

Welfare Regimes and
the Experience of
Unemployment in Europe

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The Experience of Unemployment in Europe: The Debate

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When the social status of individuals depends primarily on their participation in the systems of economic production and exchange of their society, there is a high probability that unemployment will lead to a loss of status and a feeling of failure, especially if it extends for any length of time. It involves more a *process* of what might be termed 'social disqualification' than a static state. It brings about a sharp drop in living standards, a weakening of social life, and marginalization with respect to those in work—effects which can become cumulative and lead to a situation of intense poverty and, at the extreme, of social rupture.

It is notable that the first major sociological enquiries on the unemployed date from the 1930s (Lazarsfeld *et al.* 1933; Bakke 1940a), at a time of economic crisis and unprecedented levels of unemployment. It was an issue that drew the attention of researchers much less in the period of economic prosperity after the war. Research focused much more on the effects of technical, social and cultural change on the social structures of Western societies. It was only towards the end of the 1970s that there was a renewal of research on unemployment by sociologists,¹ economists and social-policy analysts. Our knowledge has expanded considerably over the 1980s and 1990s, but it remains highly fragmented since there was little co-ordination between the research carried out in different countries. Comparisons across countries in Europe are very rare, not least because they have had to confront the technical difficulty of the lack of standardization in the way data has been collected. In the absence of genuine comparison, the tendency has been to fall back on the mere juxtaposition of national monographs.

This book seeks to advance our understanding by drawing on a research programme that has made an intensive effort to achieve a high level of comparability of data. The research, which lasted over a three-year period, brought

¹ In France the work of Dominique Schnapper entitled *L'épreuve du chômage* (1981) marked the beginning of a new phase in studies of unemployment; in Britain, the first major research programme on the social consequences of unemployment was carried out in the mid-1980s (see Gallie *et al.* 1993).

TABLE 1.1. Comparison of characteristics of unemployed (%)

	GER	SW	DK	NL	BE	FR	UK	IRE	IT	GR	S	PT
Average unemployment rates												
1991-4	6.8	7.1	9.1	6.7	8.2	11.0	9.7	15.4	10.2	8.3	20.4	5.1
1995-7	9.0	9.4	6.5	6.1	9.6	12.2	8.0	11.3	12.0	10.4	22.0	7.1
Proportion of long-term-unemployed												
1991-4	37.2	8.5	29.8	47.4	58.3	37.1	38.2	60.0	61.6	49.9	48.7	37.9
1995-7	36.7	18.4	20.5	36.2	46.0	29.5	30.5	44.4	48.9	40.9	39.8	39.8
Average unemployment rates by sex 1991-4												
Men	5.7	8.2	8.4	5.5	6.1	9.2	11.3	15.1	7.5	5.4	16.4	4.2
Women	8.3	5.9	10.0	8.4	11.3	13.3	7.7	15.8	14.9	13.3	27.4	6.3
Composition of the unemployed 1994												
<i>Sex</i>												
Males	49.5	59.8	48.2	53.8	47.0	48.0	66.5	62.1	49.1	42.7	51.5	48.0
Females	50.5	40.2	51.8	46.2	53.0	52.0	33.5	37.4	50.9	57.6	48.5	52.0
<i>Age group</i>												
15-24	12.9	n.a.	22.2	27.7	25.2	25.0	28.3	31.2	39.5	39.0	33.1	34.2
25-49	60.6	n.a.	60.4	64.2	66.8	65.2	53.8	57.4	53.7	51.9	56.6	54.0
50+	26.5	n.a.	17.3	8.2	8.1	9.9	17.9	11.4	6.8	9.1	10.2	11.8

Notes: GER: Germany, SW: Sweden, DK: Denmark, NL: Netherlands, BE: Belgium, FR: France, UK: United Kingdom, IRE: Ireland, IT: Italy, GR: Greece, S: Spain, PT: Portugal. *Source:* Figures for unemployment rates and long-term unemployment are drawn from European Commission, *Employment in Europe, 1996, 1998*. Figures on composition of the unemployed are from Eurostat, *Labour Force Survey, 1994*. n.a. = not available

together research teams from eight countries: Denmark, France, Germany, The Netherlands, Ireland, Italy, Sweden, and the UK. It aimed to provide an overview of the experience of unemployment, partly by re-analysing national data sources with a view to increasing their comparability and partly by using the European Community Household Panel Study (ECHP),² which started in 1994 and represents the first major source of information on the unemployed in the European Union.

The comparison of the experience of unemployment in Europe is all the more interesting in that it addresses a wider concern by researchers to understand the forms of social regulation in European societies. To begin with, it is clear that, even though there are some common features, the relative risks of unemployment of specific categories of the population differs considerably between countries.

As can be seen in Table 1.1, women have a much higher risk of unemployment than men in several of the countries of Southern Europe—Italy, Greece, and Spain—as well as in Belgium and France. While women are still disadvantaged, there is considerably less difference in the relative

unemployment risks of men and women in Denmark, Germany, Portugal and Ireland. In contrast, in Sweden and the UK, it is men that are most affected. The effect of such sex differences in unemployment rates on the composition of the unemployed depends in part on the level of participation of women in the labour market. At one extreme, in Greece, women represent 58 per cent of the unemployed; at the other, in the UK, only 34 per cent. There are also considerable differences in the age composition of the unemployed. Younger people, aged 15 to 24, constitute a much larger proportion of the unemployed in the Southern European countries than in other countries. In Italy, Greece, Spain, and Portugal they represent more than 30 per cent of all unemployed people, compared with 22 per cent in Denmark and only 13 per cent in Germany.

