



EVS - Projekt

**Personelle Einkommensverteilung
in der Bundesrepublik Deutschland**

gefördert durch die Hans-Böckler-Stiftung, Düsseldorf

**Changes in Income Poverty and
Deprivation over Time
A Comparison of
Eight European Countries
from the Mid-Eighties to the Mid-Nineties
with Special Attention to the
Situation of the Unemployed**

Arbeitspapier Nr. 21

Johann Wolfgang Goethe-Universität Frankfurt am Main

Fachbereich Wirtschaftswissenschaften

Institut für Volkswirtschaftslehre

Anschrift: c/o Professor Dr. Richard Hauser, Professur für Sozialpolitik

Mertonstr. 17, Postfach 11 19 32

60 054 Frankfurt am Main

Tel.: 069/798-22564

Fax: 069/798-28287

E-Mail: R.Hauser@em.uni-frankfurt.de

Q 86

820

23

**Changes in Income Poverty and
Deprivation over Time
A Comparison of
Eight European Countries
from the Mid-Eighties to the Mid-Nineties
with Special Attention to the
Situation of the Unemployed**

Arbeitspapier Nr. 21

Richard Hauser, Brian Nolan

with the collaboration of

*Beate Hock, Konstanze Mörsdorf and
Wolfgang Strengmann-Kuhn*

data analysis done by

*Paolo Barbieri (I), Beate Hock (D), Azhar Hussein (DK), Richard Layte (UK), Brian
Nolan (IR), Charlotte Samuelsson (S), Wolfgang Strengmann-Kuhn (NL), Jean-Paul
Zoyem (F)*

August 1999

This paper was also published as Working Paper 3 of EPUSE (The Employment
Precarity, Unemployment and Social Exclusion Project), Oxford, October 1998.

Abstract

All-over in Europe, unemployment became a growing problem from the mid 1980s to the mid 1990s. Nevertheless, the effects on the economical situation of the unemployed and the whole population are quite different in European countries. In this paper we first give a brief overview over the development of unemployment rates in eight member states of the European Union and over the different reactions to provide the social protection of the unemployed. Therefore we look at the social security expenditures, the level of income replacement for the unemployed and recent social policy reforms concerning them. In the second section of the paper, we examine the development of income distribution and poverty taking different poverty lines into consideration. There is no general pattern neither for the relationship of inequality among the unemployed to the whole economically active population nor for the development from the 80s to the 90s. But one can say that in countries with increasing income inequality also poverty is rising (especially in the UK) and that where inequality among the unemployed is less pronounced the proportions of the poor went down from the mid 80s to the mid 90s (France and Ireland). In nearly all countries the risk of being poor is enormously high for the unemployed, Denmark is the only exception.

Contents	Page
1. Introduction	1
2. Unemployment and Social Policy - Changes from the Mid-Eighties to the Mid-Nineties	2
2.1. Unemployment Figures - Developments	3
2.2. Social Security Expenditure - Developments	6
2.3. Income replacement for the unemployed - The status quo in the different countries.....	11
2.4. Social Policy Reforms Concerning the Unemployed	16
3. Data Sources and Operationalisation of Income.....	25
3.1 Data Sources	25
3.2 Income Definition.....	27
4. Income Distribution and Inequality	27
5. Income Poverty - A Comparison from the Mid-80s to the Mid-90s	29
5.1. Poverty of the Whole Population - Comparisons with other European Poverty Studies	30
5.2. Changes of Poverty within the population at working age - To the better or to the worse?	33
5.3. The situation of the unemployed in the 80s and 90s - Rising poverty?.....	39
5.4. A brief summary of the poverty figures	47
6. Conclusion	47
Appendix 1: Harmonised Unemployment Figures 1985-1996 - Graphical Presentation	50
Appendix 2: Information on the Income Definitions.....	51
Appendix 3: Definition of Unemployment.....	54
References.....	55

1. Introduction

The late eighties and the early nineties were a period that was characterised by growing international competition accompanied by high unemployment figures in the countries of the European Union. Keynesian policies were substituted by more conservative policies based on neoclassical economic theory or supply side economics. Deregulation, retrenchment and budget restrictions were the key words within the debate about the welfare state all over Europe. However, the national strategies differed widely. There were vast differences for example between thatcherite British policies and conservative German reforms. The overall success of the former seems to support more radical changes. If one is interested in the overall distribution of wealth or income or in those at the lower end of the income distribution, the actual outcome of these policies might look quite different, however (see e.g. Jenkins 1995 for British results).

Having in mind the different national strategies already mentioned, our main questions are:

- Were there changes in the overall distribution of income? How does the income distribution of the unemployed relate to the overall distribution? Is the income of the unemployed more evenly distributed than that of the whole population and how does this differ from country to country?
- Did the ranking of low poverty and high poverty countries change?
- What happened to the unemployed? Do they fall into poverty to a higher degree in the 90s than in the 80s as a consequence of the deregulation and cost and benefit reduction measures? Which groups are worst off?

Our research project, the „Employment Precarity, Unemployment and Social Exclusion“ project (EPUSE), is concerned with poverty and social exclusion especially of those who are unemployed or in precarious employment. Within this first paper of our working group on income and living standards, the main aim is to describe the development of income poverty in eight European countries¹ between the mid-eighties and mid-nineties.

We are concentrating our analysis on income poverty, because income is the main source to satisfy one's needs and the deficiencies in other aspects of life are often a

consequence of insufficient income. This indirect approach of measuring income, the determinant of living conditions, and not direct consumption or the living standard itself is used here as it is the most common approach for international comparisons. The broader concept of *social exclusion* which not only considers the pecuniary aspects of poverty, but also covers the material provision of households as well as processes of exclusion from civil, political and social rights (see e.g. Berghman 1997 and Kangas/Ritakallio 1998) we will neglect in this paper which will give a first overview.

The paper is primarily meant to give a description of differences between countries and changes over time which serves as a basis for the analysis of the following papers. The main interest is - as mentioned earlier - the situation of the unemployed. This is also the decisive difference to other comparative research on poverty.² Nonetheless, the overall figures will be discussed as there are still few figures available for the mid-nineties. Furthermore, the situation of a special group cannot be evaluated without knowing the general development.

2. Unemployment and Social Policy Changes from the Mid-Eighties to the Mid-Nineties

The main aim of this introductory chapter is not only to present the necessary background information on unemployment (see 2.1.) but also to summarize briefly the developments in social security spending in general (see 2.2.) and the protection of the unemployed in particular, having a look at the income replacement rates of unemployment benefits (see 2.3.) and social policy reforms concerning the unemployed (see 2.4.).

2.1. Unemployment Figures - Developments

Our main focus being poverty among the unemployed and talking about poverty rates of this group later on, it is absolutely necessary to have detailed information about the significance of the problem.

The following table 1 shows the harmonised Eurostat unemployment figures from the mid-eighties to the mid-nineties. These figures show on the one hand the importance of the policy measures we will discuss afterwards, on the other hand they are the reasons behind the reforms and cuts.

Table 1: Harmonised unemployment^a rates 1985-1997 (yearly averages, in %)

	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997
DK	7.1	5.4	5.4	6.1	7.4	7.7	8.4	9.2	10.1	8.2	7.1	6.0	5.1
D^b	7.2	6.5	6.3	6.2	5.6	4.8	5.6	6.6	7.9	8.4	8.2	9.0	9.7
W-D^c	7.2	6.5	6.3	6.2	5.6	4.8	4.2	4.5	6.0	6.7	n.a.	n.a.	n.a.
F	10.1	10.2	10.4	9.8	9.3	8.9	9.5	10.4	11.7	12.3	11.6	12.3	12.5
IR	16.9	16.8	16.6	16.1	14.7	13.4	14.8	15.4	15.6	14.3	12.4	12.3	11.7
I	8.5	9.2	9.9	10.0	10.0	9.1	8.8	9.0	10.3	11.4	11.9	12.0	12.0
NL	8.3	8.3	8.0	7.5	6.9	6.2	5.8	5.6	6.6	7.1	7.0	6.6	6.0
S	3.0	2.8	2.3	1.9	1.6	1.8	3.3	5.8	9.5	9.8	9.2	10.0	9.9
UK	11.5	11.5	10.6	8.7	7.3	7.0	8.8	10.1	10.4	9.6	8.8	8.2	6.8

Notes: n.a. = not available.

a The Eurostat definition of unemployment is close to the ILO definition of unemployed (see appendix 4). The definition differs only concerning persons who are temporarily discharged: they are included in Eurostat unemployed data. (Eurostat 1993a, p. 11).

b Data until 1990 refers to West-Germany, data from 1991 on includes East- and West-Germany.

c Data refer only to West-Germany.

Source: Europäische Kommission 1997, p. 82-83.

Close examination of the figures above (and the graphs presented in appendix 1) shows that in the decade referred to in this paper, i.e. the mid-eighties to the mid-nineties, one cannot speak of a constant rise in unemployment in all countries. In countries with relatively high (8%+) unemployment rates in 1985 (F, IR, I, NL, UK)

the development was quite different: While the situation further deteriorated in Italy and France, the unemployment figures went down in the United Kingdom, Netherlands and Ireland. Of the three countries with relatively low unemployment figures in the mid-eighties (D, DK, S) only Denmark could prevent a significant rise in unemployment. For Germany, one has to consider the strong influence of the unification of the Western and the Eastern part also on the labour market. Since 1992, the figures for West-Germany increased as well as for the whole country. But as the West-German unemployment rates are beneath the all-German figures, one can see that the economic transformation in the Eastern part contributes much more to unemployment. Most striking is the situation in Sweden. For a very long time - till the beginning of the nineties - the Swedish seemed to be 'immune' to the labour market crisis. But then the unemployment rate rose dramatically: In 1996 it even reached the two-digit level.

The risk of unemployment is not distributed evenly among the working population. Table 2 gives a first impression of the structure of unemployment in the different countries.

Table 2: Unemployment^a rates in % by sex and age (April 1995)

	men	women	less than 25	25 and over
DK	6.1	7.9	8.8	6.7
D^b	7.2	9.6	7.8	8.3
F	9.4	13.4	24.9	9.7
IR	14.1	14.8	22.0	12.5
I	9.3	16.7	33.3	8.5
NL	6.2	8.9	12.4	6.3
S	10.1	8.0	20.4	7.6
UK	10.1	7.0	15.4	7.5

Notes: a For the definition of unemployment see note a in Table 1.

b Data includes East- and West-Germany.

Source: Eurostat 1996a, p. 157-167.

The high-risk groups differ from country to country. While youth unemployment is a major problem in most of the countries (especially in Italy, France, Ireland and Sweden), youth unemployment only in Germany was close to average unemployment.

Being female also increases the risk of unemployment in most of the countries. Exceptions in this respect are the United Kingdom and Sweden, where the unemployment rate of women is lower than that of men. Especially in Italy the labour market discriminates against women.

Whether the higher unemployment rates of women and youth - groups that normally have a below average income and often do not qualify for insurance based benefits - lead to higher poverty rates largely depends on the household context of the persons affected. But the different structure has to be kept in mind when interpreting the poverty figures of the unemployed.

Table 3: Incidence of long-term unemployment^a 1983 and 1993
(in % of total unemployment)

	1983	1993
DK	32.2	25.2
D^b	38.4	35.6 (40.3)
F	39.6	33.3
IR	62.1	59.1
I	54.6	57.7
NL	46.9	52.4
S	n.a.	8.1 ^c
UK	44.8	42.5

Notes: n.a. = not available.

a Unemployed for 12 months and more; for the definition of unemployment see note a in Table 1.

b Data refer to West-Germany; data in brackets refers to East- and West-Germany.

c Data refers to 1992.

Sources: Eurostat 1996c, p. 88-89 (data based on labour force surveys);
for Sweden: Eurostat 1995b, p.203.

Long-term unemployment increases the risk of becoming poor much more than short-term unemployment. With the exception of Sweden and Denmark, in all countries more than one out of three unemployed is without a job for more than one year. In Sweden the proportion of the long-term unemployed is surprisingly low, it is only 8.1%. In Italy, Ireland and the Netherlands even more than 50% of the unemployed belong to the long-term unemployed (comp. Table 3).

From the mid-eighties to the mid-nineties, the situation did not change very much in most of the countries. Exceptions are Denmark and France where one can see a reduction of the share of the long-term unemployed whereas in the Netherlands their share increased. In West-Germany the percentage of the long-term unemployed declined, but because of the greater difficulties to find a job in the new eastern part of the country the proportion in the whole country rose.

2.2. Social Security Expenditure - Developments

A recently published article on cash benefits in Europe and the changes that occurred during the time we are interested in, summarizes the reform strategies of the different governments the following way:

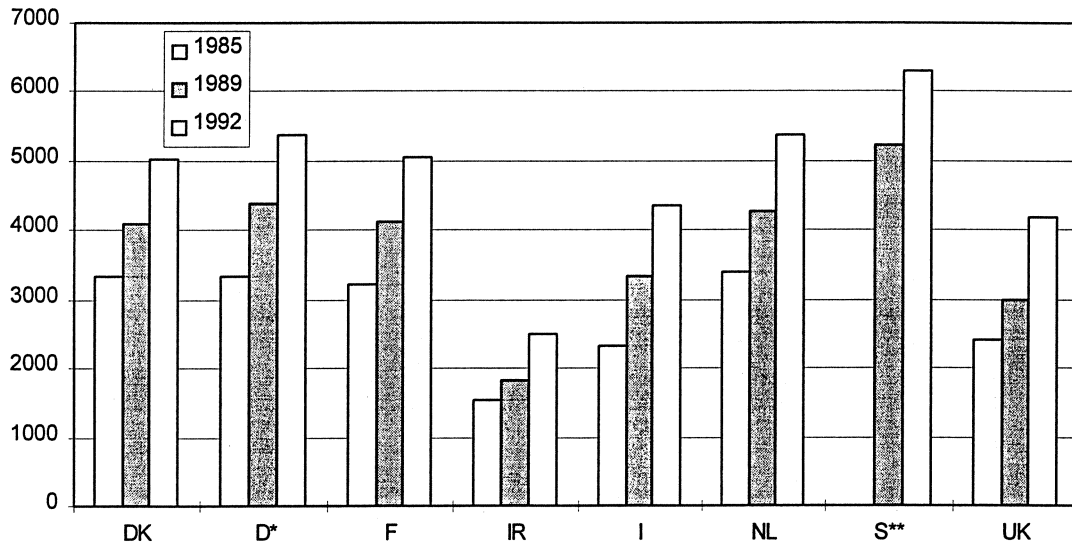
- “1. restricting access to benefits by attaching additional conditions and tightening regulations.
2. increased targeting of transfers by greater use of means-testing, the linking of the size of benefits to income and by making benefits taxable.
3. increased privatisation, not only in terms of contracting out of services to the private sector but also by according greater responsibility to individuals to provide for their own protection against risks, or to family members to provide financially for each other.
4. heightened, and growing, emphasis on active measures to get people into employment so that they can support themselves.“ (Daly 1997, p. 133).

Of course, the developments were quite heterogenous, as the main concern in relation to social policy differed from country to country. The following paragraphs shall show the developments in more detail.

Before having a closer look at one political area - the benefits for unemployed - the following figures 1 and 2 will show the general trend in expenditure on social security³.

Figure 1:

Current Expenditure on Social Protection in Purchasing Power Standard per Capita in EPUSE-Countries (1985,1989 and 1992)



Notes: * 1985 and 1989 only West-Germany; 1992 East- and West-Germany.
** No data available for 1985.

Sources: 1985: Eurostat 1993b, p. 16-17; 1989, 1992: Eurostat 1995a, p. 167.

