The impact of child benefits on single mother poverty : exploring the role of targeting in 15 European countries

Reference:

Van Lancker Wim, Ghysels Joris, Cantillon Bea.- *The impact of child benefits on single mother poverty : exploring the role of targeting in 15 European countries*

International journal of social welfare - ISSN 1369-6866 - (2014), p. 1-13

DOI: http://dx.doi.org/doi:10.1111/ijsw.12140

The impact of child benefits on single mother poverty: Exploring the role of targeting in 15 European countries

Wim Van Lancker[1, 3], Joris Ghysels[2], Bea Cantillon[3]

[1] Research Foundation, Flanders

[2] TIER/Teacher's Academy, Maastricht University, The Netherlands

[3] Herman Deleeck Centre for Social Policy, University of Antwerp, Belgium

Running title: Child benefits, targeting and single mother poverty

Key words: child benefits, single mothers, poverty, targeting, universalism, welfare state

Author for correspondence:

Dr. Wim Van Lancker

Herman Deleeck Centre for Social Policy

University of Antwerp

Sint Jacobstraat 2

2000 Antwerp, Belgium

Tel. +32 3 265 53 97

E-mail: wim.vanlancker@uantwerpen.be

Abstract

Single mothers are vulnerable to living in poverty. The question of how to safeguard the economic status of single mothers in a context of increasing dual earnership is a crucial one. In the present study we addressed this issue by investigating the impact of child benefits on the poverty risk of single mothers in 15 European countries. We focused in particular on the design of child benefits and investigated whether targeting towards single mothers was associated with better poverty reduction. In doing so, we combined information on statutory child benefit entitlement with an empirical analysis of poverty reduction using survey data. We found that: (1) both spending effort and targeting are important to explain the effectiveness of child benefits in reducing single mother poverty; (2) targeting is related to higher levels of poverty reduction independent of spending effort; yet (3) it matters how targeting is done.

Introduction

Single mothers are commonly perceived as being among the most vulnerable social groups in society. In fact, a vast amount of research stemming from various disciplines (economy, sociology, psychology and epidemiology) has proven this to be true. Single motherhood is related with inter alia bad health, stress, joblessness, problems in coping with the work–family conflict, poverty and social exclusion (Burström et al., 2009; Christopher, 2002, 2005; Christopher, England, Smeeding, & Phillips, 2002; Kilkey, 2000; Misra, Moller, & Budig, 2007; Mullins et al., 2011; Whitehead, Burström, & Diderichsen, 2000). Obviously, these disadvantages are interrelated: The economic strain of living with an income below the poverty line coincides with the burden of having children which cannot be alleviated by a partner, which in turn leads to parenting stress. Yet, these risks are not equally dispersed across societies.

Differences between countries in the occurrence, prevalence and extent of poverty among single mothers can for a large part be attributed to differences in employment rates and varieties in the systems of social protection and family policy (Misra, et al., 2007). This relates to the way the role of single mothers has been defined, either as mothers or as workers, and how these roles have been translated into policies. Indeed, it has been shown that policies inherently carry out gendered views on the interplay between the family, state and market (Daly & Lewis, 2000). Where the family (and the care of children) is seen as a private (read: women's) responsibility, the state has been wary to interfere in care arrangements, and policies have often been limited to cash transfers to help with the upbringing of children. In this case, women are *de facto* regarded as mothers or caregivers. The United Kingdom was a case in point until the late 1990s (Lewis, 2006). In contrast, where single mothers are regarded as breadwinners in their own right, state policies, such as remunerated parental leave and public childcare services, have been developed with the aim to facilitate paid work and to reconcile the work–family conflict. Examples par excellence are the Nordic countries, where state interference with regard to the care and upbringing of children is deemed both a duty and a necessity (Lewis, 2006).

Nowadays, this dichotomy has somewhat weakened. In European welfare states, the aim of increasing employment for men and women alike became part and parcel of social policy with the adoption of the Lisbon Strategy and, subsequently, the EU-2020 strategy, inspired by the so-called social investment perspective (Cantillon, 2011; Daly, 2012). The role of family policy thus gradually expanded from financially supporting families with the upbringing of their children to facilitating dual earnership (Ghysels & Van Lancker, 2011; Lewis, Knijn, Martin, & Ostner, 2008; O'Connor, 2005). Safeguarding the economic status of single mothers remains a crucial issue in this regard: How do they fare in a context where policies to support families are increasingly aimed at dual-earner couples?

Previous research has focused mainly on the influence of social transfers in general on single mother poverty (Brady & Burroway, 2012; Christopher, et al., 2002; Huber, Stephens, Bradly, Moller, & Nielsen, 2009; Kilkey, 2000), on the impact of child benefits on child poverty (Bradshaw, 2010; Immervoll, Sutherland, & De Vos, 2001; Kamerman, Neuman, Waldfogel, & Brooks-Gunn, 2003; Van Lancker & Van Mechelen, 2014), or on the influence of social transfers on the poverty risk of children living in single parent families (Chzhen & Bradshaw, 2012). In the present study, we aimed to reinvigorate our knowledge on the impact of child benefits on single mother poverty, in particular how child benefit systems should be designed in order to yield the most beneficial results in terms of poverty reduction. This is all the more relevant considering that the long-standing wisdom that universally designed benefits outperform targeted benefits in terms of poverty reduction has recently been disputed. Recent comparative studies have tended to find that targeting is associated with higher instead of lower levels of redistribution, in particular when overall effort in terms of spending is strong (Kenworthy, 2011; Marx, Salanauskaite, & Verbist, 2013).

In the present study, we investigated the following research question: *What child benefit design is most effective in reducing poverty among single mothers?* By devoting specific attention to the design of child benefit systems, that is, whether and how child benefits are targeted to single mothers, we aimed to move forward the universality versus targeting debate. In a recent article in this journal, Caminada et al. (2012) demonstrated that there is a significant correlation between the level of social spending and poverty reduction. The more countries spend on social protection, the better they succeed in reducing poverty, holding other factors constant. In the present study, we asked whether more targeting was associated with better poverty reduction *independent* of the level of social spending.

In doing so, we united two research traditions. First, in the majority of inquiries into the poverty-reducing effect of social programmes in welfare states, survey data were used to

analyse to what extent government programmes and transfers help to alleviate poverty (Christopher, et al., 2002; Kenworthy, 1999; Nelson, 2004). Second, a different strand of research has employed the so-called 'family model methodology' or 'model families approach', which is a comparable and detailed description of statutory benefit entitlement for different family types based on national informants. This approach was used in the past to examine benefit policies for single parents (Kilkey, 2000; Whiteford & Bradshaw, 1994). In the present study, we combined information on statutory child benefit entitlements for 15 European countries, using a recent model families dataset (year 2008), with an analysis of the impact of child benefits on the poverty risk of single mothers using 2008 survey data. The countries included in the study were Austria (AT), Belgium (BE), Czech Republic (CZ), Denmark (DK), Finland (FI), France (FR), Germany (DE), Ireland (IE), Italy (IT), Netherlands (NL), Norway (NO), Slovak Republic (SK), Spain (ES), Sweden (SE) and the United Kingdom (UK).

The universalism–targeting debate and child benefit design

Although the debate on the most effective design of benefit systems in terms of poverty reduction is a long-standing one (e.g. Goodin & Le Grand, 1987; Kahn & Kamerman, 1975), the usual starting point of contemporary discussions on the matter is the influential claim by Korpi and Palme that 'the more we target benefits at the poor only […], the less likely we are to reduce poverty and inequality' (Korpi & Palme, 1998, p. 681). They concluded that universal benefit systems are superior in reducing poverty compared with selective ones. Indeed, welfare states with universal characteristics have tended to report lower poverty rates for all (Nelson, 2004). The following arguments support this claim: Universal benefits are less stigmatising, do not lead to poverty traps, require less administration costs, do not suffer from the problem of non-take up and yield more political support (Brady & Burroway, 2012;

Skocpol, 1991; van Oorschot, 2002). Moreover, Korpi and Palme found a trade-off between the extent of targeting and the size of the redistributive budget: Universal systems are more efficient in poverty reduction because they are also the most generous welfare states. In effect, plenty of studies have shown that the lowest poverty rates are found in countries with the most generous benefit systems (Brady, 2005; Kenworthy, 1999; Nolan & Marx, 2009; Smeeding, 2006).

Others argue *contra* universalism that resources should be concentrated on those with greater needs, such as single mothers. The reasoning here is that targeted policies allocate more resources to the needy rather than to the middle and higher classes, and are as such both cheaper and more effective (Le Grand, 1982). A similar argument was formulated by Ann Orloff who wrote that 'the range of needs covered by such [universal] benefits often betrays a gender bias' (Orloff, 1993, p. 316). Because universal benefits deny the different needs of vulnerable groups, for example single mothers, targeted policies are more likely to alleviate poverty among these groups. In sum, targeting resources at single mothers should be more effective in combating poverty (Kilkey & Bradshaw, 1999). Recent inquiries into the redistributive effect of welfare states indeed tend to find that targeting might not be so bad after all. In their replication of the original Korpi and Palme study, Marx et al. (2013, p. 38) found that 'targeting tends to be associated with higher levels of redistributive impact, especially when overall effort in terms of spending is high'. Hence, while nearly all studies have found that total spending is of crucial importance in reducing poverty, there is now considerable disagreement as to whether a universal or a targeted strategy should be pursued to allocate that spending effort.

