

Deprivation Dynamics of Social Risk Groups in the EU, 2005-2014

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Introduction

- Certain groups in Ireland have higher risk of deprivation
 - Focus on social risk groups here in contrast to social classes
 - Include groups such as lone parents, people with a disability
- Deprivation is an experience of variable duration
 - Higher persistence for the vulnerable social risk groups?
- Recession in Europe from 2008
 - Markedly different impact across countries
 - Linked to increase in deprivation
 - Are some countries better at protecting vulnerable groups?

Outline

- Data and measures
 - EU-SILC and deprivation
 - Social Risk groups
 - Countries and regimes
 - Background on the recession
 - Deprivation trends
- Hypotheses and results, focus on ...
 - Deprivation (and persistent deprivation) by social risk;
 - Deprivation by social risk within country;
 - Deprivation over time by social risk within country
- Conclusions and implications

Data and Measures

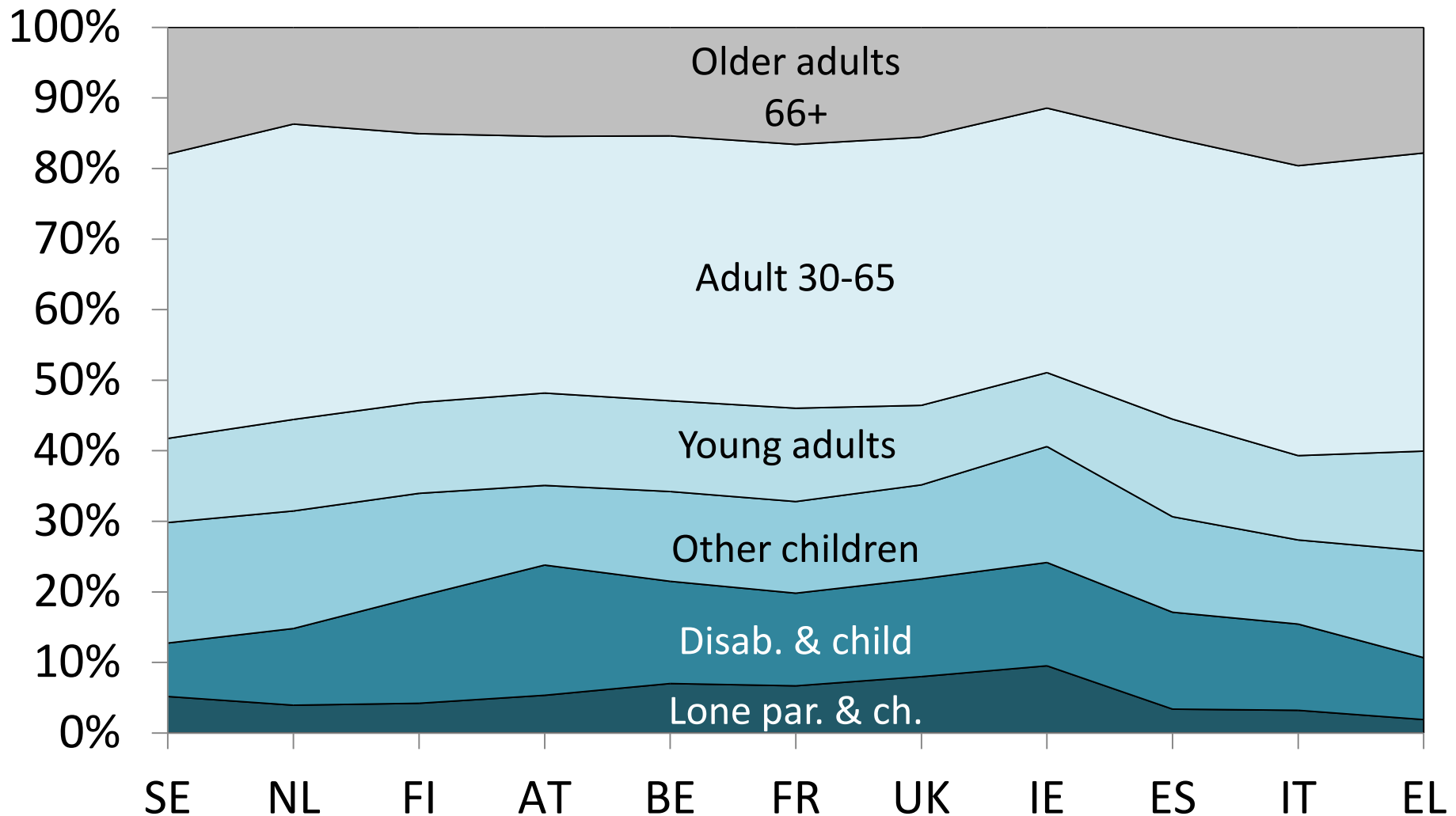
- EU-SILC 2004-2015 longitudinal, focusing on pairs of years
 - Three pairs of years 2005-06; 2008-09; 2013-14
 - 11 countries (N cases from 5,900 to 38,800 persons by country)
- Material deprivation (EU) – Cannot afford 3+ of 9 items:
 - Pay bills
 - Keep home warm
 - Annual holiday
 - Washing machine
 - Telephone
 - Meet unexpected expenses
 - Regular protein meal
 - TV
 - Car
- Report also examines income poverty, but we focus on deprivation here.

