



Improvement during Crisis Years? Poverty and Housing Conditions across the EU, 2007 – 2012

Orsolya Lelkes is Head of the research pillar “Work, Wealth, Welfare”,

Eszter Zólyomi is Researcher at the European Centre for Social Welfare Policy and Research, Vienna

<http://www.euro.centre.org/lelkes>

<http://www.euro.centre.org/zolyomi>

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Orsolya Lelkes, Eszter Zólyomi

This Policy Brief aims to provide an overview of housing deficiencies in EU Member States and to examine the extent to which they are linked to low income.¹ The analysis is based on data collected in 2012 and in 2007 by special EU-SILC modules on housing conditions. The results suggest that housing conditions are correlated with a country’s affluence and that there is a marked East-West divide in respect of many of the indicators used to denote housing deficiencies. There is an overall improvement in conditions by and large since 2007, especially in those countries where the scale of problems was relatively large. At the same time, some nations and social groups experienced a deterioration, especially with respect to adequate heating and cooling.

Research Questions and Data

Housing quality is normally considered as one component of deprivation and accordingly there are relatively few empirical studies which focus solely on housing quality.

Housing is a key aspect of poverty and social exclusion, both as a determinant and as an outcome. The quality of housing has an impact, *inter alia*, on social relations and on the quality of leisure time as well as affecting access to employment. At the same time, the deficiencies which people experience in housing quality are a major element of deprivation. To the extent that poor housing is coupled with income poverty, it reinforces social disadvantage. Although Western European countries have seen a great improvement in housing conditions in the last three decades, there is evidence that *relative housing deprivation* has increased in the last decade or so (Ranci, 2009). Moreover, the crisis may well have exacerbated the situation.

Policy Briefs are a publication series providing a synthesis of topics of research and policy advice on which European Centre researchers have been working recently.

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Here, the aim is to examine the following questions:

- Is the need for housing with basic facilities now met across the EU?
- Do richer countries have a housing stock of better quality?
- Do housing deficiencies primarily affect those on low income, so creating a cumulative social disadvantage, or do they also affect those with higher incomes?
- Whether housing conditions have deteriorated over the crisis period and if so, by how much?

The analysis is based on data collected by a special module on housing conditions of the EU-SILC in 2012 and on data from the previous module relating to 2007. (See the list of indicators in Table A1 in the Annex.)

The comparability of these indicators across countries is sometimes open to question because of the variability in the way that they are interpreted across countries (especially as regards those involving self-assessment) and can also be affected by different formulations of the questions in the national questionnaires which should be borne in mind when interpreting the results.

Inadequate Housing: A Snapshot across Europe

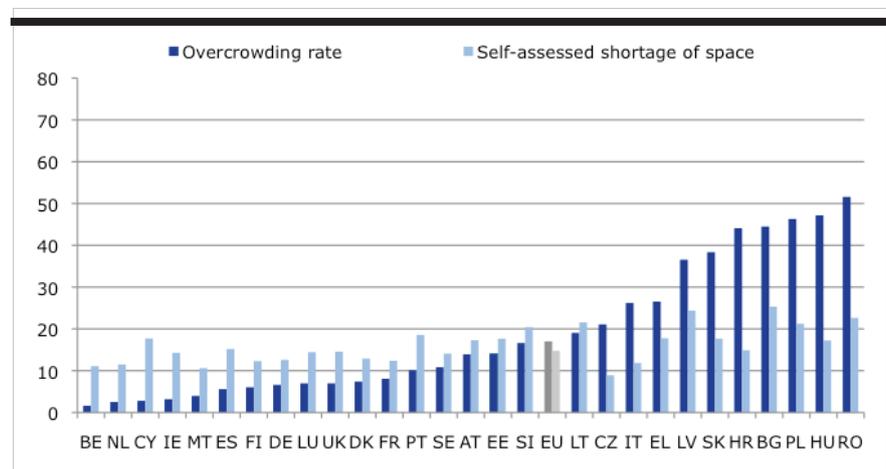
Self-assessed shortage of space varies less between countries than when measured by the objective indicator.

Shortage of space, as measured by the rate of overcrowding (see Box 1 for definition), varies markedly between the countries (Figure 1). At the lower end are Belgium, the Netherlands, Cyprus, Ireland and Malta with less than 5% reporting overcrowded conditions, whereas in Croatia, Bulgaria, Poland and Hungary more than 40%, in the case of Romania more than half, of the population is living in what are defined to be overcrowded housing conditions.

