

9th Annual ESPANet Conference
**Sustainability and transformation
in European Social Policy**

Valencia, 8-10 September 2011

**Stream 20: Effects of the economic crisis on inequality
and poverty**

Stream convenors: Manos Matsaganis (Athens University of Economics and
Business)

Social policies and European young adults: poverty avoidance and the role of the welfare state¹

Session 20: Effects of the economic crisis on inequality and poverty

Espanet Conference – Valencia 2011

Ana M. Guillén – University of Oviedo (Spain) (aguillen@uniovi.es) and Emmanuele Pavolini - University of Macerata (Italy) (e.pavolini@unimc.it)

Abstract:

The societal inclusion of young people through the incorporation into the labour market and family formation is becoming an increasing difficult task in the last years, given the rising level of occupational flexibility. There are many hints (e.g. the level of young adults unemployment rate rising more than the average in many EU countries) suggesting that young adults are in the forefront of the social groups hit by the recession, and this despite family support. The aim of the paper is to evaluate the impact of social policy instruments (i.e. minimum income schemes, unemployment benefits, etc.) in helping European young people avoid or limit poverty situations and to initiate and sustain their family projects. The research question to be answered is whether there is evidence of positive/negative adjustment of social policy instruments to the increasing reality of flexible job forms among young adults in Europe, as well as the consequences for their transition into adulthood. In particular, the paper reconstructs the level of coverage of different policy instruments, the intensity of this coverage and the capacity of these instruments to avoid poverty. This Welfare State capacity is also analyzed considering different types of household (people living on their own, couples, single parents, couples with children, etc.).

The European context is characterized by the existence of very different approaches to the role the Welfare State should have in terms of poverty avoidance. Using information on specific measures as well as analyzing EU-Silk databases, the paper shows the impact of the different regulatory contexts, focusing on eight European countries, belonging to partially different welfare regimes, and including 'old' members (the Netherlands, Germany, United Kingdom, France and Spain) and 'new' countries from Central and Eastern Europe (Hungary, Poland and Slovenia).

¹ This paper has been developed within the research activities of the FP6 Network of Excellence of the European Commission entitled RECOWE (Reconciling Work and Welfare in Europe, 2006-2011), in particular in Task T02.43, directed by Prof. Trudie Knijn (Utrecht University, The Netherlands). The paper will become a book chapter of: Knijn, T. (ed.) (forthcoming 2012) *Social policies in Europe in times of fluid family-lives and flexible labour markets*. London: Palgrave Macmillan.

1. Introduction

Young adults entering the labour market, finishing education, and starting families face many different challenges (and threats). Among them the risk of becoming poor is one of the most relevant. Interestingly, the specific role played by the welfare state in sustaining the transition to adulthood and preventing poverty is not much analyzed in the literature. Recently, an increasing number of studies have focused on young adults and poverty (Mendola, Busetta and Aassve, 2009), but usually this literature contains only a basic discussion of the role of the welfare state. When adopting quantitative analysis, the studies tend to reduce and synthesize the role of the welfare state to single-country models (the Spanish, the German, etc.) or regime-type dummy variables (the Mediterranean, the Continental, etc.), and use them in regression analysis as proxies for the different functioning of national welfare states (Iacovou et al., 2007). Such studies are more interested in the forms poverty takes than in any deep analysis of the role of social policies. At the same time the more qualitative studies of social policy focus on specific issues (active labour policies, education, etc.) (Walther and Pohl, 2005). Relevant institutional publications show an increasing interest in young adults' poverty issues, but they deal in only a limited way with the role of social policies in reducing exclusion and social risks (Eurostat, 2009; Atkinson and Marlier, 2010).

In this paper our aim is precisely to analyze the interplay among welfare state institutional settings, young adults' characteristics (socio-economic and demographic aspects as well as household structures) and the exposure to poverty, focusing on specific aspects of social policies and, in particular, social transfers. The methodology of the paper is based both on an analysis of the regulatory system for the main forms of social transfers and on quantitative analysis that uses the EU-Silc database.

The paper is structured in two main parts. A first part illustrates the characteristics of the regulation of the tools the welfare state uses in tackling poverty. The following one illustrates the interplay between household and individual characteristics of young adults, welfare state coverage and exposure to poverty.

2. The policy framework: policies promoting income maintenance and job stability for young adults

The regulation directly or indirectly affecting income maintenance for young adults focuses on different types of social policy intervention: social assistance; unemployment benefits; family allowances; housing allowances; education-related allowances and benefits; and the regulation of atypical contracts, since such contracts (part-time, fixed-term, etc.) often affected young adults disproportionately. In this section we deal with only the first two and the last of these types of social intervention.

Table 1 synthesizes information and classifies countries in relation to the first two types of intervention. It evaluates social assistance and unemployment benefit programmes in terms of accessibility to young adults and relative generosity. The issue of accessibility is related mainly to the possible presence of an age

threshold or other specific requirements that limit the availability of social transfers to young adults or certain subgroups among them (e.g. based on age). Table 1 distinguishes fundamentally three groups of countries in relation to accessibility of social assistance programmes. The UK, Slovenia, Poland and, partially, Germany appear to have developed a system that gives all young adults (starting usually with people 15–16 years of age) a more direct right to social assistance. In France and the Netherlands, social assistance frameworks differentiate among young adults in terms of access on the base of age, especially in France, where the welfare system tends generally to apply only to those older than 25 years, whereas in the Netherlands the threshold age is 21 years. Hungary and Spain offer the weakest protection, at least at the national level, since they have no general and homogeneous social assistance model but delegate to individual local authorities (in Spain the Regional *Comunitates*) regulation of and (different degrees of) access to social assistance.

Young adults' access to unemployment benefits seems more homogeneous in the eight countries than their access to social assistance, at least in terms of regulation. In general either no minimum age threshold exists for becoming eligible or the minimum age is 16, but access to benefits is conditional of the completion of previous periods of employment¹. Therefore, as a comparative indicator of difficulty of access, it is better to use other information such as, for instance, the number of beneficiaries per 100 persons wanting to work. Table 1 shows the difficulty of accessing these programmes is high to medium-high in the UK, Slovenia, Poland, Hungary and Spain; and medium-low to low in Germany, France and the Netherlands.

As for generosity, social assistance and unemployment benefits programmes in each country tend to partially match their difficulty of access: Germany, France and the Netherlands offer generous programmes; Spain, in contrast, is high in terms of generosity of unemployment benefits but low on social assistance allowances; the UK presents an opposite framework to Spain, with low generosity in unemployment benefits and high generosity in social assistance; the three central and eastern European (CEE) countries are characterized by a medium to low level of generosity, with a somewhat better situation in Slovenia.

Unlike with social assistance and passive labour market policies, the regulation of different types of contract as such seems quite similar among different countries (Table 2). Equal treatment of part-time and full-time work is enshrined in legislation everywhere, whereas similar protection for permanent and temporary contracts is typical in many countries, with the partial exceptions of the UK and Poland, and mainly Spain, where temporary jobs are less protected in terms of severance payment. In five countries temporary and permanent jobs carry the same right to a minimum wage, whereas in France, Germany and the Netherlands the rules are more restrictive: in France young 'apprentices', disabled wage earners and young wage earners in vocational training are not automatically entitled to the national minimum wage; in Germany a national minimum wage has been introduced only recently and in a limited number of economic sectors; whereas in the Netherlands no minimum wage applies to all employees younger than 23 years.

Table 1 The policy framework of social assistance allowances and unemployment benefits (mid-2000)

	Social assistance allowance		Unemployment benefits	
	Access difficulty	Generosity	Access difficulty	Generosity
Germany	Med.-Low (16)* ²	High (1.126)**	Med.-Low (64,2)***	High (64)****
Spain	High (25)* ³	Low (389)**	Med.-High (34,0)***	High (69)****
France	Med.-High (25)* ⁴	Very High (1.782)**	Low (79,5)***	High (67)****
Hungary	High* ⁵	Low (299)**	High (20,1)***	Medium (48)****
Netherlands	Medium (21)* ⁶	High (2.762)**	Low (80,7)***	High (71)****
Poland	Medium (18)*	Very Low (124)**	High (18,5)***	Medium (42)****
Slovenia	Med.-Low (15)* ⁷	Medium (711)**	High (10,1)***	Medium (44)****
UK	Low (16)*	Very High (1.853)**	High (24,8)***	Low (28)****

* Age at which young adults have a right to welfare/social assistance (source: Recwowe experts, 2010; Busilacchi, 2008).

