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Poverty and the Two Concepts of Relative Deprivation

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Abstract

This paper identifies two concepts of relative deprivation in the social science literature, which it labels 'complex' and 'simple', and examines their significance for poverty research, with special reference to the EU. The complex concept originated in social psychology in the 1940s as a tool for analysing the role of subjective social comparison in human agency. The simple concept was adapted from the same source by researchers in Britain in the 1960s and 1970s in support of an analysis of poverty as socially relative and objectively measurable. The paper identifies differences between these two concepts along four dimensions – heuristic purpose, empirical focus, units of analysis and framing. It argues that, while the simple concept of relative deprivation was adequate to the limited heuristic purpose for which it was originally developed, the emergence of new contexts such as the EU presents conceptual and analytical challenges for poverty research that the simple approach cannot cope with but that can be illuminated by drawing on the concepts and insights of the complex approach.

Introduction

The opening sentence of Peter Townsend's seminal study, *Poverty in the United Kingdom* (1979), asserts that 'Poverty can be defined objectively and applied consistently only in terms of the concept of relative deprivation' (Townsend, 1979, p. 31). Taking this claim as its starting point, Townsend's study elaborated a concept of poverty that shaped subsequent research on the topic, especially in Europe, and is the conceptual bedrock for what is now both a significant sub-disciplinary field and a focus of social policy in the much of the developed world.

Townsend drew on the language of relative deprivation to support the view that, although absolute destitution had greatly declined in western countries, poverty could still meaningfully be conceived of in relative terms and as such was a real and widespread problem in the rich world. In doing so, he tapped into a concept of relative deprivation that been applied to Britain by W.W. Runciman in his book, *Relative Deprivation and Social Justice*, published in 1966. Runciman in turn drew on the concept developed in the United States initially through a set of empirical studies in social psychology published as *The American Soldier* in 1949 and later in the theoretical work of sociologists Robert Merton and Alice Rossi. However, the perspective on relative deprivation adopted up Townsend and his successors meant that its original central feature, namely, its interest in the complex processes of subjective social comparison and their influences on behaviour, was set aside in favour of a social indicators approach which focused on externally observable relativities in living standards viewed as outcomes that might be addressed by public policy. Thus a breach was created between the original American approach to this topic, which continued to flourish in social psychology and sociology, and its application to poverty studies, which grew into a major body of work in its own right. In consequence, what poverty researchers came to understand by relative deprivation was very different from what the same concept meant in social psychology and certain strands of sociology.

Over the past three decades, these two approaches have evolved along separate tracks and have addressed quite different intellectual concerns. For most of this period, there has been no exchange of note between them. Some recent moves to reconnect the two have emerged in the study of poverty in Europe (Delhey and Kohler 2006, 2008; Fahey 2007; Whelan and Maître 2009, 2010), and this paper seeks to extend that work at the conceptual level. It contrasts the simple relativism found in poverty studies with the

complex relativism found in the social psychology and sociology of relative deprivation. It highlights the significance of these contrasts by arguing that recent efforts to ‘Europeanise’ the concept of poverty in the EU have run up against the limits of simple relativism and, in measurement practice if not at the conceptual level, have shifted towards a more complex approach. In making this argument, the paper reflects on the theme of ‘methodological nationalism’ raised by those who criticise the social sciences for an over-reliance on the nation-state as the framework for social-scientific analysis (Wimmer and Glick Schiller 2002, Yeats and Irving 2005, Chernilo 2006, Beck and Grande 2007). However, it approaches this question from the technical, applied perspective of poverty measurement rather than at the level of general theory and in the process seeks to offer a view that is both more detailed and more rooted in an existing tradition of social scientific research, namely, that deriving from the study of relative deprivation, than is found in contemporary critiques of methodological nationalism.

The paper identifies four areas where the complex approach to relative deprivation differs from the simple. The most fundamental is heuristic purpose. The complex approach is concerned with human agency and the influence of social comparison on people’s judgement, motivation and action. Its purpose is explanation of behaviour. The simple approach is concerned with social outcomes that are of interest to public policy. It focuses on poverty as a normatively unacceptable condition which public policy should combat and considers that its research task is to monitor that condition and understand what affects it in a manner that is both academically rigorous and sufficiently accepted by policy makers and the public to have purchase in policy debate. The complex concept could thus be thought of as a tool of basic scientific research which aims to develop explanatory theory, while the simple concept seeks to serve applied policy concerns.

This divergence in heuristic purpose gives rise to three other differences between the complex and simple approaches. First, the complex approach recognises that *framing* is fundamental to perceptions of relative deprivation and a major part of its investigative effort is devoted to identifying and explaining the multiple frames of reference people use in making social comparisons. The simple approach pays no explicit attention to framing but implicitly assumes that only one fixed frame of reference is relevant, namely, that of the national state in its role as the policy unit within which poverty is usually tackled. The second difference relates to *empirical focus*: the concern for agency and framing leads the complex approach to analyse subjective processes, while the interest in robust measurement of policy-relevant outcomes, along with the discounting

of framing, causes the simple approach, for the most part, to avoid the complex world of subjectivity. In effect, the simple approach treats the researcher's framing of issues as objectively given, where the complex approach can only conceive of actor-centred (that is, 'subjective') framing which merits being at the centre of investigation. Third, the *units of analysis* adopted by the complex approach are many: sometimes individuals are treated as the entities that can be considered deprived but, through the concept of group deprivation, the focus can extend also to a wide range of social collectivities. The simple approach treats households (or, less commonly, individuals) as the primary units of consumption and thus as the single relevant entities for measurement of living standards. The contrast here, then, is between a multiple versus singular (or near-singular) view of units of analysis.

