

POVERTY IN FIGURES:

Europe in the early 1980s





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**Study carried out for Eurostat by the
Institute of Social Studies Advisory Service (Issas)**

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1 OBJECTIVE, CONCEPTS AND SCOPE

1.1 Background and Objective

This study reports on the final phase of a research project which has been carried out by the Institute of Social Studies Advisory Service under the authority of the Statistical Office of the European Communities (Eurostat). The global objective of the research project was to investigate the possibility of using statistical data from the Family Budget Surveys of the Member States for the analysis of poverty and inequality in the Community. The project consisted of three phases. In the first phase the Family Budget Surveys (FBS) of the Member States were studied and a tabulation plan for poverty relevant data requests to the National Statistical Institutes (NSIs) was designed (see ISSAS, 1988). During the second phase a pilot study was carried out, taking into account the data of three countries. In this pilot study a number of alternative methodologies were tested (see ISSAS, 1989). Following the discussion of this pilot study with representatives of the NSIs and Eurostat, a second more comprehensive study was undertaken and presented to the Seminar on Poverty Statistics in the European Community held in Noordwijk, The Netherlands, in October 1989 (see Teekens and Zaidi, 1989). This study, which concluded the second phase of the project, presented a number of alternative poverty line definitions using different instrumental variables applied to ten Member States and, for a number of them, for two different survey years. The third phase of the project consisted of the preparation of the present final report which covers FBS data of all Member States, with the exception of Luxembourg. Of the eleven Member States covered in this final report, seven supplied data from two FBSs. The NSIs of Belgium, Denmark, Portugal and Greece provided data from one survey only. The difference between this study and the previous reports is not only its more comprehensive coverage. In contrast with the earlier reports this study opts for one type of poverty threshold only and adds the Community perspective to the analysis. Details of the approach will be discussed in section 1.3 and Chapter 2.

The *objective* of this study is to present a comprehensive and systematic picture for eleven Member States of the evolution of poverty and inequality between 1980 and 1985 both from a national and a Community perspective.

1.2 Some Reflections on the Concept of Poverty

1.2.1 Absolute Poverty

At the turn of this century pioneering work in defining absolute poverty was done by Rowntree¹. In his first study of poverty in York, he considered a family to be living in 'primary poverty',² if its earnings 'were insufficient to buy the minimum necessities for the maintenance of merely physical efficiency'³. 'Minimum necessities' were calculated in absolute terms by estimating the protein and calorie requirements of families of different compositions. Those requirements were then translated into a minimum cost diet, allowing for basic variety. To this expenditure on food was added a certain minimum amount for clothing, fuel and other basic household sundries⁴. As Rowntree recognised, and as has been discussed in detail by Townsend (1954), Rein (1971) and others, the absolute subsistence standard involves conceptual and methodological difficulties, such as: (a) the determination of minimum necessities or essential needs; and (b) the quantitative assessment of the requirements.

The concept of essential needs extends beyond the 'bare physical' needs for supporting life and includes, at least in contemporary studies, what are commonly called 'conventional' or social needs and both are related to the social, moral, religious and economic norms of a particular country. Hence, the definition of poverty becomes specific to each society, even though aspirations and norms may be dominated by the life style of the so-called 'industrial society'.

The difficulties involved in the quantitative assessment of minimum requirements are manifold. With respect to nutrient requirements, for example,

1 See Rowntree (1901)

2 'Primary poverty' is distinguished from 'secondary poverty', which occurs when a family's income would be sufficient to maintain mere physical efficiency were it not that some income is absorbed by other expenditure.

3 Ibidem, p.117

4 Ibidem, p.129

it is difficult to assess the energy requirements of persons of various ages, gender and with different types of work. Minimum clothing and housing needs depend on local circumstances. Minimum requirements for fuel and light depend on housing circumstances and climate. Direct educational and medical service standards are also difficult to determine. Rowntree himself clearly recognised the difficulties involved in defining poverty or minimum living standards in absolute terms and progressively modified his original approach by introducing a relationship between budgets and people's customs. Townsend developed this approach by giving special prominence to the food expenditures of working class households. This line of thought was elaborated by Orshansky (1965), Oshima (1977), Rao (1981) and Teekens (1988). Their approaches are related to the Engel coefficient, i.e. the proportion of income (or expenditure) spent on food by families of different compositions. This approach appears less arbitrary and subjective than estimates made by researchers on how much a household needs to spend on particular items, especially when these researchers come from a social class whose life style is quite different from that of the household they are investigating.

In conclusion it can be said that minimum subsistence requirements are both dynamic and country (or society) specific and that the concept of absolute poverty is essentially normative because it refers to a certain scale of values which is associated with a life style and therefore has a relative dimension.

1.2.2 Relative Poverty

The relative nature of poverty was recognised by Adam Smith:

'By necessities I understand not only the commodities which are indispensable necessary for the support of life but also whatever the custom of the country renders it indecent for creditable people, even of the lowest order, to be without'.

Marx also referred to the fact that for the worker

'the number and extent of his so-called necessary wants ... are themselves the product of historical development and depend, therefore, to a great extent on the degree of civilisation of a country'¹

A definition of poverty which refers to the 'customs' of a given country assumes that the average, median or modal income represents the economic indicator which corresponds to the dominant life style. A poverty threshold defined as a certain fraction of that income is assumed to correspond to the critical level below which it is impossible to play a meaningful part in that

1 Both quotations from Atkinson (1975), p.189

life style. This view is useful in correcting attempts to conceive of and measure poverty in absolute terms only, because it implies that poverty thresholds tend to rise as average living conditions improve. Action to combat poverty would, therefore, incorporate action to promote a more equitable distribution of income. In the low income countries, however, the alleviation of poverty should also include, as its most important element, action to promote growth of the average income, since a mere redistribution of income would leave almost everyone poor. Hence the concept of 'absolute' poverty is operational mainly for the countries or groups in the population that live below a minimum level of survival; it is only when everyone obtains that level that the relative concept becomes operational.

In the last instance, therefore, the determination of relative poverty thresholds has to be based on an absolute criterion for establishing acceptable minimum standards of living or acceptable standards of inequality. The two concepts taken together appropriately express the conditions of deprivation in a certain society. 'Absolute poverty' addresses itself to the mere non-satisfaction of essential needs, while 'relative poverty' stresses discrepancies between the lowest part and the remainder of the 'social pyramid'.

In this way, the relative concept offers a means for relating poverty to the broader problem of inequity. Inequity in opportunities and in social welfare is not necessarily identical to inequality of incomes. It can be maintained that the latter can be decomposed into socially justifiable and acceptable components as well as unjustifiable and unacceptable components: inequity is present in the latter case.

1.2.3 Inequality

The measurement of inequity is a complex and statistically cumbersome operation¹ and the usual way to circumvent these difficulties is to use income or expenditure inequality as a proxy for inequity. This will also be done here, although it is realized that inequality is a poor and imprecise measure of inequity.

1 See also Pereirinha (1988)

1.3 The Poverty Concepts Used in this Study

The starting point for the choice of the poverty concepts employed in this study is the definition adopted in the Council Decision of 19 December 1984.¹

'the poor shall be taken to mean persons, families and groups of persons whose resources (material, cultural and social) are so limited as to exclude them from the minimum acceptable way of life in the Member State in which they live'

This definition, which was formulated for the Second Poverty Programme of the Commission of the European Communities, can be classified as a definition of relative poverty. The definition adopted by the Council mentions 'the minimum acceptable way of life in the Member State in which they live' as a poverty threshold, thereby explicitly allowing for different thresholds per Member State, depending on the dominant life style in the country concerned. The relativity of the Council definition resides in the fact that for each Member State a different poverty threshold may result, depending on the norms of that Member State. It should also be noted that the council definition does not exclude the use of an absolute poverty definition within a Member State.

Persons, families and other groups of persons live in societies - a village or town, a province or district, a region, a national territory, or particularly relevant for the present study, the European Community. In the definition of relative poverty these societies play a crucial role. The average or dominant life style of one of these societies is selected as the reference point for the definition of the poverty threshold. The selected society is labelled the 'reference society'.

In its 1984 decision the Council opted for the *Member State* as the reference society, implying that a person, living in a poor province of a Member State and relatively well-off according to the norms of that province, may be considered as poor when his resources are compared against the national criterion and not the provincial criterion. This option also implies that a person who could be considered as being poor in a 'rich' Member State could be considered as being non-poor if he or she lived in a 'poor' Member State. Since the data analysed in this study cover the period of the Second Poverty Programme, the option selected in the Council definition will also be followed here.

1 See EEC(1985)

Six years later, on the eve of the Single Market, which is expected to show an increased mobility of goods, services, capital and labour within the European Community, it may be useful to complement the '*Member State*' option for reference society with the '*Community*' option as an illustrative exercise. This exercise makes it possible to analyse discrepancies in levels of living both within a national and a Community context.

Since this study will be concerned with the data from Family Budget Surveys, it follows that it will be confined to material aspects of poverty. Given this limitation, a poor person (or group of persons) will be understood as a person (or a group of persons) with a level of welfare below a certain threshold.

Welfare can be measured in various ways. For the purpose of the present study, income and consumption have been considered as potential instrumental variables. If poverty is measured in terms of current consumption, it should be kept in mind that the concept of consumption is broader than the concept of expenditure, i.e. it comprises all goods and services at the disposal of the person (or group of persons) irrespective of who finances them. This implies that consumption expenditure has a limited significance in poverty analysis since it does not account for public goods and services provided for free, gifts and transfers in kind, the use of owner-occupied dwellings and durables, etc. Moreover, this study will concentrate on the household or the family as the unit of analysis.

Poverty analysis would not be complete if it was confined to the enumeration of the number of poor according to some predetermined criterion. For policy purposes it is necessary to obtain some insight into the characteristics of poor households. This would enable policy makers to direct poverty programmes to specific groups. Attention is therefore given to socio-economic characteristics and the composition of the household in as far as this is possible given the information contained in the surveys.

1.4 The Data Sources

In this report poverty relevant data provided by the statistical offices of all the Member States, except Luxemburg, are analysed. These data have been extracted from existing Family Budget Surveys by the National Statistical Institutes (NSI) at the request of Eurostat. This request referred to income and expenditure data from two subsequent national family budget surveys. A description of poverty relevant data from family budget surveys and the characteristics of the data received from the NSIs can be found in Annex A.

It should be emphasized that this analysis concerns *secondary* data which were provided on the basis of a data request to the NSIs made before detailed knowledge of the definitions and classifications used in national surveys could be obtained. In the light of the present analysis these original data requests can now be revised.

1.5 The Limitations of the Present Study

The basic limitation of the present study is that the Family Budget Surveys of the Member States are far from being harmonized: income definitions are not always comparable, the field of observation for goods and services shows variation between countries, and the sampled population is not uniform over countries¹. Moreover, since Family Budget Surveys are not designed for purposes of poverty analysis, the sample size often poses problems, particularly for the analysis of subgroups of households.

In addition to differences in the sampled population and small sample size, Family Budget Surveys suffer from underrepresentation. This is especially so in the case of the homeless and the elderly. The homeless are excluded from the surveys, as are elderly people who live in institutions. Foreigners with little or no command of the national language are also frequently underrepresented.

Another problem resides in the fact that the timing of the surveys is not coordinated between countries. Consequently, some interpolation and extrapolation were required to bring data in line with the bench mark years selected for the study (1980 and 1985).

1.6 The Plan of the Study

The study analyses the problems of poverty and inequality at increasing levels of detail. First, the Community perspective is taken, followed by a global analysis on the basis of country specific poverty lines, and, finally, specific poverty groups within each country are analysed. Thus, after a methodological introduction in Chapter 2, Chapter 3 reviews poverty and inequality based on a Community relative poverty line. The analysis is carried out at the global level for two bench mark years: 1980 and 1985. In chapter 4 the same global analysis is carried out for the two bench mark years but this time using

1 See also Teekens (1989)

the country specific poverty lines. Chapter 5 concludes the analysis with an attempt to identify poverty groups within each country. Finally, chapter 6 summarizes the findings, draws some conclusions and puts forward some suggestions for the improvement of the data base.

2 METHODOLOGICAL ISSUES

2.1 An Operational Concept of Poverty and Its Measurement

The definition of poverty is ultimately the task of the policy maker. The role of the statistician and the researcher is to define the observable instrumental variables, to design methodologies for their measurement and their analysis and to indicate the qualities and limitations of these variables and methodologies for specific purposes. In real life, the definition of poverty and its operationalization are seldom carried out consecutively. A continuous interaction exists between the results of poverty research on the one hand and the position taken by politicians concerning a 'fruitful' definition of poverty on the other. Moreover, the evolution of the economic, social and international environment is often another factor which may cause poverty definitions to change over time. In this context, the role of the statistician and researcher is to provide policy makers with *alternative* ways of operationalizing chosen poverty concepts and to confront them with the outcomes of the analysis. In this way they are able to assist the policy maker to arrive at 'well informed' decisions.

The overall objective of the present study is to examine the extent to which the Family Budget Surveys of the Member States of the European Community can be useful for the measurement of poverty. In a previous report¹ a number of alternative instrumental variables for poverty measurement were reviewed: *per capita* household income, *per capita* household expenditure, household income per adult equivalent and household expenditure per adult equivalent. In addition to these alternative variables, the report considered various *relative* poverty thresholds, i.e. cutoff points at the scale of the different variables, below which households or persons could be considered poor. The poverty thresholds considered were: forty and fifty per

1 See Teekens and Zaidi (1989)

cent of the *mean* of the instrumental variable, and forty and fifty per cent of the *median* of the instrumental variable, both measured and analysed for each Member State separately. Moreover, the report considered an *absolute Community* threshold based on the share of food expenditure in total household expenditure, in an attempt to take into account differences in tastes and relative prices between Member States. The study set out to present various options for the operational definition and measurement of poverty within the limits set by the data base of the Family Budget Surveys of the Member States. The report was discussed within Eurostat and at the Seminar on Poverty Statistics in The European Community¹. Moreover, comments were received from most of the NSIs of the Member States.

The objective and the methodology of the present final report have been defined in the light of the above discussions and comments. Obviously, this does not imply that every commentator and discussant will be satisfied with the orientation taken for the present study, since compromises have had to be made.

As the objective of this final report is to present a comprehensive and systematic picture of the evolution of poverty and inequality between 1980 and 1985 for the eleven Member States, the methodology has been adapted accordingly. In the remainder of this chapter the major elements of the methodology will be discussed.

2.2 A Bird's Eye View of the Applied Methodology

The instrumental variable which will be used for the measurement and analysis of poverty is the household expenditure per adult equivalent or *equivalent expenditure*. The applied equivalence scale is the OECD-scale.² For the definition of the poverty line the concept of relative poverty has been opted for, i.e. the poverty lines have been set at 40 and 50 per cent of the *mean* of equivalent expenditure. With respect to the *reference society* two options will be analysed: the Community perspective, where the *mean* will be taken as the *Community mean*, and the national perspective, where the *national mean* will be used for the definition of the poverty line.

1 This seminar was held under the auspices of Eurostat and took place in October 1989 in Noordwijk, The Netherlands

2 This scale was also used for the evaluation of the Second Poverty Programme of the Community.

The estimates of poverty incidence in the Member States and the Community as a whole had to be provided for two bench mark years, 1980 and 1985. Since the reference years for the two surveys did not, as a rule, coincide with these bench mark years and since some of the countries provided data from one survey only, inter- and extrapolation mechanisms had to be used. In order to forecast (or backcast) poverty incidence it was decided to use parametrized distributions and to forecast (backcast) their parameters. These parametrized distributions were also used to estimate the Community distribution of household expenditure per adult equivalent. For the necessary conversion of the various national currencies, use was made of the purchasing power parities and consumer price indices as published by Eurostat. The so-called poverty incidence or poverty rate will be used as the main poverty indicator. In previous research it appeared that poverty intensity, which measures the distance between the average income of the poor and the poverty line, is closely correlated with poverty incidence and, therefore, does not provide additional information.

In the following sections the above mentioned methodological issues are discussed in more detail.

2.3 Household Expenditure Per Adult Equivalent

The choice of income or expenditure for poverty measurement is particularly important. Income data from Family Budget Surveys are often unreliable due to underreporting, while income definitions vary from country to country. The recorded per capita household incomes and expenditures (averages for per capita expenditure deciles) have been analysed by Teekens and Zaidi (1989) for ten countries. This study showed that income is strongly under-estimated for Greece and, to a lesser extent, for Spain. These countries show, for all but the last decile, expenditure figures which are higher than the corresponding income figures. For the other countries, with the exception of Belgium, Germany and Italy, the income seems slightly under-recorded for low deciles. The picture for equivalent income and expenditure is essentially the same. When the under-estimation of income is more pronounced for low-income groups than for the higher deciles, the average income tends to be less under-estimated than incomes in the lower deciles. When income is used to measure poverty in this situation, it results in an over-estimation of the poverty incidence.

Given the problem of under-recording of income in a number of countries and the fact that some countries were unable to supply requested data on disposable income (Ireland, for example, provided data based on gross income, which explained very high poverty rates if measured by income), it

was decided to use household *expenditure* rather than income as the instrumental variable for poverty measurement. It is believed that this variable better reflects the availability of both declared and undeclared resources of low-income groups, since the propensity to save is close to zero for the low income deciles. Moreover, expenditure is believed to be a more satisfactory indicator of 'permanent income' than the income declared at some point in time.

As mentioned in Chapter 1, the use of expenditure as the instrumental variable for poverty measurement is not without drawbacks. In the first place it suffers from the same shortcomings as disposable income: household expenditure does not take into account all goods and services provided free to households, such as educational and health services, gifts, other transfers in kind, use of home-produced goods, use of own home and durables, etc. The basic problem is that some countries use the so-called *expenditure concept* for the recording of household consumption while the majority of Member States use the so-called *consumption concept* which is a national accounting concept which takes account not only of consumption for which the household pays but also the consumption of goods and services which are available to it free of charge. The degree to which households enjoy free goods and services depends to a large extent on government policies in the Member States.

In the second place, the field of observation for goods and services for the surveys conducted in the different Member States is far from homogeneous in other respects¹. Substantial differences exist in the treatment of insurances, interest and consumer taxes and levies.

Despite these shortcomings, household consumption expenditure as the instrumental variable for poverty measurement seems to be the best alternative in the present situation. Further progress in the harmonization of Family Budget Surveys of the Member States will certainly enhance the role of these surveys in poverty analysis.

In order to analyse the welfare situation of a household, the resources of the household must be compared with its size and composition, since its welfare depends on the number of persons (and their age and gender) who are supposed to share the household's resources. Two questions arise in this context: a) are all persons in the household to be treated equally?; and b) are there economies of scale in household consumption?

1 See Teekens(1989)

If the first question is answered in the affirmative and the second in the negative, *per capita* household expenditure can be used as a welfare measure and thus as a poverty measure. There are, however, a number of convincing arguments against this position. In the first place, it can be observed that a baby needs less resources to satisfy her or his needs than an adult person and, in the second place, it can be expected that, say, the costs of providing a meal for a household with ten persons will be less than ten times the cost of providing a meal for one person. These statements can be generalized by suggesting that not all persons have identical needs and that, therefore, they do not require the same amount of resources, and that there are reasons to believe that in household consumption economies of scale play a certain role. These conclusions, in turn, lead to the use of *Adult Equivalence Scales* instead of the *per capita* concept. The next question to be answered is: which equivalence scales?

2.4 The Equivalent Scales

The choice of the equivalence scales is subject to considerable debate and there are even arguments for using different scales for different countries. However, a detailed discussion of the alternative approaches to the definition of equivalence scales is outside the scope of this study. At the outset of the project the choice of the adult equivalence scale had to be made for the formulation of the data requests to the Member States. This choice was not based on theoretical but rather on pragmatic considerations. The adult equivalence scales opted for in this study are the ones recommended by the OECD. These scales had been used in earlier research¹ for the Second Poverty Programme and they were retained here in order to ensure comparability.

These adult equivalent scales are defined as follows:

first adult in household: 1.0

each other adult : 0.7

each child : 0.5

It should be stressed that the findings on poverty incidence presented in chapters 3 and 4 depend heavily on the choice of the equivalence scales. As an illustration some of the earlier findings of the project are quoted below. They refer to a comparison of the OECD scales with the *per capita* scales (equal to unity for all persons):

1 See O'Higgins and Jenkins (1989)

'The use of the adult equivalent scales results in poverty rates which are slightly lower than the rates which are obtained on the basis of the per capita approach. This observation holds both for income and expenditure. The only exception is the Netherlands where the poverty rates obtained on the basis of the adult equivalent scales are dramatically lower than those obtained on the basis of the per capita approach. The reason for this exceptional outcome is the variation in the number of children per household with equivalent expenditure. (...) it can be seen that for eight out of the ten countries the number of children per household decreases slowly with increasing equivalent expenditure. The only two exceptions are Ireland and the Netherlands where the number of children per household is much higher in poor households than in households with higher expenditure figures. In the Netherlands the number of children per household decreases from about 1.4 at 3000 ECU equivalent expenditure to 0.15 at 12000 ECU, implying an average elasticity of -1.38 compared to elasticities around -.50 for the other northern high income countries (...). For Ireland this elasticity equals -.44, which is much higher than those of the other southern and peripheral countries (around -.16, (...)) but much lower than the Netherlands'¹.

Further research into the choice of the equivalence scales for poverty analysis in the European Community is necessary.

2.5 The Choice of the Poverty Thresholds

The choice of the poverty threshold is in fact a value judgement and not a methodological issue. There are, however, a number of methodological considerations involved. Firstly, implications of the use of the *relative poverty* concept will be reviewed. In this study poor households will be defined as those households whose resources are too limited to participate in the dominant life style of the society in which they live. Since this study is concerned with the material aspect of poverty (approximated by the consumption expenditure per adult equivalent) the relative poverty concept as applied here is closely related to the concept of *economic distance* and two questions arise:

- a) How should the 'dominant life style' in terms of expenditure per adult equivalent be measured?
- b) At which level of expenditure per adult equivalent should resources be considered as 'too limited' or, in other words, at which economic distance should households be considered poor?

In order to answer the first question information is required on the *size distribution* of expenditure per adult equivalent. An obvious choice for the level of equivalent expenditure to be associated with the 'dominant life style'

1 See Teekens and Zaidi (1989), p.19

would be one of the following location parameters of this distribution: the mean or the median. Since for all countries the income (and expenditure) distributions have a median which is lower than the mean, the choice of the median would lead to a lower standard than one based on the mean. For example¹, equivalent expenditure based poverty rates move from around 20% (50% of mean) to around 10% (50% of median) for Greece and from about 30% (50% of mean) to around 20% (50% of median) for Portugal. From the viewpoint of statistical inference the sample median as an estimator of central tendency is preferable to the mean since the latter is more sensitive to extreme observations.

Although the median may be preferred from a theoretical statistical view point, this study makes use of the mean for institutional reasons². However, consideration should be given to the use of the median instead of the mean as a measure of central tendency in future studies.

The answer to the second question (how much below the mean should a household's equivalent expenditure be before that household is considered as poor) is per definition a - rather arbitrary - value judgement. Following the choices made in the Second Poverty Programme, this study uses two alternative poverty thresholds: one which equals 40 per cent of the mean and one equal to 50 per cent of the mean.

2.6 The Choice of the Reference Society

In the previous section was noted that the mean will be used as the measure of central tendency of the distribution of equivalent expenditure to reflect the 'dominant life style of the society in which they live'. Hence, this mean is only defined after the *reference society* has been determined. For the purpose of the present analysis two reference societies will be considered: firstly, the European Community as a whole and, secondly, the Member States separately³.

The analysis of relative poverty on the basis of country specific norms has limited value since it does not allow inter-country comparison of *poverty*. Relative poverty incidence in this context is essentially an *inequality measure*

1 See Teekens and Zaidi(1989)

2 Conformity to measures in the Second Poverty Programme.

3 Arguments for this choice were given in Section 1.3 of Chapter 1.

and comparison between countries should be made with this limitation in mind.

2.7 Fitting the Expenditure Distributions

The disadvantage of working with secondary data is the lack of flexibility. In the present case this disadvantage was most severe in the case of expenditure brackets and the so-called poverty maps which were requested from Member States. For a few countries the poverty maps received from the NSI showed some errors and for this reason it was not possible to use them. Moreover, alternative poverty line calculations were suggested at a later stage, including the analysis of a so-called fixed based poverty line. As the latter calculations had to be carried out on the basis of fitted distributions, it was decided to use the fitted distributions for all calculations, including the derivation of the overall distribution of expenditure per adult equivalent for the Community as a whole.

The fitted theoretical distribution is the one associated with the so-called *Beta-Lorenz Curve*¹. This curve is associated with a three-parameter distribution with a fair degree of flexibility. The parameters of the Beta-Lorenz Curve are estimated either directly (the population mean is estimated through the sample mean) or through generalized iterative least squares applied to the decile values and the associated observed cumulative frequencies, where the form of the covariance matrix is derived from the properties of the order statistics involved.

2.8 The Use of Purchasing Power Parities

The international comparison of average equivalent household expenditure, poverty lines and aggregated expenditure distributions requires the use of some type of exchange rate. Official exchange rates are not suitable for poverty analysis since they do not reflect differences between countries in relative consumption prices. Instead, use will be made of the so-called Purchasing Power Parities for household consumption as calculated and published by Eurostat². Because these parities are based on a basket of consumer goods and services consumed by an *average income* household and not a *low income* household they are not ideally suited for the definition of

1 See Teekens (1988)

2 See Eurostat(1983).

poverty lines based on a national or Community average expenditure. Moreover, a number of conceptual problems related to the construction of purchasing power parities are still unresolved. The problems are mainly related to differences in the calculation of the national consumer price index. The results based on the purchasing power parities as presented in this study should thus be interpreted with the above observations in mind.

Table 2.1 presents the essential elements for the conversion of national currencies into 1980 ECUs. The first two columns of the table show for each

TABLE 2.1: Purchasing Power Parities and Price Indices of Private Consumption

Country	Reference		Price Index of Private Consumption			Purchasing Power Parity of Private Consumption			
	Period 1	Period 2	Ref1-80	Ref2-85	80-85	1980	1985	Ref 1	Ref 2
	Year/ Month	Year/ Month							
Belgium	79 ja		1.0879		1.405	41.648	58.515	38.281	
Denmark	81 jl		0.8850		1.464	9.0236	13.210	10.196	
Germany	78	83 jl	1.0972	1.0449	1.21	2.7636	3.3439	2.5187	3.2002
Greece	82 ap		0.6798		2.557	41.167	105.26	60.556	
Spain	80 nv	87	0.9548	0.8732	1.763	73.22	129.08	76.685	147.83
France	79	85 ja	1.1360	1.0266	1.58	6.1288	9.6835	5.3948	9.4322
Ireland	80 jl	87	1.0000	0.9340	1.784	0.5468	0.9754	0.5468	1.0443
Italy	80	85 jl	1.0000	1.0000	1.903	867.19	1650.2	867.19	1650.2
Netherlands	79	85 jl	1.0698	1.0000	1.223	2.7464	3.3588	2.5672	3.3588
Portugal	80 oc		0.9751		2.841	38.64	109.77	39.626	
United Kingdom	81	85	0.8937	1.0000	1.415	0.56125	0.7941	0.6280	0.7941

country the reference year and month of the surveys considered. The sixth column gives the 1980 purchasing power parities of household consumption as published by Eurostat. These figures are converted into purchasing power parities for the reference years of the surveys and for 1985 using the consumer price indices of the various countries (see Eurostat, 1983a, 1987).

