

THE YOUNG AND  
THE ELDERLY AT RISK

Individual Outcomes and Contemporary  
Policy Challenges in European Societies

*Edited by*

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## The Young and the Elderly at Risk. Individual Outcomes and Contemporary Policy Challenges in European Societies

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## ABSTRACT

The young and the elderly are among the most vulnerable groups in contemporary societies, especially in times of economic slowdown. The current retrenchment of the welfare states is buffering the growing demographic and economic pressures in European countries at the expense of the young and the elderly, and particular subgroups with intersecting high-risk characteristics. However, both investing in the young, who determine a society's future, and providing public support for the elderly, the most deserving needy group, are seen as musts. How well young people fare in their early stage of life is related to their success in the labour market and later well-being, which in turn impacts the sustainability of the welfare state. Challenges for the welfare state are as well that the elderly are being pushed and pulled too early into (pre-)retirement schemes and that many of them find themselves in precarious situations despite their pension income.

This book reflects on when and why the young and the elderly are at risk in European welfare states, as well as whether and how specific welfare policies respond to their needs. It also identifies particularly vulnerable groups who cumulate being young or old with other risk characteristics, such as being a woman or having a migration background, and investigates how these disadvantages could be tackled.

The reader is presented with selective studies addressing policies and institutional settings, as well as individual outcomes and attitudes towards governmental responsibilities. Focusing on the young in its first part, this book reveals the contribution of ethnic and social capital to educational outcomes, and the role of national and European policies in the transition from school to work, the duration of unemployment and the minimum income dependency of Europe's youth. The second part of the book focuses on the elderly and discusses intersections with gender and ethnicity in old-age poverty, pension outcomes of mobile (cross-border) workers, the impact of the recent social security reforms and the possible outcomes of including financial assets and housing wealth in old-age income protection. The final chapters address the potential erosion of the solidarity of and towards the young and the elderly, as a challenge for the European welfare states.

## DEDICATION

This book is dedicated to Professor Jos Berghman (1949–2014), initiator and director of IMPALLA, the International Master in Social Policy Analysis by Luxembourg, Leuven and Associated Institutes.



*Photo: Jos Berghman*

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We acknowledge CEPS/INSTEAD (now LISER – Luxembourg Institute of Socio-Economic Research) and ESPAnet (European Network for Social Policy Analysis) for having organised the conference in 2013, which brought together the authors who contributed to this book. In addition, we are grateful to CEPS/INSTEAD for organising and supporting financially and morally the IMPALLA programme over 12 years, since its beginning, as well as to its initiators, Prof. dr. Gaston Schaber and Dr. Pierre Hausman (both CEPS/INSTEAD), Prof. dr. Jos Berghman (KU Leuven), and Prof. dr. Jean-Claude Ray (Université de Lorraine), Prof. dr. Jacques Hagenaaers (Tilburg University), Prof. dr. Jean-Paul Lehnens (Université de Luxembourg). Last but not least, a thank you to all those not mentioned here but who have supported us, whether directly or indirectly.

Ioana SALAGEAN, Catalina LOMOS and Anne HARTUNG  
The editors

While finalising the editing of this book, Ioana Salagean was employed by STATEC (Institut national de la statistique et des études économiques du Grand-Duché de Luxembourg) and LIS (Cross-National Data Center in Luxembourg), Catalina Lomos worked at LISER (Luxembourg Institute of Socio-Economic Research) and Anne Hartung was supported by the University of Luxembourg (INSIDE research unit).

