

Minimum Income Protection Systems and Public Opinion on State Responsibility for the Poor in Europe

Word count (including footnotes, tables and references): 7903

Michaela Pfeifer
Mannheimer Zentrum für Europäische Sozialforschung
Universität Mannheim
A5, 6
D-68159 Mannheim
Tel.: 0621 181 2857
Fax: 0621 181 2803
michaela.pfeifer@mzes.uni-mannheim.de

preliminary version; please do not quote without permission!

Paper presented at the EQUALSOC Midterm Conference, WZB, Berlin, April 10-12, 2008
Also contributed to the Equalsoc/Traleg workshop “Welfare State Institutions and Welfare State Outcomes”, MZES, University of Mannheim, March 6-8, 2008

1 Introduction

Somewhat more than ten years ago, comparative welfare state research and research on welfare attitudes have led quite “separate lives”. Since then they have become “uneasy bedfellows” and – inspired by Esping-Andersen’s “Three Worlds of Welfare Capitalism” (1990) – research has tried to confirm a closer link between welfare regimes and attitudes towards the welfare state (see for example Svallfors 1997, 2003; Andreß and Heien 2001; Arts and Gelissen 2002; Blekesaune and Quadagno 2003; Linos and West 2003; Meier Jaeger 2006). So far, however, results have remained inconclusive. Due to results that fail to provide non-ambiguous answers on the question whether welfare state regimes are mirrored in attitudes towards the welfare state, some authors suggested to abandon this line of research. Other critics, however, attribute the comparatively poor evidence of a strong interrelation between welfare regimes and citizens’ perceptions to inconsistent dependent variables, poor selection of countries, too few cases, doubtful use of sophisticated statistical methods and a static understanding of the welfare regime concept (Svallfors 2003; Meier Jaeger 2006).

This paper is in line with the latter line of reasoning: The concept of welfare regimes has generally been used in a comprehensive sense, treating countries as representatives of certain (ideal-) types and deducing hypotheses on attitudes from the specific set-up of the particular welfare regime. It seems, though, that single branches of the welfare state may follow their own logic according to the social risk they cover and therefore inspire specific attitudes that may not be in line with the perception of the overall welfare regime. Esping-Andersen’s statement (1990) that welfare states always present a system mix has therefore to be taken seriously, and we also have to take into account that certain social policy branches may have developed in different directions (Kasza 2002; Bambra 2004; Bannink and Hoogenboom 2007; for first analyses of attitudes towards particular branches of the welfare state, see e.g. Gelissen 2002; Larsen 2006).

In the following, this problem is tackled by looking at specific attitudes towards state responsibility for the poor and relating these to the institutional set-up of minimum income protection (MIP) systems. In the second part, theoretical expectations regarding the relation between institutional set-up of protection schemes against poverty and attitudes towards extensive state responsibility will be discussed and hypotheses will be formed (section 2). Next, information on data and the construction of the dependent variable is provided (section 3). The fourth section presents the results of empirical analyses of attitudinal data, both at

aggregate and individual level. Finally, results will be discussed and conclusions drawn (section 5).

2 Welfare state institutions and minimum income protection

From the perspective of institutional theory, the welfare state is to be seen as a reaction to cope with the "social question" that posed itself in the wake of industrialization and mass labour market participation. The institutionalization of social protection schemes was first and foremost targeted at situations when individuals and their families could not generate a sufficient (labour market) income for reasons like illness and old age with the effect of ameliorating the worker-owner cleavage (Rokkan and Lipset 1967). The declining conflict between capital and labour contributed to a consensus on the welfare state that Dahrendorf (1979) has named a "social democratic consensus".

Despite rather stable levels of public support of the welfare state across industrialized countries from the 1950s onwards (see for example Coughlin 1979; Svallfors 2003), recent challenges such as globalization, demographic change and unstable economic growth have been undermining the legitimacy and perceived feasibility of the welfare state, leading to increasing retrenchment of social security programs (Pierson 2001). Since reform processes in particular social policy fields took different directions (e.g. higher levels of conditionality in unemployment schemes; more non-means-tested public support for families), and modes of co-ordination have been introduced that used to be unfamiliar to the respective field of social policy (e.g. market principles in public health systems; see Rothgang et al. 2005), the complexity of social security systems has continuously been increasing. Today, it is therefore more difficult for individuals to judge whether social security systems will deliver or not – instead citizens have to trust both the state and their fellow citizens that the "promise of social security" in the case of unemployment, sickness, old age, or poverty will be kept. The underlying institutional design can either facilitate or erode this most important resource of "trust" (Rothstein 2001; Wendt 2008).

Comparative welfare state research has established hypotheses on levels of trust and public support for redistribution that can be expected to evolve in certain institutional settings. Accordingly, universal welfare states create broad support and high levels of trust whereas more selective welfare states highlight unequal positions of socio-economic groups with regard to institutionalized redistribution: "The structures of social insurance institutions can emphasize differences in risks and resources by increasing homogeneity within risk pools in terms of their socio-economic composition, or they can play down these differences by

pooling resources and sharing risks across socio-economically heterogeneous categories” (Korpi and Palme 1998: 671).

Such hypotheses relate to the welfare state as a whole and do not take into account more specific risk structures and institutional set ups of separate branches of the welfare state. Tentative evidence, however, indicates that specific welfare state institutions and attitudes towards them may be more closely connected, which might also explain why attitudinal research has more or less failed to establish the proposed firm connection between welfare state regimes and public support:

“In conclusion, it seems time to assert that attitudes to welfare policies are only to a very limited extent structured by differences in welfare regimes. A more plausible interpretation is that such differences are structured (a) by general mechanisms, based in the division of labour in capitalist societies, and (b) by nationally specific institutions when it comes to public policies and organized politics. The latter only to a limited extent follow the demarcation lines between different welfare regimes” (Svallfors 2003: 14).