2.9 Some Remarks on Extrapolation

It was noted above that the Family Budget Surveys of the Member States are not harmonized with respect to the reference year. In order to make poverty estimates for the two selected bench mark years of 1980 and 1985 it was necessary to forecast or backcast the equivalent expenditure distributions as obtained from the surveys. Because surveys for the first bench mark year had generally been undertaken in the period 1978-82 it was decided to base the fore- and backcasts on the assumption that the shape of the distribution was

unchanged and that only the location of the distribution (the mean) had changed.

Similar assumptions were used for the extrapolations for 1985. This approach does not give rise to further comment were it not for the fact that only 7 countries were able to provide data from second surveys conducted around 1985. In the cases of Belgium, Denmark, Greece and Portugal only one early survey was available. In order to extrapolate the expenditure distributions for these countries over a period of some five years it is necessary to take into account possible changes in the shape of the distribution, i.e. of all the parameters of the distribution and not only the mean. The forecasting of the parameters of the expenditure distribution can only be based on explanatory variables for which data are available for the bench mark year. These variables could include data on unemployment, changes in social security provisions, changes in participation rates, etc. Work is at present underway to establish the required data base and a forecasting methodology. At this stage, however, it is not possible to make any sensible forecasts of the distribution parameters. For the purposes of this study there was no alternative but to make the rather heroic assumption that for the forecasting period 1980-85 only the location parameters (means) of the expenditure distributions of Belgium, Denmark, Greece and Portugal had changed. This should be considered a serious limitation of the present analysis and the 1985 figures for these four countries should be regarded as preliminary only.

For the calculation of the change in the mean of the distribution use has been made of the growth rates of household consumption as published by Eurostat(1989). Table 2.2 shows the relevant volume growth rates of household consumption from the various reference years to the bench mark years in the fifth, sixth and seventh column. The last three columns of the table provide the projected average equivalent expenditure for 1980 (in 1980 prices) and for 1985 (both in 1980 and 1985 prices)¹.

1 These figures have been derived using data from table 2.1.

TABLE 2.2: Extrapolation of Average Equivalent Expenditure

Country	Reference Average Equivalent Year Expenditure in National Currency (Current Prices)				Volume Growth Rate			Projected Average Equivalent Expenditure		
	1st Survey	2nd Survey	1st Survey	2nd Survey	Ref 1	Ref 1	Ref 2	1980	1985	1985
					to 1980	to 1985	to 1985	(Prices: 1980)	(Prices: 1980)	(Prices: 1985)
Belgium	1979		226.66		1.019	1.045		251.23	257.80	362.21
Denmark	1981		60.28		1.023	1.137		54.59	60.65	88.79
Germany	1978	1983	13.4	16.8	1.047		1.042	15.39	15.11	18.29
Greece	1982		277.28		0.958	1.044		180.53	196.83	503.30
Spain	1980	1987	320	628	1.000		0.923	305.54	287.11	506.17
France	1979	1985	28.28	51.78	1.007		1.000	32.35	33.65	53.16
Ireland	1980	1987	2.58	4.8	1.000		0.970	2.58	2.44	4.35
Italy	1980	1985	4253.62	8601.38	1.000		1.000	4253.62	4519.91	8601.38
Netherlands	1979	1985	16.02	20.2	0.992		1.000	17.00	16.52	20.20
Portugal	1980		105.38		1.000	0.985		102.76	101.17	287.43
United Kingdom	1981	1985	3.122	4.194	1.001		1.000	2.79	2.96	4.19

3 WELFARE DISPARITIES IN THE EUROPEAN COMMUNITY¹

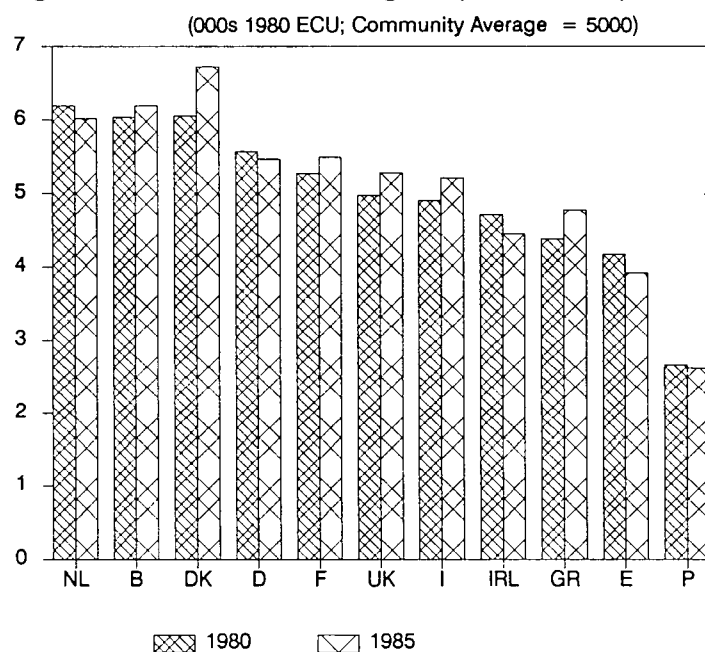
3.1 Disparities Between Member States

The welfare level of households or persons depends not only on individual characteristics but also on the social, economic and cultural environment in which they live. This environment determines to a large extent the modes of production and the productivity which, in turn, set the conditions for the earning capacities of the economically active members of the household. As national boundaries have played, and continue to play, an important role in the demarcation of these environments, it may be useful to take a closer look at the welfare disparities between the Member States. Differences in welfare levels between the citizens of the European Community may after all be partly explained by differences in welfare levels between the countries they live in.

Figure 3.1 gives an illustration of the different levels of average equivalent expenditure per Member State both for 1980 and 1985², expressed in ECUs (1980 prices) using purchasing power parities for household consumption. From this figure it can be seen that the peripheral countries Greece, Ireland, Portugal and Spain were well below the Community Average, which was equal to 5000 ECU (1980 prices) for the two bench mark years. Other countries, notably Belgium, Denmark, France, Germany and the Netherlands were well above this average. Italy and the United Kingdom had

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- 1 Here and in the remainder of the report the term 'Community' will be employed for the set of all Member States except Luxemburg for which no data could be obtained.
 - 2 Figure 3.1 is based on the data obtained from the national Family Budget Surveys, extrapolated to the two bench mark years.

Figure 3.1: National Average Equivalent Expenditure



average levels of equivalent expenditure which were relatively close to the Community average.

In the remainder of this Chapter the distribution of equivalent expenditure and the incidence of poverty will be analysed from a Community perspective, i.e. the Community as a whole will be taken as the 'reference society' and the poverty lines will be based on the Community average equivalent expenditure. The analysis focused on the two bench mark years of 1980 and 1985.

3.2 Distribution of Welfare in the Community in 1980

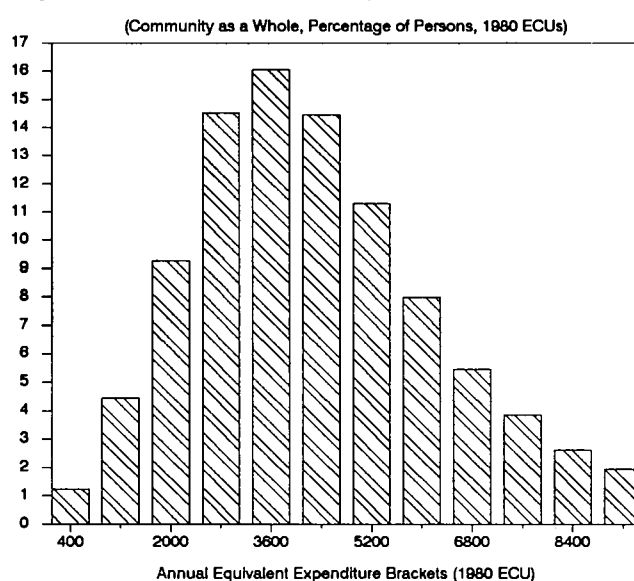
3.2.1 The Size Distribution of Equivalent Expenditure

The size distribution of household expenditure per adult equivalent for the Community as a whole is expressed in 1980 ECUs and is presented in Figure 3.2, which takes the household member (persons) as the counting unit¹. The size distribution was derived by generating cumulative distributions for the

1 It is assumed that all members of a particular household are at the same equivalent expenditure level. More details on this distribution can be found in Annex B, table B.1.

brackets shown in Annex B, Table B.1, for each of the countries separately, using the parametrized distributions and converting the national currencies into 1980 ECUs on the basis of the purchasing power parities for household consumption.

Figure 3.2: Size Distribution Equivalent Expenditure, 1980



This size distribution, which has also been derived separately for households, children and the elderly forms the basis for the calculation of poverty incidences in the Community which are presented in the next section.¹

3.2.2 Poverty Incidences in 1980

The average household expenditure per adult equivalent in the Community as a whole in 1980 was equal to about 5000 ECU (1980 prices). The poverty lines applied are equal to 40 and 50 per cent respectively of the Community average. Hence, the 40%-line amounts to 2000 ECU and the 50%-line equals 2500 ECU².

1 See Annex B, tables B.1 and B.2

2 Interestingly, these two poverty lines are quite close to the lines proposed by Teekens and Zaidi (1989) which were based on the Food Share analysis. The latter were equal to 1860 and 2360 ECU respectively.

As poverty lines expressed in ECUs are (still) somewhat abstract, the two poverty lines mentioned above have been converted into the national currencies and into monthly minimum household expenditures for two household types. The results of this exercise are presented in table B.3 (1980) and table B.4 (1985) in Annex B.

Next, the resulting poverty incidences will be analysed for households, persons (household members), children and the elderly. The last two groups have been singled out since their dependence causes them to be particularly vulnerable. Children are defined as persons of 14 years and below, while the elderly are defined as persons of 65 years or above.

TABLE 3.1: Absolute Number and Percentage of Households Below 40% and 50% of Average Equivalent Expenditure of the European Community in Year 1980

Country	Poverty Line as 40% of Community Average			Poverty Line as 50% of Community Average		
	Percentage of National Avg. Equiv. Expenditure	Households Below		Percentage of National Avg. Equiv. Expenditure	Households Below	
		%	Abs (000)		%	Abs (000)
Belgium	33.2	0.7	25	41.4	2.4	85
Denmark	33.1	1.7	35	41.3	3.9	81
Germany	35.9	2.9	734	44.9	6.9	1,743
Greece	45.6	16.3	483	57.0	27.6	814
Spain	47.9	18.4	1,942	59.9	29.8	3,127
France	37.9	9.0	1,746	47.4	15.8	3,075
Ireland	42.4	12.0	109	53.0	21.4	192
Italy	40.8	8.0	1,493	51.0	12.8	2,386
Netherlands	32.3	0.9	44	40.4	2.6	128
Portugal	75.2	55.4	1,600	94.0	67.5	1,952
United Kingdom	40.2	6.4	1,282	50.3	14.3	2,855
Total		8.6	9,491		14.8	16,438

A look at Table 3.1, which gives the poverty incidences among households, reveals that in 1980 around 9 million households were poor according to the 40%-criterion. These households represented about 8.6 per cent of the Community population. If the 50%-criterion is employed, around 16 million households could be considered poor (around 15 per cent of the population).

Returning to the 40%-criterion, by far the highest poverty incidence is found in Portugal (55 per cent). Countries in the upper middle range are Greece, Spain and Ireland (12 to 18 per cent). The lower middle range is occupied by France, Italy and the United Kingdom (9, 8 and 6 per cent respectively), while the countries with the lowest poverty incidence are Belgium, Denmark, Germany and the Netherlands (ranging from 1 to 3 per cent). This picture,

which is essentially the same if the 50%-criterion is applied, is obviously related to the ratings of the countries with respect to *average* welfare¹.

TABLE 3.2: Absolute Number and Percentage of Persons Below 40% and 50% of Average Equivalent Expenditure of the European Community (1980)

Country	Persons Below 40% of Community Average		Persons Below 50% of Community Average	
	%	Abs (000)	%	Abs (000)
Belgium	0.8	76	2.7	268
Denmark	1.6	83	3.9	201
Germany	3.0	1,821	7.2	4,416
Greece	17.0	1,636	28.9	2,784
Spain	18.9	7,059	30.8	11,512
France	9.0	4,875	16.7	8,997
Ireland	11.6	395	21.4	729
Italy	9.4	5,316	15.0	8,437
Netherlands	1.2	169	3.7	517
Portugal	57.1	5,573	68.6	6,701
United Kingdom	6.6	3,732	14.9	8,368
Total	9.7	30,736	16.7	52,930

Poverty incidence among persons is shown in Table 3.2. From these figures it can be seen that according to the 40%-criterion about 31 million persons lived in poverty in 1980. This group represents about 10 per cent of the Community population. Since only 8.6 per cent of the households can be considered poor according to this criterion, it can be concluded that for the Community as a whole poor households are larger than the average household. This is particularly true for the Netherlands and Ireland.

If one looks at the geographical distribution of poor persons in the Community one finds that, again according to the 40%-criterion, about two thirds of the poor are found in the southern part of the Community (Greece, Italy, Spain and Portugal).

Apart from the household size effect, the picture of poverty incidences per country is essentially the same as the one which emerged from the analysis of household poverty.

1 See Figure 3.1

TABLE 3.3: Absolute Number and Percentage of Children Below 40% and 50% of Average Equivalent Expenditure of the European Community (1980)

Country	Children Below 40% of Community Average		Children Below 50% of Community Average	
	%	Abs (000)	%	Abs (000)
Belgium	0.9	17	3.1	61
Denmark	1.8	19	4.3	45
Germany	3.2	351	7.9	852
Greece	16.2	369	28.1	642
Spain	20.0	1,922	32.1	3,088
France	8.8	1,040	17.8	2,110
Ireland	14.5	150	25.9	266
Italy	10.8	1,323	17.1	2,092
Netherlands	1.6	50	5.0	153
Portugal	60.2	1,499	70.3	1,751
United Kingdom	9.2	1,077	20.4	2,392
Total	11.5	7,817	19.7	13,452

Finally, two specific groups will be considered: children and the elderly. Table 3.3 shows the poverty incidences for children in the Community. The number of children living in poor households ranges between 8 and 13 million, depending on the choice of the poverty line. This group constitutes 11 (40%-criterion) to 20 per cent (50%-criterion) of all children in the Community. These figures are higher than the respective incidences for the whole population, which implies that poor households tend to have more children than the average number of children per household in the Community. This tendency is confirmed if the incidences are compared on a country basis, the exception being France where the percentage of children living in poverty is lower than the national incidence (8.8 and 9.0 per cent respectively).

Table 3.4 reveals that in the Community in 1980 about 6 million elderly were poor according to the 40%-criterion and 10 million according to the 50%-criterion, which corresponds to 14 and 23 per cent respectively of the total Community population. The poverty incidences per country for the elderly with an equivalent expenditure below 40% of the Community average show that highest incidences are found in Portugal (69%), Spain (31%), Greece (26%) and Ireland (21%). Countries which have medium range poverty incidences for the elderly are France (17%), Italy (13%) and the United Kingdom (11%). In the low range one finds Germany and Denmark (4%), Belgium (1%) and the Netherlands (0.5%).

TABLE 3.4: Absolute Number and Percentage of Elderly (65 +) Below 40% and 50% of Average Equivalent Expenditure of the European Community (1980)

Country	Elderly Below 40% of Community Average		Elderly Below 50% of Community Average	
	%	Abs (000)	%	Abs (000)
Belgium	1.3	19	4.7	67
Denmark	3.9	29	9.3	69
Germany	4.0	388	9.8	942
Greece	25.6	313	39.9	488
Spain	30.6	1,280	43.9	1,840
France	16.7	1,204	27.1	1,956
Ireland	20.5	74	33.6	122
Italy	12.5	962	19.6	1,506
Netherlands	0.5	9	1.6	26
Portugal	69.4	779	80.3	902
United Kingdom	11.0	916	24.2	2,018
Total	13.7	5,973	22.8	9,938

If the overall poverty incidence of the elderly (14%) is compared with the incidence of the total sampled population (10%), it follows that the elderly are more likely to be affected by poverty than the population as a whole. This tendency is confirmed if the country specific incidences are compared, except for the Netherlands where the poverty rate among the elderly is about half the overall poverty rate. For the other countries, can be observed dramatic differences in the opposite direction. There are countries where the poverty rate amongst the elderly is more than fifty per cent higher than the rate for the population as a whole: Denmark (137%), France (84%), Ireland (76%), Belgium (74%), United Kingdom (66%), Spain (62%) and Greece (51%).

3.2.3 The Evolution of Poverty (1980 - 1985)

As was noted in section 3.1, the average expenditure per adult equivalent (in real terms, 1980 prices) in the Community stagnated between 1980 and 1985. Hence, the Community poverty lines based on the 40 and 50 per cent criterion for 1985 are the same as those defined for 1980: 2000 and 2500 ECU (1980 prices) respectively.

From Table 3.5¹ it can be seen that from 1980 to 1985 for the Community as a whole the number of households in poverty (according to 40%-criterion) remained stable but that the number of poor persons decreased by 700,000 (-2.3%). The implication is that over the first half of the eighties poverty tended to concentrate more in small households.

TABLE 3.5: Poverty Incidence Compared for 1980 and 1985 (Poverty Line Taken as 40% of Community Mean Equivalent Expenditure in 1980)

Country	HOUSEHOLDS				PERSONS			
	1980		1985		1980		1985	
	%	Abs (000)	%	Abs (000)	%	Abs (000)	%	Abs (000)
Belgium	0.7	25	0.5	18	0.8	76	0.5	54
Denmark	1.7	35	1.1	23	1.6	83	1.1	56
Germany	2.9	734	2.6	656	3.0	1,821	2.8	1,705
Greece	16.3	483	10.4	315	17.0	1,636	10.9	1,077
Spain	18.4	1,942	18.7	2,023	18.9	7,059	19.7	7,578
France	9.0	1,746	5.9	1,181	9.0	4,875	6.2	3,413
Ireland	12.0	109	12.8	119	11.6	395	14.4	506
Italy	8.0	1,493	8.1	1,524	9.4	5,316	8.5	4,847
Netherlands	0.9	44	0.9	47	1.2	169	1.3	186
Portugal	55.4	1,600	56.4	1,689	57.1	5,573	58.2	5,879
United Kingdom	6.4	1,282	9.1	1,824	6.6	3,732	8.4	4,739
Community:	8.6	9,491	8.3	9,418	9.7	30,736	9.3	30,040

In relative terms the poverty incidence in the case of households remained constant (around 8.5%) and in the case of persons it decreased from 9.7 to 9.3 per cent. When the Member States are compared, it can be seen that the relative position of the countries did not change significantly from 1980 to 1985. Two countries show a remarkable reduction in poverty incidence among households: Greece (from 16% in 1980 to 10% in 1985) and France (from 9% in 1980 to 6% in 1985). Only one country shows an important increase in the poverty incidence among households: the United Kingdom moves from 6% in 1980 to 9% in 1985. These trends are confirmed by changes in the incidence among persons.

1 This table and table 3.6 only consider the poverty line taken as 40 % of the Community Mean Equivalent Expenditure; similar tables for the 50%-line can be found in Annex B.

In conclusion it can be said that poverty in the Community and measured with Community standards has been persistent over the first half of the 1980s. In the middle of the decade there are still some 9.4 million households in poverty¹, which is equivalent to around 30 million poor persons.

This section will be concluded with the analysis of poverty trends for children and adults. In the previous subsection it was noted that in 1980 for the Community as a whole the poverty incidence for children was higher than the incidence for the population as a whole. Table 3.6 shows that this phenomenon is even more pronounced for 1985. In 1985 the children poverty incidence² was as high as 12% compared to the overall incidence of 8.3%.

TABLE 3.6: Poverty Incidence Among Children and Elderly Compared for 1980 and 1985
(Poverty Line taken as 40% of Community Mean Equivalent Expenditure in 1980)

Country	CHILDREN				ELDERLY			
	1980		1985		1980		1985	
	%	Abs (000)	%	Abs (000)	%	Abs (000)	%	Abs (000)
Belgium	0.9	17	0.6	12	1.3	19	1.0	13
Denmark	1.8	19	1.3	12	3.9	29	2.9	22
Germany	3.2	351	3.9	361	4.0	388	3.9	355
Greece	16.2	369	11.0	230	25.6	313	17.9	236
Spain	20.0	1,922	21.0	1,891	30.6	1,280	24.7	1,127
France	8.8	1,040	7.7	904	16.7	1,204	9.5	670
Ireland	14.5	150	21.6	222	20.5	74	9.8	37
Italy	10.8	1,323	8.3	924	12.5	962	11.9	865
Netherlands	1.6	50	2.0	57	0.5	9	0.6	10
Portugal	60.2	1,499	61.3	1,475	69.4	779	70.4	847
United Kingdom	9.2	1,077	11.7	1,288	11.0	916	11.3	957
Community:	11.5	7,817	11.6	7,374	13.7	5,973	11.9	5,140

While the absolute number of poor children in the Community remained more or less constant, some dramatic changes took place in some Member States. Belgium, Denmark, Greece and Italy experienced decreases in the number of poor children, which varied between 30 and 38 per cent. In

1 That is, below 40% of average Community household expenditure per adult equivalent.

2 According to the 40%-criterion.

contrast, Ireland and the United Kingdom experienced dramatic increases in the numbers of poor children, which varied between 48% (Ireland) and 20% (United Kingdom). The Netherlands also saw a significant increase in child poverty, with the number of poor children increasing by 10 per cent.

The picture for the elderly is different. From Table 3.6 it can be seen that the poverty incidence among the elderly went down from almost 14 per cent in 1980 to 12 per cent in 1985. In absolute term this means a decrease of almost 800,000 elderly poor from 1980 to 1985. The reduction in poverty among the elderly is confirmed for most of the Member States separately, with the exception of the Netherlands, Portugal and the United Kingdom, which showed increases in the number of elderly poor of 11%, 9% and 4% respectively.

As a consequence of the predominant reduction in poverty among the elderly the poverty incidences among this group in the different Member States have declined significantly. In 1985 there were fewer countries in which the poverty incidence among the elderly was more than fifty per cent higher than the poverty incidence among the population as a whole: only Denmark (167% higher), Belgium (81%), Greece (64%) and France (53%). In spite of the significant increase in the absolute number of poor in the Netherlands, this country still showed a poverty incidence for the elderly which was more than 50 per cent below the national incidence. In this respect, the Netherlands is joined by Ireland which showed for 1985 a poverty incidence for the elderly more than 30 per cent below the national incidence, whereas in 1980 it was 76 per cent.

4 COUNTRY SPECIFIC WELFARE DISPARITIES

4.1 Introduction

The choice of the 'reference society' not only yields different estimates of poverty, it also reflects fundamentally different views about how poverty should be conceptualised as a phenomenon in an overall distribution of resources in the European Community. The so-called 'conventional approach' of poverty measurement in Europe, principally derived from the Council decision of 1984, treats each Member State at the individual national level. In this approach the needs or norms are related to a national welfare indicator, such as a fraction of a suitable measure of central tendency.

Since the policy actions at poverty front are also monitored by nations at the state level, this concept provides useful policy information. Moreover, there is enough evidence to suggest a wide variation in standards of living across Member States, hence it is useful to evaluate welfare disparities within a country by its own standards. However, by this approach the aggregation at the Community level of the number of poor in each member state does not make much sense because the definition of poverty differs strongly from country to country. If measured by national norms, the welfare level of the poor in one state is substantially different from the welfare level of the poor in another state. This phenomenon restricts international comparability.

This chapter provides poverty estimates for all member states, except Luxembourg. The poverty line in each country is taken as 40% and 50% of *national* mean expenditure per adult equivalent.

4.2 Aggregate Poverty Analysis Based on Country Specific Poverty Lines

4.2.1 Country Specific Situation in 1980

If the poverty line is taken as 40% of national average equivalent expenditure, the following observations can be made. Poverty incidence is seen highest in Portugal where 20% of total population is poor, followed by Spain (12%), Greece (12%), France (10%) and Ireland (10%). Countries such as Italy (8%) and United Kingdom (6%) are found in the middle range, whereas Germany (4%), Denmark (3%), Netherlands (2%) and Belgium (2%) have the lowest poverty incidence of all member states. This ordering remains the same when the poverty line is taken as 50% of mean equivalent expenditure, the only notable difference being that United Kingdom (14%) has higher poverty incidence than Italy (12%) in this case.

TABLE 4.1: Absolute Number and Percentage of Households and Persons Below 40% and 50% of National Average Equivalent Expenditure in Year 1980.

Country	Poverty Line as 40% of National Average				Poverty Line as 50% of National Average			
	Households Below		Persons Below		Households Below		Persons Below	
	%	Abs (000)	%	Abs (000)	%	Abs (000)	%	Abs (000)
Belgium	2.0	70	2.2	212	6.3	226	7.1	701
Denmark	3.5	72	3.4	174	8.0	166	7.9	407
Germany	4.5	1,119	4.7	2,888	10.3	2,592	10.5	6,448
Greece	11.6	342	12.2	1,178	20.5	604	21.5	2,073
Spain	11.9	1,250	12.2	4,553	20.3	2,129	20.9	7,829
France	10.4	2,009	10.7	5,757	18.0	3,503	19.1	10,313
Ireland	10.2	92	10.1	344	18.5	167	18.4	625
Italy	7.8	1,451	9.2	5,167	12.0	2,237	14.1	7,941
Netherlands	2.5	122	3.5	491	6.9	345	9.6	1,363
Portugal	20.4	591	21.5	2,101	31.4	906	32.4	3,167
United Kingdom	6.3	1,258	6.5	3,678	14.1	2,808	14.6	8,226

It should be noted here that the welfare disparities measured by nation specific poverty lines, unlike Community specific poverty lines, should not be aggregated to reflect the overall poverty situation in European Community because by this definition the nature of poverty is different across countries. The aggregated figures are provided above for illustrative and comparative reasons. According to the 40% criterion it is found that in 1980 there are about 8 million poor households, which correspond to 26 million persons, in all member states of the European Community. However, 16 million households (14%) corresponding to 49 million persons (16%) are found below 50% of national average equivalent expenditure. It can be seen

that six out of eleven countries have equal or higher national poverty compared to poverty incidence in the Community as a whole for both poverty lines. However it is noted that Italy leaves and United Kingdom enters into this set of countries when the poverty line is taken as 50% of the national mean equivalent expenditure.

If the results of the present analysis are compared with those of the previous chapter where a Community perspective was chosen, it can be seen that the peripheral countries are most sensitive to the change in the reference society. Greece, Spain and Portugal show sharply lower poverty rates when national perspective is taken. Ireland shows little difference, whereas for Italy and United Kingdom the poverty rates are quasi identical, since their national averages are close to Community average. The other countries show higher poverty rates in a national perspective as their national averages are higher than the Community average.

TABLE 4.2: Absolute Number and Percentage of Children Below 40% and 50% of National Average Equivalent Expenditure (1980)

Country	Children Below 40% of National Average		Children Below 50% of National Average	
	%	Abs (000)	%	Abs (000)
Belgium	2.4	48	8.0	158
Denmark	3.7	39	8.7	92
Germany	5.1	557	11.5	1,244
Greece	11.4	261	20.7	473
Spain	12.9	1,238	22.1	2,124
France	10.7	1,269	20.7	2,453
Ireland	12.6	130	22.4	231
Italy	10.5	1,286	16.1	1,972
Netherlands	4.7	145	13.1	403
Portugal	24.5	610	36.2	901
United Kingdom	9.1	1,061	20.1	2,354

A look at the tables 4.2 and 4.3 reveals the composition of poor families. The number of children living in poverty ranges from 7 million to 12 million depending upon the choice of poverty line. This group constitutes 10 per cent (40%-criterion) to 18 per cent (50%-criterion) of all the children in European Community. These figures are found higher than the respective incidences for the whole population, confirming an earlier observation that the poor households tend to have more children than the average number of children per household in the community as a whole. These tendencies are

also found, when the incidences are compared for the countries separately, the only exception being Greece where the percentage of children living in poverty is lower than the national poverty incidence (11.4 and 11.6% respectively). It is found that in Ireland 38 per cent of poor persons are children, this figure ranges from 19 (Germany) to 30 per cent (Netherlands) for all other countries¹.

