

**The Changing Effects
of Social Protection on Poverty**

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Contents:	Page:
1. Introduction.....	1
2. Data and Methods	2
3. The Impact of Transfers on Poverty Rates for the Unemployed.....	6
4. The Role of Unemployment Insurance Versus Other Cash Transfers	13
5. Impact of Transfers by Duration and Gender.....	19
6. Poverty and the Role of Social Protection	24
References.....	30
Appendix.....	31

1. Introduction

This paper fits within a broader research programme concerned with the processes that link labour market precarity and social exclusion. Labour market insecurity manifests itself most directly in the form of unemployment, and other elements in the programme seek to measure the impact of precarity, and unemployment in particular, on poverty and social exclusion in the eight countries covered. One of the principal concerns of the programme is however the extent to which institutional differences across countries with respect to the labour market and social protection are a significant factor mediating the relationship between labour market precarity and social exclusion. This paper focuses on the effectiveness of cash transfers, the central element of social protection systems, in alleviating the effects of unemployment on income poverty.

The structures of social protection systems vary greatly across European Union member states, and in many cases have altered significantly in recent years in response to high unemployment (see Hauser et al, 1998). Using data from the mid-1980s and the mid-1990s for six member countries, the paper compares the effectiveness of different systems in lifting or keeping the unemployed out of poverty, and how this has been affected by the way systems have responded to the challenges produced by developments in the labour market in the past decade. The specific role of social insurance-based unemployment-linked transfers versus other cash transfers is also considered, to assess the extent to which social insurance has been able to cope with changes in the labour market over the period. The data come from a variety of national large-scale household surveys.

The paper is structured as follows. Section 2 discusses the data and methods to be employed in measuring the impact of cash transfers on poverty risks for the unemployed. Section 3 looks at the overall risks of poverty for the unemployed before and after cash transfers, and how these changed between the mid-1980s and mid-1990s. Section 4 looks at the role of social insurance-based unemployment payments versus other cash transfers. Section 5 examines the extent to which the impact of transfers varies by gender and by duration of unemployment. Section 6 highlights the key patterns identified and what these tell us about the relationship between the type

of welfare regime a country operates and effectiveness in alleviating poverty among the unemployed.

2. Data and Methods

As well as studies of the overall effectiveness of social protection systems in alleviating poverty in specific countries (for example Weinberg 1989, Paugam and Zoyem 1996), cross-country comparisons of anti-poverty effectiveness have been made by, for example, Beckerman (1979a,b), Mitchell (1991) and Deleeck, Van den Bosch and De Lathouwer (1992). (Many other studies have looked at the impact of transfers and of direct taxes on the income distribution as a whole, including Atkinson, Smeeding and Rainwater, 1996). Here our specific focus is on the unemployed, and on the impact of cash transfers on the risk of poverty for that group. Following the approach adopted in the research programme as a whole, unemployment is measured where possible following ILO definitions, incorporating job search and availability for work criteria.

In analysing poverty risks we concentrate here on income-based poverty measures, using relative income poverty lines. This paper builds on the in-depth analysis of income poverty rates in the programme's working paper by Hauser *et al* (1998), measuring poverty in exactly the same way. The income recipient unit is the household, with an adjustment for household size and composition using adult equivalence scales. Two alternative scales are employed to see whether the results are sensitive to the way this adjustment is carried out, namely the 'New' and 'Old' OECD scales. Where the first adult in a household counts as 1, the 'New' OECD scale attributes a value of 0.5 to each other adult, and 0.3 to each child, while the 'Old' OECD scale attributes 0.7 and 0.5 respectively. Household poverty status is measured vis-à-vis a set of relative income poverty lines, calculated as 40%, 50% and 60% of average equivalent disposable household income. (Hauser *et al* also looks at poverty rates for the unemployed with relative income lines constructed as proportions of the median rather than the mean: while poverty rates themselves are quite different, there is no reason to expect the pattern of results of our analysis of the impact of transfers to be significantly affected by this choice). The simplifying assumption is made that all members of a given household share the same living standards, and thus the same

income poverty status. Each unemployed individual is thus identified as in a household below/not below a particular income poverty line.

The focus of the paper is to see the impact social security transfers have on this risk of income poverty for the unemployed. We therefore look at not only actual poverty status on the basis of disposable income, but also at the position which each household would face in the absence of cash transfers. This involves calculating the income aggregate 'income less social security transfers' for each household, by deducting transfers from disposable income. (Any tax paid on transfers should in principle be added back in, but this was not possible with the data available and the amounts involved would generally not be large). Poverty status vis-à-vis the income poverty lines is then re-assessed on the basis of this pre-transfer income. (The income poverty lines themselves are held unchanged in this exercise, rather than being recalculated as proportions of mean pre-transfer rather than disposable income). The comparison of actual poverty rates for the unemployed with these counterfactual 'no transfers' poverty rates, with the different relative income lines, provides outer bounds on the effectiveness of transfers in reducing income poverty.

The estimates are outer bounds because one does not believe that incomes from the market would in fact be unchanged in the absence of transfers. This problem with the 'no transfers' counterfactual is widely recognised, and indeed the same point was made with respect to standard static analyses of the impact of taxes and transfers as far back as the 1950s. However, here we will be focusing not on the absolute difference between poverty rates before and after transfers, but on the way these vary across countries and change over time. The overall effectiveness of cash transfers will be measured for each participating country at two points in time, a year around 1985 and one around 1995.

In addition to looking at the impact of all state cash transfers on poverty risks for the unemployed, the analysis will also compare the role of social insurance-based unemployment compensation and other cash transfers. In the same way, income 'before Unemployment Insurance' and 'before other transfers' will be calculated, poverty rates employing these income aggregates will be derived, and estimates produced on this basis of the impact of each of these components of cash transfers in reducing poverty rates for the unemployed. (These estimates cannot be seen as distinct additive effects of each component on poverty risks, as we shall see, but are

nonetheless instructive). The results will also distinguish men and women, and the short-term and long-term unemployed.

The analysis concentrates on the comparison of the simplest summary poverty measure before and after transfers, namely the ‘headcount’ of the proportion of persons in poverty (as do, for example, Deleeck *et al* 1992). Beckerman (1979) in contrast looked at the size of the aggregate poverty gap - the difference between the income of all those below the poverty line and the line itself - and the extent to which this is reduced by transfers. This takes into account the impact of transfers on the depth of poverty as well as the numbers in poverty. Here we utilise the headcount measure but capture the depth of poverty by using a range of relative income poverty lines from 40% to 60% of mean income rather than a single line.

