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**Between old and new inequalities:  
the emergence of social vulnerability in western European countries**

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## Abstract

I processi economici e sociali in atto in Europa hanno trasformato le caratteristiche e le dimensioni della questione sociale. Se sino a pochi anni fa le preoccupazioni maggiori erano concentrate intorno al problema della povertà e dell'esclusione sociale, oggi si nota il progressivo venir meno dei principali pilastri intorno a cui si è costruito il cosiddetto "modello europeo": una forte stabilità occupazionale, l'ampiezza e generosità dei programmi di welfare, la persistenza di forti legami familiari e sociali. Queste trasformazioni determinano un senso di instabilità e di vulnerabilità che colpisce ceti sociali tradizionalmente "garantiti". Il fenomeno segnala, più che una decisa riduzione del tenore di vita delle classi medie, un complessivo ampliarsi della fascia sociale che è esposta, su diversi fronti, alla prospettiva di vivere una prolungata fase di instabilità sociale.

La vulnerabilità sociale costituisce una fenomenologia che frequentemente è trasversale alle forme tradizionali di disuguaglianza sociale che trovano origine nella collocazione delle persone nel mercato del lavoro e nella loro posizione reddituale. Nella prospettiva della vulnerabilità, cruciale è infatti l'inserimento stabile/instabile del soggetto nei principali meccanismi di integrazione sociale e di distribuzione delle ricompense sociali: la famiglia, il mercato del lavoro, il sistema di welfare, nonché il grado di autonomia che i soggetti sviluppano nella realizzazione dei loro functioning. Di conseguenza l'attenzione si allarga a considerare un ventaglio di risorse sociali e di meccanismi sociali più ampio di quelli specificamente legati al funzionamento del mercato del lavoro. Oltre alla multidimensionalità delle condizioni di disuguaglianza, si considera come cruciale la stabilità o meno della collocazione sociale dei soggetti, non riducendo l'analisi alla valutazione dell'ammontare delle risorse acquisite. L'intreccio tra vecchie e nuove disuguaglianze sociali resta tuttavia centrale, e sarà oggetto nel paper di considerazioni empiriche e critiche.

Obiettivo del paper è di descrivere sinteticamente le caratteristiche della vulnerabilità sociale in Europa, presentando i risultati di una ricerca svolta su dati Eurostat. In specifico si intende considerare come i rischi emergenti nelle società post-industriali rischiano di compromettere i funzionamenti "normali" di una parte consistente della popolazione europea. L'obiettivo finale è di identificare i determinanti sociali e politico-istituzionali della vulnerabilità sociale. Più in specifico, l'analisi considera il ruolo giocato dai diversi sistemi di welfare nel tutelare la popolazione rispetto a specifici rischi. La distinzione tradizionale in diversi regimi di welfare è dunque analizzata nella sua capacità di spiegare come i diversi paesi europei affrontano la vulnerabilità sociale.

## Introduction

The so-called ‘European social mode’<sup>1</sup> was founded for many decades on a close association between permanent employment, stability in the division of roles within the nuclear family and the progressive extension of welfare guarantees. All these conditions seem currently to be lacking because of the greater job insecurity and the consequent discontinuity in incomes, the organisational tensions taking place in the family and the substantial inertia of European welfare systems. Taken together these transformations and inaction cause a spreading situation of social vulnerability in the population

This paper<sup>1</sup> is primarily aimed at describing the dimensions and characteristics of social vulnerability in Western Europe. Although the literature on ‘new social risks’ is now quite broad, there is so far no analysis which shows the actual diffusion and intensity of such risks. It was my purpose to fill this gap by taking the paradigm of ‘new social risks’ as a hypothesis to be verified through an empirical analysis that covers a broad spectrum of aspects.

The central notion of the paper is social vulnerability. Differently from the notion of poverty, it includes aspects that are not connected exclusively with income level, but also with housing conditions, employment, the management of care for children and dependent persons, the model of family organisation, the difficulties arising in the transition through different phases of the life course. It concerns not individuals facing severe hardship or social exclusion but people who are permanently exposed to instability and weak integration into society.

The objective of the paper is to show to what extent the emerging risks in post-industrial societies are contributing to compromise the normal functioning of a substantial proportion of the Western European population: how material survival and the standard of living attained are or are not guaranteed, how the principal changes in the life-course are well or badly managed, how care for children and the elderly is provided.

The analysis maintains a comparative purpose: the objective is in fact to identify the different profiles of vulnerability that exist in a number of different ‘macro-regions’ which make up Western Europe. Since these profiles depend on a complex set of social, economical and institutional characteristics, one of the main contributions of the paper is to develop comparisons on a sub-national scale, starting with the identification of 28 ‘macro-regions’ identified through analysis of the social and economic characteristics of the different areas of which Western Europe is composed. The paper is structured in five parts.

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<sup>1</sup> This paper is anticipating some results and analysis included in Ranci C. (ed.), *Social vulnerability in Europe. The new configuration of social risks in Western Europe*, Basingstoke, Palgrave MacMillan, forthcoming.

Part 1 illustrates the principal hypotheses, by looking at the changes that have occurred in the last ten years in Western Europe and their effects on the risk profile of the population. Five new phenomena are identified: the diffusion of income instability, the rise of a new kind of housing deprivation, the growth in temporary work, the difficulties in reconciling caring and working and the explosion of a dependent population determined by the ageing population. In part 2 the notion of social vulnerability is then introduced and its connection with the concepts of ‘new social risk’ and poverty is explained. In part 3 the different dimensions of vulnerability are considered in the way they combine and in how they are composed to identify complex and diversified profiles of vulnerability. Part 4 attempts to verify to what extent the vulnerability profiles previously identified are influenced in their extent and distribution by a plurality of social, economic and institutional factors. Finally, in part 5 the possible policy implications of such results are illustrated.

## **1. The new social risks**

The so-called ‘European social model’, which has characterized the development of industrial societies since the postwar period, has rested on three basic foundations (with the partial exception of Scandinavian countries where the transition to post-industrial society occurred much earlier): high employment stability, broad and generous welfare programmes, the persistence of strong family ties based on a gender division of roles. The development of welfare systems has made a substantial contribution to the bond between the dominant organisational model in the sphere of production and the pattern dominating in the family sphere, offering protection against what has been considered the most serious social risk: losing a job (Esping Andersen, 1999).

In the course of a few decades, the three foundations (work, family and welfare) on which postwar European societies rested have progressively lost their capacity to provide for the well-being and security of many citizens. According to Esping-Andersen, these institutions are today the principal sources of danger (1999). Those threatened are both citizens at the extremes of the age bands (children, the elderly) and the middle class. It is a process that has been defined as a progressive erosion of intermediate positions (Castel, 1995).

The first form of erosion regards the organisation of work. The fundamental break with the industrial wage-earner model lies *in the weakening of the labour market to function as the principal mechanism of social integration*. It is the increased job insecurity that lies at the origin of this process, founding working relationships not on skills made continuously available, but on the immediate performance of specific tasks. There is nothing marginal in this trend: increasing job insecurity is a mainstream process, determined by the new technological and economic demands

connected with the evolution of modern capitalism. According to Castel (1995) increasing insecurity consists of three processes: the destabilisation of workers who were previously stable, which lowers their living standards; the growth of a large mass of long-term unemployed; and the creation of a 'supernumerary' population of persons who are permanently excluded from the labour market. Even in countries where the silent revolution of work is not generating great unemployment, it is nevertheless undeniable that we are now a long way from the 'wage-earner society' which characterized western Europe until the 1990s.