Social Risk Groups

- Social risk is a complement to social class
 - Class (Weberian) - differences in market power linked to possession of marketable 'assets' (property, skill, labour)
 - Social risk groups - differences in access to the market because of non-market factors such as
 - Personal resources (disability, illness)
 - Non-work caring responsibilities (esp. mothers & lone parents)
 - Life-cycle stage (children, those beyond retirement age)
- Earlier work found far higher deprivation among 2 groups in Ireland:
 - lone parents
 - working-age adults with disability

Social Risk Groups – sizes of groups

(from EU-SILC Longitudinal file; 11 countries)

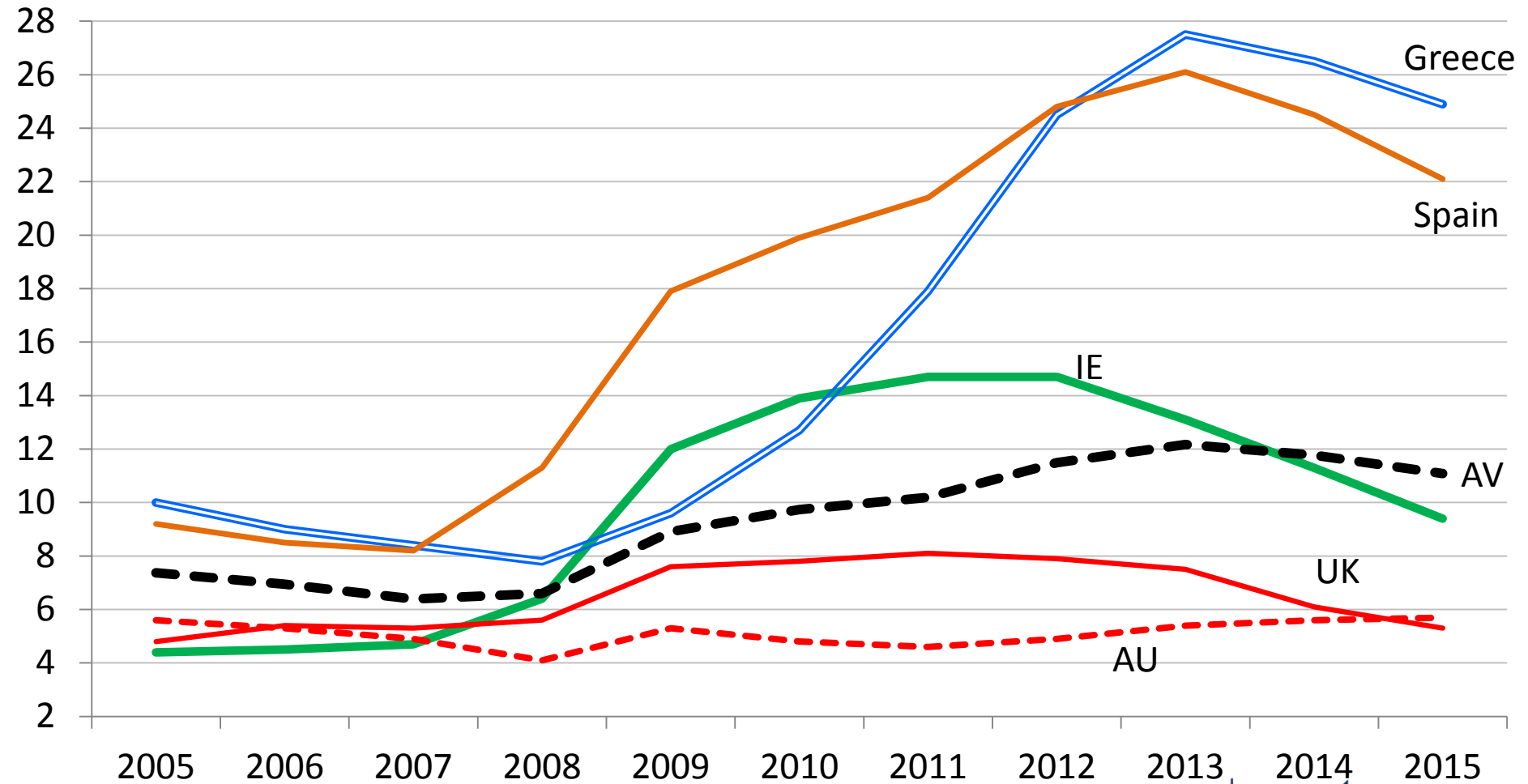


(For full set of figures, see table at end of presentation)

