102d Congress
2d Session

JOINT COMMITTEE PRINT

S. Prt. 102–88
WMCP: 102–41

UNEMPLOYMENT COMPENSATION IN THE GROUP OF SEVEN NATIONS: AN INTERNATIONAL COMPARISON

Prepared by the Congressional Research Service at the Request of the

COMMITTEE ON FINANCE
UNITED STATES SENATE
LLOYD BENTSEN, *Chairman*

AND THE

COMMITTEE ON WAYS AND MEANS
U.S. HOUSE OF REPRESENTATIVES
DAN ROSTENKOWSKI, *Chairman*

APRIL 1992

Printed for the use of the Committees on Finance, U.S. Senate, and Ways and Means, U.S. House of Representatives. This document has not been officially approved by the Committees and may not reflect the views of their Members.

U.S. GOVERNMENT PRINTING OFFICE
54-784cc WASHINGTON : 1992

For sale by the Superintendent of Documents, U.S. Government Printing Office
Washington, DC 20402

COMMITTEE ON FINANCE

LLOYD BENTSEN, Texas, *Chairman*

DANIEL PATRICK MOYNIHAN, New York
MAX BAUCUS, Montana
DAVID L. BOREN, Oklahoma
BILL BRADLEY, New Jersey
GEORGE J. MITCHELL, Maine
DAVID PRYOR, Arkansas
DONALD W. RIEGLE, Jr., Michigan
JOHN D. ROCKEFELLER IV, West Virginia
TOM DASCHLE, South Dakota
JOHN BREAUX, Louisiana
BOB PACKWOOD, Oregon
BOB DOLE, Kansas
WILLIAM V. ROTH, Jr., Delaware
JOHN C. DANFORTH, Missouri
JOHN H. CHAFEE, Rhode Island
DAVE DURENBERGER, Minnesota
STEVE SYMMS, Idaho
CHARLES E. GRASSLEY, Iowa
ORRIN G. HATCH, Utah

VANDA B. MCMURTRY, *Staff Director and Chief Counsel*
EDMUND J. MIHALSKI, *Minority Chief of Staff*

COMMITTEE ON WAYS AND MEANS

DAN ROSTENKOWSKI, Illinois, *Chairman*

SAM M. GIBBONS, Florida
J.J. PICKLE, Texas
CHARLES B. RANGEL, New York
FORTNEY PETE STARK, California
ANDY JACOBS, Jr., Indiana
HAROLD E. FORD, Tennessee
ED JENKINS, Georgia
THOMAS J. DOWNEY, New York
FRANK J. GUARINI, New Jersey
MARTY RUSSO, Illinois
DON J. PEASE, Ohio
ROBERT T. MATSUI, California
BERYL ANTHONY, Jr., Arkansas
BYRON L. DORGAN, North Dakota
BARBARA B. KENNELLY, Connecticut
BRIAN J. DONNELLY, Massachusetts
WILLIAM J. COYNE, Pennsylvania
MICHAEL A. ANDREWS, Texas
SANDER M. LEVIN, Michigan
JIM MOODY, Wisconsin
BENJAMIN L. CARDIN, Maryland
JIM McDERMOTT, Washington
BILL ARCHER, Texas
GUY VANDER JAGT, Michigan
PHILIP M. CRANE, Illinois
DICK SCHULZE, Pennsylvania
BILL GRADISON, Ohio
BILL THOMAS, California
RAYMOND J. McGRATH, New York
ROD CHANDLER, Washington
E. CLAY SHAW, Jr., Florida
DON SUNDQUIST, Tennessee
NANCY L. JOHNSON, Connecticut
JIM BUNNING, Kentucky
FRED GRANDY, Iowa

ROBERT J. LEONARD, *Chief Counsel and Staff Director*
PHILLIP D. MOSELEY, *Minority Chief of Staff*

CRS Congressional Research Service • The Library of Congress • Washington, D.C. 20540

LETTER OF SUBMITTAL

April 23, 1992

Honorable Lloyd Bentsen
Chairman
Committee on Finance
U.S. Senate
Washington, D.C. 20510

Dear Mr. Chairman:

This report constitutes the Congressional Research Service (CRS) response to your letter of January 16, 1992, in which you and Representative Rostenkowski, Chairman of the House Committee on Ways and Means, requested a study comparing the U.S. unemployment compensation program with those of other industrialized countries.

As you requested, this study encompasses the following aspects of the unemployment compensation systems analyzed: objectives, coverage, funding sources, eligibility requirements, benefit levels and durations, associated employment services, program administration, and historical development. The detailed comparison was undertaken for the Group of Seven nations: Canada, France, Germany, Italy, Japan, the United Kingdom, and the United States. In addition, summary information is provided on the types of unemployment benefits offered in other countries.

The comparison reveals that each of the systems studied is unique, and the variations in program features among these seven major industrial countries are significant. The study provides information on program design in other countries that Members may find useful as they consider further changes in the U.S. unemployment compensation system.

The study was directed by James R. Storey and written jointly by him and Jennifer Neisner, both of the Education and Public Welfare Division. Helpful comments were contributed by Vee Burke and Gene Falk, also of the Education and Public Welfare Division.

We hope that this report will be helpful to your Committee and to the Congress.

Sincerely,

Joseph E. Ross
Director

Enclosure

Congressional Research Service • The Library of Congress • Washington, D.C. 20540

LETTER OF SUBMITTAL

April 23, 1992

Honorable Dan Rostenkowski
Chairman
Committee on Ways and Means
U.S. House of Representatives
Washington, D.C. 20515

Dear Mr. Chairman:

This report constitutes the Congressional Research Service (CRS) response to your letter of January 16, 1992, in which you and Senator Bentsen, Chairman of the Senate Committee on Finance, requested a study comparing the U.S. unemployment compensation program with those of other industrialized countries.

As you requested, this study encompasses the following aspects of the unemployment compensation systems analyzed: objectives, coverage, funding sources, eligibility requirements, benefit levels and durations, associated employment services, program administration, and historical development. The detailed comparison was undertaken for the Group of Seven nations: Canada, France, Germany, Italy, Japan, the United Kingdom, and the United States. In addition, summary information is provided on the types of unemployment benefits offered in other countries.

The comparison reveals that each of the systems studied is unique, and the variations in program features among these seven major industrial countries are significant. The study provides information on program design in other countries that Members may find useful as they consider further changes in the U.S. unemployment compensation system.

The study was directed by James R. Storey and written jointly by him and Jennifer Neisner, both of the Education and Public Welfare Division. Helpful comments were contributed by Vee Burke and Gene Falk, also of the Education and Public Welfare Division.

We hope that this report will be helpful to your Committee and to the Congress.

Sincerely,

Joseph E. Ross
Director

Enclosure

CONTENTS

	Page
LETTERS OF SUBMITTAL	III, V
SUMMARY	1
INTRODUCTION	3
MAJOR EVENTS IN THE DEVELOPMENT OF UNEMPLOYMENT COMPENSATION	5
COMPARISON OF UNEMPLOYMENT COMPENSATION PROGRAMS IN THE G–7 NATIONS	7
Objectives	7
Administration	7
Financing	8
Coverage	13
Eligibility	16
Benefits	19
Employment Services	28
OTHER TYPES OF UNEMPLOYMENT COMPENSATION SYSTEMS	29
Overview	29
Voluntary Social Insurance—Sweden	30
Unemployment Assistance—Australia	31
Severance Pay—Mexico	31
APPENDIX A: PROGRAM DESCRIPTIONS FOR THE G–7 NATIONS	33
Canada	33
France	34
Germany	36
Italy	38
Japan	39
United Kingdom	41
United States	42
APPENDIX B: MAJOR EVENTS IN THE DEVELOPMENT OF UNEMPLOYMENT COMPENSATION	47
APPENDIX C: BACKUP TABLES FOR CHARTS	55
APPENDIX D: BIBLIOGRAPHY	57

LIST OF TABLES

TABLE 1. Funding Sources for UC Benefits in the G–7 Nations	10
TABLE 2. Minimum Employment Needed in Covered Job for UI Eligibility in the G–7 Nations	16
TABLE 3. Major Determinants of UI Benefit Amounts in the G–7 Nations	21
TABLE 4. Determinants of Maximum UI Benefit Durations in the G–7 Nations	24
TABLE C.1. Public Expenditures for UC Programs in the G–7 Nations, Fiscal Years Beginning in 1970–1990	55
TABLE C.2. Unemployment Rates Used To Adjust Statistics in Table C.1	56

LIST OF CHARTS

	Page
CHART 1. Shares of UI Benefits Paid by Employers, Employees, and Government	11
CHART 2A. Taxable Wage Base for UI	12
CHART 2B. Nominal UI Payroll Tax Rates	12
CHART 3. Public Expenditures for UC as a Percent of GDP	14
CHART 4. Public Expenditures for UC as a Percent of GDP per Percentage Point of Unemployment	15
CHART 5. Disqualification Periods for Voluntary Quits	18
CHART 6. UI Benefit Amounts for Three Hypothetical Cases	22
CHART 7. UI Maximum Benefit Durations for Three Hypothetical Cases	27

UNEMPLOYMENT COMPENSATION IN THE GROUP OF SEVEN NATIONS: AN INTERNATIONAL COMPARISON

SUMMARY

The recession and worker dislocations have highlighted unemployment compensation (UC) problems and prompted interest in how other nations provide UC. This report compares UC in the Group of Seven (G-7): Canada, France, Germany, Italy, Japan, the United Kingdom, and the United States.

Since the U.S. system operates largely under State rules, it varies more than those of the other six nations, but all seven rely mainly on payroll taxes to fund benefits. All the G-7 except Canada also use general government revenue for UC, but mainly to pay for means-tested unemployment *assistance* (UA) rather than for unemployment *insurance* (UI). France, Germany, and the United Kingdom offer UA. Only Japan uses general government revenue to pay part of UI benefits; the United States uses general government funds to extend UC for workers made jobless by import competition. The other six nations tax more of their wages than does the United States. The United States is the only one to relate employers' tax rates to their unemployment experience.

The work history required for UI eligibility is generally lower in the United States. The median State's earnings requirement is $1,418 in a year (42 days' work at the minimum wage), whereas Germany requires 360 days' work over 3 years and Japan 6 months' work over 12 months. Workers jobless because of voluntary quitting, misconduct, a labor dispute, refusal of suitable work, or refusal of training are disqualified by all seven nations. Most U.S. States disqualify job quitters for the whole jobless spell, but the other nations disqualify them only for a specific time.

Benefits in the United States typically are 50 percent of past wages, subject to State maximums. Benefit rates are higher in Canada, Germany, Italy, and Japan. The United Kingdom's UI benefits are based on age and family size rather than wages; their UA program provides three-fourths of their UC benefits. All the G-7 nations except Germany and Japan tax benefits as income.

Maximum benefit durations are longer for prime-age, full-year workers in Canada, France, Germany, and the United Kingdom than in the United States. Durations are longer still for older, long-term workers in France, Germany, and Japan. Canada sets durations based on how much a person worked in the past year and the regional unemployment rate. The United States triggers extended benefits based on State unemployment rates.

The largest UC programs as a share of gross domestic product (GDP) are in Canada, France, and Germany, and the smallest are in Italy and Japan. Adjusting these shares for unemployment rate, the U.S. program ranked either sixth or seventh among the G-7 during the 1970s and 1980s.

Training is integrated with UC in Canada, France, Germany, and Japan. The United States requires training for claimants receiving longer benefits because they lost their jobs to import competition. Spending for employment services relative to GDP is greatest in France, Germany, and the United Kingdom and is the lowest in the United States and Japan.

UNEMPLOYMENT COMPENSATION IN THE GROUP OF SEVEN NATIONS: AN INTERNATIONAL COMPARISON

INTRODUCTION

Several factors have focused attention on the unemployment benefits available to jobless Americans and raised the issue of whether the system should be changed. First is widespread dissatisfaction with the response of the system to extended joblessness in the 1990-1991 recession. Second is concern that a North American Free Trade Agreement among Canada, Mexico, and the United States, now under negotiation, may lead to worker dislocation in certain sectors of the economy. Third is the worker dislocation caused by reductions in military bases and military procurement associated with the end of the Cold War. Fourth is the threat to jobs posed by Federal initiatives to protect environmental quality and to enforce the Endangered Species Act.

In considering changes to the unemployment compensation (UC) system, it is useful to examine how other nations aid their jobless, since UC systems vary greatly. This report compares UC among the Group of Seven (G-7) nations: Canada, France, Germany, Italy, Japan, the United Kingdom, and the United States. These seven nations are the industrialized countries with the largest economies. They meet annually to review their economic policies and consider policy changes that might be mutually beneficial.

The main body of the report describes major events in the development of each of the seven systems, analyzes how they differ along several dimensions, and provides examples of how other nations' systems differ from the G-7 programs. Appendices provide a description of the UC system in each of the G-7 countries and a chronological chart of how each country's system developed.

In this report, the term unemployment compensation (UC) is used to refer to a nation's overall system of unemployment benefits. Unemployment insurance (UI) is used to refer to components of these systems that base benefits on insured work histories without regard to need. Unemployment assistance (UA) is used to refer to programs that are integral to the UC systems but that do base benefits on financial need.

The reader should be aware of three limitations of this report. First, need-related aid for the unemployed (UA) is included in the discussion only where it is offered as an integral part of a UC system. All seven nations have need-related assistance programs outside their UC systems, but they are not covered here. Second, employment services are discussed only to the extent that they are explicitly a part of a UC system. Third, special arrangements that may exist for the unemployed in the public sector are not discussed except to the extent that such arrangements are integrated with, and identical to, provisions for compensation of private-sector workers.

In drawing comparisons of program rules across nations, this report cannot describe the full historical, economic, and political contexts that determine international variations. However, the reader should keep in mind that such factors as unionization, government relationships to industries, labor force diversity and mobility, and economic trends are important in understanding the significance of the program differences highlighted in this report.

Monetary figures used in the report are stated in the national currency,[1] with the U.S. dollar equivalent shown in parentheses. Dollar equivalents were calculated using the currency exchange rates in effect for December 31, 1991.

[1]Abbreviations of currency names used in this report are as follows: $A--Australian dollars; £--British pounds; $C--Canadian dollars; F--French francs; DM--German marks; L--Italian lira; ¥--Japanese yen; K--Swedish kronor.

MAJOR EVENTS IN THE DEVELOPMENT OF UNEMPLOYMENT COMPENSATION[2]

Unemployment protection schemes were organized in several countries through trade unions, mutual benefit societies, and other workers' associations by the end of the 19th century. Under these plans, members contributed into a fund from which benefits were provided. Organizations in France, Germany, and the United Kingdom provided such services, which in some cases (notably France) were subsidized by government contributions. The inadequacies of such funds led to a recognition that broader measures would be needed to protect more of the populace and that national governments would have to be involved.

In 1911 the United Kingdom became the first country to legislate a national compulsory UI program with the passage of the National Insurance Act. In 1919 Italy instituted a UI program covering most manual workers. Though these programs were limited in coverage and benefits, they were soon expanded. In the period following World War I, several countries instituted unemployment programs, the majority of which were compulsory insurance schemes, notably Germany's UI system in 1927. In addition, six countries employed subsidized voluntary schemes.

The economic depression of the 1930s and the risk of high unemployment following World War II led several countries to develop comprehensive social security programs for the unemployed. This development included the improvement of existing schemes, as in Italy and the United Kingdom, and the establishment of new programs, as in Canada in 1935 and 1940, in the United States with passage of the Social Security Act of 1935 which contained UC, and in Japan with enactment of the Unemployment Insurance Law of 1947.

