Inequality, the welfare state – and what the people think

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Abstract

The analysis deals with a cross-national analysis of economic inequality, the impact of the welfare state and the attitudes of the people towards redistribution in different European welfare state regimes. The basic question is, to what extend the actual amount of inequality and redistribution corresponds to preferences of the citizens. The theoretical background consists of a modified version of Esping-Andersen's welfare state typology: it differentiates between a conservative model consisting of the South European latin rim states and a conservative-etatist variant, a liberal model including an additional individualistic, semi-etatist subtype, and the Scandinavian model. The analysis evaluates the distributive consequences of social justice conceptions which can be identified within these different welfare states with special reference to different dimensions (such as labour market participation or education) and to different risk groups. The data-base consists of the ECHP, the ISSP 1996, official OECD data and register data. The actual social justice conceptions are statistically evaluated in the different spheres of distributive justice using the ISSP data (International Social Science Project). Then, the welfare state's performance over time in the different spheres of distributive justice is statistically analyzed on the basis of both the European Community Household Panel (ECHP) and official OECD data. Besides the national level, also a regional level is considered using social assistance spell data (where available) to evaluate social minimum standards (as one dimension of distributive justice) on the basis of social assistance spell data for selected European cities. The selected countries under study are Finland, Germany, Great Britain, and Italy. Methods range from simple descriptive models to more advanced logit models for cross-sectional

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and longitudinal data. The waves covering the years 1997 to 2001 are used.

Preliminary results suggest that empirical social justice preferences are not always congruent with the impact of the welfare state's redistribution. The Scandinavian welfare state seems to come closest to the social justice preferences of the population, whereas the performance of the conservative and the liberal welfare state differ broadly with regard to the spheres of distributive justice.

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1 Introduction

The task of the welfare state is to provide social security and social justice. The welfare state should secure the social-economic existence of those groups unable to provide for risks that endanger their own livelihood; and it should compensate for the social and economic weaknesses resulting from unequal negotiating positions on the labor market (LAMPERT, ALTHAMMER 2001[6]). The welfare state is an expression of the political community and social solidarity, it ensures the possibility to participate in case of social distress by granting appropriate benefits and aims therefore at a fair social order. The welfare state provides an alternative to the necessity to offer one's own labor force in any circumstances. But the challenges of a globalized economy, high levels of unemployment, current deficits of the public sector and also the demographic changes due to an aging population are currently exerting severe pressures on the welfare state.

As an impact of the growing international integration of the economy and especially the globalized international financial markets, national social policy is increasingly restricted. On the other hand, we can observe increasing demand for social policy intervention as technological progress leads to downgrading of low-skilled jobs, whereas in the new economy new jobs emerge only for high-qualified people. For the German case, it is sometimes insisted that incentives are lacking to offer low-qualified jobs because of the comparatively high ancillary wage costs on the one hand, and that it is not reasonable to take up those jobs because of the sometimes more generous welfare benefits on the other. Most western welfare states are affected by these challenges, and by the resulting shortage of budgets available for redistribution.

Therefore, policy-makers and voters alike are increasingly questioning the welfare state, its funding and its generosity. With reference to the economic and demographic changes, it is argued that the consensus on the welfare state is diminishing to an considerable extent (ANDRESS, HEIEN 2001): the responsibility of the welfare state for welfare issues and the willingness to finance it is becoming more and more precarious. The public debate also draws a distinction between the deserving and undeserving poor, and thus on the topic of 'Social Justice' which is attracting more and more attention.

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But the concept of 'Social Justice' remains hard to define. Social Justice is more than the mere absence of social or economic inequality. And at the same time, social injustice is more than the unequal distribution of goods: it is rooted in the particular justification of a given distribution and thus in the normative basis of society. This problem lies at the core of most theories of social justice (MERKEL 2001). Because the following analysis deals with social justice conceptions on the one hand, and welfare state performance on the other, I use a very moderate concept of social justice. The main reason is the need to operationalize the social justice concept to make it accessible for statistical analysis. Thus, the following analysis deals much more with distributive justice rather than with complete and complex social justice concepts. To compare various models of the welfare state in terms of performance and social justice, the European perspective is most fruitful, because it reflects the interdependence of nations and their social policy planning in this time of increasing globalization. I start by looking at several common welfare state typologies as the basis for my evaluation of both social justice preferences and welfare state performance. What kinds of social justice conceptions can empirically be identified in the populations of the different welfare states, and how can the distributive performance of the different nations be interpreted against the background of these social justice preferences and the typology itself ? How successful are the different national social policies in combating poverty and solving the problem of social justice ?

This exploratory study evaluates how the welfare state works with reference to both the social justice principles and welfare state typologies. In section 2, i starts by describing the dimensions of distributive justice and common welfare state typologies as a theoretical framework for the analysis. After a discussion of underlying methods and data sets (section 3), I evaluate the social justice concepts empirically on the basis of relevant survey data (section 4.2).

In section 4.1, I evaluate the performance of the welfare state in the context of the theoretical framework using relevant panel data for four European countries. Methods range from simple descriptive models to more advanced logit models for cross-sectional and longitudinal data. Additionally, I evaluate social minimum standards (as one dimension of distributive justice) on the basis of social assistance

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spell data (if available) for selected European cities using descriptive and multivariate event history models.

2 Theory: Welfare State Types and Conceptions of Distributive Justice

In a well-known study by GØSTA ESPING-ANDERSEN (1990), groups of similar welfare states are systematized and arranged in ideal types (the liberal model, the conservative-corporatistic model, and the scandinavian model; see below). Most important for this typology was the concept of decommodification: it describes the degree to which an individual is liberated from the need to work to maintain a given living standard. The degree of decommodification is evaluated using numerous indicators, an important one being the system of old-age pensions (SCHMIDT 1998). Furthermore, the impacts of both the structure of the welfare state and the decommodification on social stratification are taken into account, as well as the mix between state, market and the family. But the welfare state typology not only has economic and political implications; it also refers also implicitly to different social justice conceptions (OPIELKA 2004):

2.1 Welfare State Typologies

The *liberal model* relies heavily on the market, and its degree of decommodification is comparatively low. Social benefits are usually selective, means-tested, and subordinated to market and familial solutions. Prime examples of this type are the UK and especially the US. The *social-democratic model* is characterized by the important role of the state, a high degree of decommodification and universalism, an active labor market policy, and considerable equality of men and women in family and employment. This type is represented by Finland or Norway. The *conservative-corporatistic* model is focused on the central role of the family (principle of subsidiarity), and tries primarily to ensure social status. It offers a comparably high degree of decommodification.

In the literature, this typology is often extended to include a fourth type, the rudimentary, South-European latim-rim state where for given groups (usually those

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well integrated in the labor market) the degree of decommodification is high, whereas all other depend on their families (LEIBFRIED 1990, LESSENICH 2000). As in the conservative model, entitlement to social benefits depends on the labor market position, usually of the male breadwinner. In both states the principle of subsidiarity plays an important role, thus the state intervenes only if familial potentials for help have been exhausted. This becomes manifest in laws like the German *Unterhaltsverpflichtung* or the Italian *obbligazzione per legge al manimento*, both committing family members of persons in need to provide monetary support under certain conditions. The difference between the two is that in Italy, the person in need must go to his or her family, which is to a considerable extent only eligible for benefits via the male breadwinner, whereas in Germany the family itself is entitled to state welfare benefits.

In the following study, we take Finland as an example of a social-democratic welfare state, Germany as a conservative-corporatistic state, UK as a liberal and Italy as a Southern European welfare state. Each type of welfare state offers different frameworks for granting social benefits. Some of these differences are not explicitly captured by *Esping-Andersen*: first, one can be distinguish between the male-breadwinner model and the individual model (SAINSBURY 1994). The male-breadwinner model is based on a traditional division of labor between the two spouses; the husband is considered to be responsible for the family's income, whereas the wife is responsible for housework. Their entitlement to social benefits is calculated based on the male breadwinner (GUSTAFSSON, VOGES 1998). In the German case, this is reflected in the taxation system, where it is possible to sum up the individual incomes of the two spouses and make them proportionally subject to income tax ('Ehegatten-Splitting'). Because the German taxation system is progressive, tax benefits can be obtained if there is a difference between the two incomes; but if the incomes of the two spouses are equal, there is no tax benefit. This system is considered to support the male breadwinner model, because it is usually the husband who holds a well-paid job. In the individual model, in contrast, the two spouses are equally responsible for their livelihood. Social benefits are available to the individual, not the family. In Sweden, for example, the income of working spouses is separately subject to income taxation since 1971 (GUSTAFSSON, VOGES 1998). Scandinavian countries belong to this model.

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Second, categorical systems can be distinguished from universalistic systems (SARACENO, VOGES 1997), especially with regard to social assistance. In a universalistic system, any person in need is (in principle) entitled to social benefits if unable to help him- or herself or fall back on the help of the family. In a categorical system, only those who belong to an additional category (i.e. lone parents) are entitled to social benefits. But being in need is not enough to qualify for social assistance. The welfare state reacts only in case of cumulative needs. Some regions in Italy fit this description (KAZEPOV 1998). A further aspect is the funding of social assistance benefits. In some Italian regions (i.e. Milan), social assistance is funded on the basis of a budget. This budget is fixed and constrains the generosity of the regional welfare system: if it is exhausted, social assistance expenditures are cut off. But social assistance can also be funded based on a demand principle: in case of need, a claimant has the right to receive benefits even if it this means deficit spending by the local authorities. This is the case in Germany and the Scandinavian countries, for example.

2.2 Conceptions of Distributive Justice

The academic debate on social justice was strongly influenced by *John Rawls* and his epoch-making book 'A Theory of Justice' (RAWLS 1971). According to his line of argumentation, inequality is justified if the poorest people are not worse off than if the inequalities did not exist. But there are several meanings of social justice in the academic debate (NULLMEIER, VOBRUBA 1995). First, one can base a concept of social justice on actual needs ('Bedarfsgerechtigkeit') or on economic performance ('Leistungsgerechtigkeit'). The former means that a person in need gets what he or she actually needs, the latter that one receives in proportion to his or her economic performance. Usually, the market works with a social justice concept based on ones economic performance, whereas the family or society base their concept of social justice on ones actual needs. In the welfare state, a third form of justice – distributive justice – must be added, with the state as its responsible agent (OPIELKA 2004)[1].