Figure 1:
Population experiencing shortage of space (%), 2012

Note:
EU refers to EU-28.

Source:
Own calculations based on EU-SILC 2012
UDB August 2014



Shortage of space, as assessed by the respondents themselves, differs much less across the countries than the rate of overcrowding as defined by Eurostat. Moreover, levels of self-reported space shortage tend to be higher than indicated by the 'objective' indicator in countries where the latter is relatively low and lower in those where it is high. This discrepancy between the two indicators could partly be explained by cultural differences (i.e. different standards or expectations of sufficient space), but may also signal an 'adaptation to circumstances' in those countries where overcrowding appears to be a relatively common problem.

Overcrowding is defined as a situation in which people are living in a

Box 1: house or apartment which does not have:

Objective vs. subjective
measure for shortage of space

- one room for the household;
- one room per couple in the household;
- one room for each single person aged 18 or more;
- one room per pair of single people of the same gender between 12 and 17 years of age;
- one room for each single person between 12 and 17 years of age and not included in the previous category;
- one room per pair of children under 12 years of age.

To be counted, rooms have to be at least 4 square meters in size, have a height of over two meters and be accessible from inside the unit. Kitchens used solely for cooking, bathrooms, toilets and corridors are not counted.

The main potential defect of this measure is that it denotes all single-room accommodation, such as studios, as being short of space, irrespective of the size of the room concerned. This poses a particular problem in respect of people living alone, or indeed of open-planned housing generally.

There is a wide disparity between the objective and subjective (self-assessed) measure of space shortage, as shown by the results. Over 40% of the population is classified as living in overcrowded housing in some countries (Romania, Hungary, Poland, Bulgaria and Croatia), which raises a question on the policy relevance of this measure.

It is also not clear how the measure relates to environmental concerns regarding climate change, and whether it represents a 'sustainable' dwelling size.

There is a marked East-West divide for a number of indicators, which may reflect the neglect of the housing stock during the long period of communist rule.

Across the EU, around 3% of the population report *lack of a bath or shower or indoor flushing toilet in the dwelling*. In the case of having no bath or shower, the proportion concerned ranges from virtually zero in Germany, Spain and the Netherlands to between 14% and 18% in Bulgaria, Lithuania and Latvia and 35.5% in Romania. A similar pattern is evident with respect to households lacking an indoor toilet, where Bulgaria and once again Romania stand out (22% and 37% respectively reporting this to be the case).

The Baltic States, Bulgaria and Romania appear to be especially disadvantaged.

The proportion of those living in housing where *plumbing or water installations* (i.e. pipes, taps, drainage and outlets) are *inadequate* is significantly larger than those without a bath, shower or indoor toilet. The average in the EU-28 amounts to 8% and there are four countries, in addition to Romania, Latvia and Lithuania, where the proportion exceeds 10% (France, Italy, the UK and Portugal). With regard to the adequacy of electrical installations – which concerns electrical wiring, contacts and sockets in the house – there are only four countries, Portugal, Finland, the UK and Latvia, where the proportion of those reporting this as a problem is 10% or larger.

Regarding *heating facilities*, only a small share of the population (1.4%) in the EU report living in a dwelling without any, fixed or non-fixed, heating. In 22 of the 28 Member States, the figure is less than 1%. The highest figures are recorded in three southern countries: Malta, Portugal (both around 13%) and Spain (8%). On the other hand, in these three countries, an above average number of people reported that *the dwelling is not comfortably warm during winter* indicating that the heating system in place is not efficient or that the house is inadequately insulated against low temperatures.

Housing Deficiencies and the Crisis

The crisis years do not seem to have resulted in a general deterioration of housing quality across Europe, although some countries have been adversely affected. The following charts present changes in the proportion of population reporting problems with the quality of housing between 2007 and 2012, including only those indicators where the change over time is statistically significant (Figure 2).²

² Comparability of results between the two years may be affected by differences in the formulation of the questions in the 2007 and 2012 national questionnaires.

Figure 2: Population reporting housing quality problems (%), 2007 and 2012
 a. Lower scale of housing problems (maximum 30%).

