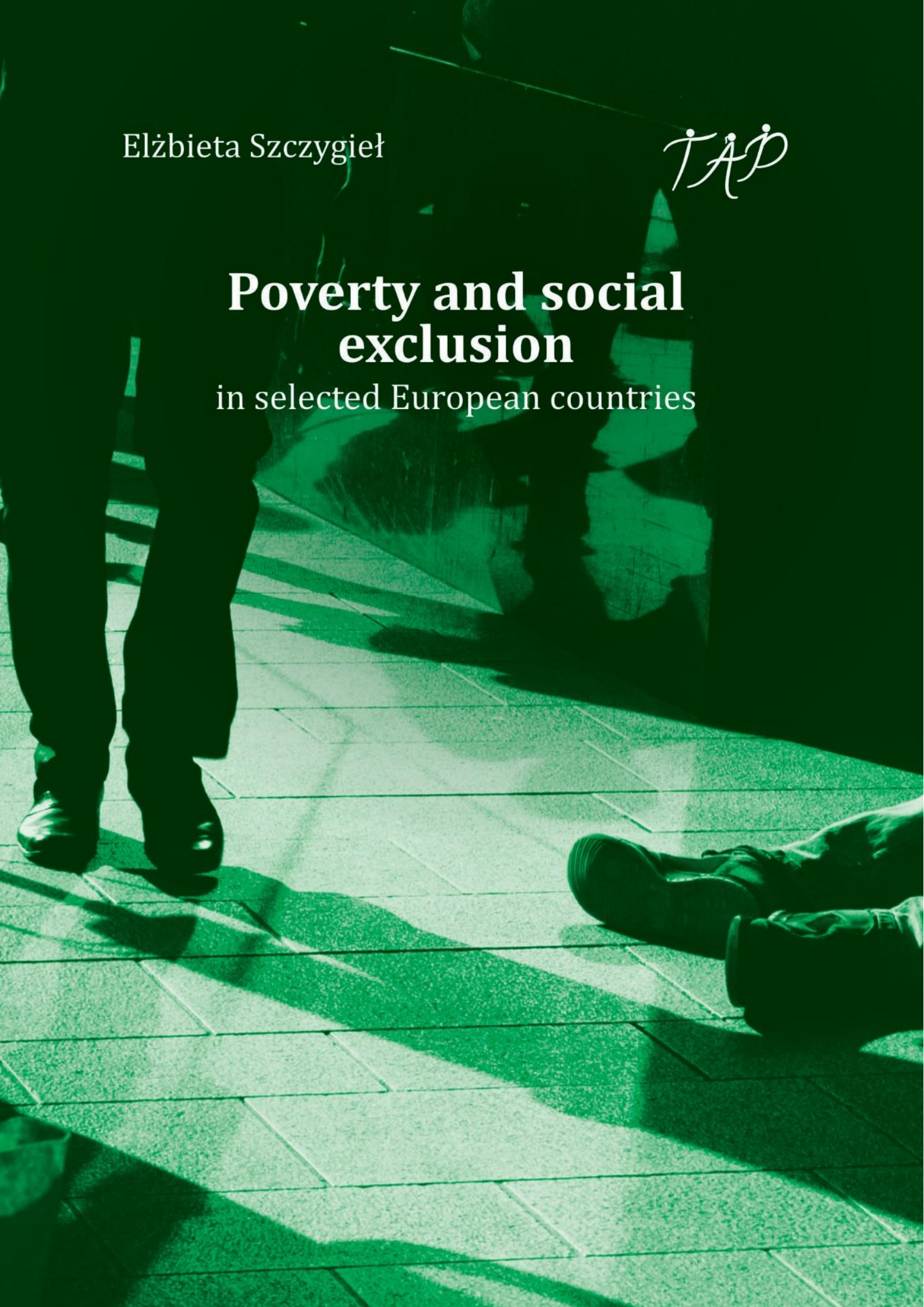


Elżbieta Szczygieł

TAP

**Poverty and social
exclusion**
in selected European countries



„Poverty and social exclusion in selected European countries”
by Elżbieta Szczygieł

Scientific reviewer: prof. zw. dr hab. inż. Leszek Woźniak, *Politechnika Rzeszowska*

Editing: Monika Hadam

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Introduction

Poverty and social exclusion are widely commented social issues, that trouble both developing countries and those considered to be already well developed. The definitions of both phenomena underline the different aspects of the two: from income, through social to personal consequences of entering a particular state. There is no one set of characteristics for diagnosing the existence of poverty and social exclusion is not necessarily a flaw. Such situation makes the analysis of the phenomena interdisciplinary and inclusive for the variety of issues. The economic approach, most often applied, considered to be the most objective, is only a starting point for various aspects of functioning of the people affected by poverty and social exclusion in the society, their social stratum and where and how they can be helped. As M. Giełda writes (2014, p. 15): “(...) lack of the universal definition of poverty imposes the requirement of an exact, precise definition. It is the basic and the most important task during any research on any of the aspects of the phenomenon. Selection of a particular definition of poverty is crucial to the results of the study; depending on the definition, different groups can be considered poor or at risk of poverty, different tools may be applied to mitigate them, etc.” Such approach puts the discussion on poverty and social exclusion on different levels and tries tackling many different threads of these pressing issues. It should be welcome that actions towards combating poverty and social exclusion, are taken on a variety of occasions. The European Union’s initiative to make 2010 The European Year for Combating Poverty and Social Exclusion gave an impulse to take a variety of actions, to start discussions and prevent the two problems. By including proposals of anti-poverty and social exclusion measures in many strategic documents, both at European, national and regional level, it became possible to foster many grass-root initiatives, including projects financed by the European Commission. One of them is a project entitled “**TAP - Together Against Poverty**”, implemented by a partnership of six European countries, by organisations from **Estonia, Spain, the Netherlands, Poland, Romania and Italy**. The project is coordinated by Centre for Education and Enterprise Support from Rzeszów, which has been dealing with social issues for several years now and have participated in many similar projects e.g. prevention of homelessness among children. The TAP project’s objective is to write two papers which describe poverty and social exclusion in the project countries and presentation and analysis of existing models of social security. The first paper has just been published. The paper is the result of research of poverty and social exclusion in the six countries. The key element is the description of in-depth interviews with 90 people from the target group: people at risk or affected by poverty and social exclusion. This group consists of:

- the unemployed,
- individuals with a low level of skills or education,
- single-parent families,

- large families,
- people with low income, which entitles them to social benefits.

Interviews were conducted at the turn of 2014 and 2015 in all participating countries (15 interviews in each country). The paper is a summary of all information and is a basis for development of **training workshops** for the poor and socially excluded – their aim to increase independence of the beneficiaries and to give them skills necessary to start up their own business. The test results presented in the paper not only discuss the problem of poverty and social exclusion, their various forms and causes, but they also bring up an important issue of possible exit of these social states by taking up independent business activity by people at risk or affected by the phenomena. Opinions of the poor, the excluded and the people at risk, are in fact crucial to understanding their skills, predispositions to run a business and to proper development of the training content. In this respect, the paper is to be a diagnosis of starting up and running a business by people affected by poverty and social exclusion.

This publication consists of **four chapters**. The **first chapter** is devoted to theoretical approach to poverty and social exclusion, especially their definitions in the literature of the subject. In this chapter, the presentation of existing data on poverty and social exclusion in six mentioned countries has been discussed. These figures are primarily representing an overall demographic and social situation in each country and are a summary of statistical data and the existing research on poverty and social exclusion (so-called review of the literature). The **second chapter** presents the research methodology, including research objectives, hypotheses, variables and the research tool - an in-depth interview questionnaire with a survey. The chapter also provides details on the research in individual country and discusses socio-demographic results of the study. The **third chapter** of the monograph is devoted to the results of the study conducted among people affected by, and at risk of, poverty and social exclusion. Included are descriptions of the economic situation of the respondents in each country, how they function in the society and the summary of the survey responses of the interviewed. In such a way, in addition to general answers, it was possible to obtain tangible results on their financial situation and ways of coping with life difficulties they face. The last, **fourth chapter**, presents ways of prevention and exiting the state of poverty and social exclusion. It is based on information provided by the participants of the interviews, it includes evaluation of operation and change suggestions to the existing social assistance systems and it also includes evaluation of interviewees' entrepreneurial skills and discusses the options for possible self-employment. At the end of the publication, are **conclusions and recommendations** for planned workshops as well as the **summary**. The conclusions present the most important observations from the research, which have a major influence on the theme and the methodology of conducting the entrepreneurship workshops for poor and socially excluded people. **The summary** includes the discussion about verification of the hypothesis and summary of the correctness of what was observed during the research.

The entire summary will also help other researchers in familiarizing with the results. Research presented in the publication had a largely exploratory character. This was

mainly due to the nature of the research, its scope and the aims. They can become a starting point and contribute to a further, more in-depth, analysis.

Chapter I

Poverty and social exclusion in the European countries analysed – preliminary remarks

1. Poverty and social exclusion in theory.

Poverty and social exclusion are social phenomena often studied and described in social and economic sciences. The first approach receives a sociological perspective, which accentuates and explains the mechanisms of people who belong in the two discussed groups, as well as diagnoses a wider context for causes and consequences of remaining in such state. The economic perspective brings forth attempts of defining the state of poverty as: lack of a certain amount of financial resources, or, a wider approach, a limits of various dimensions of well-being (health, education, economic and personal safety, etc.). With the perspective in mind, financial consequences of social exclusion are underlined and closely associated with poverty, though with a much wider meaning and a less explicit definition. It seems necessary to examine these phenomena, although in the case of this paper the main focus is on the poverty leading to social exclusion. Trying to define both phenomena, one should begin with an opposite concept – prosperity. This conclusion comes from an assumption that prosperity is one of the goals in the development of societies. Only after we take the point of view by assuming certain deficiency of resources can we agree to the emergence of poverty. **Prosperity** can be described as abundance, wealth and high quality of life in a society. The broadness of the concept is well illustrated by the vocabulary used in English-language literature on the subject. Concepts like *welfare*, *well-being*, *quality of life* were synonymous in Polish translation until recently, and they are becoming more and more distinct. *Welfare* is therefore used for economic prosperity, different to *well-being* understood as quality of life and to *quality of life* synonymous to health quality (Kot, 2000, p. 187).

In the simplest terms, poverty is therefore a restriction of prosperity. *Restriction*, used deliberately as the absolute absence of prosperity, sits on the other end of the analysed spectrum. Such understanding of prosperity-poverty relations, enables for a fluid shift of the breaking point, whether in qualitative terms or in terms of “current state”, to determine when we can start talking about the state of poverty. **Poverty**, in the same context, is a lack of resources, possessions, inability to participate in certain activities

characteristic to a typical member of a society, like possession of a certain amount of resources and participating in certain social functions. One of the definitions indicates that **poverty** is a state of **insufficient resources**, i.e. state of insufficient income which could allow for a minimum standard of living. (Szopa, 2012, p. 81). Lack of a certain amount of resources is related to **prosperity distribution** in the society and to social inequality. The left side of the pictured distribution is the poverty area (Kasprzyk, 2013, p. 34). The border or the breakpoint for poverty can be assumed at a certain income value, amount of expenses, or ownership of goods and rights by a certain social group. In this respect, we can speak of poverty in **absolute** and **relative terms**. The first assumes establishing a minimum subsistence value, below which biological existence and psychophysical development of a human is impossible. In the second, states of poverty and prosperity are relative to an average standard of living in a given society or a social group (Blicharz, 2014, p. 42). In both cases, such understanding of poverty presupposes the possibility of being measured and, as a consequence, compared. Here, two dimensions are crucial i.e.: **scope of poverty** and its **depth**. They are indicating the intensity of poverty in the entire population and specific groups (*Podkarpacka bieda...*, 2005, p. 13). In the first case a **at-risk-of-poverty rate** (at-risk-of-poverty rate) is used, which is calculated as a quotient of the number of poverty units (households or individuals) divided by the number of units in the whole population. The measurement is expressed in as a percentage it indicates the number of poor in a given population (*Podkarpacka bieda...*, 2005, p. 13; *Ubóstwo w Polsce...*, 2013, p. 17). The **depth of poverty** is represented by an **average income gap** or **expenditure gap** index (depending on the economic prosperity measurement perspective selected), to indicate the percentage of average income or expenses which are lower than the assumed poverty threshold (*Ubóstwo w Polsce...*, 2013, s. 17). In other words, this index shows the difference between the threshold of poverty and the average income of the poor or their households, with reference to the value of the poverty threshold (*Podkarpacka bieda...*, 2005, s. 13). One of the most subjective measurements used to indicate poverty is income utility. It puts certain verbal expressions (e.g. *very bad, bad, poor*, etc.) in line with a specific size of a household or individual income (Amiel, 1999; van Praag, 1971; van Praag, Kapteyn, 1973; Goldfinch, 2014, p. 31). In this way, assignment of particular values facilitates estimation of the parameters for the utility function, which can be compared with other utility functions for other social groups or entire societies.

Comparing a poor person's situation to other members of the society often leads to questions about **social exclusion** and its essence. The definition of this sociological category points to its various forms (such as economical, political, digital, etc.). It can be added that poverty is one of several causes of social exclusion. Combining **social exclusion** with a particular material situation of a person may lead to analysis of **material deprivation** alone. The deprivation, often defined as "social exclusion", can be applied to a situation when one household cannot, due to financial difficulties, meet four out of nine basic needs or when the household members worked less than 20% of the full annual

working time (*Krajowy Program Przeciwdziałania Ubóstwu...*, 2014)¹. As stated in *Wykluczenie społeczne i ubóstwo w województwie podkarpackim*: “the concept of social exclusion is more acceptable in political context, as it is considered to be less stigmatising than the concept of poverty. The concept of social exclusion is also received better by the general public” (Kuta-Pałach et al. 2011, s. 21). There is no doubt that by just examining social exclusion without attention to the problem of poverty (or in a broader sense - its financial aspect), a full description of the phenomenon is not possible. It is worth remembering during research of the subject and when discussing “social inclusion”, the phenomenon opposite to exclusion. J. Estivill quoted by the authors of the publication says that fight against social exclusion does not require references to prosperity but only to the concept of **inclusive society**. In such a way, one of the most inconvenient topics, which is poverty, is avoided (*Ibid*). Poverty and social exclusion as study categories are matched with each other rather often, both in the context of similarities and differences between them. One of the juxtapositions, frequently cited in Polish literature, is one of common characteristics and differences between poverty and social exclusion included in a study by S. Golinowska and P. Broda-Wysocki (2005, p. 44), where the common key element of both is material deprivation. It affects both the poor and the socially excluded. In the latter case, it is both the cause and the effect of exclusion. The key differences, however, relate to the situational context of the two phenomena. Poverty affects the **situation** of limited resources and opportunities, which could be used by a poor person. Social exclusion is a **process** leading to the accumulation of adverse factors; it is associated with the operation of the institutions and other bodies which leads to exclusion (denial of the principle of equal access); it is social isolation (a process of non-participation) and is associated with low levels of social capital. B. Szopa and A. Szopa (2011, p. 15) stress that “social exclusion is still an inaccurate concept (definition, phenomenon), sometimes conflicting with itself, metaphorical in nature and also normative. The phenomenon includes other related circumstances including poverty, marginalization, deprivation, inequality, unemployment or education (*Ibid*). For that very reason, the study should follow many paths, which will be presented later in the book.

¹Material deprivation means failure in meeting four out of nine needs, i.e.: 1. the ability of covering the expenses of a week-long holiday for the whole household members once a year; 2. eating meat, fish or a vegetarian equivalent every second day; 3. heating the household as needed; 4. ability to pay for an unexpected expense (corresponding in value to a monthly poverty threshold value for a given country); 5. payment of regular charges related to rent, loan instalments; 6. a colour TV; 7. a car; 8. a washing machine; 9. a phone (mobile or landline).

2. General demographic and social situation of selected EU countries.

Demographic and social situation in the six countries involved in the project: Estonia, Spain, the Netherlands, Poland, Romania and Italy is quite diverse, though we are able to point out some regularities. Because the main objective defined at the beginning of the project works was combating poverty through development and application of adequate educational tools for two target groups of the project: people at risk of poverty and social exclusion, and decision makers and politicians of the social sector; it was necessary to analyse these two phenomena in the prospective countries. A cross-analysis of the discussed phenomena took into account different poverty risk factors and methods of poverty prevention. As a result, the countries were consolidated into three groups. In the first group of so called "high risk of poverty" were: Estonia, Poland, Romania and Italy. A country of a "moderate risk" is Spain, and a "safe" country is the Netherlands. To perform a proper analysis of the studied matters related to poverty and social exclusion, it had become necessary to present certain socio-demographic issues of paramount importance, such as population size and the shape of the job market of each country. The demographic situation of the countries participating in the project is presented in Table I.1.

Table I.1. The population of project countries (in millions) and the structure (in percent).

Place of residence	Population (in millions)*	% of men**	% of women**
Estonia	1.3	46.7	53.3
Spain	46.5	49.3	50.7
Netherlands	16.8	49.5	50.5
Poland	38.5	48.4	51.6
Romania	19.9	48.8	51.2
Italy	60.8	48.4	51.6

(*) - data from 01.01.2014

(**) - data from 01.01.2013

Source: Own compilation based on: EUROSTAT (<http://ec.europa.eu/eurostat/data/database>)

The population of each of the three countries: Spain, Poland and Italy exceeds 38 million, these countries can be considered as large and significant in Europe in terms of population. Romania and the Netherlands can be classified as countries with relatively medium sized population, and Estonia would be the smallest - with only 1.3 million inhabitants. These proportions are important when considering the funds spent on social security and the percentage of the population affected by the issues discussed, which translates to a concrete number of people affected.

The unemployment rate in the partner countries of the project ranged from 6.7% in the Netherlands to 26.1% in Spain (see table I.2).

Table I.2. Unemployment by gender (%)

Place of residence	Total	Men	Women
Estonia	8.6	9.1	8.2
Spain	26.1	25.6	26.7
Netherlands	6.7	7.1	6.3
Poland	10.3	9.7	11.1
Romania	7.1	7.7	6.3
Italy	12.2	11.5	13.1

Source: Own compilation based on: EUROSTAT (data for 2013)
(<http://ec.europa.eu/eurostat/data/database>)

In Estonia, the Netherlands and Romania, the unemployment rate was higher among men than among women. In the other three countries the situation is reverse. The national statistics of the countries recorded 49 thousand people were unemployed in Estonia, 600 thousand in the Netherlands and 700 thousand in Romania. In the countries with larger population and the number of the unemployed is larger than 10%, the number is given in millions (Poland 1.8m, Italy 2.8m, Spain 5.6m). Total of all project countries amounted to more than 11.5 million people (6.1 million men and 5.4 million women) (www.stat.ee; www.statline.cbs.nl; www.ine.es; www.stat.gov.pl; www.inse.ro; www.ec.europa.eu/eurostat).

The number of the unemployed is often given next to the number of working people and the employment rate, which pictures the percentage of people aged 15-64 who work. In all countries, with the exception of Estonia, the number of working men exceeded the number of working women. The total for 2013 was more than 73 million working people, almost 41 million of which were men (Table I.3.).

Table I.3. People employed (in millions)

Place of residence	Total	Men	Women
Estonia	0.6	0.3	0.3
Spain	17.1	9.3	7.8
Netherlands	8.3	4.4	3.9
Poland	15.5	8.6	6.9
Romania	9.2	5.1	4.1
Italy	22.4	13.1	9.3

Source: Own compilation based on: EUROSTAT (data for 2013)
(<http://ec.europa.eu/eurostat/data/database>)

The highest employment rate among the countries participating in the project was recorded in the Netherlands (74.3%) (Table I.4.). The second, the most absorbent labour

market, was in Estonia, where the employment rate reaches 68.5%. The lowest value of this index was reported while in Italy (55.6%) and Spain (54.8%).

Table I.4. Employment rate (in percent)

Place of residence	Total	Men	Women
Estonia	68.5	71.4	65.7
Spain	54.8	59.2	50.3
Netherlands	74.3	78.7	69.9
Poland	60.0	66.6	53.4
Romania	59.7	66.8	52.6
Italy	55.6	64.8	46.5

Source: Own compilation based on: EUROSTAT (data for 2013)
(<http://ec.europa.eu/eurostat/data/database>)

The differences in the values are compiled in charts I.1. and I.2.

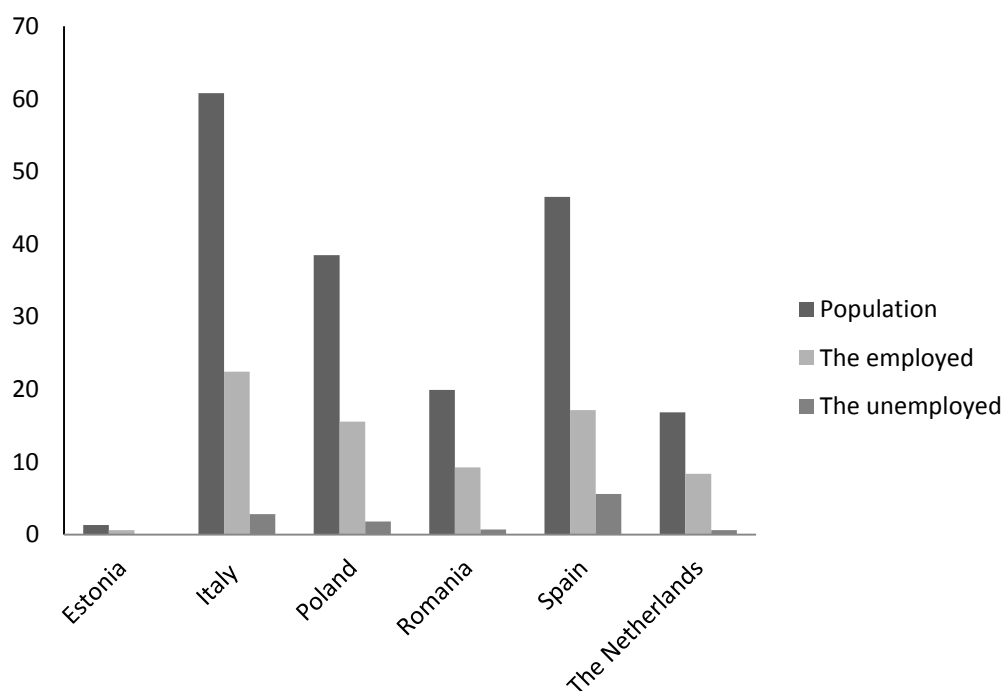


Chart I.1. Population, the employed and the unemployed (in millions)

Source: Own compilation based on: EUROSTAT (data for 2013)
(<http://ec.europa.eu/eurostat/data/database>)

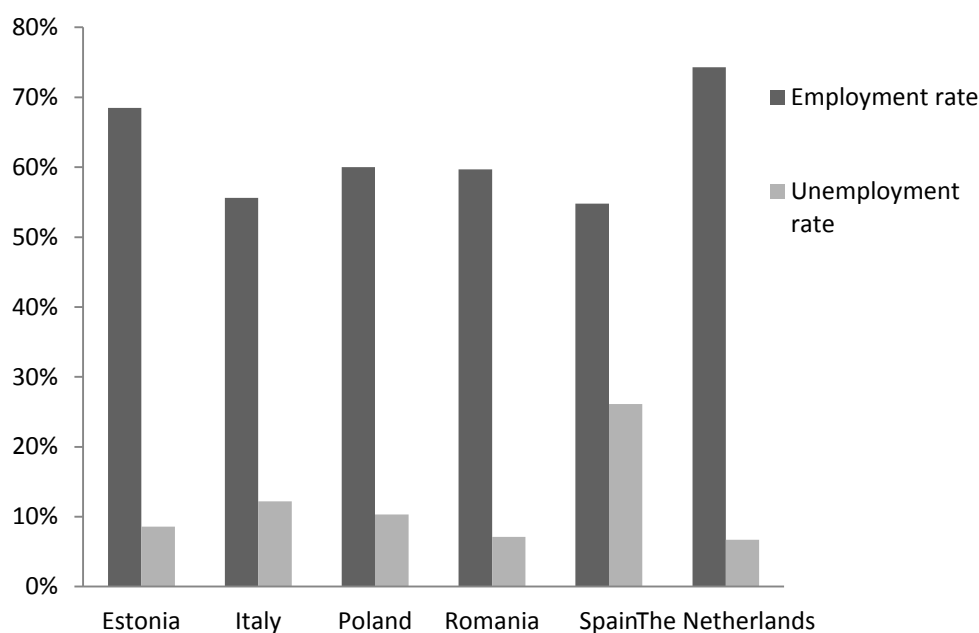


Chart I.2. Employment and unemployment rates

Source: Own compilation based on: EUROSTAT (data for 2013)
(<http://ec.europa.eu/eurostat/data/database>)

Potential employment or the lack thereof, is strictly a matter of qualifications and, to a large extent, formal education. Although the employers declare qualifications and experience as key during recruitment, having particular education may be a factor that helps in getting a job. In the analysed countries, the percentage of people over 25, who had just the lowest education varied from country to country, from 11.5% in Estonia to 53.5% in Spain. Unfortunately, in all countries except for Estonia, it is more often that a woman belonged to this group than a man (table I.5.).

