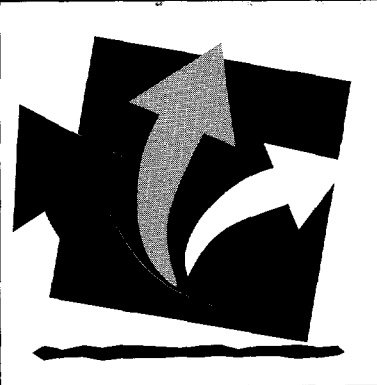


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Unemployment Benefits

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**Zafiris Tzannatos
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* World Bank. The views are of the authors and should not be attributed to the World Bank or the countries they represent.

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UNEMPLOYMENT BENEFITS

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ABSTRACT

This paper summarizes key aspects of unemployment benefit schemes across the world and presents information on their characteristics in a cross-country comparative context. Unemployment benefit schemes can be of insurance type (paid from employer/worker contributions to provide insurance against "the risk of becoming unemployed") or assistance type (means tested paid to the unemployed poor). Their characteristics include coverage, eligibility conditions, source of funds, benefit levels and administration. These characteristics differ not only across economies but also over time in the same country as governments strive to tune unemployment policies to macro and labor conditions. Therefore, the reader should consider the information in this paper as approximately correct at the time of printing and should refer to the indicated sources for greater reliability.

UNEMPLOYMENT BENEFITS

Introduction

Unemployment is seen as an issue of policy concern because it deprives workers (and their families) of labor income and decreases their current consumption and welfare. It also deprives the economy from the potential contribution of unemployed workers' labor to total output. Policies that increase employment and provide income support to those remaining unemployed can therefore be output and welfare increasing.

Unemployment benefits are, however, one of the most controversial of social policies. Arguments against such benefits include:

- the fact that unemployment is not harmful in itself (compared, for example, with injury or disability);
- unemployment is preventable in the sense that particular individuals can avoid it by lowering their reservation wages (that is, that wage below which an individual is unwilling to work);
- unemployment benefits may simply crowd out private savings.

It can therefore be argued that unemployment benefits make the economy suffer a deadweight loss because taxes must be raised to finance them, yet the welfare of workers receiving these benefits is unchanged.

In defense for unemployment benefits, four theoretical arguments (with some empirical counter-arguments) can be given to justify some income support to the unemployed:

- *the deadweight loss argument* assumes that the variability of workers' income and their families' welfare cannot be fully offset by precautionary savings due to reasons of myopia. Benefits are seen as a way to reduce this variability but are workers/families really myopic?
- *the efficiency argument* is that benefits can improve the allocation of labor by enabling the worker to hold out for higher-wage offers. This was one of the justifications for the introduction/expansion of unemployment benefits in OECD countries during the post-war period of Keynesian/full-employment conditions but how relevant can this argument be in

developing countries with surplus labor or in industrialized countries after the recent improvements in information technology?

- *the poverty argument* assumes that the unemployed are among the poorest and that benefits can prevent consumption from dropping below some critical level. However, evidence from industrial countries suggests that unemployment benefits are paid mainly to those at somewhat below the median income whereas those in the bottom two income deciles get little.
- *the political economic argument* holds that in the specific case of massive layoffs during adjustment or transition, some form of unemployment benefits can reduce workers' resistance to costs due to restructuring and facilitate transition.

Thus, there can be three objectives of unemployment benefits:

- risk management in the sense that benefit insure the worker against the risk of loss of income (due to loss of employment) – in which case one can talk of unemployment *insurance*;
- income maintenance/prevention of poverty – in which case one can talk of unemployment *assistance*;
- *political* considerations.

Many unemployment benefit schemes are based on more than one reason and have multiple objectives. However, from an economist's point of view, none of above reasons by itself justifies public involvement in unemployment insurance. An additional argument is required: that private schemes *cannot insure against the common risk* of widespread recession. In practice, only a minority of countries that have some type of a social security program have also an unemployment benefit scheme in place (68 out of 172 in 1997) – though there has been a rising trend especially in the 1980s and 1990s (Table).

Number Of Countries By Type Of Social Security Program: Selected Years

Type of program	1940	1949	1958	1967	1977	1987	1997
Any type	57	58	80	120	129	141	172
Unemployment	21	22	26	34	38	40	68

Source: *Social Security Programs Throughout the World 1997*. Social Security Administration (USA)

Empirical evidence generally confirms the positive relationship between the generosity of benefits, in terms of levels and eligibility, and the unemployment rate. This effect comes primarily through an increase in the duration of unemployment rather than the incidence of unemployment. That is, the availability of benefits does not induce workers to stop working but reduces the pressure for re-employment, once unemployed. The adverse effect of unemployment benefits on work incentives, although positive and statistically significant, is not always found to be large but seems to be more dependent on overall macroeconomic conditions.

Design Features of Unemployment Benefits

There are several considerations to be taken into account in the design of unemployment insurance:

- although unemployment insurance should help the unemployed and their families to maintain a socially defined level of consumption (*the benefit adequacy principle*), the level set must not create an undue disincentive to work. This generally requires benefits to be low (for example, below the minimum wage but equal to some agreed poverty line). The correct balance is hard to determine;
- unemployment programs can incorporate some waiting periods, for example, benefits may not be paid during the first few weeks of unemployment;
- eligibility can be reduced by including disqualification clauses (for instance, because of employee fault). Similar arguments apply with respect to the duration of benefits which can be limited to, say, six or nine months;
- when the objective of unemployment benefits is to increase the acceptability of reforms by reducing worker resistance to retrenchment in the short run, their costs and benefits should be examined against their fiscal implications and effects on poverty. In this case, alternative policy instruments should be considered (such as severance awards, means-tested social assistance, family and child benefits, and other public social spending on education and health).

Even if the right combination of policy characteristics could be determined, the question of whether an unemployment benefit scheme *should be introduced* remains unanswered. In general, informal

insurance mechanisms will be relatively more important (compared with government-mandated schemes) in the least developed countries, where unemployment is hardly a meaningful concept amidst predominantly subsistence activities, and the formal sector is small, the tax base is lacking, and "social" security takes the "private" form of extended family networks.

In countries with unemployment schemes or those contemplating the introduction of a scheme, the following questions must be answered:

- should benefits be financed from workers' pay, employers' payroll taxes, or general taxes?
- should contributions be set at a flat rate or be earnings-related?
- who should receive coverage?
- should unions or the government administer the unemployment insurance scheme?
- how should the formal and informal sectors be treated?
- what other mechanisms/policies are in place that affect incentives, welfare, and saving?

A Database of Unemployment Benefits Schemes

Next we present the main features of unemployment schemes in OECD and non-OECD economies including type of program, coverage, source of funds, conditions, benefits and administration as reported in *Social Security Programs Throughout the World –1997* published by the US Social Security Administration, Office of Research, Evaluation and Statistics: Research Report #65, SSA Publication No. 13-11805, August 1997.¹ In the tables that follow, we reproduce selected information in a tabulated form again from the aforementioned publication.

Type of Program

Unemployment programs exist mainly in industrialized countries. They are often compulsory and fairly broad in scope. Some restrict benefits to those who satisfy a means test or income test. Besides the programs offering scheduled payments, a number of countries provide lump sum

grants, payable either by a government agency or by the employer. In addition, employers in many instances are required to pay lump sum severance indemnities to discharged workers.