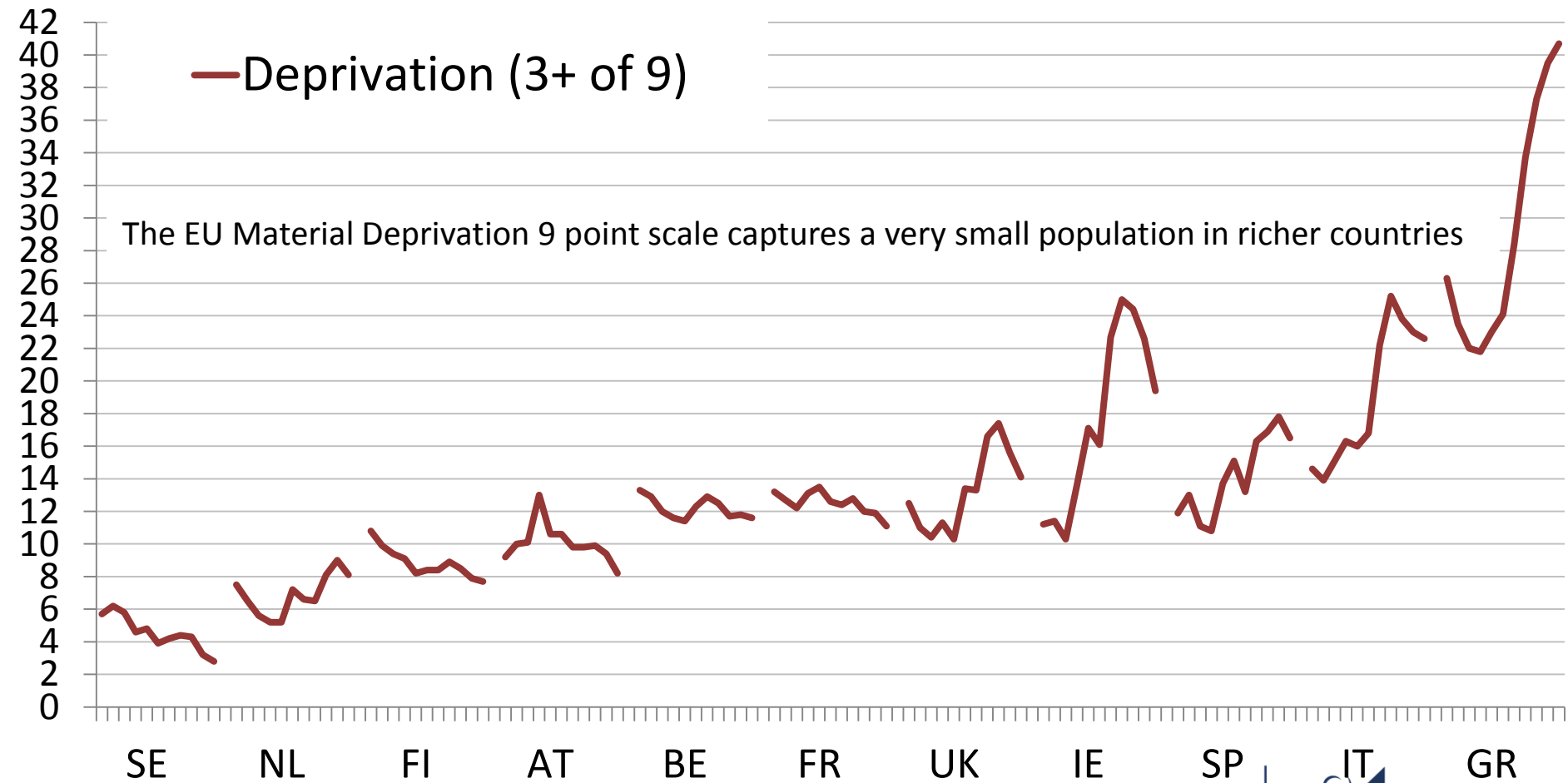
Countries and welfare regimes

- **Social-democratic** - universalism & redistribution; generous social welfare & unemployment benefits (Sweden, Finland & Netherlands → SE, FI, NL),
- **Corporatist** - less emphasis on redistribution; entitlements linked to lifelong employment (Austria, Belgium, France → AU, BE, FR)
- **Liberal** - provision through the market with state acting only in order to support the market (Ireland and the UK → IE, UK)
- **Southern** - family as provider of welfare; labour market policies relatively undeveloped & selective (Italy, Spain and Greece → IT, ES, EL).

Recession Background: Unemployment Rate Trends (selected countries and average)