Benefit systems for the poor and (long-term) unemployed are such “nationally specific institutions” at the policy level. They cater for a specific social risk with characteristics that distinguish it from other risks such as illness or old age. It has to be emphasized, for instance, that being poor is a calculable risk as opposed to the risk of becoming ill or disabled, which is hard to estimate since it can hit everyone at any time. Old age is also a calculable risk just as poverty, but its distribution across socio-economic groups is much more similar - most people will eventually reach retirement age. Since a majority of the population will actually be confronted with the longevity risk, broad public support for pension schemes is likely. Becoming poor, in contrast, is highly dependent on individual characteristics like social class (as the product of individual education and generated income), gender, and age – partly because all these factors have an effect on a person’s labour market attachment (Hamann, Karl and Ullrich 2001: 31).

Taking into account one’s personal socio-economic circumstances, it is therefore rather obvious whether there is a likelihood of being among benefit recipients. With comparatively predictable risks it becomes easier to calculate one’s own position as either a net payer or net recipient of unemployment or minimum income protection benefits. Additionally, being a contributor either via taxes or social insurance premiums almost by definition excludes the possibility of being a beneficiary of these social policy programs (Hamann, Karl and Ullrich 2001: 33-40). Thus, it can be expected that individual socio-economic characteristics play a bigger role for the support of MIP schemes than for the support of other branches of social security, as self interest is perceived more easily. Those likely to be beneficiaries (e.g.

working classes) and those presently unemployed are presumably stronger supporters of MIP benefits than other socio-economic groups (*self-interest hypothesis*).

Closely connected to the specific nature of the poverty risk, public discourse can also more easily attribute being poor and/or unemployed to individual fault than to societal blame (Aust and Arriba 2005). Frequently cited opinions name lack of effort, not wanting to work and unreliability as important reasons for poverty and unemployment (see Oorschot 2006; Larsen 2006). Beneficiaries of MIP are often viewed as being in control of their life circumstances, which can lead to their perception as “undeserving poor” and in turn to negative public attitudes towards benefits for this group of the population in general (Oorschot 2006). The perception, however, can be influenced by unemployment rate as an indicator for the overall economic situation and the general accessibility of the labour market. In times of high unemployment, public opinion regarding deservingness of the poor and unemployed becomes more sympathetic, as control over the personal employment situation decreases, one’s own risk of unemployment increases, and there is a higher possibility that family members, friends or neighbours may already have been hit by lay offs (Blekesaune and Quadagno 2003; Oorschot 2006). Hence, it can be hypothesized that the aggregate level of support of MIP schemes increases with the *level of unemployment*.

A similar impact on individual risk calculations comes from other aspects of the institutional design of MIP, which are strongly related to the likelihood of becoming a benefit recipient. In most of the countries under scrutiny, benefits for the unemployed are organized in two tiers. The first tier is organized as social insurance (without actuarial risk calculation). Benefits are financed out of contributions usually expressed as a percentage of wages. The payments that beneficiaries receive are often seen as accrued rights, as beneficiaries have “earned” their benefit through insurance contributions (Mohr 2007: 82-83). Usually, there are certain criteria that potential beneficiaries have to fulfil, e.g. a contribution record of at least 12 months during the last three years as is the case in Germany. These institutional characteristics ensure that unemployment insurance benefits are less contested than MIP benefits catering for the long-term unemployed when insurance benefits are exhausted. As MIP is tax-financed and means-tested, it is much harder to maintain public support for this system in comparison to unemployment insurance. The level of public support for MIP benefits also depends on the *degree of subsidiarity of MIP*. If other benefit schemes extensively cover all contingencies, it becomes unlikely for a vast majority of the population ever to become dependent on MIP. This may lead to a more critical evaluation of programs for the poor as such programs could be considered to be hardly relevant. The amount of total social expenditure (TSE) spent on

MIP indicates if MIP plays a marginal or a central role in a welfare state. The more marginal MIP programs are the less likely are therefore high levels of public support. Similarly, a high level of total social expenditure should indicate low levels of support of state responsibility for the poor, as the majority of the redistributive budget is already spent on other branches of social security what reduces the need of programs targeted on the poor. Also, it has to be taken into account that especially in countries with a high degree of redistribution and low levels of inequality, there might be a “saturation” effect. The population being satisfied with the already achieved level of redistribution and state protection for the poor may therefore not demand any further state involvement (Meier Jaeger 2006).

Moreover, the *level of benefit generosity* of MIP benefits can be considered to be of importance. The guarantee of a minimum income independent from labour market participation relieves from “the whip of the market place” (Esping-Andersen 1990: 109). The higher the benefit and the looser the eligibility criteria the more suspicious might benefit recipients be in the eyes of those financing such benefits through taxes. Again, a relation between MIP programs and the overall welfare state can be assumed. According to Nelson (2005), systems of generous social insurance benefits tend to create relatively high levels of MIP. Social insurance benefits seem to form a ceiling for MIP benefits like social assistance. Thus, a high level of MIP (measured in replacement rates) indicates generous social security measures in total. Again, therefore, the group of people that is dependent on MIP can be considered to be marginalized, and the majority of the population should be critical of this type of benefit due to the broad coverage of other social security measures and because of (too) generous MIP.

To summarize: At the individual level, we expect age, gender, social class, and being unemployed to have an influence on the support of state responsibility for minimum income protection. At the aggregate level, levels of unemployment, the degree of marginality of MIP, and benefit generosity are hypothesized to influence support levels. By taking these indicators into consideration public support of state responsibility for the poor in 14 European Union countries will be analyzed. It will also be studied whether similar MIP schemes in (groups of) countries result in similar patterns of public support. In Scandinavian countries, for instance, poor relief can be considered to be relatively marginal compared to the overall welfare state. Thus, comparatively low levels of public support for state responsibility for MIP can be expected with the upper classes being less in favour of state responsibility than either working classes or the unemployed. In Continental Europe, similar patterns can be expected, as social security is to a high extent focused on protection of the employed population and their

dependants. Potentially, a divide between the core workforce and those in rather precarious forms of employment and especially the unemployed can be assumed. In contrast, countries such as Ireland and Great Britain have always placed strong emphasis on preventing poverty instead of securing achieved living standards through welfare state programs. Hence support levels should be higher than in Northern or Continental Europe. Mediterranean countries, finally, usually described as welfare state laggards, are presumably perceived as providing inadequate protection standards, and the population may therefore demand the highest level of state responsibility.