[1] A fourth dimension, justice based on social participation ('Teilhabegerechtigkeit') could also be added (OPIELKA 2004)

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In the literature, MERKEL identifies 5 dimensions of distributive justice with reference to *Rawls* (see MERKEL 2001):

1. Avoidance of poverty, because only above the poverty line it is possible to achieve individual dignity, integrity and autonomy
2. Highest educational standards, because educational attainment influences the chances in later life
3. Inclusion in the labor market, because it is the most important way to distribute income and wealth
4. Minimum social standards, because this is the dimension where individual help and redistribution is organized
5. Reduction of income inequality

The last topic will be excluded from the analysis because there is an ongoing discussion in the (neoclassic) economic theory whether a high degree of income inequality produces jobs or not; in the former case it could create a conflict, because one dimension is the highest possible inclusion in the labor market. The other dimensions constitute the frame for the empirical analysis of the individual social justice preferences as well as the welfare state performance in each dimension.

If we are interested in perceptions of social justice and thus in the consensus on the welfare state, we should ask for the determinants of the opinions on redistribution. ANDRESS and HEIEN (2001) argue that the social-economic position and the effects of personal socialization determine the attitudes toward the welfare state's redistribution. The former means that those people affected by unemployment are very likely to prefer redistribution because they would be the beneficiaries[2]. On the other hand, it makes sense to assume that the people benefitting from globalization are likely to object a high extent of redistribution, because they would have to finance it. The latter refers to different effects of socialization: as an example, gender specific restrictions or alternatives during processes of decision-making makes gender-specific determinants of social justice preferences very likely (SEEL 2004).

[2]This does not necessarily imply moral issues – even if somebody is extensively looking for a job, it would be rational to prefer a considerable amount of redistribution.

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Furthermore, the perception of gender-specific inequality may also lead to different preferences on social justice (DAVIDSON, STEINMANN, WEGENER 1995).

2.3 Determinants of Social Justice Beliefs

To explain determinants of social justice beliefs, the interplay beween rational and normative aspects hould be considered (MAU 2001). On the one hand, the rational aspect refers to the personal status as a net-beneficiary of a net-contributor of the welfare state's redistributional impact. The current benefit status does not only refer to the present status, but also to possible future benefits. This rational component would imply that a (present or future) net-beneficiary would support welfare state's institutions, whereas a net-contributor would disapprove them. But his does not explain the whole amount of social acceptance of the welfare state. Instead, a normtive dimension has to be add, taking into account that the institutional setting of the welfare state addresses also moral issues, i.e. the social justice beliefs an normative considerations of the people. This makes participation beyond pure self-interest possible. Both aspects – the rational and the moral dimension – form the 'moral economy' of the welfare state (MAU 2001).

To analyze the perceptions of and the attitudes towards the welfare state, it is fruitful to differentiate between "'extensity"' and "'intensity"' of the welfare state (ROLLER 1992). The concept of extensity refers to the amount of the welfare state's responsibility; preferences related to extensity could be measured with questions like: 'On the whole, do you think it should be or should not be the government's responsibility to: Provide a decent standard of living for the unemployed ?'. The concept of intensity, on the other hand, refers to the extent of social policy, the corresponding preferences can be evaluated with questions as: 'Should the government spend more or less for: Unemployment benefits'. The basic consensus on the welfare state is reflected in the concept of the welfare state's extensity. Using this distinction, a preference towards less government spending does not indicate a general rejection of the welfare state, but a preference for reduced public expenditures in this special field of public policy (ROLLER 1995).

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3 Methods: Measuring Poverty and Justice Beliefs

The first and most important dimension of distributive justice refers to the fight against poverty. This raises the question of how to measure and operationalize poverty in an empirical analysis. Within the academic tradition of poverty research, there has always been a discussion about how to measure poverty and living conditions. The identification of poverty is more a question of the normative reference rather than a technical problem (KLOCKE 2000, KRÄMER 1997, VOGES 2002). Utilizing a concept of *relative* poverty, usually referring to income poverty, being below a given threshold is put on the level with being poor. Often times it is criticized that it is not possible to scientifically determine a poverty threshold (i.e. 50 % of the median of the equivalised household income); furthermore, the actual use of given income resources cannot be evaluated. On the other hand, the 'Dimensions of Living-Aproach' (*Lebenslagenansatz*) focuses on several dimensions of the actual standard of living of individuals or households (GLATZER, HÜBINGER 1990). The theoretical approach was originally developed by *Otto Neurath*[3] (NEURATH 1979a), with further developments by *Gerhard Weisser*, *Kurt Grelling* and *Ingeborg Nahnsen*. The term 'Dimensions of Living' refers to a multi-dimensional view of social inequality: it includes economic, non-economic and immaterial aspects of individual living conditions and emphasizes the related options for individual action. Contrary to common concepts of relative poverty, it refers not only to a given poverty threshold, but to several dimensions of the actual living conditions like housing and health (CLEMENS 1994).

Of central interest are insufficient dimensions of living which make it impossible to participate in economic and social life to the extent considered 'normal' in modern society. This concept includes three main aspects (GLATZER, HÜBINGER 1990):

- the multi-dimensionality of living conditions, implying economic, material and non-material aspects
- income remains the most important aspect

[3] Otto Neurath (1882–1945), Austrian philosopher and economist;

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- the dimensions may cause a social agent to make particular decisions, depending on perceived limitations

In the following analysis, the 'Dimensions of Living Approach' will be used to examine the distributional consequences of welfare state regimes because it covers the first three aspects of distributional justice identified by MERKEL (see section 2.2). Special reference will be made to income, education and employment. This approach is particularly fruitful because it focuses on conceptions of social justice – in the context of living-conditions – from a cross-national perspective. The living conditions at any given point in time are both the cause and the effect of how resources and goods are used. Thus, the 'Dimensions of Living' concept can be viewed both as explanans and explanandum in the model of sociological explanation .

In the literature, different dimensions are derived as most important for the analysis of living dimensions, usually income, employment, education, health, or housing (VOGES, JÜRGENS, MAUER, MEYER 2004). Furthermore, the studies are also extended to certain population groups which are considered to be at a higher poverty risk than the rest of the population: the elderly, lone mothers, young adults, sick or disabled and people with low educational attainment (i.e. less than ISCED 3).

In the analysis, those dimensions which at least partly overlap with the dimensions of distributive justice according to MERKEL 2001 and their corresponding risk groups are used (see table1.

There are further dimensions which could be included as well (i.e. social networks), but due to the limited information of the underlying data set in this regard, these additional dimensions will be excluded. When we compare the dimensions of distributive justice with the dimensions of living approach, it is obvious that all deprived living dimensions can be subsumed in 'poverty'. But because 'employment' and 'education' are separate dimensions within the concept of social justice, they will be also treated separately.

Furthermore, the dimensions of distributive justice are expanded to include health and retirement. These additional dimensions are not derived from a RAWLSIAN social justice concept, but are useful in the context of the 'dimensions of living approach', and add further information on social justice preferences. The

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Table 1: Living Dimensions and Distributive Justice

	Social Justice Dimensions[a]				
Dimensions of Living	Poverty	Employ-ment	Educa-tion	Minimum Standards	*Population Groups*
Income	•				Retired Lone mothers Age < 30
Employment		•			Unemployed
Education			•		ISCED < 3
Health	•				Sick/disabled
				•	Social Assistance Recipients

[a] social justice dimensions according to MERKEL 2001

first dimension of distributive justice (according to MERKEL 2001), avoidance of poverty, will be operationalized using income poverty, with reference to different population groups.

3.1 Longitudinal Poverty Research

If we assume that in an individualized society, poverty too is individualized and contingent over time, we need methods of sociological analysis that are appropriate to this concept of poverty. Thus, an increasing number of studies are based on longitudinal methods of empirical analysis (LEISERING, WALKER 1998). The traditional subject of sociological analysis, the individual embedded in his social context, is now expanded to another dimension: time. Especially when taking a prospective approach that attempts to measure living conditions, a longitudinal design is preferable. With a pure prospective design, the information on the individual refers only to the time of the interview, not to the individual history. As a result, it is difficult to identify explanans and explanandum and therefore also the processes of social exclusion at work. Thus, a longitudinal, prospective perspective should be combined with retrospective reconstruction of individual biographies to describe the temporal patterns of living conditions. Studies on poverty using a longitudinal design reveal the temporal pattern of poverty: even in the lower-income sector,

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many people overcome poverty after a short period (BUHR 1995, LEIBFRIED ET AL. (1995)). On the other hand, repeated disruptions in job or family histories are observed in other parts of the poor population. Using a longitudinal design reveals the considerable heterogeneity of poverty. The ECHP combines a prospective longitudinal design with retrospective information on the individual history, enabling the reconstruction of individual life courses.

3.2 The Data

The social justice preferences are evaluated on the basis of the ISSP survey. The ISSP (*International Social Science Project*) was established in 1983. Since 1985 it has carried out annual, cross-sectional surveys covering numerous topics of interest for the social sciences. For the underlying analysis, the latest survey on the 'Role of Government' (1996) is used. For Germany, the data contains 2 361 individuals for West Germany and 1 109 individuals for East Germany. For Italy, 1 104 cases are included. The British subsample is comprised of 989 persons. Unfortunately, Finland is not included in the ISSP, thus Norway and Sweden are substituted (1 344 individuals). With the ISSP, it is possible to identify social justice preferences with reference to the dimensions of distributive justice mentioned in section 2.2 on page 5. It contains questions on whether the state should pay more for the unemployed or for education, making it possible to evaluate individual preferences about the responsibility of the state, about etatism and redistribution, and also on preferences for market-based solutions.

