THE SUBJECTIVE EXPERIENCE OF POVERTY IN EUROPE [1]

Serge Paugam

When sociologists speak of "the subjective experience of poverty", they are referring to in-depth analysis of how the people living in poverty or designated as "poor" live their everyday lives and give meaning to their experience; in other words, this involves taking account of the tribulations that poverty, or what is regarded as poverty, consists of, in several life domains: budget management, family behaviour, working life, social and cultural practices, etc. The subjective experience of poverty has often been interpreted as a negative one, for many reasons: not only can this experience take the form of real deprivation and difficulties in coping with the requirements of daily living; it can also be accompanied by a weakening of social ties, a deterioration of social status, and feelings of humiliation or psychological distress.

With respect to living conditions, a crucial factor that heightens the subjective experience of poverty is clearly inadequacy of financial resources. This involves not only the current level of income but also the duration of time over which people have experienced financial deprivation. The lack of social connections is also likely to constitute a long-term source of risk, since people will have fewer material and affective sources of support to draw upon in times of need[2]. The extent to which poverty is associated with social isolation in turn is likely to be affected by the broader understanding in society of the causes of social disadvantage, since whether poverty is seen as a result of the failure of the individual or the failure of society will have implications for the degree of stigmatisation of the poor and hence for the barriers to social interaction.

This contribution has two main sections, each corresponding to one aspect of the experience of poverty: the first looks at the pressure of difficulties in making ends meet, day by day; the second attempts to assess the risk of social isolation. The aim of this chapter is to analyse the subjective experience of poverty with particular reference to differences between countries and changes over time since 1993.

[1] Serge Paugam wrote this paper. The calculations and graphs were made with the assistance of Marion Selz.

[2] Cf. Serge Paugam, *La disqualification sociale. Essai sur la nouvelle pauvreté*, Paris, PUF, 1991, coll. « Quadrige », 2002.

I. Data

The results presented in this paper are based on the Eurobarometer 56.1 realised in 2001. The sample covered the population of the respective nationalities of the European Union member states. In each country a random multistage probability sample was drawn, with an initial stratified sample of administrative regional units followed by a random route selection of addresses within sampling points. The respondent was then drawn at random within households. Interviews were carried out in the respondent's home. The target sample size is approximately 1,000 people in each country, although much smaller sample is drawn in Luxembourg (600). The interviews were carried out between September 17th and October 26th 2001. This was a not uneventful period in world history, but it is unclear in what particular respects this may have influenced the findings given the specific domains of investigation of the survey.

There are two particularly important limitations to the study. The first is the small size of the country samples. This makes it difficult to carry out detailed within country analyses in terms say of the different implications for men and women of occupational class without rapidly encountering constraints of cell size. The second is the variable nature of the response rates. It is well known that there are marked differences in typical response rates between countries, with for instance particularly low response rates in the Netherlands. In certain cases however the response rates achieved in this survey seem deviant even by conventional standards. In particular the spectacularly low response rates in Great Britain (21%) and Ireland (37%) indicate that considerable caution needs to be exercised in the interpretation of the results for these countries. The data have been weighted to provide a representative picture of the population for each country. But it cannot be sure that such weighting elimates all of the potential sources of bias that could accompany low response rates. Recent analyses of response rate patterns have been relatively optimistic about the robustness of results across differential response rates within a particular country and there is certainly a plausible consistency of country patterns across different time periods.

With respect to some aspects of the subjective experience of poverty it has been possible to compare the 2001 survey with an earlier survey realised in 1993. This survey was carried out, in the context of a growing interest in the problematic of social exclusion. The existence of this earlier survey has clearly been crucial in opening up the opportunities for comparison across time. For some tables presented in the second part of this paper, we used also another source : an European survey carried out in 1996 by DG Employment which focused primarily on precarious work conditions and unemployement.

The evolution of the broad economic context at the time of the different surveys is important to bear in mind. The 1993 survey was carried out in a period of renewed crisis which extended for many countries into the mid years of the decade. The current 2001 survey took place after a substantial period of economic recovery.

This broad pattern can be seen clearly in the unemployment rates in 1993 and 2001 (Table 1). Unemployment fell between 1993 and 2001 in all countries, with the possible exception of Greece and of Germany where the rate is stable. There were particularly marked declines in Finland, Denmark, Ireland, Spain, Sweden and United Kingdom.

Table 1.1 Standardised Unemployment Rates

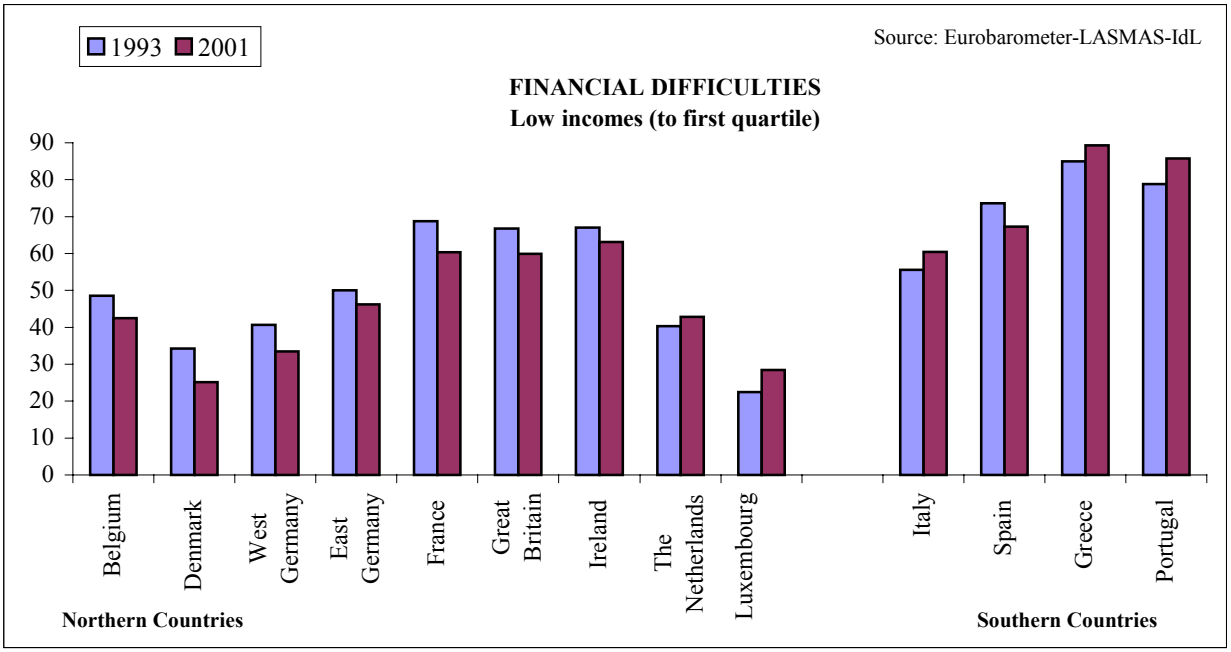
	1993	2001
Austria	4.0	3.6
Belgium	8.8	6.6
Denmark	10.1	4.3
Finland	16.4	9.1
France	11.7	8.6
Germany	7.9	7.9
Greece	8.6	(11.1)
Ireland	15.6	3.8
Italy	10.2	9.4
Luxembourg	2.6	2.0
Netherlands	6.6	2.4
Portugal	5.7	4.1
Spain	22.7	10.7
Sweden	9.1	5.1
United Kingdom	10.5	5.0

Source: OECD Standardised Unemployment Rates, with the exception of Greece 2001 where Eurostat LFS (2001 2nd quarter) figures have been used in the absence of standardised figures.

II. The pressure of difficulties in making ends meet

A number of indicators of subjective poverty were examined in the previous chapter, including one referred to as "financial difficulty". We found that financial difficulty affected a smaller proportion of people, overall, in 2001 than in 1993. If we consider the poorest group (below lower quartile) in each country, we still find the same, except in five countries: the Netherlands, Luxembourg, Italy, Greece and Portugal (cf. figure 1). We may note also, as might be expected, that financial difficulty affects a higher proportion of people in the southern countries, especially in Greece and Portugal, being distinctly less widespread in Denmark and Luxembourg. Around a quarter of the population up to the first quartile have financial difficulties in Denmark, against approximately 80% in Greece and in Portugal.