3 Data and dependent variable

The empirical analysis is based on data from the Eurobarometer survey series (“standard Eurobarometer surveys”) which have been conducted on behalf the European Commission since autumn 1973. Representative samples of the population aged fifteen years and over were asked an identical set of questions in each member state. The regular sample in standard Eurobarometer surveys is about 1,000 people per country (except Germany: 2,000 with 1,000 in East and West Germany, Luxembourg: 600, United Kingdom 1,300 including 1,000 in Great Britain and 300 in Northern Ireland).¹ We chose to analyze East and West Germany separately due to still existing differences in living conditions and attitudes (Roller 2000).

The basic sampling design in all member states is a multi-stage, random probability one, and selected respondents are interviewed face-to-face in their homes. In this study we use data from Eurobarometer (EB) 56.1 (conducted from October till November 2001) with social exclusion as a special topic.² For the analysis, data were adjusted for age, sex, gender, and region by using national weights.

The Eurobarometer questionnaire uses a question battery on state responsibility for several societal groups. In order to find out which items are most strongly connected with state responsibility for the poor, an explorative factor analysis was conducted. For most countries, five items are relevant and load on the same dimension: preferences for the state guaranteeing a basic income, decent housing, decent standard of living for the unemployed, decent standard of living for children, and the state providing jobs for all. For both theoretical and empirical reasons, the first three items were chosen. They deal with state responsibility for the poor in a

¹ Luxembourg is excluded from the analysis since about 25 per cent of respondents come from other countries and might not be subject to social security systems in Luxembourg.

² Information on the Eurobarometer survey series is available at http://www.gesis.org/en/data_service/eurobarometer/.

narrow sense, and they depict the core elements of minimum income protection across Europe: guaranteed basic income and housing benefits. An important group of beneficiaries of minimum income protection benefits are the (long-term) unemployed. Thus, an index containing these three items is likely to adequately depict public attitudes towards minimum income schemes. For empirical reasons, the item on children's living standard was rejected. It gains extremely high acceptance across all countries and individuals, as it may trigger a general norm, and since the main focus of this paper is on public opinion towards institutions it might obscure more than it reveals. Providing jobs for all in turn was not considered for theoretical reasons, as it is strongly related to another dimension of state activity – active labour market policies instead of replacement incomes – and therefore differs from the other items mentioned.³

The exact wording of the items used for the additive index is: „Please tell me how much you agree or disagree with the following statements?

- a) The government should provide decent housing for those who cannot afford it.
- b) The government should provide everyone with a guaranteed basic income.
- c) The government should provide a decent standard of living for the unemployed.” (EB 56.1, 2001)

The answer categories ranged from 1 to 5 and were recoded such that a higher score stands for a stronger preference for state extensity. After addition, the index-scores were transferred back to range from 1 to 5 just as the original items did.⁴

4 Empirical analyses: Preference for extensive state responsibility for the poor

When analyzing the mean preference of state responsibility for the poor in a cross-country comparison the expected patterns are detected. As shown in Figure 1, preferences of state responsibility for the poor are at quite a high level across all countries, with a mean value of 3.95 for all 14 countries (the extensity index is ranging from 1 to 5). Greeks show the

³ In other studies multi-item indices have also been constructed as a summary measure for certain dimensions of the welfare state in order to create more reliable measures of attitudes (e.g. Svallfors 1997, Blekesaune and Quadagno 2003). Both Svallfors' (1997) and Blekesaune & Quadagno's (2003) indices, however, have a somewhat different focus (attitudes towards redistribution in general and attitudes towards support of the unemployed respectively). In addition, the alpha reliability of these indices remains unsatisfactory with Eurobarometer data: For Svallfors' index, it ranges from .49 to .66 with an average of .63, for Blekesaune and Quadagno's index from .45 to .74, respectively, with an average of .58. The index used here has a range from .57 to .77 and an average of .73 (see table 1). Therefore, the latter index has been used and differs in some respect from those used by the other authors.

⁴ For a detailed description of the single items and the index, see table A1 in the appendix.

strongest demand for state involvement with a value of 4.61 whereas Austrians have the weakest preference with a value of 3.41.

- Figure 1 about here -

It is the most affluent countries with extensive social security systems beyond means tested schemes like Austria, West Germany, Denmark, the Netherlands, and Sweden in which the population demands least state responsibility for the poor. Also Great Britain and Portugal range just below the average preference across all countries. On the other end of the scale, welfare laggards like Greece, Spain, and Italy are far above the average. Especially Greece and Spain show a very pronounced preference of state responsibility for the poor. The high support in Greece could be explained by the fact that this country does not provide a MIP scheme – thus, the population perceives a problem and demands the state to step in. Spain’s MIP scheme operates at regional levels with large disparities between regions, potentially leaving some of the poor at low levels of protection.

Finland, however, does not fit this pattern of universal and rudimentary welfare states: Even though it is usually classified as a Scandinavian welfare state with encompassing protection systems for the whole population, respondents still demand strong state involvement on behalf of the poor. This might be due to welfare cutbacks during the recession of the 1990s and the following resurgence of the economy (Forma 1999, 2002). Another exception is Ireland, a liberal welfare state, where many people favour strong state involvement. East Germany is another interesting case: more difficult social circumstances in the Eastern part let people’s attitudes significantly differ from those of West Germans as respondents demand stronger state involvement for the poor.

For explaining these patterns, labels of “affluent states with extensive social insurance systems” and “welfare laggards” are by far too general. As elaborated in section 2, unemployment levels, total social expenditure, MIP as percentage of TSE, and replacement rates of MIP benefits may shed light on how macro-economic and institutional factors influence aggregate levels of support of state responsibility for the poor.

- Table 1 about here -

Correlating aggregate preferences with macro indicators shows that attitudes are strongly connected to unemployment rates (Table 1). A similar correlation between attitudes and unemployment levels has already been reported in other studies (Blekesaune and Quadagno 2003). Moreover, with regard to total social spending the connection between total social expenditure and attitudes on state extensity is negative: A high level of welfare state spending

indicates a relatively low level of (aggregate) preference for state extensivity for the poor. The correlation just fails to be significant at the 10 per cent level, but we have to keep in mind that we deal with a very limited number of cases (see for a similar discussion Larsen 2006). Thus, there is a connection between the total amount invested in the welfare state and attitudes on state responsibility for the poor that can be interpreted as an indicator for the proposed “saturation effect”. Spending on MIP as a percentage of total social expenditure, however, does not have a significant effect on the attitudes in question. Generosity of MIP benefit, in turn, has a negative effect (even though it is not significant): In countries with generous benefits for the poor and thus encompassing social security nets in the domain of insurance benefits, people tend to demand a lesser extent of state responsibility.

