



Household Income Packaging in the European Union: Welfare State Income and Welfare Regime

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ABSTRACT

Comparative studies focusing on the way in which household income is constructed as a “package” from different sources have produced important insights into the influences at work and the implications for household living standards. The availability of data from the European Community Household Panel survey (ECHP) now allows us to apply this perspective across the member states in a harmonized way for the first time. Using data from the third wave of the ECHP, the nature of the income package for different types of households, and in particular the role of social transfers, is analysed and differences across countries and welfare regimes brought out. The determinants of the shape of the income package and the role of social protection at household level are studied, and the extent to which these effects operate in the same or different ways across countries and welfare regimes is examined. The implications for living standards are then assessed by considering not only the effectiveness of such income in alleviating income poverty but also through an examination of the relationship between dependence on welfare state income and life-style deprivation.

Household Income Packaging in the European Union: Welfare State Income and Welfare Regime

1. Introduction

While the well-being of individuals is influenced by a wide variety of factors, there is little doubt that command over economic resources is a crucial factor. In seeking to understand the manner in which economic resources are generated, we can either look at each individual or we can focus on income received by the household, on the assumption that household resources are the key influence on the level of well-being of its members.

To understand the ways in which economic resources are generated by households, it is then helpful to focus on the manner which total household income is produced by the aggregation of components of income from different sources, accruing to the different individuals comprising the household. These sources include earnings, returns from private investments, social transfers, and inter-household transfers. It is the combination of these various sources of income that comprises what has come to be termed the *household income package*.

In this paper we examine the structure of the household income package and manner in which it varies across European countries by key socio-economic characteristics, using the third wave of the European Community Household Panel (ECHP). In section two we describe the data set as well as dealing with the issue of the appropriate unit of analysis and the population with which our analysis is concerned. Section three details the distinctions in terms of components of household income that can be made using ECHP data. We then proceed to examine cross-national variation in the significance of such components, before focusing on variation in the importance of welfare state income, its determinants and consequences.

Throughout the paper while we provide a detailed breakdown of income packaging by country, this does not necessarily involve the assumption that each nation is unique in those terms. It is precisely that uniqueness that is challenged by Esping- Andersen's notion of 'welfare regime'. This term refers to the constellation of socio-economic

institutions, policies and programmes, oriented towards promoting people's welfare. While such regimes constitute *ideal types*, and no one denies the existence of substantial within-type variation, this manner of conceptualisation seeks to distinguish distinctive combinations of intervention strategies, policy designs and institutional frameworks. Esping-Andersen's (1990) notion of 'three worlds of welfare' distinguishes between 'social democratic', 'corporatist' and 'liberal' welfare regimes. Goodwin *et al* (1999:38-39) note that Esping-Andersen's nomenclature has become almost standard, while at the same time pointing to the parallel between this and other types of typologies. Similarly Arts and Gelissen (2002) conclude that while welfare regimes are hardly ever pure types and are usually hybrid types, a strong case still exists for continuing to work with the original or modified typologies. The social democratic regime assigns the welfare state a substantial redistributive role. The corporatist regime views welfare primarily as a mediator of group-based mutual aid and risk pooling. The liberal welfare regime acknowledges the primacy of the market and confines the state to a residual welfare role.

More recently this typology has tended to be amended by adding a fourth, "Southern" welfare regime or sub-protective welfare state. Various authors have argued that the Southern Mediterranean countries constitute a distinctive welfare regime, arising from the particular that family support systems play and the uneven and minimalist nature of the benefit system (Liebfried, 1992, Ferrera,1996, Bonoli, 1997). A recently influential use of a fourfold typology oriented to interpreting the impact of unemployment is that of Gallie and Paugam (2000:16-177) who distinguish between 'universalistic', 'employment centered', liberal/minimal' and 'sub-protective' regimes. In the analysis that follows we distinguish between those four regimes and allocate countries as set below. In allocating countries to regimes we have largely followed Ferrera (1996). The one departure is our allocation of the Netherlands to the social democratic category rather than the corporatist/conservative category. In doing so we have followed the recent example of Dutch analysts such as Muffels. It must be recognised, however, that the hybrid nature of the Dutch case has led to considerable disagreement as to how it should be classified.

Social Democratic: Denmark, The Netherlands, Finland.

Liberal: The United-Kingdom, Ireland.

Corporatist: Germany, Belgium, Luxembourg, Austria.

Southern: Italy, Greece, Spain, Portugal.

In the analysis that follows we will seek to evaluate the extent to which such distinctions contribute to our understanding of the determinants and consequences of household income packaging.

2. Data and Methods Employed

This paper is based on the European Community Household Panel data set. The European Community Household Panel Survey (ECHP) has been organised by Eurostat – the Statistical Office of the European Communities – and carried out in most member states since 1994. (For detailed descriptions of the ECHP data, see Eurostat (1999 a & b, 2000) and Watson and Healy (1999). The results presented in this paper are based on the User Data Base (UDB) released for public use by Eurostat containing data from the first three waves, and we concentrate on wave 3 which in addition to the twelve EU countries participating in in the ECHP from the outset also has data on both Austria and Finland. (Sweden however is still not included). In this paper we aim to provide a description of the income packaging arrangements and their variations across this set of European countries for the most recently available data. In subsequent work we will extend our analysis to take advantage of the longitudinal aspects of the data set.

Income reported by ECHP respondents is annual, for the previous year, so the income reported in Wave 3 interviews, carried out in 1996, applies to 1995. In the household file constructed for this analysis all the income components are presumed reported net of tax and other deductions. The only exceptions are income from self-employment and rental/property income, while income from capital may be specified as net or gross depending on the respondent. With the exception of France, all gross amounts in the constructed variables have been converted to net values (on the basis of the relationship between gross and net income where both are reported). The survey in France is an exception because of the particularities of the tax system there. In France, information on all components of income have been collected as gross, with only total

income derived net of taxes (on the basis of the difference between the sum of all gross components and the total amount of taxes paid by the household as a whole). This means that the net of tax amount for the various income components cannot be derived for France. Since it is this decomposition into components that is central to our analysis, we have had to exclude France.

Information on most of the components of income relating to the previous year are obtained in the survey from each of the individuals in the household. (Individuals aged over 16 were eligible for interview.) Table 1 gives comprehensive details of the individual income components collected in the ECHP. We then proceed to aggregate all these individual income components to household level, which allows us to distinguish the income sources at that level. In addition, certain other income sources received and reported by one person relate to the household as a whole, such as social assistance payments and housing allowance or subsidy or other payments from public schemes for housing costs.

As we can see from Table 1, the details of the personal income components relating to social transfers do not allow us to distinguish between public and private sources in relation to several components, notably old age-related benefits or survivor's benefits. Because of this lack of differentiation we cannot distinguish in all cases between public and private transfers, though this is less of a problem than it might be because, as we shall see shortly, we are concentrating on the working-age population and excluding those at or close to retirement age from the analysis.

Unit of analysis, population and scale

Focusing here on cross-sectional analysis, we use the household as the unit of analysis.¹ The construction of our data set requires us to distinguish between different members within households. We want to be able to distinguish the reference person from their spouse/partner (if any) and all other households members (if any) whatever their relationship to the first two. The reference person in the household is identified in the original ECHP data set as the owner or tenant of the accommodation, or the oldest of two or more people jointly responsible for the accommodation. However we

decided to alter this designation of the reference person for present purposes, when the reference person identified in the ECHP data set was female and had a spouse (partner): because of the way we wish to be able to interpret the results, the male spouse or partner is then taken as the reference person. This means that all the reference persons in the analysis are males with the exception of females who are living alone, lone parents or living with others with no consensual union. This approach was taken because it allows the contribution of female partners to the household income, which has been a crucial issue in the income packaging literature, to be more easily distinguished.

Because we are interested in the role of income from work versus state transfers, we restrict our analysis to the stage of the life-cycle where individuals have a high propensity to be active in the labour market. For this reason we focus on the population where the reference person is aged between 25 and 54. This follows the precedent set in a variety of other studies of income packaging such as Rein *et al* (1986) and the OECD (1995).

Finally, in order to adjust the level of household income to take into account differences in household size and composition, we use the “modified OECD scale”. Thus the first adult in the household is accorded a value of one with each additional adult being given a value of 0.5. Children aged less than 16 have a weight of 0.3. The number of equivalent adults in the household is then calculated by summing these values. The household equivalised income is given by dividing the total household disposable income by the number of adult equivalents. This scale is widely used in the analysis of income distribution and poverty.

3. Household Income Packaging in the ECHP

Drawing on the existing literature on the distribution of income and household income packaging, and in the light of the distinctions which are possible with the available information on incomes in the ECHP data set, we constructed the household income packaging categories detailed in Table 2.

¹ When employing longitudinal data to look at the dynamics of income, on the other hand, the

Table 2: Components of the Household Income Package Constructed from the ECHP

Level of Income	Definition
1. Income from work of the reference person	Includes wages, salary, self-employment income
2. Income from work of the female partner of the reference person	Includes wages, salary, self-employment income
3. Income from work of other household members	Includes wages, salary, self-employment income
4. Private income	Capital income, property/rental income, “family” derived incomes (cash transfers)
5. Welfare state income	Unemployment benefits and all other cash benefits: child allowances, social assistance benefits, housing allowances etc...

The sum of all these components constitutes the net disposable income of the household.