TABLE 4.3: Absolute Number and Percentage of Elderly (65 +) Below 40% and 50% of National Average Equivalent Expenditure (1980)

Country	Elderly Below 40% of National Average		Elderly Below 50% of National Average	
	%	Abs (000)	%	Abs (000)
Belgium	3.8	53	12.4	175
Denmark	8.1	60	18.8	140
Germany	6.4	616	14.3	1,374
Greece	19.7	241	31.2	382
Spain	21.4	895	32.9	1,379
France	18.9	1,364	30.4	2,198
Ireland	17.8	65	30.0	109
Italy	12.2	935	18.6	1,426
Netherlands	1.5	25	4.2	69
Portugal	32.2	362	44.9	504
United Kingdom	10.8	902	23.8	1,988

Table 4.3 reveals that in the Community about 6 million (40%-criterion) or 10 million (50%-criterion) elderly are living in poverty, which corresponds to 13 and 22 per cent of all elderly living in European Community. The highest poverty incidence among elderly is found in Portugal: 32 per cent of the elderly according to 40% poverty line or 45% of elderly according to 50% poverty line are living in poverty. For the 40%-criterion, Greece, Spain, France and Ireland are found in a high range of poverty incidence among elderly which varies from 21 (Spain) to 18% (Ireland). Countries which have medium range poverty incidence are Italy (12%), United Kingdom (11%) and Denmark (8%). In the lower range one finds Germany (6%), Belgium (4%) and Netherlands (1.5%). This ranking does not change for 50%-criterion. The exceptions are that Denmark (18.8%) has higher poverty incidence among elderly than Italy (18.6%) and Netherlands (4%) have far low incidence compared to other low range countries, Belgium (12%) and Germany (14%). It is noted here that 34 per cent of total poor are elderly in Denmark whereas this figure range from 2 (Netherlands) to 25 per cent (Belgium and United Kingdom) for other countries.

¹ According to the 40% criterion.

The poverty incidence among *elderly* is also higher than the incidence of the total population. This reflects the phenomenon that composition of poor families is different from families in higher income groups in a way that 'aged' families are more likely to be affected by poverty than the population as a whole. This tendency is confirmed when incidences are compared in specific countries, except for Netherlands where poverty among elderly is below the national average (1.5 versus 2.5%). Denmark shows dramatically high poverty incidence among elderly compared to poverty incidence for whole the population (8.1 versus 3.5% respectively).

4.2.2 The Evolution of Poverty (1980-1985)

A quick comparison of evolution of the level of welfare can be made by looking at the change in average equivalent expenditure of specific countries in real 1980 prices¹. It is found that Portugal, Ireland, Spain, the Netherlands and Germany have seen a decline in the average equivalent expenditure. The most significant increase is seen in Denmark (11%) and Greece (9%), followed by Italy (6%), United Kingdom (6%), France (4%) and Belgium (3%).

TABLE 4.4: Poverty Incidence Compared for 1980 and 1985 (Poverty Line Taken as 40% of National Mean Equivalent Expenditure in Respective Years)

Country	HOUSEHOLDS				PERSONS			
	1980		1985		1980		1985	
	%	Abs (000)	%	Abs (000)	%	Abs (000)	%	Abs (000)
Belgium	2.0	70	1.5	54	2.2	212	1.7	170
Denmark	3.5	72	3.5	72	3.4	174	3.5	179
Germany	4.5	1,119	3.8	949	4.7	2,888	4.2	2,590
Greece	11.6	342	9.1	274	12.2	1,178	9.7	956
Spain	11.9	1,250	9.8	1,065	12.2	4,553	10.7	4,123
France	10.4	2,009	7.9	1,559	10.7	5,757	8.4	4,601
Ireland	10.2	92	9.0	84	10.1	344	10.5	367
Italy	7.8	1,451	8.7	1,628	9.2	5,167	9.3	5,301
Netherlands	2.5	122	2.5	129	3.5	491	3.6	515
Portugal	20.4	591	20.8	621	21.5	2,101	21.8	2,202
United Kingdom	6.3	1,258	10.6	2,120	6.5	3,678	9.8	5,548

1 See figure 3.1

At an aggregate level little change is observed in poverty according to the 40%-criterion¹. Poverty incidence among *households* in the Community as a whole increased from 7.5 to 7.6 per cent and it remained constant at about 8.4 per cent for *persons* between 1980 and 1985. This picture does not reflect the country specific situation where poverty increased or diminished considerably. According to 40% poverty line it can be seen that only 3 out of 11 member states has seen increase in poverty. Poverty incidence among *households* increased most for United Kingdom from 6% to 11%. Other countries which faced greater poverty among households are Italy (from 7.8% to 8.7%) and Portugal (20.4% to 20.8%). Poverty incidence declined most significantly for France (from 10.4 to 7.9%), Belgium (from 2 to 1.5%) and Greece (from 11.6 to 9.1%), followed by Germany (from 4.5 to 3.8%), Spain (from 11.9 to 9.8%) and Ireland (from 10.2 to 9%). Denmark and Netherlands do not experience a change in poverty incidence between 1980 and 1985. In terms of *persons* it is seen that six countries have greater poverty incidence in 1985, again confirming the significant differences in composition of poor families compared to the whole population.

TABLE 4.5: Poverty Incidence Among Children and Elderly Compared for 1980 and 1985
(Poverty Line taken as 40% of National Mean Equivalent Expenditure in Respective Years)

Country	CHILDREN				ELDERLY			
	1980		1985		1980		1985	
	%	Abs (000)	%	Abs (000)	%	Abs (000)	%	Abs (000)
Belgium	2.4	48	1.7	37	3.8	53	3.1	42
Denmark	3.7	39	4.0	38	8.1	60	9.3	72
Germany	5.1	557	5.9	549	6.4	616	6.0	539
Greece	11.4	261	9.7	203	19.7	241	16.2	214
Spain	12.9	1,238	12.2	1,097	21.4	895	13.5	617
France	10.7	1,269	10.4	1,218	18.9	1,364	12.8	903
Ireland	12.6	130	15.7	161	17.8	65	7.2	27
Italy	10.5	1,286	9.0	1,010	12.2	935	12.8	930
Netherlands	4.7	145	5.5	157	1.5	25	1.6	28
Portugal	24.5	610	24.7	595	32.2	362	32.6	392
United Kingdom	9.1	1,061	13.5	1,489	10.8	902	12.9	1,101

The comparison of poverty among children and elderly is given in Table 4.5. Poverty line is taken as 40% of national mean equivalent expenditure in respective years. Child poverty increased most significantly in United King-

1 See Annex B for poverty estimates according to the 50%-criterion.

dom (from 9 to 14%) and Ireland (13 to 16%). The family composition in these two countries changed in a way that percentage of children in poor households increased from 29 to 33% for United Kingdom and from 38 to 44% for Ireland. The other countries where child poverty increased are Netherlands (16%), Germany (4%), Denmark (7%) and Portugal (1%).

Among elderly the poverty incidence diminished sharply for Ireland (from 18 to 7%), Spain (21 to 13%) and France (19 to 13%). The other countries having lower poverty incidence among elderly are Belgium, Germany and Greece ranging from 19 per cent change (Greece) to 7 per cent change (Germany). Poverty among elderly increased significantly for United Kingdom (from 11 to 13%) and Denmark (8 to 9%).

5 TOWARDS THE IDENTIFICATION OF POVERTY GROUPS

5.1 Some Preliminary Remarks

So far this analysis has focused on poverty incidence and inequality at the Community and the national level, taking account of two specific target groups, children and the elderly. Although the results of this analysis can be used to obtain a global picture of the distribution of welfare, they are insufficient for the articulation of specific policy measures aimed at the reduction of welfare disparities and the provision of structural support to the least privileged groups in the societies of the European Community.

Community, national and local programmes can only be targeted effectively if information is available which identifies in a more precise way the poverty pockets in the various societies. If it is observed that in country A the poverty incidence among the elderly is much higher than the national poverty incidence, it follows that, in this case, the elderly should be given particular attention in anti-poverty programmes. However, not all elderly people are poor and additional information is needed to identify poverty pockets among the elderly. This entails the use of subclassifications for this group which are homogeneous with respect to income or expenditure. In other words, subclassifications are required which show minimum intra-group variation and maximum inter-group variation of income (or expenditure).

If one returns to the reality of the existing surveys, one quickly discovers that this ideal situation is far beyond the horizon of the possibilities offered by existing Family Budget Surveys. Firstly, there is no choice of classifications, at least in the short run. The classifications are fixed and they are not necessarily income

(or expenditure) homogeneous. Secondly, for many countries the number of observations in Family Budget Surveys is not sufficient to allow meaningful cross classifications: the number of observations per cell falls quickly below acceptable limits for reliable estimates of cell averages¹.

Notwithstanding such limitations, an attempt will be made in this chapter to analyse the poverty incidence of specific household groups distinguished in the various Family Budget Surveys. While in previous chapters the analysis was carried out on data which were, when necessary, extrapolated to the two benchmark years 1980 and 1985, here the analysis will be based on the original data of the respective reference years of the surveys. As before, the estimates of poverty incidence are based on fitted distributions of equivalent expenditure. In section 2.7, it was explained that this approach was adopted because for a number of countries the family budget data supplied by NSIs either did not include poverty estimates or contained incomplete or deficient poverty estimates. Obviously, this situation is not ideal and it is recommended that in future measures be taken to improve access to the primary data required for poverty analysis.

If the number of observations per cell is below fifty households, the estimates relating to that cell are considered unreliable and will not be presented in the tables. Moreover, it may occur that the decile data for a certain subgroup are spurious and erratic even when there are more than fifty observations for that subgroup. In this case also results are not presented either.

The Family Budget Surveys of the Member States contain a number of socio-economic classifications for households. As can be seen from Annex A, not all countries use the same set of classifications.

Given the volume of statistical information on household groups, it was decided to place the tables with individual country data on poverty and welfare indicators in annexes to this report. Annex C contains the poverty maps for eleven member states around the year 1980 and annex D gives the poverty maps for seven countries around 1985.

The organization of this chapter is as follows. In section 5.2 an inter-country comparison is made for the surveys around 1980, in section 5.3 the evolution of poverty per household group is analysed for each of the seven countries which provided data for two subsequent surveys. Finally, section 5.4 contains a number

1 This does not exclude the possibility of using this information for poverty incidence models based on regression analysis (see Teekens, 1989).

of observations on the future use of family budget data for the identification of poverty groups.

5.2 Comparison of Household Groups Across Countries around 1980

5.2.1 Average Welfare of Household Groups

Can certain similarities be observed when the welfare position of a particular household group is compared across the various Member States? This question is addressed in this section. The evidence presented in chapters 3 and 4 already suggested that this question can be answered positively for the elderly. Tables 5.1 and 5.2 present some statistical information about the welfare situation of other household groups obtained from the surveys of eleven Member States around 1980¹. These tables approach the welfare situation of household groups from two different angles. Table 5.1 gives the *Relative Equivalent Expenditure* (REE) for each household group in each country². The Relative Equivalent Expenditure (REE) of a household group is defined as the ratio of the average equivalent expenditure of that household group to the national average equivalent expenditure. The REE is an economic distance concept invariant to the absolute welfare level of a country and can therefore be used for inter-country comparison. If, for a given classification, the REEs of all the groups are closely centered around 100, the conclusion must be that this classification is not very useful for the analysis of welfare disparities as most variation in welfare must occur *within* the groups.

Table 5.1 provides information on the welfare level of the **socio-economic category of the head of the household** in the different countries. It can be seen that in all countries non-manual workers and the self-employed have a welfare level above the national average level (REE above 100). In contrast, the level of farmers and agricultural workers is in all countries below the national welfare average. The same applies to the *unemployed* and the category *others (re-defined)*³, which refers to the economically non-active population.

1 These tables are based on tables C.1 to C.11 (Annex C).

2 If in a survey a certain classification is not provided the entry is left blank.

3 It should be noted here that not all countries supplied data which distinguish between the last two categories: if the category *unemployed* is left blank, this category is included in the preceding categories.

TABLE 5.1: Average Equivalent Expenditure Per Household Group As a Percentage of National Average Equivalent Expenditure

Socio-Economic Classifications	Relative Equivalent Expenditure (%)										
	BE (79)	DK (81)	GE (78)	GR (82)	SP (80)	FR (79)	IR (80)	IT (80)	NL (79)	PO (80)	UK (81)
Socio-economic Category Head											
manual workers industry/services	93	104	86			89	91	93	83	93	92
non-manual workers	122	116	118			125	125	114	115	141	124
self employed industry/services	110	109	118			118	117	121	107	113	107
farmers/agricultural workers		82	78			84	86	82	86	70	83
unemployed	86	92				83			97		72
Type of Household											
one person, less than 65	130	111	130	153		138	129	142	128	126	130
one person, 65 or more	96	81	93	80		83	73	87	97	62	76
couple, no children	103	107	114	101		112	113	112	111	108	112
couple + 1 child	106	105	106	117		105	115	124	100	124	98
couple + 2 children	96	91	94	102		93	93	103	88	116	84
couple + 3 children	90	80	82	84		85	86	80	76	90	80
couple + 4 children or more	79					69	71			65	
mono-parent household	95	87	92	118		93				90	72
other households (redefined)	88	91	90	92		86	101	94	93	90	100
Composition of Households											
1 member	110	101	108	118	108	107	103	112	115	89	100
2 members	103	106	113	104	109	109	110	113	110	105	110
3 members	104	101	105	106	113	102	112	116	100	118	103
4 members	96	89	93	100	107	92	100	101	90	112	92
5 members	88	80	81	82	97	86	93	85	81	93	88
6 members or more	76		67	71	82	70	80	69		69	71
Economic Situation of Members											
only head of h.h. economic active	101	110	101	104	105	108	97	96	99	104	99
head and spouse economic active	117	109	113	110	137	111	149	114	115	145	107
head, spouse+others econ. active			90	95	95	91		103		84	114
other	89	85	93	92	88	87	90	93	98	80	84
Age Group Head of the Household											
aged 0-17											
aged 18-24		93	101	113	109	109	134		97	115	97
aged 25-44	105	109	100	109	107	105	103		99	116	95
aged 45-64	103	104	103	101	99	107	103		104	96	111
aged 65 and over	87	80	94	82	86	85	82		96	76	80
Sex Head of Household											
male	99	103	100	100	100	100	99		98	102	99
female	104	94	101	102	99	100	102		109	89	88

The picture for the **type of household** confirms the observations made in chapters 3 and 4 concerning the elderly and children. Households of *one person, aged 65 or more* are on the average below the national welfare level. The average equivalent expenditures of these households show discrepancies with the national

TABLE 5.1: (Continued)

Socio-Economic Classifications	Relative Equivalent Expenditure (%)										
	BE (79)	DK (81)	GE (78)	GR (82)	SP (80)	FR (79)	IR (80)	IT (80)	NL (79)	PO (80)	UK (81)
Educational Attainment Head											
none				73	73	77					65
primary	83	86		90	97	93			86		97
secondary	106	106		130	137	114			99		173
higher	140	123		158	175	155			131		241
Economic Activity Head											
agriculture		82		75			86		85	70	87
manufacturing industry		109		103			102		93	103	100
construction		104		88			95		96	90	89
government services		111							110	142	114
other services		112		123			120		109	139	109

average varying from -38% (Portugal) and around -25% (Ireland and the United Kingdom) to around -4% (Belgium and the Netherlands). From this classification it can also be seen that average equivalent household expenditure varies inversely with household size and the number of children per household¹. This tendency is confirmed by the figures shown for the **composition of households**.

The classification **economic situation of members** shows that low income (expenditure) households are mainly to be found among households with a *non-active* head; this observation applies to all but one country.

If the **age group of the head of the household** is considered, it is striking that the usual inverse U-pattern for life cycle household welfare (related to the age of the head of the household) is not reflected in the majority of cases. This is probably due to the household size effect. The only clear pattern which emerges from this classification is the low REE of households headed by the elderly; these households are worse off for all countries.

The classification **sex of the head of the household** does not reveal any clear pattern with respect to the REE of households with a male head as compared to those headed by a female.

1 Here it should be kept in mind that the results shown in table 5.1 (and other tables) depend heavily on the choice of the equivalence scale.

The educational attainment of the head of the household appears to be strongly correlated to the relative welfare situation of the households in all countries. The lowest REE is found among households with heads without schooling or with primary education.

Finally, the classification economic activity of the head of the household shows that households with the head of household employed in *government services* and in *other services* have the highest average equivalent expenditure. Furthermore, the figures confirm two observations made earlier: low welfare levels for households with heads who are workers in agriculture and who are non-active.

5.2.2 Relative Poverty of Household Groups

It is obvious that the *average* welfare position of household groups does not tell the full story, since strong inequalities may exist *within* household groups. Table 5.2 presents the relative poverty rates for the household groups taken into account in the surveys of the eleven countries considered around the year 1980.

TABLE 5.2: Poverty Rates Per Household Group As a Percentage of National Poverty Rate (Poverty Line: 50% of National Average Equivalent Expenditure)

Socio-Economic Classifications	Relative Poverty Rate (%)										
	BE (79)	DK (81)	GE (78)	GR (82)	SP (80)	FR (79)	IR (80)	IT (80)	NL (79)	PO (80)	UK (81)
Socio-economic Category Head											
manual workers industry/services	67	55	121			92	95	100	174	75	64
non-manual workers	20	24	38			30	39	72	26	39	28
self employed industry/services	102	95	27			68	73	72	111	78	66
farmers/agricultural workers		285	147			118	122	161	141	134	105
unemployed	239	62				145			117		267
other (redefined)	175	190	136			170	168	114		124	162
Type of Household											
one person, less than 65	104	85	65	58		59	102	60	42	130	64
one person, 65 or more	89	213	180	174		208	222	132	98	171	199
couple, no children	132	89	100	132		84	102	89	77	97	86
couple + 1 child	41	49	42	71		52	29	35	55	63	36
couple + 2 children	59	63	75	66		66	56	74	91	69	84
couple + 3 children	101	149	135	105		106	77	148	190	115	180
couple + 4 children or more	72					179	181			167	
mono-parent household	177	121	138	42		116				104	182
other households (redefined)	221	77	131	103		132	87	122	153	107	85
Composition of Households											
1 member	158	134	133	122	168	145	194	129	78	159	178
2 members	115	84	91	123	125	91	108	91	96	99	77
3 members	52	62	48	75	73	64	56	55	59	70	50
4 members	62	63	72	68	63	72	59	82	108	73	70
5 members	100	150	135	110	85	101	72	126	217	99	123
6 members or more	181		267	166	134	180	129	224		160	203

TABLE 5.2: (Continued)

Socio-Economic Classifications	Relative Poverty Rate (%)										
	BE (79)	DK (81)	GE (78)	GR (82)	SP (80)	FR (79)	IR (80)	IT (80)	NL (79)	PO (80)	UK (81)
Economic Situation of Members											
only head of h.h. economic active	89	65	93	85	79	87	94	109	99	85	95
head and spouse economic active	28	45	44	95	50	43	24	73	72	54	41
head, spouse+others econ. active			80	97	84	72		93		115	17
other	150	168	129	118	131	157	124	110	108	128	153
Age Group Head of the Household											
aged 0-17											
aged 18-24		88	78	34	79	49	37		42	69	118
aged 25-44	82	47	93	81	77	63	84		113	81	102
aged 45-64	83	85	79	89	93	88	78		78	96	50
aged 65 and over	154	235	133	161	156	173	175		123	135	157
Sex Head of Household											
male	95	98	92	98	94	88	90		101	94	82
female	131	104	122	113	135	143	151		96	123	163
Educational Attainment Head											
none				175	184	174					161
primary	154	179		108	77	110			147		82
secondary	70	50		34	22	48			93		18
higher	14	18		16	10	10			36		4
Economic Activity Head											
agriculture		277		156			110		142	141	144
manufacturing industry		51		71			64		138	65	63
construction		57		113			124		119	101	105
government services		35					48		28	57	55
other services		36		53			55		72	49	63
none		193		131			174		116	134	168

From this table it can be concluded that the observations made on the basis of the average relative equivalent expenditure of the household groups (table 5.1) are confirmed by the relative poverty rates shown in table 5.2 for the following groups: *households with the head of household active in agriculture* have low average equivalent expenditure *and* high poverty rates for all countries; the same observation holds true for *large households*, households with a head who is *non-active*, households headed by persons who are *aged 65 and over*, and households with a head who has *no schooling or only primary education*.

For the other household groups the observed relative poverty rates do not give rise to the same conclusions across countries as obtained on the basis of the average equivalent expenditure.

It is interesting to observe that although the average equivalent expenditure of households with a male or female head is not much different, the poverty rate of households with a female head is consistently higher than the national poverty rate in all countries *except* the Netherlands.

This section is concluded with a global analysis of groups at risk from poverty in the Community around 1980 on the basis of table 5.3. In this table the household groups in the eleven countries have been ranked according to the level of their relative poverty rate. Household groups with a poverty rate between 150 and 200 per cent of the national rate have been marked with a *, identifying them as *risk groups*, while household groups with a poverty rate more than twice the national rate have been marked with **, identifying them labelled as *high risk groups*¹.

The picture which emerges from table 5.3 speaks for itself. Here an attempt will be made to present a synthesis of the information contained in this table, with household groups listed below which are either 'risk' or 'high risk' groups in at least two of the eleven countries.

Farmers and agricultural workers are at high risk in Denmark and at risk in Italy. The *unemployed* are at high risk in Belgium and in the United Kingdom. The *non-active* are risk groups in Belgium, Denmark, Greece, France, Ireland and the United Kingdom.

Households with one elderly person are at risk in Germany, Greece, Portugal and the United Kingdom, and is at high risk in Denmark, France and Ireland. *Couples with 3 or more children* are risk groups in France, Ireland, the Netherlands, Portugal and the United Kingdom. *Mono-parent households* are listed as risk groups only for Belgium and the United Kingdom.

The picture for the classifications **composition of households, economic situation of members and age group of the head of the household** confirms the observations made above.

Households with a female head are risk groups in Ireland and the United Kingdom only.

Households with a head with no or only primary education are risk groups in Belgium, Denmark, Greece, Spain, France and Portugal.

1 It should be noted that this approach is entirely dependent on the norm per country, hence the analysis focuses on country relative poverty.

TABLE 5.3: Poverty Groups In the Community Around 1980
(Poverty Line: 50% of National Average Equivalent Expenditure)

poverty rate between 150 and 200% of national rate: *

poverty rate more than 200% of national rate: **

Socio-Economic Classifications	BE (79)	DK (81)	GE (78)	GR (82)	SP (80)	FR (79)	IR (80)	IT (80)	NL (79)	PO (80)	UK (81)
Socio-economic Category Head											
manual workers industry/services									*		
non-manual workers											
self employed industry/services											
farmers/agricultural workers		**						*			
unemployed	**										**
other (redefined)	*	*				*	*				*
Type of Household											
one person, less than 65											
one person, 65 or more		**	*	*		**	**			*	*
couple, no children											
couple + 1 child											
couple + 2 children											
couple + 3 children									*		*
couple + 4 children or more						*	*			*	
mono-parent household	*										*
other households (redefined)	**								*		
Composition of Households											
1 member	*				*		*			*	*
2 members											
3 members											
4 members											
5 members		*							**		
6 members or more	*		**	*		*		**		*	**
Economic Situation of Members											
only head of h.h. economic active											
head and spouse economic active											
head, spouse+others econ. active											
other		*				*					*
Age Group Head of the Household											
aged 0-17											
aged 18-24											
aged 25-44											
aged 45-64											
aged 65 and over	*	**		*	*	*	*				*
Sex Head of Household											
male											
female							*				*

TABLE 5.3: (Continued)

Socio-Economic Classifications	BE (79)	DK (81)	GE (78)	GR (82)	SP (80)	FR (79)	IR (80)	IT (80)	NL (79)	PO (80)	UK (81)
Educational Attainment Head											
none				*	*	*				*	
primary	*	*									
secondary											
higher											
Economic Activity Head											
agriculture		**		*							
manufacturing industry											
construction											
government services											
other services											
none		*					*				*

The classification **economic activity of head** confirms the observations on the non-active and reveals, furthermore, that *households with heads working in agriculture* are at high risk in Denmark and at risk in Greece.

In the next section the focus will be on a country-by-country evaluation of the evolution of poverty in the early 'eighties.

5.3 The Evolution of Poverty in the Early 'Eighties

5.3.1 The Use of a Fixed Base Poverty Line

So far this analysis has been based on 'moving' poverty lines, i.e. poverty lines which are related to the average equivalent expenditure of the current year. Consequently, intertemporal comparison based on 'moving' poverty lines can be considered more an analysis of the evolution of inequality than of poverty. In this section an alternative approach will be followed. For each of the seven countries which provided data from two subsequent surveys, household groups will be analysed over time using a **fixed base poverty line**.

For each country the fixed base poverty line is defined as 50% of the national average equivalent expenditure in the first reference year. The calculation of the poverty rates or incidences for *both* reference years is based on this fixed base poverty line. This approach makes it possible to determine whether a household has experienced an improvement or a deterioration in its *real* welfare.

In the following sections each of the seven countries will be analysed separately on the basis of the statistical material presented in tables 5.4 to 5.10. A few remarks concerning these tables are in order. If information is missing for one

of the reference years, the corresponding information for the other reference year is omitted in the table. In a number of cases the number of observations for a particular cell was insufficient for estimation purposes; for those cases the corresponding entries in the table are blank.

5.3.2 Germany Between 1978 and 1983

According to table 5.4 Germany experienced during the period 1978 and 1983 a slight decrease in mean equivalent expenditure, which declined from 14,700 to 14,500 DM (1980 prices). In spite of this reduction in real average welfare the national poverty incidence fell from 10.3% in 1978 to 9.7% in 1983. This reduction in the poverty rate is obviously due to a slight redistribution of household resources. This observation is confirmed by the figures for the Gini coefficient.

From the remainder of table 5.4 it can be seen that, contrary to the national tendency, some household groups were able to *improve* their average welfare position. The table also shows that not all household groups enjoyed a reduction in their poverty rate.

Households which did not share in the overall reduction in the poverty rate include one-person households (from 6.7 to 7.6%). A look at the age distribution of the heads of households reveals that the age group 18-24 years was strongly affected (from 8.1 to 11.9%). These two observations suggest that young persons living alone experienced a significant increase in poverty rates over the period studied. Another group which shows increasing poverty rates is the group of large households and single-parent households. From the classification 'economic situation of members' it can be seen that households with a non-active head have a high poverty incidence, but that the reduction in this incidence follows more or less the national tendency. This is not true for households in which only the head of household is economically active; they show a slight increase in the poverty incidence.

Groups which show an important reduction in poverty incidence are farmers and agricultural workers (from 15.1 to 10.6%), the single elderly (from 18.5 to 15.2%) and the elderly in general (from 13.7 to 11.8%).

