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**The two Uses of Dynamic Poverty Research –
Determination and Contingent Models of
Individual Poverty Careers**

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The two uses of dynamic poverty research

- Deterministic and contingent models of individual poverty careers

'Dynamic' poverty research originated in Europe in the 1990s, following US-American precedents. The new approach relies on new, longitudinal data, employs new methods and provides new insights into the fabric of poverty and the ways social assistance works (for an international overview see e.g. Leisering/Walker 1998). The key innovation is shifting from snapshots of poverty to movies. This contribution identifies a fundamental ambivalence of the new approach and seeks to resolve it. Our thesis is that there are two seemingly contrary uses of the dynamic method: one that generates a more optimistic picture by highlighting the chances of the poor to move out of poverty, and another, rather pessimistic perspective that emphasises processes of cumulative deprivation and decline (section 3).

We start by outlining the basic features of the dynamic approach (section 1). We then show that the dynamic perspective is not as new as commonly held, and that earlier versions tended to expound the pessimistic view (section 2). In section 4 we show that the two uses of the dynamic method in poverty analysis reflect a more general tension between two approaches in the sociology of inequality, class theory and life course theory. In section 5 we draw a conclusion, proposing life course theory as a conceptual framework for dynamic poverty analysis. Life course theory, we maintain, may integrate the two versions of the dynamic approach and their respective optimistic and pessimistic findings.¹

1. The new dynamic approach to poverty and social assistance

When people talk about poverty, they generally have in mind some particular group such as the homeless, 'welfare mothers', the unemployed or pensioners, or they think of deprived areas or even a whole 'underclass' in society. What poverty is taken to mean, then, is a *condition* in which individuals and *groups* find themselves, a situation in life which is assumed to be relatively long-lasting. This is a static view.

More dynamic notions of poverty processes or poverty 'careers' also figure, e.g. in studies of social marginalisation, but they normally refer to processes of descent into poverty and to reinforcements of the conditions of poverty. These notions, therefore, also refer to relatively long-lasting experiences of poverty situations and to fixed groups of poor. 'Dynamic' assumptions do come in, but only in the *deterministic* sense of something unavoidable. The guiding assumption, both in the public sphere and in academic circles, is that most poor people are sunk in a vicious circle of hopeless poverty for very long periods. The European discourse on 'social exclusion' also tends to carry such connotations.

The new dynamic approach of the 1990s has challenged the conventional view by revealing that poverty conditions are far more transient than has hitherto been believed. This finding supports a *contingent* model of poverty careers that allows for a variety of paths through and out of poverty. Poverty is often no more than an *episode* in the course of life. This is the basic finding common to all empirical studies under the new paradigm. However, two versions of the new approach can be distinguished: the dynamic perspective can be taken to mean just a *method* of empirical analysis based on longitudinal (micro-) data or poverty dynamics can be embedded in *life-course theory*.

The second version, the life-course perspective, gives rise to a dynamic analysis in a more comprehensive sense but it is rarely implemented. 'Life course' means a social and cultural pattern of life, the institutionalisation of a temporal order of life that has emerged in modern societies over the last two centuries (Kohli 1986). Reference to the 'life course' means analysing individual poverty processes framed by both *institutional* arrangements and *individual* biographical horizons. These two levels interact to produce the temporal structure of the entire life span. The life-course approach, therefore, goes beyond the original dynamic approach employed in the US research and in most of the longitudinal analyses based on household panel study data. Panel studies have normally been confined to quantitative analyses of income trajectories, without systematic theoretical references to institutions, policies and political discourses related to the structure of life courses. In this sense, the panel studies express a dynamic or longitudinal approach, but fall short of a full life-course approach. The life course approach, especially as developed by Leisering and

Leibfried (1999), focuses on how the institutions of the welfare state shape individual lives. Our research strategy combines quantitative investigations of poverty careers with qualitative biographical analyses of Social Assistance claimants. As the American tradition of state welfare is much less developed than in Europe, involving little formal life-course 'regimentation', American writers on poverty dynamics have not been able to embed their analyses in an overall view of the life course and its regulation by the welfare state.