The Measure of Income Packaging

Having differentiated within households the different possible sources of income, we now seek to measure their relative contribution to the total household disposable income. Two different approaches to such an exercise can be distinguished. The first, following Rein and Stapf-Fine (2001), we label the “aggregated share method” or the “mean share of total income” This involves simply summing over all households the amounts received from a specific source of income and expressing this aggregate as a percentage of the total household disposable income. The second approach, designated by Rein and Stapf-Fine the “mean of the shares” approach, requires that one instead computes the percentage share of each of the different source of income for each household, and then average these percentage shares over all households and for the income source in question. The first method has the effect of weighting each household by its level of income, while the second method affords each household the same weight.

The choice of one method rather than the other depends on the type of analysis one wishes to conduct. If the question one seeks to answer is what percentage of total income comes from various sources, then the mean share of total income approach

individual would be more appropriate as unit of analysis since households are not stable over time.

which weights by household income is obviously the appropriate one. In a certain sense it represents the “collective income structure” of the households studied. However, income levels and income structures are strongly correlated. A high share from earnings is generally associated with a high level of gross income while higher shares from social transfers are usually found in the lower income distribution. For this reason we will use the method of the “mean of the shares” which offers a more realistic picture of the income structure typical of the majority of households.

On the basis of this measure we can examine to what extent household income packaging varies across countries by household socio-economic characteristics. Distinguishing a variety of income sources and detailed socio-economic categories for thirteen countries very quickly produces a formidable amount of data. As part of our contribution to a descriptive account of income packaging in the ECHP we provide such a set of tables in the Appendix. However, for the purposes of our discussion we operate at more aggregated levels both for income sources and socio-economic classifications.

4. Cross-national variation of income components across the European Union

We now describe how the importance of the different components of the household income package varies across the countries in the ECHP. We group these countries to also allow us to report findings for the now conventional distinction between types of welfare regimes i.e. Social Democratic, Corporatist/employment centered, Liberal and Southern (Esping Andersen, 1990, Ferrera 1996, Arts and Gelissen, 2002). Table 3 shows for each country the mean of the share for the five income sources identified earlier - income from work for the reference person, income from work for the spouse of the reference person, income from work of other household members, private income and welfare state income.

The income from work of the household reference person is by far the most important component of household income in all these countries. The mean share for this income component goes from a low of 51% to a high of 67%. Eight countries have levels below 60%, the lowest contributions being observed in Austria and Portugal.

Above 60% we find five countries, with 63% and Greece and Luxembourg having the highest percentage.

When we look at the contribution of income from work of the female partner, the mean share runs from 8% to 18% of household income. The lowest percentages are observed in Finland, Austria and the Netherlands, whereas at the top of that range we see the UK, Portugal and Denmark.

We can then distinguish a number of different configurations in terms of these two income sources. In the Netherlands and Germany, for example, the income from work of the reference person is preeminent. Denmark, Portugal, the UK and Belgium combine a comparatively low percentage share of income from work of the reference person with a relatively high proportion from work of the female partner. Austria and Finland, on the other hand, have relatively low mean percentage shares from both these components.

Turning to income from work earned by other household members, this is generally though not always less important than income from work of the spouse. Its mean share runs from a low of 3-4% in Luxembourg and Belgium to a high of 16-18% in Austria and Portugal, but is most often in the 5-9% range. Private/capital income then constitutes on average the smallest source of income, with nine out of thirteen countries having a mean share for this component of below 4 %.

The final source of income distinguished is welfare state transfers. Here we observe a considerable degree of variation, with the mean contribution of these transfers varying from 8% to 30%. Greece and Italy have particularly low mean shares for this source of income, at 8-9%. A second group of countries comprising Germany, Portugal, Luxembourg, Austria, the Netherlands and Spain have mean shares for welfare state income between 10% and 20%. They are followed by a cluster that includes the UK, Belgium, Denmark and Ireland where the mean share is between 20% and 25%. Finally Finland is the country with the highest mean share for welfare state income, at 30% of net household income.

From the foregoing it is clear that the household income package is dominated by three main income components. These are the income from work of the reference person, income from work of the female partner, where one exists, and welfare state income. On average these three sources of income together represent between 80% and 95% of the total household disposable income across households in the countries of the European Union. Among these sources it is the welfare state income that shows the most substantial variation. It is on this component that we will focus in the remainder of this paper, while the factors influencing the contribution of the female partner, which is also quite variable across countries, will be addressed in a separate paper.

Aggregating to the level of welfare regime and looking once again at Table 3, we find that while the social democratic and liberal welfare states operate according to radically different principles, the proportion of income deriving from the welfare state is almost identical at just less than a quarter. This is almost twice the level observed in the Southern regime, while the corporatist regime displays an intermediate level. In the section that follows we will examine cross-national variation in the factors influencing the importance of welfare state income.

5.1 Variation in the Importance of Welfare State Income

Welfare-state share across countries by income quintile

We start by examining the extent to which the importance of welfare state income varies across the income distribution in each of the thirteen countries. In order to do so we rank households on the basis of their equivalised household disposable income, and categorise them on the basis of the income quintile in which they are located. In Table 4 we report the mean share of welfare state income by income quintile.

As expected, for all countries this share decreases as we move from the bottom towards the top of the income distribution. This can be captured in summary by the ratio of the welfare state share in total income for the bottom quintile to that for the top quintile. This ratio ranges from a low of 2.3 in Italy to a high of 34.0 in Ireland. The UK with a value of almost twenty stands apart with Ireland from all other

countries in terms of the size of this ratio. Germany, Luxembourg and the Netherlands then have values ranging between eight and eleven to one. In none of the remaining countries does the ratio exceed six to one.

This cross-country variation arises largely because of variation in the importance of welfare state income at the bottom of the income distribution. Within the top quintile the percentage of income from the welfare state displays a relatively modest range from 3% to 11%, with only two counties exceeding 8%. At the bottom of the income distribution the pattern is quite different. Within the bottom quintile the mean welfare state share ranges from a high of over 70% in Ireland to a low of 15% in Italy and Greece. Countries at the high end of the spectrum also include the UK, Finland, Belgium and the Netherlands, where the contribution of the welfare state exceeds 50%. At the lower end are Denmark, Germany, Spain, Austria, Portugal and Luxembourg, where the percentage ranges from 44% to a low of 31%.

A number of patterns of welfare state income dependence emerge. The first is for Ireland and the UK, which involves a very high level of dependence in the lowest quintile but a comparatively low level at the higher end of the income range, resulting in very high values for the ratio of the share for the bottom versus the top quintile. A second group of countries, namely Finland, Belgium and the Netherlands, are also characterised by a high welfare state share at the bottom of the distribution, but display a significantly less sharp variation by income level and a correspondingly weaker differential between the bottom and top quintile. Countries characterised by a moderate level of welfare state income in the bottom quintile and a relatively modest differential between the top and bottom quintiles include Denmark, Austria, Spain and Portugal. Luxembourg and Germany also display a moderate level of welfare state income in the bottom quintile but the welfare state contribution then declines a good deal more sharply as we go up the income distribution. The final group of countries is Italy and Greece, combining an extremely low level of welfare state income in the lowest quintile with very modest variation by income level, resulting in both extremely low values of overall welfare state income contribution and the lowest values for the bottom to top quintile ratio.

When we aggregate to welfare regime level that pattern of results, also shown in Table 4, can be summarised as follows. The liberal regime is characterized by a high degree of welfare dependence at the bottom and minimal dependence at the top. The level of dependence at the bottom declines gradually as one moves to the social democratic and corporatist regimes, and the disparity between top and bottom declines dramatically. The southern regime, on the other hand, is characterized both by a low level of provision at the bottom and modest differentiation between top and bottom.

Welfare-state share across countries by labour force status of the reference person

We now turn to the relationship between welfare state income and the labour force status of the household reference person. Information about the activity of the reference person for the year up to the interview is missing for the Netherlands, and as a consequence that country has to be excluded from this analysis. For the remaining countries we compare the welfare state contribution share for two contrasting situations. The first refers to the situation where the reference person was unemployed/inactive for most of the time during the previous year, and the second to the situation where the reference person was working for most of the time during the same period.

Taking the situation of the unemployed/inactive first, Table 5 shows, as one would expect, relatively high levels of welfare state contribution for these households in every country. There is, however, very sharp variation by country in the level of dependence, with the mean share of this income component ranging between 37% and 79%. Countries where the mean welfare state share is more than 50% of total income are Spain, Denmark, Luxembourg, Ireland, Belgium, the UK and Finland. For the other five countries, on the other hand, the mean share is between 37% and 49%. In this category we find the Southern European countries of Italy, Portugal and Greece where approximately one third of income is derived from this source, together with Austria where a similar proportion is recorded and Germany which is just below the 50% level. (This distribution of welfare state transfers across countries is similar to that reported earlier by Bison and Esping-Andersen, 2001).

Where the reference person was in employment rather than unemployed, Table 5 shows that the contribution of welfare state income is extremely low. Its mean share ranges from a low of 4% to a high of 18% for such households. Italy and Greece are at the bottom of that range, while Austria and Finland are at the top.

Looking then at the ratio of the mean share of welfare state income for the unemployed versus the employed, we see that there is substantially less cross-national variation than was the case across the income quintiles. This ratio ranges from a low of about 3 in Austria to a high of 10 in the UK. Ireland and the UK again stand out as countries with high level of welfare state income among the unemployed/inactive and comparatively sharp differentials between this group and those in secure employment. Portugal and Austria represent the opposite extreme, of low welfare state contributions and modest disparities.