During the postwar period until the recessions of the early 1970s, most countries concentrated on modifying their existing systems by extending coverage and increasing benefit duration and rates. In the late 1960s and early 1970s, UC programs were overhauled in several countries in response to changes in the objectives held for UC. An emphasis was placed on integrating the income maintenance aspects of UC with a wider human resources policy, one that emphasized job training and related provisions. In Germany, UI was integrated into the Employment Promotion Act of 1969. Japan adopted the new Employment Insurance Act in 1974. This act, which replaced the Unemployment Insurance Act, emphasizes the concept of lifetime employment as opposed to temporary aid. Canada enacted a new Unemployment Insurance Act in 1971 that included job training provisions as well as benefits in case of sickness, maternity, and retirement. Likewise, the United Kingdom restructured UI under the Social Security Act of 1975. The United States enacted a trade adjustment assistance (TAA) program in 1962 and expanded it in 1974 to provide workers displaced by import competition with compensation and employment services.

---

[2]See appendix B for a chronological listing of major developments in each G-7 country.

The 1980s saw several countries revoke or cut back on program reforms of the 1970s. The United Kingdom eliminated its earnings-related benefit in 1982, returning to a flat-rate UI benefit. France restored its dual UI-UA system in 1984 following disappointment with a unified system. The United States tightened eligibility for extended benefits and TAA in 1981 and made all UI benefits taxable in 1986. TAA claimants were required to accept retraining in 1988.

In the past few years, UC has not changed dramatically in most countries. Modifications again focused on existing systems. Germany, faced with increasing unemployment since reunification, extended UI benefits to the former German Democratic Republic (GDR) in 1990. Canada passed Bill C-21 in 1990, the most important provision of which ended government contributions to UC. The United States, faced with increasing unemployment due to the 1990-1991 recession, enacted Emergency Unemployment Compensation (EUC) in November 1991, and extended the new program in February 1992. This marked the third time that Congress enacted *temporary* extended benefits since creation of a *permanent* extended benefits program in 1970.

COMPARISON OF UNEMPLOYMENT PROGRAMS IN THE G-7 NATIONS

The UC systems of the G-7 nations are described in detail in appendix A to this report. This section compares these seven systems using the same structure followed in the appendix: objectives, administration, financing, coverage, eligibility, benefits, and employment services.

Objectives

The formally stated objectives of the seven systems are similar. They all are intended to provide income support to jobless workers and promote stability of employment. However, the relative emphasis given to different objectives varies substantially, and two systems (those of Canada and Japan) specify reentry into employment as a main objective of UC.

The sections that follow describe the variations among the seven systems, key among which are:

- The degree of national control over the system;
- The division of program funding among employees, employers, and government;
- The work history required for eligibility;
- The relationship between benefit amounts and past wages;
- Adjustment of benefit duration according to economic conditions;
- Extension of benefit duration for hard-to-employ workers;
- Coverage of new labor force entrants and reentrants;
- Means-tested benefits for the long-term jobless; and
- The inclusion of job training activities in the UC system.

Administration

Each of the seven systems is supervised nationally by an executive department or ministry of the national government. However, the delegation of authority by the supervising organization differs substantially across nations. Also, collection of program revenue is handled differently from administration of benefit claims in each nation.

The collection and management of earmarked tax revenue is managed by the national revenue agency in Canada, Italy, and the United States, although most U.S. revenue is collected first by State agencies before being deposited with the U.S. Treasury. The United Kingdom relies on its Department of Social Security for tax collection, and Japan on its Labor Ministry. In France, financial management is the responsibility of employer associations known by the acronym of ASSEDICs. Germany's earmarked tax is collected through the social security tax collection system by sickness funds that serve specific localities, enterprises, or occupational groups.

Five of the seven countries administer claims through a local office network under the direct management of the national executive agency responsible for employment matters. The two exceptions are France and the United States. Administration in France is the responsibility of UNEDIC, an acronym for an employees' organization. Municipalities perform payment functions where there is no UNEDIC office. Local administration in the United States is handled by the local office networks of 53 distinct State employment security agencies,[3] which operate under the general guidance of the U.S. Department of Labor.

Financing

Program financing methods vary among the G-7 nations in regard to who pays, for what each party pays, and how much they pay. The various funding arrangements are summarized in table 1.

All seven nations use a payroll tax to fund their general UI benefit programs. While Japan pays one-fourth of these benefits with government funds, the other six rely on the payroll tax exclusively (chart 1). Five of the seven apply the tax to both employee and employer; Italy and the United States (except for three States) do not tax employees.[4] Japan taxes all covered wages, the United Kingdom applies its employer tax to all wages, and Italy taxes all wages above an exempt amount. The others have ceilings on taxable wages. All six nations tax more of their wages than does the United States (chart 2A).

Five of the seven nations have fixed tax rates, the employee rates ranging from 0.55 percent (Japan) to 2.52 percent (France) and the employer rates from 0.55 percent (Japan) to 4.43 percent (France). Of the two systems with variable tax rates, the United Kingdom's varies with wage level, while U.S. rates vary by State and by firm within State. The latter variation reflects the States' efforts to "experience rate" program financing so that employers creating larger unemployment costs pay more taxes. The other six nations do not vary rates for experience, although Italy does levy a higher tax on industrial firms and an even higher tax on construction firms. The average State tax rate in the United States is 1.9 percent, and the Federal tax rate is 0.8 percent. If all U.S. wages

---

[3]The U.S. system operates in the District of Columbia, Puerto Rico, and the Virgin Islands, as well as in each of the 50 States.

[4]This discussion refers to the nominal tax rates applied to employee paychecks. The actual incidence of employer and employee taxes is not addressed. Many economists believe that payroll taxes on employers ultimately are borne by employees in the form of lower wages.

were taxed, the effective rate would be 1.0 percent. Chart 2B compares nominal payroll tax rates.

Germany relies most heavily on employee taxes (covering 50 percent of UI benefit costs), with Canada (42 percent), Japan (37.5 percent), and France (36 percent) next. The least reliant on employee taxes are the United States (less than 4 percent) and Italy (0 percent).[5]

The non-UI parts of these seven UC systems are supported by general government revenue. The three nations with UA programs[6] (France, Germany, the United Kingdom) pay for UA entirely with government funds. Germany has a special arrangement for jobless workers in the former GDR that is government funded, as is the special trade adjustment assistance (TAA) program in the United States that extends benefits to workers dislocated by import competition. Italy has a wage supplement that is supported partly by government funds and partly by the employer payroll tax.

---

[5]The share of the United Kingdom's program paid from employee taxes could not be determined.

[6]The international literature classifies the United States as being without a UA program. However, in 1990 Federal legislation mandated that all State welfare systems provide aid to families with dependent children (AFDC) to families with an unemployed parent. In the States affected by this mandate, such aid may be denied for families that have received benefits in at least 6 of the preceding 12 months. The program is administered by welfare agencies and is funded by State funds and Federal formula matching grants.

54-784 0 - 92 - 2

TABLE 1. Funding Sources for UC Benefits in the G-7 Nations

Nation/Program	Proportion of benefit cost paid from: Payroll tax on– Employee	Employer	Govt. subsidy	Level of tax on: Employee Tax rate	Wage base[a]	Employer Tax rate	Wage base[a]
Canada–UI	42%	58%	0%	2.25%	$30,576	3.15%	$30,576
France							
–UI	36	64	0	2.52[b]	97,668	4.43	97,668
–UA	0	0	100	–	–	–	–
Germany							
–UI	50	50	0	2.15[c]	48,285	2.15[c]	48,285
–UA	0	0	100	–	–	–	–
–GDR program	0	0	100	–	–	–	–
Italy							
–Basic benefit	0	100	0	–	–	1.61	[d]
–Special benefit	0	100	0	–	–	1.61-2.41[e]	[d]
–Wage supplement	0	NA	NA	–	–	1.9-2.2[f]	[d]
Japan–UI	37.5	37.5	25	0.55[g]	All wages	0.55[h]	All wages
United Kingdom							
–UI	NA	NA	0	2.0/9.0[i,j]	31,616[j]	0/5.0-10.45[i,j]	All wages[j]
–UA	0	0	100	–	–	–	–
United States							
–UI	1-4[k]	96-99[k]	0	0.0-1.125[l]	0-22,600[l]	0.5-5.4[m]	7,000-22,600[m]
–TAA	0	0	100	–	–	–	–

[a]Wage base figures were converted to U.S. dollars using December 31, 1991, exchange rates and annualized.

[b]Tax rate is 2.47 percent on first $24,420 of earnings.

[c]The employer pays full 4.3 percent for employees earning less than $4,828 per year.

[d]Taxable wage base is wage in excess of $44 a day. No upper limit.

[e]Tax rate is 1.9 percent on industrial firms and 2.41 percent on construction firms.

[f]Tax rate is 1.9 percent for firms with fewer than 50 employees.

[g]Construction workers and seasonal workers pay 0.65 percent of wages.

[h]Employers of seasonal workers pay 0.65 percent, and construction firms pay 0.75 percent. All employers pay an additional 0.35 percent to fund employment services.

[i]The first rate applies to the first $4,160 of weekly earnings and the second rate to additional earnings. A range of rates is shown for employers because the rate is higher at higher wage levels.

[j]The United Kingdom payroll tax funds other social security programs in addition to UI. In 1989, UI benefits accounted for 4.4 percent of all benefit costs financed by this tax.

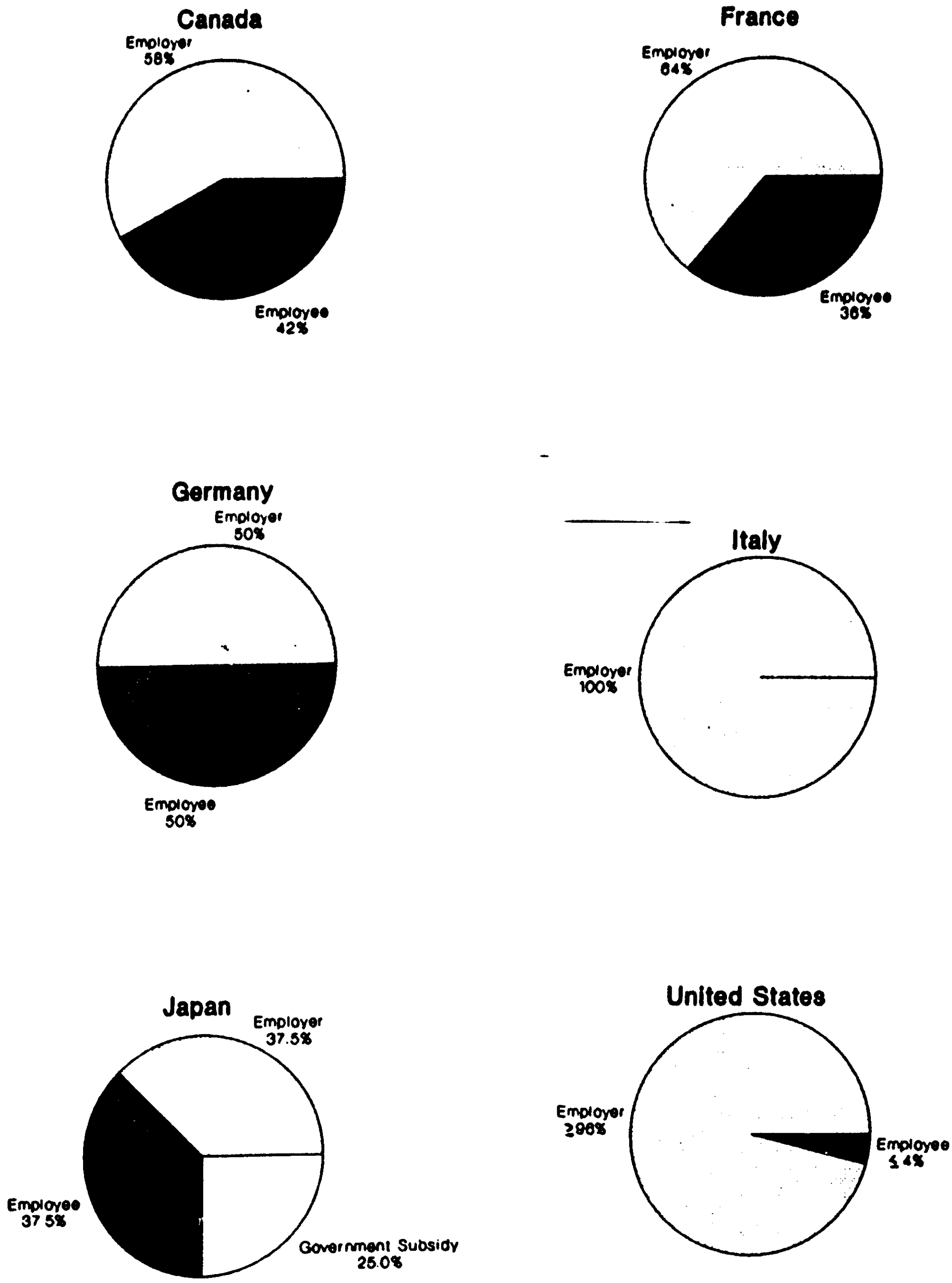
[k]Employee share is estimated by the Congressional Research Service (CRS) to be 4 percent or less.

[l]Only three States tax employees. The rate ranges from 0.1 percent in Pennsylvania to 1.125 percent in New Jersey. Taxable wages range from $8,000 in Pennsylvania to $22,600 in Alaska.

[m]Tax rates and taxable wages vary by State, and tax rates vary by firm in each State. The rates shown are the lowest and highest average State rates. The national average tax rate applied to taxable wages in covered employment is 1.9 percent State and 0.8 percent Federal. If all covered wages were taxable, the national average rate would be 1.0 percent. The taxable wage base for the median State is $8,250.

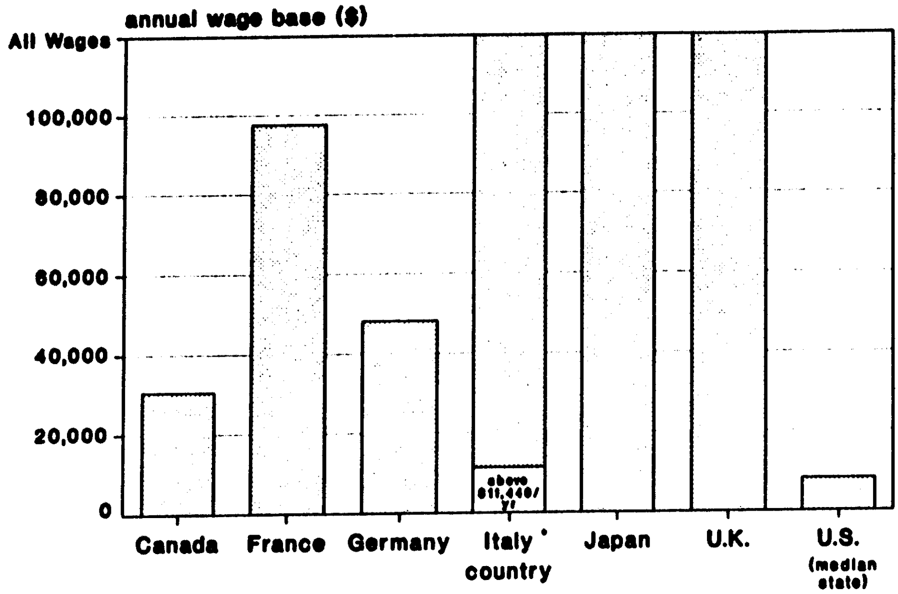
NA = Not available.