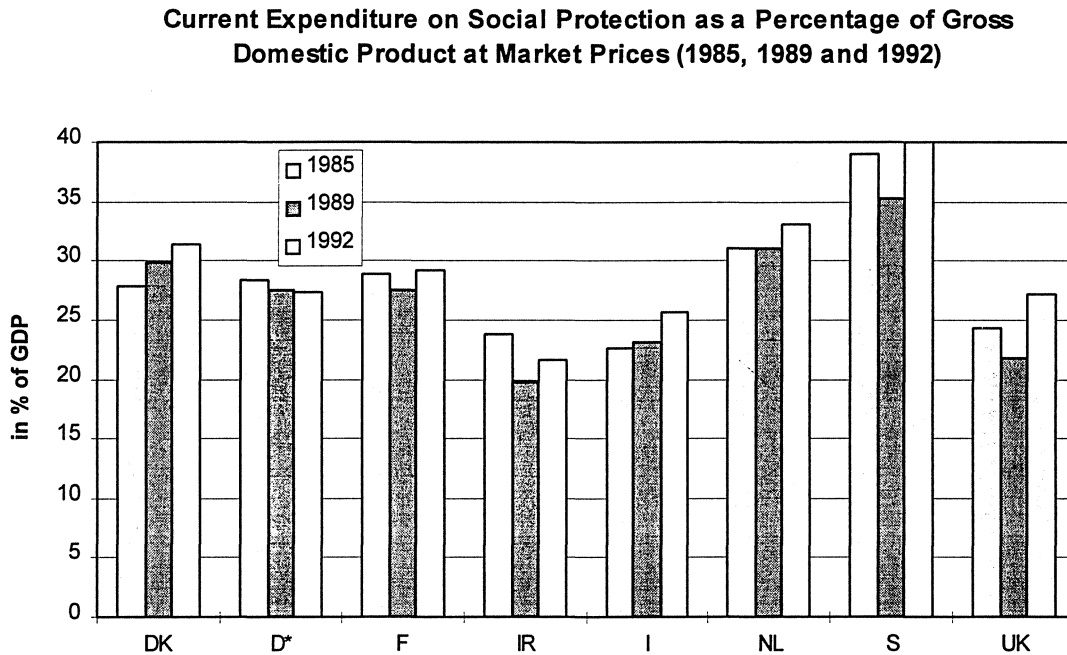
While Figure 1 seems to indicate a constant improvement in social protection all over the countries (if higher expenditure may be interpreted as an improvement which is, of course, debatable), Figure 2 gives a slightly different picture. But it has to be noted, that inflation also results in rising expenditure when we use purchasing power parities for different years. So whereas Figure 2 gives an adequate impression of relatively increases and decreases of expenditures over time, Figure 1 is more useful for comparisons of one country's expenditure in relation to the others.

In Ireland and Germany the share of the GDP that was spent for social protection decreased between 1985 and 1992. In the other six countries the expenditure increased up to 5 percentage points. For several countries one can notice changing directions of

the social policy: So in France, Sweden, the United Kingdom and also Ireland, the expenditure decreased from the mid to end eighties and rose again in the mid-nineties.

This development parallels the development of the national unemployment figures as shown in Table 1. The „ranking“ of high spending and low spending countries, however, remained mostly unchanged and independent of the unemployment rates.

Figure 2:



Notes: * 1985 and 1989 only West-Germany; 1992 East- and West-Germany.

Sources: 1985: Eurostat 1993b, p. 16-17; Sweden: Eardley et al. 1996, p. 362.
1989, 1992: Eurostat 1995a, p. 165.

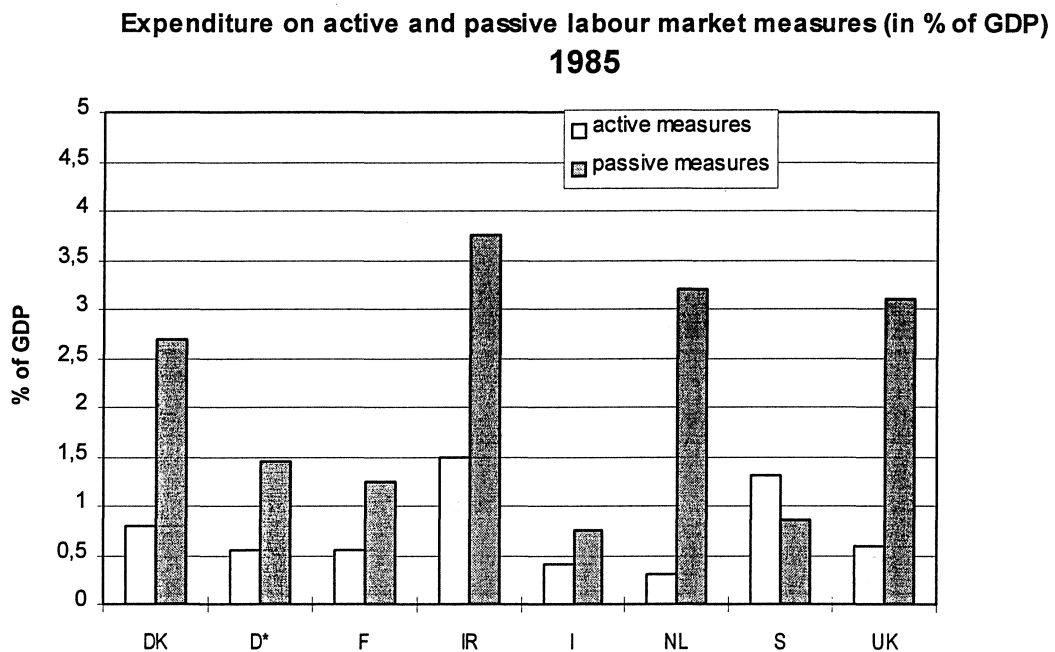
On the lower end one can find Italy, Ireland and the United Kingdom, while Sweden remains the top spender for social protection with 40% of its GDP.

Having sketched the overall picture we now look at the level of spending for the unemployed. Usually there is a distinction made between expenditure on active and passive labour market measures.

“Active labour market policies are aimed at improving the functioning of the labour market by: enhancing labour market mobility and adjustment, facilitating the redeployment of workers to productive activities and, generally, enabling people to seize new job opportunities as they arise.” (OECD 1994b, S. 100)

Active policies are thought especially to help the poorly qualified and long-term unemployed. While active measures aim at preventing and ending unemployment, passive measures - like unemployment benefit and assistance - just use the resources to finance the unemployed.

Figure 3a:

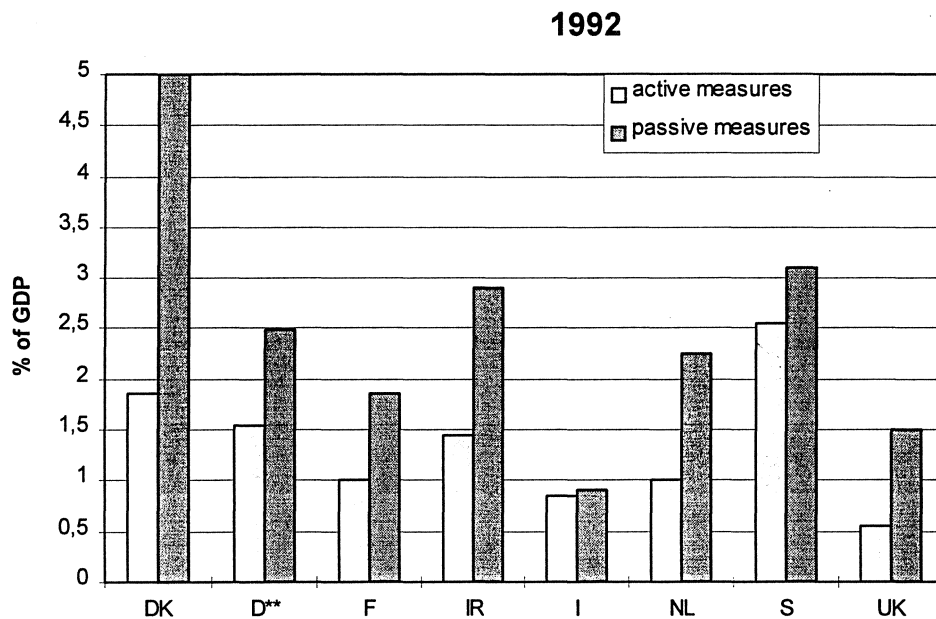


The two figures above shall show the importance of these two types of measures for the countries under review. Considering the unemployment rates given in Table 1 will help to evaluate spending in relation to the extent of the unemployment problem.

The country that spent the highest proportion of its GDP on active and passive labour market measures in the mid-80s was Ireland. It was also the country with the highest unemployment rate (16,9%). Sweden was the only country in 1985 that spent more on active than passive measures, but one has to keep in mind that the unemployment rate was quite low at 3%.⁴ If one compares the countries with similarly high unemployment rates (UK, F, I and NL), we see that different labour market

policies were practised: high relative expenditure on passive measures with low and very low spendings on active measures respectively (UK and NL), and low expenditure in both fields (F and I). In Denmark the expenditure for passive and active labour market measures were relatively high compared to the other countries although the unemployment rates in the mid-eighties were on the lower end.

Figure 3b:



Notes: * Data from 1985 refer only to West-Germany.
 ** Data from 1992 refer to the whole of Germany.

Source: OECD 1994b, S. 101.

Figure 3b, however, shows that in several countries the ratios between active and passive policy measures have changed. With the exception of Britain and Ireland all countries spent a higher proportion of their GDP on active labour market policies even though the unemployment rates did not go up in all of the countries. If one compares the 1985 and 1992 figures more closely, one finds that there is an extreme rise in spending (especially on passive measures) in Denmark and Sweden. While the Swedish unemployment figures correspond with its increased spending, the Danish unemployment rates rose much less than spending on passive measures. In Germany, the expenditures also rose significantly without the unemployment figures going up

sharply (in 1992, unemployment still was no major problem in the Eastern part of the country, but including the East into the Western social security system caused a increase of expenditure). The opposite is true for Britain and Italy (the expenditure decreased or did not rise respectively not matching the development of the unemployment rates).

The differences in spending on passive measures in countries with almost the same level of unemployment are striking (compare the figures for DK, UK, I and F). The following section 2.3, which is concerned with the 'generosity' of the social security system for the unemployed in the different countries, will shed some light on the reasons for these differences.

2.3. Income replacement for the unemployed - the status quo in the different countries

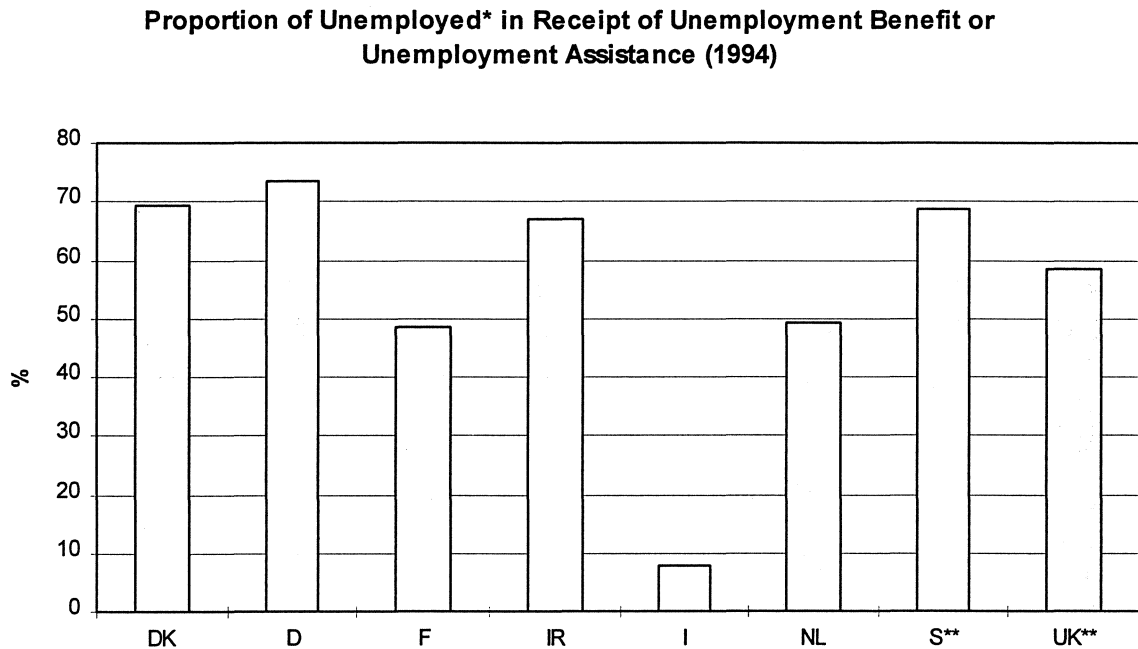
Being concerned with poverty among the unemployed in particular, the level of social protection of this group is important to evaluate the risk of ending up in poverty.⁵ It largely depends on the 'generosity' of the social insurance system and the level of social assistance and other non-insurance benefits whether the disposable income in the case of unemployment is sufficient to avoid poverty. Several institutions and researchers calculated or simulated the income replacement rates for unemployed people (see e.g. Schmid/Reissert/Bruche 1987, p. 171-188 or OECD 1996, p. 30). While some concentrate on social insurance benefits, others include all changes in transfer payments in case of unemployment. For our purpose a model that comes close to the concept of disposable income would be best.

First of all, however, the proportion of unemployed who receive unemployment benefits or unemployment assistance is important. Depending on the structure of unemployment and the 'architecture' of each national welfare state, the figures differ widely.

The situation in Italy is especially striking: hardly one out of ten unemployed persons receives unemployment benefits or unemployment assistance. This is due, firstly, to a high rate of youth unemployment (those without a prior job do not qualify for the insurance scheme, see for details Appendix 2 and the EPUSE working paper of Ivano Bison and Gosta Esping-Anderson) and, secondly, to a highly exclusive system

of social protection. In addition, a special benefit system for industrial workers in short-time work and temporary layoffs exists which prevents them from receiving unemployment benefits.⁶

Figure 4:



Notes: * For the definition of unemployment see note a in Table 1.
 ** Data refer to 1996.

Sources: Eurostat 1996b, S. 218-219; for S and UK: Eurostat 1997b, p.219.

As we have seen already in the figures about expenditure for labour market measures, one could not draw any direct conclusion from a country's unemployment rate to its policy measures, and in this case, to the benefit coverage of unemployment. In none of the countries each and every unemployed person gets benefits or assistance. In Ireland, where the unemployment rate is high, the coverage was as high as in Germany, Denmark and Sweden: it reached nearly 70%. In France, which has also a rather high rate of unemployment, only half of the unemployed receives any money from the unemployment insurance. The same is true for the Netherlands.

Having now taken a close look at those unemployed persons who receive unemployment benefits or assistance, we refer to data from a model which was

developed by the European Central Planning Department in Den Haag on behalf of GD V.

This model allows one to estimate the unemployment benefit, unemployment assistance and/or social assistance a person receives. The model takes into account the age, the previous income as a percentage of average income, the number of dependent persons, the length of former employment (and so the length of contribution to unemployment insurance) and the duration of unemployment.

