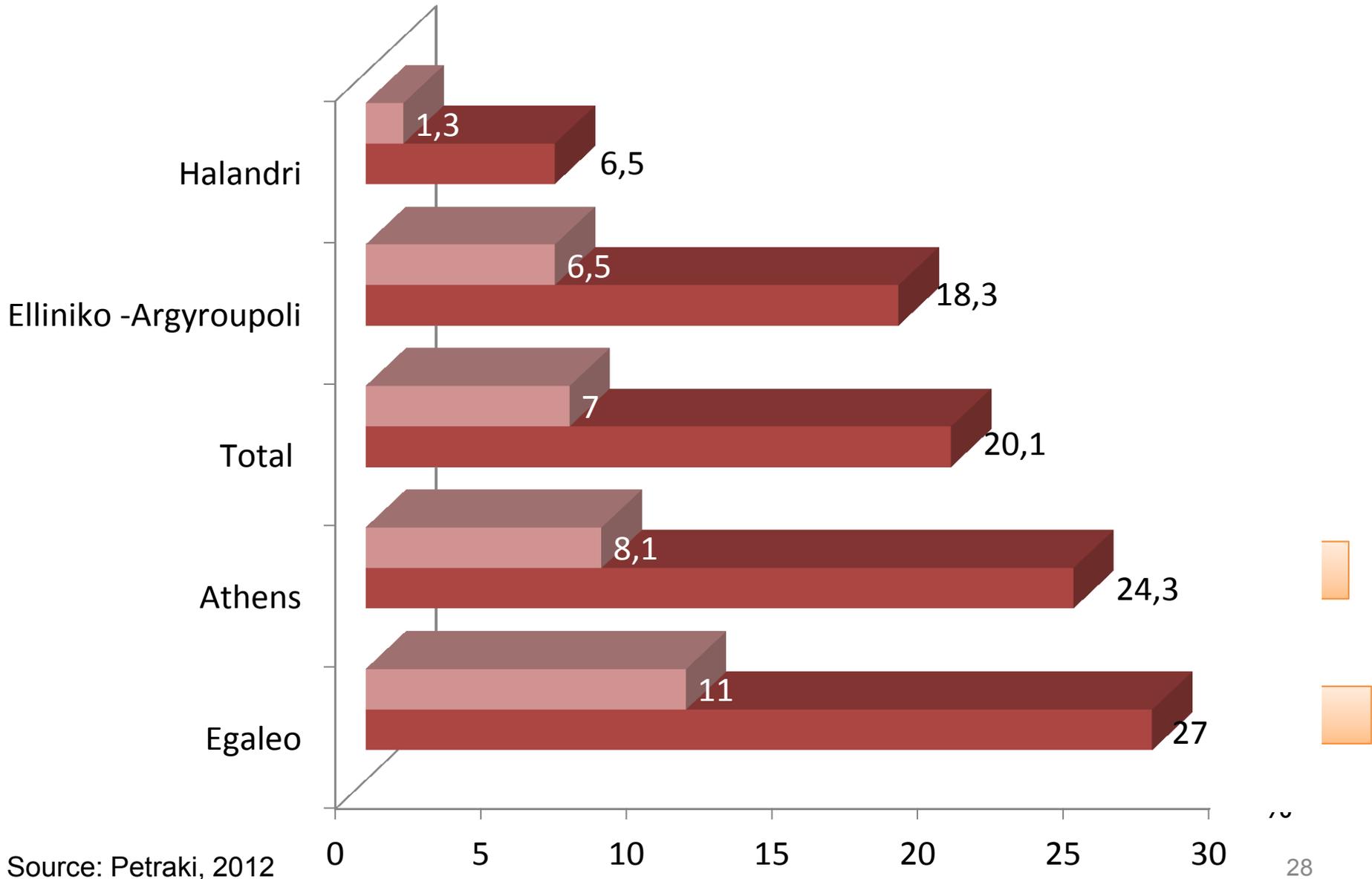


Note: data availability only until 2010

5. Urban poverty: Municipalities of Athens, Elliniko-Argyroupoli, Egaleo, Halandri

Data source 2: Sample survey conducted by the Athens University in 2012 (2000 questionnaires: 800 in Athens and 400 for each other municipality)

Figure 9. Poverty and severe poverty rates in four municipalities from Attiki region, 2012: Classical west-south polarization



Comments on the results from the Athens sample survey

1. The poor are not much different from the non-poor.
2. They have less money, more unemployment, defamilisation problems and lower human capital, but their poverty status will usually not be permanent as their life circumstances will change.