Figure 1

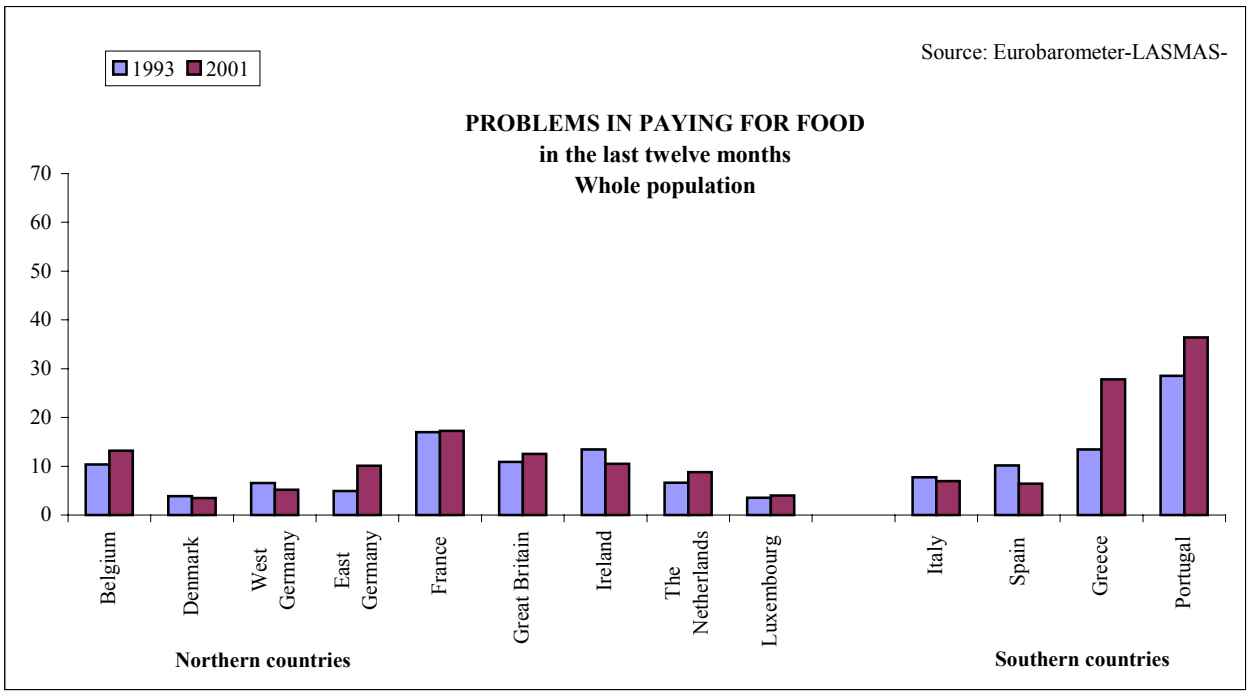


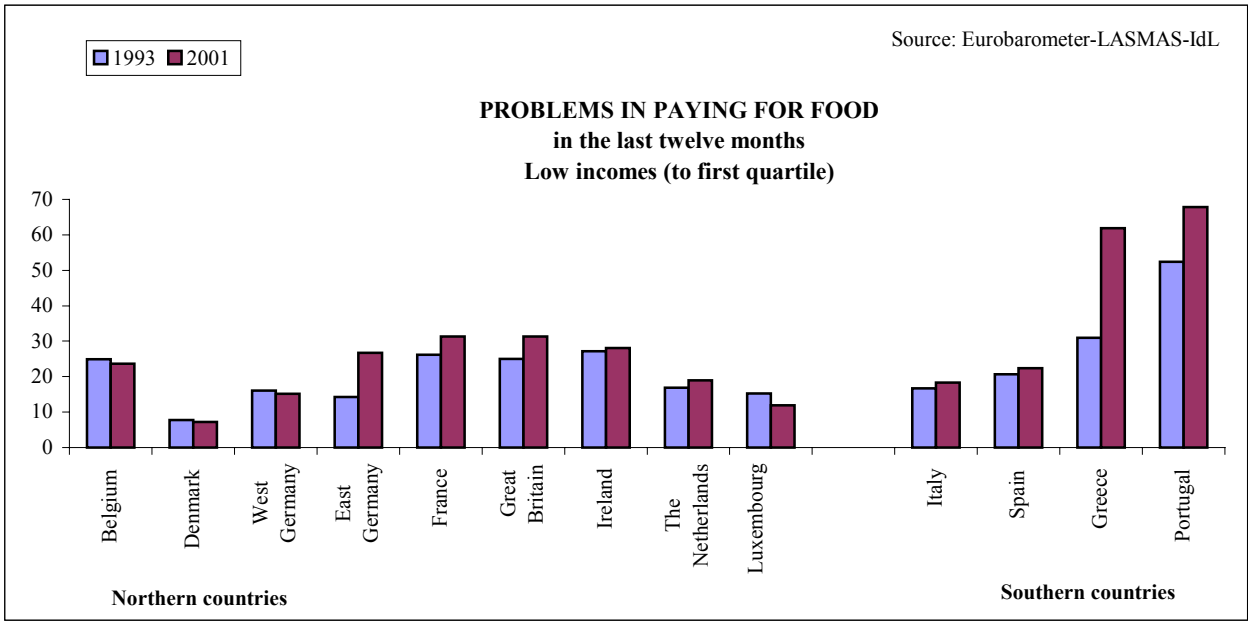
The questionnaire for the 1993 and 2001 surveys asked about many types of financial difficulty, including two relating to important budget items for households, food and rent. The question went: " In the last twelve months, have you, or any member of your household, had problems in…" and the alternatives offered in each case were: " no problem, some problems, a lot of problems, enormous problems" For the purpose of our analysis, we have grouped the last three together.

Figure 2 has two parts, the first for the whole population of each country, and the second for those whose income was equal to, or below, the first quartile. For whole populations, the change between 1993 and 2001 varies from country to country: between these two dates we find an increase in Portugal, Greece, the Netherlands, Great Britain, eastern Germany and Belgium, and no change or a fall in the other countries.

Naturally, we find that difficulties in paying for food are more frequent among people whose income is the lower quartile or below, and we also find that national variations persist here. People affected by this type of difficulty are proportionally more numerous in Greece and Portugal than in the other countries, especially Denmark, where the rate is still quite low.