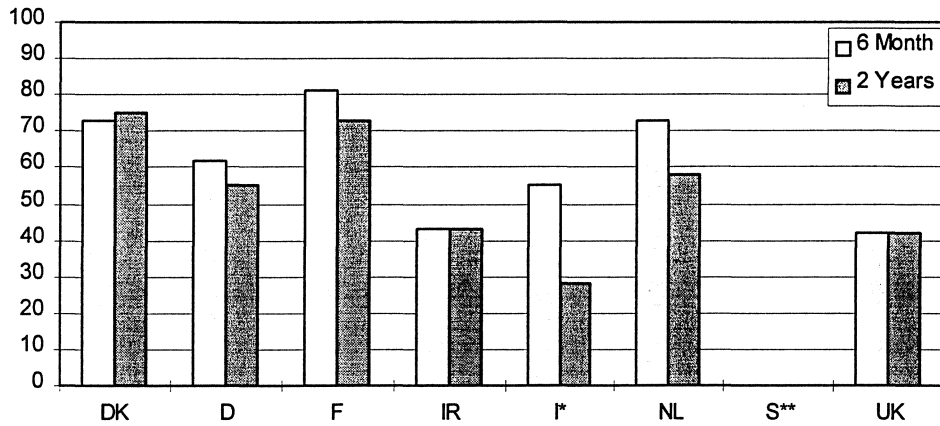
The income replacement rate is defined as the disposable income of the unemployed (including unemployment benefit and unemployment assistance, social assistance and housing benefits) in relation to the disposable income of the employed. The calculation of the disposable income of an employed is based on the average gross wage of an industrial worker (as estimated by the OECD) and the simulation of the national tax and social insurance systems. The replacement rates refer to (in our presentation) typical persons who are 24 years or 35 years old, who are single or have a dependent spouse and two dependent children, who have been employed for 10 years or for two years, who have contributed to the unemployment insurance and who have had an average income and an income of 50% of the average respectively.⁷

The following figures show for some selected groups the income replacement rate depending on length of unemployment (figures 5 and 6), the household context (figure 7 and compare figure 5 and 6) and age (compare figures 5, 6 and 7).

First of all Figure 5 shows that - being concerned with income poverty - the long-term unemployed who cannot rely on financial help from their family are a high risk group in some countries (Ireland, Italy and the United Kingdom).⁸ In most of the countries the short-term unemployed also suffer a substantial decrease in disposable income in case of unemployment. In France and Denmark the replacement rates are the highest for both groups, amounting to between 73% and 81%.

Figure 5:

**Income Replacement Rate of a Single Person, 35 Years Old, with
Average Labour Income after 6 Months and after 2 Years of
Unemployment (1994) (in %)**



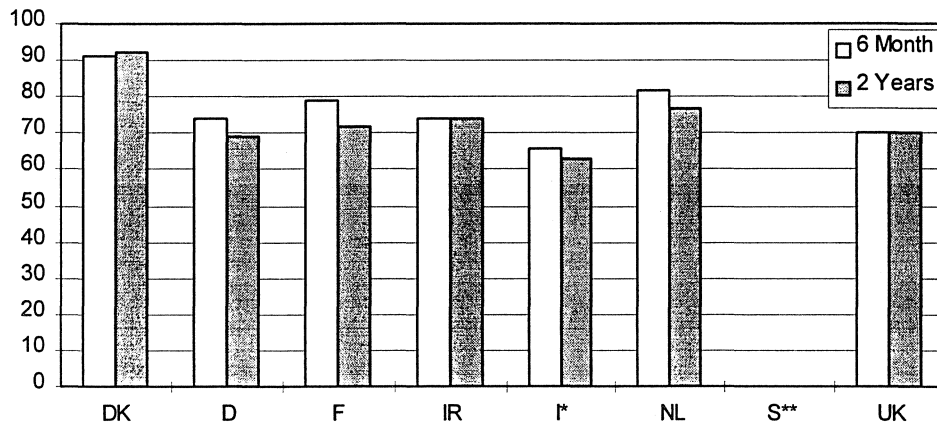
Notes: * Data for Italy refer only to Liguria.

** No data available.

Source: Europäische Kommission (1996), p. 90.

Figure 6:

**Income Replacement Rate of a Person, 35 Years Old, with
Dependent Spouse and 2 Dependent Children, with Average Labour
Income after 6 Months and after 2 Years of Unemployment (1994)
(in %)**



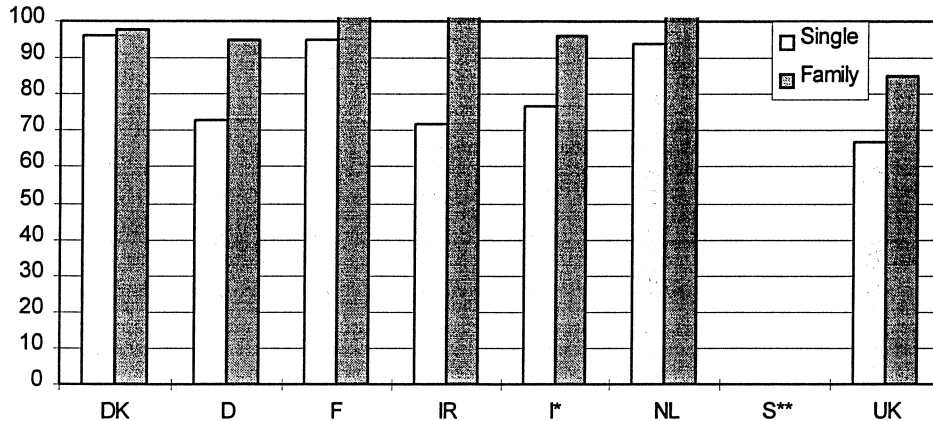
Notes: * Data for Italy refer only to Liguria.

** No data available.

Source: Europäische Kommission (1996), p. 91.

Figure 7:

Income Replacement Rate of a Single Person, 24 Years Old, and a Person with Dependent Spouse and 2 Dependent Children, with 50% of Average Labour Income after 6 Months of Unemployment (1994) (in %)



Notes: * Data for Italy refer only to Liguria.
 ** No data available.

Source: Europäische Kommission (1996), p. 100.

In Figure 6, we see that in all countries a person at the same age (35 years old) and the same former employment situation (ten years contribution to the unemployment insurance and an average income) who lives with a family gets a higher replacement rate. Additionally, the reductions of the replacement rates after two years of unemployment are less in all cases. In Denmark the long-term unemployed are even in a relatively better position than the short-term unemployed. Between the countries, the differences for persons with dependants are no longer as great as for single persons.

Again Denmark is in the lead with more than 90% and Italy is at the lower end with 66% and 63% respectively. It has to be noted, however, that the higher replacement rates for persons with a family do not generally imply a lower poverty risk in case of unemployment. If the person under consideration is head of a larger one-earner household the family may be close to the poverty line even while at work, and a small reduction of disposable income due to unemployment may push them below the line.

Young people who had a wage income of 50% of average suffer a considerable decline in income in Germany, Ireland, Italy and the United Kingdom, if they are single and lose their job (see figure 7). Therefore they are of a high risk of becoming

poor. If they have a dependent family, they get higher replacement rates in all countries. In France, Ireland and the Netherlands the replacement rates are even slightly above 100%, but this again does not mean that they have a low poverty risk.

One must keep in mind, whether they actually end up with an disposable income below the poverty line depends largely on the household context of the unemployed, part 5 will - as a first step - give the resulting poverty rates of those out of work.

2.4. Social Policy Reforms Concerning the Unemployed

One important cause for the different poverty rates are the different security systems for the unemployed. Table 4 gives a brief overview over the national measures.

For a comparison of poverty rates not only the status quo, i.e. the situation in 1996, is relevant, but also the changes that have taken place from the mid-eighties to the mid-nineties. We therefore present a brief overlook on social policy changes concerning the unemployed within the previous decade. Although other policy measures - like family policies - are relevant for poverty, too, for brevity we concentrate mainly on this decisive policy field.⁹

Table 4: Unemployment benefits in the EPUSE countries

	Definition	Amount	Duration	Access Conditions
Denmark				
unemployment insurance	voluntary membership social insurance benefit	90% of wage (wage net of labour market funds contributions; last 3 month)	limited to two periods, the first is 2 years, the second 3 years (longer periods for those over 50)	- minimum 26 weeks of employment within 3 years subject to social security (since 1997: 52 weeks) - at least 1 year member in the voluntary scheme
Germany				
1. unemployment benefit	social insurance benefit	60% of net wage (last 6 months), 67% if children	depends on employment length and age of unemployed, max. 2 years 3 months	12 months of employment subject to social security within 3 years (min. 18 hours/week)
2. unemployment assistance	a) „end of rights“ allowance b) insufficient insurance rights	53% of net wage (last 6 months), 57% if children	a) no limit b) max. 312 days	a) unemployment benefit during past year; b) 150 days of employment subject to social security
France				
1. unemployment benefit	social insurance benefit	starting level 55 to 75% of gross wage, rates are diminishing by 15 to 25% every 4 months	4 to 60 months, depending on length of former employment	minimum 4 months of employment subject to social security within 8 months
2. specific solidarity benefit	„end of rights“ allowance (minimum income/ complementary benefit)	means-tested (increased for older workers)	6 months renewable	- Unemployed having exhausted insurance benefit and justifying minimum 5 years of work - means test - for renewal: proof of job search (unless more than 50 years old)
Italy				
1. unemployment benefit	a) ordinary social insurance benefit b) special benefit for construction workers	a) 30% of reference wage b) 80% of previous wage	a) 180 days b) 18 months	a) minimum 52 weeks b) minimum 43 weeks of employment subject to social security within 2 years
2. „Cassa Integrazione“	temporary unemployment allowance (determined by industry)	80% of last wage, with ceiling after 6 months	one year	- temporary unemployment in firm in difficulty - reemployment by same firm
3. mobility lists	unemployment allowance in case of collective lay-offs (financed by state and/or firm)	like Cassa Integrazione, diminishing rate after 1 year of 20%	1 year, prolonged by 1 year for 40-50 year olds, 2 years for those over 50	minimum 12 months contribution to social security and 6 months employment

	Definition	Amount	Duration	Access Conditions
Ireland				
1. unemployment benefit	social security benefit	flat rate benefit: ECU 82/week (1995)	limited to 390 days (1 year more possible for those 65 years old)	at least 39 weeks of employment subject to social security
2. unemployment assistance	„end of rights“ allowance	flat rate benefit (1995: ECU 79 shortterm, ECU 82 longterm)	unlimited	means-tested
Netherlands				
1. unemployment benefit	social insurance benefit	70% of last wage	6 months to 5 years depending on length of employment	at least 6 months of employment subject to social security
2. continued allowance	„end of rights“ allowance	70% of minimum wage	one year	unemployed having exhausted insurance benefit and having worked 3 years during 5 year period prior to unemployment
3. unemployment assistance	minimum income/ complementary allowance	- 100% of minimum wage (couples) - 90% of minimum wage (single parents) - 70% of minimum wage (single person)	unlimited	- unemployed having exhausted their rights or with insufficient rights (incl. school leavers) - active job search - means test
Sweden				
1. unemployment benefit	voluntary membership social insurance benefit	75% of previous wage (1996)	< 55 years of age: 300 days, 55 and older: 450 days	- membership of at least 12 months - at least 80 days of employment within last 5 months
2. unemployment assistance	„end of rights“ allowance (also for those that have no rights)	flat rate: ECU 28/day (1996)	< 55 years: 150 days, 55-59 years: 300 days, 60 and older: 450 days	- at least 5 months of employment
United Kingdom				
unemployment benefit „job seekers‘ allowance“	social insurance benefit	fixed sum dependent on family status (comparable to income support level)	6 months	- minimum length of work subject to social security - proof of active job search - insertion contract

Sources: De Vreyer et al. 1998; Missoc 1997 (figures refer to the years 1995/96).

Denmark

- 1987 *the benefit levels increase by 10%.*
- 1988 *employers have to pay the benefits for insured persons for the first two days of unemployment; 25% of the unemployed do not receive this money.*
- 1991 *the benefit level is adjusted each year to the increase in wages two years previously.*
- 1993 *a new transitional benefit is introduced for unemployed people aged between 55 and 59.*
- 1994 *the period of possible entitlement to unemployment benefit is extended to 7 years (divided into one period of 4 years and a second of 3 years - for benefit receipt in both periods job activity/training is made mandatory).*
- 1996 *the period of possible entitlement to unemployment benefit is reduced again to 5 years and only those who applied for it till the end of 1995 receive the transitional benefit.*
- 1997 *the minimum of employment duration to claim for benefits is lengthened to 52 weeks.*

Sources: Daly 1997, p. 137; Kvist 1997, p. 23-33; Missoc 1997.

Like Sweden, Denmark spends a relatively high percentage of its GDP on social security. But, contrary to many other European countries, spending for active labour market policy is substantial (see Figures 3a and 3b and Köhler 1997, p. 25). The rate of long-term unemployed went down substantially (see Table 3), a fact that seems to justify these above average share of expenditure. In 1994 the government stressed the priority of occupational training especially for the young unemployed with several amendments. A further step was the introduction of „sabbaticals“ in 1996. An employee can take one year off and get a benefit comparable to sickness pay. An unemployed person gets his/her job during that time. That means that there are hardly any additional costs as the money for the unemployment benefits is saved.

Taking the many institutional regulations in favour of the unemployed and the high share of spending together we expect a rather low proportion of poor among the unemployed in the eighties as well as in the nineties.

Germany

- 1982 *the minimum duration of employment subject to social security is lengthened from 6 to 12 months for the claim for unemployment benefit and from 70 to 150 days for unemployment assistance.*
- 1985/86 *the duration of benefit entitlement is extended for those aged over 42 and general conditions of access are eased.*
- 1987 *again the duration of benefit entitlement for those aged over 42 is extended.*
- 1991 *the age limit for the transitional benefit for elderly unemployed is lowered from 57 to 55 years.*
- 1993 *the period of suspension of unemployment benefit is extended in several cases. Several rules to control the unemployed's availability for the labour market are introduced.*
- 1994 *unemployment benefit and unemployment assistance are cut by between 1 and 3 percentage points and the duration of unemployment assistance is limited in certain circumstances to one year.*
- 1996 *claimants of unemployment assistance can be obliged to seasonal work with threat of withdrawal the assistance in case of refusal.*
- 1997 *the duration of benefit entitlement for elderly unemployed is reduced and the minimum age for those whose entitlement exceeds 1 year increase from 42 to 45 years.*

Source: Daly 1997, p. 137; Steffen 1998, p. 5-22.

Not unlike Great Britain, the conservative German government tried to handle the crisis of the labour market and the resulting financial problems by restrictive measures. For our context especially the cuts within the unemployment insurance system are relevant. In the early nineties the unemployment benefits as well as the unemployment assistance were cut, the level of social assistance („HLU“) was frozen. Because of the cuts we suppose that the poverty rates of the unemployed have risen.

France

1984 *a special solidarity benefit (Allocation de Solidarité Spécifique) for the unemployed whose entitlement to unemployment insurance benefits is exhausted is introduced.*

1992 *the amount of the unemployment benefit is to be reduced every 4 months (by 15% to 25% each time).*

A waiting period of a couple of days is introduced.

Source: Daly 1997, p. 137; Eardley et al. 1996, p. 149.

While the Danish labour market policy is future-orientated, the French system sticks to the traditional unemployment insurance, consequentially of excluding those not qualifying for the benefits (see Kaufmann 1997). The proportion of those receiving unemployment benefits or - assistance is less than 50% (see Figure 4 above) owing to last, but not least the high rate of youth unemployment (see Table 2). Even the introduction of a universal social assistance scheme in 1988 (RMI) does not cover the young unemployed as the lower age limit is 25 years.

Thus we suppose that there is a relatively high rate of poverty among the unemployed, and that the rate might even have increased within the last decade.

Ireland

1986 *the absolute bar on women claiming the means-tested unemployment payment is lifted. Unemployment benefit is now payable to women for the same duration as to men.*

1994 *the earnings-related component of the social insurance unemployment payment is abolished, but the value of benefits is raised by 10%.*

Source: Daly 1997, p. 137.

In Ireland, the Family Income Supplement, paid to low-paid workers with children, and the Child Benefit were increased in the early nineties. On the other hand, changes were introduced to the Unemployment Assistance Scheme to make it „more attractive“ for the unemployed to take up casual work. The incentive to work is supposed to be improved this way (compare Missoc 1993). To cope with the greatest

national problem, the high unemployment rate and also the high proportion of unemployed, a national Employment Support Service was established in 1993 (see Missoc 1995).

