

AN APPROACH TO POVERTY DYNAMICS  
THROUGH A COMPARISON BETWEEN  
LUXEMBOURG (1991-1992),  
FRANCE (1989-1990)  
AND GALICIA (1992-1993)

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June 1996

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## 1. INTRODUCTION

This paper was presented in the PACO final conference that was held on the 13 and 14 of June in Budapest. Its particular aim was to show that the Galician panel has enough comparable elements with the PACO data base. In order to achieve such an aim, both cross-sectional and longitudinal analysis were carried out.

The basic starting points were the estimation of household poverty indexes and the distribution of net monthly incomes per quintiles.

In the cross-sectional analysis, the poverty index and the income distribution are related both with sociodemographic variables of the head of the household. This would result in detecting which are the most common household traits with regard to the economic standard.

In order to know the importance that several sources of income have on household poverty it has been necessary to consider their origin. The number of recipients and the index of poor households have been calculated for all of them as well as the percentage of poor households that would result if these sources of income were not received.

In the longitudinal analysis, the outcomes of two surveys carried out in successive years are compared. The choice of years arose from the Galician panel, which was undertaken in 1992 and 1993, that is, in order to compare it with those from the countries involved in PACO the closest years were selected. This kind of analysis allows to research for a given period the evolution of both poverty levels and income distribution, from a global viewpoint and also as a result of household changes. These changes concern

the numbers of family members as well as the labour situation of the head of the household.

## 2. METHODOLOGY

2.1. Selection of variables and difficulties encountered in the comparison between PACO and Galicia databases.

The selection of variables to use has been a basic but rather difficult task. The Galicia survey analyses the population's standard of life and lays the stress on poor households, so the variables eventually chosen result from this analysis.

The information of the Galicia survey could be classified into:

- \* sociodemographic variables;
- \* variables relating to the dwelling conditions;
- \* variables relating to the dwelling tenancy;
- \* variables relating to other household goods or properties;
- \* subjective variables relating to the economic situation;
- \* income variables.

Although it could be thought that the information from the Galicia survey and that from PACO are quite similar, the fact is that adjusting their contents is a rather complex task.

In order to compare the different income types between the Galician panel and the PACO data base, three sources have been considered:

- \* Job-related income (Variable HXX12):
- \* Total property income (Variable HXX13), which comprises Interests and other dividends, income from rents and income from owner occupied houses;
- \* Total transfers (Variable HXX52), which comprise Public Administration benefits (Social Security or Social Assistance), private pensions and private cash inter-household transfers.

One of the main difficulties encountered has been the comparison between the different types of income. Two facts account for such difficulties: the inequality between the social protection systems in each of the countries involved and the diverse weight that different types of income have in them.

In Galicia, for instance, private pensions are quite rare while Public Administration benefits play an important role in the household economy. The PACO panel includes those contributions received from individuals with whom there is or there has been some type of kinship, such as the money that a divorcee father gives to their sons/daughters. These kinds of contribution are called private cash interhousehold transfers. In Galicia, although these contributions also occur, are less frequent due to the persistence of a very traditional concept of family. On the other hand, job-related income and total property income are comparable between the PACO database and the Galician panel.

Another important group of variables used in this research have been the sociodemographic ones applied to the head of the household. In this case the level of complexity

has been lower as they are more homogeneous. Owing to the fact of every country having an education system of its own, with regard to the variable of educational level the comparison between Galicia and PACO has forced to recodify the former so as to make it as similar as possible as the one in PACO.

It has been more difficult indeed to compare the professional categories. In the PACO database there are only five of them: farmers, self-employed, blue collars, white collars and civil servants, while for Galicia the classification is much broader: In the original interview there were 13 different categories which were recodified into 6 to allow the comparison with PACO. These are the resultant categories:

- \* Farmers;
- \* Non-skilled workers;
- \* Skilled workers;
- \* White collars;
- \* Self-employed;
- \* Employers and liberal professionals.

The first category gathers farmers and fishermen. As for the blue collar PACO category, it has been divided into non-skilled and skilled workers. White collars are administrative workers as well as managers, technicians,... Self-employed are those working independently and not for an employer, while the last category consists of both those individuals employing others and all those with a university degree working independently in activities related to their profession. Civil servants were not taken into account in the Galicia survey.

