

Poverty, Unemployment and Social Bonds in Europe

Serge Paugam

The text is based on three main points. First on all, I would like to give a general presentation of the typology of social bonds I used in my research. Second, I would like to summarize the main findings of my research on the *Elementary Forms of Poverty*. In the following of this general conceptual framework, I would like to give some elements from a recent qualitative research on the impact of the crisis since 2008.

1. The theory of social bonds as an analytical framework to study the different forms of poverty

In Europe, the concept of poverty has been defined as a process of cumulative disadvantage in which labour market marginalisation, poverty and increased social isolation become mutually reinforcing. It has been frequently demonstrated that unemployment, especially longer-term unemployment, is a factor leading to poverty and social exclusion. In other words, if long term unemployment means the breakdown of the participation of the labor market and if this breakdown may have a snowball effect on the other types of bonds which attach the individuals to the society, we can explain the process of poverty and social exclusion as a cumulative breakdown of social bonds. The unemployed can lose contact with their parents or their children, go through the experience of a conjugal break-up, and reduce their social participation and their civic commitment in the organization of public life.

But to study poverty in this perspective, we need to define social bonds and to build an analytical framework. Now, I consider the different types of social bonds. Each type can be defined on the basis of two dimensions: **protection and recognition**. Although the bonds are multiple and different, they all serve to bring individuals the protection and recognition necessary for social existence.

Protection refers to all the resources (family, community, professional, social) on which individuals can draw when facing difficulties in life; and recognition refers to the social interaction that stimulates individuals by providing evidence of their existence and value in the eyes of others.

The expression '*to count on*' sums up quite well what individuals can expect from their relationship with others and with institutions as regards protection; while the term '*to count for*' expresses the expectation of recognition, which is just as vital.

The bonds that provide an individual with protection and recognition therefore assume an affective dimension that reinforces human interdependence.

As an extension of this preliminary definition, four major types of social bonds can be distinguished: the *lineal bond*, the *elective participation bond*, the *organic participation* and the *citizenship bond*.

The *lineal bond* takes two forms. The first one refers to the recognition of a biological relationship between the child and her parents. The second refers to the adoptive filiation, recognised by the Civil Code. Beyond the legal issues around the definition of the lineal bond, sociologists, psychologists, social psychologists agree to see in it the fundamental contribution to the individual's equilibrium from birth, ensuring both protection and recognition, physical care and emotional security.

The formation of the *elective participation bond* takes place in the context of extra familial socialisation during which the individual comes into contact with and learns to know others through participation in various groups and institutions. The socialisation itself takes place in numerous places: neighbourhoods, gangs, groups of friends, local communities, and religious, recreational and cultural institutions. This bond can refer to a plethora of forms of elective attachment. While there is no freedom of choice in the *lineal bond*, individuals have autonomy in the *elective bond*. Nevertheless, this autonomy is controlled by a series of social determinations.

The *organic participation bond* differs from the previous bond as it is characterised by learning and carrying out of a specific function within division of labour. As we well know, according to Durkheim, functional complementarity – and organic solidarity - is what essentially fuels social integration in modern society. This bond is established at school and then extends to working life. While this type of bond takes on its full meaning with regard to logics of productivity prevailing in the industrial society, it should not be considered as fully dependent on the economic sphere. The implementation of a system of obligatory social insurances based on work-life participation has modified the very sense of professional integration. In order to analyse the organic participation bond, one must take into account both the individual's relation to work, in accordance with Durkheim's analysis of functional differentiation and complementarity, and her relation to employment which refers to the protective logic of the welfare state.

Lastly, the *citizenship bond* is based on the principle of belonging to a Nation. In principle, the members of a nation have rights and duties, making them full citizens. In democratic societies, all citizens are equal before the law. This does not imply that economic and social inequalities disappear, but rather that the nation-state makes efforts to ensure that all citizens are treated equally, and together form a body with a shared identity and values. It is common today to distinguish between civil rights which protect individuals in the exercise of their fundamental freedoms, political rights which ensure participation in public life, and social rights which guarantee individuals some form of protection against the vagaries of life. The expansion of individual fundamental rights corresponds to the consecration of the universal principle of equality and to the role assigned to each citizen, perceived to belong to

the political community fully and despite her particular social status. The civic bond is also based on the recognition of the sovereignty of the citizen.