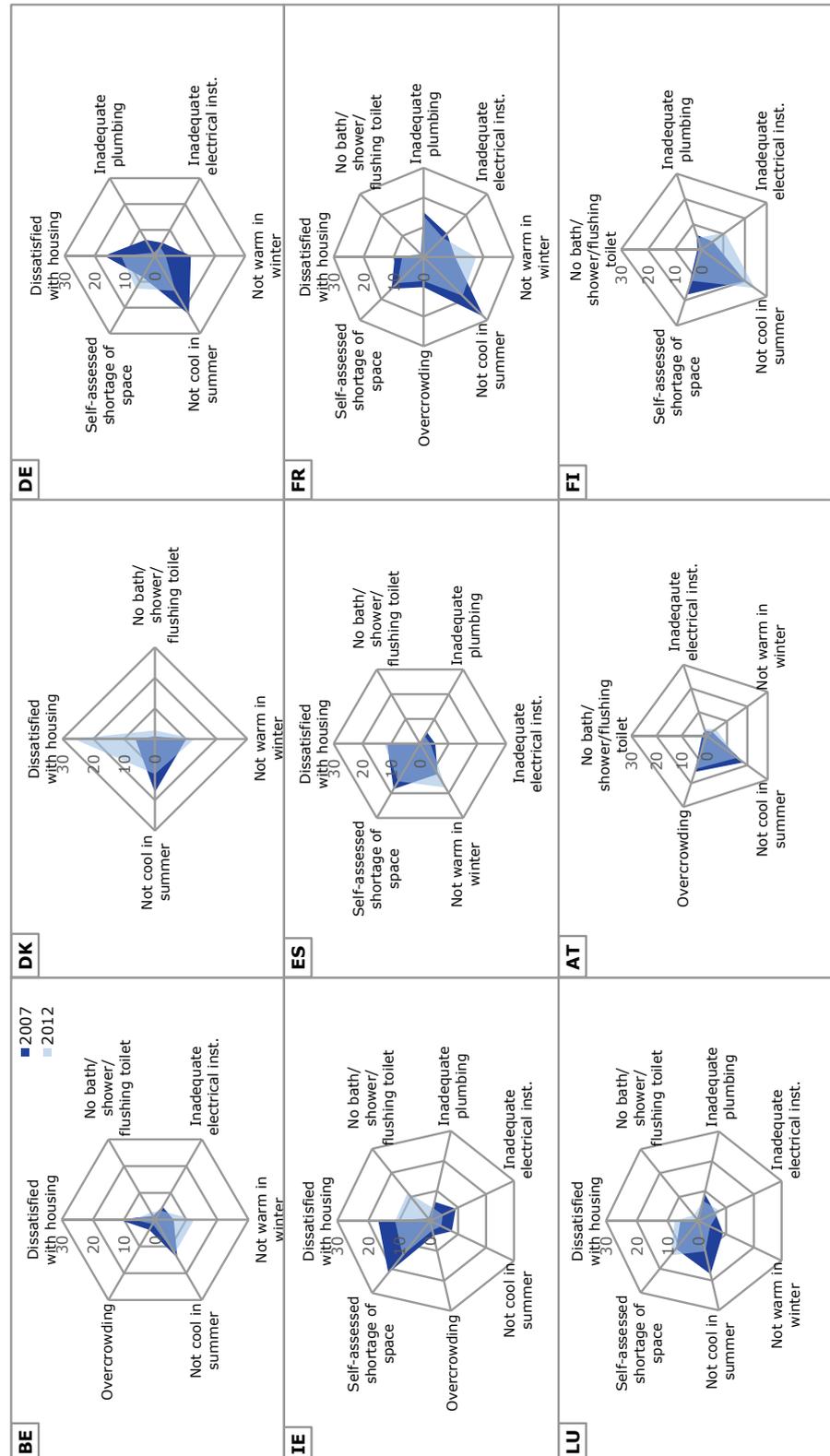
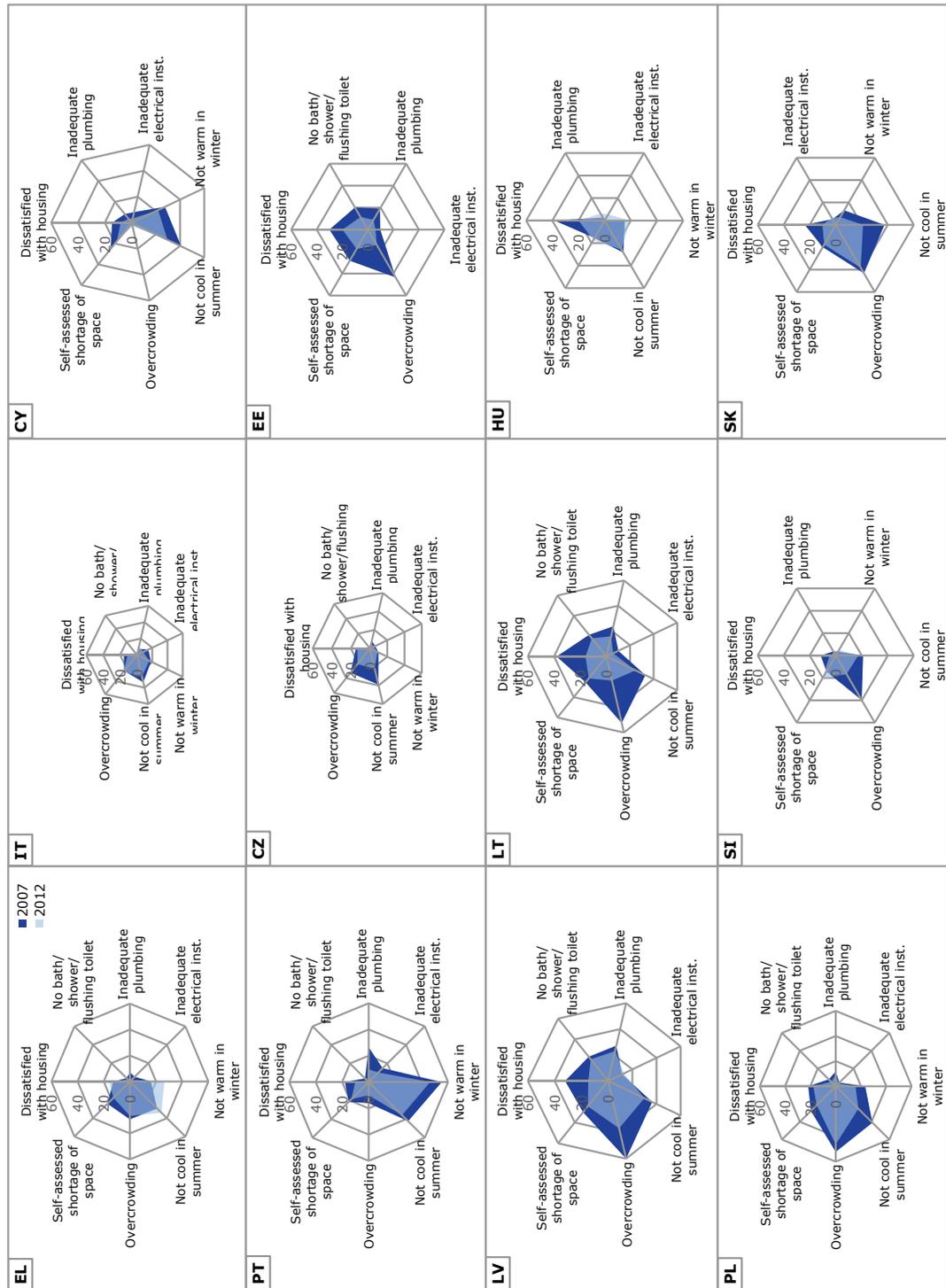


