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MATERIAL POVERTY AND MULTIPLE DEPRIVATION IN EUROPE BEFORE AND AFTER THE GREAT RECESSION: ANALYSIS, REFLECTIONS AND IMPLICATIONS FOR THE CAPABILITY APPROACH

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Outline

- Conceptual framework
- Methods
- Findings
 - Multidimensional poverty levels in Europe
 - Geographical composition of MD poverty in Europe
- Reflections
- Implications for the capability approach
- Conclusions

Background & framework

- Poverty analysis is undergoing a multidimensional ‘turn’
- I have argued elsewhere that understanding poverty and deprivation requires a multidimensional approach (e.g. Hick, 2014).
 - Focussing on both monetary and non-monetary dimensions
- Key concepts of capability approach
 - Capabilities – what people can do and be [real opportunities]
 - Functionings – what people do actually achieve [outcomes]
- Some key differences between my articulation of CA and how Sen understands it
 - Focus on two concepts of poverty and deprivation
 - Continued role for income in poverty analysis (e.g. Burchardt and Hick, 2017)

The coupling of disadvantages (Hick, 2016)

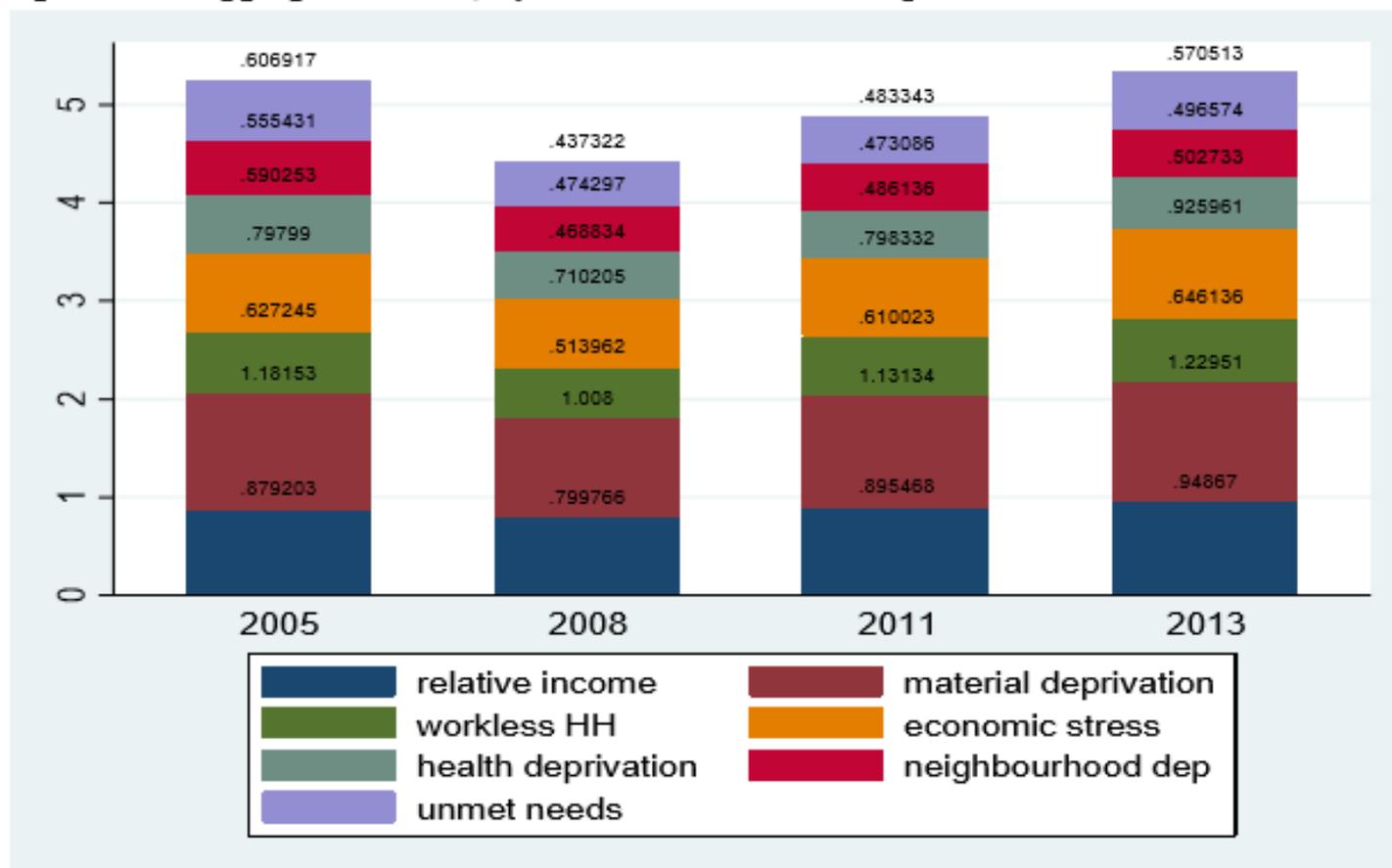
- Analysis of EU SILC data for 24 MS, at four time points: 2005, 2008, 2011 & 2013
- Analysis of seven dimensions of deprivation
 - Relative income poverty
 - Material deprivation
 - Living in a workless household
 - Economic stress
 - Health deprivation
 - Neighbourhood deprivation
 - Unmet medical or dental need
- *Main analysis based on a threshold of 3+ dimensions (k=30%)*

