



Urban poverty (with a focus on deprived neighborhoods)

Poverty has a huge impact upon cities – whether through the costs it generates in terms of lost productivity and lost contributions to the public purse, or through its side effects such as the potential for increased social tension, increased probability of poor health and an increased tendency towards social and spatial segregation. Addressing poverty also has a direct impact on local budgets due to e.g. the intense use of enabling support services and local benefits/subsidies allocated to alleviate poverty. It is therefore no surprise that combating urban poverty (and in particular the related social/spatial segregation) was identified by stakeholders at the city, national and European level as one of the key priorities that an EU Urban Agenda should pursue.

The identification of this issue and its importance is nothing new. Indeed, one of the aims of the Europe 2020 strategy is to reduce the number of people at risk of poverty or social exclusion by 20 million relative to 2010. However, despite the ambitious aim, since the start of the economic crisis, the situation has worsened. Between 2008 and 2012 the number of people in the EU at risk of poverty or social exclusion increased by 6.5 million to almost a quarter (24,8%) of the population. In 2012, every fourth European was at risk of poverty or social exclusion¹. As such, it remains clear that there is much to do in this area in terms of generating innovative solutions.

Poverty has multiple contributing factors such as unemployment or working in precarious jobs, low income/pensions and inadequate social benefits, low educational attainment, health inequalities, high housing costs/poor housing quality and location, barriers to access to quality services, childcare and education and inefficient service delivery, high/rising level of household costs (e.g. food, utility, transportation expenses), the rise of single households/single parents,

¹ EC, Sixth report on economic, social and territorial cohesion, 2014

discrimination and low level of participation in community and public life. These factors tend to combine with others to create a vicious cycle of poverty that is structural and visibly concentrated spatially in many EU cities and neighbourhoods. This point is particularly important - poverty not only exacerbates social differences between people and groups; but also leads to significant effects on the way that cities define their spaces and zones. As poverty increases, so too does the risk of concentration of the urban poor in deprived areas, which are characterized by social segregation, stigmatisation of a wider section of citizens, reduced mobility (incl. less access to public transport), limited access to credit, housing deprivation and not only environmental degradation but reduced public spending on its prevention..

In order to make a real impact on reducing urban poverty, the Commission's desire is to see projects proposed that bring forth innovative and novel solutions, in particular regarding the fundamentals driving cyclic poverty in deprived areas. The Commission wants to see projects that deal with the interconnectedness of the major causal factors, combining people and place-based approaches in order to identify and implement the kinds of sustainable solutions that break the circle of social and spatial polarisation.