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STRUCTURAL DETERMINANTS OF INEQUALITY TRANSMISSION – INTERNATIONAL COMPARISON AT THE LOCAL LEVEL

INTRODUCTION

The aim of this paper is to present a local context of the intergenerational inheritance of inequalities (Ilofl) and policy responses aimed at overcoming it in towns under study in the PROFIT Project. Two kinds of research materials will be used for this purpose: on the one hand official and publicly available information and data on the socio-economic situation of towns under the investigation that were gathered by each national research team and collected in town description forms; and on the other hand information delivered and opinions expressed by local stakeholders (consisting of the so-called front-liners, i.e. social workers, teachers, tutors, police officers, probation officers, school psychologists and all those who deal in their everyday work with families endangered by inheritance of poverty and low social status; executives of local power, i.e. civil servants, school headmasters, directors of departments in social administration, managers of labour offices, directors of social assistance centres, or – generally speaking – those who co-ordinate and supervise the front-liners; local politicians, i.e. municipal councillors, representatives of political parties acting at the local level – that is people responsible in local decision-making process; and non-governmental actors, i.e. representatives of charity organisations, service providers, religious organisations, employers' organisations or labour unions – acting as pressure groups in the policy making process [Kutsar, Strömpl, Trumm 2006: 11] during focus group interviews (FGIs) that were conducted by representatives of the national research teams in each town under study. Thus, the article provides an insight into resources that the investigated local communities possess and problems and constraints that they have to deal with in economic and social affairs. It describes social problems as they

are conceptualized by the local stakeholders in towns under study. It reports what kind of obstacles and limitations local stakeholders face (in their own opinion) in effective and efficient counteracting the IIOFI. More specifically, this article answers the question how the local stakeholders (operating in medium-sized towns) perceive the IIOFI, its incidence and possibilities for counteracting the IIOFI offered by programmes, measures and actions undertaken in a given town.

The paper is organized in the following way. In the first paragraph the importance of the local level of governance for the effective fight against the inheritance of poverty and low social status in the contemporary period of governance transformation is being discussed, and the use of the FGI as a research method for collecting the information on the understanding of the IIOFI by the local stakeholders is explicated. Then, a selection of town cases and a description (based on the information collected in town description forms) of the local socio-economic situation of towns under study is presented. In the following paragraph local stakeholders' understanding of the IIOFI and policy responses at the local level aimed at overcoming the IIOFI are given. The content of this paragraph is based on the information collected during FGIs conducted with the local stakeholders. Because this paper does not deal with methodological issues arising from and problems connected to using a focus group interviews method and a vignette technique either generally, or in the context of the PROFIT study, anyone interested in these aspects of social research should refer to Kitzinger [2004], Kreuger [1988], Merton, Fiske and Kendall [1990], Morgan [1996, 1988], Patton [2002] and Stewart and Shamdasani [1990] for a general discussion on focus group interviews as a method. One can find a presentation of the vignette technique in Alexander and Becker [1978], Barter and Renold [1999], Finch [1987] and Neal and Smart [1997]. To read about the use of FGI method and the vignette technique in the PROFIT Project, one should turn to Kutsar, Strömpl and Trumm [2006]. Finally, conclusions are formulated on similarities and differences as far as determinants of inequality transmission in towns under the investigation and measures (that could be possibly) taken in specific local contexts to counteract the IIOFI are concerned.

COMMUNITY SELF-GOVERNANCE, TRANSMISSION/ PREVENTION OF THE IIOFI AND FGI USE

Before we begin to describe advantages and disadvantages of towns under study and before we start to report findings from the FGIs, it is worth explaining why – given the premises, on which the whole research endeavor was based – it

was crucial for achieving project's scientific and applicatory goals to find out what the local stakeholders in towns under investigation think when it comes to local social problems and actual or possible measures of solving them.

In recent years the ongoing economic, social, political and cultural changes, referred to as the parallel and mutually-reinforcing (although often in a contradictory manner) processes of globalization, decentralization, liberalization of the international trade and financial markets, information revolution and cultural individualization, etc., have contributed to a redefinition of the traditional nation state's tasks and role. Some authors subsume these diverse processes under one common notion of a transition from the 'industrial' or 'mass' to the 'network' society [Castells 2001a; Castells 2001b; Castells 2004; van Dijk 1999]. Such a society is assumed to be

characterized by an organisational and governance pluralism that was not acknowledged in the dichotomist debate of the 1980s over the issue of 'market versus state'. Besides law, power and money as the classic governance media, the flow of information, the skills involved in communication and the development of a problem solving orientation shared by groups of social actors and policy arenas and the ability to organise continuous social search and learning processes are gaining significance for the governance capacity of societies [Messner 1997: iv].

