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International Perspectives on Income Support for Families with Children

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Abstract

While many Canadians believe that we are a 'kinder and gentler' nation, experts in the field of comparative social policy argue that Canadian social programmes are largely similar to those available in the United States, the United Kingdom and Australia. The central characteristics of social policy in the 'Anglo-Saxon' countries are said to be 1) extreme concern over possible negative labour-market incentives and 2) interest in alleviating severe deprivation rather than re-distributing income over-all. The Anglo-Saxon countries are contrasted with the European countries (which are sometimes themselves divided into sub-clusters) which are less concerned about labour-market incentive issues, more concerned about equality among all citizens.

This paper employs micro-data from the Luxembourg Income Study to provide an institutional and statistical survey of programmes which provide income support for families with children in Australia, Canada, Germany, Sweden, the United Kingdom and the United States. Programmes discussed include family allowances, child support, maternity leaves, social assistance, unemployment insurance. Not all of these programmes are specifically designed as income support programmes for families with children (e.g., unemployment insurance), though all provide significant levels of support to at least some families. Not all programmes are available in all countries. (Non-availability of a programme is often an extremely significant characteristic of social policy in a particular country.)

Finally, the paper provides an evaluation of the outcomes associated with different types of income support programmes. The conclusion is that many more children are poor in Canada than in European countries -- especially children living in single-parent families -- and that this has a great deal to do with the income-support programmes we offer (or do not offer). Moreover, countries with more generous social programmes do not have inferior records of labour-market performance. For example, 90 percent of single mothers have earnings in Sweden while only 70 percent have earnings in Canada. Finally, it is argued that higher rates of labour-market participation in Sweden are at least partically the result of facilitative social policies (e.g., extremely generous parental leave programmes which enable parents to manage both career and childcare responsibilities.)

By examining successful income support programmes for families with children available in other affluent nations, this paper seeks possible 'new directions' for Canada. Allowing us to see other solutions to the problems we face -- and even other ways of viewing what constitutes a problem -- is a major advantage of international comparisons in social policy research. This paper investigates the success of alternative income support packages in achieving the goals we, as Canadians, are accustomed to specifying for our programmes (e.g., reduction of poverty, minimization of negative work incentives). However, a major theme of the paper is that other countries sometimes provide different income support programmes because they have rather different ideas about what income support is supposed to do.

To motivate the paper, let me first provide evidence that Canadian children fare badly in comparison with children in many other affluent societies in terms of one of our most basic goals -- the reduction of child poverty. Data from the Luxembourg Income Study indicate that 17.7 of Canadian families with children were poor in 1987.[1] While this record of performance is similar to that of Australia and better than that of the US, where 18.6 and 25.4 percent of families with children were poor, respectively, it is substantially worse than in Germany or Sweden where only 8.9 and 4.7 percent, respectively, of families with children were poor (see Table 1a). Moreover, single-parent families are at much greater risk in Canada than in many other

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[1] A family is defined as 'poor' if family equivalent gross income is less than 50 percent of median equivalent gross income for the country. Median equivalent gross income is family gross income divided by the OECD equivalence scale which assigns the first adult in the family a value of 1, each additional adult a value of 0.7 and each additional child a value of 0.5 This is a relative definition of poverty which is currently the consensus among poverty researchers conducting international comparative studies. See Phipps, 1993 for a discussion. I choose the before-tax definition of poverty since this yields, for Canada, a poverty measure fairly similar to the Statistics Canada LICO's.

countries. In 1987, 48.8 percent of single-parent families were poor in Canada while only 25 percent were poor in the UK, only 8 percent were poor in Sweden.

We are less accustomed to hearing reports in the Canadian media about trends in income inequality, but it is also interesting to note differences across countries in the positions held by families with children in the overall income distribution. In Canada, roughly 60 percent of all families with children (36 percent of single-parent families) have incomes in the middle of the distribution. This is remarkably similar to the Australian situation. On the other hand, only about 50 percent of US familes with children (32 percent of single parents) have incomes in the middle, while 70 percent of German families (50 percent of single parents) and 80 percent of Swedish families (76 percent of single parents) were middle income.[2]

Clearly, something is happening in Sweden and Germany which leaves families with children, and especially single-parent families much better-off than equivalent families in Canada. This paper explores the hypothesis, put forward by a number of authors (e.g., Jantti and Danziger, 1992; Kamerman and Kahn, 1988; Smeeding, 1991; Wong, Garfinkel and McLanahan, 1992) that differences in income support programmes are key to understanding differences in outcomes for families with children. To motivate this argument, compare Tables 2a and 2b which present poverty rates for families with children in terms of factor income (i.e., gross income less transfers) with Tables 1a and

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[2] Table 1 defines families to be 'near-poor' if they have gross equivalent incomes greater than 50 percent of median equivalent income but less than 62.5 percent of median equivalent income. Families are defined as 'middle income' if they have equivalent incomes above 62.5 percent but less than 150 percent of median; families are 'affluent' if they have incomes above 150 percent of median equivalent income. These designations have been used by Smeeding, 1991.

1b, which present poverty rates in terms of gross income. While 22 percent of all Swedish families with children are poor before transfers, only 5 percent are poor post-transfers. In Canada, 24 percent of all families with children are poor pre-transfers, but 18 percent remain poor post-transfers. Clearly, income support programmes go much further toward moving families out of poverty in Sweden than in Canada. Similarly, many more single-parent families are moved out of poverty in Sweden than in Canada. In Sweden, 50 percent of single-parent families are poor before transfers; 8 percent are poor post-transfers. In Canada, 58 percent are poor before transfers; 48 are poor after transfers. With such dramatic differences in outcomes, it seems worthwhile to explore in some detail how Canadian income support programmes differ from those available in other countries and to consider changes which might improve Canada's record of performance.

The paper consists of four sections. The first presents a discussion of alternative philosophies underlying income support programmes and different views of what a successful programme should achieve. Differences in goals result in clear differences in the sort of policies put in place. To illustrate, the second section of the paper provides a comparative survey of the programmes available to families with children in Australia, Canada, Germany, Sweden, the UK and the US. As well as describing the institutional features of income-support programmes, this section of the paper employs micro-data from the Luxembourg Income Study for Australia (1985), Canada (1987), Germany (1984), Sweden (1987), the UK (1986) and the US (1986) to conduct a descriptive statistical analysis of the relative importance of

various programmes affecting families with children.[3] The survey compares programmes such as unemployment insurance, social assistance and child benefits which are currently available in Canada, but it will also consider income support programmes available elsewhere which we do not offer. For example, state guarantees of minimum child support payments are presently provided in Austria, Denmark, Finland, France, Israel, the Netherlands, Norway, Sweden and Germany. Or, Belgium, Denmark, France, Italy and Germany offer free (or very low-cost) childcare for children from about age three until they begin formal schooling (Kamerman and Kahn, 1988). An advantage of international comparisons is that they allow us to step outside the policy framework with which we are familiar to see possibilities for positive change.

The third section of the paper suggests criteria by which income-support programmes might be evaluated and examines outcomes associated with these goals. In this section, Canadian programmes are evaluated using typically Canadian criteria (e.g., the extent of poverty alleviation and effects of labour-market participation) as well as criteria which might be viewed as more relevant in, for example, Sweden or Germany (e.g., equality among all citizens). Similarly, for example, Swedish and German outcomes are evaluated according to both Canadian and Swedish policy goals.

The final section of the paper concludes.

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[3] Australia, the United Kingdom and the United States are selected for analysis as countries which are broadly similar to Canada in terms of social programmes available. Germany and Sweden are chosen for purposes of contrast. Data sets reflect conditions in the mid to late 1980's. There have, of course, been policy changes in most countries since. For example, there have been significant revisions to the unemployment insurance and child benefits programmes in Canada since 1987 -- the year for which the international comparisons are made.

1. Alternative Philosophies of Income Support

Some income support programmes are explicitly designed for families with children (e.g., family allowance, child-tax credit). Others are not specifically intended for families with children, but are nonetheless an important source of income support for a large number of families with children, as well as others (e.g., unemployment insurance).[4] This paper will consider both sorts of policy, though much of the literature on 'family policy' focusses primarily on the first category.

Much excellent research (e.g., Block and Walker, 1993; Card and Freeman, 1993; Hanratty and Blank, 1992) has focussed on comparisons of Canadian social programmes with those available in the US. While helpful, such comparisons can give Canadians a false sense of accomplishment since the US has the worst social policy record of any developped country. Moreover, while there are certainly 'small differences that matter' between Canada and the US, it is important for Canadians to realize that most experts in the field of comparative social policy group Canada and the US together when studying alternative models of how social programmes are structured. That is, they feel that underlying philosophies and general nature of programmes available are sufficiently similar to allow the two countries to be classified as one 'model' of how social programmes can operate. The following survey is intended to illustrate that while experts may differ in the details of classification, they all agree that Canada and the US (together with the UK and usually Australia) have very similar social programmes.

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[4] Macroeconomic policy can also have major implications for the well-being of children, since most families with children are primarily dependent on earnings from the labour market. This issue will not be discussed here.

To understand why affluent, industrialized countries differ in the income support programmes which they offer, it is important to understand that countries differ in terms of underlying motivation/philosophy. As Ringen (1987) points out, most welfare states do have in common the basic goal of greater equality. However, he goes on to argue that

> The goal of equality can be given a weak or a strong interpretation. In its weak interpretation, it implies a guaranteed minimum standard for all members of society. . . . In its strong formulation, the redistributive goal refers not only to the minimum standard but to the entire structure of inequality. . . . In the first case, the ambition is to eliminate destitution and individual misery, in the second case to eliminate, in addition, societal cleavages which might cause conflict and tension in society (p. 8).

Ringen distinguishes welfare states which pursue only the minimum standard of poverty reduction -- 'small' welfare states such as the UK or the US -- and those which pursue the more ambitious second goal of inequality reduction -- 'large' welfare states such as Sweden.

In an extremely influential book, Esping-Andersen (1990) argues that there are not just two but 'three worlds of welfare capitalism.' He describes Canada, with the UK, the US and Australia, as a 'liberal' welfare state.[5] Liberal welfare states, according to Esping-Andersen, are likely to prefer means-tested income-support programmes; to believe it best to target dollars spent on benefits to a primarily low-income clientele. In such states, he argues, universal and social insurance programmes are less popular. A key characteristic of liberal welfare states is a belief in the efficiency and importance of the market. Design/reform of income transfer programmes is always guided by the criterion that, at the margin, no programme should ever

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[5] Castles and Mitchell, 1991, argue that Australia should not be grouped with Canada and the US as a liberal welfare state.

cause anyone to choose welfare rather than paid employment. This concern is in keeping with a strong traditional liberal work ethic common to countries in this cluster.

The link between Esping-Anderson's characterization of the liberal welfare state and the following statement of goals for US income-transfer programmes (Haveman, 1987; cited in Mitchell, 1991) is evident:

1. Provision of a nominally adequate income level to those who cannot work and, in tandem with social insurance and employment programs, to those who can work.
2. Targeting benefits on those most in need.
3. Coordination and integration of programs to achieve administrative efficiency.
4. Similar treatment of similar individuals (horizontal equity) . . .
5. Vertically equitable treatment . . .
6. Encouragement of self-sufficiency by providing work incentives.
7. Reduction or elimination of incentives for family breakup.
8. Attention to making the system understandable, coherent, and subject to fiscal control.

Esping-Andersen labels a second cluster of welfare states 'conservative corporatist' (e.g., Austria, France, Germany, Italy). For these states, Esping-Andersen argues, the 'liberal obsession' with the market was never prevalent, thus the granting of social rights was never an issue. Instead, he argues that a dominant theme in the conservative corporatist states has been the preservation of status differentials (i.e., rights attached to class/status). In combination, these two traits have meant that there has been no hesitation to have the state displace the market, but redistribution has been minimal. A third characteristic of many conservative, corporatist states has been strong influence from the Church. Esping-Andersen links this trait with the strong commitment to the preservation of the traditional family observed in many of the conservative corporatist states.