Coverage

About half the compulsory unemployment programs cover the majority of employed persons, regardless of the type of industry. Coverage under the remaining programs is usually limited to workers in industry and commerce and, for example, exclude agriculture or domestic service. A few also exclude salaried employees earnings more than a specified amount. Some have special provisions covering temporary and seasonal employees. Special occupational unemployment programs - most typically for workers in the building trades, dockworkers, railway employees and seafarers - are found in several countries.

Voluntary insurance systems are limited to industries in which labor unions have established unemployment funds. Membership in these funds is usually compulsory for union members in a covered industry and may be open on a voluntary basis to nonunion employees. Non-insured workers (for example, recent school graduated or the self-employed) are at times eligible for a government-subsidized assistance benefit when they become unemployed.

Source of Funds

The methods used to finance unemployment insurance are usually the same as those for other branches of social insurance - contributions amounting to a fixed percentage of covered wages are paid on a scheduled basis. In many cases, the government also grants a subsidy, particularly for extended benefits.

Unemployment insurance contributions often are shared equally between employees and employers; alternatively, the entire contribution may be made by the employer. However, government subsidies may be quite large, amounting in some cases to as much as two-thirds of

¹ An internet version of this publication is available at: www.ssa.gov/statistics/ores_home.html.

the program's expenditures. Means-tested unemployment assistance programs are financed entirely by governments, with no employer or employee contribution.

Conditions

To qualify, a worker must be involuntarily unemployed and have completed a minimum period of contributions or covered employment. The most common qualifying period is 6 months of coverage within the year before employment ceased. In some industrialized countries, students may be eligible without a work record, particularly in periods of recession.

Nearly all programs require that applicants be capable and available for work and registered for work at an employment office. An unemployed worker who refuses a suitable job offer without good cause is usually suspended. Nearly all systems disqualify a worker who left voluntarily without good cause, was dismissed due to misconduct, or participated in a labor dispute leading to a work stoppage that caused the unemployment. The period of disqualification varies considerably, from a few weeks to permanent disqualification.

Benefits

Weekly benefits are usually a percentage of average wages during a recent period. A system of wage classes rather than a single fixed percentage is sometimes used. The basic rate of unemployment benefits is usually between 40 and 75 percent of average earnings. However, a ceiling on the wages used for benefit computations or maximum benefit provisions may considerably narrow the range within which the basic percentage of wages applies. There is usually a waiting period of several days before unemployment benefits become payable to reduce the administrative burden of dealing with a very large number of small claims. Most countries place a limit on the period during which benefits can be continuously drawn. This limit may vary from 8 to 36 weeks, or longer.

Administration

Unemployment insurance systems may be administered by government departments of self-governing institutions that are usually managed by representatives of insured persons, employers, and the government. Unemployment insurance and placement service programs usually maintain a close administrative relationship that ensures benefits be paid only to workers who are registered for employment. At the same time, this liaison increases the effectiveness of the placement services by providing an incentive, through payment of benefits, for unemployed persons to register and report regularly.

TABLE 1
TYPE OF PROGRAM, COVERAGE AND FUNDING SOURCES
OECD COUNTRIES

Country	Type of Program	Coverage	Source: Employee	Source: Employment	Source Government
Australia	Unemployment assistance	Gainfully employed persons (also payable to those not previously gainfully employed who meet qualifying conditions).	None.	None.	Entire cost from general revenues.
Austria	Compulsory insurance	Employed persons earning 3,740 schillings or more a month and apprentices. Exclusions: Public employees. Special system for construction workers.	3% of earnings	3% of payroll	Any deficit and cost of emergency assistance
Belgium	Social insurance system	Employed persons	0.87% of earnings.	1.46% of earnings. Financing of additional unemployment benefits is in the framework of prepension collective agreements.	Any deficit.
Canada	Social insurance system.	All wage and salary earners, including federal government employees; also, self-employed fishermen. Exclusions: All other self-employed persons. Voluntary coverage for provincial government employees with consent of provincial government.	2.9% of insured earnings.	1.4 times insured person's rate.	None. Maximum yearly insured earnings: C\$37,000.
Denmark	Subsidized voluntary insurance system.	Self-employed, and employees aged 16-65, young persons who have completed 18 months vocational training, admitted to approved unemployment funds established voluntarily by trade unions in industry, commerce, office work, agriculture, handicrafts, catering, transport and quarrying.	Membership contribution for the unemployment fund.	A part of the supplementary 3% value-added tax base of the enterprise.	Cost above insured person's and employer contributions. Costs partially recouped from labor market contribution paid by employees and self-employed from 01/95.

TABLE 1 (Continued)
TYPE OF PROGRAM, COVERAGE AND FUNDING SOURCES
OECD COUNTRIES

Country	Type of Program	Coverage	Source: Employee	Source: Employment	Source: Government
Finland	Dual subsidized voluntary insurance and unemployment assistance systems.	Gainfully employed workers aged 17-64.	About 5.5% of unemployment funds' expenditures.	47% of unemployment funds' expenditures, payable through Central Fund that coordinates payments to individual funds.	Cost of basic benefits; 47.5% of unemployment fund' s expenditures. Unemployment assistance is fully financed by the government
France	Dual compulsory employee-employer and government-funded system.	Unemployment insurance: Employed persons. Special systems for building and dock workers, merchant seamen, aviators, domestic workers, seasonal workers and public sector workers. Solidarity program: Young job seekers; recently widowed, divorced, separated, or single women with 1 or more children; recently discharged military veterans; prisoners; apprentices; long-term unemployed having exhausted unemployment insurance.	3.01% of monthly earnings up to 13,720 francs. 3.60% of earnings between 13,720 and 60,320 francs.	5.13% of payroll up to 13,720 francs and 5.26% for higher amounts.	Whole cost of solidarity program. Maximum earnings for contribution and benefit purposes: 54,880 francs a month. (Supplementary contributions by employer and employee for supervisory personnel).
Germany	Compulsory insurance program.	Employed persons, including homeworkers, apprentices and trainees; also includes other groups (including participants in occupational training schemes). Exclusions: Short-term employment	3.25% of earnings	3.25% of earnings	Subsidies under employment promotion law and for any deficit; also cost of unemployment assistance and social insurance contributions for unemployed. Maximum earnings for contribution and benefit purposes: DM 98,400 a year(E-DM 85,200).