In total, it is possible that the reforms in Ireland have not worsened the situation of the unemployed.

Italy

1990 *the unemployment benefit is made earnings-related (replacement rate: 15%).*

1991 *the replacement rate is raised to 20%.*

1993 *the replacement rate is raised to 25%.*

Source: Daly 1997, p. 137.

Not unlike the French system, the Italian system favours those in „normal“ full-time employment. This results in a high rate of youth unemployment. Until lately, unemployment cash benefits were very limited. In 1997 - after several amendments - the substitution level will reach 40% (see Hohnerlein 1997, p. 20). Furthermore, the groups qualifying for benefits were broadened. Another field where improvements can be stated are the family benefits. Since 1994, child allowances were increased and the benefits for low income families expanded. On the other hand, cuts in health service and within the system of old age pensions have to be mentioned.

If structural changes did not counteract the improvements in the benefits of the unemployed, the poverty rates of this group should have decreased from the mid-eighties to the mid-nineties.

Netherlands

1987 *a longer period of employment is required before a claim for benefit can be made and the duration for which benefits can be received is reduced.*

The status of breadwinner as a condition for entitlement for benefits is eliminated and credits for caretakers are introduced.

1995 *the conditions for access to unemployment benefit are tightened (instead of 26 weeks of employment over the last 52 weeks, 26 within the last 39 weeks*

become necessary, and for the additional benefit the number of years necessary in employment is raised from 3 to 4 out of the last 5).

Under certain conditions the benefit paid is calculated as a proportion of the legal minimum wage rather than actual wages.

Source: Daly 1997, p. 137.

The Dutch social security system was for a long time thought to be a shining example. But when in the mid-eighties unemployment reached a new maximum, and especially the numbers of general invalidity pensions increased enormously, this positive image vanished. The relationship of the labour force to the inactive population was 100 to 82,9 in 1985 (see Kötter 1997, p. 14). The Dutch government started its reforms in 1986 by reducing the unemployment benefits from 80 to 70% and also freezing the minimum wage - the general assessment basis for a lot of benefits. In the early nineties further cuts followed: the widow's pensions and the invalidity pensions were reduced and sick pay reformed. The general thrust was „less state, more market“.¹⁰

Like in Britain and Germany the material situation of the unemployed is thought to have worsened. In the Netherlands very many people are working part-time: 34% of the male employees and 63% of the female (Eurostat 1995b, p. 191). If they become unemployed they are at a serious risk of becoming poor if they cannot rely on a partner with full-time employment. As the proportion of part-time workers significantly increased during the last decade (see Eurostat 1995b, p. 191), we suppose that the poverty rate of the unemployed increased as well.

Sweden

1994 benefits are cut by 10 percentage points to 80% of previous earnings.

1996 a further cut of 5 percentage points is implemented; a waiting period of 5 days is introduced.

Source: Daly 1997, p. 137.

The Swedish Welfare State spends almost 40% of its GDP on social security (compare figure 3 above). This means that it is - of the EPUSE countries - the one that

has the most extensive public protection system. Unlike the other states, Sweden did not suffer mass unemployment until 1992. At the same time, the sickness rate was quite high compared to other European countries (see Köhler 1997, p. 29). Thus the first reforms and cuts were concerned with sickness pay and with benefits to compensate for occupational accidents and illness. Only lately the cuts also affected the unemployment insurance payments. As the Swedish analyses referred to within this paper are based on data from the early eighties and the early nineties, the consequences of the cuts cited cannot yet show up. The poverty rate among the unemployed is thus thought to have remained unchanged.

United Kingdom

1984 *child additions to unemployment benefit are abolished.*

1988 *the entitlement to unemployment benefit is tied more closely to recent employment.*

1989 *an 'actively seeking work'-test is introduced.*

1996 *a new benefit - Job Seeker's Allowance - replaces the Unemployment Benefit and Income Support for the Unemployed (involving means-testing and abolishing the supplement for the adult dependant of the recipient).*

Source: Daly 1997, p. 137; Erskine 1997, p. 136; MISSOC 1997, p. 351.

Great Britain - The End of the Welfare State? This was the title of an article (Schulte 1997) recently published on British social policy. Although the main cuts within the social security system were not adopted before the nineties (which means after the Thatcher era) and might have come to an end with the latest elections, they changed not only the climate in the country but also the distribution of incomes (see e.g. Jenkins 1995 and also part 2) and the situation of the unemployed. Unemployment benefits as well as income support were cut to motivate the unemployed to also take on badly paid jobs. On the other hand benefits for low income families were improved (Schulte 1997, p. 32). Finally, in 1996 the duration of the flat-rate unemployment benefit was limited to six months (formerly: twelve months) and access is restricted to those younger than the retirement age (MISSOC 1995 p. 357 and 1997, p. 359).

The liberal British Welfare State is thought to „produce“ more poor unemployed than other - corporative or social-democratic - systems (see for definitions Esping-Anderson 1990), as the level of social provisions is quite low (see also figures above). Furthermore, the proportion of poor unemployed is likely to have increased from the mid-eighties to the mid-nineties because of the benefit cuts and, if the household context is taken into consideration, because of the cancellation of support for dependent adults and children.

General tendencies

“One can observe a general tendency on the part of most of the countries in Europe to continue to tighten conditions of access to unemployment benefits and to avoid rates of support which might act as disincentives to employment.” (Daly 1997, p. 136).

Although some new policy measures are to be observed - see the Danish example - the reaction of the national governments to high rates of unemployment usually was a policy of retrenchment and less one of active labour market policies.

3. Data Sources and Operationalisation of Income

3.1 Data Sources

For the aim of this paper - the international and intertemporal comparison of poverty rates - two prerequisites are decisive: that the data sets are very detailed in income related questions and that two very similar data sets exist for the 80s and the 90s.

The data for the Netherlands for 1987 from the Luxembourg Income Study include only persons aged 15 years and older. For better comparison the EPUSE calculations for the year 1991 also only refer to those older than 15. The German data refer only to West-Germany to make the calculations of the mid-1980s and the mid-1990s comparable.

Furthermore it would be useful if the same kind of data could be used for the international comparison. Most of our data sources are household surveys. In the case of Denmark, however, the source is a 3% sample from administrative records (tax records). The Swedish income data is obtained by matching the „Level of Living Surveys“ with data from administrative records. These different sources of the income information have to be kept in mind.

Another problem which can be gathered from Table 5 is that the different data sets do not refer to exactly the same years. Especially the case of Sweden is problematic as the rise in unemployment (see Table 1) came after 1991. Presently, however, no other data source is available.

Table 5: The EPUSE data sets

	1980s	data set	1990s	data set
DK	1988	Register Data from the Danish Statistical Bureau*	1993	Register Data from the Danish Statistical Bureau*
D	1985	German Socio-Economic Panel	1995	German Socio-Economic Panel
F	1985	Situations Défavorisées 1986/87	1992	Situations Défavorisées 1993/94
IR	1987	ESRI Survey of Income Distribution, Poverty and Use of State Services	1994	Living in Ireland Survey (incorporates the European Community Household Survey)
I	1989	Bank of Italy Income Survey	1993	Bank of Italy Income Survey
NL	1987	Luxembourg Income Study	1991	Luxembourg Income Study
S	1981	Level of Living Survey*	1991	Level of Living Survey*
UK	1984- 1986	Family Expenditure Survey (pooled)	1994/ 1995	Family Expenditure Survey (pooled)

Notes: * administrative income data.

3.2 Income Definition

The calculations are done on the basis of the *disposable household income*, that is, income after taxes including transfer payments (see Appendix 2 for the exact definitions of the different countries). To make the incomes of different households comparable the concept of *equivalence income* is applied (see 5 for details).

Generally, we use monthly income, as it is the most reliable indicator of the income situation of the group of the unemployed, however, this could not be realised in all of the countries. A special problem was posed by the French and the Dutch data set. It was not possible to calculate the net household income for the year the employment status refers to, so the French team used the income information of the previous year instead. The problem with the Dutch figures was solved in the same way.

4. Income Distribution and Inequality

Before discussing the lower end of the income distribution, a discussion of the development of the income distribution in general seems adequate. The question is not only whether overall income inequality rose from the eighties to the nineties because of the neo-liberal policies in most of the countries but also whether income inequality among the unemployed and their dependants increased. For this comparison Table 6 shows an inequality measure for the population at working age, i. e. at the age between 18 and 65 years, including all, the workforce and the inactive, the employed and the unemployed, and the same measure only for the unemployed.

The distribution measure we are using is the Gini-Coefficient (for details see e.g. Atkinson 1983, p. 53-56). This widely applied measure ranges from 0 (completely equal distribution of incomes) to 1 (extreme inequality, one person receives the whole income, the rest nothing). The equivalence scale applied is the inofficial new OECD scale.¹¹

In most of the countries inequality among the group we are mainly interested in - the unemployed - is even greater than for the population at working age in total.

Table 6: Gini-Coefficients for Average Equivalent Net Income^a of the Population at Working Age (18-65) and the Unemployed in the Mid-Eighties and the Mid-Nineties

	1980s		1990s	
	population at working age	unemployed	population at working age	unemployed
DK	0.219	0.186	0.225	0.189
D(W)	0.266	0.291	0.278	0.291
F	0.300	0.301	0.29	0.274
IR	0.331	0.279	0.313	0.230
I	0.302	0.313	0.336	0.365
NL	0.253	0.215	0.261	0.272
S	0.225	0.297	0.27	0.303
UK	0.282	0.311	0.306	0.337

Notes: a The new modified OECD-scale is applied.

Source: EPUSE/own calculations; see Appendix 2 for the data sets used.

Denmark, France and Ireland are exceptions. Especially in Ireland, income is more equally distributed among the unemployed than in the population at working age. Probably the Irish unemployment benefit which mainly is paid as a flat rate (see Table 4) could be an explanation for a lower inequality. Only in France and Ireland the inequality declined between the mid-eighties and the mid-nineties for both groups, but more significantly for the unemployed. Ireland now has the lowest inequality among the unemployed while for the whole population between 18 and 65 it has still the highest level of inequality.¹²

The opposite trend was true for Italy, Sweden, the United Kingdom, Germany and the Netherlands. Especially in Italy, the UK and Sweden the increase in inequality is pronounced. The British result only confirms other research in this field (see e.g. Jenkins 1995 and Atkinson et.al. 1995) and it is also a deliberate result of the national policies. To follow Jenkins, during the 1980s the income level for the poorest group of the population were stable or even declined while the majority had increasing incomes, especially self-employment income and investment income rose (see Jenkins

1995, p. 18-19). What one cannot see from our comparison of only two years is that the inequality already changed tremendously throughout the 1980s (see Atkinson 1997, p.301). In the case of Sweden as well, earlier analyses (see Atkinson et.al. 1995, p. 29/30) showed an increase in inequality for the period referred to, but the level of inequality in both decades seems higher than in other studies. This may be due to the fact that in our analysis only persons at working age are considered.

The following paragraphs will show whether the developments in inequality go along with similar trends in poverty which is, of course, not necessarily the case.

5. Income Poverty - A Comparison from the Mid-80s to the Mid-90s

The figures we are interested in largely depend on how poverty is defined. Using the concept of relative income poverty, there are a lot of necessary decisions to be made. To avoid too many value judgements in the beginning, we will use several poverty lines in this paper.

The following list shows the decisions on which the calculations are based:

1. **Point of reference for the calculation of the mean income and thus the poverty threshold is the single country/nation state.** The reason for this decision is simply that both citizens and politicians still use this national perspective. Social policy as well still takes place on the national level. A view that an average of the United Europe should be the point of reference has yet to be established in the minds of its populace.¹³
2. **The relevant income measure is the equivalent (disposable) income of the person within his/her household** (see part 3). As weights we use two equivalence scales, the **old and the new OECD scale**¹⁴. The assumptions concerning the economies of scale are quite different with these two, thus the composition of the population in poverty changes: using the old equivalence scale you will find more persons from multi-person households among the poor, with the new one more persons stem from single households. If the unemployed are mainly young singles living on their own, a lot of them would not be poor if one uses the old OECD scale, but would fall under the poverty threshold if the new scale is used.

3. **The (arithmetic) mean as well as the median is used as a measure of central tendency.** Having decided to do so, we take two perspectives into account: firstly - by using the mean - the idea that whenever the total income rises (no matter whose income increases) the poverty threshold also goes up, that is the 'pure' idea of relative income poverty. Using the median instead implies another idea. The median is the middle value that divides the distribution in two parts of equal size (50% of the cases are below and 50% above the median). So the median is lower than the mean in the case of the typical, negatively skewed income distribution. The median does not change if only the incomes of the better-off half of the society increase. The researcher applying the median tends, therefore, more to an 'absolute' idea of poverty.
4. **We are using three poverty thresholds: the 40, 50 and 60% line.** Besides posing less of a problem with value judgements, the use of three thresholds has the advantage that one can evaluate policy effects much better. If the unemployment benefits in one country are cut this might not effect the poverty rate of the unemployed when one only uses the most common 50% line, whereas one might have a negative effect when applying the 60% line.

The consequence of the above decisions is that the comparisons over time and between countries can be subtly differentiated. This then enables us to detect changes and differences one could not see otherwise.

5.1. Poverty of the Whole Population - Comparisons with other European Poverty Studies

Before discussing our own figures in more depth we want to compare them with the results of other important poverty studies. Comparisons like this, however, are difficult. Not only do the studies often differ in the operationalisation of income, they also refer to different years, the equivalence scales are not the same, etc. Thus it is not too surprising that the results shown in Tables 7 and 8 are not exactly the same, even though we tried to cite the studies that are as similar as possible to ours. While there are quite a lot of studies published with poverty figures of the 80s, these are relatively scarce for the 90s. The latest figures available are the recently published poverty rates

of Eurostat which are based on the first wave of the European Community Household Panel. No study is at hand which - like ours - has an intertemporal perspective, so there is no possibility to cross-check our results this way.

Table 7: Proportion of all Individuals in Poverty^a in EPUSE-Countries - 1980s

Basis	median 50%				mean 50%					
	Epuse		(1)		Epuse		(2)		(3)/(4)	
	income		income		income		income ^b		expenditure	
	%	year	%	year	%	year	%	year	%	year
DK	7.6	88	n.a.		7.9	88	14.7	85	3.9	88
D	5.8	85	6.5	84	10.5	85	8.5	85	10.9	88
F	10.3	85	7.5	84	14.1	85	17.5	85	14.7	89
IR	7.8	87	10.7	87	17.3	87	22.0	85	15.7	87
I	9.9	89	10.5	86	15.6	89	n.a.		21.1	88
NL ^c	4.8	87	4.9	87	7.9	87	5.3	85	4.8	88
S	11.6	81	7.6	87	11.7	81	n.a.		n.a.	
UK	7.9	84-86	9.1	86	14.9	84-86	11.7	85	14.8	88

Notes: n.a. = not available.

a If not indicated otherwise : basis: less than 50% of mean (median) equivalent income new OECD scale is applied.

b Old OECD scale was used.

c Only Population aged 15 years and older.

Sources:

(1) OECD (1995): Income Distribution in OECD Countries, prepared by Anthony B. Atkinson, Lee Rainwater and Timothy M. Smeeding, Paris, p.104.

Data source: Luxembourg Income Study.

(2) O'Higgins, M./Jenkins, S. (1990): Poverty in the EC: Estimates for 1975, 1980 and 1985, in: Teekens, R./Van den Praag, B. (eds.): Analysing Poverty in the European Community, Eurostat News Special Edition, Office for Official Publications of the European Communities.