Again, many of the features of Esping-Andersen's typology can be found in the following statement of goals for German income transfer programmes (Flora, 1986 as cited in Mitchell, 1991):

> Following the policy statements of various federal governments and the platforms of the major political parties, the German income maintenance shcemes have three basic aims: to prevent poverty, to provide social security in the sense of helping people to preserve their social status in the case of lost earnings, and to reduce inequalities in living conditions.

Esping-Andersen labels a third group of welfare states 'social democratic' (e.g., Sweden, Norway, Denmark). He argues that countries in this final cluster have pursued equality with high standards, so that minimum benefits have been up-graded to a level satisfactory from the perspective of the middle-class. Income-transfer programmes in these countries tend to be universal rather than targetted, creating universal solidarity in support of the welfare state. According to Esping-Andersen, 'social democratic' states have pursued the two goals of freeing individuals from the vagaries of the market and freeing them from the constraints of traditional family roles. Emanicipation from the market means that the right to paid employment has been accorded as much importance as the right to income protection. Emancipation from the family has meant acceptance of social responsibility for the costs of children as well as policies which maximize the capacity for individual independence (e.g., policies which allow women to choose market participation). Equality between men and women has been a major theme of the social democratic states. Finally, given the high costs of programmes operated by the social democratic states, full employment has been always been a central goal, minimizing the number of individuals with low incomes and at the same time maximizing tax revenues.

A statement of Swedish policy goals (Flora, 1986 as cited in Mitchell, 1991) is the following:

> The aim of this section . . . is to evaluate the success of the Swedish Welfare State by its own standards . . . improved social security among the total population; greater equality between social classes and between single persons and families, as well as between retired persons and the labour force; and an elimination of poverty.

These rather broad descriptions of welfare states, in general, are obviously closely connected with family policy in particular. Gauthier (1993), in a survey of family policies in OECD countries, provides characterizations of family policy which help show how family policies emerge in keeping with the over-all structure of the welfare state.

First, Gauthier makes important distinctions between French, Germanic and Southern European latin states (treated together as conservative corporatist by Esping-Andersen). Family policy in France has a very long history and has been heavily influenced by a concern with encouraging population growth. Within the French model, it has long been regarded as appropriate that the state should attempt to influence fertility decisions. However, Gauthier argues that while the state encourages couples to have children, there has been no attempt to enforce traditional gender roles since France has one of the oldest and most developped of childcare systems.[6] (Here, she differs from Esping/Andersen.)

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[6] Kamerman and Kahn (1981) report that 'wet nurses' were commonly used by all social classes by the eighteenth century. Group care in centers and public nursery schools were available by the early nineteenth century. 'Ecole Maternelle,' universally available, free, public nursery schools which are attended by nearly all three to five-year olds in France, have been available since the 1950's.

Gauthier distinguishes the Germanic model of family policy from the French model on two main grounds. First, the German government has been reluctant to adopt an explictly pro-natalist policy stance, despite extremely low birth rates. Gauthier attributes this reluctance to the history of Nazi population programmes. Second, unlike the French case, German policy has tended to favour the preservation of traditional family roles. (For example, wives are taxed at their husband's (usually higher) marginal tax rates; daycare provision is limited.) Southern European latin countries are characterized by a strong influence from the Catholic church and relatively late economic development.

Gauthier, like Esping-Andersen, groups together the Anglo-Saxon countries. Here, she again emphasizes that policy has been shaped by a tradition of non-intervention in the market and non-intervention in family matters. As well, in contrast with the French case, she points out that, especially in more recent years, environmental concerns, for example, have focussed concern in Anglo-Saxon countries on too-rapid population growth than on population decline.

Finally, Gauthier labels Esping-Andersen's social democratic countries the 'Nordic' group. In this case, she emphasizes that family policy has developped in response to goals of equality of all citizens, and especially equality between men and women.

There are clearly similarities in the way Ringen, Esping-Andersen and Gauthier characterize clusters of welfare states. Such generalizations are useful in understanding how/why different countries respond differently to similar problems. For example, Kamerman and Kahn (1980) outline four issues which might be addressed by family policy in any country:

1. financial assistance to help with the cost of childrearing
2. care for children while parents engage in paid employment
3. equitable sharing between men/women
4. better balance between home and work, so parents can fulfill parental roles without suffering penalties in the labour market.

Both the priorities assigned each of Kamerman and Kahn's family-policy goals and the policies employed to achieve these goals have differed across countries.

For example, Gauthier (1993) explains a renewed interest in family policy in recent decades as arising from the combination of a) the rediscovery of poverty in the 1960s; b) the increased labour-force participation of women' c) the end of rapid economic growth and d) transformation of the family itself through, for example, lower birth rates and higher divorce rates. In France, she argues attention has again focussed on the fertility issue -- attempting to ensure enough in the way of cash support for families to encourage childbearing. In Sweden, the focus of response has been on providing support for parents who take paid employment (through, for example, expanded daycare and extended maternity/parental leave). In the US, attention has focussed on low-income single parents and, in particular, on minimizing dis-incentives for single parents to take paid employment.

To summarize, experts in the field of international social policy comparisons disagree somewhat about how European countries should be grouped. Ringen groups all European countries together; Esping-Andersen distinguishes the 'social democratic' from the 'conservative corporatist'; Gauthier makes even finer distinctions when focussed specifically on family policy. However, all of the experts agree that Canada and the United States should be

categorized together. As Canadians, we are used to thinking of ourselves as having rather distinct policies which are 'kinder and gentler' than those available to our neighbours to the south. However, it is very important to realize that to outside experts, the similarities far outweigh the differences.

2. A Comparison of Income Transfers Received by Families with Children in Australia, Canada, Germany, Sweden, the UK and the USA

Section 1 focussed on differences in the philosophies underlying programmes of income support for families with children in different countries. This section uses micro-data from the Luxembourg Income Study (LIS)[7] to examine differences in a limited set of specific income transfer programmes available in countries in each of Esping-Andersen's 'three worlds of welfare capitalism.'[8] The primary focus is on Canada and other countries in the 'liberal' cluster -- Australia, the US and the UK, but for comparison, Germany, a 'conservative corporatist' state, and Sweden, a 'social democratic' welfare state, are also included in the analysis.

For each country, data refer to one year in the mid- to late-1980's. (Table 3 describes the original micro-data surveys included in the Luxembourg Income Study for each of these countries.) Extensive use is also made of the LIS Institutional Data Base (IDB) developped to be used in conjunction with LIS (Gornick, 1993). The IDB provides detailed descriptions of the rules and

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[7] The Luxembourg Income Study is a set of internationally comparable microdata sets, housed in Luxembourg, but easily accessible to remote users via the EARN/BITNET system. See de Tombeur, et.al., 1993 for a detailed overview of this data source.

[8] I focus on the Esping-Andersen typology in this section as it is the most widely known.

regulations governing specific transfer programmes in LIS countries. At present, Australia, Canada, Germany, the UK and the US (of the countries studied here) are included. (Programme descriptions refer to the same year for which the data in the survey were collected rather than the most recent year.)

It should be noted at the beginning that programme by programme comparisons will always be somewhat limited since countries do not have identical lists of programmes with variation only in rates or duration of benefit. Some programmes may exist in one country but not another or policies which sound similar (e.g., policies for the unemployed) may have radically different structures.

A second note is that programmes are not described in full detail, given the number of programmes and number of countries to be discussed. (See Gornick, 1993 for further detail on most programmes.)

A final note is that, with the exception of Germany, data were collected in the 1986/87 time period. (The German data reflect conditions in 1984.) At this time, countries were at roughly the same stage of the business cycle (i.e., past the worst of the early 1980's recession), but rates of unemployment were very different (see Table 15). Differences in unemployment rates themselves reflect different policy choices made in the countries which interact with other social policy choices. However, this paper will not pursue this theme.

This section of the paper proceeds by discussing five income support programmes which affect families with children -- family allowances, maternity allowances, child support, means-tested benefits and unemployment insurance. In each section, a brief survey of programme characteristics is provided and

an attempt is made to draw out what we can learn about differences in the nature of social policies across the countries.[9]

2a. Child Allowances

First, a consideration of child allowances illustrates important differences across the countries in the degree to which children are regarded as a purely private responsibility of the family. At LIS survey dates, almost all families with children in all countries except the US received a child allowance, though the level of the allowance varies significantly across countries.[10] Of the countries studied here, child allowances are most generous in the UK (12 percent of mean equivalent gross income for the country)[11] and least generous in Canada (only 4 percent of mean equivalent

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[9] Table 4 presents descriptive information about the receipt of various forms of transfer income by all families with children; Table 9 presents equivalent information for single-parent families. The category of 'all families' includes single parents. Estimates are reported separately for single parents since this group has been of particular interest by social policy analysts, particularly in 'Anglo' countries. Since the focus of the paper is on transfers for families with children, I have not chosen to discuss pensions. I also exclude discussion of worker's compensation-type programmes, though such benefits are very important for some families with children. Also, there is no discussion of transfers in the form of education, though each of the countries studied provides public education at least for children of about age five or six to about age seventeen (and in some cases for younger children). Unfortunately, there is no discussion of transfers in the form of public healthcare, though there are important differences across the countries in this dimension. This is omitted for lack of data. Finally, please note that all table report weighted estimates.

[10] Child allowances are in all cases financed from general revenue. Benefits are only taxable in Canada. Benefits are reduced for higher-income families in Germany.

[11] Family allowances are more generous in France, especially for families with three or more children.

gross income for the country).[12] There is no child allowance programme in the US.

The example of child allowances is a useful case for exploring the link between the underlying philosophy of a welfare state and the programmes which result. For example, Kamerman (1980) argues that 'European countries have a long history of acknowledging that children are a major societal resource and that the whole society should share in the costs of rearing them' (p. 24). This seems consistent with either a conservative corporatist strategy aiming to preserve the traditional family or with a social democratic strategy aiming to improve equality of resources between households with and without children. However, it does not fit well with the liberal tradition emphasizing the non-interference of state in private family matters. If children are regarded as a purely private rather than a social responsibility/resource, then it is perhaps not surprising that the US has never had a system of child allowances. Nor is it surprising that both Canada and Australia have recently moved away from universal child allowance programmes in an effort to 'improve targetting' to lower-income families' -- a change of direction in keeping with the liberal/Anglo tradition. The Canadian policy change even includes using the child allowance scheme in an effort to improve work incentives for parents with low earnings. (See Phipps, 1993 for a discussion of the Canadian case and Evans, 1992 for a discussion of the Australian case.)

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[12] To standardize comparisons of benefit amounts across the countries, I have reported all benefits as fractions of mean equivalent gross income for the country. Mean equivalent gross income is a proxy for country standard of living, controlling for differences across countries in family size. One way to interpret 'gross equivalent income' is as a 'per capita' income measure, adjusted for economies of scale available to individuals who live together in families.

Interpreted in the light of the 'three worlds of welfare capitalism,' the British situation is perhaps surprising. According to both Gauthier (1993) and Ferri (1993), the universal character of the British child benefit has been threatened by the Conservative government which would prefer to follow Canada and Australia in introducing a means-tested child benefit. However, public pressure resulted in a decision (1991) to retain the universal character of the child benefit. THis is, however, an illustration of a major advantage of universal programmes -- namely, the social support they create. WHen times are difficult, such support can be very important in maintaining benefits for those who need them most.

Tables 5 and 10 report, respectively, on the importance of child allowances for poor families and by poor single-parent families. Notice that for poor families, child allowances can constitute a sizable portion of total gross income. For example, on average, poor British families receive 20 percent of gross income in the form of child benefits (23 percent for single-parent families). On the other hand, poor Canadian families receive only 6 percent of gross income in the form of family allowances (7 percent for single parents).

Given the nearly universal character of child allowance programmes at LIS survey dates, middle-income families (see Tables 7 and 12) also receive a noticeable portion of total income from child allowances in some countries. For example, middle income families in Sweden and the UK receive roughly 5 percent of income from this source. As argued above, this may help to explain the wide-spread support for child allowances in these countries.

