Empirics of Subjective Poverty in the European Union

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Introduction

• **Status quo:** subjective poverty measures are neglected.

• Yet: “objective and subjective dimensions of well-being are both important” (Stiglitz, Sen, and Fitoussi, 2009, p. 15).

• **Goals:**
  ◦ to re-examine the concept of subjective income poverty measurement
  ◦ to estimate trends in subjective income poverty rates in the EU (including country profiles).
What we do and how we do it

1 :: Identification of the subjectively poor

• **Data:**
  - EU-SILC 2004–2019 household survey microdata (Cross UDB, 2020-09 version)
  - 3,143 (Cyprus, 2009) and 24,305 (Greece, 2018) observations

• **Key variable:**
  - Minimum income question [EU-SILC variable HS130]: “In your opinion, what is the very lowest net monthly income that your household would have to have in order to make ends meet, that is to pay its usual necessary expenses? Please answer in relation to the present circumstances of your household, and what you consider to be usual necessary expenses (to make ends meet).”
What we do and how we do it

2 :: Identification of trends in the subjective poverty rates

- Linear trend
- U-shaped trend: two-lines approach (Simonsohn, 2018)
Results #1
Subjective poverty rates & SSPIs (1-adult households), 2019 data
Results #2
Overlap between the official at-risk-of-poverty-or-social-exclusion (AROPSE) and subjective poverty indicators
Results #3
Trends in Poverty Headcount Index

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<th>None</th>
<th>Inconclusive</th>
<th>Increasing</th>
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Thank you very much for your attention

• This short presentation == a “teaser”

• If you are interested in some results in greater detail, including detailed country profiles, please, refer to our full paper (open-access):

https://doi.org/10.1057/s41287-021-00457-2

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