I M P A L L A

The International Master in Social Policy Analysis by Luxembourg, Leuven and Associate Institutes

KATHOLIEKE UNIVERSITEIT LEUVEN

FACULTY OF SOCIAL SCIENCES

DEPARTMENT OF SOCIOLOGY

The determinants of poverty in households with children (ECHP, 1997-2001)

Comparative study of Belgium, France, Luxembourg and the Netherlands

Supervisor: Prof. D. WILLIAMS
Rapporteur: Dr. P. HAUSMAN

MASTER THESIS
submitted by **Lucile BODSON**

academic year 2003-2004

SUMMARY

This paper studies the poverty determinants in the population of families with children. The research compares four European countries, two conservative-corporatist regimes, France and Luxembourg, with two social-democratic regimes, Belgium and the Netherlands. The study is based on the ECHP database (European Community Households Panel), waves 1997 through 2001. Given a small sample size, we pooled the waves. Then, the results of the research describe the population on the period 1997-2001.

The analysis starts with a comparison of the child benefit packages offered to families with children in the four countries. A distinction is made between couple with children and single parent's households.

Then, the packages are confronted to the poverty rates, defined as 60 percent of the median income, and calculated in the period 1997-2001, by type of households and by country.

The packages are also confronted to the determinants of poverty defined by the logistic regressions method. Regressions are run by type of households and by country. The variables included in the models stem from the demographic and social information in the ECHP.

The last part of the paper consists of a casual analysis. The questions answered are: is the risk of poverty higher when fallen into single parenthood? And, is the risk of single parenthood higher when the couples entered poverty? The method used to answer these questions is the logistic regressions' method too.

ACKNOWLEDGEMENTS

I would like to thanks the CEPS/INSTEAD to provide me the ECHP database and the statistical tools necessary to the analysis.

I also express my gratitude toward Professor Donald Williams for his investment in the research follow-up and his technical support all the work long, despite the geographical distance that separated us.

TABLE OF CONTENTS

LIST OF TABLES

1. INTRODUCTION

The interest towards families and children living in poverty is growing in the EU. Nowadays, poverty among the youth exceeds poverty among the elderly in most OECD countries while youth were traditionally most at risk of poverty (Jäntti and Danziger, 2000). But nevertheless, the young are the producers of tomorrow, those who will support the deficient retirement system and the ravages of the western societies.

It is still not easy to disentangle the effects of poverty on the children's well-being. But everyday-life proves that unemployment, a factor of poverty, sometimes leads to behavioural deviances (break-ups, depression, alcoholism, violence, etc.). What are the chances to decently live in the adult life for the youth nurtured in deprived households? What do we know about the poverty consequences on the social and economic well-being of the nations?

In this paper, France and Luxembourg are the countries under scrutiny. Poverty levels and the determinants of poverty by family type will be examined taking into consideration the specificity of the welfare regime. To compare with, we chose countries with lower poverty rates. The social-democratic countries appeared the most suitable seeing their efficiency in combating poverty. Finland and Denmark were the best pupils in 1996 with, respectively, 3.7 percent and 3.9 percent poverty among households with children, compared with 15.8 percent in France and 19.4 percent in Luxembourg[1].

The Finnish and Danish welfare regimes appeared too different from the continental model in many ways, so our choice went for Belgium and the Netherlands

[1] ECHP data in Jeandidier et al., 2003

(respectively 14.8 and 14.6 percent of poor families[2]). Belgium and the Netherlands, considered continental-conservatism by Esping-Andersen in his famous typology of the European welfare states (1990), recently shifted toward the social-democratic welfare system because of the recent reforms undertaken (Uunk, 2003).

Households' poverty is determined by many factors. The literature brings us determinants in the social, demographic and monetary fields of the households' life. In this work we will only focus on social and demographic determinants. The monetary determinants (f.e. main source of income, debts or other mortgage, level of public benefit, etc) are not taken into consideration.

To fulfil this project, poverty, in its financial definition, will be examined through the microeconomic and the macroeconomic levels: at the level of the household using the ECHP database (European Community Households Panel); and at the level of the Societies through the examination of the social policies in effect, considering the MISSOC information and the Bradshaw and Finch comparison of child benefit packages (2002).

2. BACKGROUND INFORMATION

Before reviewing the literature regarding lone parents and poverty levels, it is essential to know the demography and labour market characteristics of the four countries, and their welfare regimes. Even if the countries belong to similar economic systems, acting in a common market with similar life conditions, sharing borders, influencing each other on many matters and nowadays under the European Union directives, etc., they nevertheless differ.

[2] ECHP data in Jeandidier et al., 2003

21. Demographic and economic depiction

We are facing ageing societies: since the mid-seventies, the share of the population under 15 has been decreasing. This is due to the combined effect of fertility and mortality (table 1): nowadays people live longer than in the past and completed fertility in the generations is lower, located under the fertility threshold assuring the population replacement.

Marriage became a shifting concept. The society opened a few decades ago the era of family diversification (Hantrais, 2004). Marriage is not anymore an inevitable step in everyone's life; cohabitation, separation and divorce have been spread over family life. "The causes of becoming a single mother have changed. Widowhood has become less important, and divorce (and intentional lone motherhood) has become more common, implying there are more lone parents with young children" (Cantillon and Van Den Bosch, 2003). In France, nearly one birth out of two was extramarital in 2000. In Belgium, Luxembourg and the Netherlands, there were one out of five.

The evolution in the demographic area does not show clear relationships by welfare regimes. We nevertheless notice a population a bit younger in the conservative countries.

Employment among men is more spread in the Netherlands and Luxembourg than in Belgium and France (table 2): 82 percent of men aged 15-64 are "employed" in the Netherlands while 69 percent are "employed" in France and Belgium.

Women participate actively in the Dutch labour market too. 63 percent are active, among them 71 percent part-time workers. In France, Belgium and Luxembourg, the proportion is lower but they are more often full-time workers.

Table 1: Demographic characteristics, fertility and marital behaviour in Belgium, France, Luxembourg and the Netherlands

	EU15	Belgium	France	Luxembourg	Netherlands
Pop structure – Pop < 15 in 1975 (%)	24.1	22.2	23.9	21.6	25.3
Pop structure – Pop < 15 in 2000 (%)	17.5	17.4	18.8	19.0	18.5
Completed fertility rates g°1930	2.42	2.28	2.63	1.97[a]	2.67
Completed fertility rates g°1960	1.81	1.84	2.10	1.75	1.85
Marriage per 1,000 persons (1991)	5.64	6.07	4.92	6.70	6.30
Marriage per 1,000 persons (2000)	5.12[e]	4.40	5.06	4.92	5.53[e]
Divorce per 1,000 persons (1991)	n.a.	2.1	1.9	2.0	1.9
Divorce per 1,000 persons (2000)	n.a.	2.6	2.0[b]	2.4	2.2
Extramarital birth rates, as % of live births, 1960	5.1	2.1	6.1	3.2	1.4
Extramarital birth rates, as % of live births, 2000	28.4[e]	22.0[e]	42.6	21.1	24.9

Source: B.9, F.9, L.9, NL.9, B.2, F.2, L.2, NL.2, EUROSTAT : http://europa.eu.int
a estimation Hantrais, 2004
b 1999
e estimation EUROSTAT
n.a. non available

Unemployment limits the Belgian and French female participation: unemployment reaches 10.6 percent in France and 8.5 percent in Belgium. In the opposite, in Luxembourg women participation seems to be at its maximum because unemployment is very low. Facing activity, women behaviour is traditional.