TABLE 1 (Continued)
TYPE OF PROGRAM, COVERAGE AND FUNDING SOURCES
OECD COUNTRIES

Country	Type of Program	Coverage	Source: Employee	Source: Employment	Source: Government
Greece	Social insurance system.	Employees in industry, commerce, and related occupations. Special systems for seamen and printing workers.	1.33% of earnings.	2.67% of payroll.	None. Maximum earnings for contribution and benefit purposes: 6,069,000 drachmas a year.
Iceland	Social insurance	Employed and self employed persons	None.	1.35% of payroll	None
Ireland	Dual social insurance and assistance (means-tested) system.	Employees under age 66. Exclusions: Certain part-time employees, self-employed, and public employees hired before 04/04/95 and domestic workers.	None, if weekly earnings 180 or less; 5.50% 180 per week, if weekly earnings 180.01-188 (up to 122,300 in annual earnings); additional 2.25% of weekly earnings (no contribution ceiling), if weekly earning over 1188. Self employed (old age and survivor benefits only): 5% of covered weekly earnings over 120 per week (up to 122,300 in annual earnings), if weekly earnings 1188 or less; add. 2.25% of earnings if weekly earnings over 1188 (min. yearly contribution, 1215).	8.5% of payroll per employee if weekly earnings 1250 or less; 12% if weekly earnings in excess of 1250. Ceiling for contribution purposes: 126,800 in annual payroll. Additional 0.25% of covered payroll for apprenticeship training if employer in construction, printing and paper, motor and engineering (not electronic). Earnings ceiling for contribution purposes 126,800.	Any deficit. Entire cost of means-tested assistance

TABLE 1 (Continued)
TYPE OF PROGRAM, COVERAGE AND FUNDING SOURCES
OECD COUNTRIES

Country	Type of Program	Coverage	Source: Employee	Source: Employment	Source: Government
Israel	Social insurance system.	Employees aged 18 and over, and under pensionable age; age 15-18 if partially supporting parents, or without parents and undergoing vocational training.	Employee, 0.15% of earnings.	0.04% of payroll.	0.11% of payroll.
Italy	Compulsory insurance system.	Employees in private employment. Workers in construction also covered for special supplementary benefit.	None.	1.61% (indust. managers) or 1.91% (industry + commerce) of payroll. Industrial employers also pay 0.3% (0.8% in construction) of payroll for special unemploy. + 2.2% of payroll (1.9% for firms with < than 50 workers) for wage supplement fund.	Administrative costs plus subsidies for agricultural workers, youth employment, and wage supplement fund. Minimum earnings for contribution purposes: 62,729 lire a day for workers in industry. No maximum.
Japan	Social insurance system.	Employees of all enterprises not included under voluntary coverage or special systems. Exclusions: Older workers employed at age 65 or over, and seasonal workers whose term of employment is 4 months or less. Voluntary coverage for employees in agricultural, forestry and fisheries with less than 5 regular employees. Special systems for day laborers, seamen, and public employees.	0.4% of earnings	0.75% of payroll (0.95%-10.5% for seasonal or construction workers, respectively).	25% of benefit costs and cost of administration.
Luxembourg	Social insurance	Employed persons, self employed persons under certain conditions, recent graduates of schools and those who have completed vocational training, aged 16-24.	2.5% special solidarity tax	None	Degree of financing set on a yearly basis by legislation.

TABLE 1 (Continued)
TYPE OF PROGRAM, COVERAGE AND FUNDING SOURCES
OECD COUNTRIES

Country	Type of Program	Coverage	Source: Employee	Source: Employment	Source: Government
Netherlands	Dual social insurance and unemployment assistance systems	Employed persons. Special system for public employees.	Average 2.20% of earnings, according to industry.	Average of 5.05% of payroll, according to industry.	None. Maximum earnings for contribution and benefit purposes: 289 guilders/day.
New Zealand	Unemployment assistance system.	Every person under qualifying age for superannuation who is unemployed and actively seeking employment. Exclusions: Pensioners and full-time students. Training benefits paid to those in approved courses. "Independent Youth" or "Job Search" allowances paid to 16-17 year olds who cannot be supported by their parents or have finished an approved training course.	None.	None.	Entire cost financed from general revenues.
Norway	Social insurance system.	Employees (including public employees) and seamen. Self-employed aged 64 and over only under special circumstances.	7.8% of income (reduced to 3% of income including payments in kind, lodging or pension if under age 16 or over age 69); self employed, 10.7% of income up to 12 times base amount, plus 7.8% of income exceeding 12 times base amount.	14.1% of wage. contribution rates reduced in certain geographic areas.	Any deficit. No earnings limit for contribution purposes. Above contributions also finance sickness and maternity, work injury and unemployment programs. contributions from employees and the self-employed are calculated on the basis of pensionable income (gross wage income including cash sickness, maternity, and unemployment benefits) in excess of 17,000 kroner/year; however, contributions may not exceed 25% of annual income above 17,000 kroner.

TABLE 1 (Continued)
TYPE OF PROGRAM, COVERAGE AND FUNDING SOURCES
OECD COUNTRIES

Country	Type of Program	Coverage	Source: Employee	Source: Employment	Source: Government
Portugal	Social insurance system and social assistance system.	Employed persons and persons seeking first employment. Exclusions: Self-employed, domestic employees and temporary and occasional employees.	11% of earnings. Self-employed, 25.4% for mandatory coverage and 32% for voluntary coverage.	23.75% of payroll. Includes 0.5% to cover employment-related illness.	Subsidy for social pension and health care. The combined contribution is divided between the different branches as follows: old age 13.9%; disability 6.9%; survivors 4.1%; sickness 3.3%; maternity 0.5% work injury (employment related illness only) 0.5%; unemployment 3.5%; and family allowances 2.8%.
Spain	Compulsory insurance system.	Employees in industry and services, railway employees, miners, and seamen. Also covers some other small categories, such as paroled prisoners. Exclusions: self-employed; short term and casual employees. Special systems for agricultural workers and members of cooperatives.	1.6% of covered earnings, according to 11 occupational classes.	6.2% of payroll, based on wage classes that vary according to 11 occupational classes.	Variable subsidies. Maximum earnings for contributions and benefit purposes: 300,660 to 384,630 pesetas a month (separate ceilings for each occupational class).

TABLE 1 (Continued)
TYPE OF PROGRAM, COVERAGE AND FUNDING SOURCES
OECD COUNTRIES

Country	Type of Program	Coverage	Source: Employee	Source: Government	Government
Sweden	Dual subsidized voluntary insurance and labor-market cash benefit systems.	Unemployment insurance program: Employees and self-employed belonging to unemployment funds established voluntarily by trade unions and by organizations for self employed. Membership in fund usually compulsory for union members, but must also be open to voluntary affiliation of any employee in industry concerned. About 80% of all employees now belong to funds. Labor market cash benefit program: Employees and persons seeking employment if over age 20 and ineligible for unemployment insurance program.	Unemployment insurance program: 33-100 kronor/month, according to fund (covers about 3% of cost); labor market cash benefit program, no contribution.	Unemployment insurance program and labor market cash benefit program, 5.42% of payroll.	No contribution. Deficit in funds temporarily covered by government.
Switzerland	Social insurance system.	Employed persons.	1.5 % of earnings.	1.5 % of payroll.	2% of expenditure plus federal and cantonal low-interest loans to cover deficits. Maximum earnings for contribution and benefit purposes: 97,200 francs a year.
Turkey		Employees in industry, commerce and service sector.		Labor code requires employer to pay dismissal indemnity of 30 days' wages per year of service.	

