“PROTECTING THE VULNERABLE”: IDENTIFYING ECONOMICALLY VULNERABLE GROUPS AS THE ECONOMIC CRISIS EMERGED IN IRELAND

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Introduction

• Protecting the vulnerable

• Defining the vulnerable

• Limitations of income poverty – inability to participate due to lack of resources

• Social Exclusion – dynamics & multidimensionality

• The life cycle perspective & the dynamics of interrelated risks
Deprivation & Social Exclusion

- Deprivation & accurate identification of the poor
- Deprivation & capturing multidimensionality – poverty is about “more than money”
- Consistent poverty - restricted form of multidimensionality
- Current poverty 60% line + basic deprivation 2+ of 11
5 Dimensions of Deprivation

• Basic (11 items=items into Cst pov measure, 2+):
  * Without heating, 2 pairs shoes, friends/family meal out, buying presents,….

• Consumption (4+):
  * telephone, Pc, car, washing machine

• Housing facilities (1+):
  * Bath/shower, hot water,…

• Neighbourhood Environment (2+):
  * pollution, crime, noise,…

• Health status of HRP (1+):
  * assessment of health, chronic illness, mobility restriction
Latent Class Model
Economic Vulnerability

- From deprivation to insecurity & exposure to risk
- Latent Class Analysis
- Poverty, basic deprivation & economic stress
- Social Exclusion & "Deep Exclusion"?
- "Risk factors" & "Triggers" – resources v underclass explanations
At Risk of Poverty (at 60% of Median) & Economic Vulnerability Risk
Vulnerability to Economic Exclusion

- 60% income poverty
- Economic stress
- Deprivation

60% income poverty:
- Non vulnerable: 20%
- Vulnerable: 40%

Economic stress:
- Non vulnerable: 40%
- Vulnerable: 80%

Deprivation:
- Non vulnerable: 20%
- Vulnerable: 80%
Risk & Composition of Economic Vulnerability by Income Poverty at 60% of Median
Distribution Across Categories of Poverty & Economic Vulnerability Profile (%)
Deprivation Dimensions by Poverty & Vulnerability Typology

- Consumption 4+
- Housing 1+
- Neighbourhood 2+
- HRP Health 1+

- Non-Poor & Non Vulnerable
- Poor but not Vulnerable
- Vulnerable but not Poor
- Vulnerable & Poor
Perceptions of Past & Next Year by Poverty & Vulnerability Typology

- **Major drop of income in the past 12 months**
  - Non-Poor & Non Vulnerable
  - Poor but not Vulnerable
  - Vulnerable but not Poor
  - Vulnerable & Poor

- **Expect financials situation to worse in the next 12 months**
  - Non-Poor & Non Vulnerable
  - Poor but not Vulnerable
  - Vulnerable but not Poor
  - Vulnerable & Poor
Multinomial Regression of Poverty and Vulnerability Typology on Household & Household Reference Person Characteristics with being neither poor nor vulnerable as the reference category

<table>
<thead>
<tr>
<th>HRP Labour Force Status</th>
<th>Poor &amp; Vulnerable</th>
<th>Vulnerable not Poor</th>
<th>Poor not Vulnerable</th>
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</thead>
<tbody>
<tr>
<td>Retired (reference)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Retired</td>
<td>1.6*</td>
<td>1.5*</td>
<td>3.1</td>
</tr>
<tr>
<td>Self-employed with employees</td>
<td>2.0</td>
<td>0.2</td>
<td>3.2</td>
</tr>
<tr>
<td>Self-employed without employees</td>
<td>5.1</td>
<td>1.6*</td>
<td>8.3</td>
</tr>
<tr>
<td>Farmer</td>
<td>7.1</td>
<td>0.5*</td>
<td>4.6</td>
</tr>
<tr>
<td>Home Duties</td>
<td>7.9</td>
<td>3.0</td>
<td>4.3</td>
</tr>
<tr>
<td>Unemployed</td>
<td>15.0</td>
<td>6.8</td>
<td>4.2</td>
</tr>
<tr>
<td>Ill/Disabled</td>
<td>15.0</td>
<td>7.9</td>
<td>6.5</td>
</tr>
<tr>
<td>In Education</td>
<td>20.2</td>
<td>3.2</td>
<td>10.7</td>
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</table>