In terms of welfare state regimes, we see some similarities between the social democratic and liberal regimes. In both cases the unemployed/inactive derive three-quarters of their household income from the welfare state. However, the situation for other households is rather different, with the figure for the social democratic regime being twice that of its liberal counterpart. The corporatist regime occupies an intermediate position for both groups. Finally the minimalist Southern regime resembles the liberal one in the low level of provision for those other than the unemployed and inactive, but the state generally provides much less of the household income of those suffering labour market disadvantage.

Welfare-state share across countries by the education level of the reference person

We now distinguish three education levels relating to the level attained by the household reference person, on the basis of the ISCED classification. These three categories are: less than second stage of secondary level of education (ISCED 0-2), second stage of secondary level of education (ISCED 3) and finally third level education (ISCED 5-7). In Table 6 we compare the welfare state contribution enjoyed by those with the lowest level of education to all others. For the former, the range of mean welfare state share is extremely wide, running as it does from 11% in Italy to 42% in Finland. At the lower end of the continuum are the Southern European

countries, Italy, Greece and Portugal for all of whom less than one-sixth of household income is derived from the welfare state. Just above this group we find Germany, Luxembourg, Austria and Spain where the highest share does not exceed one-quarter of household income. We then have a group of countries including Denmark, the Netherlands, Belgium and the UK that have welfare state shares close to one third of total income. At the upper end of the continuum we find Ireland and Finland, where welfare state income constitutes four-tenths of the household income package for those with the lowest level of educational attainment.

Not surprisingly, in every country the welfare state share is substantially lower for the better educated. The mean share now ranges from 5% in Italy to 27% in Finland. The ratio of the mean share of lower to higher education categories runs from 1.5 to only 2.2 if we exclude Ireland, so the pattern of cross-national variation is broadly similar among the better educated and those with the lowest level of qualifications. The exception here is Ireland, which has a distinctively high disparity between poorly and better educated in this respect.

Once again the highest level of welfare provision at the bottom of the educational hierarchy is found in the social democratic and liberal regimes, where mean welfare state income represents just about one third of total household income. This falls to one in four for the corporatist regime and one in six for the southern category. What once again distinguishes the liberal regime from all other is the disparity between advantaged and disadvantaged groups. The scale of the disadvantage, however, is somewhat less extreme than in some of the earlier examples.

Welfare-state share across countries by the Social Class of the reference person

In analysing the relationship between income package and social class, we employ an aggregated version of the CASMIN class schema (Erikson and Goldthorpe 1992) and the results pertaining to such broad class disparities are set out in the Table 7. We look first at the mean share of welfare state income for households whose reference person is classified as in the manual social class. This ranges from a low of 8% in Italy to a high of 37% in Ireland and Finland. The Southern European countries Italy, Greece and Portugal have the lowest percentage share, with only the former coming above ten per cent. A middle range of countries lies between 15% and 24%. At the

higher end of the continuum ranging from 28% to 37% we find Denmark, the UK, Ireland and Finland.

Even more than in the case of education, class differentials are rather modest with the ratio of the mean share of welfare state income at the top versus the bottom running from 1.1 in Portugal to 2.9 in Ireland. Thus fairly common cross-national patterns are observed within the manual and non-manual classes. Once again though the UK and, in particular, Ireland display comparatively sharp disparities between the more and less disadvantaged groups. Variation by welfare state regime between manual and non-manual respondents turns out to be very similar to that already observed between better and poorly educated respondents.

Welfare-state share across countries by lone parenthood

In Table 8 we compare the mean share of welfare state income for lone parent households with all others households types. For lone parent households the range in terms of mean welfare share is very wide, running from 24% to 66%. Lone parents in the Netherlands, Ireland and the UK have a particularly high dependence on welfare state income, with the figure exceeding sixty per cent in each case. A second group of countries comprising Denmark, Belgium and Finland have mean welfare state shares of approximately forty per cent. At a figure close to one third we find Luxembourg, Germany, Austria and Spain. Finally Italy, Greece and Portugal are the countries with the lowest mean welfare state shares, at approximately one quarter of total income.

The welfare state share in the income of all other households, on the other hand, runs from 8% in Italy to 30% in Finland. The pattern of cross-country differences is rather similar to that for lone parents, as reflected in the narrow range of the ratio between the shares of the two groups, which runs from 1.6 in Finland to 3.0 in Italy and Greece. However, the highest disparities are now found in countries with relatively low absolute levels of welfare state income.

In terms of welfare state regime, for lone parents the highest level of welfare dependency is observed for the liberal category where it comes close to two-thirds. It is followed by the social democratic regime where the figure exceeds one half, and by

the corporatist and southern regimes with figures, respectively, of four out of ten and three out of ten. On this occasion, although the figure is once again highest for the liberal regime, variation in differentials between the groupings is modest.

Welfare-state share across countries by Poverty Line

Finally we wish to compare the role of welfare state income in poor and non-poor households. We measure poverty for this purpose in the conventional way, using a relative income poverty line set at 60% of household median equivalised income. We first look in Table 9 to the welfare state share of poor households. The welfare state range in the mean share is now extremely wide, running from a minimum of 16% in Italy and Greece to a maximum of 77% in Ireland. The poor in the UK, Ireland and Finland have a distinctively high level of dependence on welfare income which exceeds sixty per cent in all three cases. The Netherlands and Belgium are also found above the fifty per cent level and Denmark is found just below the 50%. After this we can identify a group of countries whose welfare state shares for the poor are between 35% and 40%, comprising Austria, Germany, Luxembourg, Spain and Portugal. Finally, as we have already noted, in Greece and Italy the welfare state share represents approximately one sixth to total income.

When we look at the welfare state share range for non-poor households, we see that all countries are below one third of total income, with the highest shares being for Finland with 27% and Denmark with 21%. At the bottom of hierarchy, as was the case for poor households, we find Italy and Greece with 6% and 8% respectively.

Moving on to the ratio of the welfare state share of poor households to non-poor households, we see that the range of values runs from 2.3 in Spain to 4.8 in Ireland and the UK. As before, Ireland and the UK are characterised by comparatively high levels of differentiation between advantaged and disadvantaged groups. Germany, Belgium and Portugal are towards the higher end of this continuum with values of 3.5 or higher. All other countries are found in the range 2.8 to 1.9.

Once again taking a welfare regime perspective we observe some striking variations. Over 70% of the income of poor households in liberal regimes is derived from the

welfare state. This falls to just below 60% for the social democratic regime, to 40% for the corporatist case and to just above 25% for the southern regime. The disparity in welfare share between poor and non-poor households is greatest in the liberal regime and least in the southern category.

6. The Determinants of Welfare State Income

We now turn to a multivariate analysis of the determinants of the role of welfare state income. In order to do so, within each of the countries in our sample we estimate an OLS regression where the dependent variable is the percentage of welfare state income in total household income, and the explanatory variables are the set of socio-economic characteristics that our earlier bivariate analysis showed to be of particular relevance. These socio-economic characteristics again refer mainly to the reference person characteristics. The following variables are employed in the analysis: labour force status of the reference person, household structure, the education level attained by the reference person and finally the social class of the reference person. (It was again necessary to exclude the Netherlands because of the absence of the crucial variable relating to the labour force status of the reference person.)

In Table 10 we report the estimated country effects for this set of explanatory variables. The reference category in this analysis is a reference person in work, with third level education, in a household with two children aged less than 16, and from non-manual occupation class. It is clear that in every country the most important predictor of welfare state income is the contrast between being unemployed or inactive versus in work. However there is very considerable variation across countries in the size of this effect. The coefficient on this variable has a value of approximately sixty in Denmark, Belgium, Luxembourg, the UK, Ireland and Finland. In Spain it falls to fifty and in Germany to forty. Finally in Italy and Greece it is only in the low thirties, and in Portugal and Austria it is only twenty-five. So this highlights once again the extent of the difference across countries and welfare regimes in the level of income support provided by the welfare state to those who are not in work.

Turning to the effect of being a lone-parent household, the picture is now more diverse across countries. Although this effect is considerably less than for

employment status, in comparative terms it is particularly strong and significant for Germany, Ireland and the UK. The effect is less important but still significant for a second group of countries composed of Denmark, Austria and Portugal. Finally for the remaining countries the effect of lone-parenthood, although statistically significant in all countries except Luxembourg, is a good deal less important in size.

Focusing on the educational level of the reference person we find that this variable is of rather less importance than labour force status and household type, and there is also rather less variation across countries. Luxembourg, Belgium and Ireland stand out as countries with comparatively strong educational effects. In Italy and Spain, on the other hand, the relevant coefficient fails to achieve statistical significance. In the remaining countries the size of the estimated effect is significant but small.

The impact of social class was generally not significant when one has controlled for labour force status and education, but the one element which did show up as significant in the estimated results was the difference between rural small-holders and others. Table 10 shows that this had a significant and substantial positive impact on the welfare share in the case of Belgium, Austria, Spain and Portugal, but that effect was much smaller or insignificant in most of the other countries.

