

Cumulative Disadvantage or Individualization? A Comparative Analysis of Poverty Risk and Incidence

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Abstract

In this paper we seek to clarify and examine empirically two related perspectives on poverty processes that have emerged in recent years – those of *cumulative disadvantage* and of *individualization*. Both offer a challenge to the mainstream tradition of class analysis, which directs our attention to a set of differentiated relationships between class positions and life-chances. The cumulative disadvantage perspective defines the key cleavage as between a comfortable majority and a multiply disadvantaged minority excluded from the mainstream. The individualization perspective views poverty as a relatively transient phenomenon, which is largely independent of traditional stratification factors. Our analysis of the impact of class origins, education, current class and unemployment in four European countries did find evidence of increased poverty risk associated with cumulative disadvantage and of persisting net effects. However, in all four countries those experiencing disadvantage in relation to all four factors constituted a negligible proportion of the poor. In relation to the individualization perspective, we found no evidence that the differential between social classes in their risk of poverty had decreased over time. Furthermore, analysis conducted across twelve European countries showed that class origin, education, current class and long-term unemployment were powerful predictors of poverty duration even after controlling for household type and divorce/separation. Our analysis therefore supports neither over determination nor under determination arguments relating to the causes of poverty. Instead it shows that while variables such as unskilled manual class origins have substantial, and to some extent, persisting effects on the risk of poverty, most poor people are not cumulatively disadvantaged. Traditional stratification variables combine with other factors in an additive and interactive fashion in the complex processes that determine poverty outcomes. Class effects can be significant across a range of outcomes, and stable over time, without any suggestion that we are in all cases identifying the same individuals. A crucial implication of the mainstream class perspective is that it directs attention away from highly targeted policies aimed at multiply deprived groups and points to the need for more generalized responses directed at groups who are not necessarily currently poor but whose vulnerability to such exposure means that a range of factors may precipitate such an outcome.

1. Introduction

In this paper we seek to clarify and examine empirically two related perspectives on poverty processes that have emerged in recent years – those of *cumulative disadvantage* and of *individualisation*. Though not presented as such, both may be seen as offering a challenge to the mainstream European tradition of class analysis (Erikson and Goldthorpe 1992; Marshall, Swift, & Roberts 1997) and have important consequences both for the analysis of social disadvantage and practical social policy. We follow Goldthorpe and Marshall (1992:382) in defining class analysis as involving, in part, the exploration of the interconnections between positions defined by employment relations in labour markets and production units in different sectors of national economies and their effects on life-chances. From this perspective, class is an ‘umbrella’ concept that marks the crucial dimensions of inequality between social groups that are the sum of myriad other disadvantages.

Class analysts hold that even if we were successful in completely ‘unpacking’ the inequalities behind class relationships as, for example, by specifying the life-events that serve as mediating factors, this does not necessarily diminish their sociological significance. Thus the class perspective directs our attention to a set of differentiated relationships between class positions and life-chance outcomes, while allowing that many other factors may come into play and that class effects may be mediated by such factors.

The cumulative disadvantage perspective points in a rather different direction. It defines the key cleavage as between a comfortable majority and an excluded minority, the latter comprising multiply deprived groups at risk of transmitting their fate across generations (Kleinman 1998). The focus is on ‘downward spirals of precariousness’ or ‘vicious circles’ that lead groups into long-term dependency and social exclusion from the mainstream. (Paugam, 1996).¹ The individualization hypothesis on the other hand emerged in the German context as a reaction to just these arguments about the extent and significance of ‘spirals of disadvantage’ (Leisering & Leibfried 1999). Rather than seeing poverty as the predetermined outcome of accumulating disadvantages, the individualization perspective holds that poverty is a relatively transient phenomenon, associated with particular events and stages of the life-course, and by implication, transcending traditional social boundaries.

Both these theoretical approaches suggest alternative structuring of social disadvantage to that proposed by the mainstream European tradition of class analysis, the cumulative disadvantage approach by positing a social cleavage between a comfortable majority and an excluded minority and the individualization thesis by holding that traditional forms of social stratification are no longer as important. Here we seek to show that both arguments have been overdone and receive little support empirically. Whilst not disputing that various forms of disadvantage are linked and cumulative, we show that this does not necessarily lead to the identification of a multiply deprived and excluded minority. Without wishing to deny the role of factors such as life-course transitions, we shall seek to show the continuing importance of more generalized predictors of disadvantage such as educational level, social class and employment status.

Before we can examine these theories empirically, however, we need to clarify the nature of the propositions being proposed. In the first part of this paper we attempt to define more clearly the hypotheses associated with the social exclusion approach. Our major concern is to define and operationalise the causal sequence hypothesized by the social exclusion literature to lead to cumulative disadvantage. Similarly, in the second section of the paper we attempt to clarify the arguments of the proponents of the individualization perspective and evaluate previous empirical work that has been done on this subject. In the third section we attempt to derive some testable hypotheses from these overall theories. In doing so we attempt to guard against the danger that conclusions in this area may have been unduly influenced by particular national circumstances by testing hypotheses across a range of countries where appropriate information is available. Since it is more difficult to obtain information on class origin than current socio-demographic circumstances this involves testing the cumulative disadvantage thesis on a narrower range of countries than is the case for the individualization thesis. Following a discussion of the data to be used in the paper in the fourth section, we then proceed in the fifth to an empirical examination of the hypotheses relating to the notion of cumulative disadvantage using comparative data from Britain, Germany, Italy and Ireland. In the sixth we go on to use data from the European Community Household Panel Survey (ECHP) to examine the individualization thesis.

