

Explaining Social Exclusion

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A theoretical model tested in the Netherlands

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Abstract

Although social exclusion has become a key issue on the European policy agenda in recent years, both the social phenomena the term refers to and the best way to monitor these remain unclear. In response to this, we developed a conceptual model for social exclusion and a methodology for its empirical assessment. Social exclusion is conceived as a multidimensional concept. It is operationalized as a combination of material deprivation; insufficient access to social rights; a low degree of social participation; and a lack of normative integration.

In a survey among 860 Dutch households we found a valid scale which expresses the degree of social exclusion in a single figure. This measure indicates that about 11% of the adult population may be regarded as socially excluded.

A causal analysis subsequently showed that having a bad health is the most important risk factor. Other main determinants of social exclusion are a low income, benefit dependency, limited Dutch language skills, and living in a one-parent household.

The outcomes suggest that it is worthwhile to strive for a specific measurement of social exclusion as such; and that the concept should not be equated with shortfalls in income and labour participation, as the current European policy debate tends to do.

1 Introduction

According to a report of the European Union's statistical office, the degree of social exclusion in the 10 new member states and some candidate countries is remarkably low. On the most important common indicator for social inclusion¹, the 'at-risk-of-poverty rate', Romania and Bulgaria score only slightly above 15%, the average of the fifteen old EU-members². In terms of this officially adopted criterion, the problem of poverty and social exclusion in these two countries would thus be less severe than in, for instance, the United Kingdom, Italy, and Ireland, where the poverty rate ranges from 17% to 21% (Eurostat 2004a, 2004b).

This is intriguing – but is it true? An obvious explanation is that the outcome is a consequence of the relative poverty thresholds the EU uses, 60% of the national median income³. In Romania this amounts to only 14% of the EU15-average, whereas in the UK the national threshold exceeds it by 28%. If the EU15-norm were applied to both countries, poverty and social exclusion in Romania would be considerably higher, while the UK figure would drop somewhat. However, those are not the policy norms the EU and its member states act upon: each country has to be judged according to its own standards. One starts to wonder if the current EU indicators are suitable starting points for the development of a policy 'to fight poverty and social exclusion', the central goal that was adopted at the European Council meetings in Lisbon and Nice in 2000. The logical conclusion from the Eurostat findings would be that this social issue requires less, or less intense, policy interventions in Romania than in the UK; and somehow this seems unlikely. From a policy point of view, it could be wise to re-consider the way poverty and social exclusion within the EU are monitored.

There is also a scientific interest at stake here. In the literature there seems to be a growing awareness that poverty and social exclusion require a 'multi-dimensional approach' (a.o. Saraceno 2001; Short 2005). Yet there is no consensus on which dimensions are involved; how these relate to one another; which risk factors may lead to low rankings on these dimensions; and to what extent the latter may be influenced by specific policy measures. This publication tries to shed light on some of these topics, mainly from the point of view of social exclusion.

Although reducing social exclusion has become a key objective of national and EU government policy, the best way of measuring the degree of success in achieving this objective is unclear. The literature refers to 'underdevelopment' of the concept from the point of view of policy, theory and methodology (Saraceno 2001). While the scientific debate has been extensive and some empirical analyses have been performed (cf. Atkinson et al. 2002, 2005) no full consensus on the nature of social exclusion has been achieved yet.

The EU's *Laeken*-indicators serve as proxy measures for social exclusion from a policy point of view, aiming to foster comparability between countries⁴. The monitoring activities in relation to these EU-standards provide information on the individual risk factors that increase the chance of being socially excluded, but make it hard to gain insight in the social exclusion phenomenon as such.

Against this background we set up a study which aimed to arrive at a more precise definition of the concept of social exclusion, and tried to develop a methodology for measuring the phenomenon empirically. Subsequently, a survey was conducted among a representative sample of the Dutch population, through which the method was tested. In this publication we first address the various theoretical issues and the conceptual model. Subsequently we present our research findings, and discuss the implications of our study⁵.

2 Social exclusion: a conceptualisation

Although the term ‘social exclusion’ has come into widespread use only recently, this does not imply that the social phenomena to which it refers are novelties as well. Already in the 1960s social exclusion became the subject of debate in France, but only after the economic crisis of the 1980s and the introduction of the *Revenu Minimum d’Insertion* (the national assistance law) the concept was widely used here (Silver 1994: 532). Once social exclusion had become a prominent item on the EU’s policy agenda in the second half of the 1990s, attention began to focus on defining and specifying the concept more closely. The policy to combat social exclusion has to be evaluated, and to do this it is necessary to establish what social exclusion entails, what indicators can be used to establish its existence, and which factors influence it. While this has intensified the scientific debate on the meaning of social exclusion considerably, up till now policy-makers have not been provided with a generally agreed scientific conceptualisation.

An assessment of the way social exclusion has been operationalized shows that most current definitions are indirect ones, while— in our view— a more direct definition would be preferable for policy evaluation purposes. Such an approach has also been advocated by other researchers; for instance, Levitas (2006) also proposes a direct measurement of social exclusion, based on the British Poverty and Social Exclusion survey.

2.1 Risk factors: an indirect definition of social exclusion

The difficulty of providing an adequate characterization of social exclusion is illustrated by a definition given by a United Kingdom government agency (Social Exclusion Unit 2001): ‘a short-hand term for what can happen when people or areas suffer from a combination of linked problems such as unemployment, poor skills, low incomes, poor housing, high crime environment, bad health and family breakdown’. Social exclusion is thus seen as a potential consequence of a number of risk factors, without that consequence being spelled out. What may be understood by the term social exclusion is left implicit: in several studies preference is given to an ‘indirect’ definition, by indicating which factors or indicators influence the risk of social exclusion (e.g. Robinson & Oppenheim 1998; Paugam 1996, Edwards and Flatley 1996, Howarth et al. 1998, in: Burchardt et al. 2002: 5-6). In other words, these studies do not observe social exclusion itself, but rather its potential causes or predictors, with the focus being mainly or exclusively on individual risk factors. In the *Poverty and Social Exclusion Survey of Britain*, however, a direct measurement of several aspects of social exclusion was attempted (Levitas 2006: 135).

Earlier policy documents from the European Commission do not provide a ‘direct’ definition of social exclusion as a separate concept either. These offer an indirect

demarcation, mostly by referring to the rights of social citizenship: ‘The extent of social exclusion calls on the responsibility of society to ensure equal opportunities for all. This includes equal access to the labour market, to education, to health care, to the judicial system, to rights and to decision-making and participation’ (cf. Saraceno 2001: 3).

For the framing of their National Action Plans for social inclusion, the Member States have agreed that social exclusion will be defined on the basis of a number of social indicators, or ‘risk factors’. These risk factors, which are assumed to exert a negative influence on the prospect of social inclusion, are low income, unskilled labour, poor health, immigration, low education level, school dropout, gender inequality, discrimination and racism, old age, divorce, drug abuse, alcoholism and living in a ‘problem accumulation area’ (European Commission 2002: 10). Concrete agreements have been reached for a number of these indicators, the so-called *Laeken* indicators (resulting from the 2001 EU Summit in Laeken-Brussels, Belgium). To date, this consensus predominantly relates to indicators concerned with income and employment;⁶ low income and lack of labour participation are generally seen as the main risk factors for social exclusion (see, e.g., the *Kok*-report, which argues that fulfilment of the social objectives will result from economic and employment growth and that primacy should be given to job creation (European Communities 2004)).

In the literature, however, reference is also made to research showing that the correlation between a low income and unemployment on the one hand and features of social exclusion on the other is not particularly strong (Saraceno 2001: 5, 9). The relationship varies substantially among social groups and across countries, depending on differences in the social security system, family arrangements, cultural settings, et cetera (Saraceno 1997; Gallie & Paugam 2000). A low income or absence of paid work does not by definition lead to social exclusion, and conversely people may be socially excluded without having a low income or being unemployed (De Koning & Mosley 2001: 7; Bailey 2006: 180; Levitas 2006: 155).

If this limited correlation holds for the two risk factors ‘income’ and ‘labour participation’, it is likely that it also applies for the other – probably less dominant – risk factors cited by the EU. Monitoring such factors may provide some information on the evolution of the risk on social exclusion, but cannot be regarded as an adequate measurement of the development of social exclusion as such. The proxy variables that are commonly used in the indirect approach simply are not close enough. This is why we think social exclusion should be defined in a more direct way. In doing so, it is appropriate to pay some attention to the conceptual distinction between poverty and social exclusion.

