

Effects of social (security) policy

- **Achieving objectives ?**

Societal objectives

Security, equality: coverage,
access/eligibility, adequacy, generosity
– reduction of inequality, poverty

- **‘Rationality’** (in any public policy, Ringen):

- Legitimacy – ethical choice (objectives, instruments), trust

- Effectiveness (goals – means, costs)

- Absence of side-effects

Consistency: ethical, redistributive, economic

Broader effects of the WS

- Learning (normative, integrative) effects: norms and values, trust, moral, attitudes, behaviour
- Political effects (policy dissatisfaction, voting and political support)
- Economic effects (+ stabilisation of economic environment, employability, labour productivity, - speedings of resources, labour costs, disincentives)

Figure 1. Satisfaction with democracy (country averages, 0–10 scale), ESS 2012

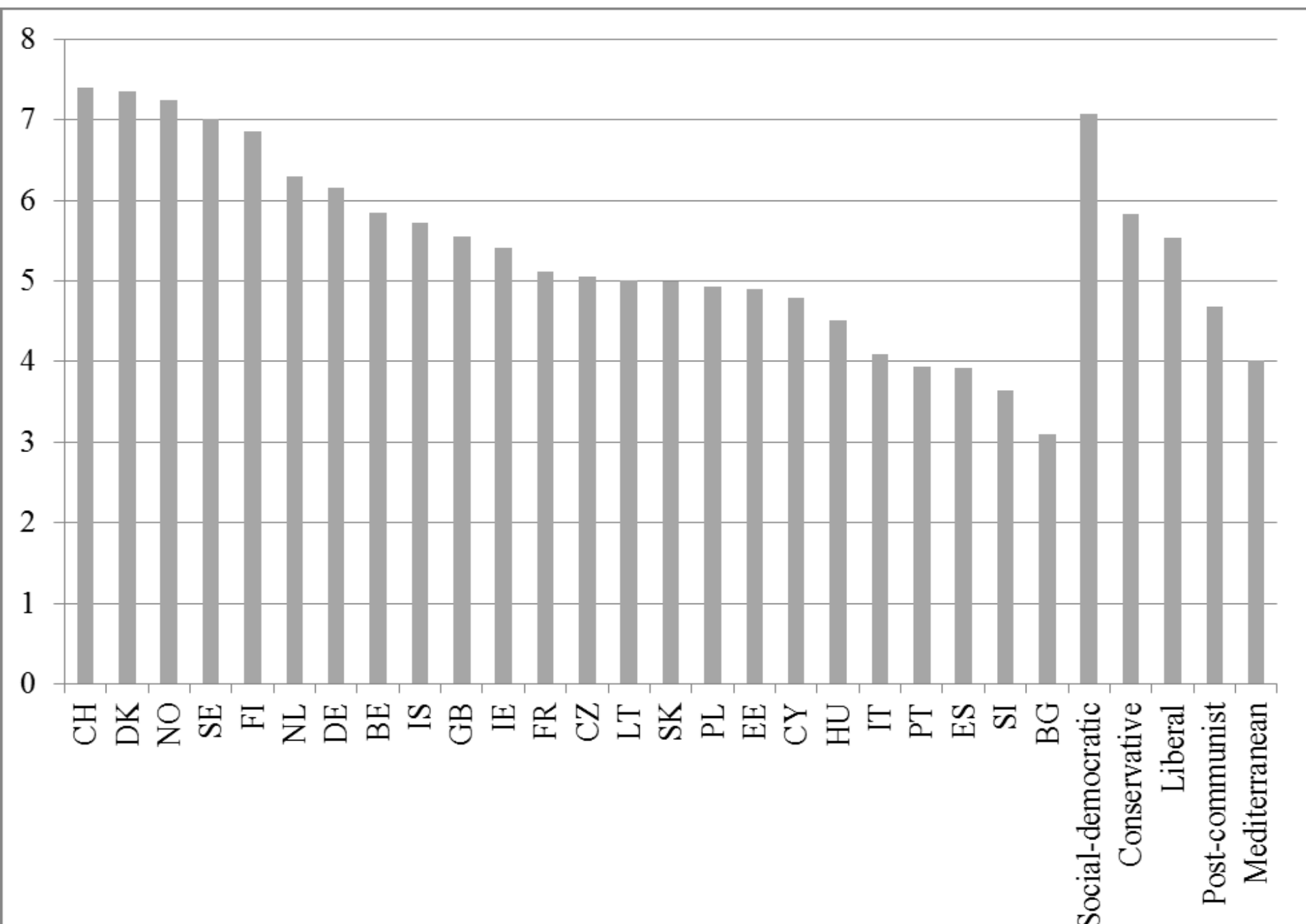
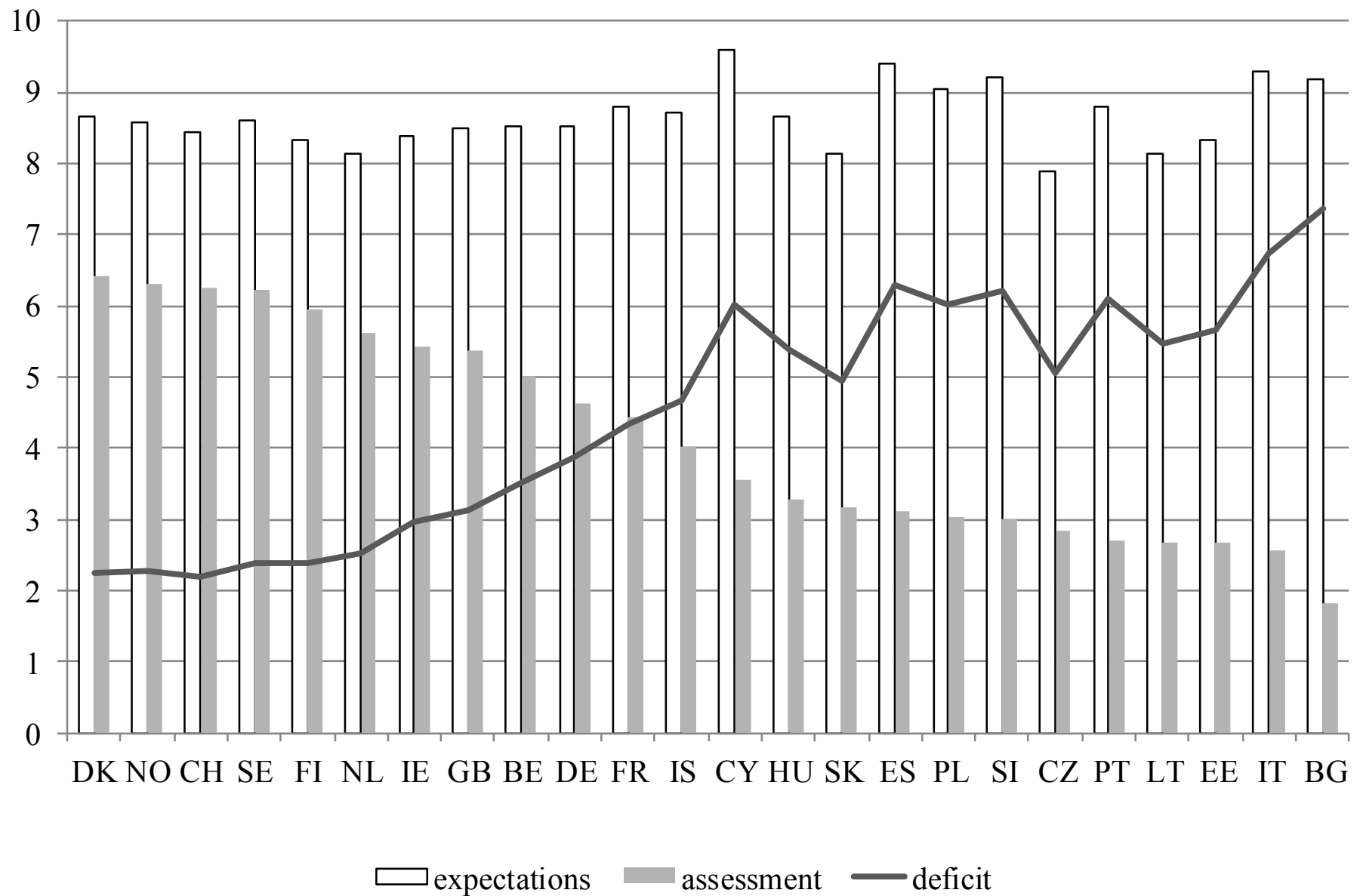
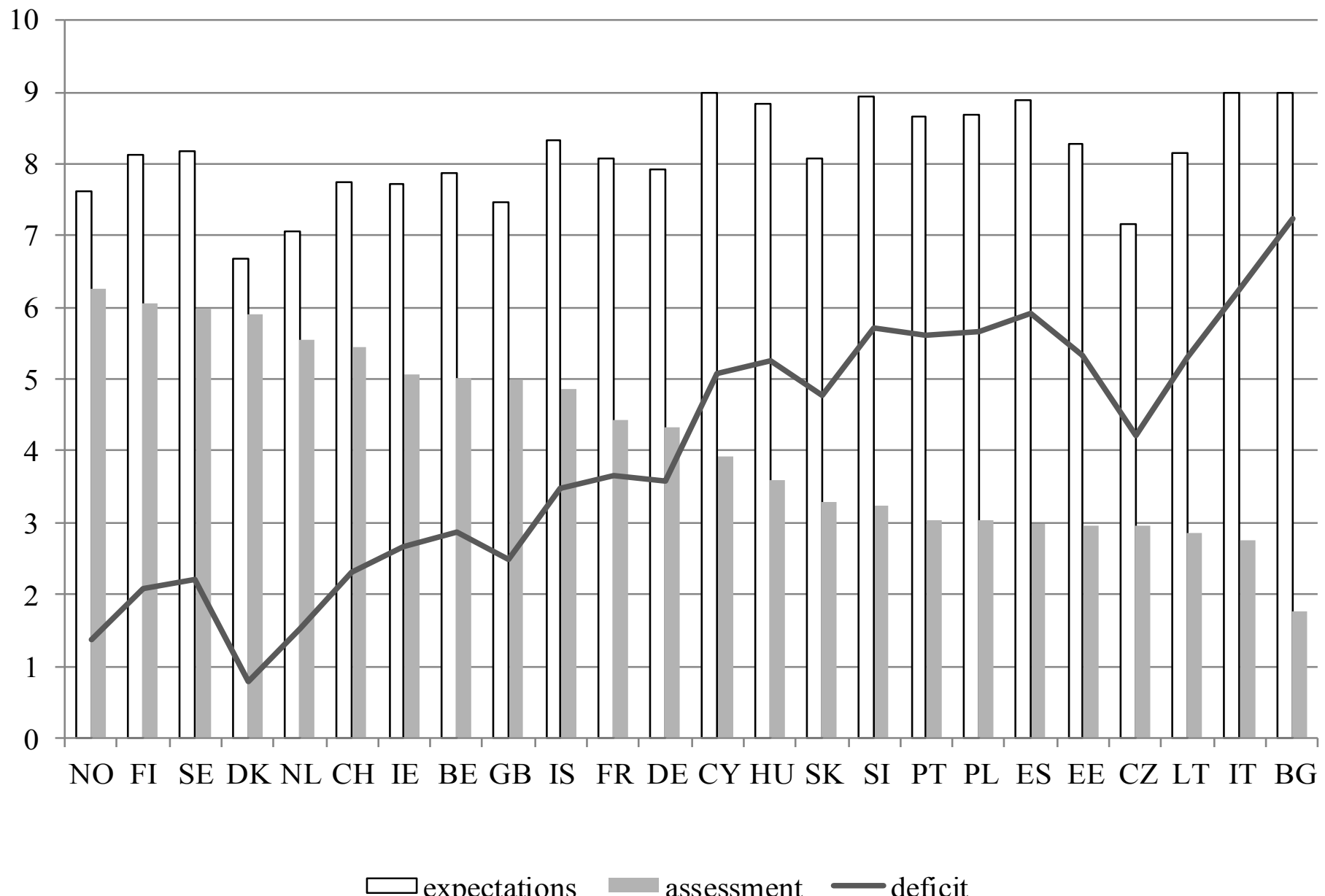