4.2 Differences between socio-economic groups

The institutional set-up of the welfare state and contextual effects may, as described above, have an influence on the aggregate level of attitudes towards redistribution for the poor. However, the exact transmission mechanisms are not quite clear. It is the very nature of the welfare state to organize redistribution between socio-economic groups, taking from those in favourable positions and giving to those in need. The country specific way of doing this has certain impacts on socio-economic groups which may be differently affected across countries and may thus have developed diverse attitudes on the welfare state. For example, if high-income groups in a country strongly contribute to the redistributive budget through a high tax burden their attitude towards state responsibility for the poor is probably less positive than that of people of the same socio-economic group in another country with a lower tax burden. In order to test how individuals in European welfare states perceive extensive state responsibility for the poor depending on gender, age, income, and social class, country specific regression analyses have been applied.

These socio-economic variables that are expected to have effects at the individual level were all coded as dummies and operationalized as follows. Regarding *gender*, men are defined as reference category. *Age* is controlled for by two dummy variables: In the variable “young” people less than 20 years of age are differentiated from the economically active group aged from 20 to 65, whereas those aged 65 and above are the reference group.⁵

⁵ Dummies were included instead of a continuous variable since descriptive analysis has shown that a linear relationship cannot be assumed.

To operationalize *social class*, five social classes have been distinguished on the basis of the European Socio-economic Classification (ESeC). ESeC 1 includes “higher and lower salariat”, ESeC 2 “higher grade white and blue collar workers” (or so called intermediate employees), ESeC 3 “petty bourgeoisie or independents”, ESeC 4 “lower grade white collar workers” and ESeC 5 “skilled, semi- and non-skilled workers”. Pensioners and housewives are coded according to their former occupation or – in the case of those respondents who have never worked – according to the occupation of their spouse. Additionally, two classes are coded that include the unemployed and people in education (see Rose and Harrison 2006). The “working classes” ESeC 4 and 5 taken together are the reference group.

Because of too many missing values on the income variable a subjective measure is used as indicator for the *household's income situation*. Additionally, the perception of a situation may have a stronger influence on attitudes than the objective situation. Respondents were asked how well they get by with their household income. We recoded a dummy with the value 1 for those who chose the categories “with great difficulty” or “with difficulty” whereas the reference group is formed by those who replied “easily” or “very easily”.

At a first glance, these country specific analyses reveal some determinants to be more important than others (Table 2): people with financial problems are more in favour of extensity than those with no financial difficulties. Similarly, the salariat and intermediate classes as well as the petty bourgeoisie have less pronounced preferences for state involvement than the working classes, and unemployed respondents favour state help more than working classes.

Even though these general tendencies do emerge, effects still differ in strength and are not always significant. Apparently, some contexts and institutions indeed polarize society more along the borders of socio-economic groups than others. In Finland and Sweden, for example, opinions differ strongly according to gender, income situation, class, and employment status with women being more in favour of state responsibility for the poor than men and the rich less than the poor (Table 2). The working class is more in favour of redistribution than any other social group apart from the unemployed. Thus, the effect of institutional patterns on individuals is quite similar in both countries, even though Finland and Sweden vastly differ on the aggregate level regarding preferences of state responsibility for the poor.⁶

⁶ See, however, Svallfors' (2004) study of class and welfare state attitudes in Sweden where he could show a comparatively strong effect of social class. However, Svallfors explains this effect with the particular strong “political articulation of class” (130) in Sweden and not with the institutional set up of the welfare state. To

Greece, Italy and Spain, on the other hand, stand for completely different patterns with regard to socio-economic groups. Social class does not make a difference: There are no significant effects, and the beta coefficients are small. Instead, it is mainly the income situation that matters. Those making ends meet easily have a smaller preference of state extensity compared to people with greater financial difficulties, the effect being strongest in Greece. Probably due to high poverty levels, state responsibility for the poor is not contested among different socio-economic groups. Just the well-off irrefutably financing the benefits for the poor have a different opinion in this regard.⁷

France, Portugal, Great Britain and Denmark form an intermediate group between the Scandinavian and the Southern European extremes. Again, having a higher income is a predictor for a less pronounced preference of state involvement, and belonging to an “upper” class – i.e. salariat or intermediate employees – works in the same direction. However, polarization according to social class does not cut as deeply as in Scandinavia, the petty bourgeoisie and the self-employed being more similar to the working class in their attitudes, just as the unemployed, who also do not differ significantly from the working class.

In Belgium and both East and West Germany other patterns come into play. Again, people in a good financial situation are not as keen on state responsibility for the poor as their worse-off counterparts. Social class plays a limited role, with just the upper class(es) being less in favour of state redistribution in both parts of Germany. Most importantly, however, the unemployed in all three countries strongly differ from the working classes, and the effects are highly significant. Labour market trajectories and the change from an industrial to a service-based economy in both Germany and Belgium may have led to structural long-term unemployment in some regions (e.g. in Wallonia, North Rhine-Westphalia and large parts of East Germany). Those hit by lay-offs may have great difficulties to find another job, thus they are very conscious of their own dependency on the welfare state and insist on state responsibility for the poor because of a perceived lack of alternatives.

support this argument he uses Norway as an example of a country with similar institutions but much less polarization along class borders regarding welfare state attitudes.

⁷ The results regarding the effects of social class in Southern Europe have to be taken with a grain of salt. Even though meant for European comparison, the class coding used here was developed with the employment structure of Western European countries in mind, from which Southern Europe’s employment structures differ. Participation levels, for instance, are lower, and there is less dependent employment than in Western Europe, and small family businesses play an important role as employers. Thus, class hierarchy is somewhat compressed and ESeC is not the ideal instrument to capture Southern European class structures - although it is presumably the best one available for European comparisons (for details, see Maloutas 2007). Still, Southern European countries do exhibit the lowest variance on the dependent variable with comparatively small standard deviations. Thus, independent of the measurement instrument, societies are less polarized than in other countries.