The second form of erosion consists of *the gradual weakening of kinship support networks* as a consequence of new demographical trends and of the reorganisation of households. New forms of households have developed, while established family models have experienced profound internal re-organisation. Single person households and single parent households have become common. Male breadwinner families have become increasingly less numerous because of the progressive increase in female employment. At the same time, new types of household are emerging where adult children remain in their parents' home long after they have reached economic independence. While on the one hand these phenomena are a sign of the progressive individualisation of social life, on the other hand they compromise the family capacity of collecting and redistributing resources to the benefit of its weakest members: children, the elderly, people unable to work. The functioning of families faced with the difficult task of reconciling different duties is in fact being heavily overloaded.

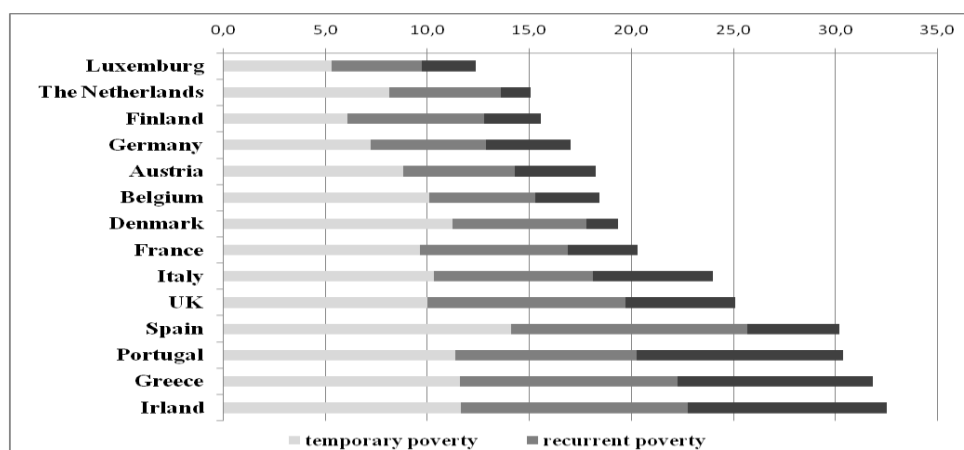
There is a strong contrast between these changes and *the great rigidity of welfare systems*. They are undergoing a third process of erosion. Welfare systems have remained trapped in a model that is no longer in harmony with the emerging risk profiles in European societies (Taylor-Gooby, 2004). The social protection systems existing in many European countries offer an extensive social protection only to citizens who are fully integrated in the labour market. Hit by the fiscal crisis of the welfare state, and as a consequence of the changes in the labour market, today this protection is granted to a smaller proportion of citizens and with less generosity than in the past. However, what is even more important is that at the same time new risk profiles are emerging for which the existing welfare state is not organized to provide an adequate response (Esping-Andersen, 1999). Therefore the welfare state requires a general rethinking of its financial and organisational architecture if new risk profiles are to be adequately protected.

While protection against risks was guaranteed in postwar society by the association between secure jobs, a stable division of roles within the nuclear family and a progressive extension of the guarantees furnished by the welfare state, today new risks are arising precisely where job insecurity, income instability, increasing fragility of family support and inertia of welfare institutions intersect.

Five principal critical problems can be identified.

The first concerns the spread of ‘integrated poverty’ (Paugam, 1997), which includes a large group of European citizens who temporarily or sporadically face a situation of relative poverty. An area of ‘transient poverty’ or ‘recurrent poverty’ (Layte and Fouarge, 2004) which affects a total of 20-25 per cent of the population in European countries (according to ECHP data), with peaks in southern Europe and in the UK and lower levels in continental Europe and Scandinavian countries. Layte and Fouarge (2004; see also Layte and Whelan, 2005) show that people affected by temporary poverty are much more than people in a condition of persistent poverty. Our data confirm the same fact (see Figure 1), indicating that cumulated poverty is less diffuse than financial fragility and income instability.

**Figure 1.** Share of families in temporary, recurrent, or permanent poverty – 1995-2001



Source: ECHP data, autor’s own elaboration

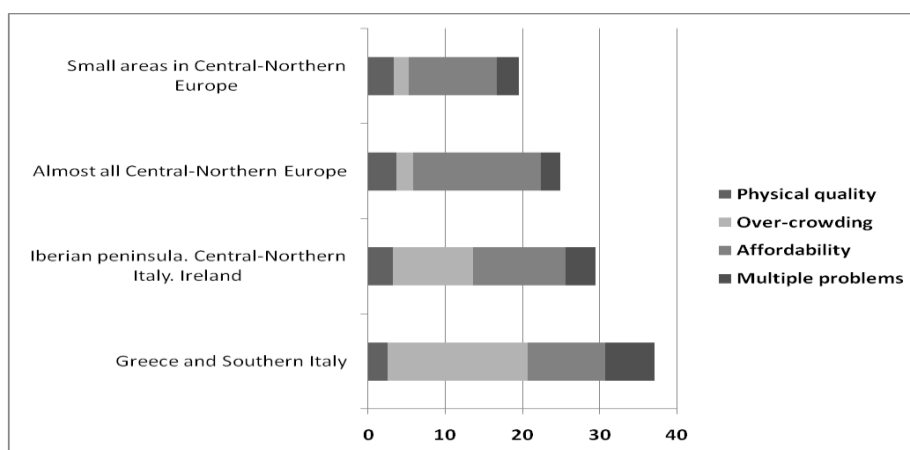
Another sign confirming the considerable expansion of economic vulnerability is the number of people in the European population who live just above the standard poverty line. According to Forster and Mira d’Ercole (2005), about six per cent of the European population have incomes which lie between 50 and 60 per cent of the median income, while 10,6 per cent are below the 50 per cent of median disposable income threshold. A data showing the relevant dimension of a population group that is not poor, but economically fragile, and that accounts for more than 50 per cent of the population that lies below the poverty line in one year.

What therefore emerges is a very broad area of income instability in Europe. Nearness to the poverty line and crossing it at times, this situation does not necessarily determine a drop into permanent poverty. Income instability indicates a condition of life characterized by strong

economic stress and by a marked reduction in the standard of living that is accompanied by an uncertain financial position. This condition of fragility increases the probability of social exclusion when negative events occur (illness, unemployment, family breakups, etc.). Moreover, it constitutes in itself a condition of difficulty which has effect on life conditions.

A second problem concerns the diffusion of housing deprivation related to affordability difficulties or housing inadequacy: situations which expose people to social instability and financial strain, which do not translate directly nor necessarily into severe hardship or homelessness. Western European countries have seen a great improvement in the housing conditions of their citizens in the last three decades. About three quarters of the Western European population owns today the house where they live. Even traditional difficulties, such as overcrowding, have been partially overcome. Quite paradoxically, however, this growth has come with increasing tensions and difficulties, mainly due to rising housing costs and changes in the housing market. The co-presence of these two phenomena - increased home-ownership and higher housing costs – has made the access to a dwelling much more difficult for some sections of the population. The paradoxical finding is therefore that in Europe (and especially in some areas of it) relative housing deprivation has grown. According to our data European people who experience at least one condition of housing deprivation are between five and eight per cent of the total, with marked geographical differences (see Figure 2). Today access to housing constitutes one of the harshest difficulties met by the youth in their transition towards adulthood, especially in metropolitan areas. The huge costs of accessing housing contribute not only to compress the living standards of households, but also to delay life-projects and depress expectations for the future.