Table I.5. People over the age of 25 who finished primary or junior secondary education (in percent)

Place of residence	Total	Men	Women
Estonia	11.5	13.8	9.3
Spain	53.5	53.0	54.1
Netherlands	30.5	26.1	34.7
Poland	17.2	14.1	19.9
Romania	33.5	27.5	39.1
Italy	52.3	51.0	53.5

Source: Own compilation based on: EUROSTAT (data for 2013)
(<http://ec.europa.eu/eurostat/data/database>)

The demographic structure of households can also impinge on the emergence of the risk of poverty or social exclusion. In many countries, it is underlined that families or single

parents raising children are exposed to these states. Unfortunately, data on the demographic structure is public only in a few countries, and the degree of detail varies, which makes accurate comparison difficult. Data coming from EUROSTAT database determines only the percentage of single parents and the percentage of households with children (Chart. I.3.).

National statistics for Estonia indicate that 41.5% of all families are married couples with children, and parents with children represent 19.3%. 14.9% of people who raise children are single women (*www.stat.ee/rel2011*). In Spain, married couples with children constitute 34.9% of all couples, though the data applies only to married couples with less than three children (3.2% of all marriages). Single mothers stand for 9.4% of all parents. The same percentage is for single fathers (*www.ine.es*). The data for Poland shows that married couples with children represent 67% of all marriages and those with three or more children - 12%. In the group of households ran by single mothers, there is 8% of mothers with three children and 4% with four or more children. In the case of single fathers, those who raise three children are 5% of all single fathers and those who care for four or more children represent 2% of the total. (*Gospodarstwa domowe i rodziny*, 2014, Tab. 16, p. 153). In Romania, married couples with children below 18 y.o. represent 43.2% of all households. Married couples with three or more children are only 3.1%, and single parents 2.6% of the total (A. Cambir *et al.*, 2010). Italian statistical data records only parents who still have children in their care and those with three children are 6.6% of all such parents and in the case of parents raising four or more children: 1% (*www.ec.europa.eu*). There is no such data for the Netherlands.

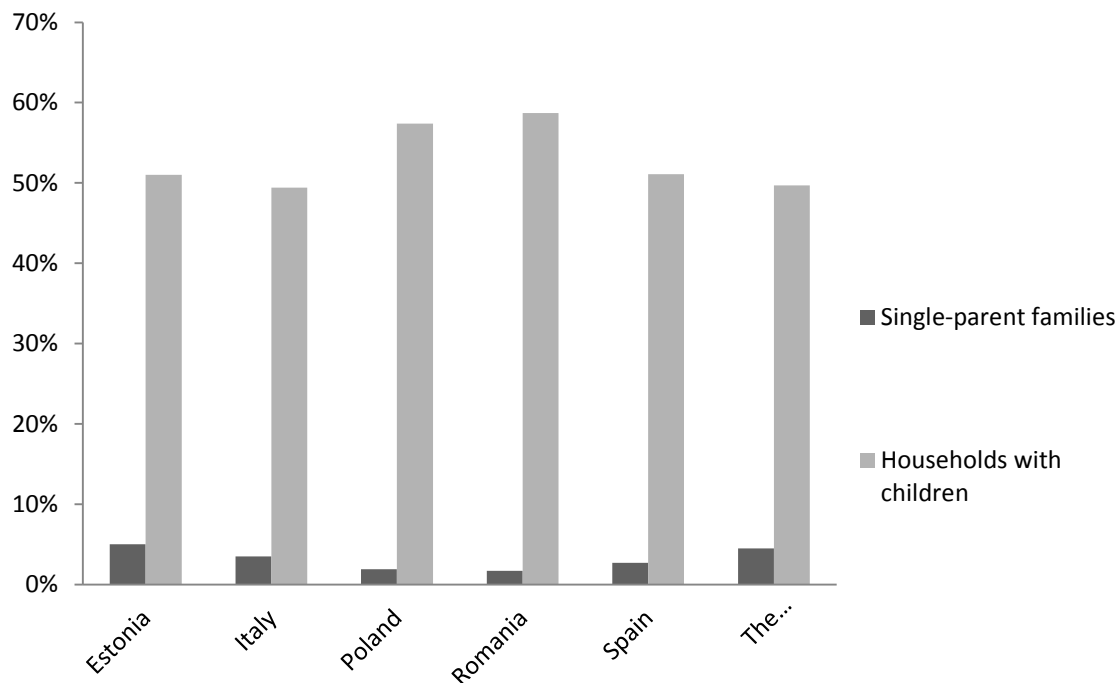


Chart I.3. The percentage of single-parent families and households with children

Source: Own compilation based on: EUROSTAT (data for 2013)
(<http://ec.europa.eu/eurostat/data/database>)

The last of the groups most vulnerable to poverty and social exclusion indicated in the project are members of low income households. Analysing the minimum wages in different countries range is very wide (Table I.6.). The highest minimum salary was recorded in the Netherlands and it was almost 1500 euro. The lowest was in Romania and it was a little over 200 euro. It is worth noting, that in the countries analysed the average wage is two to three times greater than the minimum wage.

Table I.6. Minimum wage (in EUR)

Place of residence	2013	2014
Estonia	320	355
Spain	752.9	752.9
Netherlands	1 477.8	1 495.2
Poland	368.9	404.2
Romania	179.4	205.3
Italy	.	.

(.) - data unavailable

Source: Own compilation based on: EUROSTAT (data for 2013 and 2014
(<http://ec.europa.eu/eurostat/data/database>))

It is worth noting the fact that some households belong to the group low or very low work intensity, which can result in a very low income. In this regard, having children often favours a lower work intensity of such household, although it is not the rule. In the case of very low work intensity, it is more common in households without children (Table I.7.).

Table I.7. Households with a low or very low work intensity (%)

Place of residence	household with children		household without children	
	very low	low	very low	low
Estonia	2.2	2.9	4.6	1.8
Spain	5.2	5.0	7.2	4.2
Netherlands	1.9	2.0	5.8	2.3
Poland	1.9	4.5	5.5	3.3
Romania	1.9	4.2	4.0	1.9
Italy	3.4	4.7	3.5	3.6

Source: Own compilation based on: EUROSTAT (data for 2013)
(<http://ec.europa.eu/eurostat/data/database>)

The total percentage of low and very low work intensity households with or without children was 11.5%. In Spain the percentage reached up to 21.6%. In the Netherlands it was twice as low and amounted to 12%, as in Romania. In Poland and in Italy it was 15.2%.

3. Review of statistical data on poverty and social exclusion

A key determinant of poverty is a specific level of income insufficient to satisfy specific needs and, in certain situations, that puts a person's life at risk. EU statistics most often state that the poverty indicator is at 60% of the median of the equivalent income of households in a particular country. Adoption of such threshold is easy only because it makes it possible to compare each value in e.g. euro, though it's worth mentioning there are other calculations for evaluation of income level².

Table I.8. Value of the equivalent annual income (in EUR)

Place of residence	Average	Median
Estonia	7 846	6 579
Spain	15 635	13 524
Netherlands	23 125	20 839
Poland	5 976	5 164
Romania	2 368	2 066
Italy	17 864	15 733

Source: Own compilation based on: EUROSTAT (data for 2013)
(<http://ec.europa.eu/eurostat/data/database>)

Poverty threshold based on income significantly varies between countries (Table I.8.). In the Netherlands it was 10 times higher than in Romania. Therefore, when talking about poverty, it is worth taking into account definitions adopted in different countries.

In Estonia, poverty is most often defined in the context of the needs and dissatisfaction with these needs going unfulfilled, which relate to the limitations of material resources and standard of living compared to the rest of the society (*Vaesus Eestis*, 2010). Poverty is also treated there as a social phenomenon, which is characterized by a lower level of security and a greater degree of social inconsistency, fewer social rights and the possibility of exercising them (*ibid.*, p. 23). In Spain, in turn, the definition used is based on EU statistics, especially the factor of poverty and social exclusion risk. The definition is used both in government programmes (e.g. *National Plan for Social Inclusion in the Kingdom of Spain for years 2013-2016*), and official public statistics (www.ine.es). According to them, a poor person is someone subject to any of the three situations:

- low income (below 60% of median equivalent income or *per capita* consumption unit)³;

²For example, the Purchasing Power Standard (PPS).

³ In 2012: 6278.70 EUR (www.ine.es).

- being deprived of material possessions⁴;
- living in a household of low work intensity.

Dutch definition of poverty is based on two income thresholds: low income threshold and social policy threshold (so called: budget line). In some cases, subjective sense of poverty is taken into account. Low income threshold is based on the underlying value of social benefit, which is adopted to changes in prices⁵. The threshold of social policy, i.e. the budget line, was established on the basis of the assessment made by the government and social institutions, which pointed out the basic, monthly household needs, which satisfied allow for a decent living⁶. In its design, the budget line is divided into two parts: 1) criterion of basic needs and 2) the criterion of "modest but sufficient." The values defined by the criteria differ and they are also different for different numbers of household members⁷.

In Poland, there are three thresholds used to define poverty:

- relative poverty threshold, defined as 50% of average (equivalent) expenses of households (*Poverty in Poland...*, 2013);
- statutory poverty threshold, which is an amount giving the eligibility to apply for social benefits according to current *social assistance act* (2004). The amount varies depending on the composition of the household⁸.
- extreme poverty threshold (minimum subsistence level), sets a point of needs satisfaction at a level below which there is a biological threat to life and to physical and mental development of a human being. This value is calculated by the Institute of labour and Social Affairs (*IPiSS*).

The poverty threshold in Romania is defined similarly to European Union values, as an income below 60% of median average income. The relative poverty rate is the percentage of people with less than 60% of the equivalent of income available by adults in relation to the income of the whole population. Absolute poverty is defined as a state in which one is not able to fill a basket of minimum consumption goods. The rate of absolute poverty is defined as the percentage of people whose equivalent expenditure on consumption is lower than the threshold of absolute poverty in the whole population. This threshold is determined as the income band without any social benefits received by a household⁹.

⁴Compare footnote 1.

⁵In 2012, for 1 person - 990 EUR; 2 adults + 3 children - 2030 EUR (multiplier 2.6); 1 adult + 3 children - 1740 EUR (multiplier 1.76).

⁶In 2012, 1042 EUR.

⁷In 2012, for 1 person - 952 EUR per month for the first criterion and 1042 EUR for the second; 2 adults + 0 children - 1300 EUR and 1430 EUR; 2 adults + 2 children - 1790 EUR and 1930 EUR; 1 parent + X children - 1440 EUR and 1570 EUR. Moreover, in the Netherlands, there's a social minimum entitling to subsistence benefits if a household has income equal or lower than: 890 EUR / 1person, 1530 EUR / 2 adults + 2 children, 1430 EUR / 1 adult + X children.

⁸In a 1 person household, in 2014, the thresholds for extreme, relative and statutory poverty were: 551 PLN (129,27 EUR) 706 PLN (165,63 EUR) 574 PLN (134,66 EUR) per person in a family or 664 PLN (155,78 EUR) per person in family raising a child with disabilities. In a 4-person household: 1486 PLN (348,63 EUR), 1906 PLN (447,17 EUR), 1824 PLN (427,93 EUR). The currency conversion rate for the end of 2014, 1 EUR = 4,2623 PLN.

⁹In 2010, the absolute poverty threshold reached 279.60 RON (65.10 EUR) / 1 person, 121.49 EUR / 2 people. The relative poverty threshold was: 117.23 EUR (1 person) and 175.85 EUR (2 persons).

In Italy, like in Romania, there are two accepted definitions of poverty: relative and absolute. The first one is calculated on the basis of the agreed threshold of poverty, identifying the value of consumer spending¹⁰. Absolute poverty is defined on the base of the poverty threshold which corresponds to the minimal monthly expenditure, which are necessary for the acquisition of the, so-called, basket of goods and services. The threshold value differs depending on the region¹¹.

Table I.9. At-risk-of-poverty rate (60% of median equivalent income after transfer of social aid)

Place of residence	Total	Single with children	Child under 18	Two adults with:		
				1 child	2 children	3 or more children
Estonia	18.5	39.8	18.1	13.0	13.4	18.9
Spain	20.4	38.0	27.5	18.8	22.9	39.4
Netherlands	10.4	20.1	12.6	6.5	4.7	20.1
Poland	17.1	29.5	23.2	11.6	17.2	37,3
Romania	22.3	31.3	32.1	15.2	22.8	60.6
Italy	19.1	35.9	24.8	13.5	22.3	38.1

Source: Own compilation based on: EUROSTAT (data for 2013)
(<http://ec.europa.eu/eurostat/data/database>)

The risk of poverty is most often considered in the context of the composition of the household. Large families and single parents are particularly vulnerable to poverty. The at-risk-of-poverty rate in these countries varies from 10.4% in the Netherlands to 22.3% in Romania. The average for the European Union is 16.6%. Poverty threat to large families is most significant, the risk of poverty there is two times (in Romania three times) higher than the average for the country (from 20.1% to 60.6%). In the case of single parents, every third of them might be affected by this condition. The exception here is the Netherlands, where every fifth single parent fostering a child can be exposed to poverty.

¹⁰In 2013, 972.52 EUR for 2 people (average monthly level of expenditure).

¹¹For a person living in the northern part of Italy in a metropolitan area it is 820.19 EUR, for 2 persons from small towns it is 977.59 EUR; for a person living in the South, in the metropolitan area: 602.81 EUR, for two persons it is 859,00 EUR (ISTAT, 2014).

Table I.10. At-risk-of-poverty rate by education

Place of residence	Primary or lower secondary	Upper secondary or post-secondary	Higher
Estonia	28.5	19.1	9.3
Spain	29.5	18.9	8.8
Netherlands	12.0	12.2	8.7
Poland	32.5	18.0	4.9
Romania	43.0	16.6	1.7
Italy	27.3	15.5	7.7

Source: Own compilation based on: EUROSTAT (data for 2013)
(<http://ec.europa.eu/eurostat/data/database>)

Analysis of the phenomenon of poverty based on demographic and social factors requires an educational perspective. When interpreting data available in the EUROSTAT, it is important to remember that education is only a tool whose purpose is to provide income security to an educated person. In other words - high education should result in getting a better paid job. In the case of primary education or lower secondary¹², the percentage of people at risk of poverty in the group ranges from 12% in the Netherlands to 43% in Romania. Completing secondary or post-secondary education practically reduces poverty risk by 10-26% (Netherlands being an exception here). In a group of people with higher education, the risk of falling into poverty is the lowest though it differs significantly from country to country (from 1.7% in Romania to 9.3% in Estonia). It may be a result of varying popularity of higher education¹³, and general situation of people with higher education in the job market¹⁴.

Table I.11. At-risk-of-poverty rate before receiving social aid

Place of residence	Total	Children under 18
Estonia	25.4	27.5
Spain	30.0	38.0
Netherlands	20.8	23.9
Poland	23.0	29.9
Romania	27.8	40.0
Italy	24.6	33.6

Source: Own compilation based on: EUROSTAT, data for 2013
(<http://ec.europa.eu/eurostat/data/database>)

¹²Equivalent to Polish gimnazjum.

¹³In 2013, in Estonia, 33% of population had higher education, in Romania it was 14%. For comparison: the EU average was at 25.3%. In Spain it was 30.9%, the Netherlands - 29.3%, Poland - 22.6%, Italy - 14.4%. EUROSTAT (data for 2013) (<http://ec.europa.eu/eurostat/data/database>)

¹⁴The analysis is not the subject of the report, however, it highlights it's importance and the need to take this factor into account in further study.

Social aid transfers, i.e. cash transfers received by households during an income reference period, intended to reduce financial burdens associated with unforeseen circumstances or needs, made as a part of organised processes within social security system, or without by state institutions or non-profit organisations acting in support of households (<http://stat.gov.pl/metainformacje>), are to some degree reducing poverty. These transfers include: family allowances, housing allowances, unemployment benefits and those associated with age and benefits related to social exclusion. Despite such diversity, these transfers have a significant role in reducing poverty. Comparing the at-risk-of-poverty rate before social transfers (all) you will clearly see their impact in reducing poverty (Chart I.4.). Depending on the country, transfers reduce the poverty threat by 5.5% (Romania and Italy) to 10.4% (Netherlands).

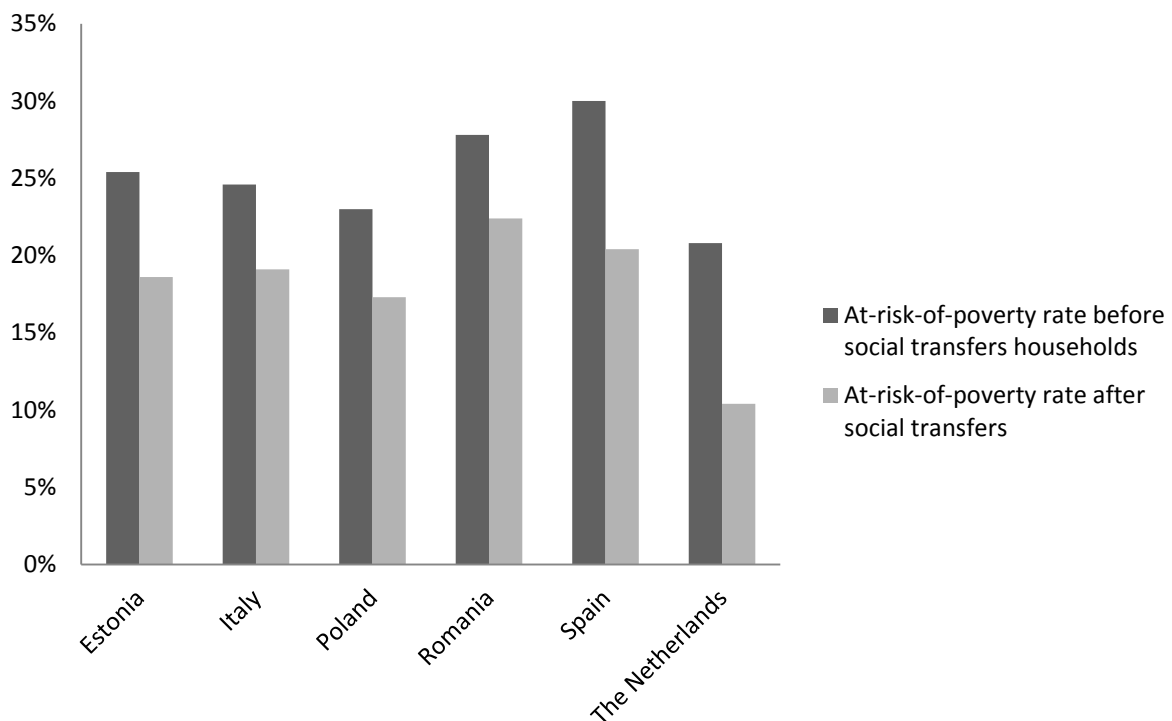


Chart I.4. Comparison of at-risk-poverty rate before and after social transfers households (total)

Source: Own compilation based on: EUROSTAT (data for 2013)
(<http://ec.europa.eu/eurostat/data/database>)

Social transfers, despite they mainly address issues related to age and inability to work, provide assistance to the young as well. Children under 18 deprived of support are more vulnerable to poverty than the average vulnerability rate for each country. In the Netherlands, almost every fourth child, in a household that does not receive the transfers, would be vulnerable to poverty. In Romania, the index may be relevant to as many as 40% of them. The difference, which prevents these transfers is higher among children than in households and ranges from 6.7% in Poland to 11.3% in the Netherlands (Chart I.5.).

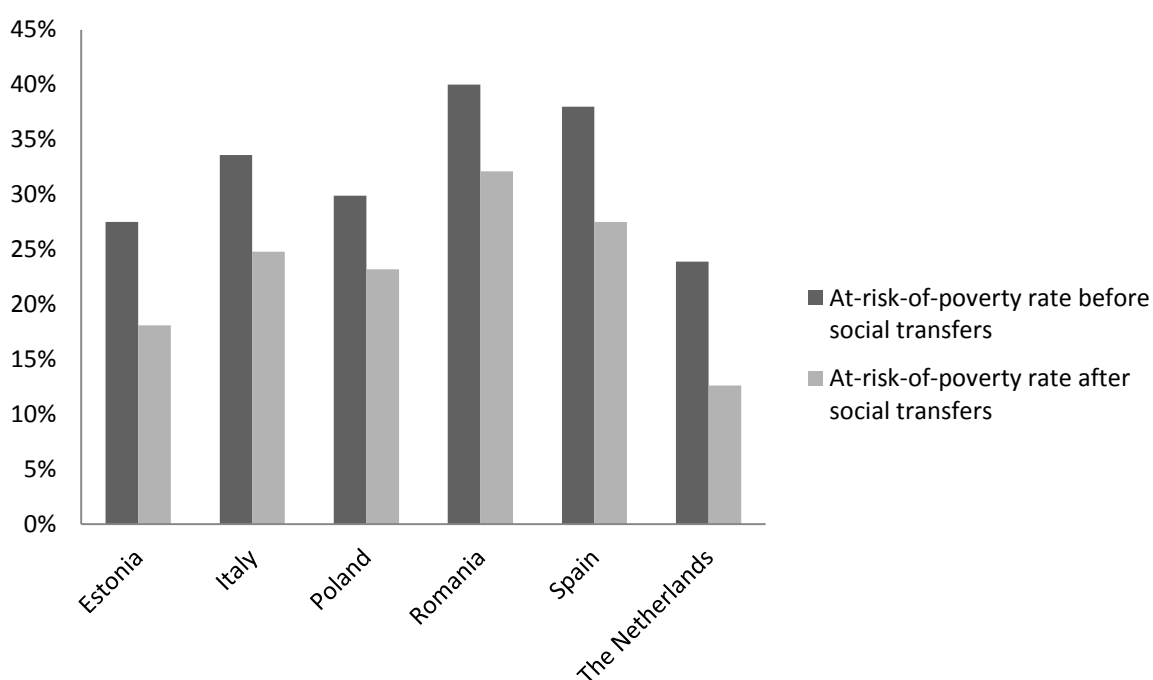


Chart I.5. Comparison of at-risk-of-poverty rate before and after social transfers households among children under 18 y.o.

Source: Own compilation based on: EUROSTAT (data for 2013)
(<http://ec.europa.eu/eurostat/data/database>)

Unfortunately, poverty is often not a transitional state, but may affect a person or a household for extended periods of time. It is noticeable in situations of a permanent lack of income (long-term unemployment) or in the event of long-term work inability. By comparing poverty and long-term poverty indexes it can be concluded that more than a half of households at risk of poverty are under a long-term risk (Table I.12., compare Table I.9.). The percentage of households where poverty is not temporary is almost 6% in the Netherlands and 18% in Romania.

