

Family Type and Poverty under Different Welfare Regimes: A Comparison of Canadian Provinces and Select European Countries

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Introduction

- **Changes in Family Structure (growth of single-parent families) poses new poverty risks and thus new challenges to welfare states**
- **Traditional Welfare State equipped to ensure vertical (class) equity; new welfare state needs to ensure *horizontal* (between different family types) equity as well (Fraser 2003)**
- **Different welfare state regimes of the Esping-Andersen variety might be expected to respond differently**
- **Canada: One ('liberal') regime or several? Quebec's exceptionalism (Bernard and Saint-Arnaud 2004)**

Research Questions

- How do Canada and the four major provinces compare to European countries representing different welfare regimes in terms of the overall rates of household poverty?
- How great is the difference between single-parent and two-parent families in terms of poverty rates? Do these differences appear to reflect the different orientations of the various welfare regimes? Where do Canada and the four major provinces line up in this respect?

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Predictions

- *Liberal regimes*: Minimal child benefit and policies supporting working women. Overall poverty rates should be high compared to other countries and the gap between two-parent and single-parent families should be relatively large.

Two types of 'Conservative' regime (Leitner 2003; Misra 2005):

- *"Family Support Model"* (Germany, the Netherlands): Women encouraged to maintain care-giving role, not full-time employment. Overall poverty levels moderate but single-parent families severely disadvantaged.
- *"Optional Model"* (France, Belgium): Significant efforts made to support families with children and working mothers. Overall poverty levels moderate with only slight disadvantage for single mothers.
- *Social-democratic regimes*: strong emphasis on vertical redistribution but also on supporting working mothers. Overall poverty levels low, bi-/mono-parental poverty disparity low as well.
- Canadian provinces: Quebec's recent emphasis on combatting poverty among families with children and on supporting working mothers: from 'liberal' to 'social –democratic'?