CHART 1. Shares of UI Benefits Paid by Employers, Employees, and Government



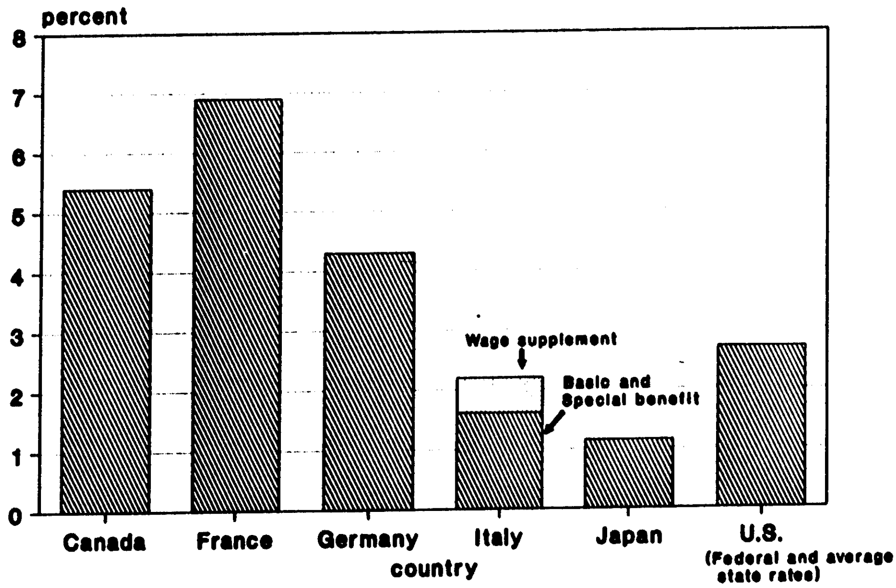
[Note: United Kingdom not shown because employee share could not be determined.]

CHART 2A. Taxable Wage Base for UI



* Italy taxes all wages above an exempt amount.

CHART 2B. Nominal UI Payroll Tax Rates



[Note: Chart does not include the U.K. as their payroll tax funds other social security programs in addition to UI and no specific UI rate could be determined.]

The level of expenditure which these financial arrangements support is shown in chart 3 for each G-7 nation as a percent of gross domestic product (GDP) for selected fiscal years beginning in 1975 through 1990. Three systems (those of Canada, France, and Germany) consistently cost more than 1 percent of GDP during the 1980s. The United Kingdom's program, now 0.90 percent, surged to 2 percent in 1985 before declining. The other three systems are much smaller relative to the respective national economies, Japan's being the smallest at 0.32 percent of GDP, half the size of the U.S. program (0.60 percent). The U.S. program exceeded 1 percent only in the recession year of 1975.

Chart 4 shows this expenditure data adjusted for level of unemployment by dividing each GDP percentage by the corresponding unemployment rate. The resultant statistic indicates the divergence in relative program cost in the 1970s has narrowed. However, the systems of Canada and Germany continue to be the most expensive and the Italian program to be the least expensive. By this adjusted measure, the U.S. program ranks sixth and is 50 percent smaller than that of Germany. The U.S. program ranked either sixth or seventh throughout the period.

Coverage

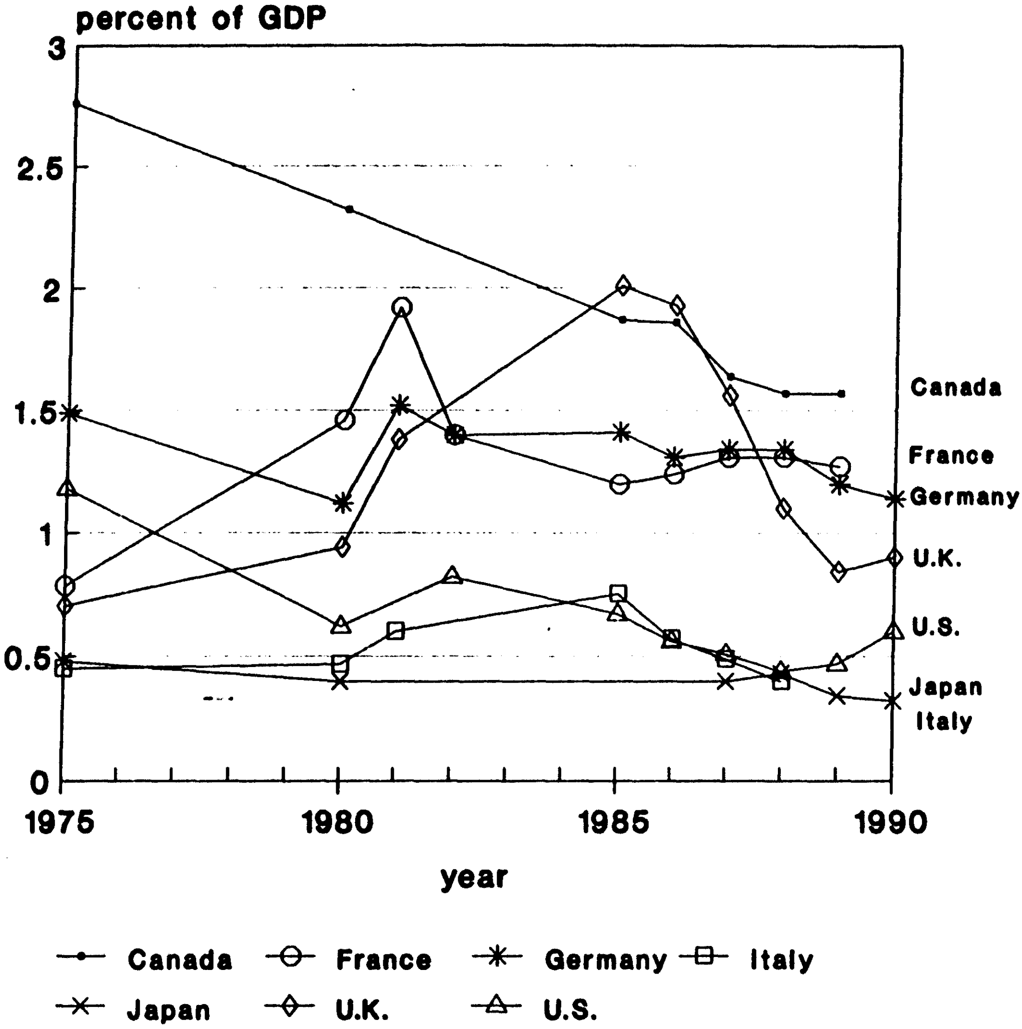
All seven systems provide broad coverage to wage and salary workers. Three UC systems (France, Germany, Japan) coordinate coverage with national pension systems by excluding workers over pensionable age. Four systems specifically exclude part-time workers (Canada, Germany, Italy, Japan) based on a weekly threshold for hours worked. Italy excludes managerial personnel from UI eligibility.

Some systems have special arrangements for seasonal workers. Canada has special rules for self-employed fishermen. France has special rules for construction workers, the merchant marine, longshore workers, and aviators. Germany excludes seasonal workers working less [illegible] 50 days a year. Italy excludes seasonal workers. Japan excludes those [illegible]ing 4 months or less in a year and covers small firms in selected industries only on a voluntary basis. In the United States, seasonal workers whose work spells fall below thresholds set by each State are excluded.

France and the United Kingdom provide coverage for virtually all unemployed persons who do not qualify for UI through their UA programs. Self-employed persons are generally not eligible for UI, though the State of California covers them on a voluntary basis.

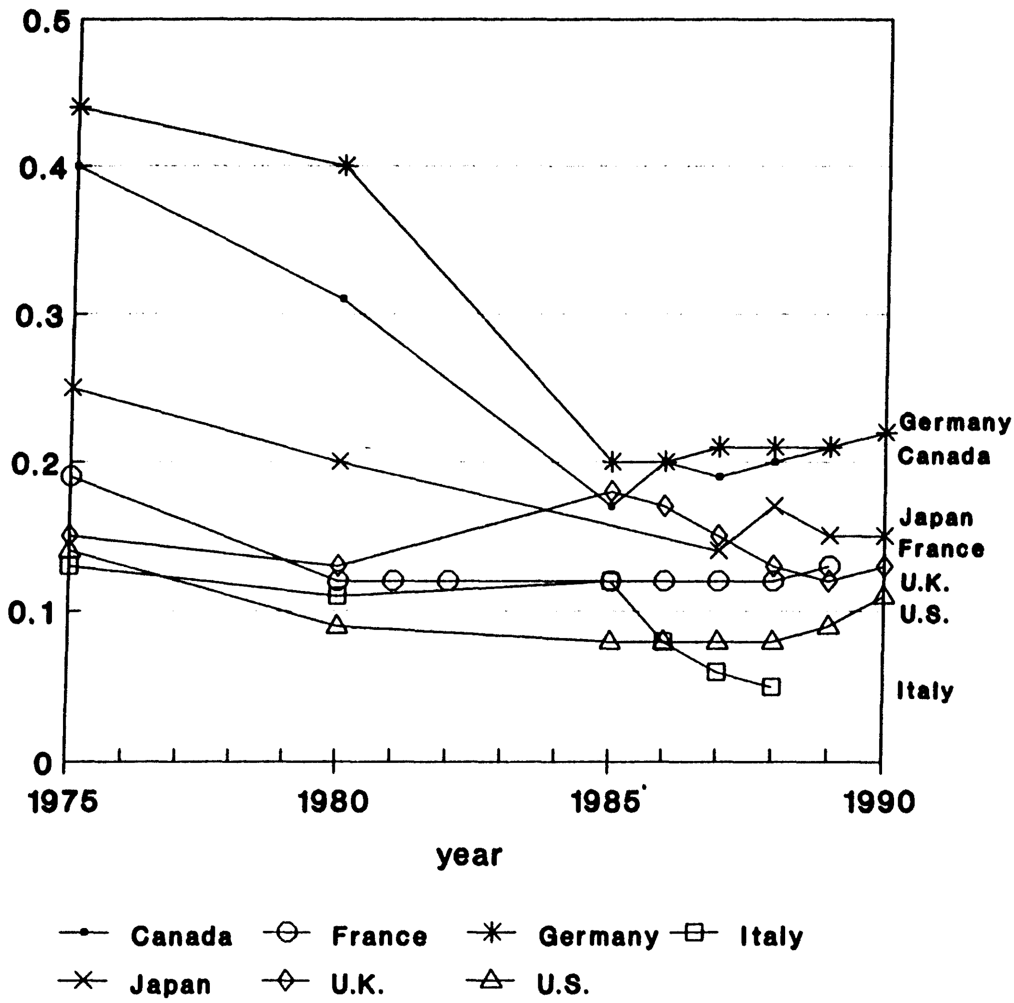
Workers on reduced schedules may receive UI in all seven countries. In the United States, this "short-time" compensation is only available in 16 States, however.

CHART 3. Public Expenditures for UC as a Percent of GDP



[Note: Data not available for all years.]

CHART 4. Public Expenditures for UC as a Percent of GDP per Percentage Point of Unemployment



[Note: Data not available for all years.]

Eligibility

Eligibility for UI depends on a person's having worked in covered employment for some minimum time during a base period. The extent of employment required varies widely, however. This requirement is summarized for the G-7 programs in table 2.

TABLE 2. Minimum Employment Needed in Covered Job for UI Eligibility in the G-7 Nations

Nation	Minimum amount of covered employment required: Duration	Minimum amount of covered employment required: Earnings[a]	Reference period for required work
Canada--			
Low unemployment region	20 weeks	$118/week	prior 52 weeks
High unemployment region	10 weeks	$118/week	prior 52 weeks
New entrant/reentrant	20 weeks	$118/week	prior 52 weeks
France	91 days or 520 hours	none	prior 12 months
Germany--			
Seasonal workers	180 days	$284/month	prior 3 years
Other workers	360 days	$284/month	prior 3 years
Italy--			
Basic benefits	2 years	none	any period
	52 weeks		prior 2 years
Special benefits	same as above, but 13 of 52 weeks must be continuous	none	prior 2 years
Japan--			
Workers out of labor force because of illness, injury, or pregnancy	6 months	none	past 48 months
Other workers	6 months	none	past 12 months
United Kingdom--			
Full benefits	none	$4,000/yr	prior tax year
Reduced benefits	none	$2,000/yr	prior tax year
United States--			
UI	[b]	$1,418/yr[b]	first 4 of last 5 quarters[c]
TAA	26 weeks[d]	$30/week[d]	prior 52 weeks

[a]Currency figures were converted to U.S. dollars using December 31, 1991, exchange rates.

[b]Nine States required covered employment for 15-20 weeks. Other States have no explicit work duration requirement. The minimum earnings required of $1,418 is the median for the 53 State programs. The required minimums range from $130 (Hawaii) to $5,000 (Montana).

[c]In 47 of the 53 State programs.

[d]To be eligible for TAA, claimant must also meet State UI eligibility requirements.

Italy's requirement is the strictest, amounting to half of the past 2 years, 13 weeks of which must be continuous to receive full benefits. Japan requires work for half of the past year, but the base period can be extended up to 4 years for those out of the work force because of illness, injury, or pregnancy. Germany has the longest base period--3 years--and requires covered work for at least 40 percent of that time. The Canadian requirement calls for work for at least 40 percent of a 1-year base period, although Canada's criterion is more lenient in regions with high unemployment. The requirement in France calls for covered work for one-fourth of the prior year.

The minimum work requirements in the United Kingdom and United States are primarily earnings based and relatively low. The United Kingdom requires a year's earnings to exceed $4,000 for full benefits. The rule in the United States varies by State, but the median State requires only $1,418 in covered wages (equivalent to 42 days of work at the minimum wage) over four quarters to qualify for a minimum benefit. However, nine States do have requirements for work duration, ranging from 15 to 20 weeks in four quarters, and the majority of States require a minimum earnings amount in the worker's highest paid quarter. Of the States with this latter requirement, the median State's high-quarter earnings requirement is 62 percent of the earnings required over four quarters.

Each of the seven nations has rules that disqualify claimants whose unemployment results from voluntary quitting, misconduct, refusal of a suitable job, involvement in a labor dispute, or failure to accept training. Those jobless because of labor disputes are generally disqualified for the duration of the dispute. However, the length of disqualification for other causes of unemployment varies among the seven programs. Italy disqualifies job quitters for 30 days, but disqualifications for other reasons last for the duration of unemployment. Disqualifications last only 6 weeks in the United Kingdom. Canada disqualifies up to 12 weeks, as does Germany. Japan's disqualifications last as long as 3 months. France disqualifies job quitters for 3 months and denies eligibility for misconduct or job offer refusals. The United States has the strictest rules on disqualification, which are set by each State. For example, chart 5 shows that the disqualification for voluntary quitting is for the duration of the unemployment spell in 47 of the 53 State programs.

Eligibility rules for UA in the three nations that have these programs are also tied to work history. France requires employment in at least 5 of the past 10 years but reduces this requirement by up to 3 years for periods spent rearing children. Germany's program requires at least 150 days of insured employment during the past year. The United Kingdom has no specific work history requirement. UA claimants have to comply with work registration rules similar to those for UI claimants. UI exhaustees are eligible for UA in all three countries. A means test is used by the three countries to limit UA eligibility to those in financial need.