Table I.12. Long-term at-risk-of-poverty rate

Place of residence	Total	Children under 18
Estonia	9.3	7.9
Spain	12.1	17.6
Netherlands	5.8*	6.4*
Poland	10.7*	14.2*
Romania	18.2*	31.2*
Italy	13.2	19.7

Source: Own compilation based on: EUROSTAT (data for 2013, [*]2012)
(<http://ec.europa.eu/eurostat/data/database>)

Table I.13. At-risk-of-poverty rate in low work intensity households

Place of residence	Aged 18-59 years	Children under 18
Estonia	9.0	6.6
Spain	16.3	13.8
Netherlands	10.5	6.4
Poland	7.8	5.0
Romania	6.9	4.8
Italy	12.0	7.9

Source: Own compilation based on: EUROSTAT (data for 2013)
(<http://ec.europa.eu/eurostat/data/database>)

Lack of paid work or significant limit to work ability make household cash inflow limited which results in a significant deterioration of material status (Table I.13.). The low intensity of work¹⁵ causes poverty in 7% (Romania) to 16% (Spain) of households in the analysed countries. The scope can be explained by different economic situation of each country¹⁶.

Table I.14. Poverty or social exclusion risk

Place of residence	Total	Men	Women
Estonia	23.5	22.5	24.4
Spain	27.3	27.9	26.7
Netherlands	15.9	14.9	16.9
Poland	25.8	25.5	26.2
Romania	40.4	39.4	41.3
Italy	28.4	27.2	29.6

Source: Own compilation based on: EUROSTAT, data for 2013
(<http://ec.europa.eu/eurostat/data/database>)

Poverty and social exclusion risk index is the primary indicator of the implementation of the Europe 2020 Strategy (Table I.14.). It determines the percentage of people at risk of poverty or extreme deprivation material¹⁷ or people in households with very low work intensity (*Ubólstwo w Polsce...*, 2013, s. 44). People at risk of poverty or social exclusion are taken into account in estimating the value of this index only once, even if they are affected by two or all three of the symptoms. Index values are higher when compared with index with just the poverty risk considered.

¹⁵When adults aged 18 to 59, work less than 20% of their total work potential.

¹⁶Romania is a country where more than 30% of the workforce is employed in agriculture, while in Spain the rate is ten times lower. Have the data from Table I.2. in mind as it provides official unemployment statistics.

¹⁷Compare footnote 1.

The lowest value of the poverty and social exclusion risk index, and thereby the smallest proportion of people at risk was observed in the Netherlands (15.9%). That was 5% more than just the poverty risk. Similarly in Estonia, where almost every fourth person was at risk of poverty or social exclusion (just poverty was 5% less). In Spain, this difference amounted to almost 7%, 8.7% in Poland and in Italy over 9%. The biggest difference has been reported in Romania, where about 18% more people were at risk of poverty and social exclusion than to poverty alone. It is worth noting that with the exception of Spain, the index in analysed countries was higher for women than for men.

Chapter II

Research on poverty and social exclusion

1. Research methodology

Poverty and social exclusion are interrelated phenomena, the poverty is one of the elements that leads to exclusion and included in the concept of social exclusion.

A complete analysis of poverty and social exclusion carried out during this study showed economic elements in the context of overcoming exit barriers and reaching desired economic goals among people in poverty or those socially excluded, or at risk of both phenomena.

The social nature of both phenomena brought the situational context forward, both the individual and the institutional, though this second dimension (i.e. institutional) was analysed in a separate research on the functioning of social security models (Figure II.1).

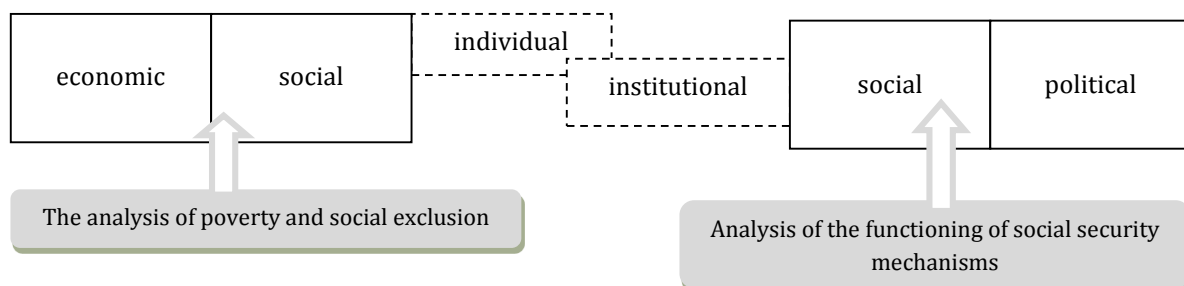


Figure II.1. Analysis of the areas of poverty and social exclusion, coupled with the analysis of the functioning of social security mechanisms

Source: Own research.

Research Problem

The main problems of the study were: insufficient in-depth and up-to-date knowledge of economic and social aspects of causes and characteristics of poverty and social exclusion among the most vulnerable groups; exit mechanisms and obstacles to overcome them.

The main problem was refined to the following diagnosed cognitive loopholes:

1. lack of in-depth and up-to-date knowledge of the economic and social aspects of poverty and social exclusion;
2. insufficient recognition of direct and indirect causes of poverty and social exclusion and of being at risk;
3. insufficient knowledge of individual and social capital of the poor and socially excluded or at risk thereof;
4. poor understanding of remedial mechanisms or specific strategies against poverty and social exclusion by persons affected or at risk;
5. poor understanding of the role of entrepreneurship in possible exit from poverty and social exclusion or mitigating the risk thereof;
6. insufficient knowledge of obstacles preventing poverty exit or social re-inclusion;
7. lack of knowledge on the relationship between those affected or at risk of poverty and social exclusion, on the one hand, and the aiding institutions, on the other hand.

Research objectives

The research objectives were aligned with the diagnosed research themes and presented in a similar structure.

The main objective of the study was: to gain in-depth and up-to-date knowledge of the economic and social aspects of causes and characteristics of poverty and social exclusions among the most vulnerable groups; exit mechanisms and obstacles to overcome them.

The main objective was achieved by meeting the following specific objectives:

1. acquisition of in-depth and up-to-date knowledge of the economic and social aspects of poverty and social exclusion;
2. recognition of direct and indirect causes of poverty and social exclusion and of being at risk;
3. acquisition of knowledge of individual and social capital of the poor and socially excluded or of those at risk thereof;
4. understanding of remedial mechanisms or specific strategies against poverty and social exclusion by persons affected or at risk;
5. understanding of the role of entrepreneurship in possible exit from poverty and social exclusion or in mitigating the risk thereof;
6. acquisition of knowledge of obstacles preventing exit from poverty or social re-inclusion;
7. acquisition of knowledge on the relationship between those affected or at risk of poverty and social exclusion, on the one hand, and the aiding institutions, on the other hand.

Research hypotheses

Based on the literature and available research on the subject, the main hypothesis was stated, it implied that:

Poverty and social exclusion is caused by variety of economic and social factors which condition in different extent, depending on the degree of their influence, social inclusion and the entry and exit from the poverty.

The review was based on the verification of the following auxiliary hypotheses:

H₁: Among the general economic factors affecting poverty and social exclusion, the key role is played by income lower than the average income in a given country.

H₂: Among the primary economic factors affecting poverty and social exclusion, the main reasons are job loss, the necessity of sharing income among a larger number of household members, or a household is sustained by only one person who generates income from work.

H₃: Among the general social factors affecting poverty and social exclusion, the key role is played by low education, disability or living in a rural area or a small town.

H₄: Among the primary social factors affecting poverty, the key factor is the lack of problem-tackling skills in risky situations, among others, the absence of entrepreneurial skills.

H₅: Poor and socially excluded people, and those vulnerable to those situations, have specific, practical suggestions of change in the operation of aid institutions.

Operationalization of research variables

The research topic described with objectives and theses was operationalized to selected categories of research variables highlighted as main variables and detailed variables. The main variables and the corresponding detailed variables:

1. Economic occurrences of general nature that affect poverty and social exclusion
 - 1.1. Economic problems of the country;
 - 1.2. Problems in the labour market;
 - 1.3. Problems in accessing aid institutions (malfunctioning system of aid and social security).

2. Economic occurrences of individual nature affecting poverty and social security
 - 2.1. Means of livelihood and source of income;
 - 2.2. Limited ability of income management;
 - 2.3. Debt or no savings resulting in a feeling of loss of economic security;
 - 2.4. The inability to satisfy basic life needs;
 - 2.5. Helplessness or incapability of dealing with an unfavourable material situation.

3. Social phenomena of general nature that affect poverty and social exclusion
 - 3.1. The perception of poverty and social exclusion by members of the public;
 - 3.2. The perception of low education, disability or life in rural areas or small towns as barriers.

4. Social phenomena of individual nature affecting poverty and social security
 - 4.1. Experiencing discrimination;
 - 4.2. Low level of individual capital: education, work experience, qualifications and skills, no desire to increase them, to use formal and informal forms of learning;
 - 4.3. Low level of social capital: contacts with members of the local community and family, trust in public institutions and the possibility of receiving assistance;
 - 4.4. Psychological barriers to social integration: bad mental state, addiction, lack of life satisfaction, sense of helplessness;
 - 4.5. Using individual and institutional support;
 - 4.6. The attitude towards aid institutions.

Research tool

The tool used to carry out the research was an in-depth interview questionnaire with elements of a survey questionnaire.

The first type of a research tool implied an interview where test subject's answers were of a narrative character, deepened by the supporting questions asked by the interviewer. The descriptive answers allowed for drawing conclusions on the respondents' individual situation, their opinions and position on the key issues. The use of survey elements within the framework of the interview sketched a situational context of the test person without the need for conclusions from the answers in the general part.

IN-DEPTH INTERVIEW QUESTIONNAIRE WITH SURVEY ELEMENTS FOR THE ANALYSIS OF POVERTY AND SOCIAL EXCLUSION

INTRODUCTION

- ✓ *General presentation of the subject to a respondent - purpose and rules of the test (in-depth interview with elements of survey completed at the end of the interview).*
- ✓ *Informing the respondent that the interview is recorded and ensuring him/her of complete confidentiality and anonymity.*

[Note: if the respondent does not give consent to the recording of the interview, their answers should be written down in detail]

BIOGRAPHY OF THE RESPONDENT

- ✓ *The potential information gathered here is: respondent's age, their family situation, household headcount and composition, educational background, career and disability.*

1. Please briefly describe yourself and your family (give your age, education, professional career). Are you disabled? What type of household do you live in (farm, worker's, pensioner's, other)? How many members lives in your household? Are there any children? How many?

GENERAL ECONOMIC SITUATION OF THE RESPONDENT

- ✓ *The potential information gathered here is: respondent's perceptions of his/her country's economic problems, problems on the job market, access to aid institutions.*

1. Please describe your view on the current economic situation of your country. Are there noticeable problems on the labour market? If so, please indicate which ones relate to you.
2. Have you noticed any problems with accessing aid and social security institutions? In your opinion, do they operate in a faulty way? How does this affect your life? Can the way they operate be improved?

INDIVIDUAL ECONOMIC SITUATION OF THE RESPONDENT

- ✓ *The potential information gathered here is: means of livelihood of the respondents and their household members, means of generating income and ways of income expenditure, financial situation of the respondent and his/her household and the degree of needs satisfaction.*

1. What do you do for a living? Does this job provide a salary? If yes, under what terms and how many hours? Do you benefit from financial assistance provided by aid institutions or persons? If yes, is it a significant portion of your budget?
2. Does your household ever run out of money? Are there any needs that are constantly unsatisfied? What do you do in such a situation? Have you ever had to make a large

expenditure to satisfy a very important need (e.g. to save your own, or your family member's, health or life)? If yes, what resources did you use?

3. Is your household in debt? If not, do you have any savings? Do you have a sense of financial security? If not, are you doing anything to deal with the difficult material situation of your household?

GENERAL SOCIAL SITUATION OF THE RESPONDENT

✓ *The potential information gathered here is: perception of poverty and social exclusion in the respondent's environment, perception of the poor and excluded from the perspective of several social factors - low education, disability, living in a rural area or a small town.*

1. How would you define poverty and social exclusion? How do you describe these occurrences in your community?
2. Do education, disability, living in a rural area or a small town affect poverty and social exclusion? What is your experience in this regard? Does it apply to you? If yes, how? Do you feel that you live in an unfavourable environment which is difficult to escape from?

INDIVIDUAL SOCIAL SITUATION OF THE RESPONDENT

✓ *The potential information gathered here is: experience of discrimination on grounds of poverty or risk of poverty; experience of social exclusion; barriers preventing integration of the respondent in the society.*

✓ *Information on the respondent's individual capital (skills and qualifications, views on their improvement via formal, non-formal and/or informal education) and social capital (character and frequency of contact with other members of the society, family, friends, aid institutions and trust in them).*

✓ *Information on the use of aid provided by others (individuals or institutions).*

1. Have you experienced discrimination in any form and for any reason? If so, please describe these experiences. What was the form of discrimination and what were the reasons? Do you feel discriminated?
2. What skills and professional qualifications do you possess? Are they useful? Do you think they can play a key role in improving your material situation? Are you interested in improving them? If so, in what way (formal education, informal, non-formal)?
3. Would you like to run your own company? If so, what is the most important barrier stopping you from starting a business? What do you reckon: is it better to run your own company or be employed? Does running a business require any specific skills, do you need to complete any courses or training? Do you have these skills?
4. How do you describe your contacts with the society? Whom do you stay in touch with (family, friends, acquaintances, neighbours, strangers)? Do you have a sense of loneliness and alienation?

5. How do you make contact with public aid institutions (aid centres, public offices, etc.)? What are those institutions? How often do you contact them? What are the reasons for the contact? Do you trust them? Have any of these institutions provided aid to your family/relatives?
6. Are you happy with your current life and the current situation of your household? If not, please explain why. Was life better in the past? If so, when was that? How do you see your future? Are there any problems with addictions in your immediate environment? What could possibly change your current life situation for the better?

SURVEY QUESTIONS

1. Please indicate the main and additional sources of livelihood in your household?

	Main	Additional
contract work	<input type="checkbox"/>	<input type="checkbox"/>
farm	<input type="checkbox"/>	<input type="checkbox"/>
self-employment	<input type="checkbox"/>	<input type="checkbox"/>
retirement or invalidity pension	<input type="checkbox"/>	<input type="checkbox"/>
other social assistance benefits	<input type="checkbox"/>	<input type="checkbox"/>
unemployment benefits	<input type="checkbox"/>	<input type="checkbox"/>
gifts, alimony and other income	<input type="checkbox"/>	<input type="checkbox"/>

2. Are you unemployed?

- No
- Yes, for (how long?)

3. How much was the total net income in the previous month in your household?

.....

[Note: If the respondent refuses to disclose their income, you should ask for a range]

- below the social assistance eligibility
- above the social assistance eligibility threshold and below the national average earnings
- above the national average earnings

4. How do you evaluate the financial situation of your household?

- very good
- good
- average
- rather bad
- bad

5. Compared to the previous year, your livelihood:

- has improved a lot [Note: go to question 7]
- has improved a bit [Note: go to question 7]
- has not changed [Note: go to question 7]
- has deteriorated a bit
- has deteriorated a lot

6. What was the reason for the drop in income?

- job loss
- change in earnings or the number of working hours
- inability to work due to illness or disability (including a member of the family)
- maternity leave, parental leave, the need to stay at home with a child
- retirement
- disintegration of the marriage/relationship
- other change in household composition
- other reason:

7. Is your regular income sufficient to meet current needs?

- Yes
- No

8. Are you able to satisfy the following needs?

	Yes	No
8.1. a recreational trip for all household members	<input type="checkbox"/>	<input type="checkbox"/>
8.2. covering an unexpected expenditure of 1/3 of the national average salary	<input type="checkbox"/>	<input type="checkbox"/>
8.3. having a car	<input type="checkbox"/>	<input type="checkbox"/>
8.4. visit to a specialist doctor	<input type="checkbox"/>	<input type="checkbox"/>
8.5. eating meat, poultry, fish (or vegetarian equivalent) every second day	<input type="checkbox"/>	<input type="checkbox"/>
8.6. timely payment of financial commitments	<input type="checkbox"/>	<input type="checkbox"/>
8.7. appropriate heating of the household	<input type="checkbox"/>	<input type="checkbox"/>

9. Do you take the following actions to satisfy current needs?

[Note: If you selected Yes for responses other than 9.6, go to question 12]

	Yes	No
9.1. I use accumulated savings	<input type="checkbox"/>	<input type="checkbox"/>
9.2. I sell assets or I pawn them	<input type="checkbox"/>	<input type="checkbox"/>
9.3. I limit current needs	<input type="checkbox"/>	<input type="checkbox"/>
9.4. I borrow money	<input type="checkbox"/>	<input type="checkbox"/>
9.5. A member of the household takes up additional work	<input type="checkbox"/>	<input type="checkbox"/>
9.6. I look for help of relatives, friends, support institutions [Note: If Yes, go to question 10]	<input type="checkbox"/>	<input type="checkbox"/>

9.7. I take other actions	<input type="checkbox"/>	<input type="checkbox"/>
9.8. I don't do anything in this respect	<input type="checkbox"/>	<input type="checkbox"/>

10. What is the form of aid your household receives from outside?

- financial
- material items
- services

11. What is the significance of the outside aid received?

- high
- medium
- low

12. Which term best characterizes the situation of your household:

- I can afford some luxury
- there is enough money for many things without having to save up money
- enough money for current expenditure, but we have to save up for major purchases
- you need to manage every day spending very sparingly
- not enough even for basic needs

13. Does your household have?

- savings
- debt

14. If so, what is their total value?

[Note: select both for the evaluation of savings and debt]

- up to a monthly income of the household
- above the monthly income - up to a 3-month income of the household
- above the 3-month income - up to a 6-month income of the household
- above the 6-month income - up to a yearly income of the household
- above the one-year income - up to a 3-year income of the household
- above the 3-year income of the household
- it is difficult to assess

PERSONAL INFORMATION

1. Place of residence

- city:
 - less than 20k inhabitants
 - 20k - 50k inhabitants
 - 50k - 100k inhabitants
 - 100k - 500k inhabitants
 - more than 500k inhabitants

village

2. Household composition:

a single person

a couple in marriage/relationship without dependent children

marriage/relationship with:

1 child

2 children

3 or more children (total number of persons in the family is:.....)

single parent with a child/children

3. Education (highest level of education attained):

higher

post-secondary education

secondary:

vocational

general

vocational

grammar school / junior secondary

elementary

incomplete elementary / no education

4. Gender:

female

male

2. Information about the research

The research on poverty and social exclusion were conducted between November 1st 2014 and March 31st 2015 in all six countries participating in the project. For the research, the in-depth survey with part of a questionnaire was used. The total number of surveys was 90 - 15 in each country. In order to participate in the research, at least one of the following had to be true for the respondent: the person was unemployed, had low level of qualifications or education, raised a child alone, was the head of the family with many children, was a member of household with low income which entitled for social aid. In

majority, respondents agreed to recording of the interview, but in some cases they refused to fill in some points of the questionnaire.

Analysing metrical data of 90 respondents, the largest group was of people living in cities with population between 100k and 500k of people (Table II.1). In total, the percentage of people from such cities was 44%. Every fifth respondent lived in a city with population bigger than 500k while every thenth respondent – in a rural area. The smallest number of respondents came from cities with population smaller than 20k people (a little more than 1%).

Table II.15. The structure of respondents according to place of living

Place of living	Number	Percentage
city*	7	7,8
up to 20k	1	1,1
20k – 50k	3	3,3
50k – 100k	9	10
100k – 500k	40	44,4
above 500k	19	21,1
village	11	12,2

(*) in some of the questionnaires the respondents indicated only a town without providing information about the size of this town

Source: own elaboration based on research results

Majority of respondents were women, 61 (almost 68% of all respondents). Only 29 men took part in the research (Table II.2).

Table II.2. The structure of respondents according to sex

Sex	Number	Percentage
Woman	61	67,8
Man	29	32,2

Source: own elaboration based on research results

One of the factors qualifying a person to the target group was the status of an unemployed person. Among the responders, 61 people remained jobless, while 29 reported having employment (Table II.3).

Table II.3. Structure of respondents according to their status on labour market

Status on labour market	Number	Percentage
unemployed	61	67,8
employed	29	32,2

Source: own elaboration based on research results

The second factor determining if a person belongs to the target group was the low level of education. Among respondents, every fourth person didn't finish elementary education (Table II.4). In total, the respondents with maximum secondary education accounted for over 54% of all respondents.

Table II.4. Structure of respondents according to their education level

Educational level	Number	Percentage
higher	24	26,7
post-secondary education	10	11,1
secondary *:	11	12,2
vocational	8	8,9
general	4	4,4
vocational	8	8,9
grammar school / junior secondary	15	16,7
elementary	10	11,1
incomplete elementary / no education	24	26,7

(*) in some of the questionnaires the respondents indicated only certain level of education without providing information about the type of this education

Source: own elaboration based on research results

Another factor causing a higher risk of poverty and social exclusion and at the same time about belonging to the target group was the structure of the household. Single parents and large families (three or more children) were almost 1/3 of the participants of the research (Table II.5).

Table II.5. Structure of respondents according to the members of the household

Members of household	Number	Percentage
single person	36	40
couple / without children	10	11,1
couple/ with children:		
with 1 child	12	13,3
with 2 children	5	5,6
with 3 and more children	10	11,1
single parent	17	18,9

Source: own elaboration based on research results

The last factor deciding about belonging to the target group was low income. Income on a certain level decided about the possibility of taking advantage of social aid. It should be kept in mind, that in the countries of research, there are three different currencies (euro, Romanian lei and Polish zloty), which makes it impossible to make a direct comparison between the amounts. In the countries with euro, the most numerous group were respondents making between 500 and 1000 EUR per month in their households. In case of Poland and Romania it is not possible to point a dominant of income because of low number of observations. Because the system of answers to this question allowed for declaration of a precise value of monthly income for the whole household or one out of three verbal assessments, it is not possible to present the full dispersion pattern of value of income. Most of the income earned by researched households didn't allow for satisfying the basic needs of their members. More detailed presentation of income situation of researched households can be found in chapter III.

Chapter III

Presentation of the results of the research conducted among people at risk of poverty and social exclusion and those affected by these conditions.

1. Economic situation in opinion of respondents – data from interviews

The economic situation of respondents was described, in the first place, using the data gathered during in-depth interviews. It was the main source of information used to describe in considerable detail the economic and social condition of the people surveyed. In the second place, the respondents could complete the questionnaire, which allowed to summarize and clarify answers, but also to verify them, because of the deliberate repetition of certain matters of which the respondents spoke. Assessment of their economic situation was investigated both objectively (the amount of income generated), as well as subjectively (sense of the satisfaction of needs). Results obtained in each country varied considerably, although they overlapped with the assumptions made at the beginning of the project (i.e. countries with "high risk", "moderate risk" and "safe").

Estonia

The economic situation of Estonian respondents was largely due to political and structural changes taking place in the country and directly in the economy. Many years of inclusion in the structures of the Soviet Union and the total economic dependence caused, at the time of regaining independence, far-reaching changes in the system of functioning of the state and the need to create new structures, both public and economic. These

changes meant that some employees, regardless of their profession, lost jobs. A factor that particularly hampered the integration of the new labour market was a language barrier resulting from different nationalities and - what is common to all economies and citizens irrespective of language - the difficulty of retraining.

I became unemployed when our daily newspaper in Russian language was closed because of bankruptcy but really Estonian media wanted to gain all money from advertisement and not to share with media in Russian language. I had to retire before official date and because of that I lost quite a lot of pension money. I tried to find a job after retirement but it was not possible, almost all media in Russian were liquidated [...]. My husband earns money, my father has pension and I have garden in our summer house, so we have own vegetables and fruits and do not buy them in the shops [...]. I used to be proof reader and editor in the daily newspaper and I can't find a job with my professional qualification in Estonia. I am too old to go somewhere else to work and to do something different than I did before. [Woman, aged 59]

I have no job for more than 10 years and I do not exist on any paper. I lost my job when many newspapers in Russian language were closed in Estonia [...]. I write articles and sometimes have small money from them. I don't have any financial assistance from Estonian institutions [...]. Only my wife has a job from time to time as a cook and this helps us to survive. Also my father has pension and helps us. We have small summer house and have own potatoes and apples. [Man, aged 59]

I am an engineer and worked for many years in Tallinn harbor but when Estonia became independent, most of non-Estonians lost their jobs, also me. Since then, I can't find a job. I didn't try to learn other profession, I only tried to improve my skills in painting. I draw pictures and once organized exhibition (with my husband's money) but I can't sell my pictures [...] We try to make savings but it is very difficult because we have to cover many unexpected costs. Sometimes we use bank loans. [Woman, aged 56]

The no need for concrete skills and qualifications of respondents related not only to Russian-language speaking part of society but also the Estonians. The processes of globalization, which largely relies on mergers of economic entities in single, large organizations was the reason why smaller organisations lost their position on the market because they were unable to compete as far as the prices or resources were concerned, with the larger ones.