Not only does the impact of particular variables vary across countries, from the final column of Table 10 we see that there is also considerable cross-national variation in their overall ability to predict the share of welfare state income. In the UK and Ireland the combined impact of our set of variables accounts for three-quarters of the variance in the share of welfare state income in total household income. In Denmark, Belgium and Finland the proportion of variance explained is also high, at sixty per cent. For Luxembourg, Spain and Germany this falls to close to forty per cent. For the remaining countries, which include Italy, Greece, Portugal and Austria, in no case do these variables explain more than one quarter of the total variance.

Looking at these results from a welfare regimes perspective, we find that labour market disadvantage and lone-parenthood have stronger effects in the liberal and social democratic regimes than elsewhere. In addition, being a small-holder has a distinctively strong impact in corporatist regimes, while education has a negligible

effect in southern regimes. The importance of welfare state income is highly predictable in liberal regimes, with the four variables we have included in our analysis accounting for almost three-quarters of the variance. This falls to approximately forty percent for the social democratic and corporatist regimes and to just above twenty five per cent for the southern regime.

7. The Effect of Welfare State Income on Household Income Poverty

A crucial objective of welfare state transfers is to raise households that would otherwise be poor above an income poverty threshold. We now examine cross-national and cross-regime variation in the extent to which this goal is achieved, comparing pre- and post-transfer relative income poverty rates. In Table 11, the first column shows the percentage of households falling below 60% of median income before any welfare state transfers are received. The pattern is very different from that typically displayed by poverty rates in terms of disposable income. The percentage range across the countries is quite narrow, running from 21% in Greece and Italy to 30% in Ireland and Spain. There is no clear pattern of division between northern and southern countries. When we look at the results in terms of welfare regime type, the corporatist and southern regimes have average pre-transfer poverty rates of 25%, while the social democratic and liberal regimes have higher figures of 28-29%.

The second column of the table then gives the proportion of pre-transfer poor households – households below the income threshold before any transfers are received - receiving welfare state transfers. Two countries, Italy and Greece, have distinctively low figures, with only 43% and 56% respectively of pre-transfer poor households receiving such transfers. On the other hand, for nine out of the thirteen countries almost all pre-transfer poor households receive welfare state transfers. Taking a welfare regime perspective, we find that in the southern regime countries only two-thirds of pre-transfer poor households receive transfers, compared to 90% in the corporatist regime and almost 100% in social democratic and liberal regime countries.

So how effective are these welfare state transfers in moving households above the income poverty threshold? The third column of Table 11 shows the percentage of pre-transfer poor households lifted above the threshold by transfers. The most successful

countries in this regard are Denmark and Finland, where 77% and 73% respectively are lifted above the 60% of median income threshold. In the Netherlands, Luxembourg and Austria about 55% of the pre-transfer poor are lifted out of poverty, while in Ireland, Belgium, Spain and the UK the figure is between 40% and 50%. For Portugal only one in three are brought that far, for Greece the figure is below 30%, and for Italy only one in five pre-transfer poor households are lifted out of poverty by transfers.

Focusing then on welfare regimes, the southern regime achieves the least success in moving pre-transfer poor households above the poverty threshold, with only one in three escaping. The corporatist and liberal regimes do better, with almost half of pre-transfer poor households lifted above the poverty threshold. However, by far the best performance is by the social democratic regime, with two out of three pre-transfer poor households being lifted above the threshold by welfare state transfers.

8. Welfare State Income and Deprivation

Increasingly frequently, research on poverty and social exclusion focuses not only on income poverty – the numbers falling below an income threshold - but also incorporates non-monetary measures that attempt to capture exclusion from what are considered ordinary living standards in the society. This form of exclusion can cover material aspects like the inability to afford basic necessities like decent food or clothes, but it can take also the form of exclusion from customary forms of social life. In earlier work (Whelan *et al*, 1999) we have employed the information on a range of such indicators obtained in the ECHP to construct a summary index of deprivation, which we labeled Current Life Style Deprivation. This is based on twenty-five non-monetary indicators which were found to be most strongly associated with income; the items are listed in full in the appendix.

We can now employ this summary index to examine the relationship between the share of welfare state income in a household's income package and its level of life-style deprivation. In thinking about this complex relationship, it is worth noting at the outset that a low share of welfare state transfers in a given household's income package can mean very different things. It can on the one hand mean that the household is doing perfectly well without those transfers, or on the other it can mean

that the welfare state is doing a poor job of supporting those in need. Similarly a high welfare share could mean that the welfare state is bringing a household without other income up to an adequate level, or it could be a good marker of long-term disadvantage and welfare dependency. So one could find a pronounced relationship between welfare share and living standards or deprivation for very different reasons, and understanding what underpins that relationship is as important as measuring it.

With these complexities, in mind, we first set out in Table 12 the results of a simple regression of a household's deprivation index score on the share of welfare state transfers in its total income. We see first that the coefficient on welfare share is consistently positive - a high welfare share is everywhere associated with a higher level of deprivation for the household. The strongest positive relationship between the two is found in the UK and Ireland. Germany and Portugal also display a relatively strong relationship whereas Italy has a distinctively weak one, with the remaining countries all in a narrow intermediate range. On average the relationship is strongest in the liberal welfare regime, similar in the corporatist and social democratic regimes, and weakest in the southern regime.

To explore what lies beneath these aggregate relationships, we then re-estimate the equation but now including as explanatory variables both the level of household (equivalised) income and also for the range of socio-demographic variables employed in our earlier analysis. Table 13 then shows that the coefficient on the welfare state income share is always considerably lower when we control for these variables. However, their introduction has rather different effects in different countries. In the case of Italy, the estimated effect of the welfare share actually turns negative, while it becomes statistically insignificant for Greece and Portugal. For Belgium, Austria, Ireland the effect remains positive but its size is reduced by over 60%. The coefficients for the UK and Ireland are still relatively high, while that for Germany is now also one of the highest. For the other countries the effect is still significant and positive but lies in a narrow range.

Focusing on welfare regimes, introducing income and socio-demographic characteristics has weakened the estimated relationship between welfare transfer share and deprivation in all four regimes, but by more in some than in others. In the

southern regime it has almost made the relationship disappear, whereas in the liberal regime it has had least effect (reducing the coefficient on the welfare share variable by only about twenty-five percent). This means that there is now a very much sharper divergence between the liberal regime at one extreme and the southern one at the other, with welfare dependence quite strongly associated with higher deprivation in the former but of little help in predicting deprivation in the latter.

Not only is the remaining effect of welfare state dependence particularly strong in liberal regimes, the increase in our capacity to predict deprivation when income and demographic characteristics are incorporated into the model is remarkably low. This is shown in the modest increase of only 6% in the adjusted R^2 comparing Tables 12 and 13. For the social democratic and corporatist regimes the corresponding increases are of the order of 25%, and for the minimalist southern regime it reaches almost 500% percent. Thus welfare regimes differ not only in the extent of dependency on welfare state income and the factors which influence such dependency, as we saw earlier, but also in the importance of such dependence versus other factors as a predictor of life-style deprivation.

9. Conclusions

This paper has analysed household income packaging in the European Union using data from the third wave of the ECHP, focusing on households where the household reference person is aged between 25-54. It distinguishes five components of income and finds that income from work accruing to the household reference person, the female partner (where present) and welfare state transfers constituted on average between 79% and 95% of the total household disposable income.

The paper then focuses on the extent, determinants and consequences of welfare state income. The results show that significant differences across countries exist in this regard, not corresponding directly to the absolute level of welfare state income. In Ireland and the UK the mean share of welfare state transfers in total household income is relatively high, but they also display particularly sharp differentials in that share, most strikingly by income quintile, but also by labour force status, social education, poverty lines and lone parenthood. For countries such as Finland, Belgium and the Netherlands, by contrast, the mean share of transfers is also high but its

variation is much less sharp across all of these dimensions, quite strikingly so in relation to income quintile. Countries where the mean transfer share is at intermediate levels are also differentiated between those such as Germany which display substantial variation in that share by income level and poverty status, and those such as Austria and Denmark which show much less differentiation. Finally countries such as Italy and Greece combine low levels of welfare state income with weak differentiation even by income hierarchy.

Multivariate analysis confirms that unemployment/inactivity is a key determinant of the importance of welfare state transfers in the income of a household in all countries. However, that effect is strikingly weaker in the Southern European countries and in Austria and Germany than elsewhere. In Ireland and the UK the variation in the share of welfare state transfers in total income is consistently sharp – between for example the unemployed and those in work – and the socio-demographic characteristics on which we have information do a relatively good job in explaining that variation. In the Southern European countries, by contrast, these characteristics explain little of the variation in the share of transfers across households.

From a welfare regime perspective, the results bring out that while the social democratic and corporate regimes are underpinned by fundamentally different principles, the overall importance of welfare state income is similar in those two regimes. The liberal regime, on the other hand, is differentiated by the degree of concentration of welfare income among the disadvantaged and consequently by much sharper differentials between these groups and their more favoured counterparts. This is particularly so in relation to position in the income distribution, but is also clearly evident in terms of labour market status and education. The social democratic and corporatist regimes are characterized by a lower degree of dependence on welfare transfers among more disadvantaged groups and by more modest hierarchical differentials. Countries in the Southern welfare regime are characterized by a modest social structuring of welfare dependency with education, in particular, having little effect.