Figure 2

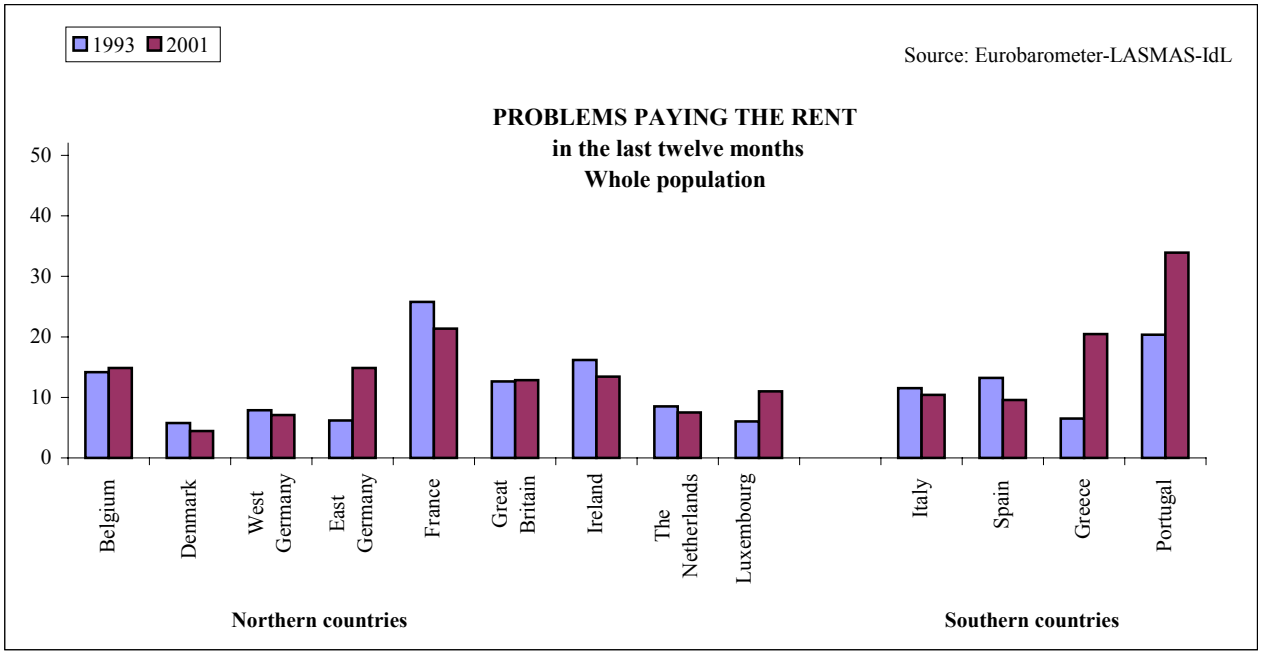


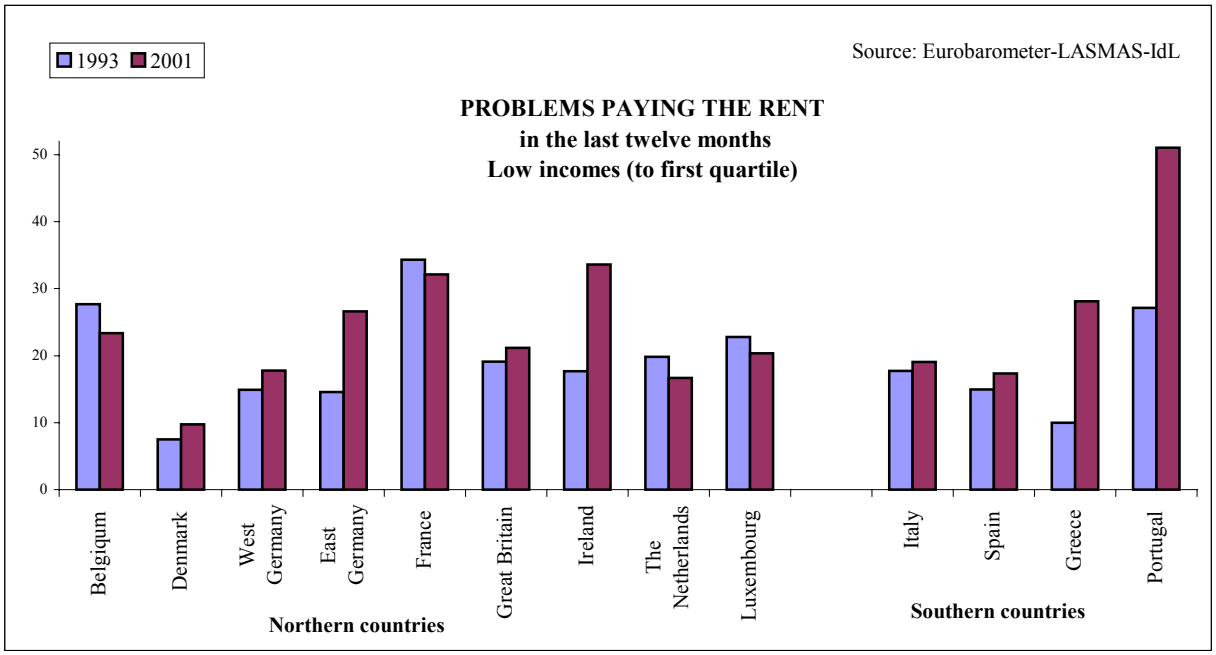


So far as difficulties in paying the rent are concerned (cf. figure 3), the changes between 1993 and 2001 also vary from one country to another, for the whole population: we find a clear increase in Portugal, Greece, eastern Germany and Luxembourg, and either no change or a fall in the other countries. On the other hand, an increase can be seen in more countries when we take those with incomes at or below the lower quartile: all southern countries, but also, among the others, Ireland, Great Britain, eastern and western Germany, and even Denmark.

Difficulties in paying the rent may in fact depend more on the state of the housing market than on income levels; in other words, with the same or even higher money incomes the poor can be faced with greater difficulties when rents go up and conditions of access to housing become more strictly selective. It is known that in many countries the economic climate can improve without any attendant relaxation of the tight conditions applying to those in rented accommodation.

Figure 3





The likelihood of being confronted with either of these two types of difficulty depends also on a number of variables which we have examined using a logistic regression model (cf. table 2). Other things, including the country, being held equal, women face difficulties paying for food more often than men do. Age also has a significant effect. By comparison with those aged 35 to 44 (the reference group for this model), young people under 25 and people over 45 (and especially those over 55) seem less affected by this type of difficulty. Young people under 25, of course, are not always independent and often still live with their parents, especially in southern countries: this might explain both their less frequent reports of difficulty and also, no doubt, their lesser sensitivity to this problem. The groups most affected of all are those of intermediate age, who are liable to have the heaviest family responsibilities.

We may note also, as might be expected, that the unemployed are much more often affected by these difficulties in paying for food than those in paid work, just as those whose income is at or below the lower quartile are more affected than others. Lastly, the year turns out to be statistically significant. Adjusting for other factors, the total population was more affected as a whole by this type of difficulty in 2001 than in 1993. While the lowest income groups are in general more affected than the other categories, they are not more so in 2001 than they were already in 1993, as we see from the interaction effect tested in the model (the coefficient here is almost zero, and not significant).

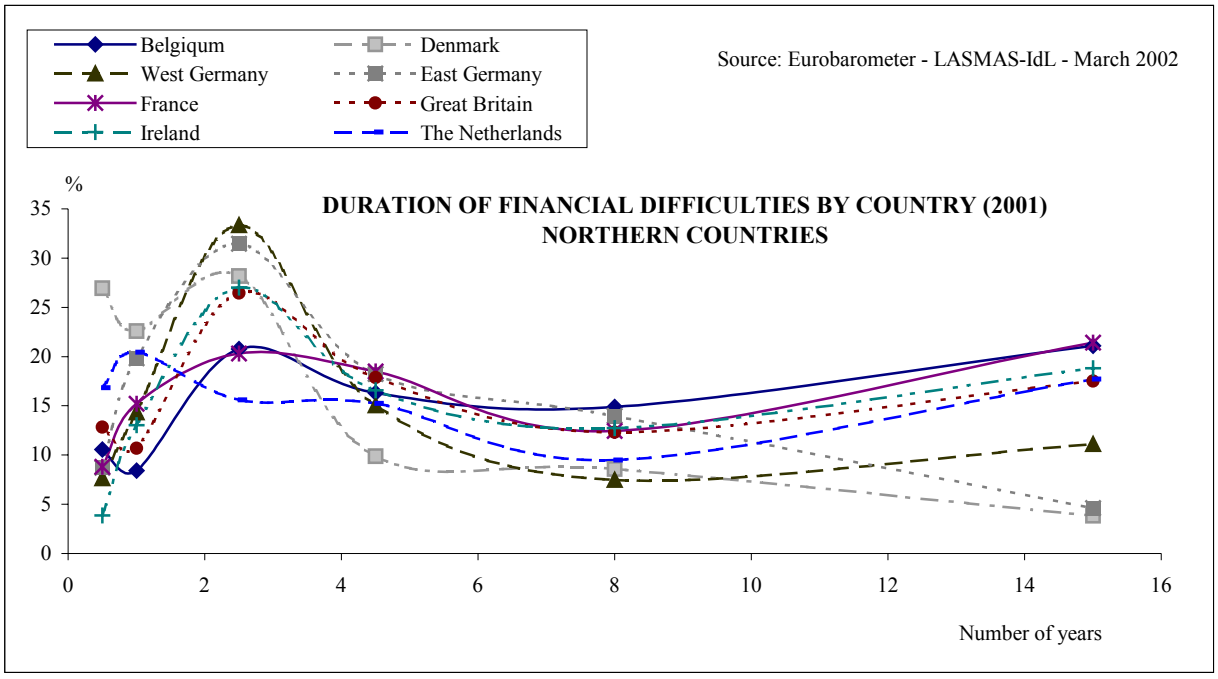
Table 2 : Logistic regression for the probability of having difficulty in paying for food and rent in the last twelve months (standardised for country)

