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Housing Problems and Access to Basic Local Services in the EU27. How Does Austria Compare?

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Keywords: housing problems, basic local services, Austria, European Union

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

The aim of this Policy Brief is to explore (i) housing problems, such as poor housing quality, overcrowdedness, housing cost overburden, and (ii) access to basic local services, including public transport, postal and banking services across the EU27.[1] We also assess whether the population at risk of poverty is exposed to cumulative disadvantage, suffering from both low incomes and housing deprivation. We complement the analysis with a focus on specific social groups in Austria. The calculations are based on EU-SILC 2009, with representative samples of the population in 27 EU countries.

In 2009, an estimated 30 million people, 6% of the EU27 population, suffered from severe housing deprivation and 18% lived in overcrowded conditions. We found a major geographical divide across Europe, with highest rates in Eastern European countries. The population at risk of poverty is more likely to live in overcrowded conditions or in a dwelling with quality shortfalls. The prevalence of severe housing deprivation is close to 14% among those at risk of poverty in the EU on average, which implies a rate of over twofold compared to the total population.

12% of the EU27 population lived in a household that spent 40% or more of its net income on housing. The population at risk of poverty is more affected in all the countries. In 13 out of 27 EU Member States at least one in three persons on low incomes suffered from housing cost overburden.

About one in five persons in the EU27 report difficulties with access to public transport. In some Mediterranean and Eastern European countries, Ireland and the Netherlands, low-income groups are *relatively more* disadvantaged in national standards. There is a large diversity across Europe with respect to problems with access to postal and banking services, ranging between 2% and 39%, and the poor population typically falls behind in most countries.

1 The results presented here are partly based on the research project "Social Inclusion in Europe", financed by the Bundesministerium für Arbeit und Soziales, Germany.

In *Austria*, migrants from outside the EU face the highest prevalence of severe housing deprivation, with a rate of 16%. Large families, single parents, and those at risk of poverty have an above average exposure to housing deprivation. The elderly living in rural areas have the most severe problem with access to public transport and access to postal and banking services. Large families and single elderly have also above average risk.

Housing deprivation

Housing quality is both an output measure itself, expressing an important element of quality of life, but it is also a determinant of social participation chances, as it has an impact on health, on social relations, and on access to jobs. In addition to the quality of housing in a narrow sense, neighbourhood characteristics, the accessibility and quality of local social services, in particular public transport, play a major role.

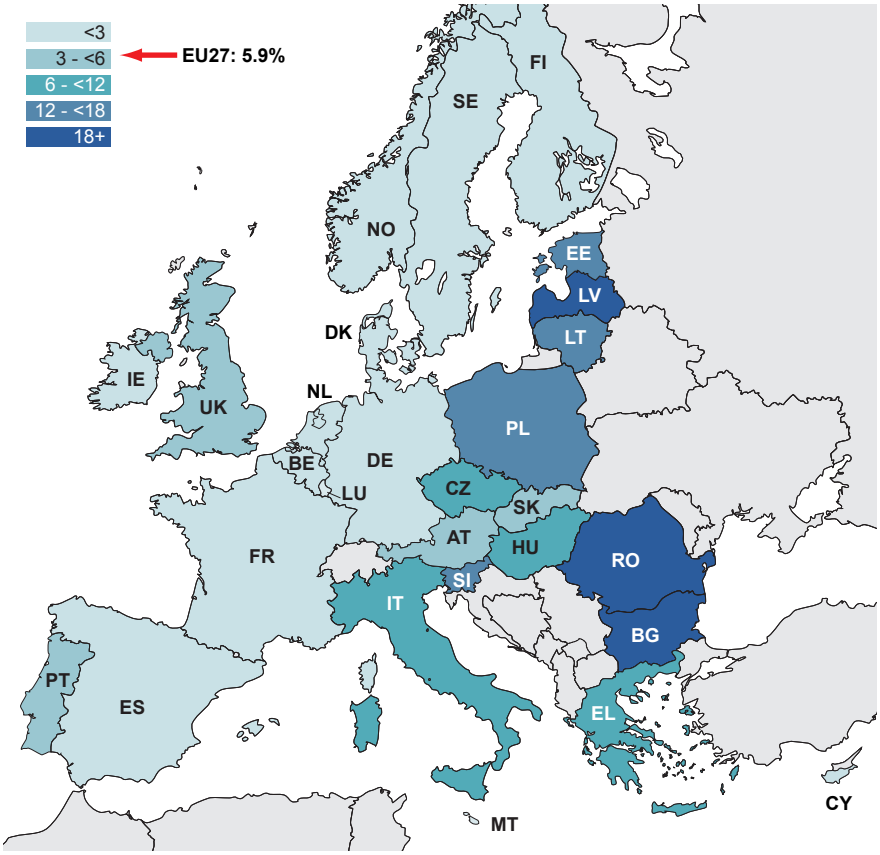
6% of the EU27 population suffered from severe housing deprivation.