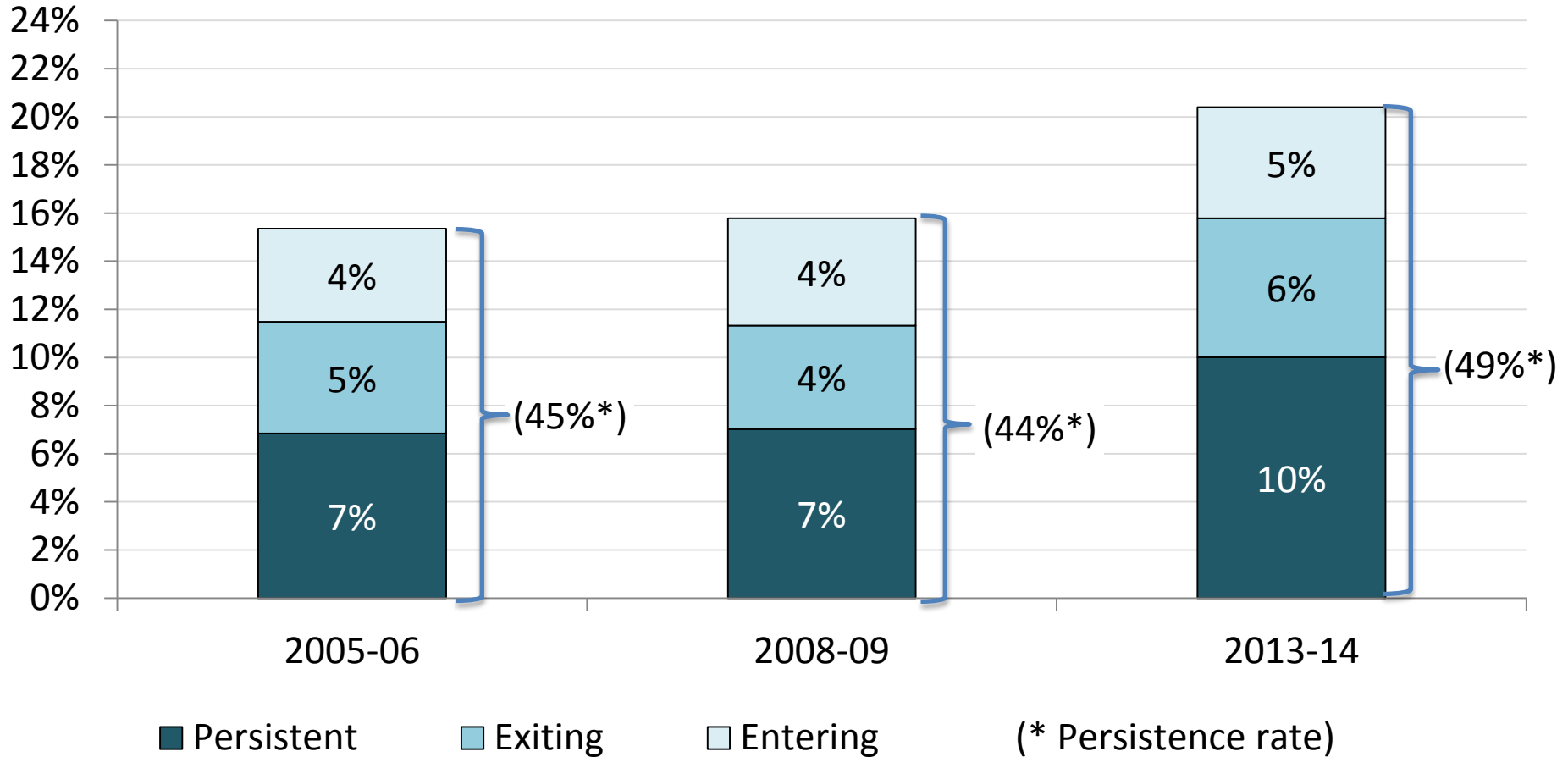


Deprivation Rate Trends, 2005-15 , by country (cross-sectional SILC, lines show change over time)



Deprivation Dynamics by period

(from EU-SILC Longitudinal file; 11 countries)



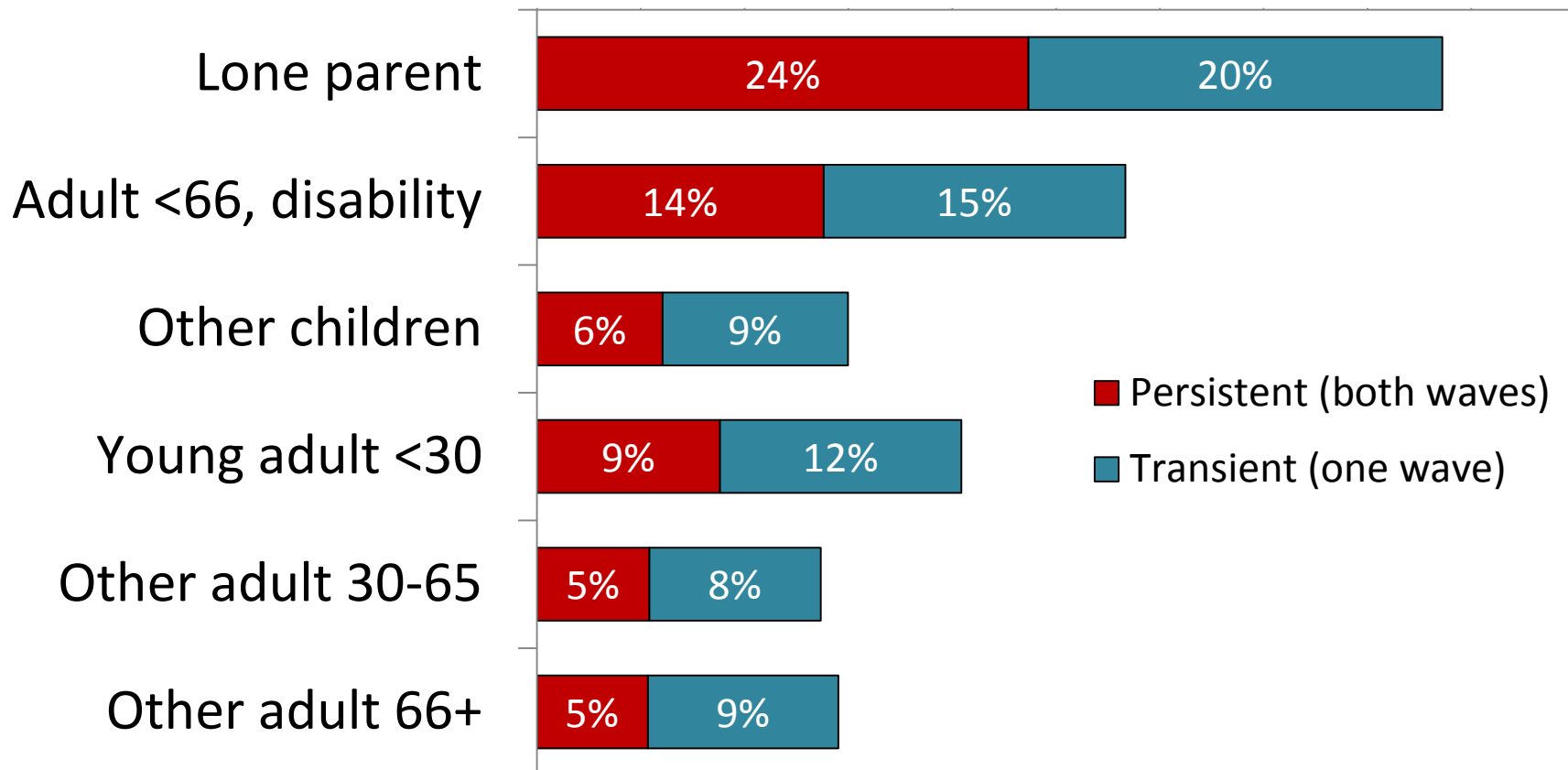
Hypotheses

1. Certain social risk groups will have a higher rate of deprivation and persistent deprivation in all countries
 - Deprivation will be more persistent for high-risk groups
2. The social risk gap* will be smaller in Social Democratic Countries (action of state)
 - * Social risk gap = difference between deprivation rate of a group and the reference group of other adults age 30-65.
3. The recession will lead to polarisation between high-risk and low-risk groups