Despite the sharp association in the liberal regime between extent of welfare state dependence and position in the income distribution, this regime proves to be a good

deal less effective in removing households from income poverty through welfare state transfers than the social democratic regime. The liberal regime was distinguished not only by the high level of welfare dependence of disadvantaged groups but also by the extent to which that dependence served as a predictor of life-style deprivation. Controlling for income and a variety of socio-demographic factors, the share of welfare transfers in a household's income was most strongly associated with the household's level of deprivation in the liberal regime, whereas that relationship was extremely weak for the Southern regime.

Table 1: *Decomposition of Personal Income*

Total net personal income (net, total 1995)=1.1+1.2+1.3	
1.1	Total net income from work=1.1.1+1.1.2
1.1.1	wage and salary earnings (regular and lump sum) (net, total 1995)
1.1.2	Self-employment income
1.2	Non-work private income (net, total 1995)=1.2.1+1.2.2+1.2.3
1.2.1	capital income
1.2.2	assigned property/rental income
1.2.3	private transfers received (any financial support or maintenance from relatives, friends or other persons outside the household)
1.3	Total social/social insurance receipts (net, total 1995)=1.3.1+1.3.2+1.3.3+1.3.4+1.3.5+1.3.6+1.3.7
1.3.1	unemployment related benefits (includes the following)
	*Unemployment insurance benefit
	*Unemployment assistance
	*Training/retraining allowance
	*Placement benefits
	*resettlement benefits
	*rehabilitation benefits
	* Other
1.3.2	old age related benefits (includes the following)
	*basic schemes (first pillar) public & private
	*supplementary schemes (second pillar) public & private
	*personal schemes (third pillar)
	*means-tested welfare schemes
	*early retirement schemes
	*other related schemes or benefits
1.3.3	survivors' benefits (widow's pensions) (includes the following)
	*Basic schemes (first pillar) – public
	*Basic schemes (first pillar) – private
	*Supplementary schemes (second pillar) - public
	*Supplementary schemes (second pillar) - private
	*Personal schemes (third pillar)
	*Means-tested welfare schemes
	*Other widow's benefits
1.3.4	Family-related allowances (includes the following)
	*Child allowance
	*Allowance for care of invalid dependants
	*Maternity allowance
	*Birth allowance
	*Unmarried mother's allowance
	*Deserted wife's allowance,
	*Other family-related benefits

Table 1 : *Ctd*

- 1.3.5 sickness/ invalidity benefits (includes indistinctly the following)
 - *Income maintenance benefits in case of sickness or injury
 - *Other sickness benefits
 - *Compensation for occupational accidents and diseases
 - *Invalidity pension
 - *Other invalidity benefit
 - 1.3.6 Education-related allowances (includes indistinctly the following)
 - *Scholarships
 - * study grants
 - 1.3.7 Any other (personal) benefits
-
-

* non identifiable in the above group

Table 3: *Mean Percent of Household Disposable Income from various income sources by country and welfare regime, ECHP 1996*

	Ref Pers income from work	Spouse income from work	Other members income from work	Private income	Welfare state income	Total income
Social Democratic	57.4	11.3	5.7	1.8	23.9	100.0
Denmark	52.0	18.1	5.2	1.6	23.0	100.0
The Netherlands	64.3	9.8	5.0	1.7	19.2	100.0
Finland	52.4	8.3	6.8	2.1	30.4	100.0
Liberal	53.7	13.5	7.1	2.0	23.8	100.0
United-Kingdom	52.8	14.6	7.9	2.5	22.3	100.0
Ireland	54.7	12.1	6.1	1.4	25.7	100.0
Corporatist	57.8	11.9	8.9	4.1	17.5	100.0
Germany	62.9	12.2	6.9	4.5	13.6	100.0
Belgium	54.9	14.4	3.7	4.6	22.4	100.0
Luxembourg	67.2	11.8	3.1	2.4	15.5	100.0
Austria	51.1	9.2	17.6	3.6	18.5	100.0
Southern	61.1	12.8	9.1	3.8	13.1	100.0
Italy	66.2	13.2	8.2	4.2	8.2	100.0
Greece	67.2	11.9	5.5	6.1	9.2	100.0
Spain	58.8	11.1	7.5	2.9	19.6	100.0
Portugal	51.7	15.6	16.4	2.4	14.0	100.0

Table 4: *Mean Share Welfare State Income for all Households and by Income Quintile by country and welfare regime, ECHP 1996*

	Income quintile					Ratio (1)/(2)
	Bottom (1)	2	3	4	Top (2)	
Social Democratic	52.6	29.0	17.6	11.8	8.2	6.4
Denmark	44.0	27.2	19.7	15	8.3	5.3
The Netherlands	50.2	22.2	19.7	5.5	6.0	8.4
Finland	61.7	38.6	23.0	17.6	11.1	5.6
Liberal	67.1	32.5	11.1	5.7	2.7	25.3
United-Kingdom	63.3	28.8	10.0	6.1	3.2	19.8
Ireland	71.5	36.9	12.5	5.2	2.1	34.0
Corporatist	40.5	19.3	11.9	9.4	6.1	6.6
Germany	35.1	14.8	8.2	6.6	3.1	11.3
Belgium	57.0	24.3	12.6	8.6	9.7	5.9
Luxembourg	31.7	16.5	16.4	9.5	3.4	9.3
Austria	35.3	21.3	14.6	13.7	7.5	4.7
Southern	24.5	14.3	11.0	9.4	6.1	4.0
Italy	15.4	7.2	7.4	6.0	5.0	3.1
Greece	14.8	9.7	8.6	6.6	6.5	2.3
Spain	35.1	23.0	17.1	15.4	7.6	4.6
Portugal	31.3	15.8	9.5	8.3	5.0	6.3

Table 5: *Mean Share Welfare State Income by Labour Force Status of the reference person by country and welfare regime, ECHP 1996*

	Labour Force Status		
	Unemployed /Inactive (1)	In Secure Employment (2)	Ratio (1)/(2)
Social Democratic	76.3	15.6	4.9
Denmark	71.7	11.7	6.1
The Netherlands	.	.	.
Finland	79.4	18.4	4.3
Liberal	74.4	7.8	9.5
United-Kingdom	75.5	7.3	10.3
Ireland	73.3	8.5	8.6
Corporatist	53.6	10.9	4.9
Germany	48.6	6.9	7.0
Belgium	75.5	12.1	6.2
Luxembourg	71.6	11.6	6.2
Austria	38	14.6	2.6
Southern	46.4	7.8	5.9
Italy	36.9	3.9	9.5
Greece	37.5	6.4	5.9
Spain	61.9	11.1	5.6
Portugal	37.2	10.3	3.6

Table 6: *Mean Share Welfare State Income by Education Level of the reference person by country and welfare regime, ECHP 1996*

	Education Level		Ratio (1)/(2)
	Less than second stage of secondary level of education (1)	Others (2)	
Social Democratic	36.3	20.6	1.8
Denmark	34.5	19.8	1.7
The Netherlands	31.9	16.4	1.9
Finland	41.6	26.7	1.6
Liberal	37.0	14.6	2.5
United-Kingdom	33.9	15.8	2.1
Ireland	39.7	12.8	3.1
Corporatist	25.4	14.8	1.7
Germany	18.2	12.5	1.5
Belgium	33.7	17.4	1.9
Luxembourg	22.4	10.3	2.2
Austria	25.3	16.9	1.5
Southern	16.1	9.0	1.8
Italy	10.7	5.3	2.0
Greece	12.3	7.0	1.8
Spain	22.9	15.2	1.5
Portugal	15.7	8.0	2.0

Table 7: Mean Share Welfare State Income by Social Class of the reference person by country and welfare regime, ECHP 1996

	Social Class		Ratio (1)/(2)
	Manual (1)	Non-manual (2)	
Social Democratic	29.3	18.4	1.6
Denmark	28.4	17.1	1.7
The Netherlands	23.4	13.7	1.7
Finland	36.8	25.5	1.4
Liberal	33.8	13.0	2.6
United-Kingdom	31.2	13.4	2.3
Ireland	36.5	12.6	2.9
Corporatist	19.5	13.4	1.5
Germany	15.3	10.1	1.5
Belgium	24.2	16.7	1.4
Luxembourg	19.0	11.6	1.6
Austria	20.9	15.2	1.4
Southern	13.9	10.2	1.4
Italy	8.2	6.4	1.3
Greece	8.7	8.3	1.0
Spain	21.2	14.9	1.4
Portugal	13.5	12.0	1.1

Table 8: *Mean Share Welfare State Income by Lone-parenthood by country and welfare regime, ECHP 1996*

	Household Type		
	Lone Parent (1)	Others (2)	Ratio (1)/(2)
Social Democratic	51.7	23.8	2.2
Denmark	41.3	23.0	1.8
The Netherlands	66.0	19.1	3.5
Finland	48.3	30.4	1.6
Liberal	62.6	23.8	2.6
United-Kingdom	62.3	22.3	2.8
Ireland	63.3	25.7	2.5
Corporatist	39.4	17.4	2.3
Germany	36.9	13.6	2.7
Belgium	45.0	22.4	2.0
Luxembourg	33.9	15.4	2.2
Austria	37.1	18.4	2.0
Southern	30.2	13.0	2.3
Italy	24.0	8.1	3.0
Greece	27.9	9.2	3.0
Spain	38.2	19.6	1.9
Portugal	27.9	13.9	2.0

Table 9: *Mean Share Welfare State Income by Poverty Status (60% Median) by country and welfare regime, ECHP 1996*