These differences point to the need to analyse the experience of unemployment not as something homogeneous, but as a phenomenon that takes place within particular economic, social and political structures and which, because of this, may have a different dynamic within each national culture.

One factor that could well be important is the nature and the forms of intervention of the welfare state. It is a plausible hypothesis that the living standards of the unemployed will depend to a considerable extent on the system of unemployment benefits. The probability of people experiencing long spells of unemployment is also likely to depend on both the extent of development of active employment policies and on the availability of specific policies to assist women's employment, for instance through the provision of childcare. Further, one could hypothesize that the degree of social integration of the unemployed within society will depend on the form and the stability of family structures, in particular as these affect their capacity to provide opportunities for sociability and material or affective support. Finally, it is important to consider the experience of unemployment in the context of the pattern of economic development and the rapidity of sectoral change in particular societies, since the chance of finding work is likely to be heavily affected by the nature of demand in the market. The differences between European societies in terms of these three dimensions—welfare provision, the family and the market—are very great, and it would be worth recalling the most salient points of divergence.

WELFARE REGIMES AND UNEMPLOYMENT

The conception of 'welfare regime' is taken in a broad sense. It refers to a system of public regulation that is concerned to assure the protection of individuals and to maintain social cohesion by intervening, through both legal measures and the distribution of resources, in the economic, domestic

² For details, see Appendix A, pp. 375-80.

and community spheres. The usefulness of any regime model for understanding the empirical pattern of welfare provision may differ between welfare domains, either because of the distinctiveness of the problems addressed or because of the specific historical conditions at the time of institutional formation. It is quite possible, for instance, that the principles underlying the provision of welfare with respect to health may differ from those with respect to protection in the labour market. This wider issue of the degree of integration or segmentation of the principles underlying different aspects of welfare provision in a society is not one that can be pursued here. Rather it needs to be emphasized that we are concerned to use such types to explore one particular sphere of welfare provision. Our central concern is with those aspects of welfare regimes that provide protection from misfortunes in the labour market, primarily through the system of financial support for the unemployed and the institutional arrangements for intervention in the process of job allocation.³

The degree of coverage is likely to be a critical factor for the way the welfare state affects the experience of unemployment. It is, to a considerable degree, the very fact of receiving benefits to compensate for being without work that underlies conventional definitions of the unemployed. A person who is not receiving, or who has ceased to receive benefits is less likely to be socially recognized as a 'genuine' unemployed person. Coverage includes both those who receive insurance benefits and those who rely upon means-tested benefits. The balance between these can vary substantially between countries and, arguably, the nature of this balance may be important for the experience of unemployment. The higher the reliance on means-tested benefits, the greater may be the risk that unemployment will be stigmatic. In recent years, there has been a considerable expansion of means-tested assistance in most European countries, largely reflecting the deterioration of the labour market (Paugam 1999). But it should be noted that the link between these trends is stronger in countries where there is only weak coverage of the unemployed by insurance-based systems of social protection, revealing the importance of the underlying characteristics of the system.

The level of financial compensation is also likely to have an important effect on the experience of unemployment. In countries where a high level of replacement of earnings is provided over a relatively long period, the unemployed are more likely to be able to live in similar conditions to when they were in work. This also gives them greater opportunity to search thoroughly

³ This emphasis on domain specificity is one of the factors that distinguishes our approach from the influential analysis developed by Esping-Andersen (1990). It should also be noted that the concept of welfare regime used here relates to provision by public authorities, in contrast to Esping-Andersen's revised conception of a welfare regime in terms of 'the ways in which welfare production is allocated between state, market and households' (Esping-Andersen 1999: 73).

TABLE 1.2. *Unemployment welfare regimes*

Regime	Coverage	Level & duration of cover	Active employment policy
1. Sub-Protective	Very incomplete	Very weak	Quasi non-existent
2. Liberal/Minimal	Incomplete	Weak	Weak
3. Employment-centered	Variable	Unequal	Extensive
4. Universalistic	Comprehensive	High	Very extensive

when they are looking for a job. It seems plausible that the degree of social stigmatization to which they are subjected will be lower, since there are fewer visible signs of their temporary loss of position. In countries where financial compensation is much more limited, the risk of poverty and of the cumulative growth of difficulties is likely to be much higher.

Finally, the extent of development of active employment policies is likely to have an effect on the experience of unemployment, given that these can reduce the risk of long-term marginalization from the labour market. When the unemployed have the possibility of improving their skills through training, they are likely to be in a better position to find a job. This argument cannot be accepted without qualification. When the number of available jobs in a region is limited, training courses can become little more than ways of keeping the unemployed occupied, giving them a minimum level of activity rather than providing any serious career perspectives. None the less, it has been shown that at least some types of employment policy which have been developing—albeit in different forms—across European societies in recent years can have real effects on job chances.

In taking these three criteria—coverage, level of compensation and expenditure on active employment policies—it is possible to distinguish at least four 'unemployment welfare regimes' in Europe: the sub-protective regime, the liberal/minimal regime, the employment-centred regime, and the universalistic regime.

A sub-protective regime is a system that offers the unemployed less than the minimum level of protection needed for subsistence. Few of the unemployed receive benefits, and when they do the amount is low. Active employment policies are virtually non-existent. In this type of regime, it could be expected that the unemployed will experience severe financial difficulty and live under the poverty threshold. The probability of long-term unemployment is also high, even though this is also likely to be conditioned by other factors such as the level and pattern of economic development.

