Introduction

One of the most difficult issues in the area of social policy is to define a 'poverty line' - an income level that can be expressed in cash terms below which it is argued that the citizens of any given country should not fall. [1] Even if such a definition can be found which is broadly acceptable, the means adopted for trying to ensure that people do not fall below the poverty line are going to be extremely complex. Yet clearly one of the challenges facing those whose task it is to develop social policy - particularly in a time of economic depression - is to devise satisfactory means of ensuring that all members of society have the basic income resources available to them with which they can obtain the basic necessities of life: food, housing, heating, clothing, education.

In the case of those in employment, the obvious and familiar problem is that wage levels, fixed in the labour market, do not necessarily guarantee that individuals will in fact receive adequate income resources. For example, those with many dependants - young children, aged relatives - may find that even a reasonable wage is insufficient; those in low-paid employment may also find that their income is inadequate, even if their dependants are fewer in number.

In the case of those outside the employment market, for example the retired, the sick/handicapped/disabled, or the unemployed, entitlement to social insurance benefits may bring them above officially defined poverty levels. But again where levels of benefits are determined by levels of contributions, and those contributions have, in turn, been based on inadequate wage levels, it is frequently the case that social insurance benefits for those out of work are also inadequate. However, those outside the employment field may, in some cases, be marginally better-off, in that in many countries social insurance is supplemented by means-tested social assistance, which has the effect of bringing persons in these defined classes at least to the basic poverty line.

These opening remarks are offered since perhaps there is, at first sight, rather little in common between 'family allowances' and 'minimum income'. A moment's reflection, however, reveals that policy in relation both to family allowances and minimum income is, or should be seen as being, at the heart of broader policies designed to ensure that all - whether in or out of work - and their dependants have sufficient financial resources on which to live.

However, having established that there is a policy link between 'family allowances' and 'minimum income', further problems arise. For example, it is clear that 'family allowances', in the narrow sense of a cash sum paid on a regular basis to the mother or the father of children, is only
a part of the means by which support for families is provided by European governments.[2] Certain essential items, such as education, or housing, are more likely to be supported by direct free or subsidized provision by the state, than by the provision of cash for the purchase of those items. Similarly, the means by which European governments have attempted to ensure that all individuals reach a certain 'poverty line', whether in work or out of work, vary enormously. In the case of those in work, there is a variety of legislative provisions relating to minimum wages.[3] In the case of those out of work, many countries offer a residual 'safety-net' scheme of social assistance: but again the extent to which this happens in each country, and the means by which such social assistance is delivered to individual claimants varies widely. The important point to stress here is that, while certain aspects of basic income maintenance programmes have for a long time been regarded as within the scope of social security/social insurance provision, it is misleading to focus attention exclusively on the social security aspects of income maintenance, for to do so may result in a very limited picture. Wider issues in, for example, social policy, industrial relations, education policy and energy policy must also be taken into account; so too must the complex interaction between systems of taxation, both direct and indirect, and social security provision. I will return to these observations in the final section of my paper.

THE EISS QUESTIONNAIRE

Having made a brief attempt to set 'family allowances' and 'minimum income' into a broader social policy context, I now turn to review the issues on which information was specifically sought for the purpose of this colloquium in the latest questionnaire prepared by the secretariat of the European Institution of Social Security. I do not propose to repeat all the points made in each country's reply but rather hope to draw out general themes. Information was sought in relation to the main changes in family allowances and minimum income provision from 1975 to the present time. It is these changes only that will be reviewed here, not the basic laws and regulations which underlie these benefits. Three preliminary observations may be made, which will, no doubt, be made in other General Reports to the colloquium:

1. The questionnaire was based on a broad assumption that all European countries were facing an economic crisis. The point is made in one or two of the papers,[5] that the economic crisis has not yet been felt severely. Thus the impact of recession on social security programmes in such countries has been less than in others;

2. Related to the last point, however, is the point made in the German report that it would be quite wrong to assume that the recession is at an end. Discussions at this colloquium are inevitably going to be of an interim nature only;[6]

3. Although the response to the crisis has, as will be seen, generated similar kinds of response in different countries, questions of political economy must not be ignored in assessing the effect of recession on social security.[7]