** Average per-capita housing and social exclusion benefits for population at risk (euros PPS) (source: own estimation from Eurostat, 2010).

*** Passive labour market policy participants per 100 persons wanting to work (source: Eurostat, 2010).

**** Net replacement ratio in the first year of unemployment (source: OECD, 2007).

Tab.2 The policy framework: regulation of different types of contract (recent years)

	Are the regulations of temporary and permanent jobs the same concerning a right to a minimum wage?	Is there similar work protection for permanent and temporary contracts?
UK	Yes	Yes with limited exceptions ⁸
France	Yes with some exceptions ⁹	Yes
Poland	Minimum wage of part-timers calculated as a proportion of that of full-timers	Yes but shorter notice period in case of fixed-term contracts ¹⁰
Slovenia	Yes	Yes
Spain	Yes	No ¹¹
Germany	No min. wage with few exception ¹²	Yes
The Netherlands	No. Minimum wage applies to all employees of < 23 years	Yes

	of age. Separate minimum wage rates for specific groups ¹³ .	
Hungary	Yes	Yes

Source: Recwowe experts (2010)

To summarize, how can the overall regulatory structure of social policies related to income maintenance for young adults be framed? If we concentrate on social assistance and unemployment benefits, the following different types emerge. *Germany, France* and the *Netherlands* have a relative generous system of social transfers, especially the Netherlands, with a relatively medium level of access difficulty to their social assistance programmes. *Hungary* and *Spain* present the worst mix in terms of accessibility and generosity among the eight countries studied (both countries are among the few without national social assistance or minimum income programmes). *Poland* and *Slovenia* are similar to the previous group but, at least, provide easier access to social assistance allowances. The *UK* appears as a country with relatively easy access to social assistance, but then a relatively constrained generosity of both this type of allowance and unemployment benefits.

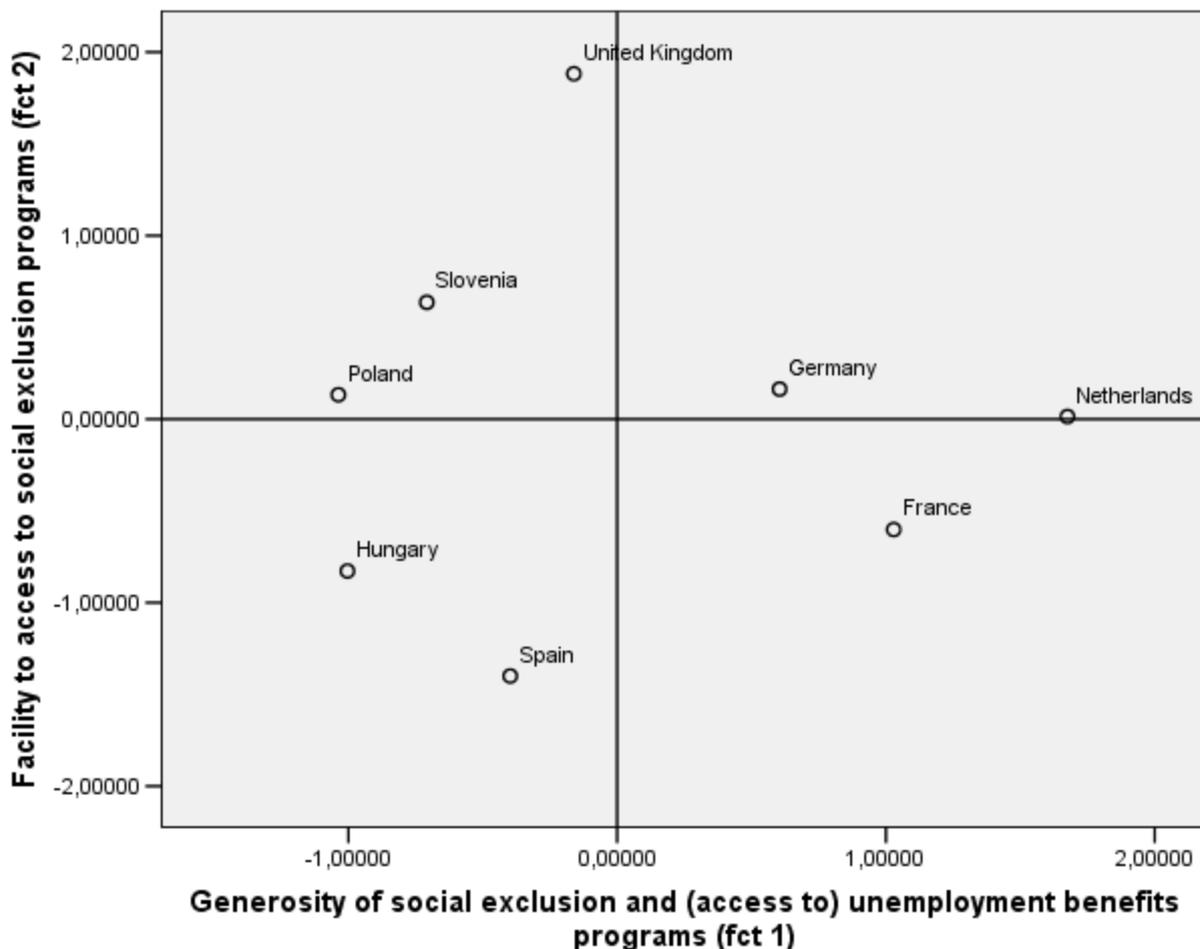


Figure 1 Social assistance and unemployment benefits programmes: a classification

The information presented so far illustrates how regulation functions. But in order to understand how the welfare state coverage of young adults at risk of poverty works in reality, we need to examine the interaction between household structures, the labour market and social policy regulation. Section 3 is dedicated to this issue, and uses one of the main data sets available in the EU for studying income and social protection: the Eurostat EU-Silc.

3. Young adults, household structures, social policies and income maintenance: an analysis with the EU-Silc data set

3.1 Distribution of young adults among different household types

In order to consider and analyze the role of public welfare policies in relation to income and relative poverty, the first element to introduce is a typology of households that young adults can belong to (see Table 3). As is well documented, the transition to adulthood in terms of family formation follows different paths in Europe (Micheli and Rosina, 2010; Berthoud and Iacovou, 2004). Following previous research (Pavolini and Ranci, 2010), the typology is sixfold, each type being characterized by a distinct path of transition to adulthood:

1. young adults living with their parents and not the main family breadwinners;
2. young adults living with their parents and the main family breadwinners;
3. young adults living alone;
4. young adults living with one or more dependent children but no partner;
5. young adults living as couples without children;
6. young adults living as couples with children.

Among the eight countries studied, there are certain relevant differences in the distribution of young adults among different types of households.

Around 30 per cent of young adults live with their parents without being the main family breadwinners: in Spain, Poland and Slovenia the share is even higher and reaches 40–50 per cent, whereas in France, the Netherlands and the UK it is below the general average. Germany's share is almost equal to the mean of the eight countries.

One-person households are most common in the Netherlands, followed by France and the UK, whereas there are quite uncommon in Spain and in the three CEE countries. Germany falls between these groups.

Single parents count for around 5–6 per cent of young adult households in Germany and the UK, whereas they are scarcely present in Spain, Slovenia, Poland and the Netherlands. France and Hungary find themselves in the middle of this distribution.

Young adult couples without children are particularly present in the UK, France and the Netherlands (ranging from around 20 per cent to 23 per cent), whereas they are scarce in Poland and Slovenia (less than 9 per cent). Germany, Spain and Hungary find themselves in between these two extremes.