2.2 Social exclusion and poverty

The debate on what social exclusion actually means in concrete terms was fed mainly by scientists and researchers who were concerned with the problem of poverty in the 1990s. Towards the end of that decade, policy goals shifted from combating poverty

to reducing social exclusion. This led to the use of two different concepts in both literature and research, although they are often used in one and the same breath.

The meaning of each concept is controversial, which can be traced back to differences between the French and the Anglo-American scientific tradition (Gough 1997: 82; Room 1997: 256-257; Saraceno 2001: 6; Todman 2004: 1). The French school builds upon the theories of Durkheim (1897) on social cohesion and solidarity, the importance of collective values and norms, and the risk of social alienation (*anomie*). This perspective tends much more towards the concept of social exclusion than poverty, the core issue in the Anglo-American literature. Here scientific research took its lead from theories of social inequality and relative deprivation which regard unequal access to income, basic goods, public services and citizenship rights as the starting point for research into poverty and social exclusion. The work of Runciman (1966) and Townsend (1979) can be seen as the most prominent exponents of this tradition. The wider social dimension received little attention in Anglo-Saxon research (Levitas 2006: 133), although this has been changing in recent years (Hills et al. 2002, Pantazis et al. 2006:7, Levitas 2006: 135).

While some authors say that there is hardly any difference between poverty and social exclusion (e.g. Somerville 1998; Bhalla and Lapeyre 1997; Nolan and Whelan 1996), others argue that the two concepts differ fundamentally from each other in a number of respects (a.o. Room 1995; Berghman 1995; Vrooman & Snel 1999; Saraceno 2001; Papadopoulos & Tsakloglou 2001; Abrahamson 1997; 2001; Todman 2004). The following distinctions are often mentioned:

- *Static condition versus dynamic process*
Poverty refers to a static condition, relating to a given income situation or standard consumption pattern at a certain moment. Social exclusion is dynamic and has to do with the *process* through which people become excluded.
- *Absolute versus relative concept*
Poverty may be conceived as an absolute lack, e.g. persons who do not attain the income level required for the fulfilment of their basic needs. For social exclusion there is no such absolute demarcation point. It can only be assessed in a relative way, by comparing a persons circumstances vis-à-vis others in the same socio-historical context.
- *Unidimensional versus multidimensional disadvantage*
Poverty relates to a single dimension: a shortage of financial or material resources, or income deprivation. Social exclusion involves deficiencies in several dimensions, which are associated with 'full citizenship': paid work and income, education, housing, health care, legal assistance, accessibility of public provisions.
- *Distributional versus relational focus*
Poverty relates to the distribution of economic aspects of disadvantage in income or consumption. Social exclusion also concerns relational and socio-cultural aspects, such as solidarity, social bonds and participation, integration, engage-

ment, discrimination, and norms of social citizenship (e.g. reciprocity, mutual obligations). This difference is also often described as the material versus non-material nature of the two concepts.

- *Endogenous versus exogenous agency*

Agency refers to the individual or collective actors that bring about shortages. Poverty is typically analyzed at the individual or household level. The agency lies mainly in the characteristics of the disadvantaged themselves, and may be regarded as endogenous. Social exclusion, on the other hand, also derives from a lack of 'communal resources': a person's neighbourhood and social network, social security agencies, and the social infrastructure. The excluded may have little or no control over such exogenous factors.

However, this sharp juxtaposition of poverty and social exclusion also attracted criticism. First of all, the distinction between static poverty and dynamic exclusion may be questioned. Silver (1994: 545) argues that exclusion is not only a dynamic process, but it also points to the outcomes of historical developments. It may therefore very well be regarded as a static condition, or a state, sometimes referred to as 'being socially excluded' or 'excludedness'. Poverty, on the other hand, can be regarded in a dynamic fashion, as happens in empirical research on the process of becoming poor and terminating periods of poverty (see e.g. Goodin et al., 1999; Jäntti & Danziger, 2000: 353-362;).

The contrast between absolute poverty and relative social exclusion may also be questioned. Poverty is sometimes measured in a purely relative fashion, as in the familiar 60% of median income threshold used in many comparative studies. But even 'absolute' poverty measures have a relative aspect. While they refer to the realisation of certain 'absolute' minimum standards, the means this requires may vary over time, location and social setting. This point has been repeatedly made by Sen (1985: 669-671; 1992: 115-116), and implies the need for a sensible poverty line to evolve, to some extent, in line with changing standards of living and social perceptions of necessities.

Vrooman & Snel (1999) state that poverty may very well be analysed in a broad sense. An early definition used by the Council of European Communities (1985) provides a good example: 'individuals or families whose resources are so small as to exclude them from the minimum acceptable way of life in the Member State in which they live'; resources being defined as 'goods, cash income plus services from public and private sources'. Alcock (1991) also uses a wider approach of the poverty concept, and tends to regard poverty as a multidimensional phenomenon. At first sight poverty, thus conceived, may even seem to be synonymous with social exclusion. However, some authors note an essential difference: although deficiencies other than financial shortages are included in the broad definition of poverty, the *reason* for those deficiencies is mainly financial (see Nolan & Whelan 1996). In the case of social exclusion, by contrast, there may be other causes than a lack of financial means, such as illness, old age, neighbour-

hood factors, and discrimination. Thus, one might be socially excluded without being financially poor (Burchardt et al. 2002: 5-6; Uunk & Vrooman 2001: 144; Saraceno 2001: 4; see also Abrahamson 1997: 130; Room 1997: 256; De Koning & Mosley 2001).

The agency issue is regularly discussed in the theoretical scientific literature (a.o. Jordan 1996), but is not really prominent in the policy debate or in the National Action Plans, nor is it treated extensively in empirical research. Analytically, excluding actors can be defined at the micro-, meso- and macro-level, both for poverty and social exclusion. There is no reason why an individual cannot be, at least to a certain extent, an agent of his own social exclusion. Drug-addiction or school dropout, for instance, may be important causes for shortages on several dimensions; and these are partly based on choices made by the individual person. On the other hand, poverty cannot always be attributed to its victims; the actions of benefit and job agencies, and government policy on benefit levels and entry conditions may seriously affect poverty rates and should be taken into consideration. Thus, distinguishing poverty and social exclusion through differences in agency does not seem very fruitful.

The proper way to analyse both is probably to take into consideration the actions of various agents which may increase the risk of poverty and social exclusion. This would include actions (or negligence) of the afflicted persons themselves, or of other individual or corporate actors. Schuyt & Voorham (2000) note that fellow citizens may cause exclusion, by morally rejecting people who are different; discrimination in hiring and firing by employers on the basis of ethnic origin, age or health status provides another example. Intermediate organisations that are charged with carrying out government policy in social security, health, welfare and education may also be agents of poverty and social exclusion, through unclear goal-definitions, an inefficient work process, a high case load, the preconceptions and preferences of individual employees, et cetera. The municipalities and the national government may also be regarded as actors, if their policies enhances the risk on poverty or social exclusion (e.g. by denying certain groups access to a sufficient level of education), or whose measures to combat these phenomena may be ineffective. And finally, at a more abstract level the welfare state itself may even be regarded as an 'actor' that causes poverty and social exclusion. This follows the well-known neo-liberal critique, which assumes that the welfare state does not in fact help people, but makes them dependent and passive instead (e.g. Murray 1984, 1997). From this perspective, social exclusion is an inevitable outcome of the institutions of the modern welfare state, which takes away the incentive for people to shape their own lives, both through the safety net they provide and through the incentives administrative organisations have in sustaining a passive attitude of their clients.

In addition to the possibility that actors at various levels can function as excluders, social exclusion may also result from more general socio-economic developments. Examples of these are a rising unemployment due to a recession or structural

changes in labour supply and demand, demographic transitions (immigration of low-skilled labourers and refugees), and cultural changes (e.g. a slackening of the work ethic, the rise and fall of certain subcultures).

2.3 *A conceptual model*

Elaborating on these theoretical notions we developed a conceptual model, with the aim to test it empirically. As the foregoing makes clear, the concept of social exclusion is defined partly by contrasting it with the concept of poverty; but the distinctive criteria are not very sharp. Social exclusion need not relate solely to the process of being socially excluded (dynamic), but can also denote the condition of being socially excluded (static). Social exclusion can relate both to non-material characteristics (relational dimension) and to material aspects (distributional dimension). The causes of social exclusion and of being socially excluded may lie at a collective level, but individual characteristics and behaviour can theoretically be important as well. The only distinction that could remain intact is that social exclusion involves different dimensions, while poverty relates only to the financial/material aspect; but even this difference only holds for poverty in a strict sense, and not for broader definitions.