2. Social Exclusion and Cumulative Disadvantage

The end of the post war boom in Europe in the late 1970s also brought to an end an extended period of declining inequalities. The development of welfare state structures and increasing prosperity following the war had been accompanied by mass upward social mobility and an end to the stark differentials in lifestyle that had marked previous periods in history. These developments meant that most Western European nations were possibly more socially integrated during this period than ever before. Yet after 1975 the rise of mass unemployment and the growth in atypical forms of work and employment insecurity threatened to become a permanent feature of the labour market with whole sections of the unskilled labour force excluded from stable employment. This problem seemed to be exacerbated by the expansion of education systems across Europe leaving those without qualifications unable to enter the emergent service sector economy, a pattern that threatened to permanently exclude sections of the young, poorly educated unemployed. As Kronauer (1998:52) has convincingly argued, it is only in the context of the long boom that the increasing interest in the concept of social exclusion can be fully understood, since it assumes a shared understanding of inclusion.

Two distinct, although related, notions of cumulative disadvantage emerged from this literature, the first associated with the social exclusion approach and the second with the concept of the underclass. The former emphasized that cumulative disadvantage was a *temporal* causal sequence occurring over the life-course in which earlier disadvantages persisted. As a consequence current status was an inadequate guide to present poverty risk. The second approach focused on the interaction of location with earlier disadvantages and was associated with the underclass approach. Given our desire to maintain a comparative perspective and to compare the relative merits of the cumulative disadvantage and individualization perspectives, our focus is on the former.

Despite the emphasis on cumulative disadvantage in the social exclusion literature little reference was made to earlier sociological work on the transmission of disadvantage. However, an examination of such work reveals that even where a clear causal sequence can be established and earlier effects can be shown to persist, the outcome will take the form of the emergence a cumulatively disadvantaged group

only under particular conditions. Our starting point is Duncan's² critique of the account given by Lipset and Bendix (1959) of the manner in which social status, income and education combine to become part of a vicious circle. Duncan considered this thesis to be grossly exaggerated. There are two parts to his argument. The first is that a significant degree of correlation still leaves us a long way from perfect predictability. In addition, in a situation of modest correlation between independent variables, the sub-group characterized by an "accumulation" of disadvantages on a number of factors will necessarily be substantially smaller than those experiencing disadvantage in relation to any one element. So before assuming the significance of cumulative disadvantage we need to establish whether it is possible, for example, to identify a substantial sub-set of households who are exposed to a distinctive level of poverty.

In this paper we will seek to establish whether we can identify a process of cumulative disadvantage in the risk of poverty associated with a range of factors. These include, in causal order, social class of family background, educational qualifications, current or last occupational class and employment status. In order to do so we will examine in turn:

- The degree of association between socio-economic disadvantages
- Increased disparities in the odds of being poor arising from multiple disadvantage
- The actual risk levels of disadvantaged groups.
- The proportion of the poor accounted for by multiply disadvantaged groups.

3. The 'Individualization' Thesis

The economic restructuring and social policy changes that occurred in western capitalist societies in the 1980s and 90s undermined the primary route of social integration in these societies, that of stable employment. However, the period was also marked by other transformations that seemed to compound these economic difficulties. Primary among these was the rise in divorce and single parenthood that undermined the role of the family as an agent of social integration and socialization and limited the ability of the family to make good the shortfall in resources left by

unemployment and tightening fiscal policy. Similarly, the rise in single person households in Northern Europe at least, and the growing multi-ethnicity of most European states all contributed to the sense that poverty and social exclusion could not be traced back to a common and easily identifiable cause. It is this 'sense' that underlies the 'individualisation' hypothesis (Beck 1992; Andreß & Schulte 1998).

The individualization thesis emerged initially in the German context in the work of Beck (1992) who hypothesized that individual behaviour was becoming less bound by traditional norms and values and sources of collective identity such as social class. Individuals were increasingly forced to act on their own initiative to 'construct their own life-course'. This lack of 'structure' and 'anomie' in the life-course was compounded by changes in the labour market that seemed to lead to increasing employment precarity among previously protected groups such as the professional and managerial classes³. Beck's position can be better understood if put into the context of the changes that occurred in Germany that brought to an end the long boom of the post-war years. The 'economic miracle' of the 50 and 60's economic growth, mass consumerism and the growth of the welfare state had all led to an increasing homogeneity of lifestyles. In contrast, the return of unemployment, the rise of environmental politics and increasing divorce and lone parenthood in the 80's and 90's all brought increasing uncertainty and heterogeneity. This sense of declining homogeneity was amplified by the reunification of Germany that was accompanied by mass unemployment in the East and the problems of integrating an East German population that had developed very different life-course patterns since the end of the Second World War.

In relation to questions concerning social exclusion and poverty, the individualization hypothesis has been given its most detailed examination by Leisering and Leibfried (1999). They use German data on social assistance claims to examine empirically whether the 'new poverty' in Germany is associated with a particular group and is part of a 'poverty career'. Taking Beck's thesis critically they sub-divide it into three verifiable propositions they label 'temporalisation', 'biographisation' and 'democratisation'. Leisering and Leibfried (1999:239) explain these propositions thus:

‘Poverty is no longer (if it ever was) a fixed condition or a personal or group characteristic, but rather it is an experience or a stage in the life-course. It is not necessarily associated with a marginal position in society, but reaches well into the middle class. Poverty is specifically located in time and individual biographies, and, by implication, has come to transcend traditional social boundaries of class. These characteristics of present-day poverty can be referred to as *temporalisation, biographisation and democratisation* (or transcendence) of poverty (emphasis in original).

They demonstrate convincingly that the majority of spells of claimancy are short and that they are associated with discontinuities in the life-course such as the birth of a child, marital dissolution or being a recent immigrant. Yet, they also find that the biggest cause of claimancy is unemployment and moreover, that those with fewer qualifications and skills, who were older or had family responsibilities were also more likely to have longer spells. However, their argument that while disadvantages in the labour market are important, they are not crucial as there is variation even among disadvantaged groups, is less than compelling. Leisering and Leibfried (1999) pursue this argument against the importance of traditional factors such as education and social class, in large part, as a means of countering the ‘poverty career’ discourse. In this respect their position is in direct opposition to the cumulative disadvantage arguments outlined in the last section. Advocates of the individualization hypothesis see the poor as being a heterogeneous group, affected by a variety of causal processes of whom only a small minority risk ‘cumulative decline’ into long-term poverty.