In changed conditions, it is being argued, the state *can no longer assume a monopoly of expertise or resources necessary to govern, and must look to a plurality of interdependent institutions drawn from the public, private, and voluntary sectors. So governments must seek new tools and techniques to guide, steer, and influence, albeit retaining to itself the role of "meta governance"* [Newman 2004: 71]. As states increasingly become more focused on 'steering' (guiding, shaping, leading) than 'rowing' (intervening at the operational level of policy delivery) [Newman 2004: 73], the importance of local governments – as well as the meaning of private and non-governmental actors at the local level – in designing and implementing different policies (including those aimed at overcoming the inheritance of poverty and low social status) is more indispensable and pronounced throughout the European Union. Effective policy responses counteracting the IlofI need to be based on complex partnerships between public and private sectors, within the public sector itself (multi-agency working), and between public sector and non-governmental actors. This necessity and this need for a new mode of governance was recognised by the European Union, which has

adopted the so-called Open Method of Co-ordination (OMC)¹ in order to address, among other things, issues of social inclusion. Mobilizing all the relevant actors and main stakeholders, including civil society and local and regional authorities, is one of the four core objectives of the EU Social Inclusion process [Zeitlin 2005: 225–226]. Thus, the way the local stakeholders define social problems in a given municipality, the way they perceive the IIofI and the way they define and perceive groups vulnerable to the persistence of inequality in their local surroundings – have an impact on policy responses aimed at overcoming the inheritance of poverty and low social status. In other words, in the current socio-economic and political circumstances, the mentality of the local stakeholders contributes to a large extent to the formulation and implementation of policy measures counteracting the IIofI. And the use of the FGI was considered by national research teams to be the best method for obtaining an insight into local stakeholders' mentality.

SELECTION OF TOWN CASES

In each country in the study national research teams selected one medium-sized town (35,000 to 80,000 inhabitants) serving as an administrative centre for surrounding villages and smaller towns and having a social infrastructure for providing social services, like a labour office, social welfare agencies, educational institutions, health care institutions, etc. The town was assumed to suffer from some kind of disadvantages (unemployment, poverty, low employment, etc.) more than other towns of that size in the country.

The task of selecting towns “suffering from disadvantages” was a challenging one. Despite unification of numerous statistical indicators at the level of the European Union and Member States, statistical data available at the local level are very often scarce or incomparable. For example, the data are sometimes collected at the level of the district, which hampers the comparison of various social indicators at the level of the municipality.

In such a situation national research teams had to select a town using information from different sources to justify this decision. In consequence, the following towns were selected (Table 1).

¹ For a select bibliography of books, papers and reports on the OMC, a look at the University of Wisconsin-Madison's Online Research Forum on the Open Method of Co-ordination is advised, <http://eucenter.wisc.edu/OMC/index.htm>.

TABLE 1. Description of towns

Towns in the study				
Country	Town	Population	Unemployment (in %)	Ethnic minorities (in %)
Poland	Tomaszów Mazowiecki	67,218	23.9%	Less than 1%
Bulgaria	Pernik	81,674	8.8%	5-6%
Germany	Giessen	72,519	10.9%	13.3%
Estonia	Pärnu	43,528	4.3%	25%
Finland	Pori	76,144	14.7%	1.3%
Italy	Rovigo	50,883	6.42%	3.8%
Lithuania	Jonava	34,800	6.8 %	13.8%
United Kingdom	Loughborough	55,492	4.9%	10.8%

Sources: town description forms filled in by national research teams using information published on websites, statistical year books, official reports elaborated by local authorities for different purposes etc.

Tomaszów Mazowiecki – Poland

Tomaszów Mazowiecki is located in central Poland in Łódź *voivodeship* (region). It is the capital city of Tomaszów Mazowiecki *powiat* (district) and the seat of urban and rural *gmina* (community). Currently it has approximately 68,000 inhabitants.

Since the 19th century, Tomaszów Mazowiecki was one of the most important centres of the textile industry in the Łódź Industrial Region – the biggest textile industry region in Poland.

Since 1989, the *powiat* of Tomaszow Mazowiecki has been included in the list of the most endangered regions in Poland when it comes to structural unemployment. At the end of June 2005 the unemployment rate was as high as 23.8% compared to an average of 18.7% for Poland as a whole.

Tomaszów Mazowiecki, like the whole region of Łódź, was affected by mass unemployment after the collapse of the textile industry in Poland. The dominant role of the specific kind of industrial monoculture – in the situation of a rapid economic change – was very disadvantageous. It led to deep, structural changes in the social and economic sphere, i.e. mass poverty and housing problems.

