

Poverty comparison in some European countries

Two Groups of countries :

- Western : Belgium, France, Portugal, Spain, Italy, United Kingdom
- Eastern : Poland, Slovakia, Albania, Romania

Challenge: measuring three indicators of poverty for each country

1. Monetary poverty
2. Living conditions
3. Subjective poverty

Some general problems of defining poverty concept:

- Absolute or relative
- Limits of our sources
- Problem of homeless
- Etc...
- Historical dimension

Technical issues to resolve for comparison:

- Choice of equivalent scales for each country according to consumption structure (importance of budget coefficient for food, leisure....)
- Take into account difference between price indexes by using PPP
- Choice of items included in poverty score according to economic and social situation of each country
- Defining comparable thresholds on every kind of poverty measurement (take care for interpretation of results for different countries)
- Relation between poverty and unemployment with introduction of cohort approach

Data:

- First group of countries : ECHP (European Community Households Panel)
- Second group: surveys on living conditions closer to ECHP (surveys done with INSEE's collaboration)

Some incomplete results:

Inequality Indexes

Income per unit consumption corrected by purchasing parities power

	Gini	Theil	Kuznets	Atkinson 0.25	Atkinson 0.5	Atkinson 0.75	D9/D1
France	0.335	0.201	0.236	0.140	0.095	0.049	4.381
Poland	0.293	0.150	0.200	0.095	0.065	0.033	3.529
Portugal	0.393	0.257	0.282	0.177	0.121	0.062	5.719
Albania	0.374	0.258	0.266	0.171	0.117	0.061	3.948
Slovakia	0.242	0.111	0.169	0.073	0.051	0.026	2.692

Monetary Poverty

	Thresholds	%poor households	%poor people	%poor children	% median
France	6740	10.6%	8.9%	7.3%	50%
Poland	2995	9.2%	13.1%	18.1%	50%
Portugal	3338	9.5%	11.3%	18.3%	60%
Albania		19.3%	21.2%	25.2%	50%
Slovakia	2450	10.9%	8.6%	9.4%	60%

Poverty in living condition

	Thresholds	%poor households	%poor people	%poor children
	Score>			
France	7/19	12.0%		
Poland	10/21	11.0%	9.40%	8.70%
Portugal				
Albania	7/15	15.4%	14.80%	16.70%
Slovakia	7/19	13.0%	13.60%	15.60%

Subjective poverty

	Thresholds	%poor households	%poor people	%poor children
	Score >			
France	2/6			
Poland	4/8	9.3%		
Portugal				
Albania	3/4	17.0%	16.60%	18.70%
Slovakia	3/6		16.40%	19.20%

Next steps:

- **Seminar on June at Bratislava (Slovakia)**
- **At Insee :**
 - use of permanent income for poverty
 - measurement of transition on poverty
 - link between poverty and unemployment using activity schedule in the ECHP
 - Spatial dimension of poverty : regional . richest neighbourhood versus poorest
- Collaboration with other institutes using ECHP to poverty studies (cohort effects....)