with the transition to a post-industrial society. Four processes are of importance:

First, women have moved into paid work in large numbers, while the proportion of men who are economically active is falling. Men’s labour force participation in EU countries fell from 89 per cent in 1970 to 78 per cent by 2001, while women’s participation rose from 45 to 61 per cent (OECD 2001b, 2002a). One powerful driver is the importance of two earners to maintain a satisfactory family income. Another is the increasing demand from women for greater equality in access to education and to independent employment. Analysis of Luxembourg Income Study data shows that new social risks emerge most acutely for lower skilled women who find most difficulty in balancing work and family, especially in conservative and Mediterranean countries (Cantillon et al., 2001: p.447).

Second, the increase in the absolute and relative numbers of elderly people has implications for social care as well as for the cost of traditional welfare state pensions and health services. The ratio of those over sixty-five to the population of working age in Europe is projected to rise by 73 per cent between 2000 and 2030 (OECD, 2001b:27). Most domestic care is still provided by women. Just over twice as many women as men spend time on care tasks for children and older dependants; women of family age (20–49 years old) who have care responsibilities for children spend about 46 hours a week on them compared to 22 hours for comparable men. Corresponding figures for those aged 50–64 who care for older dependants are 22 and 16 hours, respectively (Eurostat, 2002a tables A.17 and A.19). Traditional patterns of care impose stresses on women seeking paid work and generate a demand for provision from alternative sources—men, the private sector, and the state.

Care responsibilities also impact on employment and on incomes. Data from the 1998 ECHP show that, for couple households with dependent children, 90 per cent of men of prime working age (20–49) are in employment compared with only 57 per cent of women. When we turn to older couple households with care responsibilities for dependent older people, employment rates fall to 47 per cent for men and 29 per cent for women—the same two-thirds ratio of women to men (Eurostat 2002a: table A.21). The impact of care responsibilities on women’s employment in turn affects the risk of family poverty. The Luxembourg Income Study data show that poverty rates for couple households in the European Union where only one partner is in paid work are between three and six times higher than those where both work and here the effect is most marked in liberal countries with their weaker benefit systems (Esping-Andersen, 2002: table 2.5).
Third, labour market changes (to do primarily with technical developments in production, which have reduced the proportion of unskilled manual jobs in industry, and secondarily with the growth in scale and intensity of cross-national competition, which allows countries with lower pay levels to use their comparative advantage to attract mobile work) have tightened the link between education and employment. This in turn affects the risk of social exclusion among those with poor education. Those with a minimum level of education are about two and a half times more likely to be unemployed and nearly five times more likely to be in long-term poverty compared with those who have attended university (Eurostat 2000, tables 2 and 3; OECD, 2002d: table D). Education and skill levels are also linked to progress in work and in quality of working life. The Employment in Europe survey in 1996 showed that 47 per cent of employees had experienced a significant increase in the skill level of their job in the last five years, and virtually none a decrease. Skill increases are much more likely higher up the occupational ladder and the lower skilled more likely to anticipate insecurity and unemployment (Gallie, 2002: 113–18).

The fourth change lies in the expansion of private services resulting primarily from attempts to constrain state spending to meet the pressures on the old risk welfare state listed in the first paragraph. While privatisation is not in itself a risk, it can generate new risks when citizen–consumers commit themselves to unsatisfactory choices, and when regulation of standards in private provision is ineffective. The shift towards the private sector has been most marked in responses to the pressures on state pensions. A number of countries are also providing benefits which widen access to private provision as part of their care strategy for children and frail older people.

The United Kingdom, which already has the most extensive private pensions system, has gone furthest, by radically weakening the state second-pillar pension and developing private alternatives. Non-state pensions, which currently provide 60 per cent of income for the top 30 per cent of retired people are intended to provide 60 per cent for all by 2050 (OECD, 2000: figure 4.1; DSS, 1998). The Netherlands also has extensive second-pillar private provision. Other European countries are pursuing private pensions as supplements to state pensions. Germany provides subsidies and strong encouragement, Sweden requires workers to invest in complementary private pensions and Switzerland has well-established compulsory occupational pensions. In France, long-term tax-subsidised savings schemes are in process of implementation. The OECD concludes...