CHART 5. Disqualification Periods for Voluntary Quits

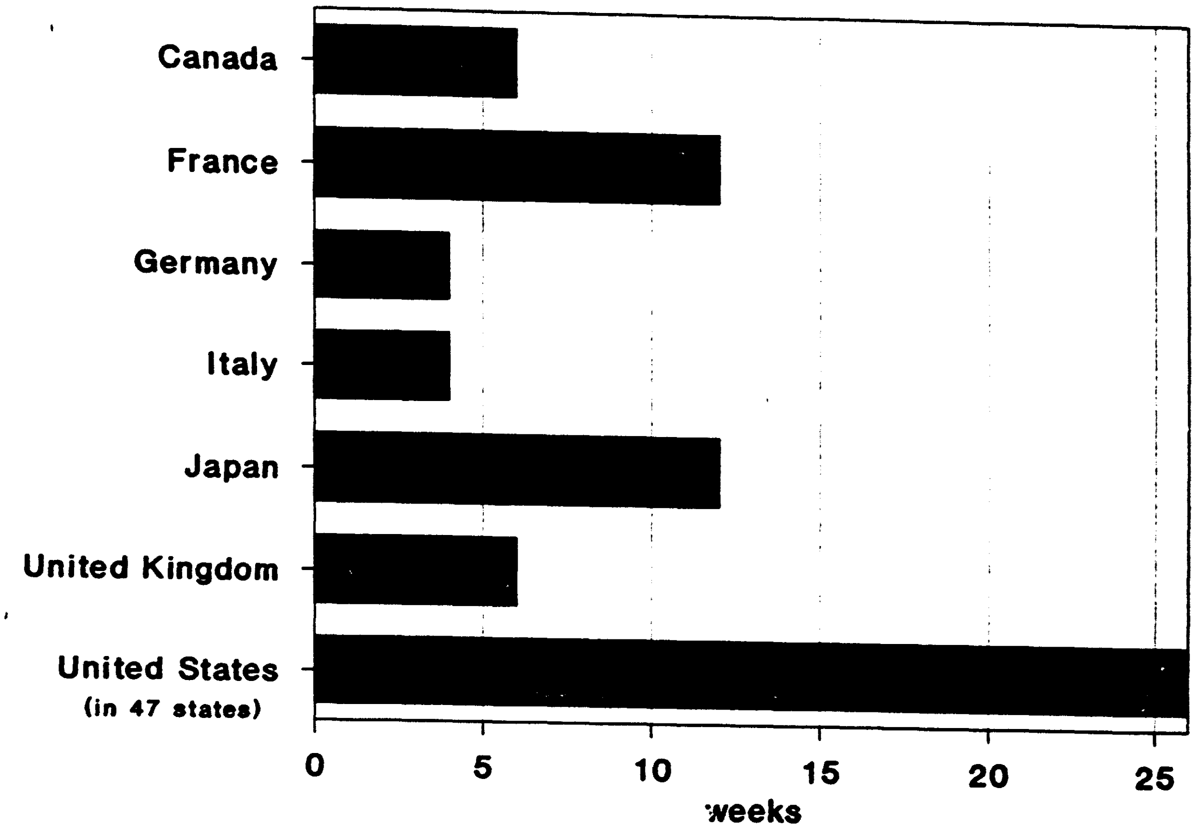


Chart shows disqualification periods for an unemployment spell of 26 weeks.

The proportion of unemployed workers assisted by the U. S. program in the mid-1980s was low relative to the proportions assisted in Canada, France, and Italy. The U.S. figure was similar to those for the UI figures in Germany and the United Kingdom, but those countries' figures are much higher when UA recipients are counted. In 1985, 34 percent of U.S. jobless workers received UI. Comparable figures for the other nations are:[7] Canada, 80 percent; France, 55 percent (72 percent when UA recipients are included); Germany, 39 percent (68 percent when UA recipients are included); Italy, 60 percent (for 1981-83); and the United Kingdom, in 1984, 32 percent (90 percent when UA recipients are included). It should be noted that unemployment rates in Canada, France, and the United Kingdom were 1.5 times the U.S. rate in the mid-1980s. Higher unemployment usually means that a higher proportion of the jobless qualify for UI since there are relatively more job losers than job quitters during downturns.

Benefits

The method of calculating UI benefits is unique to each program. The main factors taken into account by the benefit formulas are displayed in table 3.

The United Kingdom does not relate benefits to past wages. The other six programs do, though France and Italy also have a flat-rate component in their formulas. Germany replaces 63 percent of after-tax wages; the other systems base benefits on gross pay. Japan's formula is the only one that provides a more generous rate of wage replacement, the lower the wage level.[8] Canada, Japan, and the United States limit benefits with maximums, those in the United States being the lowest except for a few States. Japan's wage replacement rate of 80 percent at low wage levels is the highest rate, but the wage figure used in Japan excludes overtime pay and bonuses, which account for nearly one-third of cash compensation in Japan. UI benefits are subject to income taxes in all the G-7 nations except Germany and Japan.

Age is generally not used as a factor in computing UI benefits, but Japan does pay lump-sum benefits to persons over 65, and the United Kingdom has higher benefit levels for unemployed workers who are over pensionable age. Benefits are more generous for workers with dependents in Germany, the United Kingdom, and nine U.S. States. Claimants with at least 6 months of insured employment are subject to a more generous benefit formula in France, and the United Kingdom awards lump-sum "redundancy" benefits to long-term employees who have been dismissed. Italy uses a higher wage replacement level for those dismissed by firms that are experiencing major long-term downturns or reorganizations. The U.S. system is the only one without a national benefit formula, its UI benefits being determined by 53 different State formulas that produce widely varying benefit amounts.

[7] No comparable figures were obtained for Japan.

[8] A few States in the United States use higher wage replacement rates at lower wage levels in computing benefits.

Chart 6 compares weekly UI benefit amounts across the seven nations for three hypothetical cases. For the United States, amounts are shown for the States with the highest (Massachusetts) and lowest (Alabama) benefit maximums. Case 1 is a young single worker age 25 who has worked 6 months at an annual salary rate of $10,000. Case 2 is a 31-year-old married worker with one child who has worked 3 years and was earning $28,000 a year at the time of job loss. Case 3 is a married worker age 55 with two children who has worked 25 years and was earning $50,000 a year. Case 1 would be ineligible in Germany and Italy. There is little variation across the other countries, the benefit being near $100 a week in each, with Alabama the highest at $150. However, for case 2, benefits are over $300 a week in Canada, Germany, and Italy but only $150 in the United Kingdom and Alabama. The benefit for case 3 is over $600 in Germany and Italy, and between $350 and $450 in the other countries and in Massachusetts, but the benefit remains capped at $150 in Alabama. Thus, the spread in benefit amounts grows as cases with higher wages, older ages, and longer tenure are compared.

TABLE 3. Major Determinants of UI Benefit Amounts in the G-7 Nations

Nation	Relationship of UI benefit formula to:[a] Past wages	Age[b]	Work history[b]	Region[b]	Dependents
Canada	60% of average gross wage, maximum of $353/week	none	none	none	none
France	$6.91/day plus 30% of average gross wage[c]	none	$9.21/day plus 40% of average gross wage if worked 6 months or more	none	none
Germany	63% of average net wage	none	none	none	68% of average net wage for claimant with children
Italy					
Basic benefit	none—benefit is $0.87/day	none	none	none	none
Special benefit	66% of average gross wage	none	none	80% of average gross wage at firms with long-term layoffs	none
Japan	80% of average gross wage at low wage levels, 60% at high wage levels, maximum of $59/day	lump-sum benefit for workers over 65	none	none	none
United Kingdom	none—benefit is $64.91/week	$81.56/week if over pension age, plus $49.01 for spouse and $16.74/child	lump-sum benefit for workers dismissed after 104 weeks of continuous employment	none	additional $40.03/week with dependents
United States	50% of average gross wage in most States, maximum of $116 to $335/week[d]	none	none	different formula in each State	nine States have dependents' allowances, which add as much as $148/week

[a]Currency figures were converted to U.S. dollars using December 31, 1991, exchange rates.

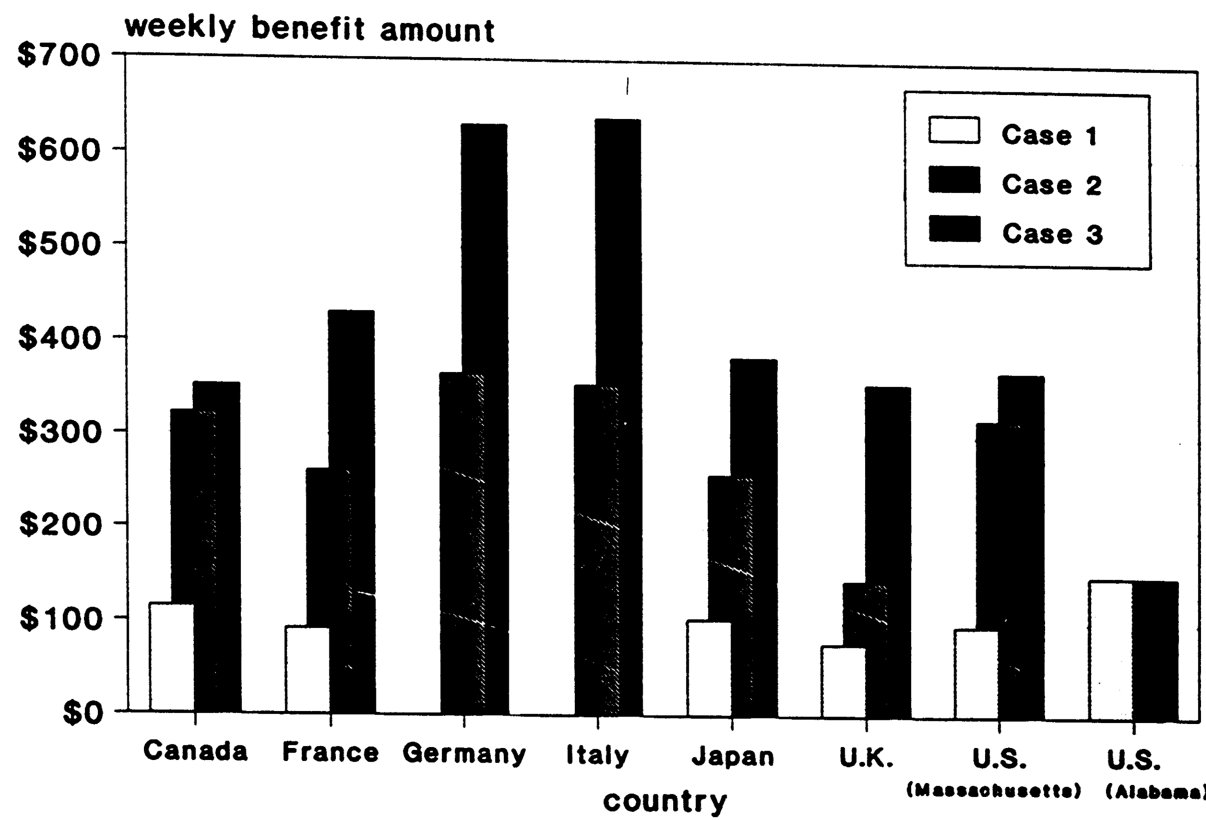
[b]Benefit amounts naturally vary with age, work history, and region since these factors are often related to wage levels and, therefore, benefit amounts. However, this table displays only the relationship of each factor to a program's benefit *formulas*.

[c]After the original and extended benefit periods have lapsed, the benefit paid is a flat amount unrelated to wages.

[d]The maximum in the median State is $212 a week.

54-784 0 - 92 - 3

CHART 6. UI Benefit Amounts for Three Hypothetical Cases



[Note: Case 1 is ineligible in Germany and Italy. Germany's benefit is based on after-tax wages, but the benefit is not taxed; Japan does not tax benefits. These different tax treatments were ignored in computing benefit amounts. Japan's benefit is based on wages net of bonuses and overtime pay, so Japan's benefits were calculated based on 2/3 of the annual earnings for each case to reflect the average person's pay composition in Japan.]

Maximum benefit durations also vary widely across the G-7 nations, as shown in table 4. The first column shows the "maximum duration for full-time workers." For such workers, UI benefits generally last about half a year in Italy, Japan, and the United States, two-thirds of a year in Canada and France, and a full year in Germany and the United Kingdom. However, maximum durations can vary considerably from these benchmark figures in every country except the United Kingdom. Table 4 illustrates how four key factors (work history, age, unemployment rate, and region) affect maximum benefit durations.

France, Germany, and Japan vary maximum durations by age and length of service in combination. Basic benefit periods can be extended for these factors as follows:

- In France, the regular 8-month period can be increased to 27 months for workers age 55 and older who have worked at least 2 of the last 3 years;

- In Germany, the regular 52-week period can be increased to 104 weeks for workers 54 and older who have worked at least 6 years;

- In Japan, the regular 180-day period can be increased to 300 days for workers 55 and older who have worked at least 10 years.

In Canada and the United States, on the other hand, age is not a factor in determining duration, nor is service occurring before the base period.

The level of unemployment is a determinant of duration in Canada, France, and the United States. Benefit extensions are granted by the ASSEDICs (employer associations) in France, where the maximum extension for those entitled to 8 months of benefits provides a total duration of 15 months. Benefit extension periods in France are determined by age and service as well. For example, the maximum combination of age and service can result in an older, long-term worker's 27-month regular benefit period being lengthened to as much as 60 months. France reduces a person's original UI benefit amount by 15 percent when benefits are extended (10 percent for those over age 50). During the final benefit period, the benefit paid is a flat amount unrelated to wages.

TABLE 4. Determinants of Maximum UI Benefit Durations in the G-7 Nations

Nation	Maximum benefit duration for full-time workers	Variation in maximum duration in relation to:			
		Work history	Age	Unemployment rate	Region
Canada	35 weeks (worked all year)	17 weeks with 20 weeks of work in 1 year	NV	up to 50 weeks in regions with high unemployment	varies for regions with unemployment over 6%
France	8 months (worked more than half-year)	3 months with less than 6 months of work in 1 year; 14 months for long-term workers	9 months if 50 or older; 18-27 months for long-term workers 50 or older	15 months if extended (21 months for workers 50 or older); 30 months if extended for long-term workers (45-60 months for those 50 or older)	extensions granted by employer groups
Germany	52 weeks (worked last 3 years)	16 weeks with 1 year of work; longer durations for combination of age and service (see next column)	60 weeks for workers 44 or older with 4 years of work; 86 weeks if 49 or older and 5 years of work; 104 weeks if 54 or older and 6 years of work	NV	separate UA program for former East German workers
Italy					
Basic benefit	180 days	90 days for construction workers, less than 180 days for some farm workers	NV	NV	NV
Special benefit	6 months	NV	NV	9 months in firms with long-term layoffs or reorganizations	NV
Japan	180 days (age 30-44 and worked 5-9 years; under 30 and worked over 9 years; 45-54 and worked 1-4 years)	90 days for less than 1 year of work; 210-300 days for certain age and service combinations	90 days if under 30 unless worked 10 years or more; 210-300 days for certain age and service combinations	NV	NV
United Kingdom	52 weeks	NV	NV	NV	NV
United States					
UI	26 weeks in 51 States (must have worked certain amount in 43 States)	5-24 weeks for minimum work required by State in 43 States[a]	NV	39 weeks with extended benefits; 52-59 weeks under temporary program	30 weeks maximum in 2 States; reduced durations for short work histories vary among 43 States[a]
TAA	26 weeks (adds to UI duration)	52 weeks if in training (adds to UI duration)	NV	NV	NV

NV = No variation.

[a]Median minimum duration for these 43 States is 13 weeks.