The liberal/minimal regime provides a higher level of protection for the unemployed than the sub-protective. It does not, however, cover those at risk of unemployment as a whole and, above all, it provides a low level of

financial compensation. Similarly, there is little development of active employment policies. This type of regime is also distinguished by its general philosophy. Whereas the sub-protective regime reveals a chronic absence of organized and planned intervention by the state, the liberal/minimal regime rather reflects an explicit political will not to intervene too heavily in the protection of the unemployed so as not to undermine the laws of the market. The underlying idea is to encourage the unemployed to take responsibility for themselves in order to avoid becoming dependent on social assistance. In order to minimize the possibility of a financial disincentive to work, there is a particularly strong reliance on benefits that are subject to means-testing, taking account of wider household income. It is a type of regime in which there is a strong risk that the unemployed will suffer from poverty. Given the emphasis on means-tested household income, it could be expected to provide particularly weak support for unemployed married women.

The employment-centred regime provides a much higher level of protection for the unemployed than the liberal/minimal. The level of financial compensation is higher and the development of active employment policies reflects the concern of the public authorities to avoid the effective withdrawal from the labour market of the most disadvantaged sectors of the active population. Nevertheless, the coverage of the unemployed remains far from complete as a result of the principles of eligibility for compensation. These are primarily defined in terms of previous employment experience. The system is concentrated on those who have built up the greatest rights. It tends then to create a division between 'insiders' and 'outsiders'. Vulnerability to poverty is likely to vary greatly depending on the status of the unemployed person, as well as on the length of time they have been unemployed. It is a type of regime that will disadvantage people who have only been able to obtain temporary jobs or those with little work experience. It could be expected to disadvantage particularly sharply, women and younger people since these are less likely to have either lengthy or continuous employment experience.

Finally, the universalistic regime is distinguished from the other three by the fact that it offers comprehensive coverage of the unemployed, a much higher level of financial compensation and a more ambitious active employment policy. Universalism also tends to be associated with the individualization of rights. Benefits are granted relatively independently of the resources of other household members. This should lead to both a low level of poverty among the unemployed and a lower risk of labour market marginalization. Given relatively easy eligibility rules and the individual basis of rights, this type of regime could be expected to discriminate the least between unemployed people in terms of either sex or age.

Welfare regimes have been seen as differentiated in terms of the extent to which they lead to 'decommodification', that is to say the progressive

detachment of the individual's status from the logic of the market (Esping-Andersen 1990). The introduction of modern social rights in capitalist societies has helped to give people resources that are independent from the market, thereby making them other than merely an exchangeable commodity. But the extent to which this has occurred varies significantly between countries. With respect to the concept of 'decommodification', there is a clear gradient between the four types of unemployment welfare regime. The regime that is furthest from achieving this is the sub-protective regime; that which is closest is the universalistic regime.

A further common distinction is between 'beveridgian' and the 'bismarckian' systems, with the former characterized by the widest possible approach to social protection founded on the notion of social citizenship, and the latter by a more restrictive approach derived from participation in productive activity. It can be seen that the employment-centred regime reflects a bismarckian approach while the universalistic is closer to beveridgian principles. Both of the two other types of regime—the sub-protective and the liberal/minimal—are far from either principle.

Finally, as will be discussed in more detail later, the regimes differ in terms of the extent to which they lead to de-familialization, that is to say ensuring the independence of the individual from reliance on other family members. This is likely to have particularly important implications for the experience of women (Lewis 1992; Orloff 1993; O'Connor 1996; Daly 1996). The universalistic regime stands out from the others in terms of the extent to which it provides support irrespective of other household resources.

In considering this typology of unemployment welfare regimes, our view is that such models are best regarded as ideal-types rather than as descriptions of the institutional arrangements of particular countries. They are ways of describing the logic of particular processes of welfare regulation. It should not be expected that any country would represent a pure example of any such process. Rather, in reality, the welfare regimes of specific societies are likely to reflect, albeit to different degrees, a mixture of these different logics, and indeed their relative importance may change over time.

However, there are grounds for thinking that the countries upon which we are focusing approximate *more closely* to one type of welfare model than another. We have taken three empirical indicators reflecting the different constitutive dimensions of these regimes. These are: the proportion of the unemployed who receive benefits (see Table 1.3); the average expenditure on benefits per unemployed person as a percentage of per capita gross domestic product (see Table 1.4), and finally expenditure on active employment policies as a percentage of gross domestic product (see Table 1.5). These have been chosen as providing a reasonable level of comparability and, in the case of the last two, for giving a picture of the stability of the pattern across time. They must however be regarded as providing approximate indicators. The issue

TABLE 1.3. Proportion of unemployed in receipt of benefit

Country	Men	Women	Total
Belgium	81.3	81.6	81.5
Denmark	66.9	66.2	66.5
France	47.6	42.8	45.0
Germany	75.4	65.7	70.5
Greece	10.6	7.1	8.6
Ireland	81.4	42.8	66.8
Italy	7.7	6.0	6.8
Netherlands	64.3	35.0	49.6
Portugal	29.2	25.5	27.3
Spain	32.3	15.6	23.8
Sweden	86.6	85.1	86.0
UK	71.8	36.6	59.4

Note: The unemployed are defined in terms of the ILO criteria.

Source: European Labour Force Survey, 1995 (see Employment Gazette, 1995), except for Sweden. Figures for Sweden are drawn from register data for 1993 collected for the sample interviewed in the Level of Living Survey of 1991.

TABLE 1.4. Expenditure on unemployment benefits per unemployed person (% of per capita GDP)

Country	1980	1990	1993
Belgium	65.3	59.6	48.2
Denmark	88.0	61.3	61.8
France	38.6	33.2	36.1
Germany (West)	58.7	36.0	45.0
Germany*	—	—	46.8
Greece	64.9	32.6	31.1
Ireland	51.9	35.8	35.8
Italy	14.6	5.1	6.2
Netherlands	83.5	107.5	108.5
Portugal	13.2	9.4	23.7
Spain	79.6	52.5	73.7
Sweden	n.a.	n.a.	n.a.
UK	48.1	29.8	34.9

* includes the new Länder.

n.a.: data not available.

