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Titel: A multilevel analysis of poverty in singles across european countries: gender effect on poverty.

Abstract

Some literature suggests that poverty is not gender neutral and that the most persisting differences between men and women is that of poverty rates. In many countries more women than men are poor, though countries differ with respect to the gender poverty gap. The first aim of this paper is to examine the extent of the gender gap in the risk of being poor, entering into poverty and exiting from poverty in a large number of countries. A second step of the analysis investigates whether the country differences with respect to the gender effect in the risk of being poor, entering into poverty and exiting from poverty, can be explained by differences between the countries in the composition of their populations (micro-level or individual perspective) or by structural characteristics of the countries (macro-level or structural perspective). Poverty analyses frequently use information on economic resources at the household level, assuming that all individuals in one household are equally poor or rich. Previous studies show that when households are taken as the unit of analysis, the poverty rates of men and women are very similar. However, when you look inside the households, specific forms of female poverty are revealed. Therefore, this ‘unitary household assumption’ has been questioned in the literature because it has limitations to show gender inequalities in the status and risk of poverty (Haddad and Kanbur, 1990; Lundberg et al., 1997; Baschieri and Falkingham, 2009). Following Wiepking and Maas (2005), we concentrate our analyses on “single” men and women, that is, those households where there is only one adult and is therefore easy to establish a relationship between poverty and the gender of the individual. The literature has been divided between two distinct approaches when explaining poverty: micro-level and macro-level studies of individual poverty across different countries. Both approaches have clear strengths. The micro-level approach effectively scrutinizes the precise mechanisms of individual poverty. In many micro-level studies, there is no information on macro-level characteristics. So, unless such macro-level differences manifest at the individual level, the macro-level context remains unobserved (Brady et al. 2009). Often cited, macro-level studies may suffer from a black-box problem of causal inference because microlevel mechanisms are unobserved (Goldthorpe 2000). Moreover, macro-level studies can only control for individual characteristics such as family structure at the aggregate level (e.g., the rate of single motherhood). Given these considerations, there is a clear need for research that combines micro and macro-levels, which methodologically implies the use of multilevel models. Our study add to the existing research by analysing the country differences in the effect of gender on poverty from two different standpoints: the static, where we analyse gender differences on the risk of being poor, and the dynamic, where we investigate gender differences in the risk of exiting poverty and in the risk of entering into poverty. We also contribute to the literature of poverty by explicitly adding a structural dimension to the predominantly individually oriented study field of poverty, poverty entries and poverty exits. Our analysis method took advantage of multilevel techniques especially suited for the analysis of such mixed-level data. To our knowledge, our study is among the firsts to estimate a multilevel model of poverty across affluent democracies (Wiepking and Maas 2005, Brady et al. 2009, Callens and Croux 2009). In order to answer our descriptive and explanatory questions, we will make use of the European Union Survey on Income and Living Conditions

(EU-SILC) 2008. We work with two different files. The static analysis is carried out over 57,804 individuals living in households with one adult from 27 different countries. The dynamics analysis is based on the information of the years 2007 and 2008 for 32,855 individuals living in households spread over 21 countries³. We show that, theoretically, cross-national gender poverty gap in the risk of being poor, exiting from poverty and entering into poverty can be explained by both compositional and context effects. Countries population may differ in the individual characteristics that increase the likelihood for women to be poor (enter into or exit from poverty). And secondly, the structural context may directly influence the poverty risks of men and women in different ways. Concerning the explanatory power of the individual level variables we find that the Human Capital Hypothesis, Household Structure Hypothesis, and the Employment Status Hypothesis perform properly for the three models (being poor, exiting from poverty and entering into poverty). In this sense education, having a paid job, not having children and having been married protect against poverty and against entering into poverty and help to exit from poverty. As a conclusion, being young and having a paid job matter most to estimate the risk of being poor. In the case of the risk of exiting or entering into poverty being young has the greatest effect followed by having a paid job, in the case of exits from poverty, and followed by being more educated in the case of entering into poverty. Even after controlling by individual level variables there exist differences among countries and women's risk of being poor or entering into poverty are higher, while women's risk of exiting from poverty are lower. Concerning the explanatory power of the structural level variables, we find that the Welfare State Hypothesis and the Population Composition Hypothesis applies, meaning that women poverty risk of being poor is greater in countries with high proportion of elderly women and it is smaller in those countries with higher social transfers. Finally the level of emancipation does not have a clear effect on the risk of being, becoming or exiting poverty. After controlling by individual and structural level variables there exist differences among countries and women's risk of being poor or entering into poverty are higher, while women's risk of exiting from poverty are lower. From our analyses we can conclude that individual effects seem somewhat more important than composition effects in explaining country differences in gender poverty gap. Both levels of variables mainly explain the disadvantages of women. However there is a number of countries in which singles men are more likely to be poor than single women and the hypothesis we include in this paper fail to explain this.