Living standards inequality in the European Union between 2004 and 2016: Multidimensional convergence and fragmentations

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Résumé

The 2008 Great Recession is commonly said to have had serious consequences for Inequality in Europe and in particular in Southern countries (Spain, Greece, and Italy). Massive increase in unemployment is often seen as an heavy source of divergence both within and inter-countries. In this paper we propose to decompose the evolution of inequality in terms of living standards across countries, regions, and social groups. To do so, we use the European Union-Statistics on Income and Living Conditions (EU-SILC, 2004-2016) and the European Community Household Panel surveys (ECHP, 1994-2001) and apply both Geometrical Data Analysis (GDA) and structured data analysis. We show that the 2008 Great Recession has reversed the egalitarian trend that prevailed since the middle of the 1990's. Until then, the eurozone was in a path of convergence, concerning in particular Eastern Europe and Baltic States lower class. However, the zone remains rather heterogeneous. Since 2008, this trend has stopped and the recession has hit most strongly the lower class of the southern European countries. Greece is the typical case of this evolution, which concerns almost all the social groups and regions, whereas in countries like Italy it remains more limited to certain regions and occupations. Thus the 2008 Great Recession and its aftermaths have led to increasing living standards heterogeneity in the eurozone, and we assess this degree of heterogeneity more precisely, and its evolution during the period. This raises question as to which extent Europe can be politically unified.

Mots-Clés: Conditions de vie, pauvreté

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