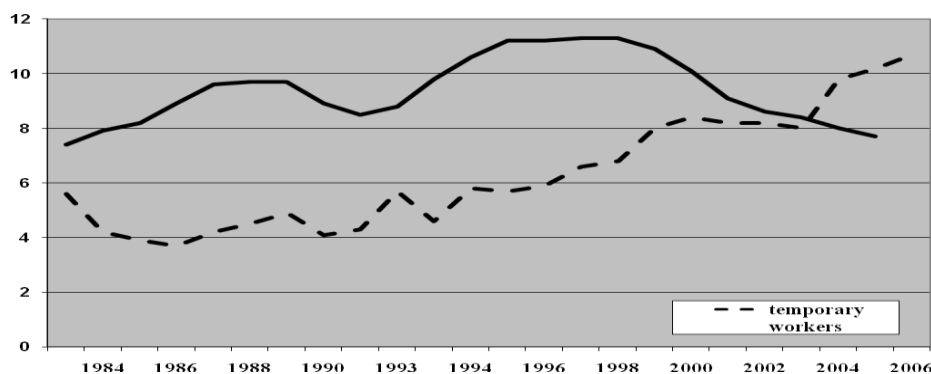
*Figure 2 Share of families dealing with housing deprivation, by geographical areas - 2001*



Source: ECHP data, autor's own elaboration

A third problem concerns the spread of jobs and careers in which work is insecure and temporary. Temporary employees over 25 years of age in the EU15 as a percentage of total workers rose from eight per cent in 1996 to 11 per cent in 2006. The current percentage for women is 12 per cent. In recent years the percentage of temporary workers has exceeded the rate of the unemployed, which has fallen from ten per cent in 1996 to seven per cent in 2006 (see Figure 3). This happened in most European countries except for continental countries in the German area and for the UK and Ireland.

*Figure 3 Share of temporary workers and unemployed workers 1983-2006 in EU15*



*Source: Eurostat statistics 2007*

The diffusion of temporary work has been considered as a factor increasing the risk of acquiring a lower wage, of becoming trapped in jobs which are constantly insecure, and of exclusion from the labour market. These risks appear to be particularly high for workers with low levels of education and few occupational skills. As a consequence of the progressive increase in the level of education of workers over the last decade, a reduction in the relative amount of temporary workers with low education (down from 39 per cent to 33 per cent between 1996 and 2005 in the EU15) has occurred. In the same period job insecurity has become more frequent both in the low-waged service industry and in highly skilled and very professionalized industries, contributing therefore to the polarization of the labour market and affecting social groups that were traditionally considered protected against the risks of temporary employment.

Temporary employment increases not only the risk of impoverishment, but also the general living conditions of workers. This situation is not only affecting the young population, but also, and increasingly, the adult population: only 34 per cent of people in insecure jobs in the EU15 are under 24, while 41 per cent are between 25 and 39 years of age. The probability that a young person under 24 years had a temporary job was 34 per cent in 1996 and over ten years it has increased by 20 per

cent to reach 41 per cent. In the population between 24 and 39 years old the growth of temporary workers was 34 per cent in ten years (from 16 to 21 per cent). A progressive shift in job insecurity beyond the phase of access to the labour market, as well as a progressive extension of job insecurity over a longer period of careers, have therefore taken place in the last decade.

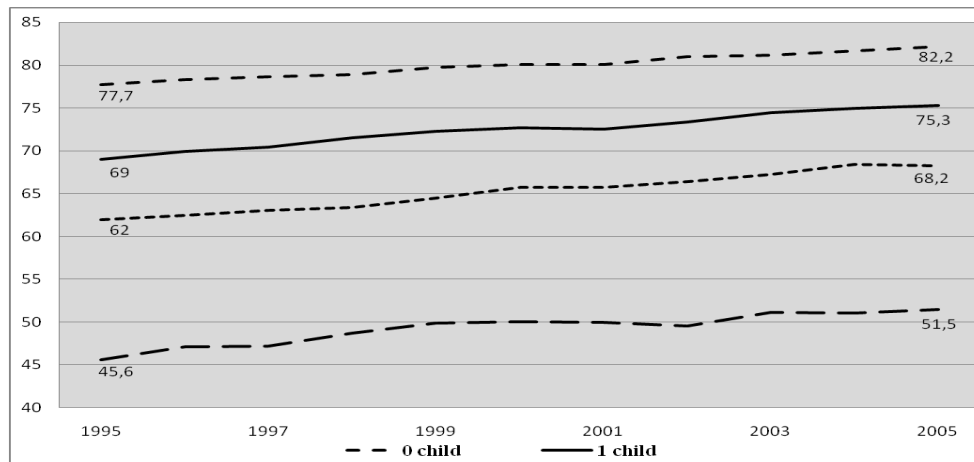
As job insecurity spreads in the population between 30 and 40 years of age, the tendency of the young generations to remain economically dependent on their family of origin and to postpone projects for autonomy also increases. Studies also show that job flexibility for women correlates negatively with fertility rates.

The fourth critical area is reconciliation of working and childcaring. The diffusion of this problem depends on the constant increase in female employment and the growing importance for families to have two earners to maintain a satisfactory income. The female activity rate has increased in EU15 countries by ten per cent over the last decade and in 2006 reached 63 per cent of the total female population in working age. The gender gap has narrowed in the same period by a third (from -23 per cent to -16 per cent). The most evident consequence of the increased female participation in the labour market is the spread of dual earner households and the parallel reduction in traditional male breadwinner households. This nevertheless triggers strong tensions around reconciling working with childcaring.

If only the period of life in which maternity and work activity most easily coincide (25-49 years) is considered, the gender gap is around 15 per cent in the EU15 (with two exceptions: it falls below ten per cent in Scandinavian countries and increases by more than 20 per cent in Southern European countries). Most of this gap (approximately two thirds according to EUROSTAT data) is determined by the parallel assumption of family responsibilities. The presence of children in preschool age (1-5 years) pushes the female activity rate down further: the activity rate falls by eight per cent in the EU15 for women with one child, by 14 per cent for women with two children and by 30 per cent for women with three or more children (see Figure 4). The higher gender gap for women with children is caused not only by mothers working less frequently, but also by relative fathers working more frequently than their peers without children. Therefore, while the female activity rate of women between 25 and 50 years old has increased continuously in recent years in all the EU15 countries (one point more for year), the gap between activity rates for women with children and women without children has narrowed only in some countries (in the UK, Spain and France, but not in Italy and Germany) and at a rate that is in any case very low (only two per cent in ten years).

Figure 4

Female activity rates for women aged 25-49 years old by number of children 1995-2005 in EU15



Source: Eurostat statistics 2007

The constant increase in female participation in the labour market is making the risk of not reconciling working and childcaring more common. It is a problem which has negative effects not only on female employment and gender inequalities on the labour market, but also on two other aspects: on the exposure of families with small children to the risk of poverty and on the increasing demographic unbalance of the European population. Problems of reconciliation are therefore to be considered in relation not exclusively to gender opportunities, but also to the diffusion of other social problems.