I was self-employed and did designing works for small companies or individuals but now they cannot afford design from professionals for money and big clients are going to big designing companies but not to self-employed professionals. So, slowly I lost all my clients and now I am at home without job and I am not registered as unemployed. My husband is the only one who earns money for family. [Woman, aged 57]

Difficulties in adapting to free market conditions at the beginning of the independence of Estonia have been intensified with the appearance of the crisis on the financial markets, which all economies of the world are facing for several years. Unemployment, difficulty in

getting a new job and the lack of sufficient income make situation difficult for people who are no longer sufficiently mobile, also because of their age.

I lost my job seven years ago when I was sick: company was closed because of economic crisis and I can't find a new job after that. The main problem is age [...]. My daughter has a small salary: 320 euros and my mother has small pension: 365 euros, so we try to manage with this money. [Woman, aged 61]

An additional difficulty in the recovery process for the Estonian economy, but also for other countries of Central and Eastern Europe, are the sanctions against the Russian Federation, which resulted in closure of a huge market to many exported products.

The main problem at the moment are sanctions against Russia. Our company was closed because of that on February 1. [2015 – ed. author] I lost my job in logistics after 17 years of work and I don't know where I can find a new job. My pension will be only when I become 64 years and 9 months old [...]. I have to think about daily bread and medicine for my father. There are many poor people in Estonia, many go to the soup kitchens every day, I can't imagine that I have to go there too [...]. We don't have debts, but still I don't have a sense of financial security. I am in panic right now. [Woman, aged 55]

High unemployment, often not noticeable because of large emigration, leaves also young people without options for sources of livelihood for themselves and their families. Many of them decide for temporary work abroad, especially that average salaries in Scandinavian countries are significantly higher¹⁸. This helps to manage but also causes many problems, especially that the respondents would like to work in Estonia. Respondents underlined also the necessity of being careful with the management of own budgets, not borrowing money in order not to fall into spiral of debt, although the lack of creditworthiness for them is troublesome, especially in a situation when they want to buy a property.

Many people work abroad, in Finland and Norway. There're no jobs in N. There is no hope to find job here. I was in Estonian army and one of options was to be employed and work for army but I do not like this job, I prefer civic jobs [...]. We run out of money very often. We try to be healthy and not to spend money for medicine and doctors [...]. We don't have debts but we don't have savings, we live from salary to salary. [Man, aged 22]

I don't have any debts regarding financial institutions, because I don't have any loans or mortgages, due to my situation, because no bank will give me any loan. I would say that I have a sense of financial instability, but random jobs abroad help me to deal with it. [Man, aged 38]

¹⁸ According to EUROSTAT, yearly net salary in Estonia were 4567 EUR in year 2012, while in Finland: 17043 EUR, in Sweden: 17808 EUR, and in Norway: 26558 EUR.

Respondents underlined their very sparing way of life which they have to live. Difficulties in fulfilment of even most basic needs, lack of funds for medicine and for rent were the main causes of lack of feeling of financial security.

I am living in poverty. It is when you think how to survive all the time: what to eat, where to live, how to pay bills for rent and food, etc. [Woman, aged 56]

Financial situation of people threatened with poverty and social exclusion in Estonia is a combination of a few main factors, among which the most important were political and structural changes and current economic crisis including worse economic relations with Russian Federation.

Spain

For the needs of the project, Spain was defined as a country of „moderate risk of poverty”. This was due to objective reasons, which were mentioned in the first chapter of this publication. The nature of poverty in this country is a bit different than in countries identified as countries of "high risk" or in the Netherlands, whose situation is presented later in this chapter. Spain, as one of the key economies of the old continent, has been fighting with fairly major problems for several years, especially when it comes to the labour market situation of young people.

I don't have any child because we don't have enough money. We can only pay for the water and electricity but we cannot afford to pay the community fee [...]. I came to Spain 11 years ago, 10 of those years I worked in a supermarket, childcare etc., but in 2013 I was fired for no reason, we all got fired, the ones with more than 5 years of experience in that company and they didn't pay me the severance payment... So really bad, and since then I'm receiving the unemployment benefit that it is only 426 euros a month. So just trying to find a job, trying to improve my education, but the training courses are very expensive so it is very difficult [...]. Now we are trying to find a social apartment or something because we can't pay the flat where we live now.

I can't pay for my flat. My boyfriend is also having problems with the banks, he had two flats but because of those problems he doesn't have them anymore... and he owns them money... 60000 euros. [Woman, aged 34]

I don't work. My husband works 10 hours a day. Financial assistance provided by aid institution is a significant portion of our budget. We don't run out of this money. We prioritize what is more important to pay. [Woman, aged 36]

I don't have any income, but my wife has a job. She earns 800 euros working 8 hours a day, but with the expenses that we have we are broke by the 15th of every month. [Man, aged 35]

Respondents have problems with credit rates payments which eat up their whole current income or the payments are not possible which results with the loss of capital of some of

the persons. Troubles in ensuring current fluency of households start in situation when one of the members loses their job. Also, unfavourable conditions can appear when the only person bringing income to the household is running their own company. Sometimes the investment in running the business takes up significant part of the family budget and in the case of unexpected spending; the situation can be very hard.

I'm currently unemployed. I'm a housewife now [...]. I'm constantly unsatisfied, because we have to pay the loan every month, and it is a lot of money [...]. My husband is self-employed so depends on the month he brings more or less money. During the months he doesn't have enough work we live from the savings. [Woman, aged 36]

I'm receiving the unemployment benefit because I don't have work. It is 200 euros, which is not enough [...]. My husband is self-employed and he had to buy a van recently which was 1500 euros and we had to ask for it, because we didn't have money [...]. [Woman, aged 41]

An important element in the picture of Spanish poverty is the problem of immigrants, who in own countries often work on prestigious positions and in Spain their qualifications are not recognised. This situation causes very large difficulties in financial situation of these people.

I used to work back home as an accountant. I have almost 20 years of working experience. But here in Spain I couldn't find that kind of job so I started working in houses... childcare for 4 years. At first I came to Spain with a family visa that didn't allow me to work in Spain, but now that I have my legal residence I can't find a job, so I'm currently working in houses as I said before, also my age it is a problem... [Woman, aged 44]

Support in the form of social aid is not sufficient in the opinion of respondents. Similarly to other countries, respondents were able to say precisely what the amount of income and the spending is.

Social benefits are never enough [...]. I have a health problem and I have a debt, I have to pay more than 2000 euros so... The resources I use are the 486 euros I receive from the Government, minus 69.76 euros for the Kindergarten. So there is a problem that I explained before. [Woman, aged 41]

Respondents notice the link between the poverty and social exclusion, although this is not a very frequent observation. Analysis of the situation often leads to the observation that other people live in even worse conditions. Some respondents, despite own problems and very difficult situation, are able to share resources with those who need them the most.

There is always something... Sometimes you can pay your rent, other months you can buy food... There is always lack of something. We always try to find the way to survive, sometimes we have to ask for money but... Yes, last year one of my relatives died so we had to send our saving to my family there, because their situation is even worse than ours. The resources we

used... we had to work a lot more. We are under poverty situation, but we are not homeless. I mean the situation is bad, but it could be worse so... [Woman, aged 54]

I'm just asking for a kindergarten for my kids and a school canteen service so I can look for a job [...]. We asking God for help, trying to hold on without losing our dignity. Every time that I have money problems. [Woman, aged 28]

I'm currently unemployed, I'm a house wife now. We almost run out of money, because we have to pay the loan every month, and it is a lot of money [...]. One of my children got ill and we asked for some help. Our household is in debt. We try not to spend money in insignificant things. [Woman, aged 45]

The problem of debts of households, troubles in finding a job, lack of sufficient income result in the fact that many people, also in middle age, decide to live together with parents in order to save costs of rent and be able to take advantage of benefits of older members of the household.

I've been waitress in a restaurant. We live in my father's house. The situation is really bad. In Spain there is lack of work, with low incomes and very bad conditions. With my father pension, we all survive. [Woman, aged 46]

Break down of Spanish labour market impacted very wide social spheres. Young people, persons without qualifications and also immigrants experienced the results of lack of satisfying job offers. It caused the necessity or undertaking any jobs in order to be able to survive.

Netherlands

Economic situation of respondents in the country that was identified as „safe” is in their opinion difficult. Lack of work, the need to support adult children, who also cannot find job, is a common problem for many economies. Their responses show using various forms of social aid that is accessible for them as well as food banks which can be used on well-established basis.

There is a lot of hidden poverty, so you do not see it, but I do, around me. There are no jobs, see at what is happening to my son. 29 is living at home again, also without a job [...]. I got unemployment benefit and soon social assistance. No work... Of this I must live, along with what the food bank gives us [...]. There is just too little money. [Man, aged 53]

It's good to be able to tell my story, as a client at the food bank [...]. There is no money, no source for additional money. So I have to go to the food bank, and I can go there every week. I have to pay 80 euros per month to all kind of things, also – and that is my choice – for additional healthy food. That it is. If there is something I want to have, and I can't afford it, I just go to the social services, and ask for some additional support. That's it. [Woman, aged 54]

Analysis of own financial situation is often compared to situations observed somewhere else. Such comparison often shows that situation of other people is worse. This reflection was also accompanied by thoughts about possible ways out of the current state, but not always possible to take. Disability, health problems or family circumstances made it impossible to find employment even in a situation where it would be available. These restrictions, however, do not interfere in taking other remedial measures aimed at improving the condition of budgets of a household. In this case, the respondents exploited the possibilities offered by the Internet, particularly in terms of access to the necessary information and extending the economic usefulness of things used every day.

There is generally work to be found, not always at the right level, but if you would like to do some work, it can be found. I think. Good searching is the case... For me it is very difficult. I can't sit long, and should be standing a lot. Therefore, there are not many jobs for me [...]. I'm on welfare despite my disability. There I get a social benefit. But I am allowed now for a year trying to set up a small business, but that does not pay. So I have to live with that support [...]. There is just no money in many cases, though I try to arrange things in the best possible way. And yes, you have to be otherwise just creatively: look on Internet for free things or things that do not cost much. I also use my network of people and organizations. There is always possibilities to arrange something... [Man, aged 27]

Savings on hand. Not very much, but it gives me a clear security. A sense of control over my life. I have an Excel program to keep track of everything. [Woman, aged 55]

I get offered the wrong jobs, unfortunately. My narrowness, my mental handicap, makes it very difficult [...]. No salary, just that social benefit [...]. There is never enough money. We can't afford us anything, really. There is the debt restructuring. We have a few thousand euro debt, which will now be repaid [...]. At this time we can spend 30 euros per week on food and other stuff. That's it.... Yes, and then we look for things that are free to become. Or second hand. You will be creative as you can pick up a old refrigerator somewhere – if that one is no longer needed... Are we poor? We still have a roof over our heads, we still have money every week and we do not have to beg. [Man, aged 37]

Disadvantageous situation of respondents, in their own assessment, comes from the connection of a few macroeconomic factors, including inappropriate saving activities undertaken by the country and badly functioning system of social support. The support system allows for satisfying basic needs although the respondents had considerable problems with covering costs, not mentioning purchases of articles commonly perceived as expensive.

The government is cutting the budgets in the wrong places. The labour market is very difficult, so. And if all that is, it is only temporary, and without a lot of income. All care for people is now in the hands of the municipality and there must also increasingly to be cut in the budgets, so that does not help [...]. I have no job, and I am in sickness, with a benefit [...].often there is simply no money. I have no real desires, so I do not need much money for that – and I don't want to

use any money for luxury. And a big expense to be paid? No, I have not had a situation to worry about. [Woman, aged 35]

I'm on welfare. No salary... Sometimes there's some perks or there is the housing allowance, for paying the rent [...]. Sometimes I can't buy a big thing and purchase things I really need. But then I can go to the Church, to the social services. For example, to get a washing machine... there are arrangements for that [...]. I have debts. And no, no savings. I do not know how I should save money. The debts have also to do with my health – that took a lot of money... I try to pay all fixed charges. And then I have to see for what is left [...]. I think there is no real poverty in our country. There is always a benefit for which you can qualify. There are quite a lot of opportunities to ask institutions for something. [Woman, aged 30]

Using social assistance is often the only possible variant that is used. In the statements of Dutch respondents a much wider scope of assistance in relation to other countries can be seen. Offering specific things, the realization of special support programs or material assistance are elements which can be accessed by respondents. They can count on institutional support and do not have to stay alone with own problems as in other countries.

So I'm a long time in debts. So I have an administrator who arranges everything for me, doing and performing. Then I am depending of welfare and I get a certain amount of money per month, for myself [...]. Poverty is having nothing else to do than to live on the streets [...]. I can't really afford some things. If there is really something going on, I just go to the social service, to question for a favour. There is a scheme for 'white goods'. Like washing machines. Every few years you can get something for free. That's very nice. [Woman, aged 43]

I have over 25 year's work-experience abroad, thus including in the Philippines [...]. Upon returning to the Netherlands it was very difficult to find a house and I was four years living on the street... The South Church in S. has taken care for the interior of the house, so therefore I was lucky. The disability insurance is seized by the UWV¹⁹ and by a bailiff. The controller pays the fixed charges [...]. Having no money, no view on that. I would like to use the library, but that's tricky – it costs some money. Fortunately, I may also use the Clothing Bank. No computer and the Internet, nothing thereof. But I manage – at least I try. I have so much debt. I do not expect ever to be without it [...]. When I had no home, I got 70 euros per week. That was more than the 40 euros that I have now. I make use of free meals, for example, of the Diaconal Mindfulness Center. [Man, aged 64]

The respondents pointed out that despite possibilities of receiving support from various institutions, they have everyday problems and they lack many things including the very basic articles. It is worth to notice that these deficiencies appear mostly in the area of household and are not the deficiencies in food, which is the issue in other researched countries. The picture of poverty and social exclusion is in Netherlands a little different,

¹⁹ Instytut Wykonawczy Ubezpieczeń Pracowniczych – organizacja zapewniająca pomoc osobom szukającym pracy w Holandii. Pomoc ta obejmuje udzielanie informacji, doradztwo oraz pomoc w znalezieniu pracy (https://www.werk.nl/werk_nl/werknemer/eu/praca-holandii/uwv).

which is confirmed by the data of public statistics presented in the first chapter of this publication.

[For a question if there was a situation that there was no money at the house – ed. author] Yes, for a new washing machine, for dental insurance. So..., wait until there is money [...]. I'm surviving..., not living... Luxury for me, as an example, is to buy a DVD. [Man, aged 46]

No, that's not so bad. We will manage... but a major purchase that does not work. I think about the washing machine, which is broken... There is really no money for a new one. So the neighbour washes for me. It is really that way... And yes, the car. That we need for the job. Is something broken, my mother helps. [Woman, aged 37]

Poverty and social exclusion in the Netherlands has somewhat different reasons and different characteristics which result from the generally high standard of living in this country and different economic conditions. The problem of poverty is coupled with quite well operating support system, which is not limited to material aid, but also includes advice on specific problems faced by persons covered by the aid. The role of food banks can be clearly seen and a significant part of respondents have benefited from their support.

Poland

Many respondents stressed out that their situation is bad or unsatisfying. They often pointed out the chain effect in the existing situation: lack of work, necessity of spending more for life and in consequence – necessity of falling into debts. One of the characteristics of material situation of Polish households is threat with lack of food, which is one of the elements of extremal poverty.

There is always lack of money. Amount of 594 PLN per month is very little. I pay for electricity, buy medicine and the money is gone. I have to choose what I can pay first. The rent and water are not paid. If I manage to earn some money, I will pay it [...]. I don't have job, steady source of income. When I find something it is usually a job for a week and without any agreement. [Women, aged 47]

The situation is difficult. In order to satisfy current needs I have to collect scrap, bottles from beer and for that I get little money which I spend on bills: rent, electricity, gas. This situation is very humiliating [...]. Not all people are ok with the fact that I'm searching the garbage and they tell their kids to bother me which is very humiliating. [Woman, aged 55]

A man lives from day to day and looks what to put into the pot every morning. Majority of neighbours leads similar life, they don't work. I live in social house and when there is not enough money for bread, there is nobody who could borrow the money. Lack of education doesn't help for sure bit today even those educated are looking for a job. [Woman, aged 47]

Respondents often underlined lack of steady work as the key factor causing difficult income situation of the household. Hopes that are being created in their lives by trainings and internships financed by external sources are quickly destroyed in the reality of Polish economy. Entrepreneurs organizing internship programs are interested in those employees only during the period in which their costs are covered. It happens very rarely that after the end of internship there is a possibility of steady work. Such situation forces respondents to undertake various jobs in order to satisfy own, often very basic, life needs.

I chose the computer graphics course in order to raise my qualifications. The course lasted 3 months and ended with 2 weeks internship in a company. I had a position of graphic designer in a printing house. I hoped that after the internship, I will stay there longer but it didn't work and I am still looking for a job [...]. I lack money all the time. I try to earn some money by painting pictures and sometimes my parents help me. [Woman, aged 22]

I had a pension but it was taken away from me and since then I take part in different projects in order to take advantage of various internships, because today it is the basic source of income for me. Sometimes I receive something from the social aid [...]. I live from payment to payment, sometimes I lack money, because when I borrow, I have to pay back and this is how it is. [Woman, aged 51]

In majority of interviews, there was an opinion that the quality of help offered by some of social institutions is getting worse. Lack of access to some forms of support caused painful problems for households of respondents. It concerned especially the access to the food, which was linked to the changes in financing the help in this area and only some institutions were able to ensure the benefits effectively. The similar situation exists in the area of giving away the food for charity, which is now possible only in the situation of transferring it by the producer or seller to the organisations with the status of public use and not directly to the beneficiaries. This prolongs the chain of intermediators and the food doesn't go quickly to those who need it. Especially that from the delivery of those products, VAT has to be paid. In situation when the food articles were delivered directly to the beneficiaries, the person who donates them would also have to pay VAT.

The main problem for me is the high costs of living and bills. The gas, electricity, taxes, food, cleaning articles are very expensive. Some time ago there was food, milk for people that needed it, but since a year GOPS²⁰ doesn't give it because the government didn't give any finds for this purpose and for me it was a big help. [Woman, aged 45]

There are many cases when I don't have money for bread and I have to borrow because the child has to eat something. Then I need to think how to pay back the money. I lack money all the time, I can't satisfy basic needs such food, hygiene products [...]. I don't have feeling of financial safety, I have 7000 zloty of debt [...]. Sometimes I find some work such as care for

²⁰ Gminny Ośrodek Pomocy Społecznej - jednostka organizacyjna wykonująca zadania z zakresu pomocy społecznej w gminie (<http://www.mpips.gov.pl/pomoc-spoleczna/institucje-pomocy-spolecznej/jednostki-organizacyjne/>).

elder person: I do shopping, clean, take care of that person, but this happens very rarely. I get 10 zloty per hour but it is a lot for me because then I have money for a dinner for more than one day. I would gladly take care of someone on steady basis but during the day. When I wake up at 4 am I think what will happen today? What I will cook, where to take money from for food? It is not easy situation. [Woman, aged 38]

I use support of GOPS, when I have problems, they always help me by giving food or money. The priest gave us 500 zloty and community bought automatic washer machine [...]. Benefits for children comes to 700 zloty, husband gets rehabilitation benefit, for first 3 months it was 1500 zloty, and from February it will be 75% of this amount. Social aid is 300 zloty monthly for 3 months [...]. With such income there is never enough money. I borrow from my neighbour, even for medications for a child I had to borrow. When there is not enough money for food, I take it for credit from the store and later, when I get some money, I give it back [...]. I don't have any savings, or bigger debts. I don't do anything in order to improve this situation because I don't know what I could do and where to go for help in this area. [Woman, aged 40]

The persons participating in the research underlined that their current situation makes them constantly borrow money from people and in stores. Lack of steady income and uncertainty of future often cause willingness to backing off and resigning from undertaking any steps towards the change of situation.

It happens that in my household there is not enough money. In such situation I borrow money [...]. My household has debts but despite this I have a feeling of financial safety. I do nothing in order to change it because I don't know what I could do to improve my situation. [Man, aged 36]

My wife works only sometimes on temporary work agreements. I use support of social institutions, sometimes I borrow from neighbours. This help is in this moment very significant to my budget. [Man, aged 39]

I don't have a feeling of financial security. Our children are big enough so my husband could go back to work but there is a problem with employment and besides this he got used to sitting at home. [Woman, aged 42]

I looked for a steady work for two years. I work for some time in one place, then in another, sometimes for a day. It is difficult to find a good job, get good payments in order to support family. I am a mason and potential employers require me to do 100 other things [...]. When I find a job, I work, but it is season work, in the winter I don't have anything to do. Sometimes I go to work for 5 hours, sometimes I go to the neighbor to help him and usually it is work without any papers. [...]. Often there is no money, it usually happens every 2-3 weeks and then I have to go to work [...]. Last year our heating broke down and I had to run to the neighbour to borrow 5000 zloty in order to buy new equipment. I pay him back in installments because I don't have such money. It is always worse in a village, in a city it is easier to find a job. I can't really compare because I have never lived in a city but my friends said that it is always possible to go besides the church and get 5 zloty for bread for a child. [Man, aged 36]

Characteristic for Polish poverty is necessity of constant borrowing. It is an attempt of managing in difficult economic situation but it also shows the solidarity of local communities in which the respondents live. Unfortunately, this situation causes the spiral of debts which is used by various institutions that lend money. These institutions give credits for a very high percentage without asking for any creditworthiness. The second characteristic is difficulty with satisfying needs connected with food.

Romania

Respondents in Romania often indicated that the bad economic situation is connected with unemployment including lack of legal possibilities of earning money. Unemployment but also work without papers don't give basis for leading a decent life, especially that such work doesn't provide material security or the right to free medical care or pension.

I work illegally too, Now I get by with illegal work, but I might need hospital care one day, one day I might retire myself, I hope I will have a legal job before that, that is what they promised me for next year [2015 – author's note], yes that is what they promised [...]. I am unemployed, I mean I am not hired somewhere with proper documents. I work about two to three hours a day for an unstable amount of money [...]. What can you do when you are in need of money? [Man, aged 41]

There is a lot of underground economy, illegal work, I say this because I work illegally too. I mean I don't have a work contract. I was compelled to accept this. Yes, there are problems on the work market, it is very hard for people to find work, it is easier to find work in the construction industry, there you can be hired to do hard work: carrying, lifting and unqualified physical work [...]. I work non-stop, as much as I am asked to, as much as is needed, the conditions in general are satisfactory. The problem is that I work without a contract. This is done often in the country [...]. I often find myself without money. [Man, aged 44]

I am a pensioner, and I make furniture, not legally... I am not ashamed of this, because I cannot get back on my pension. This is my income. In the past, people were afraid of admitting that they worked on the black market, but nowadays it is not that unusual [...]. I owe money to three people. So I don't have savings. [Man, aged 69]

According to respondents, work doesn't prevent poverty or social exclusion. It is true not only for people working illegally but also those that work legally, especially in farming. Work in this sector doesn't bring satisfying income not only because of high risk in productivity but also because of low profits. In effect income is not satisfying in the case of farmers.

I take care of the house, the garden the animals and I work the fields that I have, I grow potatoes [...]. I work the fields but problems arise when I try selling the potatoes, I think this is where the unemployment rates affect me, since people don't have money to buy my products [...]. I can't say I have a good monthly income, there are months when I can't pay the electricity bill and my children help me on those occasions, food is never a problem [...]. I think it is harder in the country, no one can really help you, you depend a great deal on certain things. It is harder

to live from agriculture, the current price of potatoes is a joke. The environment I live in is good, but money isn't enough, to have more income from agriculture. I work all day, but sometimes there is need of special equipment, of fertilizers that will make your work easier. And there is the weather which is not always as it should be. [Woman, aged 49]

Respondents have difficulties with paying the bills, whether it is food or other basic things that are needed for living.

