

## DESIGNING A MACRO-CONTEXT FOR G&G INDIVIDUAL DATA

Patrick Festy (INED, Paris)

Data collection through individual surveys has put a strong emphasis on micro level interpretation of behaviours and conditions in the demographic field. FFS was a good example of this bias, with a strong biographic orientation, where present behaviours of any respondent in one sphere were supposed to be typically affected by her/his past or simultaneous behaviours in another sphere. However, this personal dimension cannot be considered as *ratio ultima* for demography, which is interested in populations rather than in individuals (we need not develop this point). It should not be considered as *ratio prima*, neither by demography, which has a strong aggregative dominance, nor even by the associated social disciplines that rely on individualism as a method of explanation.

Sociologists sometimes use individualism as a methodological device. They interpret macro (social) phenomena as outcomes of individual behaviours, after they have made these actions understandable, by relating them to the social context within which the actors are located. Rationality is a postulated reference, but it is a “context-bound rationality” that makes individual behaviours understandable in a given social environment defined by collective values, beliefs or *conjoncture*<sup>1</sup>. Such a position is much less controversial than that of the neo-classical economists, who use the supposedly universal, rationality of an *homo economicus* balancing costs and benefits under a constraint of resources. Only in this case, the aggregation of individual decisions spontaneously produces a macro-result, an optimal “general equilibrium”, through the action of the “invisible hand” of a perfect market. We will postulate that G&G actors’ rationality is context-bound rather than universal.

### The need for a micro-macro perspective

Personal “determinants” of demographic behaviours like socio-economic position typically refer to a complex reality, which can only be understood in the context of a given society. For instance, the meaning of the blue collar category is quite different in industrial and in post-industrial economies. Education is another example of these catch-all variables with a strong implicit meaning that carries much more than a position in a fixed hierarchy<sup>2</sup>.

These meanings are often given a vague, literary content, an *ad hoc* description that helps understand the observed differentials in behaviours. Still in most cases, they remain implicit and the individuals’ social characteristics are taken as universal categories; blue collars in France are postulated to be the same as blue collars in Italy, and the observed differentials in behaviours are explained by country idiosyncrasies, the French or the Italian “touch”.

The micro-macro perspective is nothing new but a normal phase of demographic research that relates individual behaviours to the social context that makes them understandable. It is one step in the direction of explaining why people with the same characteristics in two societies may adopt different behaviours.

The movement towards more micro-data is not a pure technical artefact linked to the need for detailed inputs to feed sophisticated multi-level models. European societies have probably left more room than ever to individualism and, in the future, the growing flows of information available to everybody will accentuate the trend. That makes the most radical macro-sociologists as obsolete as the

---

<sup>1</sup> See R. Boudon, The individualistic tradition in sociology, , in J. C. Alexander, B. Giesen, R. Münch, N. J. Smelser, editors, *The Micro-Macro Link*, University of California Press, Berkeley and Los Angeles, 1987, p. 45-70.

<sup>2</sup> Unless socio-economic position is taken as a proxy for economic personal affluence and an indicator of the financial constraint on personal rational choices. Similarly, levels of education are sometimes referred to as implicit substitutes for the ability to make informed and rational individual choices.

neo-classical micro-economists, though in the reverse direction. For instance when they say that, in the macro-system of commodity production resulting from the division of labour and the dynamics of capitalism, “human action is determined by the laws of the system that develop independent of individual motivation and that exert external power on human individuals and are unmodifiable by them”<sup>3</sup>.

### **In the context of welfare capitalism**

Nevertheless, we have chosen to start from a classical macro-perspective and to take a bird’s eye view at the historical changes that have modified the relationships between the labourers and the labour market, so transforming the capitalist economies into welfare states and considerably enlarging the room offered to individualism. “In pre-capitalist societies, few workers were properly commodities in the sense that their survival was contingent upon the sale of their labor power. It is as markets become universal and hegemonic that the welfare of individuals comes to depend entirely on the cash nexus. Stripping society of the institutional layers that guaranteed social reproduction outside the labor contract meant that people were commodified. In turn, the introduction of modern social rights implies a loosening of the pure commodity status. De-commodification occurs when a service is rendered as a matter of right, and when a person can maintain a livelihood without reliance on the market”<sup>4</sup>. In the (ideal) typical welfare society, “citizens can freely, and without potential loss of job, income, or general welfare, opt out of work when they themselves consider it necessary”<sup>5</sup>.