	Poverty Status		
	Poor(1)	Non Poor (2)	Ratio (1)/(2)
Social Democratic	59.0	20.3	2.9
Denmark	48.3	21.4	2.3
The Netherlands	59.6	14.1	4.2
Finland	62.9	27.2	2.3
Liberal	71.4	14.8	4.8
United-Kingdom	67.0	13.9	4.8
Ireland	76.5	15.9	4.8
Corporatist	43.6	13.4	3.3
Germany	36.7	9.3	3.9
Belgium	59.7	16.5	3.6
Luxembourg	36.2	12.9	2.8
Austria	40.0	15.6	2.6
Southern	25.7	10.5	2.4
Italy	15.6	6.5	2.4
Greece	15.7	8.1	1.9
Spain	36.1	16.3	2.2
Portugal	35.2	10.0	3.5

Table 10: *Country Effects for Selected Variables on Welfare State Income*

	Unemployed/Inactive β	Sig	Lone- parenthood β	Sig	Less than second stage of secondary education level β	Sig	Small Holder Occupation β	Sig	Adjusted R Squared
Social Democratic	56.77	***	21.35	***	8.24	***	7.53	***	0.42
Denmark	60.19	***	14.51	***	5.57	***	9.20	*	0.62
Finland	58.76	***	7.13	***	5.50	***	7.06	*	0.60
Liberal	61.16	***	24.09	***	6.78	***	5.11	**	0.74
United-Kingdom	59.49	***	24.42	***	5.47	***	-1.42	ns	0.75
Ireland	62.49	***	24.14	***	7.90	***	6.54	**	0.73
Corporatist	39.45	***	15.09	***	6.81	***	24.58	***	0.37
Germany	38.40	***	21.92	***	3.2	*	6.94	ns	0.38
Belgium	62.06	***	4.23	*	8.38	***	31.19	***	0.59
Luxembourg	59.50	***	1.28	ns	9.73	***	16.20	***	0.44
Austria	24.67	***	16.50	***	4.64	*	25.70	***	0.24
Southern	37.94	***	12.23	***	1.18	*	9.38	***	0.28
Italy	32.44	***	11.47	***	1.96	ns	5.34	*	0.26
Greece	30.78	***	10.24	***	3.74	**	1.09	ns	0.21
Spain	49.16	***	7.31	*	0.84	ns	14.93	***	0.41
Portugal	24.81	***	16.79	***	4.15	*	14.92	***	0.16

p<.05,*p<.01, ***p<.001

Table 11: *Effectiveness of Welfare State Transfers on Household Poverty in the EU, 60% median equivalised (modified OECD scale), ECHP 1996*

	% of poor households before transfers	% of poor households receiving transfers	% of poor households moved out of poverty by transfers
Social Democratic	27.7	96.7	66.7
Denmark	24.9	96.4	76.6
The Netherlands	24.8	95.8	54.6
Finland	33.5	97.6	73.0
Liberal	28.7	98.0	44.7
United-Kingdom	27.5	97.0	42.9
Ireland	30.1	99.2	46.6
Corporatist	25.2	89.6	47.3
Germany	23.7	82.8	34.4
Belgium	27.1	94.8	49.1
Luxembourg	24.9	94.5	56.0
Austria	25.4	91.3	57.9
Southern	24.7	67.0	33.4
Italy	21.5	42.9	18.5
Greece	21.0	55.9	28.7
Spain	30.3	76.1	44.6
Portugal	24.3	89.4	35.0

Table 12: *Effects of Welfare State Income Share on Deprivation Score*

	Welfare State Income Share β	Sig	Adjusted R Squared
Social Democratic	0.029	***	0.24
Denmark	0.023	***	0.22
Finland	0.029	***	0.18
Liberal	0.042	***	0.417
United-Kingdom	0.042	***	0.42
Ireland	0.041	***	0.41
Corporatist	0.030	***	0.178
Germany	0.037	***	0.23
Belgium	0.032	***	0.25
Luxembourg	0.021	***	0.08
Austria	0.019	***	0.07
Southern	0.023	***	0.046
Italy	0.013	***	0.02
Greece	0.022	***	0.03
Spain	0.027	***	0.10
Portugal	0.034	***	0.07

p<.05, *p<.01, ***p<.001

Table 13: Effect of *Welfare State Share on Deprivation Score, Controlling for Income and Socio-Demographic Characteristics*

	Welfare State Income Share β	Sig	<i>Adjusted R Squared</i>
Social Democratic	0.0151	***	0.30
Denmark	0.016	***	0.26
Finland	0.011	***	0.25
Liberal	0.0306	***	0.44
United-Kingdom	0.026	***	0.46
Ireland	0.022	***	0.46
Corporatist	0.0174	***	0.22
Germany	0.026	***	0.27
Belgium	0.015	***	0.26
Luxembourg	0.010	*	0.15
Austria	0.009	***	0.18
Southern	0.0045	***	0.27
Italy	-0.004	*	0.22
Greece	0.004	ns	0.32
Spain	0.013	***	0.31
Portugal	0.002	ns	0.38

p<.05, *p<.01, ***p<.001

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Appendix

Respondents were asked about some items in the format employed by Mack & Lansley (1985): for each household it was established if the item was possessed/availed of, and if not a follow-up question asked if this was due to inability to afford the item. The following six items took this form:

- A car or van.
- A colour TV.
- A video recorder.
- A micro wave.
- A dishwasher.
- A telephone.

In these cases we consider a household to be deprived only if absence is stated to be due to lack of resources.

For some items the absence and affordability elements were incorporated in one question, as follows: “There are some things many people cannot afford even if they would like them. Can I just check whether your household can afford these if you want them”. The following six items were administered in this fashion:

- Keeping your home adequately warm.
- Paying for a week’s annual holiday away from home.
- Replacing any worn-out furniture.
 - Buying new, rather than second hand clothes.
 - Eating meat chicken or fish every second day, if you wanted to.
 - Having friends or family for a drink or meal at least once a month.

The final item relates to arrears; we consider a household as experiencing deprivation in terms of this item if it was unable to pay scheduled mortgage payments, utility bills or hire purchase instalments during the past twelve months. An index based on a simple addition of these thirteen items give a reliability coefficient of 0.80.

Appendix A1: Mean Percent of Household Disposable Income from various income sources by income quintile

	Ger	Dk	Nl	Be	Lu	Uk	Irl	It	Gr	Sp	Pt	Au	Fin
Bottom Quintile													
Ref Pers income from work	41.7	41.3	41.5	27.9	58.7	24.2	20.3	62.5	64.8	46.1	43.9	41.8	27.8
Spouse income from work	8.0	8.5	2.4	6.7	5.9	5.6	3.1	6.4	6.6	5.6	8.4	3.8	4.5
Other members income from work	4.6	3.9	2.6	2.2	2.1	4.5	3.5	7.9	4.7	6.9	13.9	12.9	3.4
Private income	10.6	2.2	3.3	6.2	1.7	2.3	1.6	7.8	9.0	6.3	2.5	6.2	2.6
Welfare state income	35.1	44.0	50.2	57.0	31.7	63.3	71.5	15.4	14.8	35.1	31.3	35.3	61.7
Total income	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
2													
Ref Pers income from work	63.1	52.4	67.1	58.4	66.7	52.7	49.3	74.9	72.7	62.1	58.8	49.6	49.4
Spouse income from work	10.2	14.5	5.7	9.9	11.2	10.1	5.8	7.6	7.1	5.6	9.0	7.8	7.0
Other members income from work	8.4	4.6	3.8	3.6	3.8	6.8	6.9	7.4	5.2	7.4	14.3	17.7	3.6
Private income	3.4	0.6	1.3	3.8	1.8	1.7	1.1	2.9	5.3	1.9	2.2	3.6	1.3
Welfare state income	14.8	27.9	22.2	24.3	16.5	28.8	36.9	7.2	9.7	23.0	15.8	21.3	38.6
Total income	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
3													
Ref Pers income from work	69.8	53.5	53.5	65.4	67.1	62.3	65.3	69.3	69.7	64.1	49.0	55.7	59.2
Spouse income from work	12.3	20.3	20.3	15.1	9.5	16.3	12.9	12.3	11.3	8.1	15.4	8.4	9.0
Other members income from work	7.7	5.1	5.1	4.0	5.5	10.1	7.8	8.8	6.5	8.3	24.5	19.1	6.7
Private income	2.0	1.4	1.4	2.9	1.5	1.3	1.6	2.2	4.0	2.4	1.7	2.3	2.0
Welfare state income	8.2	19.7	19.7	12.6	16.4	10.0	12.5	7.4	8.6	17.1	9.5	14.6	23.0
Total income	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Appendix A1: *Ctd*