While the complex approach to relative deprivation is scientifically the more ambitious, it could be argued that the simple approach is adequate to its limited heuristic purpose, that is has proved its worth over decades of fruitful policy guidance in western welfare states, and that it would risk tying itself in knots and losing its policy audience if it were to go down the road of the complex approach. This argument is valid to a degree, particularly in the context of the national welfare states where the simple approach evolved. However, it is less adequate for the multi-level social and political formations that are now growing around the globe, of which the European Union is a leading example. Formally, the EU bases its thinking on poverty on the simple concept of relative deprivation, echoing the approach of member states, but in practice its efforts to develop a European perspective on the measurement and interpretation of poverty has pushed it beyond the bounds of that approach in each of the four areas just outlined. On three of these – framing, empirical focus and units of analysis – the breach of the poverty concept is evident in poverty indicators adopted by the EU which transcend the official definition of poverty. The contention here is that an unacknowledged gap between concept and indicators has thus emerged which leads to a degree of incoherence in EU poverty measurement and which can best be coped with by drawing on the complex concept of relative deprivation. On the remaining dimension, heuristic purpose, the view advanced here is that the EU has concerns for the impact of relative deprivation on social cohesion that transcend the interests of the simple approach. These concerns relate particularly to the emergent and rather fragile social and political entity that is the Union itself, concerns that do not arise in the same way for the well-established nation states which have dominated the field of poverty research at national level. There is no scope

in the present paper to explore this larger heuristic question at any length. The paper rather limits itself to pointing out how the complex approach provides conceptual tools and a long research tradition that an expanded field of poverty research could usefully draw on in tackling the analysis of social cohesion in the EU.

The remainder of the paper is in four sections. The next section outlines the origins of the concept of relative deprivation in the US in the 1940s and 1950s and its subsequent adaptation by poverty researchers in Europe. That is followed by an examination of poverty indicators in the EU today and the manner in which now straddle an official poverty concept framed in simple relativist terms and a measurement practice which approximates in some respects towards a more complex approach. The third section briefly considers how the analysis of poverty as an outcome could be supplemented by a focus on its causal influence on social and political integration, particularly in regard to the EU. A final section concludes.

Complex relative deprivation – origins

The social psychology and sociology of relative deprivation can be thought of as reflecting the broad interest in social comparison as an influence on human behaviour that emerged at various points in the different branches of the social sciences and has evolved in a disjointed way over the decades. That interest was reflected in economics in concepts such as relative income and interdependent preferences proposed by Veblen (1909) and Duesenberry (1949) and taken up more recently by other scholars (see Ferrer-I-Carbonnell 2002, pp. 6-9 for a brief review). In sociology, Mead's concept of the self as a social product and Cooley's concept of in-groups and out-groups were early expressions of similar concerns (Walker and Smith 2000b). In social psychology, Hyman proposed a concept of reference groups in 1942 (Hyman 1942) that was incorporated into Merton's reference group theory in the 1950s, while Festinger's seminal papers on social comparison established a partially separate branch of research in psychology (Festinger 1954, Suls and Wheeler 2000b).

The term 'relative deprivation' was first used in a series of social-psychological studies of the American armed forces published in 1949 under the title *The American Soldier* (Stouffer *et al.* 1949a, 1949b). This work was based on a large body of research carried out by the US War Department between 1941 and 1945 on factors affecting motivation and morale among troops in the US army. The concept of relative deprivation

was developed to explain how dissatisfaction among troops did not always arise directly from the objective hardships they suffered but varied according to how they framed their assessments of their own situation. These assessments typically were based on comparisons they made between themselves and others who might be a different situation but who nevertheless were somehow thought of as providing relevant reference points for self-assessment.

The thinking on relative deprivation published in *The American Soldier* was brought into the mainstream of sociology in the 1950s by Robert K. Merton and Alice S. Kitt (later Alice S. Rossi) who used its insights as a basis for the development of 'reference group theory' (Merton and Kitt 1950; Merton 1956a). The latter theory, which had originated in social psychology (Hyman 1942), rested on the insight that people's comparative frames for assessing their circumstances might not only encompass others in their own groups but could extend also to other groups – what Merton called 'non-membership references groups'.