TABLE 1 (Continued)
TYPE OF PROGRAM, COVERAGE AND FUNDING SOURCES
OECD COUNTRIES

Country	Type of Program	Coverage	Source: Employee	Source: Employment	Source: Government
United Kingdom	Dual social insurance and social assistance system.	Employed persons whose earnings are 62.00 a week or more. Exclusion: Self-employed, and certain married women and widows paying reduced contributions (see pension contributions).	Employees, 2% on 1st 62.00 a week plus 10% on weekly earnings between 62. and 465. (certain married women and widows pay 3.85%). If contracted out of state earnings-related pension scheme (SERPS), 2% on 1st 62./week plus 8.4% on weekly earnings between 62. and 465. Self employed, flat rate 6.15/week plus 6% of net income between 7,010 and 24,180/year. Voluntary contributors: flat rate of 6.05%/week.	3-10% of employee's total earnings according to wage bracket. 3-10% on weekly earnings over 62. if contracted out of SERPS.	Full cost of income-tested allowances. Max. earnings for contribution purposes (except for employers, self employed and non-employed) 465./week. Min., 62. Employee and employer contribution cover all benefits (including sickness, maternity, work injury and unemployment benefits and part of medical services). Self employed cover all but unemployment benefit.
United States	Compulsory insurance systems.	Employees of firms in industry and commerce. Employees of nonprofit organizations with 4 or more employees during 20 weeks in a year. Almost all state and local government workers, domestics, and 2/5 of farm workers are covered. Exclusions: Some agricultural employees, employees of religious organizations, casual employees, family labor, and self-employed. Special Federal programs for railroad employees, Federal employees, and ex-service persons.	None (except in Alaska, New Jersey and Pennsylvania).	Federal tax, 0.8% of taxable payroll (6.2% basic rate less basic rate up to 5.4% state contributions; includes temporary basic rate of 0.2%). State programs: Basic rate, in most states 5.4%; actual rates varying from 0-10% according to individual employer's experience	Federal Government pays for administration of state programs from above Federal tax (balance used for loans to states or to finance extended benefit program).

**TABLE 1A
TYPE OF PROGRAM, COVERAGE AND FUNDING SOURCES
NON-OECD COUNTRIES**

Country	Type of Program	Coverage	Source: Employee (earnings)	Source: Employer (payroll)	Source: Government
Albania	Social insurance	Employees		6%	Covers deficit
Algeria	Social insurance	Salaried workers in the economic sector who are laid off	1.5%	2.5%	
Argentina	Social insurance	Employed persons	1%	1.5%	
Armenia	Social insurance	Residents aged 14-59 (men) or 14-54 (women)	1%	35%	Subsidies as needed
Azerbaijan	Social insurance	Working age citizens		2%	Subsidies as needed
Bangladesh ¹		Workers in shops and commercial and industrial establishments		Total cost	
Barbados	Social insurance	Employed persons, including public employees and self employed. Exclusions: unpaid family labor	1.5%	1.5%	
Belarus	Social insurance	Citizens aged 16-59 (men) or 16-54 (women) residing permanently in the Republic		1% ²	Subsidies as needed
Brazil	Social insurance ³	Employed persons			Total cost
Bulgaria	Compulsory insurance	Employed persons, graduates of vocational schools and schools of higher education		5%	Covers cost of benefits for unemployed government workers and graduates of vocational schools and higher education
Chile	Employment related program	Employed persons			Total cost
China	Social insurance	Permanent and contract workers in state enterprises		0.6%-1% ⁴	Subsidies
Croatia	Social insurance	Employed persons, public employees and military personnel	0.85%	0.85%	Periodic subsidies

TABLE 1A (Continued)
TYPE OF PROGRAM, COVERAGE AND FUNDING SOURCES
NON-OECD COUNTRIES

Country	Type of Program	Coverage	Source: Employee (earnings)	Source: Employer (payroll)	Source: Government	Administration
Cyprus	Social insurance	Employed persons aged 16-23 (including voluntarily insured persons who work for Cypriot employers abroad). Employed persons between 64-65 are covered only if they are not entitled to old age pension	6.3% ⁵	6.3%	4% of earnings	Ministry of Labor and Social Insurance
Czech Rep.	Social insurance	Citizens, at least 15 years old and capable of working	0.4%	3.2%	Any deficit	Ministry of Labor and Social Affairs
Ecuador	Social insurance	Employees in private and public sectors. Exclusions: Volunteers	2%	1%		Ministry of Social Welfare
Egypt	Compulsory insurance	Employed persons. Exclusions: Casual agricultural workers, domestic servants, family labor, public employees and employees over age 60		2%	Any deficit	Ministry of Social Insurance

TABLE 1A (Continued)
TYPE OF PROGRAM, COVERAGE AND FUNDING SOURCES
NON-OECD COUNTRIES

Country	Type of Program	Coverage	Source: Employee (earnings)	Source: Employer (payroll)	Source: Government	Administration
Estonia	Unemploy. assistance	Permanent residents aged 16 or over (up to pensionable age) who are capable of gainful activity			Total cost	Ministry of Social Affairs
Georgia	Social insurance	Citizens aged 16-59 (men) or 16-54 (women)		3%	Subsidies as needed	Republic Ministry of Labor and Social Protection
Guernsey	Social insurance	Employed persons whose earnings are 65./week or more but excluding married women and widows opting to pay reduced rate contributions	4.5% ⁶	5.4% ⁶	Grant equals 57% of contribution receipts	Guernsey Social Security Authority
Hong Kong	Social assistance	Residents of limited income aged 15-59			Total cost	Social Welfare Department
Hungary	Unemploy. assistance	Wage earners and salaried employees	1.5%	5%		Ministry of Labor
Iran	Social insurance	Persons covered under social security law. Exclusions: self employed, voluntary insured persons, retired persons, the totally disabled, those covered under construction workers' insurance.		3%	Any deficit	Ministry of Labor

TABLE 1A (Continued)
TYPE OF PROGRAM, COVERAGE AND FUNDING SOURCES
NON-OECD COUNTRIES

Country	Type of Program	Coverage	Source: Employee (earnings)	Source: Employer (payroll)	Source: Government	Administration
Israel	Social insurance	Employees aged 18 and over and under pensionable age; age 15-18 if partially supporting parents or without parents and undergoing vocational training	0.15%	0.04%	0.11% of payroll	Ministry of Labor and Social Affairs
Jersey	Social assistance	5 years' residence in Jersey			Local taxes and general revenue	12 individual Parish authorities
Kyrgyzstan	Social insurance	Citizens aged 16-59 (men) and 16-54 (women)	0.5%	1.5%	Subsidies as needed	Republic Employment Service
Latvia	Social insurance	Unemployed, persons leaving state care or active state service, prison inmates, mothers or other persons after taking care of a child of prescribed age, apprentices, if insurance contributions have been paid for not less than 9 months, or persons who have regained the ability to work after disability or taking care of a disabled child	9%	28%	Special categories ⁷	Ministry of Welfare

TABLE 1A (Continued)
TYPE OF PROGRAM, COVERAGE AND FUNDING SOURCES
NON-OECD COUNTRIES

Country	Type of Program	Coverage	Source: Employee (earnings)	Source: Employer (payroll)	Source: Government	Administration
Liechtenstein	Social insurance	Compulsory coverage of employed persons with exception of married women, paid domestic workers and agricultural workers. Voluntary insurance for all insurable persons.	0.25%	0.25%	Guaranteed funds	National Unemployment Insurance Fund
Lithuania	Social insurance	Employed worker		23% ⁸	Any deficit	Ministry of Social Security
Luxembourg	Social insurance	Employed persons, self employed persons under certain conditions, recent graduates of schools and those who have completed vocational training, aged 16-24.	2.5% solidarity tax		Financing set annually by legislation	Ministry of Labor
Malta	Social insurance	Employed persons	8.3%	10%	50% of total contributions	Ministry of Social Welfare
Moldova	Social insurance	Citizens aged 18-59 (men) or 18-54 (women)		38% ⁹		Ministry of Labor and Social Protection
Poland	Social insurance	Employed persons		3%	Any deficit	Ministry of Labor and Social Policy