The countries for which results are presented are Denmark, France, Germany, Ireland, Sweden and the United Kingdom. The results have been produced by project participants from the country in question using large-scale household surveys described in detail in the working paper by Hauser *et al*; the key features of these surveys are summarised in Table 1. It is important to note at this stage some differences across countries in the nature of the data available, which must be taken into account in interpreting the results. Most of the data sources are household surveys, but in the case of Denmark the source is a 3% sample from administrative records so the income data comes from tax records. While the Swedish results are from the Level of Living Surveys, the income data is in that case obtained by matching to administrative records. Income data from tax records may differ from income data provided as survey responses, the source for the other countries covered.

Second, the income measure differs across countries in the period it covers: for Denmark, France, Germany and Sweden it is annual income, whereas for Ireland and the UK it is for the most part income last week or month. While this distinction can be significant in measuring income poverty - a household could be in poverty this week or month but have annual income over the poverty line - it is particularly important in examining the relationship between unemployment and poverty. For the countries using ‘current’ weekly or monthly income, unemployment is measured on the basis of status when surveyed, and so labour market status and income refer to the same time period. For some of those using annual income unemployment is also defined in terms of status when interviewed, but for others (notably Germany) an individual is counted

as unemployed if he or she experienced unemployment at any point during the year in question. (For France there is the added complication that income refers to the previous year but unemployment to the current year, which is obviously unsatisfactory when the aim is to relate income and unemployment experience but is the only data available).

Table 1: Data Sources to be Employed

Country	Survey	Year of survey	Income measure	Unemployment measure
Denmark	3% sample from Administrative Registers	1988, 1993	annual	registered unemployed
France	Situations defavorisées	1986/87, 1993/94	annual (previous year)	ILO
Ireland	Survey of Income Distribution etc., Living in Ireland Survey	1987, 1994	weekly/ monthly	ILO
Germany	Socio-Economic Panel	1985, 1993	annual	registered unemployed
Sweden	Level of Living Survey	1981, 1991	annual	looking for work, unemployed or laid off in the week before interview.
United Kingdom	Family Expenditure Survey	1984-86 (pooled), 1994-95 (pooled)	current	ILO

3. The Impact of Transfers on Poverty Rates for the Unemployed

We now look at the overall impact of cash transfers on poverty rates for the unemployed in the countries covered, in the mid-1980s and mid-1990s. Pre-and post-transfers poverty rates have been produced using three relative income poverty lines and two sets of equivalence scales, so for ease of presentation we begin with the intermediate, 50% relative income poverty line which also tends to be the one most widely referred to internationally. Table 2 shows poverty rates for the unemployed in each country in the two periods before and after cash transfers, for both income equivalised using the 'New' and with the 'Old' OECD equivalence scales.

The post-transfer poverty rates for the unemployed in these countries, and the level of unemployment itself, have been analysed in depth in the working paper by Hauser *et al* and this discussion will not be repeated here. It is sufficient to note two central features of these post-transfers poverty rates. The first is the very wide variation across countries in poverty rates for the unemployed. The percentage below the 50% poverty line ranges from as low as 8% in Denmark to as high as 50% in the UK in the mid-1990s, with the rates for the other countries between 23% and 38%. The second is the diverging trends in these poverty rates across countries between the mid-1980s and the mid-1990s. A sharp increase in the proportion of the unemployed falling below half average income was seen over this period in the UK and to a lesser extent in Germany, with a more marginal increase in Sweden, stability in Denmark and France and a decline in Ireland.

The primary focus of this paper, however, is on the impact of cash transfers on poverty rates for the unemployed. Table 2 shows that, unsurprisingly, their poverty rates would have been much higher in the absence of transfers in all countries. In the mid-1980s, (household) income before transfers was below the 50% poverty line for almost three quarters of the unemployed in Ireland, for about half the unemployed in the UK and Germany, and for between one-third and 44% in the other three countries. The table also shows that pre-transfer poverty rates had risen in all countries by the mid-1990s. This increase was particularly pronounced in Sweden, where the pre-transfer poverty rate rose from the relatively low figure of about one-third to over 60%. A much smaller but still substantial increase in pre-transfer poverty rates was also seen in each of the other countries.

Table 2: Poverty Rate for Unemployed, Before and After Transfers, 1980s and 1990s, Poverty Line 50% of Mean Equivalent Income (New/Old OECD Equivalence Scale)

	1980s		1990s	
	Before transfers	After transfers	Before transfers	After transfers
<i>Denmark</i>				
New	58.5	7.6	66.6	7.6
Old	58.3	7.2	66.4	7.1
<i>France</i>				
New	41.6	23.1	49.0	23.3
Old	43.0	24.7	49.5	23.9
<i>Germany</i>				
New	48.1	25.5	55.6	37.8
Old	48.0	27.6	55.4	37.9
<i>Ireland</i>				
New	73.1	38.7	79.6	33.4
Old	72.9	41.7	79.4	29.5
<i>Sweden</i>				
New	37.1	27.3	62.3	30.4
Old	32.6	25.0	61.5	29.6
<i>UK</i>				
New	53.2	32.9	61.0	49.4
Old	53.7	32.0	61.5	50.6

With pre-transfer poverty rates going up universally but some countries seeing stable or declining post-transfer poverty rates, cash transfers are clearly having a greater impact in some cases by the mid-1990s than they were in the mid-1980s. Even where both pre-and post-transfer poverty rates are rising, transfers are of course also being more effective if the increase is less post-transfers. Table 3 first shows one measure of the impact of transfers: the percentage of the pre-transfer poor unemployed who are not in poverty post-transfers - in other words, the percentage of the pre-transfer poor unemployed lifted above the poverty line by the cash transfers received by their household. Still using the 50% poverty line, this shows that in the mid-1980s

transfers were most effective in alleviating poverty for the unemployed in Denmark, where more than 80% of those who were poor before transfers had been lifted out of poverty by transfers. In France, Germany, Ireland and the UK, about 40-45% of the pre-transfer poor were lifted above the poverty line by transfers, while in Sweden the figure was only about one-quarter.