The three remaining countries, Ireland, the Netherlands and Austria, exhibit patterns that differ from all the other countries. The Dutch welfare state is distinguished by a relatively consensual transition to stronger individual responsibility for social security during the last two decades, especially in health care but also in dealing with unemployment. Not the welfare state but income from work is regarded as the most secure social protection (Oorschot 2007). Attitudes of those below or within working age reflect this, as they are less inclined to support state responsibility than pensioners. Ireland is somewhat similar to the Netherlands as the economically active group is significantly less in favour of redistribution towards the poor than pensioners. Detailed analyses of poverty levels in Ireland show that relative income poverty increased during the last decade, and the elderly are most strongly afflicted (McCashin and O'Shea 2007). Being well-off similarly has a strong effect in the expected direction, and the intermediate employees demand significantly less extensity than the working class. Austria is somewhat similar to the Netherlands insofar as it is again not the upper class but ESeC 2 and 3 being rather less positive than the working class. As the self-employed (contained in ESeC 3) are not included in unemployment benefit systems, it seems logical that they show less support for a minimum income protection than other classes.

4.3 Combining aggregate preferences and degree of polarization

Taking both steps of the analysis together, it becomes apparent that the aggregate level of attitudes towards extensive state responsibility for the poor does not completely predict the degree of polarization in society. According to our hypotheses specified earlier, we would expect a high aggregate preference level to go together with a low level of polarization and vice versa, but this is not the case for all countries under scrutiny here, as is shown in the following matrix. The degree of polarization is measured as change in explained variance after introducing social class, income and unemployment to a baseline model controlling for age and gender (regression results for the baseline model not shown).

- Figure 2 about here -

Countries in both quadrants B and D are relatively consensual on state extensity, as polarization across socio-economic groups is below the average. Quadrant B countries have a low level of extensity preference, and this is not much contested. The underlying rationale might be relatively well functioning labour markets in these countries and the assumption that the market is better equipped than the state to cater for the needs of the poor. Quadrant D is

also on the “consensual side”, but the demand for state extensity exceeds the EU-14 average. Here, the population might perceive the labour market as flawed and demand the state to step in to correct market outcomes resulting in high levels of unemployment. Belgium, East Germany, Spain and Italy also have regions with structurally and consistently very difficult labour markets, potentially explaining why this relative consensus exists. Analyses at a regional level may show more differentiated results, as the example of East and West Germany shows.

Countries in quadrants A and C are relatively polarized across socio-economic groupings. Quadrant A countries with low aggregate preference levels might have internal debates about the design of the welfare state (e.g. in Germany the high tax wedge that according to some voices in public discourses hinders employment growth or the compressed wage structure in Sweden), pitching different socio-economic groups against each other in the wake of reforming institutions.

Quadrant C countries exhibit strong preferences for state responsibility with similarly high levels of polarization, especially Ireland and Finland. Both countries have undergone major changes quite recently. After becoming a member of the European Union, Ireland experienced strong economic growth, increasing prosperity but also inequality (O’Connor 2007). Finland went through an intense economic recession during the early 1990s and dealt with it at high social cost. Public opinion has recently been sharply divided, with economic elites demanding more steps to increase the country’s competitiveness and other social groups defending the welfare state and the interests of those most affected by recent structural changes (Heiskala and Hämäläinen 2007).

6 Discussion and Conclusions

Summarizing our results, support of state responsibility in the area of poverty relief is high across all European countries under scrutiny. Still, there is some variation between countries, and having in mind Esping-Andersen’s “three worlds” the rank order is quite surprising. Instead it is more in accordance with our hypothesis that a certain policy like minimum income protection inspires specific attitudes, depending on features of the particular social risk covered but also how it is embedded in the overall welfare state context. Roughly speaking, aggregate preference levels of state responsibility for the poor are highest in Mediterranean countries and lowest in Scandinavian and Continental European countries, reflecting the proposed interrelations between attitudes on MIP and degree of selectivity,

generosity of benefits, and size of the tax burden of MIP as well as unemployment rates as a macro-economic factor.

At the individual level, we expected self-interest to govern attitudes to a high extent because the structure of MIP systems invites individual risk calculation and a corresponding formation of attitudes. Country-specific OLS regressions show, however, that the influence of socio-economic variables varies considerably across countries. Apparently, self-interest is mediated by country-specific factors. In order to gain insight which factors may determine the degree of societal polarization, this dimension was combined with the aggregate preference level of state responsibility, yielding four different “worlds of attitudes towards MIP systems” as described above.

Apart from the institutional and macro-economic characteristics that have been analyzed, it may be the functioning of the labour market that explains why some countries are less polarized than others. In countries with well functioning and flexible labour markets, preferences for state responsibility for the poor are at a relatively low level and hardly contested across society. Countries with more difficult labour markets exhibit higher levels of preferences, similarly without much societal contention. Countries that have experienced major changes quite recently, such as Finland and Ireland, are more divided while still exhibiting high aggregate preference levels. Sweden and Germany exhibit high degrees of polarization with low levels of preference for state responsibility – maybe due to compressed wage structures and reform proposals dividing society.

In order to come to an exhaustive explanation for both the aggregate preference levels as well as societal polarization, it seems that not only indicators of state activity on behalf of the poor need to be taken into account, but also indicators of (labour) market performance. A functioning labour market that is also able to cater for those with low skill levels can also serve as an institution of poverty amelioration or, better, prevention. Wage levels can either facilitate a “breadwinner model” with mainly a male head of household earning a family wage or encourage a dual earner model, necessitating employment for both partners, making women more independent but also increasing their poverty risk. Again, it is the intricate interplay of the welfare triangle of state, market and family in catering for “income” at a very general level that helps to explain how attitudes are formed. Of course, the evidence presented here is tentative and needs further investigation, preferably with more attitudinal data including more countries. Future studies, however, should even more importantly emphasize the use of macro indicators of state, market and family effort for preventing poverty.