Figure 2: Population reporting housing quality problems (%), 2007 and 2012
 b. Higher scale of housing problems (maximum 60%).



Source: Own calculations based on EU-SILC 2007 and 2012.

There was an improvement in several countries between 2007 and 2012, most notably in the Baltic States, although the magnitude of housing deficiencies still remains substantial.

There is an overall improvement by and large, especially in those countries where the scale of problems was relatively large in 2007. In some countries, such as the three Baltic States, Poland and Portugal, housing conditions have improved with fewer people reporting problems in 2012 compared to 2007. In contrast, in Hungary housing conditions seem to have deteriorated in four dimensions: the proportion of those reporting shortage of space, inadequate plumbing and electrical installations and heating problems (i.e. not warm in winter) increased between 2007 and 2012. There was some deterioration in a few other countries as well, albeit less widespread across the different dimensions.

In 13 Member States, including Ireland and Greece, there was a significant reduction in the proportion of those reporting *overcrowded conditions* (the largest decline, over 25 percentage points, occurring in Lithuania and Estonia). In Italy, Cyprus and the Netherlands there was a minor increase, while no statistically significant change in overcrowding was evident in 8 countries. *Self-reported shortage of space* also declined in most countries, and increased only in Germany, Luxembourg, Hungary and Slovenia.