The turning-point in the history of the town happened in the 1990s, when the chemical fibres factory *Wistom* was closed. *Wistom* used to be the biggest employer in the town. In the 1980s it employed approximately 12,000 people, which means that every third adult inhabitant of the town was at that time an employee of *Wistom*.

Pernik – Bulgaria

Bulgarian research team selected the town of Pernik (ca. 81,000 inhabitants), which is located in the Western part of Bulgaria, about 30 km from Sofia, and is the administrative centre of the Pernik district. Pernik was one of the leading industrial centres after the Second World War with well-developed iron-working, coal mining, energy production, machine-building, chemical and construction industry. The economic and political reforms after 1989 changed Pernik from a heavily industrialised community with permanent shortages of labour into a region suffering from a deep economic depression and experiencing severe labour market problems. Nowadays, the town is facing very serious problems because of economic restructuring, long-term unemployment and widespread poverty. The background of this development is a questionable pattern of privatization, together with the general adaptation of the Bulgarian economy to global trends and to challenges of the European integration. Long-term unemployment and low incomes are the main current problems in the town.

Giessen – Germany

Giessen is a town in the German federal state (*Bundesland*) of Hesse, capital of both the district of Giessen and the administrative region of Giessen. The population is approximately 71,000, with additional 22,000 university students.

It is one of the most affected towns in Hesse when it comes to poverty. Particularly long-term unemployed, single parent families, immigrants and families with three or more children are highly affected by poverty. One third of all families living in Giessen are single parent families, which is far above the average for Germany. 13.5% of the total population are immigrants from 148 different nations. In comparison with other middle-sized towns in Hesse and Germany, this clearly is above the average rate. Most of the immigrants (27.5%) have a Turkish migration background [Mardorf *et al.* 2002]. The number of long-term unemployed, submitted under a new regulation of the labour market policy, increased in 2006 by about 6 percent up to 19,500 in the labour district of Giessen. There are four main disadvantaged residential areas with a concentration of social exclusion in Giessen.

Pärnu – Estonia

It was particularly difficult to select an Estonian town, which would meet the agreed criteria. In Estonia there are five towns with a population over 40,000 people. The biggest city is Tallinn, with a population of 401,502. The second-largest town is Tartu with about 100,000 inhabitants.

According to population and serious deprivation, Kohtla-Järve (ca. 45,000 inhabitants) and Narva (population of around 67,000) fit the sampling requirements, but are not typical Estonian cities because of the great concentration of non-Estonian population (in Kohtla-Järve approximately only 20% of the population are Estonians and in Narva less than 5%). Structural economic changes in these towns are very different from the rest of Estonia. What is of particular importance is that potential respondents do not have a command of Estonian language. Therefore the Estonian team decided to carry out the study in Pärnu, where about 3/4 of residents are Estonians, followed by Russians with 15%. 10% of the population belongs to other ethnic minority groups.

Pärnu is located on the coast of the Baltic Sea. It is a resort town with 44,000 residents, where both tourism and environmentally friendly industry is being developed.

In 2004, Pärnu had 3,343 registered companies; of these 2,178 are sole proprietors. Actively operating are 1,834 institutions and companies. The majority of companies operate in the fields of wholesaling and retailing, finance, real estate and business services, and other service fields. The largest employers are the Pärnu Hospital, Pärnu Linen Factory, and Viisnurk (wood and furniture company).

In general, Pärnu could not be defined as a 'deprived area' characterized by high levels of unemployment or poverty. The rate of registered unemployment for the city in 2004 was 1.8%; the same figure for Estonia was almost twice as high – 3.2%. The level of poverty in the Pärnu region is also lower than the average for Estonia, and the income of the population is comparable with incomes of residents of other biggest towns – Tallinn and Tartu.

Pori – Finland

The Finnish field study was conducted in the city of Pori, which is situated on the Western coast of Finland. The city of Pori is the tenth largest town in the country and the centre of Satakunta region. In 2004 there were 76,152 residents in the city. Before economic restructuring began in the late 1970s, Pori used to be one of the most industrialized cities in the country. Presently, approximately one fifth (21%) of the labour force in Pori is employed in the manufacturing sector (including mining, electricity and water supply) that is only a slightly bigger share than the largest single category of services, health and social services, which accounts for 18 per cent of jobs. In recent years the unemployment rate in Pori has been around 15–18 per cent, which is clearly higher than the national average, 8–10 per cent.