Table 3: Impact of Transfers on Poverty Rates for the Unemployed, 50% Line

	% of pre-transfer poor unemployed lifted above line		% of all unemployed lifted above line	
	1980s	1990s	1980s	1990s
<i>Denmark</i>				
New	87.0	88.6	50.9	59.0
Old	87.6	89.3	51.1	59.3
<i>France</i>				
New	44.5	52.4	18.5	25.7
Old	42.6	51.7	18.3	25.6
<i>Germany</i>				
New	47.0	32.0	22.6	17.8
Old	42.5	31.6	20.4	17.5
<i>Ireland</i>				
New	47.1	58.0	34.4	46.2
Old	42.8	62.8	31.2	49.9
<i>Sweden</i>				
New	26.4	51.2	9.8	31.9
Old	23.3	51.9	7.6	31.9
<i>UK</i>				
New	38.2	19.0	20.3	11.6
Old	40.4	17.7	21.7	10.9

By the mid-1990s, the impact of transfers on this measure had increased in France, Ireland and particularly Sweden, where a much larger proportion of the pre-transfer poor unemployed were being lifted above the poverty line. In Denmark the very high 'escape rate' seen in the mid-1980s was maintained. In Germany and even more so in

the UK, however, the percentage of the pre-transfer poor lifted above the poverty line by transfers fell sharply.

Distinct underlying patterns over the 1980s-1990s period can thus be identified as follows:

In Denmark, France, Ireland and Sweden, the pre-transfer poverty rate rose but cash transfers either became more effective or (in the Danish case) remained very effective in lifting the pre-transfer poor above the poverty line, so the post-transfer poverty rate for the unemployed fell or at worst increased only marginally.

In Germany and the UK, the pre-transfer poverty rate rose while cash transfers became much less effective, so the post-transfer poverty rate rose a good deal more.

Both the scale of unemployment and the extent of pre-transfer poverty among the unemployed obviously differ across countries, and thus so does the size of the problem being tackled by the cash transfer system. Table 3 also shows the absolute reduction in the poverty rate for the unemployed which transfers succeed in bringing about in each country. We see that cash transfers lift half or more of the unemployed out of poverty in Denmark and in Ireland, considerably more than in the other countries; this reflects the very high level of effectiveness of transfers in the Danish case, but in Ireland it reflects a lower (though still relatively high) level of effectiveness together with a very high pre-transfer poverty rate for the unemployed. In Germany and even more so in the UK the percentage of the unemployed lifted out of poverty by transfers in the mid-1990s is relatively low: in each case this is not because the pre-transfer poverty rate was low, but rather reflects the ineffectiveness of transfers in lifting the substantial numbers in pre-transfer poverty above the poverty line.

These overall results for the 50% relative income poverty line in Tables 2 and 3 have been given for both the 'New' and the 'Old' OECD equivalence scale, and the pattern we have described holds irrespective of which of these scales is employed. The scale used does in some instances make a difference to the level of poverty rates for the unemployed - Ireland in both years and Sweden in the 1980s, for example - and to the impact of transfers - particularly for Germany in the 1980s and Ireland at both points in time. The choice between these two equivalence scales can influence the size of the measured differences between countries or the change between the mid-1980s

and 1990s, but does not affect the general pattern described across countries or over time.

Table 4: Poverty Rates for Unemployed Before and After Transfers and Impact of Transfers, 1980s and 1990s, Poverty Line 60% of Mean Equivalent Income (New/Old OECD Equivalence Scale)

	1980s			1990s		
	% poor before transfers	% poor after transfers	% of pre-transfer poor lifted out of poverty	% poor before transfers	% poor after transfers	% of pre-transfer poor lifted out of poverty
<i>Denmark</i>						
New	64.7	13.0	79.9	72.3	12.9	82.2
Old	64.6	11.8	81.7	72.3	12.2	83.1
<i>France</i>						
New	52.7	33.9	35.7	57.5	34.6	39.8
Old	53.3	35.1	34.1	58.7	36.6	37.6
<i>Germany</i>						
New	56.9	39.9	29.9	63.0	52.7	16.3
Old	56.8	39.9	29.8	62.1	49.3	20.6
<i>Ireland</i>						
New	77.6	53.8	30.7	83.0	52.8	36.4
Old	77.2	54.0	30.1	84.3	50.6	40.0
<i>Sweden</i>						
New	46.1	34.1	26.0	69.1	36.3	47.5
Old	42.7	33.7	21.1	65.9	41.9	36.4
<i>UK</i>						
New	58.7	46.8	20.3	65.9	61.5	6.7
Old	58.7	45.5	22.5	67.2	60.7	9.7

Since there is little justification for focusing simply on the 50% line, it is particularly important to see whether the same holds true when the level of the income poverty line is altered. Table 4 shows the pre- and post-transfer poverty rates for the unemployed with the 60% relative income poverty line, and the proportion of the pre-transfer poor lifted above that line by transfers. Poverty rates are now of course substantially higher, with post-transfer rates in the mid-1990s reaching about 50% in

Germany and Ireland and over 60% in the UK. The lowest rates are still for Denmark, where about 13% of the unemployed were below the 60% line in the mid-1980s, with France and Sweden once again in an intermediate position at about 35-40%.

As with the 50% line, post-transfer poverty rates once again rose substantially between the mid-1980s and the mid-1990s in the UK and Germany, rose but to a lesser degree in Sweden, and remained stable in Denmark and France; in Ireland the poverty rate for the unemployed now declines marginally whereas with the 50% line it had fallen much more.

Table 4 also shows that, as with the 50% income line, pre-transfer poverty rates once again went up between the mid-1980s and the mid-1990s in every country. The effectiveness of transfers in lifting the pre-transfer poor above the line is again greatest in Denmark, and rose between the mid-1980s and mid-1990s in France, Ireland and particularly Sweden. In Germany and the UK effectiveness in these terms fell sharply, so that by the mid-1990s only 7-9% of the pre-transfer poor unemployed were lifted above the line by transfers in the UK. The 60% income line thus shows a pattern which is very similar, in terms of cross-country comparisons and changes over time, to that revealed by the 50% line. The choice of 'New' versus 'Old' OECD equivalence scale again leaves this broad pattern unaffected (though in the case of Sweden transfers appear a good deal more effective with the 'New' scale in both the mid-1980s and mid-1990s).

In order to further assess the sensitivity of the results to the level of the poverty line, Table 5 shows the corresponding figures with the poverty line set at 40% of mean equivalent income. Post-transfer poverty rates are now quite low, although in the mid-1990s they still reach about 20% for Sweden, 25% for Germany and 30% for the UK. The ranking of countries in terms of post-transfer poverty rates in the mid-1990s thus differs somewhat from the 50% and 60% lines: the UK still has the highest rate, but Germany and then Sweden are next-highest, with France considerably lower and Denmark and Ireland now with by far the lowest rates. These post-transfer poverty rates are now significantly higher than the mid-1980s only for Germany and the UK: Denmark, France, Ireland and Sweden saw little change over the period.