Note: Expenditure includes social assistance as well as insurance benefits.

Source: European Commission, 1995, *Social Protection in Europe*.

of the level of compensation, in particular, has led to quite diverse estimates for particular countries of the extent to which unemployment benefit replaces income in work, depending on the assumptions used. These are discussed further in Appendix 2. However, despite such variations, there emerges a reasonably consistent pattern of the broad differences between countries.

TABLE 1.5. Expenditure on active employment policies (% of GDP)

Country	1985	1990	1996
Belgium	1.3	1.2	1.4
Denmark	1.2	1.3	2.3
France	0.7	0.8	1.3
Germany	0.8	1.0	1.4
Greece	0.2	0.4	0.3
Ireland	1.5	1.4	1.7
Italy	n.a.	n.a.	n.a.
Netherlands	1.3	1.2	1.4
Portugal	0.4	0.6	1.1
Spain	0.3	0.8	0.7
Sweden	2.2	1.6	3.2
UK	0.7	0.6	0.4

n.a.: data not available.

Source: European Commission, 1998, *Social Protection in Europe*.

It is clear, to begin with, that there is a strong similarity between the countries of Southern Europe.⁴ The proportion of the unemployed receiving benefits is lower than 10 per cent in Greece and Italy and lower than 30 per cent in Portugal and Spain.⁵ These figures are almost sufficient in themselves to justify considering these countries as closest to a sub-protective regime. If one takes, in addition, the criteria of expenditure per unemployed person as a percentage of per capita GDP, it can be seen that Italy is below the 10 per cent threshold, Portugal is lower than 25 per cent and Greece around 30 per cent. Only Spain stands out from this pattern at 73.7 per cent. Moreover, expenditure on active employment policies is also very low in these countries. It amounts to less than 1 per cent of GDP in Greece and Spain and to only 1.1 per cent in Portugal. Such policies are considered virtually non-existent at the national level in Italy (Saraceno 1992), which possibly explains why this indicator is not available in the national statistics.

While the most notable feature of these systems is the gaps in their provision, it is possible none the less to detect a Bismarckian influence. The Italian system of financial assistance for the unemployed is interesting in this respect: it is characterized by a very strong dualization. It is a system that reflects a particular way of handling employment issues in very specific sectors of the economy, particularly in large firms where employers and

⁴ A number of writers have pointed to broad similarities in the structure of welfare arrangements in the Southern European countries (see Liebfried 1992; Castles 1993; Ferrara 1996; Saraceno 1994).

⁵ The unemployed are defused in terms of the ILO criteria: people without employment, available to start work, and actively seeking employment.

employees have negotiated agreements that protect the workers and at the same time reinforce their loyalty to the organization. Through the mechanism of the '*Cassa Integrazione Guadagni*', employees of such firms receive 90 per cent of their daily salary through the period of inactivity. Moreover, people covered by this scheme are not officially classified as unemployed. There are also special schemes for workers in industries characterized by a high level of seasonal variation in activity. With the '*Trattamento speciale di disoccupazione*', employees from construction and agriculture receive an allowance representing more than half of their daily salary if they become unemployed—66 per cent in the construction industry, 60 per cent in agriculture—and this continues for a period of three to six months, with possible further extensions. But, in Italy, as in the other Southern European countries, such protection has not been extended to the unemployed as a whole. The absence of more comprehensive coverage is likely to be particularly disadvantageous for young adults.

The countries which are closest to a liberal/minimal regime are the UK and Ireland. The proportion of the unemployed covered by benefits is relatively high in the UK at 59 per cent, but expenditure on benefits is quite low: less than 30 per cent in 1990 and less than 35 per cent in 1995. It is also important to note the more and more restricted role of insurance benefits. The principal benefit 'Job Seekers' Allowance' is subject to means-testing from the seventh month, and the obligation has been imposed to subscribe to a 'Job Seekers Agreement'. All these measures have the objective, following the liberal logic, of encouraging the unemployed to actively seek work and to accept, if necessary, a precarious job. Since insurance benefit is for such a short period, the majority of the unemployed in the early 1990s were receiving means-tested benefit (Evans *et al.* 1995). Ireland is also close to this type of regime, with relatively high coverage at 67 per cent, but low levels of benefit. It is, however, important to note that Ireland differed considerably from the pattern in the UK with respect to expenditure on active employment policies. These represented 1.7 per cent of GDP in Ireland compared with only 0.4 per cent in the UK.

Several countries approximate to the employment-centred model: France, Germany, The Netherlands, and Belgium. The proportion of the unemployed that receives benefits is high in Belgium (81.5 per cent) and in Germany (70.5 per cent) and lower in France (45 per cent) and The Netherlands (49.6 per cent). But the country order is no longer the same if one takes expenditure on benefits. In this respect The Netherlands is highest at 108.5 per cent of per capita income in 1993, followed by Belgium with 48.2 per cent and Germany with 46.8 per cent. France is at an even lower level with 36.1 per cent. The case of The Netherlands consists then of two rather different tendencies: a relatively low proportion of the unemployed are covered by insurance benefits, but these are quite generous for those who do get them.

This has the effect that large numbers of the unemployed have to look to social assistance for support. There are two such systems, one of which was created specifically for the unemployed, especially the long-term unemployed (Kemperman and Vissers 1999). The numbers on this have increased considerably in recent years, following closely the trend in the level of unemployment.