In its most comprehensive version (Leisering/Leibfried, 1999 [German 1995]) the life-course approach to poverty dynamics has established four basic findings or principles:

- *'Temporalisation'* of poverty: Poverty as well as reliance on social assistance are processes in *time*: Poverty is not just a characteristic of groups of individuals, but an event or phase in the individual life course. Experiences of poverty have a beginning, a specified duration, a certain (continuous or discontinuous) course, and often a conclusion.
- *Agency*: The poor, even though restrained by lack of resources and possibly other forms of deprivation and discrimination, cannot generally be assumed to be merely passive victims of external influences. They may be seen as agents endowed with individual orientations of action and capacities for overcoming poverty (or coping with poverty) by purposive action (see Leisering/Leibfried, 1999: 39f).
- *'Democratisation'*: The experience of poverty as a temporary situation and a latent risk extends well into the middle classes, and it is not confined (if it ever was) to traditional marginal groups or to an excluded bottom layer of society ('transcendence'). The German sociologist Ulrich Beck, in his *Risk Society* (1986:149; not included in the English translation, Beck 1992) first spoke of a 'democratisation' of poverty and unemployment to point out that in advanced modern societies ever larger sections of the population share in the risks - and not only in the benefits - of modern society. Clearly, 'democratisation' does not mean that poverty is equally common in *all* strata of society. In Beck's view this only applies to some ecological and technological risks such as the global warming effect or environmental pollution. No social stratum is protected from them. Beck speaks of "the end of 'the others'" (1986: 7) to express that the line

between 'us' - living in security - and 'them'/'the others' - living in risk and being the object of help by 'us' - can no longer be drawn. In the case of social risks such as poverty and unemployment the boundary between 'us' and 'them' has become blurred but, much more than in the case of environmental risks, structures of inequality are still pronounced.

- *'Biographisation'*: Taken together the first three tenets add up to the view that poverty is a biographical risk: that poverty is related to events and transitions in the life course such as divorce and unemployment (temporalisation), that such risks range well into the middle class (democratisation/transcendence), and that the poor deal with their situation within their wider biographical aims and orientations of action (agency).

The new dynamic perspective does not just mean standing the old idea of poverty on its head, focussing on short-term poverty instead of long-term poverty. The new insight is, rather, that poverty has many faces. Nor does the new approach aim to present poverty as unproblematic, as might be at first glance assumed in the light of the rejection of the dark picture painted by many conventional studies. The dynamic approach seeks to show that poverty is more complex, and is harder to grasp and to combat, than it may have been at a time when easily comprehensible categories of people in need could be identified. While the finding that spells of poverty are often short is good news, the diagnosis of a democratisation of poverty paints a darker picture of society than conventional views of poverty do.

The dynamic approach to poverty cannot be classified under outworn labels, whether 'right' or 'left', 'critical' or 'ameliorative'. Rather, what comes into view are the outlines of a new, complex landscape of poverty, challenging the established political classes and social movements of both right and left to a new relationship to this growing structural problem facing society today.

The new approach was developed in the USA.³ Since the end of the 1980s it has been taken up in Germany and Britain and in some other countries, to analyse the dynamics of income poverty and of social assistance claims.⁴ The approach was introduced to Germany by the long-term study of Social Assistance claimants in Bremen (1988-2001; summary book Leibfried/Leisering 1999 [German 1995]) and

developed independently and simultaneously in Britain by Robert Walker (1994). Theoretically, Leisering and Leibfried drew on Beck's 'individualisation' thesis (see sections 4 and 5). Beck was the first social scientist in Europe to develop the theoretical idea of a dynamic approach to poverty research, without knowing the American dynamic research and before the empirical research projects in Germany were even conceived (1986, pp. 143-151; not included in the English translation, Beck 1992).

Since 1990, the new branch of poverty research has also been furthered by longitudinal analyses of household panel survey data. It started with the German Socio-Economic Panel (SOEP, internationally available as GSOEP), a panel of several thousand private households throughout Germany (first wave 1984, first dynamic poverty analysis 1990). Following the example of the Michigan Panel Study of Income Dynamics (PSID) in the USA (which started as early as 1968), household panel studies have been established in most European countries in the 1980s and 1990s. Such longitudinal micro data on income – or on individual receipt of social assistance – are the empirical basis of dynamic analyses.

The founding father of what nowadays is known as the dynamic or life-course approach to poverty was Benjamin Seebohm Rowntree (1871-1954), a pioneer of empirical research into poverty. In his epoch-making study of poverty in York, a city in the North of England, he discovered a century ago that workers typically were not poor throughout their whole lives but only during certain stages: when they had dependent families or their earning power was limited, especially by ageing. Rowntree (1901: 169-172) depicts a *life-cycle* perspective on poverty. He stated explicitly why he found the static perspective misleading: only the longitudinal perspective reveals how poverty tends to arise only at certain points in the life cycle. Poverty cannot be equated with belonging to any specific group. To be a member of the manual working class is not synonymous with being poor - in contradiction to the equation of 'the working classes' with 'the poor', a notion that had prevailed in Britain before Rowntree. Rowntree also established that counting the number of the poor on a single day (or in a single year) - as is still the practice in most countries - underestimates those affected, since it conceals those who experienced poverty at an earlier stage of their lives or may do so in the future.