With the 40% line pre-transfer poverty rates once again went up between the mid-1980s and the mid-1990s in every country. The effectiveness of transfers in lifting the pre-transfer poor above the line is now greatest in Denmark and Ireland, where about

90% of the pre-transfer poor are lifted above the poverty line. Effectiveness of transfers in this sense once again remained high between the mid-1980s and mid-1990s in Denmark, rose in France, Ireland and particularly Sweden, and fell sharply in Germany and the UK where by the mid-1990s less than 50% of the pre-transfer poor were lifted above this relatively low threshold by transfers.

Table 5: Poverty Rates for Unemployed Before and After Transfers and Impact of Transfers, 1980s and 1990s, Poverty Line 40% of Mean Equivalent Income (New/Old OECD Equivalence Scale)

	1980s			1990s		
	% poor before transfers	% poor after transfers	% of pre-transfer poor lifted out of poverty	% poor before transfers	% poor after transfers	% of pre-transfer poor lifted out of poverty
<i>Denmark</i>						
New	52.2	4.2	92.0	60.3	4.2	93.0
Old	52.3	3.9	92.5	60.1	3.8	93.7
<i>France</i>						
New	32.0	11.8	63.1	40.2	13.1	67.4
Old	31.9	14.9	53.3	40.2	14.3	64.4
<i>Germany</i>						
New	41.3	13.8	66.6	45.1	24.9	44.8
Old	41.2	11.9	71.1	44.5	24.2	45.6
<i>Ireland</i>						
New	69.5	6.7	90.4	74.8	4.0	94.7
Old	70.4	13.0	81.5	75.1	7.6	89.9
<i>Sweden</i>						
New	28.1	20.5	27.0	50.4	19.4	61.5
Old	24.7	13.5	45.3	50.4	19.4	61.5
<i>UK</i>						
New	48.5	9.9	79.6	55.0	29.0	47.3
Old	48.2	13.0	73.0	56.1	31.5	43.9

4. The Role of Unemployment Insurance Versus Other Cash Transfers

So far we have looked at the impact of social security cash transfers as a whole on poverty among the unemployed. It is of particular interest from a policy perspective to assess the role played by unemployment insurance (UI) - cash transfers to the unemployed arising from social insurance coverage of that contingency - as opposed to other parts of the social security system in alleviating the impact of unemployment. In this section we therefore disaggregate cash transfers into these two distinct components and carry out an analysis of their impact on poverty rates for the unemployed. Since the household is being used as the income recipient unit, transfers other than UI include a/ means-tested or universal payments being made either to the unemployed individual or to other household members, b/ social insurance payments other than UI being made to the unemployed individual or, more often, to other household members. (Where more than one individual in the household is unemployed, UI itself may be received by other household members). Rather than focusing on transfers to the unemployed individual, we are looking at the impact of UI versus other transfers in lifting the (equivalent) income of the household in which the unemployed person lives above the poverty line.

To assess the effectiveness of UI versus other cash transfers, we derive two new income concepts: income 'before Unemployment Insurance' and 'income before other transfers'. These are analogous to the 'income before all transfers' employed in Section 3, and calculated in the same way by deducting the relevant component of transfers from disposable household income. Poverty rates based on each of these income aggregates are then derived, again using the same relative income poverty lines (based on mean disposable income). From these poverty rates we estimate the impact which each of these components of cash transfers has on its own in reducing poverty rates for the unemployed, assuming that the other element remains unchanged at its actual level. These estimates are not distinct additive effects of each component on poverty risks, which would in any case depend entirely on an arbitrary assumption about which element 'comes first'. They do however provide a picture of the variation in the relative importance of each element across countries and over time.

Using the 50% relative income line, Table 6 shows the poverty rates for the unemployed before all transfers, before UI only, before other transfers, and after all transfers. These results show that in the mid-1980s, poverty rates in the absence of UI would have been much higher than poverty rates in the absence of other transfers only in Denmark. The converse was true in Germany, Ireland, Sweden and the UK: in that sense, transfers other than UI were more important than UI for the (households of the) unemployed. For France, poverty rates before UI were slightly higher than those before other transfers.

Table 6: Poverty Rates for Unemployed, Before and After Different Types of Transfers, 1980s and 1990s, Poverty Line 50% of Mean Equivalent Income (New/Old OECD Equivalence Scale)

	1980s				1990s			
	Before transfers	Before UI	Before other transfers	After transfers	Before transfers	Before UI	Before other transfers	After transfers
<i>Denmark</i>								
New	58.5	49.3	22.1	7.6	66.6	57.6	23.6	7.6
Old	58.3	48.9	22.2	7.2	66.4	57.4	23.6	7.1
<i>France</i>								
New	41.6	34.0	31.9	23.1	49.0	39.0	36.9	23.3
Old	43.0	34.5	32.4	24.7	49.5	39.0	36.4	23.9
<i>Germany</i>								
New	48.1	32.9	42.4	25.5	55.6	43.1	44.7	37.8
Old	48.0	32.5	42.7	27.6	55.4	41.3	44.6	37.9
<i>Ireland</i>								
New	73.1	54.4	64.7	38.7	79.6	42.9	75.3	33.4
Old	72.9	56.0	64.2	41.7	79.4	39.6	74.9	29.5
<i>Sweden</i>								
New	37.1	27.3	37.1	27.3	62.3	54.1	39.3	30.4
Old	32.6	25.0	32.6	25.0	61.5	54.5	38.2	29.6
<i>UK</i>								
New	53.2	37.2	48.5	32.9	61.0	50.4	59.9	49.4
Old	53.7	36.9	48.9	32.0	61.5	52.0	59.9	50.6

Derived from these figures, Table 7 shows the percentage of the pre-transfer poor lifted out of poverty by the different transfer types. In the mid-1980s, the percentage lifted out of poverty by UI alone is seen to be much less than the percentage lifted out by other transfers in the case of Germany, Ireland, Sweden and UK (indeed in the case of Sweden UI taken alone had little or no impact). In Denmark, on the other hand, UI has a much greater impact than other transfers.