Canada and the United States provide longer benefit periods based on unemployment rates in labor market regions and States, respectively. Canada also takes weeks of insured employment into account; its normal 35-week benefit period can be as long as 50 weeks for full-year workers in regions with unemployment above 10 percent. The durations that apply in Canada for particular combinations of service and unemployment rate are shown below:

Regional unemployment rate	Benefit duration for: Half-year worker	Full-year worker
6% or less	22 weeks	35 weeks
6%-7%	25	38
7%-8%	28	41
8%-9%	32	45
9%-10%	36	49
10%-11%	40	50
11%-12%	44	50
12%-13%	46	50
13%-14%	48	50
Over 14%	50	50

The usual U.S. maximum benefit duration of 26 weeks is extended to 39 weeks in States where the insured unemployment rate[9] for a 13-week period exceeds 5 percent and is at least 120 percent of the corresponding rates in the 2 preceding years. In 41 States, an insured rate of 6 percent will trigger the extension without regard to the rates in the preceding 2 years. A temporary benefit extension now in effect supplants the permanent extended benefits (EB) program with benefits that can total up to 52 or 59 weeks depending on whether a State's total unemployment rate exceeds 9 percent or its insured unemployment rate, augmented by its number of benefit exhaustees, exceeds 5 percent. The United States has enacted temporary benefit extensions during each major recession since 1958. The other six nations have changed permanent law in reaction to economic change, but they have not relied on temporary programs for benefit extensions.

Chart 7 compares maximum UI benefit durations for the same three cases for whom benefit amounts were shown in chart 6. The typical 26-week U.S. benefit period is relatively generous for the youngest worker (case 1), being a longer duration than would be available from UI in France or Japan. Again, this case would be ineligible in Germany and Italy. For case 2, however, the regular benefit duration in the United States would be shorter than in all but Italy and Japan. Eligibility for EB would bring the U.S. duration up to the Canadian level for their regions of low unemployment. For case 3, all six nations would provide benefits for a longer time than would the United States, but EB would make the U.S. duration similar to that in a low-unemployment Canadian region. However, a U.S. claimant eligible for TAA or the temporary

---

[9]The insured unemployment rate is the proportion of workers covered by UI who claim UI benefits.

EUC benefit has a maximum duration better than or comparable to that of all situations shown in chart 7, with two exceptions; the benefit periods could be more than 100 weeks for case 3 in France and Germany.

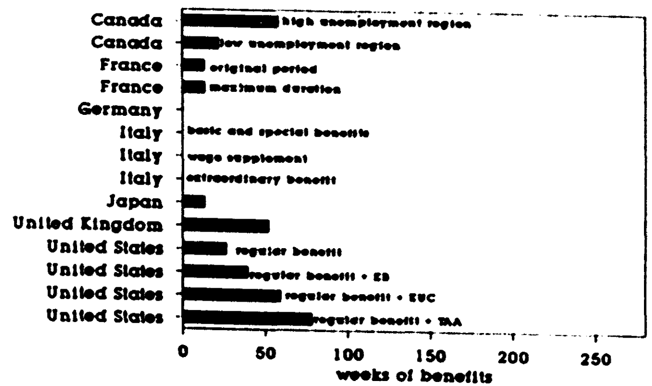
Chart 7 does not show UA durations, which can extend benefits at a lower rate indefinitely in France, Germany, and the United Kingdom. Eligibility for UA is indefinite but, as noted before, is subject to a means test. France pays a flat-rate benefit of F66.43 ($12.82) a day, with larger benefits for eligibles who meet criteria for old age and length of service. France also covers certain new entrants to the labor force under UA without a means test,[10] but their eligibility is limited to 1 year. Germany's UA benefit is 56 percent of net wages (58 percent for those with children). The special benefit for jobless workers from the former GDR is DM500 ($330) a month, plus a supplement from the last employer to bring the total to 70 percent of net wages. The UA benefit in the United Kingdom for those with no other income is £39.65 ($74.17) a week (£62.25 ($116.45) for couples).

The relative importance of UA varies among the three countries with joint systems. In Germany, UA benefits comprise about one-third of total UC benefits, and in France this proportion is less than one-fourth. In the United Kingdom, on the other hand, UA amounts to three-fourths of total UC benefits.

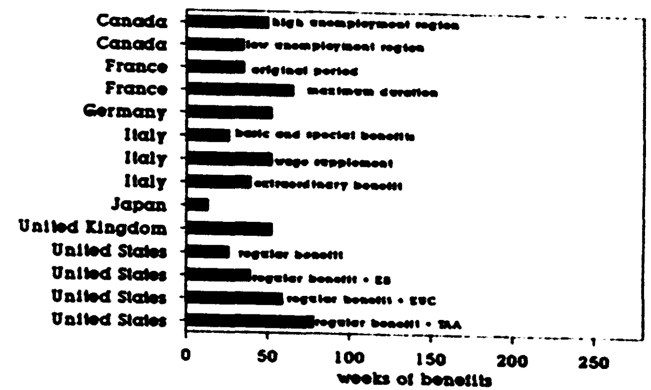
[10]Although UA programs generally apply means tests to determine eligibility, certain groups not covered by UI have been granted limited access to UA without regard to financial status.

CHART 7. UI Maximum Benefit Durations for Three Hypothetical Cases

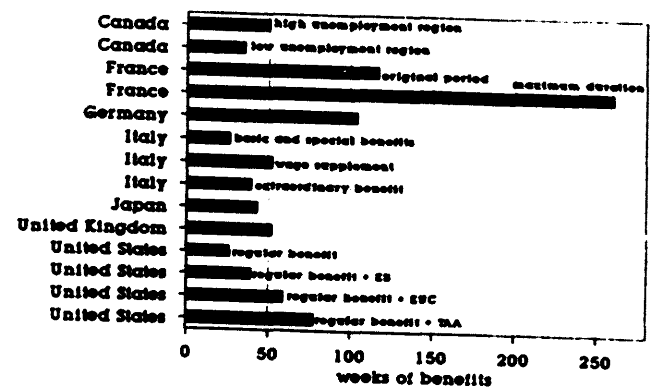
Case 1



Case 2



Case 3



Employment Services

All seven nations have public programs to provide job training and other employment services to those with employability problems. This discussion is limited to those services that are integral to each nation's UC system.

All seven nations require UC claimants to register with employment offices where information is provided on available jobs. Service provision to UC claimants beyond this basic help varies a great deal. Italy and Japan use wage supplements and subsidies to firms to permit them to retain employees during short downturns. Canada, France, Germany, and Japan provide skills development training as part of their UC systems. In the United States, job training is not available within UC, but TAA claimants are required to enroll in approved training unless this requirement is waived. All of these training opportunities usually include continued receipt of benefits and special allowances for job search and relocation.

Unemployment benefits have been used to help claimants start new businesses in Canada, France, Germany, Italy, and the United Kingdom. The United States is testing this idea in two State demonstration projects.

In 1987, public expenditures for employment services, including programs outside the UC systems, were as follows:

Nation	Percent of GDP
Canada	0.57
France	0.74
Germany	0.99
Italy	0.46
Japan	0.17
United Kingdom	0.89
United States	0.24

Spending was highest in Germany, the United Kingdom, and France. The lowest expenditures relative to size of economy were registered by the United States and Japan.

OTHER TYPES OF UNEMPLOYMENT COMPENSATION SYSTEMS

Overview

This section presents an overview of the types of UC systems found worldwide and then describes three systems that contrast sharply with the programs of the G-7 nations.

The 1989 edition of *Social Security Programs Throughout the World*[11] describes the programs of 145 countries. Of these 145 countries, 89 had no formal public arrangement for the compensation of unemployed workers. Another five countries had programs that excluded many occupational groups or industries from coverage. The UC systems in the remaining 51 countries can be classified as follows:[12]

- Compulsory social insurance--27 countries;
- Voluntary social insurance--3 countries;
- Means-tested assistance--19 countries, including 10 countries that also operate social insurance programs; and
- Severance pay--12 countries.

All of the G-7 nations and 20 others operate compulsory social insurance programs. These programs are characterized generally by broad coverage and some linkage of program funding and/or benefit amounts to covered wages. However, one program (Chile's) is funded entirely from general government revenue and pays flat-rate benefits. The 20 countries in addition to the G-7 nations that operated compulsory social insurance schemes are as follows:

Austria	Egypt	Ireland	Norway
Barbados	Ghana	Israel	Portugal
Belgium	Greece	Luxembourg	Spain
Chile	Hungary	Malta	Switzerland
Cyprus	Iran	Netherlands	Uruguay

Three Scandinavian countries (Denmark, Finland, and Sweden) have voluntary social insurance systems. Their UC systems are operated through labor unions, but union participation in UC is voluntary.

---

[11]U.S. Dept. of Health and Human Services. Social Security Administration. Research Report #62.

[12]It should be noted that the political upheaval in the Soviet Union and the Eastern European States occurred after publication of this reference. The newly independent states that were part of the Soviet Union and the Eastern European nations have altered their social programs since publication as part of their economic and political reforms.

Means-tested assistance programs apply means tests to unemployed workers to determine their eligibility, and benefit amounts may be related to need as well. These programs may stand alone or be a component of a larger UC system. Nine countries had only a means-tested program. They are:

Australia	Hong Kong	Mauritius	Tunisia
Brazil	India	New Zealand	Yugoslavia
Bulgaria			

Ten countries used means-tested assistance to augment a social insurance program, either for selected unemployed workers with little or no recent work experience, or for those exhausting their UI benefits, or both. Three of the G-7 nations (France, Germany, and the United Kingdom) have such arrangements. The other seven countries with dual UI and UA programs are:

Austria	Ireland	Portugal	Sweden
Finland	Netherlands	Spain	

The final category of countries offers only severance pay to unemployed workers. Usually this benefit is paid by the employer under a labor law that specifies the employer and employee types to which it applies and the amount of the severance pay. The 12 countries with severance pay only are:

Bolivia	Ecuador	Mexico	Solomon Islands
Botswana	Honduras	Nigeria	Tanzania
Colombia	Libya	Pakistan	Turkey

The remainder of this section describes three UC systems that differ from those of the G-7 nations: a voluntary social insurance program (Sweden); a solely means-tested program (Australia); and a severance pay law (Mexico).

Voluntary Social Insurance--Sweden

Sweden is the largest of three Scandinavian countries that have voluntary UI systems. There are two aspects of voluntarism in this system. First, unemployment funds for UI are established voluntarily by trade unions. Second, although union members generally must participate in their union's fund, nonunion workers in the industry may voluntarily accept coverage by the union fund. About two-thirds of all employees are covered by this system. Workers ineligible for this coverage and new labor force entrants are covered by a means-tested UA program called the "labor market support program."

The UI system, which is supervised by the National Labor Market Board, is funded by employee, employer, and government. Employees pay up to K40 ($7) a month, the exact amount varying by fund. These employee contributions cover 23 percent of UI costs. Employers are taxed at a rate of 2.16 percent of payroll, which covers 31 percent of UI costs and two-thirds of UA costs. Government funds pay for 46 percent of the cost of UI and one-third of UA, which is administered by county labor boards and local employment offices.

Eligibility for UI requires 12 months' membership in a union fund, including at least 5 of the last 12 months before unemployment. Eligibles must be registered at an employment office and capable of work. Workers whose unemployment is a result of voluntary quitting, misconduct, or refusal of suitable work are usually disqualified for 4 weeks. Eligibility rules for UA are basically the same, except for the work history requirement. A person can meet the requirement either by working for at least 5 of the past 12 months or by meeting an education or training criterion.

The UI benefit amount varies by fund and wage level, ranging from K158 ($29) to K450 ($81) a day. It is pegged to 80 percent of the average wage in each covered trade. Benefits are payable for up to 60 weeks after a 1-week waiting period. Benefits are considered taxable income.

The UA benefit amount is K158 ($29) a day and is payable after a 1-week waiting period for up to 30 weeks. For those age 55 to 59, benefit duration is 60 weeks. For those age 60 to 64, or for dislocated workers age 55 to 59, benefit duration is 90 weeks.

Unemployment Assistance--Australia

Australia is the most industrialized nation offering unemployment benefits solely on the basis of a means test. First enacted in 1944, this UA program covers all employed persons and is funded from general government revenue. Benefits are administered by the Department of Social Security. Local offices of the Department of Employment, Education and Training receive claims and apply a work test.

To be eligible, an unemployed worker must be at least 16 years old and below pensionable age (65 for men, 60 for women). Eligibles must be capable of and available for work and actively looking for jobs. Jobless workers whose unemployment is a result of voluntary quitting, misconduct, or refusal of suitable work are subject to disqualification for up to 12 weeks. Those unemployed because of a labor dispute are disqualified for the duration of the dispute.

Benefits are paid after a 1-week waiting period for as long as an individual is qualified. In addition to income, benefit amounts depend on marital status, age, number of children, amount of rent, and location of residence.

The means test has been liberalized numerous times to allow the disregarding of more nonbenefit income in computing the benefit. Currently, the first $A20 ($15) of weekly income and half of weekly income between $A20 ($15) and $A70 ($53) is disregarded.

Severance Pay--Mexico

Like several other Latin American countries, Mexico's only form of unemployment benefit is a government requirement that employers pay departing employees a severance benefit under prescribed circumstances. Mexico has two forms of severance pay: the *cesantia*, payable when separation occurs without just cause, and the *antiquedad*, payable based on tenure without regard to the reason for termination.

The *cesantia* equals 3 months' pay plus 20 days' pay per year of service. Pay is defined to include bonuses, commissions, and benefit payments except profit-sharing. A worker must have been employed for at least a year to be entitled for this benefit upon job loss without just cause. Examples of just cause are a worker's engaging in dishonest, negligent, immoral, or violent acts, or coming to work in an intoxicated state. The reason for an employee's dismissal must be communicated in writing to be considered justified.

The *antiquedad*, adopted in 1970, equals 12 days' pay per year of service but cannot exceed twice the minimum-wage salary. It is payable upon retirement, death, disability, or termination of employment. To qualify for this benefit upon voluntary termination, the worker must have worked at least 15 years with the firm. No minimum service period is required for involuntary termination, death, or disability, but service is counted only back to 1970 for involuntary termination.

APPENDIX A: PROGRAM DESCRIPTIONS FOR THE G-7 NATIONS

CANADA

Objectives. When the UI system was established in 1940, the central objective was to provide workers with economic security during short-term unemployment by paying benefits related to past contributions but not to exceed wages. Emphasis was given to adherence to insurance principles in the system's design. A major reform of the system in 1971 added a second objective--aiding the reentry of jobless workers into the labor market.

Administration. A national agency, the Canada Employment and Immigration Commission, administers UC through regional and local offices. The nation is divided into 62 regions for the purpose of administering UC. Most of these regions represent urban labor markets, with rural areas of provinces making up the balance. Payroll taxes that fund the system are collected by the national revenue agency.

Financing. Revenue is raised from a payroll tax on both employer and employee. In 1990, the employer paid 3.15 percent and the employee 2.25 percent on the first $C680 ($588) of each covered worker's weekly wage. No general government revenue is used to support the program.

Coverage. All wage and salary jobs are covered except those providing less than 15 hours of work per week and paying less than $C136 ($118) a week. Self-employed fishermen are covered under special rules. Provincial government jobs are covered at the option of those governments.

Eligibility. To qualify for UI benefits, an unemployed worker must have worked for a minimum number of weeks during the prior 52-week period. The qualifying period can be longer than 52 weeks for those who were ill, injured, pregnant, or in training. An insurable week is one in which the person worked at least 15 hours or earned at least $C136 ($118). The minimum number of weeks required varies by unemployment in the region, from 10 weeks where the unemployment rate is over 15 percent to 20 weeks where the rate is 6 percent or less. A new entrant or reentrant to the labor force needs 20 weeks to qualify.