Current poverty research based on life-course theory generalises Rowntree's approach. Current research does not confine the periods of poverty to those of increased family needs and reduced earning power previously found by Rowntree, but it inquires more generally into any periods of poverty during the life course, since they may have widely differing causes and may occur at very disparate points during life. For a long time there were neither the longitudinal data sources nor the theoretical sociological tools of life-course research required to meet this demand.

2. Dynamic elements in earlier research on poverty

Although conventional views of poverty underestimate the dynamic character of poverty, earlier research contains some elements of the dynamic perspective which can be taken up and generalised. We can distinguish three strands in the study of poverty: macro-sociological research into inequalities (the analysis of class and stratification); the descriptive social-policy-oriented study of poverty; and micro-sociological research into marginalized groups. All three strands offer contributions to a dynamic approach.

Conventional sociological *research into inequality* has been based on static conditions and nowadays often still is. The unequal distribution of the population, by their occupational position or educational attainment on a single sample day, is presented as relatively stable and understood as a *class* structure, illustrated in the form of the familiar stratified pyramid. But even in this research tradition one finds the instability of life being taken into account. Research into *social mobility* (see e.g. the comprehensive study by Erikson and Goldthorpe, 1992) investigates the processes of ascent and descent, particularly in occupational careers. But there are limitations to conventional research into inequality. First, it usually excludes the marginalized sections of the population (Kreckel 1992). In such studies the marginalized are considered only as members of the undifferentiated category of 'unskilled workers'. If one examines the educational and occupational status of their fathers, one can to that extent empirically fathom the depth of the roots of underprivilege over the generations. Another group normally excluded (or only indirectly included) in this research tradition are economically inactive people – housewives, children, elderly –

because they have no occupation. All in all, large numbers of the poor do not adequately figure in class analyses. Second, analyses of downward class mobility if applied to poverty tend to use a deterministic model (see section 3). Third, mobility processes are analysed through measures with a low time resolution (see section 5).

In the *descriptive social-policy approach* to poverty research, the dynamic element is found most clearly in the *life-cycle* theory of poverty, as first proposed by Rowntree. However, the 'problem groups' (such as the old, the unemployed, single parents and large families) in which this approach typically locates poverty are more or less statically defined, even though they tend to correspond to particular stages in working and family life. Some writers in this research tradition have therefore concluded that poverty arises only or especially at certain stages of life (e.g. Krause, 1993: 25ff; Salonen, 1993: 107ff; Room, 1990: ch. 7).

Research into marginalized groups is based on sociological action-oriented theories, particularly the labelling approach. This research tradition is fundamentally dynamic. The dynamics of marginalization are identified in three ways: in the first place marginalization is conceived as *institutionally induced downward careers* and exclusionary processes. Social institutions - the 'forces of social control' such as the police, social work and psychiatry – are shown to have a lasting effect on the dynamic evolution of individuals' problems such as criminality, homelessness and mental disorder. The relationship here between the welfare state and the life course is painted in sombre colours. Secondly, students of marginalization also investigate the cumulative processes of psycho-social collapse which follow from prolonged deprivations, even if social institutions did not contribute to the effects (*the momentum of social deprivation*). The best-known example of this kind of study is the classical analysis conducted by Marie Jahoda et al. (1975, German 1933) of the impact of long-term unemployment upon individuals. Thirdly, *transmitted deprivation* from one generation to another is an important poverty dynamic commonly considered in studies of marginalised groups. The 'culture-of-poverty' version actually assumes that the poor live in some enclosed world of their own which facilitates the 'transmission' of poverty within the affected family. The intergenerational approach thus makes most use of the time dimension - possibly too much, since the few

longitudinal studies carried out in this field tend instead to qualify the associations claimed (Rutter and Madge, 1976; Atkinson, 1989: ch. 5).

References to dynamic aspects found in the existing research outlined here are limited and biased. The assertion that, as a rule, poverty lasts a long time and becomes entrenched in the course of time, is still dominant. How can this belief have arisen? The reasons are to be found in the data, the methods and the theories used.

The first reason is that the groups of poor which were the subject of this research were *unrepresentative* of the poor as a whole. Marginalised groups such as the homeless and street people are no more than segments of the poor population among which long durations of poverty are more commonplace, but they do not reflect the experience of the majority whose poverty is generally less visible.

The descriptive social-policy approach to poverty research covered a wider spectrum of poverty, as in studies of representative samples of all Social Assistance claimants in a city or all inhabitants of the Federal Republic with incomes below 50 per cent of mean or median household incomes, but before the advent of the panel studies the data collected contained scarcely any information on the course and duration of poverty. The same was true of official data such as the statistics on Social Assistance. In Germany, for example, apart from two special surveys from 1972 and 1981, information on the duration of claims has only been available since 1994, following the revision of the Social Assistance statistics. In Germany and most other European countries, e.g. Britain, the simple questions of how long poverty lasted, and how many short-term and long-term claimants there were, could not be answered until 1990, and they were generally not even asked. Most restricted themselves, for no good reason, to the poverty of the long-term and socially excluded.

