Comparing Poverty Indicators in an Enlarged Europe

Christopher T. Whelan & Bertrand Maître
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Introduction

- Effect of Welfare regime/socio-economic characteristics on poverty indicators
- EU definition of ‘at risk of poverty’
- Consequences of EU enlargement => relevance of current poverty indicators
- EU wide measure?
- Limits of low income as indicator of poverty
Data and Measures

- EU-SILC 2006, 26 countries
- Income measure, household equivalised income
- National and EU ‘at risk of poverty’ measures
- Deprivation measure: 7 item index
- National consistent poverty (NCP)
- EU consistent poverty (EUCP)
- Mixed level consistent poverty (MLCP)
National and EU ‘at Risk of Poverty’ (ARP) and Consistent Poverty (CP) Rates by Country
National ‘At Risk of Poverty’ by Welfare Regime and HRP PES (odds ratios relative to full-time employed HRPs in the social democratic regime)
Mixed Consistent Poverty by HRP PES and Welfare Regime (odds ratios relative to full-time employed HRP full-time employees in the social democratic regime)
HRP PES Relativities for National ‘At Risk of Poverty’ by Welfare Regime (odds ratios relative to full-time employees in each welfare regime)
HRP PES Relativities for Mixed Consistent Poverty by Welfare Regime (odds ratios relative to full-time employees in each welfare regime)
The Impact of Poverty on Economic Stress by Type of Indicator within Welfare Regime (Odds ratios relative to reference category of non-poor within each regime)
Conclusion (i)

- Merits of Poverty indicators

- Welfare regime & socio economic variation

- European measures - regime differences dwarf PES differences

- NARP: Counterintuitive WR differences
  - High levels for labour market excluded in Liberal regimes
  - Within regimes PES strongest effect for Liberal & Corporatist
Conclusion (ii)

- MCP – regime patterns more plausible – highest levels for excluded in PSL, PSC & Liberal
  - Wider regime gaps for included
  - Pattern of relativities within regimes similar to NARP but differentials much sharper

- MCP provides much sharper discrimination for economic stress