Table 2: Labour market participation in Belgium, France, Luxembourg and the Netherlands, 2000

	EU	Belgium	France	Luxembourg	Netherlands
Employment rate, 15-64, male, 2000	72.5	69.5	69.1	75.0	82.1
Employment rate, 15-64, female, 2000	54.0	51.5	55.1	50.1	63.5
Part-time job rate, 15-64, male, 2000	6.2	5.8	5.3	1.7	19.3
Part-time job rate, 15-64, female, 2000	33.4	40.5	30.8	25.1	71.0
Unemployment rate, male, 2000	7.4	7.8	8.3	2.7	3.7
Unemployment rate, female, 2000	9.0	8.5	10.6	5.1	4.0

Source: EUROSTAT : http://europa.eu.int

To sum up, except the spread of part-time jobs among women in the social-democratic countries, no clear relationships by welfare regimes comes out of the comparison. Luxembourg and the Netherlands show high participation rates with the particularity of high part-time jobs in the Netherlands and a more traditionalist behaviour in the involvement of women in the labour market of Luxembourg. France and Belgium are in between both characteristics.

22. Family benefits and special benefits for single parents

Based on MISSOC information, the annexe 1 gives a detailed description of the family benefits and requirements in action the 1st January 1998 in the four countries.

To go deeper in the analysis and comparison of the child benefit packages, however we choose to refer to the report: "Support for children: a comparison of arrangements in 22 countries" by Jonathan Bradshaw and Naomi Finch (2002).

This report consists of a comparison of the child benefit packages offered to families in 22 countries[3]. The packages, converted into purchasing power parities and percentage earnings, cover all contributions, benefits, tax reduction, support and other financial transfers in effect in July 2001.

According to Bradshaw and Finch, France, Belgium and Luxembourg offer child benefit packages that are, on average, more generous than in the Netherlands. Among the 22 countries and in purchasing power parities, Luxembourg ranks second, France, fourth, Belgium, seventh and the Netherlands twenty-first. Considering exclusively the packages allocated to single parents, the four countries go back after

[3] EU15, Australia, Canada, Israel, Japan, New-Zealand, Norway and USA

the tenth rank. The Netherlands then become the more generous system of the four countries (table 3). Again, the continental-corporatist countries do not present particular behaviour or if they do, it is rather to combat poverty.

Table 3: Ranking of the value of the monetary child support package in lone parents families, in £ppps (purchasing power parities) and percentage of average earnings

	All families types		**Lone parents families**	
	ppps	% earnings	ppps	% earnings
Belgium	7	7	16	15
France	4	3	14	12
Luxembourg	2	4	13	14
Netherlands	21	20	11	11

Source: Bradshaw and Finch, 2002, tables 11.3, 11.4, G.1 and G.2

In the comparison of the packages offered to single and couple families, only the Netherlands proposes a better financial solidarity towards single parents, head of household earnings and children equivalent (table 4).

Again both social-democratic countries do not appear more generous than the continental-corporatists. The Netherlands are but not Belgium.

Table 4: Comparison of the child benefit package attributed to lone parent and couple on the same earnings. £ppp (purchasing power parities).

	Half average male earnings (Case 2)			**Average male earnings (Case 4)**		
	Lone parent +2	Couple +2	Difference	Lone parent +1	Couple +1	Difference
Belgium	136	192	*-56*	-46	70	*-115*
France	214	214	*0*	5	28	*-23*
Luxembourg	76	341	*-265*	61	129	*-68*
Netherlands	151	104	*46*	140	-2	*142*

Source: Bradshaw and Finch, 2002, table 9.9c

3. LITERATURE REVIEW

Bane and Ellwood published in 1986 the first article dealing with spell duration and poverty determinants. The research is based on the Panel Study of Income Dynamics (PSID), an American panel survey. The database contains 12 waves, from 1970 to 1982.

Among their results, Bane and Ellwood already identified a correlation between divorce or separation and mother poverty. They found that 59 percent of poverty spells among mother head-of-single-parent households followed a separation in couple, with 38 percent after a marriage and 21 percent an unmarried parenthood.

Another 8 percent of poor mother headed single parent households was subsequent to the arrival of a new member in the household.

Poverty duration by type of beginning shows that the duration in the case of mother single parent is shorter than the average, spanning 3.7 years, compared to 4.2 years in general.

The most likely ending event met in single parent poverty spells is an increase in earnings (find a job or work more). This is the case for 33 percent of poor single parents; 26 percent left poverty because of a marriage; 19 percent because of an increase in the transfer payments.

Duncan and his associates (Duncan et al., 1993) conducted a similar study based on a European database, the Luxembourg Income Study (LIS). The results are less precise than in the Bane and Ellwood paper due to the small sample size. The conclusions are similar however: employment is the event that has the highest effect on poverty transitions. Marriage accounts for one-tenth of poverty exits while divorce and separation are the second factor of poverty entrances. Social transfers produce a

positive effect on poverty exits whereas termination leads to poverty entry. Unfortunately the team did not focus on the single parent population.

Huff Stevens published an article in 1995 on the persistence of poverty in America. The article is based on the 1967-1989 waves of the Panel Study of Income Dynamics database (PSID). In the report, we learn that the probability of ending a poverty spell after one year, independent of the individual characteristics equals .53; after 4 years, it decreases to .23. In female-headed households the hazard rate for leaving poverty after one year equals .39 compared to .58 for male-headed households.

After one year out of poverty households headed by women have a higher poverty re-entry probability: one-third versus less than one-fifth for men-headed.

Bourreau-Dubois and her associates recently wrote an article (2003) about the determinants of transitions in and out of poverty by gender (20-69 years old) based on the three first waves (1994-96) of the ECHP (European Community Household Panel). Among the determinants of entry into poverty, the authors affirm that the risk of poverty entrance is four times higher after the partner death. The birth of a child or the arrival of at least two new members among the family also increases the probability of entry. Separation is a significant determinant only in the case of women (for men the result is not significant).

Union is a way by which women remain out of poverty. The risk of becoming poor is 1.6 times lower for women that are attached compared to those still single or separated.

Among the determinants of poverty exit Bourreau-Dubois and associates found that retirement or employment, whatever gender and position in the household (head

or not), increase the odds of leaving poverty. Marital status also influences the risk: separation augments the odds of leaving poverty by a factor of four among males. On the other hand, union constitutes a way out of poverty mostly for women (the odds are negative but non-significant in the male population as the odds of living in poverty after separation in the female population). The departure of a member from the household has a positive impact on the likelihood of getting out of poverty for both sexes.

Layte and Whelan (2002) present a study of the impact of income and social transfers on entry to and exit from poverty. Their research is based on the 1994-98 waves of the ECHP database. Belgium, France and the Netherlands are included in the work.