4. Hypotheses

Our clarification of the concept of cumulative disadvantage suggested three elements on which we should focus. The first is a causal sequence leading from class background to educational attainment to current class to present employment and finally, poverty status. Second, disadvantages should persist over time. Thus earlier elements in the sequence should continue to have independent effects even when we control for later ones. Thirdly, the cumulative impact of these characteristics should enable us to identify a significant sub-group exposed to distinctively high levels of poverty.

It is more difficult to specify specific hypotheses in relation to the individualization hypothesis. Interpreted in one fashion it could be taken to mean that the impact of

conventional stratification variables is mediated by particular events. This would be a fairly uncontroversial and unexciting proposition since pointing to the need to “unpack” relationships between variables such as social class and poverty by specifying intervening mechanisms has been of the main themes of class theorist such as Goldthorpe (2000) in recent years. Here we identify two hypotheses which provide a more direct challenge to more conventional stratification perspectives. The first - the transcendence hypothesis –propose that inequalities in the risk of poverty between different social classes and educational levels should be lessening over time. The second concerns the individualization and biographization hypotheses. The former holds that poverty is structured far more by life-course transitions than by variables such as social class, education and employment status. The latter holds that spells of poverty are actually rather shorter in duration than is usually thought and are actively overcome by those who experience it. If the individualization thesis is to have the import it seeks, the events leading to poverty entries and exits should be independent of variables such as social class and education at the start of the observation period.

5. Data Sources

The data used in this study come from a variety of sources. In the next section we will be drawing data sets from four countries where information on the social class of the respondents household in childhood is available. The data are drawn from the British Household Panel Survey 1996, the German component of the European Panel Analysis Group cloned data set for 1995. The Longitudinal Survey of Italian Families 1997 and the Living in Ireland Survey 1994. All of the surveys are household panel surveys based upon clustered probability samples.

As we are using these data sets to examine, among other things, present or last social class and present employment status, we restrict the sample to those of working age (17 to 64). We employ the dominance procedure, described in Erikson and Goldthorpe (1992), based on employment status and full versus part-time work to establish which household members characteristics are used to predict whether an individual is living in a household falling below the poverty line. In performing the analyses we use a class schema based on a collapsed version of the CASMIN eleven class schema). Our educational variable is a four category one based on a collapsed CASMIN educational schema (König, Lüttinger, & Müller 1998). It distinguishes

between primary or no qualifications, lower secondary, upper secondary and tertiary levels. However, we found that in the German case, the minimum qualifications group tended to be extremely small due to the influence of the ‘dual’ training system that moved many groups into the lower secondary group. As such, the lowest educational group used in the analyses in the next section in Germany is a combined primary/lower secondary group.

In the fourth section of the paper we turn to a test of the individualization thesis that demands the use of comparative longitudinal information. For this part of the paper we use the User Data Base (UDB) from the ECHP containing data from Waves 1,2 and 3⁴. The unit of analysis is the individual and we work with the sub-sample present in each of the waves.⁵ This gives an overall sample of 133,789.

Across all of the surveys used here the income measure employed is total disposable equivalised income, including transfers and after deduction of income tax and social security contributions, with the household taken as the income recipient unit. The equivalence scale we employ at this point is often termed the “modified OECD” scale: where the first adult in a household is given the value 1, with this scale each additional adult is given a value of 0.5 and each child a value of 0.3.⁶ We thus calculate the number of equivalent adults in each household using this scale, and construct equivalised income by dividing household income by this number. This is then attributed to each member, of the household, and our analysis is carried out using the individual as the unit of analysis.

6. *The Accumulation of Disadvantage*

In this section we use data from Britain, Germany, Italy and Ireland to examine the hypotheses concerning cumulative disadvantage outlined above. Preliminary analysis showed that class origin, education, current class and unemployment were significantly related to poverty risk in all countries. For our present purposes, however, what we seek to establish first is whether the effect of earlier variables in the sequence persists. We examine this question by using a series of logistic regressions. In doing this we use separate models for each country since we cannot assume the absence of significant interactions. In Tables 1 to 3, for each of the first three

variables in the sequence, we show the contrast between the odds of poverty for the most advantaged group and that for the most disadvantaged, while progressively controlling for later variables in the causal chain.

TABLE 1 ABOUT HERE

In Table 1, using the 70% median equivalent income line, we show the odds of a respondent from unskilled manual class background being poor relative to a respondent from a service class background. In all four countries an unskilled background is associated with poverty. The risks are rather different across the countries though with those from an unskilled manual background in Ireland being exposed to a particularly high level of relative disadvantage. Controlling for educational attainment, social class and employment status reduces the impact of class origin by forty per cent in Germany, by fifty per cent in Britain, by two-thirds in Italy and by three-quarters in Ireland. The impact of class origin persists in Ireland and Germany even after when we control for later variables. In Britain and Italy on the other hand, once we have controlled for these factors the risk of poverty actually decreases. This interesting turn around can be explained by the high risk of poverty experienced by those from service class origins who have poor educational attainment.

TABLE 2 ABOUT HERE

In Table 2 we show the persisting effect of education on poverty risk. Low educational attainment is a positive risk factor in all countries. However, the scale of the effect is once again distinctively high in Ireland. The relevant odds ratio is over three times higher than the Italian value, which in turn is over twice that of the British and German coefficients. Controlling for current class and employment status reduces the impact of education by about fifty per cent in Britain, Germany and Italy. In the Irish case the proportionate reduction is in excess of eighty per cent but, as a consequence of the size of the gross coefficient, the net value remains statistically significant and larger than the corresponding value in the other countries.