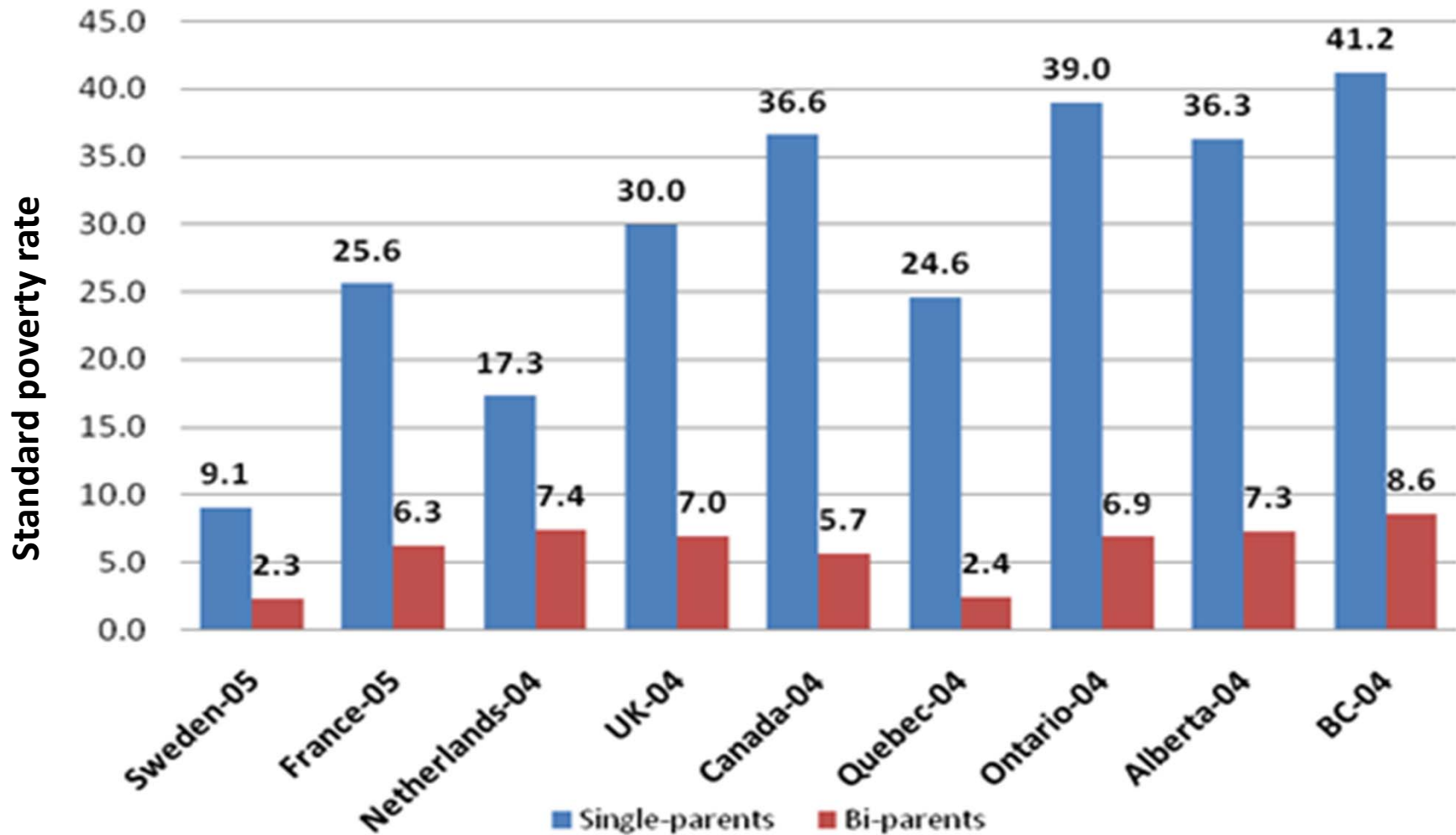
Poverty Measures

- Standard poverty: families living below 50% of the income median
- Acute poverty: families living below 30% of the income median