In the vast majority of the literature on the measurement of the redistributive impact of benefits, the so-called 'standard approach' has been used (Whiteford, 1997). Essentially, the standard approach of measuring anti-poverty effects of benefits is to compare poverty rates

before and after including government transfers into the household income. The difference between the two, then, is the poverty-reducing impact of those transfers. As such, the actual income distribution is compared with a hypothetical counterfactual income distribution in which government intervention is absent. Subsequently, the poverty-reducing impact is related to the extent of targeting, which is measured by a targeting coefficient that captures the share of transfers that goes to different income groups[1]. Simplifying a rather technical matter: The larger is the share of transfers allocated to the poor, the higher is the extent of targeting. Using this method, Korpi and Palme (1998) found that the lower was the degree of targeting, the greater was the redistribution. In contrast, recent studies using the same methodology found that this paradox of redistribution does not necessarily hold any longer (Kenworthy, 2011; Marx, et al., 2013).

This approach has been criticised on theoretical as well as methodological grounds (Bergh, 2005; Jesuit & Mahler, 2010). Two shortcomings were of particular concern for our study. First, previous analyses were often limited to the aggregate level, that is, the whole of taxes and transfers. In this method, pre-tax/pre-transfer poverty is compared with post-tax/post-transfer poverty, and the difference between the two is then regarded as the 'welfare state effect'. This provides no guidance, however, for establishing the appropriate design of specific programmes (Moene & Wallerstein, 2001). It could very well be the case, for instance, that the appropriate balance between targeting and universalism differs for child benefits and pension schemes.

A second criticism relates to the use of a targeting coefficient to gauge the level of targeting (Marx, et al., 2013). As a matter of fact, a targeting coefficient measures targeting

[1] In the majority of studies the so-called 'concentration coefficient' is used; it has a value of -1 if the poorest person receives all the transfers, 0 if all receive an equal amount of transfers and 1 if the richest person receives all the transfers. See OECD (2008).for further reading on this issue.

outcomes rather than targeting *intentions*. Targeting is interpreted as social transfers being more beneficial for lower incomes, regardless of whether this comes about due to characteristics of the welfare system or due to other factors such as demographic shifts. For example, when larger families are concentrated amongst the lowest income groups, universal child benefits will be seen as being targeted because a larger share of total spending will be allocated to the lowest income groups. This distorts the interpretation of the results. To overcome this criticism, in the present study we built on institutional characteristics of child benefit systems to gauge the degree of targeting, instead of relying on a targeting coefficient.

The exact meaning of universalism and targeting, and related concepts such as means-testing and selectivity, is not always clear, however, and in the literature these terms are often applied in a rather loose way (Spicker, 2005; van Oorschot, 2002). Benefits are universal if they are granted to every individual regardless of need, while benefits are selective whenever entitlement is restricted for whatever reason. However, in this sense, benefits are always selective in one way or the other (Mitchell, Harding, & Gruen, 1994). Child benefits, for instance, are never truly universal because not every family has children. Hence we apply a simpler criterion: Child benefits are *universal* if they cover the whole reference population, while child benefits are *selective* if eligibility is restricted to a specific group of the reference population based on certain conditions. Often, but not necessarily so, this will entail a means-test (e.g. falling below a certain income threshold). It should be noted that this simple dichotomy does not concern the *form* child benefits might take. European welfare states have crafted a mixture of cash benefits and various forms of tax breaks (such as tax credits and tax allowances) (Ferrarini, 2006; Montanari, 2000); both cash benefits and tax breaks can be universal or selective in nature. However, universality and selectivity are mutually exclusive and particular benefit systems cannot be both. They are either universal or selective.

Targeting is concerned with the allocation of resources. The question at stake in the present study was whether more resources are delivered to single mothers when compared with the basic child benefit entitlement. Child benefits are targeted towards single mothers when they are entitled to additional benefits because of their *status* as single parents. In this sense, targeting is broader than selectivity. Benefits may be targeted to a particular group such as single mothers, but do not necessarily have to be selective.

Data and measurement

Data

We drew on two data sources. First, data on statutory benefit entitlement and targeting were drawn from the *International Family Benefit Package 2008/2009.* This expert sourced database contains institutional characteristics of child benefit systems as well as benefit levels for several model family types at different income levels, including single parent families (which are not always available in such detail in other model family databases). Data were available for 15 European countries and related to the situation in December 2008. The 'model families' approach was pioneered by Sheila Kamerman and Alfred Kahn (1978) and refined by Jonathan Bradshaw (2010, 2002). The data used in the present, developed under the auspices of Paul Kershaw (2010), allowed us to infer the targeting intentions built into the child benefit system.

Second, we made use of EU-SILC ((*European Union Statistics on Income and Living Conditions)* survey data (wave 2008). The SILC dataset provides unique and comparable data on income and living conditions of European households and allowed us to distinguish child-related allowances from other components of the income package. This feature allowed us to calculate the impact of child benefits on the poverty risk of single mothers for the countries in our sample. In several countries, child benefits are (partly) issued through the fiscal system in

the form of tax credits (Ferrarini, Nelson, & Höög, 2013). Insofar as these tax credits are functionally very similar to cash benefits (such as in the United Kingdom and Germany), they were included in the dataset[2]. More information on EU-SILC can be found on the Eurostat website (http://epp.eurostat.ec.europa.eu/portal/page/portal/microdata/eu_silc).

Definitions

Before proceeding to the analyses proper, it is important to clarify some of the key concepts that are used throughout this article.

Single mothers. In what follows, single mothers are defined as 'female adults living alone in a private household with dependent children', whereby the latter include all persons under 18 (or under 24 when economically inactive). These mothers are assumed to be solely responsible for their children. This is a somewhat stringent definition, because it does not take into account single mothers living together with other adults or with their parents in larger households (which is often the case in Southern European countries, see below). Yet, empirically, it allows for reliable cross-country comparisons using the EU-SILC database. It also makes sense to focus on 'solo mothers' conceptually: How these mothers are able to safeguard their welfare in the absence of other adults in the household 'might be the quintessential example of how welfare states construct the relationship between paid work and caring for all women' (Kilkey, 2000, p. 70). For a full-fledged discussion on the pitfalls

[2] Child-related allowances as recorded in EU-SILC not only consist of child benefits and child tax credits, but also include birth, adoption and maternity grants, and for some countries parental benefits as well. We tested the potential impact of these benefits on our outcomes by repeating our analyses without families with young children (below 3 years old) who are the main recipients of leave benefits. The interpretation of the results did not change (results available upon request).

and difficulties associated with defining single mothers, we refer to the excellent discussion in Kilkey (2000).

Poverty. We defined a single mother as being poor if she is living in a household with an equivalised net disposable household income below a poverty line set at 60 per cent of the national median equivalised household income (the European headline at-risk-of-poverty indicator; see Atkinson, Cantillon, Marlier, & Nolan, 2002). The net disposable household income equals the sum of the income of all members of the household, including social benefits, minus taxes and social insurance contributions. This disposable household income was equivalised using the modified OECD equivalence scale[3] to take into account economies of scale and to render household income comparable across households of different sizes. The poverty rate for a given country is basically the headcount of individuals living in a household below the poverty line (see Decancq, Goedemé, Van den Bosch, & Vanhille, 2014), for further reading on poverty measurement).

Targeting. We constructed a targeting indicator (TI) to gauge the statutory degree of targeting towards single mothers in child benefit systems. The data at hand allowed cross-country comparisons of benefit entitlement for different model families at different earnings levels. We compared between couples and single mothers, both in and out of employment. All cases were assumed to have one 2-year-old child. The only real difference between the couples and the single mothers is the simple fact that the latter, holding other factors constant, do not have a partner. As such, we were able to calculate child benefit levels for 4 cases (2 family types x

[3] The modified OECD equivalence scale attaches a weight of 1 to the first adult, 0.5 to all other household members aged 14 and over, and a weight of 0.3 to all children under 14 years. The equivalised household income was obtained by dividing total household income by the sum of the individual equivalence weights.

2 income cases): a single mother on social assistance, a couple on social assistance, a single mother earning half of an average wage, and a couple with one of the adults earning half of an average wage. For each income case, we then estimated the ratio of benefit entitlement by single mothers over benefit entitlement by couples (see Brady & Burroway, 2012, for a similar approach). Subsequently, we averaged the ratios and divided the average by 100 so that a value of 1 meant that couples and single mothers are entitled to an equal child benefit (no targeting), a value > 1 meant that single mothers are entitled to higher benefit levels than are couples, and a value < 1 meant that couples instead of single mothers are entitled to higher benefits. Figure 1 shows benefit levels and the TI; full calculations are to be found in Appendix Table 1A.