These four types of social bonds are complementary and intertwining in nature. They constitute the social fabric enveloping the individual. When identifying oneself, the individual can refer to her nationality (*citizenship bond*), her profession (*organic participation bond*), her membership in groups (*elective participation bond*), or her family (*lineal bond*). While the intensity of the social bonds varies from one individual to another depending on the specific conditions of socialisation, it also depends on the relative importance that societies grant them. The role played for instance by family solidarity and collective expectations with regard to social bonds vary from one society to another. The forms of sociability arising from the elective or organic bond are multiple and largely depend on lifestyles. The emphasis on the principle of citizenship as the basis for protection and recognition is not equally intense in all countries.

Poverty and social exclusion can be defined as a cumulative breakdown of these four types social bonds. Empirical research comparing European countries has shown that the process is taking different forms in different countries. The chances of experiencing such multiple deprivation of social bonds were not the result of some general process resulting from unemployment, but rather reflected the problems of becoming unemployed in specific social environments. This led to major differences between countries in the experiences of unemployment: for instance the unemployed in Denmark and the Netherlands tended to be better protected from poverty as a result of their more generous systems of social security, while those in the Southern European societies were relatively well-protected against social isolation by their strong patterns of sociability. It was the unemployed in countries which neither had very generalised systems of social protection nor strong family structures that were most likely to be exposed to the cumulative deprivation of poverty and social isolation.

2. The Elementary Forms of Poverty in Europe

In my book *Les formes élémentaires de la pauvreté*, I argued that we cannot study poverty without understanding the relationship between the Poor and Society. My analysis was based on the sociological definition of poverty given by Simmel in 1908 in his study on "The Poor". Following this perspective, I proposed the consideration of two dimensions to define elementary forms of poverty. The first is of a macro-sociological type, using a collective and social representation of this phenomenon and a social explanation of the 'poor' and 'excluded'. It can be seen, at least partially, in the analysis of the institutional forms of social intervention which aim to help the members of these groups. Such forms of social intervention are responsible for shaping the social perception of poverty and exclusion, the importance given to these questions, and the ways in which they aim to address the problems. The second problem derives more from micro-sociology, considering the importance of these peoples own experiences, the attitudes they have towards those who give them these labels and the way they adapt to different situations. 'The poor' and 'the excluded' are not defined and treated in the same way within different European countries, let alone cross-nationally. At similar standards of living, social assistance during one's active life will not necessarily have the same meaning or evoke the same attitudes in a nation of

limited unemployment and heavily anti-marginal attitudes as it does in a society experiencing structural unemployment and widespread economic change. In the former case, the individuals concerned are in a minority and face stigmatisation by not conforming with general social norms; in the latter, they are less marginalised and have a greater chance of recovering their previous social status through the material and symbolic resources available to them as members of the economic underclass.

Following this conceptual framework, three elementary forms of poverty has been defined : *integrated poverty*, *marginal poverty*, and *disqualifying poverty*. These terms link the concept of poverty to its social context. They do not take their point of reference from population groups, but instead from relatively stable groupings which, whilst having a social basis, evolve as they draw members, who are labelled 'poor' or 'excluded, from different social categories.

Integrated poverty refers more to traditional forms of poverty than to social exclusion. Those labelled 'poor' are, from this perspective, extensive in number and relatively indistinguishable from other social strata. Their situation is of such immediacy that it is more likely to be treated as a regional or local problem, rather than one affecting a particular social group. Social debate is organised around issues of socio-economic and cultural development in their broadest sense, and focuses especially on the territorial dimension of social inequality. Poverty in the national population and the entire social system is linked, via collective representation, to that found at the regional level. Because 'the poor' form a broad social class, rather than a strictly defined 'underclass', they are not heavily stigmatised. Their standard of living is low, but they remain part of the social networks which stem from family and the immediate neighbourhood. Moreover, although unemployment may also impinge upon this group, it does not lead to a concomitant loss of status. In fact, its effects are usually compensated for by resources available from the underground economy, and furthermore, such activities play an integrating role for those who participate. This type of social orientation towards poverty is more likely to develop in traditional, 'under-developed' or 'under-industrialised' societies than in their advanced, modern counterparts. It is often linked to the economic backwardness of pre-industrial societies as against those with more advanced production and social welfare protection. Some regions in the Southern European countries are always closed to this form of poverty.