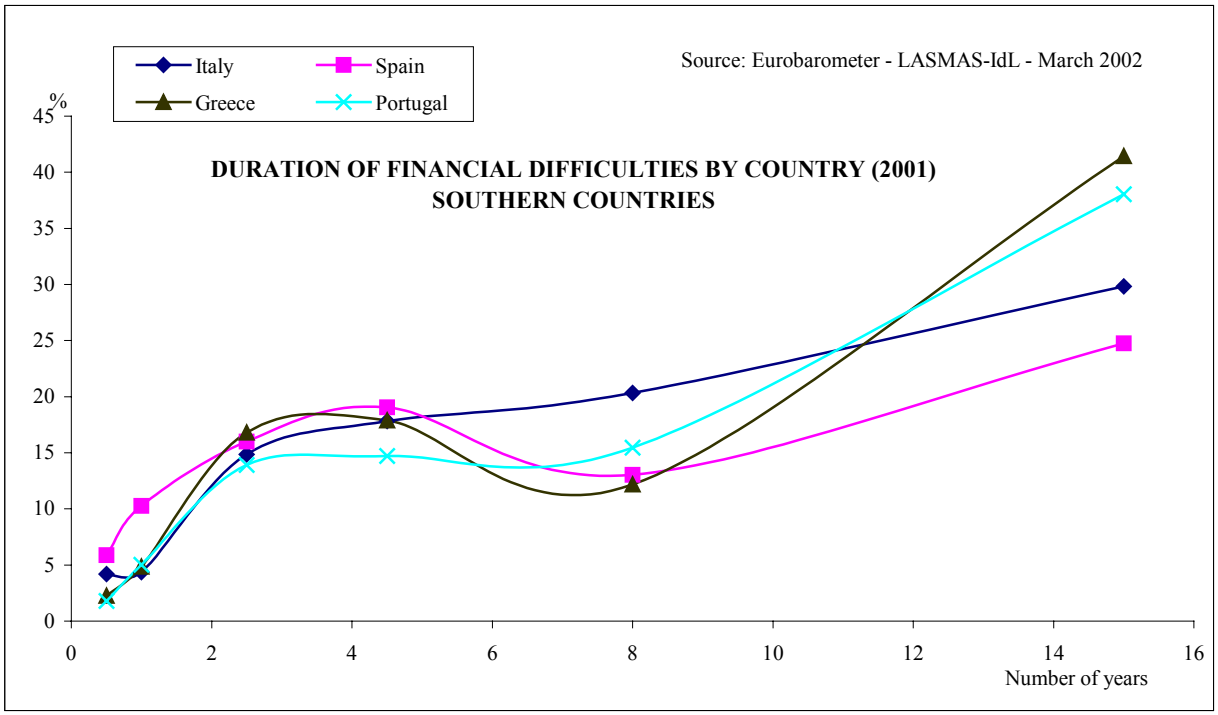
	Difficulty in paying for food	Difficulty in paying the rent
Gender		
Men	*Reference*	*Reference*
Women	0.13***	0.05 ns
Age		
15 – 24	-0.35***	-0.33***
25 – 34	-0.10 ns	-0.01 ns
35 – 44	*Reference*	*Reference*
45 – 54	-0.18**	-0.21***
55 – 64	-0.40***	-0.66***
65+	-0.69***	-1.20***
Employment status		
In paid work	*Reference*	*Reference*
Unemployed	1.02***	0.82***
Inactive	0.31***	0.09 ns
Income		
First quartile and below	1.50***	1.00***
Above first quartile	*Reference*	*Reference*
Year		
1993	*Reference*	*Reference*
2001	0.29***	0.10 ns
Interaction		
Below lower quartile *with* 2001	-0.03 ns	0.11 ns

*: P <0.05, **: P < 0.01, ***: P < 0,001, ns: not significant

We may observe fairly similar results for difficulties in paying the rent. Though women are not more affected than men are by this type of difficulty, the age effect is just the same as in the analysis for difficulties in paying for food. It is still those of intermediate age who are the most affected; likewise, the unemployed are distinctly more likely to have difficulties paying the rent than those in paid work. The poorest 25% are also more often affected than the other income categories. On the other hand, the year 2001 is not significantly different from 1993, nor is the interaction effect of low income and the year 2001: while the lowest income groups are more affected than the other income categories in both years, they are not more so in 2001 than in 1993 to any statistically significant extent.

Figure 4


Belgiqum
Denmark
West Germany
East Germany
France
Great Britain
Ireland
The Netherlands
Source: Eurobarometer - LASMAS-IdL - March 2002
%
DURATION OF FINANCIAL DIFFICULTIES BY COUNTRY (2001)
NORTHERN COUNTRIES
35
30
25
20
15
10
5
0
0
2
4
6
8
10
12
14
16
Number of years


Italy
Spain
Greece
Portugal
Source: Eurobarometer - LASMAS-IdL - March 2002
%
DURATION OF FINANCIAL DIFFICULTIES BY COUNTRY (2001)
SOUTHERN COUNTRIES
45
40
35
30
25
20
15
10
5
0
0
2
4
6
8
10
12
14
16
Number of years

In assessing the intensity of poverty, we have to take into account how long it lasts: people confronted with poverty may be experiencing it only during a short period in their lives, or over a long period[3]. In the first case, we may speak of "episodic poverty", arising as the result of some particular new difficulty; the second is referred to rather as "structural poverty", in the sense that it persists and corresponds to one or more permanent difficulties. In the 2001 survey, a question was asked about the duration of the financial difficulties, and in Figure 4 we may contrast the northern and southern countries. In the former, it is noticeable that the majority of those who have had financial difficulties have done so for some two or three years, while in the latter these difficulties have on the whole been going on a great deal longer: around fourteen or fifteen years in the case of the largest proportion of people, whatever the country. It is clear, therefore, that poverty is more of an episodic phenomenon in the northern countries, and more of a structural one in southern countries. This contrast should be related to our finding in the previous chapter, where we distinguished between the views of poverty as "new poverty" (widespread in the northern countries) and " inherited" (far more prevalent in southern countries).

This distinction between episodic and structural poverty, though it relates to the one between northern countries and southern ones, should not be taken to suggest that structural poverty only exist in the southern countries, or episodic poverty only in those of the North. We find in northern countries also a proportion of the population which remains poor from generation to generation and has persistent difficulty in surviving, whatever the economic and social climate. Surveys have revealed only that this proportion is distinctly smaller in the northern countries, and that episodic poverty is a more widespread phenomenon in the North than in the South.

[3] For a number of years now, those who specialise in research into poverty have been assigning more importance to this question of its duration. Cf. Lutz Leisering and Stephan Leibfried, *Time and Poverty in Western Welfare States*, Cambridge, Cambridge University Press, 1999.

Table 3: Effect of disadvantaged childhood background on the likelihood of financial difficulties in adulthood, by country

Interactive effect: Country/Parents' financial difficulties (PFD)	Model 1 (standardised for sex, age and country)	Model 2 (standardised for sex, age, country and income)
Northern countries		
Belgium-PFD	0.69***	0.57*
Denmark-PFD	0.38 ns	0.46*
Germany-West-PFD	0.90***	0.79*
Germany-East-PFD	0.31 ns	0.38 ns
France-PFD	0.32 ns	0.48*
Great Britain-PFD	0.28 ns	0.21 ns
Ireland-PFD	0.85***	0.88***
Luxembourg-PFD	0.76**	0.73**
Netherlands-PFD	0.34 ns	0.27 ns
Finland-PFD	0.14 ns	0.16 ns
Sweden-PFD	0.75***	-
Austria-PFD	0.46*	0.39 ns
Southern countries		
Italy-PFD	0.85***	0.76***
Spain-PFD	1.00***	0.95***
Greece-PFD	1.01***	0.83***
Portugal-PFD	1.14***	0.96***
Income		
below lower quartile	-	1.63***
lower quartile to median	-	0.54***
Median to upper quartile	-	-0.15**
above upper quartile	-	*Reference*

*: P <0.05, **: P < 0.01, ***: P < 0,001, ns: not significant

Lastly, when we look at the variables regarded as explaining poverty, we cannot disregard family background. In the 1960s the anthropologist Oscar Lewis explained, on the basis of his research on very poor families, that the "culture of poverty" has a tendency to perpetuate itself from generation to generation, through the effect it has on children. As he says, "by the time slum children are aged six or seven, they have usually absorbed the basic values and attitudes of their subculture and are not psychologically geared to take full advantage of the changing conditions or increased opportunities that may occur in their lifetime."[4] Now the materials we have from our 2001 survey are not, of course, as full as those Lewis gathered in the field; but we do have specific information about the respondents' childhood's, and in particular on any financial difficulties their parents had when they were responsible for their maintenance and upbringing.