To consider the first aspect, according to most observers, households organized according to the traditional male breadwinner model are at the greatest risk of poverty (Forster and Mira d'Ercole, 2005). During the 1990s the spread of dual earner households seemed to be the best defence against the risk of poverty and in fact counterbalanced the tendency for economic inequalities to increase. (Forster and Mira d'Ercole, 2005). According to Esping-Andersen (2002) an increasing polarisation is in fact emerging between dual income and male breadwinner families. This risk mainly affects families in which women have a low level of education and occupational skills.

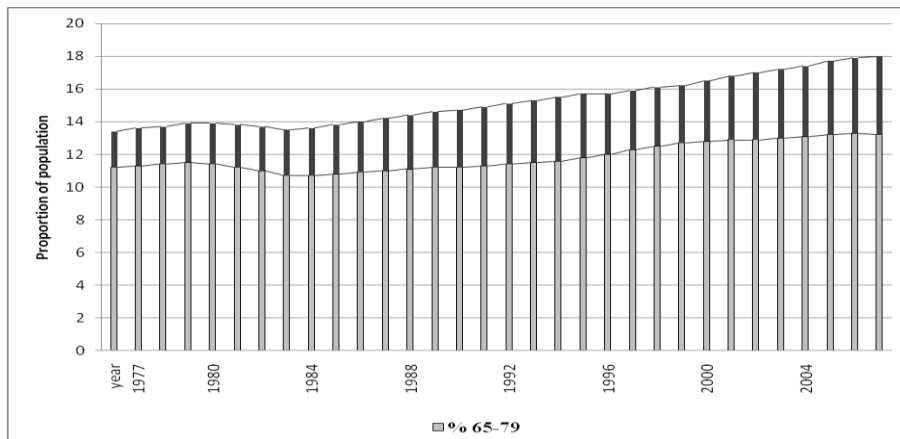
The second problem concerns the relationship between female employment and fertility rates. These two factors do in fact seem to correlate positively as a result of public measures aimed at supporting the cost of children and the diffusion of childcare services. This, together with cultural factors, explains why the correlation is actually negative for countries in Southern Europe and very low for countries in Continental Europe. A substantial aspect of the problem regards the meaning that European citizens attribute to maternity and family responsibilities. According to radical individualism, the reduction in the gender gap marks a clear tendency towards the individualisation

of social relations and of maternity. In this perspective the presence of generous childcare policies constitutes a strong support for the pursuit of individualistic strategies and for gender equality.

Various signals, however, indicate that together with the quest for greater career parity and economic autonomy by women, there remains a certain resistance to care practices. According to Lewis and Giullari, 'obligations and practices of mutual support and care continue to bind people together'. This occurs because 'care cannot be fully de-familialized or commodified because (...) it is emotional and relational, because the pressure for women to care is stronger than it is for men and is part of a gendered identity formation' (Lewis and Giullari, 2005). According to Crouch (1999), the increase in female employment has had strong impacts on families and has heaped strains on women who work. Despite these greater difficulties in reconciliation, Crouch nevertheless remarks the diffuse tendency to preserve family relations by limiting numbers of children, postponing their birth, involving kinship networks in caring and combining recourse to childcare services and maintaining family relationships. In other words, Crouch sees the reduction in the number of children per woman and the delay in the decision to have children not only as a strategy aimed at reducing the costs of mothering and at lessening stress, but also as an attempt to preserve the quality of family relationships.

The last critical area concerns the living conditions of the elderly. The most important implication concerns the increase in the number of dependent persons who require long term care assistance. Dependency is destined in future to become more common as a result of life expectancy becoming progressively longer. Furthermore it will be concentrated increasingly in the population over 80 years. There were approximately 17 million persons over this age in the EU15 population in 2007 accounting for 4.5 per cent of the population. The absolute quantity is nevertheless destined to increase rapidly, partly as a result of the entrance of more numerous cohorts in this age. While the overall population will remain stable, the population over 80 years is destined to increase by about three per cent per year, doubling in approximately 30 years, accounting for seven per cent of the total population in 2025 (see Figure 5). Even if the percentage of dependency will be lower than at present, it is calculated that the dependent population will in any case increase exponentially in the next decades (Jacobzone, 1999). The family constitutes the primary care resource for dependent persons in all European countries. Oesterle (2001) estimates that informal care covers around three quarters of total care for the disabled in western European countries: it is a percentage which attributes a very secondary role to public protection. In addition to the disparities between poor and rich determined by the residual nature of the public provision of long-term-care, new problems are emerging because of a progressive reduction in the informal care provided by families.

Figure 5 Proportion of people aged 65-79 years and aged 80 years and more, 1977-2008 in EU15



Source: Eurostat statistics 2007

The reasons of this fact are various. Firstly, the transformations in the forms of households, connected with the growing individualisation of social life, help to increase the demand for care which cannot be satisfied by members of the same household: the numbers of elderly living alone are in fact increasing in all European countries, while the numbers of the elderly living with their children are decreasing. For example 55 per cent of persons over 80 years live alone in the UK, 60 per cent in Germany and 42 per cent in Italy. All countries show an increase in the elderly living alone.

This is set against a progressive decrease in the potential for support from kinship networks. This is determined primarily by the worsening of the old age dependency ratio (the statistic currently varies between 25 and 28 per cent depending on the country) as a consequence of the reduction in the effect of the generation turnover. The rise of the elderly in a situation where the adult population remains stable has therefore the effect of increasing the caring load on families. Furthermore, the progressive reduction in the number of children per woman (which fell from 2.4 children for women born in the 1930s to 1.8 children for women born in the 1960s) is reducing the availability of family caregivers. Europe is destined to become the area of the world where the potential for support from kinship networks is most reduced.

A second factor which is weakening the caregiving capacity of informal networks is the increase in female participation in the labour market in context where no significant advances have taken place in public homecare services. The effects of higher female employment on informal care for the elderly are not clear. According to a report on caregiving in six European countries (Lamura et al., 2003) the increase in female employment rates is not significantly reducing caregiving activity when this is for a few hours per week, while it has an appreciable effect on caregiving to persons who require continuous assistance, making home care or institutionalisation necessary. Generally, while there is uncertainty

over the decline in the number of informal caregivers, it is likely that the total time spent on caregiving is decreasing.

## **2. From risk to vulnerability**

In industrial societies it was recognized that conditions like unemployment or illness did not depend on individual responsibility, but on factors beyond the control of the individual with important negative consequences for the whole society. Since the fundamental element of protection was provided by work, the events which for various reasons prevented a person from working - sickness, accident, unemployment and old age - assumed the status of a 'social risk' and involved recognition of the right to public protection. Because these negative events and their frequency were clearly identifiable, they could be analysed, predicted and protected through insurance mechanisms. In the most recent decades the changes previously mentioned caused the progressive appearance of 'new social risks'. According to Taylor-Gooby (2004), these risks are new in two senses: on the one hand they are spreading progressively, even if they were already present in industrial societies, while on the other hand it was not until recent years that their social, rather than their individual dimension, has been recognized. However, the characteristics of these new risks are actually so different from the 'old social risks' that they require a redefinition of the notion of social risk itself if they are to be properly recognized.

We can identify three main peculiarities of new social risks in respect of old social risks.