Table 7: Impact of Different Types of Transfers on the Unemployed, 50% Relative Income Line

	1980s			1990s		
	Impact of UI alone	Impact of other transfers alone	Impact of all transfers	Impact of UI alone	Impact of other transfers alone	Impact of all transfers
<i>Denmark</i>						
New	62.2	15.7	87.0	64.6	13.5	88.6
Old	61.9	16.1	87.6	65.5	13.6	89.3
<i>France</i>						
New	23.3	18.3	44.5	24.7	20.4	52.4
Old	24.7	19.8	42.6	26.5	21.2	51.7
<i>Germany</i>						
New	11.8	31.6	47.0	19.6	22.5	32.0
Old	11.0	32.3	42.5	19.5	25.4	31.6
<i>Ireland</i>						
New	11.5	25.6	47.1	5.4	46.1	58.0
Old	11.9	23.2	42.8	5.7	50.1	62.8
<i>Sweden</i>						
New	0	26.4	26.4	36.9	13.2	51.2
Old	0	23.3	23.3	37.9	11.4	51.9
<i>UK</i>						
New	8.8	30.1	38.2	1.8	17.4	19.0
Old	8.9	31.3	40.4	2.6	15.5	17.7

By the mid-1990s, as illustrated in Figure 1 (see the Appendix), the most striking change is that the impact of UI taken alone had fallen very sharply in Ireland and the UK. Indeed in both these countries, most certainly in the UK, UI now has very little impact indeed in lifting the unemployed above the 50% poverty line. These two countries differ markedly however as far as trends in the impact of other transfers are concerned. In the Irish case, other transfers have a much greater impact in the mid-1990s than they did in the mid-1980s, so much so that the overall effectiveness of transfers rose considerably over the period (as seen in the previous section). In the UK, other transfers declined in effectiveness just as much as UI, producing the result already described whereby the overall effectiveness of transfers fell very sharply.

In the other countries, the impact of UI taken alone rose in Germany and especially in Sweden between the mid-1980s and mid-1990s, and remained stable in France and - at a very high level - in Denmark. Other transfers played a smaller role in lifting the unemployed out of poverty in Germany and Sweden, and to some extent in Denmark, in the mid-1990s than in the mid-1980s but remained stable in France. The overall pattern over the period is therefore of little change in the impact of UI versus other transfers, taken alone, in the case of France and Denmark. For Sweden the increase in overall effectiveness of transfers reflected an increasing impact of UI, whereas for Germany the marked decline in overall effectiveness reflected a fall in the impact on poverty of transfers other than UI.

Here also it is important to assess whether these results hold over alternative poverty lines. Table 8 shows the corresponding impact figures with the 60% line (with the underlying poverty rates themselves given in Appendix Table A1). The pattern is very similar indeed to that seen with the 50% line. UI had a greater impact than other transfers in Denmark and to a lesser extent in France, its importance relative to other transfers rose between the mid-1980s and the mid-1990s in Sweden and to a lesser extent in Germany, and the impact of UI declined over the period from an already low base in Ireland and the UK. Once again this was more than offset in the Irish case by an increased impact of other transfers, but compounded in the UK by a fall in the already-low impact of those transfers.

Table 8: Impact of Different Types of Transfers on Percentage of Unemployed in Poverty, 60% Relative Income Line

	1980s			1990s		
	Impact of UI alone	Impact of other transfers alone	Impact of all transfers	Impact of UI alone	Impact of other transfers alone	Impact of all transfers
<i>Denmark</i>						
New	56.4	13.1	78.9	57.8	10.5	82.2
Old	55.7	13.0	81.7	57.7	10.8	83.1
<i>France</i>						
New	18.4	13.9	35.7	20.7	14.3	39.8
Old	20.3	12.0	34.1	21.3	12.1	37.6
<i>Germany</i>						
New	10.2	19.3	29.9	15.4	11.3	16.3
Old	11.3	19.2	29.8	15.9	15.0	20.6
<i>Ireland</i>						
New	6.4	16.4	30.7	2.9	28.9	36.4
Old	6.6	17.6	30.1	3.2	31.8	40.0
<i>Sweden</i>						
New	5.0	21.9	26.0	22.3	7.1	47.5
Old	5.4	21.1	21.1	27.2	3.8	36.4
<i>UK</i>						
New	7.5	12.4	20.3	2.6	5.5	6.7
Old	8.2	14.1	22.5	1.9	7.7	9.7

Turning to the impact results with the 40% relative income line in Table 9 (with underlying poverty rates in Appendix Table A2), the main deviation from the pattern with the higher income lines is that the impact of UI compared with other transfers is lower in Germany in the mid-1990s and in the UK in both periods.

Table 9: Impact of Different Elements of Transfers, 40% Relative Income Line

	1980s			1990s		
	Impact of UI alone	Impact of other transfers alone	Impact of all transfers	Impact of UI alone	Impact of other transfers alone	Impact of all transfers
<i>Denmark</i>						
New	68.0	18.8	92.0	71.0	16.2	93.0
Old	67.9	19.3	92.5	71.0	16.3	93.7
<i>France</i>						
New	30.9	31.3	63.1	32.8	29.4	67.4
Old	29.5	23.8	53.3	32.8	26.1	64.4
<i>Germany</i>						
New	13.6	46.5	66.6	28.8	37.9	44.8
Old	16.0	44.4	71.1	27.0	33.5	45.6
<i>Ireland</i>						
New	23.0	57.6	90.4	9.0	79.1	94.7
Old	20.5	50.6	81.5	8.3	75.0	89.9
<i>Sweden</i>						
New	3.9	19.9	27.0	41.5	24.2	61.5
Old	8.9	40.1	45.3	38.3	25.8	61.5
<i>UK</i>						
New	11.1	68.7	79.6	2.5	43.5	47.3
Old	11.0	61.6	73.0	1.6	40.1	43.9

5. Impact of Transfers by Duration and Gender

Having looked at the effects of cash transfers on poverty rates for the unemployed as a group in each country, we now distinguish among the unemployed on the basis of key characteristics which may influence those effects: the duration of unemployment experienced, and gender. In doing so we present results for poverty rates using only the 50% income line and the 'New' OECD equivalence scale. As far as unemployment duration is concerned, for most countries we focus on duration of the current spell of unemployment, and distinguish where possible durations of up to 6 months, 6-12 months, and 12 months and over. In the case of France, we at this stage are only able to distinguish spells of up to 12 months from those of 12 months and over. In the case of Germany total unemployment experienced in the previous year rather than duration of current spell is used, distinguishing where this total was up to 6 months or 6-12 months. Table 10 shows pre- and post-transfer poverty rates, and the percentage of pre-transfer poor lifted above the 50% line by total transfers, by duration.