Young adult couples with children are quite widespread in all countries, but they are less common in Spain (22.7 per cent) and more common in Poland, France and Hungary (at least 34 per cent). Germany, the Netherlands, Slovenia and the UK have shares ranging between 26 per cent and 31 per cent.

Table 3 Relative distribution of young adults (18–34 years old) by household type (percentages in selected countries, 2005)

	Young adult living with parent(s) (YA not main income)	Young adult living with parent(s) (YA main income)	One-person HH	Single-parent HH	Young adult living in a couple, no children	Young adult living in a couple, with children	Total
Germany	30.0	12.8	8.5	5.6	12.2	30.9	100.0
Spain	45.3	10.6	3.9	0.7	16.8	22.7	100.0
France	19.9	8.3	12.7	3.9	19.8	35.4	100.0
Hungary	30.3	12.9	6.0	3.2	13.3	34.3	100.0
Netherlands	19.8	7.6	18.4	1.9	23.0	29.2	100.0
Poland	41.5	5.7	4.7	1.3	8.9	37.9	100.0
Slovenia	51.8	10.2	2.5	1.5	6.0	27.9	100.0
UK	26.4	7.6	10.6	6.0	23.1	26.4	100.0

Source: EU-Silc (2005).

3.2 Young adults, relative poverty and the role of the welfare state: a descriptive analysis

Relative poverty affects young adults in different ways and degrees in the various countries. The incidence of poverty is relatively high in Poland (21.9 per cent) and the UK (17.6 per cent), whereas in the other countries it is around 11–14 per cent, with the exception of Slovenia, which has the lowest level (8.8 per cent). As is well known, welfare states, through social transfers, tend to reduce levels of poverty among the population (Atkinson and Marlier, 2010). The EU-Silc data allowed us to calculate what share of the (young adult) population would be relatively poor in the absence of social transfers. Table 3 shows the incidence of poverty among young adults before and after social transfers¹⁴. On average 17 per cent of the total young adult population in the countries considered escape poverty as a result of the social transfers.

In Spain, social transfers are relatively ineffective in protecting young adults from poverty. Poland seems the most similar case to Spain, although it presents a higher level of coverage. The countries with the highest capacity to protect beneficiaries from the risk of poverty through social transfers are Slovenia, Hungary, Germany and France.

Table 4 Young adults below the poverty line before and after social transfers (percentages in selected countries, 2004)

	Poor after all social transfers (a)	Poor only before all social transfers (b)	(b) minus (a)
Germany	11.3	30.8	19.5
Spain	14.2	23.1	8.9
France	13.6	32.1	18.5
Hungary	13.2	35.1	22.0
Netherlands	12.4	26.0	13.5
Poland	21.9	40.0	18.0
Slovenia	8.8	31.2	22.4
UK	17.6	30.8	13.2

Source: EU-Silc (2005)

Usually, young adults are as exposed to poverty as the total population more than 16 years old), The exceptions are, on one hand, Spain and Slovenia (where the level of poverty is lower among young adults) and, on the other, the Netherlands and Poland (where the level of poverty is higher among young adults) (Table 5).

Table 5 The diffusion of poverty among young adults compared with the overall population (percentages in selected countries, 2004)

	Only young adults		Total population > 16 years old		Differences in % poverty	
	Poor (a)	Poor before ST (b)	Poor (c)	Poor before ST (d)	(a) minus (c)	(b) minus (d)
Germany	11.3	30.8	10.9	46.5	0.4	- 15.7
Spain	14.2	23.1	19.0	38.8	- 4.8	- 15.7
France	13.6	32.1	12.7	47.8	0.9	- 15.7

Hungary	13.2	35.1	12.1	51.0	1.1	- 15.9
Netherlands	12.4	26.0	9.5	41.4	2.9	- 15.4
Poland	21.9	40.0	18.8	51.9	3.1	- 11.9
Slovenia	8.8	31.2	12.2	46.0	- 3.4	- 14.8
UK	17.6	30.8	18.2	43.6	- 0.6	- 12.8

Source: EU-Silc (2005)

In all eight countries poverty has a different impact on the various household profiles. The last column of Table 6, reporting the coefficients of variation, shows that this differentiation is somewhat greater in Spain (1,19) and Slovenia (1,39), and relatively smaller in France (0,49). Poland (0,60). the Netherlands (0,67). Hungary (0,68) and the UK (0,69).

Table 6 Young adults (18–34 years old) below the poverty line by household type (percentages in selected countries, 2004)

	One person HH	Single parent HH	Young adult living in a couple no children	Young adult living with parent(s) (YA main Y)	Young adult living in a couple with children	Young Adult living with parent(s) (YA not main income)	Average young adults' poverty rate	Coefficient of variation
Germany	30.3	28.0	8.2	7.0	10.4	6.8	11.3	0.97
Spain	16.8	53.2	4.2	13.9	17.4	15.4	14.2	1.19
France	22.1	25.3	7.8	12.5	12.2	14.7	13.6	0.49
Hungary	16.9	30.1	2.9	11.7	17.7	10.6	13.2	0.69
Netherlands	26.2	23.6	6.1	13.1	11.3	7.6	12.4	0.67
Poland	23.0	49.2	10.0	18.1	22.6	23.5	21.9	0.60
Slovenia	35.0	25.3	6.4	6.8	9.1	7.2	8.8	1.39
UK	21.9	41.9	4.5	20.9	19.3	17.8	17.6	0.68

Source: EU-Silc (2005)

The coefficient of variation seems strongly influenced by the different capacity in each country to protect from poverty the two household forms that are usually more vulnerable: single parents and single households. If single parents are, as is generally claimed in the literature (Newman and Aptekar, 2007), potentially one of the weakest social groups in all countries, some international differences are still visible:

Spain, and to a lesser extent Poland and the UK, seem strongly to 'punish' single parent households (in Spain there is a difference of 39 per cent between the average young adult poverty rate and the specific poverty rate of single parents; in Poland the equivalent figure is 27.3 per cent and in the UK 24.3 per cent). In contrast, in countries like France and the Netherlands this difference is much less pronounced (around + 11–12 per cent).

As for poverty among singles, Slovenia (+ 26.2 per cent), Germany (+ 19 per cent), and to a lesser extent the Netherlands (+ 13.8 per cent) and France (+ 8.5 per cent) show the difficulty in avoiding a relative larger diffusion of poverty among this household profile.

The other types of household usually display a level of poverty similar to or (in the case of childless couples) lower than the general average. The only main exception seems to be young adult couples with children in Spain and Hungary, where the level of poverty diffusion is significantly higher than the general average (respectively + 3.2 per cent and + 4.5 per cent).

A relevant question is how much the level of homogeneity is influenced by welfare policies. Table 6 presents the share of young adults avoiding poverty thanks to social transfers, in comparison with the potential social demand for public intervention (the sum of the percentages of poor young adults before or after social transfers). To better understand Table 7, it is useful to read it by column.

Single-person households are helped out of poverty most in the Netherlands, France and, to a lesser extent, in Germany and the UK, whereas they are hardly helped at all in the three CEE countries and Spain.

Single-parent households are helped out of poverty most in the same four countries as single-person households, plus Hungary and Slovenia, whereas Poland and (especially) Spain are not able to tackle this issue in a substantive way.

Young childless couples, even if they are usually the least problematic type of households, are helped in a relevant way by social transfers in Hungary, Slovenia, France, Poland and Germany.

Young adults living with their parents are among the main (often indirect) beneficiaries of the welfare state, especially in Slovenia, Germany, Hungary, the Netherlands and France, whereas they are less protected in Poland, Spain and the UK. The Spanish case is interesting because it shows clearly that even a welfare state more that is focused on present and previous *insiders* in the labour market (male adults with stable job positions and pensioners) cannot cope as well as other welfare states with those young adults who remain living with their parents in order to mitigate the risk of poverty.

