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Titel: Low-paid work and poverty in European welfare states: The role of family structure and social transfers

Abstract: There is a longstanding discussion about the relationship between low-paid work and poverty. Numerous studies have stressed the fact that the overlap between low-paid work and poverty is rather small. The main reason for this is that the large majority of low-paid workers lives in households with more than one earner. Furthermore, transfer payments may lift a household of low-paid workers over the poverty threshold. Additional earnings and transfers affect the extent to which low-paid workers depend solely on their own earnings to avoid poverty. In this paper I argue that the extent to which low-paid workers depend on their earnings differs significantly between welfare states. Labour market and family policy affect the styles of family living and the division of labour within households. Differences in social policy result in a different degree of poverty reduction via transfers. In addition to the cross-country comparison the paper asks if current changes in European welfare states may alter the relationship between low-paid work and poverty. For instance, strategies aiming at the increased labour market inclusion of women or low-skilled workers are expected to have an influence on the relationship between low wages and poverty. The empirical analyses are based on the EU Statistics on Income and Living Conditions (2004-2008, all countries). I discuss and try to take into account problems of comparability across countries and over time which have been addressed in previous studies using EU-SILC (e.g., comparability of register and survey data, differences in income measurement, issues of weighting).