The analysis of poverty and deprivation is based on the ECHP. The ECHP (*European Community Household Panel*) is a panel study initiated by *Eurostat*. From 1994 up to 2001, 65 000 households comprising of ca. 150 000 individuals aged 16 and above were interviewed each year. It contains between 12 and 15 countries (depending on the year). It was one of the first attempts to collect panel data on living conditions in Europe in a harmonized way (ex-ante harmonization). The topics of the ECHP include income, components of income, employment, housing and health, but also biographic information as education, job history and others. For the purpose of the study, Germany, Italy, the UK and Finland are selected. Finland first joined the ECHP in 1996, so both waves 1 and 2 are excluded from the analysis. Germany and the UK decided during the initial course of the ECHP to

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substitute the original ECHP data with national panel data using an ex-post harmonization strategy. Therefore, compatibility is sometimes limited due to the lack of some variables.

The analysis of minimum social standards is based on social assistance data. Due to data protection laws, it is not possible to include all countries in that part of the analysis. Longitudinal social assistance spell data for the UK and Finland were not available at the time of this study. Thus, the UK is excluded completely from this part of the analysis; and Norway takes the place of Finland. Only individuals successfully claiming social assistance for the first time are used. The underlying data basis contains Norwegian register data of social assistance receipients (*FD-Trygd*, see for example DERAKHSHANFAR, SANDNES 2002). The selected subset contains full samples of all successful first-time social assistance claimants in Bergen, Trondheim and Stavanger in 1993. For the preceding year, it can be controlled that none of them had received social assistance. For Bremen, a 10 %-random sample of all first-time claimants in the year 1989 is used. They can be observed up to 60 months after the initial receipt. For the preceding five-year period, it is controlled that none of them received social assistance. For Bozen, all individuals who claimed social assistance 1993 and 1994 for the first time are included (a small proportion of the total number of people who claimed social assistance in these years, but those received it later are also accounted for). The Milan data include recipients in the years 1998 to 1992. It is not known whether they received social assistance the year before or not. For all social assistance data sets, the observation window was set to 48 months after the initial receipt.

4 Results: Welfare State Performance and Distributive Justice

The preferences according to the dimensions of distributive justice which were mentioned above can be evaluated using the data of the ISSP. To evaluate the preferences about state interventions for education, logit models are used. The questions whether the state should spend more money for education, for health, for the retired, and for the unemployed are used. Education and unemployment

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point directly to both distributive justice conceptions and the 'Dimensions of living approach'. The corresponding variables were originally coded on a rating scale, which ranges from 1 ('agree strongly') to 5 ('disagree strongly'). There is an ongoing discussion among methodologists whether these scales should be treated as metric or just ordinal. Obviously, a ranking is implied, but the distances between the items are not necessarily equal. To avoid this problem, binary logit models based on a dichotomous response variable are utilized, in addition to ordinal logit models which can be used with ordinal outcomes. For the first binary model, the dependent variable was recoded to take the value 1 for the statements 'agree strongly' and 'agree', and 0 otherwise. Additionally, an ordinal logit model is calculated: the dependent variable is recoded from the original ISSP data in a way that reverses the original ranking: 'agree strongly' equals 5 and 'disagree strongly' equals 1.

4.1 Welfare State Performance

The first aspect of distributive justice that can be found in the literature is the fight against poverty (MERKEL 2001). Poverty will be defined as 60 % of the median equivalised monthly household income per head. The underlying equivalence scale is the modified OECD equivalence scale which gives a weight of 1 to the head of the household, 0.5 to other adults (aged 14 and over), and 0.3 to minors below 14. Compared with the 'original' OECD equivalence scale, it assigns lower weights to additional household members and thus weights down the needs of larger households; it also means that the proportion of households below the poverty threshold will be lower. But in the literature, this scale is considered best able to capture the implied economies of scale.

For East and West Germany, poverty lines and figures were calculated separately. During the six-year period under examination, poverty rates were between 10 % and 12 % for Finland, and for East and West Germany, whereas in Italy in the UK they were between 16 % and 17 % (see table 2). If we differentiate among our risk groups, the picture changes slightly[4]. Lone mothers in all the observed

[4]Due to limitations of space, the analysis of poverty and deprivation with referecne to risk groups is only carried out for the years 1996 and 2001, the start and the end of the period under examination.

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Table 2: Poverty: 60 %/Median Income[a]

Country	1996	1997	1998	1999	2000	2001
Finland	12.3	12.3	14.4	14.2	14.6	14.0
E-Germany	9.3	8.0	8.1	8.5	9.7	8.3
W-Germany	11.0	11.2	11.8	10.0	10.9	10.1
Italy	17.4	17.3	16.4	17.6	18.0	16.9
UK	16.3	17.2	17.9	17.3	18.2	15.9

Source: ECHP UDB, version April 2004, own calculations. Relative frequencies (%), all individuals

countries have a higher risk of falling below the poverty line than their counterparts living as couples with children (figure 3). In West Germany and the UK, lone mothers have the highest risk of falling below the poverty line compared with the other countries. But compared to 2001 (figure 4), the proportion of poor lone mothers decreases for both the UK and West Germany, whereas in Finland and East Germany, this number increases. The retired in the UK are increasingly affected by income poverty than all other adults aged 16 and above; but while in the UK, this proportion remains stable over time, for Italy and Finland, it increases. The figures in East Germany are difficult to interpret because of the low case numbers for 1996. Young adults aged 29 and below also have a higher poverty risk (with the exception if the UK) in both years. In all countries, individuals with an educational attainment of ISCED 2 or less[5] are, as expected, more affected by income poverty than those with ISCED 3 or higher. This proportion increases over time at least to a slight extent.

On a multivariate basis, using logit models with poverty as the dependent variable, the national contexts, the risk groups and other demographic factors are included as explanatory factors. With West Germany serving as the reference category for the national context, it turns out that East Germany has a significantly negative effect on the poverty risk, where the UK and Italy have positive significant coefficients (for wave 3). In other words, the regional context of East Germany points to a lower poverty risk (referring to two, separately calculated poverty lines), whereas in Italy and the UK, it indicates a higher risk. Finland is not substantially

[5]ISCED=International Standard of Education 1976 (the later version of 1997 was not used in the ECHP); ISECD 0–2= lower secondary education or less.

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Table 3: Income Poverty and Population Groups – 1996

	Finland	Germany		Italy	United Kingdom
		West	East		
Lone mother	18.0	41.6	[31.0]	25.5	41.5
Couple: father	8.2	9.0	8.0	19.6	15.0
Couple: mother	8.2	8.8	8.0	19.5	16.3
Retired	10.3	10.6	[8.2]	14.7	26.6
Other adults (16+)	13.0	11.1	9.8	18.5	12.7
Young adults	21.8	13.4	11.5	23.6	16.1
Other adults (30+)	9.7	10.4	8.8	15.4	16.4
Ill/disabled	15.0	18.0	10.6	28.4	21.8
Other adults (18+)	12.8	10.9	9.6	17.8	11.9
Education $<$ ISCED 3	15.2	17.1	18.1	20.9	21.3
Education $\geq$ ISCED 3	10.5	8.4	7.4	9.0	8.9
Unemployed	31.1	38.7	24.6	46.0	48.6
Employed	3.1	5.8	5.2	9.3	4.6

Source: ECHP UDB, version April 2004, own calculations;
relative frequencies (%)

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different from West Germany in terms of poverty risks. When controlling for other demographic factors, the effect for East Germany vanishes; all the risk groups have a higher risk of impoverishment.

If we calculate models for each country separately, in Italy, we observe positive significant effects, meaning a high poverty risk, for all risk groups besides the retired. In Finland, by contrast, there is no significant effect, either for lone mothers or for the retired. Marriage decreases the poverty risk. In Germany, with West Germany as the reference group, we observe a negative effect for the east, indicating a lower poverty risk. The elderly have a non-significant negative effect, whereas the retired have a higher risk of impoverishment (although pensions in Germany are considered to be relatively generous). Lone parents and those with low educational attainment are also at a higher risk. Also in the UK, the risk groups reveal positive significant effects.

Turning to educational attainment (table 6), it must be noted that the education variable of the ECHP (*pt022*) is sometimes questioned in the academic commu-

Table 4: Income Poverty and Population Groups – 2001

	Finland	Germany		Italy	United Kingdom
		West	East		
Lone mother	25.7	33.0	38.8	23.1	37.6
Couple: father	9.1	9.6	9.3	17.7	13.3
Couple: mother	9.2	9.8	9.3	17.7	12.2
Retired	15.4	10.4	4.9	15.6	26.4
Other adults (16+)	13.5	10.0	9.8	17.5	12.0
Young adults	21.9	17.5	13.3	22.2	13.9
Other adults (30+)	12.0	8.7	7.3	15.5	16.4
Ill/disabled	22.8	15.8	13.3	26.9	19.6
Other adults (18+)	13.2	10.0	9.6	17.0	11.3
Education $<$ ISCED 3	19.0	17.8	20.0	21.4	23.8
Education $\geq$ ISCED 3	11.6	6.8	6.7	10.8	9.5
Unemployed	44.7	29.2	23.6	50.5	41.7
Employed	5.7	6.2	4.7	8.8	4.5

Source: ECHP UDB, version April 2004, own calculations;
relative frequencies (%)

nity[6]. Especially the distribution of the different ISCED levels raises discussions about the quality of *pt022*. The ECHP provides the 1976 ISCED levels: in the following, less than ISCED 3 (below the second stage of second-level education) is defined as deprivation in educational attainment. We observe high proportions of low educational attainment in Italy and the UK, sometimes more than 50 %. This proportion decreases dramatically in the case of the UK to about 40 % in 1999. West Germany and Finland are both between 30 and 40 %, with East Germany having the lowest proportions (about 15 %). If we examine the distribution of low educational attainment within risk groups (to see where we could expect cumulative disadvantage, table 7), we find – unsurprisingly – that the unemployed are most affected. Only in East Germany are the differences between employed and unemployed with respect to low educational attainment comparatively small. Also the older population reveals higher proportions of individuals with ISCED 2 or lower. This distribution does not substantially change between 1996 and 2001 (table 8).