The recodification has not been exactly as that in the PACO database because to mix professional categories in an

analysis dealing with the quantification of poverty would have produced less accurate results. Anyway, there are categories such as farmers and self-employed which are similar and can be therefore compared.

## 2.2. Calculation of the poverty threshold according to the EC method<sup>1</sup>.

In general terms, the EC method is the most frequent in the EU countries. The poverty line based upon this method is considered a statistical and relative system. It is relative since poverty lines depend on the period, country or society in which they are applied. And it is statistical because poverty lines are defined as a percentage of an average income. According to this definition, the available mean income is calculated and weighted from the results obtained in the sample.

As an example we enclose the system by which the income of the 1992 Galicia sample has been weighted:

1. Sum of the household incomes available in the sample (pts): 328.181.311.;
2. Total number of households in the sample: 1.800;
3. Total number of individuals: 6.526;
4. Total number of heads of the household weighted per 1 (1.800 x 1): 1.800;
5. Total number of adults who are no heads of the households weighted per 0,7 (3.607 x 0,7): 2524,9;

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Commission of the European Communities. Final report from the Commission to the Council on the first programme of pilot schemes and studies to combat poverty. Brussels, 1991.  
Gabinet d'Estudis Socials. Informe sobre la pobreza en Galicia. 1992-1993.



6. Total number of children weighted per 0,5  
(1.119 x 0,5): 559,5;
7. Total number of individuals weighted (4 +  
5 + 6): 4.884,4;
8. Mean income weighted: 67.189.7 ptas.

Once the available average net income weighted has been obtained, the poverty threshold or line is established according to a percentage (50%) on this income. Therefore, those families under it would be regarded as poor. As an illustrative example of this calculation, those one-person households under 50% of the mean income weighted would be poor, while for plural households it would be necessary to apply a 0,7 coefficient for every additional member over 15 years old and a 0,5 one for every children or any under 16 year-old person. This weighting tends to correct the "saving" effect arising from the fact of sharing the fixed household expenses, which, as it is obvious, do not increase at the same pace than the number of members.

#### Calculation of the quintiles

In order to analyse the income distribution among the population and to stress the elements playing a role in this dynamics, the sample is divided into income quintiles, that is, according to their income, households are distributed in five equal parts from the lowest to the highest level. From this distribution, the following income levels appear:

- \*Low income Households (first quintile);
- \* Low/Medium Income Households (second quintile);
- \*Medium Income Households (third quintile);
- \*Medium/High Income Households (fourth quintile);
- \*High Income Households (fifth quintile).

In the PACO method the poverty index and the quintiles have been calculated through the variable HXX060 (Total net income), save for the United Kingdom, where the variable HXX053 (Total gross income) was the one used because the former was not estimated.

### 3. ANALYSIS RESULTS

#### 3.1. Cross sectional analysis

##### 3.1.1. Percentage of poor households according to the EC method and distribution of the available net household income per quintiles.

The operative definition of poverty rests on the income level of the families living in a certain socioeconomic context. In this analysis, the poor households are those under 50% of the population's average income.

The manner in which the income is distributed within the population is important to know the degree of inequality.

Leaving aside the gap between the periods when the different surveys were carried out, it is possible to state that there is a remarkable contrast between Galicia poverty index (13,1%) and that of Luxembourg (7,5%). The number of poor households in Galicia is twice the one in Luxembourg, while the differences are less acute with regard to Lorraine (France).

TABLE 1. PERCENTAGE OF POOR HOUSEHOLDS ACCORDING TO THE E.C. METHOD WITH 50% POVERTY THRESHOLD

	E.C. 50%
GALICIA. 1992	13,1
LUXEMBURG 1992	7,5

FRANCE 19900	11,7
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As for the income distribution (table num. 2), it is much more balanced in Luxembourg than in France and Galicia. In this sense, we are of the opinion that Galicia is the most uneven of these territories since 41,2% of the total income is placed in the last quintile and only 6,94% in the first one.