[4] Cf. Oscar Lewis, *La Vida: A Puerto Rican Family in the Culture of Poverty--San Juan & New York, 1965 and 1966, Random Ho., NY.*

Table 3 shows the effect of these financially disadvantaged childhoods on the financial difficulties experienced in adulthood. As might be expected, there is a strong correlation between these two variables: the probability of financial difficulties in adulthood increases if the childhood background was economically disadvantaged[5]. However, the strength of this correlation varies from one country to another, even if we control not only for the effects of gender and age (model 1), but also for the effect of household income (model 2). In southern countries, the regression coefficients are always very high and statistically significant, indicating that reproduction of financial difficulties experienced in childhood is prevalent. In the northern countries, the coefficients are on the whole weaker and not always significant: in eastern Germany, Great Britain, the Netherlands and Finland the coefficient is not significant in any of the models. In other words, the tendency for childhood financial difficulties to be reproduced is less noticeable in the northern countries than in southern ones, doubtless because income disparities are on the whole smaller in the north. In the countries which enjoyed a period of rapid economic and social growth, as was the case during the " Three glorious decades", prospects for upward social mobility were also better than in the less developed countries of southern Europe, which were also countries of emigration. Poverty has tended and still tends to be a social destiny in economically poor countries or regions, where unemployment and underemployment are high and social security is less developed.

III. The risk of social isolation

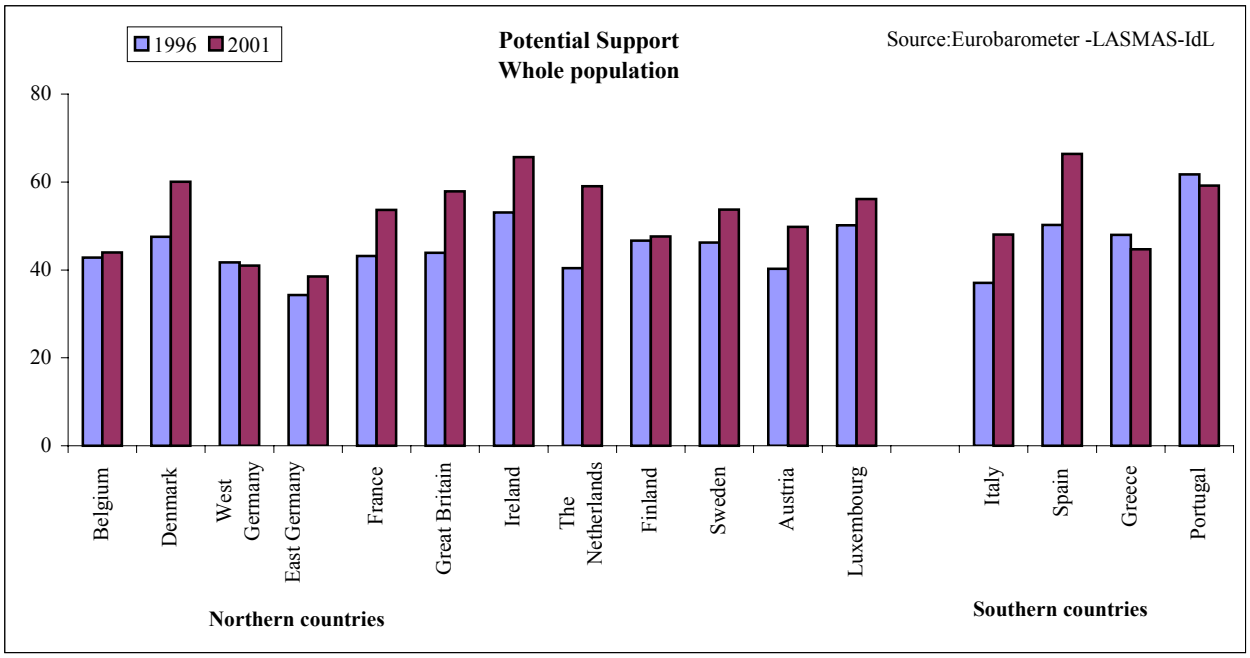
Another aspect of the experience of poverty is the risk of social isolation. A number of research projects have shown that the poor often live closed in on themselves, unable to enjoy social ties and relationships that could help with their difficulties. We can measure this risk of social isolation in various ways.

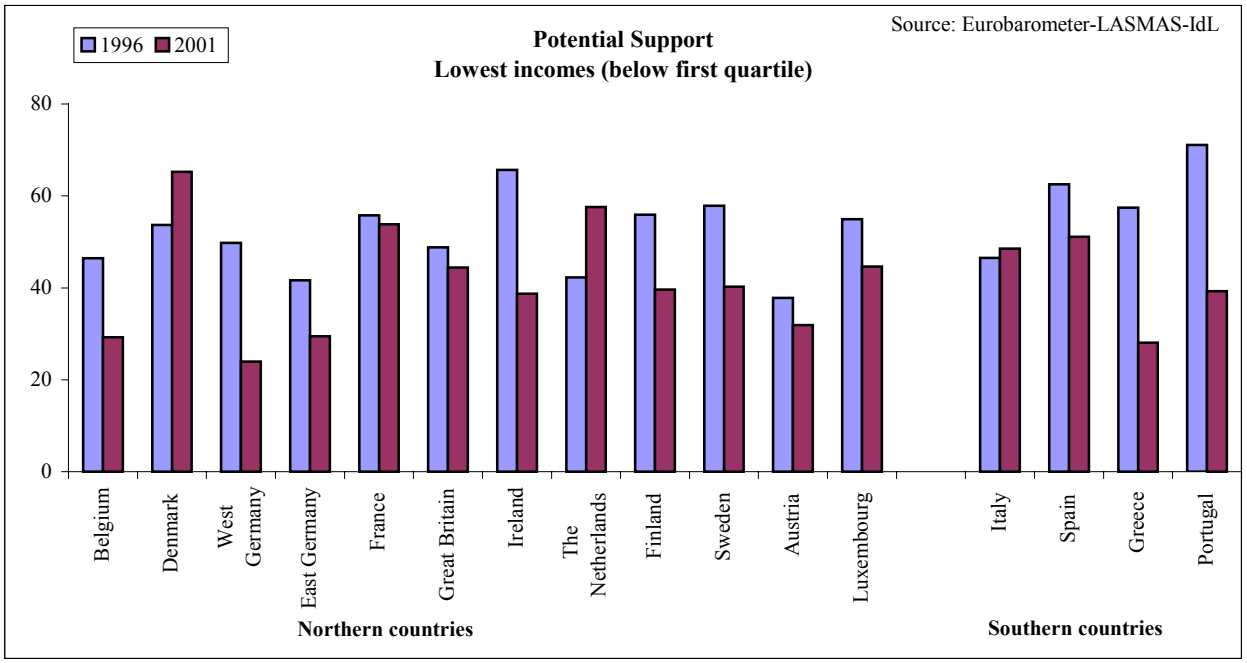
Potential support

First, it is possible to take account of individuals' ability to count on someone in situations of difficulty, something we may call "potential support". The survey distinguishes three situations: 1) "if you felt depressed"; 2) "if you needed help finding work for yourself or for a family member"; 3) "if you had to borrow money to help pay an urgent bill like the electricity or gas bill, or the rent or a mortgage payment". Figure 5 shows the proportion of people who said that they would have someone they could count on, for each of these three situations. The figure shows proportions, firstly, among the whole population in each country and secondly among just those with the lowest incomes (below lower quartile), for both 1996 and 2001.