H1:

1. Certain social risk groups will have a higher rate of deprivation and persistent deprivation in all countries

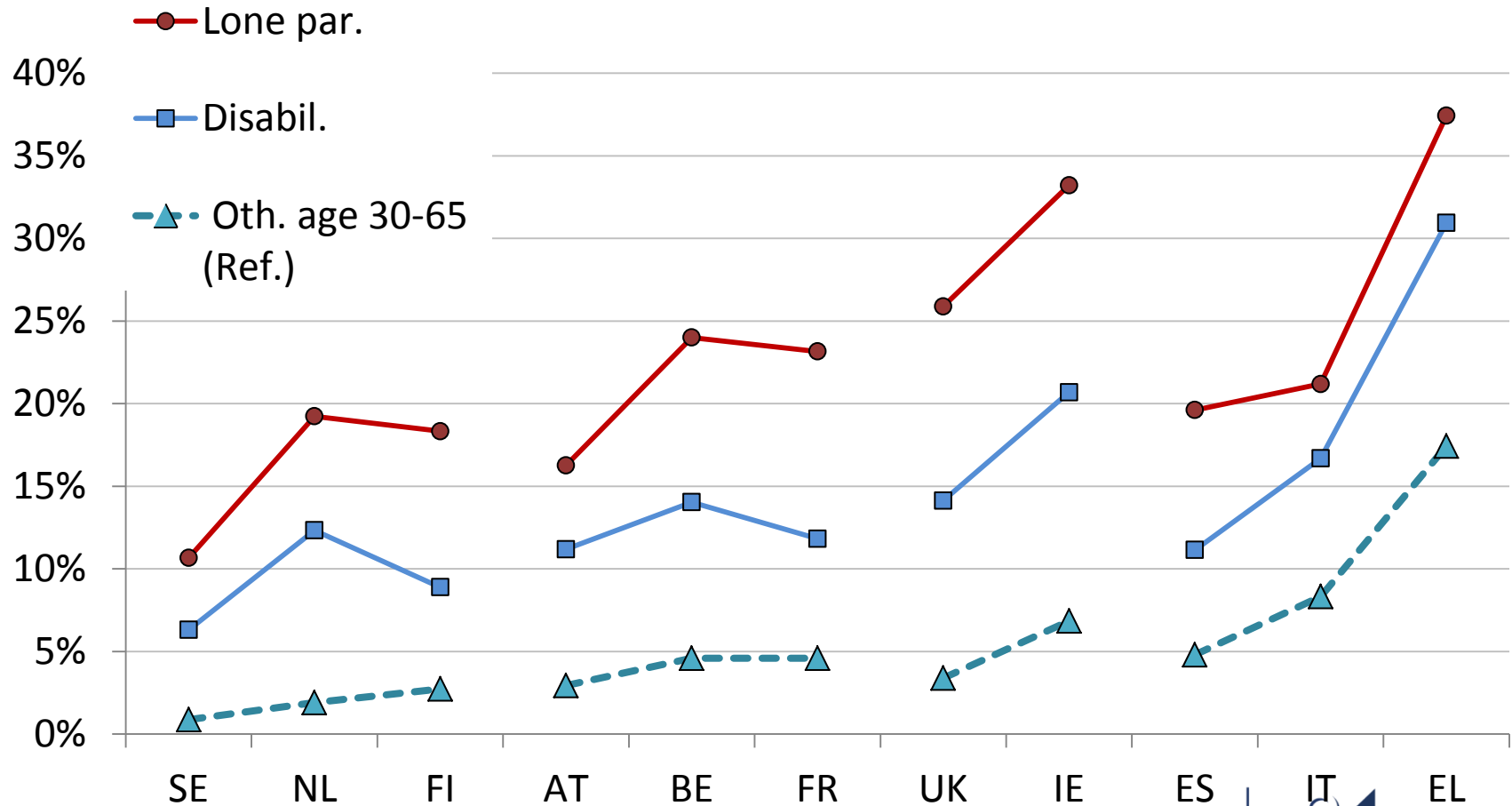
Deprivation (persistent and one wave) by Social Risk Group (average across time & 11 countries; Longitudinal dataset)



Of those who are deprived in either wave, persistence is greater for vulnerable groups than for less-vulnerable groups

Is this same pattern across social risk groups found in all countries?

Persistent Deprivation by Social Risk & country
(average across time; Longitudinal dataset)



H2:

