



Research note 4/2011

Perceptions of poverty and the social climate in the European Union

Analysing recent Eurobarometer surveys



Social Situation Observatory – Income distribution and living conditions

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Abstract

This research note examines the social climate in the EU, focusing on poverty and well-being.

The first part of the note analyses changes in income deprivation and the causal attribution of poverty between 2007 and 2010 on the basis of three Special Eurobarometer surveys carried out in 2007 (Reference number: 279, wave: EB.67.1), 2009 (Reference number: 321, wave: EB.72.1) and 2010 (Reference number: 355, wave: EB.74.1). The main findings are that those who regard themselves as income-deprived have a higher self-assessed acceptable level of income than those considering themselves income-satisfied. Consequently, subjective poverty is very much connected to minimum income expectations, in the sense that high expected income contributes to the feeling of deprivation. The minimum acceptable income of the income-deprived increased as crisis proceeded, while those who reported satisfaction with their income reduced their expectations in this regard. As the recovery has got underway, the share of those blaming social injustice for poverty has risen markedly while the share of population blaming the poor themselves for their situation has declined. Differences in education levels between the two groups have also become smaller and there is more uniformity between people across the EU as to what they attribute the main causes poverty.

The second part examines changes in perceptions of poverty on the basis of various Flash Eurobarometer surveys between July 2009 and December 2010 (Flash Eurobarometer reference numbers: 276, 286, 288, 289 and 311), focusing on how people consider poverty to be changing. The subjective estimate of the extent of poverty is confronted with the actual 'at risk of poverty' rate in order to see how closely the two are linked. The main findings are that perceptions of poverty have not changed greatly over the (very short) period examined and that perceived poverty rates correspond fairly well to the risk of poverty statistics. Those with higher perceptions of poverty tend to be those who are less satisfied with their own situation.

The last part follows up the analysis published in Research Note No.5 in 2010, which calculated social climate indices for three aspects, personal satisfaction; satisfaction with the socio-economic environment and satisfaction with social policy. As regards personal satisfaction, there was little change in most countries between 2008 and 2011 and where there was a change it tended to be positive. Satisfaction with the socio-economic environment increased in the EU as a whole, but declined in a number of countries. Satisfaction with policy increased overall but went up significantly only in two Member States. In most, it remained much the same.



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I. Income deprivation and causal attribution of poverty

The aim of the first part of the study is to examine the social impact of the economic crisis in the 27 EU Member States on the basis of three Special Eurobarometer surveys carried out in 2007 (Special Eurobarometer Reference Number: 279, wave: EB.67.1), 2009 (Special Eurobarometer Reference Number: 321, wave: EB.72.1) and 2010 (Special Eurobarometer Reference Number: 355, wave: EB.74.1). The outbreak of the subprime mortgage crisis occurred in the summer of 2007¹ (see European Commission, 2009: 1) and the first of the surveys listed above was conducted in February-March 2007, before the crisis began, the other two during and after.

The focus is on the following issues:

1. the change in the number of people who regard themselves as income-deprived;
2. the causes which people attribute poverty to

The first part of the analysis considers macro-level changes, focusing on country-means. The second part used micro models to examine the nature of the changes in more detail.

I. 1. Definitions

Minimum income

The level of Minimum Acceptable Income, which is used in the analysis here to identify whether respondents to the surveys are 'income-deprived' or 'income-satisfied' (see below) and, accordingly, to help interpret and assess the results, is given by the following question:

*'In your opinion, what would be the very lowest net monthly income that your household would need to have in order to make ends meet, given the present circumstances and composition of your household? Net income is after tax and social security contributions have been deducted.'*²

Net income in 2009 and 2010, as so defined, is adjusted here to constant 2007 prices (by using the harmonised consumer price index), in order to make the level comparable with income in 2007 and so to be able track changes in the relative number of people who are 'income deprived' or 'income satisfied' over the period.

Self reported material position: income deprivation and income satisfaction

The self-reported material position is defined on the basis of Minimum Acceptable Income.

'Is the total net monthly income of your household higher, lower or more or less the same as this figure?' (indicated as Minimum Acceptable Income)

The people who answered that the total net monthly income of their household is 'much lower' than Minimum Acceptable Income, the subjectively estimated poverty line, are defined as being 'income-deprived', while those who reported it being 'much higher'

¹ However, the crisis itself in terms of the economic downturn and the threat to jobs began later in the second part of 2008.

² Although the wording of this question is somewhat different from the 'minimum income question' (MIQ) used in the literature (Flik and van Praag, 1991: 320; Ravillion: 2008, Milanovic – Jovanovic, 1999: 2) – 'What do you consider as an absolute minimum net income (per period of time) for a household such as yours?' – the difference is not all that significant and Minimum Acceptable Income can be interpreted as the subjectively estimated poverty line.



than Minimum Acceptable Income are defined as 'income satisfied'³. 'Income deprivation', therefore, is subjective and self-defined, so that people identified as being subjectively 'poor' are not necessarily poor in objective terms and vice versa.

Box 1: The creation of income-deprived and/income-satisfied variables

The question on whether household income is higher, lower or the same as the minimum level of acceptable income has the following possible responses: 'much higher', 'higher' 'more or less the same' 'lower' 'much lower' and 'don't know'. In the analysis here, income deprivation and income satisfaction are dummy variables coded to be 1 if 'much lower'/'much higher' income than Minimum Acceptable Income, and zero in other cases, 'don't know' is excluded'. In the OLS regressions, the self-reported material status variable was divided into three categories, 'income-deprived and income-satisfied being defined as indicated above. All the other people (those who reported 'higher' 'more or less the same' 'lower' than Minimum Acceptable Income) were grouped in the reference category, labelled 'neutral income position'.

Financial problems

As a supplementary measure of poverty, the following question was used:

'Which of the following best describes how your household is keeping up with all its bills and credit commitments at present?'

Those who reported, on the five-grade scale, that 'I am/we are falling behind with some bills/credit commitments' or 'I am/we are having real financial problems and have fallen behind with many bills and credit commitments' are classified as having financial problems.

The causes of poverty

The causes to which poverty is attributed are given by the question:

'Why in your opinion are there people who live in poverty?'

The four possible responses are: 'because they have been unlucky; because they are lazy and lack willpower; because there is much injustice in our society; because it's an inevitable part of progress'. The analysis here focuses on two stereotype-answers, one stressing laziness and the other stressing injustice (both being coded as 1 in the analysis, otherwise as zero).

³ This is in line with previous studies (see Milanovic and Jovanovic: 1999: 17).



I. 2. Changes after the crisis began, 2007-2009

In the majority of EU countries, Minimum Acceptable Income declined between 2007 and 2009. Adjusting for inflation, the minimum acceptable income fell by 7.7% on average across the EU27 (or by 8.5% if Bulgaria is excluded). This fall suggests that people adjusted their views as to acceptable income levels downwards in 2009 as compared with 2007 (Table 1).

Table 1: The direction and significance of changes in minimum acceptable income, 2007-2009

	Minimum Acceptable Income	Income- deprived	Income- satisfied	Financial problems	Social injustice	Poor are lazy
AT	_***	-	+**	+	+	_***
BE	_***	+*	+***	+	+***	_*
BG	+***	+***	-	_*	+	+
CY	-	-	+	-	+	-
CZ	+	-	+	-	+***	_**
DE	_**	+***	+***	+	+***	_***
DK	_*	-	+	+	+*	-
EE	-	-	+	+	+	-
ES	+	+***	+	-	+***	_***
FI	-	-	+*	+	+	-
FR	_*	+***	+***	_***	+***	_***
GR	+	-	+	+**	+***	_***
HU	_***	+**	+*	+**	+***	_***
IE	+	-	+	+	+*	-
IT	_***	+***	+	-	+***	_***
LT	-	_*	-	-	+***	_***
LU	+	+	+	+	+	-
LV	_***	-	+	+	+**	_**
MT	+	+	+	+	+	-
NL	_**	+*	+***	+	+*	-
PL	-	+***	+***	-	+	-
PT	-	+***	+	-	+**	_***
RO	_***	_***	+***	_***	+	-
SE	_***	+	+	-	+***	_***
SI	-	+*	+	+	+*	-
SK	+	_**	+***	-	+*	_*
UK	_***	_*	_***	+	+***	-
EU27	_***	+***	+***	-	+***	_***

Note: +, positive change – negative change.

* change is significant at the 5% level, ** change is significant at the 1% level, *** change is significant at the 0.1% level.

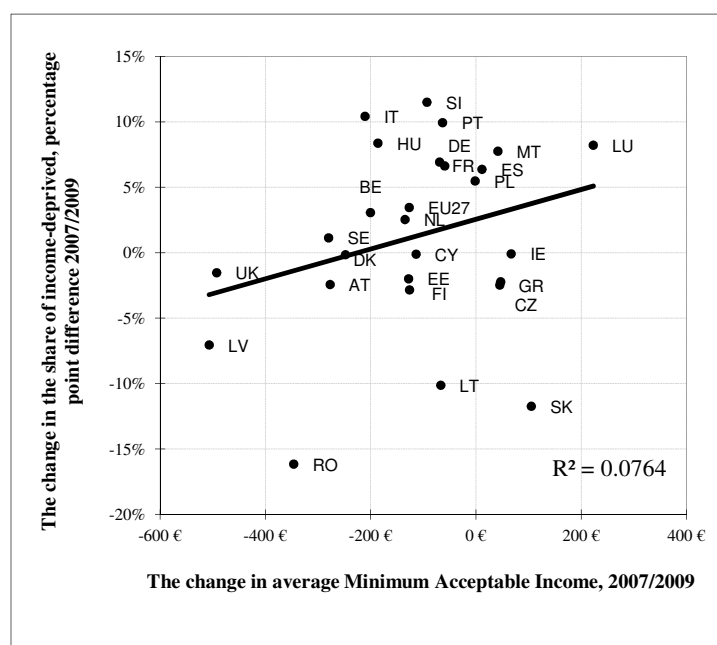
Source: Special Eurobarometer Survey, Reference Number: 279, wave: EB.67.1 (2007); Special Eurobarometer Survey, Reference Number: 321, wave: EB.72.1 (2009); Special Eurobarometer Survey, Reference Number: 355, wave: EB.74.1 (2010), pooled dataset.



In some countries, however, the acceptable income declined more markedly. In Hungary, Latvia, Romania, and the UK, it fell by more than 20% (see Table A1. in the Appendix).⁴

In the EU as a whole, the number of people who regarded themselves as income-deprived increased. In those countries where significant changes occurred, the changes were positive (with the exception of Lithuania, Romania, Slovakia and the UK, where the change was negative). The relationship between changing aspirations and the changing number of 'self-assessed poor' (income-deprived) shows all the possible combinations. In the majority of the countries, a fall in Minimum Acceptable Income is combined with an increase in the number of income-deprived (the upper left quadrant in Figure 1). This does not seem logical at first sight, since a fall in the level of acceptable income would be expected to be associated with a decline in the share of people who are income deprived, if people are consistent. Moreover, in most countries, the share of both income-deprived and income-satisfied increased (Figure 2), whereas it would be expected that an increase in the number of income-deprived would be associated with a fall in the number of income-satisfied. This issue is examined in more detail below (in section I. 4).

Figure 1: The relationship between the change in average MINIMUM ACCEPTABLE INCOME and the change in the share of income-deprived



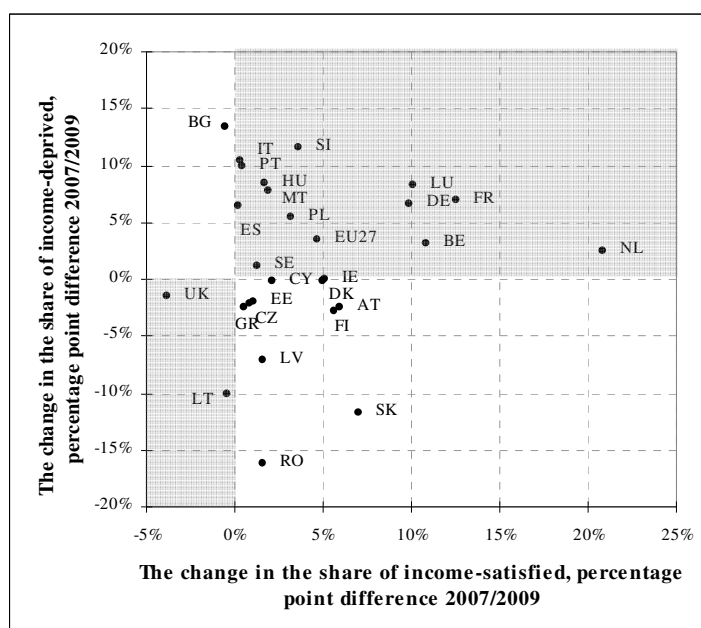
Bulgaria is excluded

Source: Special Eurobarometer Survey, Reference Number: 279, wave: EB.67.1 (2007); Special Eurobarometer survey, Reference Number: 321, wave: EB.72.1 (2009), pooled dataset.

⁴ Without a thorough investigation of real changes in income, it is hard to judge to what extent they are paralleled by changes in acceptable income standards (the latest available data from EU-SILC refers to the income year 2008). Previous studies (Milanovic and Jovanovic: 1999) however found that in Russia during the economic transition the decline in real income was followed by a decline in the minimum income level needed to survive. Between 1993 and 1996 the self-estimated minimum income was reduced by nearly 60% (Milanovic and Jovanovic, 1999: 6). Other studies (Herrera et al.: 2006: 18) have also found a positive correlation between acceptable minimum income level and real income, but the correlation is higher for objectively higher income respondents which is referred to as a drift in preferences.