The Alkire-Foster measure

- Dual cut-off
 - 1. Cut-off on each dimension
 - 2. Number of dimensions deprived required to be classified as MD poor (k)
- ‘Censored’ headcount: people classified as deprived under #1 who are also deprived under #2
 - Implication: people classified as deprived by #1 but not by #2 will not be classified as deprived
- *Q: relative weight of ‘raw’ and censored headcounts?*

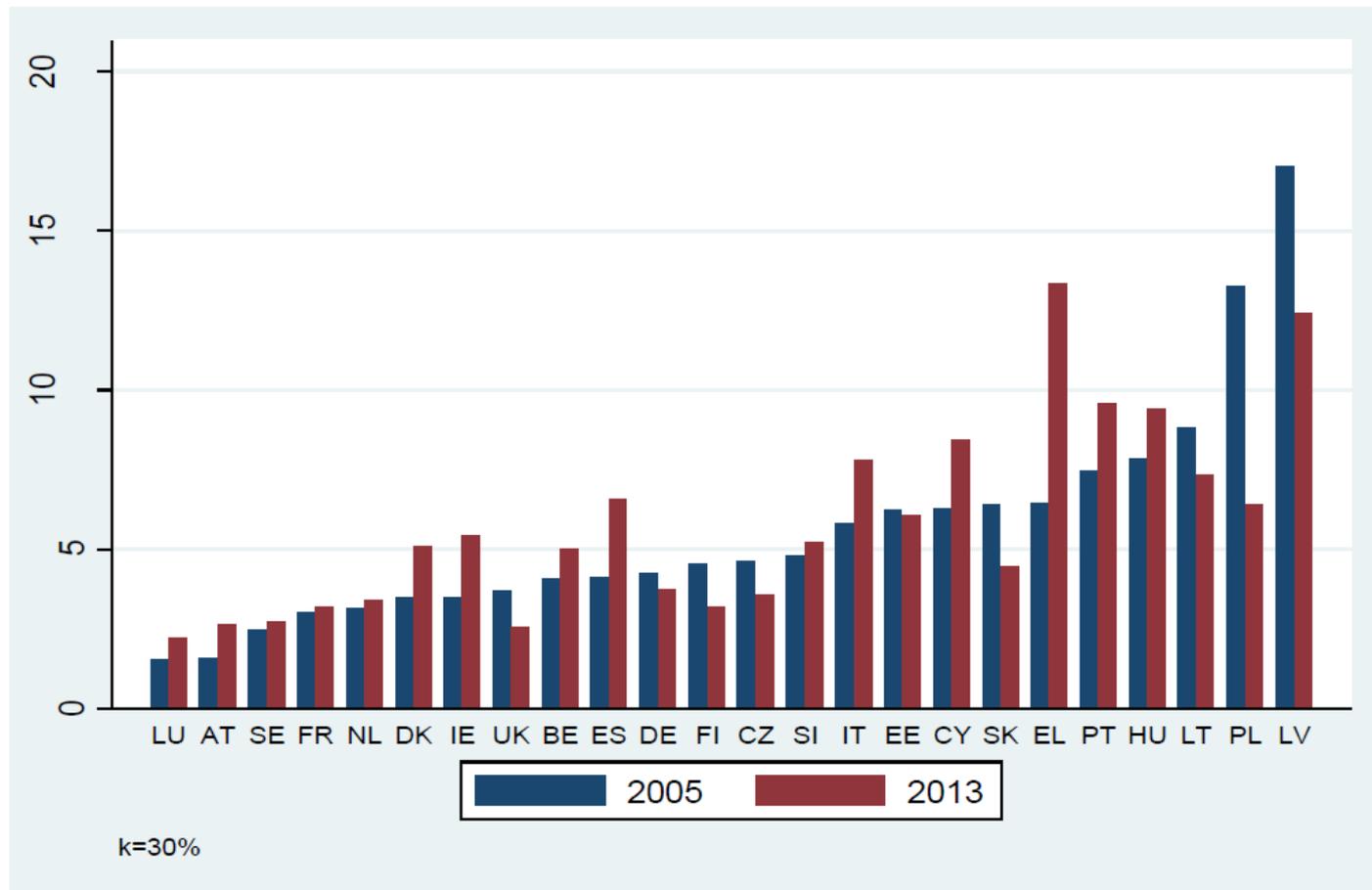
Multidimensional poverty levels before and after the crisis