TABLE 1A (Continued)
TYPE OF PROGRAM, COVERAGE AND FUNDING SOURCES
NON-OECD COUNTRIES

Country	Type of Program	Coverage	Source: Employee (earnings)	Source: Employer (payroll)	Source: Government	Administration
Romania	Social insurance	Employed persons and others professional categories provided by law. job seekers aged over 18 or newly discharged from military or newly graduated from school or university who cannot find suitable employment.	1%	5%	Any deficit	Ministry of Labor and Social Protection
Russia	Dual social insurance	Citizens aged 16-59 (men) or 16-54 (women)		2%	Subsidies as needed	Russian Federation Federal Employment Service
Serbia and Montenegro	Unemploy. assistance	Employed persons	Varies. Max. 1.2%	Max. 1.2%		Unemployment funds
Slovak Republic	Social insurance	Citizens, at least 15 years old and capable of working	1% ¹⁰	3%	Funds special programs	Employment Fund
Slovenia	Unemploy. assistance	Employed persons in industry, commerce and agriculture public employees and members of handicraft and fishery cooperatives	0.06%	0.06% ¹¹	Subsidies	Employment agencies

TABLE 1A (Continued)
TYPE OF PROGRAM, COVERAGE AND FUNDING SOURCES
NON-OECD COUNTRIES

Country	Type of Program	Coverage	Source: Employee (earnings)	Source: Employer (payroll)	Source: Government	Administration
South Africa	Compulsory insurance	Employees earning 76,752 R/year or less. Exclusions: Domestic servants, homeworkers, family labor and casual or temporary workers employed for less than 8 hours/week.	1.0%	1.0% ¹¹		Department of Labor
Tunisia	Unemploy. assistance	All nonagricultural salaried employees covered under National Social Security Fund.			Entire cost	Ministry of Social Affairs
Turkmenistan	Social insurance	Permanent residents of working age		2%	Subsidies as needed	State Employment Service
Ukraine	Social insurance	Working age citizens. Special provisions for victims of Chernobyl.		3%	Subsidies as needed	Ministry of Labor
Uruguay	Social insurance	Employees in industry and commerce. Exclusions: Bank employees, agricultural workers and domestics.	15% ¹²	12.5% ¹³	No specified amount	Ministry of Labor and Social Security
Uzbekistan	Social insurance	Working age citizens		3%	Subsidies as needed	Employment Service

TABLE 1A (Continued)
TYPE OF PROGRAM, COVERAGE AND FUNDING SOURCES
NON-OECD COUNTRIES

Country	Type of Program	Coverage	Source: Employee (earnings)	Source: Employer (payroll)	Source: Government	Administration
Venezuela	Compulsory insurance	Employees in private and public employment. Exclusions: temporary and casual workers, homeworkers and domestics	0.70%	1.50%		Ministry of Labor

NOTES TO TABLE 1A

1. The Employment of Labour Act of 1965 provides for payment of compensation in the form of termination benefit; retrenchment and lay-off benefit; and benefit arising out of discharge from service on grounds of ill-health.
2. 0.5% in agriculture sector.
3. In addition, employees have access to savings account to which employers contribute 8% of earnings. Beneficiary has access in the event of unemployment, marriage, retirement and other contingencies.
4. Depending on local government provisions.
5. If self employed, 11.6%, voluntarily covered, 10% of earnings.
6. 4.5% of earnings up to maximum of 444.00 per week (18% for employed married women and widows opting out). Self employed, 8.9% of earnings; non-employed, 7.3% of annual income: both up to maximum annual earnings of 23,088. Same maximum of 444.00 per week applied for employer contribution.
7. For special categories such as persons in state care or active state service, prison inmates, mothers caring for a child of prescribed age and apprentices.
8. This deduction supports pensions, the social insurance budget finances the other social insurance programs. Of this 23% deduction, 1.6% is transferred to the unemployment fund.
9. 38% of payroll for agriculture and industry, 30% for State budget supported organizations and 4.7% for charitable organizations and shelter workshops.
10. Self employed, 4%.
11. 0.06% of earnings.
12. 15% of earnings in industry and commerce; rural workers, 16% of earnings; public employees, 15%. Contributions split between social insurance system and individual account.
13. 12.5% of payroll in industry and commerce; rural workers, contribution based on level of production.

TABLE 2
DETAILED INFORMATION ON
TYPE OF SYSTEM, FUNDING SOURCES AND ADMINISTRATION
OECD COUNTRIES

Country	Type of System	Source: Employee (Earnings)	Source: Employer (Payroll)	Source: Government	General Administration
Australia	Unemployment assistance			Total cost	Public sector delivery agency
Austria	Compulsory insurance	3.0%	3.0%	Any deficit and cost of emergency assistance	Ministry of Labor and Social Affairs
Belgium	Social insurance	0.87%	1.46 ¹	Any deficit	Ministry of Employment and Labor
Canada	Social insurance	2.9%	1.4 times the insured person's rate		Human Resources Development Canada
Denmark	Subsidized voluntary insurance	Membership contribution for unemployment fund	Part of 3% value-added tax base of enterprise	Any deficit	Ministry of Labor and National Employment Office
Finland	Dual subsidized voluntary insurance and unemployment assistance systems	5.5% ²	47% ²	Cost of basic benefits. 47.5% of unemployment funds' expenditure	Ministry of Social Affairs and Health
France	Dual compulsory employee-employer and government funded system	3.01% -3.60%	5.13%-5.26%	Total cost of solidarity program	UNEDIC-ASSEDIC ³
Germany	Compulsory insurance	3.25%	3.25% ¹	Any deficit	Federal Ministry of Labor and Social Affairs
Greece	Social insurance	1.33%	2.67		Ministry of Labor
Iceland	Social insurance		1.35%		Ministry of Social Affairs
Ireland	Dual social insurance and assistance systems	5.50% ⁴	8.5% ⁴	Any deficit and cost of means tested allowances	Dept. of Social Welfare