Figure 2: The relationship between the change in the share of income-deprived and the change in the share of income-satisfied



Source: Special Eurobarometer Survey, Reference Number: 279, wave: EB.67.1 (2007); Special Eurobarometer survey, Reference Number: 321, wave: EB.72.1 (2009), pooled dataset.

Interestingly, the share of people reporting financial problems did not change significantly across the EU in this period. In some countries, the share even fell (as in Bulgaria, France, and Romania). The main cause to which poverty is attributed, however, changed markedly, with more people tending to see poverty as a consequence of social injustice and fewer perceiving it as a result of laziness among the poor. These changes are significant: there are no countries where the 'laziness' response increased or the 'injustice' response declined significantly (Table A5 in the annex). Note that in 2007, more people considered poverty a consequence of social injustice (42% in the EU 27) than due to laziness (22.5%)., with the sole exception of the Czech Republic and Malta. After the crisis, however (between 2007 and 2009), the increase in the proportion of those who thought that poverty was due to social injustice was larger than that of those who considered laziness as the main reason (9.5 percentage points as against 4.8 percentage points). In 2009, therefore, more than half of respondents in the EU as a whole thought that poverty was due mainly to social injustice and this was considered the main reason in all countries except Denmark (where more people considered the poor to be unlucky). The largest share of population regarding poverty to be a consequence of social injustice was in Hungary (70%) and Bulgaria (69%).

In line with previous findings (European Commission, 1977: 78), across the EU as a whole, a disproportionate number of the better educated respondents considered poverty to be due to social injustice while the less-well educated tended to think the poor themselves are to blame. However, the results indicate that after 2007, the difference between the well-educated and the less well- educated narrowed, so that people became less polarised in terms of what they regarded as the main reasons for poverty.



I. 3. The stability of changes after the start of the crisis

This section analyses the impact of the crisis on people's perception about poverty over a longer period of time. The issue is how long-standing the changes noted above are. To examine this, the changes over the period 2007-2009 can be compared with those between 2009 and 2010. In Figure 3, the segments marked 'white' indicate where an increase in the minimum acceptable income between 2007 and 2009 was followed by a reduction between 2009 and 2010. If the changes between 2007 and 2009 were 'unusual', or at least not maintained, then most data points would lie somewhere in the 'grey' segments (where an increase in the first period is combined with a reduction in the second period and vice versa).

Figure 3 shows that in case of Minimum Acceptable Income, in many EU countries, the decline between 2007 and 2009 was followed by a subsequent decline in 2009 and 2010. Although there were cases where the decline in Minimum Acceptable Income was followed by an increase, the number was smaller.

As regards the share of income-deprived, in most countries an increase was followed by a fall, and vice-versa. There are only four countries where a rise was succeeded by another rise (Belgium, Malta, Spain, Poland). Most of the data points lie around the 45 degree line, though the changes between 2009 and 2010 were smaller than over the previous period.

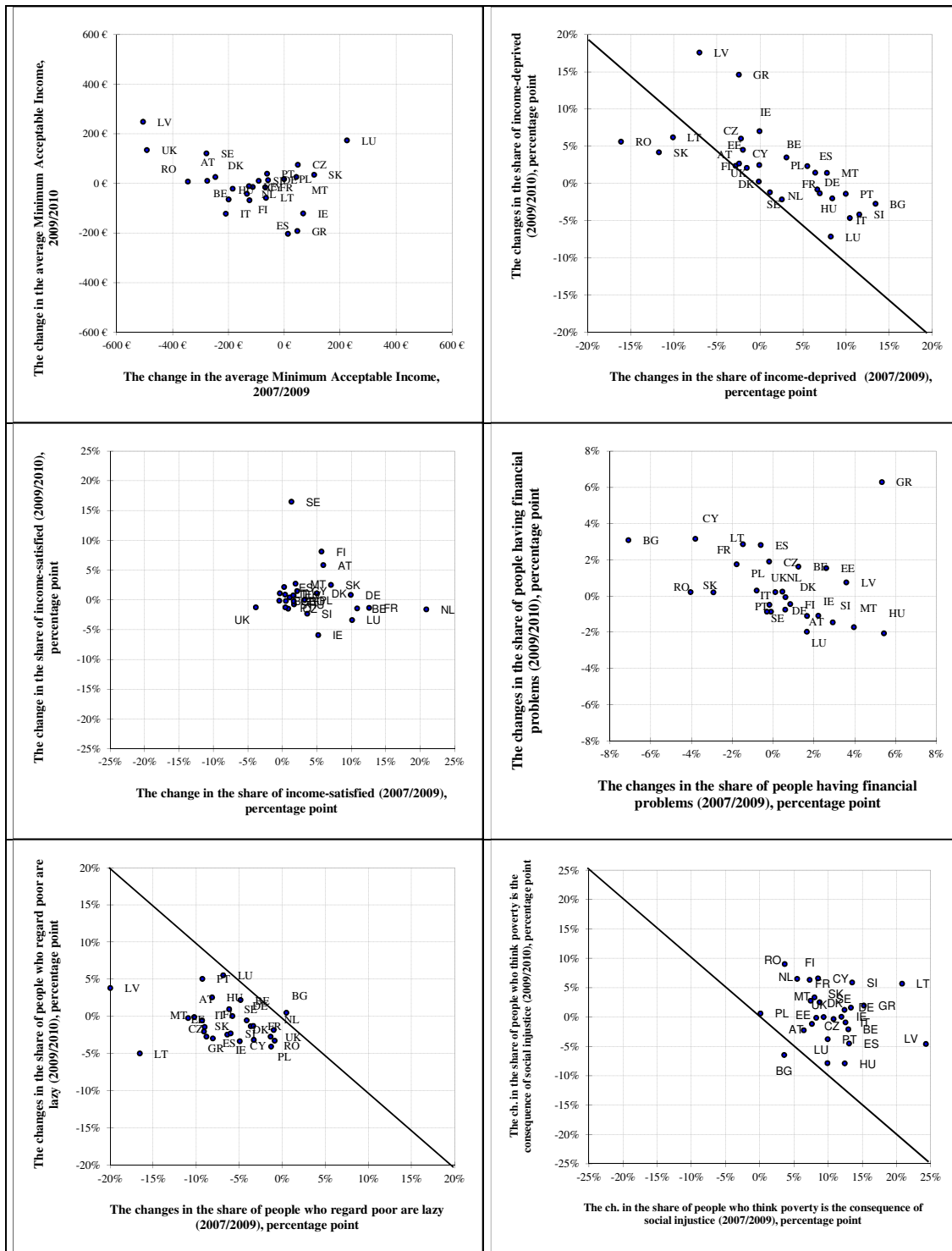
In the majority of EU countries, the share of income-satisfied changed only slightly. There are, however, countries where an increase in the first period was followed by a further increase in the second (Sweden, France, Austria).

In most EU Member States, there was little change in the share of people reporting financial problems. In Greece, as distinct from other countries, a significant increase was followed by another significant increase.

Perhaps the most relevant changes occurred in the perceived causes of poverty. In the majority of countries, a decline in the proportion regarding the 'poor as being lazy' was followed by a further decline. On the other hand, the increase in the share of people considering poverty being due to social injustice continued in a number of countries between 2009 and 2010 as well.



Figure 3: The changes in 2007/2009 plotted against the changes in 2009/2010 in case of the six indicators examined



Source: Special Eurobarometer Survey, Reference Number: 279, wave: EB.67.1 (2007); Special Eurobarometer Survey, Reference Number: 321, wave: EB.72.1 (2009); Special Eurobarometer Survey, Reference Number: 355, wave: EB.74.1 (2010), pooled dataset.



1.4. The relationship between income deprivation and minimum acceptable income

As indicated in the previous section, despite Minimum Acceptable Income declining, the share of income-deprived increased. Table 2 shows the average of Minimum Acceptable Income (deflated to 2007 prices) in the group of income-deprived and income-satisfied. Column E indicates whether the differences in Minimum Acceptable Income (in column C) are significant between the two groups.

Table 2: Average Minimum Acceptable Income by country for income-deprived and income-satisfied, pooled dataset 2007-2010

	A	B	C	D	E
	Average Minimum Acceptable Income of income-deprived (EUR)	Average Minimum Acceptable Income of income-satisfied (EUR)	B-A Difference, income-satisfied minus income-satisfied (EUR)	(B/A)-1 % difference between income-satisfied and income-deprived	
AT	1,769.0	1,400.0	-369.0	-20.9	..**
BE	1,832.0	1,630.3	-201.7	-11	..*
BG	985.1	593.0	-392.0	-39.8	-
CY	2,259.6	1,460.7	-798.9	-35.4	-
CZ	1,095.8	753.7	-342.2	-31.2	..***
DE	1,792.9	1,702.2	-90.7	-5.1	..**
DK	2,065.4	1,892.1	-173.2	-8.4	-
EE	897.7	574.6	-323.1	-36	-
ES	1,526.8	1,216.9	-309.9	-20.3	..***
FI	1,666.1	1,699.3	33.2	2	+
FR	1,757.5	1,804.3	46.8	2.7	+
GR	1,854.2	1,519.3	-334.9	-18.1	-
HU	844.3	618.4	-225.9	-26.8	..*
IE	2,231.7	2,020.9	-210.8	-9.4	-
IT	2,450.6	2,458.7	8.1	0.3	+
LT	708.0	465.0	-243.0	-34.3	-
LU	3,276.5	2,631.9	-644.6	-19.7	-
LV	810.0	1,329.5	519.5	64.1	+
MT	1,089.2	694.5	-394.7	-36.2	-
NL	1,599.9	1,755.6	155.7	9.7	..+*
PL	763.4	633.1	-130.4	-17.1	..**
PT	1,295.5	1,395.5	100.0	7.7	+
RO	666.8	445.8	-221.0	-33.1	..**
SE	1,611.6	1,770.7	159.0	9.9	+
SI	1,645.7	1,001.3	-644.4	-39.2	..*
SK	946.7	745.9	-200.8	-21.2	-
UK	1,618.2	1,569.6	-48.6	-3	-
Total	1,373.5	1,630.6	257.1	18.7	..***

Mean values of Minimum Acceptable Income are expressed at 2007 prices

The data relate to the three years, 2007, 2009 and 2010.

Note: +, increase– reduction. * significant at the 5% level, ** significant at the 1% level, *** significant at the 0.1% level.

Source: Special Eurobarometer Survey, Reference Number: 279, wave: EB.67.1 (2007); Special Eurobarometer Survey, Reference Number: 321, wave: EB.72.1 (2009); Special Eurobarometer Survey, Reference Number: 355, wave: EB.74.1 (2010), pooled dataset.

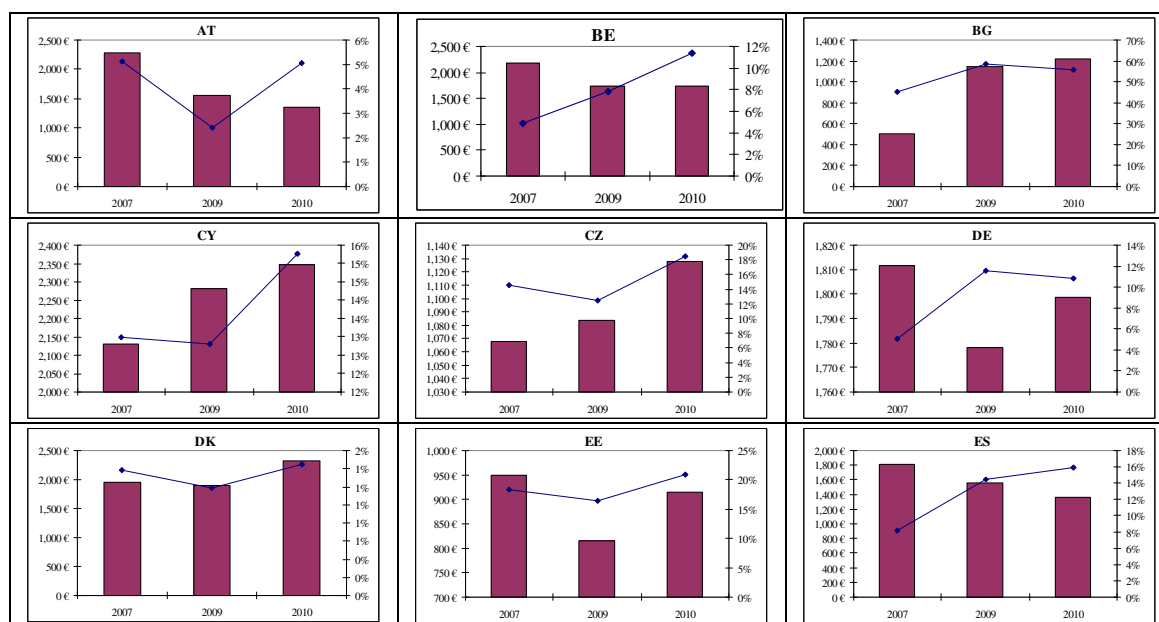


As is evident, there are 7 countries (Italy, Finland, France, Portugal, the Netherlands, Sweden and Latvia) where people satisfied with their income reported a higher level of Minimum Acceptable Income than the income-deprived. The difference, however, is significant only in the Netherlands. In all the other countries, the income-deprived reported a higher minimum level of acceptable income than the income-satisfied.