[6] See queries No. 22, 28, 43 and 46 on http://epunet.essex.ac.uk/services_queries.php

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Table 5: Determinants of Poverty in Four European Countries

	2001			
	Italy	Finland	Germany	UK
National Context:				
East Germany	–	–	-0.19* (0.09)	–
Risk group:				
Unemployed	1.72** (0.08)	1.57** (0.15)	1.71** (0.11)	1.96** (0.16)
Retired	0.11 (0.09)	0.27 (0.19)	0.70** (0.13)	1.10** (0.14)
Lone mothers	0.56* (0.22)	0.43 (0.27)	1.29** (0.17)	0.76** (0.17)
ISCED ≤ 2	1.06** (0.05)	0.25* (0.10)	1.07** (0.08)	0.70** (0.07)
Socio-economic context:				
HH size$^a \geq 4$	0.68** (0.05)	0.25 (0.17)	0.48** (0.10)	-0.42** (0.14)
No. of children	0.50** (0.03)	0.21** (0.04)	0.33** (0.04)	0.45** (0.04)
Married	-0.07 (0.06)	-0.17** (0.11)	-0.18 (0.10)	-0.35** (0.09)
Divorced	-0.05 (0.21)	-0.17 (0.20)	0.83** (0.15)	0.35* (0.14)
Age ≤ 29	0.33** (0.07)	1.27** (0.11)	0.61** (0.11)	0.52** (0.10)
Age ≥ 65	0.05 (0.10)	0.14 (0.21)	-0.27 (0.25)	0.51* (0.14)
Sick/disabled	0.39** (0.11)	0.41* (0.17)	0.43** (0.11)	-0.02 (0.10)
Constant	-2.91** (0.08)	-2.27** (0.12)	-3.40** (0.12)	-2.92** (0.11)
Observations	13 329	5 118	10 358	8 025
ℓ_0	-6 404.0502	-1 986.3669	-3 199.7894	-3 223.4011
ℓ_1	-5 726.1097	-1 766.3199	-2 792.0877	-2 844.8259
χ^2	1 355.88**	440.09**	815.40**	757.15**

Source: ECHP UDB, version April 2004, own calculations.
Significance: ** $p < 0.01$; * $p < 0.05$; standard error in parentheses.

Table 6: Education: Educational Attainment $\leq$ ISCED 2

Country	1996	1997	1998	1999	2000	2001
Finland	40	35	31	28	27	26
Germany	18	16	16	19	18	17
Italy	72	65	58	56	56	55
UK	35	23	19	18	17	17

Source: OECD, relative frequencies (%).
All individuals aged 16–65.

The third aspect of distributional justice refers to the inclusion in the labor market. In the following analysis, unemployment cannot be defined similary to the

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Table 7: Educational Attainment ($\leq$ ISCED 2) and Population Groups – 1996

	Finland	Germany		Italy	United Kingdom
		West	East		
Lone mother	30.5	26.1	1.4	41.3	65.5
Couple: father	23.1	15.2	2.3	52.4	42.9
Couple: mother	15.4	21.9	4.3	52.7	57.2
Retired	67.1	36.6	23.6	83.9	76.9
Other adults (16+)	25.2	13.6	13.0	54.9	53.1
Young adults	30.3	43.1	39.7	52.2	50.5
Other adults (30+)	41.4	25.1	11.6	65.3	61.5
Unemployed	40.8	38.5	13.9	57.5	66.8
Employed	21.6	20.3	10.0	45.1	48.2

Table 8: Educational Attainment ($\leq$ ISCED 2) and Population Groups – 2001

	Finland	Germany		Italy	United Kingdom
		West	East		
Lone mother	12.3	20.9	14.8	36.8	43.2
Couple: father	16.2	16.4	4.7	48.9	26.3
Couple: mother	8.9	21.9	1.8	44.0	37.3
Retired	60.6	40.9	14.2	84.7	71.9
Other adults (16+)	22.1	24.5	11.1	46.9	34.5
Young adults	24.7	41.5	36.1	36.6	24.3
Other adults (30+)	33.9	26.9	7.2	63.5	49.2
Ill/disabled	47.2	38.3	9.1	78.2	50.6
Other adults (16+)	21.0	23.2	22.1	47.8	32.6
Unemployed	35.0	31.6	10.1	44.5	45.1
Employed	16.9	20.1	8.1	39.4	29.9

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official ILO-definition, because in the British ECHP-clone, the appropriate variable codes 'economically inactive', 'discouraged workers' and 'unemployed' together in one value and uses the self-reported main activity status of the respondent instead. This can, however, produce apparent inconsistencies in the results. The

reference group is made up of all individuals in the workforce (all economically inactive persons including college and high-school students, retirees, etc. – but also the self-employed – are excluded).

Table 9: Main Activity Status: Unemployed

Country	1996	1997	1998	1999	2000	2001
Finland	19.8	18.1	13.2	12.1	11.3	9.7
E-Germany	18.1	19.9	23.4	18.5	18.0	20.6
W-Germany	9.6	10.3	9.9	8.9	7.9	8.0
Italy	18.3	18.6	18.0	17.6	15.9	15.2
UK	7.3	6.1	5.3	4.7	5.3	4.4

Source: ECHP UDB, version April 2004, own calculations.
Relative frequencies (%); all individuals in the workforce

We observe comparatively low unemployment rates in the UK and West Germany. In the UK, unemployment rates decrease across the waves to less that 5 %. Also in Finland, Italy and West Germany, unemployment rates decrease across waves. Only in East Germany is a slight increase. If we compare the distribution of unemployment among population groups, it is not surprising that in all countries, individuals with educational attainment below ISCED 3 are more affected by unemployment than their better-educated counterparts. Also lone mothers reveal in all countries higher unemployment rates, surprisingly also in Finland. Young adults have also a higher poverty risk in all countries except Germany (which is consistent with findings of prior studies). Health status also plays an important role: those suffering from bad health also have higher rates of unemployment. In West Germany, lone mothers had lower unemployment rates in 2001 than their female counterparts living as couples with at least one dependent child. For the other groups, the proportions change only slightly over time.

Of we change to a logit model (table 12), we observe that being a lone mother has no significant effect in Italy. This can also be observed in the other countries. In contrast, individuals with low educational attainment have a significant higher risk, as could be expected. Young adults have no significant effect in Germany and Finland. Household size is significant in Italy and the UK, indicating that with rising household size, problems can accumulate.

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Table 10: Unemployment and Population Groups – 1996

	Finland	Germany		Italy	United Kingdom
		West	East		
Lone mother	23.9	17.4	20.5	10.4	10.6
Couple: father	11.5	5.3	9.8	5.1	9.1
Couple: mother	17.0	10.1	22.4	7.9	2.3
Young adults	28.0	7.6	13.4	38.5	10.0
Other adults (30+)	17.7	10.2	19.6	8.7	6.2
Ill/disabled	33.2	24.9	36.2	31.3	18.7
Other adults (18+)	19.6	8.7	17.3	18.2	6.7
Education $<$ ISCED 3	31.8	16.8	23.8	21.8	9.8
Education $\geq$ ISCED 3	15.8	7.6	17.6	14.5	4.8

Source: ECHP UDB, version April 2004, own calculations.
Relative frequencies (%)

Table 11: Unemployment and Population Groups – 2001

	Finland	Germany		Italy	United Kingdom
		West	East		
Lone mother	13.9	6.0	37.0	10.7	7.5
Couple: father	3.9	3.3	19.0	3.8	3.0
Couple: mother	4.3	9.0	16.0	7.4	2.1
Young adults	9.7	6.7	16.5	31.1	7.8
Other adults (30+)	9.7	8.3	21.5	9.0	3.1
Ill/disabled	9.6	28.9	35.8	18.1	9.2
Other adults (18+)	9.8	6.6	19.3	15.2	4.1
Education $<$ ISCED 3	18.2	12.0	24.5	16.8	6.0
Education $\geq$ ISCED 3	7.8	6.9	20.2	14.1	6.0

Source: ECHP UDB, version April 2004, own calculations.
Relative frequencies (%)

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Logit models can be used not only for the analysis of cross-sectional data, but also for the analysis of longitudinal panel data (VOGES ET AL. 2004. In a fixed effects model, the discrete outcome is observed for all the successive waves, which takes the history of the process into account. One aspect of conditional logit models is that only time-varying covariates can be taken into account. This means

Table 12: Determinants of Unemployment

	2001			
	Italy	Finland	Germany	UK
National Context:				
East Germany	–	–	1.14** (0.09)	–
Risk group:				
Lone mothers	0.39 (0.29)	0.07 (0.41)	0.22 (0.26)	0.36 (0.33)
ISCED ≤ 2	0.36** (0.08)	0.90** (0.15)	0.70** (0.11)	0.55** (0.15)
Socio-economic context:				
HH size[a] ≥ 4	0.32** (0.08)	0.15 (0.29)	-0.17 (0.14)	0.53** (0.19)
No. of children	0.14* (0.06)	-0.13 (0.07)	-0.04 (0.05)	0.08 (0.07)
Married	-1.15** (0.10)	-0.58** (0.17)	0.14 (0.14)	-0.60** (0.19)
Divorced	-0.66* (0.28)	-0.03 (0.26)	0.59** (0.21)	-0.06 (0.33)
Age ≤ 29	0.91** (0.09)	0.05 (0.16)	-0.07 (0.13)	0.82** (0.18)
Sick/disabled	0.83* (0.34)	0.29 (0.37)	1.38** (0.15)	1.21** (0.22)
Constant	-1.74** (0.05)	-2.02** (0.17)	-2.95** (0.15)	-3.49** (0.22)
Observations	5 536	2 879	6 048	4 585
ℓ_0	-2 522.0094	-884.5606	-1 986.2389	-825.1037
ℓ_1	-2 202.8719	-851.7107	-1 861.3074	-770.0088
χ^2	638.27**	65.70**	249.86**	110.19**

Source: ECHP UDB, version April 2004, own calculations.
Logit model, Significance: ** p<0.01; * p<0.05; standard error in parentheses.

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that not only do they have to be time-varying in theory; there must also actually be a considerable amount of variation within the predictors in the model[7]. As a result, time-invariant predictors like gender cannot be included.