W.G. Runciman's *Relative Deprivation and Social Justice* (1966) took up this line of thinking and applied it to the British context. He too focused on the relationship between the deprivations people were subjected to and accompanying feelings of resentment or dissatisfaction. However, he brought a normative concern for social justice to the field that was absent from the American approach. His central question was whether people's sense of grievance at social class or status inequalities in Britain could be considered legitimate and could be taken into account in deciding on fairness in social distribution, questions that were central to policy development in the British welfare state. He came to the emphatic conclusion that they were not legitimate since they typically bore little relationship to objective levels of disadvantage – they were not 'proportionate to the facts', as Runciman put it – nor could they be justified on the basis of any reasonable theory of social justice:

The only generalisation which can be confidently advanced is that the relationship between inequality and grievance only intermittently corresponds with either the extent and degree of actual inequality, or the magnitude and frequency of relative deprivation which an appeal to social justice would vindicate (Runciman, 1966: 286)

This conclusion proved influential, as it helped establish the idea that grievance, resentment and complaint, as manifestations of relative deprivation, were subject to the

vagaries of human dissatisfaction and were a poor basis for identifying unfairness in society. The implication was that the subjective sense of relative deprivation might best be largely ignored by social policy in favour of objective measures of inequality. Underlying this implication were two further crucial aspects of Runciman's analysis. One was its ultimate interest in normative issues (what was fair or just) rather than on explanatory theory (what affected people's thoughts, feelings and actions) as the central concern of research. The other was its focus on British society as the self-evidently relevant frame of reference for examining deprivation in Britain and its associated lack of interest in framing as a topic of investigation. These features set Runciman's approach apart from that of the complex approach to relative deprivation and helped set the direction of further research in that regard in Britain and more widely in Europe.

Simple relative deprivation

It was in this context that Townsend developed his research on poverty in United Kingdom in the 1960s and 1970s (Townsend 1970, 1979). Although he adopted and used the term 'relative deprivation', he followed Runciman in asserting that it 'should be understood objectively', while acknowledging the importance of subjective deprivation and the need to study it in a comprehensive account of poverty (Townsend 1979, pp. 48-49). In his own approach the primary sense in which deprivation could be considered relative arose not from the subjective comparisons people made but from the socially contingent nature of their needs and wants. In adopting this view, he sought to combat minimum subsistence definitions of poverty such as those used by earlier poverty researchers in Britain and by the U.S. Social Security Administration in the 1960s which adopted a budget-based poverty line defined by economist Mollie Orshansky (Fisher 1992, Citro and Michael 1995). Rather, for him, 'relative deprivation' referred to a lack of socially defined necessities and the consequent social marginalisation that entailed. He thus defined the poor as those who 'lack the resources to obtain the types of diet, participate in the activities and have the living conditions and amenities which are customary, or at least widely encouraged or approved, in the societies in which they belong' (Townsend 1979, p. 31)

Although this definition gained widespread currency, it proved difficult to implement since no agreed basis could be found for deciding how far below the standard of the 'average individual or family' one had to be before being counted as poor. The selection

of appropriate poverty thresholds thus became arbitrary to a great and was a persistent focus of debate in the field. There were some attempts to measure social norms in this area directly by surveying public opinion on what counted as an adequate minimum and use those as a guide to determining ‘consensual’ poverty cut-offs (Van Praag et al. 1982, Gordon 2000). The more usual approach was for researchers to select thresholds that seemed reasonable (such as 50 or 60 per cent of median household income, adjusted for household size), while accepting that no particular threshold could be fully justified on scientific grounds. There were debates also over the dimensions along which poverty should be measured, and in European thinking on this question, these dimensions gradually broadened, starting from an initial focus on income, then moving to other measures of consumption (Nolan and Whelan 1996, 2007; Gordon 2000). Subsequently, in connection with the concept of ‘social exclusion’, the approach to social disadvantage expanded to include various social and cultural dimensions of marginalisation such as employment status, ethnicity, disability, family status and so (Levitas 2000, Atkinson *et al.* 2005, Chakravarty and D’Ambrosio, 2006).

However, none of these expansions sought to link the concept of relative poverty back to any of the core features of the original complex concept of relative deprivation. The breach between the two approaches was most evident in the disregard of the subjective dimension in the simple approach, though in recent years, as we will see below, some new movement in that regard has begun to take place. More fundamental, however, was the shift from a heuristic purpose focused on explanation of behaviour towards one tied into what was then emerging as a quest for social indicators. A social indicator is a measure of outcome which is ‘subject to the interpretation that if it changes in the “right” direction, while other things remain equal, things have gotten better’ (Land 2007: 4431). Social indicators are usually intended to help guide policy interventions by governments or other authoritative agencies. As Land and Ferris (2002) describe this process, these ‘models for directed social change’ require that the responsible agency identify trends in outcome indicators, the direction or rate of change of which is to be changed, gather evidence on ‘what works’ in bringing about that change, launch a programme designed to achieve specified increases or decreases in the outcome indicators, monitor progress, and feed the results back into programme adjustment or new goal setting for continued progress. The contribution of the researcher to this process is to select, define and measure outcome indicators which can be widely accepted as empirically robust and normatively legitimate, or, in the words of a European Commission, which ‘capture the

essence of a problem, ... have a clear and accepted normative interpretation ... and are amenable to policy intervention' (European Commission 2008, p. 3). Added to that is the analytical challenge of trying to identify the causal influences that act on whatever is being measured so as to help design interventions that might bring about desired change.

In the case of poverty studies, a large literature has emerged on each of these elements – the definition of poverty, the identification and collection of suitable indicators, analysis of policy impacts and recommendations for policy development (Atkinson *et al.* 2002). Although this literature is diverse in many respects, its common orientation to policy guidance gives it the unifying features of interest to us here. Basic to these, as already indicated, is the focus on poverty as an outcome that ought to be tackled by policy rather than as input to behaviour that needs to be understood as a causal influence. That in turn leads to an empirical concern for objective features of people's situation since subjective evaluations are difficult to measure reliably, lack a clear link to objective conditions (one cannot confidently say whether or how they 'capture of the essence of a problem') and have no widely agreed normative interpretation – those who complain most may or may not be deserving of the support of others, while those who are genuinely deprived may remain silent and fail to attract attention.