Across the EU as a whole, the income-deprived reported a lower level of minimum acceptable income than their income-satisfied counterparts, whereas in the majority of countries, the opposite is the case. The explanation is that the income level of countries correlates very well with Minimum Acceptable Income. In higher-income countries, therefore, both the income-deprived and income-satisfied indicate a higher level of acceptable income (income being measured in EUR) while in lower income countries, they indicate a lower level of Minimum Acceptable Income. Moreover, since in richer countries the share of those defining themselves as income-satisfied is larger than in poorer ones, there is an inverse relationship between income levels and income deprivation (see the Figure AF1 in the Annex).

The relationship between the level of minimum acceptable income reported by the income deprived and the relative number of these in EU countries does not show an unambiguous pattern (Figure 4). However, in many countries, there are years between which the share of income-deprived increased despite their acceptable level of income also declining. In Belgium, Germany, Hungary, Italy and Slovenia, this is so between both 2007 and 2009 and 2009 and 2010. In Estonia, Greece, Lithuania, Latvia, Malta, Poland and Portugal, it is the case between 2007 and 2010 and in Sweden and the Netherlands, between 2007 and 2009.

Figure 4: The share of income-deprived and the average Minimum Acceptable Income reported by the income-deprived, 2007-2010





Bars: The average of Minimum Acceptable Income

Line: The share of income-deprived.

Source: Special Eurobarometer Survey, Reference Number: 279, wave: EB.67.1 (2007); Special Eurobarometer Survey, Reference Number: 321, wave: EB.72.1 (2009); Special Eurobarometer Survey, Reference Number: 355, wave: EB.74.1 (2010), pooled dataset.

It is however difficult to interpret this tendency. It is arguable that if the income-deprived reduced the level of acceptable income and their proportion still increased, this suggests serious social problems. This finding, however, should perhaps not be over-emphasised, partly because in some countries, such as in Denmark, the number of those classified as income deprived are very small (just 11 respondents).



Table 3: OLS results for predicting Minimum Acceptable Income, unstandardized regression coefficients

	Model 1.	Model 2.	Model 3.	Model 4.
Year 2009	-0.08***		-0.07***	-0.06***
Year 2010	-0.08***		-0.06***	-0.06***
Income-deprived		-0.20***	0.14***	0.16***
Income-satisfied		0.06***	-0.11***	-0.05***
Income-deprived × Year 2009				-0.03*
Income-deprived × Year 2010				-0.03*
Income-satisfied × Year 2009				-0.08***
Income-satisfied × Year 2010				-0.07***
Male			0.03***	0.03***
Age			0.02***	0.02***
Age squared			0***	0***
Middle level education			0.1***	0.1***
Higher level education			0.21***	0.21***
Retired			-0.14***	-0.14***
Employed			0.01*	0.01*
Inactive			-0.18***	-0.18***
Student			0.06***	0.06***
Village			-0.03***	-0.03***
Large town			0.04***	0.04***
Household size			0.14***	0.14***
Children			-0.05***	-0.05***
Constant	7.21***	7.19***	6.58***	
Adjusted R Square	0.003	0.015	0.540	0.540
F-stat	111.22***	498.45***	1,801.36***	1,649.19***
N	67,633	66,074	66,008	66,008

The dependent variable is measured on logarithmic scale

* The coefficient is significant at the change is significant at the 5% level,

** The coefficient is significant at the change is significant at the 1% level,

*** The coefficient is significant at the change is significant at the 0.1% level,

Other control variables in the models, and reference categories in the model:

Model 1: No other control variable, Reference category: Year 2007

Model 2: No other control variable, Reference category: middle income status respondents

Model 3: Reference categorises, Year 2007, self reported middle income status, female, small town, basic education, self-employed, controlling for country fix effects (country dummies), reference category: Germany (not included in this table)

Model 4: The same as model 3, and the four interaction variable listed in the table.

Source: Special Eurobarometer Survey, Reference Number: 279, wave: EB.67.1 (2007); Special Eurobarometer Survey, Reference Number: 321, wave: EB.72.1 (2009); Special Eurobarometer Survey, Reference Number: 355, wave: EB.74.1 (2010), pooled dataset.

Turning to the changes in Minimum Acceptable Income, Table 3 indicates the OLS regression results. The level of Minimum Acceptable Income is shown to have declined over the period, which is in line with previous findings in Table 1. The association between the Minimum Acceptable Income and the self-defined material position is, therefore, confirmed by regression analysis. In the pooled sample, the income-satisfied reported a 6% higher level of acceptable income than those in a neutral income position (Model 2). If country effects and individual characteristics are taken into account, then income-satisfied respondents reported on average an 11% lower Minimum Acceptable Income than their counterparts in the middle class (Model 3). The fourth model (Model 4), which

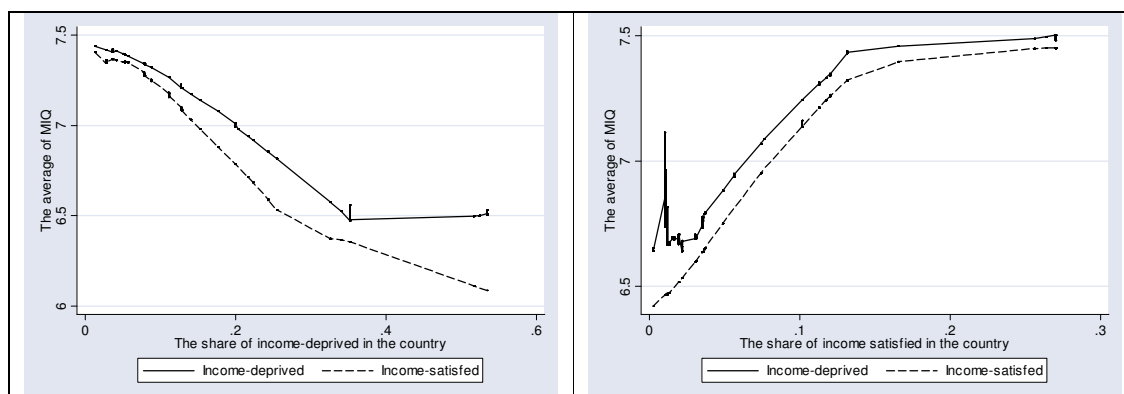


includes some interaction, shows that both the income-deprived and the income-satisfied reported a lower level of acceptable income after 2007, but the income satisfied reduced the level twice as much as the income-deprived (though the latter still reported a lower level of Minimum Acceptable Income). It seems, therefore, that the income-satisfied adapted more to the financial crisis by reducing their income expectations and that that the less flexible attitude of the deprived contributed to their feeling of poverty.

The findings also indicate that men reported a higher acceptable level of income than women, employees a higher level than the self-employed and the retired and inactive a lower level than those in work. In addition, those living in cities reported a higher level than those in small towns and villages, the higher educated a higher level than the lower educated and those with large families a higher level than those with smaller ones.

A comparison across countries reveals that the larger the share of population regarding themselves as income-deprived, the larger the difference in Minimum Acceptable Income between the income-deprived and the income-satisfied (Figure 5). On the other hand, in countries where the share of income-satisfied is large, there is only a small difference between the two.

Figure 5: The difference in Minimum Acceptable Income according to the share of population defining themselves as income-deprived or income-satisfied



Note: Lowess smoothing estimation. The estimation contains only two variables. Minimum Acceptable Income deflated to 2007 prices and measured on a logarithmic scale (y axis), the share of the population in a country regarding themselves as income-deprived (left hand diagram) or income-satisfied (right hand diagram).

The calculations are based on the pooled sample.

Source: Special Eurobarometer Survey, Reference Number: 279, wave: EB.67.1 (2007); Special Eurobarometer Survey, Reference Number: 321, wave: EB.72.1 (2009); Special Eurobarometer Survey, Reference Number: 355, wave: EB.74.1 (2010), pooled dataset.



I. 5. Main findings

- More people regard poverty as a consequence of social injustice after the recession, while the proportion considering the poor to be lazy has declined. This tendency is widespread across the EU and there is no country where the reverse has occurred.
- In most EU countries the minimum level of acceptable income declined and the number of income-deprived increased between 2007 and 2009.
- The number of people reporting financial problems did not change significantly across the EU and in some countries the number even fell.
- In almost all countries, the income deprived expressed a demand for a higher income level than income-satisfied respondents.
- The larger the share of people who regard themselves as income-deprived, the larger the difference in Minimum Acceptable Income between the income-deprived and the income-satisfied.



Annex to Part 1

Table A1. The level and change in Minimum Acceptable Income, in EUR, 2007 prices

	Average Minimum Acceptable Income 2007, EUR	Average Minimum Acceptable Income 2009, EUR	Average Minimum Acceptable Income 2010, EUR	Change in Minimum Acceptable Income 2007/09, %	Sig. of change 2007/09	Change in Minimum Acceptable Income 2009/10, %	Sig. of change 2009/10
AT	1,683.3	1,406.2	1,416.1	-16.5	***	0.7	+
BE	1,929.9	1,729.7	1,664.7	-10.4	***	-3.8	-
BG	471.5	1,220.5	1,162.6	158.9	***	-4.7	-
CY	2,130.8	2,017.3	2,002.8	-5.3	-	-0.7	-
CZ	851.6	898.9	974.1	5.6	+	8.4	+
DE	1,795.0	1,735.8	1,749.0	-3.3	**	0.8	+
DK	2,084.7	1,837.1	1,863.0	-11.9	*	1.4	+
EE	836.6	708.9	697.9	-15.3	-	-1.6	-
ES	1,545.8	1,557.8	1,354.7	0.8	+	-13.0	***
FI	1,853.4	1,727.6	1,659.5	-6.8	-	-3.9	-
FR	1,969.3	1,900.5	1,885.6	-3.5	*	-0.8	-
GR	1,846.6	1,892.0	1,699.6	2.5	+	-10.2	***
HU	928.4	742.6	721.3	-20.0	***	-2.9	-
IE	2,101.0	2,167.9	2,046.8	3.2	+	-5.6	-
IT	2,489.5	2,279.0	2,156.4	-8.5	***	-5.4	***
LT	654.0	587.3	528.5	-10.2	-	-10.0	-
LU	2,652.8	2,876.2	3,049.4	8.4	+	6.0	+
LV	992.8	486.2	734.6	-51.0	***	51.1	***
MT	941.1	983.1	1,009.3	4.5	+	2.7	+
NL	1,927.4	1,793.0	1,750.6	-7.0	**	-2.4	-
PL	690.9	689.6	707.5	-0.2	-	2.6	+
PT	1,250.8	1,187.9	1,226.9	-5.0	-	3.3	+
RO	836.4	490.4	498.0	-41.4	***	1.5	+
SE	1,959.1	1,679.5	1,801.1	-14.3	***	7.2	+
SI	1,428.6	1,335.8	1,346.2	-6.5	-	0.8	+
SK	738.7	844.1	879.0	14.3	+	4.1	+
UK	1,812.6	1,320.0	1,454.5	-27.2	***	10.2	***
EU27	1,649.9	1,523.5	1,507.6	-7.7	***	-1.0	-

MINIMUM ACCEPTABLE INCOME: 'In your opinion, what would be the very lowest net monthly income that your household would need to have in order to make ends meet, given the present circumstances and composition of your household? Net income is after tax and social security contributions have been deducted.'

Note: +, positive change – negative change. * change significant at the 5% level, ** change significant at the 1% level, *** change significant at the 0.1% level. Source: Special Eurobarometer Survey, Reference Number: 279, wave: EB.67.1 (2007); Special Eurobarometer Survey, Reference Number: 321, wave: EB.72.1 (2009); Special Eurobarometer Survey, Reference Number: 355, wave: EB.74.1 (2010), pooled dataset.



Table A2. The level and change in the income-deprived as % of total population

	Income-deprived, 2007, %	Income-deprived, 2009, %	Income-deprived, 2010, %	% change in income-deprived 2007-09	Sig. of change 2007-09	% change in income-deprived 2009-10	Sig. of change 2009-10
AT	4.8	2.4	5.1	-50.5	-	111.5	+
BE	4.8	7.9	11.4	63.8	+	44.6	+
BG	45.1	58.4	55.7	29.7	+	-4.6	-
CY	12.9	12.8	15.3	-0.9	-	19.3	+
CZ	14.7	12.5	18.5	-15.2	-	48.4	+
DE	5.0	11.6	10.8	133.2	+	-6.8	-
DK	1.3	1.2	1.5	-11.6	-	22.0	+
EE	18.4	16.4	21.0	-10.8	-	27.7	+
ES	8.0	14.4	15.9	79.3	+	10.0	+
FI	4.6	1.8	4.1	-61.5	-	132.3	+
FR	8.9	15.8	14.5	78.0	+	-8.4	-
GR	21.1	18.6	33.3	-11.7	-	78.5	+
HU	47.1	55.5	53.5	17.8	+	-3.6	-
IE	6.4	6.3	13.3	-1.2	-	112.1	+
IT	15.5	26.0	21.3	67.0	+	-17.8	-
LT	26.7	16.5	22.7	-38.0	-	37.6	+
LU	3.3	11.5	4.4	249.8	+	-62.1	-
LV	33.5	26.4	44.0	-21.1	-	66.6	+
MT	2.1	9.9	11.3	363.2	+	14.3	+
NL	4.1	6.6	4.5	62.5	+	-32.3	-
PL	26.5	31.9	34.3	20.7	+	7.4	+
PT	15.2	25.1	23.7	65.3	+	-5.5	-
RO	60.3	44.2	49.8	-26.8	-	12.7	+
SE	2.5	3.6	2.5	44.8	+	-32.6	-
SI	11.2	22.7	18.5	103.0	+	-18.4	-
SK	29.2	17.4	21.6	-40.3	-	24.0	+
UK	6.3	4.8	6.9	-24.4	-	44.0	+
EU	14.7	18.2	19.0	23.5	+	4.7	+

Income deprivation: the share of people answering that the total net monthly income in their household is 'much lower' than Minimum Acceptable Income

Note: +, positive change – negative change. * change significant at the 5% level, ** change significant at the 1% level, *** change significant at the 0.1% level.

