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JOHN VEIT-WILSON'S BOOK REVIEWS.

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Publication data: *European Journal of Social Security*, 4/1 [2002], 77-82.

MATTI HEIKKILÄ AND ELSA KESKITALO (EDS.) [2001], *SOCIAL ASSISTANCE IN EUROPE: A COMPARATIVE STUDY ON MINIMUM INCOME IN SEVEN EUROPEAN COUNTRIES. SYNTHESIS REPORT*, HELSINKI, STAKES NATIONAL RESEARCH AND DEVELOPMENT CENTRE FOR WELFARE AND HEALTH.

YURI KAZEPOV AND STEFANIA SABATINELLI [2001], *HOW GENEROUS SOCIAL ASSISTANCE SCHEMES ARE? A COMPARATIVE ANALYSIS OF BENEFIT LEVELS*, HELSINKI, STAKES NATIONAL RESEARCH AND DEVELOPMENT CENTRE FOR WELFARE AND HEALTH.

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What do we really need to know about social assistance schemes? The European Commission (EC) sponsored the comparative research project on 'The Role of Social Assistance as a means of Social Inclusion and Activation' which these two books report on. The aims of the project were, first, to survey who were the social assistance recipients in each of the seven countries surveyed, what were their risks of becoming 'dependent' on social assistance, and what were the factors which affected this risk. The second aim was to study the 'relative generosity' of benefit levels, and the third was to assess 'activation' measures in the social assistance schemes. The overall project was co-ordinated by STAKES in Helsinki and covered Austria, Denmark, Finland, Germany and Sweden, together with certain cities in Italy and Spain, where there are no national social assistance systems. Besides the synthesis report which is the subject of this review, there are four separate working papers, one on generosity (the other three are on contexts, recipients and dependency, and activation policies) also reviewed here together with its summary in the synthesis report.<sup>1</sup> The project thus follows previous cross-national studies<sup>2</sup> which have addressed similar questions. Can the kind of secondary statistical analysis used by this project answer the questions posed by the EC?

The editors start by reminding us that "Social assistance is stated to aim at guaranteeing citizens a minimum income and at preventing marginalisation and exclusion." (p. 7), 'stated' (one assumes) by the EC, since these aims are not apparent in all countries. The UK was not among the countries studied, so from its perspective one can see how each of the assumptions in this statement are highly problematical. Who are citizens and who are merely residents? In the UK, independent 16- and 17-year-olds are not generally covered by social assistance (called Income Support or Jobseekers' Allowance in the UK). 'Temporary' residents such as asylum seekers get less than UK residents. The benefits are demonstrably inadequate for participatory life and thus for preventing marginalisation and exclusion, so the value of the guarantee of an inadequate income which actually reinforces exclusion is questionable. These ostensible aims of social assistance schemes, as well as of this research and its language, are further problematised by the synthesis report's explanation of EU member states' current interest in social assistance schemes as being "... that the total expenditure on social assistance should be contained or restrained ... There is clear evidence that policy changes are being

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<sup>1</sup> Page numbers quoted in this review refer to the synthesis report unless stated otherwise.

<sup>2</sup> For example, Lødemel 1992; Eardley et al 1996. Others are also mentioned in the report.

driven by expenditure constraints” (p. 14). It is not clear if the researchers shared the political cynicism and domestication of covertly oppressive discourse implied by the EC research remit even though they had to use it. At any rate, a reviewer cannot overlook these deeper issues if scholars are ever constructively to address the problems of implementing effective anti-poverty policies.

The report is indispensable reading for everyone interested in the problems of researching residual income maintenance schemes. Technically it is of course as good as one expects from such an internationally-eminent research institute and team, but the epistemological problems are very serious and are not satisfactorily resolved. The report's repeated comments on the methodological and substantive issues are a salutary warning against facile cross-national comparisons of what, on detailed analysis, turns out to be virtually non-comparable since it is based on incompatible national statistics about non-standardised activities. Across these seven countries the meanings of social assistance or guaranteed minimum incomes vary at all levels from social values to law. The administrative regulations affecting eligibility for and duration of benefits are barely comparable. Even the sophisticated methods used by the researchers to reduce the cash sums to comparable units of purchasing power cannot give a complete contextualised picture of the actual levels of living of poor people.