The policy focus of the simple approach also settles the issue of framing: since the state is the context within which redistributive social policy occurs, it automatically provides the frame within which the people's relative living conditions are measured and assessed and appropriate policy responses are designed. This in turn reflects the fundamental role of the national population as the 'imagined community' within which the sharing impulses of the welfare state arise and acquire legitimacy (Ferrera 2005, Bartolini 2005). The social basis of the policy system in the national community thus lends national framing a degree of validity. Yet in the degree to which it 'becomes so routinely assumed and banal that [it] vanishes from sight altogether', it shares in the assumptions of methodological nationalism (Wimmer and Schiller 2002, p. 304) and in particular turns away from the interest in framing as a social process that is at the heart of the complex analysis of relative deprivation.

The final feature of the simple approach is its relatively uncomplicated handling of units of analysis, that is, of the entities that can be considered deprived. The core such entity is the household as the basic consumption unit and the target of most distributive policy. Undoubtedly, the ultimate concern is with individual well-being and in some instances the assumption that individual consumption is a direct function of household

consumption does not fully hold (as in the case of women or children who may be disadvantaged within households). However, the possibility that other entities such as regions, countries, ethnic groups or other demographic categories might be deprived scarcely arises. The question here is not whether some social groups or spatial units might have higher rates of household poverty than others, but whether individuals or households in those categories might suffer disadvantage by virtue of their location in the category, over and above the circumstances of their own households.

Poverty concept and measurement in the EU

One indication of the significance of the Townsend approach to poverty measurement was the influence it exerted in Europe, as evidenced by the official poverty concept adopted by the European Council in 1975 and retained with some modifications ever since. This concept defines the poor as ‘persons, families and groups whose resources (material, cultural and social) are so limited as to exclude them from the minimum acceptable way of life of the member state to which they belong’ (Eurostat 2010, p. 6). This definition focuses, as Townsend’s had done, on the lack of resources necessary for participation in bounded national societies as the core feature of poverty.

However, actual poverty measurement as practised in official EU indicators has expanded beyond this definition with the result that we now find a disjunction between the relatively narrow and simple *concept* of poverty adopted in EU social policy and a quite complex and varied *measurement practice* in the area. To illustrate this disjunction, Table 1 presents a range of poverty indicators now found in Eurostat data. The first of these, the risk-of-poverty rate (column 1), fits the official concept closely and is the most widely used indicator in the field. It identifies those who are below a national relative poverty threshold of 60 per cent of the national median household income as at risk of poverty (the reference to ‘risk’ in this context is an acknowledgement that current income is an imperfect indicator of long-term command over resources and therefore can only indicate a likelihood rather than a certainty of being seriously short of resources).

Table 1 about here

However, when we look at the national poverty thresholds (column 2) and the national median incomes (column 3) that underpin this indicator, the wide differences in

living standards among those counted as poor across EU member states become apparent and the question arises whether they are all poor in the same sense (these indicators are expressed in Purchasing Power Standards, the artificial currency units developed by Eurostat to convert national currencies into units of equivalent purchasing power across member states). For example, in the UK, a single person household with an income of 11,000 PPS would be counted as poor (just below the UK poverty threshold of 11,366), while a similar household with the same income in Poland would be counted as well off in that they would have almost double the Polish median of 5,703 PPS. Many of the poor in Britain thus have higher living standards than the Polish middle classes, not to mind the Polish poor, so that it might reasonably be asked whether there is any sense in which the extent and nature of poverty in these two contexts might need to be captured somewhat differently.

Framing

Until recently, the possibility that cross-national differences in living standards might have to be taken into account in poverty measurement was not addressed in the EU system of indicators and the preference for national framing of poverty indicators was adhered to without question (Atkinson et al. 2005). Reliance on relative income alone as basis for identifying the poor did come under fire because of the imperfections of current income for measuring command over resources. A range of non-monetary indicators of deprivation were proposed and adopted for use alongside income in a number of national surveys (Gordon 2000, Nolan and Whelan 1996, Ringen 1988, Mack and Lansley 1985). In time, these made their way into EU-sponsored data collection as measures of ‘material deprivation’, though until recently they were not included among the official list of poverty indicators adopted by the European Commission (Atkinson et al. 2005). However, a revision of this list by the European Commission in 2006 accorded a place to a standardised measure of material deprivation (European Commission 2008) and the resulting indicator for 2007 is included in under column 4 in Table 1 (for general presentation of results on this indicator see Eurostat 2010, pp 55-58).

The significance of this new indicator at EU level is not just as an additional means of measuring disadvantage as usually conceived. Rather, it offers a new *framing* of disadvantage since it is based on a threshold of adequacy in household consumption that is defined in the same way for the whole of the EU (those who lack three or more of nine basic consumption items underpinning the indicator are defined as deprived – see note to

Table 1). It thus frames disadvantage in EU-wide rather than in national terms and implicitly defines the deprived not by reference to ‘the minimum acceptable way of life of the member state to which they belong’, as per the official EU poverty concept, but by reference to a single standard minimum for the whole of the EU. Where the risk-of-poverty indicator is an expression of methodological nationalism, the material deprivation indicator can thus be construed as a European attempt to break out of the limits of that approach.