	Ger	Dk	Nl	Be	Lu	Uk	Irl	It	Gr	Sp	Pt	Au	Fin
4													
Ref Pers income from work	67.9	54.9	72.7	63.5	73.9	61.4	69.1	63.4	65.9	58.4	51.8	51.5	60.1
Spouse income from work	15.6	22.5	13.8	20.5	12.3	20.8	16.3	18.7	16.0	14.9	20.5	10.9	10.7
Other members income from work	7.2	5.8	6.8	3.8	2.6	8.5	8.3	9.1	5.3	9.2	16.5	21.1	9.9
Private income	2.7	1.7	1.1	3.7	1.8	3.2	1.0	2.8	6.2	2.0	3.0	2.9	1.7
Welfare state income	6.6	15.0	5.5	8.6	9.5	6.1	5.2	6.0	6.6	15.4	8.3	13.7	17.6
Total income	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Top Quintile													
Ref Pers income from work	71.8	57.6	69.3	59.1	69.6	63.3	69.8	60.8	62.8	63.2	54.9	57.2	65.3
Spouse income from work	15.1	24.9	16.1	19.7	20.3	20.1	22.6	21.2	18.8	21.3	24.5	15.0	10.5
Other members income from work	6.4	6.9	6.7	5.1	1.5	9.7	3.9	7.9	5.6	5.7	13.0	17.3	10.3
Private income	3.6	2.3	1.9	6.4	5.3	3.7	1.6	5.1	6.3	2.2	2.7	2.9	2.9
Welfare state income	3.1	8.3	6.0	9.7	3.4	3.2	2.1	5.0	6.5	7.6	5.0	7.5	11.1
Total income	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Appendix A2: Mean Percent of Household Disposable Income from various income sources by Labour Force Status of the reference person

	Ger	Dk	Nl	Be	Lu	Uk	Irl	It	Gr	Sp	Pt	Au	Fin
Working													
Ref Pers income from work	71.0	60.5	.	64.2	70.9	65.3	70.4	74.0	72.4	68.3	58.6	58.1	62.0
Spouse income from work	13.9	21.1	.	15.8	12.1	17.2	14.9	13.5	12.6	12.0	16.7	10.4	9.8
Other members income from work	5.4	5.4	.	3.7	3.2	7.8	5.0	5.5	4.0	6.5	12.5	14.0	8.0
Private income	2.7	1.4	.	4.3	2.2	2.4	1.2	3.1	4.6	2.2	2.0	2.9	1.9
Welfare state income	6.9	11.7	.	12.1	11.6	7.3	8.5	3.9	6.4	11.1	10.3	14.6	18.4
Total income	100.0	100.0	.	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Unemployed													
Ref Pers income from work	11.3	18.2	.	6.4	4.4	12.3	4.9	29.2	21.9	11.9	11.5	12.5	12.7
Spouse income from work	2.0	7.5	.	5.8	5.7	10.6	7.5	18.3	12.0	9.0	19.5	3.7	2.9
Other members income from work	5.7	5.2	.	3.3	0.0	5.4	7.1	15.6	19.1	12.7	32.2	22.5	1.3
Private income	7.6	1.1	.	5.9	2.7	2.0	0.3	16.3	17.4	6.5	6.3	6.4	1.8
Welfare state income	73.4	68.0	.	78.5	87.3	69.7	80.2	20.6	29.5	59.9	30.5	54.9	81.3
Total income	100.0	100.0	.	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Inactive													
Ref Pers income from work	23.1	13.9	.	9.4	16.8	6.6	17.5	7.1	11.9	10.7	6.9	17.0	13.7
Spouse income from work	4.1	4.5	.	8.1	7.1	3.3	1.8	8.4	2.7	0.8	4.3	2.6	2.1
Other members income from work	18.4	4.3	.	4.3	1.9	9.6	10.5	31.2	20.5	12.1	45.0	39.3	2.3
Private income	16.9	3.5	.	6.1	5.5	3.0	3.2	8.9	23.3	7.8	4.1	7.4	4.3
Welfare state income	37.4	73.7	.	72.0	68.7	77.5	67.0	44.4	41.6	68.7	39.7	33.8	77.6
Total income	100.0	100.0	.	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Appendix A3: Mean Percent of Household Disposable Income from various income sources by Education Level of the reference person

	Ger	Dk	Nl	Be	Lu	Uk	Irl	It	Gr	Sp	Pt	Au	Fin
ISCED 0-2													
Ref Pers income from work	58.8	45.2	55.0	46.6	59.5	41.8	41.9	63.1	67.1	56.7	50.4	38.3	42.8
Spouse income from work	9.9	13.8	7.3	11.0	10.7	12.8	9.0	11.9	8.3	8.4	14.3	7.0	7.6
Other members income from work	10.0	5.2	4.8	4.8	5.2	9.7	8.3	10.6	8.0	9.4	17.7	27.4	6.4
Private income	3.0	1.2	0.9	3.9	2.3	1.7	1.1	3.7	4.2	2.5	1.9	1.9	1.6
Welfare state income	18.2	34.5	31.9	33.7	22.4	33.9	39.7	10.7	12.3	22.9	15.7	25.3	41.6
Total income	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	99.9	100.0
ISCED 3													
Ref Pers income from work	61.3	51.4	64.1	54.3	71.7	55.1	63.1	69.6	68.5	58.3	51.5	53.3	54.4
Spouse income from work	11.5	18.8	10.2	14.6	9.7	15.2	13.6	14.6	11.8	14.5	21.8	9.5	8.1
Other members income from work	7.2	4.7	5.0	3.8	2.0	6.2	4.7	5.7	4.6	6.9	12.6	16.0	5.9
3	5.6	1.6	1.8	4.6	2.3	2.2	1.7	4.4	7.6	3.3	3.3	3.8	1.5
Welfare state income	14.4	23.5	18.9	22.7	14.2	21.2	17.0	5.7	7.4	17.1	10.7	17.4	30.0
Total income	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
ISCED 5-7													
Ref Pers income from work	68.6	56.4	72.2	62.3	74.3	63.7	73.2	70.1	66.0	64.0	61.6	60.7	56.8
Spouse income from work	15.2	19.9	10.8	16.6	17.0	16.0	17.7	15.7	17.6	15.0	19.8	10.8	9.1
Other members income from work	4.1	5.9	4.5	3.4	0.9	7.9	2.9	4.9	2.8	3.6	7.9	10.5	8.0
Private income	3.4	1.9	2.0	5.4	2.8	3.7	1.8	5.7	7.1	3.6	6.4	5.2	3.1
Welfare state income	8.7	15.8	10.5	12.2	5.0	8.8	4.4	3.5	6.6	13.8	4.3	12.8	23.0
Total income	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Appendix A4: Mean Percent of Household Disposable Income from various income sources by Social Class of the reference person

	Ger	Dk	Nl	Be	Lu	Uk	Irl	It	Gr	Sp	Pt	Au	Fin
Non manual													
Ref Pers income from work	67.8	57.8	71.8	63.7	73.2	61.5	69.7	72.1	66.9	67.7	58.7	59.4	55.7
Spouse income from work	12.7	20.6	10.6	15.6	11.7	15.2	16.0	15.2	17.4	15.1	20.5	10.5	9.7
Other members income from work	5.8	4.9	4.8	3.1	2.1	8.6	4.9	5.5	2.5	4.0	12.3	14.5	7.3
Private income	4.6	1.7	1.5	4.1	2.6	3.1	1.3	2.6	6.0	2.8	2.2	3.3	2.4
Welfare state income	9.1	15.1	11.3	13.5	10.4	11.6	8.1	4.5	7.2	10.4	6.3	12.4	25.0
Total income	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Self-employed with employees													
Ref Pers income from work	66.9	54.1	74.4	49.9	72.1	57.0	64.3	72.0	73.0	62.3	59.3	47.1	57.7
Spouse income from work	16.8	14.5	10.6	20.4	13.1	20.8	17.5	11.9	11.2	12.8	19.5	18.5	13.2
Other members income from work	4.7	6.1	1.8	4.3	0.2	5.7	7.0	5.0	3.2	5.9	8.4	10.4	11.5
Private income	4.3	2.4	5.4	6.6	4.7	4.0	3.4	5.6	7.6	7.5	3.6	5.2	4.7
Welfare state income	7.3	23.0	7.8	18.7	9.9	12.5	7.8	5.6	5.0	11.6	9.2	18.8	13.0
Total income	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Self employed without employees													
Ref Pers income from work	64.1	43.6	58.7	39.7	75.2	62.2	59.6	66.2	71.9	51.8	38.3	55.1	51.4
Spouse income from work	9.3	16.7	10.6	21.9	17.4	18.9	17.6	15.0	10.8	15.3	16.9	6.3	7.7
Other members income from work	4.8	15.2	5.0	7.0	0.0	4.5	6.6	7.5	3.1	11.0	18.5	11.1	5.8
Private income	4.2	1.9	3.0	14.9	1.3	2.5	3.1	6.0	6.1	3.9	4.7	9.0	2.5
Welfare state income	17.5	22.6	22.7	16.5	6.2	11.9	13.2	5.3	8.0	18.0	21.7	18.5	32.6
Total income	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Appendix A4: *Ctd*

	Ger	Dk	Nl	Be	Lu	Uk	Irl	It	Gr	Sp	Pt	Au	Fin
Small holders													
Ref Pers income from work	62.6	56.3	56.3	25.2	67.6	57.1	67.0	60.9	78.2	57.4	47.4	34.8	52.5
Spouse income from work	11.0	14.8	12.8	10.1	2.5	20.1	15.3	12.8	3.5	4.5	8.4	4.7	9.1
Other members income from work	6.5	6.6	8.1	1.8	5.8	12.1	3.6	12.9	4.5	11.0	16.6	23.8	10.9
Private income	9.5	1.4	3.9	23.2	0.8	6.8	0.9	3.2	3.9	2.6	3.4	1.9	2.7
Welfare state income	10.5	20.8	18.9	39.7	23.3	3.9	13.2	10.1	9.8	24.4	24.2	34.8	24.8
Total income	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Manual													
Ref Pers income from work	61.8	48.8	60.7	56.1	62.4	44.8	48.6	69.7	69.9	59.7	55.2	49.2	49.4
Spouse income from work	12.3	16.9	9.1	12.8	12.1	14.1	9.0	12.0	10.7	8.8	13.8	8.7	6.6
Other members income from work	7.6	4.8	5.4	3.9	4.5	8.5	5.2	7.2	6.8	8.3	16.2	18.6	5.8
Private income	3.0	1.1	1.5	2.9	2.0	1.4	0.7	3.0	3.9	2.0	1.4	2.6	1.4
Welfare state income	15.3	28.4	23.4	24.2	19.0	31.2	36.5	8.2	8.7	21.2	13.5	20.9	36.8
Total income	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Appendix A5: Mean Percent of Household Disposable Income from various income sources by Household Structure