The city of Pori is not the most deprived area in Finland at the moment. However, as the city has a rather long history of relatively high unemployment

rate it has often served as an experimental environment for various projects aimed at improving the prospects of unemployed people and young people in particular. Therefore, the Finnish research team assumed that the stakeholders in Pori share a stock of experience and know-how on combating the negative effects that a persistent high unemployment produces for the families that are affected by it.

Rovigo – Italy

Rovigo is a town of 50,000 inhabitants, located in the north east of Italy. The town is a part of a rich and developed region Veneto, but it is relatively deprived in economic and social terms, suffering from the economic crisis that has affected Italy since 2001. Between 1999 and 2002 the town of Rovigo was involved in an experimental and innovative project called the Minimum Income of Insertion (*RMI – Reddito minimo di inserimento*) in order to counteract poverty and social exclusion. The project involved 39 municipalities in Italy and Rovigo was one among five towns chosen in Northern Italy. The unemployment rate in Rovigo is 6.42%, the female unemployment rate is 8.93%, compared to the region Veneto that has the unemployment rate of 4.11% (5.83% for females) [Istat Census 2001]. Rovigo is affected heavily by youth unemployment (22.01%) that is twice as high as in the whole region (11.02%).

Jonava – Lithuania

Jonava is a middle-sized town, inhabited by 34,695 people, located in the central part of Lithuania. The town population is quite homogeneous: 86.2% Lithuanian, 9.4% Russian, 1.4% Polish, 0.8% Ukrainian, 0.7% Belorussian, 1.5% other nationalities. Jonava has been an industrial town since the Soviet times. A significant part of the employees work in the industrial sector (27.8%) followed by education, construction and service sectors. *AB Achema* is the biggest producer of nitrogen fertilizer in Lithuania and the largest factory of this kind in the Baltic countries. The company plays an important role in town's development, in population growth, and in the creation of new jobs. The overall unemployment rate in the town is 6.8% and corresponds to the general unemployment rate within the country. A decline in the number of low skilled workers and an increase of skilled employees represent positive tendencies in the workforce in Jonava. The cost of flats, houses and construction sites is quite low compared with other country regions. It creates favourable conditions for people, especially for those poverty-stricken, to move from other towns, mostly from Kaunas – the second largest town in Lithuania. However, according to the official statistics, emigration

exceeded immigration in the City of Jonava in 2005, as 945 people left, while 847 arrived [Kaunas Territory Statistics Department].

Loughborough – United Kingdom

The Borough of Charnwood in Leicestershire, central England, has a population of some 155,000; its largest conurbation is Loughborough with a population of around 57,000, increased by around 15,000 during term-time due to the student population attending Loughborough University, bringing the population to over 70,000 inhabitants. According to the 2001 Census, the Black and Minority Ethnic Population in the town was 13.4%. However, the current influx of immigrants from Eastern Europe in the East Midlands region has, undoubtedly, contributed to this figure increasing, although specific Loughborough statistics are not yet available.

Until the 1980s, economic activity and employment was concentrated in textile manufacturing (hosiery and knitwear) and light engineering; by the end of the 1990s both industries had virtually disappeared, leaving one large pharmaceutical company (*Astra Zeneca*) and one much reduced engineering works, together with a much expanded service sector, dominated by the now biggest employer, Loughborough University. The University has shifted the weight of the local economy from low-skill, manufacturing jobs, to high-skill, service sector jobs, reflecting the overall sectoral development of advanced industrialized economies. The reliance on the University to provide employment has, on the one hand, contributed to the relatively low levels of unemployment in the town (2.3% by July 2006), but on the other hand has limited the opportunities of the low-skilled workforce, which tends to be concentrated in run-down estates. It also influenced the housing situation in the town, being currently one of main social problems in Loughborough. In the Borough of Charnwood, poverty and social problems tend to be concentrated in certain areas. There are significant disparities between the population of particular wards and between particular Super Output Areas (statistical units, see below). Significant pockets of poverty could be found among these areas, home to mainly low-skilled workforce and ethnic minorities.

Except for Pärnu (which is a resort town where the main area of economic activity is tourism – especially health resort treatment [Kasearu and Trumm 2006: 39]) and Rovigo (which was marginally involved in the economic development that has characterised the region Veneto for the last thirty years and which has never been fully industrialised [Longo, Sacchetto and Vianello 2006: 118, 122]) all the towns selected for the field study in the project had undergone massive deindustrialisation in the past decades. In Western countries it could be dated back

to the 1970s and 1980s (Pori, Loughborough), while in post-socialist countries that process appeared in the 1990s as one of the crucial results of the systemic transformation of their national economies.

Moreover, particular towns have to cope with various problems deriving from national, regional and local peculiarities. There is also a differentiation connected with different delegations of rights and responsibilities to the local level of administration, defined in national legislative acts.