Data source: various data sources.¹⁵

(3) Eurostat (1994): Poverty Statistics in the late 1980s, Luxembourg (study by Hagenaars, de Vos, Zaidi), p. 185.

Data source: Household Budget Surveys.

(4) Ramprakash, Deo (1994): Poverty in the Countries of the European Union: A Synthesis of Eurostat's Statistical Research on Poverty, in: Journal of European Social Policy, number 4/1994, pages 117-128.

Data source: Household Budget Surveys.

While in our further investigation, in the following sections, we will concentrate on the population at working age and the unemployed we now have a look at the whole population without age limit or other limitation concerning the employment status etc.

Table 7 gives our poverty figures for the whole population in comparison with other important studies of the 80s.

The most similar study is the one by Atkinson et.al. (column (1)) although not the same equivalence scale was used (the equivalence scale employed is the square root of the household size, i.e. $N^{0.5}$). The income definition was more or less the same but there are major differences in the results at least in the case of Sweden, France and Ireland. While in the case of Sweden, the years the two studies refer to are far from close to each other which might explain at least part of the divergence, the French and Irish figures of both studies refer to the same or very close years. For France - where the figures seem too low compared to our figures - the other studies (2), (3) and (4) state even higher poverty rates. For the Irish figures no general direction of divergence can be found, either.

The EPUSE figures of the 90s show serious divergence only in the case of Sweden and partly in the case of the Netherlands (see Table 8 below). For Sweden, the figure presented by Van den Bosch is lower than the half of the EPUSE figure. In the case of the Netherlands, the difference between EPUSE and Van den Bosch who used the same data source, the Luxembourg Income Study, results from the different groups observed: we only included those 15 years and older, Van den Bosch calculated for the entire population. The deviation from the Eurostat figures might be due to the different years.

The comparative overview shows that - even though the single country results differ from study to study - the overall trend during the last decade stays the same: In most of the countries we find higher poverty rates in the 90s than in the 80s. But one should keep in mind how different the results can look if the database or some definitions or operationalisations change.

Table 8: Proportion of all Individuals in Poverty^a in EPUSE-Countries - 1990s

Basis	median		mean					
	Epuse		Epuse		(1)		(2)	
	income		income		income		income	
	%	year	%	year	%	year	%	year
DK	7.2	93	7.7	93	6	93	5.5	92
D	7.4	95	12.7	95	11	93	8.8	90
F	8.4	92	12.8	92	14	93	n.a.	
IR	4.9	94	18.7	94	21	93	n.a.	
I	14.2	93	19.7	93	20	93	n.a.	
NL ^b	4.9	91	8.1	91	13	93	7.7	91
S	10.7	91	12.4	91	n.a.		6.0	92
UK	12.4	94/95	19.1	94/95	22	93	20.4	91

Notes: n.a. = not available.

a Basis: less than 50% of mean (median) equivalent income new OECD scale is applied, no.

b Only Population aged 15 years and older.

Sources:

(1) Eurostat (1997a): Einkommensverteilung und Armut im Europa der Zwölf - 1993, in: Statistik kurzgefaßt, issue 6/97.

Data source: *European Community Household Panel Study*.

(2) Van den Bosch, Karel (1995): A New Social Contract? Trends in Financial Poverty in Western European Countries, European University Institute Working Paper RSC No. 96/40, Florence, p. 22.

Data source: *Luxembourg Income Study*.

5.2. Changes of Poverty within the population at working age - To the better or to the worse?

Within this section the main issue is the development of income poverty within the population at working age. This group - the 18 to 65 years old - is referred to in order to have a suitable comparative group later on when we analyse the situation of the unemployed. At first we show in Table 8 whether the use of different scales and poverty lines changes the international position of the countries concerned. To

facilitate the overview the exact figures are not given, instead poverty is rated as low, medium or high compared to the (unweighted) average of the EPUSE-countries.

Even at first sight, Table 9 below shows one very important aspect which should not be forgotten in comparative research: namely, that the decision for one poverty line gives just one possible picture of the world.

If one compares first of all the relevance of the *level of the threshold* chosen (40, 50, 60%) one finds that only very few countries keep their international position throughout: For Italy it does not make a difference - neither in the 80s nor in the 90s and no matter which scale and measure (mean/median) is chosen: The poverty rate is always - with one exception - relatively high. In the case of France this is true for the 1980s; for the 1990s the poverty rates are - again with one exception - constantly moderate. In the Netherlands, in the 80s as well as in the 90s, the poverty rates are always comparatively low; they are only moderate if the 60% mean of the old OECD scale is used. All the other countries change their position more often. In the case of Germany one can see a deviation from low poverty rates in the 1980s only if the 60% threshold and the mean is applied and, in the 1990s, also if the mean and the 50% and 60% threshold are chosen, respectively. As the mean is higher than the median (see appendix 3 for the poverty lines in national currencies) one can assume that, in Germany in the 80s, many people have incomes near the 60% threshold and, in the 90s, a high percentage of the poor has incomes just as high as the 50% threshold. In the United Kingdom one can see the same phenomenon in the 80s whereas in the 90s the poverty rates are nearly in all lines considerably high.

Table 9: Extent of Poverty of Persons at Working Age^a according to the different Poverty Measures and Poverty Lines in the EPUSE-Countries

	40%				50%				60%			
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
1980s	mean	mean	median	median	mean	mean	median	median	mean	mean	median	median
	new	old	new	old	new	old	new	old	new	old	new	old
Mean*	5.3	5.6	3.9	3.9	11.0	11.4	7.2	7.4	17.6	18.8	12.7	12.8
DK	m	m	h	h	l	l	h	m	l	l	m	l
D^b	l	l	l	l	l	l	l	l	m	m	l	l
F	h	h	h	h	h	h	h	h	h	h	h	h
IR	m	m	l	l	h	h	m	m	h	h	h	h
I	h	h	m	h	h	h	h	h	h	h	h	h
NL	l	l	l	l	l	l	l	l	l	m	l	l
S	h	m	h	h	l	l	h	h	l	l	m	m
UK	l	l	l	l	m	m	l	l	m	m	m	l
1990s	mean	mean	median	median	mean	mean	median	median	mean	mean	median	median
	new	old	new	old	new	old	new	old	new	old	new	old
Mean*	6.5	6.8	4.3	4.6	12.7	13.0	8.3	8.4	19.7	19.5	14.2	13.5
DK	l	l	h	m	l	l	m	m	l	l	l	l
D^b	l	l	l	l	m	m	l	l	m	m	l	l
F	m	m	m	m	m	m	m	m	m	m	m	h
IR	l	l	l	l	h	m	l	l	h	h	m	m
I	h	h	h	h	h	h	h	h	h	h	h	h
NL	l	l	l	l	l	l	l	l	l	m	l	l
S	h	h	h	h	m	m	h	h	l	l	m	m
UK	h	h	m	m	h	h	h	h	h	h	h	h

Notes: mean* = Unweighted mean of the EPUSE countries in %.
l = low < 0.9 times mean*
m = moderate: 0.9 times mean* < moderate < 1.1 times mean*
h = high > 1.1 times mean*
a 18 - 65 years old.
b Figures only refer to West-Germany.

Source: EPUSE/own calculations; see Appendix 2 for the data sets used.

In the case of Sweden, Denmark and Ireland the lines produce even serious differences: While Sweden and Denmark have relatively high poverty rates if the lowest income threshold is chosen and relatively low rates if the 60% threshold is applied, the situation in Ireland is just the other way around. This means that in the two nordic countries comparatively many people are below the lowest (40%) threshold while raising the threshold does not result in too many additional poverty cases. In the case of Ireland, however, most of the poor (or at least more than in other countries) fall between the 40 and 60% of the mean (median) income.

Different levels of social assistance or flat rate benefits in the countries we are looking at could explain part of these results. If, for example, in one country the level of social assistance is for all households above 40% but below 50 or 60% of the mean/median equivalised income, then - if in other countries there is more variation - this country's poverty level would be - *ceteris paribus* - very low at the 40% line but quite high at the 60% line.

Not only the level of the threshold but also the equivalence scale applied and the central measure used make a difference for the international position of the countries. First we will investigate the patterns of the *mean/median differences*. While Sweden and Denmark in general have a worse position if the median is used instead of the mean, the opposite is true for Ireland and, at the 60% level, for Germany. If one now has a look at Appendix 3 which gives the poverty lines in national currencies, we find that the median and mean based thresholds are almost identical for the two nordic countries. But the 50% median line for Ireland and for Germany is almost identical to the 40% mean based line and 60% median line is even below the 50% mean based line.¹⁶ A high mean in contrast to the median indicates high income inequality. This means that the median lines are comparatively high in Sweden and Denmark because the income distribution is relatively equal. That is why the median related poverty rates are relatively high as well.

If we compare the relative positions based on the *old and the new OECD equivalence scale* the result is the following: If we use the median Denmark shows some differences in the ranking whether the one or the other is applied. Denmark mostly shows lower rates for the old scale (although not for all poverty lines). For the other countries the use of the two scales does not result in different positions. As we

know, the assumptions about the underlying economies of scale are quite different for the two scales¹⁷. As we find much more single households and much less multi-person households in Denmark¹⁸ than in the other EPUSE countries, this explains why there are relatively more poor persons if we change from the old to the new OECD scale.

A closer inspection of Table 9 with the aim of identifying *intertemporal changes* shows that significant changes took place between the mid-80s and the mid-90s. No matter which threshold is chosen, the situation has deteriorated in the United Kingdom, while Ireland and even more so France improved their position compared to the other EPUSE-countries. Germany, Italy, the Netherlands and Sweden almost exactly held their position. In the European perspective the Dutch welfare state seems to be the most successful in preventing poverty. In contrast, Italy still has the highest extent of poverty in the 1990s. Ireland - considered a relatively poor country - now seems to have caught up; whereas in the United Kingdom the restriction of social policy measures in the 90s resulted in higher poverty rates. As we have seen earlier (see section 4.) this finding agrees well with the results of the income distribution analysis: While inequality rose in Britain within the relevant decade, the Gini-coefficient for Ireland decreased.

Table 9 gives a quite good impression if one is interested in the position of the countries in an international perspective. For the following more detailed analysis however, a decision has to be made as to which poverty line(s) to choose. There are two guidelines for our decision: one is our overview table above, which indicates that the 50%-line would - at least for most of the countries - be a good (as middle) decision. The other guideline is the acceptance of the thresholds in poverty research. Here as well the 50%-line seems best as it is the most commonly used, and as there are serious arguments for both the median and the mean as a measure of central tendency (see section 5.), we have decided to use the 50% mean and median threshold in the following. The equivalence scale applied barely influences the extent of poverty (see also Buhmann 1988), so we will use the meanwhile more common new OECD scale.¹⁹

Table 10 below now gives the exact figures for the two poverty lines chosen.

Table 10: Poverty rates (%) of the population at working age^a in the 80s and 90s

		1980s						1990s						
		50% mean			50% median			50% mean			50% median			
		years	all	male	fem.	all	male	fem.	years	all	male	fem.	all	male
DK	88	8.9	9.1	8.7	8.5	8.7	8.3	93	9.2	9.6	8.9	8.7	9.0	8.3
D^b	85	9.2	7.8	10.5	5.3	4.6	6.0	95	12.0	10.3	13.6	6.8	5.4	8.2
F	85	12.9	12.1	13.7	9.7	8.8	10.5	92	12.0	12.4	11.8	8.2	8.4	8.1
IR	87	15.3	16.2	14.5	6.6	7.2	6.0	94	14.8	13.3	16.3	3.6	3.5	3.8
I	89	13.9	13.4	14.4	9.0	8.7	9.2	93	18.7	17.7	19.6	13.8	13.1	14.5
NL	87	8.1	8.3	10.0	5.0	5.0	4.6	91	8.0	7.3	8.7	5.1	4.7	5.6
S	81	8.9	9.2	7.9	8.4	9.0	7.7	91	11.6	12.1	11.1	9.9	10.3	9.5
UK	84-86	10.4	9.4	11.4	5.6	5.1	6.0	94/95	15.3	13.4	16.9	10.0	8.9	11.0

Notes: a 18-65 years.

b Figures only refer to West-Germany.

Source: EPUSE/own calculations; see Appendix 2 for the data sets used.

As already seen in columns 5 and 7 of Table 9, *in the mid-80s* the Netherlands had the lowest poverty rates with both definitions of poverty also in absolute terms (see Table 10). Ireland was - with over 15% - the country with the highest poverty rate according to the mean based line, while France had the highest value for the median based line with 9.7%. As already discussed above the figures for Ireland, but also for Germany and for the UK, show how extremely the percentages differ depending which poverty line is used.

In the mid-90s the poverty rates had declined in France and Ireland whereas they increased in all other countries with Italy on top. In Italy, the poverty rates increased from 13.9% to 18.7% for the mean based line and from 9.0% to 13.8% for the median based line. In the Netherlands the rates nearly remained the same. This result is consistent with the development of the income distribution (see section 4.).

For the *comparison of the poverty rates of men and women*, two points have to be kept in mind: Firstly, that because of the household concept of poverty applied in this research, gender differences in poverty rates can only arise outside the (traditional)

family household, i.e. because of different rates among single men and women or lone parents. Secondly, the age limit (18-65 years) means that higher poverty rates among women cannot be attributed to poverty among old women. This means that the higher poverty rates of women in six of the eight countries in question are due to earnings inequality between single men and women and partly due to single mothers in poor circumstances. In the 80s Sweden and Ireland and in the 90s Sweden and France are exceptions: the men have higher poverty rates than women.

5.3. The situation of the unemployed in the 80s and 90s - Rising poverty?

We begin the analysis of the poverty rates of the unemployed with an overview using all the different poverty lines. The definition of unemployment applied here is that of the ILO (International Labour Organisation) (see Appendix 3 for details). This means that not only the registered unemployed but also the nonregistered are taken into account. The following Table 11 shows that the ranking changes dramatically when only this specific group is looked at.

Even though the use of the different thresholds still makes a difference, the results are more consistent when only the unemployed are taken into account (compare Tables 9 and 11). For all countries it is true that their relative position is now independent of the choice of the OECD scale.

Similar to the pattern we found for the whole population at working age, for Sweden the figures for the median based poverty lines are relatively high and for Ireland the mean based poverty line is higher than the median based. For Denmark - if only the unemployed are under review - the change from the mean to the median based line does not make a difference any more.