	Ger	Dk	Nl	Be	Lu	Uk	Irl	It	Gr	Sp	Pt	Au	Fin
Single													
Ref Pers income from work	77.7	64.4	69.6	72.4	85.4	70.1	67.5	85.5	79.9	83.2	63.2	81.4	66.1
Spouse income from work	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other members income from work	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Private income	7.9	2.2	3.4	5.6	3.5	3.2	1.7	7.3	14.8	5.2	4.3	6.5	2.2
Welfare state income	14.3	33.4	27.0	22.0	11.1	26.7	30.8	7.2	5.3	11.6	32.5	12.1	31.7
Total income	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Couple no children													
Ref Pers income from work	55.8	49.4	59.4	54.0	62.1	52.8	60.0	62.6	66.4	61.2	53.4	51.5	48.8
Spouse income from work	28.4	30.2	20.4	25.6	27.6	30.8	31.3	22.3	21.1	22.1	20.0	21.9	18.8
Other members income from work	3.8	3.6	10.5	4.7	1.2	5.7	2.5	6.7	3.1	5.3	12.6	15.4	10.7
Private income	3.9	1.8	1.4	4.7	2.4	2.9	0.9	4.5	4.3	2.6	1.4	1.9	1.9
Welfare state income	8.0	14.9	8.3	10.9	6.6	7.8	5.3	3.9	5.0	8.8	12.5	9.3	19.7
Total income	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Couple +1 child (age<16)													
Ref Pers income from work	63.1	45.3	66.7	53.7	68.0	57.5	57.9	66.7	74.3	69.3	58.2	53.4	49.3
Spouse income from work	19.4	26.7	13.5	25.2	22.5	24.4	24.5	20.5	17.5	19.7	23.4	14.6	13.4
Other members income from work	5.2	6.0	6.8	2.2	0.2	7.6	0.5	6.5	1.1	0.8	11.7	15.5	8.6
Private income	3.5	1.8	1.4	4.0	1.0	1.0	0.3	3.4	5.5	1.9	1.6	2.7	1.9
Welfare state income	8.9	20.2	11.6	14.9	8.3	9.5	16.8	2.9	1.6	8.4	5.2	13.9	26.8
Total income	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Appendix A5: *Ctd*

	Ger	Dk	Nl	Be	Lu	Uk	Irl	It	Gr	Sp	Pt	Au	Fin
Couple + 2 children (age<16)													
Ref Pers income from work	64.8	50.2	72.1	50.1	68.2	62.2	63.7	72.4	78.2	73.2	60.4	52.1	48.7
Spouse income from work	12.2	26.5	10.0	21.8	14.8	15.3	20.6	16.0	15.2	14.4	19.5	10.1	10.9
Other members income from work	9.5	3.4	2.3	1.4	1.3	6.3	0.2	4.0	1.3	1.0	10.2	17.3	9.0
Private income	2.3	1.2	1.0	4.3	3.0	1.9	0.9	4.7	3.6	2.3	1.6	1.8	0.9
Welfare state income	11.2	18.7	14.6	22.4	12.7	14.2	14.8	2.9	1.6	9.1	8.4	18.7	30.5
Total income	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Couple + 3 children (age<16)													
Ref Pers income from work	62.3	43.5	71.6	51.7	64.9	53.9	59.4	77.6	78.7	66.4	51.4	45.3	47.5
Spouse income from work	6.1	21.7	8.2	16.0	8.4	11.5	10.7	9.6	12.8	13.7	19.2	7.1	8.3
Other members income from work	8.2	5.6	2.1	0.8	0.0	5.2	0.0	6.2	1.1	0.0	10.9	21.6	6.2
Private income	2.3	0.7	1.1	2.2	1.0	0.8	0.6	3.3	3.1	2.6	2.2	0.9	1.8
Welfare state income	21.1	28.4	17.0	29.3	25.8	28.7	29.3	3.4	4.2	17.3	16.4	25.0	36.2
Total income	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Couple + 1 child (age<16 and over)													
Ref Pers income from work	54.8	47.3	64.8	50.7	59.6	49.0	55.5	60.9	62.1	54.1	45.7	39.5	48.2
Spouse income from work	17.3	25.8	10.7	16.6	10.1	17.8	8.2	14.1	11.6	9.3	16.1	10.2	13.3
Other members income from work	17.4	14.5	6.7	9.9	7.9	17.0	14.0	13.0	10.6	12.2	23.7	33.4	14.0
Private income	2.3	1.0	1.2	4.0	1.8	2.2	1.1	2.8	5.8	2.9	2.3	2.5	1.8
Welfare state income	8.2	11.3	16.6	18.8	20.5	13.9	21.3	9.2	9.9	21.6	12.1	14.3	22.7
Total income	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Appendix A5: *Ctd*

	Ger	Dk	Nl	Be	Lu	Uk	Irl	It	Gr	Sp	Pt	Au	Fin
Lone parent													
Ref Pers income from work	46.9	46.7	25.1	47.0	63.7	23.0	22.1	73.7	62.4	69.0	60.4	43.1	41.4
Spouse income from work	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other members income from work	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Private income	5.4	1.4	0.7	5.5	6.8	3.3	2.3	6.6	21.8	11.0	4.8	15.7	4.5
Welfare state income	47.7	51.9	74.2	47.4	29.5	73.7	75.6	19.7	15.8	19.9	34.8	41.2	54.1
Total income	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Lone parent + 1 child (age<16 and over)													
Ref Pers income from work	55.8	58.4	34.0	41.9	50.5	36.6	19.9	49.8	43.8	37.4	51.8	45.5	47.3
Spouse income from work	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other members income from work	14.7	15.1	7.4	8.0	11.4	20.1	18.7	18.4	14.7	16.3	16.9	16.7	5.2
Private income	4.3	1.9	1.2	7.0	1.4	3.6	9.2	5.9	10.2	6.0	6.3	4.3	4.3
Welfare state income	25.2	24.6	57.4	43.1	36.6	39.8	52.2	25.9	31.4	40.3	25.1	33.6	43.3
Total income	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Other households													
Ref Pers income from work	44.2	34.3	49.2	44.6	51.0	39.5	36.8	43.5	52.3	39.3	39.8	29.0	34.2
Spouse income from work	7.0	15.2	3.4	8.2	12.2	6.6	2.0	7.7	9.7	6.1	8.8	5.3	8.2
Other members income from work	16.4	9.2	22.5	6.6	10.5	25.9	21.3	15.8	8.3	12.6	23.9	26.8	10.2
Private income	7.0	0.7	7.4	3.7	2.3	3.9	0.6	2.6	3.8	2.2	2.6	2.4	1.3
Welfare state income	25.5	40.6	17.6	36.4	24.0	24.1	39.3	30.4	25.9	39.9	24.8	36.4	46.1
Total income	100.0	100.0	100.0	99.5	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Appendix A6: Mean Percent of Household Disposable Income from various income sources by Poverty Status at 60% median line

	Ger	Dk	Nl	Be	Lu	Uk	Irl	It	Gr	Sp	Pt	Au	Fin
Below 60% of the median													
Ref Pers income from work	39.4	38.7	31.5	25.6	52.7	22.2	16.5	60.8	63.4	44.4	42.3	36.9	27.3
Spouse income from work	7.5	4.8	2.1	5.7	6.9	5.0	2.3	6.7	6.3	6.0	8.3	2.7	3.6
Other members income from work	4.3	4.0	2.0	1.8	1.6	3.6	2.8	8.4	4.5	6.6	11.6	12.4	3.7
Private income	12.1	4.2	4.8	7.1	2.6	2.2	2.0	8.5	10.2	6.9	2.7	8.1	2.5
Welfare state income	36.7	48.3	59.6	59.7	36.2	67.0	76.5	15.6	15.7	36.1	35.2	40.0	62.9
Total income	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Above 60% of the median													
Ref Pers income from work	67.2	52.8	68.5	59.5	69.0	58.5	62.1	67.4	67.9	61.7	53.4	53.0	54.9
Spouse income from work	13.1	19.0	10.7	15.7	12.4	16.4	14.0	14.7	12.9	12.2	16.9	10.0	8.8
Other members income from work	7.3	5.3	5.4	4.1	3.3	8.7	6.7	8.2	5.7	7.7	17.3	18.3	7.1
Private income	3.1	1.5	1.3	4.2	2.4	2.5	1.3	3.2	5.4	2.1	2.4	3.0	2.1
Welfare state income	9.3	21.4	14.1	16.5	12.9	13.9	15.9	6.5	8.1	16.3	10.0	15.6	27.2
Total income	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