[5] This issue has been analysed recently: Cf. Mary Corcoran, "Mobility, Persistence, and the Consequences of Poverty for Children: Child and Adult Outcomes", in Sheldon H. Danziger and Robert H. Haveman (eds.), *Understanding Poverty*, New York, Russell Sage Foundation,/Harvard University Press, 2001.

Figure 5


1996 2001
Potential Support
Whole population
Source:Eurobarometer -LASMAS-IdL
80
60
40
20
0
Belgium
Denmark
West Germany
East Germany
France
Great Britain
Ireland
The Netherlands
Finland
Sweden
Austria
Luxembourg
Italy
Spain
Greece
Portugal
Northern countries
Southern countries


1996 2001
Potential Support
Lowest incomes (below first quartile)
Source: Eurobarometer-LASMAS-IdL
80
60
40
20
0
Belgium
Denmark
West Germany
East Germany
France
Great Britain
Ireland
The Netherlands
Finland
Sweden
Austria
Luxembourg
Italy
Spain
Greece
Portugal
Northern countries
Southern countries

Though there are variations from country to country, the most obvious fact is the difference between the first and second parts of this figure. While in the case of the whole population the proportion of people with someone to count on in these three situations increased markedly between 1996 and 2001 in most countries, we find the opposite for the 25% with the lowest incomes. "Potential support" has diminished for them, in all countries except Denmark, the Netherlands and Italy.

The likelihood of being able to count on someone in situations of difficulty depends on a number of variables, and in particular gender, age, employment status, the year of the survey, and income (cf. table 4). Once we have taken account of the differences between countries, it should be emphasised that women have a better chance than men of enjoying this type of support do. Young people also, *ceteris paribus*, are better supported than older ones. The availability of potential support in fact decreases steadily with age[6].

This age effect results first of all from the progressive reduction as one age in the number of older family members. The weakening of potential support with age can also be explained by social customs of helping younger people to get a start in life: where a young person who has difficulties in getting established and setting up a home may be helped by his or her family, older individuals are more likely to be thought of as having failed to make the effort to provide for themselves; they will also be less comfortable asking the family for help, for accepting such help in maturity may be interpreted as the result of individual failure or inadequacy. This produces not only an objective dependence of young people on their family and entourage for support (of a material or moral kind or both), but also collective expectations and social standards concerning this type of assistance.

[6] This observation has been verified e.g. by Serge Paugam and Jean-Paul Zoyem, "Le soutien financier de la famille: une forme essentielle de la solidarité", [Financial support from families: an essential form of solidarity] *Economie et Statistique*, n°308-309-310, 1997, 8/9/10, pp. 187-120

Table 4 : Logistic regression for the probability of being able to count on someone in the times of difficulty (standardised for country)

	Model 1	Model 2
Gender		
Men	*Reference*	*Reference*
Women	0.11***	0.12***
Age		
15 – 24	0.43***	0.45***
25 – 34	0.31***	0.33***
35 – 44	*Reference*	*Reference*
45 – 54	-0.18***	-0.18***
55 – 64	-0.39***	-0.37***
65+	-0.42***	-0.35***
Employment status		
In paid work	*Reference*	*Reference*
Unemployed	-0.62***	-0.53***
Inactive	-0.37***	-0.32***
Year		
1996	*Reference*	*Reference*
2001	0.25***	0.40***
Income 1		
below lower quartile	-0.17***	-
lower quartile to median	-0.15***	-
Median to upper quartile	-0.13***	-
above upper quartile	*Reference*	-
Interactions		
1996-below lower quartile	-	0.27***
2001-below lower quartile	-	-0.46***

*: P <0.05, **: P < 0.01, ***: P < 0,001, ns: not significant

Employment status also has an effect. The probability of those who are unemployed or otherwise economically inactive being able to count on someone in the event of difficulty is less than for those in paid work. The negative coefficient is larger for the unemployed than for others outside the workforce, whichever model we choose. We may also note a significant income effect: the likelihood of being able to get such help increases with income. The poor and the unemployed are thus more socially vulnerable, *ceteris paribus*, than other categories. Though their material and psychological situation might well require more support from their entourage than is needed by other categories, they are unfortunately often deprived of such support, for lack of an easily mobilised network near at hand.

Lastly, the logistic regression confirms an increase in potential support between 1996 and 2001 for the whole population: the coefficient for 2001 is 0.25 (by comparison with reference year, 1996) in the first model and 0.40 in the second. On the other hand, the interactive effect of survey year and income below the lower quartile, in model 2, shows that the situation was worse in 2001 for those with the lowest incomes (a statistically significant coefficient of –0.46). This gives some confirmation of the general tendency seen in figure 5.

Social contact and sense of social isolation

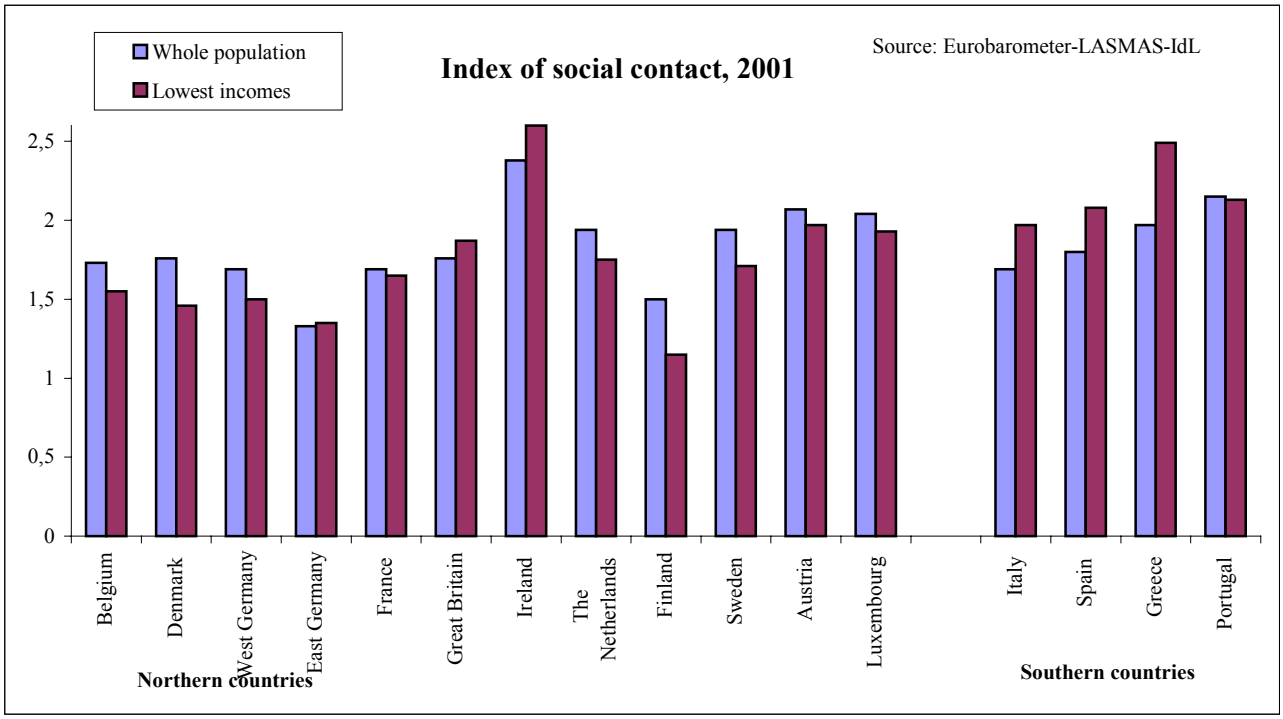
To measure the risk of social isolation, we can also work out a social contact ("sociability") index from the information available in the 2001 survey. Seven variables are used to represent social contact: they are expressed as follows:

- I speak to my neighbours almost every day
- I see my friends many times a week
- I meet family members not belonging to my household many times a week
- I belong to a sports or leisure club
- I belong to a voluntary or charity group
- I belong to a political party
- I go to church regularly (or another place of worship).

These variables admittedly stand for fairly different sorts of social contact; we may in particular distinguish between the informal social contact of social affinity networks (family, friends and neighbours) and the organised social contact of associations, clubs, parties and churches. The Cronbach test, though, which measures the degree of linkage among the various items in a composite index, gives a satisfactory result (0.63), warranting the use of our social contact index based on these seven variables.