I propose that, in the future, we stick to some of the ideas and methods developed by G. Esping-Andersen, so as to organise a consistent description of the welfare societies. It looks relevant to the G&G objectives to adopt such a framework, since the long term goal of the welfare states “is to allow individuals to harmonize working life with familiness, to square the dilemmas of having children and working, and to combine productive activity with meaningful and rewarding leisure”<sup>6</sup>.

The basic ideas developed by G. Esping-Andersen are (i) that our societies can be characterised by the importance of the (economic) rights they entitle their citizens independently from their position on the labour market; (ii) that countries classified on this criterion form significant clusters rather than a continuum<sup>7</sup>, (iii) that these clusters define various regimes with qualitatively different arrangements between state, market and the family.

### **Defining national contexts**

Since welfare *states* result from de-commodification of the labour force, they can be “measured” through the combination of various statistical indices on incomes served to people who have dropped out of the labour market. In Esping-Andersen, the indices extracted from rich international databases refer to pensions (minimum and standard pension benefits for a production worker earning average wages; number of years of contribution required to qualify for a standard pension; individual’s share of pension financing) and to sickness/unemployment cash benefits (benefit replacement rates for the first 26 weeks; duration of employment required prior to qualification, duration of the waiting periods before the benefits are paid, duration of the entitlement period).

---

<sup>3</sup> The author goes on: “That is what Marx calls self-alienation of the human individual in commodity production, a notion that explicitly states the independence of commodity production as a macroscopic system from individual action and its impact on this action.” (R. Münch and N. J. Smelser, *Relating the micro and macro*, in J. C. Alexander, B. Giesen, R. Münch, N. J. Smelser, editors, *The Micro-Macro Link*, University of California Press, Berkeley and Los Angeles, 1987, p. 368)

<sup>4</sup> G. Esping-Andersen, *The three worlds of welfare capitalism*, Polity Press, Cambridge, UK, 1990, p. 21-22

<sup>5</sup> *Ibidem*, p.23

<sup>6</sup> *Ibidem*, p. 141

<sup>7</sup> Three clusters according to G. Esping-Andersen, more according to others (see M. Ferrera, *The four ‘social Europes’: between universalism and selectivity*, in M. Rhodes, Y. Mény, *The future of European welfare, a new social contract?*, London, McMillan Press, 1998, p. 79-96)

Weighting these indices results in a synthetic indicator and in the determination of three groups of countries in the Western industrialised world in the 1980s.

Another clear merit of Esping-Andersen is to have tried and associated the three clusters just designed to various other dimensions of Western societies, by empirical analysis and rational justification (including many historical perspectives on the development of the welfare states), so as to determine welfare *regimes*. He shows, for instance, that each (ideal) typical form of welfare state is linked to a system of social stratification, to a public-private (state-market) pension mix or to a power structure (left vs right; catholic vs laicized parties; absolutist vs democratic political regimes). He also shows that the variety of welfare states in its turn influences behaviours on the labour market and policy responses to employment situations (full employment or under-employment). Most of the associations are revealed by simple bivariate correlations based on empirical information.

The greatest weaknesses of Esping-Andersen are (i) to have concentrated his attention on the three ideal-types he had defined, while maintaining in the mist the disparities between the countries of a given cluster, (ii) to have excluded from his analysis the role of the state-family mix in the support to individuals, although he had announced it as one of the major traits of the welfare regimes. The latter point has been one of the most frequent criticisms to his welfare theory, in particular by the specialists of gender studies<sup>8</sup>. It has resulted in the issuing of a new book by Esping-Andersen, which addresses the problem directly<sup>9</sup>. But neither the questions raised nor the answers, though pertinent, result in a fully satisfactory new description of the welfare regimes. That description still remains to be done.