# PREFACE

Wim VAN OORSCHOT

While the welfare state, as a modern social institution taking responsibility for the fair re-distribution of life chances, as well as for creating an inclusive society, is regarded as a European invention, and while the existence of an encompassing welfare state has often been depicted as one of the defining criteria of Europe, the concept of the European welfare state and its concrete manifestations in specific social policies became substantially challenged in the past two decades. In this period European welfare states were, and at present still are, challenged by intensified international economic competition threatening their redistributive capacity; by social developments as demographic aging and the rise of new family arrangements confronting them with a series of 'new social risks' associated with postindustrial society; by increasing labour market flexibility and inflow of cheap migrant labour having consequences for the structure of the wages and benefits system of countries; and by the European Union becoming a critical intervening level in domestic processes of welfare state change leading to an era of semi-sovereign welfare states. The combination of these challenges results in a precarious social-political context marked by intensified discussions about the generosity, universalism and scope of European welfare states. As a result, substantial welfare reforms are visible in European countries, taking various forms (of retrenchment, recalibration, and partly extension as well), and leading to new perspectives on the welfare state goals and approaches governments should adopt. Clearly, welfare states are changing all over Europe, but in different speeds and directions. However, the European welfare state is not only challenged by structural economic and social processes, increasingly it is subjected to more ideologically grounded accusations of undermining individual responsibility, of damaging traditional social ties and of weakening private forms of mutual solidarity and self-help. Ideas of collective, public responsibilities for the contingencies of modern life, which are at the base of the solidaristic welfare state 'European style', are giving in to a perspective that emphasizes the value of individual responsibility and, related to this, of private and informal welfare arrangements. All this contributes to rising concerns on the future sustainability of the European welfare state, in economic and political terms, as well as in terms of social legitimacy.

It is in this context that, at the occasion of its tenth anniversary, IMPALLA, the International Master in Social Policy Analysis of Luxembourg, Leuven and Associated Institutes, organised an international conference on *Building blocks for an inclusive society: empirical evidence from social policy research* in cooperation with ESPAnet, the Network for European Social Policy Analysis. At this conference, hosted by LISER (Luxembourg Institute of Socio-Economic Research, formerly CEPS/INSTEAD) in Luxembourg, where the international student group of IMPALLA and the program's alumni convened with European welfare state scholars and experts from various countries, disciplines and policy domains, the central focus was on the welfare state's objective of contributing to an inclusive society. Fully in line with the overall character of the IMPALLA program, which combines the theoretical and empirical comparative study of social policies, the conference papers and lectures addressed research that can contribute to policy making that aims to integrate various social groups and their needs in a balanced approach, thereby fostering overall social cohesion and inclusion. Such balance is increasingly necessary, now that at the level of individual citizens new forms of social risk have grown out of increasingly precarious and insecure life-courses, and old balances and social contracts between social classes and groups are disturbed.

This book presents a selection of conference papers that address specifically the life chances of the younger and the older generations in European welfare states. Both groups are at risk, due to high unemployment rates among the young, and the retrenchment of pension provisions for the old. Due to fiscal constraints, in an ever more direct way the social protection of both groups is experienced as a zero sum game, in which welfare states have to balance between creating life opportunities for new generations on the one hand, and caring for those who contributed so much to society in the past on the other. When it comes to generations, an inclusive society assumes sustained levels of inter-generational solidarity, that is, of a commonly supported social contract between the young and the old. Empirical research, as it is presented in this book's contributions, can add much to our understanding of how this social contract, and by extension also others, like the social contracts between the active and inactive, the healthy and the sick, and the rich and the poor, can be sustained, economically, politically, as well as socially.

I thank the editors of this book for their efforts, which have resulted in this important contribution to the on-going welfare state debate,

Wim VAN OORSCHOT

*Professor of Social Policy at KU Leuven and Honorary President of ESPAnet*

# CONTENTS

<i>Abstract</i> .....	v
<i>Dedication</i> .....	vii
<i>Acknowledgements</i> .....	ix
<i>Preface by Wim van Oorschot</i> .....	xi

## Introduction

Ioana SALAGEAN, Catalina LOMOS and Anne HARTUNG .....	1
---	---

## Chapter 1

### Does Ethnic Capital Contribute to the Educational Outcomes of Individuals with Turkish Background in Europe?

Sait BAYRAKDAR .....	9
1. Introduction .....	9
2. Conceptual framework and hypotheses .....	11
2.1. Ethnic capital as a resource .....	11
2.2. A comparative approach to ethnic capital .....	15
3. Data and methodology .....	16
3.1. Data source .....	16
3.2. Operationalisation .....	17
3.3. Methods .....	19
4. Results .....	19
4.1. Descriptive results .....	19
4.2. Regression results .....	22
5. Conclusion .....	25
References .....	26
Acknowledgements .....	29
Annex .....	29