TABLE 2 (Continued)
DETAILED INFORMATION ON
TYPE OF SYSTEM, FUNDING SOURCES AND ADMINISTRATION
OECD COUNTRIES

Country	Type of System	Source: Employee (Earnings)	Source: Employer (Payroll)	Source: Government	General Administration
Italy	Compulsory insurance		1.61%-1.91%	Administrative costs and subsidies for agricultural workers, youth employment, wage supplement fund	Ministry of Labor and Social Welfare and Treasury
Japan	Social insurance	0.4%	0.75%	25% of benefit costs and cost of administration	Ministry of Labor
Luxembourg	Social insurance	2.5% solidarity tax		Set annually by legislation	Ministry of Labor
Netherlands	Social insurance & unemployment asst. systems	2.20%	5.05%		Board of Supervision of Social Insurances
New Zealand	Unemployment assistance			Entire cost financed from general revenues	Dept. of Social Welfare
Norway	Social insurance	7.8%	14.1%	Any deficit	Ministry of Labor and Municipal Affairs
Portugal	Social insurance and social assistance	11%	24%	Subsidy of 3.5%	Ministry of Employment and Social Security
Spain	Compulsory insurance	1.6%	6.2%	Variable subsidies	Ministry of Labor and Social Affairs
Sweden Unemployment insurance program	Subsidized voluntary insurance & labor market cash benefit	33-100 kronor/month	5.42%	Covers deficits temporarily	National Labor Market Board
Sweden Labor market cash benefit program	Subsidized voluntary insurance & labor market cash benefit systems		5.42%	Covers deficits temporarily	National Labor Market Board
Switzerland	Social insurance	1.5%	1.5%	2% of expenditure and low interest loans to cover deficits	Federal Office on Industry, Trade and Labor

TABLE 2 (Continued)
DETAILED INFORMATION ON
TYPE OF SYSTEM, FUNDING SOURCES AND ADMINISTRATION
OECD COUNTRIES

Country	Type of System	Source: Employee (Earnings)	Source: Employer (Payroll)	Source: Government	General Administration
Turkey ⁵					
United Kingdom	Dual social insurance and social assistance	10% ⁶	3%-10% of earnings according to wage bracket	Full cost	Dept. of Social Security
United States	Compulsory insurance		Federal tax ⁷	Covers cost of administration	Dept. of Labor

NOTES TO TABLE 2

1. Percentage of earnings.
2. Percentage of unemployment funds' expenditures.
3. Unemployment insurance organizations (UNEDIC-ASSEDIC) with bipartite (management-labor) governing bodies, administration of unemployment insurance and payment of unemployment insurance benefits.
4. Percentage of covered weekly earnings over 180 per week. No deduction if less. Additional 2.25% of weekly earnings (no contribution ceiling), if weekly earnings over 188. Employer contributes 8.5% of payroll per employee if weekly earnings 250. or less; 12% if weekly earnings in excess of 250.
5. Labor code requires employer to pay dismissal indemnity of 30 days' wages per year of service.
6. 2% on first 62.00 a week plus 10% on weekly earnings between 62.00 and 465.00.
7. Federal tax, 0.8% of taxable payroll (6.2% basic rate less basic rate up to 5.4%. State contribution; includes temporary basic rate of 0.2%).

TABLE 3
CONDITIONS IN OECD COUNTRIES

Country	Duration of Contributions	Period Over Which Contributions Made	Means Tested	Capable + Willing to Work	Registered at Employment Office	Seeking Work	Resident	Disqualified if leaving voluntary, misconduct, active in trade dispute or refused offer	Penalty
Australia Newstart Allowance			X	X		X	X	X	postponed benefits by 2 or more weeks
Youth Training			X			X ²			
Mature Age			X ¹						
Partner			X ²						
Parenting			X ³						
Widows			X ⁴						
Austria	26 weeks or 52 weeks	12 months or 24 months	X	X	X			X	
Belgium	312 days to 600 days ⁵	18 months to 36 months ⁵							
Canada	420-700 hours			X					disqualified from 7 to 12 weeks ⁶
Denmark	26 weeks in last 3 years			X	X			X	
Finland Basic benefit Earnings related benefit	26 weeks in past 24 months					X		X ⁷	
France	91 days or 507 hrs. in preceding year			X			X	X	
Germany	360 days in last 3 years			X	X			X ¹⁰	

TABLE 3 (Continued)
CONDITIONS IN OECD COUNTRIES

Country	Duration of Contributions	Period Over Which Contributions Made	Means Tested	Capable + Willing to Work	Registered at Employment Office	Seeking Work	Resident	Disqualified if leaving voluntary, misconduct, active in trade dispute or refused offer	Penalty
Greece	125 days in last 14 months			X ⁸	X			X	
Iceland	425 hrs in past year						X		
Ireland	39 weeks of paid contribution with 39 weeks paid in past year			X	X			X	disqual. for 9 weeks
Israel	180 days contribution out of 360 or 270 days out of 540 ⁹			X	X				
Italy	2 years of coverage with 52 weeks of contribution in past 2 years ¹⁰			X	X			X	disqual. for 30 days
Japan	6 months of insurance in past year			X	X			X ¹¹	1-3 months
Luxembourg	26 weeks in past year ¹²			X	X			X ⁷	
Netherlands	26 weeks of work in preceding 39 weeks ¹³			X	X				
New Zealand			X	X ¹⁴	X		X	X	
Norway	75% of base ¹⁵			X	X			X	disqual. for min. 4 weeks.

TABLE 3 (Continued)
CONDITIONS IN OECD COUNTRIES

Country	Duration of Contributions	Period Over Which Contributions Made	Means Tested	Capable + Willing to Work	Registered at Employment Office	Seeking Work	Resident	Disqualified if leaving voluntary, misconduct, active in trade dispute or refused offer	Penalty
Portugal	540 days in the preceding 24 months			X	X			X	
Spain	12 months during last 6 years				X			X	
Sweden	12 month membership in fund ¹⁶			X	X			X	disqual. for 60 days
Turkey ¹⁷									
United Kingdom	Previous 2 years ¹⁸	2 years		X	X			X	
United States ¹⁹				X	X			X	Varies among states

NOTES TO TABLE 3

1. Means tested payment for older unemployed people who are at least 60 but less than pensionable age. Recipients must have been in receipt of Newstart Allowance for the preceding 9 months or a non-activity tested payment in the 13 weeks prior to claim and have no recent workforce experience. Not required to look for work.
2. Means tested payment made to a member of a couple whose partner receives a major social security pension or allowance. A person must claim PA in their own right, although eligibility does not involve any labor market experience, no dependent children under 16, and must not have received unemployment payments or sickness allowance in the 13 weeks prior to claim. Recipients are not required to look for work.
3. Means tested payment to a member of a couple who has a dependent child or children under the age of 16. Recipients are not required to look for work.
4. Means tested payment to women ages 50 or over who are not a member of a couple, who have been widowed, divorced or separated (including separated de facto) since turning 50 and who have no recent workforce experience. Not required to look for work.
5. Rises with age of claimant.
6. If unemployment due to labor dispute, imprisonment or residence outside Canada, disqualification for as long as condition exists. If unemployment due to voluntary leaving without just cause or due to misconduct the disqualification is indefinite.
7. Unemployment not due to voluntary leaving, work stoppage or refusal of suitable offer.
8. Capable of earning at least 1/3 of wages of similar worker.
9. Daily employee, 150 days of contribution out of 360 days, or 225 days out of 540; minors, 100 days contribution out of 360 days.
10. Construction workers: 43 weeks of contributions during 2 years of employment in sector.
11. Unemployment not due to voluntary leaving, serious misconduct, refusal of suitable offer or nonattendance at recommended training.
12. Self employed persons, 5 years except for special cases; recent graduates, 26 weeks of registered unemployment.
13. Wages received over 52 days in 4 of the 5 preceding calendar years for extended benefit. Periods spent caring for children under age 12 also count (fully or partially) towards qualifying period.
14. Benefit may be withheld up to 26 weeks in cases of voluntary unemployment or failure to actively seek work.
15. Annual earnings in last year preceding unemployment (or average earnings during 3 years preceding unemployment, if higher) of at least 75% of base amount at time of application.