Figure 4. Disaggregation of M_0 by dimension at four time points



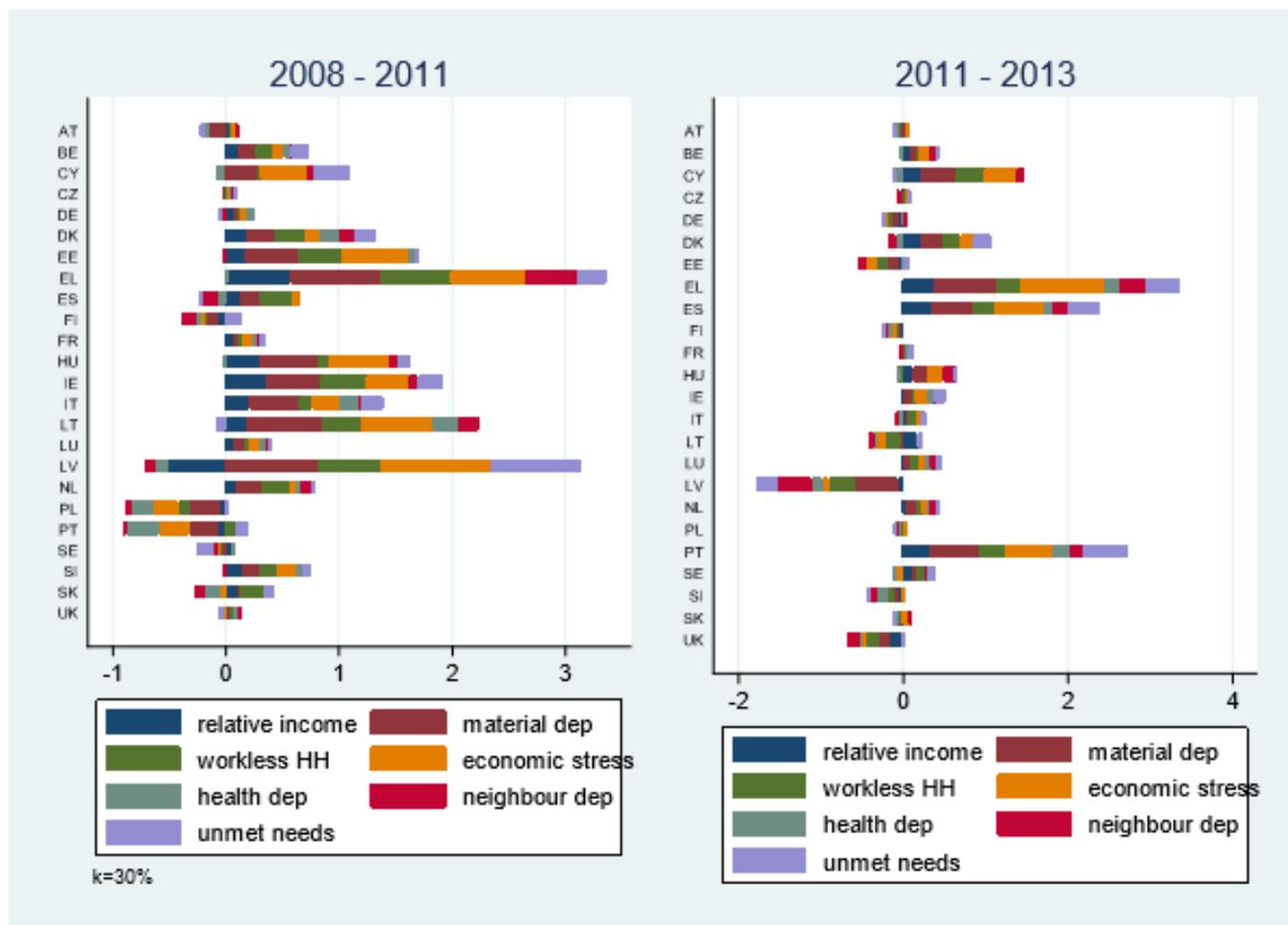
Multidimensional poverty levels before and after the crisis