References

- Andreß, Hans-Jürgen, and Thorsten Heien. 2001. "Four Worlds of Welfare State Attitudes? A Comparison of Germany, Norway, and the United States." *European Sociological Review* 17:337-356.
- Aust, Andreas, and Ana Arriba. 2005. "Towards Activaton? Social Assistance Reforms and Discourses." Pp. 100-123 in *Ideas and Welfare State Reform in Western Europe*, edited by Peter Taylor-Gooby. Basingstoke: Palgrave Macmillan.
- Bambra, Clare. 2004. "The worlds of welfare: illusory and gender blind?" *Social Policy & Society* 3:201-211.
- Bannink, Duco, and Marcel Hoogenboom. 2007. "Hidden change: disaggregation of welfare state regimes for greater insight into welfare state change." *Journal of European Social Policy* 17:19-32.
- Blekesaune, Morten, and Jill Quadagno. 2003. "Public Attitudes toward Welfare State Policies: A Comparative Analysis of 24 Nations." *European Sociological Review* 19:415-427.
- Coughlin, Richard M. . 1979. "Social Policy and Ideology: Public Opinion in Eight Rich Nations." *Comparative Social Research* 2:3-40.
- Dahrendorf, Ralf. 1979. *Life Chances. Approaches to Social and Poltical Theory*. Chicago: The University of Chicago Press.
- Esping-Andersen, Gøsta. 1990. *The Three Worlds of Welfare Capitalism*. Cambridge: Polity Press.
- Forma, Pauli. 1999. *Interests, Institutions and the Welfare State. Studies on Public Opinion Towards the Welfare State*. Turku: STAKES: National Research and Development Centre for Welfare and Health.
- . 2002. "Does Economic Hardship Lead to Polarisation of Opinions towards the Welfare State?" *Journal of Social Policy* 31:187-206.
- Gelissen, John. 2002. *Worlds of Welfare, Worlds of Consent? Public Opinion on the Welfare State*. Leiden: Brill.
- Hamann, Silke, Astrid Karl, and Carsten G. Ullrich. 2001. *Entsolidarisierung? Leistungen für Arbeitslose im Urteil von Erwerbstätigen*. Frankfurt/New York: Campus.
- Heiskala, Risto, and Timo J. Härmäläinen. 2007. "Social innovation or hegemonic change? Rapid paradigm change in Finland in the 1980s and 1990s." Pp. 80-94 in *Social Innovations, Institutional Change and Economic Performance. Making Sense of Structural Adjustment Processes in Industrial Sectors, Regions and Societies*, edited by Timo J. Härmäläinen and Risto Heiskala. Cheltenham: Edward Elgar.
- Kasza, Gregory J. 2002. "The illusion of welfare regimes." *Italic of Social Policy* 31:271-287.
- Kohl, Jürgen, and Claus Wendt. 2004. "Satisfaction with Health Care Systems. A Comparison of EU Countries." Pp. 311-331 in *Challenges for Quality of Life in the Contemporary World*, edited by Wolfgang Glatzer, Susanne von Below, and Mathias Stoffregen. Dordrecht: Kluwer Academic Publishers.
- Korpi, Walter, and Joakim Palme. 1998. "The Paradox of Redistribution and Strategies of Equality: Welfare State Institutions, Inequality, and Poverty in the Western Countries." *American Sociological Review* 63:661-687.
- Larsen, Christian Albrekt. 2006. *The Institutional Logic of Welfare Attitudes: How Welfare Regimes Influence Public Support*. Aldershot: Ashgate Publishing Ltd.
- Linos, Katerina, and Martin West. 2003. "Self-interest, Social Beliefs, and Attitudes to Redistribution: Re-addressing the Issue of Cross-national Variation." *European Sociological Review* 19:393-409.

- Maloutas, Thomas. 2007. "Socio-Economic Classification Models and Contextual Difference: The 'European Socio-economic Classes' (ESeC) from a South European Angle." *South European Society & Politics* 12:443-460.
- McCashin, Anthony, and Judy O'Shea. 2007. "Unter Modernisierungsdruck: Das irische Wohlfahrtssystem." Pp. 355-378 in *Europäische Wohlfahrtssysteme: Ein Handbuch*, edited by Klaus Schubert, Simon Hegelich, and Ursula Bazant. Wiesbaden: VS Verlag für Sozialwissenschaften.
- Meier Jaeger, Mads 2006. "What Makes People Support Public Responsibility for Welfare Provision: Self-interest or Political Ideology?: A Longitudinal Approach." *Acta Sociologica* 49:321-338.
- Mohr, Kathrin. 2007. *Soziale Exklusion im Wohlfahrtsstaat. Arbeitslosensicherung und Sozialhilfe in Großbritannien und Deutschland*. Wiesbaden: VS Verlag für Sozialwissenschaften.
- Nelson, Kenneth. 2005. "The Last Resort: determinants of the generosity of means-tested minimum income protection in welfare democracies." Pp. 85-116 in *Welfare Politics Cross-Examined: eclecticist analytical perspectives on Sweden and the developed world, from the 1880s to the 2000s*, edited by Eero Carroll and Lena Eriksson. Amsterdam: Aksant.
- . 2007. "Universalism versus Targeting: The Vulnerability of Social Insurance and Means-Tested Minimum Income Protection in 18 countries 1990-2002." *International Social Security Review* 60:33-58.
- . 2008. "Minimum Income Protection and European Integration: Trends and Levels of Minimum Benefits in Comparative Perspective 1990-2005." *International Journal of Health Services* 38:103-124.
- O'Connor, Julia S. 2007. "Social innovation and institutional change in Ireland in the late 20th century: From 'the poorest of the rich' to Europe's 'shining light'?" Pp. 280-303 in *Social Innovations, Institutional Change and Economic Performance. Making Sense of Structural Adjustment Processes in Industrial Sectors, Regions and Societies*, edited by Timo J. Hämmäläinen and Risto Heiskala. Cheltenham: Edward Elgar.
- OECD 2007a. SourceOECD Social Expenditure Database (SOCX). Paris: OECD. Online at: <http://stats.oecd.org/>, accessed 2007-12-11.
- OECD 2007b. Standardized Unemployment Rates. Main Economic Indicators. Paris: OECD. Online at: <http://stats.oecd.org.>, accessed 2007-12-12.
- Oorschot, Wim van. 2006. "Making the difference in social Europe: deservingness perceptions among citizens of European welfare states." *Journal of European Social Policy* 16:23-42.
- . 2007. "Von kollektiver Solidarität zur individuellen Verantwortung: Der niederländische Wohlfahrtsstaat." Pp. 465-482 in *Europäische Wohlfahrtssysteme. Ein Handbuch*, edited by Klaus Schubert, Simon Hegelich, and Ursula Bazant. Wiesbaden: VS Verlag für Sozialwissenschaften.
- Pierson, Paul. 2001. "Coping with Permanent Austerity: Welfare State Restructuring in Affluent Democracies." Pp. 410-456 in *The New Politics of Welfare State*, edited by Paul Pierson. Oxford: Oxford University Press.
- Rokkan, Stein, and Seymour Martin Lipset. 1967. "Cleavage structures, party systems, and voter alignments: An introduction." Pp. 1-64 in *Party Systems and Voter Alignments: Cross-National Perspectives*, edited by Seymour Martin Lipset and Stein Rokkan. New York: The Free Press.
- Rose, David, and Eric Harrison. 2006. "Validation of the European Socio-economic Classification for countries participating in round 1 of the European Social Survey."