Source: Special Eurobarometer Survey, Reference Number: 279, wave: EB.67.1 (2007); Special Eurobarometer Survey, Reference Number: 321, wave: EB.72.1 (2009); Special Eurobarometer Survey, Reference Number: 355, wave: EB.74.1 (2010), pooled dataset.



Table A3. The level and change in the income-satisfied as % of total population

	Income-satisfied, 2007, %	Income-satisfied, 2009, %	Income-satisfied, 2010, %	% change in income-satisfied 2007-09	Sig. of change 2007-/09	% change in income-satisfied 2009-10	Sig. of change 2009-10
AT	4.0	9.9	15.7	149.6	***	59.2	+
BE	7.0	17.8	16.4	155.2	***	-7.8	-
BG	0.6	0.1	0.0	-81.8	-	-100.0	-
CY	1.7	3.8	5.3	122.0	+	39.6	+
CZ	3.2	4.0	2.5	24.9	+	-36.5	-
DE	6.5	16.4	17.3	152.1	***	5.4	+
DK	12.5	17.5	18.6	39.7	+	6.4	+
EE	2.9	4.0	4.4	35.2	+	11.2	+
ES	2.4	2.7	4.8	8.5	+	81.5	***
FI	6.4	12.1	20.2	88.2	+	67.3	+
FR	4.3	16.8	15.5	295.1	***	-7.8	-
GR	0.8	1.3	1.1	60.0	+	-14.2	-
HU	0.6	2.2	1.5	282.6	+	-32.5	-
IE	6.4	11.6	5.7	80.1	+	-51.0	-
IT	1.5	1.8	2.7	24.5	+	50.5	+
LT	1.8	1.4	2.5	-21.6	-	78.3	+
LU	20.0	30.1	26.7	50.2	+	-11.2	-
LV	0.4	1.9	2.7	414.1	+	41.1	+
MT	1.8	3.7	6.4	103.8	+	73.6	+
NL	14.3	35.2	33.6	145.6	***	-4.5	-
PL	2.1	5.3	5.3	155.2	***	-0.1	-
PT	1.5	1.9	0.6	27.8	+	-66.4	-
RO	0.5	2.1	1.9	339.5	***	-9.5	-
SE	21.1	22.4	38.9	6.1	+	73.8	***
SI	3.9	7.5	5.2	91.4	+	-30.7	-
SK	0.9	7.9	10.5	767.8	***	32.0	+
UK	11.3	7.4	6.1	-34.5	***	-16.7	-
EU	4.9	9.6	10.0	93.9	***	5.1	+

Income satisfaction: the share of population who answered that the total net monthly income in their household is 'much higher' than Minimum Acceptable Income.

Note: +, positive change – negative change. * change significant at the 5% level, ** change significant at the 1% level, *** change significant at the 0.1% level.

Source: Special Eurobarometer Survey, Reference Number: 279, wave: EB.67.1 (2007); Special Eurobarometer Survey, Reference Number: 321, wave: EB.72.1 (2009); Special Eurobarometer Survey, Reference Number: 355, wave: EB.74.1 (2010), pooled dataset.



Table A4. The level and change in those with financial problems as % of total population

	People with financial problems, 2007, %	People with financial problems, 2009, %	People with financial problems, 2010, %	% change in those with financial problems 2007-09	Sig. of change 200-/09	% change in those with financial problems 2009-10	Sig. of change 2009-10
AT	2.8	4.5	3.4	58.4	+	-24.3	-
BE	2.5	3.8	5.4	49.0	+	43.3	+
BG	26.1	19.0	22.1	-27.2	-*	16.3	+
CY	11.0	7.2	10.3	-34.8	-	44.0	+
CZ	6.6	6.4	8.3	-3.1	-	29.8	+
DE	2.7	3.3	2.5	21.7	+	-22.7	-*
DK	1.1	1.7	1.7	52.4	+	-3.5	-
EE	3.1	5.7	7.2	84.0	+	27.2	+
ES	5.7	5.1	7.9	-10.7	-	55.3	+***
FI	1.4	2.2	1.7	61.4	+	-20.3	-
FR	4.0	2.2	4.0	-44.9	-***	79.8	+***
GR	9.7	15.0	21.3	54.8	+**	41.8	+**
HU	11.0	16.4	14.3	49.5	+**	-12.5	-
IE	3.8	6.0	5.0	57.9	+	-18.0	-
IT	4.3	4.1	3.6	-4.4	-	-11.6	-
LT	6.6	5.1	8.0	-22.7	-	56.5	+
LU	0.8	2.4	0.5	207.4	+	-81.1	-
LV	10.3	13.8	14.6	35.0	+	5.5	+
MT	4.3	8.3	6.6	91.2	+	-20.8	-
NL	1.4	1.8	2.1	32.2	+	13.7	+
PL	7.0	6.2	6.5	-11.5	-	5.0	+
PT	5.9	5.8	4.9	-1.9	-	-15.0	-
RO	11.0	7.0	7.2	-36.7	-***	3.1	+
SE	1.6	1.3	0.4	-19.6	-	-67.1	-
SI	2.8	5.7	4.2	106.4	+	-25.5	-
SK	9.2	6.3	6.5	-31.9	-	3.4	+
UK	3.4	3.5	3.7	2.8	+	6.4	+
EU	5.1	4.8	5.4	-5.3	-	10.9	+**

Financial problems: those who answered the question: 'Which of the following best describes how your household is keeping up with all its bills and credit commitments at present?' 'I am/ we are falling behind with some bills / credit commitments' or 'I am/ we are having real financial problems and have fallen behind with many bills and credit commitments'

Note: +, positive change – negative change. * change significant at the 5% level, ** change significant at the 1% level, *** change significant at the 0.1% level.

Source: Special Eurobarometer Survey, Reference Number: 279, wave: EB.67.1 (2007); Special Eurobarometer Survey, Reference Number: 321, wave: EB.72.1 (2009); Special Eurobarometer Survey, Reference Number: 355, wave: EB.74.1 (2010), pooled dataset.



Table A5. The level and change in those perceiving poverty as a consequence of social injustice as % of total population

	Share of people in 2007, %	Share of people in 2009, %	Share of people in 2010, %	% change in share 2007-09, %	Sig. of change 2007-09	% change in share 2009-10, %	Sig. of change 2009-10
AT	44.3	50.7	48.5	14.4	+	-4.4	-
BE	33.1	46.0	44.0	39.0	***	-4.4	-
BG	65.1	68.7	62.2	5.5	+	-9.4	-
CY	28.6	37.1	43.7	29.6	+	17.9	+
CZ	23.4	34.2	33.8	45.9	***	-1.0	-
DE	46.4	59.7	61.3	28.7	***	2.7	+
DK	19.3	28.6	28.6	48.1	+	0.0	+
EE	32.8	40.4	39.2	23.2	+	-2.8	-
ES	46.0	59.0	54.5	28.3	***	-7.6	-**
FI	45.8	53.0	59.4	15.9	+	12.0	+
FR	49.5	57.5	60.8	16.1	***	5.9	***
GR	41.4	56.6	58.5	36.8	***	3.5	+
HU	57.6	70.0	62.1	21.5	***	-11.3	-**
IE	36.0	48.0	48.0	33.1	+	0.1	+
IT	38.3	50.8	49.9	32.7	***	-1.8	-
LT	32.4	53.2	58.9	64.1	***	10.7	+
LU	39.7	49.6	41.8	24.9	+	-15.8	-
LV	36.4	60.6	56.0	66.8	***	-7.6	-
MT	24.6	32.0	34.8	30.1	+	8.7	+
NL	31.5	36.9	43.5	17.3	+	17.7	***
PL	44.7	44.8	45.4	0.1	+	1.4	+
PT	36.5	46.4	42.7	27.2	***	-8.1	-
RO	52.8	56.4	65.4	6.8	+	16.1	***
SE	39.8	52.2	53.4	31.0	***	2.4	+
SI	45.4	58.9	64.8	29.7	+	10.0	+
SK	37.4	46.1	48.6	23.3	+	5.5	+
UK	28.8	37.1	37.0	28.6	***	-0.3	-
EU	42.0	51.4	52.1	22.5	***	1.2	+

Social injustice: The share of population who chose the option 'because there is much injustice in our society' for the answer of the question: 'Why in your opinion are there people who live in poverty?'

Note: +, positive change – negative change. * change significant at the 5% level, ** change significant at the 1% level, *** change significant at the 0.1% level.

Source: Special Eurobarometer Survey, Reference Number: 279, wave: EB.67.1 (2007); Special Eurobarometer Survey, Reference Number: 321, wave: EB.72.1 (2009); Special Eurobarometer Survey, Reference Number: 355, wave: EB.74.1 (2010), pooled dataset.



Table A6. The level and change in those perceiving poor to be lazy as % of total population

	Share of people in 2007, %	Share of people in 2009, %	Share of people in 2010, %	% change in share 2007-09, %	Sig. of change 2007-09	% change in share 2009-10, %	Sig. of change 2009-10
AT	24.9	14.6	14.6	-41.2	***	-0.4	-
BE	20.0	15.1	17.3	-24.4	*	14.6	+
BG	12.0	12.5	13.0	3.8	+	4.2	+
CY	29.7	26.3	23.2	-11.3	-	-11.9	-
CZ	37.4	28.3	26.3	-24.4	**	-7.1	-
DE	20.3	16.1	15.6	-20.5	***	-3.2	-
DK	17.3	13.6	12.3	-21.3	-	-9.5	-
EE	29.7	20.4	19.9	-31.4	-	-2.5	-
ES	18.9	12.5	10.0	-34.0	***	-19.6	**
FI	18.3	12.5	12.6	-31.7	-	0.4	+
FR	15.0	11.6	10.3	-22.7	***	-11.1	-
GR	22.4	14.3	11.4	-36.0	***	-20.5	-
HU	18.9	10.7	13.3	-43.3	***	23.9	+
IE	18.8	13.8	10.5	-26.4	-	-24.2	-
IT	21.0	11.9	10.5	-43.1	***	-11.9	-
LT	40.9	24.3	19.4	-40.5	***	-20.4	-
LU	23.2	16.3	21.9	-29.7	-	33.8	+
LV	37.5	17.5	21.3	-53.4	**	22.0	+
MT	40.9	30.0	29.8	-26.8	-	-0.7	-
NL	15.6	14.6	12.7	-6.5	-	-12.6	-
PL	31.8	30.5	26.5	-4.2	-	-13.3	**
PT	31.1	21.8	26.8	-30.0	***	23.2	+
RO	22.2	21.3	18.1	-4.0	-	-15.3	-
SE	10.5	4.3	5.3	-58.8	***	22.5	+
SI	23.1	17.1	14.8	-26.0	-	-13.3	-
SK	32.0	23.1	20.4	-27.6	*	-11.6	-
UK	30.7	29.3	26.6	-4.5	-	-9.2	*
EU	22.5	17.7	16.2	-21.2	***	-8.8	***