In 2009, an estimated 30 million people, 6% of the EU27 population, suffered from severe housing deprivation. This is defined as living in a dwelling which is both overcrowded and has at least one fundamental quality shortage ([1] a leaking roof or damp walls, floors, foundations or rot in window frames or floor; or [2] neither a bath, nor a shower, nor an indoor flushing; or [3] too dark). The map suggests a major geographical divide, with highest rates of deprivation in Eastern and Southern Europe (Figure 1). The rates vary between 0-1% and 29%. In Cyprus, the Netherlands, Finland, Norway and Ireland, the rate is 1% or below. By contrast, in Latvia and Romania, over one in five persons is affected by severe housing deprivation (23% and 29%, respectively). (For a more in-depth exploration of housing quality issues, see Lelkes and Zólyomi, 2010.)

Low-income groups have a twofold chance on average to experience severe housing deprivation.

Low-income groups are more likely to be exposed to severe housing deprivation (Figure 2). The prevalence of severe housing deprivation is close to 14% among those at risk of poverty in the EU on average, which implies a rate of over twofold compared to the total population. The highest prevalence of housing deprivation among low-income individuals, with rates of 30% or over, occurs in Bulgaria, Latvia, Poland and Romania, with a rate as high as 55% in the latter. In Austria, 11% of the poor are exposed to severe housing deprivation, in contrast to 4% of the total population on average. All this highlights the cumulative disadvantage of some of the poor population.

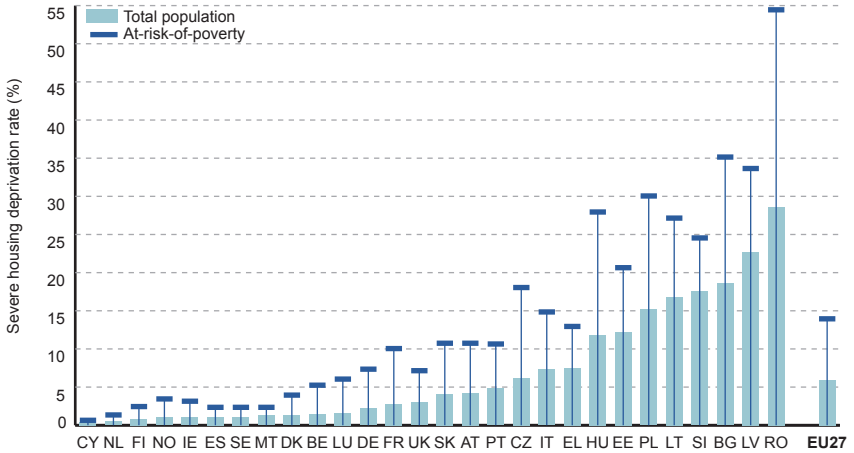
Figure 1: Severe housing deprivation rate across the EU, 2009



Source: Own calculations based on EU-SILC 2009 – revision 1 of August 2011.

Notes: Severe housing deprivation refers to the percentage of the population in a dwelling which is considered as overcrowded and exposed to at least one of the following three housing deprivation measures: (1) a leaking roof or damp walls, floors, foundations or rot in window frames or floor; (2) neither a bath, nor a shower, nor an indoor flushing; or (3) too dark.

Figure 2: Severe housing deprivation rate, comparing total population and those at-risk-of-poverty, 2009



Source: Own calculations based on EU-SILC 2009 – revision 1 of August 2011.

Notes: Population at-risk-of-poverty: persons with an equivalised disposable income below the risk-of-poverty threshold, which is set at 60% of the national median equivalised disposable income (after social transfers). Severe housing deprivation rate: see Note Figure 1. EU27: population-weighted average of national indicators.

In Austria, migrants from outside the EU have the highest rates of severe housing deprivation. In contrast, the rural population has the lowest rates.

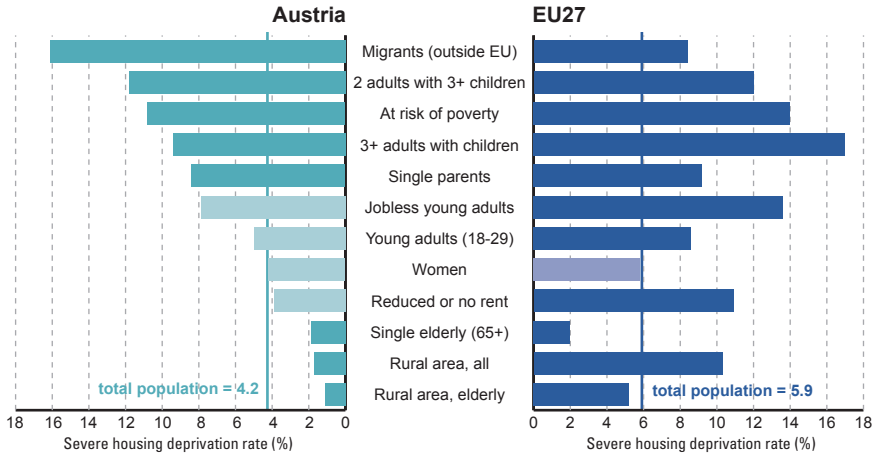
There are substantial social differences in terms of housing deprivation in Austria (Figure 3). We explored the situation of a few selected social groups, based on demographic characteristics and the degree of urbanisation. Migrants from outside the EU face the highest prevalence of severe housing deprivation (the accumulation of at least one major housing