However the experience of Attiki suggests that the story in some places or/and some specific populations is very different. Their inhabitants find it much harder to move out of poverty, their incomes are lower, and they are much more often detached from the labor market than other populations.

Urban poverty: Muslim immigrants and Roma in Athens greater area

Data source 3:

Sample survey conducted by the National Centre for Social Research in 2014.

Area: Greater Athens

Population: 154 Muslim immigrants

178 Greek Roma

Figure 10. Muslim immigrant employment status

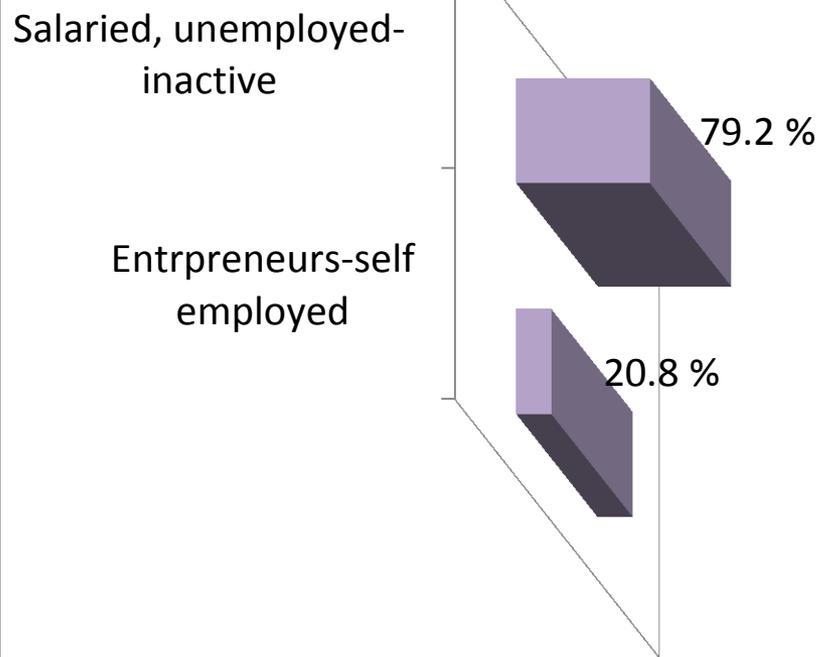