However, all the selected towns are equipped with a set of various institutions which are responsible for implementing social policy defined at the national level or for designing and implementing their own strategies and actions in the sphere of social policy.

Towns selected for the investigation were considered as case studies. Generalization about results covering other towns or a country as a whole is therefore not possible. Comparisons between the towns serve as an exemplification of the problem in the study.

LOCAL STAKEHOLDERS' UNDERSTANDING OF IIOFI AND POLICY RESPONSES AT THE LOCAL LEVEL TO OVERCOME THE IIOFI

In the course of focus group interviews, informants formulated many important observations and comments concerning vulnerable groups and factors contributing to/preventing the Iiofi. There were remarks and comments, which they shared irrespective of the town they live and work in.

Similarities in respondents' opinions concern:

1. A conviction that the intergenerational transmission of inequalities poses a challenge to the whole community and its authorities. The inheritance of inequalities was usually conceptualized as a transmission of poverty (material deprivation).

2. Understanding of the Iiofi as a multidimensional problem, caused by various factors operating at three levels:

- a. Macro-structural: associated with income distribution, general situation on the labour market and national labour market policies, the functional characteristics of the educational system and the welfare system in general. In post-socialist countries, informants usually mentioned the consequences of socio-economic transformations.

- b. Meso-structural: directly connected with the specificity of the region and town (e.g. deindustrialisation, privatisation).

c. Micro-structural: connected with socio-psychological characteristics of an individual and interactions in small groups (addressed as ‘culture of poverty’, ‘social pathology’, etc.).

3. Social groups perceived as vulnerable to the persistence of inequality:

a. Unemployed (especially long-term unemployed) were the most commonly indicated social category that is endangered by the transmission of inequalities (except for Loughborough and Pärnu – due to remarkably low levels of unemployment in these two particular towns).

b. Immigrants and ethnic minorities (except for Tomaszów Mazowiecki and Jonava – the former being the most ethnically homogenous town in the study).

4. Situations that lead to the persistence of poverty and low status:

a. Poor education, disability, growing-up in single-parent or multi-children families, living in dysfunctional families, drug or alcohol addiction. It has to be noted that the single-parenthood (or, to be more precise, single-motherhood) has not been mentioned as a factor conducive to poverty and low social status inheritance neither in Pori nor in Tomaszów Mazowiecki. In the former case

lone mothers and big families with many children – are not considered by FGI participants more vulnerable than other groups of families. Policy makers and administrators highlight the fact that the needs of families with children are generally well served and covered by the primary social protection (including welfare services and income transfers). Families with children do not have to fall back on last-resort social benefits unless they face serious risks of social exclusion like those mentioned above: prolonged unemployment, severe diseases, mental health problems, abuse problems, homelessness, domestic violence, etc. [Naumanen 2006: 74].

In other words: FGI’s participants in Pori were convinced that the Finnish welfare state works and that it effectively protects single mothers from poverty and social exclusion.

In case of Tomaszów, however, interviewees’ silence about the situation of single-parent, female-headed families, rather than being seen as an indicator of a well-being of single-mothers and their families in Tomaszów Mazowiecki, should be – at least in the light of the literature dealing with gender inequalities in this area [Desperak 2005] – interpreted as an example of a neglect and a(n) (un)conscious marginalization of single mothers’ (and their children’s) needs by policy-makers of different levels of governance and by the institutions responsible for the welfare provision in Poland (which reflects the still unequal position of women in general and single mothers in particular in the contemporary Polish society).

b. Tight employment opportunities for young people:

I think, unemployment and income poverty are only one aspect. In addition, there are other important dimensions, which lead to social exclusion. In most cases there is a combination of problems [front-liner, cited in: Eissel and Ludwig 2006: 93].

5. Belief that a growing spatial segregation of the poor in forms of pockets of poverty (Loughborough, Giessen, Tomaszów Mazowiecki) or even deprivation of a town as a whole (Jonava) may lead to the development of a ‘culture of poverty’:

Big cities depurate from all kind of delinquent people. Jonava is not an exception. Social risk families from Kaunas move to Jonava at first and to Rukla later on, because it is closest to Kaunas. These families usually are single parent families, unemployed, social risk families. They feel constrained to sell their apartments in Kaunas for many reasons, and move to Jonava, because it is relatively cheap there compared to Kaunas and other big cities... Alcohol and drug abuse are responsible for such social phenomena as violence in a family, the violation of children’s rights, and families where children don’t feel safe. They usually are not motivated to study, to be graduated from school, to gain better education; finally they are not motivated to work. [civil servant, cited in: Pukelis et al. 2006: 137].

