

	UI Programs	UA Programs
Initial Entry Eligibility		
Requirements on the claimant		
1. Total or substantial unemployment	X	X
2. Substantial prior work experience	X	
3. Acceptable reason for separation	X	
4. Serve a waiting period	X	X
5. Low family income (and assets)		X
Administrative agency determinations		
1. Initial Entitlement, Yes-No	X	X
2. Level of periodic payment	X	X
3. Maximum potential duration	X	
4. Family Income Assessment		X
Continuing Eligibility		
Requirements on the claimant		
1. Able to work	X	X
2. Available to work	X	X
3. Active work search	X	X
4. Low family income (and assets)		X
Administrative agency oversight		
1. Work search	X	X
2. Suitable job offers	X	X
3. Disqualifying and/or deductible labor income, e.g., pensions	X	
4. Family income monitoring		

Table 2. The Cost of Unemployment Protection in Australia, 1959 to 1999

Fiscal Year	Labor Force	Unemp	U Rate TUR%	NumBen Ann Avg	NumBen/ Unemp	Total UA Benefits	Weekly Benefits	Weekly Wage	Rep. Rate	G	B%
1959						12					
1960	4109.5	68.0	1.7			9					
1961	4198.5	88.5	2.1			9					
1962	4282.0	116.0	2.7			30					
1963	4381.0	104.0	2.4	39.7	0.382	21	10	41	0.254	0.097	0.230
1964	4524.5	85.0	1.9	25.9	0.305	13	10	43	0.234	0.071	0.134
1965	4715.0	73.5	1.6	13.7	0.187	7	10	46	0.208	0.039	0.061
1966	4851.5	77.0	1.6	14.9	0.194	8	10	48	0.210	0.041	0.065
1967	4962.2	90.8	1.8	20.7	0.227	11	10	51	0.204	0.046	0.085
1968	5084.1	95.4	1.9	21.5	0.226	11	10	54	0.186	0.042	0.079
1969	5204.6	92.8	1.8	17.8	0.192	9	10	58	0.173	0.033	0.059
1970	5379.0	93.7	1.7	13.2	0.141	9	13	63	0.206	0.029	0.051
1971	5563.3	97.1	1.7	15.0	0.154	11	14	69	0.200	0.031	0.054
1972	5666.5	126.6	2.2	29.1	0.230	26	17	76	0.225	0.052	0.115
1973	5834.1	153.6	2.6	39.6	0.258	47	23	83	0.272	0.070	0.185
1974	5990.3	127.3	2.1	34.1	0.268	58	33	96	0.341	0.091	0.194
1975	6103.1	247.1	4.0	116.6	0.472	252	42	120	0.345	0.163	0.659
1976	6230.9	301.6	4.8	191.7	0.636	514	52	138	0.375	0.238	1.152
1977	6290.6	325.1	5.2	216.9	0.667	618	55	155	0.354	0.236	1.221
1978	6400.9	389.6	6.1	265.8	0.682	794	57	170	0.338	0.231	1.405
1979	6464.9	408.7	6.3	306.2	0.749	910	57	183	0.313	0.234	1.481
1980	6600.7	407.6	6.2	306.3	0.752	925	58	200	0.290	0.218	1.345
1981	6757.1	395.9	5.9	310.0	0.783	996	62	227	0.272	0.213	1.247
1982	6863.4	423.5	6.2	332.0	0.784	1224	71	263	0.270	0.212	1.306
1983	6953.8	624.9	9.0	540.2	0.864	2249	80	292	0.274	0.237	2.130
1984	7067.6	680.1	9.6	619.6	0.911	2912	90	317	0.285	0.260	2.502
1985	7198.7	619.4	8.6	581.7	0.939	2984	99	338	0.291	0.274	2.355
1986	7451.4	591.5	7.9	559.2	0.946	3122	107	359	0.299	0.283	2.248
1987	7679.5	635.1	8.3	574.4	0.904	3454	116	381	0.304	0.275	2.272
1988	7866.8	610.5	7.8	502.5	0.823	3375	129	404	0.320	0.263	2.043
1989	8076.3	536.0	6.6	429.4	0.801	3136	140	431	0.326	0.261	1.732
1990	8346.3	515.3	6.2	385.0	0.747	3068	153	460	0.333	0.249	1.538
1991	8498.8	710.3	8.4	535.9	0.755	4561	164	487	0.336	0.254	2.121
1992	8526.0	882.0	10.3	771.4	0.875	6736	168	501	0.335	0.293	3.034