In conclusion, it can be said that Germany did not experience dramatic changes in poverty incidences and that the groups which were badly affected in 1978 are still in the same situation in 1983, with the exception of farmers. The groups with a persistent high poverty incidence are the single elderly, single-parent households and households with six or more members.

TABLE 5.4: GERMANY, Evolution of Poverty Between 1978 and 1983
(Poverty Line Equal to 50% of the Mean Equivalent Household Expenditure
in Base Year, Expenditure in 000s National Currency, 1980 Prices)

Socio-Economic Classifications	Mean Equivalent Expenditure		Population Share (%)		Poverty Rate (%)		Gini Coefficient	
	1978	1983	1978	1983	1978	1983	1978	1983
TOTAL POPULATION	14.7	14.5	100	100	10.3	9.7	0.27	0.26
Socio-economic Category Head								
manual workers industry/services	12.7	12.7	24.1	21.9	12.5	11.5	0.24	0.23
non-manual workers	17.3	16.7	26.8	28.5	3.9	3.7	0.26	0.25
self employed industry/services	17.3	17.4	5.7	5.9	2.7	2.2	0.28	0.27
farmers/agricultural workers	11.5	11.4	2.2	1.6	15.1	10.6	0.22	0.18
unemployed								
other (redefined)	13.8	13.6	41.2	39.8	13.9	13.0	0.27	0.27
Type of Household								
one person, less than 65	19.0	17.5	11.9	16.5	6.7	7.6	0.30	0.29
one person, 65 or more	13.6	13.6	16.0	15.1	18.5	15.2	0.28	0.27
couple, no children	16.7	16.5	26.6	25.3	10.2	8.1	0.29	0.28
couple + 1 child	15.6	14.9	16.3	15.5	4.3	5.1	0.22	0.22
couple + 2 children	13.8	13.2	14.1	12.9	7.7	8.7	0.22	0.21
couple + 3 children	12.0	11.7	5.0	4.1	13.8	13.1	0.21	0.20
couple + 4 children or more								
mono-parent household	13.6	13.1	3.1	3.9	14.2	16.7	0.27	0.26
other households (redefined)	13.3	13.5	4.7	5.4	13.4	12.9	0.25	0.26
Composition of Households								
1 member	15.9	15.7	27.9	31.5	13.6	12.1	0.31	0.30
2 members	16.6	16.3	30.3	30.5	9.3	8.2	0.29	0.27
3 members	15.4	14.8	18.1	17.6	4.9	6.0	0.23	0.22
4 members	13.7	13.1	15.0	13.7	7.4	8.5	0.21	0.21
5 members	12.0	11.6	5.8	4.8	13.9	13.5	0.22	0.20
6 members or more	9.9	9.8	3.0	1.9	27.4	28.0	0.22	0.21
Economic Situation of Members								
only head of h.h. economic active	14.8	14.5	33.0	34.7	9.5	9.7	0.28	0.27
head and spouse economic active	16.6	16.1	18.1	17.8	4.5	4.2	0.26	0.25
head, spouse+others econ. active	13.2	13.6	3.1	3.1	8.2	6.1	0.20	0.21
other	13.7	13.7	45.8	44.5	13.2	12.2	0.27	0.27
Age Group Head of the Household								
aged 0-17								
aged 18-24	14.9	13.4	1.9	3.8	8.1	11.9	0.26	0.24
aged 25-44	14.7	14.3	33.3	34.3	9.6	10.1	0.27	0.26
aged 45-64	15.2	15.1	34.4	34.7	8.1	7.5	0.27	0.26
aged 65 and over	13.8	13.8	30.4	27.2	13.7	11.8	0.28	0.27
Sex Head of Household								
male	14.7	14.5	74.6	72.3	9.5	9.0	0.27	0.26
female	14.8	14.6	25.4	27.7	12.6	11.5	0.29	0.28

5.3.3 Spain Between 1980 and 1985

The information available for Spain (see table 5.5) is rather limited. Spain shows over the period of observation a slight reduction in average welfare: average equivalent household expenditure went down from 320,000 to 311,000 Pesetas

TABLE 5.5: SPAIN, Evolution of Poverty Between 1980 and 1985
(Poverty Line Equal to 50% of the Mean Equivalent Household Expenditure
in Base Year; Expenditure in 000s National Currency, 1980 Prices)

Socio-Economic Classifications	Mean Equivalent Expenditure		Population Share (%)		Poverty Rate (%)		Gini Coefficient	
	1980	1985	1980	1985	1980	1985	1980	1985
TOTAL POPULATION	320	311	100	100	20.3	19.1	0.35	0.33
Composition of Households								
1 member	347	335	8.1	8.3	34.1	24.9	0.49	0.40
2 members	349	331	21.5	20.4	25.3	21.6	0.42	0.36
3 members	363	353	18.4	20.6	14.9	14.9	0.34	0.33
4 members	341	335	22.9	24.6	12.8	13.2	0.31	0.31
5 members	309	293	14.9	15.6	17.3	19.0	0.31	0.30
6 members or more	261	242	14.3	10.5	27.2	31.9	0.31	0.30
Economic Situation of Members								
only head of h.h. economic active	336	309	44.0	52.0	16.2	16.8	0.33	0.32
head and spouse economic active	437	380	8.6	14.3	10.1	10.6	0.36	0.33
head, spouse+others econ. active								
other	283	277	45.1	33.8	26.5	26.1	0.35	0.35
Age Group Head of the Household								
aged 0-17								
aged 18-24	349	287	2.3	1.0	16.1	19.5	0.36	0.29
aged 25-44	341	325	34.5	33.3	15.7	15.5	0.34	0.32
aged 45-64	317	313	42.8	42.9	18.8	18.4	0.34	0.33
aged 65 and over	274	285	20.4	22.7	31.8	25.7	0.38	0.35
Sex Head of Household								
male	321	313	86.0	84.7	19.2	17.4	0.34	0.32
female	316	301	14.0	15.3	27.4	28.3	0.41	0.40
Educational Attainment Head								
none	232	236	32.3	30.1	37.5	34.1	0.33	0.33
primary	311	305	47.7	46.7	15.7	15.5	0.30	0.30
secondary	438	396	13.1	20.0	4.5	6.9	0.31	0.31
higher	559	547	6.8	3.2	2.0	7.4	0.33	0.49

(1980 prices). In spite of this reduction the national poverty incidence declined from 20.3 to 19.1%.

When household size is examined, it can be seen that poverty incidences for small households (one and two members) fell considerably while the situation for large households (five members and more) deteriorated. The picture for the age groups of the head of household shows a similar pattern. 'Young' households show an increase in the poverty rate (age 18-24: from 16.1 to 19.5%) and 'aged' households experience a significant decrease (aged 65 and over: from 31.8 to 25.7%). With regard to educational attainment it can be seen that lower levels show a slight decrease in poverty rates whereas higher levels show a significant increase (higher educational attainment head: from 2 to 7.4%).

In summary, it can be said that two household groups saw their poverty incidence change significantly over the period 1980 to 1985: one-person households and households with an elderly head (although they remain above the national average in 1985). Other groups where high poverty rates persist are large households (6 members or more), households with a nonactive head, households with a head without educational attainment and households headed by a woman. The latter category shows a difference in poverty incidence with male-headed households which is not only strikingly high but which is increasing over time.

5.3.4 France Between 1979 and 1985

Between 1979 and 1985 France experienced a slight increase in average real welfare: the average equivalent household expenditure increased from 32,100 to 32,800 French Francs (1980 prices). The national poverty incidence declined by almost 5 percentage points from 18 to 13.1%. Inequality also fell, as witnessed by the reduction in the Gini coefficient from 0.33 to 0.29.

Table 5.6 shows that important reductions in poverty incidence can be observed for the following (strongly overlapping) groups: the non-active, single elderly, the elderly in general, households with a female head and households with a head without educational attainment. These groups experienced a reduction of around 10 percentage points, from around 30 to 20%. These figures suggest that the overall decline in poverty incidence is partly due to adjustments in social security schemes for the non-active and for the elderly in particular. The disparity in the poverty rate between households with a male and female head was reduced dramatically.

In spite of the overall reduction in poverty incidence, a number of household groups experienced an *increase* in poverty rates. The poverty rate of households with an unemployed head, for example, increased from the already high level of 26.2% in 1979 to 27.1% in 1985. The poverty rate of couples with 4 or more

TABLE 5.6: FRANCE, Evolution of Poverty Between 1979 and 1985
(Poverty Line Equal to 50% of the Mean Equivalent Household Expenditure
in Base Year; Expenditure in 000s National Currency, 1980 Prices)

Socio-Economic Classifications	Mean Equivalent Expenditure		Population Share (%)		Poverty Rate (%)		Gini Coefficient	
	1979	1985	1979	1985	1979	1985	1979	1985
TOTAL POPULATION	32.1	32.8	100	100	18.0	13.1	0.33	0.29
Socio-economic Category Head								
manual workers industry/services	28.5	28.4	24.8	22.4	16.6	13.2	0.28	0.24
non-manual workers	40.2	40.0	29.0	30.0	5.4	3.8	0.29	0.27
self employed industry/services	37.7	37.5	6.6	5.4	12.2	8.2	0.33	0.30
farmers/agricultural workers	26.9	25.9	5.3	4.7	21.2	19.1	0.29	0.25
unemployed	26.6	25.4	2.1	3.8	26.2	27.1	0.32	0.31
other (redefined)	27.7	30.2	32.1	33.7	30.7	19.5	0.38	0.32
Type of Household								
one person, less than 65	44.2	42.4	9.3	13.3	10.7	7.3	0.35	0.29
one person, 65 or more	26.5	28.2	12.2	9.9	37.6	26.9	0.41	0.35
couple, no children	35.8	36.7	24.3	24.9	15.2	9.4	0.33	0.29
couple + 1 child	33.6	32.9	15.9	15.1	9.4	7.9	0.28	0.25
couple + 2 children	29.9	29.6	14.7	15.5	11.9	9.9	0.26	0.23
couple + 3 children	27.2	25.0	6.6	6.0	19.2	17.7	0.28	0.23
couple + 4 children or more	22.2	21.2	4.0	2.8	32.4	35.0	0.27	0.26
mono-parent household	29.9	30.4	4.7	5.7	20.9	15.2	0.32	0.28
other households (redefined)	27.5	26.6	8.2	6.6	23.7	21.4	0.31	0.28
Composition of Households								
1 member	34.1	36.4	21.4	23.2	26.2	15.7	0.42	0.34
2 members	34.9	35.7	29.3	29.9	16.5	10.6	0.34	0.29
3 members	32.8	32.3	19.0	18.7	11.6	9.1	0.28	0.25
4 members	29.4	29.3	16.8	17.3	12.9	10.9	0.26	0.24
5 members	27.4	24.8	8.1	7.1	18.2	18.5	0.27	0.23
6 members or more	22.3	21.1	5.4	3.8	32.5	35.1	0.27	0.27
Economic Situation of Members								
only head of h.h. economic active	34.5	34.8	29.3	28.5	15.6	12.0	0.34	0.31
head and spouse economic active	35.7	35.0	28.6	29.7	7.8	6.2	0.28	0.25
head, spouse+others econ. active	29.1	29.2	4.3	3.9	13.0	13.3	0.26	0.25
other	27.9	29.8	37.8	37.9	28.2	19.1	0.37	0.31
Age Group Head of the Household								
aged 0-17								
aged 18-24	35.0	33.1	4.1	5.2	8.9	12.1	0.30	0.27
aged 25-44	33.6	33.2	36.9	39.6	11.4	9.9	0.29	0.27
aged 45-64	34.2	34.6	32.3	34.2	15.9	10.9	0.34	0.30
aged 65 and over	27.2	28.9	26.7	21.0	31.2	22.8	0.37	0.33

TABLE 5.6: FRANCE, 1979 - 1985 (Continued)
(Poverty Line Equal to 50% of the Mean Equivalent Household Expenditure
in Base Year; Expenditure in 000s National Currency, 1980 Prices)

Socio-Economic Classifications	Mean Equivalent Expenditure		Population Share (%)		Poverty Rate (%)		Gini Coefficient	
	1979	1985	1979	1985	1979	1985	1979	1985
TOTAL POPULATION	32.1	32.8	100	100	18.0	13.1	0.33	0.29
Sex Head of Household								
male	32.1	32.7	78.3	77.8	15.9	12.0	0.32	0.28
female	32.0	33.1	21.7	22.2	25.8	16.7	0.39	0.32
Educational Attainment Head								
none	24.7	25.3	31.1	28.4	31.3	23.7	0.32	0.28
primary	29.8	30.0	24.6	21.9	19.9	13.3	0.32	0.26
secondary	36.7	35.2	36.8	37.8	8.7	7.7	0.30	0.27
higher	49.5	48.8	7.0	9.3	1.8	1.9	0.26	0.27

children increased from 32.4 to 35% and that of households with a head in the age group 18-24 years from 8.9 to 12%.

In summary, it can be said that the reduction in poverty incidence in France mainly affected the elderly and other non-active, although these groups remain at poverty levels well above the national average. The position of households headed by a woman also significantly improved. High poverty rates persisted for the unemployed, farmers and agricultural workers, large households and households with a head without schooling.

5.3.5 Ireland Between 1980 and 1987

The overall poverty situation in Ireland between 1980 and 1987 can be characterized as one of stagnation. From table 5.7 it can be seen that the average real welfare declined slightly from 2,580 to 2,510 I and that the national poverty incidence increased from 18.5 to 18.7%. The skewedness of the expenditure distribution remained the same (a Gini coefficient equal to 0.34).

Although the national poverty rate remained more or less constant, the position of the non-active and, in particular, the elderly improved considerably. The poverty incidence for the single elderly decreased dramatically from 41.2 to 23.3% over the seven-year observation period. The same tendency can be observed for other groups, notably the non-active and aged as well as for the

TABLE 5.7: IRELAND, Evolution of Poverty Between 1980 and 1987
(Poverty Line Equal to 50% of the Mean Equivalent Household Expenditure
in Base Year, Expenditure in 000s National Currency, 1980 Prices)

Socio-Economic Classifications	Mean Equivalent Expenditure		Population Share (%)		Poverty Rate (%)		Gini Coefficient	
	1980	1987	1980	1987	1980	1987	1980	1987
TOTAL POPULATION	2.58	2.51	100	100	18.5	18.7	0.34	0.34
Socio-economic Category Head								
manual workers industry/services	2.36	2.38	22.5	13.1	17.6	13.8	0.29	0.28
non-manual workers	3.25	3.29	29.1	24.8	7.3	5.5	0.32	0.31
self employed industry/services	3.04	3.26	6.8	6.2	13.6	8.4	0.37	0.35
farmers/agricultural workers	2.23	2.34	17.9	12.4	22.7	13.7	0.31	0.27
unemployed								
other (redefined)	2.11	2.23	23.6	31.6	31.4	23.1	0.35	0.31
Type of Household								
one person, less than 65	3.36	3.15	8.6	9.6	18.9	22.8	0.44	0.46
one person, 65 or more	1.90	2.14	7.8	8.9	41.2	23.3	0.37	0.30
couple, no children	2.95	3.08	12.2	13.3	18.8	14.6	0.40	0.40
couple + 1 child	3.00	2.86	5.9	4.9	5.3	10.8	0.29	0.29
couple + 2 children	2.41	2.28	10.0	7.4	10.4	15.5	0.25	0.26
couple + 3 children	2.23	2.01	7.3	5.9	14.2	20.7	0.25	0.25
couple + 4 children or more	1.85	1.64	6.4	4.6	33.5	37.5	0.30	0.28
mono-parent household								
other households (redefined)	2.62	2.47	40.7	43.9	16.2	17.4	0.32	0.31
Composition of Households								
1 member	2.67	2.66	16.4	18.5	32.7	23.0	0.49	0.40
2 members	2.86	2.88	20.5	20.4	18.8	15.0	0.39	0.37
3 members	2.92	2.84	13.6	14.3	10.1	12.3	0.32	0.32
4 members	2.59	2.49	16.8	16.5	10.7	13.7	0.28	0.28
5 members	2.42	2.23	12.9	13.7	13.0	18.5	0.27	0.28
6 members or more	2.09	1.87	19.8	16.6	22.3	29.1	0.29	0.28
Economic Situation of Members								
only head of h.h. economic active	2.52	2.41	54.6	40.1	17.5	29.6	0.33	0.32
head and spouse economic active	3.88	3.20	7.5	12.2	4.4	4.5	0.32	0.23
head, spouse+others econ. active								
other	2.35	2.59	35.7	30.1	23.0	10.0	0.33	0.23
Age Group Head of the Household								
aged 0-17								
aged 18-24	3.48	2.54	4.5	3.3	6.9	16.8	0.32	0.31
aged 25-44	2.67	2.52	39.3	39.9	15.4	23.1	0.33	0.37
aged 45-64	2.68	2.63	33.5	33.4	14.4	13.9	0.32	0.32
aged 65 and over	2.12	2.32	22.7	23.4	32.2	18.5	0.36	0.30

TABLE 5.7: IRELAND, 1980 - 1987 (Continued)
(Poverty Line Equal to 50% of the Mean Equivalent Household Expenditure
in Base Year; Expenditure in 000s National Currency, 1980 Prices)

Socio-Economic Classifications	Mean Equivalent Expenditure		Population Share (%)		Poverty Rate (%)		Gini Coefficient	
	1980	1987	1980	1987	1980	1987	1980	1987
TOTAL POPULATION	2.58	2.51	100	100	18.5	18.7	0.34	0.34
Sex Head of Household								
male	2.57	2.52	82.1	78.1	16.5	17.0	0.33	0.32
female	2.64	2.48	17.9	21.9	27.7	24.9	0.42	0.38
Economic Activity Head								
agriculture	2.24	2.27	18.0	12.5	20.3	17.2	0.30	0.28
manufacturing industry	2.66	2.56	18.1	16.8	11.7	17.4	0.30	0.32
construction	2.47	2.13	9.2	7.8	22.9	23.8	0.36	0.29
government services	3.16	2.90	7.5	6.2	8.8	8.8	0.32	0.28
other services	3.11	3.00	23.7	24.9	10.1	14.5	0.34	0.36
none	2.11	2.23	23.5	31.8	32.1	24.0	0.36	0.32

self-employed, farmers and couples without children. As the national poverty rate was constant, other groups must have experienced increases in their poverty incidences.

Among the household groups which faced an increase in poverty incidence were households with children (an increase of about five percentage points), households in which only the head was economically active (from 17.5 to 29.6%) and households with young heads of households (age group 18-24: from 6.9 to 16.8%).

As in most other countries the situation of households headed by a woman is much worse than that of households headed by a man, although the difference in poverty rate between these two groups fell slightly over the observation period.

In conclusion, it can be said that the picture of poverty in Ireland changed significantly over the seven-year period. The change was particularly pronounced in the case of the elderly, where the poverty incidence changed from a level which was almost twice the national average in 1980 to one which was below the national average in 1987. Large households faced an opposite tend-

ency: the poverty rate which was well below the national average in 1980 increased to twice the national rate by 1987.

5.3.6 Italy Between 1980 and 1985

Average equivalent household expenditure grew in Italy over the period 1980 to 1985 at an average annual rate of about 1.2% or from 4.2 mln Lire to 4.5 mln Lire (1980 prices). However, the poverty incidence increased from 12.1 to 12.4% (see table 5.8).

Household groups which experienced an improvement in their situation were non-manual workers (from 8.8 to 6%), couples with three children (from 17.9 to 14%) and households with five or more members (5 members: from 15.2 to 13.9%; 6 members or more: from 27.1 to 22.7%).

Italy does not appear to have experienced important changes in the structure of poverty over the observation period. At least, if important changes did take place, they are not reflected in table 5.8.

TABLE 5.8: ITALY, Evolution of Poverty Between 1980 and 1985
(Poverty Line Equal to 50% of the Mean Equivalent Household Expenditure
in Base Year; Expenditure in 000s National Currency, 1980 Prices)

Socio-Economic Classifications	Mean Equivalent Expenditure		Population Share (%)		Poverty Rate (%)		Gini Coefficient	
	1980	1985	1980	1985	1980	1985	1980	1985
TOTAL POPULATION	4254	4520	100	100	12.1	12.4		
Socio-economic Category Head								
manual workers industry/services	3943	4121	26.0	22.9	12.0	13.1	0.33	0.34
non-manual workers	4860	5304	18.8	19.3	8.8	6.0	0.38	0.34
self employed industry/services	5138	5255	14.0	14.3	8.7	7.2	0.40	0.35
farmers/agricultural workers	3479	3579	7.4	6.0	19.5	21.7	0.37	0.38
unemployed			0.6	1.8				
other (redefined)	3890	4202	33.1	35.7	13.8	14.8	0.35	0.37
Type of Household								
one person, less than 65	6046	6748	6.4	8.7	7.2	10.2	0.42	0.49
one person, 65 or more	3707	3903	7.6	9.2	15.9	17.8	0.35	0.37
couple, no children	4756	5006	17.8	18.0	10.8	11.8	0.38	0.38
couple + 1 child	5272	5205	10.0	9.2	4.3	5.5	0.35	0.31
couple + 2 children	4373	4428	9.2	8.6	9.0	9.0	0.34	0.32
couple + 3 children	3419	3688	2.8	2.0	17.9	14.0	0.33	0.30
couple + 4 children or more			1.0	0.5				
mono-parent household			1.0	0.9				
other households (redefined)	3995	4254	44.3	42.9	14.7	13.7	0.35	0.34

TABLE 5.8: ITALY, 1980 - 1985 (Continued)
(Poverty Line Equal to 50% of the Mean Equivalent Household Expenditure
in Base Year; Expenditure in 000s National Currency, 1980 Prices)

Socio-Economic Classifications	Mean Equivalent Expenditure		Population Share (%)		Poverty Rate (%)		Gini Coefficient	
	1980	1985	1980	1985	1980	1985	1980	1985
TOTAL POPULATION	4254	4520	100	100	12.1	12.4		
Composition of Households								
1 member	4774	5292	13.9	17.9	15.6	17.9	0.44	0.48
2 members	4802	5074	23.3	23.2	11.0	11.9	0.38	0.38
3 members	4952	4961	22.6	22.2	6.7	7.5	0.35	0.32
4 members	4308	4478	21.6	21.7	9.9	9.9	0.33	0.32
5 members	3631	3903	11.1	9.6	15.2	13.9	0.32	0.32
6 members or more	2949	3157	7.4	5.5	27.1	22.7	0.33	0.31
Economic Situation of Members								
only head of h.h. economic active	4083	4270	50.3	50.8	13.2	14.3	0.36	0.38
head and spouse economic active	4869	5140	22.7	25.2	8.9	8.5	0.37	0.35
head, spouse+others econ. active	4376	4547	7.7	7.0	11.3	10.9	0.37	0.35
other	3961	4256	19.2	17.0	13.3	12.8	0.35	0.35

5.3.7 The Netherlands Between 1979 and 1985

According to the data presented in table 5.9 the Netherlands experienced a reduction in average real welfare (from 17,000 to 16,500 Dfl in average equivalent expenditure; 1980 prices) and an important increase in poverty incidence among households (from 6.9 to 9.5%).

The household groups particularly affected were the single elderly (from 6.8 to 9.1%)¹, large households (5 members: from 15 to 28.7%), households with only the head economically active (from 6.8 to 10.8%), young households (age group 18-24: from 2.9 to 10.9%), households with a head with primary education (from 10.1 to 15.4%) and households with a head employed in 'other services' (from 4.9 to 10.1%).

1 Although the age group as a whole (65 and above) experienced a reduction from 8.5 to 6.6%.

TABLE 5.9: NETHERLANDS, Evolution of Poverty Between 1979 and 1985
(Poverty Line Equal to 50% of the Mean Equivalent Household Expenditure
in Base Year; Expenditure in 000s National Currency, 1980 Prices)

Socio-Economic Classifications	Mean Equivalent Expenditure		Population Share (%)		Poverty Rate (%)		Gini Coefficient	
	1979	1985	1979	1985	1979	1985	1979	1985
TOTAL POPULATION	17.0	16.5	100	100	6.9	9.5	0.25	0.27
Socio-economic Category Head								
manual workers industry/services	14.2	12.7	22.2	19.6	12.0	15.0	0.22	0.19
non-manual workers	19.7	19.0	32.9	30.2	1.8	5.0	0.25	0.27
self employed industry/services	18.4	18.7	5.5	4.2	7.7	9.2	0.23	0.33
farmers/agricultural workers	14.8	13.5	3.3	3.5	9.7	11.7	0.19	0.21
unemployed	16.6	16.5	36.0	42.4	8.1	10.1	0.26	0.27
other (redefined)								
Type of Household								
one person, less than 65								
one person, 65 or more	16.7	17.5	8.7	8.8	6.8	9.1	0.22	0.31
couple, no children	19.1	18.5	22.9	22.4	5.3	5.1	0.25	0.27
couple + 1 child	17.1	13.8	8.7	9.6	3.8	8.3	0.23	0.18
couple + 2 children	15.1	12.6	16.9	15.8	6.3	13.2	0.20	0.19
couple + 3 children	13.0	11.6	5.3	4.6	13.1	24.7	0.19	0.21
couple + 4 children or more								
mono-parent household								
other households (redefined)	16.0	15.6	24.2	18.5	10.6	8.8	0.23	0.23
Composition of Households								
1 member	19.7	20.2	20.4	26.7	5.4	5.2	0.25	0.27
2 members	18.9	18.4	28.2	26.2	6.6	4.1	0.25	0.25
3 members	17.2	15.0	15.6	16.1	4.1	8.1	0.22	0.22
4 members	15.3	12.8	22.1	20.1	7.4	16.8	0.19	0.19
5 members	13.8	12.2	8.7	7.1	15.0	28.7	0.21	0.23
6 members or more								
Economic Situation of Members								
only head of h.h. economic active	17.0	16.3	45.2	41.0	6.8	10.8	0.24	0.29
head and spouse economic active	19.7	17.9	11.4	12.6	5.0	5.3	0.25	0.26
head, spouse+others econ. active								
other	16.7	16.4	42.2	45.3	7.5	9.6	0.25	0.27
Age Group Head of the Household								
aged 0-17								
aged 18-24	16.6	15.4	3.8	5.2	2.9	10.9	0.17	0.21
aged 25-44	17.0	15.5	43.9	47.9	7.8	12.7	0.25	0.28
aged 45-64	17.8	18.0	33.9	26.9	5.3	5.6	0.25	0.27
aged 65 and over	16.4	17.1	18.6	20.0	8.5	6.6	0.25	0.28

TABLE 5.9: NETHERLANDS, 1979 - 1985 (Continued)
(Poverty Line Equal to 50% of the Mean Equivalent Household Expenditure
in Base Year; Expenditure in 000s National Currency, 1980 Prices)

Socio-Economic Classifications	Mean Equivalent Expenditure		Population Share (%)		Poverty Rate (%)		Gini Coefficient	
	1979	1985	1979	1985	1979	1985	1979	1985
TOTAL POPULATION	17.0	16.5	100	100	6.9	9.5	0.25	0.27
Sex Head of Household								
male	16.8	15.8	82.0	77.7	7.0	10.7	0.24	0.27
female	18.6	18.9	17.9	22.3	6.6	5.4	0.26	0.27
Educational Attainment Head								
none								
primary	14.8	12.5	28.5	19.1	10.1	15.4	0.22	0.18
secondary	17.0	15.9	57.1	61.6	6.4	9.9	0.23	0.25
higher	22.4	22.5	14.5	19.3	2.5	2.4	0.29	0.28
Economic Activity Head								
agriculture	14.6	13.4	3.7	3.5	9.8	11.9	0.21	0.20
manufacturing industry	15.8	14.5	16.4	13.0	9.5	12.1	0.25	0.24
construction	16.4	13.5	7.1	5.3	8.2	11.2	0.24	0.19
government services	18.8	20.1	10.3	11.0	1.9	3.3	0.26	0.28
other services	18.6	17.0	26.7	24.8	4.9	10.1	0.24	0.30
none	16.6	16.5	36.0	42.4	8.0	9.6	0.26	0.27

The Netherlands is the only country with a poverty rate for female headed households which is *lower* than that of male headed households and which decreased over the period of observation (1985: female headed households with a poverty rate of 5.4% and male headed households with 10.7%).