TABLE 3 ABOUT HERE

Table 3 shows the persisting effect of present social class position controlling for employment status. A strong impact is observed across all the countries, though the extent to which social class risk is explained by employment status varies widely between the countries from over 47% in Ireland to 28% in Britain, 21% in Germany and around 6% in Italy. The impact of class remains highly significant in all four countries. Despite the higher proportionate reduction in Ireland, its net coefficient remains almost twice as the next largest as coefficient.

Thus in Britain there is little evidence for persisting effects other than in the case of current class. In Germany class origin and class remain significant and in Italy education and current class. In Ireland all three factors continue to have an impact and it appears to constitute a classic case of cumulative disadvantage. Using the results from Table 1 we can calculate the cumulative odds of poverty as different characteristics are added to the risk profile. By doing this we can get a statistical notion of the risk that someone with each additional risk factor runs of poverty compared to someone in the most advantaged position (which here is service class background, tertiary education, service class position and employed without a history of unemployment). Figure 1 shows the manner in which cumulative disadvantage increases across the four countries.

FIGURE 1 ABOUT HERE

The inclusion of Ireland in Figure 1 makes the comparison of the other countries difficult as the inequalities involved in that country are very large (the final column is truncated at 100, but should actually be 388), but Figure 1 does suggest that even where we control for the presence of the other risk factors, the increase in the risk of poverty if a person has a number of these characteristics is considerable and seems to support the thesis that past disadvantages persist and are cumulative. However, cumulative inequalities in poverty risk, as expressed in odds ratios, are affected both by increased levels of risk associated with cumulative disadvantage and reduced levels of risk associated with accumulating advantages. Thus in order to examine the extent to which the former process is in operation, in Figure 2 we show the observed increase in the proportion under the median poverty line using the 70% threshold, as the number of risk factors increases.

FIGURE 2 ABOUT HERE

As we move from left to right in Figure 2, there is an increase in the risk of poverty as we introduce each new risk factor, though (aside from the last step in Italy) the probability never exceeds 60%, and in the British case, reaches a peak of 38%. Irish respondents run the highest risk of poverty at each step, except for the last where the proportion in the Italian sample reaches 100% due to the very small number of individuals involved. At the first stage the poverty risk ranges from one in six for Britain and Germany to just above one in five in Italy and finally one in three in Ireland. With the addition of poor education it rises to one in four in Britain, three out of ten in Italy and Germany and to just less than one in two in Ireland. The addition of unskilled manual class produces little change in Britain but produces a further increase in all cases with the level of risk now exceeding one in three in Italy and Germany and one in two in Ireland. Finally the addition of unemployment, while producing only a marginal increase in Ireland produces further increases in Germany and Britain. The incorporation of all four elements leads to a poverty rate of 38% in Britain, 44% in Germany, 58% in Ireland and 100% in the special case of Italy. Thus we do observe patterns of cumulative advantage in all four countries. However, in both Britain and Germany, even among those exposed to all four disadvantages, a clear majority remains above the poverty line and in Ireland over 40% do so. Despite the scale of inequalities reflected in the cumulative odds ratios shown in Figure 1 the multiply disadvantaged, even in Ireland where the effects are greatest, are not doomed to poverty. The odds ratios capture relativities and are, in significant part, a reflection of the manner in which multiply privileged groups are insulated from the risk of poverty.

Furthermore, as our difficulties with the Italian case suggested, before reaching definitive conclusions relating to the significance of cumulative disadvantage we should endeavor to take into account information relating not only risk but also incidence. Where there is an accumulation of risk, how large are the groups identified?

FIGURE 3 ABOUT HERE

This information is contained in Figure 3. At the start of the causal cycle, with the exception of Britain where the figure is less than one in five, those from unskilled manual origins account for approximately one third of poor households. Thus, while such origins substantially increase the risk of poverty, most poor people are not from such backgrounds. When we look at those who are both from unskilled manual origins and have poor educational qualifications, we are focusing on a rather smaller fraction of the poor. In Ireland it amounts to one in four, in Italy just less than one in five, in Germany less than one in seven and in Britain less than one in eight. Thus, even in terms of this rather restricted notion of cumulative disadvantage, the vast majority of poor individuals fail to fulfill the necessary conditions. Once we make the conditions more stringent, by also specifying current unskilled manual class we observe further substantial reductions in these modest numbers involving a halving of the earlier level in the case of Italy and Ireland and a reduction to approximately one third for Britain and Germany. The actual percentages range from 5% in the case of Britain to 12% in the case of Ireland. Finally when we add unemployment and focus on those exposed to all four disadvantages the size of the group does not exceed one per cent of the total number poor in any of the countries. Thus long before we identify groups doomed to poverty we run out of numbers.

7. Testing the Individualisation Thesis

Hypothesis one: 'Transcendence'

We begin the analysis of the individualization thesis by examining the hypothesis that the difference in the risk of poverty between different social classes is decreasing and that we are seeing a *transcendence* of risk (Leisering and Leibfried 1999: 9). This is actually a very difficult proposition to test since it requires data at, at least two points in time, far enough apart that change will have occurred, that uses the same methodology and if possible is comparative in nature. This is rather a tall order, but there is information available on income poverty in European Union countries for the late 1980s published by Eurostat that can be compared to findings from the ECHP (Hagenaars *et al* 1994). Using the same definition of income poverty (here defined as being under 60% of mean equivalent household income) and a rather aggregated definition of social class to enable comparisons, we can examine whether the difference in the risk of income poverty to different social class groups has narrowed

over this period. Table 4 shows odds ratios for the risk of poverty for the manual working class compared to the non-manual:

TABLE 4 ABOUT HERE

With the exceptions of Germany, The Netherlands and Luxembourg, all countries have seen an increase or stability in the odds ratio that expresses the risk of the disadvantaged manual working class group compared to the non-manual group. The increases in this ratio range from 2.1 in the case of France down to 0.1 in the UK, but it is instructive that of the 11 countries in Table 4, 7 have experienced a growth in inequalities, 1 country has remained stable and only 3 have experienced a decrease. Given the origins of the individualization thesis it is instructive that Germany is one of these three. This may be an indication that German social theorists have been partially right, though only in the context of their own country.