Second, the limited perspective of existing research has its *methodological* roots. One of the usual aims of biographical studies, such as of the residents of hostels for the homeless or of a poor neighbourhood, was to determine the history of their earlier lives - how it came about that they arrived on the margins of society. But by interviewing people from a poor area at a given point in time, those who left earlier

and escaped poverty are automatically excluded from the sample. Thus the dominant conclusion reached was that poverty and deprivation were fundamentally long-lasting, and that poverty lasting for an extended period inevitably led to marginalization. By contrast, the dynamic approach to poverty research took into its ambit not only the paths into poverty and deprived conditions but also the escape routes from poverty.

Thirdly, we must also highlight the *theoretical* problems of older research traditions, principally the assumption that 'careers' in the field of poverty were cumulatively reinforcing and could only lead in a downward direction. When one treats social exclusion as the consequence of social labelling processes, the excluded appear as passive victims of external social influences (by officials and social workers, and the stigmatisation of neighbours), which makes active opposition and escape from poverty seem hopeless.⁵ Poor people are frequently not taken seriously as capable of autonomous action, as active subjects who can take part in shaping their own life courses.

3. The two uses of dynamic research: spirals of deprivation vs. openness of poverty processes (deterministic vs. contingent models)

In the preceding section we found that research from the 1960s to the 1980s also included notions of a dynamism of poverty but tended to model self-reinforcing processes of social descent. But the discourse on '*social exclusion*', which has been propelled Europe-wide by French thinkers and the EU during the 1990s, has also tended to highlight the dynamic character of poverty in the sense of cumulative processes of exclusion.

Political circles and also some scholars in Germany, France, Britain and other countries see new dividing lines with regard to employment, ethnicity and social space and groups like illegal residents or illiterate citizens as the key problems for social policy in our time. By the mid-1990s 'exclusion' had virtually superseded 'poverty' as a term in the political discourse. In some quarters it has become a catch-all term to cover problems of deprivation and inequality of almost any kind. The fall of communism in Eastern Europe had reinforced public concern about these issues, in

terms of both these countries' domestic problems and resulting migration to Western Europe. Remarkably, the exclusion discourse and the dynamic approach to poverty gained ascendance simultaneously during the 1990s but the two strands of thought developed largely independently of each other. The Centre for Analysis of Social Exclusion (CASE) at the London School of Economics is one of the few places of research where both perspectives are brought together in a pragmatic way.

All in all we have three strands of research that use the dynamic perspective in very different, even opposite ways: two strands - studies of social exclusion and studies of social marginalisation – have tended to focus on cumulative processes of downward mobility or spirals of deprivation, whereas the new dynamic approach of the 1990s emphasises that poverty or receipt of social assistance is often (but not always) of a transient nature. This ambivalent nature of the dynamic perspective has been noted by various authors, e.g. Leisering/Leibfried (1999), Layte/Whelan (2002) and by Alcock (1997: 110) who emphasised that the 'message from poverty dynamics can ... cut two ways' - transience of poverty in many cases as well as cumulative deprivation in case of long-term poverty.

The dual or ambivalent nature of the dynamic perspective is mirrored on several levels of analysis: concepts of society, political discourse and sociological theory. Referring to the claim to openness entertained by Western societies, we may say that the dynamic perspective, depending on its use, nourishes a pessimistic view or an optimistic view. Referring to political discourses, two 'cultures' in society's dealing with poverty can be identified: dramatisation and denial (or 'repression' in the psychoanalytical sense) (see the discourse analysis for post-war Germany by Leisering/Leibfried, 1999: 196-199). The culture of dramatisation reflects the pessimistic view while the optimistic view represents the middle ground between dramatisation and denial. The optimistic view de-dramatises conceptions of poverty without denying that poverty exists, including severe, multi-dimensional or long-term poverty.

On the level of sociological theory and methodology the dual nature of poverty gives rise to the question how to model processes of poverty. In social problems analysis scholars have tackled this question in more general terms. The concept of *'poverty*

career' or 'social problem career' is a focal point of debates about how to analyse individual processes in problem-ridden life courses (for the following see Leisering/Leibfried, 1999: ch. 5, and, in more detail, Ludwig 1996; from the point of view of a theory of the life course see also Sackmann/Wingens 2001). The concept of the poverty career has been used in three distinct ways: to describe a process of downward occupational class mobility; as a process of socialisation into a deviant lifestyle; and a process of social 'coping'.