TABLE 2. INCOME DISTRIBUTION

	GAL. 92	LUX. 92	FRAN. 90
LOW	6,94	9,06	6,05
MEDIA LOW	12,08	13,59	13,97
MEDIA	16,60	15,02	18,36
MEDIA ALTA	23,18	21,05	23,72
ALTA	41,20	35,57	37,90

In short, we can say that Galicia is the region with the highest poverty index and also the territory where the income distribution is the most unbalanced, while Lorraine is faced with a similar although less acute situation. On the contrary, Luxembourg is a rich society with both a low level of poverty and a much more even income distribution.

3.1.2. Household poverty index according to the sociodemographic traits of the head of the household and the number of family members.

This section deals with the analysis of the poor households according to some sociodemographic traits of the head of the household.

Concerning the sex (table num. 3), in all the territories concerned (Galicia, Lorraine and Luxembourg) it is noticeable that the poverty index is higher for those families whose head is a woman. However, this difference is very little in Luxembourg (0,5), while in France is much more important (7,1). This is presumably due to two related facts: in those territories where the differences are the highest, women's employment rate is smaller and those working occupy the least skilled jobs and consequently the least remunerated ones.

TABLE 3. POVERTY INDEX ACCORDING TO THE HEAD OF THE HOUSEHOLD'S SEX

	GAL. 92	LUX. 92	FRAN. 90
MAN	13,5	7,6	10,9
WOMAN	15,3	7,1	17,8

As for the age of the head of the household (table num. 4), it is worth mentioning that in Galicia the highest percentage of poor households occur in those in which the head of the household is aged from 50 to 64 years. In contrast, in those families whose head is a retired person, the percentage is smaller. An explanation for this would be that the minimum retirement pensions of Social Security exceed the EC poverty threshold.

In Luxembourg and Lorraine the situation is quite different. In the former country, it seems that the poorest households are those in which the head is a young person. In contrast with Galicia, those households whose head is aged from 50 to 64 years are the ones with the smallest poverty index, which increases for those over 75 years. In Lorraine it seems that the household poverty index raises with the head of the household's age. This would show the influence of old age benefits.

TABLE 4. POVERTY INDEX ACCORDING TO HEAD OF THE HOUSEHOLD'S AGE

	GAL. 92	LUX. 92	FRAN. 90
FROM 16 TO 24	20,0	10,4	10,2
FROM 25 TO 49	12,8	9,3	3,8
FROM 50 TO 64	18,1	5,5	18,8
FROM 65 TO 74	12,3	5,5	36,5
OVER 75 YEARS	5,8	9,2	45,2

As for the marital status (table num. 5), both in Galicia and Lorraine the households whose head is a widowed person are quite poor, in contrast with Luxembourg where there are hardly poor families. In this last country, the poorest households are those whose head is a separated person while for Galicia this is the case of separated/divorced heads.

TABLE 5. POVERTY INDEX ACCORDING TO THE HEAD OF THE HOUSEHOLD'S MARITAL STATUS

	GAL. 92	LUX. 92	FRAN. 90
MARRIED	13,0	8,9	11,1
SEPARATED	--	25,4	7,5
SINGLE	7,5	3,9	10,0
DIVORCED	17,2	5,3	5,5
WIDOWED	16,7	3,7	25,7

As for the educational level, Table 6 shows quite precisely that in Galicia the poverty index is lower when the head of the household's educational level is greater. In Luxembourg there is also a striking difference when comparing the highest level of qualification (poverty index 0,3) with the lowest one (poverty index 11,6).

TABLE 6. POVERTY INDEX ACCORDING TO THE HEAD OF THE HOUSEHOL'S EDUCATIONAL LEVEL

	GAL. 92	LUX. 92	FRAN. 90
FIRST LEVEL	17,7	11,6	--
2° LEVEL- FIRST STAGE	9,5	2,5	--
2° LEVEL - 2° STAGE	6,3	4,9	--
THIRD LEVEL	3,2	0,3	--

As for the employment situation (table num. 7), in the three territories it is noticeable that poverty has a particular incidence when the head of the household is an

unemployed housewife. When the head of the household is working, poverty is obviously less frequent.

In Galicia, the highest poverty index (61,1) is to be found in the category "other situations", most of which relate to families whose head is a disabled person. Another outstanding fact both in Galicia and Luxembourg is the low incidence of poverty when the head of the household is a retired person. In the case of Galicia, this fact has already been explained in this paper as a result of the retirement pensions exceeding the EC poverty index. As for Lorraine the highest poverty index occur in this last category.