quality shortfall and overcrowdedness), with a rate of 16%. Large families (those with 3+ adults and those with 3+ children), single parents, and those at risk of poverty have an above average exposure to housing deprivation. Note that people who live in social housing (in a dwelling which is provided for free or rented at a lower price than the market price) are about as likely to experience housing deprivation as the population average, with a rate of 4%. In contrast, in the EU27 this group tends to suffer from a relative disadvantage, with a severe housing deprivation rate of 11% on average. The rural population in Austria is better off both in national terms and compared to the EU27 average, with only 2% of the rural population affected. This includes the rural elderly, with an estimated rate of 1% faring much better than the Austrian average. There is no evidence of a gender difference, which comes as no surprise given that the indicator is household-based and the overall majority of women lives in households with men.

Figure 3: Severe housing deprivation rate across different social groups in Austria and EU27, 2009

Source: Own calculations based on EU-SILC 2009 – revision 1 of August 2011.

Notes: Bars with lighter shading indicate that the difference between the means is not significant at 10% level. Rural area, elderly: refers to persons aged 65 or more, living in "thinly populated areas". Migrant: based on country of birth. Reduced or no rent: an accommodation which is provided for free or rented at a lower price than the market price. Jobless young adult: unemployed aged 18-29, based on self-proclaimed economic status. Severe housing deprivation rate: see Note Figure 1.



In the following section, we scrutinize one component of the "severe housing deprivation" indicator: overcrowding.

Overcrowding rate

The indicator of overcrowding measures whether there is sufficient space in the dwelling, using one single formula across all EU countries, based on the number of rooms and the household size and composition (for details, see the notes under Figure 4).

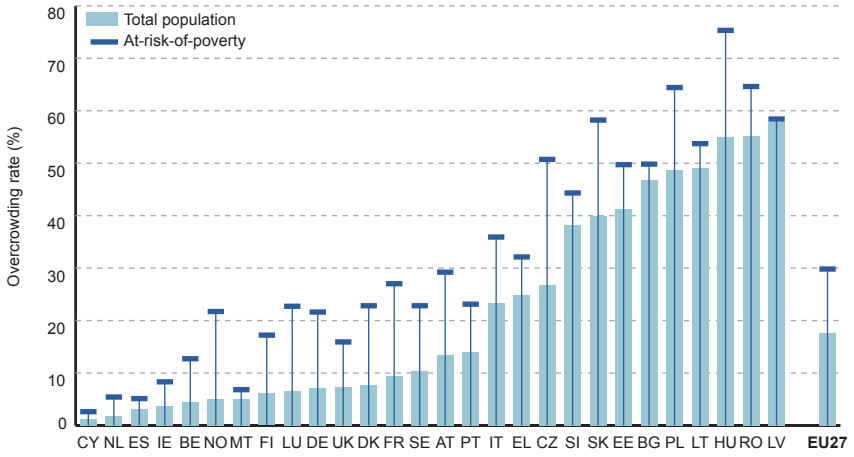
18% of the EU27 population lived in overcrowded conditions. In some Eastern European countries the rate is over 50%.

In 2009, 18% of the EU27 population lived in overcrowded conditions (Figure 4). The problem is much more prevalent in Eastern European countries: in Bulgaria, Estonia, Lithuania, Poland, and Slovakia the overcrowding rate reached 40% or more, and in Hungary, Romania, and Latvia it was over 50%. The lowest percentages were recorded in Cyprus (1%) and the Netherlands (2%).

Figure 4: Overcrowding rate, comparing total population and those at-risk-of-poverty, 2009

Source: Own calculations based on EU-SILC 2009 – revision 1 of August 2011.

Notes: A person is considered as living in an overcrowded dwelling if the household does not have at its disposal a minimum number of rooms equal to: one room for the household; one room per couple in the household; one room for each single person aged 18 or older; one room per pair of single people of the same gender between 12 and 17 years of age; one room for each single person between 12 and 17 years of age and not included in the previous category; one room per pair of children under 12 years of age. EU27: population-weighted average of national indicators.