Against this background, we think it worthwhile to try to combine the two scientific traditions, in order to enhance theoretical and methodological development. We consider social exclusion as a concept denoting two main aspects:

- 1) economic-structural exclusion, which refers to a distributional dimension in line with the Anglo-American approach;
- 2) social-cultural exclusion, which refers to the relational dimension emphasized in the French school.

Within the first dimension we identify two distributional aspects: a material (income and goods) and a non-material (social rights) one. The second dimension is also divided in two different aspects: social integration, which point to social relations and networks; and cultural integration, which regards values and norms. Our approach thus combines the idea that poverty and social exclusion are mainly the result of structural factors (e.g. W.J. Wilson 1987, 1997; Katz 1989) with the thesis that they are mainly based in specific social settings and subcultures (e.g. Lewis 1968, 1969; J. Wilson, 1994).

In insert 1 these dimensions are described more explicitly, and we give an idea of the type of indicators one could use.

Insert 1 Characteristics of social exclusion

- A. Economic/structural exclusion (distributional dimension):
 - 1. Material deprivation:
Deficiencies in relation to basic needs and material goods; 'lifestyle deprivation'; problematic debts; payment arrears (a.o. housing costs).
 - 2. Inadequate access to government and semi-government provisions ('social rights'):
Waiting lists, financial impediments and other obstacles to: health care, education (especially of children), housing, legal aid, social services, debt assistance, employment agencies, social security, and certain commercial services (such as banking and insurance); insufficient safety.

- B. Socio-cultural exclusion (relational dimension):
 - 3. Insufficient social integration:
A lack of participation in formal and informal social networks, including leisure activities; inadequate social support; social isolation.
 - 4. Insufficient cultural integration:
A lack of compliance with core norms and values associated with active social citizenship, indicated by a weak work ethic; abuse of the social security system; delinquent behaviour; deviating views on the rights and duties of men and women; no involvement in the local neighbourhood and society at large.

The last sub-dimension, cultural integration, may require some qualification. The EU's focus in assessing social exclusion is on whether or not the rights of social citizenship (equal access to education, employment, housing et cetera) are at stake. The duties of social citizenship receive little attention; these may include, among other things, complying with the moral or legal duty to work, having a sense of responsibility towards one's fellow citizens, social engagement, and behaving in accordance with applicable legislation and regulations. Failure to observe such duties of citizenship can be seen just as much as a characteristic of social exclusion (or self-exclusion) as an inadequate access to rights of social citizenship. This issue has been explored in the Netherlands in several qualitative studies focusing on the coping strategies of benefit recipients (cf. Kroft et al. 1989; Engbersen et al. 1993; Engbersen and Staring 2000). The line of research revealed that in many cases the reaction to benefit dependency was a 'traditional' one, and in line with formal rules and the norms and values that are considered dominant in Dutch society. In other groups, however, the key aspect was strategic and rational behaviour. Among other things, these groups had deviant views on the acceptability of breaking rules, on the government, and on the advantages and disadvantages of working. This was reflected in their behaviour: these groups were more inclined to apply for benefits, and to continue drawing them, even when their entitlements were doubtful.

Of course, one may question the possibility of assessing a ‘dominant culture’, especially in a society with a great degree of variation in terms of ethnic origin, religious denomination or life styles.⁷ Moreover, who is entitled to identify core norms and values; and how perfect has the assimilation into the dominant culture to be? These reservations may be justified, but should, in our view, not lead to an ultra-relativistic approach. We think it may be possible to identify some central values and norms empirically, e.g. those which are enforced by law; and that these should be included if one wants to assess the degree of social exclusion.

These considerations have led us to three basic assumptions for the development of our conceptual model:

- social exclusion is a multidimensional phenomenon, which refers to both economic-structural and socio-cultural aspects of life. Theoretically it consists of material deprivation, insufficient access to social rights, deficient social participation and a lack of cultural/normative integration;
- a distinction can be made between traits which describe the actual state of social exclusion (status characteristics) and risk factors that increase the chance of social exclusion (process);
- the risk factors operate at the micro-level of the individual, at the meso-level of formal and informal organisations and social settings, and at the macro-level of government and society at large.

Figure 2.1 shows the conceptual model. The various aspects of social exclusion as a state, or being socially excluded, are the variables to be explained. The risk factors are displayed as determinants of these phenomena.

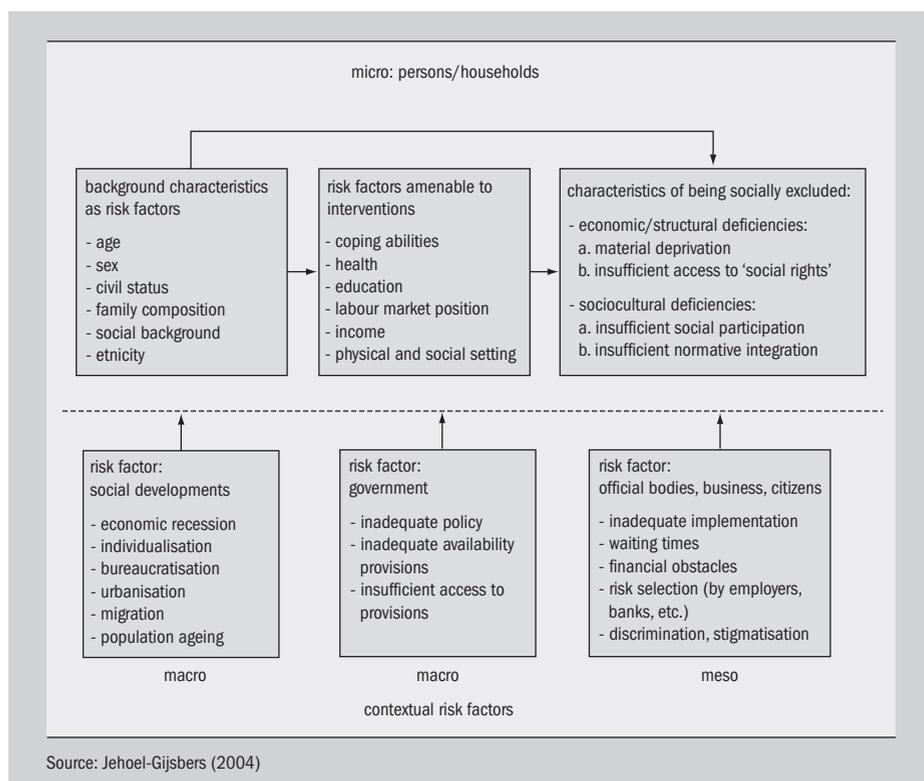
Based on the distinction between risk factors and features of social exclusion as a state, the development in the degree of being socially excluded ought to be measured directly, on the basis of ‘deficiencies’ in the four dimensions identified. For example, the model does not equate being socially excluded with having a low income but with material deprivation, which shows in the inability to meet basic needs, having problematic debts, payment arrears, et cetera. Having a limited income as such, however, is not regarded as an indicator of social exclusion, but as a potential cause of it: a risk factor.

The model essentially presumes a one-sided causality: the risk factors are considered to increase the chance of being socially excluded. Empirically the relationships between some variables may in fact be reciprocal. Being socially excluded can be a consequence of a poor health, but it can also cause a deterioration in one’s physical or psychological well-being. In fact, most risk factors that are considered to be amenable to policy interventions in figure 1 may empirically show a two-way causal relation. Because the aim here is to identify the theoretical causes of social exclusion, such feedback mechanisms are not included in the conceptual model. In empirical research, however, this is a serious issue which cannot be neglected, but

not easily be solved either. Detailed longitudinal data are needed to create enough time distance between causes and consequences. Since the data we use are cross-sectional, we cannot estimate two-way causal effects in our analysis. Therefore, the results presented below are interpreted as if the direction of causality is a one-sided, as is assumed in the theoretical model.