1. First, new social risks concern a broad spectrum of negative outcomes which cannot be reduced to the loss of a job and a wage. While old social risks are mostly related to income problems, new social risks affect more complex aspects such as housing conditions, solitude and isolation, the integrity of relations between generations and the reorganisation of families around caregiving activities. Even new risks arising on the labour market, such as job insecurity, affect more complex aspects than income, such as the possibility to make investments in training and careers, co-operation between family members with different positions on the labour market and the support provided by previous generations to the next ones. New social risks are primarily related to the difficulty of finding a stable position in the labour market and/or assuming caregiving responsibilities in the initial phases of family life. It is precisely their positioning in the gap between labour market, family and welfare system, which makes public recognition of new social risks very difficult (Taylor Gooby, 2004). They concern areas of social life that have long been considered as a private sphere. It is only in the more individualized countries of Northern Europe that the problems

connected with caregiving responsibilities have been considered and treated as ‘social risks’, while they have been heavily underrepresented in social policy in other European countries.

2. In post-industrial societies individuals participate in the distribution of resources through a number of different channels. A very high percentage of the income of individuals comes from participation in the distribution of public resources. As the material conditions of people today depend on a number of different social mechanisms, then there are a number of different possible negative outcomes which are difficult to correlate with specific causes. This explains why the social impact of risk factors can differ considerably. Since people participate simultaneously in a number of different resource distribution systems, compensatory mechanisms often come into play making it possible to rely on a large range of resources when a difficulty arises. Social situations in which a number of negative outcomes accumulate are very limited, as is shown by the statistics already reported on the diffusion of poverty in Europe, while situations in which both negative outcomes and compensatory mechanisms are joined are much more common.

As a consequence of this fact, new social risks basically arise from the difficulty in co-ordinating the different mechanisms of resource distribution. Multiple participation in a plurality of resource distribution systems creates problems of co-ordination among systems that follow very different logic and regulation. In a system characterized by the participation of individuals in a number of different resource distribution mechanisms, negative outcomes do not depend only on specific risk factors, but also on the functioning of a plurality of the resource distribution mechanisms and the capacity of individuals to organize and manage complex situations.

Risk analysis has introduced the concept of *vulnerability* to explain how the effect of the same risk factor can be different for equally exposed individuals. According to Vatsa (2004), vulnerability explains the distribution of a negative outcome on a population in relation not to the cause (the risk factor) which determined it, but to the greater or lesser exposure of the population to suffer the consequences of this cause. In other words, vulnerability identifies a situation that is characterized by a state of weakness which exposes a person (or a family) to suffer particularly negative or damaging consequences if a problematic situation arises. Vulnerability does not necessarily identify trajectories of impoverishment or social exclusion, but rather a high degree of exposure to serious damage: dependent persons may suffer severe impoverishment if they are alone or have no access to care services; temporary workers may suffer serious damage if they become sick; a temporarily poor family may fall

into a condition of permanent poverty if a member of the family loses him/her job, or if a child is born which obliges the woman to stop working.

3. New social risks present a third characteristic. It is instability the peculiar trait in the critical situations we have identified. Consider the examples of temporary workers, people hit by chronic invalidity, families floating above and below the poverty line. They are situations characterized by few social guarantees, by instability in the fundamental mechanisms for acquiring resources and by the fragility of social and family relations. What they have in common is that *their position within the main systems of social integration* (work, family, the welfare system) *is characterized by uncertainty*. It is from the instability of the social position occupied that the notion of vulnerability draws its relevance. Exposure to the risk of serious negative outcomes depends not only on class position, but also on a broad set of situations where a person fluctuates in the social structure (Castel 1995). Fluctuation occurs in various ways: horizontal mobility between different jobs, flexibility in work and family roles, uncertainty over the position occupied, absence of welfare guarantees, difficulty in reconciling and co-ordinating different roles and responsibilities. While on the one hand the fluctuation opens up the possibility for many individuals of ‘building their own biography’ (Beck, 1992), on the other hand it contributes to social instability and difficulties in being independent.

To summarize, the notion of social vulnerability not only identifies specific risk profiles, but also the peculiarity of such risks. The spread of new social risks is therefore bringing out the importance of social vulnerability. This is characterized by *an uncertain access to fundamental material resources* (a wage, welfare benefits) *and/or by the fragility of the family and community social networks*. It is characterized not only by a resources deficit, but also by an exposure to social disorganization which reaches such a critical level to put the stability of everyday life in danger. It takes the form of a life situation in which autonomy and the capacity of individuals and families for self determination are threatened by the introduction of uncertainty into the main systems of social integration. The instability of the social position attained does in fact translate into a reduction of opportunities in life and of possibilities to choose. It is characterized not so much by the scarcity of resources *tout court*, as by the instability of the mechanisms used to obtain them.

### **3. The dimensions of social vulnerability in Western Europe**

Our data show that the European population is marked by a wide range of vulnerability factors. Only in extreme situations are these factors sufficiently strong to produce a situation of social exclusion or severe material deprivation. One specific risk, in fact, may be balanced by a good position along the other dimensions of social vulnerability. It is therefore not only the severity of the risk itself, but also the cumulation or combination of several risks, which determines the degree of social vulnerability. Hence social vulnerability takes the form of a situation characterized by serious deficits on one or more dimensions of social risk.

What are the relations among the various social risks? To what extent do they cumulate or compensate for each other? The analysis that follows highlights a perhaps unexpected finding: there are scant overlaps among the different dimensions of vulnerability considered.

A synthetic index of vulnerability was considered by assembling the numerous dimensions of social vulnerability<sup>2</sup> (see Table 1).

*Table 1 Multidimensional index of social vulnerability*

	Households	Individuals
Non- vulnerable	52.1	49.4
Income vulnerability	8.7	7.0
Work vulnerability	8.1	9.4
Housing vulnerability	5.1	6.9
Dependence with severe material compression	2.7	2.6
No reconciliation of work and childcare	2.9	3.2
low multi-vulnerability <sup>i</sup>	8.8	11.0
high multi-vulnerability <sup>ii</sup>	3.5	4.0
severe hardship <sup>iii</sup>	8	6.4
Total	100	100.0

*Source: ECHP data, autor's own elaboration*

*Notes:*

<sup>2</sup> This index was calculated by following two different procedures. A cumulative procedure was used to consider the different degrees of vulnerability on each item and thus construct a multidimensional cumulative index. In order to show how the different dimensions interweave and balance each other out a categorical index was built which analysed the extent to which the different dimensions of vulnerability combine with each other. Combining the two criteria identified – the cumulation and combination of the different dimensions of vulnerability – yields a multidimensional index which identifies the dimensions of social vulnerability.

- i. *This category comprises situations with more than one element of vulnerability but an overall score no higher than three.*
- ii. *This category comprises situations with more than one element of vulnerability but an overall score no higher than three.*
- iii. *This category comprises situations characterized by one or more element of vulnerability scored three points.*

The following three areas of vulnerability with very different characteristics emerge from Table 1.

1. The first area is characterized by *moderate vulnerability*, that is the presence of households that are vulnerable on only one dimension and compensate their exposure to a single risk with other more favourable factors. 28 per cent of households are in this situation. This slight form of vulnerability is distributed across all the dimensions of vulnerability considered.
2. The second area – *horizontal multi-vulnerability* – is characterized by the presence of interweavings among several risk factors, but without a marked cumulation of disadvantages. The households in this area are exposed to two or more risk factors, but without this giving rise to severe deprivation. The area therefore identifies a situation of social vulnerability which derives from a very wide range of dimensions. This area comprises 12.3 per cent of European households.
3. The third area – *severe hardship* – is characterized by the presence of one or more very high risk factors: all members of the household are unemployed workers, chronic poverty for at least four years in a five years time-span, severely substandard housing, high care needs in the households creating a deep material compression, no conciliation between working and childcaring as one of the parents looks after her/his child/children and is looking for work at the same time. The presence of one or more of these factors heavily penalize the household's standard of living. Eight per cent of households are included in this group.