2c. Child Support

Child support is a second specifically child-related form of income transfer which can be particularly important for single-parent families. The case of child support is again useful for understanding differences across the countries in the extent to which children are regarded as a private rather than a public responsibility. In the Anglo countries, child support is regarded as a private transfer and thus many readers from these countries might find it somewhat strange to find a discussion of child support presented together with a discussion of child allowances. However, in Sweden, for example, provision has been made for advance maintenance payments by the state. That is, in the event of default in payment by the absent parent, the state rather than the child bears the burden. The result of this policy of advance maintenance is rather striking. In Table 9, we see that 100 percent of Swedish single-parent families receive child support. This is in sharp contrast with other countries. The next highest receipt of child support occurs in the UK where 32 percent of single-parent families receive child support. About 24 percent of single-parent families receive child-support in the US and Canada; only about 15 percent receive support payments in Australia and Germany.[13]

Consideration of child support is again useful for understanding how differences in philosophies across the various countries studied are linked with differences in observed policy. First, it is worth emphasizing that child support is a programme which would not be counted as a public income support programme in most of the Anglo countries. It is only when we are

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[13] Like Sweden, Germany has a system of advance maintenance payments, though this programme is apparently much less effective than the Swedish system.

making international comparisons that we see that other countries would view child support as a public responsibility. Why would this be so? Again, I believe that Kamerman's (1980) observation that 'European countries have a long history of acknowledging that children are a major societal resource and that the whole society should share in the costs of rearing them' (p. 24) is extremely relevant. In contrast, children are regarded as primarily a private responsibility in Anglo countries unless the family is so destitute that state intervention is necessary to prevent severe deprivation -- Ringen's 'minimal' welfare-state criterion. In the US, it is interesting that single mothers are only eligible to receive public social assistance (Aid for Families with Dependent Children) if they assign their rights to private child support to the state and co-operate in locating the absent parent for purposes of collecting child support. In an effort to curtail public expenditures on AFDC, major enforcement initiatives have been developped. Such a policy direction is entirely consistent with an emphasis on private parental rather than social responsibility for the support of children.[14]

How important are child-support payments as a source of income? For poor single-parent families, this can be an extremely important source of income. For those poor single-parents who receive them, child support payments constitute, on average, 40 percent of gross income in Canada and Germany, 30 percent in Sweden and the UK, 20 percent in the US and 15 percent in Australia (see Table 10). However, child support can also be an important source of income for single parents in other income classes, providing, for example, 24 percent of gross income for affluent single parents in the UK, 12 percent of gross income for affluent single parents in the US.

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[14] Ferri (1993) reports on similar policy directions being taken in the UK.

2b. Maternity Allowances

Consider, next, maternity allowances, which can be an important source of income support for families with children. Notice, in Tables 4 and 9, that there are no state-provided maternity allowances in either Australia or the United States. This is again in keeping with a liberal ideology which emphasizes the importance of self-supporting families and the inappropriateness of government interference with either family or market. Canada and the UK thus stand out, within the Anglo cluster, in their provision of maternity/parental benefits. However, studying maternity allowances brings out another difference of emphasis across the countries studied here. In Sweden, for example, parental leave programmes are viewed as having an important role in facilitating the labour-market participation of mothers. The state's role in helping parents to deal with both their responsibilities as parents and their responsibilities as employees is less emphasized, for example, in the United States.

In Canada, a new mother with at least 20 weeks of insurable employment may take 17 weeks of maternity leave paid at 60 percent of her previous earnings (until a ceiling payment is reached). The start date of this leave is flexible, and many women remain at their paid jobs until just before the baby is due to maximize time at home with their infants. An additional 10 weeks of parental leave is available to either parent again paid at 60 percent of previous earnings (until the ceiling payment is reached). The self-employed are not covered. Benefits are taxable.

In the UK, women with sufficient contributions to national insurance (this includes both paid employees and the self-employed) are entitled to 18 weeks of maternity benefit, beginning 11 weeks before the date of confinement

and ending 7 weeks after birth (with an extension possible if confinement is later than expected). Benefits are paid at a flat rate (which may be reduced for women with low national insurance contributions) and are not taxable. In addition, all mothers receive a small one-time, lump-sum maternity grant (LIS, IDB).

Table 4 indicates that substantially more families receive maternity allowances in the UK (11 percent) than in Canada (5 percent) though Canadians receive larger benefits. The low average and high incidence of receipt of maternity allowance in the UK is a result of the very small maternity grant paid to all British mothers (pulling down the average and up the incidence) in addition to maternity leave benefits for previously employed mothers. The average level of benefits receive is higher in Canada because the Canadian programme pays benefits as a proportion of past earnings while the British programme pays flat-rate benefits. Table 5 indicates that while only about 3 percent of poor Canadian families receive maternity benefits, they constitute an important source of income -- roughly 30 percent of gross income. Maternity benefits are also a significant source of income for middle-income and affluent families in both Canada and the UK (see Tables 7 and 8).

A similarity between the British and the Canadian maternity leave programmes is that recipients are required to have had some recent attachment to the paid labour market. (This is not true for Sweden or Germany.) One difference between the two is in the timing of the leave. In the British case, the leave seems focussed primarily on health considerations, with the requirement that a majority of the leave be taken prior to the delivery of the child. In the Canadian case, many women remain at their jobs until only a few days before the delivery, hoping to have as much time as possible to spend at

home with the child. A second difference between the programmes is the (fairly recent) available of 10 weeks of parental leave, which is available to either parent in Canada.

In Germany, all women covered by the state-supervised health system (which includes paid employees as well as the unemployed, the insured self-employed and wives/daughters of insured men) are eligible for 14 weeks of paid maternity leave (6 weeks before and 8 weeks after the birth). In fact, it is required by law that every new mother take 14 weeks of leave from her paid job. Paid employees receive 100 percent of their net covered earnings (based on an average for the past three months) which is largely financed by employers. (Employers must 'top up' a flat-rate government benefit.) Others receive a lump sum payment. Maternity benefits are not taxable. In addition, since 1986, (though this is not included in the LIS data employed in this study), a state-financed child-rearing benefit is available at a flat rate (reduced for higher-income families) for a period of 18 months following the birth of the child. This benefit can be taken by either father or mother, but the beneficiary may not have more than 19 hours of paid employment per week while receiving child-rearing benefits.

German parents (either mothers or fathers) are also entitled to an annual allotment of 5 days per child (compensated with 100 percent of salary) for the care of sick children. And, breast-feeding mothers in Germany are entitled to work two hours less per day with full salary (Canada, 1986).

In Sweden, mothers or fathers are entitled to 12 months of maternity leave compensated at 90 percent of previous earnings plus an additional 3 months with a small, flat-rate benefit. In addition, and quite separately, parents are entitled to unpaid childcare leave until the child is 18 months.

Since the paid maternity leave may be taken at any time before the child reaches 8 years, it is possible to take a variety of combinations of childcare leave (unpaid) and maternity leave (paid). These benefits are universally available, regardless of previous labour-market participation so long as the parent is covered by the national health insurance. Parents are also entitled to paid temporary leave for the care of sick children (up to 10 years of age) of up to 60 days per child per year. And, until the child is 8 years, employers must grant parents the right to a six-hour work-day (with pro-rated pay) (Kamerman and Kahn, 1983; Gauthier, 1993).

Thus, in both Germany and Sweden, more benefits are available to more families. In neither case is the payment of maternity allowances restricted to women with some prior attachment to the labour-force. The availability of maternity benefits to all families with new children again seems to indicate the acknowledgement of social responsbility for the care and well-being of all children. However, it is striking in Table 4 that 56 percent of Swedish families receive maternity allowances while only 3 percent of German families receive maternity allowances. To understand the rather low percentage of German families with maternity allowances, note that German fertility rates are at unprecedentedly low levels, and recall that the new child-rearing benefit available in Germany since 1986 is not captured in the 1984 German data set.

When thinking about the extremely high percentage of Swedish families with some maternity allowances, recall that the 15 months of paid maternity leave are available until the child reaches 8 years (and it is possible to work part-time and take part-time paid leave). Moreover, there are parental allowances for the care of sick children up to the age of 10. Notice that the

average level of benefit received in Sweden is lower than that received in Canada, despite the much higher replacement rates for paid maternity leave. This is also the result of averaging in, for example, parental allowances for the care of sick children. Nonetheless, maternity allowances constitute an important income source, particularly for poor Swedish families (see Table 5).

The maternity/paternity benefits available in Sweden illustrate how two important goals of Swedish policy are reflected in policy: 1) equality between men and women and 2) assistance with the joint management of family and job responsibilities (Kamerman and Kahn, 1983). This extends to the provision of childcare services. While the LIS data do not provide information about childcare, I include Figure 1 (taken from Gauthier, 1993) which indicates the percentages of children, aged 3 to school age, in publicly funded childcare institutions in a wide variety of countries. Roughly 80 percent of children (3 to school-age) are in publicly funded childcare in Sweden, 70 percent in Germany, about 15 percent in Canada and less than 10 percent in Australia.

2d. Means-Tested and Other Cash or Near-Cash Benefits

Means-tested and other cash or near-cash transfers can be extremely important for low-income families with children. Some of these benefits, in some countries, are specifically intended for families with children and some of which are intended only for low-income families, regardless of child status.[15] While Esping-Andersen, for example, emphasizes that targetting

[15] It should be noted that this is a particularly difficult category of benefits to discuss in a cross-national framework since a large number of rather different programmes are involved. A further difficulty is that since almost all Australian transfer programmes involve a means test, the LIS data report each means-tested transfer in the category which most closely corresponds with other

benefits on low-income groups is a characteristic of the liberal cluster of welfare states, all countries studied here do use such benefits. However, an important theme to notice is that the degree to which 'means-tested' benefits are targetted varies considerably across the countries studied. For example, less than 3 percent of middle-income families with children in the US receive means-tested transfers while 53 percent of middle-income Canadian families, 24 percent of middle-income Swedish families and 19 percent of middle-income British families with children receive such transfers (see Table 7). Figure 2 illustrates that means-tested cash transfers are far more targetted in the US, for example, than in Sweden.

Of course, the value of the transfer, both in absolute and in relative terms can differ as well. For example, while 53 percent of middle-income Canadian families with children receive a means-tested transfer (this includes both social assistance and refundable child-tax credits), the absolute amount of this transfer is less than that received by poor families with children and, of course, the contribution of the means-tested transfer to gross income is very small for middle-income families (less than 2 percent). Similarly, in Sweden and the UK, the means-tested cash transfers received by middle-income familes are absolutely less than those received by poor families, though these benefits still constitute a noticeable share of gross income for middle-income families who receive them (7 percent in Sweden; 21 percent in the UK).

All of the countries studied have basic social assistance programmes, though intended clienteles vary across countries. The major US social-assistance programme, Aid for Families with Dependent Children is primarily

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countries rather than in the separate 'means-tested cash transfers' variable (e.g., the Australian means-tested UI programme is reported as UI rather than as means-tested income).

intended for low-income single mothers (though couples with children may sometimes qualify if one parent is unemployed). In any case, the benefit is available only to families with children. In addition, recipients must assign rights to child support to the state and recipients who are deemed employable must register for work or training. AFDC benefits are not taxable. AFDC recipients are also eligible to receive monthly vouchers for food -- 'food stamps.' (Other low-income individuals and families may also be eligible for food stamps, subject to means tests.) Individuals without children but who are aged, blind or disabled are entitled to means-tested 'supplemental security income.' Other low-income individuals may receive fairly low payments through 'general assistance.' However, since 'general assistance' is provided by state or local governments, there is no standard benefit. And, roughly one third of the states do not provide any assistance for needy individuals not covered by the federal programmes.