TABLE 3A
CONDITIONS IN NON-OECD COUNTRIES

Country	Contribution	Registered with Unemploy. Office	Willing & Seeking Work	Resident	Age	Not due to Refusal of Suitable Offer	Not due to Misconduct	Limited Income
Albania	1 year min.	X	X					X ¹
Algeria	3 years ²		X	X				X ³
Argentina	12 months ¹	X						
Armenia	12 weeks min. in past year ⁴	X	X				X	
Bangladesh ⁵								
Barbados	20 weeks ⁶				- 65			
Belarus		X	X ⁷	X	Working age			
Brazil	36 months in last 4 years						X	X ⁸
Bulgaria	6 months of employment in last year or for qualified graduates. ⁹	X				X	X	
Chile	52 weeks in past 2 years. ¹⁰	X	X					
China	1 year ¹⁰	X	X					
Croatia	9 months or 12 months in last 18 months with interruptions ¹⁰ . 11				Unemployed older workers with 30 years (men) or 25 years (women) of employment or within 5 years of retirement also covered			

TABLE 3A(Continued)
CONDITIONS IN NON-OECD COUNTRIES

Country	Contribution	Registered with Unemploy. Office	Willing & Seeking Work	Resident	Age	Not due to Refusal of Suitable Offer	Not due to Mis-conduct	Limited Income
Cyprus	26 weeks of paid contributions and 20 contributions paid/credited in past year ¹²	X	X			X	X	
Czech Rep.	Employed for 1 year in past 3 ¹³	X						
Ecuador	2 years contribution, payable after 60 days							
Egypt	6 months contribution, including 3 consecutive months.	X	X ¹⁴			X	X	
Estonia	Worked for 180 days min. in past year.	X						
Georgia		X	X ¹⁵				X	
Guernsey	26 contributions since entry to insurance	X ¹⁶						
Hong Kong		X		X				X
Hungary	48 months of employment before job loss					X		
Iran	6 months insurance	X	X ¹⁰			X	X	
Jersey			X ¹⁰					
Kyrgyzstan		X	X ¹⁵					
Latvia		X						X
Liechtenstein	6 months of insurance		X					
Lithuania	2 years contributions in past 3 years ¹⁷							

TABLE 3A (Continued)
CONDITIONS IN NON-OECD COUNTRIES

Country	Contribution	Registered with Unemploy. Office	Willing & Seeking Work	Resident	Age	Not due to Refusal of Suitable Offer	Not due to Mis-conduct	Limited Income
Malta	50 weeks of paid contributions and 20 weeks paid/credited during contribution prior to year of claim.	X	X					
Moldova		X	X ¹⁵				X	
Poland	180 days of employment in past year or having completed studies, newly released from military, having completed maternity leave or released from prison.	X						
Romania	6 months employment in past year.	X						X
Russia	Employed 12 weeks in past year	X	X ¹⁵					
Serbia & Montenegro	Employed through past 9 months or during 12 months out of last 18.							X
Slovak Rep.	Employed one year in past 3.	X						
Slovenia	Employed throughout past 9 months or 12 months in past 18 months	X						
South Africa	13 weeks contribution during past year	X ¹⁸	X				X	

TABLE 3A (Continued)
CONDITIONS IN NON-OECD COUNTRIES

Country	Contribution	Registered with Unemploy. Office	Willing & Seeking Work	Resident	Age	Not due to Refusal of Suitable Offer	Not due to Misconduct	Limited Income
Tunisia	12 quarters of contributions to fund	X	X ¹⁰					X
Turkmenistan		X	X ^{3,15}					
Ukraine		X	X ¹⁵					X
Uruguay	6 months or 150 days of work. ¹⁹							
Uzbekistan		X	X ³					
Venezuela	Contributions 52 weeks during 2 years prior to termination		X ²⁰					

NOTES TO TABLE 3A

1. Cannot be receiving other benefits.
2. Contributions for 3 years with 6 months of contribution prior to unemployment. Employer must be current with social security contributions.
3. Must receive no income from any professional activity
4. Dismissed as result of reorganization, staff reduction or cancellation of collective agreement. Unemployed has a min. 12 weeks of covered employment in 12 month period preceding unemployment. Seeking to rejoin workforce after a lengthy interruption or seeking work for the first time. Benefits may be reduced, suspended or terminated if worker is discharged for violating work discipline, leaving employment without good cause, violating conditions for job placement or vocational training or filing fraudulent claims.
5. Not indicated. Unemployment insurance covers only workers in shops and commercial and industrial establishments.
6. Insured for 52 weeks. 20 weeks of contributions in 3 consecutive quarters ending with the second quarter preceding unemployment; 7 weeks contributions in the second quarter preceding unemployment.
7. Not enrolled in a day program at an educational institute or enlisted in military or government service, and not engaged in business pursuit.
8. Beneficiary must lack other resources to support self or family.
9. Unemployment not due to misconduct, refusal of suitable offer, transfer or training.
10. Unemployment not due to reasons within the claimants' control.
11. No qualifying period required for unemployed mothers caring for children under 1 year of age or for twins, third and every subsequent child under the age of 3.
12. If unemployment due to voluntary leaving, misconduct, direct participation in trade dispute, refusal of suitable offer, or failure to avail self of job opportunity, disqualification for up to 6 weeks.
13. "Substitute periods" can be considered employment, such as basic military service, child care up to age 4.
14. Unemployment not due to voluntary leaving, discharge for misconduct, refusal of suitable job offer or refusal of training.
15. Benefits may be reduced if worker discharged for violating work discipline; leaving employment without good cause, violating conditions for job placement without good cause, violating conditions for job placement or vocational training or filing fraudulent claims.
16. Full benefit paid if 50 or more contributions or credits in relevant contribution year. If less than 50, benefit reduced pro rata. No benefit under 26. Possible 10 week disqualification for leaving employment voluntarily, misconduct and refusing suitable work.
17. No qualifying period in cases of dismissal without fault, caring for disabled, returning from military service or imprisonment, as well as graduates, women and single men bringing up children under 8 years. Those who do not meet these requirements, will be entitled to a benefit after working in public works or works supported by the employment fund or taking courses in vocational training.
18. Must be registered unless ill or pregnant.
19. Unemployment due to suspension or reduction in work and not due to dismissal for disciplinary reasons.
20. Must be available for training or employment.