In addition to the EC requirements, the researchers aimed to see how far their findings fitted the various classifications of welfare states or regimes which have been proposed, to see if they had explanatory or analytical power. This turned out to be far more complicated than mere morphological, historical or administrative categorisation. The conventional 'welfare state' systematisations were found to be too broad to be useful, and they concluded that –

The most important lesson from our exercise is that international comparisons of social assistance schemes must be done with great caution. Interpretation demands familiarity with the specific characteristics of each of the individual schemes and the conditions it operates under. No results can be taken at face value. (p. 61)

Their overall judgement, taking many characteristics into account, was that the seven countries fell into three types – the Nordic social-democratic regimes (Denmark, Finland, Sweden), 'conservative' regimes (Austria and Germany) and 'southern European' regimes (Italy and Spain). In the Nordic regimes, social assistance is an assured right of equal citizens when they are in need of residual income maintenance, as long as they need it (not dependent on budget exigencies), and "... permits a relatively decent standard of living, as far as economic aspects are concerned" (p.93). In the conservative regimes, eligibility rights attach to families and not to individuals as such ('active subsidiarity', p. 96) and social assistance is administered in a more discretionary manner (sociologically akin to state charity rather than the categorical entitlement of legal rights) but "... it is possible to live on income support, even if at a lower level ..." (p. 93). The lack of protection is clearest in the 'passive subsidiarity' (p. 98) of the southern European cities, where individual need alone is not a sufficient ground for adequate benefit and its level is "... far from being enough to guarantee the upkeep ..." of households (p. 93). The introduction of social assistance schemes in southern Europe reflects an extension of 'paper rights' but is substantively inadequate in both level and coverage. The implications for this uncertain protection of the universal human right to a standard of living adequate for health and well-being<sup>3</sup> do not seem to have been addressed in this research project, yet they urgently need to be brought to the attention of the EC.

The treatment of the central question of the 'generosity' of benefits and their influence on 'dependency' illustrates all the problems of deliberately using or tacitly accepting a discourse appropriate to simple economic theory instead of one centred on empirical social research findings. 'Generosity' is a tendentious term. It suggests the degree of adequacy of benefit levels<sup>4</sup> to support at least a participatory level of living as it is defined and measurable in each of the countries or cities surveyed. One would expect a survey of this kind to draw on the best available information what such participatory income levels are, for each type of household under consideration, particularly since the remit for the research is to examine how far the schemes aid integration into society. Indeed, the

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<sup>3</sup> Universal Declaration of Human Rights, article 25. For discussion, see Eide 1997 p. 118.

<sup>4</sup> A critique of the concept of income adequacy can be found in Veit-Wilson 1999.

report argues for using “minimum consumption levels to guarantee social integration” as its measure of poverty (p.110). Instead of finding out what they were, the project used as its criterion of generosity a purely statistical conventional measure of inequality (50% of mean per capita disposable income in equivalised households) which – as is well-known – tells us nothing about income adequacy or inadequacy. The reports describe these income measures as the OECD poverty lines. Comparisons are also made with ‘national poverty lines’ but what these are is not described in the technical appendices in either report. It may be that they are the governmental minimum income standards in those countries which have them (Finland, Sweden, Germany)<sup>5</sup> but the national standards used here and elsewhere are unexplained beyond a column heading in the tables, “national survey on family expenditure”. Such official normative measures may have no relationship with the income levels needed for social integration.

The absence of any evidence on the adequacy of incomes for social integration or participation must vitiate any conclusions about the effectiveness of social assistance for EU objectives. This failure is evidence of the epistemological damage caused by the adoption of an inappropriate discourse with its consequent closure on the use of the concepts and research methods appropriate to the problem in hand.<sup>6</sup> Other objectives are similarly unmet. On the questions of who are the social assistance recipients and what are the risks of becoming one, the report concludes that as receipt is an administrative category and the identification of individuals and households and their eligibility criteria vary too much from country to country or local authority, one cannot generalise about common risks – except at the banal level that unemployment is a common cause. Since some countries measure social assistance receipt cross-sectionally and others longitudinally, even comparisons of the numbers and types are vitiated. On the role of social assistance as a means of social inclusion, the terse response is that “... without proper information about the need for assistance in the population we cannot draw any conclusions about the coverage and consequently nothing about inclusion or exclusion ... The number of recipients tells us nothing about the level of the benefit” or about eligible non-claimants, “neither does it automatically mean that it prevents marginalisation and exclusion” (p. 59). If benefit levels are low or time-limited, it continues, need may continue but the social assistance scheme effectively causes marginalisation and exclusion rather than alleviating it – for instance, the Spanish social assistance benefits levels are “too low for people to ‘live on’ but too high to ‘die from’” (p. 60).