1993	8539.0	938.0	11.0	883.0	0.941	7492	163	511	0.319	0.301	3.302
1994	8672.0	916.8	10.6	905.7	0.988	7598	161	526	0.307	0.303	3.205
1995	8848.3	800.5	9.0	847.0	1.058	7061	160	544	0.295	0.312	2.819
1996	9084.3	768.5	8.5	812.8	1.058	5812	137	557	0.247	0.261	2.208
1997	9187.0	799.3	8.7	811.4	1.015	6207	147	574	0.256	0.260	2.267
1998	9228.0	766.8	8.3	794.0	1.036	5916	143	592	0.242	0.251	2.082
1999	9363.8	725.3	7.7			5771					

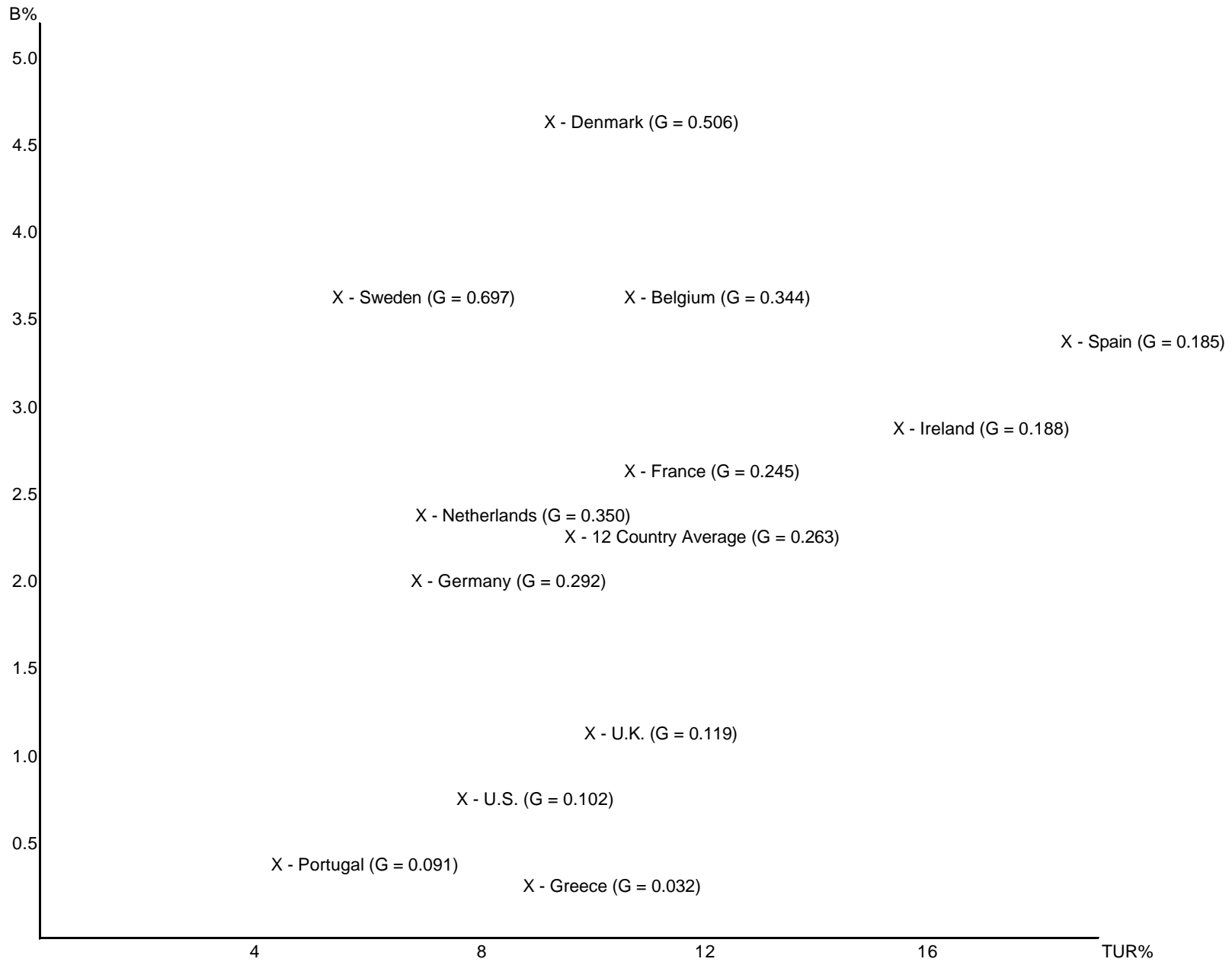
Source: Department of Family and Community Services (FaCS), Australian Bureau of Statistics and OECD. Labor force, unemployment and beneficiaries in thousands. Total benefits in millions. Benefit data exclude mature age allowances from 1994 and payments to dependent partners after 1995. Estimates of the labor force and unemployment for 1960-1964 based on OECD data. Beneficiaries in 1994-98 estimated from a regression of the annual average on the simple average of June data for current and past fiscal year.