In the Dutch households, 18 percent of the transitions into poverty are caused by a decrease in social welfare payments. In Belgium and France, the impact of welfare payments belongs to an intermediate group of European countries having a lower impact, respectively 13.0 and 11.5 percent.

Regarding poverty exit, the impact of welfare payments is lower. In the Netherlands, 13 percent of exits are due to welfare payments compared to 11 percent in Belgium and 16 percent in France.

Earnings and more precisely a drop in income is responsible for almost 25 percent of Dutch entries into poverty. In France and Belgium, the impact of earnings loss is not as important (respectively, 17 and 18 percent).

The last work presented here was conducted by Uunk in 2003. Also based on the ECHP database (waves 1994-98), Uunk assesses the welfare states regimes'

support towards separated women, childless or not. To conduct the research, the total household income before and after separation is decomposed into four types of income (from labour, capital and private and social transfers).

Table 5 presents the changes in the total household incomes between the pre- and post-separation. For an average income of the same range during the union period, separation creates a drop in earnings in both welfare regimes relevant for this paper.

However, the decrease in the Total Household Income is lower in the social-democratic welfare states than in those conservative. This is mostly due to the difference in the social transfer payments. However, social transfer income is compound by all benefits and not only those related to divorce or separation (unemployment benefits, pension, etc.).

Table 5: Change in household income before and after separation in two welfare regimes: the social-democratic and the conservative (1994-1998)

	Social-democratic (N=216)	Conservative (N=362)
Income from labour	-53%	-51%
Income from capital	-34%	-30%
Private transfers	77%	58%
Social transfers	23%	-9%
Total Household income	-35%	-42%
Total Household income if no social transfers	-40%	-41%

Source: Uunk, 2003

To sum up, the literature review gives us insight in poverty dynamics according to the period and the cases under study. Among them, we emphasized:

- The separation, the death of the partner, the arrival of a new member in the household or the exit of a young adult are some of the determinants of the entries into poverty.
- An increase in paid work or financial transfers, and the act of getting married (in the case of women) are determinants of exit from poverty.
- The probability of ending a poverty spell after one year is lower among single parents than other households.
- Social welfare payments have a higher impact on poverty entry and exit in the Netherlands than in France and Belgium.

This paper proposes three objectives: firstly, to provide poverty rates by type of household and by country in the period 1997-2001; secondly, to measure and compare the impact of poverty determinants on households with children; and finally, to find how strong is the causal relationship between poverty and single parenthood.

Three research questions ensue from these objectives: 1) Do poverty rates differ when the household is headed by a single adult or a couple, with or without children? 2) What are, in the economic and demographic fields, the determinants of poor life conditions? Do they differ in number and in weight whether they concern France, Belgium, Luxembourg or the Netherlands; or whether they measure a conservative or social-democratic regime? The last questions we will answer: 3) Does single parenthood augment the risk of poverty in couple family households with children and does poverty boost the risk of single parenthood among couples with children too?

The authors named in the literature review contribute to the general knowledge on poverty in the OECD countries but more precisely on the research questions expressed above the information is in short supply. First, the comparison single-couple in family with children has never been a focus as it is in this paper. Secondly, Luxembourg, often left apart of European comparisons mostly due to its small sample size, will be part of this study.

4. MODEL AND HYPOTHESIS

Starting with the indicators of poverty, we expect that, because poverty is strongly correlated with employment (Bane and Ellwood, 1986; Duncan et al., 1993; Layte and Whelan, 2002) and income from labour depends on the number of adults in the household, poverty is strongly dependant on household composition:

Hypothesis 1: Single parent' households have a higher risk of poverty than couple households, other things held constant (the household income, the family composition, the number of children, their age, etc.).

The literature review provides us social and demographic determinants of poverty empirically tested. Among those kept in this study, we made the hypotheses:

Hypothesis 2:

- labour market participation: Bane and Ellwood, 1986; Duncan et al., 1993; Layte and Whelan, 2002 emphasized the strong impact of employment in reducing poverty. In the regression we hypothesize an increase in the risk of poverty for households headed by unemployed or inactive persons.

- Level of education: households headed by a low educated person have a higher risk of poverty (Stevens, 1995). The reasons are several: low educated people generally have higher fertility level (Duncan et al., 1993), lower income and they are more at risk to long-term unemployment.

- Size of household: Duncan et al. (1993) affirm that the average size of poor households is higher than the average size of household in general; we make the hypothesis that poverty increases with the number of children.

- Minorities appear to be a determinant of poverty (Duncan et al., 1993). The risk of poverty should be higher among foreigners than nationals.

- The birth of a child and the exit of a young man or woman (Bane and Ellwood, 1986) as well as the death of the partner (Bourreau-Dubois, 2003) increase the probability of living in poverty.

In order to add new elements in the knowledge of poverty determinants, other variables will be added to the model:

- The age of the head of household: we expect that the risk of poverty decreases when parents (and children) get older because parents are more flexible in the labour market and have some experience. Moreover children become able to financially contribute to the household or themselves. Seeing that the age of the children is already controlled for by this variable we did not add it in the model.

- The sex: we make the hypothesis that men are less inclined to live in poverty because of their higher participation in the labour market and their higher earnings.

- The family status: divorced, separated and single parents are more at risk of poverty than fixed couples because they look after the children on their own, they are the custody parent while in couple families two adults “share” the cost of the children.

To test these hypotheses, we will run a logistic regression with poverty status as the dependant variable and the determinants discribed above as independent variables. The impact of the household type on the risk of poverty in families with children will be examined comparing coefficients of similar models of regression in two populations: the single parent' households and the households comprised of a couple with children.

According to Bane and Ellwood (1986) separation is responsible for 59 % of entry into poverty among single parents. In consequence, separations and divorces would be strong determinants of the poverty risk.

Hypothesis 3: for a non-poor couple with children, separation and divorce are strong determinants of entry into poverty.

To test this hypothesis, we will run a logistic regression using the same determinants as in the previous research question plus a variable of transition into single parenthood.

According to Patricia McManus and Thomas DiPrete, men are more often the "winners" in the "financial consequences of separation and divorce"(2001). They also affirm in the same article that even if "most men experience a decline in living standards following union dissolution", their income per person increases. In addition, Bourreau-Dubois et al. (2003) wrote "for men, separation increases the odds of leaving poverty by a factor of four whereas for women union dissolution has a negative but not significant effect".

Hypothesis 4: in a couple with children, poverty increases the risk of separation.

The method used to test this hypothesis is similar that of hypothesis 3, except that the variable of transition concerns the poverty status.

According to the disparities in the demographic characteristics, the labour market and the welfare systems between the four countries (tables 1, 2, 3, 4 and 5), we believe that the importance of these determinants might differ according to the country. But seeing that we did not observe clear relationships between the welfare regimes, we do not expect particular results by welfare regimes.

Hypothesis 5: Regressions present differences in the effect of poverty determinants by country; however no clear relationships are observed when comparing welfare regimes.

To test this hypothesis, we will compare the coefficients of the regressions by country and by welfare regime.