Table 11: Extent of Poverty among the Unemployed according to the different Poverty Measures and Poverty Lines in the EPUSE-Countries

	40%				50%				60%			
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
	mean new	mean old	median new	median old	mean new	mean old	median new	median old	mean new	mean old	median new	median old
1980s												
Mean*	12.9	13.9	8.9	8.3	26.5	26.9	17.5	17.9	37.6	37.6	29.6	29.0
DK	l	l	l	l	l	l	l	l	l	l	l	l
D^a	h	h	h	h	h	h	h	h	h	h	h	h
F	m	m	h	h	l	m	m	m	m	m	l	m
IR	l	l	l	l	h	h	l	m	h	h	h	h
I	h	h	h	h	h	h	h	h	h	h	h	h
NL	l	l	l	l	l	l	l	l	l	l	l	l
S	h	m	h	h	m	m	h	h	m	l	h	h
UK	l	m	l	l	h	h	m	m	h	h	h	h
1990s												
Mean*	17.5	18.7	12.1	12.2	32.0	31.2	19.3	21.0	44.9	43.5	34.7	32.6
DK	l	l	l	l	l	l	l	l	l	l	l	l
D^a	h	h	h	h	h	h	h	h	h	h	h	m
F	l	l	l	l	l	l	l	l	l	l	l	l
IR	l	l	l	l	m	m	l	l	h	h	m	l
I	h	h	h	h	h	h	h	h	h	h	h	h
NL	l	l	l	l	l	l	l	l	l	l	l	l
S	h	m	h	h	m	m	h	h	m	m	m	h
UK	h	h	h	h	h	h	h	h	h	h	h	h

Notes: mean* = unweighted mean of the EPUSE countries in %.

l = low < 0.9 times mean*

m = moderate: 0.9 times mean* < moderate < 1.1 times mean*

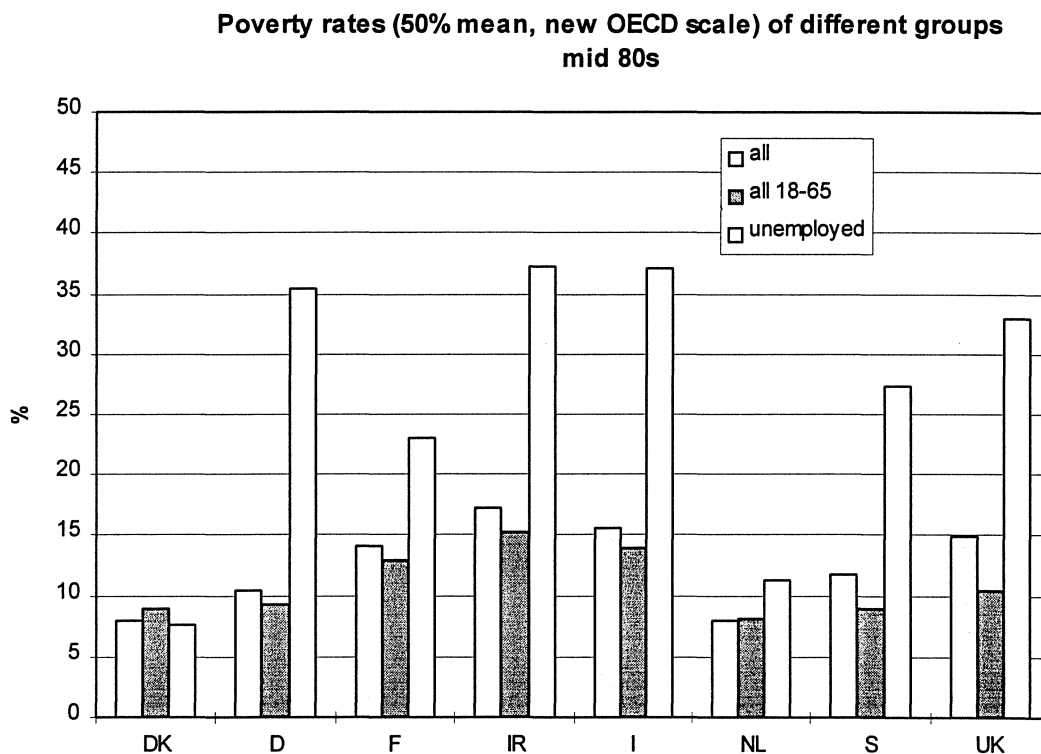
h = high > 1.1 times mean*

a Figures refer only to West-Germany.

Source: EPUSE/own calculations; see Appendix 2 for the data sets used.

In the 80s the use of the 40/50/60% lines seriously influences the relative position of three countries: While in France the 40% figures are relatively high, the 50 and 60% threshold results in moderate to low poverty rates compared to the EPUSE average. The opposite pattern shows for the UK and Ireland: the 40% line shows comparatively low poverty rates, but at the 50 and 60% level comparatively high or moderate rates. The same is true for Ireland in the 90s, only that here the main change is between 50 and 60%. For the other countries in the 90s we find an almost stable picture no matter which line is used.

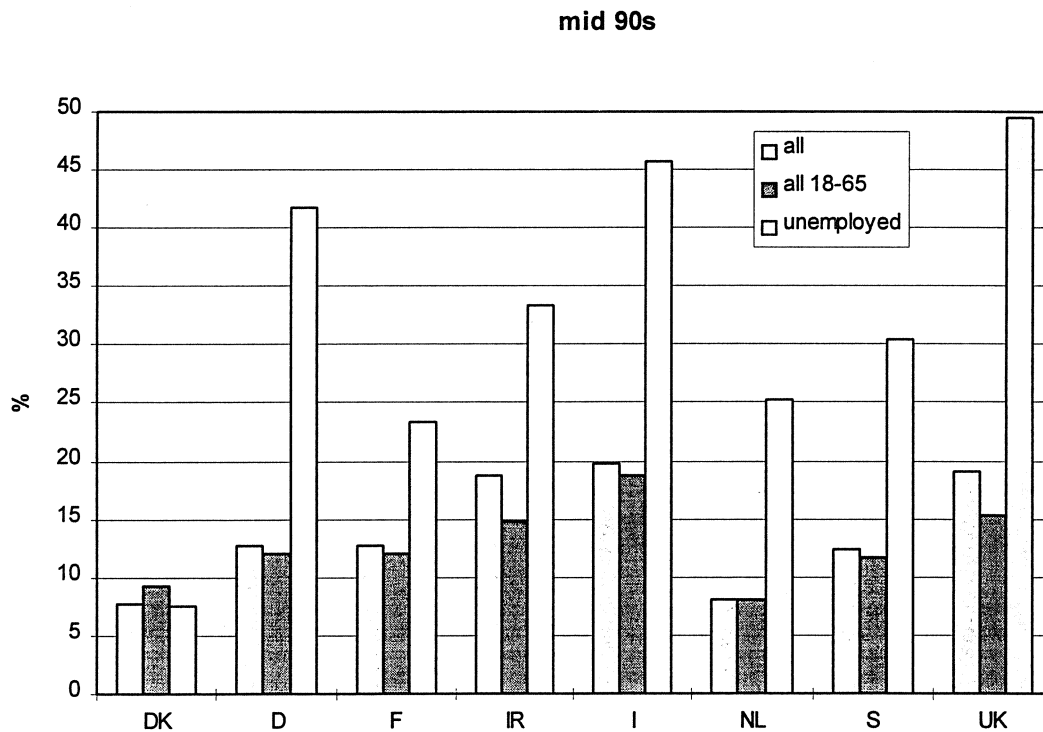
Figure 8a:



To highlight the extent of poverty among the unemployed we show their mean based poverty rates in contrast to those of the whole population and the population at working age (see figures 8a and 8b). At first glance it is obvious that this group bears an extremely high risk to become poor. Only Denmark is an exception where the percentage of unemployed in poverty ranges even below poor of the whole population. In all the other countries especially the gap between the unemployed and those at working age is enormous. With the exception of Ireland this gap widened from

the mid 80s to the mid 90s. This is most obvious in the Netherlands: The poverty rate of the unemployed rose from 11.3% to 25.2% whereas the percentage of poor among the population at working age was almost stable at 8%.

Figure 8b:



Source: EPUSE/own calculations; see Appendix 2 for the data sets used.

Before discussing the results in more depth let us recall the hypotheses of section 2.4. which are based on the social policy analysis:

- **Britain** is supposed to have a **high** rate of poverty among the unemployed, which is thought to have **risen** from the 80s to the 90s.
- **Germany** is supposed to have a **moderate** rate of poverty among the unemployed, which is thought to have **risen** from the 80s to the 90s.
- the **Netherlands** also are supposed to have a **moderate** rate of poverty among the unemployed, which is thought to have **increased** from the 80s to the 90s.
- **Sweden** should also have only a **moderate** rate of poverty among the unemployed, which should **not** have **changed** too much.

- **France** is supposed to have a **high** rate of poverty among the unemployed, which is thought to have **remained stable** from the 80s to the 90s.
- **Italy** is supposed to have a **high** rate of poverty among the unemployed, which is thought to have **gone down** from the 80s to the 90s.
- **Ireland** is supposed to have a **high** rate of poverty among the unemployed, which is thought to have **stayed stable** the 80s to the 90s.

Our figures show that hypotheses that are based only on social policy analysis are not satisfactory. The first result that does not coincide with our hypothesis is the high level of poverty among the unemployed in **Germany**. Contrary to the expectations the level of poverty among the unemployed in Germany is one of the **highest** in the EPUSE countries (see also Table 12 below). This can be explained only partly by insufficient unemployment benefits or unemployment assistance. The differences in the replacement rates compared to other countries is not so high (see Figures 5, 6 and 7). Also the proportion of people who receive benefits in the case of unemployment is quite high in Germany (see Figure 4). Therefore, only structural differences to other countries can explain why Germany has such high rates of poverty among the unemployed. One difference is that the level of youth unemployment in Germany is quite low compared to other countries (see Table 2). That could mean that more families with just one breadwinner are affected by unemployment than in other countries, so that the probability is greater that they fall below the poverty threshold, while in other countries a high percentage of the unemployed are youths who are supported by their families.

The second set of figures that does not match our theoretical analyses is the relatively **low** level of poverty among the unemployed in **France**, a figure which decreased during the previous decade (see also Table 12). This result, however, should be treated with care as it was not possible to calculate post-tax income for France for the year the employment status refers to so that the income of the year before is used (see also Appendix 2). This data problem means that the calculated incomes especially of the short-term unemployed might be too high. Furthermore, youth unemployment is quite high in France, so that it may be that unemployed youth are not considered poor, because they are supported by their families.

In the case of the **Netherlands**, the situation is - in European comparison - still better as we have expected. Although the percentage of poor among the unemployed increased enormously the figures are **lower** than in the most EPUSE-countries. On the one hand, this must be due to the fact that the Dutch security system, apart from the cuts in the last decade, is at least more reliable than others. On the other hand, we have the same data problem like in the case of France: the income data and the information about the employment status do not refer to the same year.

In the case of **Italy**, our prognosis only slightly deviates from the data. As expected, the poverty among the unemployed is high, but instead of showing improvement, the situation even **worsened** from the mid-80s to the mid-90s.

The more detailed Table 12 below shows again that, among the unemployed, poverty is a serious problem. Only Denmark seems to be successful in preventing poverty in the case of job loss. In the other countries, at least a fifth but up to one half of the unemployed and their families have to cope with an income below the (mean-based) poverty line.

Let us now have a look at, firstly, the differences between long-term and short-term unemployment and, secondly, between men and women (see Table 12).

With the exception of Denmark, and in the 1990s also of Italy and Germany, the situation is much worse for those who are long-term unemployed²⁰. Especially in Britain this group has a very high risk of living in poverty. On the one hand, the income replacement rate for these people is in most cases lower than for the short-term unemployed (see Table 4 for details, but also Figures 5 and 6). Furthermore, the most disadvantaged and often formerly low paid constitute the majority of this group. In the case of Denmark the first explanation does not apply as the benefits are paid for quite a long period (4 years) at the high level of 90% of the previous net wage. So there are no major differences in the level of poverty between the short- and long-term unemployed. In Germany however, where there were about one half of the long-term unemployed and only about one quarter of the short-term unemployed in poverty in the 80s, the situation in the 90s - with almost the same rates for both groups - is not easily explained. One reason for the increase of the poverty rate among the short-term unemployed in the 90s could be that the benefits for the unemployed were reduced in 1994. Although this restrictive policy affected both groups, the reduction of the

poverty rate of the long-term unemployed is puzzling. A preliminary explanation could be that the composition of the short-term and the long-term unemployed changed between the 80s and the 90s in a way that nowadays more high risk people (i.e. people with low previous incomes or low family incomes) are in the former group, while lower risk people are more common in the latter group. Further studies have to be done in this respect. Part of the necessary research will be covered by other papers of the EPUSE project.²¹

Comparing now the differences in poverty rates among male and female unemployed, one finds the following. With only very few exceptions (Denmark, Germany in the 80s) unemployed women have a lower poverty rate than men. The explanation for this seems to be quite straightforward: While a lot of the unemployed men still live in households where they are if not the only, then at least the main breadwinner, women are often second earners. This means that in the case of unemployment part of the women can still rely on other work-related incomes and not only on the low unemployment benefits or unemployment assistance. There do not seem to be any significant changes in this respect even though there is a lot of discussion about changing patterns in male and female working and family life.

In Denmark the percentage of women who are in the workforce is relatively high compared to other European countries.²² If we assume that there more women are in the role of main earners of the household, more women than men risk to fall into poverty if they lose their job due to the fact that also in Denmark the average wages for women are below that of men.

Table 12: Poverty rates (%) of the unemployed* in the 80s and 90s

	1980s						1990s					
	50% mean			50% median			50% mean			50% median		
	all	male	fem.	all	male	fem.	all	male	fem.	all	male	fem.
DK	1988						1993					
all unemployed	7.6	7.4	7.9	7.2	7.0	7.5	7.6	7.9	7.4	7.0	7.2	6.7
<=12 months	7.9	7.6	8.2	7.5	7.2	7.8	8.2	8.3	8.0	7.5	7.7	7.3
>12 months	4.7	5.2	4.2	4.5	5.0	4.1	4.1	4.9	3.3	3.5	4.1	2.9
D (W)	1985						1995					
all unemployed	35.5	33.7	37.3	26.1	25.0	27.3	41.7	50.1	33.3	25.6	32.0	19.2
<=12 months	24.1	22.3	25.9	17.2	16.4	17.9	41.8	48.7	36.0	23.2	(25.3)	(21.4)
>12 months	51.5	48.5	55.0	38.6	36.0	41.6	41.4	52.5	(26.1)	30.5	43.0	(13.2)
F	1985						1992					
all unemployed	23.0	25.9	20.5	17.2	20.6	14.2	23.3	29.6	18.6	16.0	19.8	13.1
<=12 months	19.1	19.6	18.6	13.2	13.7	12.7	16.7	22.5	11.9	10.6	13.7	8.2
>12 months	26.4	32.8	21.7	20.6	28.1	15.2	29.6	36.6	24.6	21.1	25.9	17.6
IR	1987						1994					
all unemployed	37.3	41.4	14.5	11.7	13.8	-	33.4	38.4	19.6	6.1	6.9	4.0
<=12 months	31.0	33.8	20.2	11.6	34.6	-	23.9	22.2	26.4	6.2	5.6	7.2
>12 months	40.5	44.8	9.7	11.8	13.5	-	39.1	45.6	10.9	6.1	7.5	-
I	1989						1993					
all unemployed	37.1	37.8	36.3	28.0	30.5	25.0	45.7	48.7	42.3	37.2	41.6	32.0
<=12 months	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	59.1	67.6	49.2	50.4	57.4	44.4
>12 months	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	44.4	46.9	41.5	35.9	40.1	31.0
NL	1987						1991					
all unemployed	11.3	13.5	10.0	7.1	(7.9)	(6.6)	25.2	(28.2)	(18.2)	15.3	[16.8]	[11.6]
<=12 months	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
>12 months	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
S	1981						1991					
all unemployed	(27.3)	(30.2)	(24.4)	(25.0)	(27.9)	(22.2)	30.4	(35.1)	(23.5)	22.0	(23.3)	(20.0)
<=12 months	(28.2)	(30.6)	(26.2)	(25.6)	(27.8)	(23.8)	30.0	(33.3)	(25.5)	(21.9)	(22.0)	(21.7)
>12 months	[20.0]	[28.6]	-	[20.0]	[28.6]	-	[33.3]	[42.9]	-	[22.2]	[28.6]	-
UK	1984-86						1994/95					
all unemployed	32.9	39.2	20.3	17.9	21.5	10.7	49.4	52.0	44.9	35.8	37.4	33.0
<=12 months	22.7	26.6	16.3	13.3	16.1	8.9	30.7	30.8	30.4	20.4	19.8	21.6
>12 months	45.6	52.7	27.0	23.6	27.3	13.9	63.9	67.7	56.8	47.6	50.4	42.4

Notes: * 18-65 years.

n.a. = not available.

() unweighted case number < 30; [] unweighted case number < 10.

Source: EPUSE/own calculations; see Appendix 2 for the data sets used.