Marginal poverty also refers more to traditional forms of poverty than to social exclusion as such. As opposed to integrated poverty, those who are referred to as 'the poor' or 'the excluded' in this case constitute only a minor part of the population. In the collective consciousness, they are made up of those who cannot adapt to the progress of modern civilisation, or conform to the norms of economic development. Even though they are only a residual minority, their existence is disruptive because it demonstrates the presence of 'system drop-outs' and may foster 'disillusionment with progress'. It is for this reason that social welfare institutions ensure that they cater for those socially and professionally unable to integrate with society, without the influence of any outside pressure. This social orientation towards poverty is based on the idea that this peripheral minority is unlikely to challenge the economic and social functioning of the system in its entirety. Measures should be taken, but they should not monopolise the efforts of economic, political and trades union

actors. In any case, the social debate is organised not so much around this residual group, but rather around the sharing of benefits amongst socio-professional groups. The social status of those judged unable to integrate is thus badly compromised. Social intervention reinforces the feeling that these people are on the margins of society, and once stigmatised, they are unable to escape fully from the protection of the social organisations who look after them. This social orientation towards poverty is more likely to manifest itself in advanced and developing industrial societies, where unemployment can be controlled to a certain degree, and revenues are sufficiently high to guarantee everyone a high level of social protection - often the result of union demands. Without automatically sweeping away the protection afforded by close ties (such as the family, for example) the welfare state which provides more general security may, in the long term, eventually replace them in their role as social stabilisers. The Nordic countries are closed this elementary form of poverty.

Disqualifying poverty is concerned more with the question of exclusion than that of actual poverty, although social actors continue to employ both terms. Those who they refer to as 'the poor' or 'the excluded' are becoming steadily more numerous. They exist outside the productive sphere and become more dependent on social welfare institutions as they encounter greater and greater problems. It is not so much a question of abject destitution, spreading more widely every year, but rather a process which can produce sudden changes in daily life. Although we should not generalise, as we noted above, it is nevertheless true that progressively more people are confronted with precarious situations in employment which are liable to increase their burdens: low revenue, unsatisfactory housing and health care, weak familial ties and social networks and unstable position in institutionalised social networks. Material decline, even if only relative, and dependence upon social benefits - especially financial aid - result in the feeling of an inevitable descent into social hopelessness for those in such a situation. Their self-devaluation is accentuated by the fact that many have not experienced any sort of childhood deprivation. In contrast to marginal poverty, the scope of this phenomenon affects society as a whole and is turning into the so-called 'new social question', which threatens social order and cohesion. 'Disqualifying poverty' is a social orientation towards 'the poor' and 'the excluded' which generates collective anxiety as the membership of this stratum grows, and the number of its potential members similarly increases. This specific form of poverty is most likely to develop in societies faced with high unemployment and an unstable jobs market - linked to changes in the productive sphere and the globalisation of economies. Normally in this type of society, the role of family ties, although not completely absent, has diminished: far from balancing economic and social inequalities, they may in fact exacerbate them. Furthermore, the parallel, or underground, economy is too regulated by public institutions to offer any stable support for the most disadvantaged. The processes which help soften the effects of unemployment under what we have termed 'integrated poverty' are less effective, and certainly less organised under 'disqualifying poverty'. The continental countries in Europe are closed to this form of poverty.

3. *The crisis and its impact on unemployed people in Europe*

Now, I present a recent qualitative survey I realised last year of a sample of over 100 unemployed people, distributed in seven EU Member States (France, Germany, Ireland, Greece, Spain, Portugal and Rumania). It supplements the statistical results largely because it makes it possible to understand experiences of unemployment in a recession. Asking unemployed people about the steps they are taking and the reasons why they are taking these steps helps to provide a more detailed level of analysis and understanding. It was in this spirit that this survey was drawn up.

Studying deprivation was not the only focus of our analysis. The question that we tried to answer is whether the process at play in the coping strategies used by unemployed people is a chain reaction leading to precariousness or whether, in contrast, it involves forms of compensation. Unemployment represents a breakdown of bonds with the working world – which, in conceptual terms, corresponds to a breakdown of the organic participation bond. Does this breakdown bring about others? Does it affect family relationships – lineal bond – social relationships with friends – elective participation bond – and relations with public institutions – citizenship bond ?

In other words, are these various types of bonds, that go together with organic participation bond, eroded because of an overall process of social disqualification or are they, in contrast, vital resources for coping with unemployment ?

In order to answer this question, we looked successively in this survey at family solidarity, relationships with work, including the informal economy, local relational support and trust in institutions.

Calling on family solidarity does not just depend on the resources available in an unemployed person's family, but also on the system of norms current in the country in question. One of the most striking findings is that there was a very clear contrast between the general attitude of the unemployed French and German interviewees and the attitudes of unemployed people in the southern European countries. The French and German unemployed were embarrassed to ask for this type of help and the attitude.