5. DATA AND METHODOLOGY

51. Definitions

511. The ECHP database

Because of a need for recent knowledge in the topic, our preference went for the European Community Household Panel (ECHP), a comparative database including economic, demographic and sociologic information on households in the four countries. The panel is a harmonised cross-national longitudinal survey focusing on household income and living conditions. One advantage of the ECHP, as noted by Bourreau-Dubois et al. (2003), is "the existence of homogeneous information" about the four countries. This gives us the chance to work with standardized indicators.

The panel survey started in 1994 on a yearly basis and the last wave available is 2001.

512. Population of interest

The population of interest is the sub-sample of persons in age of rearing children. Households headed by people in the retirement age are excluded, considered out of parental life. The analysis is restricted to households headed by working age persons (15-64) responding to, at least, one of the five waves. The second condition is the availability of the household income in order to compute the variable "poor".

The unit of study is the household. A household is defined as a group of persons, with or without family link, living in the same dwelling and sharing meals and a common budget. Like in most studies on poverty, we assume that the share of goods inside the household is such that, either everyone in the household is poor, or none of them.

Lone parenthood is one of the family statuses we will focus on. It is defined as a parent living with one or more children in the same household. Excluded are the single parents living with a partner or an ascendant (a parent) or collateral (a brother or sister). The single parent status is only attributed to single parents exclusively living with their children.

Regarding the small number of single parent's households in each wave, we choose to work on a pooled database grouping the last five waves of the panel (1997-2001). Consequently, indicators and results derived from this study are relevant for the total period 1997-2001, without focus on a particular year.

513. Poverty measurement

There are four kinds of poverty: subjective, relative, absolute and official (Duncan G., 1984; Van Den Bosch et al., 1993; Atkinson A.B., 1998; Atkinson A.B. & Bourguignon F., 2000). The subjective approach is based on respondents' judgements about the necessary minimum living standard (monetary). The relative poverty line is calculated as a percentage of the median/mean household income. The absolute poverty standard equals to a certain purchasing power that enables households to buy the defined minimum living necessities. This amount differs according to the prices available in the countries. The fourth method consists of the use of an official or legal standard locating the poverty line at the level of the minimum guaranteed income (Van Den Bosch et al., 1993).

Callan and Nolan (1991), as described in the Van den Bosch et al.(1993) review of the literature, rightly affirm that "each [the four methods] face formidable problems and objections, at both conceptual and empirical levels".

The measurement employed in this research is a relative measurement, like in most research on poverty. The advantage of this method is the exclusion of respondents' judgements and a poverty threshold adapted to the household national median income.

In this method, the poverty line is calculating using the Total Net Household Income variable, given on a yearly basis and on the unit of interest, the household. It corresponds to the total disposable income of a household, including transfers and after deduction of income tax and social security contributions. The accounting period for income used in the ECHP is the year prior to the survey.

In order to get comparable incomes, the income variable is adjusted to the size and composition of the household, according to the modified-OECD scale,

recommended by Eurostat. In this scale the first adult in a household is given the value 1, each additional adult is given a value of 0.5 and each child a value of 0.3. We calculate the number of equivalent adults in each household using this scale and construct the equivalent income. The equivalent income is then attributed to each member of the household, assuming a common living standard within the household (Alcock, 1997; Atkinson, 1998; Layte et al., 2002).

Contrary to intact families in which expenditure for children comes from one household' monetary resources, in non-intact families the resources allocated to children are, if both parents alive and contributing, shared between them. Alimony, if there is, would be integrated to the custody parent's income. But in case of contribution in kind (purchase of assets, clothes, school furniture, holidays, etc) or monetary (money irregularly given to the children), they are left out of the children living conditions measurement. Consequently in these single parents' households, disposable income is possibly underestimated.

The relative method of poverty proposes many thresholds and two benchmarks. Atkinson (1998) rightly states that the "matters of definition may significantly affect the conclusions drawn". In this paper, the benchmark and the threshold kept are those used in most recent studies: the median income (weighted) as benchmark rather than the mean, influenced by income disparities; and the 60 percent threshold, recommended by Eurostat, instead of the updated 50 percent, reducing the proportion of poor families but less relevant of recent progresses made in living conditions that increase the monetary needs of families (equipped kitchen, TV, Hifi and Video equipment, mobile phone, computer, internet, car or scooter, etc.). To account for financial and life disparities between the four countries, a threshold has been calculated for each country.

To sum up, an individual is considered poor if the equivalent income of his/her household is lower than 60 percent of the median income of his/her country of residence.

52. Methodology

The first results presented in this paper come from a pooled sample of the ECHP database's waves 1997 through 2001. The sub-sample, made up of 52,840 households, contains households headed by individuals aged from 15 to 64, living in non-composite households (compound by more than one family) in one of the four countries studied.

Firstly, this file permits the calculi of poverty levels by country and household types.

Secondly, two logistic regressions are run by country, one for the population of single parents and one for couples with children. Poverty status is the dummy dependant variable. The independent/explanatory variables also take the form of dummy variables to facilitate the interpretation (Pampel, 2000) excepted for the variables "number of children" which is continuous.

The regressions will only take into consideration the population of the head of households. Their partner will not be included neither their children. Among the variables included in the model there are:

- Age (three groups: 15-29, 30-49, 50-64),
- Sex,
- Number of children in the household,
- Education level (low, medium, high),

- Marital status (married, divorced, separated, widowed, never married),
- Citizenship (foreigner),
- Activity (employed, unemployed, inactive, training),
- Three dummy variables of movements in and out of the household: Entry(ies) of a member(s), exit(s) of a member(s) and a birth(s),
- Time variables to control for any unobserved differences that might exist across waves.

For the last part of the analysis, we will work on a longitudinal database matching the five waves (1997-2001) in the aim to study the households in a historical perspective. This database contains couples with children households in 1998/1999 presents in the databases until 2001.

Among the sub-sample of non-poor couples with children, the first type of regression consists of a model having as dependant variable the variable of change in the poverty status: transitions into poverty versus the static position "non-poor". This model will be compounded by the same independent variables as in the previous regressions, plus a variable of transition from couple to single parenthood.

Compared to Bourreau-Dubois et al. (2003), we do not follow the definition of transition into and out of poverty. Bourreau-Dubois states that: "small movements in income of households clustered near the poverty threshold may lead to many transitions into or out of poverty, but these may not be economically or socially significant." To avoid it Bourreau-Dubois et al. elaborated a method that only considers transitions exceeding 5 percent change in household income. Duncan et al. (1993) use the same kind of definition, but the minimum jump in income was 20

percent. In this paper, all transitions up or down the 60 percent threshold are taken into consideration.

The second type of regressions realized in this paper uses the same sub-sample. The dependant variable is a variable of change in household type: transition from couple family to single parent versus the static position "couple with children". The dependant variables, like in the previous model, are those already mentioned to test the third hypothesis plus a new variable of transition into poverty.

6. RESULTS

61. Single parent households more at risk of poverty than couples with children

Single parents households are more inclined to live in poverty than any other household (table 6). In the four countries the first hypothesis is verified: the poverty level in single parents' families is higher than in couple families whatever the number of children (one, two, three or more).

Amazingly, no distinction can be made between the welfare regimes regarding the poverty level in single parents households. Even though they give a larger financial contribution towards Dutch single parents (tables 3 and 4), the Netherlands record the highest poverty rate among the four countries. Belgium, the other social-democratic welfare state, records the lowest rate during this period.