Figure 1 to feature here

European child benefit systems vary greatly in terms of generosity as well as in terms of targeting intentions. Figure 1 shows child benefits in Italy and Spain as being low in a comparative perspective. Most generous child benefits are provided in Slovak Republic, the United Kingdom, Ireland and Germany. Child benefits in the Czech Republic are also substantial, but only for low income families. The Nordic countries are generally characterised by relatively low levels for couples but much higher benefits for single mothers. Especially Norway is a case in point here, with very generous benefits for single mothers with young children. Sweden, in contrast, does not target additional benefits towards single mothers. The same holds for France, the Netherlands and Slovak Republic.

Single mothers are also favoured over couples in Ireland, the United Kingdom (in case of employment) and Austria. For the model families included, the effect of additional benefits for single mothers in the other countries is modest, to say the least, and Germany even favours breadwinner couples (category 3) over single mothers (category 4). In only a few countries are social assistance cases favoured over working families. Transfers to families with children

decrease sharply when entering paid employment in the Czech Republic. In Belgium and Netherlands, families on social assistance qualify for a slightly higher child benefit. In Italy, a couple on social assistance is not entitled to any child benefit. We should recall here that we have taken only child benefits into account. The absence or low level of targeting does not necessarily mean that countries do not provide additional support for single mothers. Housing and childcare subsidies, for instance, may have an important impact that is not captured here (Van Mechelen & Bradshaw, 2013).

Size of the budget. Lastly, we also included a measure of government spending on child benefits in our analysis. This was calculated for each country as the total sum of child-related benefits received by households as measured in EU-SILC and expressed as a share of GDP (see the Appendix).

Method

We proceeded as follows. We calculated the share of child benefits in families' disposable household income to compare the relative importance of child benefits in the composition of the household income across European countries. Subsequently, we assessed the effectiveness of child benefits in reducing poverty by calculating poverty rates for couples with children and single mothers before (*pre*) and after (*post*) the inclusion of child benefits in the household income. Of course, one should be aware of the fact that our counterfactual, that is, the poverty outcomes without child benefits, is fictional. Poverty outcomes *pre* child benefits are obviously conditional on confounding factors which are directly and indirectly related to the absence or existence of child benefits, for example labour market and fertility decisions (see Bergh, 2005, for an overview of criticisms).

Poverty reduction is often presented in absolute (*pre-post*) as well as in relative (*(pre-post)/pre * 100*) terms (Caminada & Goudswaard, 2009). Here, we calculated both measures, but the analysis was focused mainly on relative poverty reduction because the absolute measure is less suitable for cross-country comparisons as its interpretation is distorted by the pre-child benefit poverty rate (Sainsbury & Morissens, 2002).

In the second part of the analysis, we related the TI to the relative poverty reduction effectiveness of child benefits, taking into account the impact of government expenditures on child benefits, in order to explore the role of targeting in achieving poverty reduction.

Empirical results

Prevalence and poverty risk of single mothers in Europe

Figure 2 shows that in most countries included in our sample the incidence of single mother households against all families with children is rather limited. Denmark, Ireland, Norway, Germany, Belgium and the United Kingdom reported the highest proportions of single mothers (ranging from 7 to 9%), followed by Sweden, France and Finland (around 6.5%) and the Czech Republic, Netherlands and Austria (around 5%). In the Mediterranean countries Italy, Spain and the Slovak Republic, the prevalence of single motherhood did not exceed 4 per cent of families with children at active age[4].

Figure 2 to feature here

[4] One of the referees pointed out that our results may be driven by a selection bias in the sample of single mothers. Because of the importance of the 'extended family' in Southern countries, single mothers living alone in these countries are presumably single mothers who can *afford* to live alone. To account for this, we repeated all analyses using an extended definition of single motherhood including multi-generational households (single mothers living together with one or more adults above active age). This made no difference whatsoever for the interpretation of the results (results are available upon request).

Figure 3 reports the poverty figures for single mothers, couples with children and the general population. Three observations emerged from this picture. First, in all countries, single mothers faced a significantly higher poverty risk than couples with children and the country-average. This reconfirms the truly disadvantaged position of single mothers in contemporary societies. Second, cross-country differences were particularly great, ranging from less than 20 per cent (Denmark, Norway and the Slovak Republic) to over 40 per cent (the United Kingdom and Ireland). Third, there was a positive correlation ($r = 0.53$, $p < 0.05$) between the overall poverty rate and the poverty risk for single mothers: Countries with high overall poverty rates also displayed high poverty rates for single mothers. Apparently countries with a welfare system capable of mitigating poverty shape beneficial circumstances for all citizens alike. There were, however, some exceptions to this rule: notably the Czech Republic but also Sweden reported higher than expected poverty figures among single mothers. For instance, the gap between the average poverty rate and the poverty rate of single mothers in Sweden (18 percentage points) was larger than the gap in Spain (16 percentage points).

Figure 3 to feature here

Above we depicted non-working single mothers as the most vulnerable group because we expected them to experience most difficulties in attaining paid employment. Table 1 confirms this expectation. First of all, columns 1 and 2 show that the rates of non-employment were significantly higher for single mothers than for couples with children. Not being able to engage in paid employment affected a high number of single mothers. Second, the results reconfirmed that being employed is an effective strategy to avert the risk of living in poverty, although the extent to which having a job protects single mothers from that risk differs between countries. Poverty rates ranged from around 6 per cent in the Netherlands and Denmark to around 20 per cent and, in most countries, up to 25 per cent (the Czech Republic

and Spain) and even 30 per cent in the United Kingdom. Third, the living conditions of non-working single mothers in European countries were found to be truly detrimental. In most countries, around half of those mothers are classified as being poor while in some other countries this even holds for more than two thirds. Even in the best performing country, Denmark, a quarter of the non-working single mothers were found to be living in poverty.

Table 1 to feature here

This should not come as a surprise. Single motherhood not only entails enormous difficulties to overcome to combine the dual role of being a mother and being a worker (Craig & Mullan, 2012), it also means having less disposable income. In the case of non-employment, single mothers have to rely on unemployment or social assistance benefits. Recent research for European welfare states has shown that those benefits are often inadequate to maintain a sufficient living standard and have by and large further eroded in recent decades relative to average wages and living standards (Marx & Nelson, 2013), consequently inducing a higher poverty risk.

Poverty impact of child benefits

Table 2 shows the poverty outcomes for both couples with children and single mothers including all taxes and transfer (post), and including all taxes and transfers leaving out child benefits (pre). To show the extent to which child benefits reduce poverty rates, the relative as well as absolute poverty reduction are given.

Table 2 to feature here

The countries studied differed in the extent to which their child benefit systems reduced poverty for both couples with children and single mothers. In Italy and especially Spain, for instance, the impact of child benefits on poverty rates for both couples with children and single mothers was negligible. The combination of low benefits with only

limited additional spending towards single mothers turns out to be an ineffective policy instrument as far as combating poverty is concerned. In Spain, the impact of child benefits was not significant while Italy did only somewhat better with a 3.4 per cent decrease. Slovak Republic and Sweden reported low levels of poverty reduction as well. At the other end of the spectrum we find Ireland, Norway, Finland and Denmark reducing the single mother poverty risk by 40 or even 50 per cent.

The design of the child benefit system clearly matters. Consider the Nordic countries: Norway, Finland and Denmark succeeded in reducing the poverty risk by 48, 34 and 45 per cent, respectively, but Sweden only by 15 per cent. We saw earlier that Sweden reported the highest poverty risk for single mothers among the Nordic countries. One can easily guess that it is not a coincidence that Sweden is the only Scandinavian country that does not explicitly target benefits towards single mothers.

Targeting and poverty reduction

Let us now relate poverty reduction amongst single mothers to our measure of targeting intentions. Figure 4 shows that the relationship between relative poverty reduction and targeting is positive and of medium strength ($r = 0.41$, $p > 0.05$). It thus seems that the more countries were targeting their child benefits towards single mothers, the more poverty reduction they achieved. Even without outliers Norway and Italy, the relationship appears to be robust ($r = 0.41$, $p > 0.05$)[5]. This is in line with recent findings that targeting might not be so bad for poverty reduction after all. However, the figure shows that Ireland achieved a high

[5] Italy and Norway seem to neutralise each other's influence. Without Norway, the relationship disappears ($r = -0.002$, $p > 0.05$); in contrast, the relationship becomes strong without Italy (0.63, $p < 0.05$). In fact, the relationship between targeting and relative poverty reduction is curvilinear: Targeting is related to either low levels of poverty reduction or high levels of poverty reduction. In such case, Spearman's rho is preferred over Pearson's correlation coefficient to gauge the strength of the association. Here, Spearman's rho = 0.19, a positive but weaker association.

degree of poverty reduction without much targeting, whereas Italy was an underachiever despite its high level of targeting. Moreover, several countries with equal targeting intentions displayed great variety in relative poverty reduction amongst single mothers. This suggests that targeting in itself is not a sufficient condition for achieving good outcomes in terms of poverty reduction.