This shows first that post-transfer poverty rates are almost invariably higher for longer than shorter durations, Denmark being the exception. Pre-transfer poverty rates are also almost always higher for longer durations, the exception in this instance being Sweden. The effect of transfers, measured by the percentage of pre-transfer poor unemployed lifted above the poverty line by transfers, does not however have a consistent relationship with duration. Transfers are more effective in lifting those with short than long durations out of poverty in the case of Germany and the UK, but the opposite is true for France and Denmark, and effectiveness is greatest for those with intermediate-length durations in Ireland in the mid-1990s.

Table 11 distinguishes the impact of UI and other transfers on the unemployed by duration. In the case of Ireland and the UK, UI has more impact on the shorter rather than longer durations, reflecting the fact that insurance-based transfers are time-limited and most of those with longer durations will have exhausted entitlement. For Denmark, and for France in the mid-1980s, however, UI has a greater impact in lifting the unemployed out of poverty for long rather than short durations. For Germany and for France in the mid-1990s, UI has about the same impact on long as on short durations.

Turning to gender, Table 12 shows pre- and post-transfer poverty rates and the impact of total cash transfers for male and female unemployed, again with the 50% relative income poverty line. Post-transfer poverty rates are about the same for male and female unemployed in Denmark, unemployed women have slightly higher poverty rates in Germany in the mid-1980s, but most often unemployed men have higher post-transfer poverty rates than women. This mostly reflects lower pre-transfer poverty rates for the female unemployed (everywhere except Sweden in the mid-1980s), though cash transfers are also more effective for women in the case of Ireland. (Cash transfers are more effective for men than women for the UK in the mid-1990s, but this is not enough to offset the gap in their pre-transfer poverty rates).

Table 13 looks at the impact of UI versus other transfers by gender. In the case of Denmark and France there is little difference between male and female unemployed in these terms. For Germany both UI and other transfers have less impact for women than men, while for Ireland the opposite is true. For the UK other transfers had a greater impact for women than men in the mid-1980s, but by the mid-1990s this had been reversed.

Table 10: Poverty Rates for Unemployed Before and After Transfers and Impact of Transfers, 1980s and 1990s by Duration, Poverty Line 50% of Mean Equivalent Income (New OECD Equivalence Scale)

	1980s			1990s		
	% poor before transfers	% poor after transfers	% of pre-transfer poor lifted out of poverty	% poor before transfers	% poor after transfers	% of pre-transfer poor lifted out of poverty
<i>Denmark</i>						
<6 months	44.5	8.4	81.1	51.7	9.4	81.8
6-12 months	87.8	6.2	92.9	86.7	5.2	94.0
>12 months	97.4	4.7	95.2	97.1	4.1	95.8
<i>France</i>						
< 12 months	32.6	19.1	41.4	34.2	16.6	51.5
> 12 months	49.7	26.4	46.9	63.0	29.6	53.0
<i>Germany</i>						
<6 months	28.4	13.9	51.1	42.8	28.0	34.6
6-12 months	69.3	37.9	45.3	69.2	48.3	30.2
<i>Ireland</i>						
<6 months	65.8	28.1	57.3	66.9	28.2	57.8
6-12 months	68.2	33.3	51.2	76.0	10.9	85.7
>12 months	76.0	41.8	45.0	85.9	39.1	54.5
<i>Sweden</i>						
<12 months	37.0	28.2	23.8	62.6	30.0	52.1
>12 months	37.5	20.0	46.7	60.0	33.3	44.5
<i>UK</i>						
<6 months	34.5	19.5	43.5	38.5	28.8	25.2
6-12 months	53.1	31.2	41.2	44.9	36.2	19.4
>12 months	70.3	45.6	35.1	77.0	63.9	17.0

Table 11: Impact of Different Types of Transfers on the Unemployed by Duration, 50% Relative Income Line (New OECD Scale)

	1980s			1990s		
	Impact of UI alone	Impact of other transfers alone	Impact of all transfers	Impact of UI alone	Impact of other transfers alone	Impact of all transfers
<i>Denmark</i>						
<6 months	53.3	25.6	81.1	54.9	23.8	81.8
6-12 months	70.7	5.8	92.9	73.5	5.9	94.0
>12 months	75.7	1.1	95.2	73.0	1.1	95.6
<i>France</i>						
< 12 months	14.1	23.0	41.4	26.6	24.0	51.5
> 12 months	29.2	16.5	46.9	27.0	18.9	53.0
<i>Germany</i>						
<6 months	12.3	35.2	51.1	20.3	13.1	34.6
6-12 months	11.8	30.3	45.3	19.1	27.6	30.2
<i>Ireland</i>						
<6 months	24.9	14.7	57.3	10.8	47.1	57.8
6-12 months	13.0	6.6	51.2	9.5	52.6	85.7
>12 months	8.9	32.1	45.0	3.0	45.1	54.5
<i>Sweden</i>						
<12 months	0	23.8	23.8	35.8	13.4	52.1
>12 months	0	46.7	46.7	44.5	0	44.5
<i>UK</i>						
<6 months	16.8	30.1	43.5	1.3	19.0	25.2
6-12 months	22.2	14.9	41.2	6.5	12.9	19.4
>12 months	2.1	34.0	35.1	1.4	17.4	17.0

Table 12: Poverty Rates for Unemployed by Gender Before and After Transfers and Impact of Transfers, 1980s and 1990s, Poverty Line 50% of Mean Equivalent Income (New OECD Equivalence Scale)

	1980s			1990s		
	% poor before transfers	% poor after transfers	% of pre-transfer poor lifted out of poverty	% poor before transfers	% poor after transfers	% of pre-transfer poor lifted out of poverty
<i>Denmark</i>						
Male	58.0	7.4	87.2	67.7	7.8	88.5
Female	58.9	7.9	86.6	65.5	7.4	88.7
<i>France</i>						
Male	45.8	25.9	43.4	57.9	29.5	49.1
Female	38.3	20.5	46.5	42.3	18.6	56.0
<i>Germany</i>						
Male	51.4	23.7	53.9	62.2	42.9	31.0
Female	43.7	27.9	36.2	44.5	29.6	33.5
<i>Ireland</i>						
Male	76.5	42.7	44.2	81.6	38.4	52.9
Female	53.6	15.7	70.7	74.3	19.6	73.6
<i>Sweden</i>						
Male	31.8	30.2	5.0	74.0	35.1	52.6
Female	40.9	24.4	40.3	44.9	23.5	47.7
<i>UK</i>						
Male	61.1	39.2	35.8	66.3	52.0	21.6
Female	37.6	20.3	46.0	51.5	44.9	12.8