- Rothgang, Heinz, Mirella Cacace, Simone Grimmeisen, and Claus Wendt. 2005. "The Changing Role of the State in Health Care Systems." in *Transformations of the State?*, edited by Stephan Leibfried and Michael Zürn: Cambridge University Press.
- Rothstein, Bo. 2001. "The Universal Welfare State as a Social Dilemma." *Rationality and Society* 13:213-233.
- Svallfors, Stefan. 1997. "Worlds of Welfare and Attitudes to Redistribution: A Comparison of Eight Western Nations." *European Sociological Review* 13:283 - 304.
- . 2004. "Class, Attitudes and the Welfare State: Sweden in Comparative Perspective." *Social Policy & Administration* 38:119-138.
- Svallfors, Stefan 2003. "Welfare Regimes and Welfare Opinions: A Comparison of Eight Western Countries." *Social Indicators Research* 64:495-520.
- Wendt, Claus. 2008. "Einstellungen zu wohlfahrtsstaatlichen Institutionen in Europa." *Zeitschrift für Sozialreform* forthcoming.

Tables and Figures

Table 1: Correlations „extensive state responsibility“, 2001

	Pearson's R	Significance level	N
Unemployment Rate ^b	0.6123*	0.0153	15
Total Social Expenditure (TSE) ^c	-0.4316	0.1082	15
Minimum Income Protection as % of TSE ^d	-0.0599	0.8321	14 ^a
Replacement Rate of Minimum Income Protection ^d	-0.3647	0.1998	14 ^a

Notes: * $p < 0.1$; ^a as there is no MIP scheme in Greece, only 14 countries are taken into account.

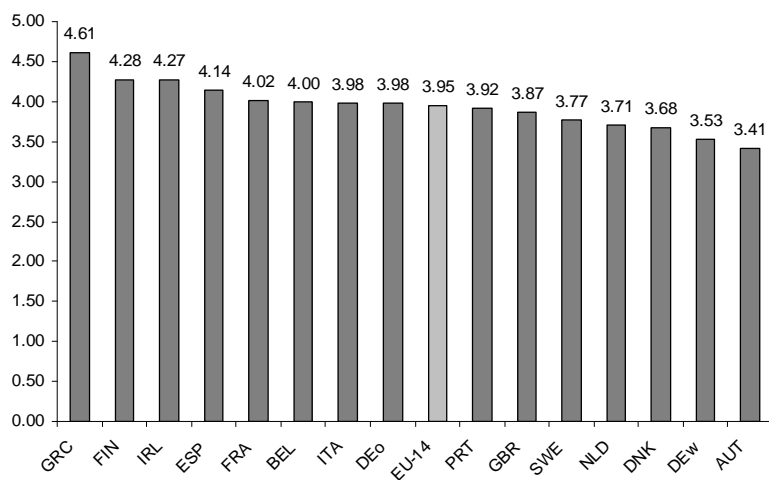
Sources: Eurobarometer 56.1, 2001; ^b OECD 2007b; ^c OECD 2007a, Online Version; ^d Nelson 2007, 2008.

Table 2: Extensivity preferences for state responsibility

	FIN	SWE	GRC	ITA	ESP	FRA	POR	GBR	DNK	BEL	DEU _w	DEU _o	IRL	AUT	NLD
Sex															
Reference: male															
Female	0.056+	0.105**	0.091**	0.057+	-0.011	0.094**	-0.022	0.029	0.012	-0.009	0.074*	0.069*	0.110**	0.085*	-0.020
Age															
Ref.: 65+ yrs.															
Under 20 yrs	-0.015	0.047	-0.058	-0.069	-0.010	0.015	-0.003	0.032	0.017	-0.061	0.050	0.044	-0.069	-0.012	-0.111**
From 20 to 64 yrs.	-0.036	-0.005	-0.005	-0.041	-0.054	-0.042	-0.053	-0.009	-0.058	-0.031	-0.015	-0.096**	-0.113**	-0.011	-0.160***
Income situation															
Reference: bad sit.															
Good situation	-0.159***	-0.115***	-0.190***	-0.171***	-0.125***	-0.156***	-0.115**	-0.130***	-0.104**	-0.077*	-0.057	-0.126***	-0.207***	-0.055	-0.042
Social class															
Ref.: working class															
Salariat	-0.082*	-0.186***	0.030	-0.003	-0.041	-0.135**	-0.185***	-0.102*	-0.068+	-0.013	-0.127***	-0.065+	-0.057	-0.012	-0.039
Intermediate	-0.082*	-0.114**	0.007	-0.034	0.020	-0.048	-0.106**	-0.095*	-0.075*	-0.058	-0.114**	-0.017	-0.108**	-0.066+	-0.065
Petty bourgeoisie	-0.102*	-0.090*	-0.032	-0.053	-0.059	-0.071	-0.051	-0.059+	-0.008	-0.032	-0.049	0.008	-0.055	-0.100**	-0.066*
Student	-0.101*	-0.100**	0.067	0.074*	0.019	-0.005	-0.066	-0.028	0.011	0.050	-0.125**	-0.072+	-0.045	0.071+	0.051
Unemployed	0.079**	0.062+	0.045	0.014	0.036	0.027	0.003	0.032	0.043	0.143***	0.120***	0.084*	0.055+	0.026	0.029
<i>N</i>	947	894	912	820	876	874	898	861	943	883	864	918	796	869	866
adj. <i>R</i> ²	0.052	0.075	0.040	0.031	0.020	0.059	0.052	0.038	0.021	0.031	0.058	0.048	0.091	0.023	0.023