### *Technical issues*

I propose that we resume and extend Esping-Andersen's work by combining its inspiration with the de Rose-Racioppi's statistical methodology, when the latter design statistical indices for a national background to FFS micro-data<sup>10</sup>. The rationale of our Italian colleagues can be summarised this way: let us collect a bunch of socio-economic national statistics and let us define the best combination of these statistics, so as to contrast countries along a few simple and meaningful lines. Without any avowed a priori on the choice of statistical items and their combination, de Rose and Racioppi demonstrate the existence of an opposition on social and demographic development, between "traditional" and "innovative" countries, and on the working of the gender system, between egalitarian and non-egalitarian countries.

For G&G, we could tackle the issue differently. First, we could redefine the UNECE space of welfare states by a factor analysis of a variety of national economic statistics likely to reflect the basic constituents of these states in their different approaches to a welfare state. It would probably be good to stick to Esping-Andersen on this point and to give a central role to indicators of de-commodification of the labour force. But we should extend the statistical coverage geographically (the whole Europe and the countries of European peopling) and historically (depending on the length of retrospective biographies to be referred to context). The second stage would be a projection on this organised basis of another set of variables dealing with a large variety of topics including demographic and non-demographic magnitudes, attitudinal and behavioural variables, etc. The list of these variables would be partly guided by the definition of the G&G programme and the content of the G&G questionnaire, when they are known. These systematic, multi-variate correlations would reveal the clusters of variables whose combination defines the content and characteristics of the different welfare *regimes*

---

<sup>8</sup> M. Langan and I. Ostner, Gender and welfare. Towards a comparative framework, in G. Room (ed.), *Towards a European Welfare State*, SAUS Publ.: Bristol, U.K., 1991, p. 126-150.

J. Lewis, Gender and the development of welfare regimes, *Journal of European Social Policy*, n° 3, 1992, p. 159-173.

M. Daly and J. Lewis, Conceptualising social care in the context of welfare state restructuring, in J. Lewis (ed.), *Gender, Social Care and Welfare State Restructuring in Europe*, Ashgate Publishing, Aldershot, UK, 1998, p. 1-21.

<sup>9</sup> G. Esping-Andersen, *Social Foundations of Post-Industrial Economies*, Oxford University Press, 1999, 218 p.

<sup>10</sup> A. de Rose, F. Racioppi, Explaining voluntary low fertility in Europe: a multilevel approach, *Genus*, January-March 2001, p. 13-32.

and that contrast countries in a small number of groups. These variables will be the contextual elements to be tested against the cross-country diversity of micro-data.

Efforts needed to achieve the two stages of that project cannot be underestimated. Esping-Andersen rightly underlines that his analysis “stands on a veritable mountain of data and years of endless statistical manipulation”. Updating and extending the work to Central and Eastern Europe will imply pain and ingenuity. Designing and measuring the content of welfare regimes will still be more demanding. At this latter stage, we cannot simply borrow rationality from somebody else but we need a G&G original input. In fact, Esping-Andersen has kept in line from the beginning with a classical economic way of thinking, rooted in Adam Smith, David Ricardo and, still more clearly, Karl Marx. The value given to work on the labour market and to non-work out of the market has implications on social stratification, power structure, etc. Extensions towards gender, intergenerational or family relationships and other G&G items require not only data to be included in a sophisticated statistical analysis but a set of more theoretical assumptions on the articulation of these topics with the economics of welfare states.

In other terms, we are to redesign the various clusters of welfare regimes, after we have incorporated the main G&G topics on a macro-statistical basis (amounts of intergenerational transfers, indicators of gender balance and imbalance and all other items which will look relevant once the programme is firmly determined). We are to reveal the socio-economic rationality of these clusters, so as to define the ideal-types of welfare regimes that organise the post-industrial world. We are to understand the deviations of countries around the centre of their clusters.

### **International and infra-national comparisons**

When micro-data are put in macro-contexts, to help understand differentials in behaviours and conditions, national references are imposed by the present political organisation of the industrialised world, but they are not the only ones. Geographical infra-national contexts are also to be considered, because of the spatial similarity with national references, but there are many differences between the two levels. They can be grouped in two categories: technical and theoretical ones<sup>11</sup>.