The poor are relatively worse off in countries with low overall overcrowding rate.

The population at risk of poverty is more likely to live in overcrowded dwellings. The social gap between low-income groups and the rest of the population tends to be proportionately larger in countries with lower overall overcrowding rates, including Norway, Finland, Luxembourg, Germany, Denmark, France and others. In Hungary, 75% of the population at risk of poverty is exposed to overcrowded conditions. Similar rates prevail in Poland (65%), Romania (65%). The lowest percentages were recorded in Cyprus (3%), Spain (5%), the Netherlands (6%), and Malta (7%). In Austria, 29% of the population at risk of poverty lives in overcrowded dwellings, reaching a rate of over twofold than the national average (13%).

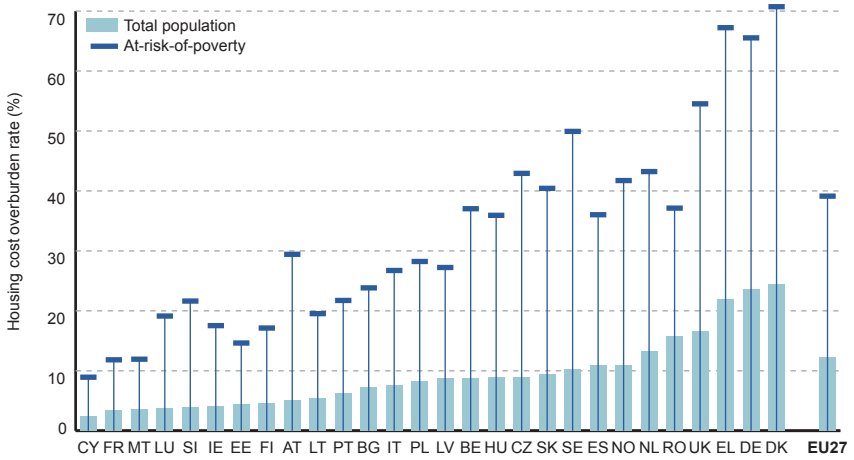
Housing cost overburden

12% affected by housing cost overburden in the EU27.

In 2008, 12% of the EU27 population lived in a household that spent 40% or more of its net income (equivalised disposable income net of housing allowances) on housing. This rate varied from 3% in Cyprus and France to over 20% in Greece and Denmark. This suggests that in several prosperous countries a relatively large share of the population is affected by this problem.

Higher-income countries tend to be exposed to higher housing costs as well. The housing cost overburden rate calculates expenditure on housing in relation to the total income of the household (adjusted for household size), and therefore it accounts for differences in average living costs and in income levels across countries. So, the cross-country variation of the indicator highlights an aspect of inequality, and also refers to the spending structure of households. This latter is strongly related to the structure of the housing market (share of subsidized social housing and that of privately rented homes and also the regulation of the rental prices) and the service charges for public amenities, such as water, sewage removal, energy prices, etc. as well.

Figure 5:
Housing cost overburden rate, comparing total population and those at-risk-of-poverty, 2008 income year



Source:
Own calculations based on EU-SILC 2009 – revision 1 of August 2011.

Notes:
Percentage of population living in a household where the total housing costs (net of housing allowances) represent more than 40% of the total disposable household income (net of housing allowances).
We omitted Germany, because the national EU-SILC questionnaire currently excludes the largest part of housing allowances (about 94% of total), thus the housing cost overburden rate would be overestimated.

In about half of EU countries at least one in three persons on low incomes are affected.

The population at risk of poverty is more affected in all the countries, as shown in Figure 5. In 13 out of 27 EU Member States at least one in three persons on low incomes had housing costs in excess of 40% of their disposable income. In Austria, the rate is close to this level, reaching 30%. In Sweden, the UK, Greece and Denmark one in two persons on poverty levels of income are affected.

Access to basic local services

We explore the access to public transport and postal or banking services, as assessed by the individuals themselves. The accessibility of the services is assessed in terms of physical and technical access, and opening hours, appropriate timetable, but not in terms of quality, price and similar aspects. Physical access is assessed in terms of distance but also of infrastructure and equipment for respondents with physical disability.

Although the question is not meant to explore subjective feelings, personal expectations may play a role. It may well occur that a long-term explicit public policy focus on, say, improving access to public transport, may raise expectations: people may be more dissatisfied with shortfalls in the service provision even if it is above average in international comparison. Comparison across social groups *within* a particular country is likely to control for this problem to a large extent.