Figure 5. *Mo* by Member State - 2005 & 2013 compared



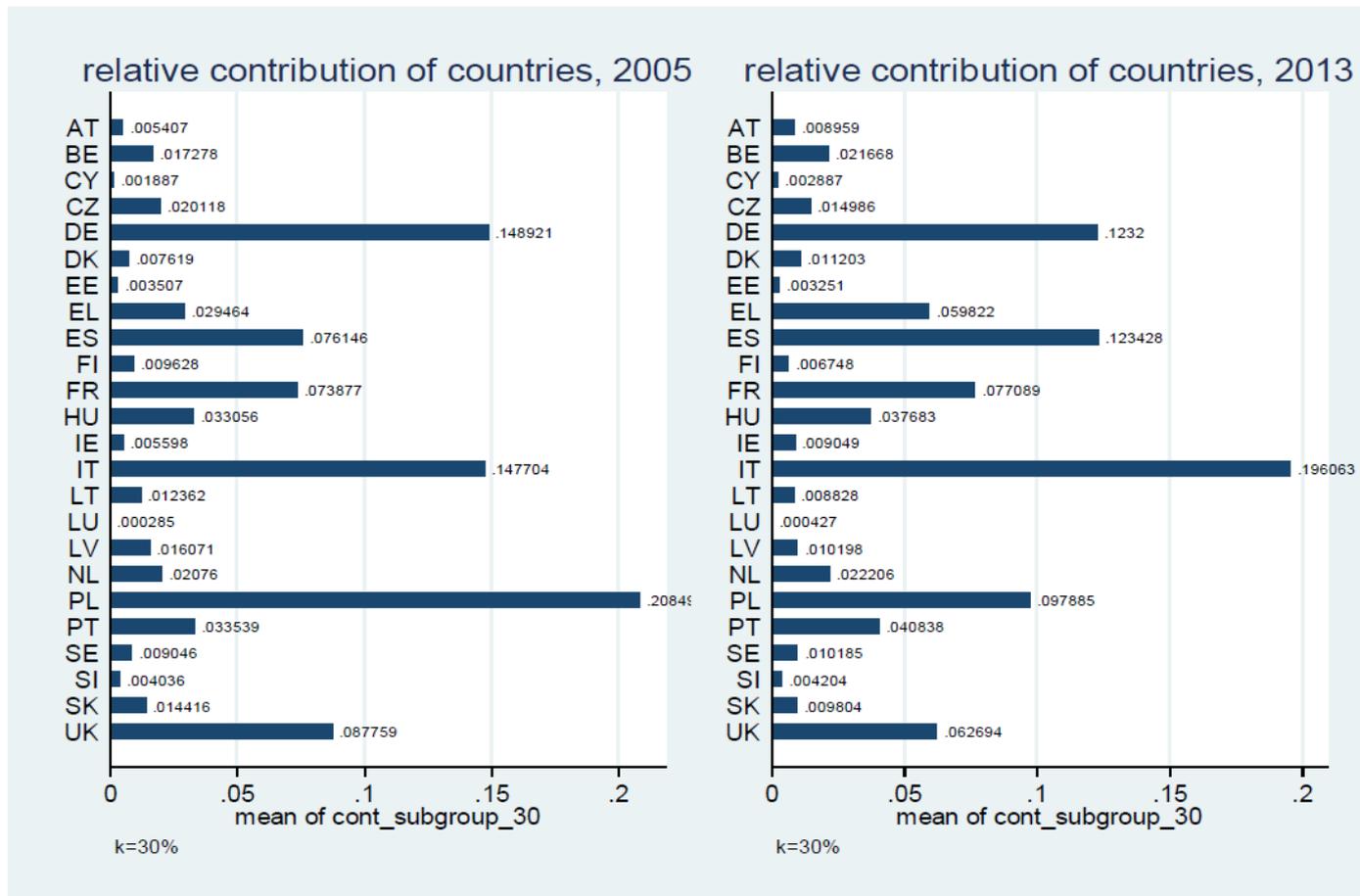
Changes in censored headcounts in two periods