Table 3. Cost of Unemployment Protection in Four Countries with Unemployment Assistance

	1960s	1970s	1980s	1990s	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999
Panel A. Unemployment Rate - Percent of Labor Force														
Australia	1.9	3.7	7.6	8.9	6.2	8.4	10.3	11.0	10.6	9.0	8.5	8.7	8.3	7.7
New Zealand	0.2	0.5	4.2	8.0	7.1	9.1	10.6	10.0	9.0	7.0	6.1	6.4	7.1	7.3
Hong Kong - a	-	3.5	3.0	2.5	1.2	1.5	1.8	1.9	1.9	2.5	3.2	2.4	3.0	5.9
Estonia - b	-	-	-	7.8	-	1.5	3.7	6.5	7.6	9.7	10.0	9.7	9.9	11.7
Panel B. Unemployment Assistance Beneficiaries as a Proportion of the Unemployed														
Australia - c	0.24	0.43	0.85	0.94	0.75	0.76	0.88	0.94	0.99	1.06	1.06	1.02	1.04	
New Zealand - d	0.39	0.83	0.78	1.12	1.16	1.00	0.94	1.03	1.09	1.23	1.26	1.18	1.12	1.14
Hong Kong- e	-	-	0.04	0.08	0.05	0.04	0.04	0.05	0.06	0.06	0.08	0.17	0.17	0.13
Estonia - f	-	-	-	0.26	-	-	-	-	0.30	0.20	0.24	0.26	0.25	0.31
Panel C. Replacement Rate, Average Benefits as a Proportion of Average Wages														
Australia - c	0.21	0.30	0.29	0.30	0.33	0.34	0.34	0.32	0.31	0.30	0.25	0.26	0.24	
New Zealand - d	0.41	0.54	0.40	0.32	0.36	0.35	0.32	0.24	0.32	0.30	0.31	0.32	0.32	
Hong Kong- e	-	-	0.34	0.41	0.29	0.28	0.29	0.29	0.39	0.43	0.47	0.51	0.52	0.58
Estonia - f	-	-	-	0.10	-	-	-	0.17	0.10	0.08	0.07	0.07	0.09	0.09
Panel D. Generosity Index - G = Proportion Compensated * Replacement Rate														
Australia - c	0.053	0.138	0.250	0.276	0.249	0.254	0.293	0.301	0.303	0.312	0.261	0.260	0.251	
New Zealand - d	0.172	0.446	0.312	0.351	0.419	0.350	0.300	0.246	0.348	0.370	0.389	0.376	0.356	
Hong Kong- e	-	-	0.014	0.039	0.015	0.011	0.011	0.014	0.024	0.026	0.036	0.086	0.090	0.074
Estonia - f	-	-	-	0.022	-	-	-	-	0.032	0.015	0.019	0.018	0.018	0.028
Panel E. Unemployment Benefits as a Percent of Wages - B%														
Australia - c	0.10	0.65	1.92	2.51	1.54	2.12	3.03	3.30	3.20	2.82	2.21	2.27	2.08	
New Zealand - d	0.07	0.17	1.34	2.76	2.99	3.17	3.17	2.48	3.12	2.59	2.38	2.39	2.52	
Hong Kong- e	-	-	0.03	0.12	0.02	0.02	0.02	0.03	0.04	0.06	0.12	0.20	0.27	0.44
Estonia - f	-	-	-	0.21	-	-	-	-	0.24	0.15	0.19	0.17	0.17	0.32

Source: Australia - Table 2; New Zealand - Annual Yearbook, various issues; Hong Kong - Census and Statistics Department; Estonia - Tables 2 and 10 of - Vodopivec, Worgotter and Raju (2001). Selected data adjustments made by the author. Fiscal year data for Australia, New Zealand and Hong Kong. a - from 1977, b - from 1991, c - from 1963, d - from 1966, e - from 1986, f - from 1993 or 1994 as indicated.