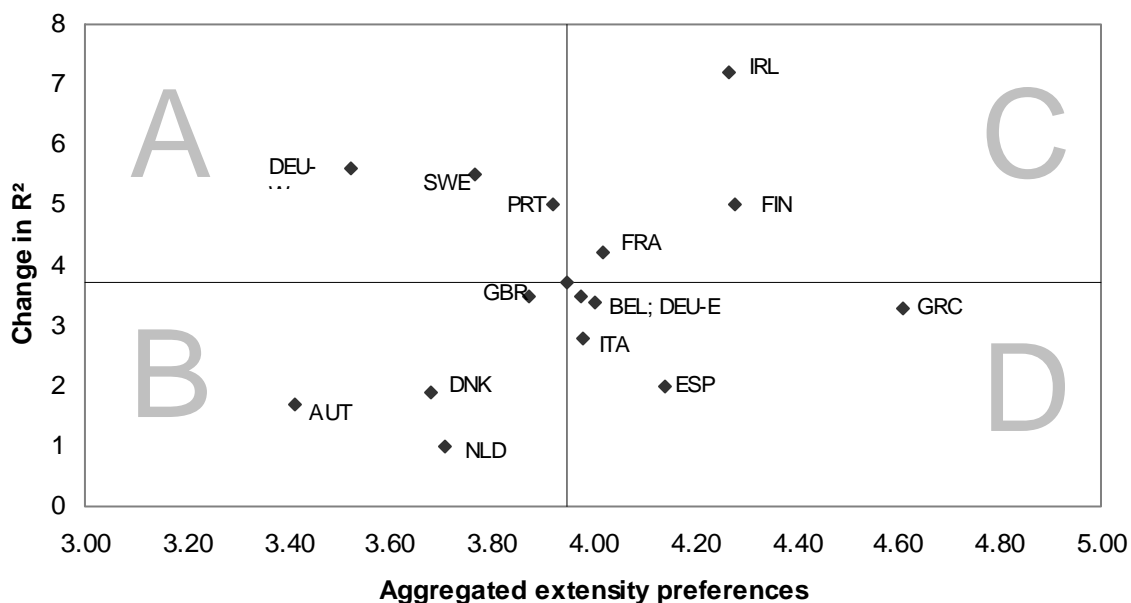
Notes: OLS Regression, standardized beta coefficients. + $p < 0.10$, * $p < 0.05$, ** $p < .01$, *** $p < 0.001$; source: Eurobarometer 56.1 2001, own calculation.

Figure 1: Index of state responsibility for the poor, country means, 2001



Source: Eurobarometer 56.1/2001, own calculation

Figure 2: Aggregate level of preferences and degree of societal polarization



Notes: intersection of the axes EU-14 average on both dimensions.⁸

Source: Eurobarometer 56.1, own calculations.

⁸ For a similar method, see Kohl and Wendt 2004.

Appendix

Table A1: Distribution measures for dependent variables

		AUT	BEL	DEW	DEO	DNK	ESP	FIN	FRA	GRC	IRL	ITA	NLD	PRT	SWE	GBR
Extensity:																
Minimum income schemes																
The government should	% agree	61.1	84.2	54.7	77.3	62.4	83.1	87.6	79.0	92.2	84.8	79.7	70.1	71.4	58.3	75.6
provide everyone with	Mean	3.67	4.20	3.47	4.01	3.55	4.24	4.38	4.12	4.61	4.25	4.10	3.73	3.79	3.46	3.98
a guaranteed basic income	SD	1.13	0.86	1.13	1.01	1.44	0.87	0.90	1.03	0.78	0.91	0.96	1.00	0.96	1.41	1.09
The government shouldt	% agree	50.2	73.1	65.9	77.5	69.5	76.9	85.0	79.8	91.6	88.9	79.5	69.7	86.2	70.6	75.6
provide decen housing for	Mean	3.45	3.95	3.73	4.04	3.81	4.06	4.24	4.10	4.58	4.38	4.04	3.76	4.08	3.77	4.01
those who cannot afford it	SD	1.06	0.96	1.02	0.95	1.17	0.90	0.84	0.95	0.75	0.77	0.94	0.91	0.68	1.16	0.99
The government should	% agree	37.4	69.0	51.3	72.0	64.3	79.4	84.0	67.0	94.5	82.1	66.5	64.6	75.0	80.7	60.4
provide a decent standard of	Mean	3.12	3.85	3.38	3.87	3.68	4.13	4.21	3.84	4.65	4.17	3.80	3.64	3.89	4.08	3.64
living for the unemployed	SD	1.17	0.96	1.06	1.03	1.23	0.83	0.85	1.01	0.66	0.87	1.01	0.93	0.81	1.00	1.12
Index	Mean	3.41	4.00	3.53	3.98	3.68	4.14	4.28	4.02	4.61	4.27	3.98	3.71	3.92	3.77	3.87
	SD	0.89	0.75	0.86	0.80	1.03	0.68	0.72	0.82	0.55	0.68	0.81	0.75	0.61	0.95	0.86
	Alpha	0.69	0.75	0.68	0.70	0.70	0.71	0.76	0.74	0.66	0.69	0.78	0.68	0.57	0.63	0.74

Notes: AUT= Austria; BEL = Belgium; DEW = West Germany; DEO = East Germany; DNK = Denmark; ESP = Spain; FIN = Finland; GRC = Greece; IRL = Ireland; NLD = Netherlands; PRT = Portugal; SWE = Sweden; GBR = Great Britain; % agree: percentages of respondents answering either “agree” or “strongly agree”); mean and standard deviation (SD); Cronbach’s alpha for extensity index. Source: Eurobarometer 56.1/2001, own calculation