Figure 9. Disaggregation of M_0 by dimension during the two phases of the crisis



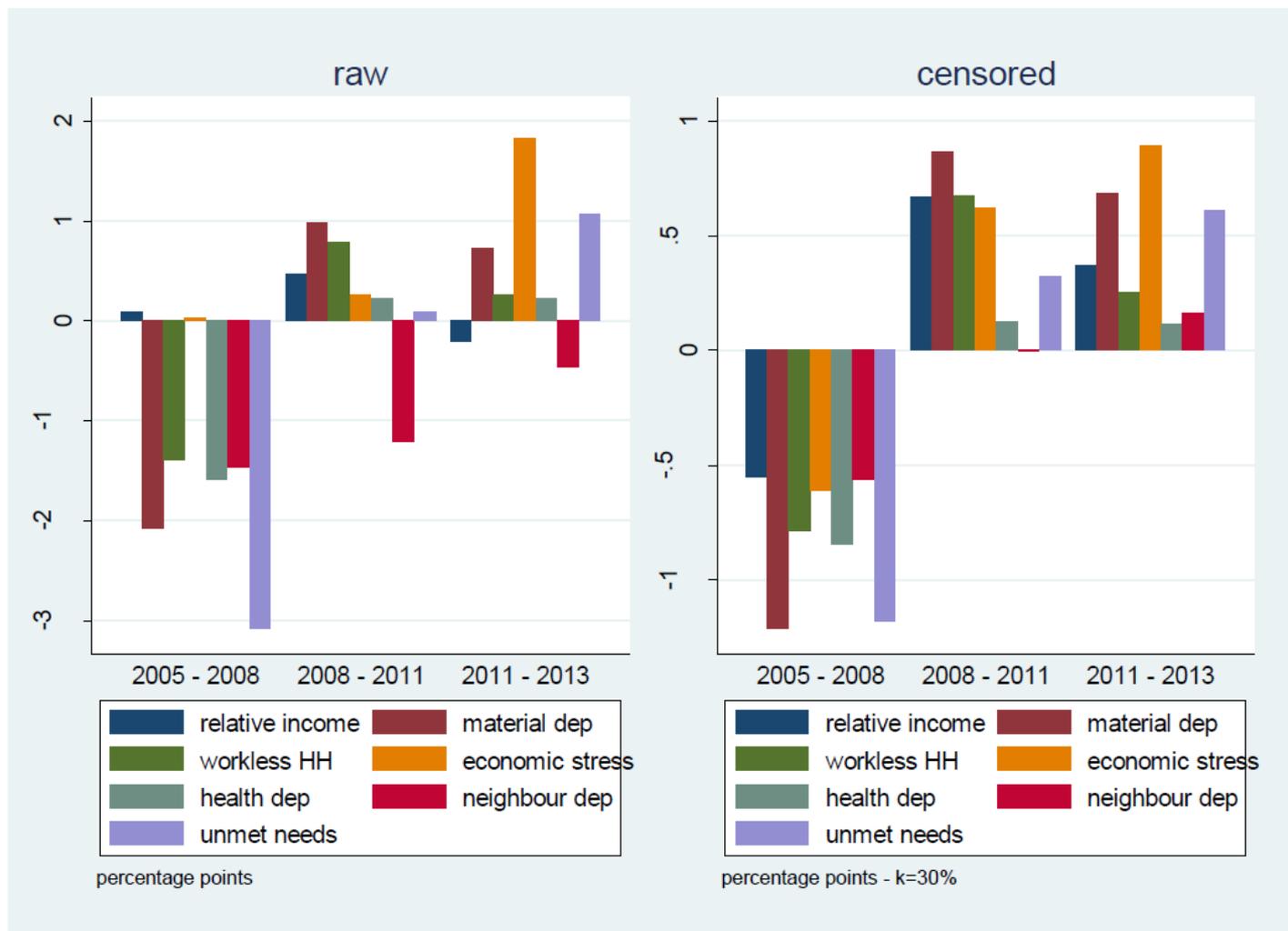
Where do people experiencing multidimensional poverty live?