Young couples with children are relatively protected by policies in Hungary, Germany, Slovenia, France, and to a lesser extent in the UK and the Netherlands. This protection is even lower in Poland and almost absent in Spain.

Overall three country profiles can be distinguished in relation to the capacity to protect young adults from the risk of poverty. Slovenia, followed by Germany, Hungary and France, are the welfare states where a relevant part of the young adult population avoids poverty thanks to social transfers (at least 60 per cent of individuals in potential need). Poland (45 per cent) and the UK (43 per cent) are less able to prevent poverty among their young adult generations, and Spain presents the lowest capacity of public action (39 per cent of potential beneficiaries are helped out of poverty by social transfers). The Netherlands (52 per cent) lies between the two other groups, and somewhat closer to the latter.

Table 7 Young adults (18–34 years old.) avoiding poverty thanks to social transfers as a percentage of all young adults poor after or before social transfers, by household type and by country (percentages, 2004)

	One person HH	Single parent HH	Young adult living in a couple. no children	Young adult living with parent(s) (YA main income)	Young adult living in a couple with children	Young adult living with parent(s) (YA not main income)	<i>Overall of young adults poor only before social transfers</i>
Germany	25.2	57.1	48.8	74.2	66.8	76.4	63.3
Spain	14.7	12.1	31.1	51.2	15.9	46.9	38.5
France	43.8	57.8	55.4	65.8	61.6	58.1	57.6
Hungary	6.1	48.8	72.1	64.5	62.1	69.5	62.4
Netherlands	41.9	69.9	41.3	54.2	49.3	70.7	52.3
Poland	13.9	20.4	47.1	54.2	39.4	50.8	45.3
Slovenia	0.0	52.0	62.1	83.3	69.3	76.6	71.8
UK	24.2	50.9	34.8	43.7	47.1	42.4	42.9

Note: The figures in the table have been calculated in the following way: percentage of young not poor thanks to social transfers divided by the sum of percentage of young adults not poor thanks to social transfers and percentage of poor young adults.

Source: EU-Silc (2005)

A joint analysis of the relative diffusion of poverty among young adults and the role played by social transfers in reducing poverty paints the picture that is portrayed in Figure 2.

It is interesting to observe that there is no direct correlation between, on the one hand, the generosity of social assistance and unemployment benefits and the accessibility of unemployment benefits and, on the other, the percentage of the potentially poor that is helped out of poverty through social transfers:

- The Netherlands, France and Germany perform relatively well with relatively high levels of intervention through social assistance and unemployment benefits.
- Slovenia and Hungary performing even better given that they reduce poverty but with less investment in social assistance and unemployment benefits.
- Spain, the UK and Poland lag behind also because they tend to invest relatively few resources in social assistance and unemployment benefits.

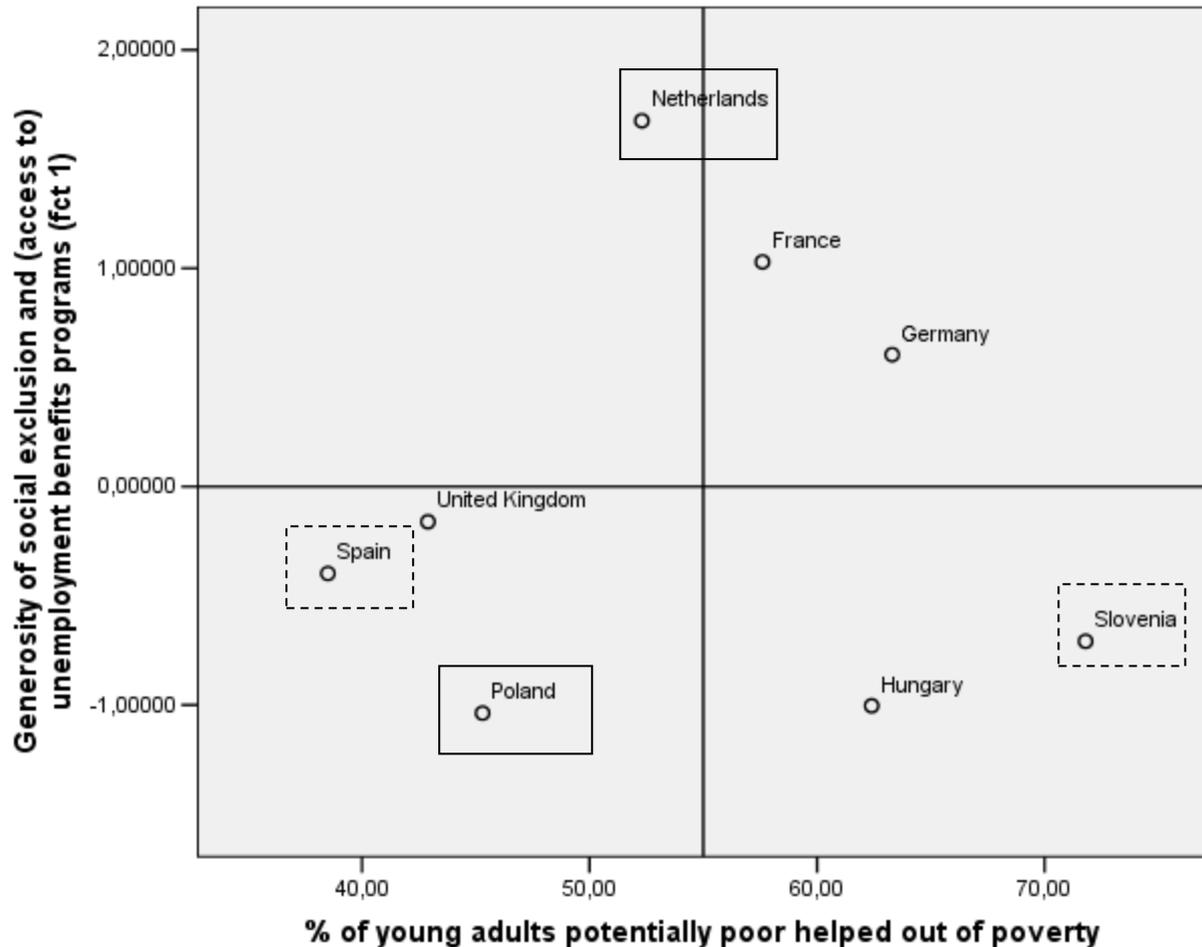


Figure 2 Young adults, relative poverty diffusion and the role of social transfers (2004)

Notes: Countries framed inside the rectangle with continuous line have a young adult poverty rate higher than that of the overall (16+) population.

Countries framed inside the rectangle with dotted line have a young adult poverty rate lower than that of the overall (16+) population.

How can this rather surprising result be explained? Part of the answer is given in Table 8 and Table 9, where the total amount of social transfers is disaggregated by source: Table 8 reports the results for the overall young adult population, whereas Table 9 refer to young adults not living in their parents' households.

The social transfers have been divided into three types:

- direct transfers to the single young adult (mainly unemployment benefits and education-related benefits);
- transfers to the household as a whole;
- transfers to other members of the household (here called 'indirect benefits').

Even if there are relevant differences among countries, social exclusion allowances and unemployment benefits are not the main forms of social transfer. Of course, they become more relevant when we consider only young adults who are not living with their parents.

The main individual benefits generally play a limited role, with the exception of the Netherlands and, to some extent, France and Germany. Again, this picture changes partially if we focus only on young adults who are not living with their parents.

Family-related benefits play quite different roles in different countries. In Spain (4 per cent) and Poland (13 per cent) these types of transfers are scarcely relevant, whereas in the UK (63 per cent) and the Netherlands (50 per cent) they are the main source of public welfare. For young adults not living in their parents' household, this type of transfer is even more important and usually central.

'Indirect benefits' are relevant, and mostly in Spain, where it accounts for around 88 per cent of total support, followed by Poland (83 per cent), Slovenia (67 per cent), Germany (53 per cent) and Hungary (51 per cent). At the opposite situation we find the Netherlands (21 per cent) and the UK (28 per cent). It is worth noting that old age benefits play a relevant role in Spain, Slovenia and Poland, even when only young adults who have left their parents' home are considered¹⁵.