I am not satisfied, my salary is small and is insufficient. It was better when my parents were alive, they would bring food from the country all the time. Now I buy everything and money flies away. [Woman, aged 56]

Some of the respondents had problems with satisfying basic needs connected to accommodation. The flats that they live in were frequently shared with other persons and in some of them there were no basic utilities like bathroom or toilet. Renovation couldn't be done because of financial difficulties.

I live together with four other people, friends of mine. In total we are 5 people in the two rooms, neither of us are related [...]. I don't have a job and I have to depend on someone else [...]. I find myself without money all the time, I don't even have enough for bread. I paid 75 RON tax money, electricity is about 30 RON a month, all that live here pay their share (...). There is a stream in the garden next door, that is where we get water otherwise we would have to pay. We don't have a toilet so we go to the bar across the road. In exchange I sweep the floor, clean the tables, clean the toilets and the owner helps us too occasionally. [Man, aged 42]

I didn't do it gladly but I accepted any kind of job that came my way and I did my best to fulfil my duties [...]. There are needs that I can't satisfy, there are needs that we can't satisfy even together in our household, for instance we would like to change some tiles in our bathroom and kitchen, replace the thermostat from the water heater, paint the apartment. We try to save some money every month and we hope that we will be able to take care of things little by little [...]. We only have bank debts, we have bills to pay for that and we have some debt towards the administration of the building. A new layer of heat insulation has been added on the walls and we couldn't pay, so the housing association sued us. I don't know what we will do yet, perhaps they will let us pay our debt in monthly fragments. It will be very hard even that way. [Man, aged 23]

Respondents underlined the problem of debt and lack of perspective for change. The reasons of this phenomenon, similarly to other countries from the group of "high risk", come from the lack of appropriate help for ill and disabled persons.

There are needs that I cannot meet. I ask for a loan from my parents when I am in such a situation. I have some resources which I lived up, and then I had to have a bank loan [...]. I have some debts, but the household is not indebted. As I am with my health, I cannot work, I cannot do physical work. [Woman, aged 49]

Some of the respondents pointed out that current, bad economic situation affect more and more people, including children. Necessity of assuring decent life conditions is very difficult and some of the respondents say that every activity is like fighting for survival.

To me, poverty means – I see it more at people, in families with a lot of people. Many children, where one of the parents only works, and the children have difficulty making it to school, for instance school materials are an issue. The older children 10-12 need to work to help the family with money. [Woman, aged 32]

It's a fight for survival. We cannot afford what we would like to have, so we fight with life, with society, with all the country is faced with. [Woman, aged 49]

Having a job isn't in the opinion of respondents, a factor which prevents from poverty. Low quality of offered employment connected with the offers of simple jobs and unfavorable law conditions of employment cause that many people don't have the feeling of financial stability, not mentioning securing of own future. Similarly to other countries of "huge risk", also in Romania dangerous spiral of debt among households in poverty or threatened with poverty can be observed.

Italy

The main factor cursing poverty in Italy is common lack of work or very low salaries. The respondents underlined that social aid they receive are not sufficient for satisfying current needs. It is connected with common debts and necessity of needs' reduction. Many respondents take advantage from public and non-governmental support centres.

I have a social aid 180 euros per month, I can't find a job. I have small debts and I reduce needs. [Man, aged 62]

I can't find money to pay the rent. I am unemployed. I received help from the church and the state gives me a social card to buy food for me and my family. Often, I pray. We debt for the rent and the expenses: gas and light. No, we don't have savings. Maybe in the future I will need mental cure because this situation is really hard. [Man, aged 43]

I don't work. I am involved in a social program driven by Compagnia di San Paolo but it is ending on 9th April [2015 – author's note]. We reduce needs. Yes we have debts: rent, light, gas, and no savings. I ask to other non-profit organization. [Woman, aged 31]

We are in the abyss. There is always someone that could work for less and the price of work is going down. I am a woman and I am old these are two important barriers [...]. When I used to work my life was better. Finding a job could help me a lot [...]. I am looking for work, I am hosted among a charity association, I have a boyfriend, we share the daily expenses. [Woman, aged 53]

An important element of economic situation of respondents was income coming from employment. Employers want to invest in workers that possess the best vocational qualifications. This causes growing competition between potential employees. However, investments in human capital require rising financial spending and in the difficult economic situation these elements are left behind.

There is no work, the situation is tragic. I do cleaning for 100 euros per month. [Woman, aged 31]

There is always work what is missing are the money to pay for it. They use the excuse of the crisis to pay you less and less. I need qualification and skills written on paper. We don't have debt or savings. We don't have any sense of financial security. No, we just look for jobs. [Man, aged 23]

Economic difficulties had not only people living in families with unemployed persons but also entrepreneurs, especially in traditional sectors such as craft.

I have a small enterprise with a friend of mine. My income is really low and changes month by month [...]. I have debts. I try to work to earn money to pay it [...]. I try to reduce my needs. If I can I pay into instalment otherwise I renounce. [Man, aged 65]

I am an artisan, wall painter and doing plaster work. I work 40 hours per week. I receive help from the charity organizations such as Caritas. [...]. I am always out of money, I ask for help to charity organizations. No, I don't have needs unsatisfied and I don't do large expenditures [...]. I have debts and no savings. I look for work! [Man, aged 59]

The difficulties in economic situation of respondents from Italy came mainly from problems on labour market and functioning of enterprises. Italian respondents used social aid on smaller scale than for example in Spain or Netherlands, which was caused by its shape and rules of functioning.

3. Economic situation in respondents' opinion – data from questionnaires

Surveys conducted with the persons taking part in research included also a questionnaire part concerning their economic situation. Such research structure aimed at verification of

information given during the surveys and at making that information coherent and more detailed.

The most numerous group of respondents (44 people) was sustained with gifts, alimony and other income. In this group, for 18 people it was the main source of income, and for 26 of them – an additional source. The second most numerous group of people at risk of poverty and social exclusion were people living off contract work (37 people). Not much less, 33 respondents lived off welfare benefits. In this group, for 23 people it was the main source of income (Table III.1).

Table III.1. Number of respondents according to the basic and additional sources of income

place of residence	contract work		farm		self-employment		retirement or invalidity pension		other social assistance benefits		unemployment benefits		gifts, alimony and other income	
	M	A	M	A	M	A	M	A	M	A	M	A	M	A
Estonia	2	1	4	1	0	0	2	0	1	1	0	1	3	6
Spain	4	0	0	0	2	0	0	0	4	2	3	0	1	2
Netherlands	4	2	0	2	2	3	3	2	9	2	2	0	3	4
Poland	6	6	0	3	0	1	0	1	8	4	2	1	5	5
Romania	8	1	1	2	0	1	3	1	0	1	0	1	2	5
Italy	3	0	0	0	2	0	4	0	1	0	2	0	4	4
Sum	27	10	5	8	6	5	12	4	23	10	9	3	18	6
TOTAL	37		13		11		16		33		12		44	

(M) – main source, (A) – additional source

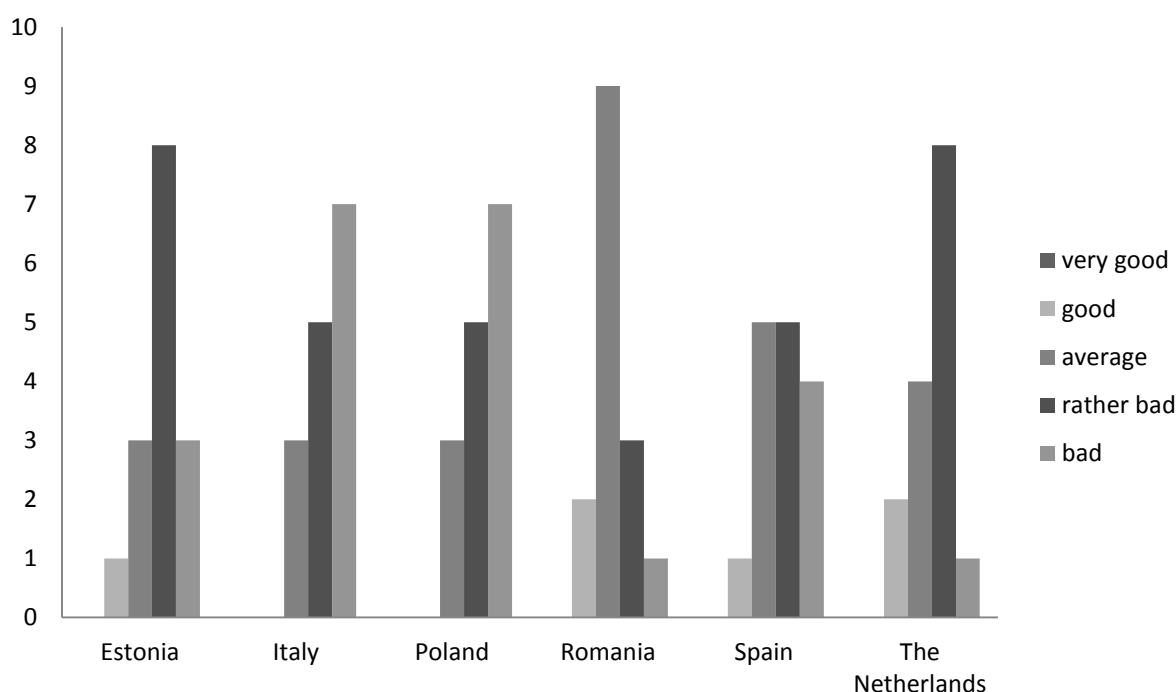
Source: own elaboration based on results of research

Most respondents said that their current income situation is average, rather bad or bad. As many as $\frac{2}{3}$ of respondents declared their situation as *average* or *rather bad*. (Table III.2). In particular countries, two respondents in Netherlands and Romania pointed out that their income situation was *good* (Graph III.1). Only one respondent in Estonia and Spain indicated such an answer and none in Poland and in Italy. The most numerous group in Estonia and Netherlands declared their situation as *rather bad* (8 respondents in each country). The answer that often appeared in Romania – *average* is a very interesting indicator. It should be noted however that the opinions are subjective and often their value is influenced by the environment in which they live and the fact of having a job (even illegal). Only putting together this information with the indicators diagnosing material deprivation can give real answer about the standard of life of these respondents.

Table III.16. Assessment of income situation of respondents

Income situation	Number	Percentage
very good	0	0
good	6	6,7
average	27	30
rather bad	34	37,8
bad	23	25,6

Source: Own, based on the results of the research

**Graph III.1.** Comparison of assessment of current income situation of respondents in the countries of research

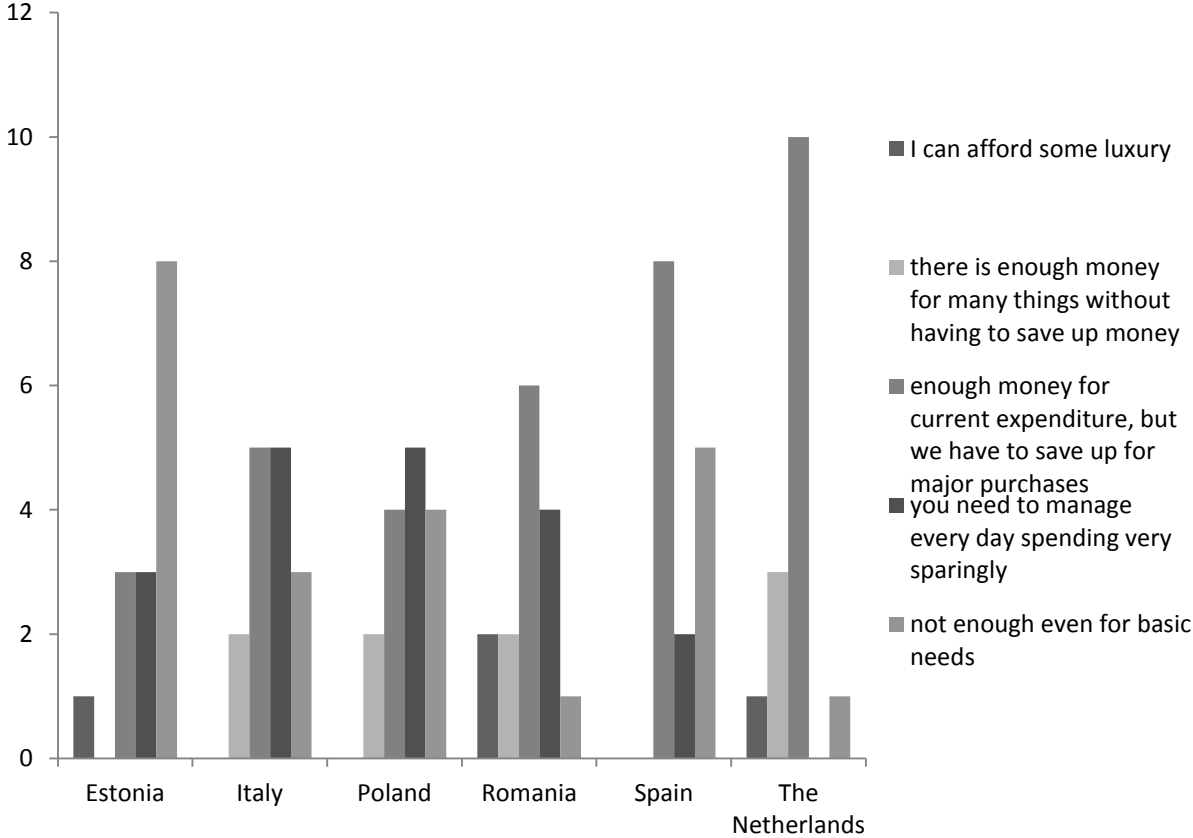
Source: Own, based on the results of the research

The questionnaire included the questions regarding the characteristics of income situation of respondents' households, which allowed for better assessment of real state of the households. Only two respondents declared that they can afford various things without special saving. Many respondents, almost 39% declared that they have to manage budgets carefully every day (Table III.3). Taking into account the countries of research, the most numerous group of those who have enough money for current spending is in Netherlands (Graph III.2). In this country, more respondents declare better financial condition of their households. The same declaration came from 6 respondents from Spain. Out of 15 respondents from Romania, 12 indicated the last three characteristics of income situation which should be treated as general disadvantageous situation.

Table III.3. Characteristics of income situation of households of respondents

Characteristics	Number	Percentage
I can afford some luxury	0	0
there is enough money for many things without having to save up money	2	2,2
enough money for current expenditure, but we have to save up for major purchases	20	22
you need to manage every day spending very sparingly	35	38,5
not enough even for basic needs	33	36,3

Source: own elaboration based on results of the research



Graph III.2. Comparison of characteristics of income situation of respondents in the countries of research

Source: own elaboration based on results of the research

Among the respondents asked about their perception of change of the income situation, only 4 stated that their situation has improved a lot. The most frequently chosen answer was that the situation hasn't changed. Percentage of negative answers i.e. *has deteriorated a bit* and *has deteriorated a lot* are over 45% of all answers which can be interpreted as a disadvantageous situation (Table III.4).

Table III.17. Perception of change of income situation of respondents

Change of income situation	Number	Percentage
has improved a lot	4	4,4
has improved a bit	9	10
has not changed	36	40
has deteriorated a bit	19	21,2
has deteriorated a lot	22	24,4

Source: own elaboration based on results of the research

The main reason for a drop in income of respondents was the loss of job. Over $\frac{1}{3}$ of those who declared lower income pointed at this reason. The second reason was a situation of health deterioration and change of social aid received from the country (Table III.5).

Table III.5. Reasons for the drop in income of respondents

Reason for the drop in income	Number	Percentage
job loss	30	33,3
change in earnings or the number of working hours	4	4,4
inability to work due to illness or disability (including a member of the family)	6	6,7
maternity leave, parental leave, the need to stay at home with a child	4	4,4
disintegration of the marriage/relationship	3	3,3
other change in household composition	2	2,2
other reason	9	10

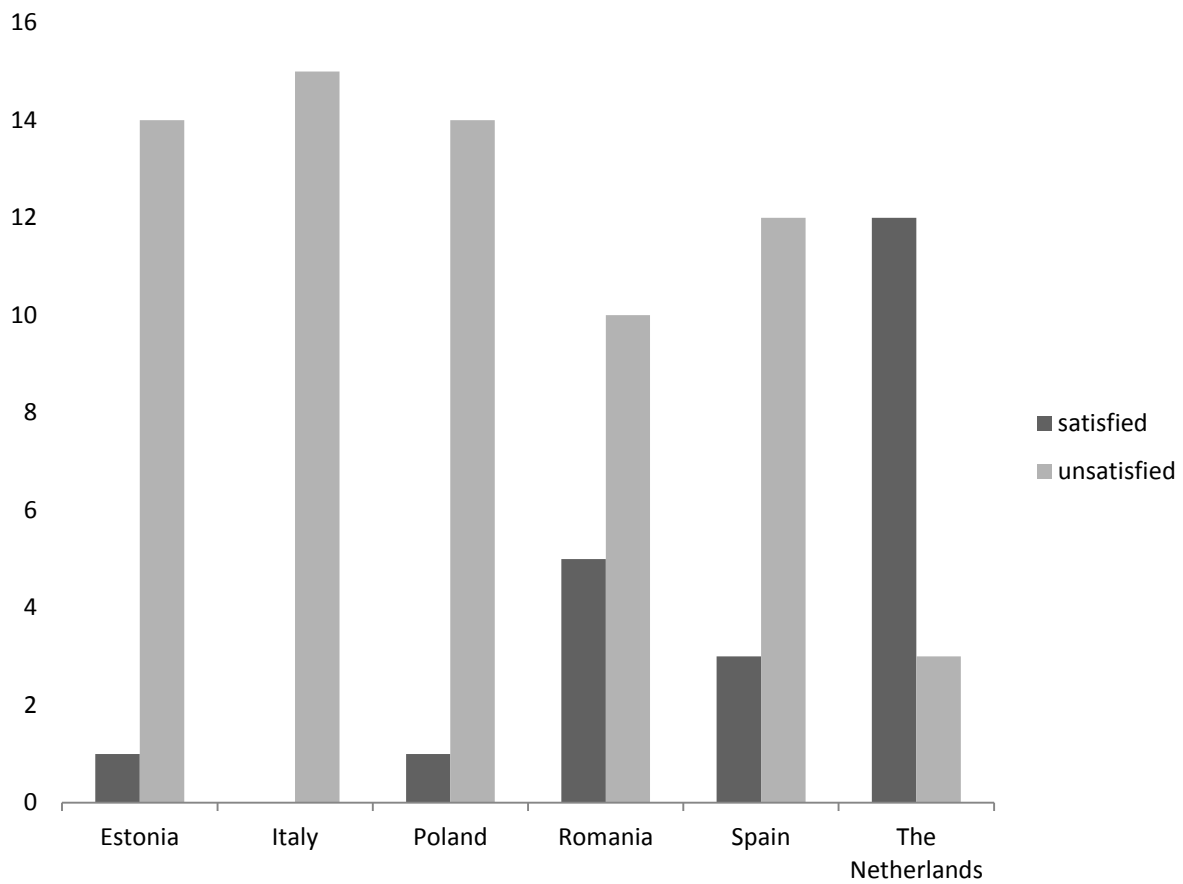
Source: own elaboration based on results of the research

Majority of respondents, over $\frac{3}{4}$ pointed out that their needs are unsatisfied (Table III.6). This fact was declared more frequently by Italian respondents (all of them), and less frequently by Dutch respondents (3 persons) (Graph III.3). The degree of assessment of needs satisfaction was the same in Estonia and Poland (14 persons). Satisfaction was declared by 3 persons in Spain and 5 persons in Romania. Also in this case, large subjectivity of assessment is noticeable.

Table III.6. Respondents' needs satisfaction

Satisfying of needs	Number	Percentage
satisfied	22	24,4
unsatisfied	68	75,6

Source: own elaboration based on results of the research



Graph III.3. Satisfying of respondents' needs in countries of research

Source: own elaboration based on results of the research

More details about the above aspect gives the analysis of possibilities of satisfying of seven concrete needs. Among all answers, 79 respondents (over 87%) said that they cannot afford a car (Table III.7). Almost the same number of respondents declared that they cannot afford a recreational trip for all household members (over 86%) or covering an unexpected expenditure (over 83%). Financial situation of over half of them didn't allow for the visit to a specialist doctor and timely payment of financial commitments. The lowest number of respondents couldn't afford appropriate heating of the household (every fourth). The smallest number of declarations about non satisfying needs was noted in Netherlands. In Poland the situation was opposite (Table III.8).

Table III.7. Possibility of satisfying needs

Satisfaction of needs	Number		Percentage*	
	Yes	No	Yes	No
a recreational trip for all household members	12	78	13,3	86,7
covering an unexpected expenditure of 1/3 of the national average salary	15	75	16,7	83,3
having a car	11	79	12,2	87,8
visit to a specialist doctor	37	51	41,1	56,7
eating meat, poultry, fish (or vegetarian equivalent) every second day	55	34	61,1	37,8
timely payment of financial commitments	44	46	48,9	51,1
appropriate heating of the household	66	24	73,3	26,7

(*) percentage of the total number of respondents i.e. 90 persons

Source: own elaboration based on results of the research

Table III.8. Unsatisfying of needs of respondents in the countries of research \ (numbers)

unsatisfying of needs	recreational trip	unexpected expenditure	having a car	visit to a specialist	eating meat, poultry, fish	timely payment	appropriate heating
Estonia	14	11	13	6	8	7	2
Spain	15	11	11	12	3	11	11
Netherlands	9	12	13	0	1	0	0
Poland	15	14	13	13	11	13	4
Romania	11	12	15	6	4	4	1
Italy	14	15	14	14	7	11	6

Source: own elaboration based on results of the research

Majority of respondents asked about how they dealt with the situation and how they tried to satisfy own needs, stated that they tried to reduce the needs (over 90% of respondents) (Table III.9). The second key strategy was to use help of family, friends and social aid institutions. This way was declared by over 76% of respondents. Less than a half of respondents declared borrowing money in order to satisfy their needs. It is worth noticing that 90% of respondents didn't sell any belongings in order to cover current needs (por. Table III.12).

Table III.9. Activities undertaken in order to satisfy needs of respondents

Undertaken activity	Number		Percentage*	
	Yes	No	Yes	No
I use accumulated savings	19	70	21,1	77,8
I sell assets or I pawn them	8	81	8,9	90
I limit current needs	84	5	93,3	5,6
I borrow money	41	48	45,6	53,3
A member of the household takes up additional work	24	66	26,7	73,3
I look for help of relatives, friends, support institutions	69	21	76,7	23,3
I take other actions	13	42	14,4	46,7
I don't do anything in this respect	4	45	4,4	50

(*) percentage of all respondents - 90 persons

Source: own elaboration based on results of the research

Persons who declared receiving support were asked to specify its kind. Out of three possible, respondents most often took advantage of support in-kind, then financial support (respectively 42.4% and 36%) (Tables III.10). The support received was most frequently assessed as of medium significance for the overall situation of the family of respondent (Table III.11).

Table III.10. Kind of support received by respondents

Support	Number	Percentage
financial	45	36
in kind	53	42,4
services	27	21,6

Source: own elaboration based on results of the research

Table III.11. Significance of support used by respondents

Significance	Number	Percentage
large	25	31,6
medium	28	35,4
small	26	32,9

Source: own elaboration based on results of the research

Respondents were also asked about providing information about the fact if their households have debts or savings. The debts were declared by almost 2/3 of the respondents. Only a little more than 16% said that they have savings. Similar percentage declared simultaneous lack of savings and lack of debts (Table III.12).

