

## Population - Poverty Relationship and Territorial Development

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Territorial development is a complex and dynamic process of transforming the national space and, implicitly, its profile, a process in which economic growth of the regions is pursued, the sustainable development of functional dimensions and the elimination of disparities and inequalities at national and regional levels. In the current European context, characterized by low growth rates and chronic and increased regional imbalances, territorial development has become a general priority for improving living conditions and employment and, implicitly, urbanization to reduce territorial imbalances.

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### Introduction

Building on the role and importance of coherent, harmonious and sustainable spatial development at national and European level, the Europe 2020 Strategy outlines a series of territorial development directions that aim at mobilizing all territorial structures and territorial resources to improve working and living conditions of citizens, eradication of poverty, increasing urbanization, eliminating income disparities between regions, and increasing accessibility to education, comfort and infrastructure.

Poverty is a multidimensional phenomenon and is associated with low wages, precarious health, unemployment and low educational outcomes. The eradication of all forms of poverty is an EU priority which is reflected as a major objective in the Europe 2020 Strategy. The EU's objective is to relieve at least 20 million people at risk of poverty and social exclusion by 2020 compared to the year 2008 [1].

In 2016, 118 million people and 23.5% of the U.E. were at risk of poverty or social exclusion [2]. The development of the risk of poverty or social exclusion in the EU over the last decade has been marked by two twists: in 2009, after which the number of people at risk started to rise for social reasons associated with the effects of the economic crisis and in 2012 when this upward trend has reversed. By 2016, the number of people affected fell almost to the level existing in 2008. However, this improvement was not enough to make the EU move significantly towards meeting the targets set by the Europe 2020 strategy, which would mean that no more than 96.1 million people in the EU are at risk of poverty or social exclusion by 2020.

### 1. Poverty risk analysis at European level

In order to highlight the dimensions of poverty, a synthetic indicator reflecting the risk of poverty or social exclusion is used and which shows the number of people affected by at least one of the following three forms of poverty: lack of income or low income, serious material shortages and low work intensity. Although in the last decade the statistics show an improvement in the situation of people at risk of poverty or social exclusion in absolute terms (as a number of people), the achievement of the Europe 2020 target of relieving at least 20 million people from the risk of poverty or social exclusion by 2020 compared to 2008 is still far from being achieved.

To achieve this, there would be necessary a yearly average decrease in the number of people affected by 4.8% between 2016 and 2020 [2].

The analysis of this multidimensional phenomenon of poverty affecting a significant number of people in Europe must be correlated with the gender and age structure of the population in order to be able to accurately determine the extent of the range and to focus efforts on reducing the share of those affected by social exclusion or risk of poverty.

With regard to the structure of the population affected by poverty, in 2016, women were more at risk of poverty or social exclusion than men - the rate for women was 24.4%, while for men it was 22.5% . Since women can experience the long-term effects of reducing labor market participation than men, the difference in the risk of poverty between men and women is the most visible and significant in the older age group (65 years and over).

Table 1 highlights the overcrowding rate of the population in terms of age, gender and poverty in 2010-2017 at EU-28 level. It can be seen that the European average of the people affected by poverty in the analyzed time span has decreased by 2 percentage points, maintaining within the relative limits, while in the analyzed countries the percentages are increasing, which shows the average increase during the period 2010-2017, with the exception of Slovenia [3].

**Tabel no.1 Overcrowding rate by age, sex and poverty status**

overcrowding rate by age, sex and poverty status - total population (%)	2010	2015	2017
European Union E-28	17,70	16,70	15,70
Slovenia	34,90	13,70	12,80
Croatia	24,30	27,80	27,10
Hungary	34,20	41,10	40,50
Bulgaria	47,40	41,40	41,90
Romania	52,00	49,70	47,00

[www.eurostat.com](http://www.eurostat.com)

Statistical data provided by Eurostat shows that among the European population, the 18-24 age group is the age group most exposed to the risk of poverty or social exclusion. Thus, almost one third of all Europeans were at risk in 2016 and 30.6% respectively. In addition, compared with 2010, this group also experienced the highest increase in the poverty risk (by 1.2%), even if their situation showed an improvement between 2015 and 2016. Instead, people aged over 65 had the lowest risk of poverty or social exclusion, to 18.2% in 2016 [3].

Poverty related to lack of income or the limitation of it was the most widespread form of poverty in the EU in 2016. The three aspects of poverty covered by the multidimensional indicator of poverty tend to overlap and some people are affected by two or even of all three forms of poverty.