TABLE 7. POVERTY INDEX ACCORDING TO THE HEAD OF THE HOUSEHOLD'S EMPLOYMENT SITUATION

	GAL. 92	LUX. 92	FRAN. 90
STUDENT	--	100	--
EMPLOYED	9,9	7,3	2,9
UNEMPLOYED	31,9	35,9	29,7
HOUSEWIFWE	24,6	28,1	16,9
RETIRED	8,6	7,1	40,1
OTHERS	61,1	100	22,2



As for the head of the household's profession (table num. 8), as it has been pointed out in the methodological section, it is not possible to compare Galicia's categories with those used in the PACO files. Nevertheless, both in Galicia and Lorraine the poorest households are those whose head is a farmer, while in Luxembourg this occurs when he is a blue collar.

TABLE 8. POVERTY INDEX ACCORDING TO THE HEAD OF THE HOUSEHOLD'S PROFESSION

	GAL. 92	LUX. 92	FRAN. 90
FARMER	23,9	2,1	18,0
CONT. F WORKER	--	--	25,0
APPRENTICE	--	--	--
SELF EMPLOYED	14,7	8,1	5,0
BLUE COLLAR	12,1	16,0	2,8
WHITE COLLAR	2,1	1,8	2,2
CIVIL SERVANT	--	0,0	1,3

TABLE 8A. POVERTY INDEX ACCORDING TO THE HEAD OF THE HOUSEHOLD'S PROFESSION

	GAL. 92
FARMER	23,9
NON-SKILLED WORKERS	12,1

SKILLED WORKERS	8,0
WHITE COLLAR	--
SELF-EMPLOYED	14,7
EMPLOYERS AND LIBERAL PROFESSIONALS	2,1

As for the number of family members, the Table 9 shows how in all the countries the increase in the number of family members results in a increase in poverty. This may be due to the fact of most of these individuals not being income providers (children) or having very small economic resources. The Table 10 shows that the lowest incomes occur just when there are fewer family members employed. This statement proves that the job-related incomes are the most effective ones to avoid entering poverty.

TABLE 9. POVERTY INDEX ACCORDING TO THE NUMBER OF MEMBERS

	GAL. 92	LUX. 92	FRAN. 90
1 MEMBER	6,3	3,2	15,2
2 MEMBERS	10,2	5,4	19,0
3 MEMBERS	12,9	3,5	9,2
4 MEMBERS	12,7	14,0	6,1
5 MEMBERS	16,2	12,3	5,7
6 AND MORE	19,0	34,3	21,6

TABLE 10. THE INCOME LEVEL ACCORDING TO THE AVERAGE PERCENTAGE OF EMPLOYED FAMILY MEMBERS

	GAL. 92	LUX. 92	FRAN. 90
LOW	0,58	0,27	0,5
LOW/MIDDLE	0,91	0,75	1,14
MIDDLE	1,36	1,11	1,42
MIDDLE/HIGH	1,60	1,49	1,65
HIGH	2,05	1,89	2,05

### 3.1.3. Distribution of the available net household income according to the sources of income.

This part of the analysis refers to the influence of certain sources of income on household poverty or wealth. As it is commented in the methodological chapter, the household income has been divided into three categories: job-related income, total property income and total transfers. Each one of them has produced a number of results, but as not all the tables have proved significant we are only going to comment those we consider worthwhile.

#### Percentage of the job-related income

The Table 11 shows that the percentage of the job-related income is quite homogeneous in all the countries. In spite of this similarity (Galicia 77,1%, Luxembourg 77,2%), we must recall that the poverty index in Galicia is practically twice the one in Luxemburg. This seems basically due to the dominant role of the agriculture in the Galician economy and to wages often so low that make it impossible for the households resorting to them to escape poverty.

TABLE 11. PERCENTATGE OF THE JOB-RELATED INCOME

	GAL. 92	LUX. 92	FRAN. 90
THEY RECEIVE	77,1	77,2	82,9
NOT RECEIVED	22,9	22,8	17,1

The household poverty index according to having or not having a job-related income

The Table 12 shows significant differences with regard to the poverty indexes in both Galicia and Lorraine between those families having job-related incomes and those other lacking them. In Galicia this contrast is due to the low amount of social protection benefits, which provoke a high poverty index in those families forced to resort to them. In Luxembourg the difference between both cases is hardly noticeable, surely as a result of the social protection benefits being quite high.