Table III.12. Financial state of households of respondents

Financial state	Number	Percentage
savings	15	16,5
debts	60	65,9
lack of indication	16	17,6

Source: own elaboration based on results of the research

Analysing the value of savings, the highest percentage was declared with the value not greater than a monthly income of a household (1/3 respondents declared this level) (Table III.13). Because of single declarations about having savings, it can be stated that they are not very significant in the budget of respondents' households. Situation is different in the case of debts (Table III.14). Almost every fourth respondent that declared debts had it in an amount exceeding monthly income (24.1%). Every fifth had debts equal to monthly income and every tenth respondent had debts exceeding three years income, although these were usually mortgages.

Table III.18. Savings of respondents' households

Savings	Number	Percentage
up to a monthly IH*	5	33,3
above monthly IH - up to a 3-month IH	2	13,3
above 3-month IH - up to a 6-month IH	1	6,7
above 6-month IH - up to a yearly IH	2	13,3
above one-year IH - up to a 3-year IH	2	13,3
above 3-year IH	1	6,7
it is difficult to assess	2	13,3

(IH*) – Income of the household

Source: own elaboration based on results of the research

Table III.14. Debt of households of respondents

Amount of debt	Number	Percentage
up to a monthly income of IH*	12	20,7
above monthly IH - up to a 3-month IH	14	24,1
above 3-month IH - up to a 6-month IH	4	6,9
above 6-month IH - up to a yearly IH	5	8,6
above one-year IH - up to a 3-year IH	7	12,1
above 3-year IH	6	10,3
it is difficult to assess	10	17,2

(IH*) – income of the household

Source: own elaboration based on results of the research

Economic situation of respondents presented in interviews and in questionnaires confirms the thesis about the possibility of grouping the countries according to the risk of poverty. The countries of “high risk” have similar problems. The key meaning here is a threat connected with the lack of work and low income together with bad functioning of support system. In the case of a country of “moderate risk”, i.e. Spain, the different character of the poverty than in countries of “high risk” can be seen. Higher standard of life and richer country entails poverty caused by the lack of work and is seen differently by respondents. At the same time, the big difference in comparison with Netherlands can be seen. This country is indicated as “safe” and “model” country.

4. Functioning of the respondents in the society

The problem of social exclusion is connected with insufficient participation of some persons in the society as a whole. This problem is wider than the poverty, which is one of its causes. Analysis of responses of the research participants allowed for pointing out very complex mechanisms responsible for social exclusion. It also allowed to confirm if poverty really leads to social exclusion.

Estonia

Social exclusion in the opinion of Estonian respondents impacts a wide range of people. Respondents described own situation in the context of exclusion, although usually they didn't have a feeling of experiencing such a state. Their positive attitude came from frequent contacts with other people. Objective analysis showed however that in most

cases they were excluded people, often without a place to live or decent accommodation conditions.

I am half Ukrainian and half Latvian. I don't feel discrimination in my daily life because I know Estonian very well but my mum and me have lost our flat in the centre of Tallinn when her Estonian husband died 3 years ago and his two sons through us out even father told them that we have to stay there. My mum is living in her summer house all around the year, we are happy that this winter was not cold. [Woman, aged 26]

At the moment I have no official household, I live at my brother's place and in his turn he lives at his friend's, so it's quite complicated situation, but solidarity between friends helps to solve this. [Man, aged 38]

Respondents underlined various factors leading to the feeling of social exclusion. They concerned mainly age and sex. It was impossible to tell which of those two factors had the most important influence. Lack of knowledge of Estonian language as a factor leading to the exclusion had meaning for people with the Russian background who had difficulties with finding a job and at the same time with reintegration with the labour market.

I cannot tell that I am discriminated but it is difficult for woman in 50+ to find a job in Estonia. [Woman, aged 57]

I feel discrimination because I am old and I am a woman. Many employers refused to give me a job because of that. Even if it is forbidden, companies find the way to refuse because I am old. I applied to be receptionist in the small hotel and manager told me that there are only young women on the reception and I will not feel comfortable with them. Most companies did not respond to my emails at all when I sent my CV. [Woman, aged 61]

I don't feel discrimination but, I think, it will be very difficult to find a new job for me because I am 50+, woman and don't know very well Estonian and English. I already asked about job in logistic in few companies, all of them want young people with many foreign languages. [Woman, aged 55]

I think that my main problem is that my education is not demanded on the local market and of course there's a language problem – I got my degree in Russian language and here the most demanded language is Estonian. [Man, aged 38]

Respondents underlined that significant factor influencing the appearance and existence of social exclusion in their case was the lack of system support both from central and local authorities.

Poverty is when you want to work but have no possibilities and have to think about daily bread every day. Many Russian speaking journalists do not have jobs and try to survive in different ways even if they have good potential to work but officials and community are not interested to support them. [Man, aged 59]

Social exclusion in the opinion of respondents was the element resulting mainly from a badly functioning labour market and the lack of work, and also from many personal factors. The remedy was to keep in touch with other members of local community.

Spain

Social exclusion in Spain is very diverse and on such an example it can be seen how many meanings this phenomena can have. A response of a woman points out at social alienation because of the clothes. This fact, together with the inability to pay for children's education leads to social exclusion of a person. In such cases, tendency to look for social relationships in virtual world can be seen.

People stare at me in the streets, because my clothes are old [...]. I can't give my children private education, and people always judge me [...]. I don't have a good relation with my family, I can only count on my friends, I joined a Facebook group and they are amazing people, people in the same situation as mine [...]. [Woman, aged 41]

Lack of good or steady job, work below qualifications and weak contacts with family living in a different country can lead to isolation which is greater because of neighbours' indifference. It causes the feeling of loneliness, especially in a situation when persons from the closest family also want to create their own world.

I have a Master and a Postgraduate degree. I worked back home for more than 15 years as a lawyer, before I used to work as secretary, administrative [...]. Now I do everything I can, cleaning houses, childcare, elderly care... It does not provide me a proper salary, because it is not something stable in my case [...]. I like to have friends everywhere, I don't like having problems with other people, life is hard enough. I don't have much contact with my neighbours, everybody do their things and have their life so... With my relatives the relationship is good, we try to keep in touch of course. I feel lonely because I need my family with me. And my son is a teenager and he is starting to have his own life... [Woman, aged 54]

I feel discriminated, and my son has dark skin and he has been insulted. But he is very mature thank God and it does not affect him. At first it was shocking that people can treat you that way but at the end you learn just to live with it [...]. As I said, I'm a lawyer, with a master and a lot of courses. [Woman, aged 54]

Respondents described their involvement in social life, including participation of their children in this social life. They underlined the issues of inability to provide access to entertainment or recreation, which in the opinion of the respondents proves exclusion.

When you don't have money you usually don't have friends... Everybody have their own problems. Everybody is in the same situation, so I can't ask them for help (...). I'm not happy with my current life and current situation of my household, because I can't provide to my

daughter everything she needs, now summer is coming and we can't go anywhere... [Man, aged 35]

When you have money you have a lot of friends, but when you don't have anything and you are facing problems, your friends disappear. Now my boyfriend and I are in social exclusion situation, we don't have friends because we can't even go with them to have a coke. For example we were invited to a wedding but we don't have money to go... So we basically stay at home. [Woman, aged 34]

Respondents were aware of their own limitations in social participation. No chance of taking advantage of life opportunities was treated as a symptom of exclusion. In reality, the symptom of exclusion should be also the fact that the respondents are not able to work according to qualifications because of their competences gained in other country are not recognised.

Netherlands

Respondents in the Netherlands underlined that they try to live normally and they do not feel excluded or discriminated. In the opinion of the majority, despite worse material conditions, it is possible to function normally. These people expressed willingness to look well and not show that they deal with financial problems because sometimes it brings an opposite effect.

People do not look at me for these kind of issues, for what I have and do. That is good. And I also do my best to come across, to look good... [Woman, aged 43]

Although some people find me a strange person.... I look good, doing my best not to show that I have arthritis and that there is no money. That people do not expect. Sometimes people think you do not need to be helped. That requires a lot of explanation, but hey, that's just so [...]. Myself, I dress well, do my makeup, and have good, second hand coat. So I feel comfortable. But then they say at the counter: what are you doing here ... You look suspected, by this way I present myself... [Woman, aged 54]

Some people were aware of being discrimination because of disability or age. Respondents didn't experience such discrimination directly and in critical situations they can count on support of family and friends.

Well, my age discrimination [...]. Then you fall quickly back on family. And if that does not work, knowing that they can't do anything for you, I knock on the doors of colleagues and often good friends. [Woman, aged 55]

I do not feel attacked by people because I have little money. But as I said, if you're 53, you'll no longer so quickly in the picture [...]. Some neighbours help me though, so I can knock on their doors. [Man, aged 53]

I live isolated, in some way [...]. I pay a low rent and this means that it is not possible to move to somewhere else. I can't escape [...]. True friends live far away. Little, but good contacts. [Man, aged 46]

My neighbourhood, so where I live, is good. Of course being a Muslim plays a role, but not from my side. Everyone plays his or her own role in the neighbourhood, so it really depends on the person and the situation you are in. I feel quite at ease... [Woman, aged 30]

The sense of isolation and poverty, the lack of access to cultural institutions which limits the spiritual sphere, as well as some drugs can contribute to a feeling of exclusion or really lead to it.

So I am 'lonely and poor'. Loneliness is a bad thing. And unfortunately, alcohol is a good antifreeze... Alcohol and drugs are a way to escape from something you're afraid of. I see that around me. That's very sad... I can't go to meetings, such as the Home Exhibition. No money for the train, and access. That makes the world small [...]. My environment is not stimulating, but not annoying. [Man, aged 64]

Among some of the respondents the feeling of safety was dominating. These people didn't feel lonely. It was thanks to satisfying relationships with the society, family and neighbours. The respondents themselves initiated those contacts and through that actively fought with isolation.

I am open-minded, in my surroundings. And I'm open to everyone about the situation. My family is definitely of interest for us. I trust them. And as I said, the neighbours are important, they are helping me. [Woman, aged 37]

We also have a local team in the neighbourhood. We can always ask them for help [...]. [Answering the question about experiencing discrimination – ed. author] No, not that. Not because we are in this situation. But I think it certainly appears that people with little money are not wanted in their area. In general, I do not feel called upon me what I am, and what I do. [Man, aged 37]

Dutch respondents felt socially isolated to a lower degree than in other countries. They tried to participate in the life of their locality. They rather had a good relationship with their families and friends and in consequence didn't experience any discrimination. The activities aimed at improving their own image in the society usually brought positive effects.

Poland

The participation of people surveyed in a society is assessed rather negatively by most of them. They underline that appearance, wealth and way of speaking cause particular

behaviour in relation to them, usually negative. Respondents spoke about the perceived unpleasantness because of this, especially if unfavourable treatment affects their immediate family members.

I had in my life such a situation, when people pointed I'm a beggar because I beg my apartment, but for me it did not matter much, but the children were very sorry. When it comes to poverty, social exclusion seems to me that it depends on how one perceives someone that education was out of the house. I do not feel discriminated, I prefer to remain silent rather than argue with someone, but as someone really insists that it can defend themselves. I know how to fight. [Woman, aged 47]

[When asked whether he feels discriminated - ed. author] *Yes, sometimes, especially in the public offices, because I don't have such level of knowledge or eloquence and because of this I'm treated worse. The same is in store, the staff behaves differently in relation to customers who pay in cash, and differently to those who do not. It is a materialistic discrimination. [Man, aged 36]*

From the early years you live in such environment, and certainly it will not change [...]. [When asked whether he feels discriminated against - ed. author] Often it manifests itself as attitude of other people to do as a man looks like, get dressed, they are not very nice comments [...]. I do not see the future and even if, it's not bright. I have no addictions, and even if a man sometimes will have a drink or will smoke, it probably is not habit? Having a job would improve the situation, if it were there. [Man, aged 33]

Comparing their wealth with other members of the society and relativity in wealth assessment among the respondents most often led to a feeling that their position is worse. This in turn provoked a desire to distance themselves and isolate from other people. Interviewees said, however, that over time the insulation was becoming an unpleasant experience for them and resulted in solitude.

My mother could not afford to pay for my school trip or cinema and other children teased me because of this, so I isolated myself from the others, so they can not hurt me. Now also I deny ourselves many things, but my child's well-being is most important to me. I do not want it to have to go through everything that I did. I believe that those who can afford the basic things should not feel excluded, kids in Africa are in worse situation. [Woman, aged 20]

Society is divided into two groups: the very rich and very poor, I am sad to say that I belong to the second group [...]. To say the truth, I isolate myself, I do not feel a full-fledged human being because I don't have a job. [Woman, aged 55]

I feel lonely and alienated. All the time I'm sitting at home alone with K, when rest of the children are in school. I have no friends or colleagues, I would like to have a friend, with whom I could talk about everything, but I do not. My only contact is that lady from the social welfare center, Mrs. S. a therapist with whom I can spill the beans. [Woman, aged 35]

One of the elements characteristic to exclusion and isolation of the subjects was insufficient mobility resulting in inability to change their place of residence. This resulted in a sense of stagnation in life and the lack of prospects for the future.

Apparently I do not feel excluded, I think that I have a job, strength and desire to do something. A man gets used to the sacrifices and limitations. With time it becomes like something obvious, a belief it should be like that [...]. It seems to me that if I lived in the city it would be easier for me to find a better paid job. It is very difficult to get out of this environment, I have no family, no friends abroad, not the ones where I could stay for few days for a start. I cannot count on family help, just for myself and friends. [Woman, aged 45]

If you are on the bottom, and I just can say that about myself, it is very hard to stand out without the help of others, and I do not have those. In my community we are all on the same level, it is normal, but outside this community we are like from another world [...]. I feel that I am living in an unfavourable environment, and I hope that I can break out of it, although there is no outlook, but maybe at least my children will succeed. I wish they did, but it will be difficult, because if I do not help them to get proper education, it will be very difficult for them to get better life in the future. [Man, aged 39]

Some of the respondents, however, evinced a very strong need for contact with others, which resulted in a lack of sense of loneliness. Regardless of the financial situation in which they were, they tried to keep in touch with people in their environment, which greatly and positively influenced the perception of their own situation and protects against the sense of lesser value.

Alienated or lonely? It's not me! I am an easy contact person. I keep in touch with everyone, even with the tenants in houses where I clean up. I try to approach life with a smile and optimism. [Woman, aged 42]

I am a sociable person. I have a best friend that helps me sometimes with the children, if I have to go somewhere. She is my cousin, my brother daughter, she takes my daughter for a part of vacation. I have friends, I don't feel alienated or lonely, but with family it could be better or worse. [Woman, aged 40]

The functioning of the respondents in the Polish society was largely dependent on their situation. Most of the respondents had a sense of alienation and disadvantage in relation to others. Difficulties in satisfying the material needs encourage social isolation, but also inaction, especially in a situation where immediate surroundings also struggle with similar problems.

Romania

Romanian respondents talked about their functioning in the society from the point of view of the place of work and contacts with office workers. It was because most of them were employed (usually illegally). Place of work, relationships with colleagues and contacts with institutions took a lot of space in the analysis of social situation of respondents.

I went to the town hall, I was queuing, a number was called and there was no-one so I approached the desk, and the lady shouted at me as someone else whose number was called showed up unexpectedly. I felt bad. Otherwise, I did not feel it. [Woman aged 49]

I adapt easily in small groups, I make friends easily, I manage communicating with everyone, I had a few small conflicts at my workplace but we've gone past those. I don't have any negative feelings with addressing public institutions, offices when I need them; it seems to me that people working there have become more civilized. I have never felt alone but I did feel alienated, because I do something for work that I don't like. It's hard to do something you don't like every day. [Man, aged 23]

Alienation of some respondents was their conscious decision through which they wanted to manifest their differences.

I am not satisfied with my life as it is now, I am in C., my household is in B., you see this is what it means to be alienated: to be compelled to leave, to leave your roots somewhere and to reach places you never dreamed of with your branches. [Man, age unknown]

I was called a "hobo"²¹ by a business owner, I told him "boschet" means bush so "hobo" means gardener. I feel insulted almost every day, I am unshaven, I smell and thus people treat me this way... I feel discriminated as a man because of the way I live. I am alone and I do feel alienated of everything humane especially since I divorced my wife in 2001. I keep in touch with my daughter, but it's hard now since I don't have money. My in-laws don't welcome me to see my daughter. Once I took her a bike and a silver ring, she liked those a lot. I see her rarely because of my situation... [Man, aged 42]

Some of the respondents tried to keep in touch with relatives. Significant in this aspect was the fact of employment which facilitated the contacts with other people. Thanks to conversations and meetings, respondents didn't have the feeling of isolation. An important element was also contacts with institutions.

They are good, with the family, the neighbours, the old schoolmates and colleagues at work. I don't have very many friends, but I call people, or I skype them. Sometimes I feel alienated, this is the biggest handicap I have since I stopped working. [Woman, aged 49]

²¹ In Romanian it means "of bushes".

I keep in touch with everyone, with the family -my son and my former wife, my mother, my sister, my friends old and new acquaintances, neighbours. I approach even strangers. I don't feel lonely or alienated. [Man, aged 44]

Functioning of Romanian respondents in the society was to a large extent determined by employment. It was a significant factor because it decided not only about satisfying of material needs but also gave the possibility of keeping relationship.

Italy

Italian respondents pointed out at various elements of discrimination. The discrimination was experienced directly or indirectly. The respondents defined the factors of discrimination which included: poverty, disability, sex, family situation or country of origin. In this last case the experiences were extremely different. Immigrants felt discriminated because of the fact that they were not Italians. On the other hand, Italians had a feeling that they get less help than citizens of other countries.

I feel discriminated as a young mother alone. [Woman, aged 32]

The country is full of discrimination of people poor and those with disability. For the foreign people there are supports, but for Italians nothing. [Man, aged 61]

[Answering the question is she feels discriminated – ed. author] *Yes, because I am Italian. [Woman, aged 53]*

Yes, there is a huge discrimination. The place you live can affect the possibility you have. No, it is not my case. We were discriminated for being female and Roma. [Woman, aged 30]

Some of the respondents didn't have satisfying relationships with relatives. Because of that they don't trust even those with whom they stay in touch.

I feel alone. I have a few old friends that still help me. I don't ask anything to them. I don't have trust. [Man, aged 62]

Frustration of older people was also characteristic because of their current life situation. The feeling of defeat, the lack of energy for realisation of own ideas and apathy influenced by positive assessment of the past and reluctance towards the presence.

I am not happy. There is no future. Before 2012 it was better, the future now is unsure. I need an incentive to start a business. [Man, aged 65]

There is no world around, for me it is too late but there are also a lot of problems for my children and my grandchildren [...]. Italian people from abroad received more than me. [Woman, aged 73]

My life is sad. In the past it was better. I don't do nothing, just wait [...]. I am alone and I feel loneliness [...]. I feel discriminated because I am Italian compared with immigrants that receive a lot of aids. [Woman, aged 79]

I have only one friend here in Italy. During communism in Bulgaria [the respondent comes from Bulgaria – ed. author] the life was better, everyone had a job. I have no hope for the future. I don't know what can change my situation, maybe to find a job. [Woman, aged 75]

Among the negative assessments of own situation there is one positive. Openness, trust and willingness for doing something give an important impulse to have a positive attitude and to find their own place in a society.

I feel good! I have friends. No, I am not alone. I am an artisan, wall painter and plaster work. Yes, these skills are useful! I am looking for non-formal learning opportunity. [Man, aged 59]

Functioning of Italian respondents in the society was assessed negatively by them. Especially, when they compared their own situation to the situation of other people. Separation of various reference groups and comparison with them results in feeling of discrimination.

Chapter IV

The ways of prevention and coming out of poverty and social exclusion

1. Rules of support system functioning and proposal of changes in this area

One of the research aims was to find out what the opinion of the respondents is about the functioning of support systems in particular countries and collect proposals of changes to these systems. At the beginning of the research it was assumed that the respondents had concrete proposals of changes that are possible to implement in the functioning of support institutions. It was derived from the belief that the persons experiencing poverty and social exclusion know their needs and mechanisms that govern support institutions. In

this way, analysing poverty and social exclusion from two sides (i.e. from the side of those who use the system and the system itself) can contribute to at least partial solving the social problems.

Estonia

In the opinion of the majority of respondents, the support system doesn't work properly. They pointed out that some of the forms of help were not effective. It mainly concerned free food which on one hand was accessible for all and on the other hand – it didn't solve the main problem because such help doesn't address exclusion from life but allows for existence.

I know people who really are in very deep poverty and there's no way to solve their problems. Soup kitchens and churches cannot help all who are in need. [Woman, aged 57]

Big role in providing support was played by institutions of labour market. Their faulty functioning had a key meaning to the emergence and persisting of social exclusion especially in the case of the long-term unemployed. This group is threatened with poverty and social exclusion the most and yet - the support doesn't reach them.

They operate very bad. Person can be officially registered as unemployed when s/he lost the job for 6-12 months, after that, it is your problem how to survive [...]. I do not contact public institutions for many years, they are not willing to help me and I don't trust them. [Man, aged 59]

I do not go to these institutions because I do not have job for many years, these institutions work only with people who just lost job and have chance to get financial support [...]. I do not contact public institutions, I'm always in stress when come back from there. [Woman, aged 56]

I didn't visit social security institutions, they work only with people who worked before. [Man, aged 22]

Respondents also pointed out the lack of flexible solutions for people running their own businesses.

I visited security institution during 6 months and had 64 euros per month of financial support because I was FIE²². I paid a lot of taxes for many years and when I am in troubles this state paid me incredibly little amount of money. I don't trust this security system. I quit my FIE status immediately because FIE has to make tax pre-payment every 3 months and now, when I have no job, I cannot manage with this terrible system. When I started to work as FIE, we paid taxes only once a year and after, when we knew total income [...]. I do not contact public institutions. I do not trust in security system, it is only for those who recently lost their jobs. [Woman, aged 61]

²² i.e. entrepreneur, sole proprietorship

Respondents underlined the complexity of procedures and excessive bureaucracy in the support system which didn't provide any help. In the opinion of respondents, the contact with support institutions was limited to statistical purposes about how many people are in need of help.

I visited few times social security institutions when I had lost a job, their support is very limited, money is small, officers only asked if I found job by myself or not and I had to report every visit. I visited around 5-7 places to ask about the job. Officer only wrote this information to the computer to my file and that's all. This institution is doing only paper work and doesn't care about people. [Woman, aged 56]

Benefits offered by the support institutions were too low in order to allow for normal life. However, the support of institutions gave beneficiaries insurance and access to free health care.

There's no particular difficulty to access social aid in our country, the problem is that social benefits I could get from this institutions are extremely low, and it's impossible to survive with this amount of money. I think it could be improved only with the general improvement of the economic situation in the country, and it's gonna take time, maybe one or two generations [...]. I do benefit from the aid institution, but I don't get benefits in money, but they still cover my social security, what helps me to save some money when I need. [Man, aged 38]

I'm inscribed on the list of people searching for the job, the thing is that social benefits I get from the institutions are extremely low, I can only survive because I live at my mom's place. [Man, aged 25]

Lack of real support, cumbersome bureaucracy, low level of benefits and lack of job offers were in respondents' opinion the key elements of support system functioning in Estonia. Postulated proposals of changes were limited to increasing the benefits. However, the respondents were aware that it would be possible only in the case of improvement of the economic situation of the country.

Spain

Among respondents in Spain, the voices about difficulties in getting support were heard. Especially important was low amount of financial support that would not satisfy all needs, which in turn resulted in people seeking help in charities. However, the respondents were glad for mental help thanks to high commitment of social workers.

There are many problems in accessing the social services, because so many people need it, but the financial aid they have is not enough [...]. I think they do, but as I said before it is not enough, even though I'm very happy with my social worker B. who is helping us very much [...]. I ask for help to friends, I've gone to the church... I have also stolen food from a supermarket to feed my

son [...]. In "Pan y Peces"²³ yes... They have helped me a lot... Maybe because when I had work I told them and I didn't want to receive the financial aid... I thought someone would need it more than me. [Woman, aged 39]

Some respondents pointed out that they cannot count on adequate support because of badly formulated legal acts. This situation concerned mainly single mothers who couldn't receive support. In their opinion, government regulates the aspects of help for immigrants and ignores the needs of citizens.

