A1.4 Social Support and Activation Policies for Families at Risk in Five European Countries

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Goals and Design

- The project analyses the employment and income situation of family households in five different institutional settings
- Identifying the scope and social profile of family risk groups with low employment participation and/or low earnings
- Exploring the impact of varying policies and institutional settings on employment and income situation of family risk groups

Selection of countries:
Focus is on Germany in comparison to four European countries with different policy profiles:

<table>
<thead>
<tr>
<th>Family Policy</th>
<th>Labour Market Integration</th>
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</thead>
<tbody>
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<td>+</td>
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<tr>
<td>-</td>
<td>-</td>
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<tr>
<td>+</td>
<td>Denmark</td>
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<tr>
<td>-</td>
<td>France</td>
</tr>
<tr>
<td>-</td>
<td>Germany</td>
</tr>
<tr>
<td>-</td>
<td>Britain</td>
</tr>
</tbody>
</table>

Policies in focus:

- Family policies and tax benefits
- Unemployment insurance and minimum income protection
- Wage policies
- Activation policies

Data sources:

- EU-SILC (reference year 2008) for individual and household data on employment and income
- Various international and national sources for policies and institutional settings, including EuMin database at MZES

Sample and household types:

- All households with at least 1 adult of working age (18-64) and not yet retired
- Types of households: single adult, single parent, couple without children, couple with children, other households

Definition of family risk groups:

- Single parent families: one adult with one or more children who is inactive, unemployed or earns a low wage
- Couples with children: depending on both partners’ combination of (non-) employment and (low) earnings levels

Figure 1: Proportion of risk groups among two family types (%)

<table>
<thead>
<tr>
<th>Country</th>
<th>Couples with children</th>
<th>Single parent families</th>
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</thead>
<tbody>
<tr>
<td>DE</td>
<td>80</td>
<td>70</td>
</tr>
<tr>
<td>DK</td>
<td>60</td>
<td>50</td>
</tr>
<tr>
<td>FR</td>
<td>50</td>
<td>40</td>
</tr>
<tr>
<td>NL</td>
<td>40</td>
<td>30</td>
</tr>
<tr>
<td>UK</td>
<td>30</td>
<td>20</td>
</tr>
</tbody>
</table>

Figure 2: Poverty risk after social transfers (< 50% of median equivalent household income)

- High proportion of risk groups among single parents, lower share among 2-parent families
- Denmark and France have the lowest, Germany and Britain the highest proportions of risk groups
- 2-parent families face a problem with low earnings, single parents also with non-employment
- In Denmark, single parents and each parent in couples usually work full-time
- In France, those who are gainfully employed, usually work full-time, but there is a higher share of non-working single parents
- In the Netherlands, 2-parent families predominantly work full-time/part-time, single parents part-time (among the latter two third have low earnings)
- Britain has the highest proportions of non-working families, followed by Germany and France

- Non-working families and those with only one low income face high poverty risk even after social transfers
- In Germany, non-working couples, single parents with low earnings and non-working single parents are most vulnerable
- After Germany, France is the country with the worst income situation for single parents at risk
- In Britain, the situation of single parents is much better than in Germany, in the case of the low earner even better than in Denmark
- Denmark and the Netherlands perform overall relatively well
- Labour market integration is necessary but not sufficient for good results; it needs to be combined with strong family policies and social protection, especially at minimum income level