Focus group participants in each country were unanimous in their opinion that in towns they are representing there are institutions whose activities counteract the intergenerational inheritance of inequalities:

1. They attached the key role in counteracting the intergenerational transmission of low social status to educational institutions, whereas they perceived NGOs as providers of such services as hobbies, after-school activities, extra-curricular courses, day-care, etc.

2. They mentioned both passive and active labour market measures (particularly training for various groups of the unemployed) being implemented by local labour offices as instrumental in counteracting the Ilofl.

3. As far as welfare policy is concerned, they listed the following forms of intervention as particularly well-adjusted to the effective and efficient combating of the intergenerational inheritance of inequalities:

a. Child-centred activities – targeted at children and satisfying their specific needs. These can be subdivided into those implementing:

- a fragmented approach – focused solely on the material well-being of children;

- a holistic approach – focused on child’s material, psychological, educational and cognitive needs.

b. Adult-centred activities - targeted at adults and satisfying their needs.

These include:

- financial and material support (different kinds of benefits);
- different self-help groups (e.g., for people coping with alcohol addiction).

Local stakeholders pointed out the following factors contributing to the persistence of the Ilofi in their local areas:

1. Inaccuracies in a diagnosis of social problems resulting from the lack of reliable statistical data.

In Pärnu we have about seven or eight thousand children. We do not know how many of them have to live in poverty. Do you know? Have you heard about any such kind of research carried out in Pärnu? If we knew how many and which children lived in poverty then it would be much easier to work... [NGO representative, cited in: Kasearu and Trumm 2006: 45].

It is worth mentioning, however, that this factor does not hold true for Loughborough. Namely, the 2004 introduction by the Office for National Statistics in England and Wales of a new geography for the collection and publication of small area statistics, called Super Output Areas or SOAs², has allowed for a hitherto unattainable level of precision in the study of spatial variation of phenomena relating to social deprivation and social exclusion. However, in the English case the availability of a detailed knowledge on poverty and social exclusion does not translate into the efficient allocation of resources already available and earmarked for policies counteracting poverty and low social status transmission. As one of the FGI participants explained:

We’ve got the data there from the last census which looked at poverty at super-output area level, you could actually assign government budgets according to the poverty in small neighbourhoods and agglomerate those to give a grant to each local authority according to need on a strictly objective basis. But there doesn’t seem to be any move by the government to look at this data. It is collected, it is really good data, but there is absolutely no action to use it. We know where the problem is now, but they [the central government] haven’t

² For an introduction into SOA’s methodology, visit the website of the Office for National Statistics at <http://www.statistics.gov.uk/geography/soa.asp> or <http://neighbourhood.statistics.gov.uk/dissemination/Info.do?page=SOAIntro.htm>. A single Lower Level SOA has a minimum size of 1,000 residents (although typically it has 1,500 residents) and 400 households. In drawing boundaries between SOAs measures of proximity (to give each SOA a reasonably compact shape) and social homogeneity (to encourage areas of similar social background) are also taken into consideration.

moved the funding [financial officer, cited in: Kokoroskou and Leaman 2006: 208].

2. Short-term and fragmented programmes, projects and activities that result from the lack of a long-term strategy of town development and town planning that makes local social institutions largely oriented to the short-term ‘fire-fighting of social problems’ (mentioned in Tomaszów Mazowiecki, Rovigo and Loughborough).

3. Insufficient funding of social programmes and the dependence of the municipality on the central budget. Financial limitations are perceived as one of the main factors that reduce the efficiency of actions undertaken. In unanimous opinion of local stakeholders from different countries participating in the study, the attaching of responsibilities for social policy to local government is not followed by the provision of sufficient resources.

4. It is not only insufficient funding but more generally considered relations between central and local government that were perceived as a hindrance to a more effective counteracting of the IIoFl. According to specific situations in particular countries, municipal representatives indicated different aspects as decisive:

a. In Loughborough, a highly centralized Cabinet system of governance was perceived by stakeholders participating in the FGIs as restricting the ability of local authorities to act on the particular ‘needs and wants’ of its community. Despite recent attempts to develop devolved regional responsibilities for Scotland, Wales and Northern Ireland, there is still no corresponding English regional authority. The *competencies and the resources of British local government are constrained by the discretionary powers of central government which, in the absence of a written constitution, has imposed a variety of major changes to the management of local affairs over the last quarter of a century; the ability of Britain’s urban and rural local authorities to develop and implement even medium-term policy initiatives, including in social affairs, is thus very limited* [Kokoroskou and Leaman 2006: 189-190].