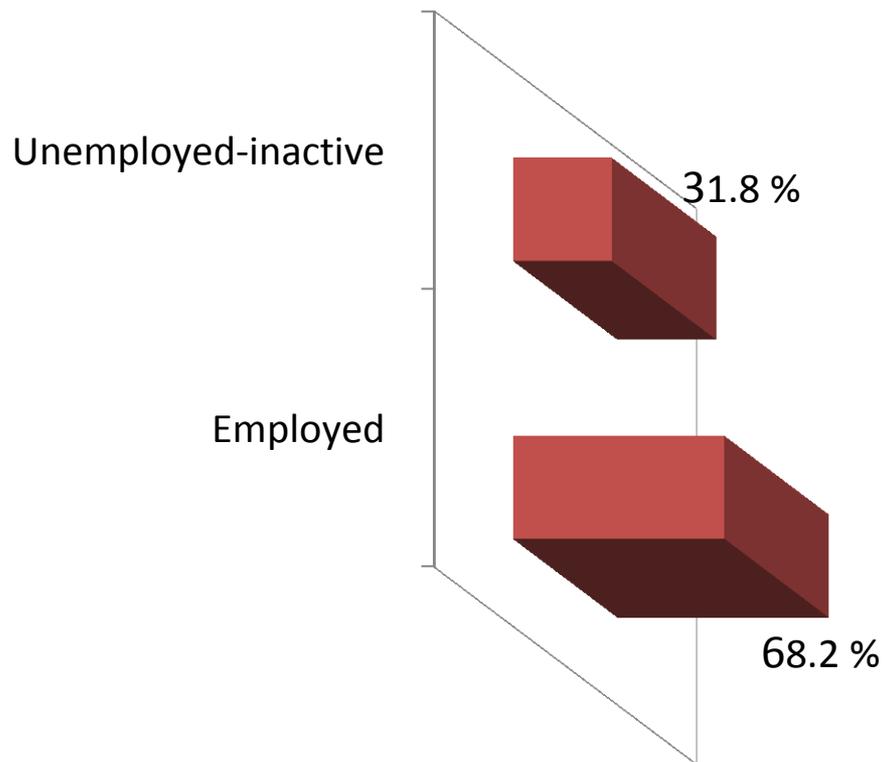
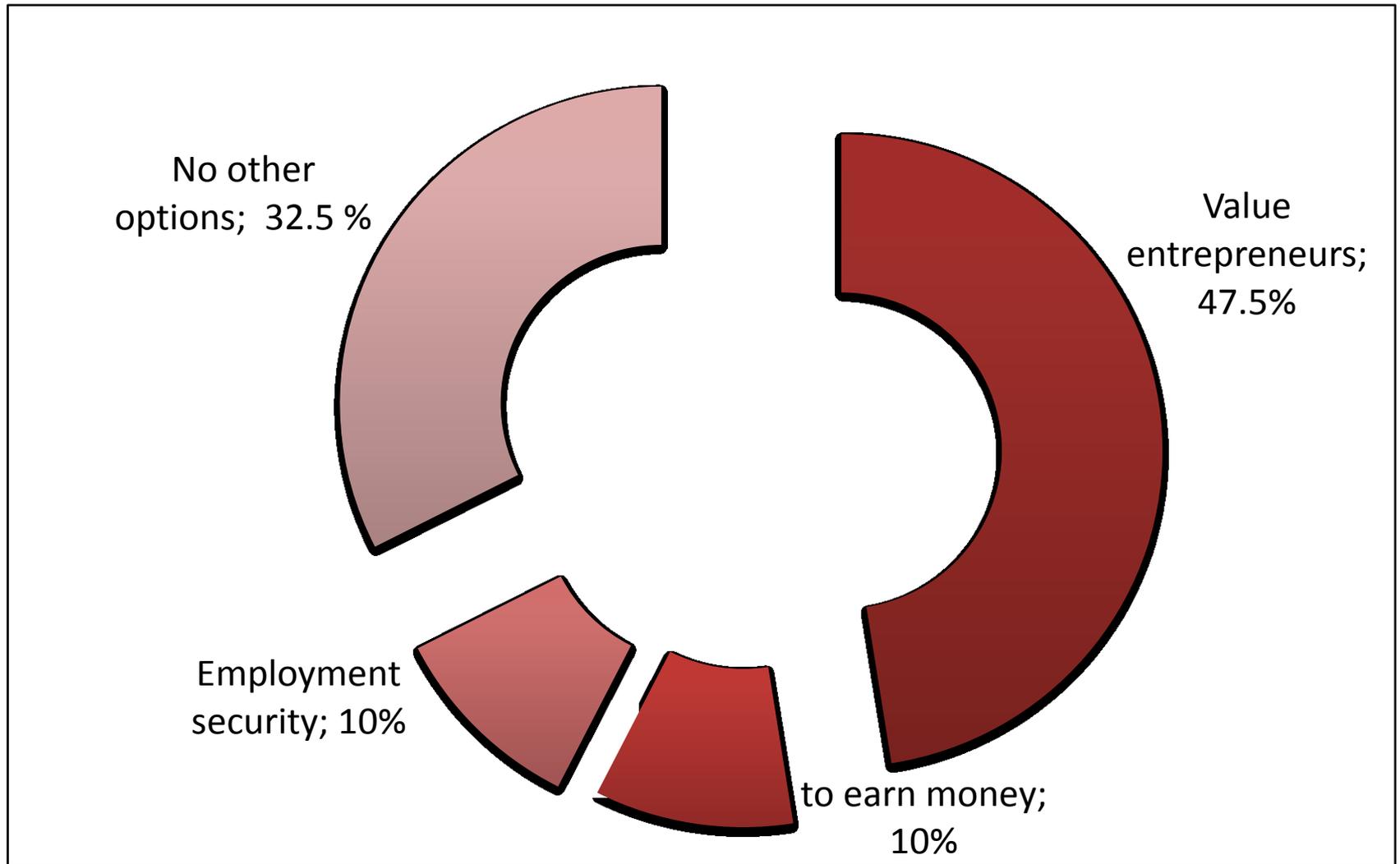
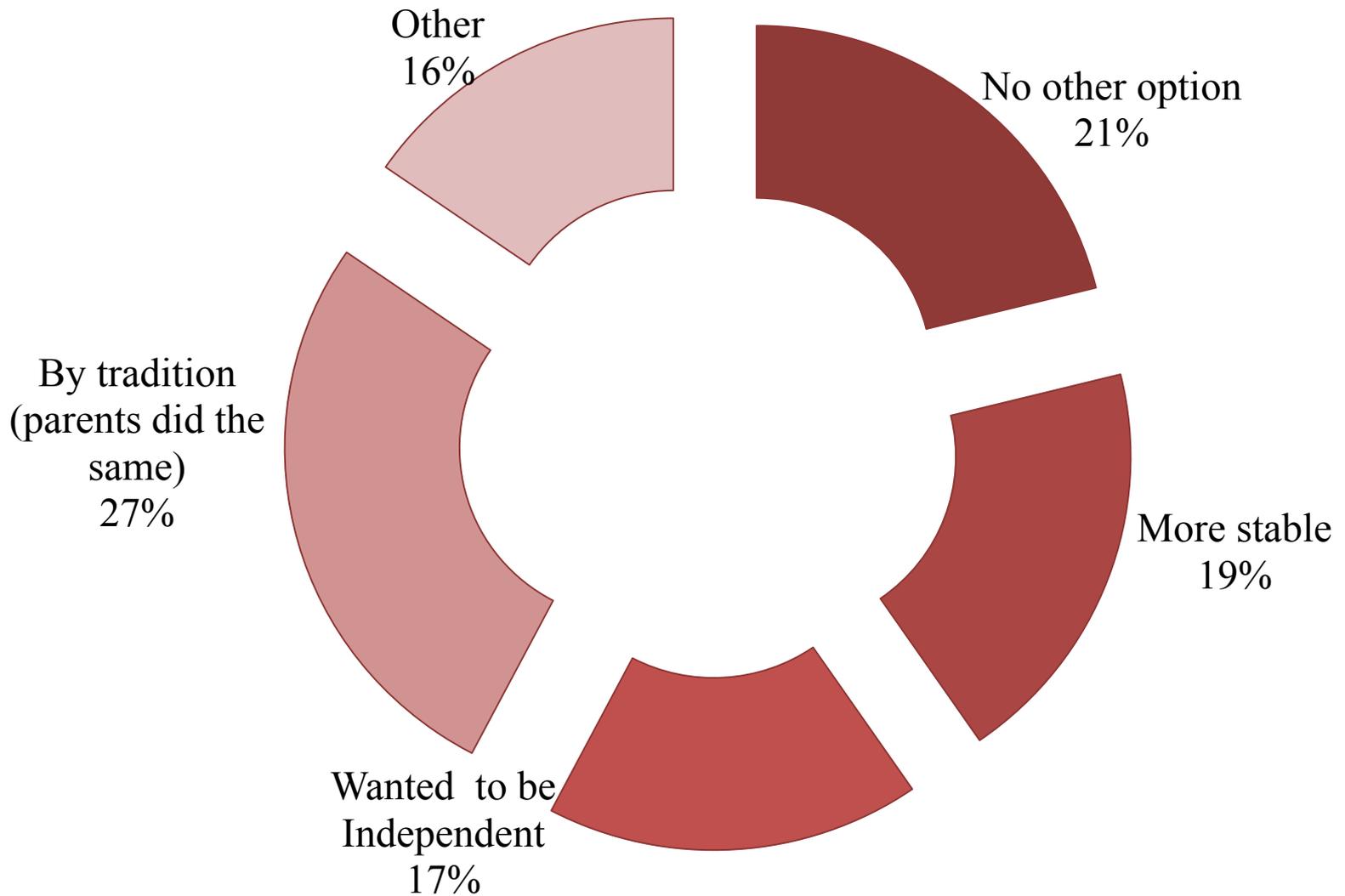


Figure 11. Main reasons for self-employment (Muslim immigrants)



Survivalist approach as they choose self-employment because they value independence or autonomy, being one's own boss.

Figure 12. Main reasons for self-employment (Roma)



Cultural and survivalist approach

Conclusions

Research on urban poverty in Greece tends to look at the large picture, using national databases (e.g. EU SILC). As a result, its conclusions generally argue that the poor are not much different from the rest of the population: They have less money, but their poverty status will usually not be permanent as their life circumstances change.

The insiders/outside theory explain the persistent high urban poverty levels in Greece. It is also appropriate to describe the privileged position of family heads in the labour market and the corresponding exclusion of women and young people (Mediterranean welfare system).

Other vulnerable populations such as immigrants and Roma can and should be studied using well designed and targeted surveys, as their choices and opportunities are totally different

Thank you!

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