Hypothesis Two: 'Temporalization' and 'Biographisation'

The second proposition that emerges from the individualization thesis is that poverty is structured more by periods of transition in the life-course than by variables that have traditionally been seen as the major structuring causes such as social class, education and employment status. This hypothesis relates partially to the transcendence hypothesis examined in the previous section since it holds that social class will be of less value in identifying those prone to poverty. However, this question also asks about the duration of poverty since Leisering and Leibfried's (1999: 82) argument was about the effect of different characteristics on poverty duration. To reiterate, their argument was that although factors such as poor education, few occupational skills, single parenthood and age affected the probability of poverty, these factors were not crucial in determining the duration of poverty since there was variation within these groups. The 'strong' version of this thesis would thus be that social class and educational level are no longer useful as predictors of poverty duration. However, given the loose way that Leisering and Leibfried (1999: 86) define their hypothesis and their reference to variations within groups, there is also a 'weak' version of the hypothesis which states that although social class etc may still be useful as predictors, they are not as important as or are mediated by 'transitions in the life-

course'. Breen and Goldthorpe (forthcoming) note there are intrinsic difficulties in evaluating such "variable races". However, without seeking to determine in any absolute sense which variables are more important, we can still establish whether variables such as social class continue to be significant when we have controlled for life-course factors. The second difficulty is that the hypothesis requires us to be able to measure the duration of 'spells' of poverty and thus we not only need longitudinal data, but data that has a long enough observation period that we can sample 'spells' of poverty. Here since we are no longer restrained by the need for a variable that represents social class background, we use information from the three available waves of the ECHP database that covers the years 1994, 1995 and 1996 for 12 countries. We use the panel years of the ECHP to approximate the true length of poverty spells. We are not then arguing that we have true poverty 'spell' data since we do not know when poverty began if observed in the first year of the panel and two years in poverty could be separated by a year where the average income rose above the threshold. But, by summing the number of years in which poverty was experienced across the three years of the panel that are available, we do get an approximate measure of time spent in poverty. If we then test for differences in the number of years poor between groups we will have a rough, but useful, test of the hypothesis that the duration of poverty is not substantially influenced by variables such as social class once we have controlled for life-cycle and life-event factors.

To examine this proposition, we need to use a multivariate framework and test for the effects of different factors on the duration of poverty controlling for the other factors in the model. Many of the variables used in this analysis are similar to those used in the analysis of cumulative disadvantage in section six, except here we need to work within the confines of the ECHP database. Thus, the education variable has only three categories: high, medium and low (ISCED codes 5-6, 3 and 0-2 respectively) and the social class measure is divided essentially into the non-manual, self-employed and manual. Within the self-employed we differentiate between employers and own account workers and farmers. We also use a variable that represents the type of household which has categories for: single non-elderly, single parent, elderly couple, a couple with 2 or less children, a couple with 3 or more children and a residual other category as defined in section five of this paper. One of the variables outlined by the biographisation thesis as being of growing importance is marital dissolution, thus here

we also use a variable representing the marital status of the respondent in terms of being married, separated, divorced, widowed or never married. All these variables relate to the characteristics of the 'head of household' as determined by the dominance procedure outlined in section five since for the earliest year for which we have information which is 1994.

Before turning to this multivariate test, we can first examine some simple descriptive duration statistics relating to the impact of social class and education. We are interested in the duration of poverty associated with particular characteristics, thus it makes sense to express this as the average for a particular group. However, as our measure of time is rather crude we also examine the proportions experiencing longer spells of poverty compared to short. In Tables 5 and 6 we show the mean duration of poverty for different groups along with an odds ratio of being poor three years rather than one. Given the large number of countries which we have data for in the ECHP database, we have selected particular groups from each variable rather than reporting results in detail. This task is left to the multivariate model below.

In Table 5 we show the mean 'duration' and odds ratio of being poor for three rather than one year for two social class groups, the non-manual and manual employees. These groups were chosen as the debate about the efficacy of class as a measure in poverty research tends to centre on the difference between these two groups defined quite broadly. The results show that in all countries the manual working class has a higher mean duration than the non-manual, though the extent of this difference varies across countries. Given the crudity of the measure however, it may be better to treat the groups as nominal. When we do, we observe a similar picture with the manual class being consistently more likely to experience three rather than one year of poverty. Interestingly in the light of the 'transcendence' hypothesis and the findings in Table 4, Germany once again seems to have the lowest odds ratio suggesting that differentials between non-manual and manual groups are not as wide in Germany as in some states such as the UK and France which have odds ratios two and two and half times as large respectively.

Such large differences suggest that the biographisation hypothesis lacks empirical support in the case of social class. What of other measures? Table 6 shows the means

for those with high and low educational qualifications respectively with the allied odds ratio. The more advantaged group experience a shorter mean duration in all countries, and the difference between the groups, as expressed by the odds ratio is larger, though with a greater variance. Once again Germany has the lowest differential between the groups (1.25) with Ireland, UK and France having the largest differentials. The huge Irish ratio derives from the fact that those with the highest qualifications have a much lower probability of experiencing long-term poverty than their peers in other countries, whereas the lowest educational groups are at roughly the same risk level when compared internationally. Education thus also seems to be a good discriminator of people's risk of experiencing long term poverty, though Germany stands as an outlier in this respect.