The proportion of population reporting *no bath, shower or indoor flushing toilet for the sole use of the household* declined in 10 countries. There was a moderate increase in 8 countries. Ireland stands out with an increase of 11 percentage points (which is large enough to raise a question-mark over the reliability of the data, but at the same time economic conditions deteriorated sharply in Ireland over this period). There was a major improvement (decline) with respect to *inadequate plumbing* in Estonia, Latvia and Portugal, and some improvement in many other countries. Despite the improvement in the former three countries the problem remains substantial, with over 10% of people (in Latvia, 20%) being affected. In contrast, there was an increase in only two countries (Italy and Hungary).

There was an improvement with respect to *inadequate electrical installations* in 13 EU countries between 2007 and 2012, with the largest decline in the proportion of population affected in Italy (6.6 percentage points). In contrast, 7 countries reported increases in inadequate electrical installations over this period, with the largest rise in Finland (almost 6 percentage points).

Heating problems became more widespread in 9 countries, while they receded in 8 others. In Belgium, France and Greece, the share of people reporting insufficiently warm temperatures inside the house increased by around 7 percentage points or more. In contrast, the problem became substantially less widespread in Germany, Poland and Portugal (with a decline of around 8 percentage points in the population affected).

In the majority of EU countries, fewer people reported in 2012 that the dwelling was *not comfortably cool in summer*. In 5 countries (the Czech Republic, Cyprus, France, Poland and Slovakia), the decline in relation to 2007 was 10 percentage points or more. In contrast, there was an increase of about 5 percentage points in this indicator in Finland and Greece, with in the former one in four people being affected in 2012 and in the latter, as many as one in three.

There was an overall improvement with respect to *satisfaction with housing*. The percentage of population feeling dissatisfied or very dissatisfied with the dwelling declined between 2007 and 2012 in the majority of countries. The exceptions are Denmark, Luxembourg, Poland, Greece and Spain, the last two countries being among those hardest hit by the crisis.³ The decline was particularly large (over 10 percentage points) in the Baltic States, where housing conditions also improved substantially, as well as in Slovakia, where there was a modest improvement. There was also a decline in Hungary, however, where there was a deterioration in several indicators.

Poverty and Exposure to Housing Problems

Those at risk of poverty tend to live in worse housing conditions, especially regarding basic amenities.

Poor households tend to be more exposed to housing quality problems in most countries.

People at risk of poverty (i.e. individuals living in households where the equivalised disposable income is below 60% of the national median) are more likely to experience shortage of space than others. In terms of *overcrowding*, the largest differences between the two income groups are observed in Hungary (27.7 percentage points), the Czech Republic, Sweden (24.8 percentage points in both) and Austria (23.8 percentage points) (Figure 2). Hungary also records the highest rate of overcrowding among those at risk of poverty with 71.0%, followed by Romania and Poland.

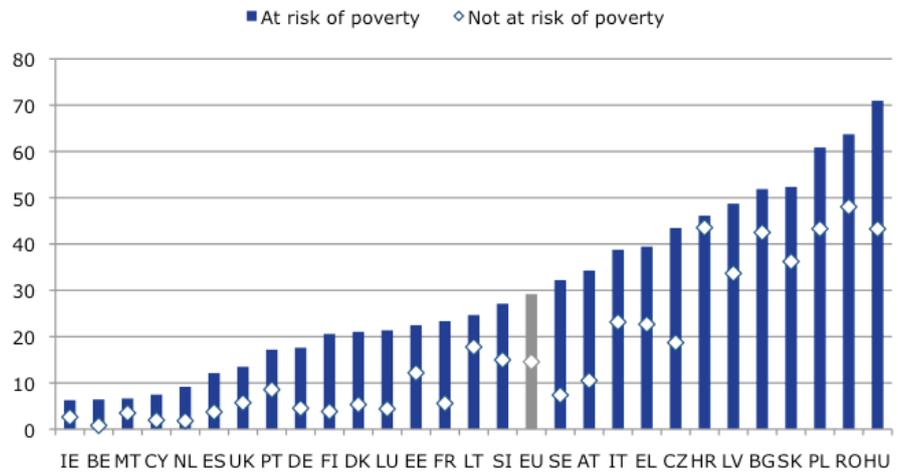
The proportion of those reporting to have *no adequate plumbing or electrical installations* tends to be larger among those at risk of poverty in most countries. In some countries, however, there is no statistically significant difference between the poor and the non-poor (i.e. once the 95% confidence intervals are taken into account).⁴

3 The increase was especially large in Denmark – from 6% to 26% – taking the proportion reporting dissatisfaction to the highest in the EU, which raises a question-mark about the comparability and reliability of the data.

