

The odd one out or the key component?

Low work intensity as a part of multidimensional poverty measure in the EU

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Introduction



MAIN OBJECTIVE

assess the contribution of the LWI to poverty measurement in terms of the population that its inclusion in the AROPE allows to capture



KEY QUESTION

what are the socio-economic characteristics of individuals who are identified as poor by the AROPE only on the basis of the LWI criterion, compared to those who experience income poverty and/or material deprivation

Background

POVERTY RATE

Proportion of the population living on less than 60% of the national median equivalised income

DEPRIVATION RATE

Proportion of the population experiencing an enforced lack of at least

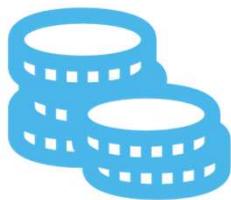
- 4 out of 9 predefined material items
- 7 out of 13 deprivation items (6 related to the individual and 7 related to the household)

LOW WORK INTENSITY

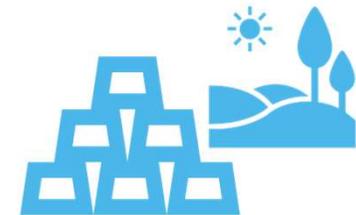
Proportion of the population living in households whose members of working age worked no more than 20% of their total potential during the previous year

- 18-59 y.o.
- 18-64 y.o.

Hypothesis



People close to the income poverty,
but not always captured by the
threshold due to **budget patching**



People with an alternative
source of income who
do not need to work

SIMPLIFIED SCALE



Potentially exposed to
increased risk of poverty

Likely not at all exposed to
increased at risk of poverty

Methodology

Analysis method: [Multinomial logistic regression](#)

Source of data: [EU-SILC](#)

Period covered: [2010, 2014, 2018](#)

Countries: [all EU-28](#)

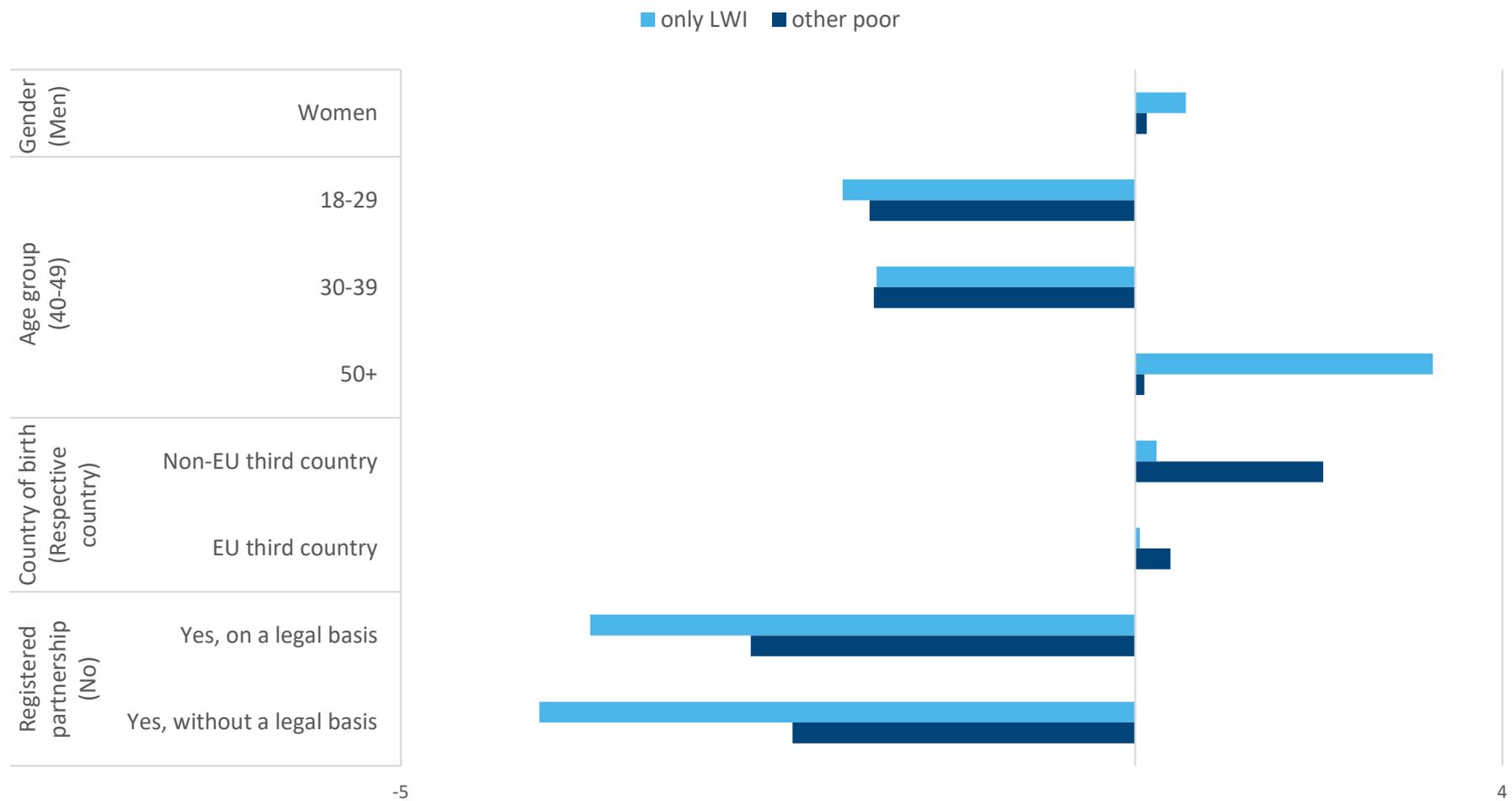
Variables (presented here): [20](#)