Household income and type of dwelling is a determinant of living standards, but there are other issues that may restrict citizens' participation in society, such as limiting access to the labor market or material deprivation.

Table 2 summarizes the population overcrowding rate at European level in terms of housing type and income.

**Tabel no.2 Overcrowding rate by income and type of household**

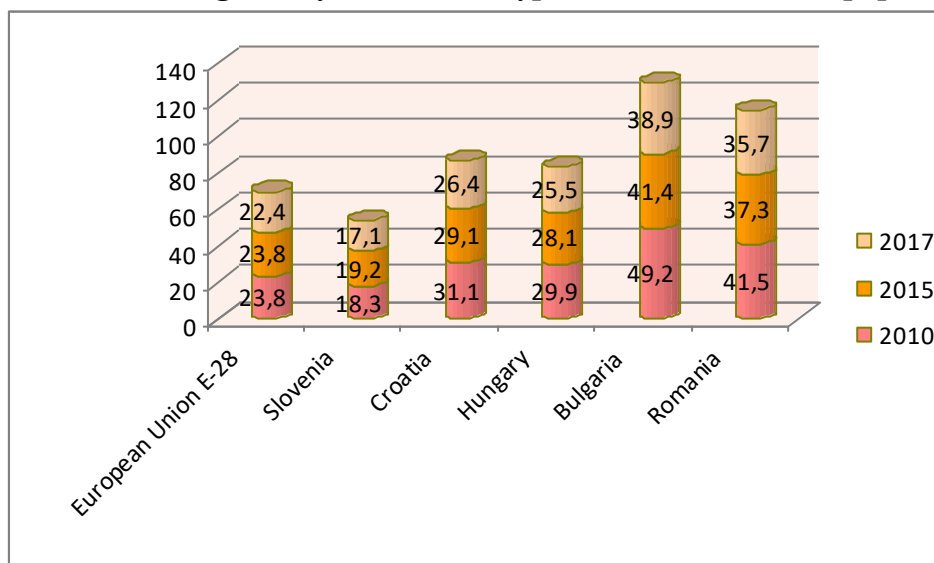
overcrowding rate by income and type of household - total population (%)	2010	2015	2017
European Union E-28	23,8	23,8	22,4
Slovenia	18,3	19,2	17,1
Croatia	31,1	29,1	26,4
Hungary	29,9	28,1	25,5

Bulgaria	49,2	41,4	38,9
Romania	41,5	37,3	35,7

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At European level in the 2010-2020 time span, a relatively slight decrease in the percentage of people affected by poverty is observed, with the average reduction being only 1.4 percentage points, while the reductions are more representative in the analyzed countries. Thus, 86.9 million people and 17.3% of EU citizens were exposed to poverty, ie lack of income or their limitation, the most widespread form of poverty in the EU in 2016.

**Graph. no.1 Overcrowding rate by income and type of household - total population (%)**



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In addition to this, there are educational differences and differences in social status. On the other hand, poverty or social exclusion can also affect people who are employed. If during 2005-2010 the share of employed persons at risk of poverty or social exclusion was relatively constant, their percentage increased from 8.3% in 2010 to 9.6% in 2016.

As regards the share of people affected by poverty or social exclusion in relation to urbanization, on average, EU citizens in rural areas are more affected and live in situations of risk of poverty or social exclusion than those in urban areas. Thus, the figures are 25.5% in rural areas compared to 23.6% in urban areas in 2016.

Table 3 summarizes the relative evolution of the degree of overcrowding in relation to the degree of urbanization and the differences that were observed.