In the UK, the basic social assistance programme is intended for a somewhat broader clientele than in the US. A two-tiered 'supplementary benefit' is an income-tested benefit available to low-income households, regardless of child status. (Benefits are paid at a higher rate for those aged 60 and above and for those in receipt of supplemental benefits for more than one year.) In addition, there is a 'family income supplement' available for a period of one year to low-income families in which the head is in full-time employment or to single parents. Recipients of the family-income supplement are also automatically entitled to free school meals, free prescriptions, free dental care and free glasses. Finally, housing benefits equal to 100 percent of rent and rates (local taxes), if deemed appropriate,

are paid to recipients of supplemental benefits. (A separate means-tested housing benefit is available for people not on supplemental benefits.)

As mentionned above, all Australian programmes are mean-tested. Unemployment insurance, one of the most important of these, is discussed in the section of the paper dealing specifically with unemployment benefits. As well, there are several means-tested programmes intended for families with children. A 'supporting parent's benefit' is an income and asset-tested benefit for single parents. The 'family income supplement' is an income-tested benefit for low-income families with children and the 'secondary assistance scheme' is an income-tested benefit for parents with children in secondary school (aged 16-18). (These three programmes are present in 'Other Cash Transfers' in the tables.)

Canadian means tested benefits are unique in two general ways. First, Canada is the only country to make wide use of refundable credits for families with children. (Note that with this form of transfer, payment infrequency can be a problem for low-income families.) Second, there is no uniform 'Canadian' social assistance programme. Qualifying conditions and rates of benefit vary across and within provinces, typically requiring a home visit by a social worker for assessment. In general, however, social assistance is available on a means-tested basis to persons in need with or without children, though the level of benefit paid is much lower for those without children, particularly when deemed 'employable.'

In Germany, there are two major means-tested programmes. First, there is a means-tested unemployment assistance programme for individuals who are either ineligible for regular unemployment insurance benefits or who have exhausted their regular benefits. To qualify, individuals must have had at

least 1 day of regular UI in the last year or have had 150 days of paid work. Benefits are paid at a rate of 58 percent of previous after-tax earnings for individuals with dependants (56 percent for those without) for an unlimited period of time. Unemployment assistance benefits are not taxable, though there is a 100 percent taxback on any earnings. The second major means-tested programme in Germany is social assistance which is available for all persons experiencing hardship. Germany also offers means-tested housing benefits and 'education maintenance' benefits, to support low-income students.

In Sweden, there is a social assistance programme for low-income single-parent families as well as a housing allowance for low-income families with children. The housing allowance consists of a cash transfer in addition to 80 percent of rental housing costs up to a specified maximum. Housing allowances are received by over half of Swedish families with young children.

The programmes described above (as well as a few other minor programmes in various countries) are included in the 'means-tested cash transfers' and 'other cash transfers' categories in the tables. As noted earlier, Canada stands out with the largest percentage of families with children (56 percent) in receipt of means-tested benefits, owing to the payment of, in many cases, the rather small child-tax credit. The UK is notable in paying a means-tested cash benefit to one third of all families with children. (The UK also has the highest rate of unemployment of any country studied.) Moreover, the average level of these benefits is 45 percent of country equivalent income -- the highest level of means-tested benefits paid in the countries studied. Sizable fractions of the near-poor (60 percent) and middle-income populations (19 percnet) also receive means-tested transfers in the UK. It is interesting to note that the UK has the largest proportion of families (34 percent) who are

poor in the absence of transfers -- see Table 2a. (The US has the second-highest proportion of families poor in terms of market income -- 29 percent.)

In all countries, means-tested transfers are particularly important for single-parent families. (As noted above, in many cases these transfers are specifically designed for single-parent families.) In Canada, 85 percent of single-parent families receive a means-tested transfer; 76 percent of single parents in the UK receive a means-tested or 'other' transfer; 69 percent of single parents in Sweden receive such a transfer; 45 and 41 percent of single parents in Australia and the US receive transfers in these categories while 36 percent of German single parents receive a means-tested or 'other' transfer.

How does this fit with the Esping-Andersen's 'three worlds of welfare capitalism' categorization? First, it is quite obvious that more Swedish families than US families receive means-tested transfers though means-testing, according to Esping-Andersen, is supposed to be a characteristic of liberal welfare states. However, it is important to know the income level at which families are no longer eligible for benefits. In the Canadian context, for example, many more families are eligible to receive refundable child-tax credits than are eligible to receive social assistance. The two programmes have very different characters though both are mean-tested -- child-tax credits are automatically available to any family whose income-tax records indicate low income; social assistance involves a subjective evaluation by a social worker. Similarly, the Swedish programme of housing allowances which are paid to over half of Swedish families with young children cannot really be compared with the US AFDC programme which is designed only for very low-income single mothers, though both are mean-tested programmes. There is an important difference between programmes which are mean-tested, but which provide

benefits to a majority of the population and programmes which target benefits only to the extremely needy. When benefits are received by a majority of the relevant population, there is unlikely to be any stigma associated with collection. Moreover, there is likely to be much more wide-spread support for a transfer received by 'us' instead of 'them.'

In Sweden, 60 percent of poor families receive means-tested or related cash benefits; 54 percent of poor families receive means-tested or related cash benefits in the US. However, 31 percent of middle-income families and 24 percent of affluent families in Sweden also receive means-tested benefits; only 3 percent of US middle-income families receive means-tested or related cash benefits and less than one percent of US families receive such transfers. The US programmes are clearly much more focussed on the extremely needy. The Swedish programmes, while 'means-tested' are nonetheless available, though at a reduced level, to a significant number of families at every income level.[16]

2e. Unemployment Insurance

The final income support programme which I will discuss is unemployment insurance (UI). In no country is UI designed specially for families with children, although in several countries, the rate at which UI benefits are paid is higher when dependant children are present. However, in all countries UI provides important income support for some families with children. For

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[16] An interesting contradiction with the small/large welfare state distinction emerges when we see that German means-tested benefits are more targetted than means-tested benefits in the UK or Canada. However, as noted earlier, by combining the Canadian child-tax credit with social assistance payments, a somewhat mis-leading picture of Canadian means-tested programmes appears.

example, 32 percent of all families with children in the UK received UI benefits; 22 percent of all Canadian families with children received UI; 9 percent of US families with children received UI (the smallest percentage). (Of course, levels of unemployment varied considerably across the countries -- from a high of 11.2 percent in the UK to a low of 1.9 percent in Sweden; see Table 15.) For those receiving UI, average benefits as a fraction of country gross equivalent income ranged from a high of 30 percent in Australia to a low of 11 percent in the US and UK.

One theme which emerges from a comparison of UI programmes is that while UI is less generous in the 'Anglo-Saxon' countries than in the European countries, differences are not as great as differences in, for example, child benefits or child-support. The relative similarity of UI programmes may reflect the fact that people in Anglo-Saxon countries are more prepared to support transfers to individuals with histories of paid employment -- i.e., to those who have 'earned the right' to UI from their own past contributions.[17]

How do UI programmes differ across the countries studied? Key characteristics are: eligibility conditions, maximum durations, whether benefits are flat rate or are linked to previous earnings, and whether there is income testing. Eligibility for UI in almost all cases requires some previous history of paid employment and current unemployment with 'willingness to work.' One exception, however, is Australia, where men (16-65) and women (16-59) currently without employment who are willing and able to work are eligible for an income-tested benefit for as long as they remain unemployed.

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[17] It should be noted that Australian UI is 100 percent general revenue financed and does not require a past record of employment. Hence, these comments do not apply to Australia.

There is no requirement of previous work history. Benefit levels vary according to income, age, marital status and number of children and are available for as long as qualification conditions are met. The entire programme is financed from general revenue.

In the UK, benefits are also flat-rate, but eligibility depends upon previous work history as well as a sufficient level of contribution to national insurance. Benefits are reduced for those individuals with low contributions. Benefits are paid for a maximum of 312 days, excluding Sundays, and recipients can re-qualify with 13 additional weeks of employment. Benefit levels are higher for claimants over retirement age, but less than 70 years; benefits are also higher for claimants with children than for those without.

In the US, UI is paid through state programmes, so there is some variation in eligibility requirements and benefit levels. In general, the maximum duration of benefits is 26 weeks, except in higher-unemployment regions where claimants may be eligible for up to 13 additional weeks of federally-funded 'extended benefits.' Previous wages are replaced at between 50 and 70 percent of average weekly pre-tax wages up to a state-determined maximum. The programme is financed through a pay-roll tax on employers and benefits are taxable.

In Canada, eligibility for UI depends on past work history and on the local unemployment rate -- fewer weeks of employment are required to be eligible for benefits in higher-unemployment areas. Similarly, the maximum duration of benefits depends both on previous work history and upon the local unemployment rate -- duration increases as previous weeks of work increase or as the local unemployment rate goes up. However, the maximum duration of

benefits is 50 weeks. Benefits are paid at 60 percent of previous pre-tax earnings, to a ceiling. The programme is primarily financed through premiums paid by employers and covered employees and benefits are taxable.

In Germany, the contributory UI programme (recall that Germany also has a means-tested UI programme) pays benefits at 68 percent of previous after-tax earnings for those with dependants (63 percent for those without). Benefits are not taxable. Eligibility depends upon work history and age. For example, workers aged less than 42 years must have contributed to UI for 24 months prior to their spell of unemployment. This entitles them to 12 months of benefit. Workers aged 55-65, on the other hand, are entitled to 32 months of benefits if they have contributed for 65 months before becoming unemployed. Thus, the German regular UI programme grants long-time workers a very long duration of benefits. When benefits are exhausted, workers will be eligible for means-tested unemployment assistance for as long as they remain unemployed.

Finally, in Sweden, unemployment insurance is the responsibility of the trade unions and is administered through 'unemployment insurance funds,' though national legislation establishes rules which apply to all funds. To be eligible for UI, an individual must be unemployed and willing to accept suitable employment, have been a member of the appropriate unemployment insurance fund for at least twelve months, and must have worked 75 days in the past year. Benefits are then available for 300 days (or 450 days for those aged 55 and above) at a rate of 90 percent of previous earnings, to a ceiling. UI is financed through employee and employer contributions to the UI funds.

Individuals who are not members of a fund or who do not qualify for regular UI are entitled to a flat rate 'daily cash labour market assistance' equal to about 1/3 of the maximum regular benefit (Ryden, 1993).

To summarize some of the important differences in UI programmes across the various countries studied, consider first benefit duration. The US has the shortest maximum duration -- 39 weeks of benefit in high-unemployment areas. Sweden, the UK and Canada offer UI benefits of roughly one-year, at maximum. The maximum duration of primary UI benefits varies with age in Germany, from 1 year for younger workers to 32 months for older workers. Australia provides benefits for an unlimited duration; both Sweden and Germany offer second-tier benefits for an unlimited period of time. (Recall that the second-tier German benefits are still relatively generous.)

Benefit levels also vary across the countries. Australia pays flat-rate benefits, varying by family characteristics. Benefits are reduced for higher-income families. Nonetheless, the average level of benefit received as a fraction of gross equivalent income is higher in Australia than in any other country (30 percent). The UK also offers flat rate benefits which vary by family characteristics, but which are reduced for insufficient past contributions to the national insurance. The average level of benefit received is only 11 percent of gross equivalent income -- substantially lower than in Australia. The US, Canada, Germany and Sweden pay benefits as a fraction of past earnings, with benefit ceilings in the US, Canada and Sweden. (There is no celing on benefits in Germany.) Replacement rates are 50/70 percent of previous earnings in the US, 60 percent in Canada, 68/63 percent (for individuals with and without dependants) in Germany and 90 percent in

Sweden.[18] The LIS data indicate that families who receive UI in the US receive, on average, benefits equal to 11 percent of gross equivalent income. Canadian and German families with UI receive 21 percent of gross equivalent income; Swedish families receive 25 percent.[19]

It is interesting, in light of the characterizations of welfare states discussed earlier, that the UI programmes available in the Anglo-Saxon countries compare somewhat more favourably with their European counter-parts than are, for example, benefits specifically designed for children. This may be because claimants, except in Australia, are required to have demonstrated appropriate work habits before being entitled to benefits. Anglo-Saxon countries appear to be more comfortable about paying benefits to individuals who have 'earned the right to them' through past labour-market contributions; less comfortable about paying benefits to individuals whose only claim is as a member of society in need.