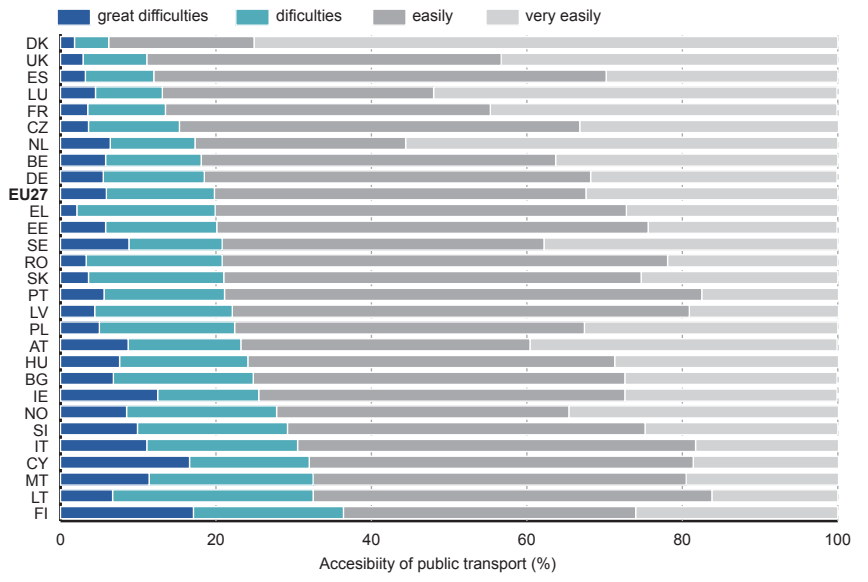
We describe the cross-country variation in failures in access to these public services, and the relationship between poverty and access. We also highlight differences across social groups within Austria.

Accessibility of public transport

About one in five persons in the EU27 report difficulties with access to public transport.

About one in five persons in the EU27 report difficulties with access to public transport (Figure 6). Denmark has the lowest barriers with access to public transport: only 6% of the population reports difficulties or great difficulties. Denmark being a small and prosperous country, it may come as little surprise. The picture is a bit more varied if we observe the following countries, with rates between 11% and 14%, which include Luxembourg (which is yet another small and prosperous country), but also the UK, France and Spain (which are far from being small). At the other extreme are Italy, Cyprus, Malta, Latvia and Finland, where over 30% of the population finds that public transport is accessible only with difficulties (or great difficulties). In Cyprus and in Finland 17% of the population claim that they have "great difficulties", which is the highest rate within the EU. We focus on this group, those with "great difficulties", in exploring the relationship with poverty status.

Figure 6: Accessibility of public transport across the EU, 2009



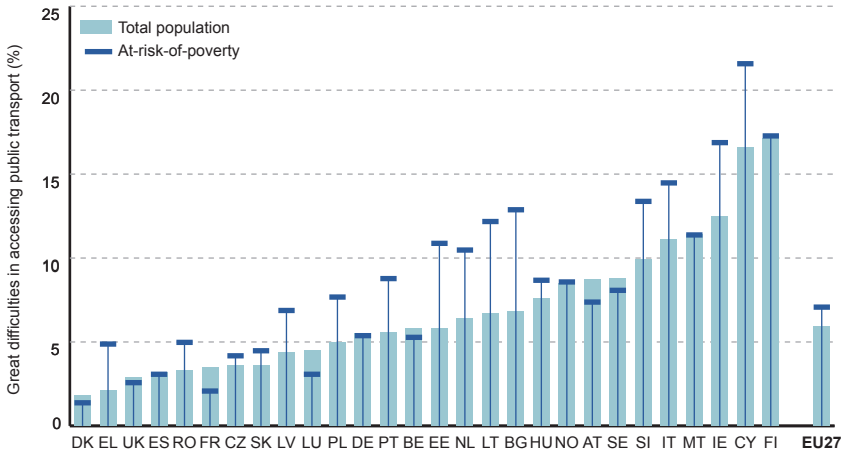
Source: Own calculations based on EU-SILC 2009 – revision 1 of August 2011.

Note: Accessibility refers to physical and technical access, and opening hours.

Access is vital for low-income groups. In some Mediterranean and Eastern European countries, Ireland and the Netherlands, these groups are more disadvantaged in national standards.

Access to public transport is particularly relevant for low-income groups, as they are less likely to afford a car and its maintenance. Public transport is thus vital for commuting, for having access to jobs, so ultimately it can help to break out of poverty. Access to public transport can be therefore regarded to be essentially linked to the problem of social exclusion, especially to the territorial aspect of it. In 12 out of 27 countries, including Austria and Germany, the population at risk of poverty does not have a relatively higher prevalence of "great difficulties" with public transport than the total population, which is rather reassuring for the social inclusion agenda (Figure 7). In some Mediterranean and Eastern European countries (including Greece, Italy, Cyprus, Portugal, and Bulgaria, Romania, Poland, the Baltic States and Slovenia), and also in Ireland and the Netherlands, low-income groups are much more likely to experience "great difficulties" with accessing public transport.

Figure 7: Accessibility of public transport comparing total population and those at-risk-of-poverty, 2009



Source: Own calculations based on EU-SILC 2009 – revision 1 of August 2011.