Table 8 Relative distribution of the main sources of social transfers to young adults poor before or after social transfers (percentages, 2004)

	Individual benefits			Family-related allowances			'Indirect' benefits		Tot .
	Unempl. benefits indiv.*	Educatio n-rel. benefits indiv.*	Disabilit y and sickness b. indiv.*	Family allowance s	Housing allowances	Social excl. allowances	Survivor and old age	Other* *	
Germany	8.1	4.1	1.3	24.8	3.8	4.5	29.8	23.6	10 0
Spain	4.1	1.2	2.3	1.0	2.6	0.4	64.4	24.0	10 0
France	9.4	1.1	2.9	21.8	15.6	5.9	23.9	19.3	10 0
Hungary	3.0	0.4	2.8	38.0	0.6	4.3	23.4	27.5	10 0
Netherland s	7.7	13.3	7.8	8.7	6.0	35.2	14.4	7.0	10 0
Poland	1.2	0.5	3.0	10.4	1.3	1.2	53.4	29.1	10 0
Slovenia	0.5	3.2	1.6	16.1	0.1	11.2	40.5	26.8	10 0

UK	2.2	2.4	4.2	25.8	15.8	21.7	15.0	12.9	10 0
----	-----	-----	-----	------	------	------	------	------	---------

* Benefit related to the single young adult and not her household

** Individual benefits of other household members (unemployment, education-related, etc.).

Source: EU-Silc (2005)

Table 9 Relative distribution of the main sources of social transfers to young adults only before or after social transfers, not living in their parents' households (percentages, 2004)

	Individual benefits			Family-related allowances			'Indirect' benefits		Tot.
	Unemployment benefits indiv.*	Educational-rel. benefits indiv.*	Disability and sickness b. indiv.*	Family allowances	Housing allowances	Social excl. allowances	Survivor and old age	Other**	
Germany	14.5	4.4	1.9	39.3	7.1	8.0	5.7	19.2	100
Spain	16.6	0.4	5.5	4.8	19.0	1.8	25.0	26.9	100
France	15.2	1.0	4.0	28.6	22.9	7.1	5.1	16.1	100
Hungary	4.1	0.3	2.5	60.0	0.5	3.8	14.1	11.5	100
Netherlands	11.9	17.3	3.5	10.3	7.5	29.8	2.9	3.5	100
Poland	2.2	0.6	3.7	18.4	3.3	2.8	31.2	37.8	100
Slovenia	1.1	0.9	3.6	35.1	0.1	14.0	29.8	15.6	100
UK	2.4	2.3	5.5	35.8	20.4	26.0	2.0	5.6	100

* Benefit related to the single young adult and not her household

** Individual benefits of other members of the household (unemployment, education related, etc.).

Source: EU-Silc (2005)

Table 10 summarizes the different mixes and models of social transfers emerging from the analysis, only in relation to young adults not living in their parents' households.

The UK focuses mainly on family-related allowances. The three CEE countries mix family allowances with indirect benefits. Germany, France and Spain tend to mix all the different types of tools; Germany and France prioritize family allowances, Spain prioritizes indirect benefits. The Netherlands' model is mainly based on individual and family allowances and transfers.

Table 10 Social transfer models among young adults not living with their parents (2004)

	Individual Social transfers	Family-related Allowances	Indirect benefits
Germany	++	+++	++
Spain	++	++	+++
France	++	+++	+

Hungary		+++	++
Netherlands	+++	+++	+
Poland		++	+++
Slovenia		+++	+++
UK	+	++++	+

Source: EU-Silc (2005)

3.3 Young adults, relative poverty and the role of social transfers: a multivariate analysis

Following our descriptive analysis, we attempt here a multivariate analysis of the role of social transfers in alleviating or affecting poverty among young adults. A dependent variable has been created and used which distinguishes three categories of young adult: (a) those living in households that are never poor; (b) those living in households that would have been poor without social transfers; and (c) those living in households that are poor regardless of whether the young adults are (direct or indirect) beneficiaries of social transfers. Using multinomial logit regression (with the ‘no poverty’ situation as the reference category), we conducted two different sets of analysis: first, general regression with all the eight countries together in order to detect which variables are more significantly connected to different exposures to poverty among young adults; and second, a set of country-based regressions in order to understand specificities at the national level.

The following independent variables were used in the regression:

- *socio-demographic variables* (gender, age, class and country of birth);
- *position in relation to the labour market* in terms of both social class¹⁶ and economic status;
- *two national context variables*: country of residence as a proxy of the operative welfare state, and the general socio-economic situation¹⁷ as a tool to control the first national context variable in order to catch any possible social policy effect independently of the country’s economic situation.

It is possible to show whether there are (significant) differences between a certain category of a variable and the other categories, but it is not possible to evaluate whether there are also (significant) differences among these other categories. A solution adopted here is to show in the main regression table only the coefficients and the significance for a given reference category, in order to provide a first idea of what happens (Tables 11 and 12). Then Tables 13 and 14 synthesize the information if there are differences also among the other categories.

As shown in Table 11:

1. Among the socio-demographic variables, *gender seems not to play a role*, whereas *welfare policies appear less able to protect those between 18 and 24 years old from the risk of poverty than older people*; 18–24-year-olds are those who are more at risk of finding themselves in poverty and are less covered by welfare programmes than older young adults (25–34-year-olds). Indeed, the

multinomial logit regression, if those aged 25–29 years are used as a reference category, shows that there are no significant differences between this group and those aged 30–34 years (Table 12). *In terms of nationality the big divide is not between young adults born in the country of residence and foreigners, but between individuals born in the EU and immigrants from outside this area, even if social transfers seem able, at least, to help in a more diffuse way young adults born outside the EU to avoid poverty.*

2. *The position in relation to the labour market plays a relevant role in terms of both social class and economic status; being a skilled (non-manual) worker (or, for non-workers, working, living in a household where the main income-earner is a skilled worker) on the one hand reduces access to social transfers (probably because such access is less necessary), but on the other makes one less likely to be poor; as shown in Table 11, the divide is not only between skilled workers and others; exposure to poverty increases significantly as one shifts from (upper) social classes to lower ones.*
3. *The same is true for working full-time in comparison with every other possible economic status. It is interesting to note that there is no significant difference in the role played by social transfers in protecting from poverty young adults with part-time jobs and those with temporary occupations, whereas the latter are less exposed to poverty than the former (Table 12); the worst-off group is represented by the unemployed.*
4. *The single country context plays a role; as expected, the general level of the socio-economic situation does not influence access to social transfers (the way welfare states function is partially determined by the simple level of economic development and structure), but it reduces the likelihood of a young adult being poor; if Germany is used as the reference category, young adults tend to be poorer in Spain, France, Hungary, the UK and Poland, whereas they tend to be more or similarly protected (thanks to social transfers) in France, Hungary, Poland and Slovenia, and less so in Spain, the Netherlands and UK.*

Table 11 Multinomial logit regression related to poverty among the youth (ref. cat.: no poverty situation) (RRR ratio coefficient reported) (2004)

	Poor only before social transfers	Poor anyway
Female	1.02	0,97
Age (ref. 18–24 y.o.)		
- 25–29 y.o.	1.31*	0,86***
- 30–34 y.o.	1.35***	0,81***
Country of birth (ref. local hosting country)		
- EU country	0.96	1,05
- Other country	1.19***	2,04***
Social class (ref. skilled, non-manual):		
- Non-manual unskilled	2.33***	2,29***