How important is UI as a source of income? In Australia, Canada and Germany, 25 percent of poor families with children receive UI; about 10 percent of poor families with children receive UI in Sweden, the UK and the US. However, the contribution of UI to the gross family incomes of poor families receiving benefits varies from a high of 50 percent in Australia to a low of 10 percent in the US. Poor Canadian families with UI receive, on average, 25 percent of gross income from this source.

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[18] Comparisons are difficult here since the US and Canada pay benefits as a fraction of pre-tax earnings, then tax UI benefits. Germany pays benefits as a fraction of post-tax earnings, but does not tax UI.

[19] Recall that the Swedish UI data will include the lower daily cash benefits as well as primary UI.

UI is another programme which can also be a significant source of income support for middle-income and even affluent families. In Canada, 25 percent of middle-income families receive 13 percent of gross income from UI; 15 percent of Swedish middle-income families receive 13 percent of gross income from UI; 7 percent of Australian middle-income families receive 8 percent of gross income from UI. (The means-testing of UI in Australia leads to significant differences across income groups in the importance/availability of UI.)

f. A Brief Word on Taxes

It is obviously incomplete to look only at income support programmes as they affect families with children and not at the tax side of the story since special tax treatment of families with children may off-set lack of transfer payments in some countries or very high rates of taxation on families with children may off-set the benefits of high levels of benefit receipt. While this paper focusses on transfers, Table 14 indicates that the qualitative story is not substantially different when we consider the distribution of post-tax income. Only 4 percent of Swedish families with children are poor; 8 percent of German families are poor; 24 percent of US families are poor; 15 percent of Canadian families with children are poor.

3. Evaluation

First, a fairly detailed examination of specific programmes available in different countries suggests that grouping countries into 'clusters' of welfare states makes sense, though there is, of course, significant variation within each cluster. Although, for example, Canada offers maternity and

parental benefits unheard of in the US, it is still true that Canadian programmes and Canadian attitudes about what is wrong with programmes are more similar to the US than to Sweden or Germany.

According to Esping-Andersen, Sweden and German fall into different clusters. Certainly, there are differences between these countries which warrant such a distinction -- a principal difference does seem to be that policies are more likely to encourage preservation of the 'traditional family' in Germany than in Sweden. (For example, couples are taxed jointly so that women face their husband's typically much higher marginal tax rates; daycare for the very young is less available in Germany.) The result is a quite striking difference between rates of women's labour-market participation in the two countries (50 percent in Germany and 80 percent in Sweden). Still, both countries do so much better in terms of alleviating child poverty and redistributing income that for the purposes of a final evaluation, I find it convenient to consider Germany and Sweden together as a 'European' model, though with a definite focus on the 'Nordic' model which contrasts most directly with the Anglo-Saxon model.

How should we evaluate the alternative income-support systems for families with children in Australia, Canada, Germany, Sweden the UK and the US? First, it seems obvious that evaluation criteria will differ across the countries, depending on the underlying goals of each welfare state. For example, popular debate suggests that Anglo-Saxon countries are primarily concerned about poverty-reduction relative to dollars spent (targetting) and/or the level of interference with individual decision-making -- market or personal/family (efficiency). Recently, though, it can be argued that the underlying goal motivating policy discussion in Anglo countries has been to

increase rates of labour-force participation, especially among single mothers,[20] even if this involves interference with individual decision-making and free markets, for example, in the form of wage subsidies (e.g., the Canadian self-sufficiency project).[21] Thus, rates of poverty and rates of labour-market participation would be two evaluation criteria appropriate for Anglo goals.

Ringen, Esping-Andersen and Gauthier argue that Nordic countries are more concerned with the over-all distribution of income than simply with the alleviation of poverty[22]; with levels of inequality between families with and without children, between single-parent and two-parent families with children, between men and women. Again, rates of labour-market participation are of interest, but because employment is regarded as a right and because the participation of both men and women in both paid employment and home-work/child care is viewed as an important requirement for equality between men and women rather than because non-participation is viewed as evidence of inefficiency/laziness as in the Anglo model.

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[20] It should be noted that current attitudes in favour of the labour-market participation of all single mothers marks a dramatic shift from attitudes held earlier this century when a 'woman's place' was definitely in the home with her children.

[21] Economists often use the term 'efficiency' to refer to non-interference with free-market forces. This is consistent with wanting to remove 'disincentives to paid employment' by, for example, downsizing a transfer programme, but it is not really consistent with offering wage subsidies to single mothers which involves interference with free markets. The goal of a wage subsidy programme is really to generate positive incentives to take paid employment -- to encourage labour-market participation.

[22] Poverty reduction is a necessary but not sufficient goal in Nordic countries; poverty reduction appears to be regarded as a sufficient goal in Anglo-Saxon countries.

In evaluating the outcomes associated with the alternative income-support programmes, it is important to look again at Tables 1a and 1b. As was mentionned in the introduction, Sweden and Germany have far lower rates of poverty for families with children than have any of the Anglo countries. A concentration on the larger goal of equality among individuals clearly has very favourable implications for outcomes in terms of the minimal goal of poverty alleviation. As well, the over-all distribution of income among families with children is more equal, particularly in Sweden. Only about 13 percent of families have gross equivalent incomes less than 50 percent of median income or more than 150 percent of median income. In contrast, in Canada, 34 percent of families have gross equivalent incomes outside these bounds (the UK and Australia are fairly similar to Canada); 43 percent of families with children in the US have gross equivalent incomes less than 50 percent or more than 150 percent of median income. Thus, Sweden and Germany perform better in terms of both the the 'liberal' goal of poverty reduction and the 'social democratic' goal of reducing over-all income inequality.

Table 15 presents a summary of relative country performance according to some of the other social democratic 'equality' goals mentionned above. First, are single-parent families as well-off as couples with children? Consider the ratio of gross equivalent income for single parents to gross equivalent income for couples with children. In all countries, single-parent families have lower incomes (adjusted for family size) than couples with children. In Australia, Canada and the US, single-parent families receively roughly 60 percent of the equivalent gross income received by couples with children. In Germany and the UK, single parents receive roughly 70 percent while in Sweden, single parents receive 82 percent of the gross equivalent income received by

couples with children. If we measure relative well-being on the basis of after- rather than before-tax income, single-parent families again fare badly relative to couples with children. In fact, the range of cross-country differences becomes even more extreme. The ratio of disposable equivalent income varies from a low of 63 percent in the US to a high of 93 percent in Sweden.

Another interesting equality question is whether households without children fare better than household with children. Table 15 indicates that families with children receive about 83 percent of the gross equivalent income received by households without children in the Anglo countries (80 percent in the US). This figure increases to 86 percent in Germany and to 98 percent in Sweden. Families with children receive about 80 percent of the after-tax equivalent income received by families without children in every country except Sweden where the ratio is 0.99.

The final measure of equality between groups presented in Table 15 is the gender earnings ratio, constructed as the ratio of female to male earnings for all men and women, aged 25 to 55, with some positive earnings. This ratio varies from a low of 46 percent in the UK to a high of 63 percent in Sweden.[23]

Thus, Sweden stands out as the country which is most successful in achieving equality goals. Germany performs better than the Anglo countries in many though not all cases (neither the gender earnings ratio nor the ratio of post-tax earnings for families with children to those without children are significantly different from those in the Anglo countries). The UK stands out

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[23] Including part-time female workers seems important when making these international comparisons since rates of part-time employment vary considerably across the countries studied.

among the Anglo countries by treating single-parent families relatively well. The US stands out by ranking at the bottom in terms of all criteria but one (the UK has the honour of having the lowest ratio of female to male earnings).

But, do Sweden and (to a lesser extent) Germany achieve their successes in reducing inequality and poverty at a cost? Many people in liberal welfare states assume that more generous social transfers will reduce incentives to take paid employment, create dependencies on the welfare state and reduce national output. Is there any evidence of such effects?

Table 15 reports on the relative macro-economic performances of the countries studied. There does not seem to be any evidence that the Anglo-Saxon countries 'do better.' Notice first that Sweden has by far the lowest unemployment rate, at 1.9 percent. The UK has the highest unemployment rate, at 11.2 percent. Australia, Canada and Germany have very similar rates of unemployment -- roughly 8.5 percent while the US is in a middle position at 6.9 percent. Thus, there is no apparent clustering of the countries by welfare-state 'type' in terms of unemployment rates. Inflation rates are lowest in Germany and the US and highest in Australia. Canada and Sweden have similar rates of inflation for the period under study. Finally, in terms of economic growth, both Australia and the US have a poorer record of performance (1979-88) than Sweden while Canada and the UK have a better record. Again, the European countries do not appear to have suffered severe efficiency losses as a result of their more generous social programmes.

Table 15 also summarizes information describing the extent of labour-market participation in the various countries studied. There is very little variation in male rates of labour-force participation. However, female labour-force participation rates vary significantly from a high of 80 percent

in Sweden to a low of 50 percent in Germany.[24] Roughly 65 percent of women in Canada, the UK and the US were labour-market participants in respective survey years; only 56 percent of Australian women participated in the paid labour-market.

A final measure of labour-market attachment is the percent of families who have earnings. In all countries except the UK, at least 90 percent of all families with children had at least some earnings. Nearly 100 percent of Swedish families with children have earnings. Only 80 percent of British families with children have earnings. If we consider only single-parent families, there is more variation across countries. In Sweden, 90 percent of single parents have earnings, roughly 70 percent of single parents in the US, Germany and Canada have earnings; only about 40 percent of single parents in Australia and the UK have positive earnings (Rainwater, 1993).

Thus, a fairly casual inspection of evidence suggests that not only does Sweden perform better in terms of measures of poverty and inequality, but Swedish labour-market participation also substantially exceeds that observed in any of the other countries studied.[25] In a rather informal way, this casts doubt on the hypothesis that more generous programmes necessarily lead to inefficient labour-market outcomes.[26]

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[24] See Phipps, 1993 for an examination of differences in women's labour-force participation.

[25] One hypothesis about higher rates of labour-force participation in Sweden, particularly for single parents, might be that universal transfer programmes do not create a 'cascade' of tax-back effects which might generate negative work incentives.

[26] There is a great deal of empirical evidence, in the Canadian context, at least, that we do not need to be terribly worried about the negative work incentives generated by transfer programmes. See Phipps, 1993 for a survey. As well, it should of course be mentionned that Sweden has also followed a rather different macro-economic strategy than most of the Anglo countries studied here.

4. Conclusions

This paper argues that different countries have different motivations/philosophies underlying their programmes of income support for families with children and that this leads to differences across countries in both the the characteristics of the programmes available and in the way in which programme outcomes are evaluated. A principal distinction is drawn between the 'small' welfare states of Anglo-Saxon countries and the 'larger' welfare states of European countries. 'Small' welfare states tend to value non-intervention with market outcomes and pay more attention to alleviating severe deprivation than to re-distributing income over-all. Thus, income support programmes are more likely to be 'targetted' to low-income groups; labour-market incentive effects are a major concern. 'Larger' welfare states are less worried about interfering with market outcomes and are more likely to pursue more goals of equality among all citizens (with poverty reduction a subset of this larger goal). Transfers are more likely to be universal, or at least to be received by very large fractions of the population.

If we evaluate outcomes from a European perspective, the European countries do better. Incomes are much more equally distributed over-all. There is greater equality between major groups such as men and women, families with and without children and between couples with children and single-parent families. And, if we evaluate outcomes from an 'Anglo-Saxon' perspective, the European countries, particularly Sweden, again do better. Poverty rates among families with children are significantly lower in the European countries. Labour-force participation is much higher in Sweden.

This has had important implications for the economic well-being of families with children which are not discussed in this paper.

What, then, can Canadians learn from this comparative analysis? First, other countries with much better records of alleviating child poverty offer some programmes which we do not. Policies which we might consider include housing allowances for families with children (typically income-tested), universal child allowances and state guarantees of child support in the event of default by the absent parent.