Chart A. Benefit Costs, Benefit Generosity and Unemployment Rates in Selected OECD Countries, 1992.



$$B\% = (RRATE * (NBen / Unemp)) * (TUR / (1 - TUR))\%$$

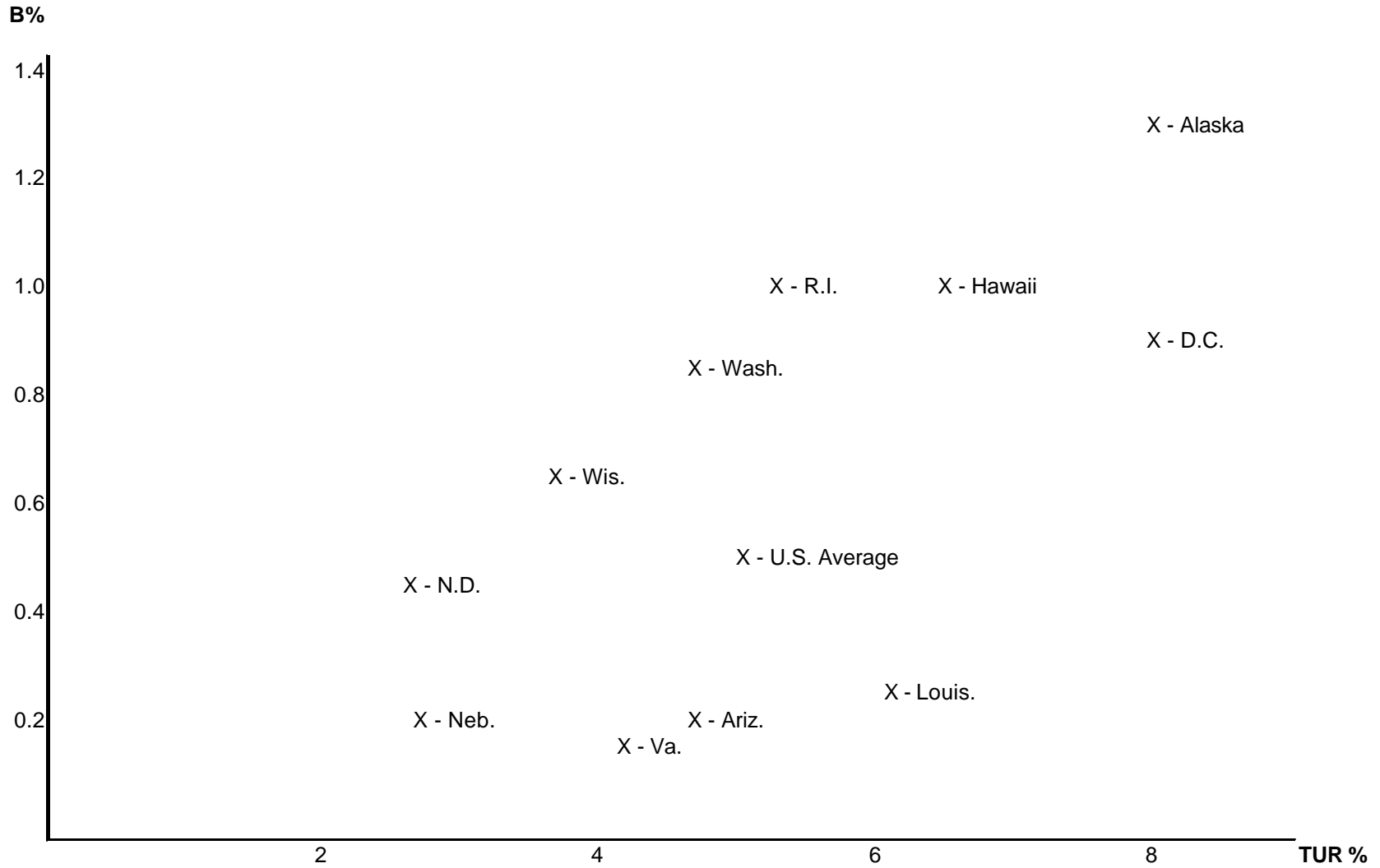
$$B\% = G * (TUR / (1 - TUR))\%$$

Regression

$$B\% = 0.197 * (TUR / (1 - TUR))\%$$
 Adj. R2 = -0.02

Max - Sweden $B\% = 0.697 * (TUR / (1 - TUR))\%$
 Min - Greece $B\% = 0.032 * (TUR / (1 - TUR))\%$

Chart B. Benefit Costs, Benefit Generosity and Unemployment Rates in the U.S and in Selected States, 1997.