I had problems with them, because when I used to go to ask for grants my social worker was never there. Once they told me they would pay for my son's kindergarten but at the end they didn't and I had to pay it by myself asking for money... It was terrible [...]. I'm a disable person with no money, and the government gives that money to foreigners instead of helping me or other people in my same situation [...]. [Answering the question how to improve such system – ed. author] Giving the grants first to Spanish people, then to foreigners [...]. I go there every 3 to 4 months, which I think is not enough... I usually ask for grants for single mothers, but the law wasn't approved on time so I cannot benefit from it... Of course, I don't trust them. [Woman, aged 41]

There is lack of work, single mothers as me we have so many needs but we do not receive any grant. [Answering the question if there are any problems – ed. author] Mainly the paperwork. Also I need the father's signature if I want to get the grant, but I don't know where he is so [...]. I always go to my social worker to be guided to find work, to job opportunities, these things. [Woman, aged 28]

Bureaucracy also appeared in opinions of other respondents, not only single parents. The necessity of delivering many documents was often a big obstacle in receiving support or benefit in a timely manner.

I used to receive the unemployment benefit. For that I had to justify it with lots of paperwork... If you don't give the correct papers then you have to ask for another appointment... It does affect me because sometimes because of these delays you don't receive the money on time... [Woman, aged 36]

I think the law and the regulations are harder now... I mean the requirements and the paper work. [Man, aged 35]

Some respondents pointed out that the rules of contact with support institutions need improvement, especially in the area of information flow.

I applied to receive financial aid, but I didn't even get an answer [...]. I think it can be improved. This affects me because I don't receive the enough help. Now, I only have a financial aid of 291 euros that I receive twice a year. [Woman, aged 39]

²³ Fundacja „Chleb i Ryba”. (<http://www.fundacionpanypeces.org/>)

I contact Inem institution²⁴ every 6 months, because they give me financial aid. [Woman, aged 36]

Some of Spanish respondents were immigrants who by the native Spanish were pointed out as getting the social aid illegally. On the other hand, the persons from other countries stated that they don't have access to any support even if they really need it.

I came to Spain and I've been trying to access it [aid - author's note], but it is impossible [...]. The people that work there do not like to help people. This really affects me, because I need help, any kind of help. [Woman, aged 33]

Spanish respondents underlined deficiencies in the support system and its bad functioning. They mentioned insufficient benefits, difficult access for single parents and bureaucracy. Majority of respondents stated that these elements need modifications but they didn't have any concrete suggestions of changes.

Netherlands

Dutch respondents pointed at mismatched support procedures which resulted in ineffective help and the necessity of completing many steps in order to get assistance. Another issue was the problem of social workers who not always work in the right role.

I do not think that social services and institutions can change a lot. They do their best, it is just as it is. But they can't help [...]. It all depends on the person who helps you. The UWV when it comes to the unemployment and sickness benefits, there has been no understanding of what is going on. They offer at the employment office simply the wrong jobs, given my situation. That very strange, because that can also evaluate the possible jobs themselves, knows me. It is the procedure that appears to be more important than the person. [Man, aged 53]

In the area of real support, a lot depended on the approach of the support personnel at an institution. In some cases, when situation of a beneficiary was complicated, the support was not given.

When I came from Flanders, I had to go in Brabant, here in the Netherlands to an institution, an office, for a social benefit. That went not so good. The one, who helped me, thought it was my fault. And he did so little. But when I came here, I was supported fine. So it all depends on the one you find on your way. But why is someone sometimes so negative, because then you feel abandoned. They should help, stimulate precisely, on the way to a job or some other situation. [Woman, aged 55]

I have no right to social benefits and I have therefore no experience with assisting and social security funds. A few years ago I had a benefit. What I found really annoying is that the UWV gave me the feeling that it was my fault that I was out of work. And I noticed that they did not

²⁴ Employment office.

understand my situation at that time. The UWV has not helped me find a job. The services are exclusively digital and the site is often unavailable. [Woman, aged 34]

Some of the respondents were satisfied with the support despite of formalisation of procedures. Current legal rules that complicate granting help should be defined again.

The contacts are in my opinion not bad. They try to help you and you can see that by the people with whom you come in contact. With the UWV, for social assistance, when it comes to the distribution, registration is still very formal, so that could be done more smoothly. [Woman aged 35]

No complaints, you might say. People are nice; they want to help you in the best way. What is very annoying, in practice, is the organization. The rules are not good, they are complicated. And then you do not have quickly some confidence in an institution. That must change. Make clear which may or may not can be done and how But again, I am being helped in a pretty good way if there is something to be arranged. [Woman, aged 43]

One of the problems pointed out by respondents was digitalisation of information about the possibilities of receiving support and making it available via electronic means. It resulted in complications especially in situations when the computer system didn't work.

The people are quite nice but often impersonal. The procedures are not always clear. And you have to do a lot online, and then you have to take a decision without further consultation. I find that very annoying, and I'll try to contact them to change things. I think the approach should be more personal. So that one must assess your situation better at what "who you are and what you can do". [Woman, aged 27]

Respondents proposed a few concrete solutions. First of all, there should be a change in policy towards immigrants. It was pointed out that the help should be guaranteed for Dutch citizens in the first place and then for immigrants. Another issue was the necessity of unification of the system through creation of central support point for people that are in difficult situation. Another proposal concerned a change in the tax thresholds that decide about receiving support. Current situation often caused refusal of support if the certain threshold of income was passed, which in the opinion of respondents was not right.

Well, for the non-Dutch I think it is a kind of paradise. They are treated well in a certain way, while it is a tragedy for us. There is actually no work available. Especially if you are older, like me, there is just nothing to find [...]. I think the municipality here is not working so well and it is not doing its best. The information they give, is not adequate and not focused on the target groups. They need people making more aware of their rights. [Woman, aged 54]

The growing demand for support is clear. So people in institutions are busy. But they want to help us, I notice. There is much talk with you, and then it is often a long wait for a decision. So the procedures are cumbersome and complicated. But I can manage a lot. I am glad about

that. There are so many organizations where you can ask for help. But every organization has its own specialty and subject. What really should happen is that there is just one point for all contacts and issues. I think that it would be possible to streamline this. [Woman, aged 30]

The stupid thing is that we just earn too much to appeal to all kinds of arrangements. The poverty trap.... You are put just above a border and then you hold actually less than if you'd just are under that limit. The people are nice, but the procedures are not correct. They are confusing and unclear. There you walk into every time [...]. If that were resolved, it can give a piece of tranquility. [Woman, aged 37]

The opinions of Dutch respondents about functioning of support system showed unreadable procedures, unclear rules and dispersion of support centers. Despite that, respondents underlined that the approach of social workers is positive and willingness of giving help can be seen.

Poland

A different opinion about functioning of support system came from the Polish respondents. First of all, decisions whether to provide support are seen as arbitrary which is typical for help centers lower in hierarchy. Respondents were often refused help for different reasons, not always according to the letter of law. Such system of support was assessed by respondents as ineffective and aimed at guaranteeing work for the social services employees.

[Answering the question about experiencing discrimination – ed. author] Yes and it was from the social worker of GOPS, who instead of helping me, directed me to the priest who in her opinion should help me, but this is the job of support institutions, to help people in difficult situation. They should help and not direct to someone else. [Woman, aged 45]

I don't trust institutions, maybe it is caused by a social worker who takes care of this region. She often refuses us something that we are entitled to and we have to go to the office in order to find out how it really is. It appears that decisions of this woman often are not right. It concerns all people that are under her jurisdiction. I saw the decision that she gave the benefit to an alcoholic and at the same time she told me that I'm doing fine. Do I have to debase in order to get some help finally? [Woman, aged 47]

Office workers working in these institutions are not helpful nor competent on their positions. I think that they sit there in order to have work from the first to the first [...]. The contacts with public and support institutions are difficult, because people don't try to help in a way that they supposed to by the definition of their job position. [Man, aged 39]

Respondents had a feeling that the support they received was inadequate to their needs. They pointed out the necessity of using own strategies in order to receive the support.

I use support of GOPS, my children get funding in the area of education. But one day when I submitted the paper asking for the coal to heat my house, they gave me 200 zloty and I was so mad that when I went there I thought I'd kill them. When I told them that I will bring TV to show how the community T. is helping me, the conversation started to be different. The woman asked me not to report this and after 2-3 days the money was found. They could bring the tone of coal for an alcoholic right to his house, and for me they gave 200 zloty. But besides this single action, I don't complain about GOPS. [Woman, aged 42]

In the opinions of respondents, a significant fault in the support system is the way the support in-kind is divided by some institutions and the lack of possibilities of getting any financial aid. Respondents pointed out low effectiveness of such forms of support and no real possibility of satisfying real needs.

I would gladly go to GOPS, it is nice when they give flour, sugar and other food products. In my opinion they acting weak, if they would give mi money, I could buy whatever I want and the children would have something to eat. The functioning of support institutions could be improved through changing human resources [...]. Sometimes I use support of MOPS²⁵, CARITAS, once or twice in a month. Sometimes children go vacation from these institutions. I contact them only because of money. I trust one woman, the other I don't and this is how I assess the support institutions. If I have trust for the person, I trust the institution and vice versa. My family, friends use the support, my parents don't because they have pensions which are sufficient for medicines [Men, aged 36]

In the voices of respondents, a very strong mistrust to and the institutions' unwillingness to help seems typical. One of the respondents in ironic words commented the way the support system works in Poland.

Support institutions? Does something like that exist? I don't know anything about it [...]. I don't like any support institutions. People that work there create problems, ask for everything. I don't trust them. Some people I know use the support but in order to receive any help, certain conditions need to be fulfilled. [Man, aged 33]

Polish respondents agreed that the support provided by the system is insufficient, ineffective and too arbitrary in order to be considered a system that works well. Practically all respondents pointed out serious misconduct in the application of the regulations but there was no concrete proposals for improvement.

Romania

Respondents in Romania had doubts about the efficiency of social support for people in need. They pointed out bureaucracy, necessity of filling a lot of forms in many places and lack of sensible help for the homeless which leaves their life situation unchanged. In

²⁵ Miejski Ośrodek Pomocy Społecznej - jednostka organizacyjna wykonujące zadania z zakresu pomocy społecznej w mieście (<http://www.mpips.gov.pl/pomoc-spoleczna/institucje-pomocy-spolecznej/jednostki-organizacyjne/>).

addition the respondents criticized the solution which envisages covering the media expenses by city authorities where the average cost was counted based on summer months.

It is very hard to get social aid, I went to the City Hall and told them that I have no income. They came to see where I live, a young woman and two gentlemen, some kind of committee, to make an investigation. This was on a Tuesday and they told me to come Friday to – I don't know what – room at City Hall. I went there but they told me I don't have any request forms there and to wait. I didn't get any answer after that. I would have liked to and still want to work even community work would do, but I got no answer [...]. There is a place in D. for the homeless but If you go there drunk they don't let you in. I stayed there for three years and they threw me out because I started drinking [...]. The situation could be improved: first of all they should give work to the homeless who are willing and give them a place to stay and food until they find work. I went to the canteen at City Hall but they didn't give me food, they told me I don't fit the necessary profile. [Man, aged 42]

I applied for aid concerning heating, which would have meant that the amount which I have to pay for heating would be diminished by a certain fraction during the winter, from November to March. City hall would transfer a monthly amount of money to "E.ON"²⁶ in my name. In 2012 I paid attention to the gas meter and tried to use only as much gas as to keep inside the limits of the sums that I received from my "sponsor", City Hall. I also used firewood to heat my house occasionally. The bills for gas in the winter were indeed small, but in the summer I got a bill from E.ON for a huge amount as if City Hall hadn't paid what was due. When I asked EON what had happened they answered that the estimation they had done based on my gas consumption in the winter months had been bigger than what I have actually consumed. I did not understand but I paid the bill. I don't know what had happened. I had the confirmation from City Hall that I would receive that aid. It would have been a tedious process to find out what had happened and I was tired. So indeed, it isn't functioning properly, at least with this kind of social aid. Maybe it would have all been simpler if the money were transferred to a separate account which the beneficiary could access when they would have to pay the bill. [Woman, aged 52]

The respondents did not like how help was organized for the people who had recently lost their jobs. They criticised the necessity of reporting in person to an unemployment office and the electronic system that handles such visits.

I have to report to the labour office once a month to identify myself with the magnetic card, where my personal data are displayed and the message: 'so far we have not found a job for you' [...]. It is my obligation to report to the County Office every month on a day they set randomly to insert the magnetic card and my finger in the machine so that proves that I am in the city. If I put in the wrong finger, the machine does not validate my 'presence' and it does not provide the piece of paper that shows I was there, reporting. I assume that if I am absent, they stop the unemployment benefit. In a sense, it is very humiliating to be reporting to a machine. This is something that undermines your human dignity. [Man, aged 64]

²⁶ E.ON Energie România, energy supplier.

Respondents were critical about the Roma people who in their opinion should not receive any social benefits. Some opinions reflected there is a necessity of searching for support by the respondents themselves although a central registry of people in difficult situation would be of much help. This solution was not described in details by respondents.

Social aid here is a joke, forgive me for saying this but it helps no one, I mean I haven't seen it anywhere, perhaps some people get it who don't even deserve it, I'm not a racist but a lot of gypsies who don't deserve it benefit from it. I think they should have a database with the people who might need help but such a thing doesn't exist, on the other hand there is a lot of bureaucracy, they send you from room to room until you become fed up and don't go there anymore. I sometimes think that not even the people working there know exactly what they should be doing, that is why they keep sending you to someone else, otherwise everything should be simple. [Man, age unknown]

Bureaucracy in our country is exaggeratedly high, a lot of people refuse social aids that they could get because they don't know how to address the institutions and they are not shown how to, they don't know how to act, they don't know what they should do. Institutions function defectively because of the great bureaucracy that doesn't help anyone, people don't understand what they should do, and the people working there ignore you if they see you are not very Wright. [Man, aged 44]

In one of the answers there was a proposal of changes in the system of evidence of work history which would greatly facilitate receiving help by the unemployed. According to the current rules, the responsibility for documenting work history lies on the beneficiary.

I used to be unemployed. I have some difficulty putting together my file, my application to get the unemployment benefit. In addition to what I had on my work record, I needed some paperwork from my former employers, the information in which would coincide with what was already entered on the work record. The hours, number of years worked, and the number of paid holidays in each year. I heard the same story from several colleagues. This could be improved. If the recordings in the work records were better kept up to date. When the employers register the work contracts and their monthly statements, if these were entered into records promptly, then the situation of each employee would be easier to document. [Woman, aged 32]

Respondents in Romania underlined that the functioning of support system is not very good. They stressed the slowness and incompetence of social workers, cumbersome bureaucracy and only themselves to rely on in situations when they need to get help. The postulates of changes which were proposed included improvements in the process of gathering data which in current state is not appropriate because the time from the emergence of a crisis situation to getting help is very long.

Italy

The fact that Italian respondents were not satisfied with the functioning of public support institutions resulted in breaking contacts with the institutions. The reported problems included: incompetence of workers, excessive bureaucracy and unwillingness to help. Some respondents underlined that they only trust charity organisations.

I asked to social services in 2010 but only for three months. They wanted me to split up with my husband. No, they do not operate in an effective way. I received support from Ufficio Pio delle Comapagnia di San Paolo. [Woman, aged 31]

Employment centre, social funds, social workers, municipality... I contact them monthly. I have to trust them, I have no choice. I don't work I have a social pension for 178 euros, that I have to share with my brother. [Man, aged 61]

I don't receive public help. I think they don't work in a proper way. I receive help form a voluntary organization that takes care of my child while I work or study [...]. I have to pay bills for light and gas. I ask to the voluntary organization when I can't manage alone. [Woman, aged 32]

I received refuses from all the public services. Of course they can improve their operate, being less bureaucratic and more effective [...]. I follow the rules and the procedure but I always receive NO as answer. I contact them as often as I need. No I don't trust. No. [Woman, aged 53]

Respondents pointed out various types of institutions and forms of support they used. The work of voluntary organisations and religious charities was assessed positively.

I ask for food from the church, I received assistance from social service, 300 euros and through the social card 600 euros every two month. [Man, aged 43]

I don't ask. I just want to survive without asking help to the state. I am hosted by the priest but I give back my time and my skills doing small works in the building. [Man, aged 59]

I trust in the church and private organization and not in the public system. From charities I received food, milk and cloths. From the state I receive the pension. Yes they can improve their way of work. I ask for help to my relatives and charity organizations. I try to pay in separate tranches [...]. I use the centre of fiscal help. Those are private organizations that help me in all the administrative staff. Yes I trust them; I come there once a month. [Woman aged 73]

I just asked to this charity organization, the one we are speaking in. They are really effective and fast. I am really satisfied [...]. Only with this charity organization. I am always in contact with them, they host me. I trust them. No, I am the only one in my family. [Woman, aged 75]

Respondents were critical about the rules of help for immigrants. In the opinion of native Italians, immigrants shouldn't receive support. People who came to Italy had a different

opinion. They pointed out the lack of trust between employees of support institutions and people like them.

The state helps more Roma people that live in the nomad camp, but we live in an apartment. We received help from municipalities for the meal of the child and from compagnia di san Paolo to pay expenditure. Yes, I trust. [Woman, aged 30]

Aid institution do not trust me, they treated me as a layer. They are not effective. [Respondent comes from Morocco – ed. author] I asked public service for the house but I didn't receive it. The Voluntary organization gave me help. [Woman, aged 35]

One of the proposed changes was the unification of support centres so they could offer complex support services. This proposal was similar to the postulates of respondents in Romania and Netherlands.

There is too much bureaucracy, it would be better to have only one office and not so much with different task. [Man, aged 62]

Italian respondents were very critical about the work of public support institutions and in effect they rather turned to non-governmental or religious charities. They underlined the need of creating one, universal centre of support.

5. Gaining entrepreneurial skills and undertaking self-employment

Entrepreneurial skills and a possibility of running of ones own business were the next area diagnosed during the research. Respondents answered questions about possibilities of running their own business, own predispositions and pluses and minuses of “being on my own”.

Estonia

Some people among respondents in Estonia showed willingness to run their own business. Part of them even undertaken some steps towards this goal but the usual obstacles was the lack of money. Deficiency in own resources and no access to external capital was difficult. The second factor was, in the respondents' opinion, strong competitiveness, especially of the large companies.

I have no experience in business; I mean I've worked for various businesses, but always as an employee. I would say that to open a profitable business I'd need a starting capital that is not easy to get. [Man, aged 38]

I had an idea to start my small business but I understand that big designing companies are much stronger and I cannot compete with them. [Woman, aged 57]

I have my own info-portal on the Internet to present my work as journalist and writer but I don't have money from this portal. I'll be happy to work for my own company or be employed but both options are not possible for me. [Man, aged 59]

Often, there was an answer that it is better to be employed than to run ones own business because of strong competition on the market.

I was book-keeper in the accounting company. There are too many book-keepers in Estonia now and it is very difficult to find a job. I will try to find a new job. I don't want to run own company because I know how difficult it is, how big is the competition and especially now when it's economic crisis and we have bad relationships with Russia, it is impossible to find place for export from Estonia. It is also difficult to find loans and produce something but more difficult is to sell things. [Woman, aged 61]

In some cases, the respondents directly pointed at the lack of qualifications and predispositions for running own business.

I prepare city tours and try to find individuals or small groups for site seeing. Sometimes I work as a cleaner in the offices. But all these are for cash, I don't have social security and don't pay taxes, so I cannot visit doctors and don't save money for my pension [...]. I don't want to run my own company. I am not a business person. [Woman, aged 56]

It is a similar situation with access to the cash needed for the start of own business, which is important especially in the current economic situation.

I can work as construction worker, I learned this profession in Finland when worked there with other people from Estonia. My profession was needed when people had money to build houses, not now, when the economic crisis is everywhere. I don't have money for run out my own business. [Man, aged 24]

Even when the respondents had some ideas for possible business activities, they resigned from them.

I was an economist after I graduated and for the last 17 years I worked in logistic in fishing company. My skills and professional qualifications are fine but age and language skills are not good for the modern labour market. I don't want to run my own company. Maybe, I will start to do something in social sphere – care service for old people like my father. There are no places for such people to go, there is Day center for retired but there are only women. Men are sitting outside near the houses on summer but on winter they are very isolated and excluded from the

*society. I have an idea how to help them but don't even know how to start its implementation.
[Woman, aged 55]*

Majority of Estonian respondents were sceptical about the idea of running a business. The reasons mentioned were no access to financial resources and large competitiveness, although the same factors were taken into consideration by people who were positive about having own companies. Respondents mentioned lack of entrepreneurial skills and limited knowledge in this area which also influenced the decisions about not starting own business.

Spain

Spanish respondents positively looked at the idea of starting own business and gave concrete proposals. In their opinion, running own business is better than full-time employment, although it requires the capital for starting the business. Persons declaring willingness to open up own business often pointed out at lack of knowledge in the area of financial management of the company.

I try to open a bar or something like that. The main barrier is money. [Woman, aged 33]

It is better to run your own business, work for yourself, being your own boss. But it is a big responsibility. I would like to run my own business, but I don't do that because the money issue. You need to know how to do it, how to manage your resources. If you don't have that basic knowledge you can't run your business. I don't feel I'm prepare enough to do it. [Woman, aged 54]

Some respondents were careful when thinking about opening own business and at the effect they declared that it is better to be employed by someone else.

Yes, but I don't have enough money, or a good idea. I'm not sure. I think is better to be employed. [Woman, aged 41]

Persons that were sceptical about this idea underlined the necessity of being self-confident and effort of finding potential clients. The examples of those who failed were given as the arguments "against".

I improve my studies to get a better job, because own company is too risky. It is better to be employed. In doing own business the most important skill is self-confidence. [Woman, aged 36]

Nowadays I think it is better to be employed than to run your own company [...]. I think so, but now with the crisis it is very difficult because people don't have the money to expend, so I know a lot of business that had to close because of that. A friend of mine open a fruit market and she lost everything. When I used to have money I used to eat everything, fruit, fish, meat but now I

can't afford it, the fruit is very expensive. That is why at the end she had to close her business. [Woman, aged 34]

Employment on a full time basis was also the choice of those who got used to such a way of earning and who want to limit the risk.

I don't want to run my own company, because I've been always an employee. [Woman, aged 39]

I improve my studies to get a better job. I think it is better to be employed. In work the most important skill is team working. Running own business is too risky. [Woman, aged 45]

Spanish respondents were a little more enthusiastic about the idea of starting their own business as a support method for improving own financial situation. They talked, similarly to respondents in Estonia, about objective factors which decided about choosing such option. Part of respondents pointed out at the ways of dealing with these factors, for example through participation in courses or trainings.

Netherlands

In majority, the respondents were very positive about the idea of running a business. Unlike other respondents they usually had ideas for business and actively looked for possibilities of support in this area including help from public institutions.

Well, apart from the handicap. I can use what I know now when we are trying to set up our horse business - so that young people can leave their horse with us for care. Of course I do want to learn more, taking courses [...]. Obviously. I am now trying out. In July, it should be decided whether I continue with it, or I will again in the social assistance. It is a matter of physically cope with anything. I can do it, surely. [Woman, aged 27]

Actually, I do it all, as freelancer. But to call this my own business, that goes too far. But I do my business independently. Getting started with it, and then you will manage. Of course you do not know everything, and then there would be guidance from the authority. But yeah, if additional training courses would be there, then I'm in. Of course and why not. [Woman, aged 55]

[Question about starting up own business - author's note] *Yes, something with making movies or playing in movies. Or anything else that suits me. The main thing is that I do not want to depend on anyone. By the way, you can start your own business with some common sense, if there is money. [Man, aged 60]*

I have a folder of the town, for a meeting. You can hear more about how to start a business, with retention of assistance, to be a freelancer. I go there... so yes, I want to. If you have any social security in the beginning, why not. [Woman, aged 30]

In some cases, the respondents had ideas but they were afraid of failure and its consequences.