Figure 10. Comparison of share of multidimensional poverty by Member State, 2005 & 2013



Reflections on the Alkire-Foster measure

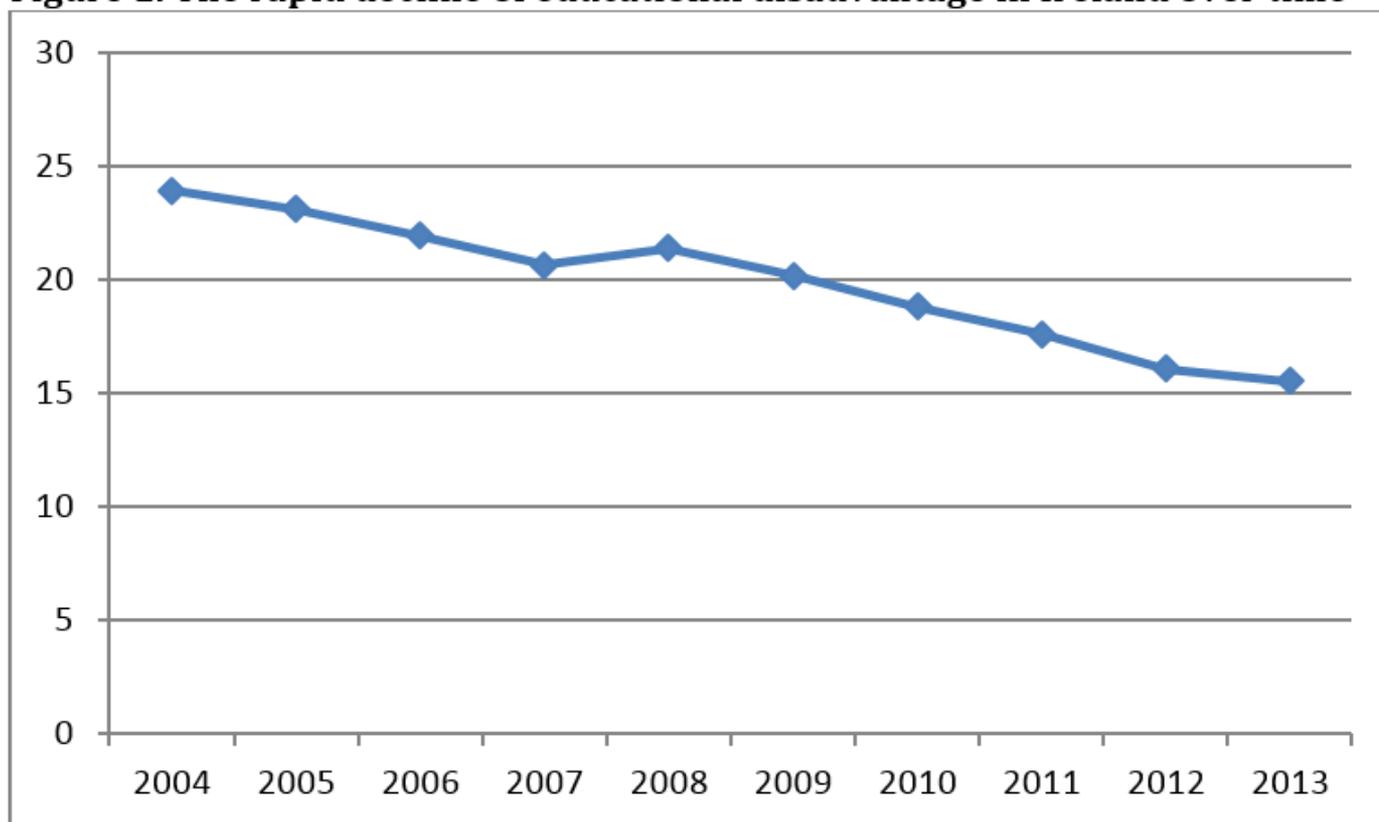
Figure 11. Comparison of raw and censored headcounts