Compared with couples with children, single parent's households are much more inclined to be poor, even when comparing with couples with three or more children. The gap is very large and more in the social-democratic countries.

Comparing the poverty rates in households with children with those given in the introduction (ECHP 1996) we notice that poverty rates are lower on the period 1997-2001 than in 1996. Is it due to the improvement in the financial conditions of poor families with children? Or is the difference due to the absence of composite households in the 1997-2001 rates, which would have high levels of poverty? From Jeandidier et al. (2003), poverty rates (1996) ranged from 16.6 percent in Belgium to 25.2 percent in France, the conservative countries having the highest rates of the four countries. Seeing that composite households represent only a few percent of all households, both arguments might play a role.

Table 6: Poverty rates by household type (weighted) on the period 1997-2001. Comparison between Belgium, France, Luxembourg and the Netherlands

	Netherlands	**Belgium**	**France**	**Luxembourg**
Single	19.5	15.2	19.8	10.8
Couple	5.2	9.7	11.1	6.6
HOUSEHOLD WITHOUT CHILDREN	***11.9***	***12.0***	***14.9***	***8.5***
Couple + 1 dependant child	9.1	6.7	9.4	13.6
Couple + 2 dependant children	8.4	8.9	10.0	14.5
Couple + 3 or more dependant children	18.5	10.8	22.7	27.9
Single parent households	42.1	23.6	28.4	33.6
HOUSEHOLD WITH CHILDREN	***14.1***	***10.3***	***13.8***	***18.2***
TOTAL	**12.6**	**11.2**	**14.4**	**12.4**

Source: ECHP, waves 4-8

6.2 Poverty determinants in families with children

621. Characteristics of the sample

The table 7 below presents the means and standard deviations of the variables included in the regressions. The statistics are calculated for the two sub-samples: the single parents and the couples with children.

Table 7: Summary statistics on the period 1997-2001. Mean (standard deviation)

	Netherlands	Belgium	France	Luxembourg
SINGLE PARENT HOUSEHOLDS				
Sample sizes	568	582	1164	244
Average age of head of household:	38.70 (6.72)	40.14 (7.54)	40.87 (7.86)	39.40 (7.57)
Sex – male:	.097 (.296)	.070 (.256)	.119(.323)	.070 (.255)
Marital status:				
Married	.049 (.217)	.014 (.117)	.076 (.265)	.025 (.155)
Divorced	.653 (.476)	.460 (.500)	.423 (.494)	.303 (.461)
Separated	.0 (.0)	.224 (.417)	.022 (.148)	.205 (.404)
Widow	.083 (.276)	.126 (.332)	.118 (.322)	.180 (.385)
Never married	.215 (.411)	.177 (.382)	.361 (.480)	.287 (.453)
Activity status:				
Employed	.545 (.498)	.603 (.490)	.755 (.430)	.811 (.392)
Unemployed	.228 (.420)	.247 (.432)	.137 (.344)	.016 (.127)
Inactive	.203 (.403)	.129 (.335)	.095 (.294)	.172 (.378)
Trained (or military service)	.023 (.151)	.021 (.142)	.013 (.113)	.0 (.0)
Education:				
High level	.048 (.214)	.255 (.436)	.286 (.452)	.076 (.265)
Medium	.108 (.311)	.396 (.490)	.203 (.403)	.307 (.462)
Low level	.843 (.364)	.349 (.477)	.511 (.500)	.618 (.487)
Average age of the youngest child:	9.33 (5.48)	12.01 (7.09)	11.17 (6.10)	10.10 (5.79)
Movement(s) in and out of household:				
Member(s) moved out	.150 (.357)	.136 (.343)	.124 (.329)	.156 (.363)
Member(s) moved in	.127 (.333)	.017 (.130)	.017 (.130)	.033 (.178)
Birth(s)	.042 (.201)	.022 (.148)	.021 (.145)	.037 (.188)
***Foreigner*:**	.005 (.073)	.065 (.247)	.046 (.210)	.443 (.498)
Number of children:	1.66 (.75)	1.62 (.77)	1.57 (.97)	1.43 (.57)
COUPLES WITH CHILDREN				
Sample sizes	6194	4050	8315	2874
Average age of head of household:	39.10 (6.82)	39.60 (7.39)	39.75 (8.30)	38.44 (7.73)
Marital status:				
Married	.886 (.317)	.872 (.334)	.799 (.400)	.874 (.332)
Divorced	.034 (.182)	.040 (.197)	.034 (.181)	.034 (.182)
Separated	.0 (.0)	.009 (.094)	.002 (.049)	.011 (103)
Widow	.004(.060)	.009 (.090)	.008 (.090)	.018 (.133)
Never married	.076 (.265)	.071 (.257)	.156 (.363)	.063 (.243)
Activity status:				
Employed	.839 (.367)	.897 (.305)	.897 (.303)	.912 (.283)
Unemployed	.052 (.222)	.052 (.222)	.049 (.216)	.014 (.117)
Inactive	.104 (.306)	.049 (.216)	.049 (.217)	.073 (.261)
Trained (or military service)	.005 (.068)	.003 (.052)	.004 (.064)	.000 (.019)
Education:				
High level	.072 (.259)	.432 (.495)	.271 (.444)	.235(.424)
Medium	.125 (.331)	.342 (.474)	.263 (.440)	.392 (.488)
Low level	.803 (.398)	.226 (.418)	.466 (.499)	.373 (.484)
Average age of the youngest child:	7.03 (6.60)	8.71 (7.68)	8.65 (7.83)	7.25 (7.62)
Movement(s) in and out of household:				
Member(s) moved out	.022 (.145)	.022 (.147)	.043 (.202)	.026 (.160)
Member(s) moved in	.080 (.271)	.016 (.127)	.025 (.155)	.030 (.171)
Birth(s)	.117 (.321)	.099 (.299)	.106 (.308)	.133 (.340)
***Foreigner*:**	.009 (.093)	.058 (.234)	.053 (.225)	.437 (.496)
Number of children:	1.971 (.804)	1.954 (.907)	1.888 (.894)	1.802 (.829)

Source: ECHP, waves 4-8

Seeing the small proportion of male headed, single parent families (table 7), we will consider in the following analysis that single parent families are always headed by a woman.

According to the welfare regimes, some relationships stand out in the table. Firstly, most of the single parents are divorced in the social-democratic system while the share of never married is particularly high in the conservative countries. This observation is confirmed by the extramarital births rates presented in the table 1.

Secondly, it seems that single parenthood pushes women to participate in the labour market seeing the high participation of single parents in the sample compared to the national population, excepted in the Netherlands.

The necessity of the labour market participation is confirmed by the unemployment rate being lower in the conservative states. Nevertheless, the unemployment rates are higher in the sub-samples than in the total female population excepted in Luxembourg where female unemployment is already low.

Thirdly, the number of children in the custody of the single parent is higher in the social-democratic countries than in those conservative.