For the unemployed people in the southern European countries it was normal and legitimate to turn as a priority to family members in cases of need, even though this kind of dependence may be perceived as a constraint.

The norm of independence is the only way of explaining this difference. In Germany and France, the unemployed interviewees considered themselves primarily as independent people who were not at all keen to become dependent in any permanent way on their families. That did not necessarily mean that they had bad relationships with their parents or other family members, but that they had internalised this norm of independence which was, for them, a question of social honour.

In the southern European countries, the system of belonging – in the sense of social bonds – is family-based. This system is regulated by the hold that lineal bond have over other types of bonds. It is more widespread in regions where industrial development is low, in rural areas where the economy is still largely based on small relatively self-contained production units or on a geographically limited sector.

It may also continue, however, in more developed regions by providing a family-based foundation for the capitalism of small entrepreneurs showing solidarity with one another.

This system goes together with major social inequalities which may not be strongly fought. They are in some ways ‘naturalised’. Poverty is part of the social system, poor people accept their circumstances and the circumstances of their families as fate, and something that they cannot do anything about. Survival is then sought as a priority within the family network, which is the key entity of integration. We saw the extent to which this principle of family solidarity is the absolute norm in Spain, Portugal and Greece. Many of the unemployed interviewees had returned to live with their parents. Some even accepted that they were surviving because of the retirement or disability pensions of their father or mother. While, in practice, they justified this approach by saying that deprivation had forced them into it, they also felt that there was reciprocity within the family unit because their presence or the assistance that they gave provided valuable help for their ageing parents. In my book, the *Elementary forms of poverty*, I called *Integrated poverty* this system of representation and living experiences of poverty.

While, as we have seen, family solidarity takes different forms, there appear to be few differences as regards relations with friends. In all the countries, the unemployed interviewees stressed that their network of friends had got smaller. Only ‘true’ friends remain and the others disappear. This is a constant in studies of unemployment right from Paul Lazarsfeld’s survey in Marienthal in the 1930s. The lack of work affects the community overall. Social exchanges decline. The home becomes the focus. In the southern European countries and in Ireland, survival strategies are becoming primarily family-based.

We also found that, overall, the unemployed interviewees were also very actively seeking work. Very few had been put off to such an extent that they had given up making any effort in this area. This finding may have to do with the fact that we chose to survey people who had become unemployed during the crisis and not people who had been out of work for many years, but it seems important to us to point it out because it would appear to run counter to the relatively common image of the unemployed as lazy people making no effort to help themselves. Resorting to undeclared work varies in different countries. As might be expected in the southern European countries, undeclared work was such a widespread practice that the interviewees spoke about it openly with no reservations, almost as though it was an entirely normal part of economic life. Many had taken on undeclared work, although quite a few of them felt that this was a very doubtful solution, especially as the crisis also seems to have affected this sector. In contrast, in Germany and France, and in Ireland as well, it is much harder to take on undeclared work. If discovered, unemployment benefits may be cut off. Even talking about it is risky. Some interviewees nevertheless said

that they had had to resort to undeclared work out of necessity and others that they were tempted by this solution.

Lastly, while a loss of trust in the institutions of their countries was a clear tendency among all the interviewees, it has reached very high proportions in the southern European countries. All institutions without exception were slammed and there was massive disillusionment about the country. In these circumstances, there is obviously little public-spiritedness. Several unemployed people stressed that the politicians in their countries were often corrupt and that the public institutions in general were being used to satisfy individual or sectoral interests, including in the health field, which they considered to be a scandal. The notion of 'amoral familism' can be brought in here to explain the empirically verified link between social life rooted in a system of family attachment and a lack of public-spiritedness. In other words, the family-based system encourages very strong family solidarity to cope with poverty, which remains massive because the labour market has little to offer in the way of general protection and paves the way for an informal economy on the fringes of the minimum wage, with the result that institutions no longer offer any guarantee of the common good. In Germany, France and Ireland, criticisms were not as hard-hitting and focused on some rather than other institutions, in particular the employment agency. In Ireland, the unemployed interviewees continued to be patriotic about their country, and in Germany and France they knew how much they owed to the education and health systems.

This survey confirms that the German and French unemployed are globally less concerned by a general material deprivation than the Greek, Portuguese and Spanish unemployed during the crisis of 2008, but they are more stigmatized in the society and more isolated from their family. This survey confirms also the contrast between the *integrated poverty* in the southern of Europe, and the *disqualifying poverty* in Germany and France.