TABLE 12. THE HOUSEHOLD POVERTY INDEX ACCORDING TO HAVING OR NOT HAVING A JOB-RELATED INCOME

	GAL. 92	LUX. 92	FRAN. 90
THEY RECEIVE	10,7	7,3	6,7
NOT RECEIVED	21,1	8,1	36,0

The household poverty index according to having or not having total transfers

In Galicia (Table 13) the poverty index is not practically altered by the fact of families having or not having other sources of income. This is probably due to most of them being rather low. On the contrary, in Luxembourg there is a larger gap between both cases so that those households not having other sources of income can be positively regarded as poorer than the other ones.

TABLE 13. HOUSEHOLD POVERTY INDEX ACCORDING TO HAVING OR NOT HAVING TOTAL TRANSFERS

	GAL. 92	LUX. 92	FRAN. 90
THEY RECEIVE	13,6	8,7	12,4
NOT RECEIVE	12,2	2,0	10,3

Changes in poverty status according to changes in total transfers

The next section deals with the influence on household poverty of what we have called total transfers (which in Galicia, as it has already been mentioned, are above all the social protection benefits).

In Galicia the systems of social protection play a decisive role in allowing many families to be over the poverty threshold and therefore improving their standard of life. This is shown through the Table 14, which poses three different questions:

\*how many poor households would remain poor if they were to receive such social benefits;

\*how many not poor households would enter poverty if they were not to receive such social benefits anymore;

\*how many not poor households would not enter poverty if they were not to receive such social benefits anymore.

According to table num. 14, this differentiation shows that a remarkable number of families both in Galicia and Luxembourg (a third part in both cases) are dependant on the systems of social protection to avoid poverty, while half of them were over the poverty threshold even before receiving these benefits. In France, however, only 13,6% of the households prove to be dependant on the systems of social protection.

TABLE 14. CHANGES IN POVERTY STANS ACCORDING TO CHANGES IN TOTAL TRANSFERS

	GAL. 92	LUX. 92	FRA 90
PERMANENTLY POOR HOUSEHOLDS	13,06	7,5	11,7
HOUSEHOLD ENTERING POVERTY	32,61	34,3	13,6
NEVER POOR HOUSEHOLDS	54,33	58,2	67,6

### 3.2. Longitudinal analysis

#### 3.2.1. Analysis of poverty dynamics

##### Poverty mobility

Analysing poverty escapes and entries (tabla num. 15) it is noticeable that in Galicia 4,7% of the households escaped poverty while another 6,1% entered it. This dominance of entries over escapes reflects an increase in poverty throughout the period studied. This fact, together with the high degree of permanence in this situation provides a rather pessimistic picture for the future.

The remarkable weight that the agriculture still retains in Galicia may be one of the elements explaining the scarce mobility observed while the economic and labour market crisis undeniably causes an increase in poverty.

In Luxembourg there seems to be a higher stability between entries and escapes, while in France the opposite situation to that of Galicia occurs. This contrast might be related to the different periods when the surveys were undertaken.

TABLE 15. POVERTY MOBILITY

	NEVER POOR	ALWAYS POOR	ESCAPE POVERTY	ENTER POVERTY
GAL. 92-93	81,4	7,9	4,7	6,1
LUX. 91-92	90,3	4,6	2,4	2,7
FRAN. 98-90	82,7	7,1	5,7	4,6

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The three following tables (num. 16, 17 and 18) show that in Galicia the extreme incomes, i.e. the lowest and the highest ones, are the most steady while in Luxembourg and France the highest incomes are those of the greatest mobility.

As a common trait between all the countries, it is worth mentioning that the lowest incomes tend to raise while the highest ones tend to decrease. It could be said that in



all the countries the middle/high-income families are those more acutely losing their purchasing power.