As might be expected, an indicator defined in this way is sensitive to gaps in living standards between EU member states and produces wide differences in measured levels of disadvantage. Taking the Poland-UK comparison mentioned earlier, for example, Poland on this indicator has almost four times as much disadvantage as the UK (38 per cent disadvantaged in Poland versus 10 per cent in the UK). Other comparisons are even more extreme, with Denmark, Luxembourg, the Netherlands and Sweden at one end of the spectrum having levels of disadvantage in the range 3-7 percent, while at the other end 72 per cent in Bulgaria and 53 per cent in Romania are disadvantaged. The lack of conceptual fit between this indicator and the EU’s official poverty definition is highlighted by the latter cases: a measure which portrays the majority of the national population as deprived does not easily reconcile with a concept of the poor as a marginalised minority subsisting on the fringes of each member state.

It is important to note that this material deprivation indicator is still a relative rather than an absolute measure: it is only by rich country standards that the lack of a colour television or a car or a week’s holiday away from home (all counted as deprivations in the EU’s indicator) could be regarded as signs of inadequate living standards. This reflects the standing of even the poorest countries in the EU as members of the rich world: Romania and Bulgaria, for example, the two poorest EU states, rank among the top third of nations in the world on the UNDP’s Human Development Index and the World Bank classifies them as ‘upper middle income’ countries (UNDP 2009, World Bank 2009). According to the absolute poverty indicator used by the World Bank – the proportion of the population living on less than \$2 per day – only 4.1 per cent of Romanians are poor compared to rates in the range 50-90 per cent in the poorest countries in the world (<http://data.worldbank.org/indicator/SI.POV.2DAY>). The significance of the material deprivation indicator, then, is not that it introduces an absolute measure into what otherwise is a system of relative poverty indicators but that it

introduces a relative indicator framed in EU-wide terms into a system that previously utilised solely national benchmarks.

The importance of re-framing in this way is confirmed by its impact when applied to household income: if relative income poverty is measured against an EU-wide rather than a national benchmark (such as 60 per cent of EU median household income), the resulting poverty estimates parallel those of the material deprivation indicator and deviate just as widely from income poverty measured in national terms (Whelan and Maître 2010, Fahey 2007). For example, using data from the EU Survey of Income and Living Conditions 2006, Whelan and Maître found that the relative at-risk-of-poverty rate measured against an EU-wide relative income poverty threshold ranged from a low of 6.1 per cent in the Nordic welfare states to a high of 74.1 per cent in the Baltic states (Whelan and Maître 2009, p. 6), echoing the wide differences produced by the material deprivation indicator noted above. This is simply to emphasise a point that is obvious but often neglected, namely, that what is counted as inadequate resources from a poverty measurement point of view depends less on the kind of resources being measured (the usual focus of debate in research on poverty) than on the frame of reference that is employed to define inadequacy. Thus the significance of the EU material deprivation indicator is as a poverty measure that transcends the national framing on which the official EU poverty concept is based.

Subjective perceptions

This focus on framing as a fundamental element in poverty measurement leads on to the question of whether or how a ‘correct’ frame of reference can be identified. If more than one frame of reference is possible or is applied in measurement, as in the case of the risk-of-poverty and material deprivation indicators just looked at, is there any way for an observer to choose one over the other – or is it a matter that both can be ‘correct’ at the same time? Policy relevance provides one basis for answering this question: the ‘correct’ frame of reference is the one that is most useful for whatever policy purpose is at hand and that is most legitimated by the political world-view that underpins it. However, another obvious possibility is to establish whether or not a frame of reference has empirical validity in the sense that it parallels what people use in daily life. The question here is whether the strict national framing adopted by social scientists is paralleled by a similar closure of thinking at national boundaries on the part of ordinary people, or

whether people are take circumstances in other countries into account when evaluating their personal circumstances or prevailing conditions in their own countries.

Official EU poverty measurement has not addressed this question, in keeping with the assumption built into the official EU poverty concept that national framing is paramount, but it does collect one indicator that goes some way to providing an answer. This is the ‘subjective economic strain’ indicator reported in column 5 in Table 1 which asks people how much difficulty they have in making ends meet. Subjective perceptions such as these are usually evaluated for their objective validity – whether they are ‘proportionate to the facts’, to recall Runciman’s question – and are usually viewed sceptically on that score (again with Runciman leading the way in this regard). However, from the perspective of the complex concept of relative deprivation, their interest lies less in their objective validity than in what they reveal about the comparative cognitive processes that produce them and in particular what they suggest about the frames of reference employed in comparisons.