Figure 6 presents this index both for the whole population and for the group with the lowest incomes (below lower quartile). Once more, there is a clearly visible difference between southern countries and northern ones. In the former, the social contact of the poorest people is greater than for the population as a whole, except in Portugal where the levels are roughly equal. In the northern countries, we find the opposite tendency, except in Ireland and Great Britain and, to a lesser extent, in eastern Germany. At all events, it cannot be concluded that in all countries the poor have a very low level of social contact compared with the rest of the population. The social isolation of the most deprived people is, as revealed by this indicator of social contact, by no means systematic.

Figure 6



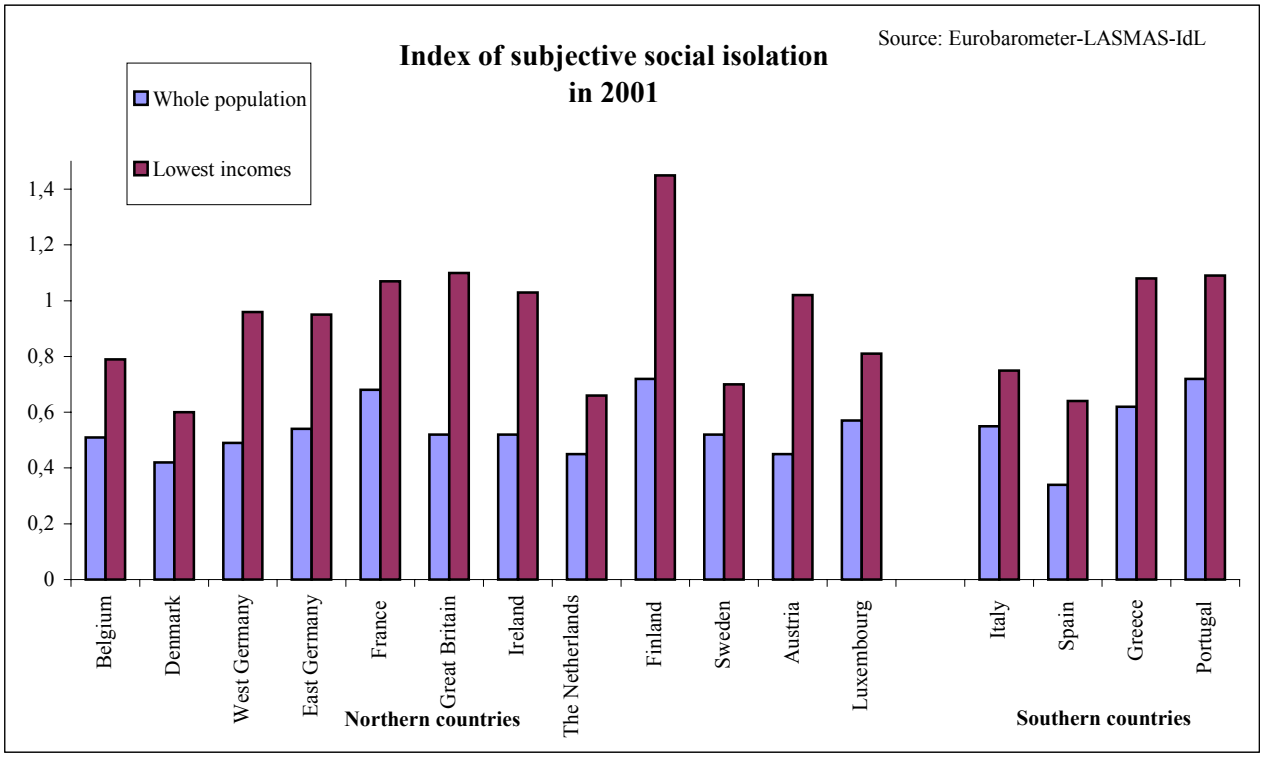
We may also, however, look a little more closely by using an index of subjective social isolation. This index may be calculated from four variables in the 2001 survey:

- I have felt lonely at certain moments in the two last weeks
- It's hard to have friends where I live
- I feel left out of society
- I feel isolated from my family

As in the case of the social contact index, these variables are not all of a kind, even though they all report a sense of isolation: the first is general in scope, while the others each mention one particular aspect of isolation, in relation to the friends, society and the family. We repeated the Cronbach test for this index, and again the result was satisfactory (0.73), so we are warranted in using it in our analyses.

Figure 7 shows that this index varies considerably from country to country. The index of subjective social isolation is relatively weak in Denmark, the Netherlands, Spain and Italy by comparison with other countries. On the other hand, in all the countries without exception, we find a distinctly higher value of this index for those with the lowest incomes by comparison with that for the whole population.

Figure 7



The tendencies observed on the basis of the objective social contact index, then, do not match those observed on the basis of the index of subjective social isolation. The difference between the northern countries and southern countries in the case of those with the lowest incomes is not found for both indices: while poor people in the southern countries have more social contact than the average for those countries[7], they *feel* more isolated socially, as do poor people in the northern countries. This difference actually reveals a weakness in our measure of social contact: obtaining measures of the frequency of relationships is necessary, but still not sufficient for explaining their quality; an individual may be surrounded by kin and unable to appreciate this proximity much, at the same time as feeling the lack of relationships he or she finds subjectively important. It is thus quite possible to have a high level of [objective] social contact and still not be in touch with what the psychologists call "significant others". When social contact is of an informal kind, as it is more often in southern countries, it is probable that it is also often constrained, determined in a sense by the requirements of common life and the paucity of collective venues in the neighbourhoods or villages where a large part of the population lives in conditions of poverty.

What are the factors, which determine both social contact and the propensity to feel, isolated socially? *Ceteris paribus*, women have more social contact than men: the difference is slight, but statistically significant; on the other hand they also feel more isolated (cf. Table 5). Social contact, as we have measured it, also increases markedly with age, peaking among those aged 65 years and more (who have reached the age of retirement and therefore may have more time to devote to their family and friends and to club activity). There is on the other hand no statistically significant age effect on subjective social isolation.

As might be expected, those with the lowest incomes have the least social contact and also feel the most isolated socially. This observation is confirmed by the indicator of financial difficulty. The result can be explained, at least partly, by the cost of participating in social life, which is often considerable whether in the form of membership of sports clubs or cultural associations or of the cost of inviting friends or neighbours home, or going on group outings. Lastly, while the unemployeds do not have significantly less social contact than those in paid work, they do however feel more isolated socially than the others.

[7] This has been observed before. Cf. Serge Paugam and Helen Russell, "The Effects of Employment Precarity and Unemployment on Social Isolation", *in* Duncan Gallie and Serge Paugam (eds.), *Welfare Regimes and the Experience of Unemployment in Europe*, Oxford, Oxford University Press, 2000, pp. 243-264.

Table 5 : Ordered logistic regression for social contact and the probability of feeling socially isolated (Standardised for country)

	Social contact	Subjective social isolation
Gender		
Men	*Reference*	*Reference*
Women	0.05**	0.07***
Age		
15 – 24	-0.26***	-0.04 ns
25 – 34	-0.16***	-0.01 ns
35 – 44	*Reference*	*Reference*
45 – 54	0.08**	-0.01 ns
55 – 64	0.20***	-0.01 ns
65+	0.28***	-0.01 ns
Income		
below lower quartile	-0.19***	0.34***
lower quartile to median	-0.09**	0.09***
median to upper quartile	-0.06*	0.02 ns
above upper quartile	*Reference*	*Reference*
Financial difficulties		
No	*Reference*	*Reference*
Yes	-0.17***	0.35***
Employment status		
In paid work	*Reference*	*Reference*
Unemployed	-0.04 ns	0.28***
Inactive	0.18***	0.05***

*: P <0.05, **: P < 0.01, ***: P < 0,001, ns: not significant

Among the four variables taken into account in calculating the index of subjective social isolation, one explicitly refers to the place of residence: this deserves particular attention. This is the difficulty of having friends where one lives (cf. table 6). *Ceteris paribus,* and to a statistically significant extent, women reported difficulties of this type more often than men did. The under-25s, on the other hand, appear to is distinctly less affected than their elders are by this problem. Unemployed people more often feel that it is difficult to have friends where they live than do those in paid work.