I once had the idea to start a business. I thought of a bookstore with a coffee corner and a children's corner - in which people can read with their young children. Also I have thought to run a store that focuses on mixed-media with a possibility to get an advice. What stops me is the risk that the store is not doing well - and my financial vulnerability. And how do I get the necessary start-up capital? And I miss business acumen. I have great ideas, but I can't put them on paper. [Woman, aged 34]

I think I have the right skills, but, well, then I'm a particular situation. I would not mind studying more, if it is offered, but how? If that possibility would arise, then certainly I will take the opportunity. But the problem is the money. Where will I get that budget from? So, not employed, but do something myself. And I also have the necessary skills, if I know myself well. [Woman, aged 43]

So I've had my own cleaning company. I know what it is. A private company is nice, but if you go bankrupt, you can come right back on welfare. This is very unfavourable. [Woman, aged 54]

An important factor was also a real lack of financial resources and the debts of respondents, which caused the fact that they were not willing to open up a business.

I could make it, but how? Money, building... I don't have resources and access for that, with my debts. They will never lend me anything. [Man, aged 64]

In the respondents' opinion, a large influence on the decision of starting one's own business are personality traits which make it easy for them to find paid jobs instead of becoming an entrepreneur. What is significant, such attitude was not connected with the education level.

I have an adequate training, and I have work experience. I am not a manager, so for that I have to follow any additional courses [...]. Just stay in service, having a boss. [Woman, aged 37]

[Answering the question of starting of own business – ed. author] *No, not my type. I can't do that. Let me just have a boss, and then I thereby can do my own thing. Because I'm far too uncertain, to have an own business. [Man, aged 53]*

Both respondents were positive about the idea of running of own business. They showed a lot of initiative, had ideas and looked for a support form for their actions. Some respondents were aware of the risk and necessity of having skills and knowledge, but still they declared that they would start own businesses. The factors mentioned as withholding from opening up own company were: the lack of personal predispositions and the lack of financial resources.

Poland

Despite the lack of financial resources and knowledge in the area of running a business, part of our respondents declared willingness to open up their own company. They were aware of the limits in using e.g. public resources even though they had concrete ideas and were ready to realize them. Some indicated that they would like to improve their knowledge by participating in courses but also in practice by employing themselves in other companies first.

I wanted to open own company with flowers and handcraft but the Mayor didn't let me develop and try. He said that if I cannot keep the business for a year, I will have to return all the money which I got. I would gladly participate in a training that would rise my qualifications because I like to do such things. I still think about own company, it could be a family business. Together with my daughter we could do bouquets and my son, after getting drivers' licence could distribute those flowers around Poland. At the beginning I would need support of an accountant because I wouldn't know how to run a business. [Woman, aged 47]

I would like to try to run own business one day. The barrier that keeps me away from it is lack of experience and this is why I'd like to work somewhere first, gain experience and self-confidence. It would be also good to get to know the rules of marketing and sales. It would be good to finish some training in this area which currently I don't have. [Woman, aged 22]

Despite the fact, that some respondents had positive opinions about running own business, they were also aware that a lot of hard work is necessary on top of investment of own financial resources.

I would like to run own business but it is a huge responsibility. A lot of money is needed at the beginning or a very good business plan needs to be written in order to get European funds. It takes a lot of time and in my situation it is impossible. It is always better to be own boss but this requires education, skills, courses, trainings in order to start a company. [Woman, aged 20]

Polish respondents look positively at the fact of running a business and the major barriers they are concerned about were: professional knowledge, no access to financial resources, disability and costs of accountancy services. This last element appeared very frequently in comparison with other countries.

As everyone else, I'd like to run ow business but doing it is not so easy. The biggest barrier keeping me away from starting own business is the financial resources, meaning their lack. In my opinion it is better to run own business. I think that for running the company the courses are not necessary but useful [...]. My job title is a car mechanic which is not in big demand right now. I am not specialized in electronics which is needed in new cars and because of that I am on a margin. [Man, aged 39]

I don't have qualifications but I know that in order to open own company, the person needs to go through a course, has to have an access to European funds, bravery and what is the most important – money. Opening own business, why not? But our financial situation is not good and if the business doesn't go well, it will be even worse. [Woman, aged 42]

I would like to have own company. The barrier which withholds me from this step is disability. In my opinion nit is better to be an employee. In order to run a company, the person needs qualifications and finished trainings. I don't have them. [Man, aged 36]

[Answering the question about opening own business - author's note] *Of course, I would like to have it – construction. The most important barrier is money. In one's own company, the more income there is the more responsibilities and duties. There is a need to know the tax issues, invoices and up to now I don't have such skills. Currently I wonder where to find a job in order to earn some money to survive. [Man, aged 36]*

Some people at first didn't have any precise opinion about the idea of running their own business, but after longer response started to look sceptically at this concept.

I didn't think about it. It is difficult to say. The trainings are needed, some skills and it depends what kind of business will be opened. I think that opening own company is rather for young people and not for people in my age. [Woman, aged 55]

Fear of bankruptcy and necessity of paying debts, lack of money or knowledge and lack of entrepreneurial qualifications were the main factors influencing the decisions about not starting own business.

I don't have qualifications or knowledge for running own business. The biggest barrier is lack of money because in order to open something, one has to have money and as I said before, knowledge and qualifications. [Woman, aged 47]

I think I wouldn't dare to run own company. I am afraid that I wouldn't be able to manage. If it didn't work, where I would take the money from in order to pay my debts. Especially that I don't have any money that I could invest in own business [...]. Once I wanted to open up a small shop but the fear was stronger. [Woman aged 37]

Polish respondents, in many cases, were positive about the possibility of opening own business. They indicated some obstacles that may hinder new entrepreneurs like the lack of financial resources or professional knowledge, but only for some people these obstacles were significant. In many cases despite objective problems, the respondents declared willingness to be “on their own”.

Romania

Most of the respondents in Romania liked the idea of running own business. Some of them indicated that they have predispositions and qualifications but the lack of financial

resources for investments is the main barrier. The respondents also presented the knowledge about the ways a company functions and potential period of return from investment.

I would like to have my own business but I don't have the necessary funds to start. I know I have the necessary abilities to organise and coordinate but I could always learn more. [Woman, aged 52]

One's own business is a good option and especially at present. But to do this, one needs start-up funds and time to start the business and wait for it to produce profit. As the specialised institutions report, a company can be making a profit after two years. I don't know if I have the skills and until I have tested them, I would not know whether I need a specialised course or not. [Man, aged 64]

Lack of funds caused doubts among some of the respondents about the success of such a venture, especially being aware of their own abilities to run the business. They stressed the need to gain prior knowledge of management and acquisition of entrepreneurial skills.

I would like to have my own business. I would like a flower shop. What prevents me is the lack of funding. The possibility to get funds is from the banks. This I cannot do, I don't meet the criterion for the amount of money that would be necessary. They also recommended that I get a business partner. It depends – a business is unreliable. It depends. It's quite ... uncertain. As an employee, you get some money you can rely on, even if not every month. Whereas with the business, you never know if there is enough money to pay back the loan to the bank, and also the interest is to work much more than you do as an employee, and you ever know if it worth it. You need ambition and selfishness. [Woman aged 32]

[Answering the question about opening own business - author's note] *Yes I would like to have my own business and I think I have the mental capacity to run it. Only money stands in my way. It depends, sometimes it is better to be employed, owing a business comes with great responsibility, you need ideas, and you need to be able to make good decisions, not everyone can do that. It is important to have studies and acquired skills in order to run a firm, you have to learn how, you are not born with them. That is the only fair way. I have the necessary capabilities but I don't know everything, no one can say they know everything, that is what schools are for. You can learn things from anyone not just schools, as long as a man lives he should study, you know the saying: "A man learns as long as he hives and still dies unlearned". You never know how much, that is what makes life interesting. [Man, aged 41]*

I would like to have my own business, perhaps a mushroom farm. Money stands in my way, I don't think I'll ever have enough for it. It is better to have your own firm, because matters change, you are your own boss. Salary is not the same thing as profit, but if everyone was a business owner, who would be left to work? I don't think there are people who like to be subordinates, to do the dirty work for a small salary. I don't think you need special training to be a business owner. Yes, I believe if it were needed I could run a firm, all you need is to want it bad enough. [Man, aged 23]

Some of the respondents stated that skills needed for running a business are genetically conditioned and not gained and one has to be born with such skills. Those respondents were the only ones with such opinion among all countries.

I would like to have my own business , the thing restraining me is money, I don't have it and I have no way of asking for this kind of loan, and I wouldn't want to because I am not sure to succeed and I might not be able to give it back . To have my own business I don't need special skills or any kind of course. You have to be born with these abilities, to feel them, to have them in your blood, if not you might as well graduate from seven schools because you won't get any further anyway. If only I had money, I think I have these necessary abilities and I could start a business. [Man, aged 44]

If you had asked me 50 years ago, I would have said 'yes'. I would like to run my company, but now I know I don't have a business sense. It depends on the people – some are good – and talented - with business management, so are not. [Man, aged 69]

Some of the respondents voiced considerable concern about the competitiveness in the market. Some of them also mentioned the necessity of taking a loan which was associated with a lack of proper credit rating, as well as the need to repay the debt.

I am an accountant. At one point, this was a very useful skill, qualification. I could work from home. But now there are many companies who keep the accounts. [Answering the question about opening own business - author's note] Yes, I would like to have it, but not if I had to get a loan. I am not at the age when I could start something like this. So the lack of funds... it was very good for me to be employed. To run a company, you need specific skills. [Woman, aged 49]

Respondents in Romania indicated the willingness of running a business but they were aware of the necessary investment in order to start. Another reason for doubt was the lack of sufficient knowledge but there was no agreement about its significance.

Italy

Majority of Italian respondents expressed a positive opinion about running a business. They pointed out, however, the necessity of engaging capital and possessing knowledge in order to operate successfully. One of the answers indicated was the need for trust in business which was not mentioned in any other country. Similarly to other countries, for respondents in Italy, qualifications and knowledge needed for running own company gained at courses and trainings were very important.

[Answering the question about opening own business - author's note] Yes, but I need money. Running your own company or be employed: depends for the employment. Yes training is needed. [Man, aged 61]

I need capital and trust. I need specific. [Woman, aged 30]

[Answering the question about opening own business – author's note] *Yes, I would like. The main barriers are the crisis and the money. I don't know which is better, it's depends. Yes I have the skills [...]. I don't have money to open my business. You can choose between open a business and being hired it depends. [Woman, aged 53]*

My past experience is not recognized nowadays. I would like to do any other training, but I don't think that are going to be useful for me. Yes, but without capitals in not possible. Running own company gives you more freedom. Training is needed. I have those skills. [Man, aged 62]

Some respondents indicated they already had the necessary qualifications but expressed the need of upgrading them which was connected with investing in education of oneself. Some respondents indicated that no specific skills were needed but the most important was having enough capital.

*I have qualification of welders, grammar school lince. Yes I would like to improve my skills I would like to get the patent of welders. That is more than the qualification, but I am waiting for the money to attend the course. [Answering the question about opening own business - author's note] *Yes, but it is too expensive. I did it with my wife, but we closed because it was too expensive. To have your own business you don't need special skills you need money. [Man, aged 43]**

I have a lot of experiences as tailor but no qualification. [Woman, aged 73]

The problem for some respondents, especially the immigrants, was the lack of recognition of qualifications gained in home country. It caused depreciation of education and the need to do it again in Italy.

*I was a lawyer in Morocco but here in Italy this degree is not recognised. Here I'm studying for grammar license. I want to study I need to improve my skills. [Answering the question about opening own business - author's note] *No, too dangerous. [Woman, aged 35]**

A large barrier name by people willing to open up their own businesses were high taxes and low market capacity.

[Answering the question about opening own business - author's note] *Yes I would like. But the business market is really stocked nowadays. You have high taxes. I prefer to run my own business. You need to attend courses, I am learning. [Man, aged 23]*

Personal issues were another factor, especially current life situation, which would not allow for engagement into running own business. In the effect, the respondents showed lack of availability which in their opinion is closely related to a trait of an entrepreneur.

There is no work. I need qualifications and with my little child I can't provide full time availability and this is a big barrier [...]. Here in Italy I would like to do a business not only for African or Italian, something that is for everyone. Many Africans opens business only for their

people). It better to run own business. Mostly you need money and you get the experiences working. [Woman, aged 32]

Mentioned above, low market capacity was also a factor that decided about unwillingness of starting one's own business by some of the respondents. In such cases, respondents pointed out that it is better to be employed than to be an entrepreneur which is linked to a smaller risk.

[Answering the question about opening own business - author's note] No, there is no market. Nowadays is better to be employed. [Man, aged 59]

Italian respondents, similarly to people interviewed in the countries characterised by a high degree of risk of poverty and social exclusion, were rather positive about running a business but at the same time they listed many obstacles.

The main barriers were deficiencies in initial capital and insufficient knowledge about running of own business. It is characteristic that the objective factors were once again indicated both as decisive for running own business as well as the lack of such desire.

Conclusions and training recommendations

One of the purposes of this publication was to identify recommendations for the development of a training programme in entrepreneurship, dedicated to people who are poor and socially excluded. The plan of project's authors was to use the information obtained in the research to identify gaps of knowledge and lack of skills which would allow for setting up a business. The main purpose of the planned workshops was to increase entrepreneurial competences and educate the participants into such attitudes that would allow them to start and run their own business in the future. For this reason, the respondents were comprehensively diagnosed for entrepreneurial potential. They were asked a series of questions on the desire of running their own business and the barriers preventing them from starting it. The respondents were also asked to assess if it is better to run a business or work full-time and what specific skills and courses should a person have when they decide to start their own company.

The study brings the following conclusions:

- respondents frequently pointed to objective factors (endogenous and exogenous), that could decide both on deciding to run a business and the lack of such intention;
- endogenous factors which might affect the decision to set up their own business include: personality traits, including a tendency to take initiative or risk, education

and acquired skills, qualifications, the person's family situation, material status of a respondent;

- exogenous factors that may affect the decision to set up their own business include: the legal system, the economic situation, access to financing, access to information;
- drawing from the same distribution of factors it was possible to obtain two different answers from the respondents;
- In addition to objective factors, interviewees pointed to some subjective factors (negative), which do not allow for a step into one's own business: a permanent and significant disability, a large debt, basic needs are not satisfied and extreme poverty;
- Subjective factors were indicated as the current obstacle to set up their own business, but the respondents accept the possibility of the starting up a company (to a limited extent) in the future after the disappearance of selected factors (for example, after repaying debts).

The conclusions made it possible to draft recommendations for the entrepreneurship workshops programme.

The main recommendations relate to two types of factors diagnosed during the study.

In the field of endogenous factors, on the basis of statements of the respondents point to the need of:

- Personality traits audit among the workshop participants and comparison with entrepreneur traits reported in available literature. It's a direct result of responses that indicate lack of predisposition, little faith in oneself and avoiding risk;
- indicate the ways of development/modification of these traits - this stemmed from the lack of observed willingness to change and a trend to persist the current state;
- determine the desired development direction of the workshop participants, with the use of coaching, which could provide support in the process and help them sort through their knowledge about their goals (concentration);
- having current knowledge of business, management, finance and marketing - underlined by most of the respondents; the knowledge should be transferred through workshop and creative techniques, and should not be limited to the latest theoretical concepts;
- transfer of knowledge from the aforementioned areas in possibly the most practical form (e.g. business simulation), theory should be laid out in response to diagnosed problems in running a company (e.g. which legal form should be selected, taxation types, etc.) - pointed out by the respondents as willingness to gain some experience on running a business before they decide to start on their own;
- Access to information about the possible ways of improving the current situation of the family, particularly in the cases of: caring for dependants, work time arrangements, flexible task completion, different forms of economic activity (home office, subcontracting, etc.);

- Access to information on ways of improving financial situation or home finances management (in conjunction with information about financing your own business, discussed below).

Considering the endogenous factors based on the response the following needs were identified:

- summary of legal system for business activity for each country with easy-to-read and clear information on how to start up a business, what are the obligations towards the state (e.g. schedule for tax payments to the Revenue);
- Provision of main information about the economic situation, including the facts necessary from the point of view of a business owner or sources of such information (thematic portals, statistical data, etc.).
- determining potential sources of financing the business activity, including public grants (loans and non-returnable), which may be crucial for making the decision to start up a business; the information should provide all potential sources of finance with rules and the path to obtain them.
- Providing key information for running a business, not only legal and financial, but also: marketing techniques including advertising and promotion, team management, human relations, negotiation, assertiveness, self-promotion, information on the industry (industry associations, trade journals, websites, social networking sites, etc.).

An extremely important element of the workshops, according to the study, is the professional content transfer of expert knowledge of business, management, finance and marketing. Knowledge in each of these areas should be focused on making the business easier, should stress what is important and minimally referring to theoretical content. As an example we may use the risk of low market absorbance, as a key barrier in setting up a business. Participants should have access to tools which help finding attractive market niches and determining the actual market absorbance on the basis of their own market research. Similarly the often pointed out necessity of keeping accounts, the participants could learn the simplest methods of tax accounting, and in more difficult cases they could obtain information on how to use accounting services without contracting an accounting contractor (e.g. in connection with small business support programmes or under *de minimis* financing).

Participatory methods are an incredibly important part of the workshops, as they help in conveying the knowledge that is closest to the practical knowledge and the time devoted to the workshop would then result in personal development, acquisition of the social skills necessary, and often decisive, in running one's own business.

Summary

The study results allow for testing the main and supporting hypotheses. The main assumption of the interviews was that poverty and social exclusion is caused by a variety of economic and social factors, which condition entering, and exiting poverty and social exclusion to a certain degree, depending on the strength of their influence. The hypothesis, though general, was confirmed during the conducted research procedure. The bundle of factors mentioned is economic and social determinants, both general and primary. They all make the person tested entering the state of vulnerability to the discussed phenomena. It cannot be confirmed that only one factor impacted the change of status. An example would be having a job, which is considered as a factor against poverty. Also persons employed were under threat of, or affected by such phenomena. On the other hand, just the loss of employment does not automatically result in the emergence of poverty, but only in combination with other factors such as the overall bad economic situation in the country, or the lack of desirable professional qualifications, or a necessary expenditure to meet the needs of large household makes the loss of a job leading to poverty.

Verification of auxiliary hypotheses allowed drawing several conclusions:

1. An income lower than the average income for a particular country creates favourable conditions for poverty and social exclusion. The selection of the study sample assumed the respondents meet at least one border condition (incl. low income that entitles to benefit from social services). Given only the previous eligibility criteria (i.e., lack of employment, having low-skill or lower secondary education, single parenting or large families) resulted in the same test sample.
2. Among other significant economic determinants of poverty, job loss was one of the most critical. The respondents' answers clearly indicated the necessity of finding an employment to improve their financial situation. No opportunities to earn money were pointed out as a direct factor, though mentioned among other factors, causing poverty. Interviewees pointed out that the loss of work had a significant impact on the household's resources, and the continuing state of unemployment reduced hope for a better financial situation in the near future. More than 75% of people who were unemployed said that their financial situation deteriorated, 32% of those people said that the deterioration was very serious. When taking about the employed, 37% said their situation deteriorated.
3. The necessity of sharing income among a larger number of household members was also favouring the emergence of poverty - especially when the members were minors and people without income. After several interviews one could see a pattern - the financial situation was worse when the population of a household consisted of children and unemployed adults. In such cases, we received statements on careful and efficient income management, whose level was clearly stated by the respondents.

4. A household with only one employed person was in a detrimental situation even if that person was running their own business²⁷.
5. Formal education at a lower secondary level was correlated with unemployment. 41% of the unemployed respondents had only primary or lower secondary education. 27% among the unemployed. The respondents themselves said that the lack of qualifications, formal recognition and lack of education which could prove a person's knowledge was the limiting factor in finding work. Interviewees were generally aware of the need for formally recognised qualification in the process of employment and indicated that without at least short term education they are cannot start working or even more so, start their own business. What is important, test group picked courses and training more often, when asked about raising their chances of finding employment than traditional formal education.
6. Disability, as one of the causes of social poverty and social exclusion, in the opinion of the surveyed only in some cases has an impact on their current financial situation. The test group only in a few cases indicated that their disability caused their current financial situation. Some of the disabled said that they cannot work in certain professions but are actively looking for work in other areas. In this case, it is the lack of job that was the cause of a worse financial situation. Some interviewees stood out due to their heightened activity in comparison to people without disabilities, which sounds promising in the context of exiting the poverty.
7. Inhabiting a rural area may have a significant impact on the current financial situation. Because the studies involved residents of both cities and the countryside, the latter pointed out only some cases in which their situation is worse when compared with the inhabitants of the cities. Access to social assistance on the same rules, neighbour aid, cultivating own vegetable garden have influence on the lack of negative evaluation of living in a rural area. Some interviewees pointed out, however, that living in the countryside have limited options in getting information and difficult access to jobs.
8. Inability to cope with risky situations, and especially lack of entrepreneurial skills, was a key social factor causing poverty. It has been confirmed both during the interviews and in the questionnaires. Many respondents considered taking any action to improve their financial situation as unnecessary. The lack of prospects for improving the current state resulted passive behaviour and narrow field of activity. On the basis of certain statements one can conclude that people got used to such state and are not willing to change it. The information gathered in this survey shows that 90% of respondents limit current needs, 76% uses institutional aid, and almost 50% takes loans. The solution involving additional work was indicated by only ¼ of the respondents. Of course, the possibility of employment was limited not only by personal considerations, but also by socio-economic conditions. In questions related

²⁷ During the study, running own company was considered to be a factor that considerably reduces the risk of poverty and social exclusion. The assumption was made on the basis of EUROSTAT statistical data.

to starting own business the respondents pointed to the lack of entrepreneurial predispositions, which prevented them from starting up a business.

9. Poor and socially excluded people, only in some cases have specific, practical suggestions of change in operation of aid institutions. When asked about change proposals, only a part of the respondents had any thoughts on the subject and some of the proposed solutions were clear enough to be taken into account. The most frequently indicated idea was integration of aid institutions, so that they can provide complete services regardless of the situation that entitles a person to apply for social assistance. Some observations, though they were not in the form of a legal change may be recognised as such. An example of such is more individual and humane approach to people benefiting from aid.
10. The results also confirmed the division of the test sample in the studied countries to countries of high, moderate risk and safe.
11. In the high-risk countries, the observed poverty was associated with unmet basic needs. The respondents often indicated the difficulties in providing proper sustenance for their household members. The lack of financial resources was causing difficulties in meeting housing needs, both in infrastructure and the living space. In this group of countries, we observed adverse economic processes, making legal employment very difficult, or associated with low earnings. In some countries from this group, i.e. in Estonia and Italy, an unclear status of people of different nationalities is a problem.
12. In the case of Spain, the country that is considered "moderately exposed to the risk of poverty", concluding from the respondents' answers, one can state that poverty was primarily related to the area of resources in analysed households. More often than in other countries the tested underlined their status and deficiencies in their material state and rarely indicated deficiencies in food supply. Similarly, as in Italy, they pointed to the problem of unemployment among immigrants and the lack of the recognition of competences, although in this case, the person tested worked in simple jobs. An important element of the poverty of that country was the inability to pay their mortgage obligations. Problems in financing current consumption were signalled less often, though the situation in that regard was aggravated in the case of job loss by a member of the household.
13. Characteristic feature in a country considered "safe", i.e. the Netherlands was institutionalised social assistance and access to it. Poor people from this country often pointed to the use of different forms of support from assistance in meeting the food needs, through clothing to personal support in the search for employment. Universality of access to system solutions, despite their numerous defects was characteristic to the Netherlands. Compared to other countries, those in hardship could count on faster help of both public institutions and non-governmental organisations or charities. An important component of poverty in this country was also higher activity of the test group in improving their situation and the feeling of optimism related to it. Despite the fact that in other countries the respondents often made efforts to change their material position, but only in the Netherlands, it has been

observed they have positive attitudes towards their plans. It was not observed or seen at a little extent, the need for a very intensive effort to receive aid due, which differed to experiences of respondents from other countries.

The issues presented in this paper give reasons to acknowledge varying degrees of socio-economic impact on the emergence of poverty and social exclusion and exiting out of these states. The result of the research encourage to pursue them further and adding new elements like in-depth economic analysis of the phenomena, broadening the test group by adding other social groups which are less vulnerable to poverty and social exclusion.

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