The same process has occurred in France. A low proportion of insured unemployed leads in a period of strongly rising unemployment to a sharp increase in the proportion receiving social assistance, especially the *revenu minimum d'insertion* introduced in 1988 (Paugam 1993). In Belgium and Germany where the coverage of unemployment insurance is more extensive, the increase in the numbers on social assistance has been less closely tied to changes in the labour market (Vranken, 1999; Breuer, 1999). Finally, it is notable that expenditure on active employment policies as a percentage of GDP is at a very similar level in these four countries and considerably higher than for countries closer to the first two types of regime. Such policies are an attempt by the public authorities to compensate for the gaps left in the system of insurance cover in a way that limits the pressure on social assistance schemes.

Finally, the two countries that are closest to the universalistic regime model are Denmark and Sweden. The proportion of the unemployed covered by benefits and the level of benefits are relatively high in these countries. It should be noted that between 1994 and 1996, Sweden introduced measures to reduce the level of compensation, but it was subsequently increased again. These two countries have also been characterized for many years by a particularly strong emphasis on active employment policies with expenditures of 2.3 per cent of GDP in Denmark in 1993 and 3.2 per cent in Sweden. For instance, the 'activation' agreement signed in 1992 in Denmark included the objective of integrating young people rapidly into the labour market, by increasing the number of public sector jobs and offering training to all. It also aimed to develop incentives and opportunities for the long-term unemployed, through social development programmes, the creation of free zones, and the development of public employment. The overall package of these measures, in combination with the encouragement of early retirement, is thought to have made a major contribution to reducing the level of long-term unemployment in the country.

The discussion to date has been mainly concerned with the broad implications of the social protection systems for the unemployed taken as a whole. However the type of unemployment welfare regime may also have important implications for the degree of equality or inequality in the treatment of men and women. Given that employment-centred systems depend to a considerable degree on the direct contributions of employees, there is a risk that women who have interrupted their careers for family reasons will be

disadvantaged compared to men with a more continuous employment record. Women could also be expected to be disadvantaged in liberal/minimal systems by the reliance on a system of means-testing which takes account of overall household income. In contrast, this type of effect could be expected to be least strong in universalistic systems, due to their easier eligibility rules and their individualized system of rights.

While it is difficult to find any simple metric for comparison, there are certainly important institutional differences between countries in eligibility rules (Rubery *et al.* 1998). The Danish system appears to be the particularly advantageous for women: only twelve months of contributions in the previous three years is sufficient to give eligibility for unemployment benefit, and this threshold has been reduced to thirty-four weeks for women who were in part-time work. It is notable that, although the unemployment system is a voluntary one, two-thirds of working women belong to it. In comparison, the British system is much less favourable for women. It gives greater importance to the amount than to the duration of contributions, which favours higher paid employees. As a result it takes a particularly long period for women to become eligible who are working in part-time jobs with low pay.

Taking the empirical evidence on benefit coverage (Table 1.3), it is notable that the sex differential is very small in both of the countries closest to the universalistic model: Denmark and Sweden. It is also relatively low in three of the four countries that were seen as close to the sub-protective system—Ireland, Greece, and Portugal. This, however, constitutes relative sex equality in the virtual absence of provision. In contrast, women were much less likely to receive benefit when unemployed in both of the liberal/minimal countries—Ireland and Britain. Indeed these are the countries in which the sex differential is greatest. Women are also less likely to receive benefit in the majority of the employment-centred societies. It should be noted, however, that there is considerable diversity in pattern: the sex differential is very sharp indeed in The Netherlands, but it is relatively moderate in France and absent in the figures for Belgium. While in general the evidence supports the view that such systems work to the disadvantage of women, there are clearly mediating factors that lead to important differences in the extent to which this is the case. Given the emphasis of such systems on employment, it is likely that one such factor will be the pattern of women's labour market participation in specific societies.

Overall, these differences in benefit coverage for men and women confirm the earlier classification. Countries closest to the universalistic systems provide a high level of sex equality in coverage, while women are less well covered in the majority of countries closest to the employment-centred regime and in both of those closest to the liberal/minimal regime. While this is the only aspect of welfare for the unemployed for which comparable evidence

for men and women is publicly available, it is clear that any full comparison of the degree of sex equality would require an assessment both of the level of benefits and of access to active employment policies.

There are good reasons then for thinking that the unemployment welfare regime is likely to have a major impact on the experience of unemployment. But it is also important to assess its relative importance in comparison with the role that may be played by the pattern of family organization.

THE ROLE OF THE FAMILY

It seems likely that the nature of the family will have an effect on the experience of unemployment. For instance, it seems probable that an unemployed person who lives alone, one who lives with their parents or one who has responsibility for several children will not live the same experience. It may also be the case that, in a situation in which the male partner has a job, unemployment will have a different significance for a female partner in countries where the general level of activity of women is high than in one where it is low.

In considering the possible impact of the family on unemployment experiences, the first factor that needs to be taken into account is the degree of stability of the family as an institution. The trends with respect to the rates of marriage, divorce and births outside marriage are generally used to provide a picture of the degree of 'de-institutionalization' of marriage and of the fragility of the traditional family model (Roussel 1989). Earlier research has suggested that family instability may aggravate the precarity of work careers, especially for unemployed people. But it is striking to note how strongly these demographic indicators vary from one country to another, suggesting that the unemployed will experience very different family situations depending on the country in which they live (see Table 1.6).