Using this dynamic approach (table 13, page 23), we observe that in West Germany, young adults have a significantly higher risk of being affected by poverty than their counterparts in East Germany, because in the East, the labor market offers more work opportunities for young adults (during the period of examination: the nineties). This seems to be the case in the other countries as well, except the UK. For the remaining countries, this is consistent with the assumption that young adults are a comparatively heterogeneous group which does not have

[7]The estimator is based on the conditional likelihood; and it is one consequence that unit-specific effects can only be estimated in the absence of concordance within the predictors and the outcome variables (this means that they must vary across the waves). This could imply a loss of observations, which then, in turn, can lead to decreased efficiency and biased parameter estimates.

a higher poverty risk *per se* (HRADIL 2001). In West Germany, the findings are consistent with other studies where the poverty rates for young adults for Germany were shown to be above-average (VOGES ET AL. 2004): Especially when controlling for whether young adults have their own households or not, it turns out that those with their own household are at a higher risk of falling below the poverty line.

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Table 13: Determinants of Poverty – Conditional Logit Model

	W-Germany		E-Germany		Italy		Finland		UK	
Age ≤ 29	0.79**	(0.20)	0.25	(0.32)	0.02	(0.11)	0.23	(0.23)	0.39*	(0.17)
Marriage	-0.62**	(0.21)	0.43	(0.40)	-0.30*	(0.13)	-0.48**	(0.18)	0.13	(0.17)
Divorce	-0.20	(0.32)	1.09*	(0.53)	0.13	(0.35)	0.82*	(0.33)	0.09	(0.23)
Retired	1.16**	(0.26)	0.18	(0.42)	0.50*	(0.20)	-0.10	(0.33)	1.71**	(0.25)
No. of kids	-0.08	(0.07)	0.25	(0.14)	0.52**	(0.05)	-0.16	(0.08)	0.53**	(0.06)
Lone mother	1.50**	(0.31)	1.22*	(0.47)	0.67*	(0.26)	0.10	(0.35)	1.36**	(0.20)
Unemployed	1.39**	(0.13)	1.18**	(0.16)	1.08**	(0.07)	1.45**	(0.16)	1.38**	(0.13)
ISCED ≤ 2	-0.04	(0.13)	-0.23	(0.29)	0.07	(0.09)	-0.85**	(0.16)	0.01	(0.10)
HHSize ≥ 4	-0.49**	(0.14)	0.16	(0.24)	0.69**	(0.08)	-0.46*	(0.18)	-0.19	(0.15)
Sick/disabled	0.01	(0.16)	0.09	(0.27)	0.60**	(0.19)	0.11	(0.22)	-0.10	(0.15)
Observations	4 318		1 638		7 487		2 460		4 401	
ℓ_0	-2 054.1017		-781.9622		-5 421.3444		-1 416.2810		-2 787.5273	
ℓ_1	-1 941.0557		-738.1632		-5 213.8958		-1 331.2960		-2 642.5438	
χ^2	226.09**		87.60**		414.90**		169.97**		289.97**	

Source: ECHP UDB, version April 2004, own calculations.
Conditional logit model. Significance: **:p<0.01; *:p<0.05; standard error in parentheses

The family status plays an important role. Marriage decreases the the risk significantly in West Germany and Italy, pointing to the familial context of the conservative welfare state. Surprisingly, this effect can be observed in Finland as well, where divorce also shows a positive effect. The individual model in the Finnish social security system should liberate women from dependence on a male breadwinner, but it seems that the Scandinavian welfare state is not completely free of familial effects.

For the retired, the results are not consistent across countries. There are higher poverty risks in Italy and the UK, which is to be expected. For Germany, a higher poverty risk for the retired is observed. This is not always in line with prior studies: Because the underlying analysis for Germany uses the GSOEP-based ECHP 'clone', these figures are consistent with other GSOEP-based findings that showed the retired to be more affected by income poverty (VOGES ET AL. 2004). On the other hand, the same study – using different data – found that less retired people in Germany experienced poverty. The finding of higher risks facing retired people in West Germany runs contrary to other prior findings, and requires further explanation.

The number of children leads only in Italy and the UK to higher poverty risks. As expected, lone mothers have a higher risk of falling below the poverty line in every country except Finland. The positive, significant effect of unemployment is in fact observable in all the countries under study: this means that unemployment benefits do not have the expected protective effect. For the chronically ill, no effect can be reported except in Italy.

The last aspect under study is the provision of minimum social standards. To study this dimension, we will examine social assistance dynamics. Social assistance is a further aspect of poverty research, although this focus has its shortcomings, especially if we want to compare social assistance dynamics across countries. It can make sense to look at social assistance dynamics, however, if we are very modest in our interpretations. Before making generalizations from local social assistance patterns, it is crucial to consider the sometimes substantial regional differences within a country. On the other hand, social assistance is one of the most important means by which the welfare state combats poverty and guarantees minimum social standards (LEIBFRIED ET AL. (1998)). Because of the limited

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availability of social assistance data, the UK must be excluded. Norway must also take the place of Finland to represent a Scandinavian, social-democratic welfare state: Bergen, Stavanger and Trondheim are included in the analysis as examples of Norwegian cities. For Italy, Bozen and Milan will be used; and for Germany, Bremen.

On a descriptive level, we use Product-Limit Estimations for each city (see figure 1 on page 26). This method sorts the episodes according to their length and relates the events to the proportion of the population still at risk to have this particular event at that given point in time. Censored observations are considered to be observable up to and including the observed ending time of the episode (BLOSSFELD, ROHWER 1995).

In the Norwegian cities between 9 and 19 % of all socila assistance recipients receive social assistance for longer than 12 months. In Milan and Bozen, between 8 to 10 % receive social assistance for more than a year, but the reasons for this pattern are different in Milan than in the scandinavian case: the budget principle on which the funding for social assistance is based constrains access to social assistance (VOGES, KAZEPOV 1998), even if a comparatively dynamic labor market also helps to eliminate the need for social assistance. In Bremen, more than 28 % are still on their first cash episode twelve months after having started to receive assistance.

Social justice theory sees this as a considerable burden: the Scandinavian welfare state achieves broader inclusion in the labor market, but this is not the case for Germany or for some regions in Italy (e.g. Milan).

From the literature, we know the effect of falling hazard rates over time when examining temporal social assistance patterns (BUHR 1995). To take this effect into account in the most flexible way, a piecewise constant exponential model is used, which divides the time axis into several time intervals. Within these intervals, the hazard rate is constant, but between them it can vary (see BLOSSFELD, ROHWER 1995). The dependent variable in this model is the hazard rate, which is (in the case of continuous time) the propensity to have an event at t_i under the condition that no event occurred prior to t_i. The event is defined as leaving social assistance, so a positive coefficient indicates a higher propensity to leave social as-

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Figure 1: Duration of Social Assistance Receipt in Six European Cities

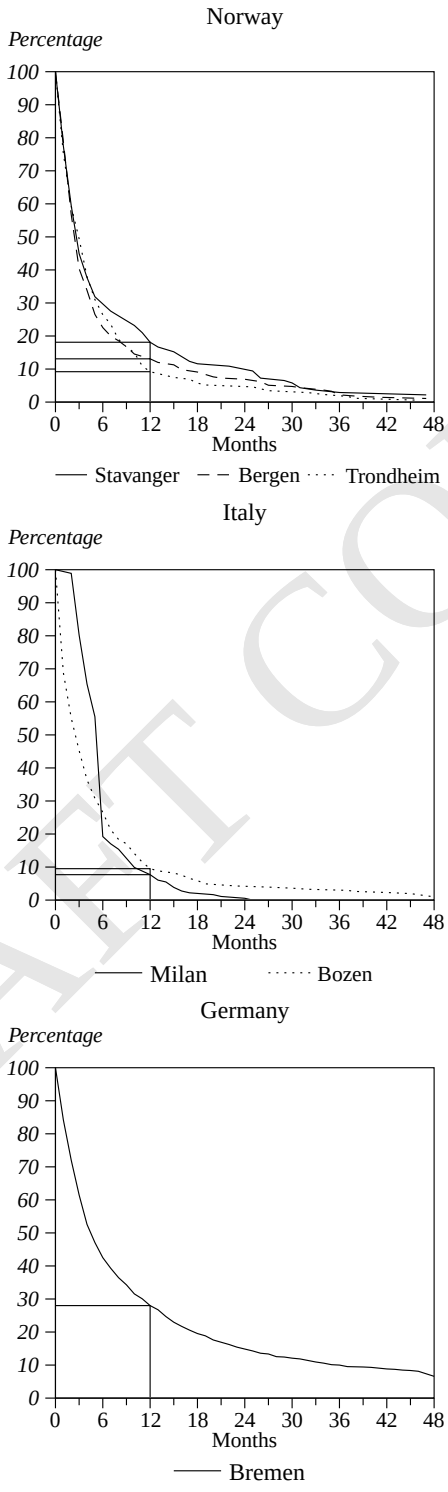

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Table 14: Determinants of Exiting Social Assistance

Determinants	Coefficients			
	All	Norway	Italy	Germany
0– 6 months	-1.92**(0.08)	-1.46**(0.09)	-1.71**(0.11)	-1.64** (0.15)
6–12 months	-1.88**(0.09)	-1.89**(0.11)	-0.71**(0.12)	-2.04** (0.19)
12–18 months	-2.45**(0.11)	-2.26**(0.15)	-1.52**(0.19)	-2.212**(0.23)
18–24 months	-3.03**(0.16)	-3.00**(0.23)	-2.01**(0.32)	-2.50** (0.28)
24–36 months	-2.78**(0.14)	-2.20**(0.17)	-2.64**(0.40)	-2.80** (0.28)
36–48 months	-2.70 (0.17)	-1.95**(0.24)	-2.09**(0.38)	-2.89** (0.33)
Bergen	0.43**(0.08)	0.01 (0.07)	–	–
Stavanger	0.33**(0.08)	–	–	–
Trondheim	0.43**(0.08)	0.05 (0.81)	–	–
Milan	0.35**(0.09)	–	-0.28* (0.11)	–
Bozen	0.53**(0.08)	–	–	–
Female	-0.12* (0.05)	-0.02 (0.06)	-0.10 (0.10)	-0.33* (0.15)
Nat	-0.46**(0.06)	-0.71**(0.10)	0.10 (0.12)	-0.44** (0.13)
Age ≤ 25	0.06 (0.05)	0.12* (0.06)	0.01 (0.14)	-0.09 (0.12)
Age ≥ 55	-0.20* (0.10)	0.23**(0.16)	-0.40**(0.14)	-0.46 (0.28)
HHsize ≤ 2	-0.15**(0.05)	-0.19**(0.07)	-0.32**(0.10)	-0.03 (0.13)
HHsize ≥ 5	-0.02 (0.08)	0.05 (0.11)	-0.09 (0.15)	-0.14 (0.24)
Lone Mother	-0.11 (0.08)	-0.31* (0.16)	0.02 (0.10)	-0.30 (0.24)
Children	-0.02 (0.05)	-0.05 (0.09)	0.30**(0.10)	-0.21 (0.18)
Observations	1 949	587	487	875
ℓ_0	-6 237.4835	-3 301.1458	-1 818.0523	-1 058.4487
ℓ_1	-6 014.0466	-3 151.2984	-1 733.1233	-1 013.0087
-2ℓ	446.87**	299.69**	169.86**	90.88**

Source: ECHP UDB, version April 2004, own calculations. Piecewise constant exponential model. Significance: ** p<0.01; * p<0.05; standard error in parentheses

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sistance, whereas a negative one indicates a higher risk of staying on cash benefits longer.