<table>
<thead>
<tr>
<th>Tenure</th>
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<tbody>
<tr>
<td>Mortgage Holder (Reference)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Outright Owner</td>
<td>1.8</td>
<td>0.7*</td>
<td>2.8</td>
</tr>
<tr>
<td>Private Tenant</td>
<td>2.7</td>
<td>2.3</td>
<td>4.3</td>
</tr>
<tr>
<td>Local Authority Purchaser</td>
<td>5.9</td>
<td>4.2</td>
<td>7.9</td>
</tr>
<tr>
<td>Local Authority Tenant</td>
<td>8.0</td>
<td>4.2</td>
<td>4.0</td>
</tr>
<tr>
<td>Separated</td>
<td>1.4</td>
<td>2.2</td>
<td>2.3</td>
</tr>
<tr>
<td>Divorced</td>
<td>2.6</td>
<td>3.1</td>
<td>0.8*</td>
</tr>
<tr>
<td>Lone Parent</td>
<td>4.3</td>
<td>1.9</td>
<td>2.5</td>
</tr>
</tbody>
</table>

* not significant
### Multinomial Regression of Poverty and Vulnerability Typology on HRP Social Class

<table>
<thead>
<tr>
<th>HRP Social Class</th>
<th>Poor &amp; Vulnerable</th>
<th>Vulnerable not Poor</th>
<th>Poor not Vulnerable</th>
</tr>
</thead>
<tbody>
<tr>
<td>Higher Salariat (ESeC Class 1) Reference Category</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Lower Salariat (ESeC Class 2)</td>
<td>1.8*</td>
<td>3.5</td>
<td>1.9*</td>
</tr>
<tr>
<td>Higher Grade white &amp; blue collar (ESeC classes 3 &amp; 6)</td>
<td>5.0</td>
<td>7.8</td>
<td>2.5</td>
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<tr>
<td>Petit Bourgeoisie (ESeC Class 4)</td>
<td>13.1</td>
<td>5.0</td>
<td>8.8</td>
</tr>
<tr>
<td>Farmers (ESeC Class 5)</td>
<td>15.9</td>
<td>0.7</td>
<td>8.1</td>
</tr>
<tr>
<td>Lower Grade white &amp; blue collar (ESeC classes 7 &amp; 8)</td>
<td>11.6</td>
<td>10.9</td>
<td>4.3</td>
</tr>
<tr>
<td>Semi &amp; non-skilled workers (ESeC class 9)</td>
<td>19.3</td>
<td>12.1</td>
<td>7.9</td>
</tr>
</tbody>
</table>

* not significant
Social Welfare Dependence by Poverty & Vulnerability Typology

- Non-Poor & Non-Vulnerable: <25%
- Poor but not Vulnerable: 25-50%
- Vulnerable but not Poor: 50-75%
- Vulnerable & Poor: 75-100%
Types of Welfare Benefit Income by Vulnerability Typology

Non-Poor & Non-Vulnerable
- Old Age
- Survivors
- Disability
- Unemployment
- Family/children

Poor but not Vulnerable
- Old Age
- Survivors
- Disability
- Unemployment
- Family/children

Vulnerable but not Poor
- Old Age
- Survivors
- Disability
- Unemployment
- Family/children

Vulnerable & Poor
- Old Age
- Survivors
- Disability
- Unemployment
- Family/children
Conclusions (i)

- Limitations of income poverty
- Value of consistent poverty indicator
- Highly restricted form of multidimensionality
- Poverty “about something more than money” but resources an essential part of the picture
Conclusions (ii)

- **Poverty & Vulnerability** - short & long term resources & additional needs

- **Vulnerability without Poverty** - absence of longer term resources and additional needs

- **Poverty without Vulnerability** - limitations of current disposable income as an indicator

- Above reflected in socio-economic patterning
Conclusions (iii)

- Vulnerability perspective allows us to deal with "false negatives" as well as "false positives"

- Limitations of both income & consistent poverty

- Prospects for the Poor & Non Vulnerable & Vulnerable and Non-Poor in the recession