In addition, we should note that approximately 44 percent of the population of Luxembourg is foreigner among single and couple families. Consequently observations and conclusions drawn for this country will be attributed to its mixed population and not only to its national population. For information, the communities the most represented the 1st January 1999 were the Portuguese, 36.5 of the foreign population[4], followed by the Italians (13 percent), the French, Belgians and Germans. It would be interesting to know the distribution of foreigners by type of households because we guess that the behaviours differ according to the communities.

To sum up, in the conservative regime single-parents are more often involved in the labour market, parents are less unemployed and headed of smaller families.

[4] Evolution démographique récente en Europe, Conseil de l'Europe, Strasbourg, 2000

622. Results of the logistic regression: single parents case

The table 8 present the results of the logistic regressions run in single parents' population and table 9 the results of the same model on the couples with children population[5]. In both models, we attempted to control for the time differences that might exist across waves. Five variables of time, one by wave, have been computed. Seeing their non-significance in the model, the coefficients have not been reported in the tables below.

To start with the results, we confirm the hypothesis of a correlation between activity of the head of household and poverty in both types of family, as we expected. Compared with the "employed" status, unemployment, inactivity or the act of following training make the risk of poverty more likely.

The variable "age" has a different effect according to the countries. In Luxembourg, the variable has a negative effect on the risk of poverty. As parents get older, the risk diminishes. In France and the Netherlands the risk is higher when parents belong to the oldest category compared with the middle one.

Women head of single-parent families are 6.6 times[6] more at risk of poverty than men headed families in the Netherlands and Luxembourg. The gap between genders is lower in Belgium and is non-significant in France.

Low or middle education increases the risk of poverty in both populations.

The risk of poverty increases with the number of children in the household, especially in the Netherlands.

---

[5] Because the waves are pooled, some unobserved/unmeasured characteristics are correlated across years. In consequence the hypothesis of independence between the observations is violated. The standards errors might be biased.

[6] Odds ratio = EXP (Beta coefficient)

Divorce is the family status for which the risk of poverty is the highest. Compared with widowhood, the risk is much higher.

Table 8: Results of the logistic regressions, population: single parents. Dependant variable: poverty status - Beta coefficient (Standard Error)

	Netherlands	**Belgium**	**France**	**Luxembourg**
Sample size	556	581	1164	244
Cox & Snell R Square	.301	.222	.273	.288
Head of household age	*Ref: 50-64*			
15-29	1.166* (.646)	.157 (.686)	.714*(.380)	1.363 (.835)
30-49	.561 (.513)	.590 (.535)	.271(.284)	-.831 (.604)
Male	-1.901***(.532)	-1.335* (.774)	.134 (.245)	-1.885**(.949)
Number of children	1.066***(.164)	.501***(.154)	.524***(.112)	.397 (.346)
Family status	*Ref: divorced*			
Separated	-	.659**(.303)	-.704 (.606)	-.047 (.460)
Widowed	-2.182***(.550)	-.254(.472)	-.553*(.290)	-1.715***(.592)
Never married	-.776** (.294)	.376 (.377)	-.394**(.191)	-.531 (.508)
Married	-.225 (.548)	1.005 (.862)	.492(311)	-.230(1.213)
Activity	*Ref: employed*			
Unemployed	.971***(.268)	1.942***(.285)	2.069***(.207)	-.030 (1.544)
Inactive	1.384***(.277)	1.666***(.394)	2.171***(.278)	1.089**(.511)
Training	1.331*(.690)	1.462**(.678)	1.776***(.595)	-
Education level	*Ref: high*			
Medium	-.452 (.585)	1.026***(.362)	.673***(.256)	2.697**(1.148)
Low	-.160 (.554)	1.363***(.363)	1.406***(.209)	3.982***(1.168)
Foreigner	-.300 (1.424)	.824*(.435)	-.130 (.359)	.873**(.344)
Entry/exit of household				
Move out	1.802***(.341)	.205 (.342)	.294 (.243)	1.254***(.486)
Birth(s)	1.040*(.600)	.236 (.680)	.607 (.526)	-1.179 (1.051)
Move in	.222*(.124)	-.166***(.064)	-.049 (.054)	-.256** (.111)
Constant	-3.277*** (.720)	-4.583***(.661)	-3.465***(.385)	-4.554***(1.421)

Source: ECHP, waves 4-8, 1997 through 2001
*** sig. < 0.01 ** sig. < 0.05 * sig. < 0.1
Ref: reference category
- missing category in the questionnaire

In Belgium, France and Luxembourg foreigners are more inclined to live in poverty that the national population. In the Netherlands, it is not true. We do not know the reason of this but in the samples the proportion of foreigner is very low (less than 1 percent) compared to the total proportion (4.2 percent). The main communities are the Moroccans (19.4 percent of the foreigners), the Turks (15.4 percent) and the Germans (8.2 percent) followed by other western countries (United Kingdom, Belgium, Spain, Italy and the United States of America)[7].

The exit of an old child from the household makes the risk of poverty increased in the Netherlands and Luxembourg while the return of a child does not have much impact in the model. A birth also increases the risk of poverty but only in the Netherlands.

623. Comparison with the population "couples with children"

As observed for the single parents' coefficients, the effect on the risk of poverty of the model variables is concomitant with the hypothesis written earlier.

We notice some relationships with the welfare regime. In the social-democratic countries, the effect of the number of children on the poverty risk is higher in single parent households than in couple with children households. The risk of poverty is 2.9 times higher by additional children in the Dutch single parent families while it is 1.8 times higher in couple families. In Belgium, the difference is lower: the risk is 1.6 times higher in single parent families while it is 1.2 times in couples. In France the risk is similar between both household types (approximately 1.8 times more by additional children) while in Luxembourg, single parents' households do not show clear penchant.

[7] Evolution démographique récente en Europe, Conseil de l'Europe, Strasbourg, 2000

Table 9: Results of the logistic regressions, population: couples with children. Dependant variable: poverty status- Beta coefficient (Standard Error)

	Netherlands	Belgium	France	Luxembourg
Sample size	6191	4049	8314	2874
Cox & Snell R Square	.068	.120	.130	.177
Head of household age	*Ref: 50-64*			
15-29	.135 (.215)	.314(.282)	.212(.149)	.494*(.284)
30-49	-.673***(.164)	-.244 (.204)	-.491***(.111)	.632***(.247)
Number of children	.579***(.053)	.246***(.065)	.609***(.039)	.638***(.067)
Family status	*Ref: married*			
Divorced	1.286***(.181)	-.755**(.325)	.322*(.184)	.223(.266)
Separated	-	.120 (.703)	1.103** (.568)	.128(.498)
Widowed	-	-.624(.536)	.490 (.318)	-.102 (.378)
Never married	.494***(.162)	-.180 (.265)	.542***(.095)	.511** (.224)
Activity	*Ref: employed*			
Unemployed	1.530***(.144)	2.745*** (.182)	1.671***(.120)	2.145***(.378)
Inactive	.957***(.121)	2.065***(.195)	1.146***(.127)	1.624***(.191)
Training	1.655***(.428)	2.095***(.715)	.566 (.519)	-
Education level	*Ref: high*			
Medium	.779***(.298)	.938***(.177)	.871***(.132)	1.629***(.217)
Low	1.551***(.290)	1.213***(.179)	1.717***(.115)	2.311***(.211)
Foreigner	.402 (.388)	.649***(.208)	.965***(.121)	1.110***(.118)
Entry/exit of household				
Move out	.790**(.257)	.575 (.353)	.379**(.164)	.797***(.297)
Birth(s)	-.158 (.151)	-.107 (.233)	.196* (.115)	-.499**(.187)
Move in	.216***(.038)	.024 (.081)	-.105***(.037)	-.156***(.027)
Constant	-4.377***(.318)	-3.920***(.271)	-4.321***(.172)	-5.824***(.354)

Source: ECHP, waves 4-8, 1997 through 2001
*** sig. < 0.01 ** sig. < 0.05 * sig. < 0.1
Ref: reference category
- missing category in the questionnaire

No clear relationships according to welfare regime stand out of the activity status. The effect of unemployment or inactivity on the risk of poverty is higher in the French single parents' families while it is the opposite in Belgium, the effect on the risk of poverty being lower among single parents.

