This book addresses two important questions. One is how far the final income maintenance safety net of social assistance manages to combat residual income poverty in western industrial welfare states. The other is whether the different types of welfare state which scholars classify have different kinds of social assistance systems and different poverty outcomes. These are related though distinct subjects, both very extensive in themselves. Here they form parts of what was originally a doctoral thesis and therefore get the treatment which that requires, demonstrating the scope of the topics while not disposing exhaustively of the issues which they raise.

The introduction sets out the detailed aims, to evaluate welfare state outcomes, to explain why western European welfare states were not successful in alleviating poverty, to find out how far social assistance protects people from poverty, to show if different welfare state arrangements led to different outcomes, and to test the effectiveness of social assistance schemes. There is some ambiguity in the use of ‘alleviation’ to mean abolition, since all social assistance presumably lightens the load of poverty, but, as the book shows, very few parts of any country’s social assistance systems actually overcome it. The book falls into two parts, reflecting the two different methods used to examine these questions. First, a quantitative section based on LIS data and its usual methods reviews the findings on the extent of a version of income poverty and the effectiveness of social assistance in combating it. Second, it presents the findings of what is described as a qualitative study of the actual social assistance systems in Germany, Sweden and the UK, three countries chosen to represent distinct types of welfare state, during the mid-1990s to which the LIS data referred. Apart from the introduction, and the conclusions in chapter 8, the statistical extent of this kind of income poverty is described in chapter 2, while chapter 3 deals with the effects of social assistance benefits on the income distribution. Chapter 4 discusses the methodological problems surrounding poverty research, while chapters 5 to 7 deal with aspects of the three countries’ social assistance systems – eligibility of groups at risk, adequacy of benefits, and problems of take-up.

Readers are likely to fall into two camps over this book. Some will welcome the very detailed analysis of the LIS data and what it reveals about the capacity of the social assistance systems of some countries to make differences to the shape of national income distributions at the very bottom. Others may find themselves frustrated by the treatment of fundamental epistemological and methodological issues which follow from a narrower understanding of what a ‘relative’ approach to poverty means than is usual in poverty research. There still seems to be a deep chasm of incomprehension between, on the one hand, the European Union’s official focus on the need for member states to combat income poverty by “guaranteeing an adequate income and resources to live in human dignity”, where adequacy means “a sufficient income to lead life with dignity and to participate in society as full members”¹ and, on the other hand, the use of income inequality statistics as proxies for income

¹ European Commission, Joint Report on Social Inclusion, 2002, p 27. The EC has used phrases of this kind for over a decade to describe the basis of the governmental minimum income standards it recommends each member state to adopt.
poverty, when these arbitrary percentiles of income distribution are not founded on any empirical evidence of the level of income required to meet the EU or any other minimally acceptable living standards. What is also puzzling is that the book uses as its ‘poverty line’ a 50 per cent of median equivalised income measure, when the European poverty norm for some years has been 60 per cent of median, a decile which itself has been criticised for probable inadequacy. Its conclusions about the extent of poverty as a whole and among groups at risk, and the efficacy of social assistance, must therefore be read as applying only to the very poorest and not to the totality of poverty as such in each country, especially as it concedes that its findings were sensitive to the choice of percentile. Reservations about the reliability of the quantitative variations affect not only the conclusions about the extent of poverty, whatever that is taken to be, but also the ranking of the efficacy of the social assistance systems and thus of the welfare regimes.

The chapters describing the three national social assistance systems are more useful both as descriptions of how things were and the difficulties of representing the reality of what they did or did not do. They conclude that for most claimants (though not the old) the Swedish system was the most generous of the three, the German system was moderate and the UK system was ‘stingy’. But the causal explanation of why this was the case cannot be deduced from the quantitative statistics. The qualitative reason which emerges is that in both Sweden and Germany benefit adequacy is a statutory requirement and therefore justiciable, that is, the courts decide if the benefits are ‘reasonable’ in Sweden or meet the demands of ‘human dignity’ in Germany. One country has deep-seated egalitarian values while the other’s values are traditionally hierarchical but integrative, and the courts have a value-criterion of adequacy to adjudicate for social assistance to implement. What the book does not add is that Germany and Sweden both have governmental minimum income standards to embody and express their values. By contrast, in the UK there are no official minimum income standards, and all governments steadfastly refuse to discuss the subject of benefit adequacy. There could be rich material here for further debate about welfare states if it were revisited.

The book’s conclusions on why extreme income poverty persists in welfare states sound very plausible – minimum income schemes have so far failed to do what they should. Poverty alleviation (presumably meaning abolition) would demand that the distributive mechanisms of social assistance were improved as well as the sums distributed; benefits must be adequate; all the poor must be eligible; and all the eligible must claim their entitlements. But few of these conditions are currently met. If a more realistic poverty measure were used, then these conclusions would probably have to be augmented by consideration of the adequacy of minimum wage rates and of social security provisions in some countries. While the book has raised many of the right questions, some readers will be disappointed that its ability to answer the theoretical questions is limited by the narrowness of the concepts and methods it chose to represent or measure poverty. There are some important lessons for social security policy here.