$$B\% = (RRATE * (NBen / Unemp)) * (TUR / (1 - TUR))\%$$

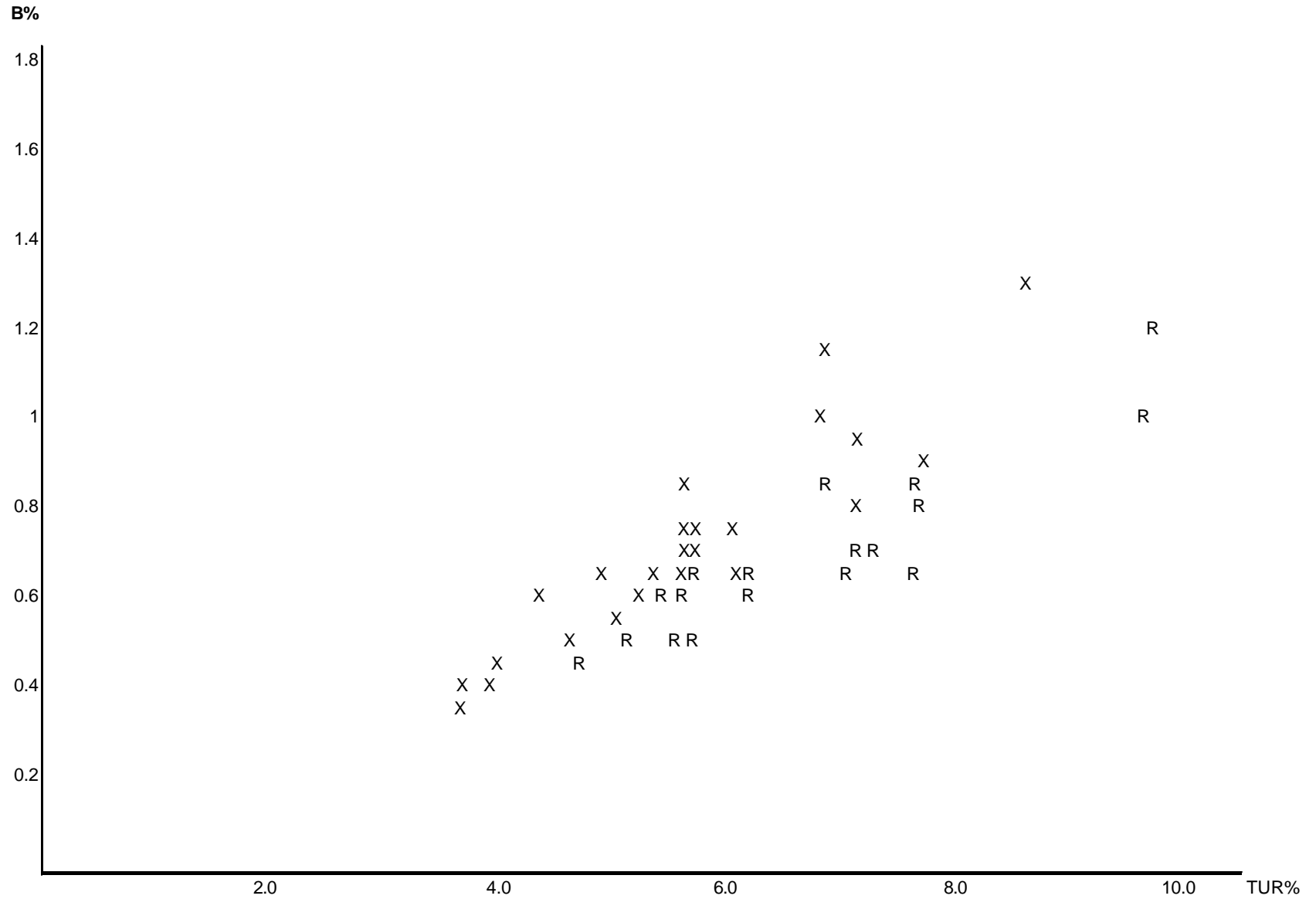
$$B\% = G * (TUR / (1 - TUR))\%$$

Regression

$$B\% = 0.103 * (TUR / (1 - TUR))\%$$
 Adj. R2 = 0.31

Max - R.I. 1997 B% = 0.203 * (TUR / (1 - TUR))%
 Min - La. 1997 B% = 0.043 * (TUR / (1 - TUR))%

Chart C. Benefit Costs, Benefit Generosity and Unemployment Rates in the U.S., 1957 to 1998