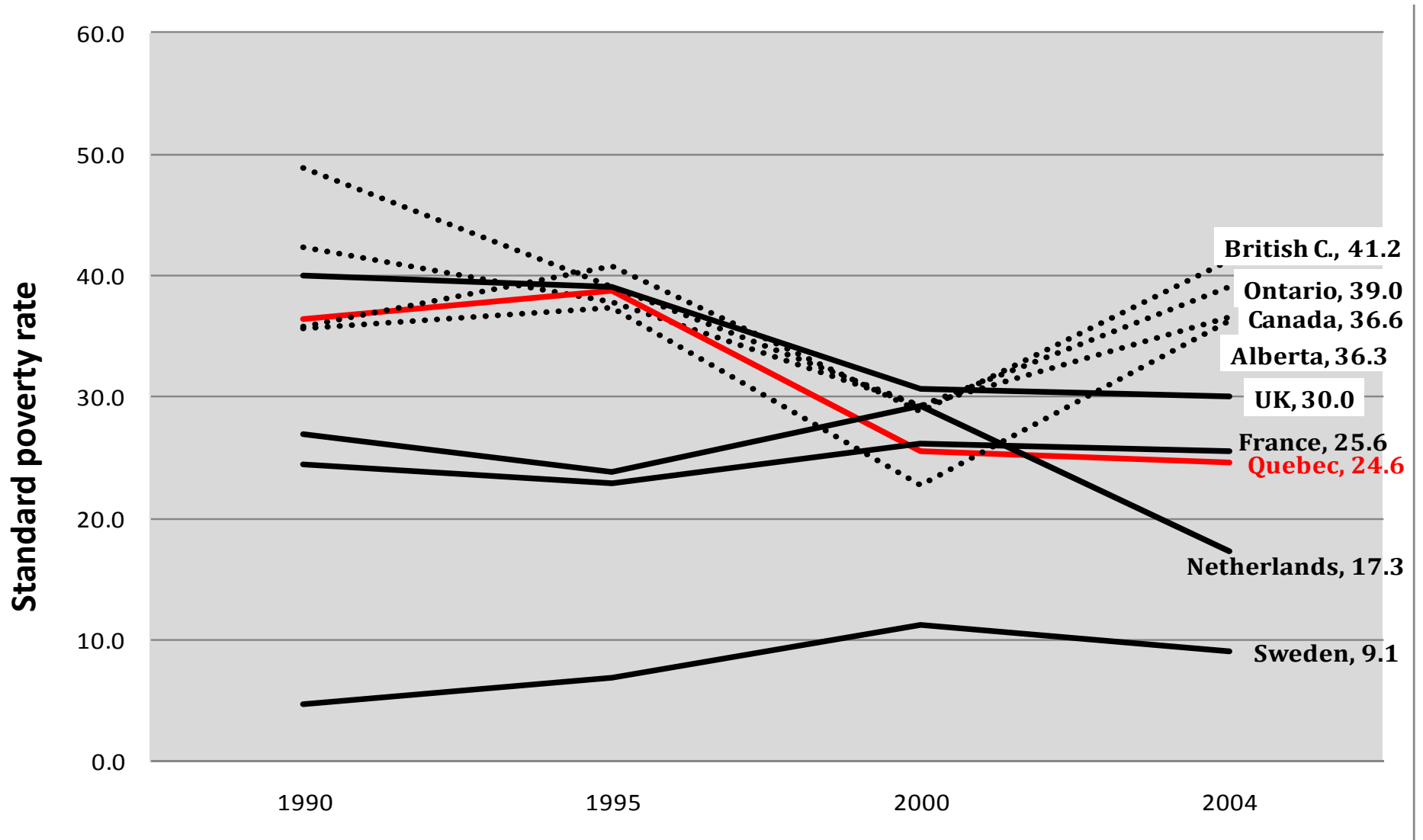
Data

- Luxembourg Income study (LIS) more than 200 demographic and income variables from over 30 countries (www.lisproject.org). Data for Canada by province.
- The national data sets are harmonized for comparative studies through 6 points in time. We used the four most recent waves : 1990, 1995, 2000 and 2004.
- Poverty rate based on monetary disposable (i.e. post-tax and post-transfer) income.
- Following the literature single-parent families consist of one adult (not living with another adult) in charge of at least one child under 18.

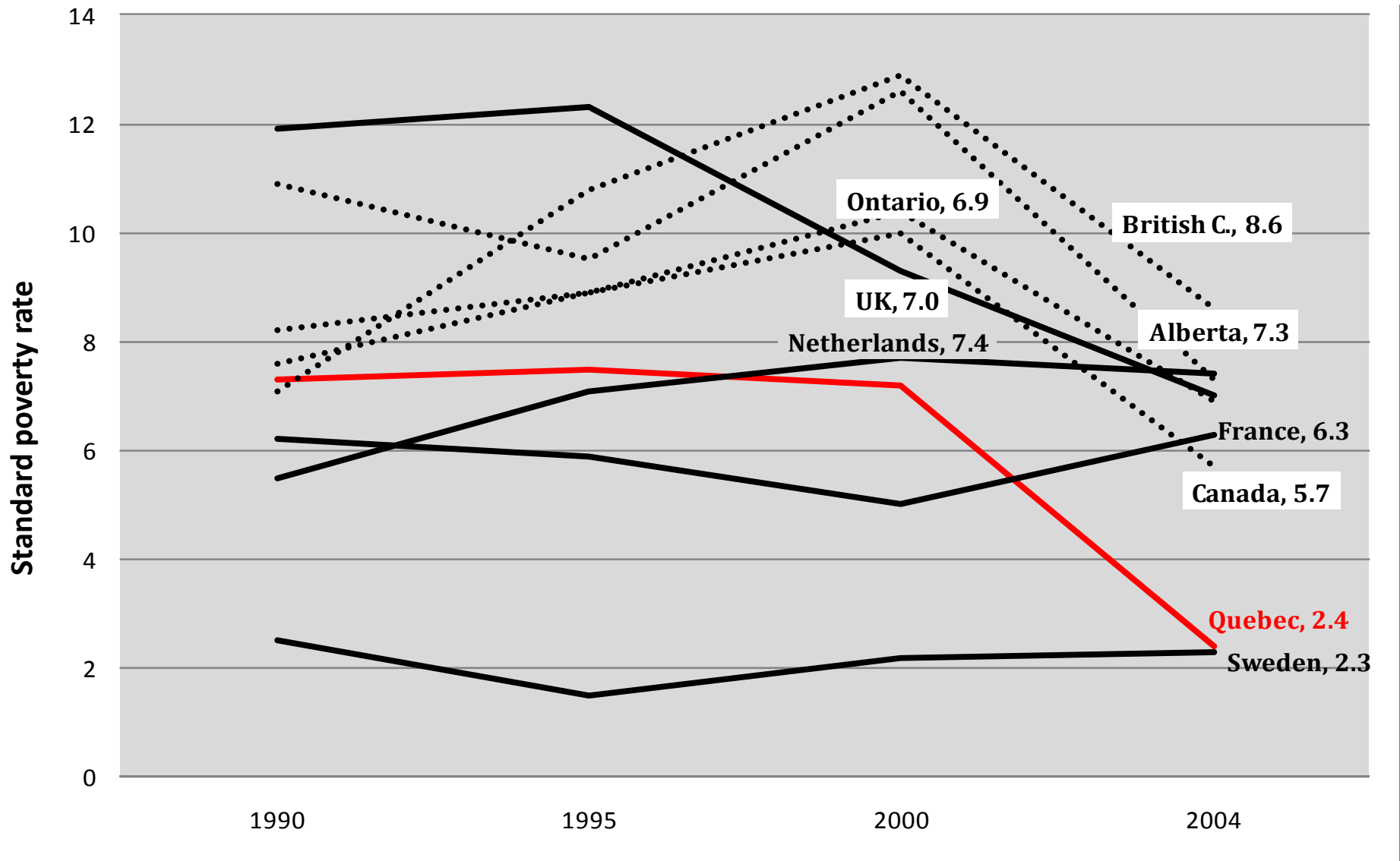
Standard Poverty Rate (percentage households below 50% of the median income) around 2004