Figure 4 to feature here

Earlier studies emphasised the importance of total spending on child benefits in achieving child poverty reduction (e.g.Immervoll, et al., 2001; Notten & Gassmann, 2008; Salanauskaite & Verbist, 2013). Does this also hold for single mother poverty reduction? Figure 5 shows the relationship between government spending on child benefits and relative poverty reduction. The correlation ($r = 0.62$, $p < 0.05$) is stronger and more consistent compared with the link between targeting and poverty reduction. This is line with earlier findings on the importance of social spending in reducing poverty. However, the figure also shows that some countries, the Nordics in particular (with Sweden as an exception), achieved higher degrees of poverty reduction while spending less than several of the other countries (Ireland is a case in point). Although spending clearly is an important factor, this variety suggests that it also matters *how* government outlays are spent.

Figure 5 to feature here

The question now at stake is whether targeting is associated with better poverty reduction *independent* of government spending, or whether the relationship between targeting and poverty reduction can be explained by spending effort. To account for this, Figure 6 plots the partial correlation between targeting and poverty reduction. That is the relation between targeting and poverty reduction, adjusted for the variation in poverty reduction explained by government spending. Technically, we 1) regressed poverty reduction on government spending; 2) regressed targeting on government spending; and 3) correlated the residuals of

(1) and (2). In effect, the graph shows the correlation between targeting and poverty reduction independent of government spending.

The correlation is strong and positive ($r = 0.65$, $p < 0.05$), suggesting that more targeting towards single mothers in the child benefit system is associated with better poverty reduction irrespective of the level of government spending. Ireland falls back to an average level of poverty reduction, demonstrating that its effectiveness relied on spending effort, not on targeting. In contrast, the high level of poverty reduction achieved by Norway, Finland and Denmark was related to their targeting intentions, not to their spending effort.

Figure 6 to feature here

How can we make sense of this? On the one hand, Ireland provided generous benefits for all families with children, which yielded high levels of poverty reduction but came at a high cost for the exchequer. On the other hand, Norway, Finland and Denmark targeted generous benefits towards single mothers whilst providing low benefits for couples with children. These countries achieved high levels of poverty reduction amongst single mothers, yet spent much less on child benefits (Figure 5 and the Appendix). This suggests that targeting might be a cost-efficient way to reduce poverty amongst single mothers. The example of Italy, however, shows that targeting is not by definition a good idea. Italy had a high targeting score but ungenerous benefits and an extremely low spending effort. In such context, targeting does not lead to higher levels of poverty reduction.

Discussion

It is now time to put the pieces of the puzzle back together. Our results suggest that: (1) both spending effort and the design of the child benefit system are important to explain its efficacy as a policy instrument to reduce poverty among single mothers; (2) targeting is associated with higher levels of poverty reduction independent of spending effort; and (3) it matters how

targeting is done. While the selective and residual child benefit systems of Spain and Italy are underachievers, the best results are actually found in countries that combine a universal system of child benefits with generous benefits targeted specifically towards single mothers (Norway, Denmark, Finland) or in countries with generous benefits for all (Ireland and to a lesser extent the United Kingdom).

Designing a viable child benefit system capable of mitigating poverty among single mothers does not a priori come at a great cost for the exchequer. In fact, the most successful child benefit scheme in terms of single mother poverty reduction is that of Norway, which spends only an average amount on its child benefits (1.3% of GDP, see the Appendix). Conversely, countries spending much on child benefits are not necessarily the most effective countries. Belgium is a case in point here. Hence, targeting might be a cost-efficient way to reduce poverty if accompanied by sufficiently generous benefit levels.

Our methodological approach of combining statutory benefit entitlement with survey data raises some issues for further research. The Czech Republic, for instance, features generous benefits for families on social assistance but extremely low benefits for families with low earnings. It reduces poverty to a larger extent (both in absolute and relative terms for couples and single mothers) than its Slovakian counterpart which is characterised by generous benefits for *all* families. Given the structure and the generosity of the Slovakian child benefit system, one would expect to see a substantial poverty-reducing impact which, however, is not found in the data. However, the Slovak Republic spends much less (0.7% of GDP) on child benefits than the Czech Republic (1.2% of GDP). This demonstrates that a simple targeting–spending-effort dichotomy obscures the complexity of evaluating policy performance, and calls for more sophisticated inquiries into the design of child benefit systems.

We also need to be careful in translating our findings into ready-made policy advice, because the efficacy of child benefit systems cannot be seen apart from the broader context of

the welfare state. If we were to ignore this, we would cite Ireland (and the United Kingdom to a lesser extent) as one of the most effective countries when it comes to safeguarding the economic status of single mothers. That would be a paradoxical conclusion given the fact that both countries reported the highest poverty rates for single mothers *after* including child benefits into the equation (Figure 3, supra). The opposite holds for the Slovak Republic, a country that reported among the lowest single mother poverty rates yet simultaneously featured one of the least successful child benefit systems in terms of poverty reduction. Here, the role of child benefits in ensuring a decent living standard for single mothers is negligible. These examples show that, following Joya Misra and her colleagues, 'the combination of transfers and employment is crucial to explaining variation in poverty rates' (2007, p. 807).

Labour market participation is of crucial importance. Although it is a difficult undertaking for single mothers to juggle paid work and family duties, the poverty risk of working single mothers is significantly lower compared with the poverty risk of their non-working counterparts. Indeed, countries reporting high poverty rates for single mothers are also characterised by high shares of non-employment among single mothers ($r = 0.84$, $p < 0.05$). Bringing employment into the explanatory framework complements our findings on child benefits. It reveals why the Slovak Republic could report such low poverty figures despite its child benefit system being an underachiever: Less than 10 per cent of single mothers are not employed (Table 1, supra). In contrast, the highest shares of non-working single mothers (above 30%) were found in countries reporting a high poverty risk for single mothers, such as Belgium and Germany (both featuring quite expensive yet rather unsuccessful child benefit systems), and in particular the United Kingdom and Ireland.

Despite the good performance of child benefits with regard to poverty reduction in the United Kingdom and Ireland, the crucial factor behind the detrimental poverty outcomes of single mothers in these market-oriented countries is the limited policy support, not only in

terms of income protection but also in terms of policies facilitating employment (Mandel, 2009). It is, for instance, often assumed that dual-earner policies reduce poverty levels by enabling women to work (Bäckman & Ferrarini, 2010; Misra, et al., 2007). However, in Ireland and the UK, the poverty-reducing impact of child benefits is more likely offset than reinforced by the limited availability of affordable childcare services, which makes it more difficult for single mothers to engage in paid employment (Kilkey & Bradshaw, 1999). In sum, the evaluation of the efficacy of child benefits in reducing single mothers' poverty risk yields viable results only in conjunction with policies enabling them to engage in paid employment.

This should not distract us, however, from the observation that the design and the generosity of child benefits make a genuine difference. Within the framework of an 'adult worker model' (Lewis, 2006), with welfare policies that enable mothers to work and provide adequate minimum income protection for those not able to work, Norway and Denmark succeeded in reducing poverty by means of targeted child benefits with more than 40 per cent. Sweden with its universal and less generous design, in contrast, was much less successful which results in higher poverty rates for single women. Norway was cited earlier as a good example of fruitful policies for single mothers (Rowlingson & Millar, 2002), and our analysis of child benefits confirms that picture.

All in all, our results are in line with recent findings that the paradox of redistribution might no longer hold as a robust empirical observation. Although spending on child benefits is strongly associated with poverty reduction amongst single mothers, targeting child benefit towards single mothers might be a good strategy as well, in particular if benefit levels are sufficiently generous.

References

Atkinson, A., Cantillon, B., Marlier, E., & Nolan, B. (2002). *Social indicators: The EU and social inclusion*. Oxford: Oxford University Press.

Bäckman, O. & Ferrarini, T. (2010). Combating child poverty? A multilevel assessment of family policy institutions and child poverty in 21 old and new welfare states. *Journal of Social Policy, 39*(2), 275–296.

Bergh, A. (2005). On the Counterfactual Problem of Welfare State Research: How Can We Measure Redistribution? *European Sociological Review, 21*(4), 345–357.

Bradshaw, J. (2010). An international perspective on child benefit packages. In S. B. Kamerman, S. Phipps & A. Ben-Arieh (Eds.), *From Child Welfare to Child Well-Being. An International Perspective on Knowledge in the Service of Policy Making* (pp. 209–207). New York: Springer.