TABLE 16. HOUSEHOLD MOBILITY ACCORDING TO CHANGES IN THEIR INCOME LEVEL  
(GALICIA)

1993 1992	LOW	MIDDLE/ LOW	MIDDLE	MIDDLE/ HIGH	HIGH
LOW	74,1	16,9	4,0	1,9	0,9
LOW/MIDDLE	14,0	62,2	16,8	6,2	0,9
MIDDLE	7,0	15,4	58,2	18,3	3,3
MIDD./HIGH	4,3	4,6	17,7	59,3	12,7
HIGH	0,6	0,9	3,4	14,3	82,1

TABLE 17. HOUSEHOLD MOBILITY ACCORDING TO CHANGES IN THEIR INCOME LEVEL  
(LUXEMBOURG)

1993 1992	LOW	MIDDLE/ LOW	MIDDLE	MIDDLE/ HIGH	HIGH
LOW	76,7	14,6	2,5	0,5	0,2
MIDDLE/LOW	13,3	66,2	17,4	4,4	0,9
MIDDLE	3,2	13,9	62,7	14,8	4,6
MID./HIGH	4,7	3,9	14,3	65,2	19,2
HIGH	2,0	1,4	3,1	15,2	75,1

TABLE 18. HOUSEHOLD MOBILITY ACCORDING TO CHANGES IN THEIR INCOME LEVEL  
(LORRAINE - FRANCE)

1990 1989	LOW	MIDDLE/ LOW	MIDDLE	MIDDEL/ HIGH	HIGH
LOW	77,0	15,0	3,3	2,3	1,6
MIDDLE/LOW	16,9	56,9	21,4	5,4	2,4
MIDDLE	2,7	17,9	51,7	24,4	4,1
MID./HIGH	1,4	8,4	20,3	53,3	17,6
HIGH	2,0	1,7	3,3	14,7	74,3

### Poverty mobility according to changes in the household typology

The next section deals with the analysis of poverty mobility according to changes in the family typology (tables num. 19, 20, 21 and 22). If we look at how these changes influence on poverty mobility in Galicia, we can notice that the increase in the number of family members is one of the most decisive elements to explain an entry into poverty, as 10,5% (table num. 19) of the families show to have entered poverty when their number of members increased, while only 2,6% (table num. 19) of them escaped poverty owing to the same circumstance. This same fact is proved through the increase in the number of both adults and children (tables num. 20 and 21).

The increase in the number of old people has a different effect on poverty mobility. Their increase produced an increase in the number of families escaping poverty, while their decrease caused 13,3% (table num. 22) of the families to enter poverty and only 2,2 (table num. 22) to escape from it.

These figures show the monetary importance of the old people in families, particularly in Galicia owing to the Social Security pensions they are granted. It is necessary to bring to the mind the fact that Galicia is basically an agrarian region with subsistence farming so that as soon as farmers reach the retirement age they start to receive the retirement pension and do not contribute to Social Security anymore. This brings about an increase in their economic level.

On the contrary, in the other two territories (Lorraine and Luxembourg) as the number of the old people decreases the percentage of families escaping poverty exceeds those entering it. Moreover, in Luxembourg and Lorraine it does not seem that the increase in the number of adults and children has a clear influence on household poverty indexes, which only slightly raise with an increase in the number of adults.

TABLE 19. POVERTY MOBILITY ACCORDING TO CHANGES IN THE NUMBER OF FAMILY MEMBERS

	INCR EASE					DECR EASE									
	alwa ys	neve r	scap e	entr y	tota l	alwa ys	neve r	scap e	entr y	tota l	alwa ys	neve r	scap e	entr y	tota l
GAL. 92 - 93	10,5	76,3	2,6	10,5	4,7	8,8	75,0	8,1	8,1	8,3	7,7	82,3	4,4	5,6	87,0
LUX.91 - 92	3,0	91,3	3,1	2,6	4,7	1,3	88,0	3,7	7,0	7,3	5,0	90,4	2,3	2,4	88,0
FRAN.89 - 90	4,2	87,3	4,2	4,2	6,2	5,1	81,2	8,0	5,8	7,2	7,4	82,5	5,6	4,5	86,6

TABLE 20. POVERTY MOBILITY ACCORDING TO CHANGES IN THE NUMBER OF ADULTS

	INCR EASE					DECR EASE					NO CHAN GES				
	alwa ys	nev er	scap e	entr y	tota l	alwa ys	neve r	scap e	entr y	tota l	alwa ys	neve r	scap e	entr y	tota l