It is possible to distinguish at least three groups of countries with respect to the degree of de-institutionalization of the traditional family model. Sweden and Denmark share in common a high divorce rate and a high proportion of live births outside marriage. These are unquestionably the most advanced cases of de-institutionalization, even if the marriage rate is still high in Denmark. The UK resembles these countries with its high divorce rate, but the proportion of births outside marriage is somewhat lower. In contrast to the northern pattern, the Southern European countries, Greece, Portugal, Italy, and Spain, stand out with low rates both of divorce and of births outside marriage. Taking the 1980s cohort, the proportion of marriages ending in divorce was 12 per cent in Greece and only 7 per cent in Italy, compared with 46 per cent in Sweden. Note that Ireland comes close

TABLE 1.6. Demographic indicators

Country	Crude marriage rate (1/1000)	Crude divorce rate (1/1000)	Proportion of marriages ending in divorce for the 1980 cohort (1/1000)	Proportion of live births outside marriage (1/1000)
Belgium	5.1	3.5	34	15.0
Denmark	6.6	2.5	44	46.5
France	4.4	2.0	33	37.2
Germany	5.3	2.1	33	16.1
Greece	6.1	1.1	12	3.0
Ireland ^a	4.3	(0.5)	—	22.7
Italy	4.9	0.5	7	8.1
Netherlands	5.3	2.2	31	15.5
Portugal	6.6	1.2	14	18.7
Spain	5.0	0.8	—	10.8
Sweden	3.8	2.6	46	53.0
UK	5.5	2.9	42	33.6

^a Given that divorce has been only recently legalized in Ireland, the figures presented are those of judicial separation rates (see Fahney and Lyons 1995). The legal separation rate for Italy for the 1980 cohort has been estimated at 8.7%. Employment Precarity, Unemployment, and Social Exclusion (EPUSE) programme data.
Source: Eurostat, data for 1995.

to the southern pattern in this respect. Even if the trends in most European countries have been similar over the 1980s and 1990s, the family model still remains more traditional in the Southern countries. Several countries occupy an intermediary position between the Scandinavian countries on the one hand and the Southern European countries on the other: this is the case for France, Germany, The Netherlands and Belgium.

There are also major differences between countries in the roles attributed to the family. This is evident with respect to the responsibilities of the family for young children. These are likely to be heavily affected by the nature of welfare policies, which determine the availability of childcare provision. The role of the welfare state in the construction of family models and their implications for inequalities between men and women has been emphasized by a number of writers in recent years (Lewis 1992; Orloff 1993; O'Connor 1996). Like unemployment benefit and employment policies, family policies differ considerably from one country to another.

There is a need, then, to complement the emphasis on decommodification, or detachment from the market, as a principle for comparing welfare regimes, with an emphasis on de-familialization, or detachment from the family. A social policy that leads to de-familialization implies a commitment to collectivising the weight of family responsibilities. This is likely to be an

TABLE 1.7. Proportion of young children in publicly funded childcare (%)

Country	Aged 0 to 2	Aged 3 to school-age
Belgium	20	95
Denmark	48	85
France	20	95
Germany	2	78
Italy	5	88
Netherlands	2	53
Sweden	32	79
UK	2	38

Source: Gornick *et al.*, 1997.

important condition for the ability of women to give equal importance to their career and family lives. At the other extreme, it is possible to point to societies where the family remains both the pivot of sociability and the principal legitimate mechanism for taking care of the social needs of all of its members.

It is striking to note, for example, the wide country variations in the socialization of children under school age in publicly funded childcare (see Table 1.7). This is a good indicator of de-familialization. The proportion of children under two years old with places in a crèche is 48 per cent in Denmark and 32 per cent in Sweden compared with only 2 per cent in Germany, the UK and The Netherlands and 5 per cent in Italy. If one takes the proportion of children between 3 years old and school-age in publicly funded childcare, it is also weak in the UK (38 per cent) and in the Netherlands (53 per cent). It seems clear that women in the Scandinavian countries have much better opportunities to ensure the socialization of their children outside the family and thus to be less disadvantaged relative to men in their professional careers.

The nature of the family also differs very considerably with respect to the responsibilities for older children and the length of time over which they continue to reside with their parents. When one compares the proportion of adult children of 20 to 29-years of age living with their parents, it is evident that the process of de-familialization is much more advanced in the Northern than in the Southern European countries or in Ireland (see Table 1.8). Over two-thirds of such young adults continue to live with their parents in Italy, Spain, and Portugal, and more than half in Greece and Ireland. The corresponding figure is only 16 per cent in Denmark and 29 per cent in The Netherlands. If one takes the proportions among the unemployed, the divergences are even greater: 14 per cent in Denmark compared with 87 per cent in Italy.

TABLE 1.8. Proportion of adult children aged 20 to 29 living with their parents

Country	All 20-29 year olds	Unemployed 20-29 years olds
Belgium	54.4	58.6
Denmark	16.4	13.6
France	39.5	48.5
Germany	35.9	28.6
Greece	57.4	78.1
Ireland	61.8	71.6
Italy	77.1	87.0
Netherlands	29.2	33.3
Portugal	69.8	74.2
Spain	72.3	76.7
UK	32.4	41.7

Source: European Community Household Panel (ECHP), 1994, wave 1.

It is possible, then, to detect three models of *family residence*: an extended dependence model, a model of relative autonomy between generations, and finally a model of advanced inter-generational autonomy.

The extended dependence model characterizes a situation where different generations are brought together in the same household under the wing of the core generation. Adult children—and possibly older parents—are taken care of within the same home. Sociologists and demographers have often provided descriptions of this model emphasizing that it is based simultaneously on reciprocal exchange between the members of the household and on strict norms defining the obligations of each person within the group. It is a model that is reinforced by a very strong institutionalization of marriage (Jurado Guerrero and Naldini 1997). While it restricts the autonomy of the individual, it has the advantage of offering everyone a minimum of protection. The long-term unemployed for instance would benefit from direct family support.