5.4. A brief summary of the poverty figures

There are several results presented in this chapter that are worthwhile keeping in mind:

1. There is a trend of growing poverty from the mid-eighties to the mid-nineties if the **whole population** is examined. The only exceptions are France and Denmark.
2. The same trend can be found for the **population at working age** (exceptions: France and Ireland) while the level of poverty among this group is lower than for the whole population.
3. Among the **unemployed**, the extent of poverty is very high. Apart from Denmark and the Netherlands, the proportion of poor in the 80s was two to three times higher among the unemployed than among the population at working age. One decade later, the differences were even bigger in some countries (especially in the United Kingdom, in the Netherlands, in Italy and in Germany). The trend of rising poverty is true for all countries except Ireland.
4. Neither the extent of poverty among the unemployed nor the development of the poverty rates through time can be straightforwardly explained by the social policies of the different countries.

6. Conclusion

Remembering the key questions from the beginning we like to sum up our main results.

There is no general pattern neither for the relationship of inequality among the unemployed to the whole economically active population nor for the development from the 80s to the 90s. While in some countries - Ireland and France - the inequality is less pronounced among the unemployed in others - most striking in Italy, the United Kingdom and Sweden - it is even bigger than for the whole population.

The deregulation policies as well as the budget restrictions resulted in rising inequality in the United Kingdom. But also other countries with less inclination to neoliberal policies saw an increase in inequality: the social-democratic welfare state

Sweden as well as the corporatist welfare state Germany and also Italy. The situation improved, however, in Ireland and also slightly in France.

The same trends that can be found concerning the income distribution are true for the poverty rates: Ireland and France have lower proportions of poor in the mid-90s than in the mid-80s. The poverty rates are high and even rising in the United Kingdom and Italy. In the Netherlands, Germany and Denmark, the percentages of the poor in the whole population as well as in the population at working age are relatively low.

If one looks only at the unemployed the situation changed crucially. Denmark is the only exception, here the unemployed benefit from an extensive protection so that the proportion of poor among the unemployed is even below that of the population at working age. In the other countries, the unemployed bear a high risk to become poor: the poverty rates of the unemployed are twice or even three times higher than of the whole population. Additionally, the situation worsened from the mid-80s to the mid-90s in all countries, even in France and in Ireland. The most obvious case for this policy changes are the Netherlands. Most striking is the high poverty rate of the unemployed in Germany.

¹ The countries participating in the EPUSE project are Denmark, Germany, France, Ireland, Italy, Netherlands, Sweden and United Kingdom.

² One of the few more comprehensive comparative studies regarding unemployment and poverty, the work by Graham Room „New Poverty in the European Community“ (1990), discusses the developments only up to the end of the eighties.

³ The expenditures on social protection defined by Eurostat include benefits for sickness, for invalidity and disability, for occupational accidents and diseases, old-age and survivors pensions, maternity and family allowance, expenditures for placement, vocational guidance and resettlement, unemployment benefits and assistance, housing allowance and others (Eurostat 1993b, p.20-22).

⁴ Of course, active measures themselves reduce the unemployment rates, as e.g. people in qualification programmes do not count as being unemployed.

⁵ Other important factors are: household and family structures (other labour incomes, private transfers) and the characteristics of those in unemployment (age, level of former labour income, duration of former employment, duration of unemployment). These will be discussed in various parts of this paper.

⁶ Officially, the participants of this compensation program, ‘Cassa Integrazione’, are not considered unemployed (and do not appear in Italian unemployment statistics) even if they have been fully laid-

off for months or even years. Due to the Eurostat-definition of unemployment that includes all people who are without job and looking for an employment they appear in the unemployment statistics.

⁷ For details see Europäische Kommission (1996), p. 85.

⁸ This statement is true if the usual poverty line of 50% of mean income is applied. To our operationalisation see paragraph 5.

⁹ Further information - also on other policy fields - can be found e.g. in Ploug/Kvist 1994 and in the publication series on social protection by MISSOC.

¹⁰ For more details see the article by Kötter (1997).

¹¹ Person weights implied by the new OECD scale: head of household: 1.0, all additional persons 14 and over: 0.5, children less than 14 years: 0.3.

¹² Of course, less inequality does not say anything about the average income level of the groups concerned. The Irish figures could also result from a situation where the average incomes of the whole population have risen while the unemployed are worse off although the inequality is less strong. Only the following analysis of relative poverty can show whether there are less poor unemployed in the 90s than in the 80s in Ireland or not.

¹³ Poverty figures on the basis of European mean income are found e.g. in Huster 1996, p. 62.

¹⁴ Old OECD scale: head of household: 1.0, all additional persons 14 and over: 0.7, children less than 14 years: 0.5. New OECD scale: head of household: 1.0, all additional persons 14 and over: 0.5, children less than 14 years: 0.3.

¹⁵ UK: Family Expenditure Survey, D: Socio-Economic Panel, NL: Housing Demand Survey, F: Enquete Revenue, IR: Poverty and Income Survey of Households.

¹⁶ The other countries are somewhere in-between.

¹⁷ See 5. for details.

¹⁸ In 1993, in Denmark 42.8% of all households are single households and 14.7% of all households consist of 4 and more persons whereas in the Europe of the 12 it is 24.6% and 24.9% respectively (own calculations on the basis of Eurostat 1995a, p. 139).

¹⁹ We will see later when we analyse the poverty figures of the unemployed whether the use of the old scale results in significantly different poverty rates and will decide then whether to use it there.

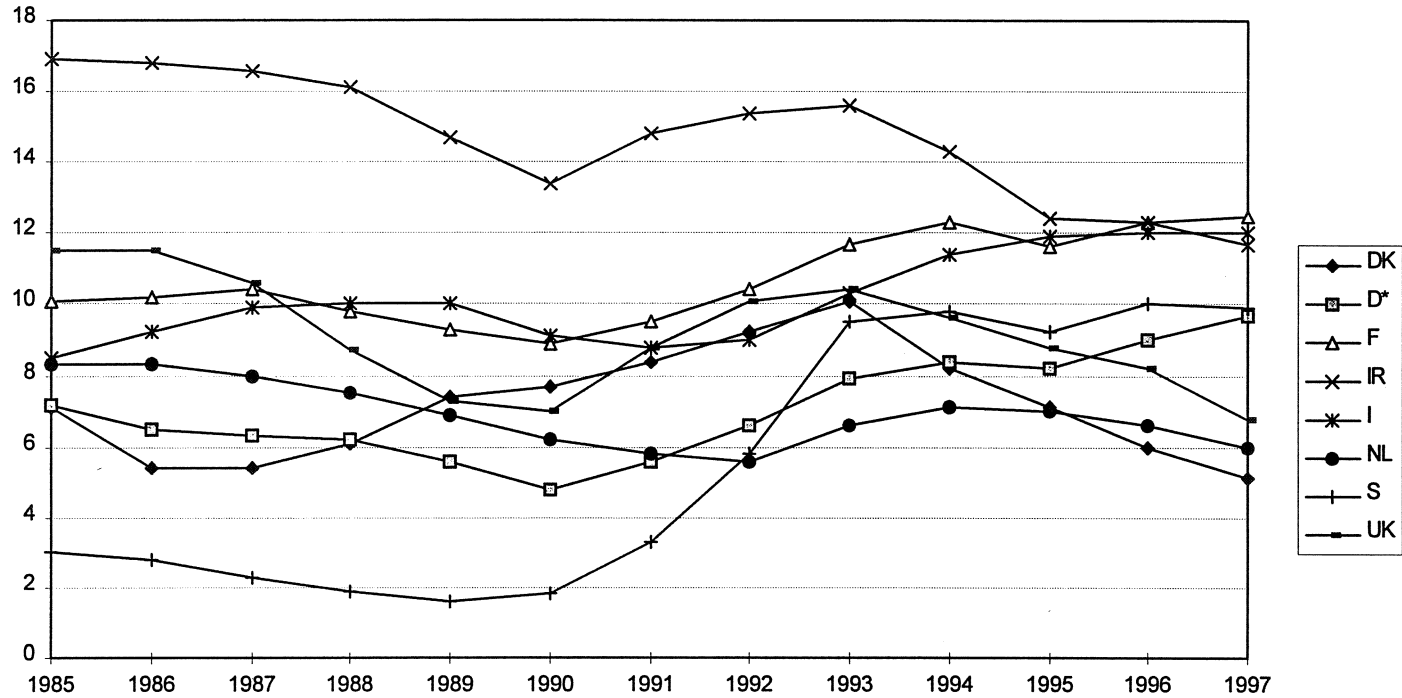
²⁰ Long-term unemployment = more than 12 months of unemployment.

²¹ See papers of the EPUSE work history group and Brian Nolan's et al. paper „The Changing Effects of Social Protection on Poverty“.

²² Since the mid 1980s, the activity rate of women in Denmark is more than 60%, whereas the average rate of the former twelve EC-member states was around 40% and rose up to 52% in 1994 (Eurostat 1996b, p.22-23).

Appendix 1: Harmonised Unemployment Figures 1985-1997 -

Graphical Presentation



Notes: * Data until 1990 refer to West-Germany; data from 1991 up refer to the whole of Germany.

Source: Europäische Kommission 1997, p.82-83.

Appendix 2: Information on the Income Definitions

Guideline for the calculations of the different national teams was the following income definition/concept:

1. Monthly income (income information refers to last month before the interview).
2. Persons (households) with missing values or income of zero were excluded.
3. All members of the household get the same equivalence income.
4. The mean equivalence income of the country is calculated as the average of the equivalence incomes of all persons (not of the households).
5. The **income includes**:
 - a) wages and salaries
 - b) net profits
 - c) capital income (interest, dividends, income out of rent)
 - d) social insurance benefits
 - e) social welfare benefits
 - f) private pensions
 - g) irregular payments (e.g. one twelfth of the christmas money)
 - h) private transfers from persons outside the household.
 - i) rental value of owner occupied housing
6. **minus**:
 - a) taxes on income and wealth.
 - b) social insurance contributions.
 - c) private transfers to persons outside the household.

Appendix 2 (continued): Information on the Data Sets and the Income Definitions

The following table now shows where the national concepts differed from this outline because of difficulties with the data sets available:

	DK	D	F	IR	I	NL	S	UK
to 1)								
Monthly income (income information refers to last month before the interview) was used.		X		X				
Annual income of the previous year (means e.g. 1994 income data and 1995 information of status unemployed/not -) was used instead of monthly income.			X		X	X		
Annual income of the same year (the income information and the status information are of the same year) was used instead of monthly income.	X						X	X
to 2)								
Persons (households) with missing values or income of zero were excluded.		X	X	X		X		
Households with income of zero were included.	X				X		X	X
Households with missing values were included (in the denominator).	X							
to 5)								
Income does not include:								
Wages and salaries								
net profits								
capital income								
social insurance benefits								
social welfare benefits								
private pensions								
irregular payments			X					
Private transfers from persons outside the household.	X			*				
rental value of owner occupied housing	X		X	X				X
to 6)								
Income does not exclude:								
Taxes on income and wealth.								
Social insurance contributions.								
Private transfers to persons outside the household.				*	X	X		

* only partly in(ex-)cluded.

Appendix 2 (continued): Information on the Data Sets and the Income Definitions

The Poverty Lines in National Currencies (monthly basis)

	DK dkr		D DM		F FF		IR irp		I in 1000 Liras		NL hfl		S sek		UK gbp	
	88	93	85	95	85*	92*	87	94	89	93	87	91	81	91	84-86	94/95
new OECD																
mean																
40%	2447	2886	731	1150	2489	2820		246	606	690	658	950	17670	64569	170	341
50%	3059	3607	914	1438	3111	3525		307	758	893	823	1187	22087	80712	213	426
60%	3671	4329	1097	1725	3733	4230		369	909	1036	987	1425	26504	96854	256	511
new OECD																
median																
40%	2391	2791	621	967	2198	2476		202	524	593	579	835	17472	59534	149	293
50%	2988	3489	776	1209	2747	3096		253	654	742	724	1044	21840	74418	186	367
60%	3586	4186	931	1450	3296	3715		304	785	890	869	1252	26207	89302	223	440
old OECD																
mean																
40%	2135	2526	621	981	2080	2362		197	501	570	566	818	15608	56656	142	292
50%	2669	3158	776	1226	2600	2952		247	626	712	708	1023	19510	70820	177	365
60%	3203	3789	931	1471	3119	3542		297	751	855	849	1227	23412	84983	213	438
old OECD																
median																
40%	2056	2422	512	800	1812	2065		159	432	490	483	692	15278	52080	121	246
50%	2571	3027	640	1000	2266	2581		198	540	613	603	865	19097	65100	152	308
60%	3085	3633	768	1200	2719	3097		238	649	735	724	1039	22916	78120	182	370

* value 1993.

Appendix 3: Definition of unemployment

The definition of unemployment used in the EPUSE project is that of the ILO (International Labour Office). According to this definition unemployed is somebody who

1. has had no work in the last 7 days,
2. has been looking for work in the last 4 weeks and
3. is available to start work in the next 2 weeks.

Because of slightly different questions in the data sets used by the national teams, the operationalisation was in several cases modified to some extent. Anyway, the main idea „no work“, „actively looking for work“ and „available for work“ was not affected.

Only the Swedish calculations were done referring to registered unemployment as the official data set they used did not contain the information for the ILO-definition.

References

- Abrahamson, Peter, Finn Kenneth Hansen (1996): Poverty in the European Union, unpublished script, Copenhagen.
- Atkinson, Anthony (1983): *The Economics of Inequality*, 2nd edition, Clarendon Press, Oxford.
- Atkinson, Anthony, Lee Rainwater, Timothy M. Smeeding, (1995): *Income Distribution in European Countries*, Luxembourg Income Study Working Paper No. 121.
- Atkinson, Anthony (1997): *Bringing in Income Distribution from the Cold*, in: *The Journal of the Royal Economic Society*, Vol. 107, No. 441, March 1997, p. 297-321.
- Atkinson, Anthony (1998): *Social Exclusion, Poverty and Unemployment*, in: Atkinson, Anthony, John Hill (Eds.), *Exclusion, Employment and Opportunity*, CASE paper 4, p. 1-20.
- Becker, Irene, Richard Hauser (1996): *Einkommensverteilung und Armut in Deutschland von 1962 bis 1995*, EVS working paper number 9/1996, University of Frankfurt.
- Berghman, Jos (1997): *Das Wiederaufleben der Armut und der Kampf gegen die Ausgrenzung: Eine neue Herausforderung für die soziale Sicherheit in Europa*, in: *Internationale Revue für Soziale Sicherheit*, Bd. 50, issue 1/97, p. 3-24.
- Buhmann, Brigitte, Lee Rainwater, Guenther Schmaus, Timothy M. Smeeding (1988): *Equivalence Scales, Well-Being, Inequality, and Poverty: Sensitivity Estimates Across Ten Countries Using the Luxembourg Income Study*, in: *The Review of Income and Wealth*, series 34, number 2/1988, pages 115-142.
- Bundesministerium für Arbeit und Sozialordnung (1996): *Statistisches Taschenbuch 1996, Arbeits- und Sozialstatistik*, Bonn.