Next, the international evidence suggests that negative labour-market consequences are <u>not</u> necessarily generated by more extensive transfer programmes. Thus, if our goal is to encourage labour-market participation (which is surely what all of the concern about labour-market incentives is ultimately about), then evidence from, for example, Sweden suggests that a facilitative outlook may yield greater success. For example, rather than focussing all of our attention on designing transfer programmes so that no-one has an incentive to choose tranfer income over paid employment, we should think about developping programmes which make taking paid employment easier to combine with other family responsibilities. Examples of such policies would be a leave programme similar to that available in Sweden which would provide parents with paid leave to care for sick children (or elderly), the right to pro-rated part-time employment for parents with young children, or the extension of public education to children aged 3 and 4 (such as is available, for example, in Germany). Finally, if we wish to facilitate labour-market participation, we need to consider the state of the macro-economy. People cannot increase hours of paid employment when there are no jobs to take.

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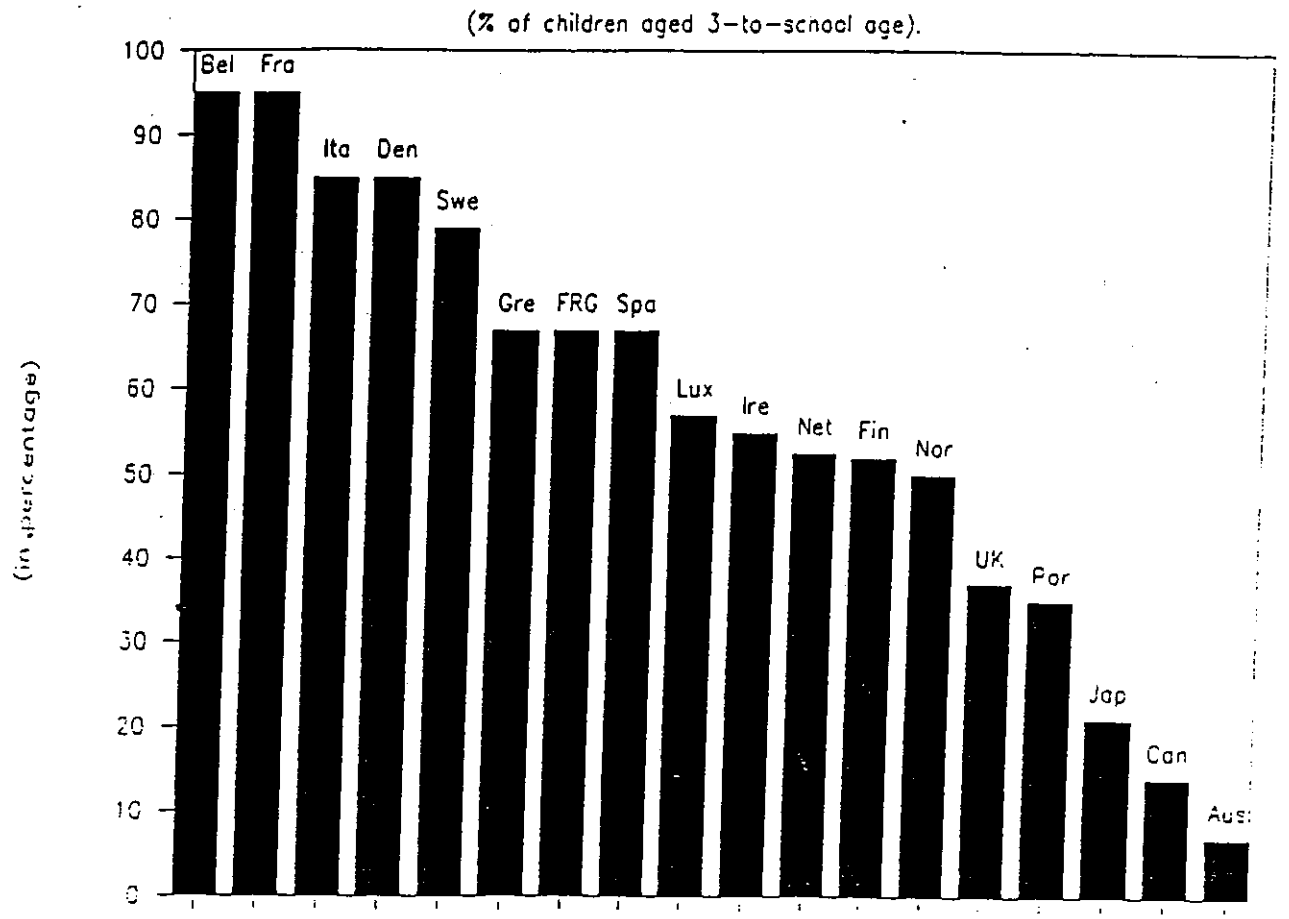
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Figure 1: Publicly funded childcare institutions.



Source: Gauthier, 1993.

Figure 2

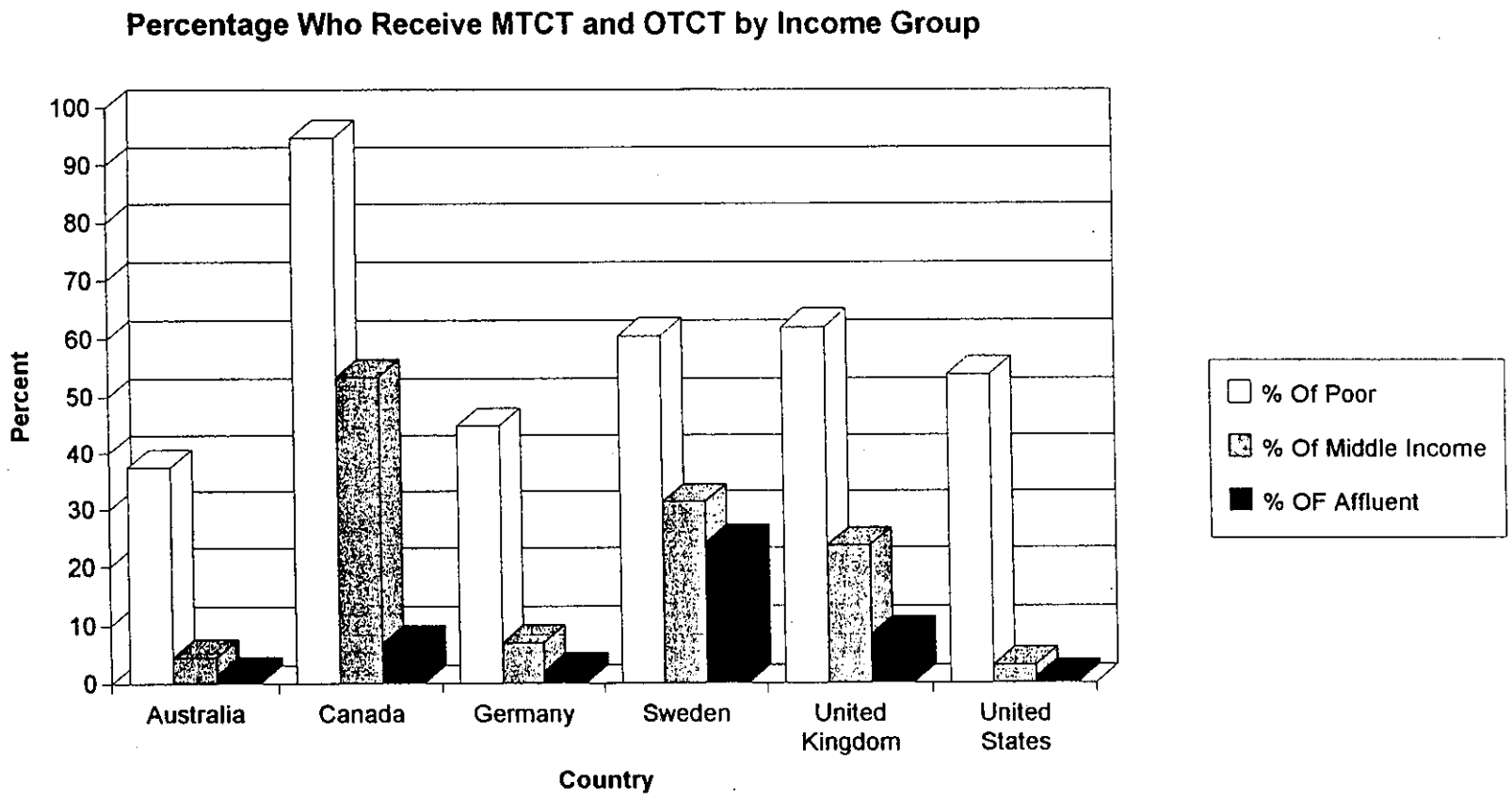

Percentage Who Receive MTCT and OTCT by Income Group
Percent
100
90
80
70
60
50
40
30
20
10
0
Australia
Canada
Germany
Sweden
United Kingdom
United States
Country
% Of Poor
% Of Middle Income
% OF Affluent

Table 1. Percentage Distributions of Families with Children by Relative Income Category.[1] Gross Income.

Table 1a. All Families with Children

Percent who	Australia	Canada	Germany	Sweden	United Kingdom	United States
Are Poor	18.59	17.67	8.82	4.71	16.63	25.41
Are Near Poor	7.41	8.28	9.28	6.87	10.11	8.23
Are in the Middle	56.89	57.82	67.69	79.29	52.85	48.56
Are Affluent	17.12	16.23	14.20	9.03	20.41	17.81

Table 1b. Single-Parent Families

Percent who	Australia	Canada	Germany	Sweden	United Kingdom	United States
Are Poor	53.19	48.83	32.09	8.29	25.00	53.92
Are Near Poor	7.80	8.74	13.98	12.15	25.23	7.26
Are in the Middle	30.85	36.46	49.21	75.69	40.97	32.11
Are Affluent	7.80	6.18	4.92	3.31	8.80	6.71

[1] Families are defined as 'poor' if equivalent gross income is less than 50 percent of median equivalent gross income for the country; families are 'near-poor' with 50-62.5 percent of median equivalent gross income; middle-class with 62.5-1.5 times median equivalent gross income and 'affluent' with more than 1.5 times median equivalent income. Equivalent gross income is calculated as family gross income divided by the OECD equivalence scale.

Source: Author's calculations using the Luxembourg Income Study.

Table 2. Percentage Distributions of Families with Children by Relative Income Category. Factor Income.[1]

Table 2a. All Families with Children

ALL FAMILIES						
Percent who	Australia	Canada	Germany	Sweden	United Kingdom	United States
Are Poor	23.25	24.03	15.12	21.98	33.53	29.33
Are Near Poor	7.16	9.10	10.23	10.50	6.13	7.68
Are in the Middle	53.65	52.45	62.76	61.04	43.95	46.31
Are Affluent	15.94	14.42	11.89	6.48	16.39	16.68

Table 2b. Single-Parent Families

Percent who	Australia	Canada	Germany	Sweden	United Kingdom	United States
Are Poor	64.89	58.42	51.38	49.72	75.23	61.88
Are Near Poor	4.96	8.53	9.06	13.81	4.40	5.74
Are in the Middle	24.11	28.36	35.04	33.70	15.97	27.27
Are Affluent	5.67	4.69	4.72	2.76	4.40	5.11

[1] Families are defined as 'poor' if equivalent factor income is less than 50 percent of median equivalent gross income for the country. Thus, the income cut-offs are the same as for Table 1, but Table 2 measures the distribution of families across these categories in terms of pre-transfer income.

