



**Dear Reader,**

Welcome to our jubilee issue. In April 2006 we sent out this Newsletter for the first time. Two years later, with a steadily increasing number of subscribers, we try to meet your interests with a diverse and comprehensive coverage of our research activities.

Sincerely yours,

**Annette Hexelschneider**

Head of Knowledge and Information Management Support Unit

## Projects

### INTERLINKS

**Most positive evaluation of the FP7 proposal “Health systems and long-term care for older people in Europe – Modelling the INTERfaces and LINKS between prevention, rehabilitation, quality of services and informal care” (INTERLINKS) co-ordinated by the European Centre – Grant agreement negotiations with the European Commission have started.**

In 2007, the European Centre has co-ordinated the submission of a research proposal, answering to the Second Call of the EU Commission’s Seventh Framework Programme on Health Research. The proposal was evaluated very positively by independent peers in December 2007. By April 2008, the Commission eventually invited the Consortium, consisting of the European Centre as Co-ordinator and 15 other research organisations from 14 Member States, to enter into so-called Grant Agreement Negotiations. We hope that these negotiations will be successfully finished by autumn so that the project might start by January 2009.

The objective of this 3-year project is to construct and validate a general model to describe and analyse long-term care (LTC) systems for older people from a European perspective. The particular aspects of the different emerging national models that currently address long-term care needs in Europe will be used to show how the links to health care services, the quality of LTC services, the incentives for prevention and rehabilitation, and the support for informal carers can be governed and financed to enhance structures, processes and outcomes of LTC systems.

Based on the assumption that LTC systems in Europe have only started to develop at the boundaries of health and social care, the project will focus on the elaboration of concepts, indicators and models for



policies and practice at the interfaces and links between health systems and LTC. Good practice determinants will be identified and validated across countries. A European “state of the art” model for describing and analysing long-term care provision will thus be constructed as an analytical toolbox that takes into account pathways of reform policies at any stage of a national LTC system’s development.

The project outcome will guide policy analysis and design, permit comparison and will substantially broaden the scientific base that supports the Member States to better organise their health and LTC systems. It will also integrate the professional and the non-professional domain with inputs from a wide range of stakeholders by means of National Expert Panels and European-level Sounding Board Conferences.

The project will be carried out by a consortium of 16 partners from universities, national and international research institutes with international and interdisciplinary expertise, also in cross-national research. The consortium represents 14 Member States covering different welfare regimes and geographical domains to allow for the regional and developmental differences to be addressed.

For further information please contact: [Kai Leichsenring](#)

## Senior Drug Dependents and Care Structures – SDDCARE

A new project – sponsored by PHEA (Public Health Executive Agency) – focuses on senior drug dependents and their care and treatment needs.

At present there is a growing population of senior drug dependents (35/45 years and older) in all European countries. Most drug dependents aged 45+ are poly-drug users with a preference for opiates that they often inject. Most of them have mental health problems and a significant proportion have dual diagnoses, and many will suffer from chronic infectious diseases. This project concentrates on these dependents as a special risk group living at the margins of society.

The specific objectives of the project are to

1. create a knowledge base regarding senior drug dependents by different age groups and gender as well as on their care and treatment needs,
2. develop practical implementation tools in the form of guidelines which can assist in the delivery of effective care in community and residential settings, which take account of gender mainstreaming principles, and
3. disseminate the project results.

The duration of the project will be two years. It will be conducted in four countries (Germany, UK–Scotland, Poland and Austria). Research will be carried out on national as well as regional (city) level.

Read more about: [project](#)

For further information please contact: [Christine Reidl](#), [Irmgard Eisenbach-Stangl](#)



## Events

### Past Events

#### **17-18 April, Zagreb: International Conference on Welfare State Performance and Design**

In the session “Equity and Efficiency / Welfare Policies”, Isilda Shima from the EC and Edlira Narazani of Turin University presented their joint paper on “The effect of income support policies to the labour supply in pre-retirement age in Austria” which they had also presented at the international I-CUE conference in Vienna. Part of the research work was funded by and completed at the European Centre.

Read more about: [abstract](#)

For further information please contact: [Isilda Shima](#)

#### **3-4 April 2008, Vienna: International Conference “Tax-benefit Microsimulation in the Enlarged Europe: Results from the I-CUE Project and Perspectives for the Future”**

With 80 participants from 25 countries, including representatives of the European Commission, Eurostat, OECD, Luxembourg Income Study and governments and research institutes all over the enlarged European Union, the final conference of the I-CUE project was a “big success”. Sir Anthony Atkinson, in his keynote speech, emphasised that although there has been rapid innovation in building tax-benefit models, there has been disappointingly slow adoption of these models in policy analyses. Prof Holly Sutherland gave an overview of Euromod, the European tax-benefit model, which currently covers the EU15 countries plus Estonia, Hungary, Poland and Slovenia. Future plans include both the enlargement of the model to all member states of the EU, but also the introduction of new features, such as labour supply responses and non-take up of benefits.