Finally, it should be noted that the poverty rate for the elderly in the Netherlands was and remained below the national rate. As in many other countries it seems that two groups in particular can be considered 'losers': large households and households with heads in the age group 18-24 years.

5.3.8 The United Kingdom Between 1981 and 1985

The last country to be considered here is the United Kingdom. This country experienced an increase in average equivalent expenditure, which went up from 2,790 UK in 1981 to 2,960 UK in 1985 (1980 prices). At the same time, the national poverty incidence increased from 14 to 16.2%, implying increased inequality in the distribution of household income. This is supported by a

dramatic increase in the Gini coefficient of the equivalent expenditure distribution (from 0.31 to 0.37).

Household groups which benefited from the general increase in welfare included the manual workers, non-manual workers, farmers and households where the head (or head and spouse) were economically active.

Household groups which experienced an erosion of their position included households with an unemployed head (from 37.4 to 50.1%), the single elderly (from 27.8 to 36.8%), large households (an increase in the poverty rates of around 10 percentage points) and households with heads in the age group 18-24 years (from 16.5 to 23.1%).

Households with a non-active head recorded poverty rates which were well above the national average in 1981 and which persisted at high levels in 1985.

TABLE 5.10: UNITED KINGDOM, Evolution of Poverty Between 1981 and 1985
(Poverty Line Equal to 50% of the Mean Equivalent Household Expenditure
in Base Year; Expenditure in 000s National Currency, 1980 Prices)

Socio-Economic Classifications	Mean Equivalent Expenditure		Population Share (%)		Poverty Rate (%)		Gini Coefficient	
	1981	1985	1981	1985	1981	1985	1981	1985
TOTAL POPULATION	2.79	2.96	100	100	14.0	16.2	0.31	0.37
Socio-economic Category Head								
manual workers industry/services	2.64	2.92	29.7	25.4	8.9	7.7	0.25	0.30
non-manual workers	3.56	3.92	24.3	23.1	4.0	2.9	0.29	0.32
self employed industry/services	3.05	3.60	6.6	6.5	9.3	10.6	0.32	0.48
farmers/agricultural workers	2.36	2.34	0.9	0.8	14.7	11.7	0.25	0.29
unemployed	2.06	1.84	6.1	6.4	37.4	50.1	0.33	0.37
other (redefined)	2.33	2.36	32.4	37.7	22.7	25.5	0.31	0.34
Type of Household								
one person, less than 65	3.73	3.66	8.9	11.4	8.9	14.3	0.37	0.41
one person, 65 or more	2.18	2.13	11.8	12.3	27.8	36.8	0.28	0.35
couple, no children	3.19	3.50	25.8	26.5	12.0	11.8	0.32	0.41
couple + 1 child	2.79	2.98	6.7	6.3	5.0	10.0	0.24	0.30
couple + 2 children	2.41	2.61	10.0	9.5	11.8	13.3	0.23	0.29
couple + 3 children	2.30	2.07	3.0	2.6	25.2	30.8	0.31	0.30
couple + 4 children or more			0.5	0.7		42.4		
mono-parent household	2.06	2.02	4.0	3.8	25.5	36.6	0.25	0.32
other households (redefined)	2.85	3.02	29.3	27.0	11.9	9.6	0.27	0.31

TABLE 5.10: UNITED KINGDOM, 1981 - 1985 (Continued)
(Poverty Line Equal to 50% of the Mean Equivalent Household Expenditure
in Base Year; Expenditure in 000s National Currency, 1980 Prices)

Socio-Economic Classifications	Mean Equivalent Expenditure		Population Share (%)		Poverty Rate (%)		Gini Coefficient	
	1981	1985	1981	1985	1981	1985	1981	1985
TOTAL POPULATION	2.79	2.96	100	100	14.0	16.2	0.31	0.37
Composition of Households								
1 member	2.85	2.87	20.7	23.6	25.0	27.6	0.41	0.48
2 members	3.15	3.38	32.3	33.1	10.8	12.6	0.32	0.40
3 members	2.95	3.07	16.8	16.6	7.1	10.0	0.27	0.31
4 members	2.64	2.86	19.0	17.8	9.8	10.5	0.25	0.31
5 members	2.50	2.42	8.0	6.1	17.2	19.5	0.30	0.30
6 members or more	2.02	2.23	3.2	2.8	28.3	29.0	0.27	0.33
Economic Situation of Members								
only head of h.h. economic active	2.82	3.12	24.0	23.7	13.4	13.2	0.32	0.41
head and spouse economic active	3.07	3.47	26.0	22.5	5.7	4.8	0.28	0.34
head, spouse+others econ. active	3.27	3.50	7.3	6.6	2.4	1.4	0.23	0.25
other	2.41	2.44	42.7	47.2	21.4	25.3	0.32	0.37
Age Group Head of the Household								
aged 0-17								
aged 18-24	2.78	2.70	4.4	4.2	16.5	23.1	0.33	0.37
aged 25-44	2.71	2.90	37.6	37.8	14.2	17.1	0.30	0.37
aged 45-64	3.16	3.37	32.5	32.2	7.1	8.5	0.29	0.34
aged 65 and over	2.29	2.43	25.5	25.8	22.0	23.5	0.29	0.34
Sex Head of Household								
male	2.84	3.05	77.8	76.8	11.5	13.0	0.30	0.36
female	2.51	2.52	22.2	23.2	22.9	26.8	0.35	0.40
Economic Activity Head								
agriculture	2.49	2.24	2.1	2.3	20.1	19.8	0.31	0.27
manufacturing industry	2.85	3.29	25.9	19.4	8.8	6.3	0.28	0.34
construction	2.54	2.97	7.2	6.6	14.7	8.5	0.27	0.33
government services	3.26	3.40	5.2	5.6	7.7	5.7	0.32	0.30
other services	3.12	3.48	28.7	26.7	8.8	7.7	0.31	0.36
none	2.30	2.25	31.0	39.4	23.5	29.5	0.30	0.35

It can be concluded that poverty in the United Kingdom has increased significantly for the unemployed, the single elderly, large households and young households. Households with an employed head (with the exception of the self-employed) appear to have benefited most from the average increase in real welfare.

5.4 Poverty Groups Identified ?

The analysis in the previous section shows that the classifications used in national surveys are unable to provide the detail required for the identification of pockets of poverty in the Member States. More detailed information, possibly through the matching of data sources, is necessary. It would, however, be going too far to contend that the information contained in the surveys analysed above is not relevant for poverty analysis. For most countries the poverty incidences and the average equivalent expenditure as presented in tables 5.4 to 5.10 give clear indications of where to look for poverty pockets in the Member States of the European Community. They also reveal common patterns in the evolution and persistence of poverty¹. In the next chapter an attempt will be made to draw some global conclusions from the preceding analysis.

1 It should be stressed that the use of the term 'persistence' is somewhat misleading in this context; what is meant is the persistence of high poverty incidences for particular groups and not persistent poverty for individual households which can only be traced through panel studies.

6. CONCLUDING REMARKS AND SOME RECOMMENDATIONS

6.1 Main Conclusions from the Empirical Analysis

It is a difficult task to draw clear conclusions from the vast data base that has been analysed in this study. Not only because the measurement of poverty has been approached from different methodological directions, but also because the available data did not always make it possible to draw firm conclusions on the identification of the poverty groups required for the design and targeting of anti-poverty policies and programmes.

Certainly, this study confirms that considerable welfare disparities exist between the Member States of the European Community. These differences can be used as an argument in support of the need for country-specific poverty lines as well as an argument for the adoption of a common measure of poverty which results, among other things, in the identification of large numbers of poor people in the low-income countries of the Community. The underlying basic policy viewpoints which lead to these different choices obviously differ radically. The viewpoint leading to the selection of country-specific poverty lines is that poverty is preeminently a national problem and, as such, demands a national solution. The alternative viewpoint contends that poverty is, at least in part, a Community problem the solution of which requires Community measures which are complementary to national policies. The global analysis carried out in this study supports the view that a dual approach which takes account of both country specific poverty lines and a Community specific poverty line is required if a full understanding of the various dimensions of poverty is to be acquired in a Community context.

Different approaches lead to different estimates of the number of poor people both in the Community and in Member States. When poverty is measured on the basis of Community average equivalent expenditure, the number of poor persons in the Community in 1980 was around **53 million**. When the country-specific 50% criterion is applied, the number of poor people in the same year is in the

order of **49 million**. While these figures do not differ greatly, the underlying distributions of poor over the countries certainly do and these differences are explained by the alternative methods of measurement. These differences can be illustrated by the case of Portugal. The application in Portugal of the country-specific poverty line gives the country around 3 million poor people, while the number more than doubles to almost 7 million when the Community poverty line is used as the basis for measurement. Such differences can be observed in all Member States with an average equivalent expenditure below the Community average, while the reverse is true for high-income countries.

Analysis based on the application of the 50% Community line indicates that the total number of poor persons in the Community declined slightly between 1980 and 1985 from 53 million to **51 million**. Analysis based on country-specific poverty lines, however, suggests that the total number of poor actually increased marginally from 49 million in 1980 to **50 million** in 1985. Great care is required in the interpretation of these figures since, as aggregates, they do not show the important changes that occurred in poverty incidences in individual countries. These changes were of various kinds and in different directions which offset each other at the Community level. Important reductions in poverty rates (measured with the Community line) could, for example, be observed in France and Greece, while notable increases were recorded in Ireland and the United Kingdom.

A detailed synthesis of the results of the analysis of poverty groups, as presented in chapter 5, will not be attempted here. Instead, some observations will be made on two specific groups which have been shown by the analysis to be particularly vulnerable to poverty because of their dependence: children and the elderly. Poverty incidences for these groups are higher than average poverty incidences at both the national and Community level. This situation remained basically the same over the observation period, although a slight decline in the poverty rates of both groups was recorded at the Community level. In 1985 there were some **7 million poor children** and **5 million poor elderly** in the European Community (based on the 50% Community line).

The analysis reveals that poverty in the high-income countries of the Community is mainly found among households without economically active members. In low-income countries the situation is more complex and household size and the level of educational attainment are additional factors which help to explain the prevalence of poverty.

Two more observations of a general character are also in order. Firstly, in ten of the eleven countries analysed households with a female head have significantly higher poverty rates than households which are headed by a male. Secondly, in almost all countries 'young households' (age of head: 18-24 years) have recorded significant increases in poverty rates over the period 1980-85.

6.2 Methodological Issues

The results obtained from both the country-specific approach and the Community-wide approach suggest that the only meaningful way to analyse poverty in the European Community is through the combination of both approaches: country-specific poverty lines complemented with a Community poverty line.

The method employed in this study of basing the poverty line on a certain percentage of the mean of the distribution of the instrumental variable should be considered a second best solution. A preferable approach would be to formulate at both the national and Community level absolute criteria related to the satisfaction of a number of essential household needs.

For inter-temporal comparisons, the use of poverty lines related to the (moving) mean of the distribution has serious limitations since it does not reveal improvements in the poverty situation resulting from economic growth. For this reason it should be avoided.

The choice of the equivalence scales used in this study can be considered both arbitrary and opportunistic (see chapter 2). The development of appropriate equivalence scales suitable for the measurement and analysis of poverty in the Community requires considerable work and it is recommended that this be made the subject of a special and separate study.

While comparable household income data remain unavailable, expenditure data constitute the most satisfactory basis for the measurement and analysis of poverty. Other important arguments exist for retaining expenditure as the instrumental variable. In the first place, expenditure data can be expected to better reflect so-called permanent income than data on recorded income. Secondly, expenditure measures the actual satisfaction of needs rather than the potential to satisfy them. And thirdly, expenditure reflects better than recorded income the declared and undeclared, formal and informal, resources of a household.

However, numerous problems are associated with the use of expenditure data for the measurement of poverty. Some of these problems are similar to those encountered in the use of income data, while others are specific to the expenditure approach. The field of observation of goods and services differs from country to country, and the same applies to the inclusion of income in kind, gifts in kind, home produce, etc. Given these and other differences, the measurement and analysis of poverty would be greatly facilitated by harmonization of Family Budget Surveys.

The present study was greatly handicapped by the fact that only aggregated data were available. For future studies it is recommended that Eurostat make the

necessary arrangements to secure access to the primary data of the Family Budget Surveys conducted in the Member States. It is also recommended that future poverty analysis undertaken by Eurostat be based not on a single instrumental variable but rather on a set of these variables, including physical indicators.

Precise proposals for the adjustment of data requests for poverty analysis are at present being prepared and will be presented separately to Eurostat.

Two major problems of present Family Budget Surveys should be highlighted. Firstly, in the majority of Member States the sample size is simply insufficient for analyses of specific poverty groups. Secondly, the voluntary character of the surveys and the fact that they are, in most cases, at least in part, self-administered result in very low response rates which, in turn, affects the representivity of the sample. More particularly, it is realistic to assume that less privileged groups will be underrepresented. These two characteristics of Family Budget Surveys call for additional ways of collecting poverty relevant data which can be combined with survey data through matching procedures. Little experience at present exists in Europe with such an approach and, for this reason, a pilot study is strongly recommended.

6.3 Rapid Poverty Estimates and their Updating

While the harmonization of Family Budget Surveys can be expected to result in the improved coordination of survey years, the interval between most surveys will be in the order of five years. This poses a major problem for the formulation of frequent poverty estimates, certainly for the production of annual estimates. It is accordingly recommended that methodologies be developed which make it possible to prepare yearly updates on the basis of readily available socio-economic indicators as explanatory variables using the most recent survey as the baseline. The estimates so obtained can be adjusted.

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ANNEX A

POVERTY RELEVANT DATA IN FAMILY BUDGET SURVEYS

A.1 Introduction

By their very nature Household Budget Surveys are potentially a rich source of information concerning the welfare of households and thus concerning certain important aspects of poverty. In spite of this the use of Household Budget Surveys or Family Budget Surveys (FBS) by the statistical offices has traditionally been limited to the purpose of consumer price calculations. In this section an attempt will be made to identify those data in the FBS which are relevant for poverty assessment. Obviously, this statement needs some qualification, since the FBS of one country is not the FBS of another. Hence, the procedure will be as follows. In the first place categories of poverty relevant data which normally are contained in any FBS will be identified. Subsequently, the information from the FBSs of the Member States which is already compiled by Eurostat in its publications "Family Budgets, Comparative Tables" will be checked in order to determine its precise contents in respect of each of the categories. Finally, an additional set of poverty related variables available in most surveys but not compiled by Eurostat will be identified.

A.2 Categories of Poverty Relevant Data

A.2.1 Monetary Income Data

If one assumes that the household is the unit in which the incomes of its members and other transfers to the household are pooled for common spending, the income concept relevant for household welfare and thus for household poverty is the total disposable household income net of taxes, subsidies and transfers. Obviously, total disposable household income can only serve as a poverty indicator if household composition is taken into account, but this aspect will be reviewed later.

Monetary household income is an important poverty indicator, but it has a number of limitations which will be briefly reviewed below. Because monetary income is only one of the means to satisfy household needs, it can never serve as the single indicator of poverty. Nevertheless, this practice is quite common, both within and outside the Community. It should be recognized, however, that the supply of public goods and services either for free or at a subsidised rate is another important means for the satisfaction of household needs. Hence, two households with the same monetary income but enjoying different regimes of free public services (e.g. health schemes) will be at different welfare levels. Moreover, present income does not take into account past accumulation in as far as this accumulation does not provide tangible monetary returns (dwellings and durables). Finally, monetary income does not take into account benefits and transfers in kind.

In addition to the above conceptual limitations there is the measurement problem. Experience has shown that income data from FBSs are not very reliable mainly due to under-reporting.

A.2.2 Expenditure Data

Expenditure data constitute the core of the FBS and are a rich source of poverty relevant information. When expenditure data are monetary they suffer from the same limitations as monetary income data, but the surveys also often contain information about benefits and transfers in kind.

Total expenditure is often taken as a proxy for income since income data are less reliable. This procedure is particularly justifiable for low-income households which have low or zero savings or even dis-savings.

Moreover, the composition of expenditure is important for poverty analysis since it makes it possible to examine the extent to which different components of household needs are satisfied. A particularly important component of the needs of low-income households is nutrition. Survey data on food expenditure can be used to calculate calory and protein intake and to compare this with normative values. At a more global level, the food budget share of a household can be used as a relative poverty indicator at the national level.

A.2.3 Household Composition Data

Information on the number of household members, their sex and their age is collected in all surveys. This is an essential input into the calculation of so-called equivalence scales. Instead of using per capita income or expenditure as an indicator of household welfare it is generally preferred to use equivalence scales, which take account of the fact that not every household member has the same needs. If use is made of equivalence scales, we can

speak of equivalent household income or expenditure. Household composition data also serve as the basis for the classification of households according to size, or to the age of the main income earner, as well as for distinctions between mono-parental and bi-parental households, etc.

A.2.4 Data on Socio-economic Characteristics of Household Members

The extent to which socio-economic data are included in the surveys and the choice of these data differ strongly from country to country. This type of information may comprise: a) educational attainment and/or school enrolment of household members; b) professional category of household members who are economically active; c) employment data: sector of production, if employed or last sector of production before unemployment; number of years of unemployment;

These data are particularly important for the classification of households into different socio-economic groups and for the analysis of the characteristics of low income or poor households.

A.2.5 Data on Accommodation and Durables

Information on the type of housing and associated amenities on the one hand and on the ownership of durables on the other makes it possible to assess the extent to which specific household needs are satisfied and therefore to evaluate specific poverty components.

A.3 Information Contained in Eurostat's Standardized Tables

The various household classifications included in the Standardized Tables of Eurostat have been listed in table A.1. From the table it can be seen that most of the information is on household composition:

- 1200 type of household
- 1300 composition of households (household size)
- 2100 breakdown by age of children
- 2200 breakdown by age of men
- 2300 breakdown by age of women

With respect to the socio-economic characteristics of the head of the household and of household members, only two types of variables are included which are very important for the analysis of poverty:

- 1100 socio-economic category of household head
- 1400 economic situation of household members (participation)

Category 1100 is a curious mix of occupational status, employment

status and sector of economic activity. It should be noted that the classification 1100 has been redefined slightly in table A.1 for the purpose of the requests to the NSIs in the context of this project. In the original Eurostat breakdown the category 1105 is not included, i.e. the unemployed are included in the other categories. Finally, extensive information exists on accommodation and durables:

3100 title under which accommodation is held
 3200 type of accommodation
 3300 year of construction
 3400 number of rooms
 4100 amenities
 5000 consumer durables

TABLE A.1: Eurostat Classifications and the Incidence of Incomplete Information
 (the *'s indicate the occurrence of incomplete information)

CODE	DESCRIPTION	INCIDENCE OF INCOMPLETE INFORMATION											
		BE	DK	FR	GE	GR	IR	IT	LU	NL	PO	SP	UK
		79	81	79	79	82	80	79	77	79	80	80	79
1000	general data on households												
1100	socio-economic category head												
1101	manual workers industry/services					*							
1102	non-manual workers					*							
1103	self employed industry/services					*		*					
1104	farmers/agricultural workers					*		*				*	
1105	unemployed												
1199	other					*		*					
1200	type of household												
1201	one person, less than 65								*				
1202	one person, 65 or more								*				
1203	couple, no children								*				
1204	couple + 1 child								*		*		
1205	couple + 2 children								*		*		
1206	couple + 3 children								*		*		
1207	couple + 4 children or more			*					*		*		
1208	mono-parent households								*				
1299	other types of households								*			*	
1300	composition of households												
1301	1 member								*				
1302	2 members								*				
1303	3 members								*				
1304	4 members								*				
1305	5 members								*				
1306	6 members or more								*				
1400	economic situation of members												
1401	only head of h.h. economic active										*		
1402	head and spouse economic active										*		
1403	head, spouse + others econ. active										*		
1499	other										*		

TABLE A.1: (Continued)

CODE	DESCRIPTION	INCIDENCE OF INCOMPLETE INFORMATION											
		BE 79	DK 81	FR 79	GE 79	GR 82	IR 80	IT 79	LU 77	NL 79	PO 80	SP 80	UK 79
2000	general data on members												
2100	breakdown by age of children												
2101	aged 0-4												
2102	aged 5-13										*		
2103	aged 14-17										*		
2199	aged 0-17										*		
2200	breakdown by age of men												
2201	men, aged 18-24										*		
2202	men, aged 25-44												
2203	men, aged 45-64												
2204	men, aged 65 and over								*				
2299	men, aged 18 and over										*		
2300	breakdown by age of women												
2301	women, aged 18-24										*		
2302	women, aged 25-44												
2303	women, aged 45-64												
2304	women, aged 65 and over								*				
2399	women, aged 18 and over										*		
3000	general data on accomodation												
3100	title under which held												
3101	owning accomodation												
3102	renting accomodation												
3103	accomodation free of charge												
3200	type of accomodation												
3201	private house											*	
3202	block of flats											*	
3299	other	*		*								*	
3300	year of construction												
3301	before world war I										*		
3302	between the two wars			*				*			*		
3303	end world war II - 1960							*			*		
3304	1961 - 1970							*			*		*
3305	post - 1970							*			*		*
3400	number of rooms												
3401	less than 3								*				
3402	3 - 5										*		
3403	6 or more										*		

TABLE A.1: (Continued)

CODE	DESCRIPTION	INCIDENCE OF INCOMPLETE INFORMATION											
		BE 79	DK 81	FR 79	GE 79	GR 82	IR 80	IT 79	LU 77	NL 79	PO 80	SP 80	UK 79
4100	amenities												
4101	running water				*					*			*
4102	hot running water								*	*	*		*
4103	bathroom and/or shower									*			
4104	internal wc		*			*				*	*		
4105	electricity									*			
4106	telephone										*		
4107	central heating(full or partial)									*			
4108	produce from own garden		*			*				*	*	*	*
4109	garage	*	*			*				*			
5000	consumer durables												
5101	car												
5102	caravan,incl. tent trailer			*		*	*				*	*	*
5103	motor cycle,scooter,moped			*									
5201	television set, black/white									*			
5202	television set, colour									*			
5301	refrigerator												
5302	deep-freeze					*		*		*	*		
5303	dishwasher					*				*			
5304	electric sewing machine					*	*			*			*
5305	washing machine												
5401	second home				*	*			*			*	*

Although the information contained in the FBSs of most Member States allows an extension of the number of variables beyond those listed above (see section A.4), the above breakdowns are already potentially very useful for poverty analysis. The problem with the present Standardized Tables of Eurostat stems in the first place from the definition of income employed in the tables: total household income, which is not an appropriate welfare or poverty indicator. Secondly, the Standardized Tables only consider income quartiles. This breakdown of incomes is not fine enough to enable the identification of poverty groups.

Furthermore, table A.1 gives for each of the Member States the year of the survey used for the most recent Standardized Tables. The asterixes in the table identify for each survey missing information with respect to the different listed variables.

A.4 Additional Information from the Family Budget Surveys

A check of the questionnaires of the individual Family Budget Surveys of the Member States brought out a number of additional variables

which are not contained in the Standardized Tables of Eurostat, but which could be useful for household classification in the context of poverty analysis. Table A.2 summarizes these variables and gives an overview of their availability for the most recent FBSs of the Member States.

A.5 Gaps in Existing Published Data

The gaps in the FBS data published in the Standardized Tables of Eurostat can be classified into the following categories:

- a) gaps which result from the fact that various national SOs did not comply with the standard classifications required by Eurostat (see table A.1);
- b) gaps resulting from the fact that the Standardized Tables do not contain a number of household classifications relevant for poverty assessment which can nevertheless be easily obtained from the individual survey data of most of the Member States;
- c) gaps in the information contained in the individual surveys of some Member States concerning the additional classifications mentioned under the previous point (see table A.2);
- d) gaps in information due to the income definition employed in the Standardized Tables, due to the crude breakdown of income brackets (quartiles) and due to the fact that expenditure classes have not been used for household classification;
- e) information gaps which can not be expected to be filled by Family Budget Surveys and for which one has to turn to other data sources.

The data gaps mentioned under a) constitute a general problem in the context of the harmonization of Family Budget Surveys and will not be dealt with in this study. The information gaps mentioned under b) can probably easily be filled for a majority of the Member States. It is suggested that, on the basis of an analysis of these data, Eurostat decides whether it is worthwhile to push for the inclusion of additional data in the harmonization exercise in order to fill the gaps classified under c). The recent data requests by Eurostat which were put forward in the context of this project have been formulated in order to fill the gaps as mentioned under d). Here again the answers of national SOs should be analysed in order to determine which type of information should in future be requested on a regular basis. Finally, the possible filling of the gaps classified under e) has been considered in the Eurostat Requests To The National SOs To Provide Information About Other Data Sources for some specific variables like educational attainment, skill levels, health status and unemployment.