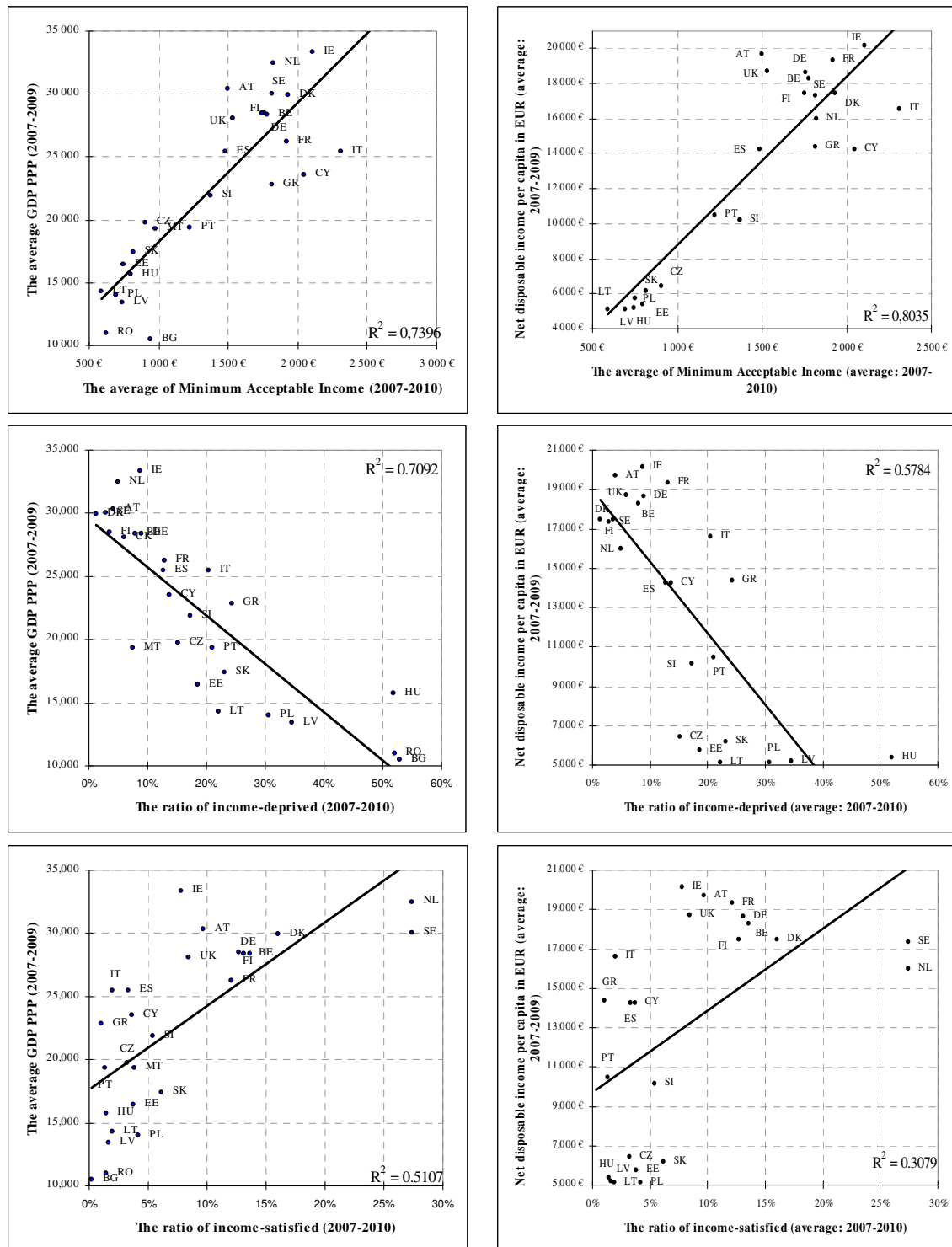
Poor are lazy: The share of population who chose the option 'because they are lazy and lack willpower' for the answer of the question: 'Why in your opinion are there people who live in poverty?'

Note: +, positive change – negative change. * change significant at the 5% level, ** change significant at the 1% level, *** change significant at the 0.1% level.

Source: Special Eurobarometer Survey, Reference Number: 279, wave: EB.67.1 (2007); Special Eurobarometer Survey, Reference Number: 321, wave: EB.72.1 (2009); Special Eurobarometer Survey, Reference Number: 355, wave: EB.74.1 (2010), pooled dataset.



Figure A1: The relationship between GDP per head/net disposable income per head at PPS, Minimum Acceptable Income and self-reported income status



Source: Special Eurobarometer Survey, Reference Number: 279, wave: EB.67.1 (2007); Special Eurobarometer Survey, Reference Number: 321, wave: EB.72.1 (2009); Special Eurobarometer Survey, Reference Number: 355, wave: EB.74.1 (2010), pooled dataset. Luxembourg is omitted because of the extreme value in GDP PPP and Net disposable income. Source of GDP/Net disposable income: Eurostat.



II. The perception of poverty

This section is concerned with the perception of poverty and what people judge to be the extent in poverty in their country. The perception of poverty is a different concept than subjective poverty. While subjective poverty is an estimate of a person's own financial situation, the perception of poverty refers to the overall poverty situation in the country in the respondent's view.

Box 5: Absolute and relative poverty rates

The comparison between perceived poverty rates and the actual situation is carried out in terms of a notion of relative poverty (measured as those with income below 60% of the median) instead of an absolute notion. This is primarily because comparable data of relative poverty are available for all EU Member States which is not so for absolute measures. How far people, however, have a relative concept in mind rather than an absolute one is open to question. Since there is no agreed definition of absolute poverty, it is very likely to be the case that views about what constitutes poverty varies between individuals according to their attitudes and experience. In practice, therefore, it is arguable that what people have in mind is a mixture of an absolute and relative concept, which is difficult to compare with reality.

The results presented here should be interpreted with this basic difficulty in mind.

The analysis relates to the period since 2009 and focuses on the changes over the course of the crisis on the basis of five waves of Flash Eurobarometer surveys on its social impact. The surveys (see Table 4.) cover the 27 EU Member States between July 2009 and October 2010.

Table 4: The list of Flash Eurobarometer surveys analysed in this section

Flash Eurobarometer 276, Monitoring the social impact of the crisis, wave 1	2009	July
Flash Eurobarometer 286, Monitoring the social impact of the crisis, wave 2	2009	December
Flash Eurobarometer 288, Monitoring the social impact of the crisis, wave 3	2010	March
Flash Eurobarometer 289, Monitoring the social impact of the crisis, wave 4	2010	May
Flash Eurobarometer 311, Monitoring the social impact of the crisis, wave 5	2010	October

II.1. Estimated and actual poverty rates

The focus is on the following question:

If you were to say how many poor people there are in your country, would you say that 1 person out of 3 (30%) / 1 person out of 5 (20%) / 1 person out of 10 (10%) / 1 person out of 20 (5%) / Less than 5% is poor?

The mean of the estimates of respondents is calculated for each country and compared with the relative poverty rate (the proportion with net disposable income below 60% of the median), which is usually termed the 'at risk of poverty' rate (Figure 6).

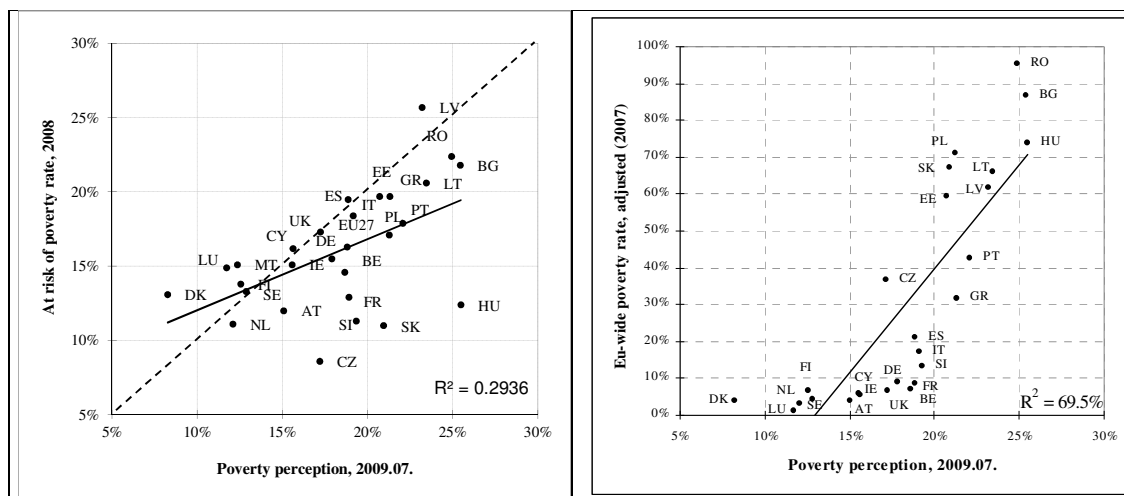
In practice, respondents' assessments are close to the actual rates (which is partly a consequence of the discrete categories defined in the survey), since the data points are spread close to the 45 degree line. There are only five countries (France, Slovenia, Slovakia, the Czech Republic and Hungary) where there are at least 5 percentage points difference between respondents' estimates and the actual relative rate. In all these countries perceived poverty exceeds the relative rate. This especially so in Hungary, where the difference is some 13 percentage points, which may be a reflection of the fact that



what is being compared with the perceived rate is the relative rather than the absolute level of poverty, which in practice might be higher, though there are no estimates available to verify this. Indeed, even if there were estimates, they would inevitably be somewhat arbitrary since there is no agreed definition of poverty even at the national level. It is significant perhaps that four of the five countries are EU12 Member States where comparatively low rates of relative poverty are combined with comparatively low income levels, at least as compared with the EU average, so that many people with income above the relative poverty threshold have what might be regarded as low levels of income. There are no countries where the estimate of respondents is less than the relative rate.

The fit of the estimated poverty rate to the 'at risk of poverty' rate is moderate ($R^2=29.4\%$), which is largely a consequence of the five outlier countries. If EU-wide relative poverty rates (the share of people with disposable income of below 60% of EU median income) is used instead, the fit of the regression line is much more better ($R^2=69.5\%$), which may imply that in some EU12 countries some people at least tend to compare their living standards to those in EU15 countries rather than solely in their own country (note that the Czech Republic, Slovakia, Hungary are not outlier countries on the right hand diagram of Figure 6.

Figure 6: The relationship between relative poverty rates and the perceived poverty rate in EU Member States



Grey ellipse: Countries where the difference between the estimated and official poverty rate is more than 5 percentage points

Staged line ellipses: Countries where the estimated poverty rate exceeds the official by +/- 25%

The relative poverty rate relates to those with income below 60% of the median in the 2008 income year – from Eurostat, EU-SILC, 2009.

Source of the perceived poverty rate: Flash Eurobarometer 276, July, 2009.

Source of EU-wide poverty rate: population with disposable income below 60% of the EU median, measured on an adjusted basis and in PPS terms. 'Adjusted' means after including estimates of the monetary value of income and benefits in kind in disposable income. http://www.socialsituation.eu/monitoring-report/income-distribution-in-the-eu/sso_2010_tab_3_EU-wide%20poverty.xls/at_download/file

The changes in the perceived poverty rate during the period were relatively small (Table 5). In the majority of countries, there was no significant change at all and where a change did occur, it shows no clear pattern, which perhaps reflects the relatively short period of time being examined.



Table 5: The change in perceived poverty rate between July 2009 and October 2010

	07.2009.- 12.2009.	12.2009.- 03.2010.	03.2010.- 05.2010.	05.2010.- 10.2010.	Sig. increase	Sig. decrease
AT	+	+	+	-	0	0
BE	-	-	+	-	0	0
BG	+	+	-	-	0	0
CY	+	+	-	-	0	0
CZ	+	+	***	***	1	1
DE	-	+	***	+	0	1
DK	-	+	+	-	0	0
EE	+	+	-	-	0	0
EL	+	+	+	-	1	0
ES	**	**	+	-	1	1
FI	+	+	-	-	0	0
FR	-	+	-	-	0	0
HU	-	-	+	+	0	0
IE	-	+	+	-	0	0
IT	***	*	+	+	1	1
LT	-	+	-	-	0	0
LU	+	-	-	-	0	0
LV	-	-	+	+	0	0
MT	+	-	-	+	0	0
NL	+	-	+	-	1	0
PL	**	**	-	*	1	2
PT	***	+	+	-	0	1
RO	-	-	***	+	1	0
SE	-	-	-	-	0	0
SI	+	+	-	+	0	0
SK	-	-	**	+	0	1
UK	*	+	+	-	1	1
EU27	-	+	-	-	1	0
Sig. increase	2	3	2	1		
Sig. decrease	4	1	3	1		

Note: +, positive change – negative change.

* change significant at the 5% level, ** change significant at the 1% level, *** change significant at the 0.1% level.

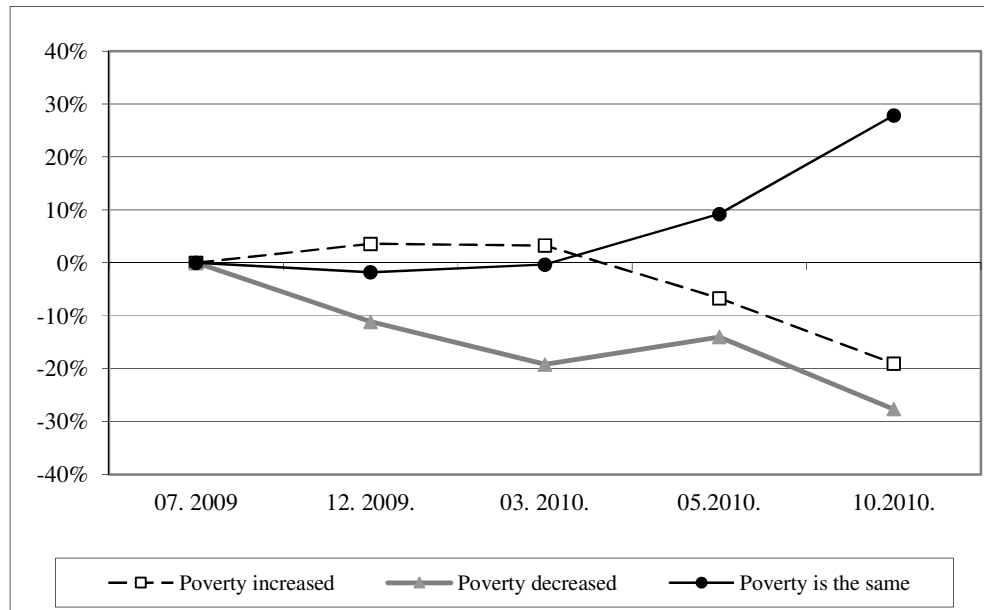
Source: Flash Eurobarometer 276, Flash Eurobarometer 286, Flash Eurobarometer 288, Flash Eurobarometer 289, Flash Eurobarometer 311 (pooled data base).