## Chapter 2

### Young Adults at Risk in Germany: The Impact of Vocational Training on the Ethnic Gap at Labour Market Entry

Anne HARTUNG .....	33
1. Introduction .....	34
2. Labour market differences in theory: justifiable or penalties? .....	36



3.	The German “Dual System” of vocational education and training . . . . .	38
4.	Methods . . . . .	41
4.1.	Data, sample and variables . . . . .	41
4.2.	Estimated model . . . . .	43
5.	Successful transition from school to work in Germany? Empirical insights . . . . .	44
6.	Concluding remarks . . . . .	49
	Acknowledgements . . . . .	51
	References . . . . .	51
	Annex . . . . .	55

### Chapter 3

#### Poverty among Elderly Immigrants in Belgium

	Line DE WITTE, Sofie VANASSCHE & Hans PEETERS . . . . .	57
--	---	----

1.	Introduction . . . . .	57
2.	Immigration history of current elderly immigrants in Belgium . . . . .	59
3.	Determinants of poverty in later life . . . . .	59
3.1.	Belgian pension regulations . . . . .	60
3.1.1.	Previous labour market patterns of elderly immigrants . . . . .	60
3.1.2.	Current marital status of elderly immigrants . . . . .	61
3.2.	Household composition of elderly immigrants . . . . .	62
4.	Present study . . . . .	62
5.	Data and methods . . . . .	62
5.1.	Data . . . . .	63
5.2.	Dependent variable . . . . .	63
5.3.	Independent variables . . . . .	64
5.4.	Analytical strategy . . . . .	65
6.	Results . . . . .	66
6.1.	Descriptive statistics: background characteristics, household composition, labour market trajectories and pension type according to country of origin . . . . .	66
6.1.1.	Demographic characteristics . . . . .	66
6.1.2.	Career type . . . . .	67
6.1.3.	Previous labour market career for employees . . . . .	71
6.2.	Bivariate analyses: poverty risk according to country of origin and gender . . . . .	71
6.3.	Multivariate analyses: poverty risk according to country of origin controlling for labour market career, marital status and household composition . . . . .	75
7.	Discussion and conclusions . . . . .	77
	References . . . . .	81

**Chapter 4**

**Integrating Life Course and Pension Policy Perspectives: The Case of Poverty Among Elderly Women**

Hans PEETERS & Wouter DE TAVERNIER ..... 85

1. Introduction ..... 85
2. Incidence of poverty among elderly women ..... 86
3. Family and career from the late 1950s in Belgium ..... 87
4. Belgian pension regulations and the male breadwinner model ..... 88
5. Hypotheses ..... 91
  - 5.1. The direct impact of marital history on old-age poverty risk ..... 91
  - 5.2. The indirect impact of marital and parenthood histories on old-age poverty risk ..... 91
6. Data, operationalisation and method ..... 93
  - 6.1. Data ..... 93
  - 6.2. Operationalisation of variables ..... 94
  - 6.3. Method ..... 95
7. Results ..... 97
  - 7.1. Descriptive statistics ..... 97
  - 7.2. The direct impact of marital history on old-age poverty risk ..... 97
  - 7.3. The indirect impact of family history on old-age poverty risk ..... 99
8. Discussion ..... 101
- References ..... 102

**Chapter 5**

**Including Assets in Comparative Old-Age Poverty Research: How does It Change the Picture?**

Rika VERPOORTEN ..... 107

1. Introduction ..... 107
2. Sources of income for the elderly population ..... 110
3. Including assets in the old-age income package ..... 111
4. Research questions and hypotheses ..... 113
5. Methodology ..... 114
6. Research results ..... 116
7. Conclusion ..... 121
- References ..... 122
- Annex: Simulation of the potential contribution from assets ..... 126