#### *Technical issues*

Despite their interference with theory, let us start with technical issues:

- international differentials in micro-behaviours and conditions (after control for a variety of individual factors) are well documented by many sources including surveys on nationally representative samples; infra-national differences are often more problematic. Censuses or vital statistics are opened to regional and local analysis, but they rarely offer detailed co-variables for controls; surveys offer many more, but samples are rarely representative at regional or local levels. For either reason, infra-national differentials are not so well known and ascertained as international ones;

- on the other side of the coin, measurement tools are generally more carefully standardised and differentials are more precise at infra-national levels. Questionnaires are similar, not only in wording but also in understanding, field instructions are the same, sampling procedures are homogeneous, etc. In other terms, fewer observational discrepancies (more than? less than?) compensate for more random uncertainties;

- there is no need insisting on the relative scarcity of infra-national information.

---

<sup>11</sup> For a good and recent example of infra-national contextual analysis of demographic micro-data, with poor results, see K. Hank, Regional social contexts and individual fertility decisions: a multilevel analysis of first and second births in Western Germany, *MPIDR Working Paper WP 2001-015*, June 2001, 27 p.

In a paper on fertility in Sweden, Britta Hoem associates the frequency of entry into motherhood with individual income and with unemployment rates in the 288 Swedish municipalities. However, data on dependent as well as independent variables are all extracted from administrative registers, none from sampling procedures. See B. Hoem, Entry into motherhood in Sweden: the influence of economic factors on the rise and fall in fertility, 1986-1997, *Demographic Research*, vol 2, art 4, published 17 April 2000, [www.demographic-research.org/Volumes/Vol2/4](http://www.demographic-research.org/Volumes/Vol2/4), 28 p.

The more detailed the geographical level adopted, the larger the gap with national contexts. At regional level, if regions are few, the availability of data will not be much inferior to the national level. Not only will there be official macro-data from economic accountancy or statistics related to the labour market conditions, but some survey data will be statistically representative. At local level, the capacity of any statistical system to cover the whole country will be highly problematic; no national survey will be of any use. Administrative data (e.g. unemployment statistics, in many countries) or census results will be most useful. A fundamental issue will be the possibility to draw from these sources, not only photographs of the current situation, but time-series running from the past to the present, with a minimum number of discontinuities.

If some theoretical argument (to be developed later) concludes that the relevant level of context is to be local, we will have to face difficult practical problems to feed any multi-level models with macro-data. Ways out of it should be examined. One of the questions to be answered is: can G&G surveys be providers for macro-data, so that the G&G programme is not constrained by the limits of official statistics? Another one is: can there be groupings of homogeneous localities, so that larger universes are dealt with statistically? A classical example is the typology of settlement sizes, but there can also be socio-economic groupings according to the distribution of occupations in the localities. This point can only be tackled after the criteria defining the infra-national contexts have been set on a theoretical basis. A third question is: can steps be taken during the sampling design that optimise the solution given to the macro-micro relationship at infra-national level? A clustering of the respondents in a limited number of local milieus could be a better solution than a maximum spreading on the whole national territory (apart from any economical consideration).

A final technical point deals with retrospective information collected through biographies. If it is considered as a major objective of the G&G programme to put micro-behaviours and conditions derived from life-histories in an infra-national context, we must be able to localise the respondents at any date of their past. The typology of localities needs to be the same as that used in the definition of infra-national contexts. A migratory biography will be needed that identifies inter-regional moves if regions are the adequate infra-national level, rural-urban moves if such is the right typology of localities, etc.

### *Theoretical approaches*

Keeping in mind these technical considerations, we have two ways to enter the definition of the infra-national framework. Either we go on with the welfare regimes and dis-aggregate them at regional or local level or we start afresh on a different line of reasoning, so creating a discontinuity between the international and infra-national contexts. Both approaches have to face specific difficulties.

It would probably be good to have continuity between the international and the infra-national levels. Since we have started from an international perspective on the diversity of welfare states and welfare regimes, that means going on along similar lines at infra-national level. Part of the welfare ingredients are geographically differentiated in the national space, so opening to regional qualifications of the welfare states and the welfare regimes. However, infra-national diversity in welfare states (the basic provisions that create de-commodification of the labour force through pensions, unemployment and illness benefits) is probably less important than international disparities. It may take other forms too: diversity is associated with in-kind benefits like child-care services, which often reflect regional or local policies, rather than with financial transfers. A distinction could also be made according to the nature of political organisation. Strong central authorities leave little room to regional diversity on these policy-oriented issues; (con)federal structures are radically different, with important regional idiosyncrasies that can be decisive in the social sphere. Anyway, attention should probably be given to welfare regimes (which include a variety of socio-economic dimensions, like social stratification or power structure, and still undefined G&G items, like intergenerational transfers, gender indicators, etc.) more than to welfare states. The basic question should then be: how do (more or less) unique national welfare states accommodate a regional/local diversity of welfare regimes?