- The social risk gap will be smaller in Social Democratic Countries

Measuring The Social Risk Gap

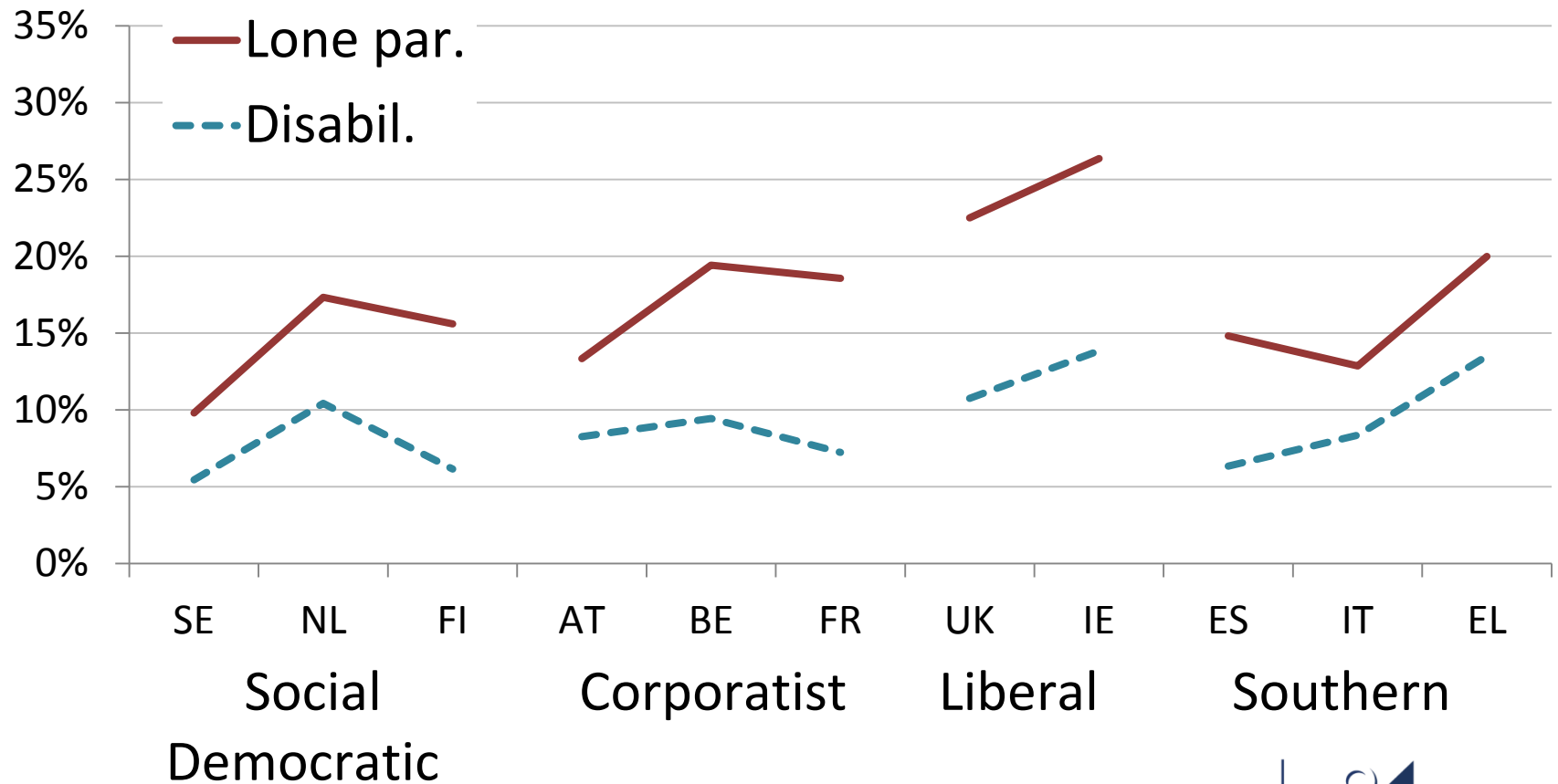
- We take the absolute gap in percentage points between the high-risk groups and the reference low-risk group (other adults aged 30-65)
 - For example, persistent deprivation gap for lone parents compared to other adults aged 30-65

Sweden: $11\% - 1\% = 10$ percentage points.

Ireland: $33\% - 7\% = 26$ percentage points

Social risk gap in persistent deprivation by country

Rate for each social risk group minus rate for reference group (Other adults 30-65).