This descriptive evidence suggests that in both its 'strong' and 'weak' forms, the biographisation hypothesis is incorrect since education and social class are still important predictors of poverty duration across all the countries we have data. However, these results do not take account of many factors that may confound the patterns. In the following analysis we enter the variables discussed earlier in this section into an ordered logit model of the number of years in poverty. The model estimates an underlying score as a linear function of the independent variables and a set of cut off points. The coefficients provide an estimate of the log odds of being at or above a particular score versus being below that score. In estimating these coefficients the procedure constrains the slopes to be equal for each contrast of the cumulative distribution implying that that the successive odds for the cumulative distribution are proportional.⁷

Table 7 shows the results of using the ordered logit model. In the case of education we find that it is in every case positively related to the duration of poverty. The odds range from a low of 1.26 in Denmark to a high of 20.2 in Portugal. For nine of the countries the odds lie in the range 2.41 to 5.42. With the exception of Italy, long-term unemployment is strongly related to duration of poverty. The effects are relatively modest in Greece and Portugal where the log odds are 1.90 and 1.56. For the remaining countries the odds lie in the range 2.61 to 5.31. For the manual working class we find that the effect positive and significant in all countries. The odds range from 1.60 and 4.95. Thus, even where we control for factors such as household type

and divorce/separation, traditional stratification variables such as social class, education and long-term unemployment have a substantial influence on duration of poverty across a wide range of European countries.

8. Conclusions

In this paper we have sought to clarify and examine empirically a series of hypotheses stemming from the *cumulative disadvantage* and *individualization* perspectives, both of which can be seen as presenting a challenge to mainstream class analysis. The former defines the crucial cleavage as between a comfortable and a multiply deprived and excluded minority while the latter views poverty as a relatively transient phenomenon that transcends traditional social boundaries. The cumulative disadvantage perspective suggests that exposure to earlier disadvantages continues to have an effect even when one controls later characteristics. Using data from four countries for which information on the social class background of the respondent was available, we found evidence favouring the hypothesis that the effects of earlier disadvantages persist through the life-course. Thus the disparities in the odds ratio relating to falling below the 70% median income poverty line increase significantly as disadvantages cumulate. However, such disparities reflect not only the increased risk of poverty associated with increasing disadvantage but also the declining risk associated with multiple advantage. It was therefore necessary to examine the actual increase in the risk of poverty at each stage of the process. Once again we did observe the expected increase. However, even when we take into account the combined effect of unskilled origin, poor education, unskilled manual class and unemployment, the majority of such individuals in Britain and Germany are above the poverty line and this is the case for over forty per cent of the Irish respondents. However, these high levels are experienced by very small numbers of people. As we noted earlier long before we identify groups “doomed to poverty” we run out of cases. In fact, even if even when we operate with a rather restricted definition of cumulative, as involving unskilled manual class origins and poor education, we find ourselves groups who constitute only a small fraction of the poor in all four countries. Poverty is a phenomenon that cannot be understood in terms of processes of cumulative disadvantage resulting in exclusion from the comfortable mainstream.

However, holding that the risk of poverty is more generalized than suggested by the cumulative disadvantage perspective does not imply that it has become less structured by factors such as social class. Poverty has not become either ‘transcendent’ or shaped by ‘biographisation’ the two main hypotheses of the individualization thesis. The available evidence shows that the differential between social classes in their risk of income poverty did not seem to be decreasing across time in the majority of European countries. In the final section of the paper we examined the temporalisation and biographisation hypothesis. Our analysis showed that social class and education, alongside employment status proved to be powerful predictors of duration of poverty even when we controlled for factors such as household composition and divorce/separation. Our findings support neither over determination nor under determination arguments relating to the causes of poverty. Instead they show that that, while variables such as unskilled manual class origins have substantial, and persisting effects, on risk of poverty, most poor people are not cumulatively disadvantaged. Traditional stratification variables combine with other factors in an additive in the complex processes that determine poverty outcomes. As a consequence class effects, for example, can be significant across arrange of outcomes and stable over time without any suggestion that we are in all cases identifying the same individuals. A crucial implication of this perspective we have argued is that it directs attention away from highly targeted policies aimed at multiply deprived groups and points to the need for more generalised responses directed at groups who are not necessarily currently poor but whose vulnerability means that a range of factors may precipitate such an outcome.

Table 1: Odds of Respondent from Unskilled Manual Background Experiencing Poverty (70% of Median Household Equivalent Income) Relative to Respondent from Service Background

	<i>Britain</i>	<i>Germany</i>	<i>Italy</i>	<i>Ireland</i>
Class Origin Alone	1.42**	2.86***	1.97***	7.31***
Controlling for:				
Education	0.95	2.08***	0.81	2.18***
Class	0.82	1.70*	0.71*	1.81**
Employment Status	0.72*	1.73*	0.72	1.72*

Significance Key: * :P<0.05 ** :P<0.01 *** :P<0.001

Table 2: Odds of Respondent with Low Education Experiencing Poverty (70% of Median Household Equivalent Income) Relative to Respondent with Tertiary Education

	<i>Britain</i>	<i>Germany</i>	<i>Italy</i>	<i>Ireland</i>
Education Alone	2.45***	2.83***	5.94***	21.34***
Controlling for:				
Class	1.39**	1.47	2.64***	8.91***
Employment Status	1.14	1.34	3***	3.98***

Significance Key: * :P<0.05 ** :P<0.01 *** :P<0.001

Table 3: Odds of an Unskilled Manual Respondent Experiencing Poverty (70% of Median Household Equivalent Income) Relative to Service Class Respondent

	<i>Britain</i>	<i>Germany</i>	<i>Italy</i>	<i>Ireland</i>
Present Class Alone	3.23***	5.11***	5.17***	16.46***
Controlling for:				
Employment Status	2.33***	4.08***	4.84***	8.72***