Figure 2.1

Conceptual model: risk factors and characteristics of being socially excluded



2.4 Operationalization

Subsequently, each theoretical dimensions of social exclusion was operationalized in terms of questionnaire items. If available, we used indicators which were used and tested in previous research on similar topics. In order to establish the degree of *material deprivation*, respondents were asked about difficulties with making ends meet, about the adequacy of their income for basic everyday and some other needs,⁸ about arrears with rent, electricity and water company bills, insurances et cetera. Another indicator for material deprivation was the opportunities people saw for obtaining

financial support from a bank, family and friends et cetera in the event of serious financial problems.

In the questionnaire the realisation of *social rights* was subdivided into access to education, health care, social security agencies, housing and safety (e.g. not being able to pay school fees, long waiting periods for medical treatment, being treated badly when applying for benefits). Business services –such as being refused services by banks, insurance companies or mail-order companies over the past two years- were also added to this list, even though this does not concern a truly ‘social’ right, since it does not depend on collective regulation.

The *social integration*-dimension was divided into several components: societal participation (defined as having paid and/or unpaid work), informal social participation (contacts with family, friends et cetera) and organised social participation (membership of associations, church attendance et cetera).

On the dimension of *cultural integration* we focused on dominant values and norms, that are supposed to be rather imperative; thus, in its operationalization the dimension narrows down somewhat to one of that could be called ‘normative integration’. Not trespassing the law we judged as the most undisputed norm; such rules are agreed at the macro-level, and every citizen has to comply with these, or risk a legal penalty. We used views on breaking the law and on the misuse of social security as indicators for this. Besides this, there are imperative social norms, which generally do not lead to legal punishment in case of defection, but may have serious negative social sanctions if they are violated. As indicators of this type we used views on the equal treatment of men and women, behaving in line with the work ethic, and involvement in society.

3 Research findings

The conceptual model containing the risk factors and features of social exclusion served as a starting point for the design of a questionnaire which was used in a verbal survey, conducted in 2003. In this empirical part of our project, we confine ourselves to an analysis of the concepts and the relations at the micro level (the upper part of figure 2.1). A multilevel approach would have been more appropriate, but is not feasible with the current dataset. Key data on the meso- or macro-level in our models are either not available (such as the behaviour of municipalities and other intermediate actors), or do not show the temporal or spatial variation one would need in order to perform such an analysis (e.g. policy measures of the central government).

In analysing the data, we first constructed an index for each dimension of social exclusion. Subsequently, we developed a social exclusion index which summarizes the scores on the separate dimensions. This was followed by a multivariate analysis, through which we assessed whether the various risk factors have independent effects. The outcomes were used to construct a number of risk profiles. Finally, we performed a structural causal analysis, which made it possible to examine how the process of social exclusion unfolds through the risk factors.

3.1 Collection of new data

Our study intended to map out the extent of social exclusion, the size of the risk groups and the relationship between risk factors and social exclusion. It focused on the blocks of variables at the micro-level (above the dotted line in figure 2.1). This requires an integrated dataset containing all information at the individual or household level; and because this was not available, a new survey was needed.

A major problem in collecting such data is that vulnerable groups may be less inclined to participate in the survey. People with poor education, benefit claimants, members of ethnic minorities and the residents of deprived areas are less easy to reach in a survey, whereas it is precisely such groups that theoretically are at risk of social exclusion. Selective non-response could thus lead to a serious underestimation of the degree of social exclusion in the population.

A second problem is that social exclusion probably affects a relatively limited share of the population, making it difficult to observe the phenomenon reliably in a standard national sample of limited size.

We decided to address these problems in the following way:

- Respondents were selected in residential neighbourhoods that were stratified by the SCP's standard status score of neighbourhoods.⁹ Half the interviews (431) were carried out in 20 districts from the lowest status score quintile, the other

- half (429) were conducted in 30 districts with a higher status score. To obtain results that are representative for the Dutch population over 25 years and living in independent households, the data were weighed according to the status score.
- The interviews were carried out verbally in the respondent's home; the interviewer handed the potential respondent a short written letter in several different languages (Dutch, Turkish, Arabic, English) explaining the purpose of the survey and offering the prospects of a reward of 10 euros for participating in the survey.
 - The interviews in low status neighbourhoods were carried out as far as possible by bilingual interviewers (Turkish/Dutch, Moroccan/Dutch) who had a questionnaire translated into Turkish or Arabic; in addition, all interviewers had a copy of the questionnaire in Dutch and English.
 - Care was taken to ensure that the percentage of the ethnic minority respondents was representative for the district concerned; the data collection agency was required to interview a predetermined percentage of members of ethnic minorities in each district.

The data were collected in the summer of 2003, the final report was published in Dutch little over a year later (Jehoel-Gijsbers 2004).

3.2 *Indices for the dimensions of social exclusion*

One of the main objectives of our study was to investigate whether it would be possible to construct a general index for being socially excluded. With this aim in mind, the four sub-dimensions of social exclusion were each operationalised through a set of indicators, and subsequently submitted to Categorical Principal Component Analysis (CatPCA), an optimal scaling procedure.¹⁰ Appendix A contains more detailed information about the indicators and the results of the scaling procedure. The analysis led us to conclude that reliable scales could be constructed for the dimensions of material deprivation (nine indicators; $\alpha=0.89$) and of social participation (eight indicators; $\alpha=0.76$). The 'access to social rights' empirically showed two sub-dimensions:

- 1) access to adequate housing and a safe environment (seven indicators; $\alpha=0.71$)
- 2) access to institutions and provisions (five indicators; $\alpha=0.82$).

The scale-construction for the dimension 'cultural/normative integration' caused some problems. Only four of the eleven included indicators formed a consistent scale, but with a lower reliability than the other dimensions ($\alpha=0.61$). The four items all had to do with trespassing the law.

The full report discusses the results on these five scales and the associated risk factors extensively (Jehoel-Gijsbers 2004: 59-106). Here, we confine ourselves to some general outcomes (see table 3.1).

Table 3.1

Index score for each of the dimensions of social exclusion, to risk groups; higher score means more exclusion (mean score for each dimension for the total group = 0)^a

Risk factors	Dimension 1	Dimension 2		Dimension 3	Dimension 4
	material deprivation	a. access to good housing	b. access to social institutions	social participation	normative integration
Not amenable to intervention					
≥ 65 year	- 0,22	- 0,30	- 0,18	0,33	- 0,19
Woman	0,09	0,04	- 0,02	0,01	0,02
Single	0,14	0,02	0,04	0,29	- 0,10
Lone parent child <18 yrs	1,22	0,59	0,37	0,47	0,08
Couple with children <18yrs	0,03	0,01	0,02	- 0,13	0,04
Low education of father (maximum grammar school)	0,14	- 0,07	- 0,04	0,22	- 0,10
Non-western ethnic minority	0,86	0,42	0,30	0,34	- 0,07
Amenable to intervention					
Low education respondent (<mbo)	0,26	0,00	- 0,03	0,43	0,03
Poor mastery of Dutch language	0,63	0,24	0,48	0,47	0,12
Poor ICT-capabilities	0,14	- 0,08	- 0,15	0,57	- 0,15
Poor administrative capabilities	0,13	- 0,08	0,04	0,39	- 0,02
Not a good health	0,41	0,11	0,30	0,54	- 0,03
Chronical disease	0,25	0,06	0,21	0,39	-0,12
Low psychological well-being (MHI-score <60)	1,04	0,40	0,73	0,99	- 0,17
In past 5 yrs: long term illness	0,38	0,12	0,34	0,27	- 0,05
HH <65yr ^b : no working hh-members	0,59	0,21	0,42	0,45	- 0,06
HH <65 yr ^b : on benefit (unemployment, disability, social assistance)	0,70	0,19	0,66	0,58	0,22
HH <65 yr ^b : in past 5 yrs: unemployed at least once	0,66	0,33	0,63	0,41	0,10
<105% of social minimum income	1,12	0,27	0,71	0,95	-0,09
Living in low status area	0,31	0,37	0,15	0,15	-0,13
Total	0	0	0	0	0

a Significant differences are printed in bold (p < 0,05). Significance is tested referred to the non-risk group.

b HH <65 yr: household of which the head and/or partner is younger than 65 years.

Source: SCP (Social Exclusion 2003)

Nearly all risk factors mentioned in the conceptual model (figure 2.1) show a significant correlation with the dimensions of material deprivation and social participation. To a somewhat lesser extent this also applies to the two 'social right'

dimensions. However, hardly any risk factor is empirically related to cultural/normative integration. This may be due to the methodological problems we encountered in constructing this scale.