Bradshaw, J. & Finch, N. (2002). *A Comparison of Child Benefit Packages in 22 Countries* Norwich, UK: Department for Work and Pensions.

Brady, D. (2005). The Welfare State and Relative Poverty in Rich Western Democracies, 1967–1997. *Social Forces, 83*(4), 1329–1364.

Brady, D. & Burroway, R. (2012). Targeting, Universalism, and Single-Mother Poverty: A Multilevel Analysis Across 18 Affluent Democracies. *Demography, 49*(2), 719–746.

Burström, B., Whitehead, M., Clayton, S., Fritzella, S., Vannonic, F., & Costac, G. (2009). Health inequalities between lone and couple mothers and policy under different welfare regimes – The example of Italy, Sweden and Britain. *Social Science & Medicine, 70*(6), 912–920.

Caminada, K. & Goudswaard, K. (2009). Effectiveness of poverty reduction in the EU: A descriptive analysis. *Poverty & Public Policy, 1*(2), 1–49.

Caminada, K., Goudswaard, K., & Koster, F. (2012). Social income transfers and poverty: A cross-country analysis for OECD countries. *International Journal of Social Welfare, 21*(2), 115–126.

Cantillon, B. (2011). The paradox of the social investment state: growth, employment and poverty in the Lisbon era. *Journal of European Social Policy, 21*(5), 432–449.

Christopher, K. (2002). Welfare state regimes and mothers' poverty. *Social Politics, 9*(1), 60–86.

Christopher, K. (2005). A 'Pauperization of Motherhood'? Single Motherhood and Women's Poverty over Time. *Journal of Poverty, 9*(3), 1–23.

Christopher, K., England, P., Smeeding, T. M., & Phillips, K. R. (2002). The gender gap in poverty in modern nations: Single motherhood, the market, and the state. *Sociological Perspectives, 45*(3), 219–242.

Chzhen, Y. & Bradshaw, J. (2012). Lone parents, poverty and policy in the European Union. *Journal of European Social Policy, 22*(5), 487–506.

Craig, L. & Mullan, K. (2012). Lone and Partnered Mothers' Childcare Time Within Context in Four Countries. *European Sociological Review, 28*(4), 512–526.

Daly, M. (2012). Paradigms in EU social policy: a critical account of Europe 2020. *Transfer: European Review of Labour and Research, 18*(3), 273–284.

Daly, M. & Lewis, J. (2000). The concept of social care and the analysis of contemporary welfare states. *British Journal of Sociology, 51*(2), 281–298.

Decancq, K., Goedemé, T., Van den Bosch, K., & Vanhille, J. (2014). The Evolution of Poverty in the European Union: Concepts, Measurement and Data. In B. Cantillon & F. Vandenbroucke (Eds.), *Reconciling Work and Poverty Reduction. How Successful are European Welfare States?* (pp. 60–93). Oxford: Oxford University Press.

Ferrarini, T. (2006). *Families, states and labour markets*. Cheltenham: Edward Elgar.

Ferarini, T., Nelson, K., & Höög, H. (2013). From Universalism to Selectivity: Old Wine in New Bottles for Child Benefits in Europe and Other Countries. In I. Marx & K. Nelson (Eds.), *Minimum Income Protection in Flux* (pp. 137–160). Basingstoke, Houndmills: Palgrave Macmillan.

Ghysels, J. & Van Lancker, W. (2011). The unequal benefits of activation: an analysis of the social distribution of family policy among families with young children. *Journal of European Social Policy, 21*(5), 472–485.

Goedemé, T. (2013). How much Confidence can we have in EU-SILC? Complex Sample Designs and the Standard Error of the Europe 2020 Poverty Indicators. *Social Indicators Research, 110*(1), 89–110.

Goodin, R. E. & Grand, J. L. (1987). *Not Only the Poor: The Middle Classes and the Welfare State*: Allen & Unwin.

Huber, E., Stephens, J. D., Bradly, D., Moller, S., & Nielsen, F. (2009). The Politics of Women's Economic Independence. *Social Politics, 16*(1), 1–39.

Immervoll, H., Sutherland, H., & De Vos, K. (2001). Reducing child poverty in the European Union: the role of child benefits. In K. Vleminckx & T. M. Smeeding (Eds.), *Child well-being, child poverty and child policy in modern nations: what do we know?* (pp. 407–432). Bristol: The Policy Press.

Jesuit, D. K. & Mahler, V. A. (2010). Comparing Government Redistribution Across Countries: The Problem of Second-Order Effects. *Social Science Quarterly, 91*(5), 1390–1404.

Kahn, A. J. & Kamerman, S. B. (1975). *Not for the poor alone: European social services*. Philadelphia: Temple University Press.

Kamerman, S. B. & Kahn, A. (Eds.). (1978). *Family Policy: Government and Families in Fourteen Countries*. New York: Columbia University Press.

Kamerman, S. B., Neuman, M., Waldfogel, J., & Brooks-Gunn, J. (2003). *Social Policies, Family Types, and Child Outcomes in Selected OECD Countries*. Paris: OECD.

Kenworthy, L. (1999). Do Social-Welfare Policies Reduce Poverty – A Cross-National Assessment. *Social Forces, 77*(3), 1119–1141.

Kenworthy, L. (2011). *Progress for the Poor*. Oxford: Oxford University Press.

Kershaw, P. (2010). *The Just Commodification of Women, Equal Care Obligations for Men, and Autonomous Households: Gendering the Comparative Analysis of Welfare States in 20 OECD Countries*. Unpublished manuscript. The University of British Columbia, Vancouver, CA.

Kilkey, M. (2000). *Lone Mothers Between Paid Work and Care. The policy regime in twenty countries*. Aldershot: Ashgate.

Kilkey, M. & Bradshaw, J. (1999). Lone Mothers, Economic Well-being and Policies. In D. Sainsbury (Ed.), *Gender and welfare regimes* (pp. 147–184). Oxford: Oxford University Press.

Korpi, W. & Palme, J. (1998). The Paradox of Redistribution and Strategies of Equality: Welfare State Institutions, Inequality, and Poverty in the Western Countries. *American Sociological Review, 63*(5), 661–687.

Le Grand, J. (1982). *The strategy of equality: redistribution and the social services*. London: George Allen and Unwin.

Lewis, J. (Ed.). (2006). *Children, Changing Families and Welfare States*. Cheltenham, UK: Edward Elgar.

Lewis, J., Knijn, T., Martin, C., & Ostner, I. (2008). Patterns of Development in Work/Family Reconciliation Policies for Parents in France, Germany, the Netherlands, and the UK in the 2000s. *Social Politics, 15*(3), 261–286.

Mandel, H. (2009). Configurations of gender inequality: the consequences of ideology and public policy. *British Journal of Sociology, 60*(4), 693–719.

Marx, I. & Nelson, K. (Eds.). (2013). *Minimum Income Protection in Flux*. Houndmills, Basingstoke: Palgrave Macmillan.

Marx, I., Salanauskaite, L., & Verbist, G. (2013). *The Paradox of Redistribution Revisited: And That It May Rest in Peace?* Discussion Paper No. 7414, Bonn: Institute for the Study of Labor (IZA).

Misra, J., Moller, S., & Budig, M. J. (2007). Work-Family Policies and Poverty for Partnered and Single Women in Europe and North America. *Gender and Society, 21*(6), 804–827.

Mitchell, D., Harding, A., & Gruen, F. (1994). Targeting Welfare. *Economic Record, 70*(210), 315–340.

Moene, K. O. & Wallerstein, M. (2001). Inequality, Social Insurance, and Redistribution. *American Political Science Review, 95*(4), 859–874.

Montanari, I. (2000). From family wage to marriage subsidy and child benefits: controversy and consensus in the development of family support. *Journal of European Social Policy, 10*(4), 307–333.

Mullins, L. L., Wolfe-Christensen, C., Chaney, J. M., Elkin, T. D., Wiener, L., Hullmann, S. E., Fedele, D. A., & Junghans, A. (2011). The Relationship Between Single-Parent Status and Parenting Capacities in Mothers of Youth with Chronic Health Conditions: The Mediating Role of Income. *Journal of Pediatric Psychology, 36*(3), 249–257.

Nelson, K. (2004). Mechanisms of poverty alleviation: anti-poverty effects of non-means-tested and means-tested benefits in five welfare states. *Journal of European Social Policy, 14*(4), 371–390.

Nolan, B. & Marx, I. (2009). Economic inequality, poverty, and social exclusion. In W. Salverda, B. Nolan, & T. M. Smeeding (Eds.), *The Oxford handbook of economic inequality* (pp. 315–341). Oxford: Oxford University Press.

Notten, G. & Gassmann, F. (2008). Size matters: targeting efficiency and poverty reduction effects of means-tested and universal child benefits in Russia. *Journal of European Social Policy, 18*(3), 260–274.