Valid observations: [923,843](#)

| Results



Chart 1. Comparing the likelihood of belonging of the poor to a given category against the non-poor – the base model (reference category is in the bracket)

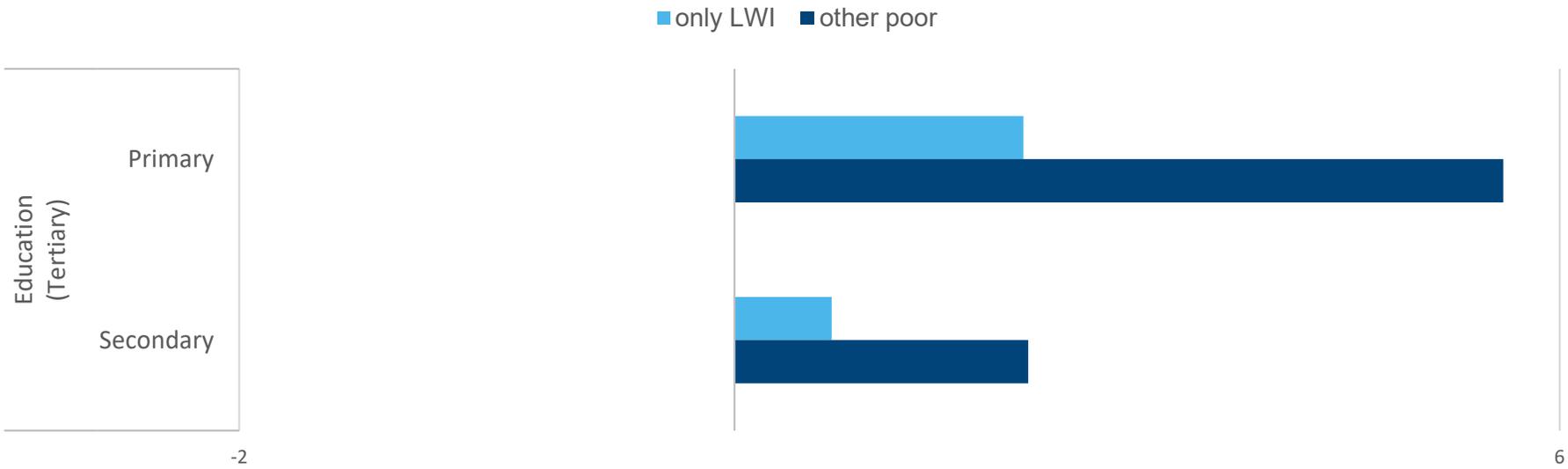


Nagelkerke R²= 0.065
N= 923,843





Chart 2. Comparing the likelihood of belonging of the poor to a given category against the non-poor – education level (reference category is in the bracket)