It therefore emerges from this analysis that around half (52 per cent) of European households are not affected by any risk factor and can therefore be considered as 'non-vulnerable', whilst households which exceed a threshold of serious vulnerability – characterized by the presence of at least one severe hardship condition – represent eight per cent of the total. Between these two extremes lie 40 per cent of households, which are exposed (with different intensity and extension) to one or more of the risk factors considered. *Around half of European households, therefore, are not affected by any of the social risks considered.* All the other households experience difficulties, but they assume the character of severe deprivation for only one household in every eight cases. Vulnerability is therefore distributed across a very broad population. Only in a small number of

cases is there a cumulative effect which pushes a minority of this vulnerable population into a situation of severe hardship.

The area of social vulnerability is therefore mainly characterized by certain risk factors which are balanced by other aspects of material life which are not problematic. It thus identifies life-situations characterized by uncertainty that are unlikely to degenerate into hardship, but which instead appear to be constantly liable to deteriorate. A broad array of problems emerge in this area: a inadequate flow of income, sometimes recurrent; overcrowded or substandard housing conditions; precarious employment or unemployment of one person; difficulty of reconciling work and childcare; presence of a dependent person requiring constant care in a family with high compression of consumption. Vulnerable households and individuals seek to achieve an often precarious balance among these interweaving difficulties.

Thus delineated is a social area that coincides neither with households with normal living standards nor with households overloaded with deficits. It is a social area which more than the others is structurally affected by the economic cycle, by trends in the housing market and changes in welfare policies, and which presents weaknesses that, in adverse situations, may generate more severe hardships. Economic and financial crisis may in fact have a strong impact on this population, worsening the material conditions of these households, weakening their capacity to deal with difficult situations, and exposing them to a higher risk of poverty and social exclusion. But even in ordinary situations moderate exposure to social vulnerability generates insecurity as consequence of the uncertain access to crucial resources (employment, income, housing) or difficulties in combining resources (care responsibility with material sustainability): a weakened social integration that constitutes a problematic situation in itself and not only a factor responsible for a possible deteriorated social position.

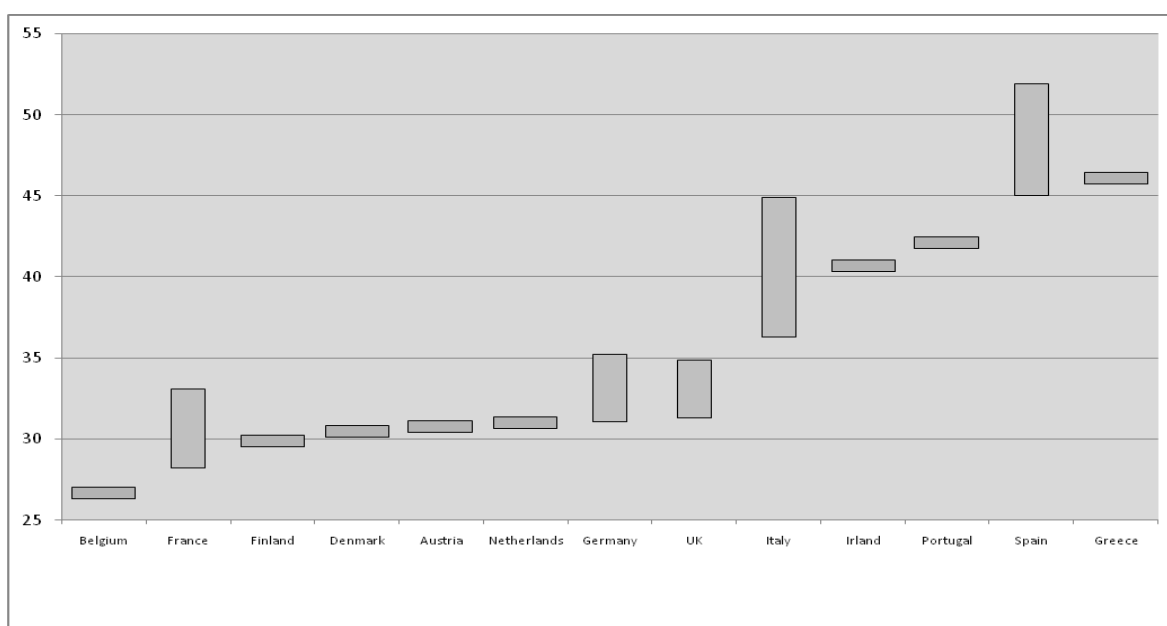
Below the area of social vulnerability lies a further area in which the negative outcomes of the fragilization process are apparent. Here the various vectors of vulnerability converge and most of times accumulate. And here social distress assumes its most evident guise of material deprivation affecting and constraining the entire management of material life: not only the family budget, but also housing and work strategies, and care for the most fragile subjects. If on the one hand this area is the possible (though unlikely) outcome for all households affected by social vulnerability, on the other it is a threshold below which a qualitative shift takes place: materially vulnerable households

become entirely bereft of material resources, and the cumulation of disadvantages or the severity of the deficit are their distinctive and often irreducible feature.

Significant macro-area differences repeatedly emerged during the analysis. This is an aspect almost taken for granted in a continent historically marked by different historical and social milieus. Vulnerability does not significantly overcome the 35 per cent threshold in Belgium, Denmark and Finland, as well as the metropolitan area of Paris. It exceeds 40 per cent in Portugal, Greece, Southern Italy, and Spain. Around 30 per cent of the overall vulnerable population in Western Europe resides in the macro-areas of Southern Europe, excluding Northwest and Central-Eastern Italy, and central-eastern Spain. Also concentrated in Southern Europe is 39 per cent of the population with severe vulnerability.

As shown by Figure 6, the variability of vulnerability levels is significantly greater in Spain and Italy. This last country comprises both macro-areas belonging to the area where vulnerability is most widespread, and some of the European macro-areas in which vulnerability is close to the continent average. In France and the UK, the metropolitan areas of Paris and London exhibit lower levels of vulnerability than in the rest of the country, whilst in Germany the area of greatest vulnerability is East Germany. Overall, these findings confirm that comparative analysis should use distinctions subtler than the one based on national differences alone.

*Figure 6 Share of vulnerable population in 13 European countries, by macro-areas*



*Source: ECHP data, autor's own elaboration*

Three salient findings emerge from the analysis.

Firstly, there is a central European area characterized by high standards of well-being and social security and which comprises the Scandinavian countries and the Northern area of continental Europe, as well as the metropolitan regions of Paris and London. This area concentrates not only the greatest well-being but also the highest degree of protection against new social risks.

Secondly, this analysis confirms the existence of a marked dualism between Northern and Southern Europe. The analysis shows that social distress in these areas does not exclusively, nor even principally, concern the risk of poverty but rather a stronger interweaving among exposure to poverty, housing risk, and precarious employment. By contrast, the richest area of Europe has very low indexes of vulnerability: they comprise fully two thirds of the population that is free from any sort of vulnerability.