The relative autonomy model defines an intermediary situation between the extended dependence and the advanced autonomy models. In this model, adult children living with their parents are under an obligation to look for an alternative solution. They must be actively preparing their entry to the labour market. The normative system underlying this model is primarily one of autonomy, and individual responsibilities in the household are much more weakly defined. It is above all the difficulty that young people encounter in trying to enter the labour market that creates the necessity for parental solidarity. While this system is less rigid, it is also more fragile. Adult children and older parents live the experience as a temporary situation. The ties between parents and children can easily break up as a result of misunderstandings in the household, especially when a relationship

TABLE 1.9. Unemployment welfare regime and model of family residence, by country

Unemployment Welfare Regime	Model of Family Residence		
	Extended Dependence	Relative Inter-Generational Autonomy	Advanced Intergenerational Autonomy
<i>Sub-protective</i>	Italy, Spain, Portugal, Greece		
<i>Liberal/Minimal</i>	Ireland		
<i>Employment-centred</i>		France, Belgium	UK
<i>Universalistic</i>			Netherlands, Germany, Denmark, Sweden

of dependence without possible exchange develops, which is commonly the situation for the young long-term unemployed.

Finally, the model of advanced autonomy represents the normative system that contrasts most strongly with the extended dependence model. The self-realization of the young adult is regarded as inconceivable without acquiring autonomy from the parents. This does not of course mean that there is breakdown of affective ties. The children may remain to some degree financially dependent, but the norm is to live separately. This model allows people to cohabit with a partner earlier than is possible in the case of the two previous models.

What is the nature of the link between the unemployment welfare regime and the type of family residence model? We can begin by looking at the location of countries when the two dimensions are taken into account simultaneously (see Table 1.9). It is evident straight away that for the countries of Southern Europe there is a very strong correspondence between the sub-protective regime and the extended dependence model. It is also clear that there is a perfectly symmetrical relationship between the universalistic regime and the advanced autonomy family model in the Scandinavian countries.

It might be tempting to conclude that there is a continuum between these two poles and to attribute the decisive role in the creation of family residence models to the type of unemployment welfare regime that prevails in each country. But any such conclusion would be over hasty. This is evident if one takes the example of the UK. Given the minimal character of unemployment benefits and the liberal policies aimed at keeping them low, it could be expected that young people would stay for a long time at home with their parents, much as is the case in Ireland. Similarly, given its system of unemployment protection, it could be expected that the situation

in The Netherlands and in Germany would be very similar to that in France and Belgium. But, in fact, The Netherlands and Germany, like the UK, are closer to Denmark and Sweden in their family residence models. It has to be concluded then that the dynamic of family residence is not entirely determined by the social protection regime, and that it is preferable to distinguish in our analysis the aspects of the experience of unemployment which are linked to the welfare regime from those which are linked to the family. For these reasons, we prefer to speak in terms of welfare or unemployment welfare regimes when considering the sphere of intervention of the public authorities and of family models when examining the sphere of domestic life. When seeking to characterise the joint influence of several institutional factors linked to the experience of unemployment, we will use the notion of systems of social regulation.

THE ROLE OF THE MARKET

The concept of unemployment is inseparable from that of work, which provides the core interpretative framework in industrial societies. It is linked both to the idea of full employment and to the modern conception of paid work (Salais *et al.* 1986; Topalov 1994). Since unemployment is so closely linked to the conception of work that exists in an industrial society, its meaning may well vary depending on the degree of industrialization and of economic development. In a region or a country with a relatively low level of economic development, the inhabitants may not even define themselves in terms of the employment relationship, in the sense that it has acquired in large-scale enterprises. They may consider their work as self-employed or carry it out, on an occasional or permanent basis, in the informal sector. Since work is primarily a matter of survival rather than a social status, the consciousness of being an unemployed person may be less strong, especially since formal financial compensation on grounds of unemployment is negligible or even non-existent.⁶ Qualitative research in the less developed

⁶ Pierre Bourdieu, in his research in Algeria in the early 1960s, found that it was only the peasants of the Kabylie who had internalized the conception of work common in industrial societies, largely due to the close links they had maintained with Western culture through their tradition of immigration to the large cities and to France (Bourdieu *et al.* 1963). Even when they had been out at work in the fields for long hours in the previous days, they reported themselves as unemployed since they looked upon this agricultural work merely as a temporary way of getting by. It was only paid employment that they regarded as having true value. The situation was completely different among the more traditional peasants of Southern Algeria. These considered work simply in terms of its social function and paid little attention to the notions of unemployment or sub-employment, even in periods when there was not a great deal of economic activity and they were only at work part of the time.

TABLE 1.10. *Economic restructuring in Europe, 1974-1993* (% of total employment)

	Agriculture			Industry		
	1974	1993	Change	1974	1993	Change
Belgium	3.8	2.5	-1.3	31.2	19.7	-11.5
Denmark	9.6	5.2	-4.4	21.4	22.3	0.9
France	10.6	5.1	-5.5	28.3	19.1	-9.2
Germany	7.0	3.5	-3.5	35.8	28.5	-7.3
Greece	36.0	21.3	-14.7	18.5	15.6	-2.9
Ireland	22.8	12.7	-10.1	21.7	19.4	-2.3
Italy	17.5	8.0	-9.5	28.0	22.5	-5.5
Netherlands	5.7	3.9	-1.8	25.7	17.2	-8.5
Portugal	34.9	11.4	-23.5	24.9	23.8	-1.1
Spain	23.2	10.1	-13.1	26.3	23.0	-3.3
Sweden	6.7	3.4	-3.3	28.3	18.3	-10.0
UK	2.8	2.0	-0.8	34.6	24.1	-10.5

Source: OECD (1997) *Historical Statistics 1960-1995*.

regions of Southern Europe suggests that the conventional notion of unemployment is not as salient in the way people think about their society, in part because the 'unemployed' are mainly women or young people—see for instance Krief (1998). The adult men have the responsibility of ensuring the protection and survival of their families, and the economic system is organized to assist them to do this, even when conditions are harsh.