The survey contains questions about perceptions of the change in poverty over the previous year⁵. The responses indicate that the perceived rate of poverty is relatively stable. An increasing share of people over the period considered poverty to be approximately the same as in the preceding year. The same is the case in individual countries, though there are a few exceptions. In Romania, for example, the share of people who considered poverty to have risen increased over the period.

⁵ „Generally speaking, would you say that poverty has strongly decreased, slightly decreased, slightly increased or strongly increased in the last 12 months in your country?’ ‘Strong increase’ is coded ‘increase’, ‘strong decrease’ is coded ‘decrease’ ‘slight in/decrease’ and ‘stayed the same’ (spontaneous answer) is coded the ‘same’.



Figure 7: Poverty perceptions based on experience in last 12 months (odds ratio, in %)

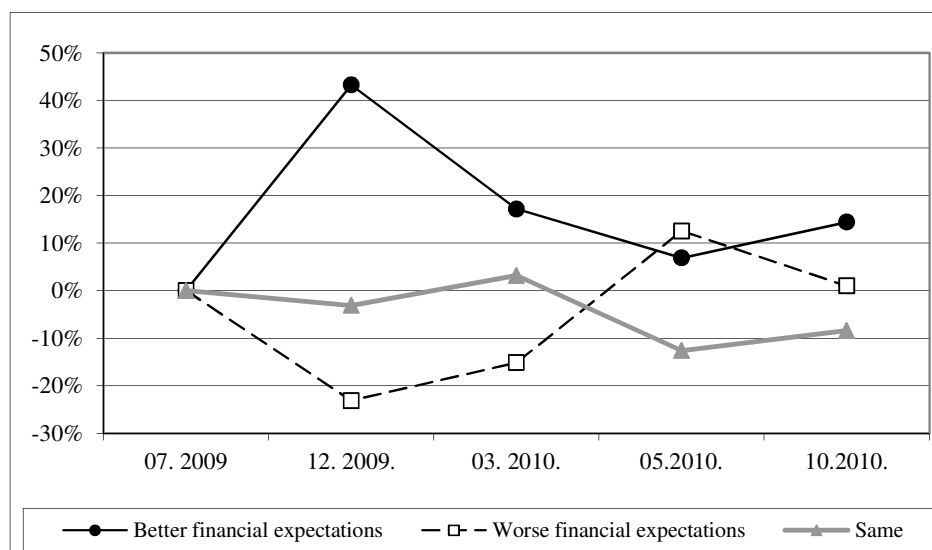


Reference time period: July 2009.

Source: Flash Eurobarometer 276, Flash Eurobarometer 286, Flash Eurobarometer 288, Flash Eurobarometer 289, Flash Eurobarometer 311 (pooled data base).

Nevertheless while perceived poverty in the country does not seem to have been affected by the crisis, future expectations about the financial situation of households did change significantly. The proportion of people who expected financial situation to improve over the next 12 months declined while those who expected it to get worse increased. There were signs of a reversal in these tendencies, however, in the second half of 2010.

Figure 8: Expectations about the household financial situation in the next 12 months (odds ratio, in %)



Reference time period: July 2009.

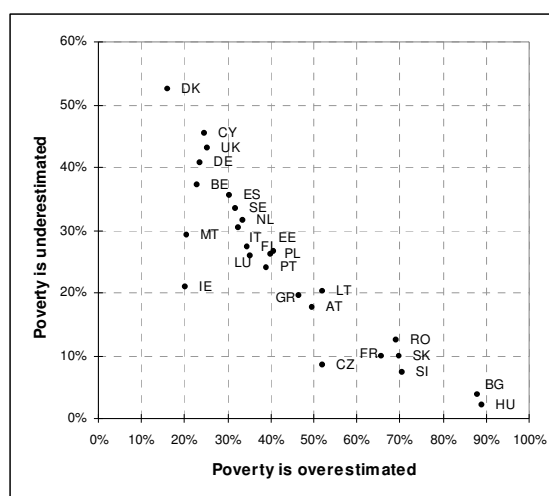
Source: Flash Eurobarometer 276, Flash Eurobarometer 286, Flash Eurobarometer 288, Flash Eurobarometer 289, Flash Eurobarometer 311 (pooled data base).



II.2. The social background of those with differing perceptions of poverty

The analysis above indicated that there are 5 countries in which the estimated poverty rate was at least 5 percentage points higher than the relative rate. The concern here is to examine the characteristics of those perceiving the poverty rate to be at least 5 percentage points higher or lower than the actual at-risk of poverty rate.. In Figure 9, the countries are arranged according to the proportion of population concerned. It is to be expected that in those countries where the share of population who over-estimated poverty (in the sense of perceiving it to be higher than the relative rate) is high, the share of those who under-estimated it is low. In Bulgaria and Hungary, however, where income levels are low (over 60% of the population have income below 60% of the EU median) almost everybody (nearly 90%) perceived the rate to be higher than the actual relative rate by 5 percentage points or more. In Denmark, on the other hand, where income levels are high the majority of people perceived poverty to be at least 5 percentage points below the relative rate.

Figure 9: The share of population estimating poverty to be at least 5 percentage points higher or lower than the actual risk of poverty rate



Latvia is omitted since the proportion of people at risk of poverty is over 25% and the highest possible perceived rate of poverty in the Eurobarometer survey is 30%.

The proportion at risk of poverty is for 2008 and is given by the EU-SILC 2008 survey (source: Eurostat).

Source of the perceived poverty rate: Flash Eurobarometer 276, Flash Eurobarometer 286, Flash Eurobarometer 288, Flash Eurobarometer 289, Flash Eurobarometer 311 (pooled data base).

The social background of those perceiving poverty to be 5 percentage points or more higher than the relative rate tends to be the opposite of those perceiving it to be lower to this extent (Table 5). Men are less likely than women to be in the former group, as are older age groups. At the same time, those with only basic education are more likely to perceive the poverty rate to be higher than the relative rate than those with secondary education, while the opposite is the case for those with tertiary education. Respondents living in cities tend to perceive poverty to be higher than those living in villages, despite the latter being more threatened by poverty than the former, at least in EU12 countries. The inactive also, on average, perceive poverty to be higher than those in employment, as do employees relative to the self-employed and those on low incomes relative to those on higher levels. These tendencies remained the same between successive surveys.



Table 5: Logit models for over/under estimating poverty, odds ratios in %

	Poverty rate is overestimated	Poverty rate is underestimated
December 2009. (July 2009=0)	1.28	6.54**
March 2010. (July 2009=0)	-0.1	-1.97
May 2010. ((July 2009=0)	1.48	-0.07
October 2010. ((July 2009=0)	1.51	3.94
Men	-26.17***	36.34***
Age	-0.96***	0.86***
Basic education (secondary education=0)	16.52***	-6**
University degree ((secondary education=0)	-20.88***	15.2***
Student ((secondary education=0)	-37.52***	12.79***
Large town (village=0)	6.31**	-8.28***
Small town (village=0)	7.58***	-6.71***
Household size	-0.01	0
Self-employed employed=0)	0.03	10.32***
Inactive (employed=0)	11.64***	-2.26
Subjective income position (1-10 scale)	-19.16***	18.26***
Constant	66.83***	-85.01***
-2 Log likelihood	129,085.18	138,544.99
Nagelkerke R Square	0.15	0.22
Chi-square	13,387.67***	21,630.74***

All models contain country dummies; the estimated coefficients are not included in the table

* Coefficient significant at the 5% level, ** Coefficient significant at the 1% level, *** Coefficient significant at the 0.1% level

Source: Flash Eurobarometer 276, Flash Eurobarometer 286, Flash Eurobarometer 288, Flash Eurobarometer 289, Flash Eurobarometer 311 (pooled data base).

II.3. Main findings

- The perceived rates of poverty of those surveyed are fairly close to the actual at risk of poverty rates. There are only five countries (France, Slovenia, Slovakia, Czech Republic and Hungary) where there are at least 5 percentage points difference between the rates perceived by respondents and the latter.
- In the majority of countries there was no significant change in perceptions of poverty over the relatively short period from June 2009 and October 2010 examined.
- The income-deprived, the low educated, the inactive and those living in cities are more likely to perceive the poverty rate to be higher than the actual relative rate than the income-satisfied, the well-educated, those in employment and those living in rural areas.



III. SOCIAL CLIMATE

This section examines the social climate using indices developed last year in Research Note No.5, in particular or personal satisfaction; satisfaction with the socio-economic environment and satisfaction with social policy..

Box 4: The creation of social climate indices

Social climate indices are calculated from questions about satisfaction by taking arithmetic country averages, excluding 'don't know' answers, and giving the value -10 to the response 'not at all satisfied' or the situation is 'very bad', -5 to 'not very satisfied' or the situation is 'rather bad', +5 to 'fairly satisfied' or the situation is 'rather good' and +10 to 'very satisfied' or the situation is 'very good'. The so calculated can theoretically range from -10 to +10, with large negative numbers implying that people are dissatisfied, and large positive numbers that they are generally satisfied. Three social climate indices are calculated : personal satisfaction (with job, household finances, life in general and neighbourhood quality), satisfaction with the socio-economic environment (i.e. with cost of living in general, economic situation in general, affordability of energy and housing, employment situation, operation of public administration) and, finally, satisfaction with policy (i.e. with healthcare provision, pensions and unemployment benefits, as well as inequality and poverty-reducing measures and the management of intercultural relations between people).

The analysis is based on the Standard Eurobarometer 70/ Spring 2008 and in addition on three Special Eurobarometer Surveys: Reference Number 315, wave EB 71.2 (2009); Reference Number 349 wave EB 73.5 (2010); Reference Number 370, wave EB 75.4 (2011). All four surveys included a similar set of questions, though in 2008, the questions about satisfaction with 'the way inequalities and poverty are addressed' was not asked in the same way as from 2009 on. Accordingly, the social climate index for policy is the arithmetic country mean of four questions in 2008 and 5 questions from 2009. The analysis below compares the changes between 2008 and 2011 across countries, though for policy satisfaction, the basis for comparison is 2009.

III.1. Personal satisfaction

In Table 6, Column A shows the mean value of personal satisfaction index for each country, Column B, the difference in means between 2008 and 2011 and Column C the direction and significance of the change, the last two columns showing the rank order in 2011 and the change in this from 2008. In 16 Member States, the change in personal satisfaction over the three years was not significant. Where, there was a significant change, it was positive in 10 of the 11 cases, Romania being the only country in which the index declined. Moreover, there was little change in the ranking of countries. There are only two where the ranking changed by more than five places (Cyprus and Italy).⁶ Overall, there as a significant increase in personal satisfaction in the EU as a whole between 2008 and 2011.

⁶ This indicates that between country differences are larger than within country ones. To clarify: the difference between the lowest score (Bulgaria) and the highest score (Sweden) is 7.93 which is some 40% of the theoretically possible extent of difference (20).



Table 6: Personal satisfaction in EU countries

	A.	B.	C.	D.	E.
	Personal satisfaction (2011)	Difference in mean (2008–11)	The significance of the change	Country's rank in EU27 (2011)	Change in country's ranking (2008–11)
AT	4.99	0.98	+***	7	1
BE	5.32	0.96	+***	6	0
BG	-1.02	0.31	+	27	-1
CY	3.29	-0.74	-	14	-7
CZ	3.18	-0.40	-	15	-4
DE	4.61	0.79	+***	8	1
DK	6.28	0.17	+	3	0
EE	3.47	0.53	+	13	3
ES	2.97	0.77	+***	16	3
FI	6.22	0.30	+	4	0
FR	4.06	0.85	+***	10	4
GR	-0.73	-0.23	-	25	-1
HU	-0.93	0.89	+**	26	1
IE	3.70	0.40	+	12	1
IT	2.74	2.34	+***	18	5
LT	0.66	-0.32	-	23	-2
LU	6.32	1.04	+	2	3
LV	1.08	-0.41	-	21	-1
MT	3.93	0.54	+	11	1
NL	6.01	-0.18	-	5	-3
PL	2.66	0.24	+	19	-1
PT	0.80	1.93	+***	22	3
RO	-0.72	-1.15	-***	24	-2
SE	6.91	0.51	+**	1	0
SI	2.78	-0.16	-	17	-2
SK	2.60	0.12	+	20	-3
UK	4.52	0.80	+***	9	1
EU	3.40	0.79	+***		

Note: +, positive change – negative change.

* change significant at the 5% level, ** change significant at the 1% level, *** change significant at the 0.1% level.

Grey cells indicate a change of more than 5 places in the rank order.

Source: Standard Eurobarometer 70/ Spring 2008; Special Eurobarometer Survey, Reference Number 370, wave EB 75.4 (2011), pooled dataset.

III.2. Satisfaction with the socio-economic environment

Table 7 summarises the mean values, the change and ranking of EU countries as regards satisfaction with the socio-economic environment. Across the EU as a whole, there was an increase in satisfaction (which was significant at the 5% level) over the period 2008–2011. In the 19 countries where the social climate in this regard changed significantly over the three years, it declined in 12 and increased in 7. The largest decline occurred in Slovenia, Romania and Slovakia, while the largest increases were in Germany, Austria and Luxembourg. There are 6 countries in which the ranking changed by more than 5 places



(increasing in the UK and Italy, declining in Spain, Cyprus, Romania and Slovenia). Since the overall difference in the index widened, there was increased divergence in satisfaction with the socio-economic environment between countries over the period.