Taking the separate risk factors into consideration, it seems the proper ones were selected in the model. Only two theoretical relationships are not corroborated by the empirical evidence. Gender has little to do with any of the dimensions of social exclusion, while age correlates with four of five dimensions in the 'wrong' direction: in the Netherlands elderly people turn out to be less excluded than younger ones, except where social participation is concerned.

We also counted whether certain groups are above a threshold value on the dimensions, which provided a first idea on the accumulation of the different aspects of social exclusion as a state.¹¹ Thus measured, nearly two third of our respondents is not excluded on any dimension at all. Roughly a quarter is above the threshold value on one aspect, while about 12% experiences an accumulation of social exclusion (a high score on at least two dimensions).

3.3 A general index for social exclusion

We will not dwell on the outcomes on the separate dimensions any further here, but prefer to focus on our more general index of social exclusion instead. In order to construct this we used *Overals*, which performs a nonlinear canonical correlation analysis. The programme is part of a separate module of the SPSS software package, and its theoretical underpinnings are described by Gifi (1990: 204). *Overals* is especially well-suited to our purposes, since it allows us to test simultaneously if the various indicators actually fall into the coherent subdimensions we theoretically expect, and whether by combining these subscales a good measure for the general concept of social exclusion can be obtained. The outcomes once again show four valid subscales: material deprivation, two subscales for access to social rights, and social participation. Moreover, these subdimensions scale in the same direction, which suggests they actually are different aspects of one and the same underlying phenomenon.¹²

The indicators for normative integration, however, did not fit in very well (see table 3.2). This may lead to two different conclusions. The first is that normative aspects of the kind we measured refer to a different kind of exclusion: people who are, e.g., deprived in material terms, empirically do not have more deviating views on normative issues than the well-to-do. If this were the case, one could conclude that we have actually found two types of being socially excluded (the general underlying dimension, and a lack of normative integration), which need to be analysed separately. The second interpretation could be that there is no such thing as a consistent set of indicators for 'normative integration' among our respondents, or if there is, that we have not succeeded in measuring it adequately. If one looks at the scaling results, we are inclined to hold the latter view. In the separate analysis of this dimension discussed above, we had to drop most of the indicators that were intended to

measure this aspect of being socially excluded, and even then the reliability for the scale of the remaining four normative issues was not quite high. The same happens in performing *Overals*: the total fit of the solution increases considerably if the normative items are excluded (the proportion of explained variance rises from 0.46 to 0.56). Because people have not responded in a very coherent way on the survey questions which were meant to measure normative integration, we decided to drop the normative integration issues from the general index. In future research we intend to investigate whether the measurement of the ‘lack of cultural/normative integration’ aspect of social exclusion may be improved.

Table 3.2
Fit with general index for social exclusion (results of *Overals* procedure)

	Fit with general index including dimension 4	Fit with general index excluding dimension 4
Dimension 1: material deprivation 8 indicators	0.66	0.68
Dimension 2: access to social rights		
a: access to good housing(conditions), 7 indicators	0.47	0.48
b: access to social institutions and provisions, 5 indicators	0.53	0.53
Dimension 3: social participation 8 indicators	0.53	0.55
Dimension 4: normative integration 4 indicators	0.13	--
Total fit (proportion of explained variance)	0.46	0.56

Source: SCP (Social Exclusion 2003)

The remaining dimensions allowed us to construct an index which may be used to express the degree of being socially excluded in a single figure. It should be borne in mind that this figure indicates a relative position. The distribution of the respondents on this general index is presented in figure 3.1: the higher the score, the more socially excluded a person is.

Most of the respondents score around zero, none below minus 1, and some above 1. Although the index essentially is a relative measure, the latter score implies a rather extreme position, statistically. If we apply this as a threshold value, 11% of the total population of adults above 25 years would belong to the socially excluded. For certain groups, however, the percentage turns out much higher.

Figure 3.1
 Frequency distribution of the general index for social exclusion

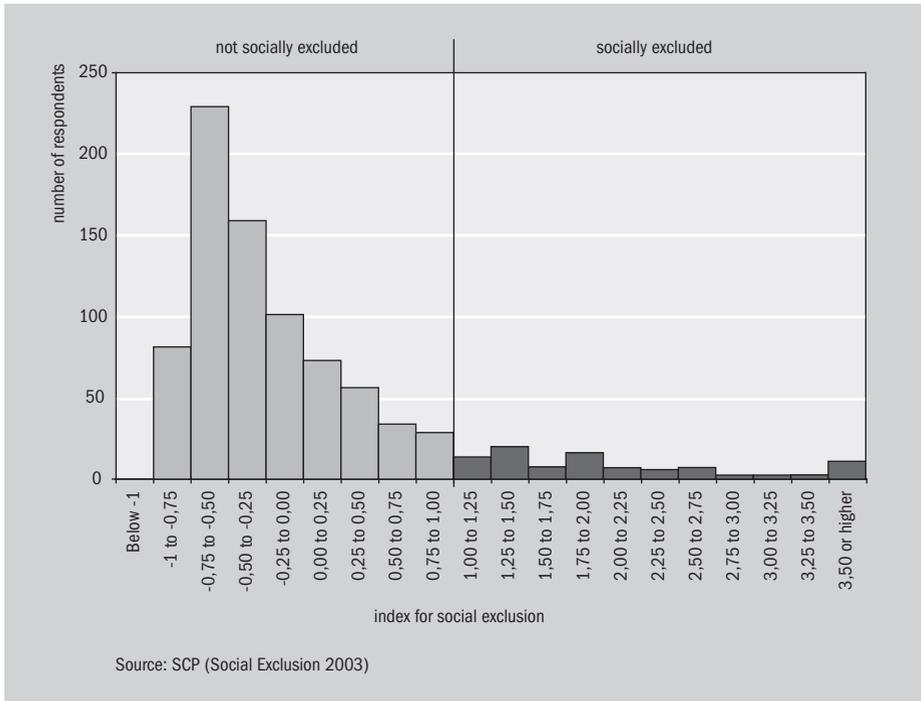
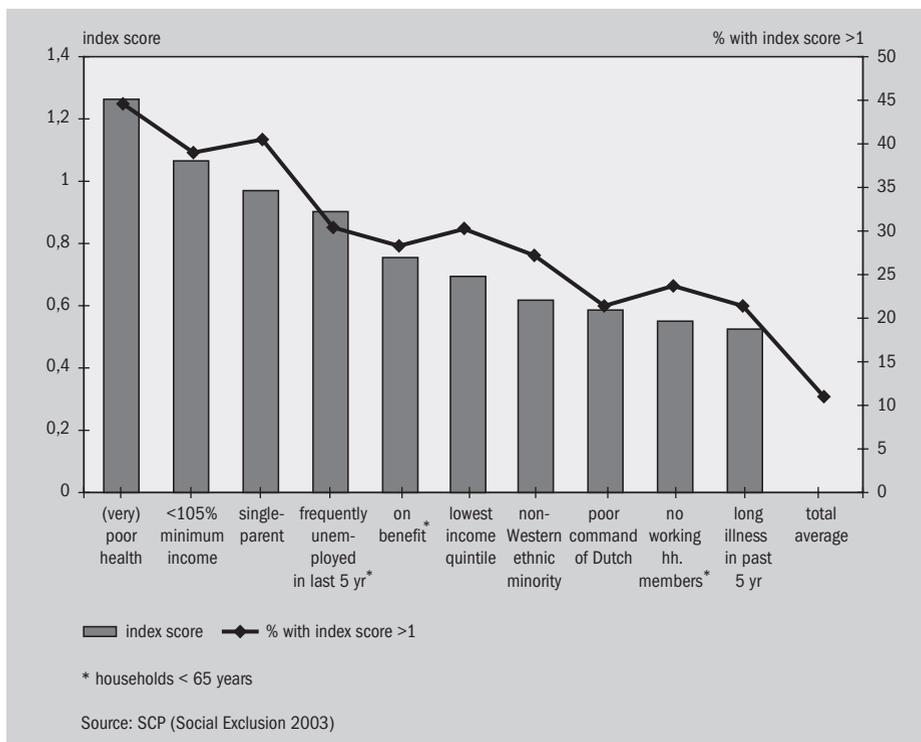


Figure 3.1 shows the main risk groups. These people suffer a high degree of social exclusion, at least to current Dutch relative standards.