4 In eight countries (Germany, Ireland, Greece, Spain, Luxembourg, Malta, the Netherlands and the UK), no statistically significant variation is found between those below and above the at-risk-of-poverty threshold reporting no bath, shower or indoor flushing toilet. The same is the case for those reporting inadequate plumbing/water installations in Denmark, Malta and the Netherlands.

Figure 3:
Population living in over-crowded conditions by income level (%), 2012

Note:
EU refers to EU-28.
Source:
Own calculations based on EU-SILC 2012
UDB August 2014

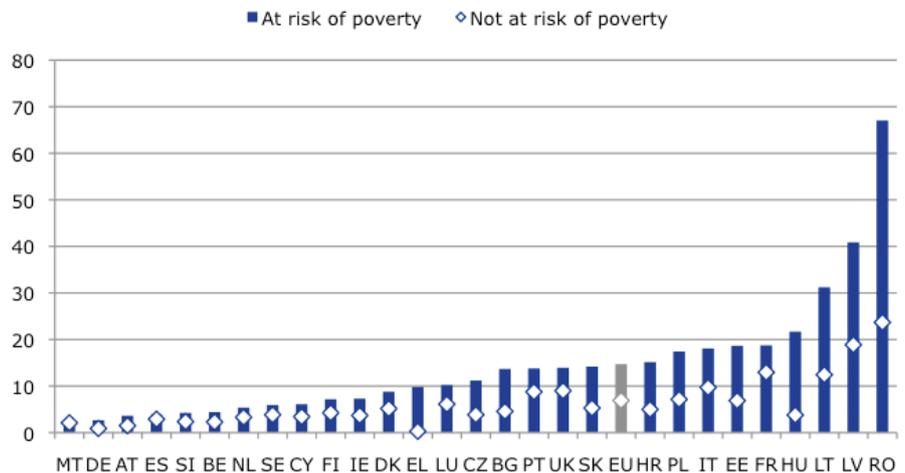


The proportion of those at risk of poverty *without bath, shower or indoor flushing toilet* is 13% in Poland, slightly over 20% in Hungary and Estonia and around 40% in the two other Baltic States while in Bulgaria, half of the population with income below the 60% median report lacks these basic amenities. In Romania, the figure is as high as 72%.

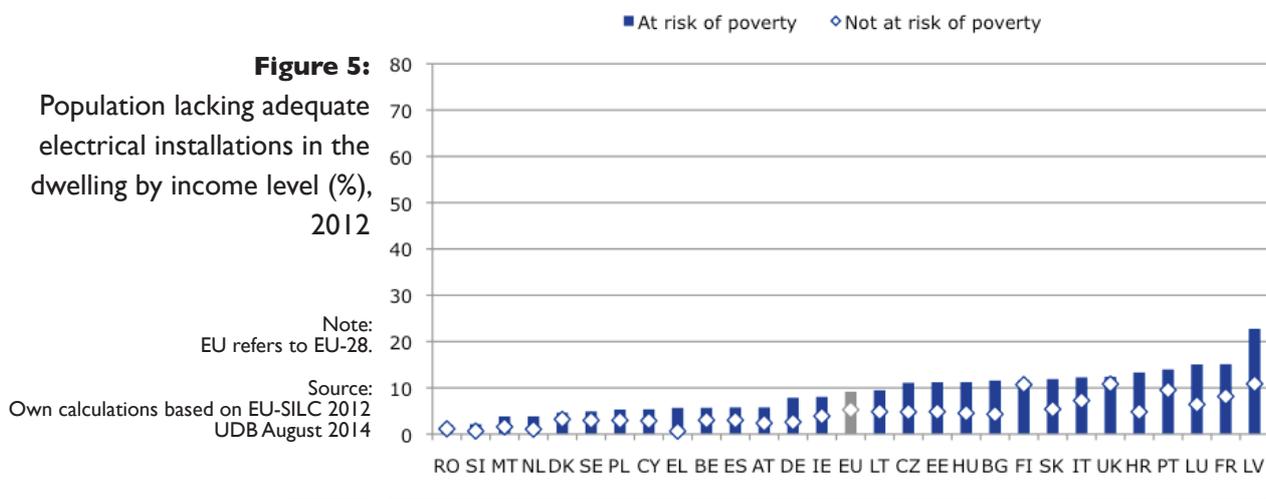
A similar picture emerges in respect of those reporting *inadequate plumbing*. In this case, the proportion is over 10% among population at risk of poverty in half of the 28 Member States including Portugal, the UK, Italy and France, but below 20% in all except Hungary, Lithuania, Latvia and Romania. In Romania, over two-thirds of those at risk of poverty are affected, almost three times more than those not at risk, signalling a major social divide in access to decent plumbing. This difference is also evident in respect of other aspects of housing and the *problems tend to be cumulative as shown below*.