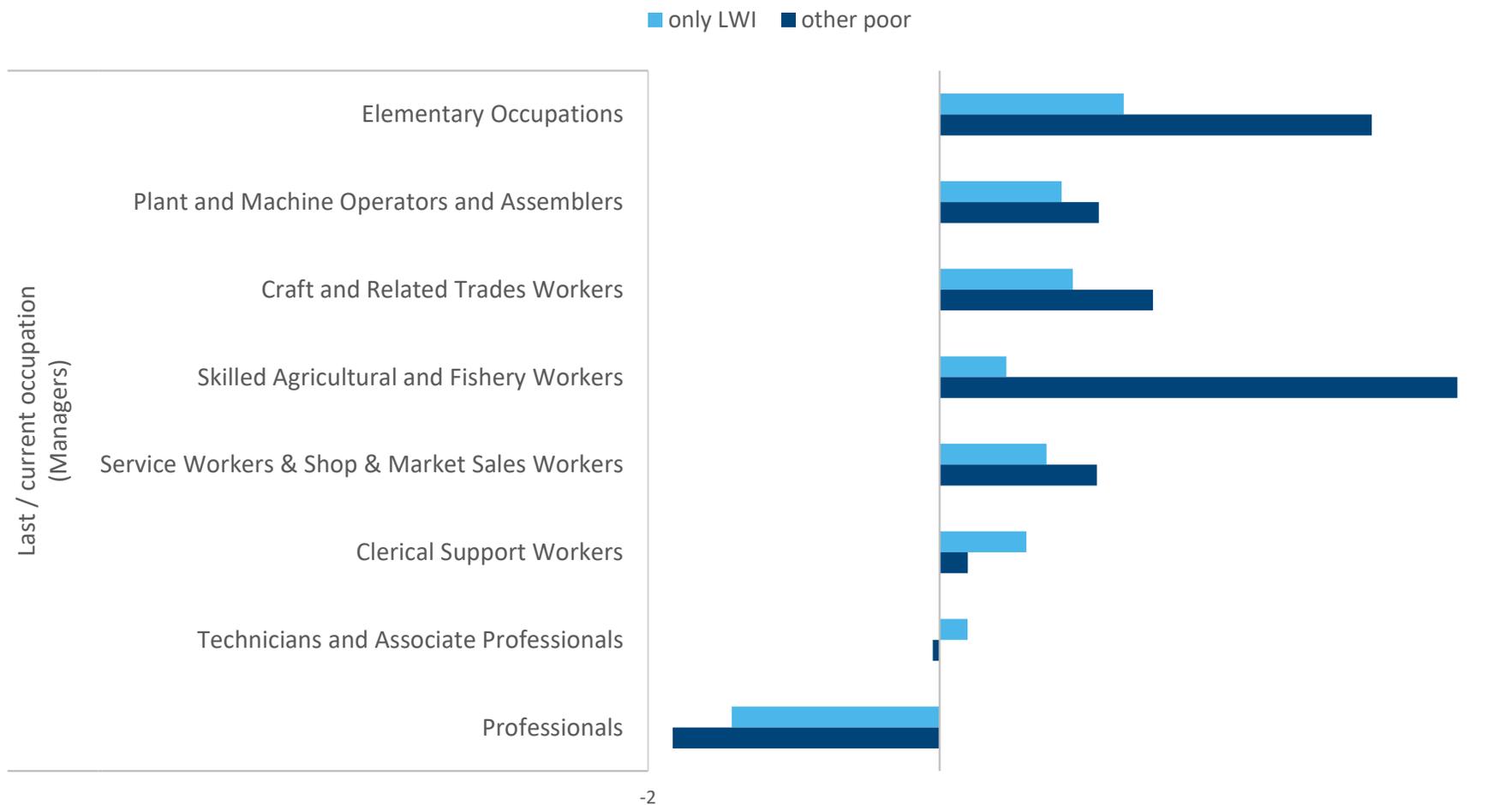


Nagelkerke R²= 0.123
N= 855,438

Control variables: Gender, Age group, Country of birth, Registered partnership



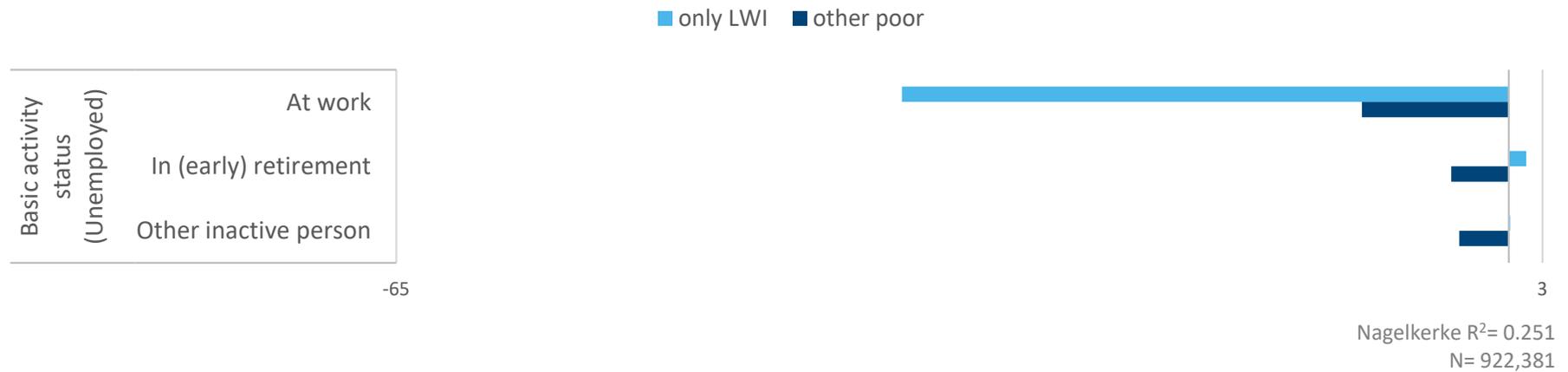
Chart 3. Comparing the likelihood of belonging of the poor to a given category against the non-poor – **occupation group** (reference category is in the bracket)