Table 13: Impact of Different Types of Transfers on the Unemployed by Gender, 50% Relative Income Line

	1980s			1990s		
	impact of UI alone	impact of other transfers alone	impact of all transfers	impact of UI alone	impact of other transfers alone	impact of all transfers
<i>Denmark</i>						
Male	61.7	14.3	87.2	64.8	11.7	88.5
Female	62.6	16.8	86.6	64.6	15.4	88.7
<i>France</i>						
Male	22.9	19.4	43.4	25.2	14.3	49.1
Female	24.8	18.3	46.5	28.6	27.0	56.0
<i>Germany</i>						
Male	14.4	35.8	53.9	22.7	23.2	31.0
Female	8.0	24.9	36.2	12.4	19.3	33.5
<i>Ireland</i>						
Male	11.2	23.1	44.2	4.8	41.7	52.9
Female	14.0	45.9	70.7	7.5	60.0	73.6
<i>Sweden</i>						
Male	0.0	7.2	5.0	44.5	9.3	52.6
Female	0.0	40.3	40.3	18.3	22.7	47.7
<i>UK</i>						
Male	8.0	28.3	35.8	2.6	19.8	21.6
Female	12.0	35.6	46.0	0.0	11.8	12.8

6. Poverty and the Role of Social Protection

What is the relationship between the results we have presented on the impact of cash transfers on poverty among the unemployed and the nature of the welfare regimes in the different countries included in the study? The relationship between welfare regime and the extent of poverty and unemployment is itself of course highly controversial. Much of this debate, particularly among economists, has concentrated on the links between the level of unemployment and the generosity of welfare provision for the unemployed. In this paper however we have in a sense taken the level of unemployment in different countries or at different points in time as given,

and sought to measure the effectiveness of cash transfers in lifting the unemployed out of poverty. How does this vary with welfare regimes?

Without attempting to review here the various typologies that have been developed for welfare regimes (see for example Esping-Anderson 1990), in the present context the six countries included in the study fall fairly neatly into three groups: Sweden and Denmark represent countries that aim to provide a high level of protection of living standards to all unemployed people, Germany and France have systems based on the protection of living standards of those with longer-term experience of employment and minimum protection for those who have not, and the UK and Ireland have systems of universal minimum protection with an increasing emphasis on means-testing. How well have these different systems responded to the challenges of the changing labour market between the mid-1980s and the mid-1990s?

The results presented in the paper have shown that in the mid-1980s cash transfers were more effective in lifting the pre-transfer poor unemployed out of poverty in Denmark than any of the other countries. Denmark maintained that high level of effectiveness through to the mid-1990s, at which point post-transfer poverty rates (with the 50% relative income line) among the unemployed were still below 10%. The situation in Sweden, where unemployment rose very sharply from a very low level over the period, was quite different. Cash transfers had been relatively ineffective in the early 1980s in dealing with poverty among the small number then unemployed. By the early 1990s transfers had become more effective in those terms, but the post-transfer poverty rate among the unemployed was still much higher than in Denmark at 30% below half average income. (The fact that the data available for Sweden allowed us to cover only up to 1991 is particularly unfortunate, since unemployment had only begun its very rapid increase there at that point).

France and Germany, with broadly similar welfare regimes to one another, also had diverging experiences over the period. In France the effectiveness of cash transfers increased, so post-transfer poverty rates for the unemployed remained stable despite an increase in pre-transfer poverty. For Germany, effectiveness fell so that post-transfer poverty rose quite sharply.

In the final group of Ireland and the UK, the divergence in experience was if anything even more pronounced. The two countries began the period with Ireland having a somewhat more effective cash transfer system for the unemployed but,

because of much higher levels of pre-transfer poverty, still having higher post-transfer poverty among the unemployed. Between the mid-1980s and mid-1990s pre-transfer poverty rose in both countries - as it did in the other four - but transfer systems responded very differently. The Irish cash transfer system became more effective in lifting the pre-transfer poor unemployed out of poverty, while the UK saw a marked decline in the effectiveness of its transfer system. As a result, poverty rose sharply for the unemployed in the UK, whereas it fell in Ireland. The results illustrate how similar institutional structures in terms of broad welfare regime can yet produce radically diverging responses to a changing labour market.

These changes over time in the measured effectiveness of social protection systems in alleviating poverty among the unemployed could reflect changes in the structures of these systems, or could be a product of changes in the demographic make-up of the unemployed themselves. If the composition of the unemployed shifted over time towards groups for which social protection is relatively ineffective, then this could produce a fall in overall effectiveness - and conversely for a shift towards groups for which social protection is relatively effective in the country in question. For example, if the system is less effective in lifting the long-term than the short-term unemployed out of poverty, and the proportion of unemployed who are long-term increases, then this would *ceteris paribus* produce a decline in overall effectiveness.

Changes in the composition of the unemployed in each of the countries included in this study over the period in question have been examined to assess the possible importance of this effect - in terms of both duration and the male/female balance. Changing composition but holding effectiveness fixed for each duration by gender group, one can calculate how overall effectiveness would then have moved over the period. This shows that while there were some significant shifts in composition, this on its own would not have made a major contribution to explaining the observed changes in overall effectiveness. In some countries, indeed, composition shifts would have pushed effectiveness in the opposite direction to that observed - in Ireland, for example, the proportion of the long-term unemployed rose substantially, which would in itself have produced lower effectiveness, whereas in fact as we have seen overall effectiveness rose sharply.

This brings us back to the social protection structures themselves, and the way they changed over the period. Some important structural changes did take place in certain

countries. In the case of France, the most significant was the introduction of the Revenu Minimum d'Insertion (RMI) in 1988, providing a safety-net payment for, among others, some of those without entitlement to unemployment-related income support. Income support for housing costs was also extended over the period and would have become more important for the unemployed. In Sweden, a variety of changes in the unemployment compensation system occurred over the period, but perhaps the most important factor in the current context is that membership in the unemployment insurance funds increased substantially over the past two decades so that a growing fraction of the unemployed has been covered by regular unemployment insurance (Bjorklund and Holmlund, 1989). (As a consequence, the percentage of the unemployed in the samples used here who received unemployment benefits rose from 19% in 1981 to 64% in 1991). In Germany, in 1994 the duration of unemployment assistance was limited in certain circumstances to one year. The UK introduced a series of measures affecting the structure of unemployment compensation: for example in 1988 entitlement to unemployment benefit was tied more closely to recent employment, in 1989 testing that recipients were actively seeking work was made more rigorous. (In 1996, just after the end of our period, unemployment benefit duration was cut from 12 to 6 months and transition to Job Seeker's Allowance set in train). In Denmark, by contrast, the period of entitlement to unemployment benefit was extended in 1994. In Ireland it became easier for women to obtain means-tested unemployment assistance from 1986, leading to increasing numbers in receipt over the 1987-1994 period examined here.