GAL. 92 - 93	8,3	79,2	4,2	8,3	7,3	12,1	75,2	7,8	5,0	8,6	7,4	82,2	4,4	6,0	84,0
LUX.91 - 92	8,2	84,5	2,1	5,2	6,9	2,3	92,5	1,6	3,6	7,6	4,9	90,7	1,8	2,6	85,9
FRAN.89 - 90	6,8	79,7	7,6	5,9	6,2	10,9	75,0	7,1	7,1	8,2	6,7	83,7	5,4	4,2	85,6

TABLE 21. POVERTY MOBILITY ACCORDING TO CHANGES IN THE NUMBER OF CHILDREN

	INCR EASE					DECR EASE					NO CHNG ES				
	alwa ys	neve r	scap e	entr y	tota l	alwa ys	neve r	scap e	entr y	tota l	alwa ys	neve r	scap e	entr y	tota l
GAL. 92 - 93	13,2	76,3	--	10,5	2,3	10,3	72,9	6,5	10,3	6,6	7,6	82,1	4,6	5,6	91,1
LUX.91 - 92	4,7	90,5	2,6	2,6	8,7	9,8	75,5	--	12,7	7,1	11,5	80,9	3,6	4,0	84,3
FRAN.89 - 90	3,3	87,9	4,4	4,4	4,8	4,5	81,8	8,2	5,5	5,8	7,4	82,5	5,6	4,5	89,5

TABLE 22. POVERTY MOBILITY ACCORDING TO CHANGES IN THE NUMBER OF OLD PEOPLE

	INCR EASE					DECR EASE					NO CHAN GES				
	alwa ys	neve r	scap e	entr y	tota l	alwa ys	neve r	scap e	entr y	tota l	alwa ys	neve r	scap e	entr y	tota l

GAL. 92 - 93	14,7	75,0	5,9	4,4	4,2	4,4	80,0	2,2	13,3	2,8	7,7	81,7	4,7	5,9	93,1
LUX.91 - 92	6,8	88,5	2,3	2,4	9,4	1,2	82,3	10,3	6,2	5,2	4,1	90,8	3,6	1,5	85,5
FRAN.89 - 90	27,0	56,8	8,1	8,1	1,9	--	90,0	10,0	--	0,5	6,7	83,2	5,6	4,5	97,5

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### Poverty mobility according to changes in the head of the household's employment situation

This section focuses on the analysis of poverty dynamics with regard to those families whose heads have experienced a change in their employment situation. According to table num. 23, in Galicia 16,7% of those households in which their head reentered the labour market escaped poverty even though a third part remained poor. The reason for this amazing permanence may be that their previous income level was so low (much under the poverty threshold) that the new job-related income was not enough to allow them to overcome the poverty line. Another explanation could be that this new income was only a little higher than the amount of the unemployment benefits they received.

36,6% of those households where the opposite situation occurred, that is, in those in which the head of the household became unemployed, entered poverty. These results show the strong impact that employment has on household income.

Regarding both Luxembourg and Lorraine, the number of cases detected in the sample was too low to allow any significant analysis.



TABLE 23. POVERTY MOBILITY ACCORDING TO CHANGES IN LABOUR SITUATION OF THE HEAD OF THE HOUSEHOLD

	FROM EMPLO YED TO UNEMP LOYED				FROM UNEMP LOYED TO EMPLO YED				FROM EMPLO YED TO RETIR ED				FROM UNEMP LOYED TO RETIR ED			
	alway s	neve r	escap e	ente r	alway s	neve r	escap e	ente r	alway s	neve r	escap e	entr y	alway s	neve r	esca pe	entr y
GAL. 92 - 93	14,6	41,5	7,3	36,6	33,3	44,4	16,7	5,6	6,4	80,9	4,3	8,5	26,7	53,3	6,7	13,3
LUX.91 -92	52,2	47,8	--	--	--	93,2	6,8	--	1,2	84,4	--	14,4	--	100	--	--
FRAN.89 - 90	--	75,9	13,8	10,3	4,2	79,2	12,5	4,2	10,5	52,6	--	36,8	20,0	80,0	--	--