TABLE A.2: Availability of Additional Information
From Family Budget Surveys

CODE	DESCRIPTION	AVAILABLE INFORMATION PER MEMBER STATE (BASED ON THE MOST RECENT SURVEY)							
		BE-87	GE-88	IR-80	IT-87	LU-86	NL-85	SP-85	UK-87
1500	Age Group Head								
1501	aged 0-17	+	+	+	+	+	+	+	+
1502	aged 18-24	+	+	+	+	+	+	+	+
1503	aged 25-44	+	+	+	+	+	+	+	+
1504	aged 45-64	+	+	+	+	+	+	+	+
1505	aged 65 and over	+	+	+	+	+	+	+	+
1600	Nationality of the Head								
1601	Nationality of the Country	-	+	-	-	+	-	-	-
1602	Foreign, EC	-	-	-	-	+	-	-	-
1603	Foreign, Non-EC	-	-	-	-	+	-	-	-
2000	General Data on Members								
2400	School Enrollment Age Group 14-24								
2401	full-time general secondary	-	-	+	-	-	-	-	+
2402	full-time lower/medium vocational	-	-	+	-	-	-	-	+
2403	full-time university	-	-	+	-	-	-	-	+
2404	full-time high vocational	-	-	+	-	-	-	-	+
2405	none	-	-	+	-	-	-	-	+
2409	other	-	-	+	-	-	-	-	+
3000	General Data on Accommodation								
3500	Surface of the Accommodation (M ²)	-	+	-	+	+	-	-	-
6000	Income Sources of the Household (% distribution)								
6001	labour income	+	-	+	-	+	+	+	+
6002	capital income	+	-	+	-	+	+	+	+
6003	social security payments	+	-	+	-	+	+	+	+
6004	pensions	+	-	+	-	+	+	+	+
6005	other	+	-	+	-	+	+	+	+

Legend: + = information available
- = information not available

Note: for FR-84, DK-87, GR-87 and PO-89 no documentation available
this table was prepared in 1988

ANNEX B
ADDITIONAL POVERTY INDICATORS

(Statistical Tables)

TABLE B.1: Estimated Cumulative Distribution of Households and Persons (Children, Elderly and Others) in the European Community According to Equivalent Household Expenditure in 1980 (1980 ECU)

Equivalent Household Expenditure Brackets (1980 ECU's)	HOUSEHOLDS		PERSONS							
	%	Abs.	Children		Elderly		Others		Total	
		(mln)	%	Abs. (mln)	%	Abs. (mln)	%	Abs. (mln)	%	Abs. (mln)
800	1.1	1.2	1.5	1.0	1.8	0.8	1.0	2.1	1.2	3.9
1600	5.0	5.6	6.9	4.7	8.2	3.6	4.8	9.8	5.7	18.1
2400	13.3	14.8	17.7	12.1	20.7	9.0	12.8	26.4	14.9	47.5
3200	26.9	29.9	34.4	23.4	38.5	16.7	26.0	53.4	29.5	93.6
4000	42.3	47.0	51.8	35.3	54.9	23.9	41.5	85.3	45.5	144.5
4800	56.4	62.6	66.4	45.3	67.8	29.5	56.2	115.6	60.0	190.4
5600	67.7	75.2	77.2	52.7	77.8	33.9	67.9	139.8	71.3	226.3
6400	76.1	84.5	84.2	57.4	83.9	36.5	76.6	157.7	79.3	251.7
7200	82.1	91.1	88.8	60.5	88.0	38.3	82.7	170.2	84.7	269.0
8000	86.4	95.9	91.8	62.6	90.8	39.5	87.0	179.1	88.6	281.2
8800	89.5	99.3	93.7	63.9	93.0	40.5	90.0	185.2	91.2	289.6
9600	91.8	101.9	95.1	64.8	94.5	41.2	92.2	189.8	93.2	295.8

TABLE B.2: Estimated Cumulative Distribution of Households and Persons (Children, Elderly and Others) in the European Community According to Equivalent Household Expenditure in 1985 (1980 ECU)

Equivalent Household Expenditure Brackets (1980 ECU's)	HOUSEHOLDS		PERSONS							
	%	Abs.	Children		Elderly		Others		Total	
		(mln)	%	Abs. (mln)	%	Abs. (mln)	%	Abs. (mln)	%	Abs. (mln)
800	1.1	1.2	1.5	0.9	1.7	0.7	1.0	2.2	1.2	3.8
1600	4.9	5.5	7.1	4.5	7.2	3.1	4.8	10.2	5.6	17.9
2400	13.0	14.6	17.5	11.1	17.9	7.7	12.7	27.3	14.3	46.1
3200	25.8	28.9	32.8	20.8	32.1	13.9	25.9	55.7	28.1	90.4
4000	40.7	45.7	48.6	30.9	46.1	19.9	41.4	89.1	43.5	139.9
4800	54.9	61.6	61.8	39.2	57.9	25.0	55.8	120.0	57.3	184.3
5600	66.5	74.7	71.5	45.4	66.9	28.9	67.6	145.3	68.2	219.5
6400	75.2	84.4	77.6	49.3	73.1	31.5	76.2	163.7	76.0	244.6
7200	81.5	91.5	81.6	51.9	77.2	33.3	82.2	176.8	81.4	262.0
8000	86.1	96.7	84.5	53.6	80.1	34.6	86.7	186.4	85.4	274.7
8800	89.2	100.1	86.1	54.7	82.0	35.4	89.6	192.6	87.9	282.7
9600	91.5	102.8	87.2	55.4	83.4	36.0	91.7	197.2	89.7	288.6

TABLE B.3: 1980 Monthly Expenditure in Current Prices in National Currencies Corresponding to 40% and 50% of Average Expenditure for One Person and Four Persons (2 Adults, 2 Children) Households

Country		40% of National Average		50% of National Average		50% of Community Average	
		one person household	four persons household	one person household	four persons household	one person household	four persons household
Belgium	(BFR)	8,374	22,610	10,468	28,263	4,338	11,714
Denmark	(DKR)	1,820	4,914	2,275	6,142	940	2,538
Germany	(DM)	513	1,385	641	1,731	288	777
Greece	(DR)	6,018	16,248	7,522	20,310	4,288	11,578
Spain	(PTA)	10,185	27,498	12,731	34,373	7,627	20,593
France	(FF)	1,078	2,911	1,348	3,639	638	1,724
Ireland	(IRL)	86	232	108	290	57	154
Italy	(LIT)	141,787	382,826	177,234	478,532	90,332	243,897
Netherlands	(HFL)	567	1,530	708	1,913	286	772
Portugal	(ESC)	3,425	9,248	4,281	11,560	4,025	10,868
United Kingdom	(UKL)	93	251	116	314	58	158

TABLE B.4: 1985 Monthly Expenditure in Current Prices in National Currencies Corresponding to 40% and 50% of Average Expenditure for One Person and Four Persons (2 Adults, 2 Children) Households

Country		40% of National Average		50% of National Average		50% of Community Average	
		one person household	four persons household	one person household	four persons household	one person household	four persons household
Belgium	(BFR)	12,074	32,599	15,092	40,749	6,095	16,457
Denmark	(DKR)	2,960	7,991	3,700	9,989	1,376	3,715
Germany	(DM)	610	1,646	762	2,057	348	940
Greece	(DR)	16,777	45,297	20,971	56,622	10,965	29,606
Spain	(PTA)	16,872	45,555	21,090	56,944	13,447	36,306
France	(FF)	1,772	4,784	2,215	5,980	1,009	2,723
Ireland	(IRL)	145	391	181	489	102	274
Italy	(LIT)	286,713	774,124	358,391	967,655	171,902	464,136
Netherlands	(HFL)	673	1,818	842	2,273	350	945
Portugal	(ESC)	9,581	25,868	11,976	32,336	11,435	30,875
United Kingdom	(UKL)	140	377	175	472	83	223

TABLE B.5: Poverty Incidence Compared for 1980 and 1985 (Poverty Line Taken as 50% of Community Mean Equivalent Expenditure in 1980)

Country	HOUSEHOLDS				PERSONS			
	1980		1985		1980		1985	
	%	Abs (000)	%	Abs (000)	%	Abs (000)	%	Abs (000)
Belgium	2.4	85	1.6	57	2.7	268	1.8	182
Denmark	3.9	81	2.6	54	3.9	201	2.7	136
Germany	6.9	1,743	6.5	1,626	7.2	4,416	7.1	4,335
Greece	27.6	814	19.6	595	28.9	2,784	20.9	2,062
Spain	29.8	3,127	31.2	3,381	30.8	11,512	32.4	12,453
France	15.8	3,075	11.4	2,269	16.7	8,997	12.1	6,685
Ireland	21.4	192	23.6	219	21.4	729	25.6	898
Italy	12.8	2,386	13.1	2,460	15.0	8,437	13.9	7,912
Netherlands	2.6	128	3.1	158	3.7	517	4.6	664
Portugal	67.5	1,952	68.4	2,045	68.6	6,701	69.5	7,023
United Kingdom	14.3	2,855	16.5	3,307	14.9	8,368	15.8	8,944
Community:	14.8	16,438	14.4	16,173	16.8	52,930	15.9	51,924

TABLE B.6: Poverty Incidence Among Children and Elderly Compared for 1980 and 1985 (Poverty Line taken as 50% of Community Mean Equivalent Expenditure in 1980)

Country	CHILDREN				ELDERLY			
	1980		1985		1980		1985	
	%	Abs (000)	%	Abs (000)	%	Abs (000)	%	Abs (000)
Belgium	3.1	61	2.1	39	4.7	67	3.3	45
Denmark	4.3	45	3.1	29	9.3	69	7.1	54
Germany	7.9	852	9.8	919	9.8	942	10.0	902
Greece	28.1	642	21.6	450	39.9	488	31.2	410
Spain	32.1	3,088	33.6	3,022	43.9	1,840	39.2	1,790
France	17.8	2,110	15.0	1,761	27.1	1,956	17.8	1,252
Ireland	25.9	266	35.0	359	33.6	122	19.9	75
Italy	17.1	2,092	13.4	1,504	19.6	1,506	18.0	1,307
Netherlands	5.0	153	7.1	202	1.6	26	2.1	36
Portugal	70.3	1,751	71.2	1,713	80.3	902	81.0	975
United Kingdom	20.4	2,392	21.0	2,309	24.2	2,018	19.2	1,630
Community:	19.7	13,452	19.4	12,307	22.5	9,938	19.6	8,478

TABLE B.7: Poverty Incidence Compared for 1980 and 1985 (Poverty Line Taken as 50% of National Mean Equivalent Expenditure in Respective Years)

Country	HOUSEHOLDS				PERSONS			
	1980		1985		1980		1985	
	%	Abs (000)	%	Abs (000)	%	Abs (000)	%	Abs (000)
Belgium	6.3	226	5.2	189	7.1	701	5.9	583
Denmark	8.0	166	8.0	166	7.9	407	8.0	409
Germany	10.3	2,592	9.2	2,306	10.5	6,448	9.9	6,074
Greece	20.5	604	17.4	527	21.5	2,073	18.4	1,817
Spain	20.3	2,129	17.8	1,924	20.9	7,829	18.9	7,257
France	18.0	3,503	14.8	2,947	19.1	10,313	15.7	8,681
Ireland	18.5	167	17.4	162	18.4	625	19.5	684
Italy	12.0	2,237	14.7	2,760	14.1	7,941	15.5	8,880
Netherlands	6.9	345	7.9	403	9.6	1,363	11.4	1,661
Portugal	31.4	906	31.7	948	32.4	3,167	32.7	3,310
United Kingdom	14.1	2,808	18.9	3,790	14.6	8,226	18.2	10,324

TABLE B.8: Poverty Incidence Among Children and Elderly Compared for 1980 and 1985 (Poverty Line taken as 50% of National Mean Equivalent Expenditure in Respective Years)

Country	CHILDREN				ELDERLY			
	1980		1985		1980		1985	
	%	Abs (000)	%	Abs (000)	%	Abs (000)	%	Abs (000)
Belgium	8.0	158	6.7	126	12.4	175	10.7	144
Denmark	8.7	92	9.1	87	18.8	140	20.4	157
Germany	11.5	1,244	13.7	1,287	14.3	1,374	14.0	1,263
Greece	20.7	473	18.9	395	31.2	382	28.2	371
Spain	22.1	2,124	20.2	1,817	32.9	1,379	23.6	1,080
France	20.7	2,453	19.5	2,290	30.4	2,198	21.4	1,513
Ireland	22.4	231	27.9	286	30.0	109	14.2	54
Italy	16.1	1,972	15.1	1,688	18.6	1,426	20.0	1,447
Netherlands	13.1	403	17.7	506	4.2	69	5.2	91
Portugal	36.2	901	36.6	880	44.9	504	45.3	545
United Kingdom	20.1	2,354	24.0	2,642	23.8	1,988	21.7	1,846

ANNEX C

POVERTY MAPS AROUND 1980

(Statistical Tables)

TABLE C.1: Welfare and Poverty Indicators for Various Socio-Economic Classifications
(Poverty Line Equal to 50% of the Mean Equivalent Household Expenditure)

Country: **BELGIUM**
Year: **1979**

Poverty Line: 113.3 (000s National Currency)
2960 (1980 ECUs)

National
Poverty Rate: 6.3 %

Purchasing
Power Parity: 38.28 (ECU Equivalent, 1980 prices)

Code	Socio-Economic Classifications	Mean Equivalent Expenditure		Pop. Share (%)	Poverty Rate (%)	Relative Poverty Rate (%)	Gini Coeff.
		Nat. Cur. (000s)	1980 ECUs				
1100	Socio-economic Category Head						
1101	manual workers industry/services	211	5503	23.9	4.2	67	0.19
1102	non-manual workers	276	7207	27.2	1.2	20	0.23
1103	self employed industry/services	250	6524	8.1	6.4	102	0.27
1104	farmers/agricultural workers			2.8			
1105	unemployed	196	5115	1.7	15.0	239	0.26
1199	other (redefined)	203	5301	36.2	11.0	175	0.25
1200	Type of Household						
1201	one person, less than 65	295	7700	6.0	6.5	104	0.30
1202	one person, 65 or more	217	5658	8.6	5.6	89	0.26
1203	couple, no children	233	6091	27.0	8.3	132	0.27
1204	couple + 1 child	240	6262	18.7	2.6	41	0.21
1205	couple + 2 children	219	5708	17.5	3.7	59	0.21
1206	couple + 3 children	203	5312	7.0	6.4	101	0.20
1207	couple + 4 children or more	178	4655	4.4	4.5	72	0.20
1208	mono-parent household	215	5618	3.7	11.1	177	0.22
1299	other households (redefined)	200	5236	7.1	13.9	221	0.27
1300	Composition of Households						
1301	1 member	249	6505	14.6	9.9	158	0.36
1302	2 members	232	6073	30.7	7.2	115	0.27
1303	3 members	235	6148	21.7	3.3	52	0.20
1304	4 members	218	5703	19.3	3.9	62	0.21
1305	5 members	200	5214	8.0	6.3	100	0.20
1306	6 members or more	171	4477	5.7	11.4	181	0.20
1400	Economic Situation of Members						
1401	only head of h.h. economic active	230	5995	29.9	5.6	89	0.25
1402	head and spouse economic active	265	6920	25.4	1.8	28	0.20
1403	head,spouse + others econ. active			1.5			
1499	other	202	5273	43.1	9.4	150	0.24
1500	Age Group Head of the Household						
1501	aged 0-17						
1502	aged 18-24			2.0			
1503	aged 25-44	239	6234	37.2	5.1	82	0.24
1504	aged 45-64	233	6089	36.6	5.2	83	0.23
1505	aged 65 and over	197	5140	24.2	9.7	154	0.24

TABLE C.1 (Continued)

Country: **BELGIUM**
Year: **1979**

Poverty Line: 113.3 (000s National Currency)
2960 (1980 ECUs)

National
Poverty Rate: 6.3 %

Purchasing
Power Parity: 38.28 (ECU Equivalent, 1980 prices)

Code	Socio-Economic Classifications	Mean Equivalent Expenditure		Pop. Share (%)	Poverty Rate (%)	Relative Poverty Rate (%)	Gini Coeff.
		Nat. Cur. (000s)	1980 ECUs				
1700	Sex Head of Household						
1701	male	225	5885	85.7	6.0	95	0.24
1702	female	235	6135	14.3	8.3	131	0.30
1800	Educational Attainment Head						
1801	none			1.2			
1802	primary	189	4934	43.1	9.7	154	0.21
1803	secondary	240	6264	43.6	4.4	70	0.22
1804	higher	318	8314	12.1	0.9	14	0.21
1900	Economic Activity Head						
1901	agriculture						
1902	manufacturing industry						
1903	construction						
1904	government services						
1905	other services						
1999	none						

TABLE C.2: Welfare and Poverty Indicators for Various Socio-Economic Classifications
(Poverty Line Equal to 50% of the Mean Equivalent Household Expenditure)Country: DENMARK
Year: 1981Poverty Line: 30.2 (000s National Currency)
2957 (1980 ECUs)National
Poverty Rate: 8.0 %Purchasing
Power Parity: 10.20 (ECU Equivalent, 1980 prices)

Code	Socio-Economic Classifications	Mean Equivalent Expenditure		Pop. Share (%)	Poverty Rate (%)	Relative Poverty Rate (%)	Gini Coeff.
		Nat. Cur. (000s)	1980 ECUs				
1100	Socio-economic Category Head						
1101	manual workers industry/services	63.0	6174	19.5	4.4	55	0.21
1102	non-manual workers	70.1	6878	31.7	1.9	24	0.22
1103	self employed industry/services	66.1	6479	6.5	7.6	95	0.25
1104	farmers/agricultural workers	49.6	4859	3.6	22.8	285	0.28
1105	unemployed	55.6	5448	6.4	5.0	62	0.19
1199	other (redefined)	50.0	4900	32.3	15.2	190	0.24
1200	Type of Household						
1201	one person, less than 65	67.2	6590	24.5	6.8	85	0.26
1202	one person, 65 or more	49.1	4815	13.0	17.0	213	0.25
1203	couple, no children	64.4	6316	29.0	7.1	89	0.23
1204	couple + 1 child	63.5	6228	8.2	4.0	49	0.20
1205	couple + 2 children	54.7	5364	11.1	5.0	63	0.18
1206	couple + 3 children	48.6	4766	3.3	12.0	149	0.19
1207	couple + 4 children or more			0.7			
1208	mono-parent household	52.4	5139	2.7	9.7	121	0.21
1299	other households (redefined)	55.1	5404	7.6	6.2	77	0.19
1300	Composition of Households						
1301	1 member	61.0	5977	37.5	10.7	134	0.28
1302	2 members	63.9	6262	30.8	6.7	84	0.23
1303	3 members	61.3	6012	12.9	5.0	62	0.21
1304	4 members	54.0	5293	13.7	5.1	63	0.17
1305	5 members	48.3	4733	4.1	12.0	150	0.18
1306	6 members or more			1.0			
1400	Economic Situation of Members						
1401	only head of h.h. economic active	66.6	6533	31.0	5.2	65	0.23
1402	head and spouse economic active	66.0	6473	28.1	3.6	45	0.21
1403	head, spouse + others econ. active			2.5			
1499	other	51.2	5025	38.4	13.5	168	0.23
1500	Age Group Head of the Household						
1501	aged 0-17						
1502	aged 18-24	56.1	5506	12.2	7.1	88	0.20
1503	aged 25-44	65.8	6450	39.7	3.8	47	0.23
1504	aged 45-64	62.6	6139	28.2	6.8	85	0.23
1505	aged 65 and over	48.6	4763	19.9	18.8	235	0.25

TABLE C.2 (Continued)

Country: DENMARK
Year: 1981

Poverty Line: 30.2 (000s National Currency)
2957 (1980 ECUs)

National
Poverty Rate: 8.0 %

Purchasing
Power Parity: 10.20 (ECU Equivalent, 1980 prices)

Code	Socio-Economic Classifications	Mean Equivalent Expenditure		Pop. Share (%)	Poverty Rate (%)	Relative Poverty Rate (%)	Gini Coeff.
		Nat. Cur. (000s)	1980 ECUs				
1700	Sex Head of Household						
1701	male	61.9	6072	66.8	7.8	98	0.24
1702	female	57.0	5589	33.2	8.4	104	0.23
1800	Educational Attainment Head						
1801	none						
1802	primary	52.0	5103	42.0	14.3	179	0.24
1803	secondary	63.9	6270	44.9	4.0	50	0.22
1804	higher	74.2	7279	13.1	1.5	18	0.22
1900	Economic Activity Head						
1901	agriculture	49.7	4877	5.5	22.2	277	0.28
1902	manufacturing industry	65.7	6439	17.4	4.1	51	0.22
1903	construction	62.6	6134	6.6	4.6	57	0.21
1904	government services	67.2	6587	20.7	2.8	35	0.22
1905	other services	67.5	6621	19.8	2.9	36	0.21
1999	none	49.1	4811	30.0	15.4	193	0.23

TABLE C.3: Welfare and Poverty Indicators for Various Socio-Economic Classifications
(Poverty Line Equal to 50% of the Mean Equivalent Household Expenditure)

Country:	GERMANY						
Year:	1978						
Poverty Line:	6.7 (000s National Currency) 2660 (1980 ECUs)						
National Poverty Rate:	10.3 %						
Purchasing Power Parity:	2.52 (ECU Equivalent, 1980 prices)						
Code	Socio-Economic Classifications	Mean Equivalent Expenditure		Pop. Share	Poverty Rate	Relative Poverty Rate	Gini Coeff.
		Nat. Cur. (000s)	1980 ECUs				
1100 Socio-economic Category Head							
1101	manual workers industry/services	11.6	4601	24.1	12.5	121	0.24
1102	non-manual workers	15.8	6265	26.8	3.9	38	0.26
1103	self employed industry/services	15.8	6277	5.7	2.7	27	0.28
1104	farmers/agricultural workers	10.5	4169	2.2	15.1	147	0.22
1105	unemployed						
1199	other (redefined)	12.6	4987	41.2	13.9	136	0.27
1200 Type of Household							
1201	one person, less than 65	17.4	6892	11.9	6.7	65	0.30
1202	one person, 65 or more	12.4	4935	16.0	18.5	180	0.28
1203	couple, no children	15.2	6051	26.6	10.2	100	0.29
1204	couple + 1 child	14.2	5634	16.3	4.3	42	0.22
1205	couple + 2 children	12.6	4983	14.1	7.7	75	0.22
1206	couple + 3 children	10.9	4339	5.0	13.8	135	0.21
1207	couple + 4 children or more			2.2			
1208	mono-parent household	12.4	4915	3.1	14.2	138	0.27
1299	other households (redefined)	12.1	4800	4.7	13.4	131	0.25
1300 Composition of Households							
1301	1 member	14.5	5769	27.9	13.6	133	0.31
1302	2 members	15.1	6011	30.3	9.3	91	0.29
1303	3 members	14.0	5570	18.1	4.9	48	0.23
1304	4 members	12.5	4955	15.0	7.4	72	0.21
1305	5 members	10.9	4335	5.8	13.9	135	0.22
1306	6 members or more	9.0	3589	3.0	27.4	267	0.22
1400 Economic Situation of Members							
1401	only head of h.h. economic active	13.5	5360	33.0	9.5	93	0.28
1402	head and spouse economic active	15.1	6003	18.1	4.5	44	0.26
1403	head, spouse + others econ. active	12.1	4792	3.1	8.2	80	0.20
1499	other	12.5	4963	45.8	13.2	129	0.27
1500 Age Group Head of the Household							
1501	aged 0-17						
1502	aged 18-24	13.6	5387	1.9	8.1	78	0.26
1503	aged 25-44	13.4	5336	33.3	9.6	93	0.27
1504	aged 45-64	13.8	5487	34.4	8.1	79	0.27
1505	aged 65 and over	12.6	4998	30.4	13.7	133	0.28

TABLE C.3 (Continued)

Country: GERMANY
Year: 1978

Poverty Line: 6.7 (000s National Currency)
2660 (1980 ECUs)

National
Poverty Rate: 10.3 %

Purchasing
Power Parity: 2.52 (ECU Equivalent, 1980 prices)

Code	Socio-Economic Classifications	Mean Equivalent Expenditure		Pop. Share (%)	Poverty Rate (%)	Relative Poverty Rate (%)	Gini Coeff.
		Nat. Cur. (000s)	1980 ECUs				
1700	Sex Head of Household						
1701	male	13.4	5312	74.6	9.5	92	0.27
1702	female	13.5	5356	25.4	12.6	122	0.29
1800	Educational Attainment Head						
1801	none						
1802	primary						
1803	secondary						
1804	higher						
1900	Economic Activity Head						
1901	agriculture						
1902	manufacturing industry						
1903	construction						
1904	government services						
1905	other services						
1999	none						

TABLE C.4: Welfare and Poverty Indicators for Various Socio-Economic Classifications
(Poverty Line Equal to 50% of the Mean Equivalent Household Expenditure)

Country: GREECE
Year: 1982

Poverty Line: 138.6 (000s National Currency)
2289 (1980 ECUs)

National
Poverty Rate: 20.5 %

Purchasing
Power Parity: 60.56 (ECU Equivalent, 1980 prices)

Code	Socio-Economic Classifications	Mean Equivalent Expenditure		Pop. Share (%)	Poverty Rate (%)	Relative Poverty Rate (%)	Gini Coeff.
		Nat. Cur. (000s)	1980 ECUs				
1100	Socio-economic Category Head						
1101	manual workers industry/services						
1102	non-manual workers						
1103	self employed industry/services						
1104	farmers/agricultural workers						
1105	unemployed						
1199	other (redefined)						
1200	Type of Household						
1201	one person, less than 65	424	6994	5.3	11.9	58	0.45
1202	one person, 65 or more	222	3666	4.7	35.7	174	0.38
1203	couple, no children	280	4627	18.5	27.0	132	0.42
1204	couple + 1 child	324	5348	9.3	14.5	71	0.38
1205	couple + 2 children	283	4665	14.5	13.6	66	0.31
1206	couple + 3 children	234	3866	4.3	21.5	105	0.30
1207	couple + 4 children or more			0.9			
1208	mono-parent household	328	5419	1.5	8.5	42	0.36
1299	other households (redefined)	255	4218	41.0	21.0	103	0.33
1300	Composition of Households						
1301	1 member	328	5422	10.0	25.0	122	0.46
1302	2 members	289	4765	24.3	25.3	123	0.42
1303	3 members	295	4870	21.3	15.4	75	0.34
1304	4 members	277	4568	25.7	13.9	68	0.30
1305	5 members	228	3761	11.8	22.5	110	0.29
1306	6 members or more	196	3240	6.9	33.9	166	0.30
1400	Economic Situation of Members						
1401	only head of h.h. economic active	289	4774	42.0	17.4	85	0.35
1402	head and spouse economic active	305	5033	14.6	19.5	95	0.39
1403	head, spouse + others econ. active	263	4348	3.5	19.9	97	0.33
1499	other	256	4227	39.9	24.2	118	0.35
1500	Age Group Head of the Household						
1501	aged 0-17						
1502	aged 18-24	314	5185	2.3	7.0	34	0.33
1503	aged 25-44	301	4975	36.3	16.5	81	0.37
1504	aged 45-64	280	4626	40.0	18.2	89	0.34
1505	aged 65 and over	227	3747	21.3	33.0	161	0.37

TABLE C.4 (Continued)

Country: **GREECE**
Year: **1982**

Poverty Line: 138.6 (000s National Currency)
2289 (1980 ECUs)

National
Poverty Rate: 20.5 %

Purchasing
Power Parity: 60.56 (ECU Equivalent, 1980 prices)

Code	Socio-Economic Classifications	Mean Equivalent Expenditure		Pop. Share (%)	Poverty Rate (%)	Relative Poverty Rate (%)	Gini Coeff.
		Nat. Cur. (000s)	1980 ECUs				
1700	Sex Head of Household						
1701	male	276	4563	85.6	20.1	98	0.35
1702	female	283	4672	14.4	23.1	113	0.38
1800	Educational Attainment Head						
1801	none	201	3320	20.9	35.8	175	0.32
1802	primary	251	4137	51.8	22.1	108	0.32
1803	secondary	359	5931	17.8	7.0	34	0.33
1804	higher	437	7213	9.5	3.4	16	0.31
1900	Economic Activity Head						
1901	agriculture	208	3441	15.6	32.0	156	0.31
1902	manufacturing industry	285	4708	15.7	14.6	71	0.33
1903	construction	243	4020	7.8	23.2	113	0.33
1904	government services						
1905	other services	340	5623	31.0	10.9	53	0.35
1999	none	252	4168	29.9	26.8	131	0.36

TABLE C.5: Welfare and Poverty Indicators for Various Socio-Economic Classifications
(Poverty Line Equal to 50% of the Mean Equivalent Household Expenditure)Country: **SPAIN**
Year: **1980**Poverty Line: 160.0 (000s National Currency)
2086 (1980 ECUs)National
Poverty Rate: 20.3 %Purchasing
Power Parity: 76.69 (ECU Equivalent, 1980 prices)