TABLE 3: SOURCES OF DATA		
Country, Year	Original Data Set	Sample Size
Australia, 1985-86	Income & Housing Survey	7,560
Canada, 1987	Survey of Consumer Finances	10,999
Germany, 1984	German Panel Survey	5,174
Sweden, 1987	Swedish Income Distribution Survey	9,421
United Kingdom, 1986	The Family Expenditure Survey	7,178
United States, 1986	March Current Population Survey	11,614

Table 4. Receipt of transfers by all families with children

Benefit Type	Australia	Canada	Germany	Sweden	United Kingdom	United States
Unemployment Insurance						
As a % of Country GIEQV	30.34	20.64[1]	20.88	25.06	11.20	10.88
% receiving U.I.	10.05	22.22	12.92	14.13	31.52	9.43
Child Allowance						
As a % of Country GIEQV	5.08	4.00	6.86	10.44	12.18	0.00
% receiving C.A.	95.49	97.29	96.4	94.80	94.22	0.00
Maternity Allowance						
As a % of Country GIEQV	0.00	24.23[1]	11.41	14.15	11.75	0.00
% receiving M.A.	0.00	4.52	2.71	56.23	10.73	0.00
Means Tested Cash Transfer						
As a % of Country GIEQV	IAV	8.79	28.81	14.11	46.56	20.53
% receiving MTCT	IAV	55.67	6.32	25.91	26.15	14.18
Other Cash Transfer						
As a % of Country GIEQV	26.98	NA	7.93	8.36	8.79	9.20
% receiving OTCT	11.18	NA	8.55	9.91	22.91	12.69
OTCT & MTCT						
As a % of Country GIEQV	26.98	8.79	20.95	13.11	45.39	24.43
% receiving OTCT & MTCT	11.18	55.67	11.92	34.25	31.26	16.70
Child Support						
As a % of Country GIEQV	13.45	20.53[2]	25.85	14.79	24.66	14.62
% receive C.S.	2.99	10.01	2.12	24.93	9.48	10.02

[1] Since maternity allowances are paid by the unemployment insurance program in Canada, we have counted families with infants less than 1 year old who receive U.I as receiving maternaty allowances. Thus, the figures in tables 2 will understate the number of families receiving U.I. and over state the number of families receiving maternaty allowances.

[2] Child support payments are not reported sperately for Canada. This variables also includes royalties and scholarships and hence overstates both the percentage of households who receive child support and the amount they receive.

Table 5. Receipt of Transfers by Poor Families with Children						
Benefit Type	**Australia**	**Canada**	**Germany**	**Sweden**	**United Kingdom**	**United States**
Percentage who are poor	18.59	17.67	8.82	4.71	16.63	25.41
Unemployment Insurance						
As a % of Country GIEQV	42.95	22.59[1]	26.30	18.11	37.35	9.60
As a % of own GI	48.58	25.15	29.68	20.05	42.37	11.20
% receiving U.I.	24.54	22.40	23.82	8.33	11.97	9.52
Child Allowance						
As a % of Country GIEQV	5.83	4.68	9.87	13.94	15.07	0.00
As a % of own GI	8.20	6.02	11.20	15.69	19.73	0.00
% receiving C.A.	95.25	96.64	94.62	93.75	95.31	0.00
Maternity Allowance						
As a % of Country GIEQV	0.00	20.34[1]	17.38	15.35	4.53	0.00
As a % of own GI	0.00	27.24	20.62	16.53	5.51	0.00
% receiving M.A.	0.00	3.36	0.82	43.75	14.55	0.00
Means Tested Cash Transfer						
As a % of Country GIEQV	IAV	18.37	39.59	20.42	51.44	21.29
As a % of own GI	IAV	24.07	54.55	21.24	56.86	37.37
% receiving MTCT	IAV	94.72	34.09	58.33	54.93	45.45
Other Cash Transfer						
As a % of Country GIEQV	32.95	NA	8.77	10.26	7.38	9.80
As a % of own GI	47.04	NA	11.49	9.30	7.98	16.98
% receiving OTCT	2.45	NA	3.04	0.02	9.96	44.64
Other & Means Tested Cash Transfer						
As a % of Country GIEQV	32.95	18.37	36.56	21.13	51.61	26.10
As a % of own GI	47.04	24.07	47.87	22.02	57.81	44.21
% receiving OTCT & MTCT	37.47	94.72	44.86	60.42	61.97	53.85
Child Support						
As a % of Country GIEQV	10.04	19.88[2]	18.74	17.94	20.49	9.44
As a % of own GI	15.99	26.79	29.26	23.13	29.39	15.82
% receive C.S.	6.60	11.68	7.50	37.50	7.51	11.53

Table 6. Receipt of Transfers by Near-Poor Families with Children

Benefit Type	Australia	Canada	Germany	Sweden	United Kingdom	United States
Percentage who are near poor	7.41	8.28	9.28	6.87	10.11	8.23
Unemployment Insurance						
As a % of Country GIEQV	37.34	19.79[1]	20.11	10.00	30.02	9.95
As a % of own GI	27.05	14.72	16.06	49.03	23.97	8.54
% receiving U.I.	11.26	28.33	22.64	20.00	8.11	14.42
Child Allowance						
As a % of Country GIEQV	5.95	4.19	7.33	13.95	12.80	0.00
As a % of own GI	4.53	3.10	5.30	10.22	11.20	0.00
% receiving C.A.	96.69	96.93	96.59	98.57	96.14	0.00
Maternity Allowance						
As a % of Country GIEQV	0.00	20.45[1]	15.59	13.76	8.74	0.00
As a % of own GI	0.00	14.77	11.64	9.92	7.08	0.00
% receiving C.A.	0.00	4.10	0.31	62.86	10.42	0.00
Means Tested Cash Transfer						
As a % of Country GIEQV	IAV	7.49	15.12	19.04	53.54	16.07
As a % of own GI	IAV	5.61	13.01	13.78	50.42	14.22
% receiving MTCT	IAV	83.96	13.33	62.86	59.46	14.73
Other Cash Transfer						
As a % of Country GIEQV	20.71	NA	5.53	6.52	8.91	3.58
As a % of own GI	17.83	NA	4.24	5.13	8.60	3.16
% receiving MTCT	19.21	NA	23.57	2.86	59.07	10.13
Other & Means Tested Cash Transfer						
As a % of Country GIEQV	20.71	7.49	10.23	18.72	54.59	16.20
As a % of own GI	17.83	5.61	8.03	13.67	51.92	14.20
% receiving OTCT & MTCT	19.21	83.96	32.40	65.71	67.95	16.88
Child Support						
As a % of Country GIEQV	14.55	20.02[2]	29.93	16.19	16.61	16.86
As a % of own GI	14.23	16.33	27.68	14.95	16.60	13.77
% receive C.S.	4.64	13.65	4.03	38.57	16.60	10.51

Table 7. Receipt of Transfers by Middle-Income Families with Children

Benefit Type	Australia	Canada	Germany	Sweden	United Kingdom	United States
Percentage who are middle class	56.89	57.82	67.69	79.29	52.85	48.56
Unemployment Insurance						
As a % of Country GIEQV	18.29	20.52[1]	18.31	25.57	30.85	11.12
As a % of own GI	7.85	8.88	8.46	12.51	13.83	5.17
% receiving U.I.	6.98	24.16	11.86	15.22	13.00	9.89
Child Allowance						
As a % of Country GIEQV	5.05	3.96	6.77	10.16	11.89	0.00
As a % of own GI	2.18	1.68	3.07	4.48	5.45	0.00
% receiving C.A.	96.29	97.70	96.79	95.54	94.76	0.00
Maternity Allowance						
As a % of Country GIEQV	0.00	27.74[1]	11.41	14.11	14.18	0.00
As a % of own GI	0.00	13.70	5.22	6.21	6.78	0.00
% receiving M.A.	0.00	4.74	2.91	58.91	10.64	0.00
Means Tested Cash Transfer						
As a % of Country GIEQV	IAV	4.01	20.89	12.12	39.66	17.79
As a % of own GI	IAV	1.89	10.18	6.91	21.06	9.50
% receiving MTCT	IAV	53.40	2.95	23.51	18.54	2.59
Other Cash Transfer						
As a % of Country GIEQV	15.52	NA	8.97	9.06	9.89	5.36
As a % of own GI	7.55	NA	4.26	3.51	6.18	3.64
% receiving OTCT	4.48	NA	4.80	9.28	14.99	0.97
Other & Means Tested Cash Transfers						
As a % of Country GIEQV	15.52	4.01	15.19	11.80	37.62	16.98
As a % of own GI	7.55	1.89	7.18	5.97	19.87	9.34
% receiving OTCT & MTCT	4.48	53.40	6.89	31.19	23.49	3.01
Child Support						
As a % of Country GIEQV	16.61	16.22[2]	26.43	14.45	25.33	15.90
As a % of own GI	8.85	7.04	13.46	8.28	12.79	8.25
% receive C.S.	1.90	9.19	1.21	24.26	10.56	10.22

Table 8. Receipt of Trnasfers by Affluent Families with Children

Benefit Type	Australia	Canada	Germany	Sweden	United Kingdom	United States
Percentage who are affluent	17.12	16.23	14.20	9.03	20.41	17.81
Unemployment Insurance						
As a % of Country GIEQV	9.12	18.55[1]	36.85	41.84	27.78	13.81
As a % of own GI	1.81	4.46	8.33	11.51	7.03	3.63
% receiving U.I.	4.30	12.02	4.76	4.35	7.46	5.74
Child Allowance						
As a % of Country GIEQV	3.92	3.27	5.12	8.19	10.15	0.00
As a % of own GI	0.84	0.74	1.12	1.90	2.35	0.00
% receiving C.A.	92.26	96.69	95.85	86.96	91.01	0.00
Maternity Allowance						
As a % of Country GIEQV	0.00	17.12[1]	10.54	14.51	15.99	0.00
As a % of own GI	0.00	5.45	2.66	3.37	3.65	0.00
% receiving C.A.	0.00	5.23	4.36	34.78	8.03	0.00
Means Tested Cash Transfer						
As a % of Country GIEQV	IAV	5.40	31.08	6.55	30.87	20.90
As a % of own GI	IAV	1.20	7.69	1.77	6.93	4.46
% receiving MTCT	IAV	6.79	00.51	2.17	5.93	0.93
Other Cash Transfer						
As a % of Country GIEQV	11.86	NA	5.68	5.70	12.83	3.08
As a % of own GI	2.48	NA	1.13	1.20	2.98	0.84
% receiving OTCT	1.43	NA	1.52	21.74	3.06	0.26
Other & Means Tested Cash Transfer						
As a % of Country GIEQV	11.86	5.40	12.05	5.88	27.03	21.78
As a % of own GI	2.48	1.20	2.52	1.34	6.12	4.64
% receiving OTCT & MTCT	1.43	6.79	2.03	23.91	8.22	0.93
Child Support						
As a % of Country GIEQV	14.59	36.99[2]	36.82	12.64	40.05	20.07
As a % of own GI	4.09	8.19	9.88	3.32	9.51	5.20
% receive C.S.	1.72	9.23	1.72	14.13	4.78	7.07

Table 9. Receipt of Transfers by Single-Parent Families

Benefit Type	Australia	Canada	Germany	Sweden	United Kingdom	United States
Unemployment Insurance						
As a % of Country GIEQV	27.98	17.67[1]	24.53	24.51	26.41	9.68
% receiving U.I.	11.70	13.65	7.09	18.23	6.71	5.99
Child Allowance						
As a % of Country GIEQV	4.16	3.60	5.53	8.38	12.66	0.00
% receiving C.A.	90.07	98.93	86.81	93.92	92.13	0.00
Maternity Allowance						
As a % of Country GIEQV	0.00	24.42[1]	0.0	9.70	12.61	0.00
% receiving M.A.	0.00	1.71	0.0	53.59	6.02	0.00
Means Tested Cash Transfer						
As a % of Country GIEQV	IAV	18.05	25.73	14.26	47.95	23.08
% receiving MTCT	IAV	85.07	23.82	67.40	63.66	37.96
Other Cash Transfer						
As a % of Country GIEQV	37.79	NA	7.04	6.57	8.68	9.37
% receiving OTCT	45.39	NA	26.38	3.87	63.89	33.82
OTCT & MTCT						
As a % of Country GIEQV	37.79	18.05	21.91	14.16	47.51	28.77
% receiving OTCT & MTCT	45.39	85.07	36.42	69.61	75.93	41.46
Child Support						
As a % of Country GIEQV	14.61	26.77[2]	29.68	14.87	31.75	17.51
% receive C.S.	15.96	23.88	14.76	100.00	30.09	24.12

[1] Since maternity allowances are paid by the unemployment insurance program in Canada, we have counted families with infants less than 1 year old who receive U.I as receiving maternaty allowances. Thus, the figures in tables 2 will understate the number of families receiving U.I. and over state the number of families receiving maternaty allowances.