It would be a mistake however to focus entirely on changes in social protection structures in seeking to understand the evolution of anti-poverty effectiveness for the unemployed over the period. In the case of Ireland and the UK, the results in fact illustrate how similar institutional structures, developing over time in quite a similar fashion, can yet produce radically different outcomes. Not only have the UK and Ireland cash transfer systems which are close in structure, each has evolved over the past decade towards greater reliance on means-testing and a reduced role for social insurance-based unemployment compensation. (In the Irish case this largely reflects the growing importance of long-term unemployment bringing about exhaustion of benefit entitlement rather than a deliberate and explicit policy choice as in the UK, but the net result has been a substantial increase in the proportion of the unemployed

relying on means-tested assistance). The crucial difference between the two countries has quite simply been in trends in the level of cash transfer paid relative to other incomes: not how structures were changed, but how the parameters of the systems were operated.

In the Irish case transfers to the unemployed, particularly means-tested support, rose a good deal more rapidly than average household income over the period. This reflected a deliberate policy strategy to concentrate resources on bringing up what were in the mid-1980s the lowest levels of income support, for those relying on means-tested unemployment assistance, which a government commission reporting in 1986 had identified as seriously inadequate (Commission on Social Welfare, 1986). Whereas average household income rose by about 20% in real terms between 1987 and 1994, support rates for the long-term unemployed rose by up to 50%. This, rather than structural changes in the transfer system, was central to the increase in anti-poverty effectiveness (measured against poverty lines which themselves are linked to mean income) seen in the results presented here. In the UK the level of safety-net support lagged significantly behind mean incomes. The analysis of the evolution of transfers in the UK compared with Ireland in Callan and Sutherland (1997) shows that in 1987 the level of safety-net support provided to a couple with three children was about 50% of average weekly earnings in manufacturing in both countries. By 1994, the UK figure had fallen to 43%, whereas for Ireland it had risen to 60%. It is this, rather than the increased role of means-testing per se which had the most direct impact on poverty rates for the unemployed and produced such divergent trends in the two countries.

The results presented in this paper have highlighted the scale of differences in the effectiveness of various European social protection systems in alleviating poverty among the unemployed in the mid-1980s, and in how well they coped with the challenges posed by the labour market in this respect in the subsequent decade. They have shown that similar institutional structures in terms of broad welfare regime can yet produce radically diverging responses to a changing labour market. Differences in the manner in which governments operate within the structure of their welfare regimes, as well as in the nature of those regimes, clearly play a crucial part in understanding the changing effects of social protection. In a framework where income poverty lines linked to average incomes are the point of reference in measuring

poverty among those depending on social protection cash transfers, the extent to which those support levels keep up with increases in incomes in the broader society is of central importance.

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Appendix

Table A1: Poverty Rates for Unemployed, Before and After Transfers, 1980s and 1990s, Poverty Line 60% of Mean Equivalent Income (New/Old OECD Equivalence Scale)

	1980s				1990s			
	before transfers	before UI	before non-UI	after transfers	Before transfers	before UI	before non-UI	after transfers
<i>Denmark</i>								
New	64.7	56.2	28.2	13.0	72.3	64.7	30.5	12.9
Old	64.6	56.2	28.6	11.8	72.3	64.5	30.6	12.2
<i>France</i>								
New	52.7	45.4	43.0	33.9	57.5	49.3	45.6	34.6
Old	53.3	46.9	42.5	35.1	58.7	51.6	46.2	36.6
<i>Germany</i>								
New	56.9	45.9	51.1	39.9	63.0	55.9	53.3	52.7
Old	56.8	45.9	50.4	39.9	62.1	52.8	52.2	49.3
<i>Ireland</i>								
New	77.6	64.9	72.6	53.8	83.0	59.0	80.6	52.8
Old	77.2	63.6	72.1	54.0	84.3	57.5	81.6	50.6
<i>Sweden</i>								
New	46.1	36.0	43.8	34.1	69.1	64.2	53.7	36.3
Old	42.7	33.7	40.4	33.7	65.9	63.4	48.0	41.9
<i>UK</i>								
New	58.7	51.4	54.3	46.8	65.9	62.3	64.2	61.5
Old	58.7	50.4	53.9	45.5	67.2	62.0	65.9	60.7

Table A2: Poverty Rates for Unemployed, Before and After Transfers, 1980s and 1990s, Poverty Line 40% of Mean Equivalent Income (New/Old OECD Equivalence Scale)

	1980s				1990s			
	before transfers	before UI	before non-UI	after transfers	Before transfers	before UI	before non-UI	after transfers
<i>Denmark</i>								
New	52.2	42.4	16.7	4.2	60.3	50.5	17.5	4.2
Old	52.3	42.2	16.8	3.9	60.1	50.3	17.4	3.8
<i>France</i>								
New	32.0	22.0	22.1	11.8	40.2	28.4	27.0	13.1
Old	31.9	24.3	22.5	14.9	40.2	29.7	27.0	14.3
<i>Germany</i>								
New	41.3	22.1	35.7	13.8	45.1	28.0	32.1	24.9
Old	41.2	22.9	34.6	11.9	44.5	29.6	32.5	24.2
<i>Ireland</i>								
New	69.5	29.5	53.5	6.7	74.8	15.6	68.1	4.0
Old	70.4	34.8	56.0	13.0	75.1	18.8	68.9	7.6
<i>Sweden</i>								
New	28.1	22.5	27.0	20.5	50.4	38.2	29.5	19.4
Old	24.7	14.8	22.5	13.5	50.4	37.4	31.1	19.4
<i>UK</i>								
New	48.5	15.2	43.1	9.9	55.0	31.1	53.6	29.0
Old	48.2	18.5	42.9	13.0	56.1	33.6	55.2	31.5

Figure 1: Impact of Different Types of Transfers on Poverty Among the Unemployed, 50% Relative Income Line, mid-1990s (new OECD scale)