Significance Key: * :P<0.05 ** :P<0.01 *** :P<0.001

Table 4: Risk of Poverty For Manual Working Class Compared to Non-Manual

<i>Country</i>	<i>Odds Ratio</i>	
	1989 ¹	1995
Germany	2.5	2.0
Denmark	2.1	2.6
Netherlands	4.8	3.0
Luxembourg	6.4	4.1
France	1.9	4.0
UK	2.7	2.8
Ireland	2.6	3.5
Italy	2.9	2.9
Spain	3.2	3.4
Greece	2.6	3.7
Portugal	2.0	3.3

¹Data for 1989 is from Hagenaaers et al (1994)

Table 5: Mean Years Poor and Odds Ratio of Long/Short Duration Using 70% Equivalised Median Household Disposable Income By Social Class of Head of Household

	<i>Non-Manual</i>	<i>Manual</i>	<i>Odds Ratio</i>
Germany	1.88	2.03	1.52
Denmark	1.53	1.74	2.30
Netherlands	1.73	2.03	2.43
Belgium	1.77	2.04	2.12
Luxembourg	1.78	2.05	2.20
France	1.67	2.12	3.77
UK	1.76	2.17	3.19
Ireland	1.95	2.16	1.88
Greece	1.65	1.9	2.16
Spain	1.76	2.0	2.43
Italy	1.75	2.0	2.05
Portugal	1.85	2.1	2.30

Table 6: Mean Years Poor and Odds Ratio of Long/Short Duration Using 70% Equivalised Median Household Disposable Income By Education of Head of Household

	<i>ISCED 5-7</i>	<i>ISCED 0-2</i>	<i>Odds Ratio</i>
Germany	1.86	1.9	1.25
Denmark	1.51	1.8	3.29
Netherlands	1.49	1.9	5.79
Belgium	1.75	2.2	3.63
Luxembourg	1.95	2.0	1.41
France	1.53	2.1	6.93
UK	1.54	2.1	6.33
Ireland	1.49	2.1	17.48
Greece	1.67	2.0	3.92
Spain	1.61	2.1	4.77
Italy	1.71	2.0	2.41
Portugal	1.70	2.1	3.31

Table 7: Ordered Logit Odds of Having a Longer Duration of Poverty in Years Using 70% Equivalised Household Median Income Poverty Line Using Country Models – Selected Variables

	<i>DE</i>	<i>DK</i>	<i>NL</i>	<i>BE</i>	<i>LU</i>	<i>FR</i>	<i>UK</i>	<i>IRE</i>	<i>IT</i>	<i>GR</i>	<i>ES</i>	<i>PT</i>
Poor Education	1.38	1.26 ^a	2.89	3.19	2.61	3.35	2.41	5.42	3.67	5.31	3.32	20.29
Long Term Unemployed	4.01	4.14	3.00	5.31	2.66	2.61	4.81	4.76	0.98 ^b	1.90	3.35	1.55
Manual Working Class	2.05	1.60	2.77	1.73	4.95	3.53	2.34	3.19	2.32	1.97	2.29	2.16

a P<0.05. b Not Significant.

Figure 1: Cumulative Odds of Poverty (70% Median)