Nagelkerke R²= 0.160
N= 794,549

Control variables: Gender, Age group, Country of birth, Registered partnership

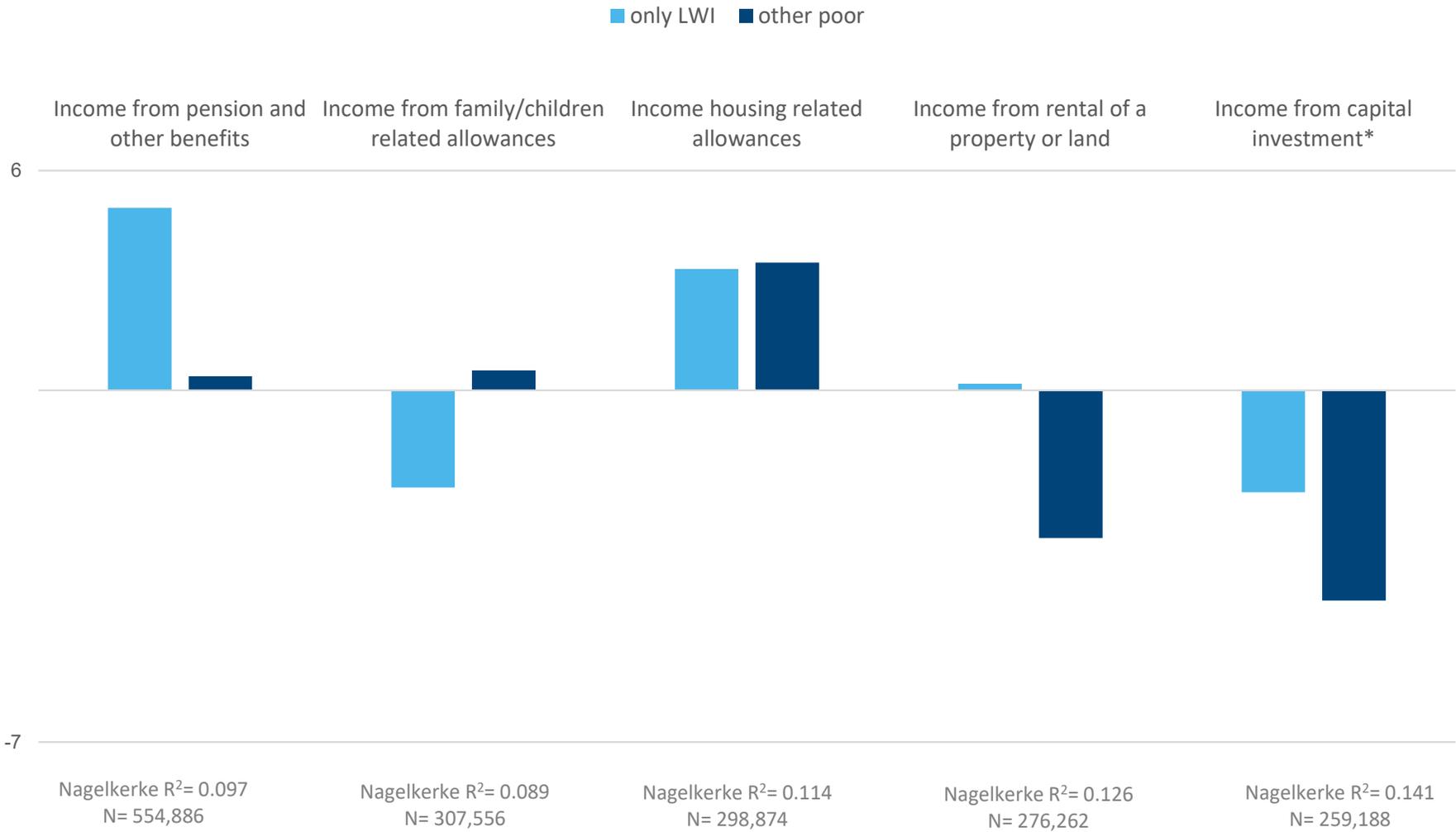
Chart 4. Comparing the likelihood of belonging of the poor to a given category against the non-poor – activity status (reference category is in the bracket)