Adopting that perspective here, the question becomes whether the evaluations represented by the subjective economic strain variable are more consistent with the sole focus on national framing embodied in the EU’s official poverty concept than with the combined national plus cross-national framing implied by the inclusion of both the risk-of-poverty and material deprivation indicators in the EU’s measurement practice. The results clearly support the latter view. At the aggregate level, subjective economic strain is more closely aligned with material deprivation (the EU relative measure) than with risk of poverty (the national relative measure): its correlation with material deprivation as presented in Table 1 is 0.83, while its correlation with the at-risk-of-poverty rate is considerably lower at 0.58. At the same time, detailed analysis of this indicator at the individual level shows that variation within countries is also linked to objective relative position at national level (see, e.g., Whelan and Maître 2009). In consequence, as far as the empirical validity of national and cross-national frames of reference is concerned, it is a matter of both/and rather than either/or. This finding is consistent with a growing body of research using other data sets which show strong effects of national level of economic development on satisfaction with living standards (Delhey and Kohler 2006, 2008; Fahey 2007; Watson, Pichler and Wallace 2010; for an argument that social comparisons of this kind have become global, see Stevenson and Wolfers 2008; for a minority view which seeks to downplay the relevance of cross-national framing, see Whelan and Maître 2009).

While evidence for the simultaneous operation of national and cross-national framing of social comparisons of living standards is growing, such a dualist view of framing is undoubtedly an over-simplification of what people actually do. As Merton argued in the 1950s, social comparisons are inherently multiple, shifting and varied, and researchers since then have struggled to tease out and understand the complexities involved (Walker and Smith 2000). However, the point to note here is that however simplistic the dual framing approach may be, it seems less simplistic than an approach which relies on national framing alone. Crude as the available evidence is, it is sufficient to show that people are not totally blinkered by national boundaries in their assessments of their circumstances but that the greenness of distant hills is a real though by no means total influence on their judgements.

Units of analysis

The final feature of EU poverty measurement highlighted by the data in Table 1 arises from the regional indicators presented in columns 6-8. These have their basis in regional policy rather than social policy and reflect the EU's concern with what it calls 'economic cohesion', that is, the reduction in economic disparities between the member states and regions of the EU (see the periodic 'cohesion reports' produced by the European Commission's Directorate for Regional Policy, of which the 2004 report is a particularly comprehensive example – European Commission 2004). The core indicator used to measure these economic disparities is that reported in Table 1 – GDP per head of population in each member state or region expressed as a ratio of the overall GDP per head, with a threshold of 75 per cent of the EU-level GDP per head used as the threshold for distinguishing poor regions from the rest (the regions in question, which are labelled NUTS 2 regions in EU nomenclature, are spatial units containing between 800,000 and 3 million people, of which there are 271 in the EU-27). The data reveal the very wide regional disparities found within the EU: Bulgaria as a whole has a GDP per head which is less than 40 per cent of the EU median and in the poorest region in Bulgaria, GDP per head is a quarter of the EU median.

What is of concern to us here is how the notion of a poor state or region relates to the poverty concepts we have talked of earlier. A question along these lines is not entirely novel since there is a longstanding interest in the social sciences in the interaction between spatial and household poverty at the micro-spatial level of neighbourhoods. This interest relates particularly to poor urban neighbourhoods and the impact of 'neigh-

bourhood effects' on the circumstances of the poor residents: social scientists often ask whether being poor in a poor neighbourhood is different from being poor in a middle-class neighbourhood, even if the large body of empirical work on this question has provided no generally agreed answer (Cutler and Glaeser 1997; Massey 1998; Small and Newman 2001; Ostendorf et al. 2001). However, the possibility of the equivalent of neighbourhood effects at the macro-level of poor regions or countries has not arisen in the same way: there has been no systematic investigation whether being poor in a poor country is different from being poor in a rich country – nor how being middle class in a poor country compares to being 'poor' (but on a higher income) in a rich country. Rather, these questions have failed to surface – and the reason is not lack of empirical evidence on their significance as lack of an intellectual incentive on researchers' part to raise them. Social policy is bounded by the nation state, poverty indicators (and poverty researchers) are the servants of social policy, and the core concern has been to study marginalisation within each state, not to ask whether marginalisation is the same thing in countries as different levels of development. EU regional policy has stepped into this picture and directed attention at the large differences in productive capacity and living standards between rich and poor regions. However, thinking about household-level and regional poverty has been conducted in largely separate policy silos and the question of how these units of analysis nest into each other has not arisen.

Social cohesion and the scope of poverty research

The previous section has examined how official poverty indicators in the EU have adapted to the complex realities they seek to measure by expanding beyond the simple relativism embodied in the EU's official poverty concept. The three pressure points where that expansion has occurred have related to framing, subjective perceptions and units of analysis, areas where poverty measurement as now practiced in the EU faces problems that poverty measurement at national level could avoid. We now turn briefly to the fourth and most fundamental area of difference between the complex and simple approaches, namely, heuristic purpose, and briefly indicate how in this area also the complex approach offers perspectives on key topics for poverty research that go beyond what the simple approach can cope with. The particular focus here is on the relationship between poverty and social cohesion, a major theme in policy discourse in the EU but one which is lacking a strong research basis.

In traditional social science usage, the term ‘social cohesion’ relates to the bondedness of social groups, either as a matter of actual behaviour (participation in and contribution to the group) or identification (Friedkin 2004). In social policy contexts, however, the concept has taken on a normative quality which equates social cohesion with the ideal of an egalitarian, inclusive society. The Council of Europe, for example, defines social cohesion as ‘the capacity of a society to ensure the well-being of all its members, minimising disparities and avoiding marginalisation’ (Council of Europe 2010, p. 14). Social cohesion defined in this way becomes a label for the kind of social equality which it is hoped that the distributive systems of modern welfare states will bring about.