Table 7: Satisfaction with the socio-economic environment in EU countries

	A.	B.	C.	D.	E.
	Satisfaction with the socio-economic environment (2011)				
		Difference in mean (2008–11)	The significance of the change	Country ranking in 2011	Change in rank order (2008–11)
AT	2.20	2.09	+***	1	3
BE	-1.40	0.98	+***	9	2
BG	-3.93	-0.62	-*	13	3
CY	-4.79	-2.12	-*	19	-7
CZ	-2.46	-1.51	-***	10	-3
DE	1.05	2.02	+***	4	4
DK	0.51	-1.72	-***	5	-4
EE	-0.66	0.08	+	7	-1
ES	-4.92	-1.65	-***	21	-6
FI	-1.34	-1.11	-***	8	-3
FR	-4.49	0.11	+	17	3
GR	-7.34	-1.06	-***	27	0
HU	-5.75	0.52	+**	23	3
IE	-5.71	-0.36	-	22	2
IT	-3.83	1.41	+***	11	12
LT	-5.83	-1.13	-**	24	-2
LU	0.44	2.32	+*	6	3
LV	-4.19	-0.75	-	14	3
MT	-4.32	-1.60	-	16	-3
NL	1.18	-0.31	-	3	-1
PL	-4.30	-0.60	-***	15	3
PT	-6.12	-0.01	-	25	0
RO	-7.12	-2.48	-***	26	-5
SE	1.53	1.01	+***	2	1
SI	-4.89	-2.63	-***	20	-10
SK	-4.55	-1.83	-***	18	-4
UK	-3.88	0.07	+	12	7
EU	-3.10	0.09	+*		

Note: +, positive change – negative change.

* change significant at the 5% level, ** change significant at the 1% level, *** change significant at the 0.1% level.

Grey cells indicate a change of more than 5 places in the rank order

Source: Standard Eurobarometer 70/ Spring 2008; Special Eurobarometer Survey, Reference Number 370, wave EB 75.4 (2011), pooled dataset.



III.3. Policy satisfaction in the EU

Table 8 shows indices of policy satisfaction, the change being limited to the period 2009–2011. Across the EU as a whole, there was a significant reduction in satisfaction with policy. A significant change occurred in 12 countries, remaining the same in 15 of the 27, but there were only two (Germany and Italy) where it increased. The largest reduction (-2.01) occurred in Romania, and the largest increase (0.89) in Luxembourg. Overall, the size of reduction was larger than that of increases. The country ranking did not change significantly over the period: there are no countries where the order changed by more than 5 positions. The extent of the difference in the index widened (from 8.8 to 9.9), implying that countries became more divergent as regards satisfaction with policy.

Table 8: Satisfaction with policy in EU countries

	A.	B.	C.	D.	E.
	Satisfaction with policy (2011)	Difference in mean (2009–11)	Significance of change	Country ranking in 2011	Change in country ranking (2009–11)
AT	3.26	0.49	+	2	1
BE	1.88	-0.14	-	4	0
BG	-3.83	0.12	+	23	3
CY	-1.14	-0.74	-	15	-1
CZ	-2.23	-1.12	***	18	-2
DE	0.58	0.45	***	9	1
DK	1.55	-0.32	-	5	0
EE	-2.10	-0.84	-	17	0
ES	-0.98	-0.94	***	14	-3
FI	0.60	-1.12	***	8	-2
FR	-0.86	-0.70	***	13	-1
GR	-5.37	-0.82	***	27	0
HU	-3.89	-0.32	-	25	0
IE	-0.34	0.50	+	12	3
IT	-1.37	0.59	***	16	2
LT	-3.37	-1.14	**	22	-2
LU	4.50	0.89	+	1	0
LV	-3.88	-1.08	-	24	-1
MT	0.99	-0.13	-	7	1
NL	2.71	-0.57	**	3	-1
PL	-2.68	-0.44	**	20	1
PT	-2.84	-0.07	-	21	1
RO	-5.11	-2.01	***	26	-2
SE	0.38	-0.32	-	10	-1
SI	-0.19	0.02	+	11	2
SK	-2.56	-0.48	-	19	0
UK	1.18	-0.39	**	6	1
EU	-0.83	-0.28	***		

Note: +, positive change – negative change.

* change significant at the 5% level, ** change significant at the 1% level, *** change significant at the 0.1% level.

Grey cells indicate a change of more than 5 places in the rank order.

Source: Standard Eurobarometer 70/ Spring 2008; Special Eurobarometer Survey, Reference Number 349 wave EB 73.5 (2010), pooled dataset.



III.4. Year to year change in the social climate

The period examined above is a relatively short one for things to change much. Nevertheless, it might conceal year-to-year volatility. It is evident, however, that changes were relatively smooth (Table 9, 10 and 11).. If, for example, if an increase occurred at least twice between adjacent years, the change over the longer time period was also positive, and the same is true for a reduction.

Table 9: Year-to-year change in personal satisfaction

	2008-2009	2009-2010	2010-2011	2008-2011	The numbers of positive changes	The numbers of negative changes
AT	+	+	+	+	1	0
BE	+	-	+	+	1	0
BG	-	+	+	+	0	0
CY	-	+	-	-	0	0
CZ	-	+	-	-	0	0
DE	+	+	+	+	2	0
DK	+	-	-	+	0	0
EE	-	+	+	+	0	0
ES	+	+	+	+	2	0
FI	-	+	+	+	0	0
FR	+	+	+	+	1	0
GR	+	-	+	-	0	1
HU	+	+	-	+	1	0
IE	+	+	-	+	0	0
IT	+	-	+	+	2	0
LT	-	-	+	-	0	0
LU	+	+	-	+	0	0
LV	-	-	+	-	0	0
MT	-	-	+	+	0	0
NL	-	-	+	-	0	1
PL	+	+	-	+	1	0
PT	+	-	+	+	1	1
RO	+	-	+	-	2	1
SE	+	-	+	+	0	0
SI	+	-	-	-	0	0
SK	-	+	-	+	1	0
UK	+	+	-	+	1	0
EU	+	-	+	+	2	0

Note: +, positive change; - negative change.

* change significant at the 5% level, ** change significant at the 1% level, *** change significant at the 0.1% level.

Grey cells indicate that the change was significant in at least two periods.

Source Standard Eurobarometer 70/ Spring 2008; Special Eurobarometer Surveys: Reference Number 315, wave EB 71.2 (2009); Reference Number 349 wave EB 73.5 (2010); Reference Number 370, wave EB 75.4 (2011). pooled dataset.



Table 10: Year-to-year change in satisfaction with socio-economic environment

	2008-2009	2009-2010	2010-2011	2008-2011	The number of positive changes	The number of negative changes
AT	-	***	**	***	2	0
BE	-	+	**	***	2	0
BG	***	***	+	*	1	1
CY	-	-	-	*	0	0
CZ	***	+	*	***	0	2
DE	***	***	***	***	2	1
DK	-	*	*	***	0	2
EE	-	+	-	+	0	0
ES	***	+	***	***	0	2
FI	***	+	-	***	0	1
FR	***	+	***	+	1	1
GR	+	***	**	***	0	2
HU	+	+	+	**	0	0
IE	-	+	-	-	0	0
IT	***	***	***	***	3	0
LT	-	**	+	**	0	1
LU	+	+	+	+	0	0
LV	-	+	-	-	0	0
MT	-	+	-	-	0	0
NL	***	-	+	-	1	1
PL	+	+	***	***	0	1
PT	**	-	*	-	1	1
RO	***	***	-	***	0	2
SE	-	***	-	***	1	0
SI	-	-	*	***	0	1
SK	***	+	***	***	1	2
UK	+	***	***	+	1	1
EU	**	***	*	+	1	2

Note: +, positive change; - negative change.

* change significant at the 5% level, ** change significant at the 1% level, *** change significant at the 0.1% level.

Grey cells indicate that the change was significant in at least two t periods.

Source: Standard Eurobarometer 70/ Spring 2008; Special Eurobarometer Surveys: Reference Number 315, wave EB 71.2 (2009); Reference Number 349 wave EB 73.5 (2010); Reference Number 370, wave EB 75.4 (2011). pooled dataset.



Table 11: Year-to-year changes in satisfaction with policy

	2009-2010	2010-2011	2009-2011
AT	+	+	+
BE	-	+	-
BG	+	-	+
CY	+	-	-
CZ	+	_***	_***
DE	+	+***	+***
DK	+	-	-
EE	+	-	-
ES	+	_***	_***
FI	-	-	_***
FR	_**	_**	_***
GR	-	_**	_***
HU	+	-	-
IE	+	+	+
IT	-	+***	+***
LT	_*	-	_**
LU	+	+	+
LV	-	-	-
MT	+	-	-
NL	_*	-	_**
PL	-	_*	_**
PT	-	+	-
RO	_***	-	_***
SE	+	_*	-
SI	-	+	+
SK	+*	_***	-
UK	-	-	_**
EU	_***	_**	_***

Note: +, positive change; - negative change.

* change significant at the 5% level, ** change significant at the 1% level, *** change significant at the 0.1% level.

Policy satisfaction could be measured only in 2009, 2010 and 2011

Source: Special Eurobarometer Surveys: Reference Number 315, wave EB 71.2 (2009); Reference Number 349 wave EB 73.5 (2010); Reference Number 370, wave EB 75.4 (2011). pooled dataset.



III.5. The share of those who are satisfied

From the country means of the indices examined above, it is hard to identify the share of population who are satisfied. For example if 50% of the population is 'totally satisfied' and the rest is 'totally dissatisfied' the mean of the index is zero, which can clearly lead to a misjudgement of the situation. Accordingly, it is relevant to examine measure the share of those who are satisfied.

Personal satisfaction is based on 4 primary questions, while satisfaction with the socio-economic environment is based on 6 and policy satisfaction on 5. Table 12 shows the share of population who view the situation as 'very good' or 'rather good' for all the items used to construct the composite indices. Just under half of the people in the EU are satisfied with their personal life, while just over one in 20 (6%) is satisfied with their country's socio-economic environment and one in 10 (10%) is satisfied with the policy situation. In general, this suggests that people in the EU are fairly satisfied with their personal life and that they are least satisfied with the socio-economic environment, there being are only five countries where the share of the population which is at least moderately satisfied exceeds 10%. People are more satisfied with the policy situation than with the socio-economic environment (only in Austria and Sweden is this not the case).



Table 12: The share of satisfied people, 2011

	The share of population that finds the current situation at least 'rather good' in terms of all the questions used to construct the index			The rank position of the country among the 27 Member States		
	Personal satisfaction	Satisfaction with the socio-economic environment	Policy satisfaction	Personal satisfaction	Satisfaction with the socio-economic environment	Policy satisfaction
AT	65.84	34.90	33.83	4	1	1
BE	60.65	5.15	15.46	6	7	5
BG	16.50	0.96	2.42	25	18	21
CY	30.16	1.21	9.34	20	17	14
CZ	40.58	4.20	5.39	13	11	18
DE	50.16	13.42	13.71	8	4	6
DK	65.68	12.37	15.69	5	5	4
EE	34.44	2.36	3.28	19	13	20
ES	41.03	0.10	7.19	12	26	15
FI	67.41	4.48	13.53	3	9	7
FR	42.14	0.91	3.78	11	19	19
GR	17.44	0.20	0.74	24	25	26
HU	12.32	1.24	2.19	27	16	22
IE	37.57	0.85	9.40	16	20	13
IT	49.17	7.85	12.68	9	6	9
LT	22.29	0.49	1.37	23	23	24
LU	67.79	4.53	28.56	2	8	2
LV	24.41	0.00	0.49	22	27	27
MT	40.56	1.70	13.34	14	15	8
NL	57.49	18.73	21.88	7	2	3
PL	36.61	4.47	6.36	17	10	16
PT	24.52	0.23	2.00	21	24	23
RO	13.98	0.52	1.20	26	22	25
SE	74.60	14.00	10.81	1	3	12
SI	37.74	0.52	10.92	15	21	11
SK	35.45	3.65	5.54	18	12	17
UK	45.55	2.24	12.42	10	14	10
EU	43.13	5.87	9.71			
Min	12.32 (HU)	0.00 (LV)	0.49 (LV)			
Max	74.60 (SE)	34.90 (AT)	33.83 (AT)			

Source: Special Eurobarometer Survey, Reference Number 370, wave EB 75.4 (2011)



III.6. The changes in the three social climate indices

Table 13 indicates whether the change in the social climate indices was positive (+) or negative (-) (at the 5% significance level) over the period 2008-2011 or 2009-2011 in the case of satisfaction with policy, with zero signifying no significant change. Column D shows the number of domains where a positive change occurred, Column E, the number where there was a negative change. In Germany and Italy, all the three indices increased and there was reduction in all three in Romania. In Austria, Belgium, Hungary and Sweden personal satisfaction and satisfaction with the socioeconomic environment increased significantly, while there was no change as regards policy satisfaction. In the Czech Republic, Spain, Finland Greece, Lithuania and Poland a significant negative change in policy satisfaction is combined with a significant reduction in satisfaction with the socio-economic environment.