O'Connor, J. (2005). Employment-anchored social policy, gender equality and the open method of policy coordination in the European Union. *European Societies, 7*(1), 27–52.

OECD. (2008). *Growing Unequal? Income Distribution and Poverty in OECD Countries*. Paris: OECD.

Orloff, A. S. (1993). Gender and the Social Rights of Citizenship: The Comparative Analysis of Gender Relations and Welfare States. *American Sociological Review, 58*(3), 303–328.

Rowlingson, K. & Millar, J. (2002). Lone parents, poverty and work: policy approaches and lessons from abroad. *Benefits, 10*(3), 207–213.

Salanauskaite, L. & Verbist, G. (2013). Is the neighbour's grass greener? Comparing family support in Lithuania and four other New Member States. *Journal of European Social Policy, 23*(3), 315–331.

Sainsbury, D. & Morissens, A. (2002). Poverty in Europe in the mid-1990s: the effectiveness of means-tested benefits. *Journal of European Social Policy, 12*(4), 307–327.

Skocpol, T. (1991). Targeting within Universalism: Politically Viable Policies to Combat Poverty in the United States. In C. Jencks & P. E. Peterson (Eds.), *The Urban Underclass* (pp. 411-436). Washington, DC: The Brookings Institution.

Smeeding, T. M. (2006). Poor People in Rich Nations: The United States in Comparative Perspective. *The Journal of Economic Perspectives, 20*(1), 69–90.

Spicker, P. (2005). Targeting, residual welfare and related concepts: Modes of operation in public policy. *Public Administration, 83*(2), 345–365.

Van Lancker, W. & Van Mechelen, N. (2014). *Universalism under siege? Exploring the association between targeting, child benefits and child poverty across 26 countries*. CSB Working Paper No. 14/01, Herman Deleeck Centre for Social Policy, Antwerp.

Van Mechelen, N. & Bradshaw, J. (2013). Child Poverty as a Government Priority: Child Benefit Packages for Working Families, 1992–2009. In I. Marx & K. Nelson (Eds.), *Minimum Income Protection in Flux* (pp. 81–107). Basingstoke, Houndmills: Palgrave Macmillan.

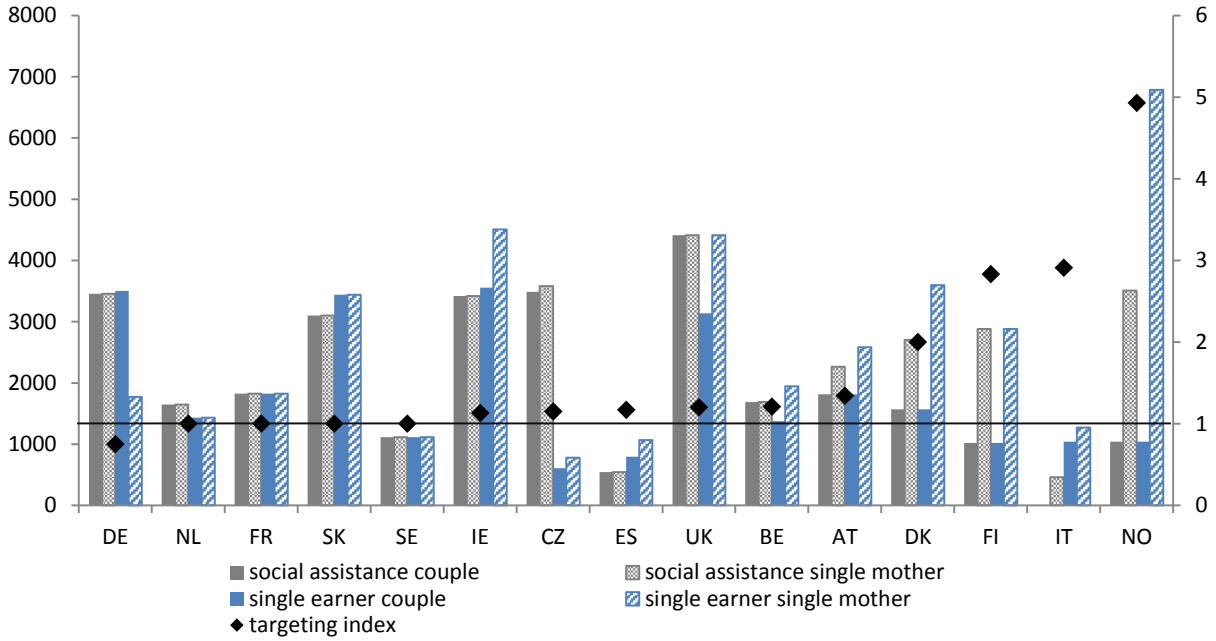
van Oorschot, W. (2002). Targeting Welfare: on the Functions and Dysfunctions of Means-testing in Social Policy. In P. Townsend & D. Gordon (Eds.), *World Poverty: New Policies to Defeat an Old Enemy* (pp. 171–193). Bristol: The Policy Press.

Whiteford, P. (1997). Targeting Welfare: A Comment. *Economic Record, 73*(220), 45–50.

Whiteford, P. & Bradshaw, J. (1994). Benefits and incentives for lone parents. A comparative analysis. *International Social Security Review, 47*, 69–89.

Whitehead, M., Burström, B., & Diderichsen, F. (2000). Social policies and the pathways to inequalities in health: a comparative analysis of lone mothers in Britain and Sweden. *Social Science & Medicine, 50*(2), 255–270.

Figure 1. Generosity of child benefits for model families in €PPP (left axis) and targeting index (right axis), 2008.

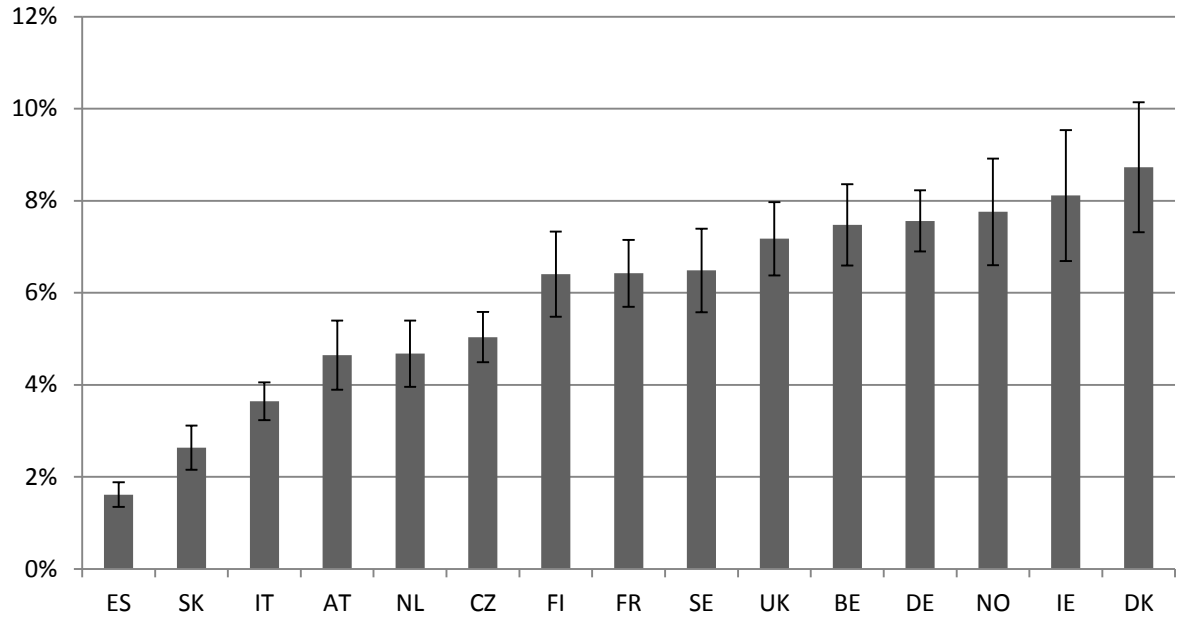


Source: International Model Family database. Ordered by targeting index. The horizontal line indicates a targeting index of 1. Note: amounts have been converted to purchasing power parities (PPPs) to allow for cross-country comparison. Four model families are compared:

1. A couple where both adults are on social assistance;
2. A single mother on social assistance;
3. A couple where one partner is working;
4. A working single mother.

All families are assumed to have one 2-year old child. Benefits for the employed are average amounts based on two income cases (minimum wage and average earnings levels). Only child benefits (cash and tax) are included.