Code	Socio-Economic Classifications	Mean Equivalent Expenditure		Pop. Share (%)	Poverty Rate (%)	Relative Poverty Rate (%)	Gini Coeff.
		Nat. Cur. (000s)	1980 ECUs				
1100	Socio-economic Category Head						
1101	manual workers industry/services						
1102	non-manual workers						
1103	self employed industry/services						
1104	farmers/agricultural workers						
1105	unemployed						
1199	other (redefined)						
1200	Type of Household						
1201	one person, less than 65						
1202	one person, 65 or more						
1203	couple, no children						
1204	couple + 1 child						
1205	couple + 2 children						
1206	couple + 3 children						
1207	couple + 4 children or more						
1208	mono-parent household						
1299	other households (redefined)						
1300	Composition of Households						
1301	1 member	347	4525	8.1	34.1	168	0.49
1302	2 members	349	4551	21.5	25.3	125	0.42
1303	3 members	363	4734	18.4	14.9	73	0.34
1304	4 members	341	4447	22.9	12.8	63	0.31
1305	5 members	309	4029	14.9	17.4	85	0.31
1306	6 members or more	261	3403	14.3	27.2	134	0.31
1400	Economic Situation of Members						
1401	only head of h.h. economic active	336	4382	44.0	16.2	79	0.33
1402	head and spouse economic active	437	5699	8.6	10.1	50	0.36
1403	head, spouse + others econ. active	304	3964	2.4	17.1	84	0.29
1499	other	283	3690	45.1	26.5	131	0.35
1500	Age Group Head of the Household						
1501	aged 0-17						
1502	aged 18-24	349	4551	2.3	16.1	79	0.36
1503	aged 25-44	341	4447	34.5	15.7	77	0.34
1504	aged 45-64	317	4134	42.8	18.8	93	0.34
1505	aged 65 and over	274	3573	20.4	31.8	156	0.38

TABLE C.5 (Continued)

Country: SPAIN
Year: 1980

Poverty Line: 160.0 (000s National Currency)
2086 (1980 ECUs)

National
Poverty Rate: 20.3 %

Purchasing
Power Parity: 76.69 (ECU Equivalent, 1980 prices)

Code	Socio-Economic Classifications	Mean Equivalent Expenditure		Pop. Share (%)	Poverty Rate (%)	Relative Poverty Rate (%)	Gini Coeff.
		Nat. Cur. (000s)	1980 ECUs				
1700	Sex Head of Household						
1701	male	321	4186	86.0	19.2	94	0.34
1702	female	316	4121	14.0	27.4	135	0.41
1800	Educational Attainment Head						
1801	none	232	3025	32.3	37.5	184	0.33
1802	primary	311	4056	47.7	15.7	77	0.30
1803	secondary	438	5712	13.1	4.5	22	0.31
1804	higher	559	7289	6.8	2.0	10	0.33
1900	Economic Activity Head						
1901	agriculture						
1902	manufacturing industry						
1903	construction						
1904	government services						
1905	other services						
1999	none						

TABLE C.6: Welfare and Poverty Indicators for Various Socio-Economic Classifications
(Poverty Line Equal to 50% of the Mean Equivalent Household Expenditure)Country: FRANCE
Year: 1979Poverty Line: 14.1 (000s National Currency)
2621 (1980 ECUs)National
Poverty Rate: 18.0 %Purchasing
Power Parity: 5.39 (ECU Equivalent, 1980 prices)

Code	Socio-Economic Classifications	Mean Equivalent Expenditure		Pop. Share (%)	Poverty Rate (%)	Relative Poverty Rate (%)	Gini Coeff.
		Nat. Cur. (000s)	1980 ECUs				
1100	Socio-economic Category Head						
1101	manual workers industry/services	25.1	4654	24.8	16.6	92	0.28
1102	non-manual workers	35.4	6556	29.0	5.4	30	0.29
1103	self employed industry/services	33.2	6147	6.6	12.2	68	0.33
1104	farmers/agricultural workers	23.7	4388	5.3	21.2	118	0.29
1105	unemployed	23.5	4347	2.1	26.2	145	0.32
1199	other (redefined)	24.4	4521	32.1	30.7	170	0.38
1200	Type of Household						
1201	one person, less than 65	38.9	7213	9.3	10.7	59	0.35
1202	one person, 65 or more	23.3	4321	12.2	37.6	208	0.41
1203	couple, no children	31.5	5835	24.3	15.2	84	0.33
1204	couple + 1 child	29.6	5479	15.9	9.4	52	0.28
1205	couple + 2 children	26.3	4873	14.7	11.9	66	0.26
1206	couple + 3 children	24.0	4441	6.6	19.1	106	0.28
1207	couple + 4 children or more	19.6	3628	4.0	32.3	179	0.27
1208	mono-parent household	26.3	4871	4.7	20.9	116	0.32
1299	other households (redefined)	24.2	4491	8.2	23.7	132	0.31
1300	Composition of Households						
1301	1 member	30.0	5568	21.4	26.2	145	0.42
1302	2 members	30.8	5700	29.3	16.5	91	0.34
1303	3 members	28.8	5344	19.0	11.6	64	0.28
1304	4 members	25.9	4801	16.8	12.9	72	0.26
1305	5 members	24.1	4471	8.1	18.2	101	0.27
1306	6 members or more	19.6	3637	5.4	32.5	180	0.27
1400	Economic Situation of Members						
1401	only head of h.h. economic active	30.4	5637	29.3	15.6	87	0.34
1402	head and spouse economic active	31.4	5822	28.6	7.8	43	0.28
1403	head, spouse + others econ. active	25.6	4743	4.3	13.0	72	0.26
1499	other	24.6	4553	37.8	28.2	157	0.37
1500	Age Group Head of the Household						
1501	aged 0-17						
1502	aged 18-24	30.8	5713	4.1	8.9	49	0.30
1503	aged 25-44	29.5	5476	36.9	11.4	63	0.29
1504	aged 45-64	30.1	5581	32.3	15.9	88	0.34
1505	aged 65 and over	23.9	4430	26.7	31.2	173	0.37

TABLE C.6 (Continued)

Country: FRANCE
Year: 1979

Poverty Line: 14.1 (000s National Currency)
2621 (1980 ECUs)

National
Poverty Rate: 18.0 %

Purchasing
Power Parity: 5.39 (ECU Equivalent, 1980 prices)

Code	Socio-Economic Classifications	Mean Equivalent Expenditure		Pop. Share (%)	Poverty Rate (%)	Relative Poverty Rate (%)	Gini Coeff.
		Nat. Cur. (000s)	1980 ECUs				
1700	Sex Head of Household						
1701	male	28.3	5246	78.3	15.9	88	0.32
1702	female	28.2	5225	21.7	25.8	143	0.39
1800	Educational Attainment Head						
1801	none	21.7	4024	31.1	31.3	174	0.32
1802	primary	26.2	4864	24.6	19.9	110	0.32
1803	secondary	32.3	5982	36.8	8.7	48	0.30
1804	higher	43.6	8076	7.0	1.8	10	0.26
1900	Economic Activity Head						
1901	agriculture						
1902	manufacturing industry						
1903	construction						
1904	government services						
1905	other services						
1999	none						

TABLE C.7: Welfare and Poverty Indicators for Various Socio-Economic Classifications
(Poverty Line Equal to 50% of the Mean Equivalent Household Expenditure)

Country: IRELAND
Year: 1980

Poverty Line: 1.3 (000s National Currency)
2363 (1980 ECUs)

National
Poverty Rate: 18.5 %

Purchasing
Power Parity: 0.55 (ECU Equivalent, 1980 prices)

Code	Socio-Economic Classifications	Mean Equivalent Expenditure		Pop. Share (%)	Poverty Rate (%)	Relative Poverty Rate (%)	Gini Coeff.
		Nat. Cur. (000s)	1980 ECUs				
1100	Socio-economic Category Head						
1101	manual workers industry/services	2.36	4316	22.5	17.6	95	0.29
1102	non-manual workers	3.25	5944	29.1	7.3	39	0.32
1103	self employed industry/services	3.04	5560	6.8	13.6	73	0.37
1104	farmers/agricultural workers	2.23	4078	17.9	22.7	122	0.31
1105	unemployed						
1199	other (redefined)	2.11	3859	23.6	31.4	168	0.35
1200	Type of Household						
1201	one person, less than 65	3.36	6145	8.6	18.9	102	0.44
1202	one person, 65 or more	1.90	3475	7.8	41.2	222	0.37
1203	couple, no children	2.95	5395	12.2	18.8	102	0.40
1204	couple + 1 child	3.00	5486	5.9	5.3	29	0.29
1205	couple + 2 children	2.41	4407	10.0	10.4	56	0.25
1206	couple + 3 children	2.23	4078	7.3	14.2	77	0.25
1207	couple + 4 children or more	1.85	3383	6.4	33.5	181	0.30
1208	mono-parent household			0.9			
1299	other households (redefined)	2.62	4792	40.7	16.2	87	0.32
1300	Composition of Households						
1301	1 member	2.67	4883	16.4	32.7	194	0.49
1302	2 members	2.86	5230	20.5	18.8	108	0.39
1303	3 members	2.92	5340	13.6	10.1	56	0.32
1304	4 members	2.59	4737	16.8	10.7	59	0.28
1305	5 members	2.42	4426	12.9	13.0	72	0.27
1306	6 members or more	2.09	3822	19.8	22.3	129	0.29
1400	Economic Situation of Members						
1401	only head of h.h. economic active	2.52	4609	54.6	17.5	94	0.33
1402	head and spouse economic active	3.88	7096	7.5	4.4	24	0.32
1403	head, spouse + others econ. active			2.1			
1499	other	2.35	4298	35.7	23.0	124	0.33
1500	Age Group Head of the Household						
1501	aged 0-17						
1502	aged 18-24	3.48	6364	4.5	6.9	37	0.32
1503	aged 25-44	2.67	4883	39.3	15.4	84	0.33
1504	aged 45-64	2.68	4901	33.5	14.4	78	0.32
1505	aged 65 and over	2.12	3877	22.7	32.2	175	0.36

TABLE C.7 (Continued)

Country: IRELAND
Year: 1980

Poverty Line: 1.3 (000s National Currency)
2363 (1980 ECUs)

National
Poverty Rate: 18.5 %

Purchasing
Power Parity: 0.55 (ECU Equivalent, 1980 prices)

Code	Socio-Economic Classifications	Mean Equivalent Expenditure		Pop. Share (%)	Poverty Rate (%)	Relative Poverty Rate (%)	Gini Coeff.
		Nat. Cur. (000s)	1980 ECUs				
1700	Sex Head of Household						
1701	male	2.57	4700	82.1	16.5	90	0.33
1702	female	2.64	4828	17.9	27.7	151	0.42
1800	Educational Attainment Head						
1801	none						
1802	primary						
1803	secondary						
1804	higher						
1900	Economic Activity Head						
1901	agriculture	2.24	4097	18.0	20.3	110	0.30
1902	manufacturing industry	2.66	4865	18.1	11.7	64	0.30
1903	construction	2.47	4517	9.2	22.9	124	0.36
1904	government services	3.16	5779	7.5	8.8	48	0.32
1905	other services	3.11	5688	23.7	10.1	55	0.34
1999	none	2.11	3859	23.5	32.1	174	0.36

TABLE C.8: Welfare and Poverty Indicators for Various Socio-Economic Classifications
(Poverty Line Equal to 50% of the Mean Equivalent Household Expenditure)

Country: ITALY
Year: 1980

Poverty Line: 2126.8 (000s National Currency)
2453 (1980 ECUs)

National
Poverty Rate: 12.1 %

Purchasing
Power Parity: 867.19 (ECU Equivalent, 1980 prices)

Code	Socio-Economic Classifications	Mean Equivalent Expenditure		Pop. Share (%)	Poverty Rate (%)	Relative Poverty Rate (%)	Gini Coeff.
		Nat. Cur. (000s)	1980 ECUs				
1100	Socio-economic Category Head						
1101	manual workers industry/services	3943	4547	26.0	12.0	100	0.33
1102	non-manual workers	4860	5605	18.8	8.8	72	0.38
1103	self employed industry/services	5138	5925	14.0	8.7	72	0.40
1104	farmers/agricultural workers	3479	4012	7.4	19.5	161	0.37
1105	unemployed						
1199	other (redefined)	3890	4486	33.1	13.8	114	0.35
1200	Type of Household						
1201	one person, less than 65	6046	6972	6.4	7.2	60	0.42
1202	one person, 65 or more	3707	4275	7.6	15.9	132	0.35
1203	couple, no children	4756	5484	17.8	10.8	89	0.38
1204	couple + 1 child	5272	6079	10.0	4.3	35	0.35
1205	couple + 2 children	4373	5042	9.2	9.0	74	0.34
1206	couple + 3 children	3419	3943	2.8	17.9	148	0.33
1207	couple + 4 children or more			1.0			
1208	mono-parent household			1.0			
1299	other households (redefined)	3995	4607	44.3	14.7	122	0.35
1300	Composition of Households						
1301	1 member	4774	5505	13.9	15.6	129	0.44
1302	2 members	4802	5538	23.3	11.0	91	0.38
1303	3 members	4952	5711	22.6	6.7	55	0.35
1304	4 members	4308	4967	21.6	9.9	82	0.33
1305	5 members	3631	4187	11.1	15.2	126	0.32
1306	6 members or more	2949	3401	7.4	27.1	224	0.33
1400	Economic Situation of Members						
1401	only head of h.h. economic active	4083	4708	50.3	13.2	109	0.36
1402	head and spouse economic active	4869	5615	22.7	8.9	73	0.37
1403	head, spouse + others econ. active	4376	5046	7.7	11.3	93	0.37
1499	other	3961	4567	19.2	13.3	110	0.35
1500	Age Group Head of the Household						
1501	aged 0-17						
1502	aged 18-24						
1503	aged 25-44						
1504	aged 45-64						
1505	aged 65 and over						

TABLE C.8 (Continued)

Country: ITALY
Year: 1980

Poverty Line: 2126.8 (000s National Currency)
2453 (1980 ECUs)

National
Poverty Rate: 12.1 %

Purchasing
Power Parity: 867.19 (ECU Equivalent, 1980 prices)

Code	Socio-Economic Classifications	Mean Equivalent Expenditure		Pop. Share (%)	Poverty Rate (%)	Relative Poverty Rate (%)	Gini Coeff.
		Nat. Cur. (000s)	1980 ECUs				
1700	Sex Head of Household						
1701	male						
1702	female						
1800	Educational Attainment Head						
1801	none						
1802	primary						
1803	secondary						
1804	higher						
1900	Economic Activity Head						
1901	agriculture						
1902	manufacturing industry						
1903	construction						
1904	government services						
1905	other services						
1999	none						

TABLE C.9: Welfare and Poverty Indicators for Various Socio-Economic Classifications
(Poverty Line Equal to 50% of the Mean Equivalent Household Expenditure)Country: NETHERLANDS
Year: 1979Poverty Line: 8.0 (000s National Currency)
3120 (1980 ECUs)National
Poverty Rate: 6.9 %Purchasing
Power Parity: 2.57 (ECU Equivalent, 1980 prices)

Code	Socio-Economic Classifications	Mean Equivalent Expenditure		Pop. Share (%)	Poverty Rate (%)	Relative Poverty Rate (%)	Gini Coeff.
		Nat. Cur. (000s)	1980 ECUs				
1100	Socio-economic Category Head						
1101	manual workers industry/services	13.3	5185	22.2	12.0	174	0.22
1102	non-manual workers	18.4	7179	32.9	1.8	26	0.25
1103	self employed industry/services	17.2	6684	5.5	7.7	111	0.23
1104	farmers/agricultural workers	13.8	5383	3.3	9.7	141	0.19
1105	unemployed	15.5	6049	36.0	8.1	117	0.26
1199	other (redefined)						
1200	Type of Household						
1201	one person, less than 65	20.4	7958	11.9	2.9	42	0.25
1202	one person, 65 or more	15.6	6069	8.7	6.8	98	0.22
1203	couple, no children	17.8	6941	22.9	5.3	77	0.25
1204	couple + 1 child	16.0	6221	8.7	3.8	55	0.23
1205	couple + 2 children	14.1	5496	16.9	6.3	91	0.20
1206	couple + 3 children	12.2	4748	5.3	13.1	190	0.19
1207	couple + 4 children or more			1.7			
1208	mono-parent household						
1299	other households (redefined)	14.9	5816	24.2	10.6	153	0.23
1300	Composition of Households						
1301	1 member	18.4	7160	20.4	5.4	78	0.25
1302	2 members	17.7	6875	28.2	6.6	96	0.25
1303	3 members	16.0	6248	15.6	4.1	59	0.22
1304	4 members	14.3	5578	22.1	7.4	108	0.19
1305	5 members	12.9	5033	8.7	15.0	217	0.21
1306	6 members or more			4.7			
1400	Economic Situation of Members						
1401	only head of h.h. economic active	15.9	6182	45.3	6.8	99	0.24
1402	head and spouse economic active	18.4	7171	11.4	5.0	72	0.25
1403	head, spouse + others econ. active			1.1			
1499	other	15.6	6081	42.2	7.5	108	0.25
1500	Age Group Head of the Household						
1501	aged 0-17						
1502	aged 18-24	15.5	6034	3.8	2.9	42	0.17
1503	aged 25-44	15.9	6190	43.9	7.8	113	0.25
1504	aged 45-64	16.7	6497	33.9	5.3	78	0.25
1505	aged 65 and over	15.3	5956	18.6	8.5	123	0.25

TABLE C.9 (Continued)

Country: NETHERLANDS
Year: 1979

Poverty Line: 8.0 (000s National Currency)
3120 (1980 ECUs)

National
Poverty Rate: 6.9 %

Purchasing
Power Parity: 2.57 (ECU Equivalent, 1980 prices)

Code	Socio-Economic Classifications	Mean Equivalent Expenditure		Pop. Share (%)	Poverty Rate (%)	Relative Poverty Rate (%)	Gini Coeff.
		Nat. Cur. (000s)	1980 ECUs				
1700	Sex Head of Household						
1701	male	15.7	6127	82.0	7.0	101	0.24
1702	female	17.4	6770	17.9	6.6	96	0.26
1800	Educational Attainment Head						
1801	none						
1802	primary	13.8	5372	28.5	10.1	147	0.22
1803	secondary	15.9	6194	57.1	6.4	93	0.23
1804	higher	21.0	8165	14.5	2.5	36	0.29
1900	Economic Activity Head						
1901	agriculture	13.6	5301	3.7	9.8	142	0.21
1902	manufacturing industry	14.8	5769	16.4	9.5	138	0.25
1903	construction	15.4	5983	7.1	8.2	119	0.24
1904	government services	17.6	6844	10.3	1.9	28	0.26
1905	other services	17.4	6762	26.7	4.9	72	0.24
1999	none	15.5	6049	36.0	8.0	116	0.26

TABLE C.10: Welfare and Poverty Indicators for Various Socio-Economic Classifications
(Poverty Line Equal to 50% of the Mean Equivalent Household Expenditure)Country: **PORTUGAL**
Year: **1980**Poverty Line: 52.7 (000s National Currency)
1330 (1980 ECUs)National
Poverty Rate: 31.3 %Purchasing
Power Parity: 39.63 (ECU Equivalent, 1980 prices)

Code	Socio-Economic Classifications	Mean Equivalent Expenditure		Pop. Share (%)	Poverty Rate (%)	Relative Poverty Rate (%)	Gini Coeff.
		Nat. Cur. (000s)	1980 ECUs				
1100	Socio-economic Category Head						
1101	manual workers industry/services	98	2475	20.6	23.6	75	0.35
1102	non-manual workers	149	3753	13.5	12.4	39	0.42
1103	self employed industry/services	120	3017	9.1	24.4	78	0.44
1104	farmers/agricultural workers	74	1861	19.0	42.0	134	0.34
1105	unemployed			0.8			
1199	other (redefined)	108	2735	37.1	38.7	124	0.50
1200	Type of Household						
1201	one person, less than 65	133	3348	4.5	40.7	130	0.59
1202	one person, 65 or more	65	1636	6.3	53.6	171	0.38
1203	couple, no children	114	2864	21.4	30.3	97	0.45
1204	couple + 1 child	130	3292	16.9	19.6	63	0.43
1205	couple + 2 children	123	3092	15.0	21.5	69	0.43
1206	couple + 3 children	95	2405	5.7	36.0	115	0.43
1207	couple + 4 children or more	68	1726	5.1	52.1	167	0.36
1208	mono-parent household	94	2384	6.1	32.5	104	0.40
1299	other households (redefined)	95	2403	18.9	33.7	107	0.40
1300	Composition of Households						
1301	1 member	93	2354	10.9	49.8	159	0.52
1302	2 members	111	2790	26.6	31.1	99	0.45
1303	3 members	125	3143	22.4	22.1	70	0.43
1304	4 members	118	2967	20.1	22.8	73	0.42
1305	5 members	98	2465	10.2	31.0	99	0.40
1306	6 members or more	73	1847	9.9	50.0	160	0.39
1400	Economic Situation of Members						
1401	only head of h.h. economic active	109	2763	33.7	26.6	85	0.41
1402	head and spouse economic active	153	3867	17.6	17.0	54	0.47
1403	head, spouse + others econ. active	88	2223	4.7	36.0	115	0.40
1499	other	84	2115	44.0	40.1	128	0.39
1500	Age Group Head of the Household						
1501	aged 0-17			0.1			
1502	aged 18-24	121	3065	1.7	21.7	69	0.43
1503	aged 25-44	123	3093	31.7	25.3	81	0.46
1504	aged 45-64	101	2559	42.2	30.0	96	0.42
1505	aged 65 and over	80	2008	24.2	42.2	135	0.40

TABLE C.10 (Continued)

Country: PORTUGAL
Year: 1980

Poverty Line: 52.7 (000s National Currency)
1330 (1980 ECUs)

National
Poverty Rate: 31.3 %

Purchasing
Power Parity: 39.63 (ECU Equivalent, 1980 prices)

Code	Socio-Economic Classifications	Mean Equivalent Expenditure		Pop. Share (%)	Poverty Rate (%)	Relative Poverty Rate (%)	Gini Coeff.
		Nat. Cur. (000s)	1980 ECUs				
1700	Sex Head of Household						
1701	male	107	2707	80.1	29.5	94	0.44
1702	female	94	2371	19.9	38.5	123	0.45
1800	Educational Attainment Head						
1801	none	68	1720	34.7	50.5	161	0.35
1802	primary	102	2580	51.3	25.6	82	0.37
1803	secondary	182	4599	10.7	5.6	18	0.42
1804	higher	254	6403	3.3	1.3	4	0.27
1900	Economic Activity Head						
1901	agriculture	73	1850	18.5	44.1	141	0.35
1902	manufacturing industry	108	2730	15.0	20.4	65	0.36
1903	construction	95	2396	7.3	31.5	101	0.40
1904	government services	150	3783	11.9	17.8	57	0.47
1905	other services	147	3703	15.5	15.3	49	0.45
1999	none	84	2121	31.8	41.8	134	0.40

TABLE C.11: Welfare and Poverty Indicators for Various Socio-Economic Classifications
(Poverty Line Equal to 50% of the Mean Equivalent Household Expenditure)

Country: **UNITED KINGDOM**
Year: **1981**

Poverty Line: 1.6 (000s National Currency)
2486 (1980 ECUs)

National
Poverty Rate: 14.0 %

Purchasing
Power Parity: 0.63 (ECU Equivalent, 1980 prices)

Code	Socio-Economic Classifications	Mean Equivalent Expenditure		Pop. Share (%)	Poverty Rate (%)	Relative Poverty Rate (%)	Gini Coeff.
		Nat. Cur. (000s)	1980 ECUs				
1100	Socio-economic Category Head						
1101	manual workers industry/services	2.95	4697	29.7	8.9	64	0.25
1102	non-manual workers	3.98	6338	24.3	4.0	28	0.29
1103	self employed industry/services	3.41	5430	6.6	9.3	66	0.32
1104	farmers/agricultural workers	2.64	4204	0.9	14.7	105	0.25
1105	unemployed	2.31	3678	6.1	37.4	267	0.33
1199	other (redefined)	2.61	4156	32.4	22.7	162	0.31
1200	Type of Household						
1201	one person, less than 65	4.17	6640	8.9	8.9	64	0.37
1202	one person, 65 or more	2.44	3885	11.8	27.8	199	0.28
1203	couple, no children	3.57	5685	25.8	12.0	86	0.32
1204	couple + 1 child	3.12	4968	6.7	5.0	36	0.24
1205	couple + 2 children	2.70	4299	10.0	11.8	84	0.23
1206	couple + 3 children	2.57	4092	3.0	25.2	180	0.31
1207	couple + 4 children or more			0.5			
1208	mono-parent household	2.31	3678	4.0	25.5	182	0.25
1299	other households (redefined)	3.19	5080	29.3	11.9	85	0.27
1300	Composition of Households						
1301	1 member	3.19	5080	20.7	25.0	178	0.41
1302	2 members	3.53	5621	32.3	10.8	77	0.32
1303	3 members	3.30	5255	16.8	7.1	50	0.27
1304	4 members	2.95	4697	19.0	9.8	70	0.25
1305	5 members	2.80	4459	8.0	17.2	123	0.30
1306	6 members or more	2.26	3599	3.2	28.3	203	0.27
1400	Economic Situation of Members						
1401	only head of h.h. economic active	3.16	5032	24.0	13.4	95	0.32
1402	head and spouse economic active	3.43	5462	26.0	5.7	41	0.28
1403	head, spouse + others econ. active	3.66	5828	7.3	2.4	17	0.23
1499	other	2.70	4299	42.7	21.4	153	0.32
1500	Age Group Head of the Household						
1501	aged 0-17						
1502	aged 18-24	3.11	4952	4.4	16.5	118	0.33
1503	aged 25-44	3.03	4825	37.6	14.2	102	0.30
1504	aged 45-64	3.54	5637	32.5	7.1	50	0.29
1505	aged 65 and over	2.56	4076	25.5	22.0	157	0.29

TABLE C.11 (Continued)

Country: UNITED KINGDOM
Year: 1981

Poverty Line: 1.6 (000s National Currency)
2486 (1980 ECUs)

National
Poverty Rate: 14.0 %

Purchasing
Power Parity: 0.63 (ECU Equivalent, 1980 prices)

Code	Socio-Economic Classifications	Mean Equivalent Expenditure		Pop. Share (%)	Poverty Rate (%)	Relative Poverty Rate (%)	Gini Coeff.
		Nat. Cur. (000s)	1980 ECUs				
1700	Sex Head of Household						
1701	male	3.18	5064	77.8	11.5	82	0.30
1702	female	2.81	4475	22.2	22.9	163	0.35
1800	Educational Attainment Head						
1801	none						
1802	primary						
1803	secondary						
1804	higher						
1900	Economic Activity Head						
1901	agriculture	2.79	4443	2.1	20.1	144	0.31
1902	manufacturing industry	3.19	5080	25.9	8.8	63	0.28
1903	construction	2.84	4522	7.2	14.7	105	0.27
1904	government services	3.65	5812	5.2	7.7	55	0.32
1905	other services	3.49	5557	28.7	8.8	63	0.31
1999	none	2.57	4092	31.0	23.6	168	0.30

ANNEX D

POVERTY MAPS AROUND 1985

(Statistical Tables)

TABLE D.1: Welfare and Poverty Indicators for Various Socio-Economic Classifications
(Poverty Line Equal to 50% of the Mean Equivalent Household Expenditure)

Country: **GERMANY**
Year: **1983**

Poverty Line: 8.4 (000s National Currency)
2625 (1980 ECUs)

National
Poverty Rate: 9.2 %

Purchasing
Power Parity: 3.20 (ECU Equivalent, 1980 prices)