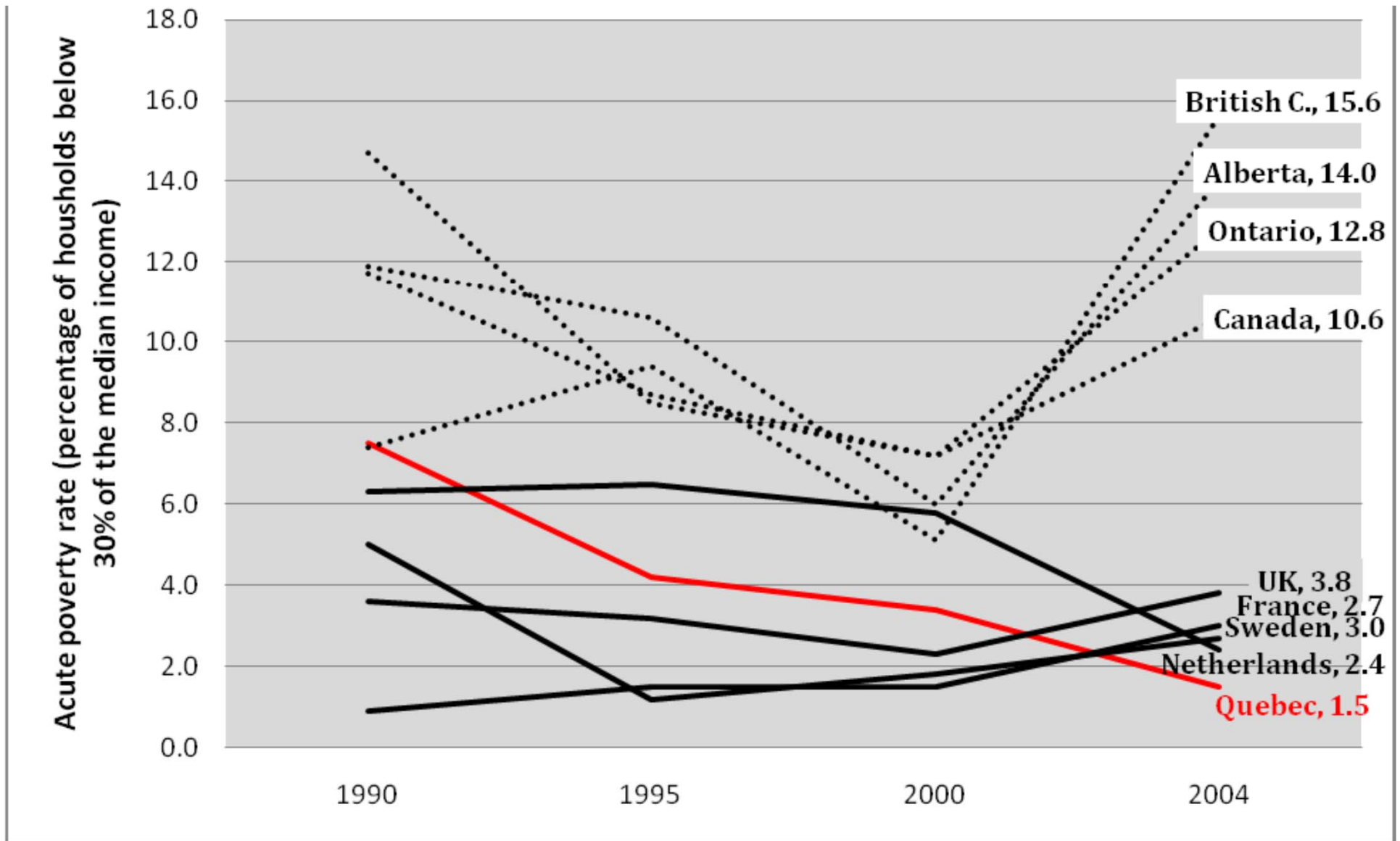
Single-Parent Household Poverty Rates, 1990-2004