Note: Accessibility refers to physical and technical access, and opening hours. Only persons with great difficulties included.

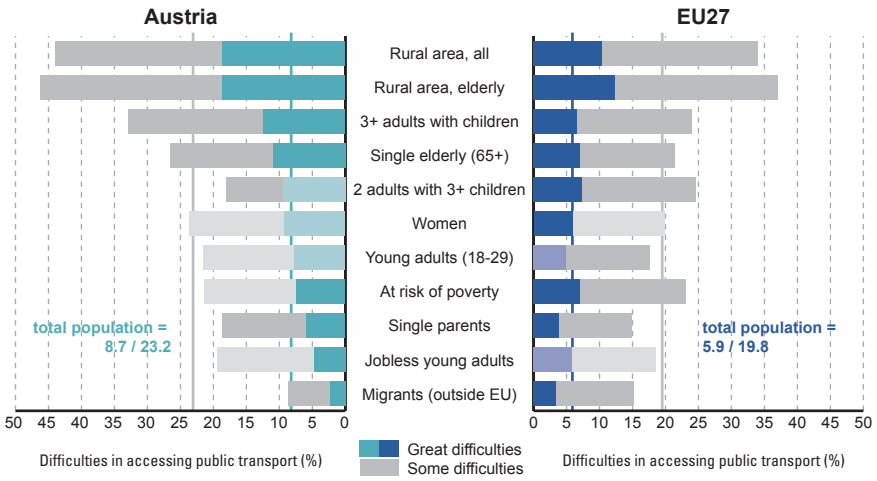
In Austria, people living in rural areas, large families and single elderly are more likely to experience difficulties.

In Austria, people living in rural areas, large families and single elderly are more likely to experience difficulties or great difficulties in accessing public transport (Figure 8). The relative disadvantage of families with three or more children may be partly due to physical and technical access (e.g. using push chairs), and partly due to the territorial distribution, i.e. that they are more likely to live in the countryside. Many other social groups, however, which tend to be disadvantaged on other grounds, face access problems less than the total population: jobless young adults, migrants, single parents and the population at risk of poverty. These patterns hold when using two alternative thresholds, either with a focus on those with "great difficulties" or using a broader definition, which includes those with "great" and also those with "some" difficulties.

Figure 8:
Difficulties in accessing public transport across different social groups in Austria and EU27, 2009

Source:
Own calculations based on EU-SILC 2009 – revision 1 of August 2011.

Note:
Bars with lighter shading indicate that the difference between the means is not significant at 10% level.
For more, see Note Figure 3.



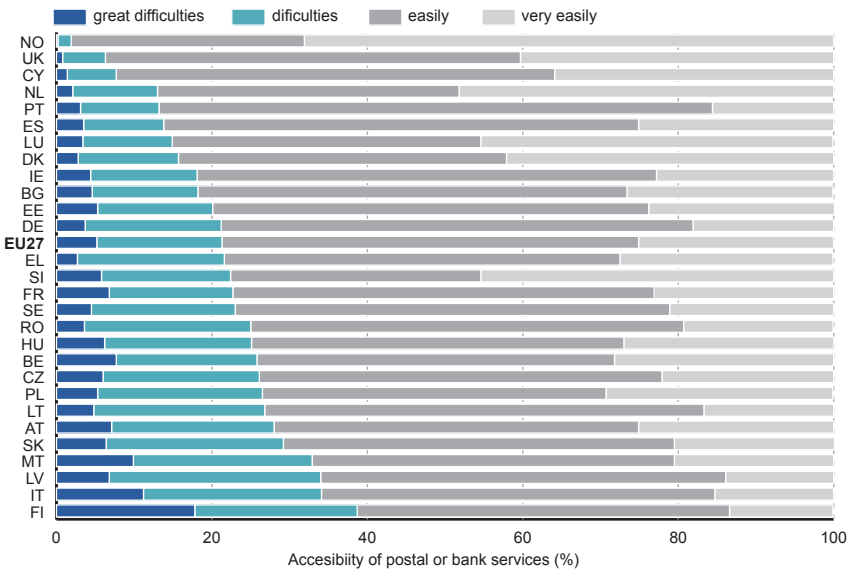
Accessibility of postal or banking services

The survey questions explore the physical and technical access, and are not intended to be based on a subjective feeling. The services provided at home, including online banking, are taken into account, if they are actually used by the households. This indicator thus highlights not only the physical infrastructure, but also the "digital divide", the access to internet and its use for services.

Figure 9:
Accessibility of postal or banking services across the EU, 2009

Source:
Own calculations based on EU-SILC 2009 – revision 1 of August 2011.

Note:
Accessibility refers to physical and technical access, and opening hours.