Control variables: Gender, Age group, Country of birth, Registered partnership



Chart 5. Comparing the likelihood of getting by the poor a given type of income against the non-poor (reference category is: no)



Control variables: Gender, Age group, Country of birth, Registered partnership

* Interests, dividends, profit from capital investment in unincorporated business

Chart 6. Disposable income among the only LWI according to obtaining income from a certain source



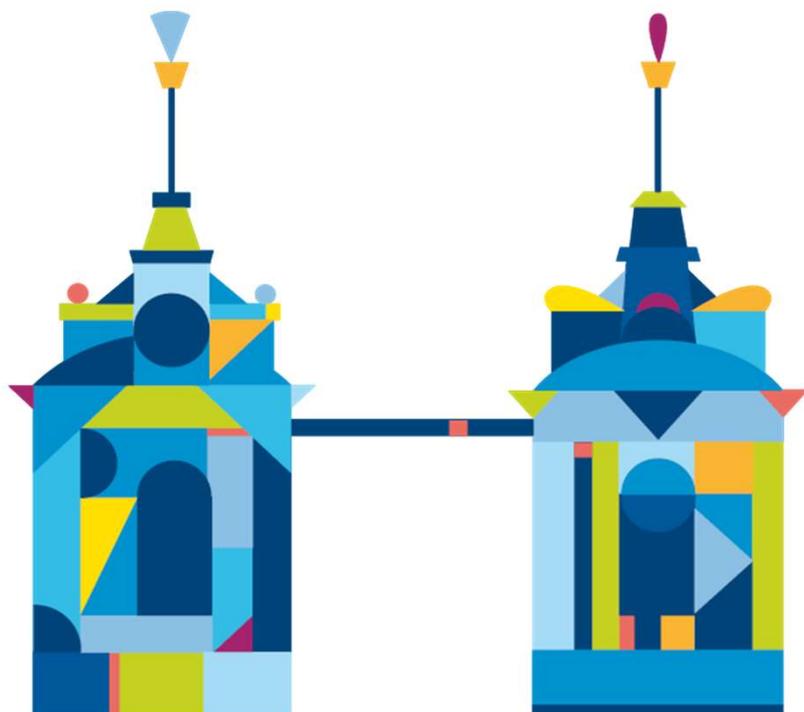
* Interests, dividends, profit from capital investment in unincorporated business

Conclusion

- Age: 50+
- Marital status: single
- Activity status: not employed
- Income – source and its composition: No one pattern

For further reserach:

- Impact of changing the AROPE's measurement
- Impact of country specifics on AROPE levels after measurement change
- Dynamics