It is rather remarkable that people with a poor health in general show the highest score on the index for social exclusion, whereas not having paid work (in households aged under 65 years) appears only in ninth place. It has to be borne in mind here that a third of the non-working group is in receipt of early retirement or surviving dependant's benefit, while two-thirds are on unemployment, social assistance or disability benefit. These latter categories of benefit claimants achieve a higher score on the social exclusion index (they are in fifth place) than the total group of households without paid work. Atkinson (1998) and Paugam (1997) give another possible explanation for the fact that (not) having a paid job is not a particularly strong predictor of being socially excluded. They argue that some jobs might in fact be more socially excluding than being on social assistance. In the same line of reasoning, Saraceno (2001) states that the idea that any job is better than no job if one wants to avoid social exclusion is at least over-simplistic.

Figure 3
Main risk groups for social exclusion in the Netherlands



Another somewhat unexpected finding is that pensioners do not appear in the above list of risk groups, whereas they are in poorer health and have a lower income. This result contradicts the common view of pensioners as a very vulnerable group. In terms of social exclusion, this view is based mainly on social isolation and poverty. And indeed, when it comes to the dimension ‘social participation’, the research findings show that over-65s do achieve a higher score than the rest. However, the empirical results also indicate that they are better off on the other dimensions: they suffer from material deprivation significantly less often and also have fewer problems with social institutions and with issues relating to safety and housing. Once again, it should be stressed that this concerns their relative position compared to the other age groups. There are of course pensioners who do encounter these forms of exclusion, but the percentage of them is lower than in the rest of the population. The explanation for the fact that old age seems a protective factor rather than a risk booster must probably be sought in the different behaviour, different needs and different spending patterns of older persons. The general coverage of the older Dutch population in the pension and health systems at a rather high level may also be relevant here.

One comment should be made here about the fact that the socio-economic status of the neighbourhood does not appear on the list of main risk factors. At the start of our study we assumed that social exclusion would be a phenomenon mainly to be found in deprived neighbourhoods. To some degree this turns out to be the case, but the difference with non-deprived neighbourhoods is not that large. Moreover, after controlling for the other risk factors in an additional multilevel analysis, the effect of this factor disappears altogether. This implies that the somewhat greater degree of being socially excluded in disadvantaged neighbourhoods is caused by the population profile of the neighbourhood (a large share of people with risk characteristics), not by the neighbourhood as such.

Something similar is found for people of non-Western ethnic origin. Although they appear at number six in the above list, after controlling for other risk factors ethnicity has no *direct* effect on their degree of being socially excluded. Non-Western immigrants are more excluded because they have many risk characteristics, not because of their ethnic origin. This implies that an immigrant from Morocco is no more excluded than a native Dutch person if other characteristics (level of education, age, income, health et cetera) are held constant. The same conclusion emerges from a more elaborate causal analysis, presented in section 3.5 below.

3.4 Profiles of risk groups

Figure 3.2 showed the index score for separate risk categories. Risk factors often occur in combination and may reinforce each other. Multivariate analysis was used to identify the combination of variables that provides the best explanation for the differences in the index for social exclusion. Since a number of risk factors are not relevant for the elderly, separate analyses were carried out for the group aged under 65 years and for the over-65s.

The factor general health shows by far the strongest correlation with being socially excluded. A relatively high proportion of the differences in degree of social exclusion is explained by this one factor: for those below the age of 65 this amounts to 16% of the total variance in the dependent variable, for the over-65s the figure is even higher (25%). The results indicate that the combination of poor health, frequent unemployment in the last five years and low income has a major impact on the degree of social exclusion (index score=2.2). Where this combination occurs, other risk factors add little: the three risk factors explain 31% of the total variance in the index, whereas adding six more explaining variables add 5 percentage points. Among the over-65s, too, the combination of risk factors with the highest explanatory power for social exclusion is also poor health and low income. Instead of unemployment (a factor that is not relevant for this group), not performing unpaid work is a significant factor here, albeit with a limited additional effect. These three risk factors explain 35% of the total variance in the index.

A number of other accumulations that are relevant for policy were also examined. The left-hand section of table 3.3 shows the predicted index for a number of combinations of risk factors.

Table 3.3

The impact of the accumulation of risk-increasing and risk-reducing factors^a (< 65 years)^b

<i>Accumulation of risk-increasing factors only</i>	Index for social exclusion	<i>Accumulation of risk-increasing and risk-reducing factors</i>	Index for social exclusion	Change in index
1a. very poor health + benefit	1.6	1b. very good health + benefit	0.1	- 1.5
2a. low income + single-parent family	1.2	2b. high income + single-parent family	- 0.1	- 1.3
3a. low income + ethnic minority		3b1. high income + ethnic minority	- 0.3	- 1.4
	1.1	3b2. low income + indigenous	0.7	- 0.4
4a. ethnic minority + single-parent family	1.1	4b. indigenous + single-parent family	0.7	- 0.4
5a. low income + couple with children	1.0	5b. high income + couple with children	- 0.5	- 1.5
6a. ethnic minority + poor command of Dutch		6b1. indigenous + poor command of Dutch	0.6	- 0.3
	0.9	6b2. indigenous + good command of Dutch	0.2	- 0.7

a Predicted index values; risk-reducing factors are shown in bold.

b Average index value < 65 years = 0.1.

Source: SCP (Social exclusion 2003)

People with poor health who are in receipt of a benefit score highly on the social exclusion index compared with the other risk combinations shown. Single-parent families with a low income are slightly more socially excluded than members of ethnic minorities with a low income. Couples with children and a low income score slightly lower on the index than single-parent families with the same low income. Evidently having a complete family offers the prospect of a better position in society even where the financial capacity is low. The combination of ‘non-Western ethnic minority’ with ‘poor command of Dutch’ takes the degree of social exclusion above the average, but to a more limited extent than the other combinations.

The right-hand side of table 2 gives the predicted index value if one of the two risk-increasing factors is replaced by a risk-reducing, or protective, factor. This allows us to quantify the risk-reducing effects; for example, what is the impact on social exclusion if one is in receipt of benefit, but not combined with a very poor but with a very good health. Comparing the two halves of the table shows that for benefit claimants, being in very good health greatly reduces the degree of social exclusion (from 1.6 to 0.1). Furthermore, replacing a low income with a high income is a key factor in low-

ering social exclusion (a reduction with 1.3 to 1.5 points). Ethnic origin has a much smaller influence: indigenous people with a certain risk factor score only 0.3 – 0.4 lower on the index than members of ethnic minorities with the same risk factor.

Subjective indicators and the index

To construct the index for social exclusion we selected indicators which are as objective as possible. We asked the respondents about their actual situation, obviously as perceived through their cognitive process. The goal was to measure the extent of being socially excluded in terms of peoples circumstances, not whether they felt isolated, unhappy or dissatisfied. Nevertheless it is interesting to examine the relation between our measure of social exclusion and a number of subjective indicators. The correlation coefficients in table 3.4 are rather high, especially those with income satisfaction (-0.56) and with psychological well being (-0.48). Those who are socially excluded generally are less satisfied, especially with their income, and have a poorer mental health than the non-excluded. Once again, the causal direction is not quite clear here; but the fact that feelings of dissatisfaction and a low psychological well being are so closely connected with social exclusion provides some subjective evidence for the validity of the index.

Table 3.4
Correlation between subjective indicators and the index for social exclusion (correlation coefficient; maximum=1)

	Correlation with index for social exclusion
Satisfaction with life in general	- 0.47
Satisfaction with the number of social relations ^a	- 0.38
Satisfaction with housing	- 0.33
Satisfaction with living conditions	- 0.37
Satisfaction with income	- 0.56
The mental health index ^b	- 0.48

a Based on the question if one prefers more or less social contacts than he/she has at the moment.
 b he mental health index used consists of 5 items from the General Health Questionnaire (GHQ).

Bron: SCP (Social exclusion 2003)

3.5 Processes of social exclusion

The conceptual model in figure 1 implies that the various risk factors do not by definition, or at least not only, have a *direct* effect on the degree of social exclusion. It may be assumed that they also influence each other, and thus also have an indirect impact on the dependent variable. The direct and indirect effects of the various risk factors were tested empirically through a structural equation model developed in Amos

(Arbuckle & Wothke, 1999). The empirical model is derived from the theoretical relations at the micro-level noted earlier, and fits the data well (cf. figures 2.1 and 3.3).