Persons who quit jobs, are fired for misconduct, refuse suitable jobs, or refuse required training are disqualified for periods ranging from 7 to 12 weeks. Persons jobless because of labor disputes are disqualified for the duration of the dispute.

Benefits. Benefits are equal to 60 percent of average insured gross earnings over the prior 52 weeks, subject to a weekly maximum of $C408 ($353) in 1991. Benefits are fully taxable as income. High-income beneficiaries (over $C49,920 ($43,198) in 1990) must pay back part of the UC benefits they received. Benefit payments begin after a 2-week waiting period.

The duration of benefits varies with the number of insurable weeks of work and the regional unemployment rate. The maximum duration is at least 17 weeks for persons with 20 weeks of work in regions with unemployment of 6 percent or less. The maximum duration for those who worked every week of the qualifying period is at least 35 weeks. Durations reach as long as 50 weeks for some combinations of work history and regional unemployment, as shown below (NE means not eligible):

Regional unemployment rate	Maximum benefit duration (weeks) Weeks worked in past year: 13	26	39	52
6% or less	NE	22	29	35
6%-7%	NE	25	32	38
7%-8%	NE	28	35	41
8%-9%	NE	32	39	45
9%-10%	NE	36	43	49
10%-11%	NE	40	47	50
11%-12%	NE	44	50	50
12%-13%	34	46	50	50
13%-14%	36	48	50	50
14%-15%	38	50	50	50
15%-16%	40	50	50	50
Over 16%	42	50	50	50

Employment Services. The Employment Commission maintains lists of available jobs and provides counselling on job search and retraining programs. The agency offers job training and work experience programs for the long-term unemployed.

FRANCE

Objectives. The UC system consists of two distinct parts. UI provides wage replacement to workers who lost their jobs involuntarily with benefits that are in part wage-related but which decline as the period of unemployment lengthens. The "solidarity" UA program provides a need-based benefit to insurance exhaustees and a flat-rate, 1-year benefit for certain categories of new labor force entrants and reentrants.

Administration. The system is supervised by a national agency, the Ministry of Health and Social Security. Funds are managed by ASSEDICs, an acronym for associations of employers. Payments are administered by UNEDIC, an employees' organization. Municipalities distribute payments in places where these organizations have no offices.

Financing. Employers and employees are required to contribute to the ASSEDICs. Employers pay 4.43 percent and employees 2.47 percent of earnings up to F42,160 ($8,139) a month. Employees pay an extra 0.5 percent on monthly earnings between F10,540 ($2,035) and F42,160 ($8,139). The government pays for the solidarity program that benefits certain persons ineligible for UI.

Coverage. Workers under age 60 (or under 65 and not covered for a social security old-age pension) are covered by UI, except for domestic employees and seasonal workers. There are special rules covering construction and longshore workers, the merchant marine, and aviators. Certain new entrants are covered by the solidarity program, including new labor force entrants age 18-25, apprentices, freed prisoners, recently discharged military veterans, newly widowed or divorced women, single women with children, and unemployed workers who have exhausted their UI benefits.

Eligibility. To be immediately eligible, the jobless worker must be involuntarily unemployed. Unemployment cannot be because of misconduct or refusal of suitable job offers. Those who leave jobs voluntarily are disqualified from benefits for 3 months. A claimant must be able to work and registered at a job exchange. Eligibility also requires that the person have worked for at least 91 days or 520 hours during the 12 months preceding job loss.

Eligibility for a solidarity benefit for those who have exhausted their UI benefits requires employment in at least 5 of the past 10 years, but this requirement can be reduced by 1 year per child for childrearing for as many as three children. Eligibility is also income-tested, with the limits set at F3,870 ($747) a month for a single person or F7,740 ($1,494) for a couple. The solidarity benefit for new labor force entrants is not income-tested.

Benefits. The UI benefit consists of fixed and variable amounts. The fixed amount is F35.78 ($6.91) a day for those who have worked less than 6 months and F47.71 ($9.21) for those who have worked more. The variable amounts for these two groups are 30 and 40 percent, respectively, of the wages on which the payroll tax was paid for the preceding 12 months. Benefits are capped at 56.25 and 75 percent of wages, respectively, for the two groups. All benefits are taxed the same as earnings.

Benefits are paid without a waiting period. Extension periods are granted beyond the original benefit period at the discretion of the ASSEDICs. The lengths of these periods depend on length of employment and age. Benefits in an extension period are 85 percent of the original period amount (90 percent for those over age 50). When extensions are exhausted, beneficiaries are eligible for a flat-rate final allowance of F70.18 ($13.55) a day (F97.28 ($18.78) if over age 55, unemployed over a year, in covered employment at least 20 years, and continuously employed at least a year during the 5 years preceding job loss).

Original benefit periods and maximum durations are shown below:

Work history	Original period (months)	Maximum duration (months)
Less than 6 months in year	3	3
6-12 months in year and:		
under age 50	8	15
age 50 or older	9	21
6-12 months in year (12-24 months in 2 years), employed 10 years in last 15, and:		
under age 50	14	30
age 50 or older	18	45
24-36 months in 3 years and:		
age 50 to 54	21	45
age 55 or older	27	60

The solidarity benefit is F66.43 ($12.82) a day. A higher rate of F95.40 ($18.42) is paid to those age 55 to 57½ and employed at least 20 years and those age 57½ and older and employed at least 10 years. Benefits are payable for periods of 6 months but may be renewed. Eligibility terminates at age 60 for those with old-age pension coverage. Benefits for new entrants, which are not means-tested, are limited to 1 year.

Employment Services. UI beneficiaries are required to register with an employment exchange where information on available jobs is maintained. The government has begun to use UI funds for skills development activities and pays allowances to persons in training.

GERMANY

Objectives. The Employment Promotion Act of 1969, which established Germany's present UC system, states the intention that the program contribute to the prevention of unemployment and underemployment as well as assist unemployed workers with income replacement.

Administration. The UC system is supervised nationally by the Federal Ministry of Labor and Social Affairs. Contributions for this system and other parts of the social security system are collected by sickness funds operated by various localities, enterprises, and occupational groups. Unemployment benefit payments are administered by the Federal Placement and Unemployment Insurance Institute through its regional and local offices.

Financing. Funds for UI are raised from the compulsory social security tax on employers and employees. The UI system's share of these contributions comes from a payroll tax of 4.3 percent on the first DM73,200 ($48,285) of annual earnings, split equally between employee and employer. The employer pays the full 4.3 percent for employees earning less than DM7,320 ($4,828) a year.

A means-tested UA program is funded by the government, as is a special program created in 1990 for jobless workers in the former German Democratic Republic (GDR).

Coverage. All employees with earnings subject to the social security tax are covered by UC. Workers exempted are those working less than 15 hours a week and earning less than DM430 ($284) a month. Those working less than 2 months or 50 working days in a year are also exempt.

Eligibility. To be eligible for UI benefits, unemployed workers must be under age 65, capable of and available for work, and registered with a local employment office. Eligibility also requires that the person have worked in insured employment for at least 360 days during the past 3 years (180 days for seasonal workers). Otherwise qualified individuals are disqualified for up to 12 weeks for voluntary leaving, misconduct, participation in a strike, participation in training, or refusal of a suitable job offer.

A means-tested UA program covers those who fail to qualify for UI benefits if they had insured employment for at least 150 days during the past year. Persons exhausting their UI benefits may also be eligible.

To be eligible for the special program in the former GDR, jobless workers must meet requirements similar to those stated above for the regular UI program. Insured status is granted to those who have contributed to an occupational insurance fund in the 12 months preceding unemployment.

Benefits. The UI benefit amount is 68 percent of after-tax income for persons with children and 63 percent for others. It is payable without a waiting period. Benefits are not subject to the income tax.

The duration of UI benefit payments differs according to length of work history and age. For those under age 44, benefit durations vary proportionately from 16 weeks with 1 year of covered work up to 52 weeks with 3 years of covered work. For those 44 or older, benefits can be paid for up to 69 weeks with 4 years of covered work. For those 49 or older, benefits can last up to 86 weeks with 5 years of covered work. For those 54 or older, benefits can last up to 104 weeks with 6 years of covered work.

The means-tested UA benefit is 58 percent of after-tax income for persons with children and 56 percent for others. Benefits are available for 1 year but may be extended for 1-year periods indefinitely.

The benefit in the special GDR program is DM500 ($330) a month, with reductions for part-time workers and for those whose wage rate was less than this amount. A claimant's last employer must pay a supplemental benefit to increase the public benefit by the difference between 70 percent of the claimant's after-tax wages and the public benefit, not to exceed the DM500 ($330) level.

Employment Services. Beneficiaries must register with an employment office. The administering agency can use payroll tax funds to provide job counselling and training. Maintenance grants are available for persons in training.

ITALY

Objectives. The original UI system provides a small stipend that does not vary with wage level. It has been augmented with supplementary benefits designed to replace wages more adequately and to provide job continuity in firms experiencing downturns or disruptions in their operations.

Administration. Benefit payments are administered by a national agency, the National Social Insurance Institute. Payroll taxes that support the program are collected by the Treasury.

Financing. Employer payroll taxes fund UI benefit costs. The tax is assessed on wages in excess of L50,884 ($44) a day. The tax rate is 1.61 percent. Industrial employers pay an additional 0.3 percent (0.8 percent in the construction industry) for special benefits and 2.2 percent for the wage supplement fund (1.9 percent for firms with less than 50 workers). General government revenue pays for administration and part of the cost of wage supplements.

Coverage. All workers in private employment are covered except occasional and seasonal workers and part-time employees.

Eligibility. To be eligible for basic UI benefits, a jobless worker must have at least 2 years of insured employment, at least 52 weeks of which occurred in the past 2 years. Special UI benefits, available to industrial and construction workers, require at least 13 weeks of continuous covered employment as well.

Eligibility further requires that the jobless worker be registered at an employment office and be capable of and available for work. Claimants may be disqualified if unemployment results from voluntary leaving (30 days) or misconduct or if a suitable job or prescribed training is refused.

Benefits. The basic UI benefit is L1,000 ($0.87) a day for the worker and each dependent and is payable for 180 days after a 1-week waiting period. This benefit is not available to managerial personnel. Construction workers are limited to 90 days of benefits. Agricultural workers are limited to 270 days minus the number of days actually worked, not to exceed 180 days.

Special benefits are available to employees in industrial and construction firms with fewer than 500 employees. Aid to employees of larger businesses is available by decree of the Ministry of Labor and Social Welfare. The amount and duration of these benefits depend on the circumstances of the firm. A temporary downturn or disruption results in a benefit ("ordinary assistance") for wage employees worth 66 percent of wages. It is payable for up to 6 months. A long-term, sectorwide downturn or a business reorganization results in a benefit ("extraordinary assistance") of 80 percent of wages for both wage and salary employees, subject to a maximum for salaried staff. These benefits may be paid for up to 9 months. Again, managerial personnel are not eligible. Special benefits, which do not include any dependents' allowances, are reduced for any basic benefits received.

Employees of the firms covered by special benefits who are partially unemployed may be eligible for wage supplementation. Such supplementation cannot be paid to persons receiving special unemployment benefits. The supplement is an amount sufficient to replace 80 percent of lost wages and is paid for 3-month periods. A supplement cannot be received for more than 12 months in a 2-year period.

All benefits are subject to the income tax.

Employment Services. Claimants must register with a local placement office where information on available jobs is maintained.

JAPAN

Objectives. The UC system is called "employment insurance," which reflects its multiple objectives: to help maintain workers' incomes during unemployment, to stabilize employment, and to strengthen the employment security of workers through skills development.

Administration. The system is administered by a national agency, the Employment Security Bureau under the Ministry of Labor.

Financing. Most of the system's cost is borne by employer and employee payroll taxes. Each pays 0.55 percent of wages for a total of 1.1 percent. (Employees who are seasonal or construction workers pay 0.65 percent. Employers of these workers pay 0.65 percent for seasonal employees and 0.75 percent for construction workers.) In addition, employers pay 0.35 percent of wages to support employment services. These payroll taxes apply to total wages. General government revenue is used to pay one-fourth of benefit costs generally and one-third of benefit costs for unemployed day laborers.

Coverage. All workers are covered except those age 65 or older, part-time workers working less than 22 hours a week, and seasonal workers who work 4 months or less in a year. Jobs with small firms (less than five employees) in the agriculture, forestry, and fishing industries are covered on a voluntary basis.

Eligibility. To be eligible, a worker must have been in insured employment for at least 6 of the last 12 months. The reference period can be extended to 48 months for those out of the labor force because of illness, injury, or pregnancy.

Eligibility requires registration with an employment security office. An eligible must be capable of and available for work and report to the local office every 4 weeks. A claimant may be disqualified for up to 3 months if unemployment resulted from voluntary leaving, misconduct, or refusal of a suitable job offer. Nonattendance at recommended training can also result in disqualification.

Benefits. The basic benefit applicable for most workers varies by wage level. The benefit is 80 percent of past wages for the lower wage workers and 60 percent of wages for higher wage levels.[13] The minimum basic benefit is ¥2,390 ($20) a day; the maximum is ¥9,040 ($73). A separate benefit schedule for day laborers ranges from ¥1,770 ($14) a day for the lowest wage laborers to ¥6,200 ($50) for the highest wage laborers. Benefits are paid after a 1-week waiting period and are not subject to taxation.

Unemployed workers age 65 or older receive a lump-sum benefit that ranges in value from 50 days of the basic benefit for those in insured employment less than 1 year to 150 days for those in insured employment 10 years or more. Unemployed seasonal workers receive a lump-sum benefit worth 50 days of basic benefits.

The duration of benefit eligibility depends on age and work history as follows:

	Period of insured employment			
Age	≤ 1 year	1-4 years	5-9 years	≥ 9 years
< 30	90 days	90 days	90 days	180 days
30-44	90 days	90 days	180 days	210 days
45-54	90 days	180 days	210 days	240 days
55-64	90 days	210 days	240 days	300 days
Difficult to employ and:				
< 55	90 days	240 days	240 days	240 days
55-64	90 days	300 days	300 days	300 days

If a worker obtains a steady job before half the applicable maximum benefit period has expired, a reemployment allowance is paid that is worth from 30 to 120 days of the basic benefit amount.

Benefit durations are shorter for "short-time" workers (those working between 22 and 33 hours a week) age 30 and older. Those age 30 to 54 must have worked at least 5 years to receive benefits for 180 days. Those over 54

[13]It should be noted that the wage figures used by Japan for benefit computation exclude overtime pay and bonuses, which together constitute nearly one-third of total cash compensation in Japan.

have a maximum duration of only 210 days with 10 or more years of service. The difficult to employ are also limited to 210 days (180 days if under age 55). The benefit amount for short-time workers is 60 percent of lost wages.

Employment Services. Employment services aimed at combatting structural unemployment and labor market problems associated with factors such as age and region are an integral part of Japan's UI system. These services include skills development training and support services such as relocation assistance and job search assistance. Firms can also receive employment stabilization subsidies to allow them to retain employees during short-term downturns. These funds can be used to support production activities or on-the-job training.

UNITED KINGDOM

Objectives. The UC system provides a fixed amount of income support for those with substantial work histories who lose their jobs involuntarily. However, brief disqualification periods and a broad program of need-related aid result in significant income support for the unemployed generally.

Administration. The UC system is administered by two national agencies. The Department of Social Security is responsible for tax collection and award of income-tested UA benefits. The Department of Employment administers UI benefits through 8 regional and about 9,000 local offices.