A selection of the best papers is planned to be published in book form with Ashgate.

Read more about: [event's website](#), including Compendium of Abstracts

For further information please contact: [Orsolya Lelkes](#)



## Publications

### Book

**Eisenbach-Stangl, I., Pilgram, A., Reidl, Ch. (2008) “Wiener Drogenpolitik 1970 bis 2005. Außen- und Innenansichten” (Viennese Drug Policy 1970 to 2005. External and Internal Views). Vienna: European Centre.**

Aim of the respective project – carried out by the European Centre, the Institute for Sociology of Law and Criminal Sociology and the Ludwig Boltzmann Institute for Addiction Research between 2003 and 2007 – was to investigate the development of a regional drug policy in times of “Europeanization” of national drug policies and controls and to assess the perception of the regional measures by those who are directly concerned: the drug users and their relatives, on the one hand, and the diverse drug professionals who enforce the measures, on the other hand.

When you are interested in a copy of the book please contact:

[Sucht - und Drogenkoordination Wien](#), Modecenterstraße 14, Block B, 1030 Wien

Read more about: [book](#), [project](#)

For further information please contact: [Irmgard Eisenbach-Stangl](#)

### Reports

**The Annual Report of the network on income distribution and social inclusion of the European Observatory on the Social Situation (with a contribution by Michael Fuchs, Orsolya Lelkes, Marius Rummel, Asghar Zaidi) is now available on the European Commission website.**

The report reviews developments in income inequality and the risk of poverty across the EU on the basis of the data available at the time the analysis was carried out, i.e. in mid-2007. In practice, this largely means that the data from the new EU Survey of Income and Living Conditions (EU-SILC) for 2005 for the first time enabled such a review to be carried out on a reasonably comparable basis. It examines in detail a number of aspects of income inequalities and the factors underlying these, issues which are not only of interest in itself but that are important for the formulation of effective policies. Finally, there is a review of recent policy developments affecting the distribution of income and the relative number of people with income below the poverty line in each of the EU Member States extended by Croatia and Turkey.

Read more about: [executive summary](#), [full report](#)

For further information please contact: [Orsolya Lelkes](#)



## Working Paper Echo

At the Royal Economic Society Annual Conference (17-19 March 2008), Andrew Clark presented:

**Clark, A. / Lelkes, O. (2005) “Deliver us from evil: religion as insurance”, Working Paper No. 2005-43. Paris: Paris-Jourdan Sciences Economiques.**

This paper focuses on the insurance role of religion in buffering the well-being impact of stressful life events, and the ensuing economic and social implications. Using two large-scale European data sets, we show that the religious enjoy higher levels of life satisfaction, and that religion does insure against some adverse life events. All denominations suffer less psychological harm from unemployment than do the non-religious; equally both Catholics and Protestants are less hurt by marital separation. However, while Protestants are protected against divorce, Catholics are punished for it. These results do not seem to come about from the endogeneity of religion. These patterns in subjective wellbeing correspond to data on both attitudes (the religious are both anti-divorce and anti-job creation for the unemployed) and behaviour (the religious unemployed are less likely to be actively looking for work). In panel data, as implied by insurance, the religious have less variation in life satisfaction. Last, we suggest that religion's insurance role might be reflected in support for different economic and social systems: consistent with this, unemployment replacement rates across Europe are lower in more religious countries. The presentation attracted a wide media interest.

BBC News reported about “Religion ‘linked to happy life’ ”:

*“A belief in God could lead to a more contented life, research suggests. Religious people are better able to cope with shocks such as losing a job or divorce, claims the study presented to a Royal Economic Society conference.”*

Independent on Sunday asked,

*“Do we vote with our hearts? Are religious people happier? Just ask an economist”.*

Daily Mail – “Go to church and pray if you want to be happy, say scientists”:

*“Authors Professor Andrew Clark and Dr Orsolya Lelkes also found strong faith led to different political attitudes. The religious were less supportive of unemployment benefits. Religion could even influence the evolution of social and economic institutions, they said.”*

*“Believers are happier than atheists”, said the Daily Telegraph and the Times Online titled “Religious people more likely to be happy”.*