- Manual skilled	3.01***	4,35***
- Manual unskilled	3.90***	5,42***
Self-defined economic status (ref. working full-time in a permanent job):		
- Working part-time in a permanent job	1.43***	2,02***
- Working in a temporary job	1.53***	1,66***
- Unemployed	2.76***	5,67***
- Student	1.63***	2,38***
- Domestic tasks	2.53***	4,10***
- Other inactive state	3.29***	4,37***
Country general socio-economic situation:	0.96	0,62***
Country (ref. Germany):		
- Spain	0.44***	1,56**
- France	1.06	1,50***
- Hungary	1.39***	1,34***
- Netherlands	0.55***	1,10
- Poland	1.10	2,87***
- Slovenia	0.98	0,57**
- UK	0.76***	1,75***
Pseudo R2	0.130	
Prob > chi2	0.000	
N° obs.	4263	

*sig. <0,05 ; ** sig. <0,01; *** sig. <0,001

Source: EU-Silc (2005)

To gain a clearer picture of the situation in the eight countries as compared with the general EU situation, it is useful to look at Figure 3, where 24 EU Member States are ranked in relation to the percentage of poor young adults:

1. The worst-off country is Poland (22.1 per cent), where at least the presence of social transfers significantly reduces the potential number in poverty (18.1 per cent);

2. The UK is in a similar position to Poland's, but it displays a still very high but relatively lower level of poverty diffusion (17.7 per cent) and a better capacity of the welfare state to intervene to lower poverty diffusion.
3. France, Spain and Hungary show a medium level of poverty (around 13–14 per cent); what distinguishes these countries is the role played by the welfare state. On the one hand, in France and Hungary social transfers effectively reduce potential poverty (the percentage of young adults who avoid poverty thanks to social transfers is higher than the percentage of those in poverty); on the other, Spain offers a lower level of social protection (in this case, as shown above, poverty seems to be alleviated less through the state and more through the family, given the high percentage of young adults co-resident with their parents).
4. The Netherlands and, to a greater extent, Germany show lower levels of poverty diffusion (around 11–12 per cent), also thanks, especially in the German case, to the welfare state's strong capacity to intervene.
5. Slovenia (8.9 per cent) seems the best-off country not just among the eight states studied in this paper but also among all 24 EU Member States, mainly thanks to a welfare state that very effectively protects through social transfers young adults at risk of poverty (22.7 per cent).

Table 12 Significant differences among different variables' categories in exposure to poverty (2004)

	Poor only before social transfers	Poor anyway
<i>Age group:</i>		
- 18–24 y.o.	2	1
- 25–29 y.o.	1	2
- 30–34 y.o.		
<i>Social class:</i>		
- Skilled non- manual	4	4
- Non-manual unskilled	3	3
- Manual skilled	2	2
- Manual unskilled	1	1
<i>Economic status:</i>		
- Working full-time in a permanent job	7	7
- Working part-time in a permanent job	5	6
- Working in a temporary job		5
- Unemployed	1	1
- Student	4	4
- Domestic tasks	2	2
- Other inactive state		

Note: the numbering follows a criterion of relevance of each category: for instance, 1 and 2 respectively for the age groups 18–24 y.o. and 25–29 + 30–34 y.o. in the column related to poor young adults means that the group most exposed to poverty is those aged 18–24 followed by the others and, from this point of view, between the 25–29-year-olds and the 30–34-year-olds there are no significant differences in exposure to poverty.

Source: EU-Silc (2005)

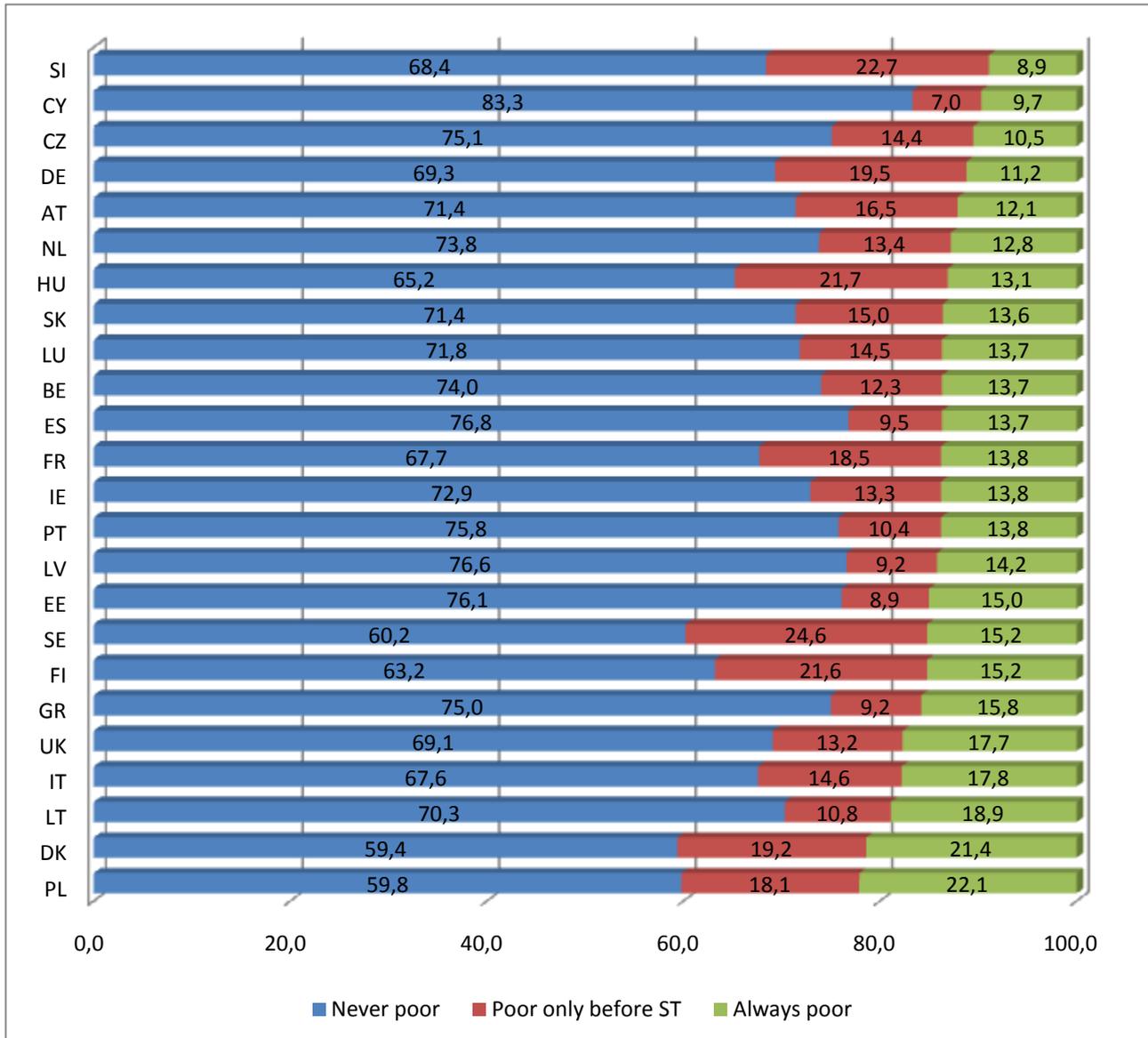


Figure 3 Young adults' distribution facing relative poverty (2004)

If we now shift to the situation in individual countries and the variables affecting exposure to poverty, apart from the general context (economic and institutional) variables, we can trace some similarities but also some differences. In order not to repeat the description given in Tables 8 and 9 for the eight countries,

we just focus on individual countries' differences emerging from the analysis presented in Tables 13 and 14.

Gender. Only in UK, France and Poland does young adults' exposure to poverty significantly differ by gender, although this happens in different ways. Only in Poland do women seem more exposed to poverty than men, whereas in the UK the opposite is the case. Again, in the UK and France women tend less often to be in a situation of avoiding poverty thanks to social transfers.

Age. If in general the main divide is between those aged 18–24 and those aged 25–34, with the younger group more often in dire straits, this situation holds true for Germany and Hungary, partially for France and the Netherlands (where the groups do not differ in terms of access to social benefits but the younger group is the more exposed to poverty) and partially for Poland (where we find the opposite situation to that in France and the Netherlands: the groups do not differ in terms of exposure to poverty but the younger group has less access to social benefits). Spain, Slovenia and the UK represent three different dynamics: in Spain the 24-year-old threshold works as in the general situation only in terms of access to social transfers, whereas there are no age differences in terms of exposure to poverty; in Slovenia age seems not to be a relevant variable except in the case of access to social transfers on the part of those over 29 years of age; in the UK the threshold is significant in a peculiar way, given that older young adults tend to be less poor but also less able to access social transfers.