Financing. UI benefits are funded by part of the payroll tax that finances the overall social security system. Income-tested UA is funded from general government funds.

The employer tax applies to total earnings, while the employee's share of the tax applies to the first £325 ($608) of weekly wages (in 1989). Revenue is allocated among all the insurance programs (pension, sickness, maternity, unemployment, and work injury benefits), the National Health Service, which is mostly government funded, and redundancy payments (severance benefits). In 1989, UI benefits were 4.4 percent of all benefits financed by the payroll tax.

The tax rates are graduated according to wage level. The employee pays 2 percent on the first £43 ($80) per week and 9 percent on additional wages up to the overall ceiling. Employees over pension age (65 for men, 60 for women) do not pay the employee tax. Employers pay nothing on the first £43 ($80) of a worker's weekly wage but pay from 5 to 10.45 percent on additional wages, the rate rising with wage level. Persons below pension age who are not employed can contribute voluntarily at a flat rate of £4.15 ($7.76) a week.

Coverage. All workers who earn sufficient wages to pay the payroll tax are covered. The self-employed are excluded.

Eligibility. All jobless workers who had earnings in the prior tax year of at least 50 times the minimum threshold of taxable earnings (i.e., £43 ($80) a week) are eligible for full UI benefits. Reduced benefits can be paid to those with earnings of at least 25 times the earnings threshold. To remain eligible, beneficiaries must register with a job exchange and be physically capable of and available for work.

Those workers who left jobs voluntarily or engaged in misconduct can be disqualified for 6 weeks. This disqualification period also applies to those who refuse a suitable job or fail to accept job training. Those who are jobless because of a labor dispute are disqualified for the duration of the dispute.

After UI benefits are exhausted, a person can regain eligibility only after working for at least 16 hours a week in each of 13 weeks. There is no work history requirement for UA eligibility.

Benefits. A flat-rate benefit of £41.40 ($77.45) is paid weekly to the jobless worker, plus another £25.55 ($47.80) for a spouse or dependent adult. Those over pension age receive higher benefits: £52.00 ($97.28) for the worker, £31.25 ($58.46) for the spouse/dependent adult, and £10.70 ($20.02) for each dependent child. Benefits are payable, after a 3-day waiting period, for up to 52 weeks. UI benefits are taxed the same as earned income.

Redundancy benefits are paid by an employer in a lump sum to employees under pension age who are dismissed after at least 104 weeks of continuous employment by the employer. The benefit equals years of service times £172 ($322) times a factor for weeks of pay per year of service. This factor is 0.5 for those under age 22, 1.0 for those 22 to 40, and 1.5 for those over 40.

The social security system includes need-based UA, for which the unemployed who meet the needs test are eligible indefinitely. This benefit for those with no other income is £39.65 ($74.17) a week (£62.25 ($116.45) for couples). Over half the unemployed receive need-based UA rather than UI benefits.

Employment Services. Beneficiaries must register with a labor exchange operated by the Department of Employment. This agency maintains information on available jobs.

UNITED STATES

Objectives. Before establishment of the UC system in the Social Security Act of 1935, principles were set forth by the Committee on Economic Security that have guided the program since without major change. The system was intended to compensate jobless workers for short periods of unemployment with payments proportionate to wages and not subject to any means test. Establishment of UC was left to the States, but State action was induced through a Federal tax on employers that is reduced substantially if a State has a UC program in compliance with Federal law. Specific provisions of eligibility and benefits were left to the States, but financial control over program administration was placed with the Federal Government to assure adequate

State administering agencies. Financing was to rely on employer taxes, and possibly employee taxes as well, but no subsidy from general government revenue was included. Finally, it was intended that the system be designed to promote stabilization of employment and that long-term unemployment would be dealt with by creation of public jobs rather than long-term UI benefits.

Administration. Fifty-three State employment security agencies administer UC through local offices in each of the 50 States, the District of Columbia, Puerto Rico, and the Virgin Islands. The U.S. Department of Labor oversees State compliance with Federal law, provides grants to State agencies for administrative expenses, and provides research and statistical services. The U.S. Treasury Department receives State and Federal unemployment tax revenues, maintains a set of trust fund accounts for the system, and reimburses State agencies for their benefit expenditures.

Financing. Benefits are financed through the Unemployment Trust Fund by payroll taxes levied by the States. These taxes are applied solely to employers in all but three States, where employees are also taxed. In 1991, State taxes averaged 1.9 percent of taxable wages and 0.7 percent of all covered wages. Tax rates are experience-rated by individual firm to some degree in all States. The 1992 ceilings on taxable yearly wages range from $7,000 in 16 States up to $22,600 in Alaska. Each State program has a Federal trust fund account that is credited with its tax receipts.

A payroll tax of 0.8 percent on the first $7,000 of each covered worker's annual wages is levied on employers as authorized by the Federal Unemployment Tax Act (FUTA). The FUTA tax pays for half of the permanent extended benefits (EB) program, Federal and State administration of UC, and loans to States that experience insolvency in their trust fund accounts. It also pays the full cost of a temporary emergency UC program scheduled to expire on July 4, 1992.

Coverage. Federal law indirectly compels State UC programs to cover most jobs. Nonfarm jobs are covered for employers that employ at least one worker in 20 or more weeks or have a quarterly payroll of at least $1,500. Farm jobs are covered for agricultural employers that have at least 10 employees in 20 weeks or pay at least $20,000 in quarterly cash wages. Domestic employment is covered for employers that pay cash wages of at least $1,000 quarterly. Federal law directly requires coverage for jobs in State and local governments and most nonprofit organizations. The largest uncovered worker category is the self-employed. UC covers 98 percent of all wage and salary workers.

Eligibility. States determine eligibility requirements. Most States require that a worker have covered wages above a minimum level during the first four of the past five calendar quarters to be eligible. The median minimum earnings required in 1992 is $1,418. Nine States require that the worker had employment for at least a minimum number of weeks (15 to 20) during the base period. In addition, 31 States require that a substantial part of the required minimum earnings fall within one quarter, and 11 other States require some concentration of the required earnings as a criterion of serious attachment to the labor force.

States disqualify workers who leave jobs voluntarily, with all but six States extending the disqualification for the duration of the unemployment spell. Jobless workers are also disqualified for: willful misconduct on a job (for the entire spell in 42 States); refusal of suitable employment (for the entire spell in 41 States); a labor dispute (for its duration in most cases); fraud; or receipt of disqualifying income. This last disqualification usually results in an offset of UC benefits by some or all of the disqualifying income. Federal law requires that States reduce UC benefits for pension benefits received from a base-period employer and for social security benefits received.

Benefits. UC benefit levels and durations are set in State law. Most States peg benefits to 50 percent of the prior gross wage level, but all States set benefit caps that result in lower wage replacement for those who earn more than the average wage. Benefit maximums in 1992 range from $116 a week in Indiana to $444 a week in Massachusetts (for a worker with dependents). Fourteen States provide supplemental benefits for workers with dependents. All UC benefits are fully taxable as income. A waiting period of 1 week is applicable in 42 States; there is no wait in the other States.

The UC system was designed to compensate for job loss because of normal business cycles. Thus, regular benefit durations are limited to no more than 26 weeks in all but Massachusetts and Washington, where benefits can last for 30 weeks. Eleven States currently operate State-funded extended benefit programs.

The Federal-State extended benefit (EB) program, funded 50-50 from Federal and State payroll taxes, is automatically triggered in an individual State when its insured unemployment rate over 13 weeks exceeds 5 percent and is at least 120 percent of the rate during the corresponding periods of the past 2 years. At State option, a rate above 6 percent will trigger EB regardless of the relationship to the preceding years' rates. EB provides an additional 13 weeks of benefits. It was in operation in nine States as of June 1991 in response to the 1990-91 recession, but only Puerto Rico was operating EB in March 1992.

EB has been effectively supplanted by a temporary emergency UC program, funded entirely from Federal payroll taxes, that is to expire on July 4, 1992. This program provides either 26 or 33 weeks of added benefits depending on the level of unemployment in a State. The higher figure pertains to States with a 6-month average total unemployment rate above 9 percent or a 13-week insured unemployment rate, adjusted to add in benefit exhaustees, above 5 percent.

Since UC was not designed to help dislocated workers faced with long-term unemployment and the need to make a career transition, Congress acted in 1962 to provide special help to workers dislocated by U.S. trade policies. Under the trade adjustment assistance (TAA) program, workers who are certified eligible may receive cash benefits and training, and firms may receive technical or financial assistance to cope with import competition. TAA cash benefits are at the same dollar level as UI benefits in the State where the beneficiary is paid. TAA benefits are paid only after UI benefits expire and are, thus, an extension of the regular UI program. The combined duration of TAA and UI benefits, including any EB or emergency benefits, is limited to 52 weeks (78 weeks in the case of workers engaged in approved training that lasts beyond 52 weeks). To be eligible, a worker must have been employed with a single trade-affected firm during at least 26 of the 52 weeks preceding layoff and must have received wages of at least $30 per week.

There is no need-tested benefit integrated with UC. U.S. assistance programs apply differently to different categories of needy people, and benefits in some programs vary widely by State. The assistance program most closely related to UC is the unemployed parent component of the Federal-State aid to families with dependent children (AFDC-U). To qualify for AFDC-U, the unemployed parent must have a minimum work history, meet a test of unemployment in addition to a need test, and accept work or training as required by the State. Time spent in school can substitute for part of the required work history.

Employment Services. UC beneficiaries are eligible for assistance from the U.S. Employment Service, which maintains listings of available jobs. Federally funded job training is available from a separate program for dislocated workers under the Job Training Partnership Act. UC can be received while in training only if the State approves the training course for the individual. Demonstration projects in two States are allowing claimants to use UC funds to start new businesses.

Workers who receive TAA cash benefits must participate in job training unless exempted by the Secretary of Labor. Cash benefits are extended for up to 26 additional weeks when training lasts beyond the normal eligibility period. Special allowances of up to $800 are available to TAA beneficiaries for job search expenses and for relocation expenses.

APPENDIX B: MAJOR EVENTS IN THE DEVELOPMENT OF UNEMPLOYMENT COMPENSATION

Decade	Canada	France	Germany	Italy	Japan	United Kingdom	United States
Early 1900s		Private contributory unemployment benefit funds organized by trade unions or mutual benefit societies and subsidized by government contributions.	Trade unions and voluntary communal insurance funds provided help for members who became unemployed.			Cash benefit plans for unemployed organized by trade unions and workmen's associations.	
1910-1919		National unemployment assistance (UA) scheme established. Benefits provided through funds created and operated locally. Subsidized by government revenue.		Decree issued in 1919 making Unemployment Insurance (UI) compulsory for most manual workers.		UK became first country to legislate a national compulsory UI program with passage of the *National Insurance Act of 1911.*	
1920-1929			Compulsory national UI program established in 1927 for all wage earners and lower paid salaried employees.			UI extended to most workers in industry and commerce in 1920.	

Decade	Canada	France	Germany	Italy	Japan	United Kingdom	United States
1930-1939	*Employment and Social Insurance Act* passed in 1935. UI program funded by tax revenue from employers, employees and the government.			Decree issued in 1939 extending the ordinary unemployment benefit, financed through employer taxes and general government revenue, administered by the National Social Insurance Institute (INPS).		UI benefits limited following financial strain on government in the mid-1930s. Means-tested UA program initiated.	*Social Security Act of 1935*. UI was established as a Federal-State program designed to provide temporary financial assistance to eligible unemployed workers and to maintain consumer spending in recessionary periods.
1940-1949	*Unemployment Insurance Act of 1940*. Established compulsory UI program and National Employment Service to operate in conjunction. Program administered by Unemployment Insurance Commission.	Social Security established. Unemployment not regarded as insurable risk.		In 1941 the *Fund for Supplemental Earnings (CIG)* was instituted to guarantee part of the pay of workers and salaried staff whose pay may be threatened by reduced work under certain circumstances. Fund financed through employer taxes to the INPS.	*Unemployment Insurance Law* enacted in 1947. Established country's first compulsory UI scheme.	Enactment of unified system of social insurance contained in the comprehensive *National Insurance and Industrial Injuries Scheme* of 1946.	

APPENDIX B: MAJOR EVENTS IN THE DEVELOPMENT OF UNEMPLOYMENT COMPENSATION

Decade	Canada	France	Germany	Italy	Japan	United Kingdom	United States
Early 1900s		Private contributory unemployment benefit funds organized by trade unions or mutual benefit societies and subsidized by government contributions.	Trade unions and voluntary communal insurance funds provided help for members who became unemployed.			Cash benefit plans for unemployed organized by trade unions and workmen's associations.	
1910-1919		National unemployment assistance (UA) scheme established. Benefits provided through funds created and operated locally. Subsidized by government revenue.		Decree issued in 1919 making Unemployment Insurance (UI) compulsory for most manual workers.		UK became first country to legislate a national compulsory UI program with passage of the *National Insurance Act of 1911*.	
1920-1929			Compulsory national UI program established in 1927 for all wage earners and lower paid salaried employees.			UI extended to most workers in industry and commerce in 1920.	

Decade	Canada	France	Germany	Italy	Japan	United Kingdom	United States
1950-1959	1940 UI Act repealed and replaced by *Unemployment Insurance Act of 1955*. Designed to make UI more effective, it expanded coverage, eased qualifying conditions, increased benefit rates, lengthened duration and increased allowable earnings.	Private contributory plans nearly extinct. Legislation enacted in 1951 to improve existing programs and provide work projects for the unemployed. Following a national labor-management agreement in 1958, a UI scheme was established which provided coverage to all firms belonging to trade associations or inter-occupational organizations affiliated with the National Council of French Employers (CNPF).	Federal Institution for Placement and Unemployment Insurance established in 1952 to administer UI program.				*Temporary Unemployment Compensation* program enacted in 1958 providing one-half of regular benefit entitlement up to 13 weeks, financed through a temporary Federal program of loans to States.

Decade	Canada	France	Germany	Italy	Japan	United Kingdom	United States
1960-1969		UI made compulsory in 1967, extending UI benefits to all workers in industrial and commercial sectors of economy. Administered by joint labor-management bodies at the national and regional levels (the UNEDIC and the ASSEDIC), scheme was private contributory insurance program receiving no financial assistance from government. Public means-tested UA program extended to cover unemployed workers in all regions.	In 1969 the 1927 Act was replaced by the *Employment Promotion Act (AFG)*, providing cash benefits of two kinds: unemployment benefits, financed by earnings-based payroll taxes; and unemployment assistance (UA), a means-tested program for those either ineligible for UI or who have exhausted their UI benefits, financed by general government revenue. Act provides job training and other benefits as well. Complemented by the *Federal Social Assistance Act* which provides aid to those not entitled to either UI or UA.	Special unemployment benefit program established in 1968 to provide economic support to those made redundant by industries affected by sectoral or local economic crises. Special benefit of the *Earnings Supplemental Fund* introduced in 1968. Designed to address economic difficulties at the enterprise, industry or regional level impacting on the employment and level of income of industrial workers, it is financed through government funds and administered by the INPS.		In 1966 UA program merged into a general supplementary benefit system, a means-tested program providing cash assistance to help guarantee a minimum standard of living. Also, Earnings Related Supplement (ERS) introduced, based on earnings in the preceding year and supplementing flat-rate UI benefit for up to 6 months.	*Temporary Extended Unemployment Compensation* passed in 1961, providing one-half of regular benefit up to 13 weeks, financed by a temporary increase in Federal unemployment taxes. Trade adjustment assistance (TAA) authorized to compensate workers displaced by import competition.