TABLE 4

UNEMPLOYMENT COVERAGE - OECD COUNTRIES

Country	Employed	Age	Appren- tice	EXCLUDED FROM COVERAGE				
				Self Employed	Public Employee	Domestic	Casual	Family
Australia	X ¹							
Austria	X ^{2,3}		X		X			
Belgium	X							
Canada	X			X ⁴	X ⁵			
Denmark	X	16-65 ⁶						
Finland	X	17-64						
France	X ⁷							
Germany	X ⁸		X					
Greece	X ⁹							
Iceland	X							
Ireland	X ¹⁰	-66		X		X		
Israel	X	+18 ¹¹						
Italy	X ^{2,12}							
Japan	X ¹³	-65					X	
Luxembourg	X		X ¹⁴	X ¹⁵				
Netherlands	X ¹⁶							
New Zealand	X ¹⁷							
Norway	X			X ¹⁸				
Portugal	X			X		X	X	
Spain	X ¹⁹			X			X	
Sweden	X ²⁰							
Switzerland	X							
Turkey	X ²¹							
United Kingdom	X ²²			X ²³				
United States	X ²⁴			X			X	X

NOTES TO TABLE 4

1. Also payable to those not previously gainfully employed who meet qualifying conditions.
2. Employed persons earning 3,740 schilling or more a month.
3. Special system for construction workers.
4. Self employed fishermen only.
5. Voluntary coverage for provincial government employees with consent of provincial government. Federal employees covered.
6. Self employed and employees, young persons who have completed 18 months vocational training, admitted to approved unemployment funds established voluntarily by trade unions in industry, commerce, office work, agriculture, handicrafts, catering, transport and quarrying.
7. Unemployment insurance; employed persons. Special systems for building and dock workers, merchant seamen, aviators, domestic workers and public sector workers. Solidarity program (means tested): young job seekers; recently widowed, divorced, separated or single women with 1 or more children; recently discharged military veterans, prisoners, apprentices, long term unemployed having exhausted unemployed insurance.
8. Includes homeworkers. Excludes short term employment.
9. Employees in industry, commerce and related occupations. Special systems for seamen and printing workers.
10. Excludes security forces and defense forces.
11. Employees 18 and older and under pensionable age, age 15-18 if partially supporting parents or without parents an undergoing vocational training.
12. Employees in private employment.
13. Employees of all enterprises not included under voluntary coverage or special systems. Voluntary coverage for employees in agriculture, forestry and fisheries with less than 5 regular employees. Special systems for day laborers, seamen and public employees.
14. Covers recent graduates of schools and those who have completed training program.
15. Under certain conditions.
16. Special system for public employees.
17. Every person under qualifying age for superannuation who is unemployed and actively seeking employment. Exclusions: Pensioners and full time students. Training benefits paid to those in approved courses. Independent youth or job search allowances paid to 16-17 year olds who cannot be supported by their parents or have finished an approved training course.
18. Self employed aged 64 and older only under special circumstances.
19. Employees in industry and services, railway employees, miners and seamen. Also covers some other small categories such as paroled prisoners. Special systems for agricultural workers and members of cooperatives.
20. Unemployment insurance program: employees and self employed under age 65 belonging to unemployment funds established voluntarily by trade unions and by organizations for self employed. Membership in fund usually compulsory for union members but must also be open to voluntary affiliation of any employee in industry concerned. About 80% of all employees now belong to funds. Labor market cash benefit program: employees and persons seeking employment if over age 20 and ineligible for unemployment insurance program.
21. Employees in industry, commerce and service sector.
22. Must earn more than 62.00 per week.
23. Also excludes certain married women and widows paying reduces contributions.
24. Employees of firms in industry and commerce. Employees of nonprofit organizations with 4 or more employees during 20 weeks in a year. Almost all state and local government workers, domestics and 2/5 of farmworkers are covered. Excludes some agricultural employees, employees of religious organizations. special Federal programs for railroad employees, Federal employees and ex-service persons.

TABLE 4A

UNEMPLOYED COVERAGE - NON OECD COUNTRIES

Country	Employed	Age	Citi- zen	Resi- dent	EXCLUDED FROM COVERAGE					
					Public Employee	Self Employed	Domes- tic	Casual	Agricul- tural	Family
Albania	X									
Algeria	X ¹									
Argentina	X									
Armenia		14-59 (men) 14-54 (women)		X						
Bangladesh	X ²									
Barbados	X	16-64			X	X				X
Belarus		14-59 (men) 16-54 (women)		X						
Brazil	X									
Bulgaria	X ³									
Chile	X									
China	X ⁴									
Croatia	X ⁵									
Cyprus	X	16-63 ⁶								
Czech Rep. ⁷		15+	X							
Ecuador	X									
Egypt	X	-60			X		X		X	X
Estonia ⁷		16+		X						
Georgia		16-59 (men) 16-54 (women)	X							
Guernsey	X ⁸									
Hong Kong		15-59 ⁹		X						
Hungary	X									
Iran ¹⁰							X			
Jersey				X						

TABLE 4A (Continued)
UNEMPLOYED COVERAGE - NON OECD COUNTRIES

Country	Employed	Age	Citi- zen	Resi- dent	EXCLUDED FROM COVERAGE					
					Public Employee	Self Employed	Dome- stic	Casual	Agricul- tural	Family
Kyrgyzstan		16-59 (men) 16-54 (women)	X							
Lithuania	X									
Malta	X									
Moldova		18-59 (men) 18-54 (women)	X							
Poland	X									
Romania	X ¹¹									
Russia		16-59 (men) 16-54 (women)	X							
Serbia	X									
Slovak Rep. ⁷		15+	X							
Slovenia ¹²							X	X		X
South Africa	X ¹³									
Tunisia	X ¹⁴								X	
Turkmen.		Working age		X						
Ukraine ¹⁵		Working age	X							
Uruguay	X ¹⁶						X		X	
Uzbekistan		Working age	X							
Venezuela ¹⁷							X	X		

NOTES TO TABLE 4A

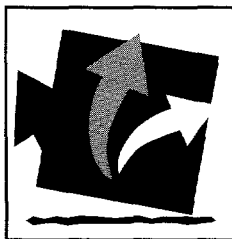
1. Salaried workers in the economic sector who are laid off.
2. Covers workers in shops and commercial and industrial establishments.
3. Also covers graduates of vocational schools and schools of higher education.
4. Permanent and contract workers in state run enterprises.
5. Includes military personnel.
6. Employed persons between 64-65 are covered only if they are not entitled to old age pension.
7. Must be capable of working.
8. Employed persons whose earnings are 65.00/week or more but excluding married women and widows opting to pay reduced rate contributions.
9. Must have a limited income.
10. Persons covered under social security law. Also excludes voluntarily insured persons, retired persons, totally disabled and those covered under construction workers' insurance.
11. And other professional categories provided by law. job seekers ages over 18 or newly discharged from military, or newly graduates from school or university who cannot find suitable employment.
12. Employed persons in industry, commerce and agriculture, public employees and members of handicrafts and fishery cooperatives.
13. Employees earning less than 76,752 rand a year. Also excludes domestics.
14. All nonagricultural salaried employees covered under National Social Security Fund.
15. Special provisions for victims of Chernobyl.
16. Employees in industry and commerce. Also excludes bank employees.
17. Also excludes domestics.

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Summary Findings

This paper summarizes key aspects of unemployment benefit schemes across the world and presents information on their characteristics in a cross-country comparative context.

Unemployment benefit schemes can be of insurance type (paid from employer/worker contributions to provide insurance against "the risk of becoming unemployed") or assistance type (means tested paid to the unemployed poor). Their characteristics include coverage, eligibility conditions, source of funds, benefit levels and administration. These characteristics differ not only across economies but also over time in the same country as governments strive to tune unemployment policies to macro and labor conditions. Therefore, the reader should consider the information in this paper as approximately correct at the time of printing and should refer to the indicated sources for greater reliability.

HUMAN DEVELOPMENT NETWORK

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