The Financial Times muses about spiritual solace: *“First, when incentives change, so does behaviour. The study suggests that not only are Christians likely to bear unemployment with fortitude, they are also less likely to search for a job. Similarly, if your investment banker feels little pain when he loses all your money, small wonder if he takes a few risks. ...”*

Read more about: [working paper](#)

For further information please contact: [Orsolya Lelkes](#)



## Working Papers

### **Colombino, U., Locatelli, M., Narazani, E., O'Donoghue, C., Shima, I. (2008) "Behavioural and Welfare Effects of Basic Income Policies: A Simulation for European Countries", CHILD 03/2008**

In this paper we develop and estimate a micro-econometric model of household labour supply for four European countries representative of different economies and welfare policy regimes: Denmark, Italy, Portugal and the United Kingdom. We then simulate, under the constraint of constant net tax revenue, the effects of 10 hypothetical tax-transfer reforms that include various alternative versions of a Basic Income policy. We produce various indexes and criteria according to which the reforms can be ranked. It turns out that in every country there are many reforms that can improve upon the current status according to many criteria and that might be "politically" feasible. Overall, the non means-tested policies have a better performance and progressive tax rules are somehow more efficient than the flat-tax rules.

### **Narazani, E., Shima, I. (2008) "Labour Supply Modelling in Italy when a Minimum Income Scheme is an option" CHILD 02/2008**

In this paper we analyse the effects of Minimum Guaranteed Income (MGI) schemes on labour supply by applying a behavioural micro-simulation tax-benefit model. The database used in this study is composed of Italian households during the year 1998, extracted from the Bank of Italy's SHIW 1998. The Tax-Benefit Model applied is the static micro-simulation model of EUROMOD. A household labour supply model is simulated with different tax rules where MGI is an option. The simulated tax regimes are Negative Income Tax (NIT), Workfare Tax (WF) and Universal Basic Income (UBI). These exercises of behavioural micro-simulation tax-benefit are performed at national and regional level. Our main finding is that changes in labour supply due to these tax-transfer rules are small and this is in favour of such income support policies. Concerning tax-transfer rules without hours constraint, such as UBI and NIT, they imply labour disincentives more in the South than in the North of the country, and the effect is amplified with the increase of generosity level. Considering the welfare effects of these tax-transfer rules, we find that there are more "winners" than "losers" in the south than in the north as there are more households participating in these MGI schemes due to their low-income status.

Read more about: [CHILD 03/2008](#), [CHILD 02/2008](#)

For further information please contact: [Isilda Shima](#)

## Newspaper Articles

[Marin, Bernd \(2005-2008\) Various articles in Der Standard, Vienna, 2008](#)

For further information please contact: [Bernd Marin](#)



## Personnel Matters

### Frédérique Lamontagne-Godwin

In April, Frédérique Lamontagne-Godwin joined the European Centre, and the Health and Care team in particular. She will be involved in the MA:IMI and the AARP projects and will contribute with the collection of data on indicators in Eastern Europe and Central Asia. She has a keen interest in specializing on health issues in Russia and the former Soviet Union; in particular, she intends to study crosscutting themes bridging health and social issues including prevention and lifestyle choices.

Frédérique obtained a B.A in Economics and Philosophy from UCL (University College London) and an M.Phil from Oxford University in Russian and East European Studies. Prior to the European Centre, Frédérique worked for a consulting firm managing European Commission tenders in transition economies to reform their public sectors.

Frédérique is bilingual in English and French and also speaks Russian.

Read more about: [Frédérique Lamontagne-Godwin](#)

For further information please contact: [Frédérique Lamontagne-Godwin](#)

### Ricardo Rodrigues

Ricardo Rodrigues has joined the Health and Care team of the European Centre this April. He will be working mainly on the Care Indicators project, which is part of MA:IMI, on INTERLINKS and also participate in the AARP-Ageing Eastern Europe project. He will be focusing on comparative analyses of long-term care provided in institutions as well as on the funding issues and public-private mixes regarding long-term care.

Ricardo has a Master in Economics and a B.A. in Economics from the Technical University of Lisbon and before joining the European Centre, Ricardo worked as an Economist at the Portuguese Ministry of Labour and Social Solidarity, conducting applied research and policy analysis on issues ranging from the provision of social equipments and services to the interaction of social benefits, taxes and the labour market (making work pay).

Ricardo speaks Portuguese (mother tongue), English and French.

Read more about: [Ricardo Rodrigues](#)

For further information please contact: [Ricardo Rodrigues](#)



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