Figure 4:
Population lacking adequate plumbing/water installations in the dwelling by income level (%), 2012

Note:
EU refers to EU-28.
Source:
Own calculations based on EU-SILC 2012
UDB August 2014



In 13 of the 28 countries, more than 10% of those at risk of poverty report the state of *electrical installations* to be inadequate while among those not at risk it is the case only in Latvia, the UK and Finland (Figure 5). In the case of this indicator, there is also a more mixed group of countries with relatively large numbers of those at risk reporting inadequate electrical installations in France, Luxembourg, the UK and Italy as well as Latvia, Portugal and Croatia. In the UK, moreover, as well as in Denmark and Finland, there is no statistically significant difference in the proportions reporting deficiencies between those at risk and not at risk of poverty.



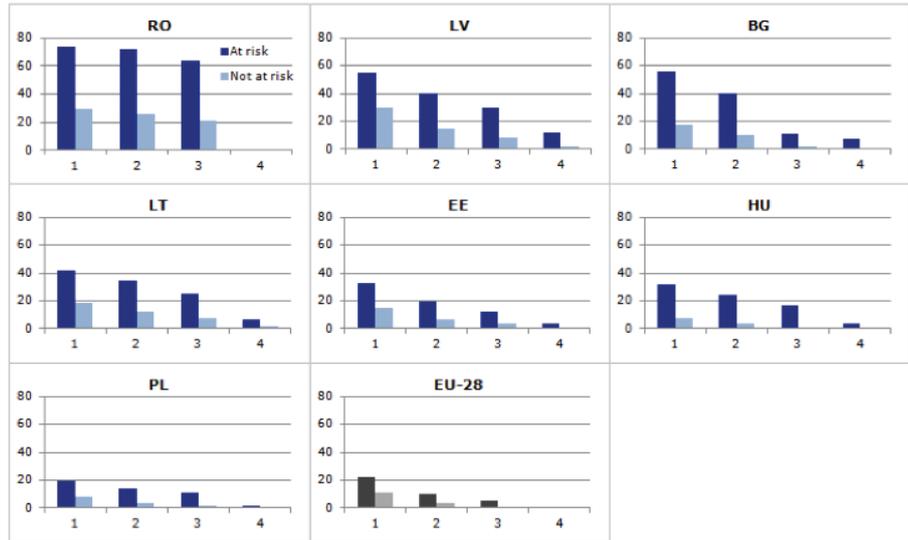
In Romania, around two thirds of those at risk of poverty report multiple housing deficiencies.

Overall, those with income below the at-risk-of-poverty line are also more likely to be exposed to *multiple housing deficiencies* (see Figure 7). This is particularly so in Romania, Bulgaria, Hungary, Poland and the three Baltic countries. In Estonia, Hungary and Poland over 10% of those at risk lack at least three of the four basic amenities or have inadequate installations, in Latvia and Lithuania, over 25%, and in Romania, 64% (Figure 6).

As might be expected, there is a tendency for *dissatisfaction with housing* to be higher among those with income below the at-risk-of-poverty threshold than among those with income above. This was the case in all countries except Denmark where the difference was not statistically significant. The difference was largest in Hungary (24.5 percentage points) and was above 10 percentage points in 10 of the other countries. Dissatisfaction is also relatively widespread among those with income above the poverty line in Bulgaria, Estonia, Hungary and Poland (over 15%) and to a lesser extent in Latvia, Lithuania, the Czech Republic, Greece and Spain (where the proportion is over 10%). Interestingly, a relatively small proportion of both those at risk of poverty and those not at risk report-

ed being dissatisfied or very dissatisfied with their housing in Romania, where a large proportion of the population reports poor housing conditions.