- Daly, Mary (1997): Welfare States under Pressure: Cash Benefits in European Welfare States over the last ten Years, in: Journal of European Social Policy, Vol. 7(2) 1997, p. 129-146.
- Deleeck, Herman, Karel Van den Bosch (1992): Poverty and Adequacy of Social Security in Europe: A Comparative Analysis, in: Journal of European Social Policy, number 2/1992, p. 107-120.
- De Vreyer, Philippe, Serge Paugam, Jean-Paul Zoyem (1998): From Precariousness to Social Exclusion - A Perspective on European Research, EPUSE working paper 2, Oxford.
- Erskine, Angus (1997): The withering of social insurance in Britain, in: Clasen, Jochen (Ed.), Social Insurance in Europe, Bristol, p. 130-150.
- Esping-Andersen, Gosta (1990): The Three Worlds of Welfare Capitalism, London.
- Europäische Kommission (DG V) (1996): Soziale Sicherheit in Europa, Brüssel/Luxembourg, p. 83-106.
- Europäische Kommission (1997): Europäische Wirtschaft, No. 64, Brüssel/Luxembourg, p. 82-83.
- Eurostat (1993a): Erhebung über Arbeitskräfte. Methodik und Definitionen, Brüssel/Luxembourg.
- Eurostat (1993b): Social Protection Expenditure and Receipts, Brüssel/Luxembourg.
- Eurostat (1994): Poverty Statistics in the late 1980s, Luxembourg (study by Hagnaars, de Vos, Zaidi).
- Eurostat (1995a): Statistische Grundzahlen der Gemeinschaft, 32nd edition, Brüssel/Luxembourg.
- Eurostat (1995b): Europa in Zahlen, 4. Ausgabe, Brüssel/Luxembourg.
- Eurostat (1996a): Statistische Grundzahlen der Gemeinschaft, 33rd edition, Brüssel/Luxembourg.

- Eurostat (1996b): Erhebung über Arbeitskräfte, Ergebnisse 1994, Brüssel/Luxembourg.
- Eurostat (1996c): Employment and Unemployment. Aggregates 1980-1994, Brüssel/Luxembourg.
- Eurostat (1997a): Einkommensverteilung und Armut im Europa der Zwölf - 1993. Statistik kurzgefaßt, issue 6/1997.
- Eurostat (1997b): Erhebung über Arbeitskräfte, Ergebnisse 1996, Brüssel/Luxembourg.
- Glatzer, Wolfgang, Gerhard Kleinhenz (1997): Wohlstand für alle?, Leske + Budrich, Opladen.
- Goodin, Robert E., Bruce Headey, , Ruud Muffels, Henk-Jan Dirven (1996): Poverty, Inequality and Income Redistribution by Governments in the 'The Three Worlds of Welfare Capitalism': Panel Results for U.S.A., Germany and the Netherlands 1985-89, unpublished paper for the 2nd German Socio-Economic Panel Conference, Berlin, July 10-12 1996.
- Gottschalk, Peter, Björn Gustafsson, Edward Palmer (Eds.) (1997): Changing Patterns in the Distribution of Economic Welfare. An International Perspective, Cambridge.
- Gottschalk, Peter, Timothy M. Smeeding (1995): Cross-National Comparisons of Levels and Trends in Inequality, LIS Working Paper no. 126, Luxembourg Income Study.
- Haller, Max (1997): Klassensstruktur und Arbeitslosigkeit - Die Entwicklung zwischen 1960 und 1990, in: Hradil, Stefan, Stefan Immerfall (Ed.), Die westeuropäischen Gesellschaften im Vergleich, p. 377-430.
- Hauser, Richard (1997) Soziale Sicherung in westeuropäischen Staaten, in: Hradil, Stefan, Stefan Immerfall (Ed.), Die westeuropäischen Gesellschaften im Vergleich, p. 521-548.
- Hohnerlein, Eva-Maria (1997): Der italienische Sozialstaat zwischen Krise und Reform, in: Sozialer Fortschritt, Jg. 46, issue 1,2 1997, p. 16-20.

- Huster, Ernst-Ulrich (1996): Armut in Europa, Leske + Budrich, Opladen.
- Jenkins, Stephen P. (1995): Assessing Income Distribution Trends: What Lessons from the UK?, Working Paper 95-19 of the ESRC Research Centre on Micro-social Change, University of Essex.
- Kangas, Olli, Veli-Matti Ritakallio (1998): Different Methods - Different Results? In: Andreß, Jürgen (Ed.), Empirical Poverty Research in a Comparative Perspective, Aldershot.
- Kaufmann, Otto (1997): Frankreichs solidarische *sécurité sociale* in der Krise, in: Sozialer Fortschritt, Jg. 46, Heft 1,2 1997, p. 3-8.
- Köhler, Peter A. (1997): Der 'skandinavische Wohlfahrtsstaat' auf Reformkurs, in: Sozialer Fortschritt, Jg. 46, issue 1,2 1997, p. 25-30.
- Kötter, Ute (1997): Das niederländische Wohlfahrtsmodell - kein Vorbild mehr?, in: Sozialer Fortschritt, Jg. 46, issue 1,2 1997, p. 12-16.
- Kvist, Jon (1997): Retrenchment or restructuring? The emerge of a multitiered welfare state in Denmark, in: Clasen, Jochen (Ed.), Social Insurance in Europe, Bristol, p. 14-39.
- Missoc (1996): Soziale Sicherheit in den Mitgliedstaaten der Europäischen Union, Stand 1. Juli 1995, Brüssel/Luxembourg.
- Missoc (1997): Soziale Sicherheit in den Mitgliedstaaten der Europäischen Union, Stand 1. Juli 1996, Brüssel/Luxembourg.
- Noll, Heinz-Herbert (1997): Wohlstand, Lebensqualität und Wohlbefinden in den Ländern der europäischen Union, in: Hradil, Stefan, Stefan Immerfall (Ed.): Die westeuropäischen Gesellschaften im Vergleich, p. 431-474.
- OECD (1994a): The OECD Job Study, Evidence and Explanations, Part I: Labour Market Trends and Underlying Forces of Change, Paris Cedex.
- OECD (1994b): The OECD Job Study, Evidence and Explanations, Part II: The Adjustment Potential of the Labour Market, Paris Cedex.

- OECD (1995): *Income Distribution in OECD Countries*, prepared by Anthony B. Atkinson, Lee Rainwater and Timothy M. Smeeding, Paris Cedex.
- OECD (1996): *OECD Economies at a Glance*, Paris Cedex.
- O'Higgins, M., S. Jenkins (1990): *Poverty in the EC: Estimates for 1975, 1980 and 1985*, in: Teekens, R., B. Van den Praag (eds.), *Analysing Poverty in the European Community*, Eurostat News Special Edition, Office for Official Publications of the European Communities.
- Ploug, Niels, Jon Kvist (1994): *Recent Trends in Cash Benefits in Europe, Social Security in Europe 4*, The Danish National Institute of Social Research, Copenhagen.
- Ramprakash, Deo (1994): *Poverty in the Countries of the European Union: A Synthesis of Eurostat's Statistical Research on Poverty*, in: *Journal of European Social Policy*, 4/1994, p. 117-128.
- Room, Graham (1990): *'New Poverty' in the European Community*, Macmillan Press, Houndmills.
- Room, Graham (Ed.) (1991): *National Policies to Combat Social Exclusion. First Annual Report of the European Community Observatory*, Commission of the European Communities, Directorate General V Employment, Social Affairs, Industrial Relations, University of Bath.
- Schmid, Günther (Ed.) (1994): *Labour Market Institutions in Europe. A Socio-economic Evaluation of Performance*, London.
- Schmid, Günther, Bernd Reissert, Gert Bruche (1987): *Arbeitslosenversicherung und aktive Arbeitsmarktpolitik*, Edition Sigma, Berlin.
- Schulte, Bernd (1997): *Großbritannien - Das Ende des Wohlfahrtsstaates?*, in: *Sozialer Fortschritt*, Jg. 46, issue 1,2 1997, p. 30-37.
- Smeeding, Timothy M., Michael O'Higgins, Lee Rainwater (1990): *Poverty, Inequality and Income Distribution in Comparative Perspective*, Harvester Wheatsheaf, New York.

Van den Bosch, Karel (1995): A New Social Contract? Trends in Financial Poverty in Western European Countries, European University Institute Working Paper RSC No. 96/40, Florence.

Van den Bosch, Karel, Lieve De Lathouwer, Herman Deleeck (1997): Poverty and Social Security Transfers - Results for Seven Countries and Regions in the EC, in: Ott, Notburga, Gert G. Wagner (Eds.), Income Inequality and Poverty in Eastern and Western Europe, Heidelberg, p. 91-124.

Arbeitspapiere des EVS-Projekts
„Personelle Einkommensverteilung in der Bundesrepublik Deutschland“
(Stand: Januar 2000)

Arbeitspapier Nr. 1: The Development of the Income Distribution in the Federal Republic of Germany during the Seventies and Eighties
(Richard Hauser und Irene Becker).

In überarbeiteter Fassung erschienen als: Hauser, Richard, Irene Becker (1997): The development of income distribution in the Federal Republic of Germany during the 1970s and 1980s. In: Gottschalk, Peter, Björn Gustafsson, Edward Palmer (Hrsg.): Changing patterns in the distribution of economic welfare. An international perspective, Cambridge, S. 184-219.

Arbeitspapier Nr. 2: Die Entwicklung der Einkommenslage von Familien über zwei Dekaden - einige empirische Grundlagen zur Würdigung der deutschen Familienpolitik
(Richard Hauser)

In überarbeiteter Fassung erschienen als: Hauser, Richard (1995): Die Entwicklung der Einkommenslage von Familien über zwei Dekaden - einige empirische Grundlagen zur Würdigung der deutschen Familienpolitik. In: Kleinhenz, Gerhard (Hrsg.): Soziale Ausgestaltung der Marktwirtschaft, Festschrift zum 65. Geburtstag von H. Lampert, Berlin, S. 133-150.

Arbeitspapier Nr. 3: Die Entwicklung der Einkommensverteilung in der Bundesrepublik Deutschland in den siebziger und achtziger Jahren
(Irene Becker und Richard Hauser)

In überarbeiteter Fassung erschienen als: Becker, Irene, Richard Hauser (1995): Die Entwicklung der Einkommensverteilung in der Bundesrepublik Deutschland in den siebziger und achtziger Jahren. In: Konjunkturpolitik, Zeitschrift für angewandte Wirtschaftsforschung (Applied Economics Quarterly), 41. Jg., Heft 4, S. 308-342.

Arbeitspapier Nr. 4: Die Veränderung der personellen Einkommensstruktur in der Bundesrepublik Deutschland
(Uwe Fachinger und Jürgen Faik)

Arbeitspapier Nr. 5: Kostenelemente eines Bürgergeldmodells
(Irene Becker)

In überarbeiteter Fassung erschienen als: Becker, Irene (1995): Das Bürgergeld als alternatives Grundsicherungssystem: Darstellung und kritische Würdigung einiger empirischer Kostenschätzungen. In: Finanzarchiv, Band 52, Heft 3, S. 305-338.

Arbeitspapier Nr. 6: Stabilität in der Einkommensverteilung - Ergebnisse für die Bundesrepublik Deutschland bis zur Wiedervereinigung
(Irene Becker)

Arbeitspapier Nr. 7: Zur Messung individueller Wohlfahrt und ihrer Verteilung
(Richard Hauser)

In überarbeiteter Fassung erschienen als: Hauser, Richard (1996): Zur Messung individueller Wohlfahrt und ihrer Verteilung. In: Statistisches Bundesamt (Hrsg.): Wohlfahrtsmessung - Aufgabe der Statistik im gesellschaftlichen Wandel, Band 29 der Schriftenreihe Forum der Bundesstatistik, Stuttgart, S. 13-38.

Arbeitspapier Nr. 8: Did Earnings Inequality in the Federal Republic of Germany Increase from the 1960s to the 1980s?
(Irene Becker)

Arbeitspapier Nr. 9: Einkommensverteilung und Armut in Deutschland von 1962 bis 1995
(Irene Becker und Richard Hauser)

In überarbeiteter Fassung erschienen als: Becker, Irene (1997): Die Entwicklung von Einkommensverteilung und Einkommensarmut in den alten Bundesländern von 1962 bis 1988. Sowie: Hauser, Richard (1997): Vergleichende Analyse der Einkommensverteilung und der Einkommensarmut in den alten und neuen Bundesländern 1990 bis 1995. Beides in: Becker, Irene, Richard Hauser (Hrsg.): Einkommensverteilung und Armut. Deutschland auf dem Weg zur Vierfünftel-Gesellschaft?, Frankfurt am Main/New York, S. 43-61 bzw. S. 63-82.

Arbeitspapier Nr. 10: Modifizierte Sozialhilfe - Bedarfsskalengewichte
(Richard Hauser und Jürgen Faik)

Arbeitspapier Nr. 11: Strukturwandel der unteren Einkommenschichten in der Bundesrepublik Deutschland während eines Vierteljahrhunderts
(Richard Hauser und Jürgen Faik)

Arbeitspapier Nr. 12: Abgaben- und Transfersystem wirkt Polarisierungstendenzen entgegen
Kernel Density-Schätzungen auf Basis der Einkommens- und Verbrauchsstichproben 1973 bis 1988
(Irene Becker und Richard Hauser)

In überarbeiteter Fassung erschienen als: Hauser, Richard, Irene Becker (1998): Polarisierungstendenzen der Einkommensverteilung. In: Statistisches Bundesamt (Hrsg.): Einkommen und Vermögen in Deutschland. Messung und Analyse. Schriftenreihe Forum Bundesstatistik, Stuttgart (im Druck).

Arbeitspapier Nr. 13: Zur personellen Einkommensverteilung in Deutschland 1993:
Fortsetzung des Trends zunehmender Ungleichheit
(Irene Becker)

Arbeitspapier Nr. 14: Die Verteilung von Geld- und Grundvermögen auf sozio-ökonomische Gruppen im Jahr 1988 und Vergleich mit früheren Ergebnissen
Eine empirische Analyse für die Bundesrepublik Deutschland
(Michael Grimm)

- Arbeitspapier Nr. 15: Labor Earnings and Household Income Mobility in Reunified Germany: A comparison of the Eastern and Western States
(Richard Hauser und Holger Fabig)
- Arbeitspapier Nr. 16: The Distribution of Income and Wealth in European and North-American Societies
(Wolfgang Glatzer und Richard Hauser)
- Arbeitspapier Nr. 17: Einkommensmobilität im internationalen Vergleich - eine empirische Analyse mit Panel-Daten
(Holger Fabig)
- Arbeitspapier Nr. 18: Vergleich und Bewertung alternativer Grundsicherungskonzepte
(Irene Becker)
Erscheint in überarbeiteter Fassung als: Becker, Irene (1998): Vergleich und Bewertung alternativer Grundsicherungskonzepte. In: WSI-Mitteilungen, 11/1998.
- Arbeitspapier Nr. 19: Zur Entwicklung der Einkommens- und Vermögensverteilung in den 80er und 90er Jahren. Gibt es eine Tendenz sozialer Polarisierung?
(Irene Becker)
In überarbeiteter Fassung erschienen in: WSI-Mitteilungen, 3/1999 und 5/1999.
- Arbeitspapier Nr. 20: Changes in the distribution of pre-government and post-government income in Germany 1973 - 1993
(Richard Hauser und Irene Becker)
- Arbeitspapier Nr. 21: Changes in Income Poverty and Deprivation over Time
(Richard Hauser und Brian Nolan)
Erscheint in überarbeiteter Fassung als:
Hauser, Richard, Brian Nolan (2000): Unemployment and Poverty. In: Gallie, Duncan, Serge Paugam (eds.): Welfare Regimes and the Experience of Unemployment, Oxford.
- Arbeitspapier Nr. 22: The Changing Effects of Social Protection on Poverty
(Brian Nolan, Richard Hauser, Jean-Paul Zoyem)
Erscheint in überarbeiteter Fassung als:
Nolan, Brian, Richard Hauser, Jean-Paul Zoyem (2000): Effects of Social Protection on Poverty. In: Gallie, Duncan, Serge Paugam (eds.): Welfare Regimes and the Experience of Unemployment, Oxford.
- Arbeitspapier Nr. 23: Erwerbsverläufe in Deutschland, Großbritannien und Schweden - Ähnlichkeiten, Unterschiede und Veränderungen über die Zeit
(Wolfgang Strengmann-Kuhn)
(Veröffentlichung in Vorbereitung)