Obviously, the popular assumption that generous social assistance schemes lead to long durations on social assistance is untenable (see table 14): the Scandinavian cities have a significantly higher propensity to terminate social assistance receipt than cities representing a conservative model. The thesis of a welfarization effect as a result of generous social assistance programme is thus refused. Instead, better economic conditions and more efficient support lead to shorter spells of social assistance. We also observe a higher propensity to stop social assistance in Milan and Bozen. In Milan, this is again mainly the outcome of budgetary constraints and the restrictive criteria for entitlement. In both cities, we see a picture

of lower dependency on social assistance, but this is the outcome of a categorical, budget-funded system of social assistance. In Bozen, recipients benefit from the very good economic conditions in the region of *Alto Adige*.

The propensity to stop drawing social assistance is not only determined by the generosity of a local welfare regime, but also by individual characteristics. Unfortunately, the data sets differ considerably with regard to the information on demographic characteristics. As risk groups, lone mothers and young adults are included. The retired are excluded in most data sets. Sick or disabled recipients cannot be universally identified and are also not part of the analysis. It turns out that, surprisingly, only in Norway do lone mothers have a lower chance of terminating social assistance. In Bremen, no effect is observed for lone mothers. Rather, gender itself has a negative effect on the propensity to leave social assistance. In the Italian cities, no significant effect can be observed, either for lone mothers or for females. For non-nationals, there are also negative effects in the Norwegian and German cities under study.

4.2 Conceptions of Distributive Justice

Preferences towards the welfare state can be differentiated between preferences towards the welfare state at all and those towards certain fields of redistribution (ROLLER 1995). Thus, the first topic of interest refers to the amount of accordance with redistribution in general. In the ISSP 1996 data, the interviewees were questioned whether the welfare state should redistribute wealth; the rating scale started from 1 (‘agree strongly’ to 5 (‘disagree strongly’). To evaluate the level of accordance with redistribution in general, a logit model is used (binary as well as ordinal). The rating scale was recoded, taking the values 1 ‘agree strongly’/‘agree’ or 0 ‘disagree’/‘disagree strongly’ for the binary logit model, and ranging from 1 (‘disagree strongly’ to 5 (‘agree strongly’) for the ordinal logit model (see table 16).

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Table 15: Inequality: Redistribution of Wealth (Macrodeterminants)

	Model 1		Model 2	
Macrodeterminants:				
Public social expenditures [a]	-0.00	(0.01)	0.00	(0.01)
GNP/capita	-0.00	(0.00)	0.01*	(0.00)
Gini	-7.10**	(1.21)	-7.83**	(1.46)
Unemployment	0.13**	(0.02)	0.22**	(0.02)
Rational determinants:				
Unemployed			0.07	(0.11)
Retired			0.20**	(0.06)
Lower classes			0.75**	(0.06)
Low income			0.12	(0.08)
High income			-0.75**	(0.07)
Determinants of differential socialization:				
ISCED 0–2			0.32**	(0.05)
Age < 30			0.05	(0.06)
Female			0.20**	(0.05)
τ_1	-4.05	(1.24)	-0.93	(1.44)
τ_2	-2.75	(1.24)	0.44	(1.44)
τ_3	-1.87	(1.24)	1.35	(1.44)
τ_4	-0.40	(1.24)	2.91	(1.44)
N	7 363		5 945	
ℓ_0	-11 131.17		-8 982.24	
ℓ_1	-10 970.26		-8 584.19	
$LR\ \chi^2$	321.82**		796.10**	

Quelle: ISSP 1996 and OECD Social Expenditure Database. Ordinal logitmodel, own calculations. Recoding: 'Disagree strongly'=0, ... 'Agree strongly'=5; Significance $p<0,01$:**, $p<0,05$:*; Standarderror in parentheses. Likelihood-ratio test against the model without restrictions. [a] Public social expenditures in percentage of GNP without education-related expenditures; [b] GNP per capita/Country

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Table 16: Inequality: Redistribution of Wealth and Control of Wages

	Wealth		Wages	
	Model 1	Model 2	Model 1	Model 2
Determinants of cultural integration				
West Germany	-0.25** (0.07)	-0.21** (0.08)	-0.60** (0.07)	-0.55** (0.08)
East Germany	0.85** (0.08)	0.71** (0.09)	1.42** (0.08)	1.42** (0.09)
Italy	0.52** (0.08)	0.88** (0.09)	0.97** (0.08)	1.22** (0.09)
Norway	0.07 (0.08)	0.20* (0.09)	0.12 (0.07)	0.26** (0.08)
Sweden	0.35** (0.08)	0.38** (0.09)	-0.47** (0.08)	-0.48** (0.09)
Determinants of self-interest:				
Unemployed		0.08 (0.11)		0.18 (0.11)
Retired		0.20** (0.06)		0.17** (0.06)
Lower Class		0.75** (0.06)		0.41** (0.06)
Low income		0.12 (0.08)		0.24** (0.08)
High income		-0.75** (0.07)		-0.61** (0.07)
Determinants of differential socialization:				
ISCED 0–2		0.33** (0.05)		0.24** (0.05)
Age $<$ 30		0.05 (0.06)		0.18** (0.06)
Female		0.20** (0.05)		0.47** (0.05)
τ_1	-2.35 (0.07)	-1.84 (0.09)	-1.78 (0.06)	-1.24 (0.08)
τ_2	-1.05 (0.06)	-0.48 (0.08)	-0.45 (0.06)	0.22 (0.08)
τ_3	-0.17 (0.06)	0.44 (0.08)	0.48 (0.06)	1.14 (0.08)
τ_4	1.30 (0.06)	1.99 (0.09)	2.10 (0.06)	2.83 (0.09)
N	7 363	5 945	7 580	6 091
ℓ_0	-11 131.17	-8 982.24	-11 971.40	-9 593.97
ℓ_1	-10 969.79	-8 582.90	-11 391.38	-8 916.58
$LR\ \chi^2$	322.75**	798.67**	1 160.04**	1 354.77**

Source: ISSP 1996, own calculations. Original questions: 'Should the government redistribute wealth?' and 'Should the government control wages by law?'. Ordinal logit model. Recoding: 'strongly agree' = 5, ... 'strongly disagree'=0. Significance $p < 0.01$:**, $p < 0.05$:*. Standard error in parentheses. Likelihood-ratio test statistics against the model without covariates.

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In the first model, only the countries under study are considered. Using West Germany as reference category, each of the included countries have a positive, significant effect towards redistribution. This indicates that in each of the included countries people prefer redistribution of wealth significantly to market pure based solutions compared to West Germany. For East Germany in 1996, this effect may have been historically determined: the reunification was only 6 years prior, so the respondents were probably still influenced by the socialistic norms which were

inherent in the former GDR. For the UK, this effect is interesting, because in a liberal welfare state, liberal attitudes towards market solutions could be expected. These effects remain stable even when changing to an ordinal logit model.

Table 17: Unemployment – Public Expenditures (% of GNP)

Country	1994	1995	1996	1997	1998	1999	2000	2001
	Relative frequencies (% of GNP)							
Finland	4.5	3.9	3.6	3.1	2.5	2.3	2.1	2.0
Germany	1.8	1.5	1.6	1.5	1.3	1.3	1.2	1.2
Italy	1.2	1.0	1.0	0.9	0.8	0.7	0.6	0.6
UK	1.0	0.9	0.7	0.6	0.4	0.4	0.3	0.3

Source: OECD. [a] German Ministry for Labour and Social Affairs 2001 (% of GNP).

In the case of unemployment, we observe similar effects. Again, with Great Britain serving as a reference category and the dependent variable coded as 1 for 'agree' and 'strongly agree', all countries except Norway have positive coefficients. Again, West Germany seems to be most liberal if public expenditures for unemployment are concerned. In the case of the UK, it is again striking that the population of a liberal welfare state does not prefer market solutions; instead, a majority agrees or strongly agrees that the state should pay more. Only Norway has again a negative, but non-significant effect. The East German preferences are again historically determined, because the survey was conducted for a comparatively short period after unification. Including additional predictors, it is again revealed that the national contexts are robust. The unemployed prefer more state intervention because they personally belong to the group that would profit most; members of lower classes (self-reported) also favor more public expenditures. The employed and the retired respondents, in contrast, show significant negative effects, thus they disagree with more redistribution in this respect. All effects remain substantially the same when changing to an ordinal logit model.

Table 19, page 34, presents the answers to the question of whether the state is responsible to financially support students from poor families and should pay more or much more for education. In the first step, only the national context is considered. West and East Germany are treated separately. Using West Germany as reference category, it turns out that all countries besides Norway have a positive,

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significant effect. That means that those countries prefer state interventions for education much more strongly than West Germans do. Especially for the UK, this is an interesting effect because in a liberal welfare state it could be expected that the population actually prefers market solutions. For East Germany in 1996, this effect may have been historically determined: the reunification was only 6 years prior, so the respondents were probably still influenced by the socialistic norms which were inherent in the former GDR. In the case of Sweden, it also could be expected that the respondents prefer public expenditures. Only Norway has a negative coefficient, but it is not significant.