The Cabinet system was blamed for creating a documentation overload that is then dispersed to local communities, but does not reflect their aspirations. In the participants’ own words:

since the Cabinet system came in, everybody is supposed to be an expert on everything and people no longer specialise, which has the effect of controlling the amount of information that we receive. And you get distracted, so the Council no longer has experts in particular areas, because everybody is supposed to be looking into everything, and I do feel that the Cabinet system is a major backward step [civil servant, cited in: Kokoroskou and Leaman 2006: 207].

b. In the case of Giessen in Germany, all participants agreed that the local authorities have restricted possibilities to address effectively social problems resulting from the unemployment and poverty. The local authorities can neither decisively influence the causes of unemployment, nor can they change them (as labour market policy comes under federal government's jurisdiction). Nevertheless, they have to deal with unemployment's consequences directly. German FGI participants expressed their critique that the other tiers of government increasingly reduce their responsibility for solving the apparent social problems. In the end, the local authorities have to face more and more problems without having their competencies or financial means increased. It is noteworthy that such a strategy of a 'devolution of poverty' (*Kommunalisierung der Armut*) seems to be deeply inscribed into the construction of the German federal welfare state, as fierce distributive conflicts between the different tiers of government as far as unemployment aid and social assistance are concerned were typical already in times of the Weimar Republic [Manow 2005: 240-241].

c. In contrast, in Pori in Finland, some policy-makers and administrators openly admitted that they long for the past when central government transfers to local government were strictly earmarked so that every cent they received for providing certain services had to be used for that very need and purpose. As local authorities have become more independent from the state in their priorities for spending money, the health expenses of an ageing population have easily overtaken other costs. Therefore, some Finnish FGI participants hope that central state authorities would direct and guide more explicitly courses of action and spending in social welfare and health care sectors.

d. Local stakeholders in Tomaszów Mazowiecki agreed that the more autonomy in administering funds they would have, the more rational and need-relevant their expenditure would be, as they are closer to local problems and know better what kind of measures are needed to counteract poverty at the local level. Moreover, they were convinced that top-down decisions (prepared by regional authorities and/or central government without the active involvement of the local stakeholders) are very often ill-suited to the local needs and their implementation brings no improvement of the local social problems.

Stakeholders formulated many ideas about what should be done to counteract the IIofI more effectively in a given town. The following suggestions were mentioned in all towns under the investigation:

1. Networking and building social capital in the local community were perceived as an effective strategy to counteract the IIofI (Pärnu, Pori and Giessen),

where the public sector successfully co-operates with NGOs. However, it has to be noted that NGOs in post-socialist countries are weak and very much dependent on municipal grants that are scarce and limited in number. Hence, the idea of NGOs' greater involvement in – to borrow Zapf's [1984] term – welfare production in these countries requires prior strengthening, activization and mobilization of non-governmental organisations. However, as it is well known e.g. from Putnam [1993] or Fukuyama [1996], the accumulation of social capital is a long-term process, deeply rooted in the historical development of a given country (region, or a community), and therefore – resistant to conscious enhancement efforts.

2. Designing of long-term town development strategies, involving local authorities, public sector bodies and NGOs.

3. Improvement of town planning.

4. Implementing well-composed strategies involving early intervention targeted at groups at risk of IIofl.

5. Investing in the social infrastructure in deprived areas (e.g., kindergartens).

CONCLUSIONS

Evidence gathered by national research teams allows one to reach a conclusion that the process of deindustrialization and the loss of stable, low- and middle-skill manufacturing jobs connected with it were one of the main factors that contributed to poverty and social deprivation in towns under the investigation (except for Pärnu and Rovigo). The disappearance of industry severely limited life opportunities of the low-skilled workforce and led to various forms of social exclusion (unemployment, precarious employment, the necessity of relying on social assistance, etc.), that was then transmitted to the next generation. In municipalities with immigrant or ethnic minority populations, representatives of minority groups were particularly affected by this process. It is worth noting that the finding on deindustrialization's influence on social problems at the local level is consistent with quantitative analyses (based on levels of social expenditures in the OECD countries in the last two decades of the 20th century) conducted at the macro level that confirm a moderately strong positive impact of the deindustrialisation on the creation of new pressures and new groups in need for greater welfare state spending [Castles 2004: 108, 115].

The other conclusion one could draw from research findings presented above is that poverty and social exclusion tend to be spatially segregated in towns chosen for the investigation. The presence of 'pockets of poverty' was explicitly

mentioned by FGI's participants from Loughborough, Giessen and Tomaszów Mazowiecki, and in Jonava's case a concern that actually the whole municipality could become socially deprived was expressed. Again, this finding is consistent with other research pointing out at the contemporary existence of mechanisms of spatial sorting out of poor and non-poor people in different local contexts [Florida 2002: 215-248; Castells 2001b: 128-152, 165-168; Bauman 1998: 27-54].