However, the fundamental premise of research associated with the complex concept of relative deprivation, from *The American Soldier* onwards, has been the complexity of the links between objective disparities in people’s circumstances, their perceptions of those disparities and the consequences that ensue for social cohesion (Walker and Smith 2000a; Suls and Wheeler 2000a). Here there is scope to indicate only some instances of these complexities as an illustration of the need to treat the impact of social inequalities on social cohesion as an issue to be investigated rather than an identity to be assumed.

These complexities are evident in the first instance in the nature of relative deprivation itself, which is usually thought of in terms of envy or resentment arising from upward social comparison. However, research on this topic has shown that social comparison can be downward or upward, it can seek to identify similarity or difference, and it can produce widely divergent positive or negative affective responses (Wills 1981, Buunk et al. 1997, Smith 2000). For example, comparison with those perceived as better off than oneself can be associated with positive emotions such as admiration or respect and a consequent desire to draw closer to the comparison target either cognitively through identification or behaviourally through social mobility. Downward social comparison may equally have positive connotations in the form of sympathy and support for those perceived to be less well off than oneself (poverty research itself can be thought of as an attempt to promote downward social comparisons of such a supportive kind). Alternatively, the definition of others as social inferiors may serve self-enhancement purposes and may be accompanied by antagonism, prejudice and negative stereotyping (Smith, 2000; Leach, Snider and Iyer, 2000).

Further complexities arise from what Runciman (1966) identified as the distinction between fraternal and egoistical deprivation, which later came to be relabelled as group

versus individual or personal deprivation (Smith and Ortiz, 2000; Tongas and Beaton, 2000). Group deprivation arises where people feel that the group they belong to is disadvantaged compared to other groups, independently of their own position within that group. Individual deprivation arises from comparisons between one's own situation and that of either other members of one's own group or external individual or group reference points. In group deprivation, the greatest sense of grievance can arise among those in the group who may not be particularly disadvantaged themselves, or who may occupy leadership roles within it, but who may identify strongly with the group as a whole and feel a sense of outrage on behalf of the more disadvantaged members of the group as well as on account of the overall collective position (Ellemers and Bos 1998, Ellemers 2000). Group deprivation in this sense can be thought of as broadly conducive to collective action, since it tends to draw the members of the group together, whereas individual deprivation is more ego-centric and may impede collective responses (though this rule is not absolute – see Tropp 2004). The failure to take the distinction between group and individual deprivation into account has been identified by some as part of the reason for the poor empirical linkage between relative deprivation and collective action that was highlighted in criticism of the early research on this topic in the 1970s (Smith and Ortiz 2000: 96-99; see also Klandermans *et al*, 2008, van Steckelenberg and Klandermans 2010). The shared experience of disadvantage and collective action that characterise group deprivation can thus be highly *integrative* at the group level, and can both flow from and reinforce a shared sense of identity, while individual deprivation is more fissiparous in its social effects and more associated with weak collective identity (Ellemers 2000, Smith, Spears and Hamstra, 1999).

Conclusion

This paper has argued that the challenge of Europeanising poverty research in the EU has run up against conceptual obstacles posed by the hitherto national basis on which poverty has been defined. Whether poverty is viewed from national or European points of view, it has to be understood in relative terms, since even the poorest parts of Europe are relatively rich by global standards. Here, however, we have drawn a distinction between a simple relativism which underpins national approaches to the study of poverty and a longer-established complex relativism which, though largely forgotten in the field of poverty studies, anticipates many of the issues now emerging in the EU-level study of

poverty and provides ways of thinking about them. Basic to these is the question of framing: any concept of relative poverty has to ask ‘relative to what?’ The complex approach to relative deprivation pointed out over half a century ago that multiple, shifting frames of reference are fundamental to social comparison as practised in daily life. The simple relativism underpinning poverty research has sidestepped this issue by assuming that the nation-state is the only possible frame of reference, an assumption that can be labelled ‘methodological nationalism’. The EU, on the other hand, while enshrining the primacy of national framing in its official definition of poverty, has sought to add a European frame of reference to its measurement practice. As a result, it has adopted poverty indicators which reflect both perspectives – the risk-of-poverty indicator which is ‘national’ and the material deprivation indicator which is ‘European’. Poverty researchers in Europe, in trying to interpret these indicators, are thus now being forced to confront the fundamental role of framing in conceptualising relative poverty and thereby are being led to re-encounter what can be regarded as one of the lost themes of the complex analysis of relative deprivation.

A further lost theme that is now re-emerging relates to the significance subjective perceptions of poverty. Researchers have paid some attention to such perceptions, but hesitatingly on account of misgivings about their objective validity. They have paid little attention to the role accorded them in the complex approach to relative deprivation, namely, as bases for understanding framing. Here too, researchers examining poverty in Europe have recently begun to take on this perspective: they have examined subjective views of economic hardship to ask whether the sole focus on national framing which is embodied in the traditional poverty concept might over-simplify reality and might need to acknowledge the contribution that also is made by cross-national framing.