Thank you

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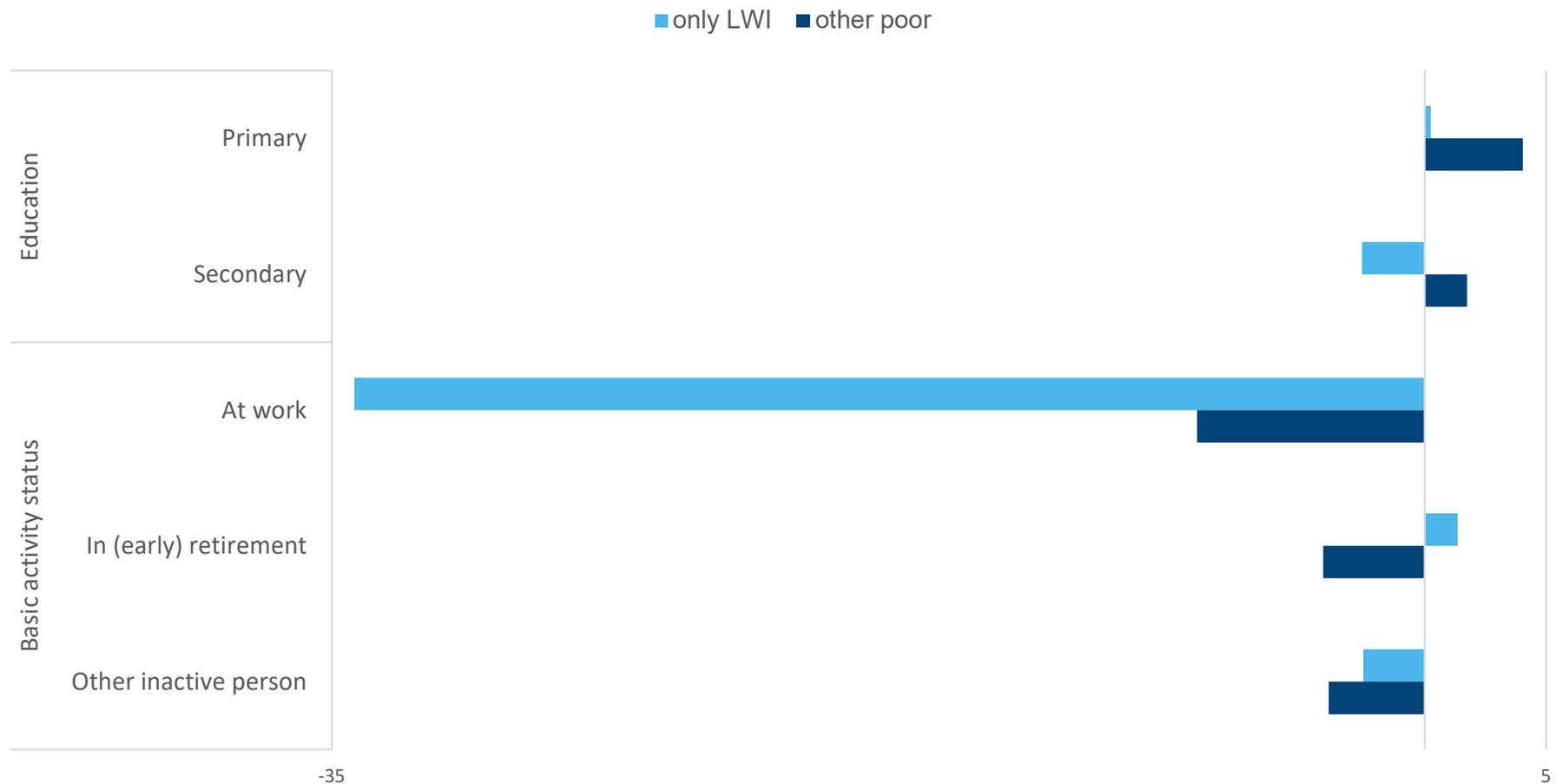
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Appendix: other sources of income crosstab

		Income from Interests, dividends, profit from capital investment		total
		Yes	No	
Income from pension and other benefits	Income from rental of a property or land	0.64	0.79	1.43
	No income from rental of a property or land	8.19	18.28	26.46
No income from pension and other benefits	Income from rental of a property or land	2.25	2.44	4.69
	No income from rental of a property or land	19.62	47.79	67.42
total		30.70	69.30	100.00

Appendix: activity status & education



Nagelkerke R²= 0.272
N= 854,276

Appendix: education & occupation



Nagelkerke R²= 0.272
 N= 854,276