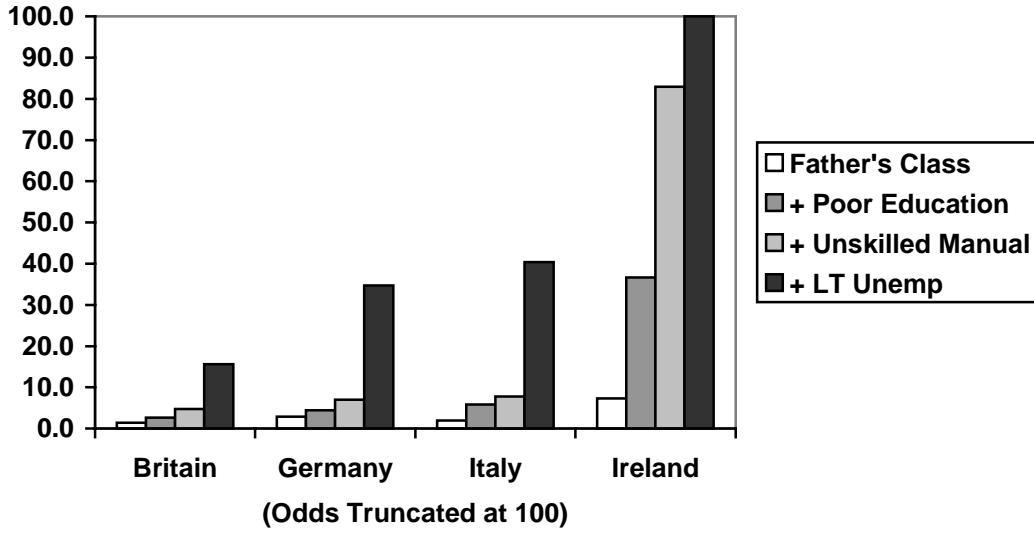


Figure 2: Cumulative % Poor by Addition of Disadvantages

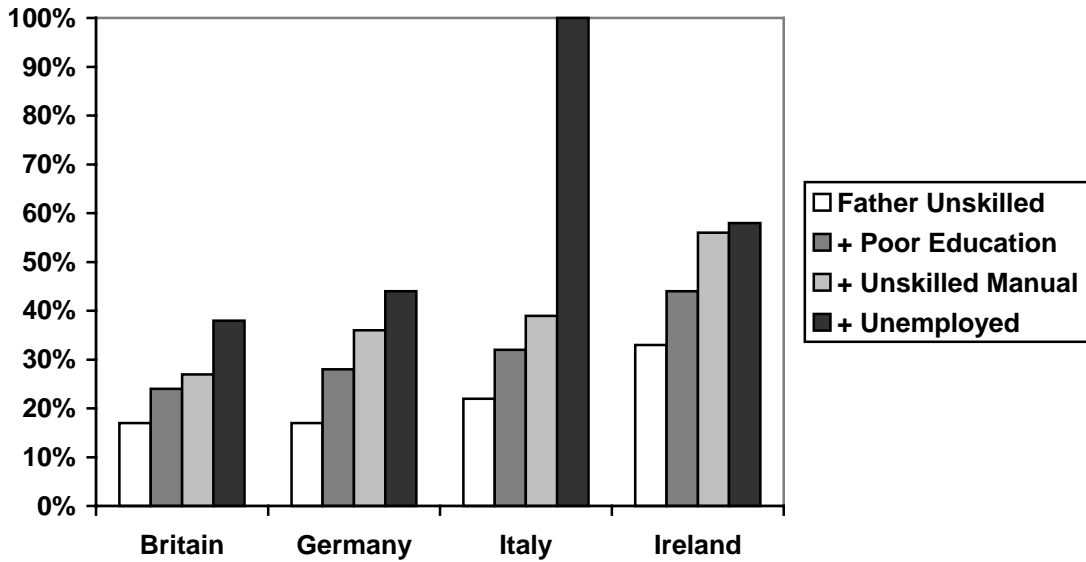


Figure 3: Cumulative % of Poor by Addition of Disadvantages

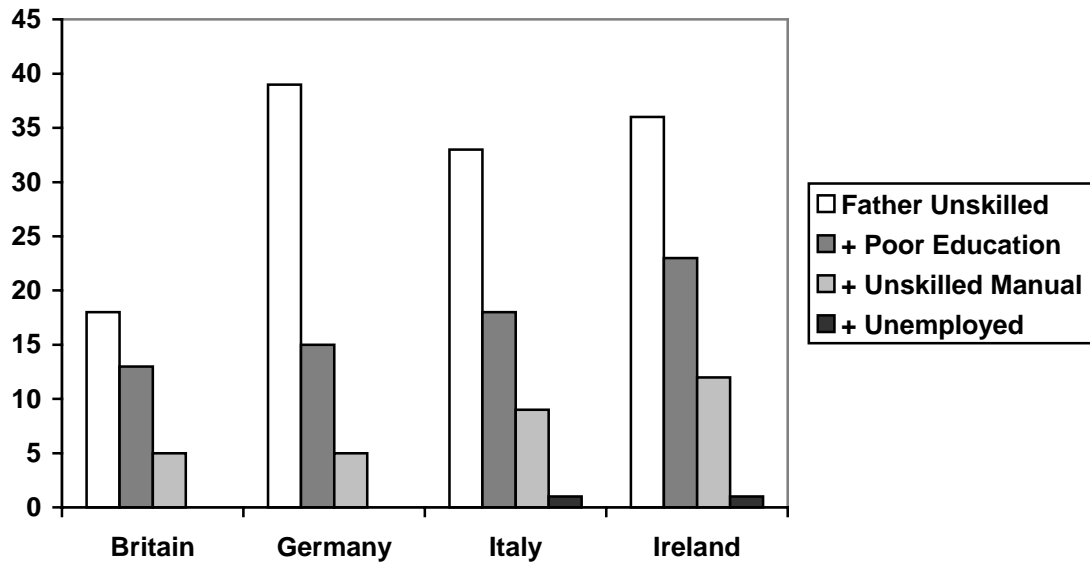
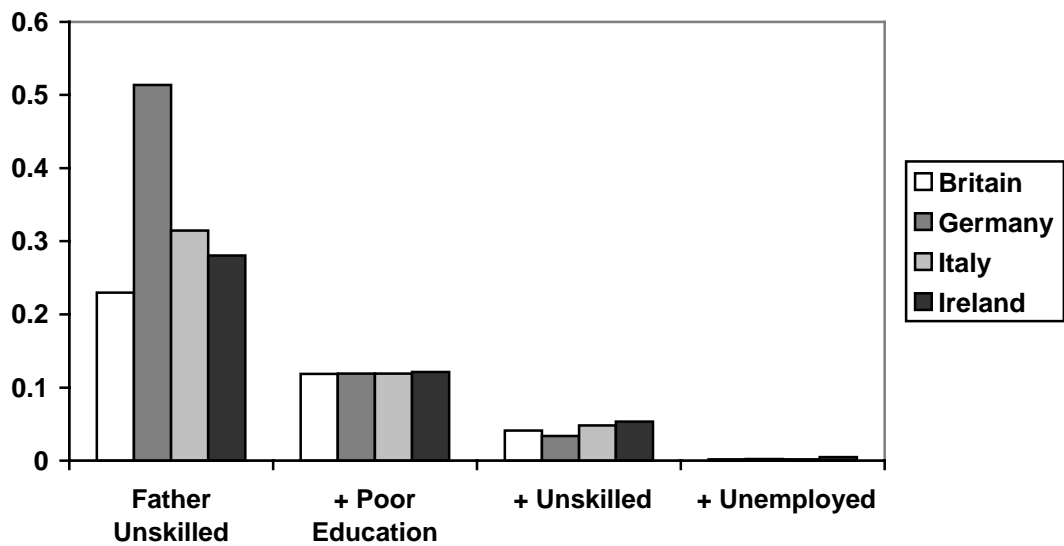


Figure 4: % of Total Population Covered by Addition of Disadvantages



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¹ The notion of social exclusion has, of course, in very many different fashions. For a discussion of notions of continuity and catastrophe in the social exclusion literature see Room (2000)

² In Blau and Duncan (1967).

³ On this basis Beck (1992) tied individualisation into the increase as he saw it of ,risk' associated with globalisation, technologies such as nuclear power and environmental change.

⁴ For a discussion of the quality of the ECHP data see Whelan *et al* (2000).

⁵ The weighting variables employed for the longitudinal analysis is, as recommended by Eurostat, the 1996 base weight.

⁶ The level of measured income inequality can vary depending on the choice of equivalence scale (see e.g. Coulter et al 1992: 555).

⁶ See Clogg and Shiahadeh, (1994:144-148)