Poverty careers conceived as *downward class mobility* are derived from the occupational careers of the research subjects and their families. The path to poverty is seen as a loss of status brought about by powerful social forces which can only be endured but not contested. This is based on a *deterministic* model. Unemployment, the 'new poverty', and the poverty of old age, were each treated as phenomena which could be explained by downward class mobility (such as by Lompe et al. 1987 and Bujard and Lange 1978).

Research into homelessness and rough sleepers expresses the assumption that poverty careers can be identified by *deviant lifestyles*. Such a concept of poverty career is also *deterministic*, assuming a generationally transmitted intensification of poverty. Socialisation into a subcultural milieu and labelling by the forces of social control mean that the affected person compulsorily develops a deviant identity and cannot escape from the marginalised position, with consequences for occupational behaviour, family formation and education.

If poverty careers are seen as social *coping*, they are also pathways through poverty.⁶ Instead of assuming that poverty careers are necessarily connected with passive endurance or deviant behaviour, the representatives of this tendency seize on a '*probabilistic*' career model: the social behaviour of the affected person is directed towards conquering a crisis or a poverty condition and may be so successful that the damaged occupational or family process is once again repaired and poverty is not allowed to become entrenched. At the same time, poverty careers are seen as processes of change in status affecting several aspects of life but without suggesting that all such aspects are negatively affected to the same extent. However, the

escape routes from poverty have not been systematically elaborated in the formation of this theory, and the dominant model is still the process of social decline.

The deterministic and probabilistic career models - independently of their use in poverty research - have both been thoroughly criticised by sociologists since the 1980s, especially by Luckenbill and Best (1981) and by Groenemeyer (1990) and, in a different research context, by Uta Gerhardt, based on her concept of 'patient careers' in medical sociology (Gerhardt 1979, 1986, 1990). Gerhardt suggested a *contingent* career model which leads beyond both the deterministic and the probabilistic models. In this model, the development of the career is unpredictable and therefore a variety of outcomes are possible. Poverty researchers, by contrast, have continued to view coping behaviours through the probabilistic, if not actually deterministic, lens. Isolated examples can be found in the USA and England. Frank F. Furstenberg and others (1987) studied the life trajectories of young single mothers in the USA in later life, showing the relevance of a model of this kind for social problem groups. Escape from poverty is a possibility.

Three career models can thus be distinguished: a *deterministic* variant - the 'one-way street' model, in which movement is possible in only a single direction; a *probabilistic* model - the 'corridor' model', in which movement is possible in more than one direction but within narrow confines; and a *contingent* model - the 'cross-roads' model, in which a number of routes are possible. The contingent model has first been applied to poverty by Leisering/Leibfried (1999) and Ludwig (1996). Elements of the contingent model include:

- *Life courses* can be as variable (that is, contingent) within the ambit of poverty as elsewhere. A wide range of patterns may be found: social decline, reinforcement, relative stabilisation and consolidation at a low standard of living, genuine upward social mobility.
- The *individuals* affected by poverty are active agents not necessarily passive victims. A wide range of behaviour patterns can be found: active coping, apathy, deviant behaviour, overcoming poverty - all are empirically identifiable patterns. Even poor people can learn new modes of action.
- Social policy *institutions* do not work in an exclusively repressive and excluding manner, but can also be beneficial to their users. The balance which

users draw between the costs and benefits determines the significance of Social Assistance to their lives.

Which of the two perspectives – spiral of deprivation/deterministic model or transience of (much, not all of) poverty/contingent model – is more adequate? Layte and Whelan (2002) have put varieties of both strands to an empirical test. For the deterministic strand they choose ‘social exclusion’ as an example, taking it to stand for notions of ‘cumulative disadvantage’. For the contingent strand they choose the life-course approach developed by Leisering/Leibfried, taking it to represent the idea of an ‘individualisation’ of poverty derived from Beck (for a criticism of Leisering/Leibfried akin to Layte/Whelan’s criticism see Andreß/Schulte, 1998). As a result of their critical appraisal of the two approaches they reject both approaches - as ‘over-determination arguments’ (cumulative disadvantage) or as ‘under-determination arguments’ (‘individualisation’ of poverty) - and propose to go back to conventional class analysis. They aim to draw attention to the resilience of traditional stratification factors (to be complemented by other variables) neglected by the two rejected approaches.

Layte and Whelan’s criticism of the cumulative disadvantage approach confirms the findings of Leisering/Leibfried (1999) that cumulative disadvantage is not the typical form of poverty but only a small fraction of it: ‘long before we identify groups ‘doomed to poverty’ we run out of cases’ (Layte/Whelan, 2002: 230). To assess Leisering/Leibfried’s life-course approach to poverty dynamics the key tenets to be examined are ‘temporalisation’, agency, ‘democratisation’ and ‘biographisation’ (see section 1).