In some municipalities, migration is an important mechanism of escaping this spatial poverty trap, especially as far as the young generation is concerned. Both official administrative records and findings from the in-depth interviews conducted with young people in Jonava, Pernik and Tomaszów Mazowiecki certify that moving out of town (to other parts of the country or abroad) is an ordinary strategy of young individuals coping with poverty caused by the lack of jobs on the spot [Rek 2007, elsewhere in this volume]. From this perspective, the impact of the 2004 EU enlargement and the subsequent, gradual opening up of labour markets in the 'old' Member States must be positively evaluated. In Rovigo, a similar strategy of commuting to more affluent parts of the region is being practiced, especially by men [Longo, Sacchetto, Vianello 2006: 105]. However, although the policy of open borders inside the European Union and the labour force mobility connected with it are instrumental in addressing problems of the unemployment at the local level, they do not address the issue of the IIofI. People moving from the post-socialist countries take up low-skilled, poorly paid jobs in the 'old' EU Member States (exactly the kind of jobs they would have taken if their local economies were able to produce them) and in the foreseeable future they would probably not experience any upward social mobility due to their increased spatial mobility.

What could be done to address local problems connected with poverty and low social status inheritance more effectively? Research results point out to a necessity of a long-term and meticulous monitoring of social problems at the local level for an efficient counteracting the IIofI. Results of such a monitoring should be accessible to all the relevant actors and stakeholders engaged in the fight against poverty and low social status inheritance. The British case of very detailed, exact information on poverty and social deprivation delivered with the introduction of SOAs by the Office for National Statistics should serve as an example to follow elsewhere. However, the very same British case shows that a mere possession of even very detailed knowledge on local social problems does not necessarily translate into effective policy responses. The knowledge has to be accompanied with a political will to fight the inequalities and their inheritance as well as with an adequate institutional framework for dealing with social

problems. Opinions of local stakeholders suggest the need for a decentralization of governance, allowing for a greater flexibility and networking among actors representing different levels of governance and different sectors of society (public, private and non-governmental), and operating on a subsidiarity principle. (Which, let us remember, does not mean that local communities are solely responsible for solving social problems at the local level and are left alone when the scope of their problems overwhelms them. Rightly understood subsidiarity foresees that there might occur problems, whose nature calls for an intervention – e.g. in a form of financial transfers – from higher levels of governance.)

Finally, the fact that in all towns under the investigation the FGI's participants considered investing in the social infrastructure (such as kindergartens) in deprived areas as an effective local strategy for counteracting the IloFI should be welcomed as a positive sign. It means that the local stakeholders in towns under study, when it comes to counteracting the intergenerational inheritance of poverty and low social status, are positively minded towards policies of early intervention, which – according to a recent literature on child development – are considered the most effective ways of pulling children out of poverty [Farah et al. 2005; Walters 2007, elsewhere in this volume].

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STRUCTURAL DETERMINANTS OF INEQUALITY TRANSMISSION - INTERNATIONAL COMPARISON AT THE LOCAL LEVEL

(Summary)

The author presents the manner of town cases' selection within the framework of the PROFIT project and synthetically discusses structural conditions of the transmission of social inequalities in the studied local communities. Macro-social as well as town-specific aspects influencing the incidence of intergenerational transmission of social inequalities are being touched upon. Socio-demographical data concerning respective towns along with focus group interviews constituted the base of the analysis. Respondents represented local authorities, public administration, social services and third sector.

STRUKTURALNE UWARUNKOWANIA REPRODUKCJI NIERÓWNOŚCI SPOŁECZNYCH W SPOŁECZNOŚCIACH LOKALNYCH

(Streszczenie)

W niniejszym artykule autor prezentuje sposób doboru miast, w których realizowano badania w ramach projektu PROFIT, a następnie omawia w sposób syntetyczny strukturalne uwarunkowania transmisji nierówności społecznych zachodzącej w objętych badaniem społecznościach lokalnych. Omówiono tu przekrojowo zarówno makrospołeczne, jak i specyficzne dla każdego z miast zjawiska, które wpływają na skalę międzygeneracyjnej transmisji nierówności społecznych. Podstawą źródłową są dane społeczno-demograficzne dotyczące poszczególnych miast oraz przeprowadzone w nich zogniskowane wywiady grupowe (fokusy), w których respondentami byli przedstawiciele władz lokalnych, administracji publicznej, pracownicy służb społecznych oraz trzeciego sektora.