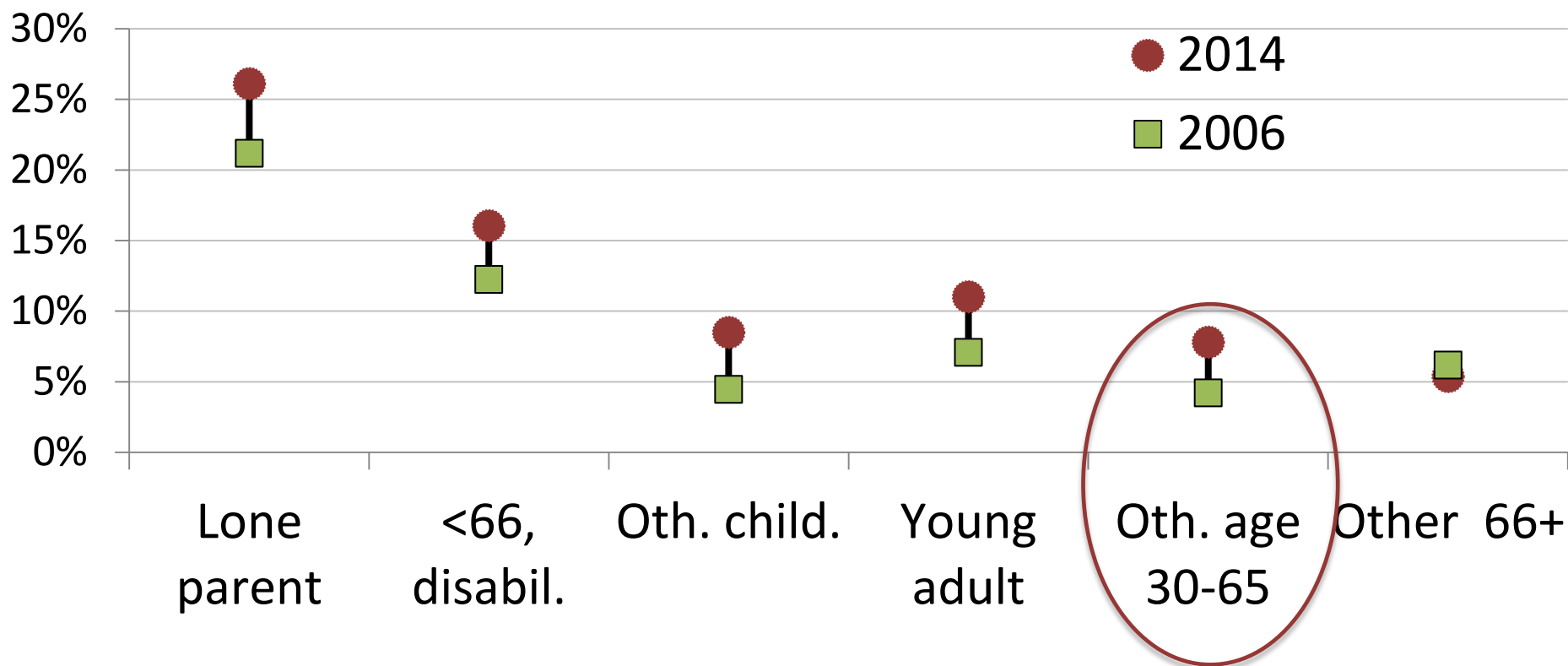


H3:

- The recession will lead to polarisation – increasing gap between high-risk and low-risk groups

Change in persistent deprivation over time

(longitudinal data; average across 11 countries)



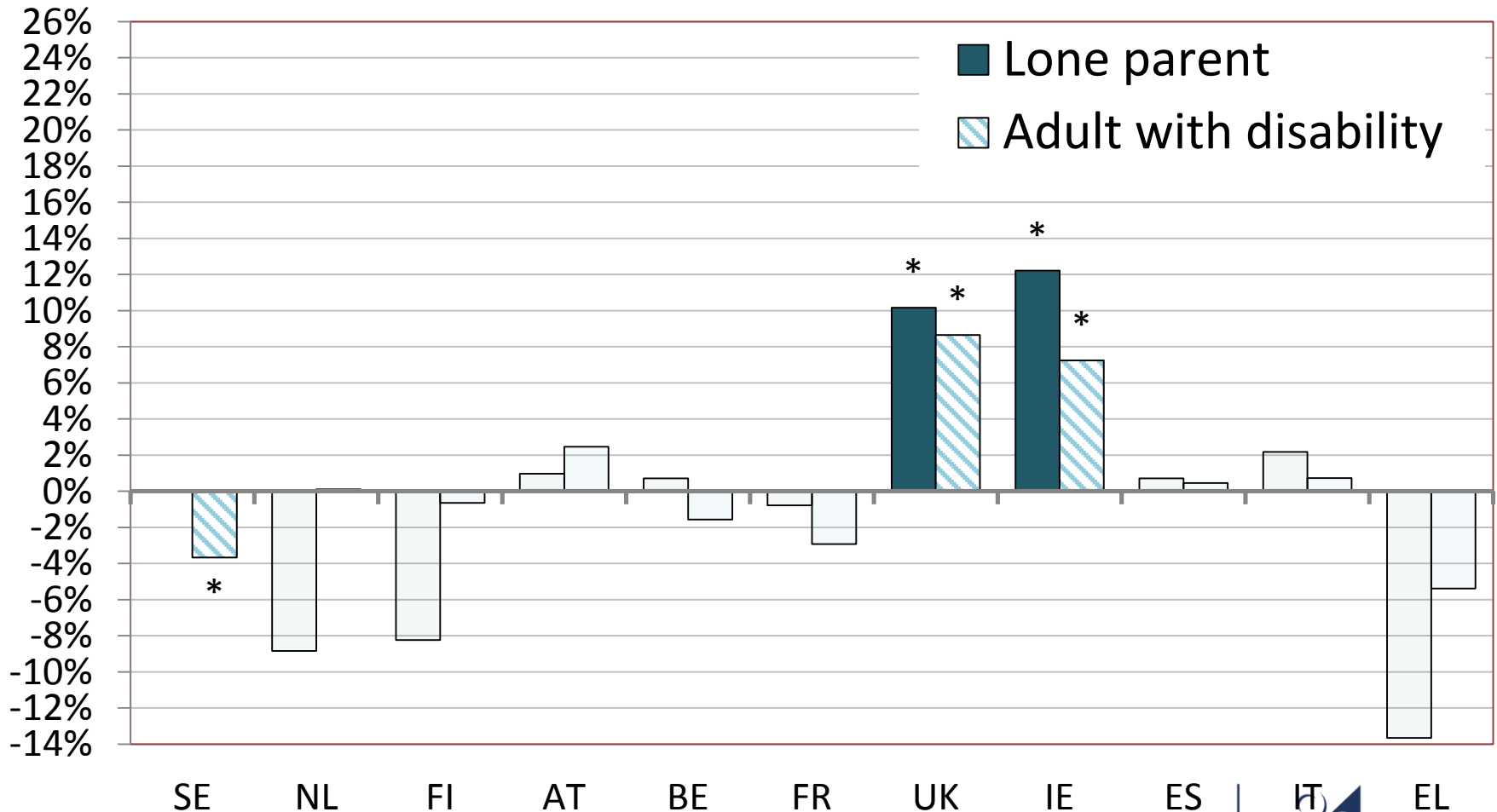
Deprivation increased for all groups (except older adults)

No clear evidence of increasing gap between high-risk and low-risk groups, overall.

But are there country differences?