‘Dependency’ is a similarly tendentious term derived from behaviouristic or economic ‘rational choice’ discourses, but in this research it means no more than duration of spells of social assistance receipt, plus a 12-month period of non-claiming after the last spell assumed to show that the recipient is no longer ‘dependent’. The research reviewed such duration periods and the relation of benefits to formal assumptions about potential earnings for those in a position to enter employment. The assessment of *potential* earnings is another methodological quicksand like that of prescribing poverty lines. The OECD low-wage criterion of two-thirds of median wages was amended to 2/3 of the mean as the target for comparison of social assistance benefit level incentives for the pragmatic reason that mean data was available. Either estimate of earnings dispersion is as unacceptable for this purpose as is using inequality to measure income adequacy, and it should equally not be used to assess human motivation. The problem is not just that formal assumptions were made, as we all sometimes have to do in research, but that they risk being misquoted by people who, failing to understand the finer methodological reservations, then draw false conclusions about poor people’s behaviour.

‘Activation’ measures as a condition of social assistance were also a focus of the research remit, and in the same way are based on behaviouristic assumptions about preventing ‘dependency’. Unemployment is quoted here as the main reason for increased numbers of social assistance claims in the EU. But the report admits there is no common definition of what ‘activation’ means, and therefore took it to be the policy packages which aim to integrate unemployed social assistance recipients into the labour market in a socially-inclusive manner. It does give a very useful account of the heterogeneous schemes in these countries. However, the discussion here seems to assume that the

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<sup>5</sup> For a discussion of governmental minimum income standards, see Veit-Wilson 1998.

<sup>6</sup> For a critique of discourses used in discussing poverty, see Veit-Wilson 2000.

counterpart of supply side activation, that is, activating demand for (often) unskilled labour, is also government policy, while this is rarely the case except perhaps in the social-democratic Nordic countries. The report wanders off into a useful critique of the contradictions inherent in 'workfare' policies for social assistance recipients, noting the discrepancy between these measures and those for unemployed people claiming insurance benefits – another example of categorising 'the poor' differently for the wrong reasons. Yet as lengthy poverty research experience in Europe has shown, the only thing distinguishing the currently poor from the rest of society is that "they have a material standard of living that is socially regarded as unacceptable; they do not share any other characteristic or combination of characteristics that distinguishes them from the non-poor. ... They cannot be identified on the basis of behaviour, or any other observable characteristic only".<sup>7</sup> The report concludes that the national aims and policies are too diffuse and disparate for any specified outcomes to be measured or compared.

What then is the value of these reports? One is the implicit warning to others not to enter lightly into such cross-national research, at least not without far more intensive examination than this team were able to do, of not just the methodological but the epistemological problems beforehand. The nature and level of an integration income for households, whether from earnings or other sources (and their inter-relations) needs first to be *empirically* established before any meaningful conclusions can be drawn or comparisons made. The report concludes that social assistance is only a part of the whole package of income maintenance policies any government may offer, and mirrors its adequacy. Furthering demand for labour as well as educating and training it are part of those policies – to look only at the role of what may be identified as the residual schemes of social assistance is simply misleading. National statistics in the EU have not yet been harmonised, so comparisons are equally liable to mislead. This may not be what the EC wanted to hear, but it needs to be told.

Yet at the substantive level of these research findings, we should note that social assistance has the scope to be, as the working paper on generosity puts it, "a real tool to prevent hardship and downwards mobility below the given threshold and guarantee a decent standard of living to beneficiaries" (p. 8). This research found that only the social-democratic cluster of countries achieved this objective. This conclusion alone would justify the research reported here – but it needs to be more widely known and turned into viable policy throughout the EU. What a splendid goal this would be for all EU member states to aim for! Future research should not re-examine the poor but the reasons why the EC and EU member governments do not implement measures to achieve this goal.

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<sup>7</sup> Van den Bosch 2001 p. 412.