‘Temporalisation’ is not tested by Layte and Whelan (despite their claim to do so). This may be due to data restrictions. Layte and Whelan use only three waves of the ECHP (1994-96), a fairly short observation window, and they measure duration in years, which provides a low time resolution. *Agency* has neither been tested by Layte and Whelan. Again, this points at a problem of data because issues associated with agency require qualitative or at least attitudinal data which are hardly covered in household panels used by Layte and Whelan.

'Democratisation' of poverty is tested by Layte and Whelan, with the result of qualifying this diagnosis of the life-course approach to poverty. The difference of poverty risks between classes in the year 1995 as compared to 1989 has decreased – showing democratisation of poverty -, but only in some European countries (including Germany!) (Layte/Whelan, 2002: 224). However, the years 1989 and 1995 used by Layte and Whelan are not suitable. To trace democratisation one would have to compare a recent year with a year before 1970/1975 when individualisation took off. Again, we lack data for appropriate years.

All in all, the first three tenets of the life-course approach to poverty – temporalisation, agency and democratisation – have stood the empirical test. The third tenet, *'democratisation'* of poverty, indicates that class factors alone cannot explain poverty. Here the life course approach comes in by focussing on *'life events'* as triggers of poverty. This leads to the empirical test of the fourth and crucial tenet of the life-course approach, the *'biographisation'* of poverty. This is the thrust of Layte and Whelan's criticism of Leisering/Leibfried.

The extensive qualitative part of Leisering and Leibfried's study (missed by Layte and Whelan), however, investigates the impact of class and other structural variables (mainly done by the research associate Monika Ludwig; see Ludwig, 1996). As expected, classical stratification variables like education matter (Leisering/Leibfried, 1999: 140-143). But other structural variables, above all gender and age, equally matter. Moreover, the coping behaviour of the claimants of social assistance makes a difference. People in a similar socioeconomic situation undergo different poverty careers depending on their individual strategy of coping with the problems they face. The biographical context in which claimants define and tackle their problems turned out to be particularly influential (Leibfried/Leisering, 1999: 123-131).

Layte and Whelan show that class has a strong influence on the duration of income poverty. Even when controlling for *'life event variables'*, household type and divorce/separation, there remains an influence of class (however, control for non-class variables is not made very explicit in the presentation). *'... class origins have substantial and persisting effects on risk of poverty'* (Layte/Whelan, 2002: 231). The

authors infer that the biographisation thesis is refuted – class factors, not life events count.

However, it is not an exciting proposition to make that class is a major factor of poverty processes. Few scholars would doubt that proposition. It would be crazy to assume that ‘events leading to poverty entries and exits should be independent of variables such as social class and education at the start of the observation period’ – as Layte and Whelan (2002: 215f) put a strong version of the biographisation thesis. But knowing about a significant impact of class still leaves a lot to be explained - who exactly becomes poor, at what point in time, for how long and at what income level before, during and after the poverty spell. A ‘significant degree of correlation still leaves us a long way from perfect predictability’ – as Layte and Whelan put it themselves when criticising the determinism of cumulative disadvantage arguments (reporting a classical criticism by Duncan; Layte/Whelan, 2002: 212). Layte and Whelan’s data also reveal considerable differences between European countries with regard to the weight of class as predictor of poverty durations.

4. Sociological theory: ‘class’ or ‘life course’?

In German sociology there has been an earlier debate about individualisation vs. class between Ulrich Beck and Karl Ulrich Mayer which referred not to poverty but more generally to inequality. Ulrich Beck tried, in the mid-1980s, to describe the new perils inherent in post-industrial society with the term *Risk Society* (Beck, 1992 [German 1986]). The book falls into two parts which are only loosely connected. The first part deals with ecological and technical risks and the politics of going about these risks. The second part, which is relevant for this article, deals with social inequality and changes in the ways of living. Beck suggests, there has been an ‘individualisation’ of ways of living which cannot be put down to traditional class differences but which shows itself in a plurality of individual life plans and life courses. This implies a new concept of social inequality seen as the outcome of fluctuations and breaks in life courses, whereby class differences are remodelled and vertical inequalities interact with horizontal inequalities. Beck speaks of an *individualisation of inequality*. In his view the crude social groupings of class, strata and status no longer reflect the realities of contemporary society. If inequality were to be understood,

biographies would have to be analysed in their rich variety. So there is a tension between the more static and holistic notion of class and the idea of individualisation in the life course.

Mayer (1991) maintained critically that proponents of the concept of individualisation actually replace the category of 'inequality' (vertical social stratification) by 'life course' ('horizontal' differences between life phases) as the chief structuring principle of society. Mayer's criticism is particularly illuminating since Mayer comes from a background of class analysis but has become a key proponent of a special quantitative variety of life course analysis. The debate Mayer vs. Beck on the nature of inequality in advanced modern societies provides a more general background for the debate Layte/Whelan vs. Leisering/Leibfried on the nature of poverty dynamics.