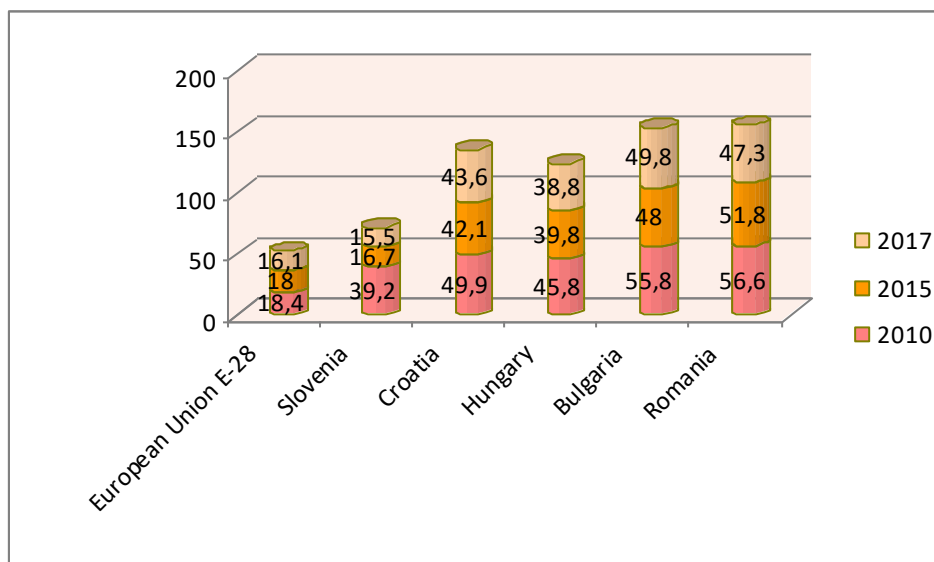
**Tabel no.3 Overcrowding rate by degree of urbanisation**

overcrowding rate by degree of urbanisation - total population (%)	2010	2015	2017
European Union E-28	18,4	18	16,1
Slovenia	39,2	16,7	15,5
Croatia	49,9	42,1	43,6
Hungary	45,8	39,8	38,8
Bulgaria	55,8	48	49,8
Romania	56,6	51,8	47,3

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At EU-28, this percentage decreased by about 2 percentage points in the range considered, while at the level of the analyzed countries, the percentage differences are moderate, with the exception of Slovenia where the decrease is significant, ie 23.7 percentage points.

**Graph. no.2 Overcrowding rate by degree of urbanisation - total population (%)**



[www.eurostat.com](http://www.eurostat.com)

The countries under review record rates well above the European average, showing a worsening of the situation of people at risk of poverty or social exclusion depending on the degree of urbanization.

In addition, while low incomes and material shortages were more prevalent in rural areas in 2016, and people living in households with very low-intensity of work were more common in urban areas than in households the rural environment.

The second most frequent form of poverty is very low work intensity, affecting 39.1 million people or 10.5% of the EU population aged 18 to 59. At the same time, 7.5% of the EU population or 37.8 million people, 37.8 million people were affected by severe material shortages in the EU in 2016.

## 2. Demographic developments and forecasts at European level

Demographic developments have the potential to influence regional economic performance, consumption levels and the presence of certain pressures on the environment. In the last decades, many of the EU Member States have been characterized by a population growth model, due to the close relationship between urban and rural areas and population migration in these two environments. This aspect is considered to be of political interest because of the unclear aspects related to the boundaries between urban centers and those adjacent to these regions as suburban developments with low social density but also from an economic point of view and environmental issues.

Most population projections indicate that the EU population will continue to age as a result of constantly low fertility and extended longevity. Although migration can play an important role in population dynamics in many EU Member States, it is unlikely that it can reverse the continuing aging trend of the population. The socio-economic consequences associated with aging can have profound implications at national and regional level, for example, with a major impact on governments' ability to increase tax revenues, ensure the balance of their own financial resources,

or the possibilities of providing adequate pensions, and providing health services at the optimum level.

Within demographic patterns there are wide differences across the EU. Short-term developments can be synthesized as such:

- ❑ the expansion of the effect of population migration to cities or areas socially and economically potent because they have a strong effect of drawing people through educational and employment opportunities;
- ❑ restriction of human concentrations at peripheral rural communities and implicitly redistribution of the urban-rural relationship;
- ❑ increasing the North-South relationship in the EU Member States - a high concentration of population at the level of northern European countries considered safe and economically viable, while the southern regions are characterized by much lower birth rates, but which have a much greater role in concentrating small and medium-sized family investment;
- ❑ increasing regional divergences within the EU - Member States that may have a major regional impact on competitiveness and cohesion, for example between the eastern and western regions of Germany and between the Nordic and Southern regions (Belgium, Italy and the United Kingdom).

## Conclusions

Territorial development is a challenge at national and European level, implying a common vision, coherent actions and policies to eliminate all the negative aspects that slow the process of economic growth and the sustainable development of communities. The balanced and sustainable development of the national territory must be correlated with societal changes and spatial dynamics and structured in an integrated planning approach that includes local, regional, national and European development objectives and measures.

## References

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