Change over time in social risk gap by country

Persistent Deprivation; change between 2005-06 and 2013-14; showing only * = statistically significant changes



Conclusions

- Similar cross-country pattern of deprivation by social risk
 - Lone parenthood, working-age disability (esp. persistent dep.)
 - Not for children in general or older people in general
- Social risk gap smaller in Social democratic countries?
 - Apart from Sweden, not really - but Liberal countries (UK, IE) have larger gap
 - Especially for lone parents
- Polarisation between social risk groups with recession?
 - No polarisation overall, but differences across countries
 - Some evidence of polarisation in liberal countries - UK and IE
 - Especially for persistent deprivation and lone parents

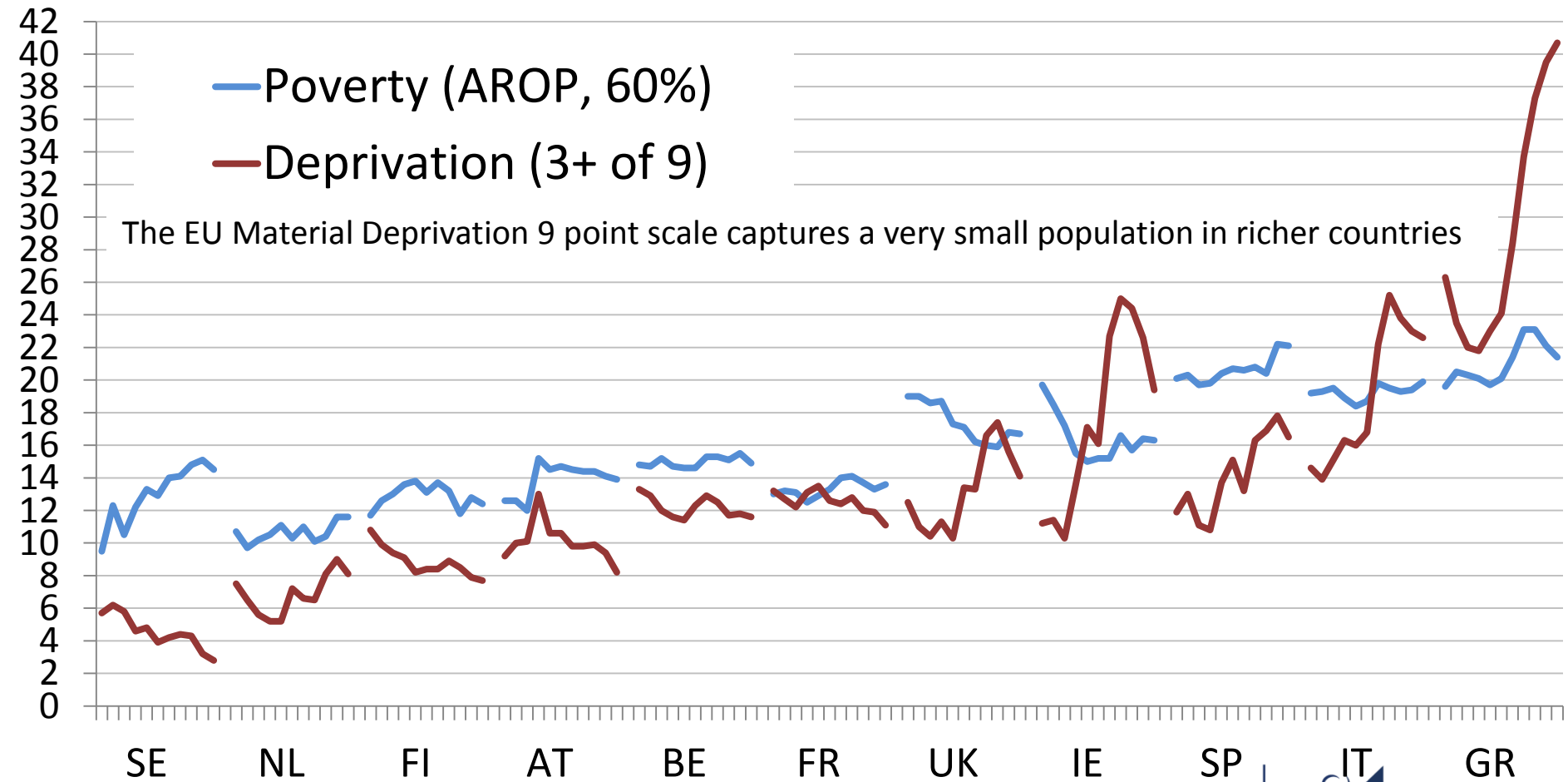
Implications

- Same groups identified as vulnerable when we look at persistent and cross-sectional deprivation: lone parents and working age adults with a disability (also higher level of persistence)
- Social democratic countries have a developed welfare system that is better at protecting the population in general from deprivation, but even here we find a social risk gap.
- Lone parenthood and working-age disability are important in accounting for the higher poverty rate of children compared to adults.
- The welfare system of Liberal countries was less effective at protecting vulnerable groups – the social risk gap widened over the course of the recession.

Thank you!

Poverty and Deprivation Rate Trends, 2005-15

(cross-sectional SILC, lines show change over time)



Sizes of social risk groups by country, average over the 3 periods (SILC longitudinal data)

	Lone par. & children	Disab. & child	Other children	Young adults	Adult 30-65	Adults age 66+
SE	5%	8%	17%	12%	40%	18%
NL	4%	11%	17%	13%	42%	14%
FI	4%	15%	15%	13%	38%	15%
AT	5%	18%	11%	13%	36%	15%
BE	7%	14%	13%	13%	38%	15%
FR	7%	13%	13%	13%	37%	17%
UK	8%	14%	13%	11%	38%	16%
IE	10%	15%	16%	10%	37%	11%
ES	3%	14%	14%	14%	40%	16%
IT	3%	12%	12%	12%	41%	20%
EL	2%	9%	15%	14%	42%	18%