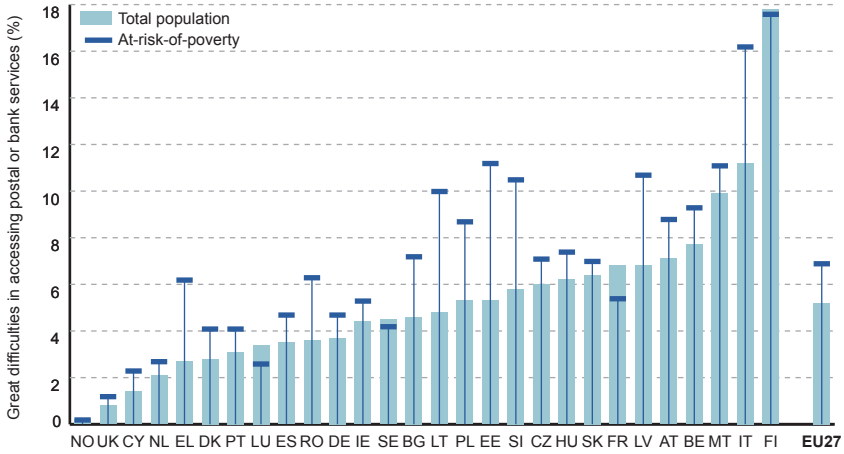
Large diversity across Europe: 2-39%.

Norway, the UK and Cyprus are the least affected by difficulties in access to postal and banking services (2-8%), as shown by Figure 10. In contrast, in Malta, Latvia, Italy and Finland, over one in three persons is affected (33-39%). In Finland, 18% of the population say that they have "great difficulties" with access to postal and banking services (in addition, 21% report "difficulties"), which is the highest rate across the EU. Austria, with its rate of 28%, is above the level of the EU27 average (21%).

People with poverty level of incomes are more likely to have great difficulties.

There is some correlation with low income. People with poverty level of incomes are more likely to have great difficulties with access to postal and banking services across most countries of the EU (Figure 10). The greatest social disparity between the poor and non-poor population prevails in Bulgaria, Estonia, Lithuania, Greece and Poland. In contrast to the general European pattern, there is no such disadvantage for low income groups in a few countries, including Norway, Luxembourg, Sweden, France and Finland. There is a relatively small gap between the poor and non-poor population in Austria.

Figure 10: Accessibility of postal or banking services comparing total population and those at-risk-of-poverty, 2009



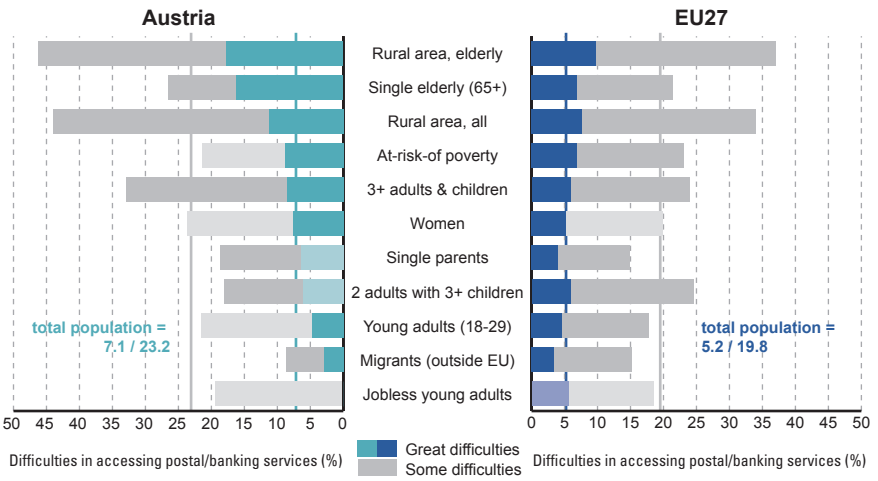
Source: Own calculations based on EU-SILC 2009 – revision 1 of August 2011.

Note: Accessibility refers to physical and technical access, and opening hours. Only persons with great difficulties included.

In Austria, the elderly living in rural areas have the largest relative disadvantage.

The rural population, including the elderly living in rural areas, has the largest relative disadvantage compared to the general population in Austria, especially when we use a more general threshold of access, including both "great" and "some" difficulties. Large households with three or more adults and children also face an above average difficulty. Interestingly, migrant status (being born outside the EU) and young age seem to be correlated with lower than average access problems. These latter two groups are likely to make better use of internet services, which may be essential e.g. in case of remittances.

Figure 11:
Difficulties in accessing postal or banking services across different social groups in Austria and EU27, 2009



Source:
Own calculations based on EU-SILC 2009 – revision 1 of August 2011.

Note:
Bars with lighter shading indicate that the difference between the means is not significant at 10% level.
For more, see Note Figure 3.