Two-Parent Household Poverty Rates, 1990-2004

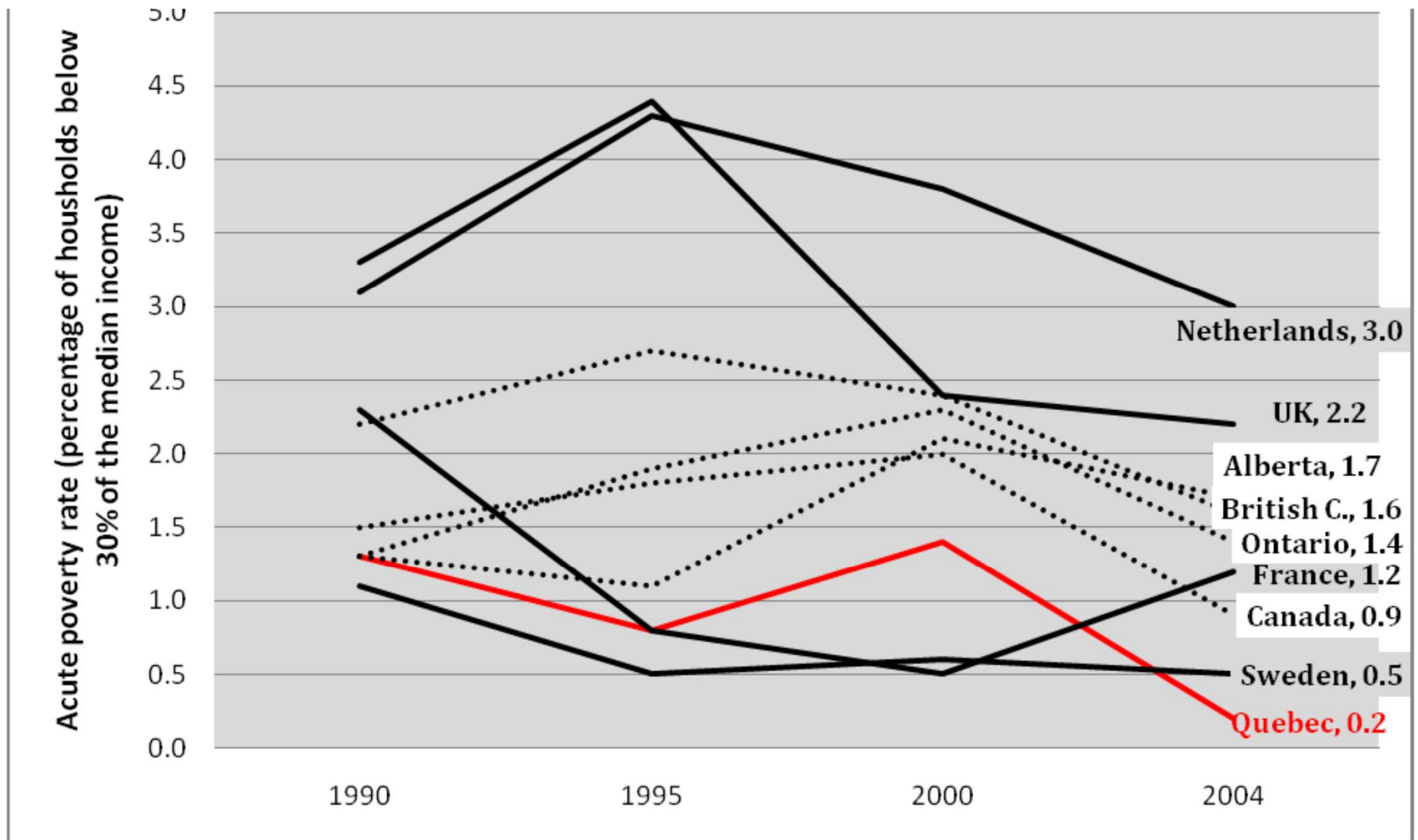


Single-Parent Household Acute Poverty Rates, 1990-2004



Luxembourg Income study.

Two-Parent Household Acute Poverty Rates, 1990-2004



Conclusions

- No jurisdiction (or regime type?) has managed to close the gap between lone-parent and two-parent families. Even in Sweden the former are 4 times more likely to be poor than the latter.
- Some support for welfare-regime theory: Sweden does best and the UK and Canada outside Quebec do worst.
- But in other respects welfare state theory is not supported. Little difference between 'liberal' and 'conservative' bi-parental poverty rates, France is closer to the UK than to Holland in single-parent family poverty, the inter-family type gap is unexpectedly low in Holland.
- Canada outside Quebec has the highest single-parent family poverty rates and the greatest gap between the family types (although in part because of surprisingly modest two-parent family rates)
- Quebec is clearly becoming a major exception to the Canadian rule, with poverty levels for both family types somewhere between 'liberal' and 'social democratic' and acute poverty almost eradicated, and 'relatively-low-income' rates comparing favourably to Sweden's