## Chapter 6

### The Social and Budgetary Impacts of the Recent Social Security Reform in Belgium

Gijs DEKKERS, Raphaël DESMET, Nicole FASQUELLE &

Saskia WEEMAES ..... 129

1.	Introduction .....	130
2.	The recent social security reform in Belgium .....	132
3.	Simulating the impact of social security reform: a tale of many models .....	135
4.	The budgetary impacts of the structural reform .....	141
4.1.	Labour market and macroeconomic environment .....	142
4.2.	Social expenditures .....	144
4.2.1.	Unemployment, career breaks and conventional early leavers' scheme .....	145
4.2.2.	Pension schemes .....	146
5.	The social impact of social security reform .....	147
5.1.	Impact of pension reform on the poverty risk of the pensioners ..	148
5.2.	The impact of unemployment reform on the poverty risk of the unemployed .....	152
6.	Conclusion .....	154
	References .....	155

## Chapter 7

### Cross-Border Social Security Coordination, Mobility of Labour and Pension Outcomes

Irina BURLACU & Cathal O'DONOGHUE ..... 159

1.	Introduction .....	160
2.	Using replacement rates to assess the income smoothing objective of the pension benefits: theoretical insights .....	162
3.	Variation of pension systems in Belgium and Luxembourg and the implications of social security coordination of old-age pensions .....	164
4.	Methodology .....	169
4.1.	Definitions and discussion of pension replacement rates .....	170
4.2.	Assumptions .....	172
5.	Results of the analysis .....	173
5.1.	Short-term replacement rates .....	173
5.2.	Long-term replacement rates .....	175
6.	Conclusions .....	177
	Acknowledgements .....	178
	References .....	178
	Annex .....	180

**Chapter 8**

**Do Self-Interest, Ideology and National Context Influence Opinions on Government Support for Childcare for Working Parents?**

**A Multilevel Analysis**

Wouter DE TAVERNIER. . . . . 181

1. Introduction . . . . . 182

2. Theoretical framework. . . . . 182

    2.1. Attitudes toward welfare states . . . . . 182

    2.2. Social care regime typologies . . . . . 185

3. Data and method . . . . . 186

4. Results . . . . . 188

5. Conclusion. . . . . 197

6. Limitations. . . . . 201

References . . . . . 202

**Chapter 9**

**Individual Attitudes Towards Welfare States Responsibility for the Elderly**

Nathalie SCHUERMAN. . . . . 205

1. Introduction . . . . . 205

2. Theoretical framework. . . . . 207

    2.1. Individual level . . . . . 207

        2.1.1. Self-interest predictors . . . . . 208

        2.1.2. Ideational variables . . . . . 209

        2.1.3. Perceived living conditions . . . . . 210

    2.2. Country level. . . . . 211

3. Data, methodology and operationalisation . . . . . 212

    3.1. Data. . . . . 212

    3.2. Variables. . . . . 212

        3.2.1. Dependent variable . . . . . 213

        3.2.2. Explanatory variables . . . . . 213

            3.2.2.1. Individual level . . . . . 213

            3.2.2.2. Country level . . . . . 213

    3.3. Methodology . . . . . 214

4. Results . . . . . 215

    4.1. Univariate analyses . . . . . 215

    4.2. Multilevel analyses. . . . . 216

5. Conclusion and discussion . . . . . 222

6. Future research and policy implications. . . . . 223

Acknowledgements . . . . . 223

References . . . . . 224

Annex. . . . . 226

**Rejoinder: Is Intergenerational Solidarity under Pressure? Comparative Analyses of Age Cleavages in Opinions about Government Support for the Young and the Old**

Tim REESKENS & Wim VAN OORSCHOT ..... 229

1. Introduction ..... 230

2. Age and opinions on welfare provision for the young and the old. .... 231

    2.1. An “age war” in Europe? ..... 231

    2.2. Mechanisms and contexts ..... 232

        2.2.1. Individual-level mechanisms ..... 233

        2.2.2. National contexts ..... 234

3. Data and methodology ..... 235

    3.1. Data ..... 235

    3.2. Dependent variables ..... 235

    3.3. Independent variable ..... 236

    3.4. Individual-level intermediary variables ..... 236

    3.5. National-level moderators ..... 238

    3.6. Methodology ..... 238

4. Results ..... 239

    4.1. Support levels and age cleavages ..... 239

    4.2. Mediation analyses ..... 241

    4.3. Explaining cross-national differences in age cleavages ..... 245

5. Conclusion ..... 247

References ..... 248

Annex ..... 250

*Biographical notes* ..... 253