Code	Socio-Economic Classifications	Mean Equivalent Expenditure		Pop. Share (%)	Poverty Rate (%)	Relative Poverty Rate (%)	Gini Coeff.
		Nat. Cur. (000s)	1980 ECUs				
1100	Socio-economic Category Head						
1101	manual workers industry/services	14.7	4597	21.9	10.9	118	0.23
1102	non-manual workers	19.3	6041	28.5	3.5	38	0.25
1103	self employed industry/services	20.1	6291	5.9	2.1	22	0.27
1104	farmers/agricultural workers	13.2	4131	1.6	10.0	108	0.18
1105	unemployed	12.8	3984	2.3	26.9	291	0.28
1199	other (redefined)	15.8	4931	39.8	12.4	135	0.27
1200	Type of Household						
1201	one person, less than 65	20.3	6350	16.5	7.3	79	0.29
1202	one person, 65 or more	15.8	4934	15.1	14.5	156	0.27
1203	couple, no children	19.1	5975	25.3	7.7	84	0.28
1204	couple + 1 child	17.3	5403	15.5	4.8	52	0.22
1205	couple + 2 children	15.2	4763	12.9	8.2	88	0.21
1206	couple + 3 children	13.6	4238	4.1	12.4	134	0.20
1207	couple + 4 children or more	11.6	3616	1.3	22.8	247	0.20
1208	mono-parent household	15.1	4725	3.9	16.2	175	0.26
1299	other households (redefined)	15.7	4891	5.4	12.4	134	0.26
1300	Composition of Households						
1301	1 member	18.2	5675	31.5	11.5	125	0.30
1302	2 members	18.9	5913	30.5	7.9	85	0.27
1303	3 members	17.1	5341	17.6	5.7	61	0.22
1304	4 members	15.2	4744	13.7	8.0	87	0.21
1305	5 members	13.5	4209	4.8	12.8	138	0.20
1306	6 members or more	11.4	3547	1.9	26.5	287	0.21
1400	Economic Situation of Members						
1401	only head of h.h. economic active	16.8	5250	34.7	9.2	99	0.27
1402	head and spouse economic active	18.7	5834	17.8	4.0	43	0.25
1403	head, spouse + others econ. active	15.7	4913	3.1	5.7	62	0.21
1499	other	15.8	4941	44.5	11.6	126	0.27
1500	Age Group Head of the Household						
1501	aged 0-17						
1502	aged 18-24	15.5	4838	3.8	11.3	123	0.24
1503	aged 25-44	16.6	5191	34.3	9.6	104	0.26
1504	aged 45-64	17.5	5459	34.7	7.1	76	0.26
1505	aged 65 and over	16.0	5000	27.2	11.3	122	0.27

TABLE D.1 (Continued)

Country: GERMANY
Year: 1983

Poverty Line: 8.4 (000s National Currency)
2625 (1980 ECUs)

National
Poverty Rate: 9.2 %

Purchasing
Power Parity: 3.20 (ECU Equivalent, 1980 prices)

Code	Socio-Economic Classifications	Mean Equivalent Expenditure		Pop. Share (%)	Poverty Rate (%)	Relative Poverty Rate (%)	Gini Coeff.
		Nat. Cur. (000s)	1980 ECUs				
1700	Sex Head of Household						
1701	male	16.8	5241	72.3	8.6	93	0.26
1702	female	16.9	5278	27.7	11.0	120	0.28
1800	Educational Attainment Head						
1801	none						
1802	primary						
1803	secondary						
1804	higher						
1900	Economic Activity Head						
1901	agriculture						
1902	manufacturing industry						
1903	construction						
1904	government services						
1905	other services						
1999	none						

TABLE D.2: Welfare and Poverty Indicators for Various Socio-Economic Classifications
(Poverty Line Equal to 50% of the Mean Equivalent Household Expenditure)

Country: **SPAIN**
Year: **1987**

Poverty Line: 314.0 (000s National Currency)
2124 (1980 ECUs)

National
Poverty Rate: 17.8 %

Purchasing
Power Parity: 147.83 (ECU Equivalent, 1980 prices)

Code	Socio-Economic Classifications	Mean Equivalent Expenditure		Pop. Share	Poverty Rate	Relative Poverty Rate	Gini Coeff.
		Nat. Cur. (000s)	1980 ECUs				
1100 Socio-economic Category Head							
1101	manual workers industry/services						
1102	non-manual workers						
1103	self employed industry/services						
1104	farmers/agricultural workers						
1105	unemployed						
1199	other (redefined)						
1200 Type of Household							
1201	one person, less than 65	884	5980	3.0	12.7	71	0.39
1202	one person, 65 or more	556	3761	5.3	28.7	161	0.37
1203	couple, no children	676	4573	15.5	17.6	99	0.36
1204	couple + 1 child	784	5303	6.4	6.6	37	0.29
1205	couple + 2 children	700	4735	10.3	8.4	47	0.29
1206	couple + 3 children	568	3842	3.4	19.2	108	0.31
1207	couple + 4 children or more	476	3220	0.5	30.5	172	0.31
1208	mono-parent household	532	3599	2.3	25.4	143	0.32
1299	other households (redefined)	604	4086	53.2	19.6	110	0.32
1300 Composition of Households							
1301	1 member	676	4573	8.3	23.5	132	0.40
1302	2 members	668	4519	20.4	20.2	114	0.36
1303	3 members	712	4816	20.6	13.8	78	0.33
1304	4 members	676	4573	24.6	12.0	68	0.31
1305	5 members	592	4005	15.6	17.5	98	0.30
1306	6 members or more	488	3301	10.5	30.3	170	0.30
1400 Economic Situation of Members							
1401	only head of h.h. economic active	624	4221	52.0	15.6	88	0.32
1402	head and spouse economic active	768	5195	14.3	9.8	55	0.33
1403	head, spouse + others econ. active						
1499	other	560	3788	33.8	24.6	138	0.35
1500 Age Group Head of the Household							
1501	aged 0-17						
1502	aged 18-24	580	3923	1.0	18.3	103	0.29
1503	aged 25-44	656	4437	33.3	14.3	81	0.32
1504	aged 45-64	632	4275	42.9	17.1	96	0.33
1505	aged 65 and over	576	3896	22.7	24.1	136	0.35

TABLE D.2 (Continued)

Country: SPAIN
Year: 1987

Poverty Line: 314.0 (000s National Currency)
2124 (1980 ECUs)

National
Poverty Rate: 17.8 %

Purchasing
Power Parity: 147.83 (ECU Equivalent, 1980 prices)

Code	Socio-Economic Classifications	Mean Equivalent Expenditure		Pop. Share (%)	Poverty Rate (%)	Relative Poverty Rate (%)	Gini Coeff.
		Nat. Cur. (000s)	1980 ECUs				
1700	Sex Head of Household						
1701	male	632.0	4275	84.7	16.2	91	0.32
1702	female	608.0	4113	15.3	26.6	150	0.40
1800	Educational Attainment Head						
1801	none	476.0	3220	30.1	32.2	181	0.33
1802	primary	616.0	4167	46.7	14.2	80	0.30
1803	secondary	800.0	5412	20.0	6.2	35	0.31
1804	higher	1104.0	7468	3.2	6.5	37	0.49
1900	Economic Activity Head						
1901	agriculture						
1902	manufacturing industry						
1903	construction						
1904	government services						
1905	other services						
1999	none						

TABLE D.3: Welfare and Poverty Indicators for Various Socio-Economic Classifications
(Poverty Line Equal to 50% of the Mean Equivalent Household Expenditure)Country: **FRANCE**
Year: **1985**Poverty Line: 25.9 (000s National Currency)
2745 (1980 ECUs)National
Poverty Rate: 13.8 %Purchasing
Power Parity: 9.43 (ECU Equivalent, 1980 prices)

Code	Socio-Economic Classifications	Mean Equivalent Expenditure		Pop. Share (%)	Poverty Rate (%)	Relative Poverty Rate (%)	Gini Coeff.
		Nat. Cur. (000s)	1980 ECUs				
1100	Socio-economic Category Head						
1101	manual workers industry/services	44.9	4765	22.4	14.1	102	0.24
1102	non-manual workers	63.2	6705	30.0	4.1	30	0.27
1103	self employed industry/services	59.3	6282	5.4	8.7	63	0.30
1104	farmers/agricultural workers	40.9	4332	4.7	20.3	147	0.25
1105	unemployed	40.2	4263	3.8	28.3	205	0.31
1199	other (redefined)	47.7	5059	33.7	20.5	148	0.32
1200	Type of Household						
1201	one person, less than 65	67.0	7105	13.3	7.7	56	0.29
1202	one person, 65 or more	44.6	4725	9.9	28.0	203	0.35
1203	couple, no children	58.0	6151	24.9	10.0	72	0.29
1204	couple + 1 child	52.0	5508	15.1	8.5	62	0.25
1205	couple + 2 children	46.8	4965	15.5	10.6	77	0.23
1206	couple + 3 children	39.5	4190	6.0	18.8	137	0.23
1207	couple + 4 children or more	33.4	3544	2.8	36.7	266	0.26
1208	mono-parent household	48.0	5090	5.7	16.0	116	0.28
1299	other households (redefined)	42.0	4455	6.6	22.5	163	0.28
1300	Composition of Households						
1301	1 member	57.4	6090	23.2	16.3	118	0.34
1302	2 members	56.4	5974	29.9	11.2	82	0.29
1303	3 members	51.0	5408	18.7	9.7	71	0.25
1304	4 members	46.3	4903	17.3	11.7	85	0.24
1305	5 members	39.2	4155	7.1	19.7	143	0.23
1306	6 members or more	33.4	3542	3.8	36.8	266	0.27
1400	Economic Situation of Members						
1401	only head of h.h. economic active	55.0	5833	28.5	12.7	92	0.31
1402	head and spouse economic active	55.3	5863	29.7	6.7	49	0.25
1403	head, spouse + others econ. active	46.1	4889	3.9	14.1	102	0.25
1499	other	47.2	5000	37.9	20.1	146	0.31
1500	Age Group Head of the Household						
1501	aged 0-17						
1502	aged 18-24	52.2	5536	5.2	12.7	92	0.27
1503	aged 25-44	52.5	5565	39.6	10.5	76	0.27
1504	aged 45-64	54.7	5796	34.2	11.6	84	0.30
1505	aged 65 and over	45.6	4836	21.0	23.9	173	0.33

TABLE D.3 (Continued)

Country: **FRANCE**
Year: **1985**

Poverty Line: 25.9 (000s National Currency)
2745 (1980 ECUs)

National
Poverty Rate: 13.8 %

Purchasing
Power Parity: 9.43 (ECU Equivalent, 1980 prices)

Code	Socio-Economic Classifications	Mean Equivalent Expenditure		Pop. Share (%)	Poverty Rate (%)	Relative Poverty Rate (%)	Gini Coeff.
		Nat. Cur. (000s)	1980 ECUs				
1700	Sex Head of Household						
1701	male	51.6	5472	77.8	12.8	93	0.28
1702	female	52.4	5552	22.2	17.4	126	0.32
1800	Educational Attainment Head						
1801	none	40.0	4239	28.4	24.9	180	0.28
1802	primary	47.5	5033	21.9	14.1	102	0.26
1803	secondary	55.7	5900	37.8	8.2	59	0.27
1804	higher	77.2	8180	9.3	2.1	15	0.27
1900	Economic Activity Head						
1901	agriculture	42.1	4467	5.2	18.5	134	0.26
1902	manufacturing industry	51.3	5442	19.2	11.8	86	0.28
1903	construction	45.1	4779	6.1	15.6	113	0.25
1904	government services	58.9	6240	12.4	6.5	47	0.27
1905	other services	58.1	6158	22.6	7.6	55	0.28
1999	none	47.7	5054	33.8	20.7	150	0.32

TABLE D.4: Welfare and Poverty Indicators for Various Socio-Economic Classifications
(Poverty Line Equal to 50% of the Mean Equivalent Household Expenditure)Country: IRELAND
Year: 1987Poverty Line: 2.4 (000s National Currency)
2298 (1980 ECUs)National
Poverty Rate: 17.4 %Purchasing
Power Parity: 1.04 (ECU Equivalent, 1980 prices)

Code	Socio-Economic Classifications	Mean Equivalent Expenditure		Pop. Share (%)	Poverty Rate (%)	Relative Poverty Rate (%)	Gini Coeff.
		Nat. Cur. (000s)	1980 ECUs				
1100	Socio-economic Category Head						
1101	manual workers industry/services	4.55	4357	13.1	12.5	72	0.28
1102	non-manual workers	6.28	6013	24.8	5.0	29	0.31
1103	self employed industry/services	6.22	5956	6.2	7.6	44	0.35
1104	farmers/agricultural workers	4.47	4280	12.4	12.4	71	0.27
1105	unemployed	3.05	2920	11.9	48.6	279	0.32
1199	other (redefined)	4.26	4079	31.6	21.4	123	0.31
1200	Type of Household						
1201	one person, less than 65	6.02	5764	9.6	21.5	123	0.46
1202	one person, 65 or more	4.08	3907	8.9	21.5	123	0.30
1203	couple, no children	5.88	5630	13.3	13.4	77	0.40
1204	couple + 1 child	5.46	5228	4.9	10.0	57	0.29
1205	couple + 2 children	4.35	4165	7.4	14.3	82	0.26
1206	couple + 3 children	3.84	3677	5.9	19.1	110	0.25
1207	couple + 4 children or more	3.14	3007	4.6	35.6	204	0.28
1208	mono-parent household			1.6			
1299	other households (redefined)	4.72	4519	43.9	16.1	93	0.31
1300	Composition of Households						
1301	1 member	5.09	4874	18.5	21.5	123	0.40
1302	2 members	5.51	5276	20.4	13.8	79	0.37
1303	3 members	5.42	5190	14.3	11.5	66	0.32
1304	4 members	4.76	4558	16.5	12.7	73	0.28
1305	5 members	4.26	4079	13.7	17.2	99	0.28
1306	6 members or more	3.57	3418	16.6	27.4	157	0.28
1400	Economic Situation of Members						
1401	only head of h.h. economic active	4.60	4404	40.1	27.6	159	0.32
1402	head and spouse economic active	6.12	5860	12.2	4.2	24	0.23
1403	head, spouse + others econ. active			2.1			
1499	other	4.95	4740	30.1	9.2	53	0.23
1500	Age Group Head of the Household						
1501	aged 0-17						
1502	aged 18-24	4.86	4653	3.3	15.8	91	0.31
1503	aged 25-44	4.82	4615	39.9	21.7	125	0.37
1504	aged 45-64	5.03	4816	33.4	12.8	73	0.32
1505	aged 65 and over	4.43	4242	23.4	17.0	97	0.30

TABLE D.4 (Continued)

Country: IRELAND
Year: 1987

Poverty Line: 2.4 (000s National Currency)
2298 (1980 ECUs)

National
Poverty Rate: 17.4 %

Purchasing
Power Parity: 1.04 (ECU Equivalent, 1980 prices)

Code	Socio-Economic Classifications	Mean Equivalent Expenditure		Pop. Share (%)	Poverty Rate (%)	Relative Poverty Rate (%)	Gini Coeff.
		Nat. Cur. (000s)	1980 ECUs				
1700	Sex Head of Household						
1701	male	4.8	4615	78.1	15.8	91	0.32
1702	female	4.7	4539	21.9	23.3	134	0.38
1800	Educational Attainment Head						
1801	none						
1802	primary	3.6	3485	8.4	28.6	164	0.29
1803	secondary	4.6	4424	82.2	17.8	102	0.31
1804	higher	7.7	7334	8.6	2.6	15	0.38
1900	Economic Activity Head						
1901	agriculture	4.3	4146	12.5	15.8	91	0.28
1902	manufacturing industry	4.9	4682	16.8	16.3	93	0.32
1903	construction	4.1	3897	7.8	22.6	129	0.29
1904	government services	5.5	5295	6.2	8.1	46	0.28
1905	other services	5.7	5486	24.9	13.6	78	0.36
1999	none	4.3	4069	31.8	22.2	128	0.32

TABLE D.5: Welfare and Poverty Indicators for Various Socio-Economic Classifications
(Poverty Line Equal to 50% of the Mean Equivalent Household Expenditure)Country: ITALY
Year: 1985Poverty Line: 4300.7 (000s National Currency)
2606 (1980 ECUs)National
Poverty Rate: 14.7 %Purchasing
Power Parity: 1650.26 (ECU Equivalent, 1980 prices)

Code	Socio-Economic Classifications	Mean Equivalent Expenditure		Pop. Share (%)	Poverty Rate (%)	Relative Poverty Rate (%)	Gini Coeff.
		Nat. Cur. (000s)	1980 ECUs				
1100	Socio-economic Category Head						
1101	manual workers industry/services	7841	4752	22.9	15.8	108	0.34
1102	non-manual workers	10093	6116	19.3	7.5	51	0.34
1103	self employed industry/services	10000	6060	14.3	8.9	60	0.35
1104	farmers/agricultural workers	6812	4128	6.0	25.1	171	0.38
1105	unemployed	6331	3836	1.8	35.7	243	0.45
1199	other (redefined)	7996	4845	35.7	17.4	118	0.37
1200	Type of Household						
1201	one person, less than 65	12841	7781	8.7	12.0	82	0.49
1202	one person, 65 or more	7427	4500	9.2	21.0	143	0.37
1203	couple, no children	9526	5773	18.0	13.8	94	0.38
1204	couple + 1 child	9906	6002	9.2	6.9	47	0.31
1205	couple + 2 children	8426	5106	8.6	11.2	76	0.32
1206	couple + 3 children	7018	4253	2.0	16.9	115	0.30
1207	couple + 4 children or more	6084	3687	0.5	37.9	258	0.42
1208	mono-parent household	9833	5959	0.9	10.3	70	0.34
1299	other households (redefined)	8096	4906	42.9	16.3	111	0.34
1300	Composition of Households						
1301	1 member	10071	6102	17.9	20.8	142	0.48
1302	2 members	9656	5851	23.2	13.9	95	0.38
1303	3 members	9440	5720	22.2	9.2	62	0.32
1304	4 members	8521	5163	21.7	12.1	82	0.32
1305	5 members	7427	4500	9.6	16.6	113	0.32
1306	6 members or more	6007	3640	5.5	26.9	184	0.31
1400	Economic Situation of Members						
1401	only head of h.h. economic active	8127	4924	50.8	17.0	116	0.38
1402	head and spouse economic active	9782	5927	25.2	10.1	69	0.35
1403	head, spouse + others econ. active	8653	5244	7.0	13.1	89	0.35
1499	other	8100	4908	17.0	15.2	103	0.35
1500	Age Group Head of the Household						
1501	aged 0-17						
1502	aged 18-24						
1503	aged 25-44						
1504	aged 45-64						
1505	aged 65 and over						

TABLE D.5 (Continued)

Country: ITALY
Year: 1985

Poverty Line: 4300.7 (000s National Currency)
2606 (1980 ECUs)

National
Poverty Rate: 14.7 %

Purchasing
Power Parity: 1650.26 (ECU Equivalent, 1980 prices)

Code	Socio-Economic Classifications	Mean Equivalent Expenditure		Pop. Share (%)	Poverty Rate (%)	Relative Poverty Rate (%)	Gini Coeff.
		Nat. Cur. (000s)	1980 ECUs				
1700	Sex Head of Household						
1701	male						
1702	female						
1800	Educational Attainment Head						
1801	none						
1802	primary						
1803	secondary						
1804	higher						
1900	Economic Activity Head						
1901	agriculture						
1902	manufacturing industry						
1903	construction						
1904	government services						
1905	other services						
1999	none						

TABLE D.6: Welfare and Poverty Indicators for Various Socio-Economic Classifications
(Poverty Line Equal to 50% of the Mean Equivalent Household Expenditure)

Country: **NETHERLANDS**
Year: **1985**

Poverty Line: 10.1 (000s National Currency)
3007 (1980 ECUs)

National
Poverty Rate: 8.0 %

Purchasing
Power Parity: 3.36 (ECU Equivalent, 1980 prices)

Code	Socio-Economic Classifications	Mean Equivalent Expenditure		Pop. Share (%)	Poverty Rate (%)	Relative Poverty Rate (%)	Gini Coeff.
		Nat. Cur. (000s)	1980 ECUs				
1100	Socio-economic Category Head						
1101	manual workers industry/services	15.6	4641	19.6	12.4	156	0.19
1102	non-manual workers	23.2	6919	30.2	4.2	52	0.27
1103	self employed industry/services	22.9	6815	4.2	7.7	96	0.33
1104	farmers/agricultural workers	16.5	4898	3.5	9.3	117	0.21
1105	unemployed	20.2	6017	42.4	8.5	107	0.27
1199	other (redefined)						
1200	Type of Household						
1201	one person, less than 65			17.5			
1202	one person, 65 or more	21.4	6368	8.8	7.5	95	0.31
1203	couple, no children	22.6	6740	22.4	4.2	53	0.27
1204	couple + 1 child	16.9	5034	9.6	7.0	87	0.18
1205	couple + 2 children	15.4	4588	15.8	10.8	136	0.19
1206	couple + 3 children	14.2	4234	4.6	21.3	267	0.21
1207	couple + 4 children or more			1.6			
1208	mono-parent household			1.2			
1299	other households (redefined)	19.0	5666	18.5	7.6	95	0.23
1300	Composition of Households						
1301	1 member	24.7	7363	26.7	4.4	56	0.27
1302	2 members	22.5	6699	26.2	3.3	41	0.25
1303	3 members	18.3	5445	16.1	6.4	81	0.22
1304	4 members	15.7	4665	20.1	13.9	175	0.19
1305	5 members	14.9	4433	7.1	25.2	316	0.23
1306	6 members or more			3.8			
1400	Economic Situation of Members						
1401	only head of h.h. economic active	19.9	5925	41.0	8.9	112	0.29
1402	head and spouse economic active	21.9	6520	12.6	4.4	55	0.26
1403	head, spouse + others econ. active			1.1			
1499	other	20.0	5966	45.3	8.1	102	0.27
1500	Age Group Head of the Household						
1501	aged 0-17						
1502	aged 18-24	18.9	5615	5.2	9.8	123	0.21
1503	aged 25-44	19.0	5654	47.9	10.8	135	0.28
1504	aged 45-64	22.0	6562	26.9	4.7	59	0.27
1505	aged 65 and over	21.0	6243	20.0	5.3	66	0.28

TABLE D.6 (Continued)

Country: NETHERLANDS
Year: 1985

Poverty Line: 10.1 (000s National Currency)
3007 (1980 ECUs)

National
Poverty Rate: 8.0 %

Purchasing
Power Parity: 3.36 (ECU Equivalent, 1980 prices)

Code	Socio-Economic Classifications	Mean Equivalent Expenditure		Pop. Share (%)	Poverty Rate (%)	Relative Poverty Rate (%)	Gini Coeff.
		Nat. Cur. (000s)	1980 ECUs				
1700	Sex Head of Household						
1701	male	19.4	5767	77.7	9.0	112	0.27
1702	female	23.1	6865	22.3	4.5	57	0.27
1800	Educational Attainment Head						
1801	none						
1802	primary	15.3	4543	19.1	13.0	163	0.18
1803	secondary	19.4	5785	61.6	8.3	104	0.25
1804	higher	27.6	8202	19.3	2.0	25	0.28
1900	Economic Activity Head						
1901	agriculture	16.4	4880	3.5	9.8	122	0.20
1902	manufacturing industry	17.8	5296	13.0	10.1	127	0.24
1903	construction	16.5	4906	5.3	9.4	118	0.19
1904	government services	24.6	7315	11.0	2.7	34	0.28
1905	other services	20.8	6202	24.8	8.5	106	0.30
1999	none	20.2	6017	42.4	8.1	101	0.27

TABLE D.7: Welfare and Poverty Indicators for Various Socio-Economic Classifications
(Poverty Line Equal to 50% of the Mean Equivalent Household Expenditure)

Country: UNITED KINGDOM
Year: 1985

Poverty Line: 2.1 (000s National Currency)
2640 (1980 ECUs)

National
Poverty Rate: 18.9 %

Purchasing
Power Parity: 0.79 (ECU Equivalent, 1980 prices)

Code	Socio-Economic Classifications	Mean Equivalent Expenditure		Pop. Share (%)	Poverty Rate (%)	Relative Poverty Rate (%)	Gini Coeff.
		Nat. Cur. (000s)	1980 ECUs				
1100	Socio-economic Category Head						
1101	manual workers industry/services	4.13	5200	25.4	9.8	52	0.27
1102	non-manual workers	5.54	6976	23.1	3.8	20	0.31
1103	self employed industry/services	5.10	6422	6.5	13.7	73	0.42
1104	farmers/agricultural workers	3.31	4168	0.8	3.9	20	0.29
1105	unemployed	2.60	3274	6.4	54.3	288	0.37
1199	other (redefined)	3.34	4206	37.7	29.3	156	0.33
1200	Type of Household						
1201	one person, less than 65	5.18	6523	11.4	16.2	86	0.38
1202	one person, 65 or more	3.02	3803	12.3	41.3	219	0.35
1203	couple, no children	4.95	6233	26.5	14.0	74	0.37
1204	couple + 1 child	4.22	5314	6.3	12.1	64	0.28
1205	couple + 2 children	3.69	4646	9.5	16.2	86	0.27
1206	couple + 3 children	2.93	3689	2.6	35.2	186	0.30
1207	couple + 4 children or more	3.09	3891	0.7	46.1	244	0.42
1208	mono-parent household	2.86	3601	3.8	41.2	218	0.33
1299	other households (redefined)	4.27	5377	27.0	11.7	62	0.29
1300	Composition of Households						
1301	1 member	4.06	5112	23.6	31.1	165	0.43
1302	2 members	4.78	6019	33.1	14.9	79	0.36
1303	3 members	4.35	5477	16.6	11.9	63	0.29
1304	4 members	4.05	5100	17.8	12.9	68	0.28
1305	5 members	3.43	4319	6.1	22.9	122	0.29
1306	6 members or more	3.16	3979	2.8	32.6	173	0.33
1400	Economic Situation of Members						
1401	only head of h.h. economic active	4.41	5553	23.7	16.2	86	0.36
1402	head and spouse economic active	4.91	6183	22.5	6.3	34	0.31
1403	head, spouse + others econ. active	4.95	6233	6.6	2.0	10	0.23
1499	other	3.45	4344	47.2	28.6	151	0.35
1500	Age Group Head of the Household						
1501	aged 0-17						
1502	aged 18-24	3.82	4810	4.2	25.6	136	0.35
1503	aged 25-44	4.11	5175	37.8	19.7	104	0.34
1504	aged 45-64	4.77	6006	32.2	10.3	54	0.31
1505	aged 65 and over	3.44	4332	25.8	27.3	145	0.33

TABLE D.7 (Continued)

Country: UNITED KINGDOM
Year: 1985

Poverty Line: 2.1 (000s National Currency)
2640 (1980 ECUs)

National
Poverty Rate: 18.9 %

Purchasing
Power Parity: 0.79 (ECU Equivalent, 1980 prices)

Code	Socio-Economic Classifications	Mean Equivalent Expenditure		Pop. Share (%)	Poverty Rate (%)	Relative Poverty Rate (%)	Gini Coeff.
		Nat. Cur. (000s)	1980 ECUs				
1700	Sex Head of Household						
1701	male	4.3	5427	76.8	15.4	82	0.33
1702	female	3.6	4495	23.2	30.4	161	0.37
1800	Educational Attainment Head						
1801	none						
1802	primary						
1803	secondary						
1804	higher						
1900	Economic Activity Head						
1901	agriculture	3.2	3992	2.3	23.4	124	0.25
1902	manufacturing industry	4.7	5868	19.4	8.1	43	0.30
1903	construction	4.2	5289	6.6	10.8	57	0.29
1904	government services	4.8	6057	5.6	7.1	37	0.28
1905	other services	4.9	6195	26.7	9.5	51	0.33
1999	none	3.2	4004	39.4	33.3	176	0.34

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