Book review: income transfers in ten welfare states

These chapters are by the way an extended overture, sounding the themes which combine to give the book its strength. The core of the book, as the title implies, is an analysis of inequalities of resources, distinguished as three key types—material, health and caring resources. The authors offer a broad view of the components of each type: material assets cover both housing condition and tenure and access to private transport for example. But they are constrained by the need to be selective in use of already selective datasets. Thus little is made of 'capacity to care for others' as a health resource, and the chapter on class, poor health, illness and disability nowhere takes account of cognitive impairment. A focus on physical impairment with no mention of dementia has to be a weakness in any analysis of the situation of older people. However, the authors have filled some gaps by resourceful use of data from the United States, notably to acknowledge race as a structural dimension, alongside class and gender, in influencing health.

The theoretical argument of the book is that older women's disadvantages in material, health and caring resources are compounded by the interrelationship of resources to each other. It is the role in production and reproduction which influences resources in later life. The premise is that limits on resources act as 'constraints' on opportunities for independence, autonomy and personal well-being. It is assumed that the primary concerns of older people are maintaining independence and autonomy. This is intuitively right, but less well supported by research evidence than other prime assumptions of the book. Arber and Ginn rightly recognise the lack of research exploring with older people their preferences in living and care arrangements, and the limited understanding of how independence and scope for autonomy is affected by relationships with caregivers and different living relationships. Their case that 'independence' is constrained by limited access to, or choice of, caring resources is necessarily more tentative.

In all, the analyses of inequalities between men and women, and between classes, in later life provide a trenchant critique of structural disadvantage throughout the life course. The data will be an effective tool in the campaign for greater equity for older people. Indeed, the book concludes with a clear policy agenda, notably for non-discriminatory pensions policy and for meeting the costs of disability and of caring. But, the authors argue, only fundamental changes in the structure of society and in gender roles can affect the origins of disadvantage.

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Deborah Mitchell, *Income Transfers in Ten Welfare States*, Avebury, Aldershot, 1991. 241 pp. £30.00.

This book presents the results of an analysis of data from the Luxembourg Income Study (LIS) for 10 OECD countries in the early 1980s. Seven of the countries are in Europe (France, Germany, the Netherlands, Norway, Sweden, Switzerland and the UK), with Australia, Canada, and the USA from outside it. Mitchell uses these data to examine the efficiency and effectiveness of these 10 'welfare states'—or, at least, their social security and direct tax systems—in

reducing poverty and inequality. She provides a comprehensive account, with many tables and diagrams, of their success in these respects.

This book is to be welcomed on several grounds. First, it is a clear demonstration of the potential of the kind of microdata supplied by LIS for making international comparisons which go beyond generalities. Second, her approach stresses the needs to look at welfare 'outcomes' rather than simply at inputs such as aggregate spending on social security. Indeed, she finds that 'using per capita expenditures to predict outcomes would be highly misleading' (p.164), with little correlation between social security as a percentage of GDP and outcome measures like post-transfer poverty gaps. Third, her exposition of the concepts used will make the book useful to students of distribution and inequality, with the studies of the various measures used followed by examples of their application. Fourth, and perhaps most importantly, she brings together the effects of both social security and taxation, demonstrating how limited an analysis of transfer systems would be without the latter. Bringing into her analysis the idea of 'clawback' of social security benefits through the offsetting effects of taxation:

> raises doubts about the commonly held view that income-tested social security systems are necessarily more efficient in targetting the poor rather than the non-poor...This evidence lends some credence to the claim that taxation can act as a *de facto* income test (p.103).

A first reservation is simply the result of impatience: the data used mainly refer to the early 1980s. At that point, for instance, the UK comes out very well by comparison with almost all the other countries surveyed in terms of its post-transfer poverty gap (except where the 'poverty line is taken at the highest value of 50 per cent of median income', when Sweden does better). Given the trends in inequality, in Britain (and elsewhere) over the 1980s, it is to be hoped that Mitchell will soon be able to repeat her analysis with data for the late 1980s.

Second, while there is a short chapter on some of the problems with comparability of the LIS data for different countries, the general tone of the book is, perhaps over-confident that like really is being compared with like. Analysis using LIS is clearly a greater leap forward for multi-country comparisons of this kind. However, numerous differences between the original datasets for each country remain, which must temper confidence in some of the conclusions reached.

Finally, and perhaps most seriously, the discussion throughout focuses only on poverty and inequality reduction as outcomes of social security. This leaves the impression that other aims are unimportant—such as redistribution within individuals' own lifetimes, or protection of accustomed living standards, and other areas where the welfare state may step in to fill areas of possible market failure.

For this reader, a discussion of these wider aims of social security—and of ways of measuring their importance in different countries—would have been a more interesting conclusion to the volume than the discussion of the various 'typologies' of welfare states which in fact concludes it. Mitchell's approach

demonstrates how many dimensions there are to the ways in which different systems affect poverty and inequality. It seems a pity then to reduce the comparison back to putting the systems into three or four generalised boxes.

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Aletha C. Huston (ed.), *Children in Poverty: Child Development and Public Policy*, Cambridge University Press, Cambridge, 1991. x + 331 pp. £30.00.

Children in Poverty attempts to fill an important gap in public policy analyses of poverty—a child centred approach to policy formulation and implementation. Focusing on the situation in the United States, it sets itself the task of answering three questions: Why are so many children growing up in poor families? What are the effects of poverty on children's physical, cognitive, social and emotional development? And how can public policy and policy research contribute to preventing or alleviating the effects of poverty on children?

The book aims to meet its objectives through an edited collection of 12 chapters which cover the impact of poverty on parenting, single parent families, income maintenance, education and health. Its coverage of these issues is clear, well-presented and interesting, although the pictures it presents are dispiriting. The wealthiest nation on earth has systematically failed a large proportion of its children by locking itself into a nostalgic view of 'the family as the provider of all things to its members' and neglecting to provide public policies aimed at meeting children's (or anyone else's) specific needs.

The book effectively tracks not only the disadvantages children have experienced over time, but the exacerbation of child poverty during the Reagan years as a direct result of public policy aimed at decreasing public expenditure on welfare. Consequently, children living in single parent families headed by white and black women bear the brunt of such approaches to welfare. The book also indicates the importance of the ideology gap between the stay-at-home mother caring for her children of the American Dream and the reality of public policies forcing mother out into the labour market to undertake low-paid work whether or not she has dependent children. Such work would not lift her and her children out of the poverty trap and neither would she have adequate public assistance on the child care front. But, she would be expected to meet whatever shortfalls arose from within her own resources. This analysis, particularly as it is elaborated in Chapter 3, can be easily used by the Right to pathologise single-parent families and reinforce their views that the individual family, preferably in the form of a two parent white heterosexual one, is responsible for ensuring the economic and emotional well-being of its members.

That the impact of both persistent and temporary poverty on children limits the realisation of their potential emotionally, socially and economically and locks them into various forms of anti-social behaviour including crime and drugs is a major theme of this book. The bleakness of this analysis is tempered by the acknowledgement that not all poor children end up in such depressing situations. Some do manage to lead worthwhile lives and claim their place in