An additional aspect of the complex analysis of relative deprivation that European poverty research is also now beginning to grapple with relates to units of analysis. In this area too, the simple approach has avoided complexity, this time by assuming the household is the primary entity that can be considered poor. While EU-level discourse on social policy accepts that simplification, EU regional policy has highlighted the significance of regions and countries as units that can be considered poor. It thus poses the challenge for poverty research of recognising that people belong to many social units, that poverty can be an ecological feature of any of those units, and that the task of understanding the cross-cutting effects of poverty at these levels is a major one.

The final and most fundamental simplification built into traditional poverty research is its focus on poverty as an outcome and its delimitation of its heuristic ambitions to the task of policy guidance. This approach undoubtedly has its merits – policy guidance is a worthy goal of social scientific research and a successful discharge of that role is an important contribution. However, policy guidance is also the territory where science and politics intersect and where it is important that the goal of service to politics does not overshadow the curiosity of science. The complex approach has viewed relative deprivation as a social process which needs to be understood while the simple approach has seen it as a social problem which needs to be overcome. Worthy as the latter approach is, it could benefit from greater openness to the explanatory challenges thrown up by the complex approach.

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Table 1. Selected Poverty Indicators in the European Union, 2007

| | 1. Risk of poverty rate (<60% of median equivalised household income) | 2. Risk of poverty threshold (60% of median), single person household | 3. Median income, single person household | 4. Material deprivation ¹ | 5. Subjective economic strain ² | GDP per head (EU27=100) | | |
|----------------|---|---|--|--|---|-------------------------|----------------------|-------------------------|
| | | | | | | 6. State | 7. Richest region | 8. Poorest region |
| | % | PPS | PPS | % | % | | | |
| Belgium | 15 | 10035 | 16725 | 12 | 16 | 115.7 | 220.9 | 78.1 |
| Bulgaria | 22 | 2006 | 3343 | 72 | 68 | 37.7 | 62 | 25.6 |
| Czech Republic | 10 | 5348 | 8913 | 16 | 26 | 80.1 | 171.8 | 61.7 |
| Denmark | 12 | 10175 | 16958 | 7 | 7 | 121.3 | 150.3 | 91.4 |
| Germany | 15 | 10403 | 17338 | 12 | 6 | 115.8 | 192 | 76.1 |
| Estonia | 19 | 4059 | 6765 | 15 | 11 | 68.8 | | |
| Ireland | 18 | 10706 | 17843 | 10 | 21 | 148.1 | 166.1 | 99.2 |
| Greece | 20 | 6946 | 11577 | 22 | 53 | 92.8 | 128.1 | 59.8 |
| Spain | 20 | 7807 | 13012 | 10 | 27 | 105 | 136.8 | 72.4 |
| France | 13 | 9363 | 15605 | 12 | 16 | 108.5 | 168.8 | 84.6 |
| Italy | 20 | 8748 | 14580 | 15 | 37 | 103.4 | 134.8 | 65.8 |
| Cyprus | 16 | 10938 | 18230 | 31 | 45 | 93.6 | | |
| Latvia | 21 | 3356 | 5593 | 45 | 42 | 55.7 | | |
| Lithuania | 19 | 3512 | 5853 | 30 | 24 | 59.3 | | |
| Luxembourg | 14 | 17575 | 29292 | 3 | 7 | 275.2 | | |
| Hungary | 12 | 3979 | 6632 | 37 | 41 | 62.6 | 102.9 | 39.4 |
| Malta | 14 | 7543 | 12572 | 13 | 37 | 76.4 | | |
| Netherlands | 10 | 10631 | 17718 | 6 | 11 | 132.2 | 164.9 | 103.6 |
| Austria | 12 | 10880 | 18133 | 10 | 11 | 122.8 | 163.1 | 81.3 |
| Poland | 17 | 3422 | 5703 | 38 | 40 | 54.4 | 87.1 | 36.7 |
| Portugal | 18 | 5360 | 8933 | 22 | 38 | 75.6 | 104.7 | 67.6 |
| Romania | 25 | 1765 | 2942 | 53 | 49 | 41.6 | 92.2 | 26.6 |

| | | | | | | | | |
|----------------|----|-------|-------|----|----|-------|-------|-------|
| Slovenia | 12 | 7979 | 13298 | 14 | 20 | 88.6 | 106.7 | 73.1 |
| Slovakia | 11 | 4133 | 6888 | 30 | 31 | 67.7 | 160.7 | 46 |
| Finland | 13 | 9223 | 15372 | 9 | 8 | 118 | 143.2 | 88.8 |
| Sweden | 11 | 9581 | 15968 | 6 | 8 | 122.8 | 164.6 | 106.2 |
| United Kingdom | 19 | 11366 | 18943 | 10 | 14 | 116.7 | 334.2 | 73.4 |

PPS: Purchasing Power Standards.

¹ Percentage reporting an enforced lack of three or more of the following items: ability to face unexpected expenses, ability to pay for one week annual holiday away from home, existence of arrears (mortgage or rent payments, utility bills, or hire purchase instalments or other loan payments), capacity to have a meal with meat, chicken or fish every second day, capacity to keep home adequately warm, possession of a washing machine, a colour TV, a telephone or a personal car (Eur

² Percentage who say they 'very great difficulty' or 'great difficulty' in making ends meet