Figure 2. Policy deficit regarding the reduction of poverty: expectations for government attempts to reduce poverty, and assessments of the government's success in this area (scale of 0–10, country averages)



government attempts to reduce income inequality, and assessments of the government's success in this area (scale 0–10, country averages)



Dependent: SWD

	Model 1	Model 2	Model 3
Poverty-reduction policy deficit	-0.13***	-0.13***	-0.26***
Inequality-policy deficit	-0.09***	-0.09***	-0.13***
Log GDP pc	1.18***	2.15***	2.12***
GDP (change 2007-2011)	2.34***	0.95***	1.09***
Unempl. rate (change 2007-2011)	-0.18***	-0.12***	-0.14***
Social expend. (change 2007-2011)	1.46***	0.44**	0.94***
Conservative		ref.	ref.
Post-Communist		0.66***	0.69***
Liberal		0.20***	0.27***
Mediterranean		-0.48***	-0.25**
Social-Democratic		0.86***	1.02***
Constant	-6.99***	-15.85***	-14.99***
R-squared	0.247	0.253	0.257

Illustrating RED effects: Factors and measures of effectiveness of social transfers (D. Mitchell)

- Inputs – sources (volume of taxes, transfers)
- Production (eligibility criteria, targeting, progressivity, generosity)
- Outputs (size and incidence of transfers)
- Outcomes – effects (poverty and inequality reduction)

Factors and measures of effectiveness of social transfers (D. Mitchell)

- **Need:** pre-transfer poverty (pov headcount, pov gap)
- **Generosity:** ratio of transfers and pov gap
- **Targeting:** ratio of transfers accruing to the poor/used to reduce poverty gap
- **Effectiveness:** reduction of poverty (h, g)%
- **Outcome:** **post**-transfer poverty (pov headcount, pov gap)
- ***Need ? Sources ? Targeting ? Changes in behaviour ?***

Effectiveness of social transfers in **reducing poverty** for the entire population (2007, SILC)

Without effect of pensions	poor before transfers	poor after transfers	effectiveness in reducing poverty
Sweden	28	11	62
Denmark	27	12	57
Finland	29	13	55
Spain	24	20	17
France	26	13	50
Germany	24	15	39
UK	30	19	38
Czech Republic	20	10	50
Poland	27	17	38
Romania	32	25	22
EU 28	26	17	34

Effectiveness of social transfers in **reducing poverty** for the entire population (2012, SILC)

Without effect of pensions	poor before transfers	poor after transfers	effectiveness in reducing poverty
Sweden	27.5	15.5	44
Denmark	28	13	54
Hungary	27	14	48
Czech Republic	18	10.5	41
France	24	14.5	40
Germany	24	17	42
Austria	26	15	42
Slovakia	20	13.5	32.5
Poland	26	17	35
Portugal	25	18	28
EU 28	26	18	31

Effectiveness of social transfers in **reducing poverty** for the entire population (2018, SILC)

Without effect of pensions	poor before transfers	poor after transfers	effectiveness in reducing poverty
Sweden	29	16	43
Denmark	24	13	47
Finland	27	12	54
Spain	28	22	23
France	24	13	45
Germany	30	16	47
UK	29	17	42
Czech Republic	16	10	38
Poland	24	15	40
Romania	28	24	24
EU 28	26	17	34

Effectiveness of social transfers in **reducing poverty** for the entire population (2021, SILC)

Without effect of pensions	poor before transfers	poor after transfers	effectiveness in reducing poverty
Sweden	28	16	45
Denmark	27	12	54
Finland	26	11	54
Spain	30	22	30
France	26	14	47(20)
Germany	27	16	41
UK	-	-	-
Czech Republic	16	9	47
Poland	28	15	37(20)
Romania	28	23	18
EU 28	25	17	34 (20)

Effectiveness of social transfers in **reducing poverty** for **children** (2013, SILC)

Without effect of pensions	poor before transfers	poor after transfers	effectiveness in reducing poverty
Austria	40	19	53
Germany	30	15	52
Hungary	44	23	47
France	34	18	47
Czech Republic	22	11	50
Denmark	25	9	66
Sweden	31	15	51
Slovakia	31	20	34
Poland	30	23	22
Portugal	32	24	23
EU 28	35	20	41