

Introduction

Jane Millar and Sue Middleton

There are estimated to be almost 60 million people across the European Union living in poverty, defined as having incomes below half the average for their country. Poverty rates vary from country to country, as do the types of families and households most at risk of poverty, and the circumstances in which poor people live. This raises many questions about the ways in which markets, families and state provisions combine in various ways to produce distinct welfare outcomes in different countries.

Our capacity to analyse and understand the nature and causes of these cross-national variations has been greatly enhanced in recent years by related theoretical and methodological developments. On the theoretical side, the increasing interest in 'social exclusion' has focused attention away from narrow income-based definitions of poverty to much broader and multi-dimensional definitions of economic and social disadvantage, and to the processes by which these are linked in place and time. There has also been an increased interest in the dynamics of poverty and social exclusion and how individuals and families change their status over time. This has involved both longitudinal studies, following the same people over time, and life-course analysis, focusing on what happens to people as they face particular 'risk' situations, such as illness or divorce.

Methodologically, the creation of large data sets that provide detailed social and economic information on individuals and households over periods of several years has made multi-dimensional, dynamic and life-course analyses much more feasible in practice. The European Community Household Panel (ECHP) is one such data set that provides a new opportunity to examine the extent, nature and impact of social exclusion in Europe. It collects information on a range of social and economic factors, following the same people over time. It also has the unique advantage of being genuinely comparative across countries – the same questions are asked in all the participating countries, at the same time, and the same socio-economic measures can be constructed. It thus provides the first opportunity for an empirically based cross-national comparison of both the multi-dimensional nature of social exclusion, and the dynamic processes of social exclusion and inclusion.

This book reports on analysis of the second wave of the ECHP survey, originally carried out under the EU programme of Targeted Socio-Economic Research, as part of a three-year project bringing together multi-disciplinary research teams in Austria, Germany, Greece, Norway, Portugal and the UK. The project was co-ordinated from Greece and the UK and the book has been written by the research co-ordinators. The policy descriptions and analysis are based on papers provided by our partners in each of the six countries whose contribution to this volume is gratefully acknowledged.

The main aims of the study were to explore the nature and processes of social exclusion in six European countries in the mid to late 1990s through multi-dimensional, life-course and dynamic analyses and to relate the findings to the different policy environments in each country.

The countries were chosen to reflect different configurations of public and private welfare so that comparisons could be made of the impact of government policy on levels and durations of poverty and social exclusion. Austria, Germany, Greece, Norway, Portugal and the United Kingdom (UK) include at least one representative of each of the three welfare regimes identified by Esping-Andersen's seminal, if controversial, typology (Esping-Andersen, 1990). Austria and Germany represent the conservative 'corporatist' tradition said to be characterised by status-preserving intervention which encourages family and motherhood, discourages women from working and preserves the model of the one (male) breadwinner family supported by benefits and taxation. Norway is a member of the Nordic group of countries typified by 'social-democratic' welfare systems in which individuals are favoured over families and social policies are universal, providing high levels of benefits and services, funded by relatively high levels of taxation¹. The United Kingdom represents the 'liberal' strand of Esping-Andersen's typology. State provision is limited, providing low flat-rate and means-tested benefits, and individuals are encouraged, by incentives and by default, to make their own provision through the market. Finally, Greece and Portugal are said to be representatives of a fourth type – the rudimentary welfare states – characterised by minimal welfare policies, reliance on family solidarity, a large informal sector and a recent history of authoritarian politics.

Of course no country fits neatly into any one of these four welfare types and, as we will show, these six countries are no exception. In any event, it is our view that the categorising of countries according to welfare structures may not be the best method of exploring poverty and social exclusion. Most of these structures grew piecemeal. They were designed on the basis of traditional views of gender roles – male breadwinner, female carer – at a time when individuals' lives tended to be static geographically, relation-

ally and economically. All these aspects of life in a (post-)modern society are characterised by rapid change. The inheritance of static policies and institutions is ill-suited to meet the demands of the 'new modernity', characterised by dynamism, individualism and diversity in lifestyles and living standards. Comparative analysis focusing on the outcomes of welfare delivery systems for groups of the population experiencing change, rather than on the delivery systems themselves, may provide better guidance as to if and how such systems need to be reformed and restructured to meet the needs of life in twenty-first century Europe.

This book will focus on two main aspects of the study. First it will examine the nature and extent of multi-dimensional disadvantage in the six different national contexts. Second it will focus on four life-course 'risk groups' – young adulthood, lone parenthood, long-term sickness and retirement – in order to compare the outcomes of these risk situations for families and households across the six countries. The analysis here is cross-sectional and explores in detail the nature of multi-dimensional disadvantage in different countries at times of change in the life course. A companion volume (to be published later in 2002) will focus on the dynamic analysis.

In Chapter 1, Matt Barnes explains the purpose and rationale of this research and places it in the context of other recent studies. This chapter also describes the ECHP and the main definitions used in the analysis. Chapter 2, by Panos Tsakloglou and Fotis Papadopoulos, examines the methodology required to investigate the extent, depth and degree of social exclusion using the ECHP survey and presents an analysis of the relationship between low incomes and different dimensions of social exclusion. Chapters 3–6 – by Sue Middleton, Jane Millar and Chris Heady – look in detail at the four risk groups – young adults, lone parents, sick and disabled people, and retired people. In the final chapter, Chris Heady and Graham Room draw out policy implications.

NOTE

1. Norway is not a member of the EU and does not participate in the ECHP. The results for Norway are from the Norwegian Living Standards Survey that includes similar questions to those asked in the ECHP. This means that some of the tables do not include Norway, if comparable data were not available.