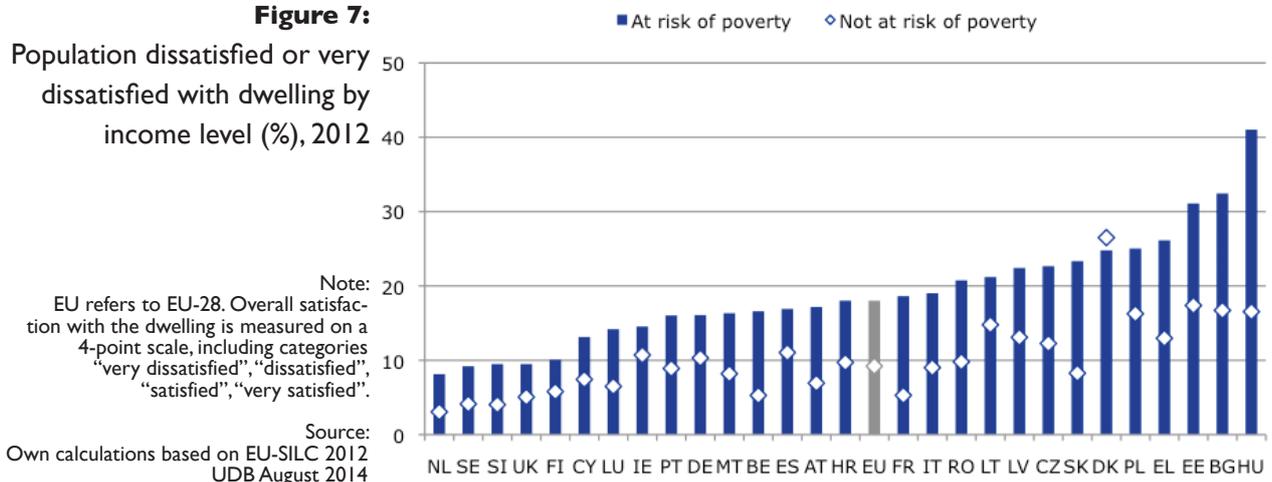
Figure 6:
Population lacking at least 1, 2, 3 or 4 (out of 4) basic amenities or having inadequate installations by at-risk-of-poverty status (%), 2012



Note:
The four items covered are 1. lack of bath/shower 2. lack of indoor flushing toilet 3. inadequate plumbing/water installations 4. inadequate electrical installations.

Source:
Own calculations based on EU-SILC 2012
UDB August 2014

Figure 7:
Population dissatisfied or very dissatisfied with dwelling by income level (%), 2012



Note:
EU refers to EU-28. Overall satisfaction with the dwelling is measured on a 4-point scale, including categories "very dissatisfied", "dissatisfied", "satisfied", "very satisfied".

Source:
Own calculations based on EU-SILC 2012
UDB August 2014

Satisfaction with dwelling, similar to other measures of self-assessment, depends on custom, expectations and social environment as well, not just objective housing conditions. Therefore, it is more appropriate to compare specific groups within a country than country averages as such.

Conclusions

Our results suggest a major geographical divide across Europe with respect to severe housing deprivation and housing overcrowding, with highest rates in Eastern European countries. This may provide a useful benchmark, but for national policy purposes we highlight the importance of comparing social groups within countries.

The poor suffer from relative disadvantage in national terms in all EU countries with respect to overcrowded dwelling and housing quality deficiencies. This signals their cumulative disadvantage and the necessity of coherent policies for social inclusion, including not only the alleviation of monetary poverty, but also the improvement of the housing problems, especially for the low-income groups.

As argued in a previous Policy Brief (Lelkes and Zólyomi, 2010), there are various challenges related to the overcrowding rate adopted at the EU level. The great disparity between the objective and subjective (self-assessed) measure of space shortage, as shown by our results, suggests that social norms greatly differ across countries. In addition, the indicator does not consider environmental sustainability as such, so it is not clear whether the possible elimination of overcrowding (as measured by the Eurostat indicator) would constitute a “sustainable welfare” on a European level.

Annex

Table A1:
List of indicators

Dimension	Indicators
Inadequate housing	
<i>Shortage of space</i>	Overcrowding (see Box 1)
	Self-assessed shortage of space (yes, no)
<i>Lack of basic amenities and adequate installations</i>	Bath or shower in the dwelling (yes, no)
	Indoor flushing toilet (yes, no)
	Adequate plumbing/water installations (yes, no)
	Adequate electrical installations (yes, no)
<i>Heating and cooling problems in the dwelling</i>	Dwelling equipped with heating facilities (yes, no)
	Dwelling comfortably warm during winter time (yes, no)
	Dwelling comfortably cool during summer time (yes, no)
Satisfaction	
	Overall satisfaction with the dwelling (very dissatisfied, dissatisfied, satisfied, very satisfied)

Further Reading

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European Centre
for Social Welfare
Policy and Research

Berggasse 17
A – 1090 Vienna

Tel: +43 / 1 / 319 45 05 - 0
Fax: +43 / 1 / 319 45 05 - 19
Email: ec@euro.centre.org

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