Decade	Canada	France	Germany	Italy	Japan	United Kingdom	United States
1970-1979	New *Unemployment Insurance Act of 1971* enacted. Intended to make UI compatible with other Social Security programs, it included universal coverage, eased eligibility and new benefits in case of sickness, maternity, and retirement. Distinguished between claimants with "major attachment" to labor force who were eligible for regular benefits, and claimants with "minor attachment" who were eligible for special or miscellaneous benefits (sickness, maternity, job training, etc.).	In 1979 the Government proposed unified UC system, financed in part by earnings-based taxes and in part by general government revenue.	According to a 1977 provision, unemployed person who cannot find a comparable job to the one from which he was terminated must accept a less skilled job after 4 months, provided salary is not less than 80 percent of his former gross wage.	New regulations established for ordinary benefits paid by the *Earnings Supplemental Fund*.	1947 law replaced by employment insurance system in 1975. Program designed to provide income security for unemployed persons and contribute toward implementation of a national manpower policy. Emphasizes continuous skill development for all workers.	UC restructured in 1975 under the *Social Security Act* which covers not only unemployment, but also income loss due to sickness, work injury, old age, invalidity, and death of breadwinner. New scheme based on earnings-related payroll tax paid by both employers and employees. Benefit still a flat-rate award.	Permanent Federal-State extended benefits (EB) program established in 1970, providing one-half of regular benefits up to 13 weeks; financed one-half each by Federal unemployment taxes and State UC taxes. Emergency Unemployment Compensation Act passed in 1971 to further extend one-half of benefits for up to 13 weeks. Benefits financed entirely by FUTA taxes. Federal supplemental benefits passed in 1974 to provide up to 26 weeks of benefits, financed through FUTA taxes and Federal general revenues. TAA eligibility rules eased and benefits liberalized in 1974.

Decade	Canada	France	Germany	Italy	Japan	United Kingdom	United States
1980-1989		In 1984 the dual UI-UA system is restored following the failure of the unified scheme on financial and institutional grounds. New program consists of UI program, financed by payroll taxes on employees and employers and administered jointly by UNEDIC-ASSEDIC, and a revamped UA or "solidarity" scheme, financed entirely by general government revenues.				ERS is abolished in 1982, leaving only the basic flat-rate benefit and the supplementary benefit system.	Eligibility for EB and TAA tightened in 1981. *Federal Supplemental Compensation* passed in 1982, providing benefits which varied by State depending on insured unemployment. Benefits financed through Federal general revenue. UI benefits made fully taxable in 1986. TAA claimants required to undergo job retraining in 1988 act.

Decade	Canada	France	Germany	Italy	Japan	United Kingdom	United States
1990-1992	Bill C-21 passed in 1990. Intended to increase private sector training and make the UI program more responsive to the needs of those it covers, it reduces the maximum benefit period in most regions, extends coverage to workers over 65, provides for a multi-tier special benefit structure, and encourages greater use of program funds for experiments. The government no longer contributes general revenue to the system, requiring about $3.0 billion to be replaced by an increase in employer/employee taxes.		UC system established for the former German Democratic Republic; consists of flat-rate benefit plus redundancy allowance.				*Emergency Unemployment Compensation (EUC)* passed in November 1991 to provide additional weeks of benefits to those who exhausted State UC and extended benefits, financed through FUTA taxes. EUC program amended in February 1992 to provide additional weeks of benefits and extend program's expiration date to July 4, 1992.

APPENDIX C: BACKUP TABLES FOR CHARTS

TABLE C.1. Public Expenditures for UC Programs in the G-7 Nations, Fiscal Years Beginning in 1970-1990

Nation	Fiscal year beginning: 1970	1975	1980	1985	1986	1987	1988	1989	1990
	Public expenditures for UC as percent of GDP								
Canada	1.67	2.76	2.32	1.87	1.86	1.64	1.57	1.57	NA
France	0.32	0.78	1.46	1.20	1.24	1.31	1.31	1.27	NA
Germany	0.40	1.49	1.12	1.41	1.31	1.34	1.34	1.20	1.14
Italy	0.18	0.45	0.47	0.75	0.57	0.49	0.40	NA	NA
Japan	0.27	0.48	0.40	NA	NA	0.40	0.43	0.34	0.32
United Kingdom	0.47	0.70	0.94	2.01	1.93	1.56	1.10	0.84	0.90
United States	0.42	1.18	0.62	0.61	0.56	0.51	0.44	0.47	0.60
	Public expenditures for UC as percent of GDP per percentage point of unemployment								
Canada	0.29	0.40	0.31	0.17	0.20	0.19	0.20	0.21	NA
France	0.13	0.19	0.23	0.12	0.12	0.12	0.13	0.13	NA
Germany	0.80	0.44	0.40	0.20	0.20	0.21	0.21	0.21	0.22
Italy	0.06	0.13	0.11	0.12	0.08	0.06	0.05	NA	NA
Japan	0.22	0.25	0.20	NA	NA	0.14	0.17	0.15	0.15
United Kingdom	0.15	0.15	0.13	0.18	0.17	0.15	0.13	0.12	0.13
United States	0.09	0.14	0.09	0.08	0.08	0.08	0.08	0.09	0.11

NA = Not available.

Source: Organisation for Economic Co-operation and Development (OECD), *Employment Outlook*, July 1991. The unemployment rates used by CRS to adjust the OECD data are from the *Economic Report of the President*, Feb. 1992.

TABLE C.2. Unemployment Rates Used To Adjust Statistics in Table C.1

Year	Unemployment rates for: Canada	France	Germany	Italy	Japan	U.K.	U.S.
1970	5.7	2.5	0.5	3.2	1.2	3.1	4.9
1971	6.2	2.8	0.6	3.3	1.3	3.9	5.9
1972	6.2	2.9	0.7	3.8	1.4	4.2	5.6
1973	5.5	2.8	0.7	3.7	1.3	3.2	4.9
1974	5.3	2.9	1.6	3.1	1.4	3.1	5.6
1975	6.9	4.1	3.4	3.4	1.9	4.6	8.5
1976	7.1	4.5	3.4	3.9	2.0	5.9	7.7
1977	8.1	5.1	3.4	4.1	2.0	6.4	7.1
1978	8.3	5.3	3.3	4.1	2.3	6.3	6.1
1979	7.4	6.0	2.9	4.4	2.1	5.4	5.8
1980	7.5	6.4	2.8	4.4	2.0	7.0	7.1
1981	7.5	7.6	4.0	4.9	2.2	10.5	7.6
1982	11.0	8.3	5.6	5.4	2.4	11.3	9.7
1983	11.8	8.5	6.9	5.9	2.7	11.8	9.6
1984	11.2	10.0	7.1	5.9	2.8	11.8	7.5
1985	10.5	10.4	7.2	6.0	2.6	11.2	7.2
1986	9.5	10.6	6.6	7.5	2.8	11.2	7.0
1987	8.8	10.7	6.3	7.9	2.9	10.3	6.2
1988	7.8	10.2	6.3	7.9	2.5	8.6	5.5
1989	7.5	9.6	5.7	7.8	2.3	7.1	5.3
1990	8.1	9.2	5.2	7.0	2.1	6.9	5.5

Source: *Economic Report of the President*, Feb. 1992.

APPENDIX D: BIBLIOGRAPHY

Ainsworth, Robert G. Improving the effectiveness of the employment service: defining the issues. Research report 91-01. National Commission for Employment Policy, Oct. 1991.

Atkinson, Anthony B., and John Micklewright. Unemployment compensation and labor market transitions: a critical review. Journal of economic literature, v. XXIX, Dec. 1991: 1679-1727.

Blaustein, Saul J., and Isabel Craig. An international review of unemployment insurance schemes. Kalamazoo, Mich., The W.E. Upjohn Institute for Employment Research, 1977.

Burdett, Kenneth, and Randall Wright. Unemployment insurance and short-time compensation: the effects on layoffs, hours per worker, and wages. Journal of political economy, v. 97, no. 6, 1989: 1479-1496.

Burtless, Gary. Jobless pay and high European unemployment. In Barriers to European growth: a transatlantic view, Robert Z. Lawrence and Charles L. Schultze, eds. Washington, The Brookings Institution, 1987. p. 105-174.

Calcoen, Francis, Louis Eeckhoudt, and Dominique Greiner. Indemnisation du chômage: une comparaison internationale. Commissariat Général du Plan. Paris, La Documentation Française, 1988.

Commercial laws of the world: Mexico labor laws. Part II. Ormond Beach, Fla., Foreign Tax Law Publishers, Inc., Dec. 1988.

Dingledine, Gary. A chronology of response: the evolution of unemployment insurance from 1940 to 1980. Prepared for Employment and Immigration Canada. Ottawa, Minister of Supply and Services Canada, 1981.

Disney, R. Unemployment insurance in Britain. In The economics of unemployment in Britain, John Creedy, ed. London, Butterworth and Co., 1981. p. 150-185.

García de Blas, Antonio. Unemployment benefits in Spain and other European OECD countries. International labour review, v. 124, no. 2, Mar.-Apr. 1985: 147-161.

Ginsberg, Helen. How Sweden combats unemployment among young and older workers. Monthly labor review, v. 105, Oct. 1982: 22-27.

IBIS reference manuals. France. Germany. United Kingdom. International Benefits Information Service, Max Horlick and others, eds. Chicago, Charles D. Spencer & Associates, Inc., 1989.

Internationale chronik zur arbeitsmarktpolitik [International chronicle of labor market policy]. Entrepreneurship: Federal Republic of Germany; the unemployed as entrepreneurs. No. 32, Apr. 1988: 8. [translated by Casimir Petraitis, Congressional Research Service (CRS)]

----- Federal Republic of Germany: extension of unemployment benefits. No. 19, Jan. 1985. [translated by C. Petraitis, CRS]

----- Focus: employment, labor, labor markets and strategies to combat unemployment: an international comparison. No. 27, Feb. 1987: 1-4. [translated by C. Petraitis, CRS]

----- Focus--unemployment registration: an international comparison. No. 33, July 1988: 1-4. [translated by C. Petraitis, CRS]

----- Great Britain: unemployed successful in establishing businesses. No. 18, Oct. 1984: 9-10. [translated by C. Petraitis, CRS]

----- Institutions explained: the British unemployment compensation system. No. 27, Feb. 1987: 13. [translated by C. Petraitis, CRS]

----- Institutions explained: the Canadian unemployment insurance system. No. 32, Apr. 1988: 13. [translated by C. Petraitis, CRS]

----- Institutions explained: the Italian unemployment compensation system. No. 25: 13. [translated by C. Petraitis, CRS]

----- Institutions explained: the Japanese unemployment insurance system. No. 29, July 1988: 13. [translated by C. Petraitis, CRS]

----- The long-term unemployed in the Federal Republic of Germany: employment subsidies for the long-term unemployed. No. 37: 7. [translated by C. Petraitis, CRS]

----- The long-term unemployed/France: labor policies for the long-term unemployed. No. 27, July 1987: 7-8. [translated by C. Petraitis, CRS]

----- The long-term unemployed/Great Britain: package deal for the long-term unemployed. No. 23, Jan. 1986: 8-9. [translated by C. Petraitis, CRS]

----- The long-term unemployed/Great Britain: qualifications for long-term unemployed adults. No. 29, July 1987: 8-9. [translated by C. Petraitis, CRS]

----- Reintegration of the long-term unemployed: programs in eight countries. No. 16, Apr. 1984: 1-4. [translated by C. Petraitis, CRS]

----- Unemployment benefits in West Germany: surpluses used for continuing education and unemployment benefits. Oct. 1985: 5-6. [translated by C. Petraitis, CRS]

International Labour Office. Employment promotion and social security. Report IV (1), Ch. III. International Labour Conference, 73rd session. Geneva, 1987.

----- social security for the unemployed. Geneva, ILO, 1976.

International unemployment benefits in 12 countries. European industrial relations review, no. 105, Oct. 1982: 12-19.

Kane, Matt, and Paula Duggan. Dislocated workers: coping with competition and conversion. Northeast Midwest Institute, 1991.

Kerschen, Nicole, and Francis Kessler. Unemployment benefit in France and the Federal Republic of Germany: social protection or employment market regulation? Some legal aspects. International social security review, v. 3, 1990: 270-286.

Library of Parliament [Canada]. Research Branch. Bill C-21: amendments to the Unemployment Insurance Act and the Employment and Immigration Department and Commission Act. Legislative summary [by] Jean-Daniel Bélanger and Kevin B. Kerr. Ottawa, 1990.

Moorthy, Vivek. Unemployment in Canada and the United States: the role of unemployment insurance benefits. FRBNY quarterly review, winter 1989-90: 48-61.

Muñoz, Carlos Rosado. Report from Mexico. Benefits and Compensation International, Jan./Feb. 1992: 2-10.

Organisation for Economic Co-operation and Development. Employment outlook: September 1988. Paris, OECD, 1988.

----- Employment outlook: July 1989. Paris, OECD, 1989.

----- Employment outlook: July 1991. Paris, OECD, 1991.

----- High unemployment: a challenge for income support policies. Paris, OECD, 1984.

----- Unemployment compensation and related employment policy measures: general report and country studies. Paris, OECD, 1979.

Organization of American States. General Secretariat. A statement of the laws of Mexico in matters affecting business. Washington, 1970.

The Parliament of the Commonwealth of Australia. Legislative Research Service. Commonwealth social security cash benefits since federation: a chronology of major events to September 1986. Basic paper no. 1, 1986-87. Department of the Parliamentary Library, 1986.

The political economy of social security. [Edited by B.A. Gustafsson and N.A. Klevmarken]. Amsterdam, North-Holland, 1989.

Reubens, Beatrice G. Unemployment insurance in the United States and Europe, 1973-83. Monthly labor review, v. 112, Apr. 1989: 22-31.

Shreve, David L., and Scott A. Liddell. Made in Japan: employment insurance. State legislatures, v. 17, Aug. 1991: 27-29.

Unemployment insurance: regular benefits. Canada. Employment and immigration, 1991: 2-11.

U.S. Dept. of Health and Human Services. Social Security Administration. Office of International Policy. Office of Research and Statistics. Social security programs throughout the world--1989. Research report #62, SSA publication no. 13-11805. Washington, May 1990.

U.S. Library of Congress. Congressional Research Service. Adjustment assistance: should Congress create new programs for dislocated workers? Issue brief no. IB91143 [by] James R. Storey. [Washington] 1992 (continually updated). 14 p.

----- How the unemployment compensation system works. CRS report for Congress no. 91-900 EPW [by] James R. Storey. [Washington] 1991. 29 p.

----- Income support for workers dislocated by federal policy initiatives. CRS report for Congress no. 90-330 EPW [by] James R. Storey. [Washington] 1990. 34 p.

----- Trade adjustment assistance: the program for workers. CRS report for Congress no. 92-73 EPW [by] James R. Storey. [Washington] 1991. 15 p.

----- Unemployment compensation: a history of extended benefits for the long-term unemployed. CRS report for Congress no. 92-84 [by] Gene Falk. [Washington] 1992. 27 p.

----- Unemployment compensation: legislative issues for 1992. Issue brief no. IB92027 [by] Gene Falk, Dawn Nuschler, and James R. Storey. [Washington] 1992 (continually updated). 6 p.

Wandner, Stephen A., and Jon C. Messenger. U.S. perspective on the potential use of self-employment programs. Prepared for Association of Public Policy Analysis and Management, 12th Annual Research Conference, San Francisco, Oct. 20, 1990.

O

54-784 0 (68)