Country of birth. This variable works for almost every country the same way as in the general analysis. The only exceptions are Hungary and Poland, where in any case phenomenon of immigration is rather less pronounced than in western Europe.

Social class. Social class counts everywhere but, in contrast to the general result of the regression for all the eight countries (each of the four social classes presents a significantly different level of exposure to poverty and to social transfers), the analysis at the level of individual national cases shows that only the three CEE countries and, in part, Spain follow the general findings, whereas in Germany and France there are two rather than three lines of division in exposure to poverty (skilled non-manual; unskilled non-manual; all manual together), as well as in the UK and the Netherlands (but in these last cases the three groups are: skilled non-manual; non-manual unskilled and manual skilled; manual unskilled).

Economic status. The results of the general pooled regressions hold just for half of the countries (France, Poland, Slovenia and the UK), whereas in Germany and Spain they hold true only for the group protected from poverty thanks to social transfers (in these two countries workers on fixed contracts are worse off than part-timers) and, in contrast, in Hungary the situation differs only in access to social benefits. The Netherlands is the most different case of the eight countries, given that the main line of distinction between poor and non-poor young adults coincides with the distinction between the employed and the unemployed (in general whatever the type of contract).

Table 13 Multinomial logit of poverty among youth by country (RRR ratio coefficient reported) (ref. cat.: no poverty situation) (2004)

	Germany		Spain		France		Hungary		Netherlands		Poland		Slovenia		UK	
	P B ST	A P	P B ST	A P	P B ST	A P	P B ST	A P	P B ST	A P	P B ST	A P	P B ST	A P	P B ST	A P
Female	0.92	0.85	1.16	1.04	0.78*	0.83	1.03	1.05	0.91	0.92	1.08	1.11*	1.08	0.92	0.72**	0.56** *
Age (ref. 18–24 y.o.):																
- 25–29 y.o.	1.43**	0.84*	1.61** *	0.99	0.94	0.51***	1.47**	0.57**	0.87	0.58*	1.42** *	0.94	0.93	0.73	0.80*	0.64**
- 30–35 y.o.	1.21*	0.66*	2.32** *	1.18	0.88	0.47***	1.58**	0.65*	0.85	0.49*	1.41**	0.88	1.25*	0.74	0.67*	0.43** *
Country birth (ref. local):																
- EU	- ^a	- ^a	0.94	1.08	0.89	1.00	0.87	0.54	1.61	1.88	0.90	1.00	- ^a	- ^a	0.95	0.80
- Other	1.25*	1.41*	0.50*	2.08** *	2.87** *	5.50***	0.69	0.65	1.74*	1.73*	0.20	0.66	1.33*	2.39**	1.16*	1.70**
Social class (ref. not manual skilled):																
-Non-man. unsk.	1.43** *	1.71** *	1.56** *	1.46**	2.70** *	2.21***	2.18** *	2.83***	2.05** *	1.24*	2.66** *	2.92** *	3.02** *	3.77** *	3.20***	2.87** *
-Manual skilled	1.68** *	3.45** *	1.67** *	2.18** *	3.84** *	6.25***	2.77** *	5.02***	1.84**	1.57*	3.98** *	6.93** *	4.16** *	5.75** *	2.99***	3.69** *
-Manual unsk.	2.29** *	3.37** *	2.36** *	2.64** *	4.39** *	5.07***	5.94** *	8.79***	2.77** *	2.89** *	4.91** *	8.76** *	5.82** *	8.25** *	4.68***	4.24** *
Economic status (ref. working FT permanent):																

- Working PT	1.43*	3.62** *	1.58** *	1.52** *	2.06** *	2.61***	0.86	2.59***	0.92	0.94	2.10** *	2.52** *	2.13** *	3.02** *	1.97***	2.97** *
- Working tem	1.53*	5.41** *	1.66** *	1.89** *	2.07** *	2.49***	1.21	2.43***	1.72** *	1.12	1.50** *	2.10** *	1.63** *	1.97** *	1.63***	2.03**
- Unemploye d	3.00** *	6.87** *	2.74** *	4.07** *	3.98** *	7.59***	2.40** *	6.45***	4.58** *	6.78** *	2.08** *	3.81** *	3.33** *	9.96** *	5.96***	4.54** *
- Student	1.86** *	4.41** *	1.86** *	2.26** *	1.51** *	3.41***	1.58**	1.53*	2.45** *	2.52** *	1.30**	1.56**	1.33**	1.48*	4.87***	4.26** *
- Domestic tas.	1.52** *	3.38** *	2.15** *	4.06** *	7.07** *	13.73** *	4.76*	17.07** *	2.90** *	3.75** *	2.35** *	2.39** *	2.88** *	8.65** *	4.61***	4.35** *
- Other state	1.28* *	8.37** *	3.19** *	4.52** *	5.97** *	10.25** *	4.41** *	6.90***	2.59**	2.58*	2.92** *	2.43** *	2.23** *	4.42**	6.96***	8.30** *
Household type (ref. couple of young adults with children):																
-One person HH	0.67* *	4.70** *	1.32*	1.37*	1.16** *	2.28***	0.02** *	0.82	1.24	1.85**	0.28** *	1.16	0.00** *	6.27** *	0.38***	1.02
-Single parent	4.18** *	8.68** *	3.50*	6.71** *	4.75** *	4.51***	1.38	3.57***	8.32** *	4.14**	1.47	3.49** *	0.82	8.42** *	10.68** *	9.77** *
-YA couple no ch.	0.33** *	0.95	0.56*	0.33** *	0.43** *	0.58*	0.18** *	0.09***	0.31** *	0.34**	0.69*	0.38** *	0.51**	0.75	0.11***	0.18** *
-YA with parent (YA main Y)	1.02	0.46*	6.18** *	1.52*	1.17	0.68	0.62**	0.32***	1.52*	0.59	2.12** *	0.88	2.25** *	1.62*	1.24	1.32
-YA with parent (YA not main Y)	1.05	0.41*	4.95** *	0.81	0.96	0.50**	0.69** *	0.64***	1.03	0.27** *	2.30** *	0.98	0.83	0.53**	0.31***	0.20** *

Pseudo R2	.113	.091	.154	.145	.090	.106	.106	.270
Prob > chi2	.000	.000	.000	.000	.000	.000	.000	.000
N° obs.	4.455	8.602	4.701	3.803	4.000	11.438	7.032	4.232

^a Country where there the data have been collected without differentiation between EU and other countries.

PBST: poor only before social transfers; AP: always poor.