That question does not differ much from the one we had previously on the reasons for international disparities of welfare regimes around an ideal-type in a cluster of countries.

One could proceed the other way round, i.e. abandon the reference to the welfare states and regimes and start from the differentiation of local milieus. We could try and characterise the environment of the respondents to measure its impact on G&G behaviours and conditions. In other words, let us map first, then try to understand the map. I had the impression that some of us had a great sympathy for this idea which lead them to recommend (i) data collection at local level, where the impact of the surrounding is supposed to be more easily perceived, (ii) the collection of an indefinite range of information associated to G&G behaviours and conditions by common sense. Although implicit, the basic rationale seemed to be: the impact of any personal characteristic, say unemployment or religiosity, differs whether you share this characteristic with a majority or a minority of people in your surrounding. That would mean moving from a socio-economic definition of micro-macro relationships at international level to a psycho-social one at infra-national level<sup>12</sup>.

## Conclusion

G&G cannot deal with individual decisions as if they were taken in a social vacuum. It is wise to organise from now the bridges which the researchers should inevitably build between micro-data and macro-contexts. However, it is not sure that the definition of the latter can be put in the same terms at the international and at the regional/local levels. Theoretical bases and data availability could be different.

R. Bilsborrow and D. Guilkey repeatedly point to the absence of an adequate theoretical framework for relating community conditions to individual decision-making as the basic problem of model specification<sup>13</sup>. The concept of welfare and the ways it is materialised in UNECE countries offer a good reference; international diversity on these points could be keys for the interpretation of international differentials in behaviours and conditions. It is more problematic at regional/local levels, where the diversity in welfare approaches is often more limited and where differentials are more difficult to document from survey data. Are we to use other bases to explain infra-national differentials? For instance, social classes and their macro characteristics instead of localities?

More fundamentally, G&G is an international comparative programme which must design tools to be shared (or adapted) by the UNECE countries, in order to compile harmonised data sets. The usefulness of an international contextual framework that contributes to the understanding of cross-country disparities cannot be questioned. But is it so obvious that infra-national differentials must be documented the same way?

The following steps could be taken by GGP to take consideration of the context and the macro-micro relationships:

1. To define more precisely the welfare framework, from a conceptual and a statistical point of view. These two facets are tightly intertwined. The existing frameworks are relevant to intergenerational relationships, much less to gender ones. The design of any typology of countries on their welfare dimensions must be inspired by empirical analysis, not only by theoretical considerations. The position of central Europe, today and yesterday, is a good example of the difficulties GGP will face. This work will take place at national level, in the consortium. It will probably require external expertise and competence. An important collection of statistics will be needed, many of which to be harmonised.

---

<sup>12</sup> For a recent sceptical view on the effects of surroundings on individual behaviours, see D. Ginther, R. Haveman, B. Wolfe, Neighborhood attributes as determinants of children's outcomes. How robust are the relationships?, *The Journal of Human Resources*, vol. 35, n° 4, Fall 2000, p. 604-642

<sup>13</sup> R. Bilsborrow, D. Guilkey, Community and institutional influence on fertility: Analytical issues, *World Employment Programme Research, Working Papers*, ILO, Geneva, 1987, 142 p.  
D. Degraff, R. Bilsborrow and D. Guilkey, Community-level determinants of contraceptive use in the Philippines: A structural analysis, *Demography*, 3, 1997, p. 385-398.

2. To identify the adequate geographical level of infra-national studies. Again, this stage implies a parallel movement towards conceptualisation and quantification. The main challenge will be that of consistency with national-level concepts and statistics. The objective is to choose, among the various possible levels, the one with the highest explanatory power. It is highly unlikely that different countries define the same level of disaggregation as equally relevant: It will be municipalities in some cases, regions of various sizes in others. Work should probably be made by national experts in each participating country, rather than by the consortium. One should think of the way to accommodate this heterogeneity with the comparative focus of GGP.