Table 6 : Ordered logistic regression on the probability of feeling that it is difficult to have friends where one lives

Variables	B. Sig.
Gender	
Men	*Reference*
Women	0.10***
Age	
15 - 24	-0.29***
25 - 34	-0.01 ns
35 - 44	*Reference*
45 - 54	-0.02 ns
55 - 64	-0.04 ns
65+	-0.08 ns
Employment status	
In paid work	*Reference*
Unemployed	0.35***
Inactive	-0.02 ns
Type of commune	
Village or countryside	-0.17***
Town	*Reference*
City	0.13***
Interaction of variables: Country/below lower quartile (Q1)	
Northern countries	
Belgium-Q1	0.20 ns
Denmark-Q1	0.02 ns
Germany-West-Q1	0.57***
Germany-East-Q1	0.45***
France-Q1	0.44***
Great Britain-Q1	0.50*
Ireland-Q1	0.16 ns
Luxembourg-Q1	0.22 ns
Netherlands-Q1	-0.08 ns
-Q1	1.02***
Sweden-Q1	0.50***
Austria-Q1	0.63***
Southern countries	
Italy-Q1	0.16 ns
Spain-Q1	0.07 ns
Greece-Q1	-0.01 ns
Portugal-Q1	0.31*

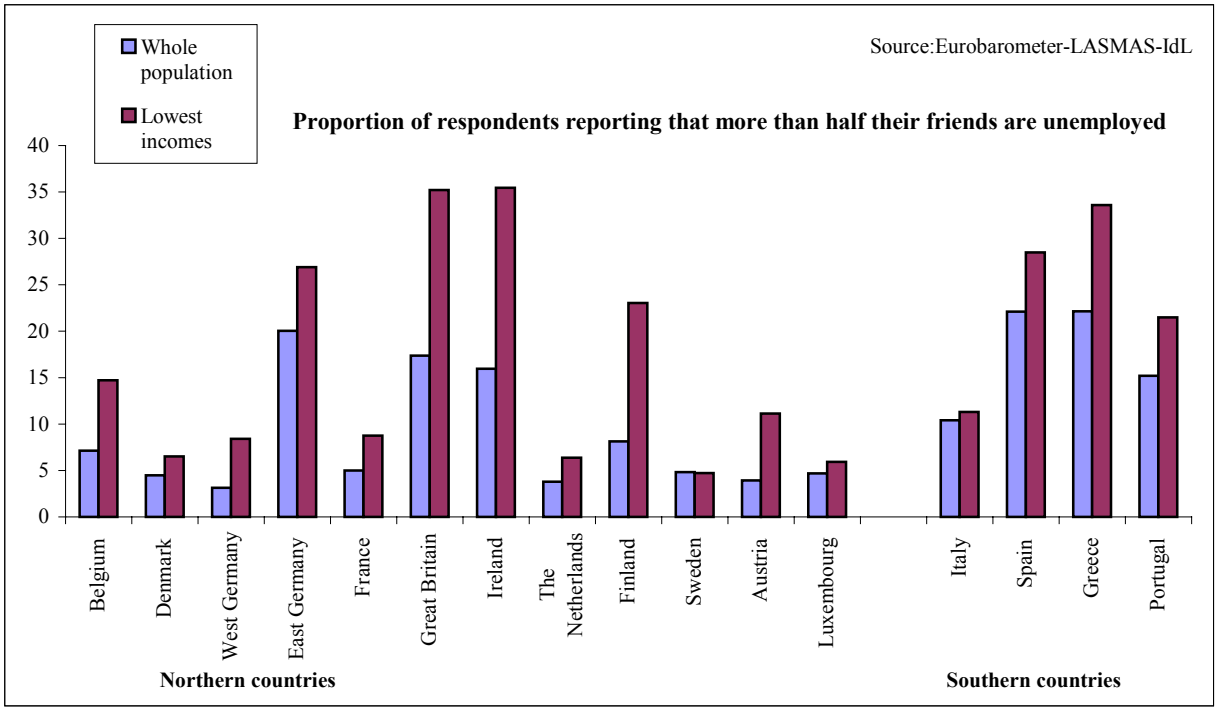
*: P <0.05, **: P < 0.01, ***: P < 0,001, ns: not significant

We find also that the type of locality has a significant effect: major conurbation give rise to this difficulty more than villages or the countryside, despite expectations to the contrary (the frequently assumed "peace and solitude" of the countryside).

Lastly, using the interaction of variables "country * income below lower quartile" in the model proves that there is a statistically significant poverty effect in many northern countries, especially Germany (east and west), France, Great Britain, Finland, Sweden and Austria. Of the southern countries, the coefficients obtained are not significant in Italy, Spain or Greece, and only slightly so in Portugal. This difference between the northern and southern countries should be related to the results on social contact. We may suppose that when social contact is well developed, the probability of feeling that it is difficult to have friends where one lives will be lower, which does not mean, however, that one is totally immune to the possibility of social isolation, or that one will feel surrounded by friends.

When we study social networks, we have to be particularly attentive to their composition. Figure 8 gives the proportion of people who say that more than half of their friends are unemployed, both for the population as a whole and for those with the lowest incomes (below lower quartile). By comparison with the whole population, the poorest people are proportionally more likely, in all the countries except Sweden, to have at least 50% of their friends among the unemployed. This result is confirmation that the help the poorest can mobilise is less because of this particular composition of their network of friends.

Figure 8



We need, though, to look at the ratio of those with the lowest incomes to the whole population in terms of this indicator (cf. table 7). The higher this ratio, the more we may infer that the poor have a social network of friends of a polarised kind, quite different from those of the whole population. This ratio is over 2 in Belgium, western Germany, Great Britain, Ireland, Finland and Austria. In these countries, we may deduce that the poor have a distinctly more disadvantaged social network than will be found for the population as a whole. In southern countries, on the other hand, the ratio is nearer 1, especially in Italy, indicating that there is little difference in terms of the presence of unemployed friends in the composition of the social networks of the poorest and of the whole population.

Table 7 : Indicator of social polarisation based on the composition of networks of friends

	More than half of friends unemployed Ratio: low-income group/whole pop.
Northern countries	
Belgium	2.06
Denmark	1.46
Germany-West	2.67
Germany-East	1.34
France	1.76
Great Britain	2.02
Ireland	2.22
Netherlands	1.69
Luxembourg	1.27
Finland	2.82
Sweden	0.98
Austria	2.84
Southern countries	
Italy	1.09
Spain	1.29
Greece	1.52
Portugal	1.41

This result can largely be explained by reference to the composition of unemployment in southern countries. Unemployment affects mostly women and young people, especially in Italy, even though it is also more widespread there in the whole population. In other words, having a large proportion of unemployed friends in one's circle is to some extent a sign that this circle is made up of young people and women, which is of course to be expected, for the poor just as for others.

Conclusion

The experience of poverty was analysed in the first section of this paper on the basis of financial difficulties, and specifically difficulties paying for food and rent in the course of the previous twelve months. The results confirm that the situation of all households taken together has improved since 1993; but if we study the changes for households whose income is at or below the lower quartile, it becomes obvious that the situation has got worse in many countries. Our regression analysis has enabled us to confirm this phenomenon for difficulties in paying the rent; and we have also been able to confirm that these difficulties are distinctly worse in the southern countries of Europe, especially Greece and Portugal. The duration of periods of financial difficulty is also markedly longer in southern countries, and their reappearance in adults after featuring in their childhood background is also more frequent there. We may therefore say that household poverty in money terms is more structural in the southern countries.

In the second section, we looked at a number of indicators for assessing the risk of social isolation. The proportion of people who consider they can count on someone in times of difficulty has risen in most of the countries between 1996 and 2001 so far as the population as a whole is concerned; but on the other hand it has fallen sharply among those whose income is at or below the lower quartile. We also found that the social contact index we calculated is higher in southern countries, particularly for the poorest people. If we turn to a more subjective index of social isolation, we find that the poorest 25% still have a greater sense of being isolated than the population as a whole. Lastly, we were able to verify that people in friendship networks where more than half are unemployed are more widely distributed throughout the population in southern countries, suggesting that there is less stigma and better social integration for the unemployed in these countries than in the northern ones.