[2] Child support payments are not reported sperately for Canada. This variables also includes royalties and scholarships and hence provides an over-estimate of the number of households who receive child support and of the level of support received.

Table 10. Receipt of Transfers by Poor Single-Parent Families

Benefit Type	Australia	Canada	Germany	Sweden	United Kingdom	United States
Percentage who are poor	53.19	48.83	32.09	8.29	25.00	53.92
Unemployment Insurance						
As a % of Country GIEQV	35.42	17.15[1]	32.18	-	31.37	9.34
As a % of own GI	52.35	26.22	59.06	-	30.54	13.04
% receiving U.I.	10.67	9.61	3.68	6.67	3.70	3.94
Child Allowance						
As a % of Country GIEQV	4.61	4.07	6.27	11.80	16.42	0.00
As a % of own GI	8.17	6.90	10.77	16.73	22.52	0.00
% receiving C.A.	92.67	98.69	88.96	86.67	93.52	0.00
Maternity Allowance						
As a % of Country GIEQV	0.00	18.66[1]	0.0	14.17	3.38	0.00
As a % of own GI	0.00	31.88	0.0	18.70	3.55	0.00
% receiving M.A.	0.00	3.06	0.0	33.33	8.33	0.00
Means Tested Cash Transfer						
As a % of Country GIEQV	IAV	27.04	24.51	18.02	43.67	23.71
As a % of own GI	IAV	45.99	45.92	24.66	58.38	49.92
% receiving OTCT	IAV	98.69	40.49	66.67	67.59	62.17
Other Cash Transfer						
As a % of Country GIEQV	41.55	NA	7.66	-	7.73	9.81
As a % of own GI	70.29	NA	13.41	-	9.72	21.05
% receiving OTCT	2.07	NA	0.86	0.00	3.80	57.92
Other & Means Tested Cash Transfer						
As a % of Country GIEQV	41.55	27.04	25.14	18.07	42.29	30.18
As a % of own GI	70.29	45.99	45.33	24.72	55.63	63.02
% receiving OTCT & MTCT	66.00	98.96	52.15	66.67	81.48	67.68
Child Support						
As a % of Country GIEQV	10.27	26.58[2]	21.21	18.51	22.35	9.98
As a % of own GI	16.43	40.89	36.76	26.71	32.91	18.86
% receive C.S.	15.33	17.90	23.93	100.00	23.15	17.43

Table 11. Receipt of Transfers by Near-Poor Single-Parent Families

Benefit Type	Australia	Canada	Germany	Sweden	United Kingdom	United States
Percentage who are near poor	7.80	8.74	13.98	12.15	25.23	7.26
Unemployment Insurance						
As a % of Country GIEQV	41.52	12.80[1]	35.28	5.58	24.37	9.12
As a % of own GI	33.97	12.30	41.76	34.13	22.94	10.42
% receiving U.I.	13.64	31.71	25.35	22.73	6.42	18.17
Child Allowance						
As a % of Country GIEQV	3.48	3.29	4.34	10.08	11.57	0.00
As a % of own GI	3.85	3.22	4.35	10.37	12.93	0.00
% receiving C.A.	95.45	100.00	88.73	100.00	95.41	0.00
Maternity Allowance						
As a % of Country GIEQV	0.00	0.00[1]	0.0	10.57	9.68	0.00
As a % of own GI	0.00	0.00	0.0	10.56	10.91	0.00
% receiving C.A.	0.00	0.00	0.0	72.73	7.34	0.00
Means Tested Cash Transfer						
As a % of Country GIEQV	IAV	13.26	26.53	21.48	55.85	15.28
As a % of own GI	IAV	13.39	24.70	21.30	63.01	14.48
% receiving MTCT	IAV	90.24	50.70	68.18	88.99	32.98
Other Cash Transfer						
As a % of Country GIEQV	35.74	NA	5.15	-	7.96	3.63
As a % of own GI	45.72	NA	5.07	-	9.12	3.48
% receiving MTCT	54.55	NA	52.11	4.55	87.16	19.40
Other & Means Tested Cash Transfer						
As a % of Country GIEQV	35.74	13.26	20.69	20.56	58.24	16.10
As a % of own GI	45.72	13.39	20.20	20.63	66.40	15.76
% receiving OTCT & MTCT	54.55	90.24	77.46	72.73	97.67	35.80
Child Support						
As a % of Country GIEQV	16.88	30.99[2]	53.51	16.76	18.39	21.43
As a % of own GI	22.11	27.20	55.66	17.24	21.74	21.09
% receive C.S.	22.73	39.02	18.31	100.00	26.61	25.40

Table 12. Receipt of Transfers by Middle-Income Single-Parent Families

Benefit Type	Australia	Canada	Germany	Sweden	United Kingdom	United States
Percentage who are middle class	30.85	36.46	49.21	75.69	40.97	32.11
Unemployment Insurance						
As a % of Country GIEQV	17.06	22.69[1]	4.71	26.18	26.24	10.40
As a % of own GI	9.41	13.77	3.41	20.06	13.63	5.70
% receiving U.I.	14.94	16.37	4.80	19.71	6.78	6.70
Child Allowance						
As a % of Country GIEQV	3.80	3.10	5.57	7.82	11.16	0.00
As a % of own GI	1.95	1.88	3.79	5.52	7.81	0.00
% receiving C.A.	89.66	98.83	87.60	94.89	93.22	0.00
Maternity Allowance						
As a % of Country GIEQV	0.00	63.15[1]	0.0	8.86	24.17	0.00
As a % of own GI	0.00	36.80	0.0	6.57	15.14	0.00
% receiving M.A.	0.00	0.58	0.0	54.01	4.52	0.00
Means Tested Cash Transfer						
As a % of Country GIEQV	IAV	4.40	28.33	12.81	44.14	21.88
As a % of own GI	IAV	2.82	20.11	9.12	34.19	14.78
% receiving MTCT	IAV	75.44	8.00	70.80	56.50	5.70
Other Cash Transfer						
As a % of Country GIEQV	18.57	NA	8.03	9.28	9.81	4.80
As a % of own GI	11.54	NA	6.55	5.50	8.03	3.35
% receiving OTCT	18.39	NA	10.80	3.65	61.02	3.19
Other & Means Tested Cash Transfers						
As a % of Country GIEQV	18.57	4.40	17.30	12.90	43.10	20.75
As a % of own GI	11.54	2.82	13.13	9.11	32.67	14.70
% receiving OTCT & MTCT	18.39	75.44	18.00	72.26	71.75	6.74
Child Support						
As a % of Country GIEQV	20.58	22.00[2]	29.90	14.30	34.90	20.60
As a % of own GI	12.76	13.23	18.22	10.09	24.39	13.51
% receive C.S.	14.94	28.65	9.20	100.00	37.85	35.13

Table 13. Receipt of Transfers by Affluent Single-Parent Families

Benefit Type	Australia	Canada	Germany	Sweden	United Kingdom	United States
Percentage who are affluent	7.80	6.18	4.92	3.31	8.80	6.71
Unemployment Insurance						
As a % of Country GIEQV	-	9.85[1]	0.0	0.00	25.82	9.54
As a % of own GI	-	2.78	0.0	0.00	6.55	2.84
% receiving U.I.	4.55	6.90	0.0	0.00	15.79	6.11
Child Allowance						
As a % of Country GIEQV	2.92	3.34	2.55	6.42	11.97	0.00
As a % of own GI	0.90	0.97	0.97	1.83	3.51	0.00
% receiving C.A.	72.73	96.55	56.00	83.33	73.68	0.00
Maternity Allowance						
As a % of Country GIEQV	0.00	0.00[1]	0.0	21.84	26.65	0.00
As a % of own GI	0.00	0.00	0.0	5.35	4.67	0.00
% receiving C.A.	0.00	0.00	0.0	33.33	2.63	0.00
Means Tested Cash Transfer						
As a % of Country GIEQV	0.00	2.93	0.0	-	33.54	20.83
As a % of own GI	0.00	0.57	0.0	-	8.01	5.31
% receiving MTCT	0.00	24.14	0.0	16.67	13.16	3.05
Other Cash Transfer						
As a % of Country GIEQV	6.52	NA	0.0	-	11.79	3.71
As a % of own GI	1.43	NA	0.0	-	3.11	0.96
% receiving OTCT	4.55	NA	0.0	16.67	10.53	2.48
Other & Means Tested Cash Transfer						
As a % of Country GIEQV	6.52	2.93	0.0	2.59	30.69	23.77
As a % of own GI	1.43	0.57	0.0	0.98	7.85	6.06
% receiving OTCT & MTCT	4.55	24.14	0.0	16.67	18.42	3.05
Child Support						
As a % of Country GIEQV	16.50	54.75[2]	0.0	11.54	77.48	32.00
As a % of own GI	5.44	15.97	0.0	3.46	23.76	11.87
% receive C.S.	22.73	20.69	0.0	100.00	23.68	23.85

Table 14. Percentage Distribution of Families with Children by Disposable Income Category[1]

Table 14a. All Families with Children

ALL FAMILIES						
Percent who	Australia	Canada	Germany	Sweden	United Kingdom	United States
Are Poor	15.40	14.76	7.58	4.22	12.61	24.18
Are Near Poor	10.15	8.59	12.59	4.51	11.51	9.20
Are in the Middle	61.21	64.43	71.84	85.28	61.24	52.86
Are Affluent	13.24	12.21	7.99	6.08	14.64	13.76

Table 14b. Single-Parent Families

Percent who	Australia	Canada	Germany	Sweden	United Kingdom	United States
Are Poor	40.78	40.09	23.82	4.97	11.57	51.17
Are Near Poor	18.09	12.79	17.32	4.97	19.21	8.98
Are in the Middle	34.40	41.79	56.69	86.19	61.34	34.93
Are Affluent	6.74	5.33	2.17	3.87	7.87	4.93

[1] In this case, families are defined as poor if they have disposable equivalent incomes less than 50 percent of median disposable income for the country. Thus, an after-tax poverty line is employed.

Table 15: Evaluative Summary

	Australia 1985-86	Canada 1987	Germany 1984	Sweden 1987	UK 1986	US 1986
Ratio of equivalent gross income -- GIEQV Single parents/Couples with children	0.62	0.63	0.71	0.82	0.69	0.57
Ratio of equivalent gross income -- All families with children/All families without children	0.83	0.83	0.86	0.98	0.83	0.80
Ratio of equivalent disposable income DPIEQV -- Single parents/Couples with children	0.69	0.69	0.78	0.93	0.81	0.63
Ratio of equivalent disposable income -- All families with children/All families without children	0.81	0.81	0.80	0.99	0.80	0.78
Gender Earnings Ratio (Female/Male for those 25-55 with positive earnings)	0.55	0.54	0.54	0.63	0.46	0.52
Unemployment Rate[1]	8.2%	8.8%	8.5%	1.9%	11.2%	6.9%
Female Labour-Force Participate Rate[1]	56.4%	65.2%	49.7%	79.4%	63.3%	66.5%
Male Labour-Force Participation Rate[1]	85.1%	85.2%	79.9%	83.9%	87.0%	87.2%
Percent of All Families with Children who have some earnings[2]	90.0	94.5	95.8	97.7	80.3	92.5
Percent of Single Parents who have some earnings[2]	44.3	68.8	69.6	90.1	37.3	70.4
Average Annual % of Growth 1979-1988[3]	1.6	2.1	1.7	1.9	2.0	1.8
Inflation Rate (% change in CPI from pervious year)[4]	6.70	4.40	2.40	4.20	3.40	1.90

[1]Source: OECD, 1990.
[2]Source: Rainwater, 1993.
[3]Source: Osberg, 1992.
[4]Source: LIS, Institutional Data Base.