Considering additional characteristics of the respondents such as unemployment and education, it turns out that the national effects remain substantially unchanged. The unemployed have a preference for more state intervention, because they tend to profit from more redistribution. The same effect can be observed for those with educational attainment lower than ISCED 3. For the retired, in contrast, there is a negative effect because on the basis of rational choice models they do not profit in any way from increased public expenditures for education. Interestingly, respondents who consider themselves as belonging to lower classes also have a negative effect, indicating that they prefer other solutions than state intervention. As a second step, an ordinal logit model is used, with the dependent variable recoded to reverse the original rating scale: the answers to the question 'Should the state spend more money on ... education' are coded from 5 ('agree strongly') to 1 ('disagree strongly'). A positive coefficient again means a high preference for state intervention. In general, all effects remain the same and are thus comparatively robust.

Additionally, we examine also the preferences regarding health and retirement, because the former dimensions affects an important population group for the rest of this analysis, and the latter dimension is important for the 'Dimensions of Living Approach'. Turning to health, West Germany the reference category again seems to be most liberal. All other countries, including Norway, have significant positive effects, indicating that they prefer redistributive schemes conducted by the state. The unemployed and member of lower classes also reveal positive significant effects. Employed respondents reveal a negative significant coefficient; their

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Table 18: Unemployment: Extensity and Intensity (macrodeterminants)

	Extensity		Intensity	
	Model 1	Model 2	Model 1	Model 2
Macrodeterminants:				
Public social expenditure – unemployment[a]	-0,44** (0.04)	-0,40** (0.05)	0,16** (0.04)	0,19** (0.05)
GNP/capita[b]	-0,01** (0.00)	-0,01** (0.00)	-0,00 (0.00)	0,01* (0.00)
Gini	-2,16** (0.12)	-2,27** (0.15)	0,18 (0.11)	0,17 (0.13)
Unemployment	0,01 (0.02)	0,08** (0.02)	0,08** (0.02)	0,16** (0.02)
Rational determinants:				
Unemployed		0,75** (0.12)		0,96** (0.12)
Retired		0,17* (0.07)		0,07 (0.07)
Lower classes		0,54** (0.06)		0,71** (0.06)
Low income		0,14 (0.09)		0,18* (0.08)
High income		-0,42** (0.08)		-0,39** (0.08)
Determinant of differential socialization:				
ISCED 0–2		0,07 (0.06)		0,30** (0.06)
Age $<$ 30		-0,15* (0.07)		0,05 (0.06)
Female		0,37** (0.05)		0,36** (0.05)
τ_1	-14,52 (0.92)	-11,80 (1.04)	-2,39 (0.86)	0,65 (0.99)
τ_2	-13,02 (0.92)	-10,31 (1.04)	-0,73 (0.86)	2,31 (0.99)
τ_3	-10,38 (0.91)	-7,58 (1.04)	1,52 (0.86)	4,65 (0.99)
τ_4			3,25 (0.86)	6,56 (0.99)
N	7 343	5 940	7 430	5 989
ℓ_0	-7 869,93	-6 378,23	-9 833,48	-7 963,17
ℓ_1	-7 669,52	-6 084,99	-9 608,74	-7 512,71
$LR\ \chi^2$	400,83**	586,48**	449,48**	900,93**

Source: ISSP 1996 and OECD Social Expenditure Database. Ordinal logitmodel, own calculations. Recoding: 'Disagree strongly'=0, ... 'Agree strongly'=5; Significance $p<0,01$:**, $p<0,05$:*; Standarderror in parentheses. Likelihood-ratio test against the model without restrictions. [a] Public social expenditures on unemployment in percentage of GNP; [b] GNP per capita/Country,

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preferences again point to other solutions than those based on the state. With the ordinal logit model, all effects remain unchanged.

In the case of retirement, the preferences of the respondents in all countries point towards more redistribution, again with West Germany as a reference category (table 22). As in the preceding model, the effect for the UK with the highest coefficient of all countries is surprising, and remains robust also when changing to the ordinal model. The consideration of additional predictors reveals that this time,

Table 19: Unemployment: Extensity and Intensity

	Extensity		Intensity	
	Model 1	Model 2	Model 1	Model 2
Determinants of cultural integration				
West Germany	-0.30** (0.08)	-0.17* (0.09)	-0.17* (0.07)	-0.06 (0.08)
East Germany	0.68** (0.09)	0.58** (0.10)	1.05** (0.08)	0.95** (0.10)
Italy	-0.04 (0.09)	0.27** (0.10)	0.42** (0.09)	0.82** (0.10)
Norway	0.80** (0.07)	1.01** (0.10)	-0.40** (0.08)	-0.22* (0.09)
Sweden	0.65** (0.09)	0.67** (0.10)	0.29** (0.09)	0.35** (0.09)
Determinants of self-interest:				
Unemployed		0.77** (0.12)		0.94** (0.12)
Lower Class		0.55** (0.06)		0.72** (0.06)
Low income		0.12 (0.09)		0.20* (0.08)
High income		-0.42** (0.08)		-0.40** (0.08)
Determinants of differential socialization:				
ISCED 0–2		0.06 (0.06)		0.30** (0.06)
Age $<$ 30		-0.12 (0.07)		0.04 (0.06)
Age $>$ 60		0.24** (0.06)		0.03 (0.06)
Female		0.36** (0.05)		0.37** (0.05)
τ_1	-3.02 (0.09)	-2.51 (0.11)	-3.19 (0.08)	-2.50 (0.10)
τ_2	-1.52 (0.07)	-1.02 (0.09)	-1.53 (0.07)	-0.85 (0.09)
τ_3	1.12 (0.07)	1.72 (0.09)	0.72 (0.06)	1.50 (0.09)
τ_4			2.45 (0.07)	3.40 (0.10)
N	7 343	5 941	7 430	5 990
ℓ_0	-7 869.93	-6 381.40	-9 833.48	-7 966.41
ℓ_1	-7 669.30	-6 083.23	-9 607.63	-7 513.01
$LR\ \chi^2$	401.27**	596.34**	451.71**	906.80**

Source: ISSP 1996, own calculations. Ordinal logit model. Extensity: government's responsibility to provide a decent standard of living for the unemployed. Intensity: government should spend more money on the unemployed. Recoding: 'strongly agree' = 5, ... 'strongly disagree'=0. Significance $p < 0.01$:**, $p < 0.05$:*. Standard error in parentheses. Likelihood-ratio test statistics against the model without covariates.

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the retired prefer more state interventions to market solutions. The unemployed and respondents from the lower classes share this preference because in the long run, they too are beneficiaries. In contrast, the employed have a negative significant coefficient, indicating that they in fact do not prefer higher public expenditures, because they would have to fund them either with their social insurance contributions or, in case of pure state interventions, with tax money.

Table 20: Health – Public Expenditures (% of GNP)

Country	1994	1995	1996	1997	1998	1999	2000	2001
	Relative frequencies (% of GNP)							
Finland	5.8	5.7	5.8	5.5	5.3	5.2	5.0	5.3
Germany	7.8	8.1	8.4	8.1	7.9	8.0	7.9	8.0
Italy	5.9	5.3	5.4	5.6	5.6	5.6	6.0	6.3
UK	5.8	5.8	5.7	5.4	5.5	5.7	5.8	6.1

Source: OECD. [a] German Ministry for Labour and Social Affairs 2001 (% of GNP)

In sum, it is interesting to see that, with reference to the dimensions of distributive justice and the additional dimensions of health and retirement, social justice preferences are not necessarily consistent with the welfare state typologies. This becomes evident especially in the case of the UK, where in all models a significant effect towards more state intervention can be observed. West Germany seems to be the most liberal in 1996, whereas the effects for East Germany were obviously determined by the recent historical context: the heritage of the socialistic state found its expression in preferences for more public expenditures. Only Norway has, in two cases, a non significant effect which means that the differences between Norway and West Germany are comparatively small.

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Table 21: Health: Extensity and Intensity (Macrodeterminants)

	Extensity		Intensity	
	Model 1	Model 2	Model 1	Model 2
Macrodeterminants:				
Public social expenditures – health[a]	-0,21** (0.01)	- 0,21** (0.01)	-0,20** (0.01)	-0,22** (0.01)
GNP/capita[b]	0,00 (0.00)	0,01* (0.00)	-0,01** (0.00)	-0,01** (0.00)
Gini	-1,53** (0.13)	-1,67** (0.15)	-0,28** (0.10)	-0,38** (0.11¡)
Unemployment	0,10** (0.03)	0,16** (0.03)	-0,09** (0.02)	-0,04 (0.02)
Rational determinants:				
Unemployed		0,11 (0.14)		0,35** (0.12)
Retired		0,17* (0.08)		0,20** (0.07)
Lower classes		0,52** (0.07)		0,59** (0.06)
Low income		0,04 (0.10)		-0,06 (0.08)
High income		-0,38** (0.09)		-0,28** (0.08)
Determinants of differential socialization:				
ISCED 0–2		0,07 (0.07)		0,38** (0.06)
Age $<$ 30		-0,04 (0.08)		-0,01 (0.06)
Female		0,30** (0.06)		0,41** (0.05)
τ_1	-11,13 (0.73)	-9,50 (0.81)	-13,24 (0.58)	-11,37 (0.67)
τ_2	-9,58 (0.71)	-7,97 (0.79)	-10,92 (0.55)	-9,06 (0.64)
τ_3	-6,44 (0.70)	-4,80 (0.79)	-8,48 (0.55)	-6,56 (0.63)
τ_4			-6,44 (0.54)	-4,38 (0.63)
N	7 586	6 111	7 587	6 100
ℓ_0	-5 255,36	-4 156,99	-8 980,94	-7 159,80
ℓ_1	-4 954,66	-3 858,74	-8 753,37	-6 815,19
$LR\ \chi^2$	601,40**	596,50**	455,14**	689,20**

Source: ISSP 1996 and OECD Social Expenditure Database. Ordinal logitmodel, own calculations. Recoding: 'Disagree strongly'=0, ... 'Agree strongly'=5; Significance $p<0,01$:**, $p<0,05$:*; Standarderror in parentheses. Likelihood-ratio test against the model without restrictions. [a] Public social expenditures on health in percentage of GNP; [b] GNP per capita/Country,