The Luxembourg presents the highest correlation between "Education" and poverty. The risk of being poor in Luxembourg is 53 times higher among low educated single parents than high educated ones while it is only 10 times higher in couple's families. In France the relationship is opposite: the risk is higher among couples with children (5.6 times higher versus 4.1 times in single parent families). Belgium has the same risk in both groups (odds equal 3.9 in single parent families and 3.4 in couple families) and the Netherlands being non-significant in single parent's households (odds equal 4.7 in couple families).

63. Separation or divorce increases the risk of poverty of couples with children

To test this hypothesis, a population of 3763 non poor couples with children in 1999 responding to the 1999, 2000 and 2001 waves has been studied in a logistic regression. The dependant variable is a transition variable "non-poor families in 1999 becoming poor in 2001" versus the static position.

The explanatory variables included in the model are those used to explain the poverty risk, relevant for the household characteristics in 1999 plus a variable of transition into single parenthood during the year 2000. In order to attempt to control for the differences between countries that might exist in the model, four variables, one by country, have been added in the model.

Among the results, we notice that, as we expected, the transition into single parenthood increases the risk of poverty among families: the risk of poverty after a separation or a divorce is nine times higher than when parents stay in a couple (table 10).

Between the states, the risk of poverty seems stronger in Luxembourg than in the three other countries.

64. Transition into poverty increases the risk of separation or divorce

Table 10: Results of the logistic regressions, population: non-poor couples with children. - Beta coefficient (Standard Error)

Dependant variable:	**Non-poor 1999 becoming poor 2001 vs. static position**	**Couples 1998 separated in 2000 or 2001 vs. static position**
Sample size	3763	3870
Cox & Snell R Square	.042	.014
Transition variable	Single parent in 2000	Poor in 1999
	2.192***(.454)	1.366***(.438)
Number of children	.455***(.088)	x
Family status		
Divorce	x	2.234***(.393)
Separated	x	2.068*(1.099)
Never married	.820 ***(.222)	1.007**(.407)
Activity		
Unemployed	1.530***(.285)	1.440***(.422)
Inactive	1.331***(.238)	x
Education level		
Low	1.569***(.310)	x
medium	1.035***(.357)	x
Exit/Entry in household		
Move out	.944**(.370)	x
Country		
Belgium	-1.131***(.328)	.866*(.460)
France	-.523**(.254)	.602 (.431)
Luxembourg	Ref	.281 (.629)
Netherlands	-1.225***(.285)	Ref
Constant	-4.891***(.390)	-5.542 ***(.388)

Source: ECHP, waves 5-8
*** sig. < 0.01 ** sig. < 0.05 * sig. < 0.1
Ref: reference category
x variable not included in the model

In this logistic regression, the population under study consists of 3870 non-poor couples present in the wave 1998 (table 10). The dependant variable is "non-poor couple with children in 1998, separated or divorced in 2000 or 2001" versus the static position.

The explanatory variables consist of the variable of transition into poverty in 1999 plus the variables present in the previous regressions but of the 1998 wave. As earlier we attempted to control for the differences between countries that might exist in the model.

In this model also, the hypothesis is confirmed: the risk of single parenthood in 2000 or 2001 is 4 times higher for parents that fell into poverty in 1999.

7. CONCLUSION AND DISCUSSION

Contrary to our expectations, poverty rates do not present clear differences between the welfare regimes. In the period 1997-2001, if poverty rates were the lowest in Belgium (among all types of households, households with children and single parents households), the ranking of the rates differed in France, Luxembourg and the Netherlands. It is only when considering couples with children that the social-democratic countries have the lowest rates. But in single parents' families, the Netherlands present far the highest poverty rate (42 percent).

Already when comparing the demographic and economic characteristics of the population, no clear relationship stands out. The Netherlands and Luxembourg presented high participation in the labour market among men. The Dutch women were also highly involved but a majority were part-time workers like in the other social-democratic country, but in a lower proportion. France and Belgium female participation were located somewhere in between the Netherlands and Luxembourg.

One relationship clearly appears from the social characteristics: the conservative-corporatist system "pushes" single parents to participate in the labour market seeing the much higher proportion of the sample. On the other hand, the social-democratic countries are more generous in the benefits offered to single parents.

The determinants of poverty provided in the literature are confirmed in both types of families. These are employment, education level, sex (single parents' families), number of children and nationality. The variable "age" acts differently according to the country.

In the end, this research demonstrates that transition into single parenthood increases the risk of poverty among families with children. Moreover, the risk of single parenthood is higher when the household becomes poor.

The social-democratic systems, favouring part-time jobs in the women' population nowadays appear more appropriate to rearing children. Moreover it is efficient when combating poverty in couples' families. In the other hands, when parents become single, then the system seems inappropriate.

Despite a generous child benefit package towards single parents, in the Netherlands poverty concerns nearly one in two single parents' households. Employment seems to be the reason for the inefficiency of the systems. In addition, the Dutch are the youngest and rear the youngest children too. In consequence the school and nursery systems, or family solidarity towards children, are essential. Bradshaw and Finch (2002) wrote about the Netherlands "The state does not guarantee childcare for children below the minimum school statutory school age."[8]

[8] The minimum age is four

One way to improve the Dutch system would be to provide the necessary low cost day-nursery for children living in single-parent households and in consequence make parents participate more in the labour market.

In the conservative countries, the way to escape poverty is to get a job. The social system is generous but not as much as in the Netherlands. One way to improve the system would be to provide better education and jobs to women in order to favour their insertion in the labour market and to reduce the proportion of single parents too.

How parents can combine their employment and children education in single parent households? One question to ask ourselves in a future research will be what is the proportion of "employed" single parents satisfied with their living conditions in the conservative countries? How can the system make life easier for single parents combining job and children education? A well-developed day-nursery for children plus employment facilities (flexible timetables, possibility of time off for children, etc) would improve the system.

To come back on the countries selection, the choice, justified by closer characteristics in the welfare regime, has not been appropriate regarding poverty levels. The poverty features being close between the two systems, not much difference of behaviour stands out of the comparison. To improve the knowledge and weakness of the continental system one should re-do this work comparing France and Luxembourg with countries having much lower poverty rates. According to Jeandidier et al, (2003), Denmark and Finland would be examples of best practices (learning from the good experience) in the EU countries with poverty rates reaching respectively 5.8 and 6.7 percent of the single parents' population (1996).