As mentioned earlier (section 2) traditional research into inequality has not excluded changes in life courses but has treated them as aspects of social mobility. Studies of social mobility pursue life courses usually by way of broad variables associated with occupation, such as father's occupation and one's own education and job. Using this framework Mayer and Blossfeld showed empirically (1990) that the life course reinforces and even creates - 'constructs' - vertical inequalities of class. In other words, there is no tension between class position and status change in the course of life but, instead, a close association. This finding supports Mayer's concept of the life course as an 'endogenous causal nexus' (1987: 60). Such a causal relationship holds, as far as can be empirically ascertained, in that a person's educational status and achieved occupational position are still as closely correlated as before with his or her father's education and occupation. In this way the relative stability of belonging to a class, which is inherent in the concept of class, is spelt out in terms of life-course analysis.

While Mayer's version of life-course research squares with the class approach to social mobility, Beck's version challenges class. Students of class and occupational mobility emphasise the determination of social processes, but Beck's life-course perspective emphasises individual agency, change, choice and dynamics. While the deterministic view reminds us of the rigidities of class and gender that act as barriers or constraints to people's life trajectories, the contingent view (also espoused by

Giddens, 1991) emphasises the fluidity of social life, opening up chances for individual self-expression and life plans, for changing the direction of your life after periods of disruption.

These two conceptions may appear to be diametrically opposed. However, there is a way to recognise the value of both perspectives and to deny that they are mutually exclusive. The two approaches focus on different aspects of social reality and rely on different levels of analysis.

The conventional deterministic approach rests on statistical correlations of aggregate variables with a low temporal resolution such as 'class origin' and 'class destination' (see e.g. Wright 1997), whereas the opponent approach typically employs high resolution measures of time and makes fine distinctions between different social states. Crossing the poverty line, for example increasing equivalent income from 45 per cent of the mean to 70 per cent, need not impact significantly on a person's class position nor set them on a trajectory to the top half of the income distribution. In Germany, most movers do not seem to make it much further, staying below mean income in the medium term (Krause 1998). Nevertheless, such changes usually have great personal significance for the individuals concerned and may well have major consequences for the roles they play within other social domains. Moves off social assistance also mark significant biographical changes as people break free from the associated stigma and attain self-sufficiency. Deterministic studies neglect changes of this order. 'Small' changes matter for the individuals and for politics even if some of them may not affect the overall pattern of social structure.

5. Conclusion: Life-course theory as integrative framework for the analysis of poverty dynamics

We have shown that the dynamic approach to poverty which emerged in Europe in the 1990s uses new, longitudinal micro data and yields new insights into the nature of poverty. But some other approaches to poverty - the earlier research into social marginalisation, ideas of life-cycle poverty and the more recent debate on social exclusion - also imply a dynamic perspective. Two seemingly contradictory uses of

the dynamic perspective can be found in this spectrum of approaches: a pessimistic use emphasising long-term poverty, cumulative disadvantage and spirals of deprivation (mainly found in research on marginalisation and social exclusion), and a more optimistic use highlighting the transient character of much of poverty and the activity of the poor to change their situation (mainly found in the new dynamic approach of the 1990s).

Layte and Whelan (2002) criticise both uses of dynamic research (taking the 'individualisation of poverty' approach by Leisering and Leibfried, 1999, as specimen of the optimistic version) as over- and under-determination of individual poverty processes respectively. They challenge the idea of poverty careers propelled by life events irrespective of class ('under-determination') as well as the idea of an excluded minority of multiply deprived groups ('over-determination'). Instead Layte and Whelan proposed to bring back conventional class analysis. In their view, class (or, more generally, stratification) factors still are the main determinants of poverty processes that are underestimated in the two dynamic approaches.

We argued that Layte and Whelan's criticism of the optimistic version of the dynamic approach is not well taken. On the level of sociological theory we argued that the concept of class, due to its intrinsically static and holistic character, is less suited to analysing the complexity and changeability of individual living situations in advanced welfare capitalism. *We proposed life course theory as a new framework for poverty analysis that could accommodate the thrust of the new dynamic approach as well as the impact of class factors. Life-course oriented research could also integrate the pessimistic and the optimistic uses of the dynamic method. Not 'class', as maintained by Layte and Whelan, but 'life course' is an umbrella concept that prepares a middle ground between over- and under-determination of individual social processes.*⁷ The misinterpretation of the life-course approach of Leisering and Leibfried (which stipulates an 'individualisation of poverty') as under-determination derives from a misinterpretation of Beck's concept of 'individualisation' as voluntaristic individualism.

The concept of individualisation is akin to Anthony Giddens's concept of the modern 'reflexive self' (Giddens, 1991; see also Beck, Giddens and Lash, 1995).