Table 13: Changes in the three social climate indices, 2008-2011

	A.	B.	C.	D.	E.
	Personal satisfaction	Satisfaction with socio-economic environment	Policy satisfaction	Number of domains with positive change	Number of domains with negative change
AT	+	+	0	2	0
BE	+	+	0	2	0
BG	0	-	0	0	1
CY	0	-	0	0	1
CZ	0	-	-	0	2
DE	+	+	+	3	0
DK	0	-	0	0	1
EE	0	0	0	0	0
ES	+	-	-	1	2
FI	0	-	-	0	2
FR	+	0	-	1	1
GR	0	-	-	0	2
HU	+	+	0	2	0
IE	0	0	0	0	0
IT	+	+	+	3	0
LT	0	-	-	0	2
LU	0	+	0	1	0
LV	0	0	0	0	0
MT	0	0	0	0	0
NL	0	0	-	0	1
PL	0	-	-	0	2
PT	+	0	0	1	0
RO	-	-	-	0	3
SE	+	+	0	2	0
SI	0	-	0	0	1
SK	0	-	0	0	1
UK	+	0	-	1	1
EU	+	+	-	2	1

Note: +, positive change occurred which is significant at the 5% level; - negative change occurred which is significant at the 5% level; 0 no significant change.

The change refers to the period 2008-2011 for personal satisfaction and satisfaction with the socio-economic environment and 2009-2011 for satisfaction with policy.

Grey cells indicate that the changes were significant at least in two domains.

Source: Standard Eurobarometer 70/ Spring 2008; Special Eurobarometer Surveys: Reference Number 349 wave EB 73.5 (2010); Reference Number 370, wave EB 75.4 (2011), pooled dataset.



III.7. The relationship between GDP per head and satisfaction with the socio-economic environment

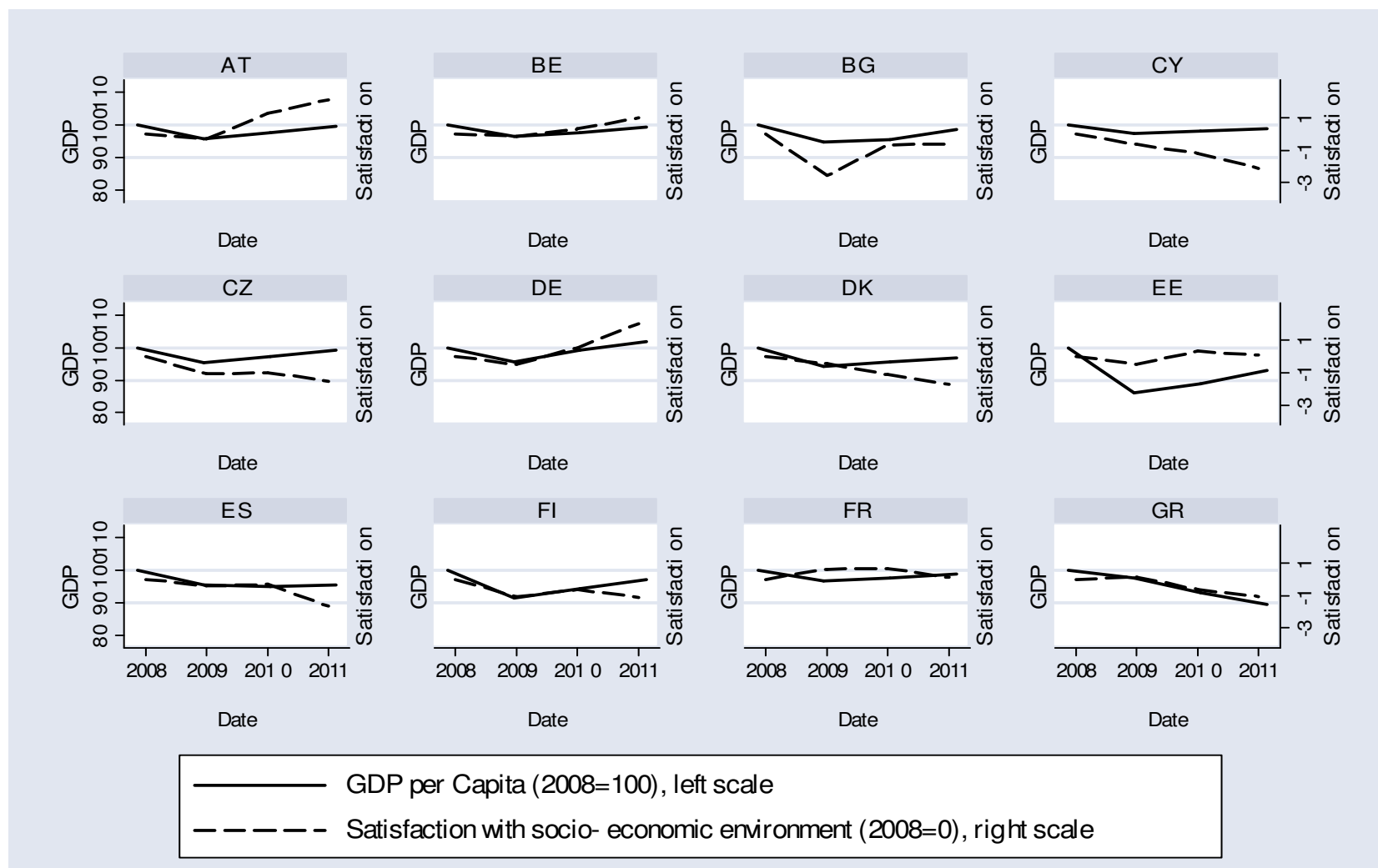
In this section we examine the relationship between GDP and the satisfaction with socio-economic environment in case of every European country separately. The GDP is measured in millions of national currency and we used 2008 as the reference year (the GDP capita value measured in 2008 is set to 100% in each country). The values for 2011 are forecasts. The satisfaction with socioeconomic environment is also related to the 2008-value: in every country we subtracted the value measured in 2008 from the values measured later surveys (so 2008-value is set to zero).

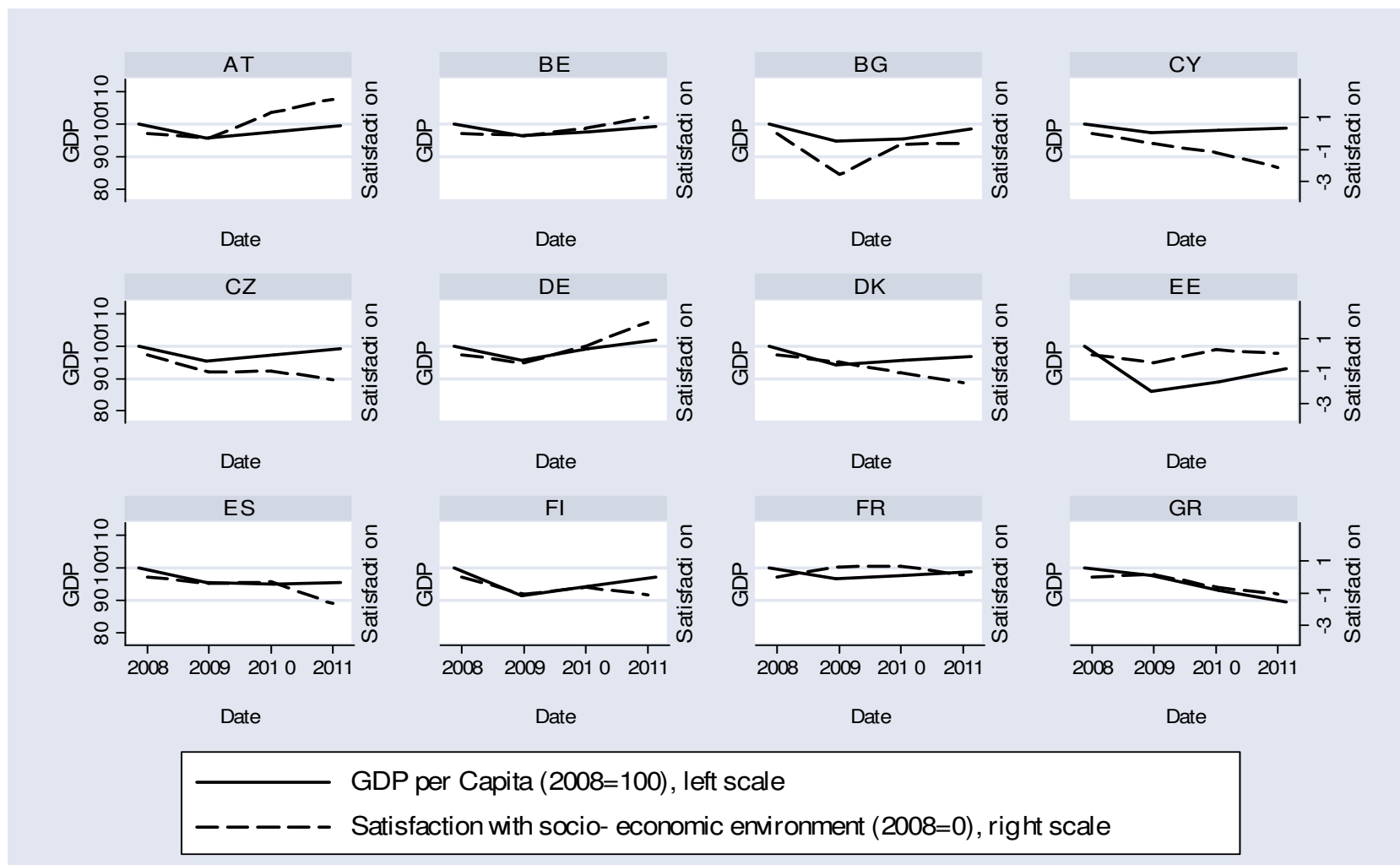
Figure 10 depicts the within country relationship between GDP and satisfaction with socio-economic environment from 2008 to 2011. On all the 27 graphs the changes are relative and measured (or depicted) on common scales. In the majority of countries the two indicators go together. The ideal typical countries for that relationship are Belgium, Germany, Greece and Portugal. In another group of countries (Estonia, Lithuania and Latvia) the two indicators are parallel but a very deep recession in the GDP was followed by a smaller decline in the satisfaction. In a third group of countries (Cyprus, Denmark, Poland, Slovenia and Slovakia) GDP and satisfaction go in opposite direction. These correlations, however, might be influenced by the fact that the GDP data are forecast for the year of 2011.

The general positive connection between the GDP and satisfaction with socio-economic environment is supported via fixed effect regression analysis. In the majority of cases the within country connection between the two examined variables is statistically not different from overall (positive) relationship.



Figure 10: Within country correlation of GDP and Satisfaction with socio-economic environment, changes related to 2008





Source: Standard Eurobarometer 70/ Spring 2008; Special Eurobarometer Surveys: Reference Number 315, wave EB 71.2 (2009); Reference Number 349 wave EB 73.5 (2010); Reference Number 370, wave EB 75.4 (2011), pooled dataset.



III.8. Main findings

- In most countries, personal satisfaction either remained the same over the period 2008-2011 or increased. Only in Romania was there a decline.
- Satisfaction with the socio-economic environment increased slightly over the period across the EU as a whole, but it declined in 12 countries.
- In most countries (15 of the 27), satisfaction with social policy was much the same at the end of the period as in the beginning, but it was lower in 10 countries and higher only in Germany and Italy.
- People in the EU are fairly satisfied with their personal life in most countries.
- People are least satisfied with the socio-economic environment; there are only five countries in which the share of the population who are at least moderately satisfied exceeds 10%.
- In most countries, changes in GDP per head are associated with similar changes in satisfaction with the socio-economic environment. There are a few countries, however, where the link is less clear and two, France and Poland, where there seems to be no association at all.



Summary of main findings

1. Satisfaction with the general socio-economic environment remained the same in 8 countries (Estonia, France, Ireland, Latvia, Malta, the Netherlands, Portugal and UK) between 2008-2011, improved in 7 countries (most notably in Germany, Austria and Luxembourg), in the sense that more people reported being satisfied, while it declined in 12 countries (mostly in Slovenia, Romania and Cyprus).
2. There was less satisfaction with policy responses shows. There were only two countries (Germany and Italy) where satisfaction with policy improved significantly between 2009 and 2011.
3. Personal satisfaction remained stable or increased (in ten countries, like: Austria, Belgium, Germany, Spain, France, Hungary, Italy, Portugal, Sweden and the UK) in European countries. The only exception is Romania, where personal satisfaction declined significantly between 2008 and 2011.
4. The rate of poverty perceived by those surveyed has remained relatively stable. Indeed, an increasing share of people between July 2009 and October 2010 considered poverty to be approximately the same as in the preceding year.
5. There was a marked shift in the perceived causes of poverty. Between 2007 and 2010, the share of people regarding poverty to be a consequence of social injustice increased, while the proportion considering poverty to be due to people being lazy declined. In Latvia and Lithuania, in particular there was an especially large rise in the proportion of people regarding to stem from social injustice and a correspondingly large decline in those attributing it to laziness.
6. In the majority of EU countries, the minimum level of income considered acceptable declined between 2007 and 2009. Overall, the proportion of people who regarded themselves as income-deprived (having income much lower than the acceptable level), however, increased. Compared to 2007, in both 2009 and in 2010, the 'income satisfied' (those who had a much higher income than the level regarded as acceptable) reduced the level of income they considered acceptable twice as much as the 'income-deprived'.



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