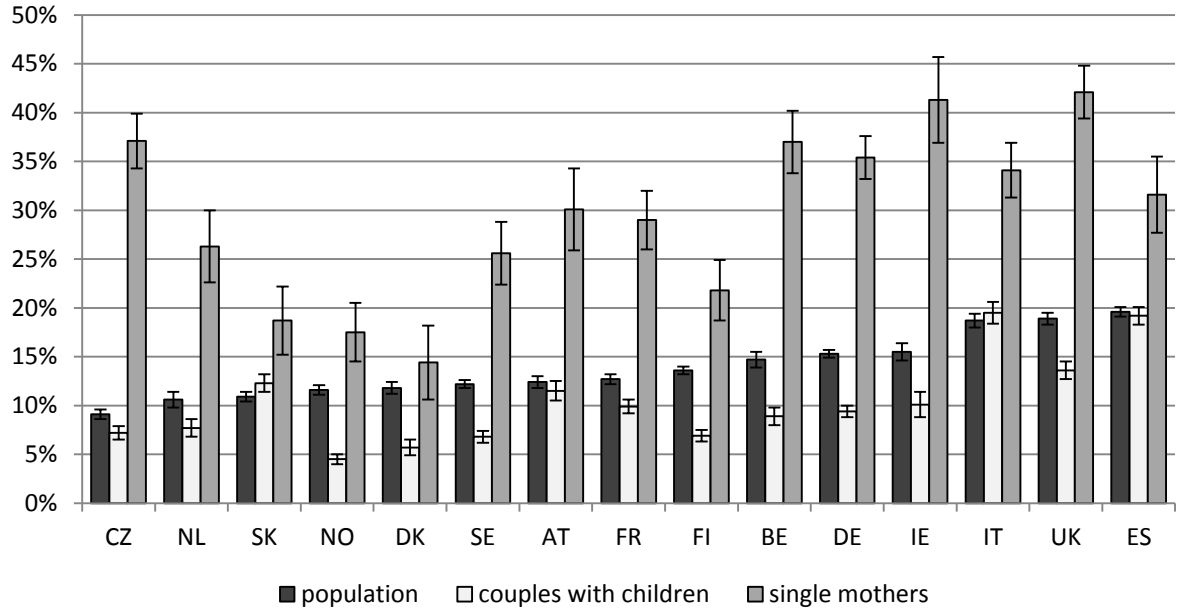
Figure 2. Prevalence of single motherhood, active age (25–59), European countries.



Source: Own calculations on EU-SILC 2008.

Note: Prevalence of single mother families as a share of all families with children, not as a share of the population. Ordered by prevalence of single mothers.

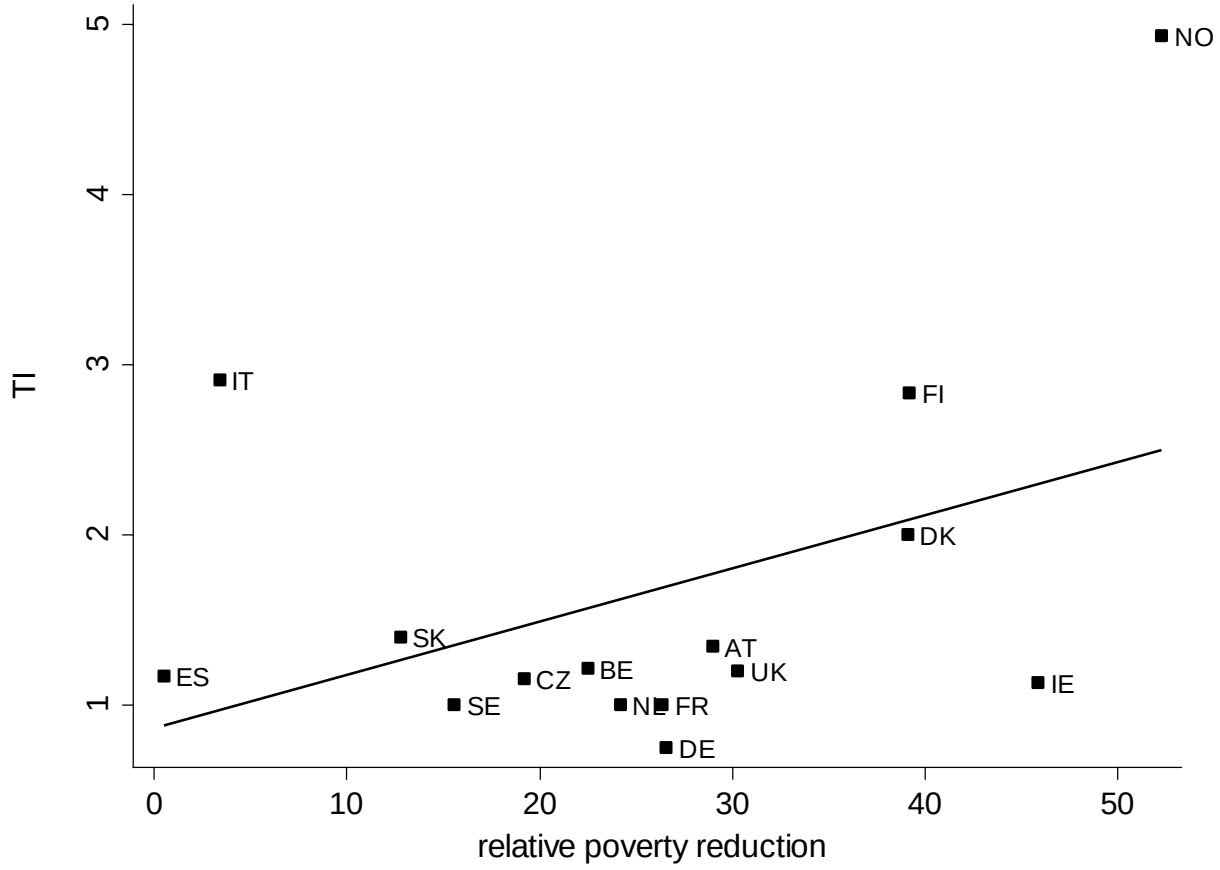
Figure 3. Poverty risk for single mothers and couples at active age (25−59) with dependent children, and the general population, European countries.



Source: Own calculations on EU-SILC 2008.

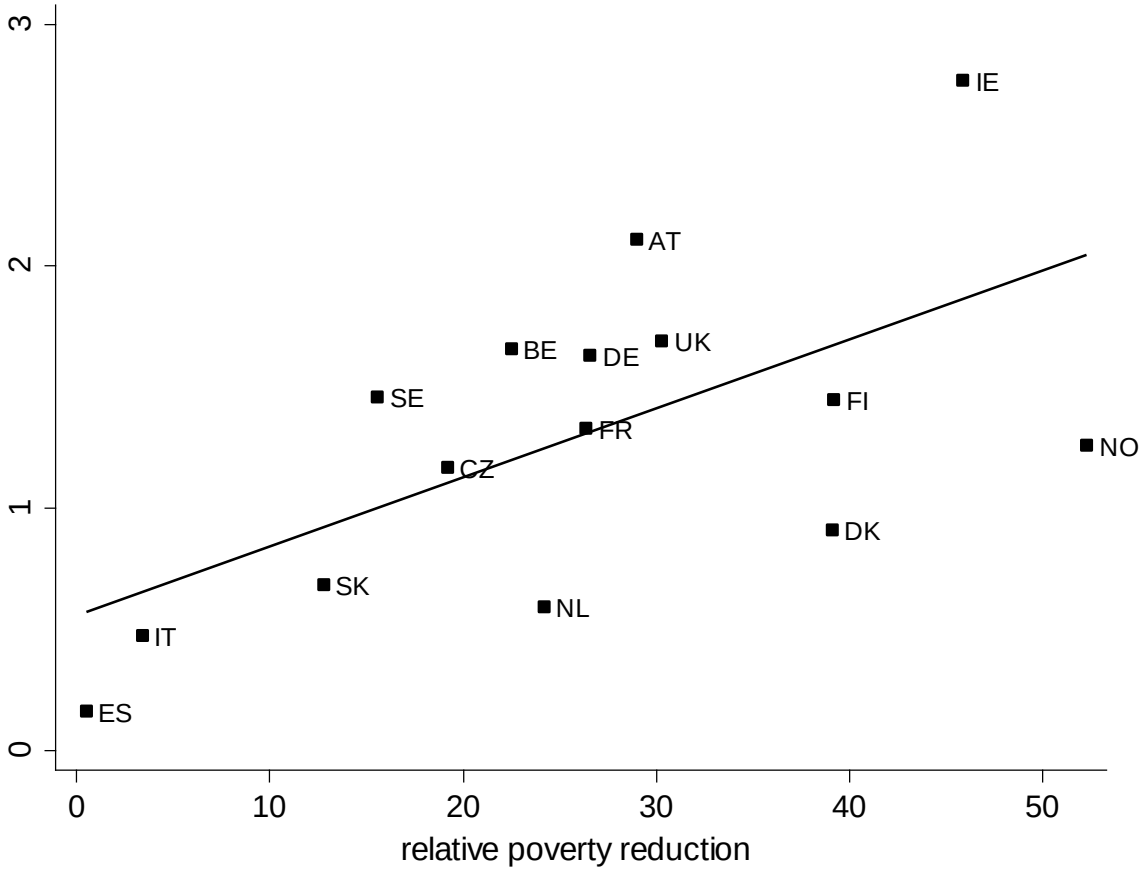
Note: Ordered by population poverty risk. Confidence intervals are calculated using the method described in Goedemé (2013).