Individualisation in this sense means not only the *opportunity* to shape one's own life but also the *imperative* to do so. And this imperative is conveyed by institutions. An 'individualistic fallacy' (Beck and Beck-Gernsheim, 1993: 18ff) is found in parts of the debate on this topic, treating the individual as an unconstrained subject. Older institutional bonds like religion, moral and family have indeed become weaker or assumed an individualised mould, but newer, 'secondary institutions' (Beck, 1986: 211; Leisering, 1997) such as the labour market, the media and to a considerable extent the welfare state, emerged in their place. They require increased capacities for individual self-direction. 'Individualisation' in Beck's and our usage does not, therefore, imply an a-structural concept of the individual as an agent free to choose and be held responsible for his or her situation (Layte and Whelan, 2002 [see e.g. p. 213], like many other critics, including German scholars, misrepresent Beck in this respect). This specification also makes it clear that 'individualisation' in Beck's sense is not to be confounded with Thatcherite or Reaganite political notions of free agents to be held responsible for their fortunes and misfortunes.

We conclude by summarizing the main elements of the integrative life-course approach to poverty. Analysing from a life-course perspective means:

- examining closely the *time* dimension of poverty by way of explicitly dynamic concepts (with a higher degree of temporal resolution than in conventional studies of class mobility): using longitudinal micro concepts like 'transitions' in the life course and devising ways of complex dynamic modelling, like 'sequences', 'trajectories' and 'careers';
- analysing a plurality of social *institutions* (not only the labour market as in class analysis and not only agencies of social control as done in studies of social marginalisation and labelling processes); tracing how institutions interact in influencing the life course especially at crucial junctures/transitions; institutional analysis can also sharpen cross-national comparisons by drawing attention to differences between national labour markets, family and welfare states;
- recognizing the pursuits of the poor (*agency*) as a key force in poverty processes (seeing the poor as agents rather than mere victims of structures or of agencies of social control), to be captured by methods of *qualitative*

analysis. This includes *case-oriented* analysis (beyond variable-oriented analysis) and the investigation of biographical orientations of action, that is, the subjective side of life courses (*'biographical research'*), with special emphasis on biographical orientations related to institutions.

- allowing for a diversity of paths through poverty (contingent model rather than deterministic model), with long or short spells in poverty, continuous or discontinuous trajectories, downward spirals and cumulative decline or escape from poverty etc., to expose the *heterogeneity* of the poor also in temporal perspective.

This ambitious research agenda is far from being exhausted. Life-course research in general as an empirical research programme is still in its infancy. Fundamental changes in society which we are currently facing induce fast and complex changes in individual lives, including new insecurities. The life-course approach, therefore, is likely to gain rather than lose importance for the study of social structure and for the analysis of poverty and social exclusion in particular.

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¹ This contribution draws on Leisering/Leibfried (1999) and restates and develops the approach outlined in that book in the light of a recent critique by Layte and Whelan (2002). Leisering/Leibfried (1999) includes a comprehensive list of references in the field of dynamic poverty research; in this contribution I therefore quote only few references. I thank Cambridge University Press and Suhrkamp publishers for granting the right to use material from Leisering/Leibfried (1999).

³ See especially Rydell et al. (1974), Duncan (1984) and Bane and Ellwood (1986); see also Rainwater, Rein and Schwartz (1986).

⁴ The German and British pioneers include Buhr et al. (1989), Leisering and Zwick (1990), Headey, Habich and Krause (1990), Bonß and Plum (1990), Berger (1990), Ashworth et al. (1992), Ashworth and Walker (1992), Walker (1994) and Leibfried/Leisering et al. (1995). For Sweden see Salonen (1993), for Norway Nervik (1997) and Hvinden (1994), for the Nordic countries in general Fridberg (1993); for Hungary see Andorka and Spéder (1996), for Austria Stelzer-Orthofer (1997) and for Switzerland Salzgeber and Suter (1997). Further British studies include Jarvis and Jenkins (1997, 1998), Walker (1998), Walker and Shaw (1998), Noble et al. (1998) and ongoing research by the Centre for Analysis of Social Exclusion (CASE), London School of Economics, directed by John Hills.

⁵ For an examination of the varieties of the labelling approaches and the different gradations of 'victimisation' of the poor see Rains (1975).

⁶ For a comprehensive descriptive study of coping with 'Life on a low income', including references to processes of downward class mobility, see Elaine Kempson (1996) on Britain.

⁷ As a conclusion of their study, Erikson and Goldthorpe (1992, p. 397) similarly plead for extending the scope of class-mobility analysis to include microsociological process analysis, coping strategies of the individuals in question, and case studies. This points towards a life-course approach. It would then only be logical to switch from the language of class to the more differentiated language of life-course theory.