Figure 3.3
Empirical determinants of social exclusion in the Netherlands (for the group 25-65 years)

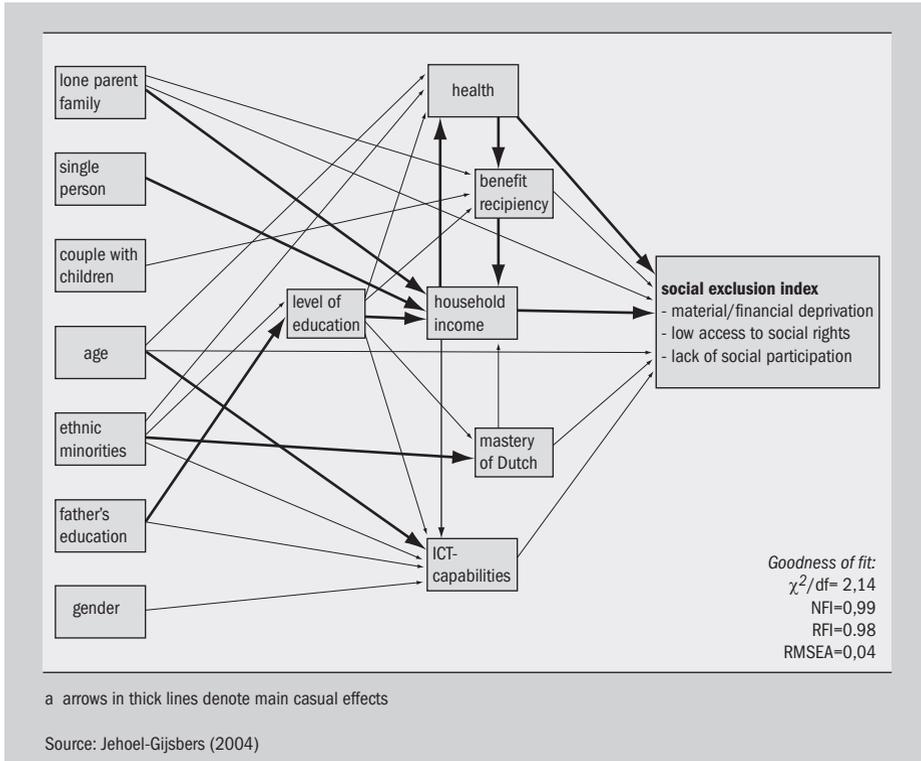


Table 3.5 presents the coefficients belonging to this graph. The outcomes show that the general health situation is found to have the strongest direct effect: social exclusion rises considerably when people are in poor health. Income takes second place, followed by being in receipt of unemployment, social assistance or disability benefit and having a poor command of the Dutch language. Single-parenthood also has a substantial direct effect, but its indirect effect, via income, is almost as great – hardly surprising, given that single-parent families often have a low income. ICT skills have a limited direct effect: the lower these competences, the more people are excluded. This variable includes not only ‘computer skills’, but also activities that may be counted as basic skills required in a modern society, such as the ability to use cash machines, to buy public transport tickets from automatic vending machines et cetera.

The effect of age turns out to be rather complicated. We found a strong negative direct effect (the older people in the 25-65 age group are, the less they are excluded),

which is partly cancelled out by an opposing indirect effect (more exclusion with increasing age). This indirect effect is caused by the fact that older persons are less healthy and possess fewer ICT-related skills, increasing their score on the index. On balance, however, old age proves to have a protective effect against exclusion. This is found to apply not only for those in the 25-65 age group, but also for the elderly (not presented here): among the over-65s, too, the degree of social exclusion is found to reduce with increasing age.

Table 3.5

Indirect, direct and total effects on social exclusion in the Netherlands (standardised coefficients; 25-65 years)

	indirect effects	direct effects	total effects
<i>Risk factors not open to policy intervention</i>			
couples with children (0=no; 1=yes)	-0.02	-	-0.02
single persons (0=no; 1=yes)	0.16	-	0.16
lone parent families (0=no; 1=yes)	0.12	0.10	0.22
gender (0=women; 1=men)	-0.01	-	-0.01
age (in years)	0.07	-0.13	-0.06
non-western ethnic minorities (0=no; 1=yes)	0.12	-	0.12
father's education (→ higher)	-0.08	-	-0.08
<i>Risk factors amenable to policy intervention</i>			
health (→ worse)	0.07	0.26	0.33
ICT skills (→ less)	-	0.08	0.08
command of Dutch language (→ worse)	0.03	0.16	0.20
respondent's education (→ higher)	-0.16	-	-0.16
unemployment/disability/social assistance benefit ^{a,b} (0=no; 1=yes)	0.07	0.17	0.24
household income ^c (→ higher)	-0.08	-0.23	-0.31

a benefit received by head of household and/or partner

b if the variable 'in receipt of benefit' is replaced by 'paid work' the effects are: - 0.09 (indirect), - 0.08 (direct) and - 0.16 (total effect)

c net income of head household plus partner (if any)

- left out of analysis after assessing that the effect was non-significant

Source: SCP (Social exclusion 2003)

One striking finding is the fact that two risk characteristics that are considered important, namely education level and ethnic origin, have no *direct* influence on the degree of social exclusion. Instead, their effect runs entirely through other risk factors. The influence of a poor education operates via a low income and poor health; among non-Western ethnic minorities, the causal chain goes via a low education level, poor command of Dutch and poor ICT-related skills. This means ethnic origin

and level of education are key background variables for explaining the process of social exclusion.

Couples with children are not a group with a high risk of social exclusion; this is mainly because they generally have at least one income from employment and they have social contacts through their children. The same applies for gender: there is only a very slight indirect effect, through women's lower score on ICT skills. Generally speaking, women below the retirement age experience hardly any more social exclusion than men, though it must of course be borne in mind that this is a 'pure' effect, after correction for the influence of other factors. The strong effect of being a single-parent family noted above largely concerns women.

Three remarkable elements emerge from this empirical model:

1. First, contrary to expectations, income is not the main determinant of social exclusion, at least in the way that the concept was measured in this study. People's health is more important; and social exclusion most certainly cannot be equated to their income position, a notion that corresponds with the theoretical literature discussed earlier.
2. Secondly, the effect of being in receipt of benefit is primarily a direct one. It might be assumed, as with single-parent families, that the influence of this risk factor would operate mainly via the level of income, but in fact this indirect effect proves to be limited. This means that the relatively high degree of social exclusion of benefit claimants can be attributed to only a small extent to their income. Being in receipt of benefit, regardless of the level of income, itself increases the degree of being socially excluded. Compared with being in receipt of benefit, having paid work has a relative small direct effect (- 0.08).¹³ This means that having a job alone is not a main explanatory factor for reducing exclusion.¹⁴
3. Finally, it is worth noting that many of the more important determinants of social exclusion are in principle amenable for policy intervention. This applies to health, income, benefit reciprocity, and command of the Dutch language. One-parent families are the only risk group where the direct effect is strong, and where social exclusion will be hard to influence through policy measures aiming to reduce single parenthood.

The causal chains described above relate to the population aged under 65 years. As a number of the risk factors that are relevant for them (such as being in receipt of unemployment, social assistance or disability benefit and having a history of unemployment) are not important for the over-65s, a separate causal analysis was performed for the latter group. It was found that, here too, health has the strongest direct effect, followed by income. Performing unpaid work also has a direct (though limited) influence in combating social exclusion.

4 Conclusions

Social exclusion is a wide-ranging and complex phenomenon, and it is therefore not easy to represent it with a single figure. In our study we made an attempt to develop a numerical index for social exclusion as a state. This does not allow an absolute threshold to be drawn above or below which social exclusion can be said to exist. What it does do, however, is to assess the relative position of various risk groups in terms of being socially excluded, the impact of risk factors, and the causal mechanism through which they operate. This may be an important policy tool, which can be used to set priorities and to develop policy strategies which tackle the risk factors that produce social exclusion. This could provide more focus to the national action plans.

This study also demonstrates clearly that the main policy indicators currently employed (income, work and unemployment), can only partly explain the degree of being socially excluded – the correlation is fair, but by no means complete. A number of other individual characteristics turn out to play a key role, independently of these factors; in particular health, but also command of the national language, are important determinants of social exclusion. Also striking is the strong correlation with subjective indicators such as psychological well-being.