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5 Summary

In this study, social justice preferences have been evaluated using ISSP data in the context of distributive justice. We have shown that some empirical social justice preferences do not necessarily correspond to welfare state types. With reference to social justice preferences, we first found that the most liberal attitudes are held by the West German population. The only exception is Norway for the dimensions

Table 22: Health: Extensity and Intensity

	Extensity		Intensity	
	Model 1	Model 2	Model 1	Model 2
Determinants of cultural integration				
West Germany	-1.44** (0.09)	-1.38** (0.11)	-1.67** (0.07)	-1.72** (0.09)
East Germany	-0.78** (0.11)	-0.88** (0.12)	-0.84** (0.08)	-1.14** (0.10)
Italy	-0.03 (0.11)	0.22 (0.12)	-0.74** (0.08)	-0.49** (0.09)
Norway	0.46** (0.12)	0.65** (0.13)	-0.59** (0.08)	-0.44** (0.09)
Sweden	-0.60** (0.11)	-0.54** (0.12)	-0.81** (0.08)	-0.82** (0.09)
Determinants of self-interest:				
Unemployed		0.11 (0.14)		0.36** (0.12)
Retired		0.15 (0.08)		0.18** (0.07)
Lower Class		0.48** (0.07)		0.55** (0.06)
Low income		0.00 (0.10)		-0.09 (0.08)
High income		-0.38** (0.09)		-0.27** (0.08)
Determinants of differential socialization:				
ISCED 0–2		0.11 (0.07)		0.41** (0.06)
Age < 30		-0.05 (0.08)		-0.00 (0.06)
Female		0.28** (0.06)		0.39** (0.05)
τ_1	-6.18 (0.19)	-5.78 (0.22)	-6.69 (0.20)	-6.12 (0.23)
τ_2	-4.62 (0.12)	-4.24 (0.14)	-4.37 (0.09)	-3.81 (0.11)
τ_3	-1.47 (0.08)	-1.06 (0.11)	-1.91 (0.06)	-1.29 (0.09)
τ_4			0.16 (0.06)	0.91 (0.09)
N	7 586	6 111	7 587	6 100
ℓ_0	-5 255.36	-4 156.99	-8 980.94	-7 159.80
ℓ_1	-4 904.00	-3 822.15	-8 685.27	-6 764.98
$LR\ \chi^2$	702.71**	669.68**	591.34**	789.61**

Source: ISSP 1996, own calculations. Ordinal logit model. Extensity: government's responsibility to provide health care for the sick. Intensity: government should spend more money on health. Recoding: 'strongly agree' = 5, ... 'strongly disagree'=0. Significance $p < 0.01$:**, $p < 0.05$:*. Standard error in parentheses. Likelihood-ratio test statistics against the model without covariates.

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of education, retirement and unemployment, where there is no significant difference from West Germany. Second, we conducted a descriptive and multivariate analysis of welfare state performance on a regional level using social assistance data, and on a national level using the ECHP. In sum, when looking at the whole population without differentiating between population groups, it is evident that neither the liberal nor the conservative-familial model combat income poverty as well as the conservative-corporatistic or especially the Scandinavian model. But

Table 23: Retirement: Extensity and Intensity (Macrodeterminants)

	Extensity		Intensity	
	Model 1	Model 2	Model 1	Model 2
Macrodeterminants:				
Public social expenditures – retirement[a]	-0.27** (0.02)	-0.28** (0.02)	-0.19** (0.01)	-0.22** (0.02)
GNP/capita[b]	0.00 (0.00)	0.02** (0.00)	-0.01** (0.00)	-0.01** (0.00)
Gini	-1.55** (0.13)	-1.89** (0.15)	0.59** (0.10)	0.38** (0.11)
Unemployment	0.25** (0.02)	0.33** (0.02)	0.02 (0.02)	0.11** (0.02)
Rational determinants:				
Unemployed		0.08 (0.14)		0.38** (0.12)
Retired		0.38** (0.08)		0.44** (0.07)
Lower classes		0.53** (0.07)		0.53** (0.06)
Low income		0.13 (0.10)		0.25** (0.08)
High income		-0.34** (0.09)		-0.30** (0.06)
Determinants of differential socialization:				
ISCED 0–2		0.30** (0.07)		0.61** (0.06)
Age $<$ 30		-0.32** (0.07)		-0.04 (0.07)
Female		0.34** (0.06)		0.39** (0.05)
τ_1	-10.44 (0.60)	-8.61 (0.69)	-9.04 (0.50)	-7.08 (0.58)
τ_2	-8.67 (0.58)	-6.74 (0.66)	-7.12 (0.48)	-5.20 (0.56)
τ_3	-5.52 (0.57)	-3.49 (0.65)	-4.06 (0.48)	-2.06 (0.56)
τ_4			-2.05 (0.48)	0.17 (0.56)
N	7 593	6 119	7 485	6 029
ℓ_0	-5 544.36	-4 372.90	-8 702.01	-6 989.52
ℓ_1	-5 235.05	-4 016.53	-8 534.79	-6 576.13
$LR\ \chi^2$	618.62**	712.74**	334.45**	826.78**

Source: ISSP 1996 and OECD Social Expenditure Database. Ordinal logitmodel, own calculations. Recoding: 'Disagree strongly'=0, ... 'Agree strongly'=5; Significance $p<0,01$:**, $p<0,05$:*; Standarderror in parentheses. Likelihood-ratio test against the model without restrictions. [a] Public social expenditures on retirement in percentage of GNP; [b] GNP per capita/Country,

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when we distinguish between different sub-groups within the population, the figures vary to some extent across the countries. Lone mothers are, with reference to their counterparts in the other welfare models, less affected by income poverty in the conservative-familialistic welfare state; in fact, there are only small differences between lone mothers and couples. In the conservative-corporatistic model, lone mothers are heavily affected by income poverty, whereas couples have a lower risk of falling below the poverty line. This is especially true for East Germany. In

Table 24: Retirement: Extensity and Intensity

	Extensity		Intensity	
	Model 1	Model 2	Model 1	Model 2
Determinants of cultural integration				
West Germany	-1.06** (0.08)	-0.99** (0.10)	-1.37** (0.07)	-1.46** (0.09)
East Germany	-0.38** (0.10)	-0.56** (0.11)	-0.72** (0.08)	-0.93** (0.10)
Italy	0.15 (0.10)	0.47** (0.11)	-0.59** (0.08)	-0.30** (0.09)
Norway	0.82** (0.11)	1.15** (0.12)	-0.91** (0.08)	-0.74** (0.09)
Sweden	-0.17 (0.10)	-0.11 (0.11)	-0.90** (0.08)	-0.90** (0.09)
Determinants of self-interest:				
Unemployed		0.07 (0.14)		0.37** (0.12)
Retired		0.37** (0.08)		0.43** (0.07)
Lower Class		0.52** (0.07)		0.52** (0.06)
Low income		0.13 (0.10)		0.23** (0.08)
High income		-0.34** (0.09)		-0.31** (0.08)
Determinants of differential socialization:				
ISCED 0–2		0.29** (0.07)		0.60** (0.06)
Age $<$ 30		-0.32** (0.07)		-0.04 (0.07)
Female		0.33** (0.06)		0.38** (0.05)
τ_1	-5.90 (0.19)	-5.51 (0.24)	-6.16 (0.17)	-5.38 (0.19)
τ_2	-4.13 (0.10)	-3.64 (0.13)	-4.24 (0.09)	-3.50 (0.11)
τ_3	-0.98 (0.07)	-0.40 (0.10)	-1.18 (0.06)	-0.36 (0.09)
τ_4			0.84 (0.06)	1.88 (0.09)
N	7 593	6 119	7 485	6 029
ℓ_0	-5 544.36	-4 372.90	-8 702.01	-6 989.52
ℓ_1	-5 229.29	-4 013.49	-8 514.24	-6 562.85
$LR\ \chi^2$	630.13**	718.82**	375.55**	853.33**

Source: ISSP 1996, own calculations. Ordinal logit model. Extensity: government's responsibility to provide a decent standard of living for the elderly. Intensity: government should spend more money on the retired. Recoding: 'strongly agree' = 5, ... 'strongly disagree'=0. Significance $p < 0.01$:**, $p < 0.05$:*. Standard error in parentheses. Likelihood-ratio test statistics against the model without covariates.

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the UK, lone mothers have the highest risk of falling below the poverty line. But British couples have the same poverty risk as their German counterparts, which is considerably lower than in the 'latin rim' states. The retired are, in the conservative welfare state (both Italy and Germany), less affected by income poverty than all other adults. In the liberal welfare model, the retired have the highest poverty

risk compared to the other welfare states, and this also exceeds the poverty risk of all other British adults.

If we look at social minimum standards, it turns out that the propensity to leave social assistance is quite heterogeneous. The short duration of social assistance spells is the expected result of the restrictions imposed by budget-based funding, categorical measures and thus more an administrative outcome, although there are also effects of a considerably dynamic labor market. In the Scandinavian and Italian cities, most recipients have left social assistance before the end of the observation window, whereas in Bremen, more than 5 % stay on cash benefits for more than 48 months. Because in the Scandinavian cities, social assistance is granted very generously, the longest durations of social assistance receipt could be expected here. However, these cities show a shorter duration than Bremen, which points to a more effective welfare instrument in Norwegian welfare state, but also to better economic conditions. The active employment policy in particular has a positive impact on the duration of social assistance spells. Furthermore, different family models included in the welfare systems (male-breadwinner model in Italy and Germany, individual model in Norway) lead to a gender-specific distribution of chances to terminate social assistance: female recipients obviously have lower chances of terminating social benefits.

The preliminary results suggest that the Scandinavian model is the most successful in combating poverty and providing minimum social security standards. Thus, it comes closest to the corresponding social justice conceptions. The performances of both the *latin rim* model and the conservative model vary considerably with reference to regional differences within the countries, e. g. between East and West Germany. Therefore they are only partly more successful in combating poverty than the liberal state; Moreover, when considering other dimensions of distributive justice such as labor market participation, it becomes evident that their welfare state performance is sometimes even worse.

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