

Examining Social Exclusion among the 50+ in Europe – Evidence from the Fifth Wave of the SHARE Survey

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Though intuitive, the concept of social exclusion is complex and hard to measure. Recently, however, we have witnessed policymakers and international institutions increasingly pay attention to better understand material and social distress and to identify the means to improve a broadly defined standard of living. In this brief, we summarize some of the results and conclusions from a recently published First Results Book based on the latest data from the Survey of Health, Ageing and Retirement in Europe (SHARE). We discuss the approach adopted to measure material and social deprivation, and the subsequent identification of risk of social exclusion. We show that Europeans increasingly value the quality of their social life as they grow older and that factors, such as worsening health, unmet long-term care needs, loneliness or lack of social cohesion are important determinants of social exclusion among the 50+ population. If socio-economic policies are to respond effectively to the needs of older Europeans, then broader aspects of their lives need to be taken into account and public policy should go beyond simple targets of income-defined poverty.

The Survey of Health Ageing and Retirement in Europe (SHARE) is an international research project focused on the European 50+ population, and combines information on key areas of life including health, labour market activity, financial situation, social involvement as well as family and social networks. The fifth wave of this panel study took place in 2013 with detailed interviews conducted in 15 European countries. The survey included a special set of questions aiming to improve the understanding of the degree of financial difficulties faced by the 50+, and to address the question of the extent of social exclusion in different European countries. The First Results Book documenting details of the survey has just been published by the international research team involved in the SHARE project. In this brief, we discuss some key results

reported in this publication with focus on the analysis of deprivation and social exclusion in Europe among the 50+.

Capturing a Complex Concept of Social Exclusion in Socio-Economic Data

In recent years, the notion of “social exclusion” has been gaining importance as a reference in academic and policy circles with regards to the goals and conduct of socio-economic policy. In fact, in the Europe 2020 strategy, the European Union has made a formal commitment to “recognise the fundamental rights of people experiencing poverty and social exclusion, enabling them to live in dignity and take an active part in society” (European Commission, 2010). Yet,

while the concept has an intuitive appeal, the approach to its measurement and analysis has been far from formalised and continues to leave room for a high degree of arbitrariness. This flexibility in the treatment of social exclusion, given the nature of the concept, may seem necessary and in fact desired, but at the same time requires a lot of care at the level of analysis and caution with regard to conclusions drawn from it.

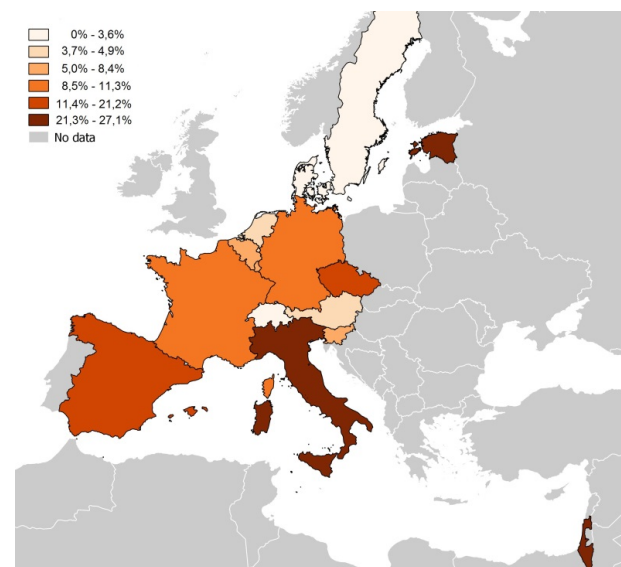
The recent increase in the popularity of broad measures of financial circumstances, going beyond the simple income-based poverty indicators, reflects a number of limitations of the latter as far as it reflects overall material conditions and welfare of individuals. These limitations may be particularly important in the case of older individuals, for whom material wellbeing will be strongly affected by health status or disability, as well as by the extent of accumulated assets at their disposal (e.g. Laferrère and Van den Bosch, 2015; Bonfatti et al., 2015). With this in mind, the fifth wave of the SHARE survey was enriched with a set of additional questions aimed at identifying different sources of deprivation that 50+ individuals are especially exposed to. Based on available data we developed two SHARE-specific measures to assess material and social aspects of deprivation, which were further combined into a single indicator of social exclusion. 13 items from the SHARE questionnaire, exploring affordability of basic needs and financial difficulties among SHARE respondents, were brought together into an aggregate indicator of material conditions (Bertoni et al. 2015). The measure of social deprivation was derived from 15 SHARE items investigating social isolation, quality of neighbourhood and social involvement (Myck et al. 2015). In both cases, so-called hedonic weights were applied to individual items (weights based on the relationship of deprivation items with life satisfaction measure). Based on the threshold of the 75th percentile of total distribution of each of the two indices, individuals with high levels of

deprivation in both dimensions were classified as at risk of social exclusion. The scientific value of developed measures has been validated by Najsztub et al. (2015), who found a good compliance in the cross-country variation of material and social deprivation and with common welfare indicators, such as the Human Development Index or income per capita.

Ageing and Social Exclusion among Older Europeans

Comparing material and social deprivation between those aged 50-64 years old and respondents aged 65+ shows that while the level of social deprivation is higher for the older group, the opposite is true for material deprivation (Myck et al. 2015). This suggests that social deprivation grows with age; on the one hand because of increased isolation of older people, and on the other, because older individuals may value their social circumstances more. This conclusion is supported in Shiovitz-Ezra (2015), who reports that, with regards to loneliness, social cohesion and neighbourhood quality play an increasingly important role among older respondents.

Figure 1 Proportion of Individuals at Risk of Social Exclusion by Country



Source: Myck et al. (2015)

When analysing country variation of the two-dimensional indicator of being at risk of social exclusion, we can see that the proportion of the 50+ population exposed to this risk is the highest in Estonia (27.1%), Israel (25.5%) and Italy (23.1%; see Figure 1). On the other hand, countries with the lowest proportion of individuals at risk of social exclusion are Denmark, Sweden and Switzerland. In these countries the proportion is lower than 4%. Naturally, there is important variation in the risk of exclusion also within countries. For example, the results of Hunkler et al. (2015) show that compared to a native born, migrants suffer much higher degree of exclusion in their present country, which, to a lesser extent, is also true for their children.

An analysis of factors that affect the risk of social exclusion reveals that higher education, being employed or retired, and living with a partner substantially limit this probability (Myck et al., 2015). There is also a strong correlation between social exclusion and poor health status. Older people in poor health and those with limited ability to carry out activities of daily living are more vulnerable to both material and social deprivation (Laferrère and Van den Bosch, 2015). People requiring long-term care but reporting unmet needs in this domain are more likely to suffer from deprivation in the social dimension. Importantly from a policy point of view, Bertoni et al. (2015) provide evidence that eyesight and hearing loss contribute to a higher probability of social exclusion, and among the oldest old lead to reduced actual social participation.

Conclusion

Since the importance of different aspects of social life increases when people grow older, policy instruments targeted at income-defined poverty will be ineffective in addressing important aspects of older people's welfare. It

therefore seems important that broader aspects of everyday life are taken into account when constructing socio-economic policies aimed at reducing social exclusion among older Europeans.

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