*sig. <0,05 ; ** sig. <0,01; *** sig. <0,001

Source: EU-Silc (2005)

Table 14 Significant differences among different variables' categories in the exposure to poverty and the social class of belonging by country (2004)

	Germany		Spain		France		Hungary		Netherlands		Poland		Slovenia		UK	
	PBST	A P	PBST	A P	PBST	A P	PBST	A P	PBST	A P	PBST	A P	PBST	A P	PBST	A P
<i>Age group:</i>																
- 18–24 y.o.													2			
- 25–29 y.o.	ERGR	ERGR	ERGR	1	1	ERGR	ERGR	ERGR	1	ERGR	ERGR	1	1	1	ERGR	ERGR
- 30–34 y.o.													1			
<i>Social class:</i>																
- Skilled non-manual	4	4	4		4	4			4	4					4	4
- Non-manual unskilled	3	3	3	ERGR	3	3	ERGR	ERGR	3	3	ERGR	ERGR	ERGR	ERGR	3	3
- Manual skilled		1			1	1										
- Manual unskilled	1	1	1						1	1					1	1
<i>Economic status:</i>																
- Working FT with perm. Job		7		7				6	6	6						
- Working PT with perm. Job		6		6						6						
- Working with a temp.job	ERGR	4	ERGR	4	ERGR	ERGR	ERGR	4	4		ERGR	ERGR	ERGR	ERGR	ERGR	ERGR
- Unemployed		1		1				1	1	1						
- Student		4		4				3	3	3						
- Domestic tasks		2		2				2	2	2						
- Other inactive state																
<i>Household typology:</i>																

- One-person HH	5	2	4	2	2		6	2	2		6	3	3		4	
- Single-parent HH	1	1	3	1	1		1	1	1		1	1	1		1	
- YA in a couple no children	6	6	6	6	6	ERGR	5	6	6	ERGR	5	6	6	ERGR	6	ERGR
- YA with parent (YA main Y)	2	5	1	2	2		3	5	2		1	1	1		3	
- YA in a couple with children	2	3	5	5	2		1	2	4		4	3	3		1	
- YA with parent(s) (YA not)	2	4	2	4	2		3	4	4		1	3	5		4	

ERGR: equal results as in general pooled regression

PBST: poor only before social transfers; AP: always poor.

Source: EU-Silc (2005)

4. Conclusions

The results of the paper show us that there are relevant differences in the diffusion of relative poverty among young adults in the eight countries, especially when the types of households are also taken into consideration. In general the level of relative poverty among young adults is not very different from that among the overall population: only in Spain and Slovenia it is lower, whereas in the Netherlands and Poland it is higher.

Facing a potentially broad social demand, welfare states have differed in their ability to reduce the size of the population at risk of poverty, and they have also done this using different models. Slovenia, followed by Germany, Hungary and France, are the countries where a relevant part of the young adult population avoids poverty thanks to social transfers (at least around 60 per cent of individuals in potential need). Poland (45 per cent) and the UK (43 per cent) are less able to protect their young adult generations from poverty, and Spain presents the lowest capacity of public action (39 per cent of potential beneficiaries are helped out of poverty by social transfers). The Netherlands (52 per cent) lies between the two other groups, and somewhat closer to Spain.

This situation is the result of different types of intervention choices. Germany, France and in a good part the UK and Hungary share a common approach based mainly on family-related allowances, supplemented with indirect benefits and (only in the first two countries) with individual benefits. Spain and, to a lesser extent, Poland and Slovenia use mainly indirect transfers and some family-related allowances. The Netherlands presents a peculiar mix based equally on individual and family transfers, with indirect benefits playing a bigger role only for young adults not living in their parents' household.

This result shows us that, in studies of poverty-related issues, it is important not to focus only on 'traditional' anti-poverty measures (e.g. social exclusion allowances) but to frame the analysis on the broader set of possible social transfers.

Another interesting finding is that central and eastern European countries cannot be framed together: their welfare state settings might share some common elements, but the interplay between young adults' characteristics, social transfers and outcomes (in terms of avoidance of poverty status) varies quite strongly.

When we shift to the individual and household variables that relate to the possibility of accessing the welfare system and escaping poverty or tend to be correlated with a poverty situation (socio-demographic variables, social class, activity status, etc.), gender seems not to play a role, whereas welfare policies are less able to protect from the risk of poverty those aged between 18 and 24 years than older people. In terms of nationality, the big divide is between individuals born in the EU and immigrants from outside this area. The position in relation to the labour market also plays a relevant role in terms of both social class and economic status. It is interesting to note that there is no significant difference in the role played by social transfers in protecting from poverty those young adults with part-time jobs

and those with temporary occupations, whereas the latter are less exposed to poverty than the former, and the worst-off group is the unemployed.

Given this general situation, there are some differences at the country level in the significance of the roles played by these variables.

Bibliography

A. Aassve, F.C. Billari, S. Mazzucco and F. Ongaro (2002) 'Leaving home: a comparative analysis of ECHP data', *Journal of European Social Policy*, 12, 259-275.

A. B. Atkinson and E. Marlier (eds.) (2010) *Income and living conditions in Europe* (Brussels: Eurostat).

R. Berthoud and M. Iacovou (2004) *Social Europe: Living Standards and Welfare States* (Cheltenham: Edward Elgar).

G. Busilacchi (2008) 'Le politiche italiane di contrasto nel contesto europeo' in Commissione di indagine sull'esclusione sociale (ed.) *Rapporto sulle politiche contro la povertà e l'esclusione sociale* (Rome: CIES), pp. 89-142.

Eurostat (2009) *Youth in Europe. A statistical portrait* (Brussels: Eurostat).

Eurostat (2010) *European Social Statistics. Social Protection Expenditure and Receipts* (Brussels: Eurostat)

D. Mendolaa, A. Busettaa and A. Aassveb (2009) 'What keeps young adults in permanent poverty? A comparative analysis using ECHP', *Social Science Research*, 38(4), 840-857.

G. Micheli and A. Rosina (2010) 'The Vulnerability of Young Adults on Leaving the Parental Home' in C. Ranci (ed.) *Social Vulnerability in Europe* (Basingstoke and New York: Palgrave Macmillan).

OECD (2007) *Oecd Employment Outlook. 2006* (Paris: OECD).

C. Ranci and E. Pavolini (2010) 'Beyond the Male Breadwinner Family Model' in C. Ranci (ed.) *Social Vulnerability in Europe* (Basingstoke and New York: Palgrave Macmillan).

A. Walther and A. Pohl (2005) *Thematic Studies on Policy Measures concerning Disadvantaged Youth. Final Report*, Institute for Regional Innovation and Social Research (IRIS) (Tübingen).

¹ Respectively: in France at least 6 months in the previous 22 months, or 12 months in the previous 20 months, or 16 months in the previous 26 months, or 27 months in the previous 36 months; in Slovenia at least 12 months during the previous 18 months; in Spain at least one year of work in the previous six years; in Germany at least 360 days in employment within the previous two years; in the Netherlands at least six months, at least five working (e.g. by resignation); in Hungary at least 365 days of social insurance coverage.

² Restrictions for recipients of social assistance under 25 years of age; if still living with their parents, they receive only 80% of social benefits).

³ No universal system of income protection at the central state level but different programmes in different regions (with different minimum age, usually around 25 years).

⁴ Minimum income (RMI RSA) if no children present is only for those aged 26 years or more; otherwise if children are present, no minimum age applies; ASS (means tested benefit paid by the state): no minimum age but five years of salaried employment during the previous 10 years is required.

⁵ No universal system of income protection at the central state level but different programmes run by different local authorities.

⁶ Young adults between 21 and 22 years receive lower benefits.

⁷ In Slovenia the minimum age is 16 years but the allowance usually has a short duration (3–6 months, up to 12 months only in special cases).

⁸ Less favourable treatment of a fixed-term employee is permitted only when the employer can prove there is a so-called ‘objective justification’ for doing so.

⁹ Those not automatically entitled to receive the national minimum wage are young apprentices (with ‘contrat d’apprentissage’), disabled wage earners, and young wage earners in vocational training.

¹⁰ It is usually two weeks, whereas in the case of permanent contracts the time may vary from two weeks to three months, strictly depending on the number of months worked in a company.

¹¹ Permanent jobs are protected by severance payments, while temporary jobs are protected by lower (if any) severance payments.

¹² Only since 2008 and in few specific branches, namely, construction, roofing, painting, and demolition/wrecking.

¹³ Young workers and disabled employees have a separate minimum wage. Part-time workers are entitled to a pro rata minimum wage. Home workers are entitled to the minimum wage rate.

¹⁴ The level of relative poverty before social transfers has been calculated by EUROSTAT, keeping the same threshold poverty line (60% of the median equivalent income after social transfers).

¹⁵ A possible explanation is related to the presence of other adults with old-age pensions in the household (for instance the partner’s parents).

¹⁶ For those not in the labour market the variable has been calculated with the position of the main income earner in the household taken into consideration.

¹⁷ The variable was created by a principal component analysis based on the general unemployment rate and GDP per capita at PPS.