BIBLIOGRAPHY

ALCOCK P., ***Understanding poverty***, Macmillian edition, London,1997

ATKINSON A.B., ***Poverty in Europe***, Blackwell publishers, Malden,1998

ATKINSON A.B., BOURGUIGNON F., ***Handbook of income distribution***, Volume 1, Elsevier, Amsterdam, New York, 2000

BANE MJ., ELLWOOD D.T., ***Slipping into and out of poverty***, Journal of Human Resources, N°1, vol.XXI, pages 2-23,1986

BOURREAU-DUBOIS C., JEANDIDIER B., BERGER F., ***Poverty dynamics, family events, labour market events in Europe: are there any differences between women and men?***, paper presented at the Conference of the European Panel Users Network, UK, 2003

BRADSHAW J., FINCH N., ***A comparison of child benefit packages in 22 countries***, University of York, Department for work and pension, 2002 (http://www.york.ac.uk/inst/spru/research/summs/childben22.htm, 15.06.2004)

DUNCAN G., COE R.D., CORCORAN M.E., HILL M.S., HOFFMAN S.D., MORGAN J.N., ***Years of poverty, years of plenty***, University of Michigan: Institute for Social Research, Ann Arbor, 1984

DUNCAN G., GUSTAFSON B., HAUSER R., SCHMAUSS G., MESSINGER H., MUFFELS R., NOLAN B., RAY J.C., ***Poverty dynamics in eight countries***, Journal of Population Economics, Vol 6, N°3, pages 215-233, 1993

ESPING-ANDERSEN G., ***The three worlds of welfare capitalism***, Princeton, Princeton University Press, 1990

HANTRAIS L., ***Family policy matters. Responding to family change in Europe,*** The policy Press, 2004

HUFF STEVENS Ann, ***Climbing out of poverty, falling back in***, NBER working paper N° W5390, Cambridge, MA: National Bureau of Economic Research1995

JÄNTTI M., DANZIGER S., ***Income poverty in advanced countries***, in ATKINSON A.B., BOURGUIGNON F., ***Handbook of income distribution***, Volume 1, Amsterdam, Elsevier, 2000

JEANDIDIER B., REINSTADLER A., RAY J.C., KOP J.L., ***Les enfants pauvres au Luxembourg et en Europe,*** *Comment se positionne le Luxembourg, comparativement aux autres pays de l'Europe, du point de vue de la pauvreté des enfants ?*, Document PSELL, No.138, CEPS/INSTEAD, 2003

McFATE K., LAWSON R., WILSON W.J., ***Poverty, inequality and the future of social policy***, Western States in the New World Order, Russell sage foundation, 1995

LAYTE R., WHELAN Christopher T., ***Moving in and out of poverty: the impact of welfare regimes on poverty dynamics in the EU***, EPAG, working paper number 2002-30, 23 pages, 2002

MCMANUS P., DIPRETE T., ***Losers and winners: the financial consequences of separation and divorce for men***, American sociological review, Vol.66, 2001

PAMPEL F.C., ***Logistic regression***, Series quantitative applications in the social sciences, Sage publications, 2000

UUNK Wilfried, ***Welfare state regimes and the economic consequences of separation***- *Evidence from the European Household Panel Survey, 1994-1998*, EPAG working paper number 2003-40, Colchester: university of Essex, 22 pages, 2003

VAN DEN BOSCH K., CALLAN T., ESTIVILL J., HAUSMAN P., JEANDIDIER B., MUFFELS R., YFANTOPOULOS J., ***A comparison of poverty in seven European countries and regions using subjective and relative measures***, Journal of Population economics, 1993-6, pages 235-289, 1993

Annexe 1: FAMILY BENEFITS – 1st January 1998 - MISSOC

Exception made of special cases: handicapped children, orphans and retired parents

<table>
<tr><th></th><th>BELGIUM</th><th>FRANCE</th><th>LUXEMBOURG</th><th>NETHERLANDS</th></tr>
<tr><td>FAMILY
ALLOWANCES
First child giving entitlement
Age limit (normal, if training, or infirmity)
Monthly amounts

Variation with income
Supplements which vary with age</td><td>
Yes
18, 25, 21
first child: 66 ECU
2nd: 123 ECU
3rd and sub: 183 ECU

No
Age 6 or more: 12 ECU
Age 12 or more: 18 ECU
Age 18 or more: 19 ECU</td><td>
First and second
19, 20, 20
1st child: see "APJE"
2 children: 103 ECU
3 children: 235 ECU
4 children: 368 ECU
5 children: 500 ECU
6 children: 632 ECU
Each sub.: 132 ECU

No
Age 10 or more: 29 ECU
Age 15 or more: 52 ECU
(except 1st child in fam <3 child.)</td><td>
First
18, 27, no limits
1st child: 107 ECU
2 children: 272 ECU
3 children 526 ECU
Each sub.: 254 ECU

No
Age 6 or more: 13 ECU
Age 12 or more: 40 ECU</td><td>
First
17, 24, 17
Child born after 01.01.1995:
≥ 5 years old: 47 ECU
6-11 years old: 57 ECU
12-17 years old: 67 ECU
Child born before: By child nb and age(6-11)<table><tr><td>nb</td><td>1</td><td>2</td></tr><tr><td>ECU</td><td>67</td><td>77</td></tr></table>up to 5 years old: 70 %
btw 12 and 17: 130%
No
See above</td></tr>
<tr><td>OTHER BENEFITS
Birth grants

Allowance for single parent

Accommodation allow. & removal grants
Other allowances</td><td>
For 1st birth: 899 ECU
2nd and sub.: 677 ECU
None

None
None</td><td>
APJE: 4 month. of preg. to 3 years old: 148 ECU/month
The difference btw beneficiairies income by month and 484 ECU +161 ECU / child
Yes under circumstances
1.school year: 64 ECU (6-18)
2.parental educ: a parent no working or part-time and 2child and at least 1 under 3: 460, 304 or 230 ECU
3. at least 3 child over 3 years, means test: 134 ECU
4. Empl. aids: AGED & AFEAMA</td><td>
By birth: 1449 ECU

None

None
1. school allow. from age 6:<table><tr><td>nb child.</td><td>6-11</td><td>12 ≤</td></tr><tr><td>1</td><td>94 ECU</td><td>135 ECU</td></tr><tr><td>2</td><td>162</td><td>202</td></tr><tr><td>3 & more</td><td>229</td><td>269</td></tr></table>2.Education allowance when parent stay home instead of working under conditions of household income: 404 ECU</td><td>
None

None

None
None</td></tr>
<tr><td>SPECIAL CASES
Unemployed persons</td><td>
When unemp. benefit main income in household, from 7th month of unemp family allow.(+ suppl. by age):
1st child: 100 ECU
2nd child: 144</td><td>
Normal family benefits</td><td>
Normal family benefits</td><td>
Normal family benefits</td></tr>
</table>

	ECU 3rd and sub.: 187 ECU			
TAXATION Taxation of cash benefits Limit of income for tax relief or tax reduc.	 No No	 No No	 No No	 No No?