To date Dutch policy in combating poverty and social exclusion focused strongly on the reduction of unemployment and benefit dependency. To achieve this, an important change was made in the access to social benefits and in the execution of reintegration activities: it switched from public to private organizations. Moreover, combating school-dropout is considered important to promote social inclusion, as well as the recent policy measure to oblige ethnic minorities to learn Dutch. In our view too little attention is paid to health factors, which are mostly regarded from a medical point of view, and far less as a problem which may have serious socio-relational consequences. Moreover, the last few years the dominant Dutch policy line shifted from compensating and helping the disadvantaged, to stressing their own responsibility. Although this may be a tenable policy maxim for the privileged and the well-educated citizens, one may question the ability of socially excluded people to live up to these expectations.

The theme of social exclusion is set to remain on the policy agenda in the years ahead. All Member States have an obligation to report to the EU on this matter; in doing so, they make use of a number of policy indicators agreed at the EU level. Our study indicates that social exclusion can also be assessed in another way, with a stronger emphasis on the characteristics of the phenomenon as such, and with spe-

cific attention for the process of exclusion. The two perspectives should, in our view, be complementary. The *Laeken* indicators are important benchmarks against which the relative success of different types of policy may be assessed. However, if the aim is to ascertain the degree to which social exclusion actually exists in the Member States, consideration also needs to be given to a direct measurement of the phenomenon. In addition, if the object is to study the causes of social exclusion and to examine the extent to which they may be amenable to policy intervention, an attempt should be made to model the actual impact of risk factors. The present study has, for instance, shown that income is not such an all-important determinant of social exclusion as is often assumed and that, as a minimum, the autonomous impact of health, benefit reciprocity and command of the national language should be added.

Of course, this study represents no more than a first step. Even in the Dutch case, the approach is in need of refining, for example as regards the ‘cultural/normative’ dimension of social exclusion. In other EU Member States and Candidate Countries it is possible that other causal factors will emerge, and the relative weights of the various determinants may be quite different. First steps have to be taken, however; and in our view supplementing the *Laeken* indicators is a worthwhile exercise, both conceptually and in order to increase our empirical understanding of the phenomenon of social exclusion.

Notes

- 1 In recent policy documents at the European level the concept of 'social exclusion' has gradually been replaced by 'social inclusion'. The difference between the two is utterly vague. 'Inclusion' suggests a process through which people are 'brought back into society' from a position of backwardness, preferably through wilful and effective governmental interventions. However, both in policy and research social inclusion often is treated as a lack of social exclusion – the *Laeken*-indicators, for instance, pretend to measure both. In this publication we regard the two concepts as complements, and throughout use the term social exclusion.
- 2 In the Czech Republic and Hungary the at-risk-poverty rate is even much lower: 8% and 9%.
- 3 Another explanation is that 'income-in-kind' was included in the total income definition of the new member states and candidate countries, whereas it is left out of consideration in the EU-15. Eurostat (2004a) motivates this by mentioning that such income components (e.g. own production of food, hunting and fishing, withdrawal from stocks by tradespeople, government provision of housing, meals, crèches) account for a substantial part of total income in the new countries. Furthermore Eurostat (2004a) notes that inequality is low in the new member states and candidate countries (due to inequal circumstances, the lack of information on the hidden economy, and misrepresentation of very poor and very rich people). If one uses a relative poverty threshold, poverty tends to decline if inequality decreases.
- 4 The primary reference point in the *Laeken*-indicators is the 'at-risk-of-poverty rate', defined as 60% of the median income. Other poverty indicators include long-term poverty, poverty based on the 60% income threshold anchored in time, the poverty rate before and after social transfer and the poverty gap. Alternative poverty thresholds use 40%, 50% and 70% of median income.
Other *Laeken*-indicators are non-monetary: e.g. the share of long-term unemployment (12 or 24 months) and people living in households where no one has paid work; regional cohesion, indicated by the regional dispersion of employment at the so-called NUTS2-level; the share of early school-leavers and of people in the 25-64 age bracket having completed lower secondary school or less; and the health situation, mainly measured by life expectancy at birth.
- 5 The full report is published in Dutch (Jehoel-Gijsbers, 2004). A preliminary version of this summarizing publication was presented at the European Union's Third Round Table on Poverty and Social Exclusion (Rotterdam, 18-19 October 2004).
- 6 It should be mentioned that since the *Laeken* indicators were agreed upon in 2001, they have been refined and extended somewhat (e.g. with the indicator 'literacy performance of 15-year old pupils'). Moreover, within the set of indicators the position of children and the elderly has been elaborated. Nevertheless, precedence is still given to income and employment (see European Commission 2004).
- 7 The idea that assimilation into dominant culture is a prerequisite for social inclusion is, of course, central to Durkheim's theory, for instance in his suicide typology. Silver (1994: 542) states that post-modernist uses of the term 'dominant culture' incorporates multicultural notions about how the basis of solidarity is, or should be, reconfigured.
- 8 The items do not only regard the most essential goods and services, but also whether one has enough money for attending a sporting club, buying newspapers, an Internet connection et cetera. If such less essential items are not present, respondent are asked whether this is due to financial reasons.

- 9 The status score is based on the mean income and the percentages with a low income, a low education level and unemployed in a given postcode area.
- 10 CatPCA was formerly known as Princals (Principal components analysis by alternating least squares); see Gifi (1990).
- 11 In assessing accumulation, persons with a score exceeding one standard deviation from the scale mean were considered socially excluded.
- 12 The Overals-procedure gives a better result if the dimension of 'access to social rights' is split up in two subsets: one for 'access to formal institutions' and one for 'adequate housing and safe living conditions'.
- 13 The analysis was also performed with the variable 'having paid work' instead of 'being in receipt of benefit'. As the two risk factors (work and benefits) show a high correlation they cannot be included in the analysis model simultaneously (a multicollinearity problem). In the model with 'paid work' included, both the total and the direct effects on social exclusion are lower than was the case with 'benefit' (-0.16 (versus 0.24 for 'benefit') and -0.08 (versus 0.17 for 'benefit')).
- 14 This is because about one third of the non-working households is in receipt of early retirement or surviving dependant's pensions. This group was not included in the benefits variable (which refers to social assistance, unemployment and disability benefits) and is less socially excluded.

Appendix A

Table A.1

Results of optimal scaling procedure^a for each dimension: component loadings and reliability (Cronbach's alpha)

	Component loading	Cronbach's alpha
Dimension 1: Material deprivation		0.89
1 payment of fixed expenditures is very hard	0.77	
2 has payment arrears	0.58	
3 worries often/continuously about financial situation	0.77	
4 has difficulty in making ends meet	0.88	
5 finds it more difficult to make ends meet than 2 years ago	0.66	
6 lacks consumer durables due to financial deficits	0.76	
7 cannot afford basic expenditures	0.80	
8 membership of (sports)club is too expensive	0.67	
9 has difficulties in obtaining a loan	0.65	
Dimension 2a: Social rights: access to institutions and provisions		0.82
1 often treated badly by public agencies	0.86	
2 often long waiting periods for appointments/treatments at public agencies	0.84	
3 often problems with public agencies	0.81	
4 refused by commercial service organisations (banks, insurance companies etc.)	0.58	
5 benefit (according to respondent) wrongfully refused or terminated	0.71	
Dimension 2b: Social rights: access to adequate housing and safe environment		0.71
1 frequent disturbances in neighbourhood	0.64	
2 wants to move house within 2 years	0.82	
3 had/expects a long search period in finding a new house	0.78	
4 little social cohesion in neighbourhood	0.62	
5 unsafe feeling in neighbourhood	0.42	
6 unsafe feeling if one is home alone	0.39	
7 often a victim of crime over the last 5 years	0.38	

Table A.1 (Continued)

	Component loading	Cronbach's alpha
Dimension 3: Social participation		0.76
1 feels left out of society	0.53	
2 does not/hardly go out for amusement	0.67	
3 experiences lack of social contacts	0.45	
4 has no/little people to discuss intimate matters	0.55	
5 has little social support	0.72	
6 no/little membership of clubs, societies	0.60	
7 no/little diversity in social contacts	0.81	
8 social contacts hampered by health	0.44	
Dimension 4: Cultural/normative integration		0.61
1 a false testimony is allowed if a friend faces trial	0.72	
2 trespassing the law is no problem as long as one does not get caught	0.73	
3 people with a payed job may moonlight for up to 150 euro a month	0.64	
4 people on social assistance may moonlight for up to 150 euro a month	0.62	

a Categorical Principal Component Analysis (CatPCA)

Source: SCP (Social exclusion 2003)

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