Finally, the diffusion of social vulnerability does not reproduce the standard taxonomy of three or four welfare regimes in Western Europe. There are several incongruities. In Northern Europe, an area of substantial freedom from the new social risks cuts across the traditional distinctions among welfare systems. This includes not only Scandinavian countries but also a broad Northern area that extends from the great metropolitan areas of Paris and London to the small countries facing onto the North Sea: Belgium, the Netherlands and Denmark. And it includes also Germany and Austria. What groups these areas together is more their level of wellbeing and socio-economic development than the kind of welfare regimes. In Southern Europe some macro-areas – notably North-West and Centre-East Italy – are closer to the centre of Europe than to other Southern areas. Moreover, not surprisingly Spain and Italy show huge macro-regional disparities in the exposure of population to social risks. If the North-South divide is still relevant in Western Europe, more specific divisions cut across these two parts of the continent, driving towards a strong regional differentiation in the living conditions of the population.

#### **4. Factors of vulnerability**

Social vulnerability is not equally distributed in Western European countries. Can we identify what factors shape this uneven distribution? If social vulnerability is a relatively new phenomenon, is its unequal distribution coherent with more traditional forms of social inequality? Is social class a good predictor of social vulnerability? To what extent and how does the welfare state successfully reduce the impact of the new social risks on the most vulnerable groups in the population? What welfare regimes seem to perform better in protecting the population against social vulnerability?

Five types of factors was considered in order to evaluate the factors connected with vulnerability levels:

1. household type
2. occupational status
3. education level
4. GDP per capita at the macro-regional level
5. welfare-state provision and coverage at the macro-regional level.

The last indicator was introduced to consider the role played by welfare policies in contrasting social vulnerability. The spread of the new social risks (Taylor Gooby, 2004) in the past decade has required the devising of new welfare programmes, or the reinforcement of previous ones, in order to protect the population against the negative impacts of those risks. Little account is taken of these programmes in the indexes most commonly used to compare national welfare regimes. Moreover, the literature on these aspects has concentrated on the national level in conducting international comparisons, so that there are no indexes created to make inter-regional comparisons.

For these reasons, a new index based on a dataset consisting of 28 macro-regions was developed considering a number of welfare policy indicators<sup>3</sup>. In order to understand whether there were one or more latent policy dimensions, which frame all the policy measures here considered in the same institutional setting, a principal components analysis was performed on these variables. The PCA showed that none of these policy instruments can be framed in just one single index: there are two components with eigenvalues higher than one. The first of them, called the ‘new social risks protection index’ (IPNSR), explained around 44 per cent of the total variance and it mainly measured social services coverage (child and elderly care), social housing provision, allowances related to poverty, housing, education, and the level of protection of unstable workers. The second index, called the ‘traditional risks protection index’ (IPS), explained around 25 per cent of the total variance and was more closely related to the level of protection provided by industrial welfare-state institutions such as pensions schemes, unemployment benefit, and stable workers’ protection. This result seems to confirm that the level of social programs aimed at reducing the new social risks is not correlated with the level of the more traditional welfare programs aimed at reducing risks closely related to the loss of stable employment. Not only is there a clear division between old and new programs, but also full independence among the levels of such programs (although the

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<sup>3</sup> The following indicators were considered: level of child care coverage; level of elderly care coverage; level of protection for stable workers (OECD index); level of protection for unstable workers (OECD index); level of coverage of potentially poor households; effective parental leave; level of coverage for the unemployed; level of support for household education activities; percentage of households with children receiving family benefits; percentage of households in rented dwellings that receive housing allowances; percentage of households in social housing among those in rented dwellings; old age pension net replacement rate weighted for levels of coverage.

institutional setting of such measures is organized in accordance with the previous, well-established welfare programs, as many analyses have pointed out). Throughout Western Europe, old and new social risks receive public responses that are not interdependent in their frequency and intensity.

The aim of the analysis was to identify the main social and political factors contributing to the diffusion of social vulnerability in Western European countries. A multilevel regression model was estimated by considering two analytical levels: the role of family factors (position in the class structure, level of education in the household, household organization) and the role of macro-regional factors (welfare policy, level of socio-economic development) (see table 2).

The first empirical result of the multilevel regression analysis is that all the variables introduced in the model contribute to explaining social vulnerability. The variables at the household level are all significant in explaining vulnerability. The results show that the transformations which have taken place in the household organization over the past twenty years have changed the exposure of families to social vulnerability. Household organizations that used to be adequately protected by traditional welfare states are today among those most likely to be vulnerable. Generally speaking, the occurrence of two incomes in the same household is the strongest protective factor against social vulnerability: households consisting of two adult workers or two pensioners are adequately protected against social risks, while households with only one income (except singles) are the most exposed.

The presence of children in one-income households exacerbates these conditions: one-income families with dependent children are therefore likely to become vulnerable. For many decades this family organization has been typical in many continental countries (especially the Mediterranean and German-speaking ones). According to Crouch (1999), in the second half of the last century the stability of Western European societies was built on gender segregation within families and a clear separation between domestic work and employment in the labour market. The growth in female employment throughout all Western Europe in recent decades has enormously altered this situation, although female segregation has not been abolished, but rather shifted from family organization to the labour market (where women have lower wages and less stable jobs than men). Our data show that the transition from the classic male breadwinner family model to new dual-income based family models has significantly increased the protection of the population against the new social risks, while the persistence of the traditional male breadwinner model generates greater exposure to social vulnerability. It is therefore *the pooling capacity of families* that has preserved women from incurring disadvantages and risks due to the higher incidence of temporary or low-paid jobs in the

female labour force. And it is the capacity of families to reconcile work and childcare that enables them to acquire a stable position in society. By contrast, social vulnerability is greater in families where a work/childcare balance is not achieved and a gendered division persists between domestic work and employment in the labour market.

Together with household structure, a second important variable in relation to vulnerability is the position of individuals in the social class structure. Firstly, social class matters. Inspection of model two in Table 2, when only the household type and the profession are introduced, shows that, if the upper service class is used as a reference group, some sort of differentiation takes place in terms of social vulnerability: on the one hand the middle class made up by employees seems to be exposed to vulnerability no differently from the upper service class; on the other, the two different types of working class (skilled and unskilled) and the petite bourgeoisie share a higher exposure to vulnerability. Therefore, whether skilled or unskilled, the working class occupies, in relative terms, a more vulnerable position in comparison with the service classes. Another interesting finding is the relatively higher exposure of the petite bourgeoisie to social vulnerability compared with the rest of the middle class, which indicates that at least one section of this class experiences social difficulties.

If we introduce a third variable – the mean household education level – into the regression model, the role of social class persists, but with a slight yet significant change. The differentiation among classes becomes a polarization between the working class and the service class, with the petite bourgeoisie becoming a group not significantly more vulnerable than the service class. The petite bourgeoisie seems more vulnerable, not because of its position in the labour market, but because of the average lower level of cultural capital of workers belonging to this group. Hence not only the social class but also the cultural capital of households plays an important and independent role in differentiating exposure to social vulnerability. At the second level of our analysis, macro-regional differences are considered as factors in social vulnerability. Two factors have been introduced into the casual model: welfare policies and regional GDP per capita. Territorial variables have greater explanatory capacity than household-level variables as the variance analysis has shown. 38 per cent of total variance is explained by regional GDP per capita and eight per cent by welfare policies. As a result, regional differences in Western Europe seem to be of great importance for the life chances of the population, and they are possibly more crucial than factors related to work or family conditions. Social vulnerability is therefore better understood by looking at a map of the macro-regions of Europe than by looking at the individual or family-related characteristics of the population.