Figure 11 also highlights a methodological issue, namely that the choice of the threshold for access problems critically influences the outcomes. There are certain social groups for which we can observe a statistically significant relationship, but only for one specific cut-off point, and not the other, and there are other social groups for which the other cut-off point reveals a significant relationship. The low-income population has a greater prevalence of "great difficulties" with access, but there is no such pattern for the broader, joint category of "some difficulties" and "great difficulties". On the other hand, single parents, and couples with three of more children are found to have less access problems than the general population if we consider the broader category, while no such pattern was found for the stricter definition, focusing on "great difficulties".

Conclusions

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

The poor suffer from relative disadvantage in national terms in all EU countries with respect to housing cost overburden, overcrowded dwelling and severe housing deprivation, with a largest relative gap in case of the former indicator. In the majority of countries, this relative disadvantage prevails in case of access to basic local services. This signals their cumulative disadvantage and the necessity of coherent policies for social inclusion, including not only raising people's income above a minimum level, but also the improvement of the housing problems and access to basic services for the low-income groups. Access to public transport is vital, as this enhances their access to jobs, which is key to exit from poverty.

As argued in a previous Policy Brief (Lelkes and Zólyomi, 2010), there are various challenges related to the *overcrowding rate* adopted at the EU level.

- As shown earlier (ibid.), there is a great disparity between the objective and subjective (self-assessed) measure of space shortage, as shown by our results.

- With over 40% of the population classified as living in overcrowded housing in the Baltic States, Bulgaria, Romania and Hungary, the policy relevance of this measure is challenged in these countries.

- Finally, given the emerging environmental concerns affecting the dwelling sizes (housing-related carbon footprint is about one fourth of the average ecological footprint in the UK, itself at a non-sustainable level), this measure appears to be overly generous.

All in all, this indicator measures a kind of disadvantage, which however cannot be called a deprivation in basic needs as such. This calls for the necessity of exploring and developing alternative indicators which provide a more timely and accurate account of shortage of space, also taking account of environmental sustainability.

Further reading

- Lelkes, O. and E. Zólyomi (2010) "Housing Quality Deficiencies and the Link to Income in the EU". Policy Brief. Vienna: European Centre. (http://www.euro.centre.org/data/1270820381_27296.pdf).
- Lelkes, O. and E. Zólyomi (2009) "Quality of Housing and the Link to Income". Research Note of the Social Inclusion and Income Distribution Network of the European Observatory on the Social Situation and Demography, 2/2009. (http://www.socialsituation.eu/research-notes/RN02_2009_Quality%20of%20Housing.pdf)

Annex

Table 1: Tenure status across EU, 2009

	Owner	Tenant or subtenant paying rent at prevailing or market rate	Rented at a reduced rate	Provided free	Total
		Share (%)			*in million*
BE	72.7	18.5	7.3	1.6	10.6
BG	86.8	2.1	2.1	9.1	7.6
CZ	76.6	5.4	15.3	2.6	10.3
DK	66.3	33.7	0.0	0.0	5.5
DE	53.5	38.9	4.9	2.7	81.0
EE	87.1	2.5	2.0	8.4	1.3
IE	73.7	11.3	14.3	0.7	4.5
EL	76.4	17.9	0.5	5.1	10.9
ES	83.2	8.2	2.7	5.9	45.6
FR	63.0	19.7	14.1	3.2	60.5
IT	72.5	13.3	5.5	8.7	60.1
CY	73.8	10.3	0.7	15.2	0.8
LV	87.1	6.3	4.1	2.5	2.2
LT	91.0	2.1	1.8	5.2	3.3
LU	70.4	22.3	4.3	2.9	0.5
HU	89.8	2.2	3.4	4.6	9.9
NL	68.4	31.1	0.0	0.5	16.4
MT	79.2	1.4	15.6	3.8	0.4
AT	57.5	27.7	9.3	5.6	8.3
PL	68.7	2.2	1.2	28.0	36.2
PT	74.6	10.9	6.2	8.3	10.6
RO	96.3	0.8	1.2	1.6	21.1
SI	81.3	4.1	1.9	12.6	2.0
SK	89.5	8.8	0.5	1.2	5.4
FI	74.1	10.4	14.8	0.7	5.2
SE	69.7	29.8	0.5	0.0	9.0
UK	69.9	12.5	16.6	1.0	60.7
NO	85.4	10.7	3.9	0.0	4.7
EU27	**70.4**	**17.1**	**6.9**	**5.6**	**489.8**

Source: Own calculations based on EU-SILC 2009 – revision 1 of August 2011.

Note: Total refers to weighted results.

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All governments of States that are members of the United Nations, in particular those of countries of the UN-European Region, are invited to participate in and contribute to the activities of the European Centre. This results in a geographical domain of potential Member Countries of more than 50 European nations as well as the United States of America, Canada and Israel.