Reflections

- Education not included as a dimension in my study

Figure 1. The rapid decline of educational disadvantage in Ireland over time



Source: EU-SILC data for Ireland, respective years, weighted

Reflections

Table 1. Transition probabilities and raw count relating to educational disadvantage in Ireland

education= =primary education	education==primary education		Total
	0	1	
0	2,368 99.75	6 0.25	2,374 100.00
1	7 0.61	1,141 99.39	1,148 100.00
Total	2,375 67.43	1,147 32.57	3,522 100.00

Source: Irish data from EU-SILC, 2006-2009, unweighted

- Implications for analyses of multidimensional poverty?

Implications for the capability approach

(Burchardt and Hick, 2017)

- Recent literature on economic inequality, largely focussed on income & wealth
- This seems to be at variance with the ‘essence’ of the CA – e.g. Robeyns’ *Capabilitarianism* (in JHCD in 2016)
- ‘the approach does not attach direct – as opposed to derivative – importance to the *means* of living or *means* of freedom (e.g. real income, wealth, opulence, primary goods, or resources), as some other approaches do. These variables are not part of the evaluative space, though they can indirectly influence the evaluation through their effects on the variables included in that space’ (Sen, 1993: 33; emphases in original, subscript is mine).
- But what do we mean by the ‘evaluative space’?
- Transcendental or comparative?

Implications for the capability approach

(Burchardt and Hick, 2017)

- Measuring inequality via income and wealth *not* a departure from CA when direct alternatives are inadequate
 - Priority to try to construct direct alternatives
- Need more concern with the underlying data available – for analysis of *both* poverty and inequality

Conclusions

- Dramatic change in multidimensional poverty in Europe over this period
- Sharp increases in MD poverty – especially in “bailout” countries
- Multidimensional poverty levels in Greece now higher than in some of the eastern Member States
- Balance of emphasis between “raw” and “censored” headcounts?
- Need for MD poverty measurement to address issues of practice as well as those of principle

Thank you for listening!

References

- Hick, R. (2016), '[The coupling of disadvantages: material poverty and multiple deprivation in Europe before and after the Great Recession](#)', *European Journal of Social Security*, 18, 1, pp. 2 – 29.
- Burchardt, T. and Hick, R. (2017), '[Inequality and the capability approach](#)', LSE CASEpaper No. 201, London, LSE.
- Hick, R. (2014), '[Poverty as Capability Deprivation: Conceptualising and measuring poverty in contemporary Europe](#)', *European Journal of Sociology*, 295 – 323.