It also seems likely that the experience of unemployment will be affected by the extensiveness and timing of sectoral restructuring of the economy. For instance, in all countries, the transition from an essentially rural to an industrial economy has been associated with major changes in the skills and work attitudes of the workforce. In much of Europe, this transformation was completed in the three decades following World War II, when there was an overall shortage of labour and there were possibilities for re-integration into other economic sectors. But much greater problems inevitably arose for countries for which severe reductions in the agricultural workforce coincided with wider economic crisis and an inability to generate jobs that could compensate for those that had been lost. Unemployment became heavily concentrated on certain sectors of the population and involved severe marginalization from the labour market.

Since the mid-1970s, the degree and nature of sectoral change has varied very considerably between European countries (see Table 1.10). Taking employment change in the agricultural sector, it is notable that the Southern European countries have been by far the most affected in this period. The share of the agricultural sector went down from 35 to 11.4 per cent in Portugal, and from 36 to 21.3 per cent in Greece. In comparison to a

country such as France the restructuring of agriculture in Southern countries was taking place in a much more difficult overall economic climate. The *Mezzogiorno* region in Italy represents a particularly extreme case where structural decline in the agricultural sector occurred with little compensation in terms of the development of other types of stable economic activity.

With respect to changes in manufacturing industry, it is clear that the heaviest employment losses occurred in the more developed industrial societies. The share of such industries in overall employment went down by about ten percentage points in Belgium, the UK, Sweden, France, and The Netherlands. The reduction was less sharp in Germany, but it was still considerable. Employment change in this sector was much lower in the Southern countries: Portugal, Spain, Greece, and Italy. Finally, Denmark stands out as the only country in which there was a slight increase in the share of this sector.

The European countries have then experienced different types and different intensities of shock to their employment systems in the period since the mid-1970s. There are three broad groups of countries. The Southern countries experienced a particularly severe reduction of their agricultural sectors, leaving endemic unemployment in certain regions. The societies that had developed large-scale industry earlier were subject to massive restructuring of the manufacturing sector. Unemployment in these cases was less likely to affect an entire sector of the workforce than to operate selectively, striking at those with lower skills and less ability to adapt to technological change. Finally, countries such as Denmark saw much less radical types of economic rupture which would have made it easier to handle the problems thrown up by unemployment. The transitions between different types of work were likely to require less drastic changes in skill and training, which should have helped to reduce the duration of unemployment spells.

STRUCTURE OF THE BOOK

Our starting point then is that the three types of factor that we have been considering—the nature of social protection for the unemployed, the type of family system, and the pattern of economic change—are each likely to have major implications for the experience of unemployment. While they are clearly not entirely autonomous, they do not determine each other in a way which can make it possible to simply logically deduce one from the other. Rather, the specific configuration of the relations between them is likely to lead to significant differences in the experience of unemployment between

countries. In the course of this book, their impact will be examined with respect to three main dimensions of the experience of unemployment: financial deprivation, labour market marginalization, and social integration. The first part of the book focuses on the relationship between unemployment and poverty. Chapter 2 looks at differences between countries in the risk of poverty for the unemployed and how these changed between the 1980s and 1990s. Chapter 3 examines the vulnerability to poverty and financial hardship of different types of unemployed people. Chapter 4 focuses on the situation of young unemployed adults, in particular considering whether family resources are effective in substituting for public welfare in countries where state provision is largely absent. Chapter 5 seeks to assess how far country differences in the risk of poverty for the unemployed can be attributed to the system of social transfers provided by the welfare state.

The second part of the volume turns to the processes that may heighten or reduce the risk of labour market marginalization. Chapter 6 considers whether there is any evidence that the generosity of welfare benefits affects the attitudes to work of the unemployed, leading them either to attach a lower importance to having a job or to be particularly inflexible about the type of work they will accept. Chapter 7 assesses the impact of labour market conditions at the time of first entry to the labour market on later risks of unemployment, seeking to establish whether entry at a time of high unemployment leads to a long-term penalty in terms of job security. Chapter 8 focuses on whether there are variations between countries in the 'scarring effect', whereby people who have been unemployed have a higher risk of unemployment in the future. Chapter 9 considers the effectiveness of childcare policies in limiting the risk of labour market marginalization for the particularly vulnerable group of lone mothers. Chapter 10 considers how the role of social networks in determining the job chances of the unemployed may vary with different national labour market institutions. Chapter 11 involves a detailed comparison of Britain and Italy, to explore the influence of institutional differences in determining the type of people who are most at risk of long spells of unemployment.

The third and final section is concerned with the issue of social integration. Chapter 12 looks at the impact of unemployment on people's social relationships in the household and the community. It considers how far unemployment is associated with social isolation and whether this varies between countries. Chapter 13 examines the tendency for unemployment and non-employment to become concentrated within households. Chapter 14 looks at the subjective side of social integration: the extent to which unemployment affects people's satisfaction with their lives. Chapter 15 seeks to assess how far the nature of the welfare regime affects differences between men's and women's experiences of unemployment. Finally, Chapter 16 looks at