Figure 4. Relative poverty reduction and targeting (r = 0.41).



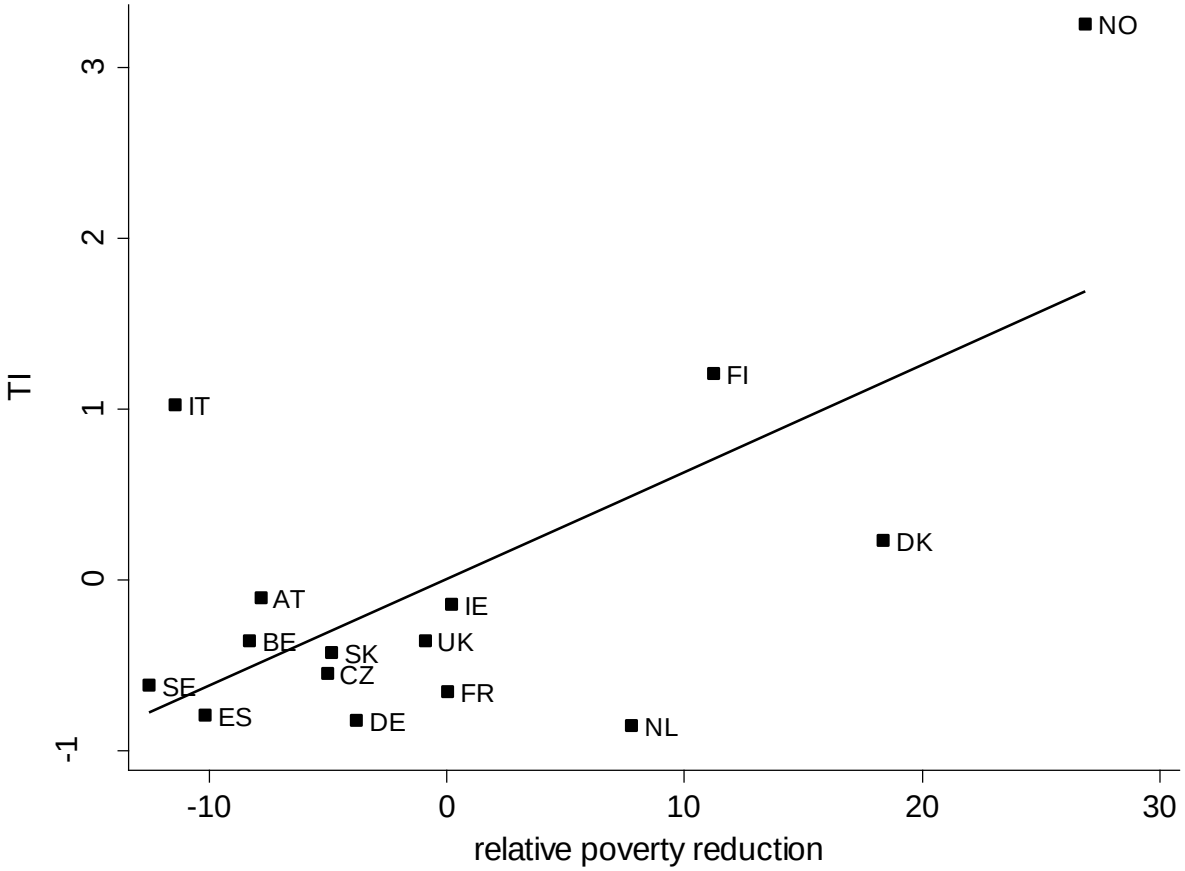
Source: Own calculations on International Model Family Database and EU-SILC 2008.

Figure 5. Relative poverty reduction and government spending (r = 0.62).



Source: Own calculations on International Model Family Database and EU-SILC 2008.

Figure 6. Relative poverty reduction and targeting, adjusted for government spending (r = 0.65)



Source: Own calculations on International Model Family Database and EU-SILC 2008.

Note: The graph shows the partial correlation after adjusting for spending on child benefits. Mean values are represented by 0 on both axes.

Table 1. Non-employment prevalence and poverty rates, European countries, 2008.

	Prevalence of non-employment		**Poverty rates for single mothers**	
	Couples with children	Single mothers	Employed	Non-employed
AT	3,6	25,6 *	17,3	50,8 *
BE	4,3	33,7 *	17,9	72,6 *
CZ	2,5	28,6 *	24,0	68,8 *
DE	4,5	34,0 *	17,2	63,7 *
DK	1,2	18,3 *	5,8	24,2 *
ES	4,2	22,6 *	24,4	70,5 *
FI	2,8	21,7 *	18,3	42,6 *
FR	3,7	27,3 *	13,0	53,7 *
IE	6,3	46,3 *	19,2	61,1 *
IT	4,9	24,8 *	22,5	76,4 *
NL	0,7	26,6 *	7,0	38,2 *
NO	1,8	21,3 *	13,5	35,0 *
SE	2,5	19,6 *	18,6	54,5 *
SK	2,5	8,7 *	18,1	(36,4)
UK	9,6	39,1 *	30,2	64,0 *
Obs.	*68.938*	*4.843*	*3.477*	*1.366*

Source: Own calculations on EU-SILC 2008.

Note: Non-employment = no adult in the household is gainfully employed. χ^2-test: * < 0.05. (x): less than 20 observations.

Table 2. Poverty reduction by child benefits, couples and single mothers, European countries, 2008.

	Couples with children				**Single mothers**			
	% poverty		Poverty reduction		% poverty		Poverty reduction	
	Pre	Post	Absolute	Relative	Pre	Post	Absolute	Relative
AT	22,0	11,5	10,4 *	47,6	42,4	30,1	12,3 *	29,0
BE	12,4	8,9	3,5 *	28,5	47,8	37,0	10,7 *	22,5
CZ	13,8	7,2	6,6 *	47,8	45,9	37,1	8,8 *	19,2
DE	14,4	9,4	5,0 *	35,0	48,3	35,4	12,8 *	26,6
DK	6,8	5,7	1,1 *	16,1	23,6	14,4	9,2 *	39,1
ES	19,6	19,2	0,4 *	1,8	31,7	31,6	0,2	0,5
FI	12,9	6,9	6,1 *	46,9	35,9	21,8	14,1 *	39,2
FR	15,4	9,9	5,6 *	36,0	39,4	29,0	10,4 *	26,4
IE	17,4	10,1	7,3 *	41,8	76,4	41,3	35,1 *	45,9
IT	22,2	19,5	2,7 *	12,0	35,3	34,1	1,2 *	3,4
NL	9,5	7,7	1,8 *	18,5	34,7	26,3	8,4 *	24,2
NO	8,3	4,5	3,8 *	45,6	36,8	17,5	19,3 *	52,3
SE	11,8	6,8	5,0 *	42,2	30,3	25,6	4,7 *	15,6
SK	16,4	12,3	4,1 *	24,8	21,4	18,7	2,7 *	12,8
UK	17,4	13,6	3,8 *	21,7	60,4	42,1	18,3 *	30,3

Source: Own calculations on EU-SILC 2008.

Note: χ^2-test: * $p < 0,05$.

Appendix Table 1A. Benefit entitlements, targeting indicator, and spending effort, 2008.

	Model families' benefit entitlement				Targeting indicator			Spending effort
	Social assistance		Single earner		Social assistance	Single earner	TI	
	Couple	Single mother	Couple	Single mother				
DE	3456	3456	3502	1774	100	51	0,75	1.6
NL	1650	1650	1434	1434	100	100	1	0.6
FR	1823	1823	1823	1823	100	100	1	1.3
SK	3100	3100	3440	3440	100	100	1	0.7
SE	1117	1117	1117	1117	100	100	1	1.5
IE	3420	3420	3555	4505	100	127	1,13	2.8
CZ	3489	3583	609	780	103	128	1,15	1.2
ES	542	542	793	1069	100	135	1,17	0.2
UK	4412	4412	3136	4412	100	141	1,2	1.6
BE	1688	1688	1375	1946	100	141	1,21	1.6
AT	1814	2266	1814	2584	125	142	1,34	2.1
DK	1571	2701	1571	3595	172	229	2	0.9
FI	1018	2882	1018	2882	283	283	2,83	1.5
IT	0	460	1040	1270	460	122	2,91	0.5
NO	1043	3507	1043	6788	336	651	4,93	1.3
Av.								1.3

Source: Own calculations on International Model Family Database and EU-SILC 2008.

Note: Benefit entitlement is expressed in €PPPs. Spending effort is calculated on the basis of EU-SILC 2008 (income year 2007) and expressed as % of GDP. For UK, spending effort is calculated for 2008. Ordered by column TI.