Two variables have been considered in our model in order to control the effect of macro-regional differentiation: the impact of welfare policies on social risks (this variable has been split between policies addressing the new social risks and more traditional policies tackling old social risks) and the level of regional GDP per capita. To date, a model of interpretation based on the concept of welfare regimes has been mostly adopted in international comparative research. In opposition to this tradition, our causal model shows the importance of socio-economic structure variables in determining social vulnerability with respect to policy variables. Moreover, the influence of GDP per capita is only slightly reduced when the effect of welfare policy is introduced into the model. This result supports the contention that underlying structural characteristics of macro-regions affect the diffusion of social risks throughout Western Europe much more than welfare policy does. GDP per capita measures the degree of socio-economic development in a specific area as shown by the average level of well-being in the population. In Europe, there are huge differences in living standards among macro-regional areas. The impact of welfare policies slightly reduces this regional diversity, but it seems unable to generate a real process of convergence in the EU.

Arguing that territorial structural characteristics account for differences in social vulnerability distribution more than welfare state provision does not mean, of course, that the latter has no role in exposure to social vulnerability. The data illustrated in model five of Table 2 show that the differences in social policy provision across Western Europe help explain, independently of other variables, why some households are more vulnerable than others. Two different indicators of welfare state protection were introduced in the model: one more related to traditional risks coverage (pensions replacement rate, unemployment benefits, regular work protection) and another more related to the 'new' social risks (care programs, housing benefits, maternal leaves, income minimum benefits). The regression analysis presented in Table 2 indicates that both types of welfare coverage have significant impacts on the relative diffusion of social vulnerability, but especially the latter.

## **5. The role of social policies**

The onset of social vulnerability is moving onto the agendas of social policy-makers, who are developing new social programmes to furnish more targeted protection against new social risks. The development of these programmes often comes about in continuity with the traditional intervention models, and along institutional paths already established. The level of generosity of the existing intervention models notably influence the coverage and the amount of the new programmes, not

only because the allocation of the public financial resources is closely constrained by the existing arrangements, but also because traditional programmes are partly addressed to protect from these new social risks. However, the analyses in this paper have highlighted the peculiarity of new programmes that are often intended to meet needs under-protected by traditional programmes. The European Union is called upon to perform a leading role in this area of innovation. Indeed, our research has shown that the strong national and regional characterization of these policies is at odds with enormous territorial differences. The geographical distribution of social vulnerability is in fact markedly imbalanced along lines which do not correspond to national borders, and even less to the boundaries of the different welfare regimes identified by comparative analysis. It is in fact the degree of socio-economic development of macro-area, even more than the policies adopted at both national and regional level, which influences the extent to which the population is exposed to vulnerability. The place where people live matters more than social class. Public policies only slightly attenuate this severe territorial inequality, which originates from unequal patterns of development. The question arising from this research therefore concerns the future role of the European Union. To what extent can a strategy of welfare recalibration (Ferrera and Hemerijck, 2003) take account of the severe territorial disparities in Western Europe? The future challenge for the EU is its capacity to give its citizen more equitable life-opportunities independently from economic, social and even territorial backgrounds. The fight against social vulnerability can be considered either a problem or an opportunity. In the former case, it points up historical shortcomings in the development of national welfare systems; in the latter, it indicates that there is space for innovating and recalibrating these systems on the basis of a European agenda. The close attention paid to regional differences in this paper emphasises that the supranational role of European Union policies should be relaunched.

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Table 2 Determinants of vulnerability in 27 regions; random intercept model (N=40.648)

	M <sub>0</sub>		M <sub>1</sub>		M <sub>2</sub>		M <sub>3</sub>		M <sub>4</sub>		M <sub>5</sub>	
	Coef.	S.E	Coef.	S.E	Coef.	S.E	Coef.	S.E	Coef.	S.E	Coef.	S.E
Intercept	<b>-0.268</b>	0.092	<b>-0.707</b>	0.104	<b>-1.062</b>	0.094	<b>-0.768</b>	0.079	<b>-0.802</b>	0.080	<b>-0.809</b>	0,084
<b>Household type</b>												
<i>Ref.: couple two work incomes</i>												
Single welfare income			<b>0.400</b>	0.113	0.178	0.147	0.137	0.145	0.156	0.154	0.157	0,157
Single work income			0.134	0.082	<b>0.144</b>	0.069	0.123	0.067	0.132	0.071	0.132	0,072
Couple welfare incomes			-0.148	0.101	-0.194	0.104	<b>-0.224</b>	0.100	<b>-0.226</b>	0.108	-0.228	0,110
Couple one income			<b>0.417</b>	0.096	<b>0.336</b>	0.091	<b>0.294</b>	0.082	<b>0.301</b>	0.093	<b>0.301</b>	0,094
Couple with children <25 one work income			<b>1.635</b>	0.092	<b>1.637</b>	0.101	<b>1.593</b>	0.101	<b>1.659</b>	0.116	<b>1.665</b>	0,116
Couple with children <25 two work incomes			<b>0.407</b>	0.085	<b>0.397</b>	0.086	<b>0.400</b>	0.086	<b>0.424</b>	0.094	<b>0.424</b>	0,095
One Parent with children < 25			<b>1.136</b>	0.120	<b>1.039</b>	0.128	<b>0.995</b>	0.130	<b>1.031</b>	0.136	<b>1.034</b>	0,137
Couple with children >25 two work incomes			<b>0.436</b>	0.069	<b>0.387</b>	0.070	<b>0.380</b>	0.068	<b>0.386</b>	0.071	<b>0.385</b>	0,071
One parent with children > 25			<b>0.401</b>	0.096	<b>0.342</b>	0.094	<b>0.298</b>	0.094	<b>0.313</b>	0.103	<b>0.311</b>	0,101
<b>Profession</b>												
<i>Ref.: Higher grade professionals, administrators, managers and large proprietors</i>												
Lower grade professionals,administrators, managers and routine non-manual employees					0.118	0.089	-0.086	0.069	-0.094	0.072	-0.093	0,073
Skilled workers and farmers					<b>0.608</b>	0.151	<b>0.285</b>	0.105	<b>0.291</b>	0.108	<b>0.294</b>	0,109
Low skilled workers					<b>0.658</b>	0.142	<b>0.312</b>	0.100	<b>0.313</b>	0.103	<b>0.317</b>	0,104
Petite bourgeoisie					<b>0.422</b>	0.129	0.157	0.121	0.155	0.128	0.157	0,129
<b>Mean household education level (Normalized)</b>							<b>-0.235</b>	0.035	<b>-0.248</b>	0.039	<b>-0.247</b>	0,039
<b>GPD per capita (Normalized)</b>									<b>-0.379</b>	0.086	<b>-0.290</b>	0,088
<b>IPNSR (Normalized)</b>											<b>-0.158</b>	0,055
<b>IPS (Normalized)</b>											<b>-0.084</b>	0,041
Variance												
Random intercept variance ( $\sigma_{\mu_0}^2$ )	<b>0,217</b>	0.061	<b>0.190</b>	0.052	<b>0.173</b>	0.050	<b>0.162</b>	0.047	<b>0.079</b>	0.017	<b>0.061</b>	0.014
% of variance reduction between regions			<b>12.4</b>		<b>20.3</b>		<b>25.3</b>		<b>63.6</b>		<b>71.9</b>	