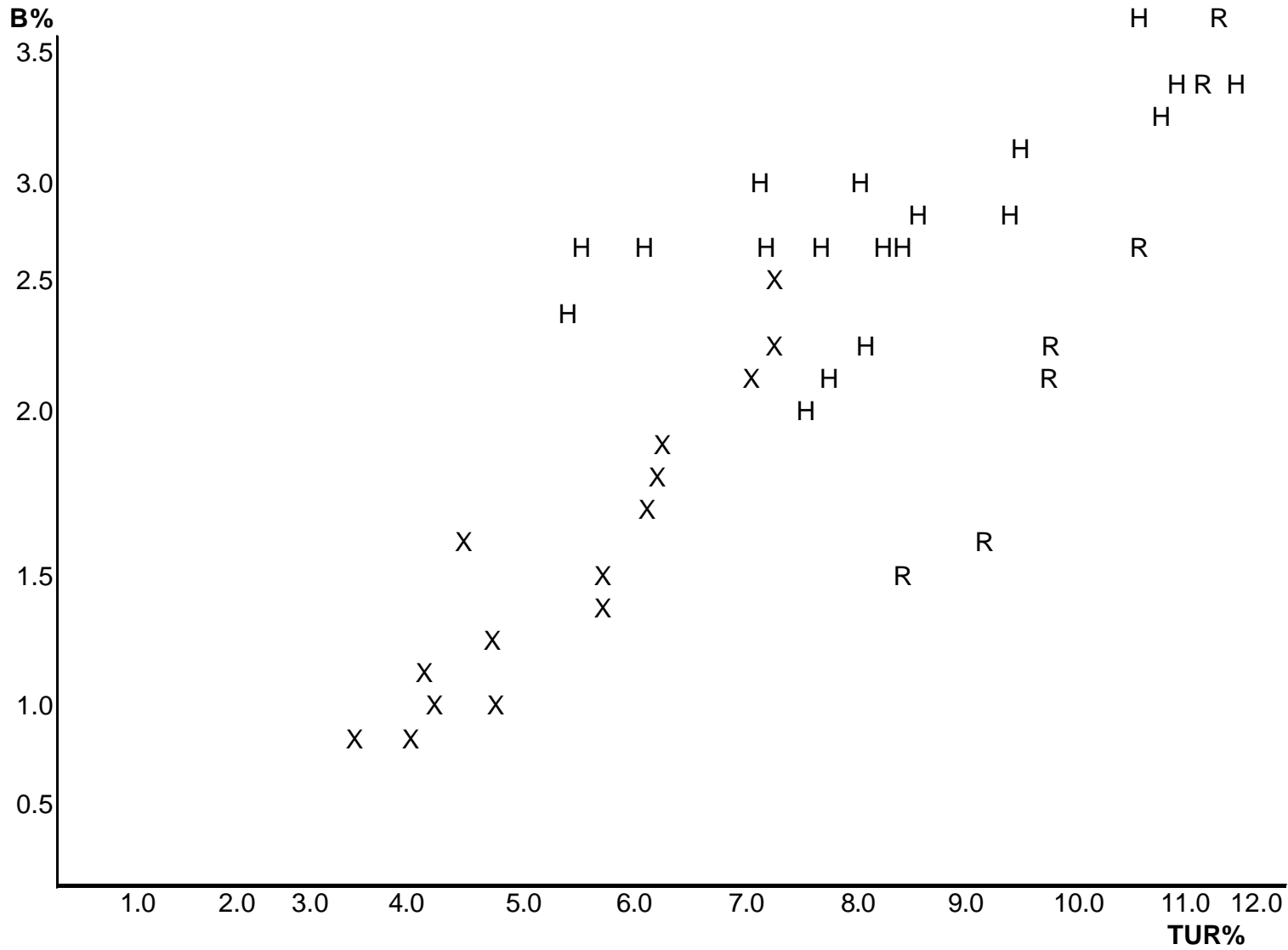


$B\% = (RRATE * (NBen / Unemp)) * (TUR / (1 - TUR))\%$
 $B\% = G * (TUR / (1 - TUR))\%$

1957-1980 Xs $B\% = 0.123 * (TUR / (1 - TUR))\%$
 Adj. R2 = 0.82

1981-1998 Rs $B\% = 0.098 * (TUR / (1 - TUR))\%$
 Adj. R2 = 0.86

Chart D. Benefit Costs, Benefit Generosity and Unemployment Rates in Canada, 1957 to 1998

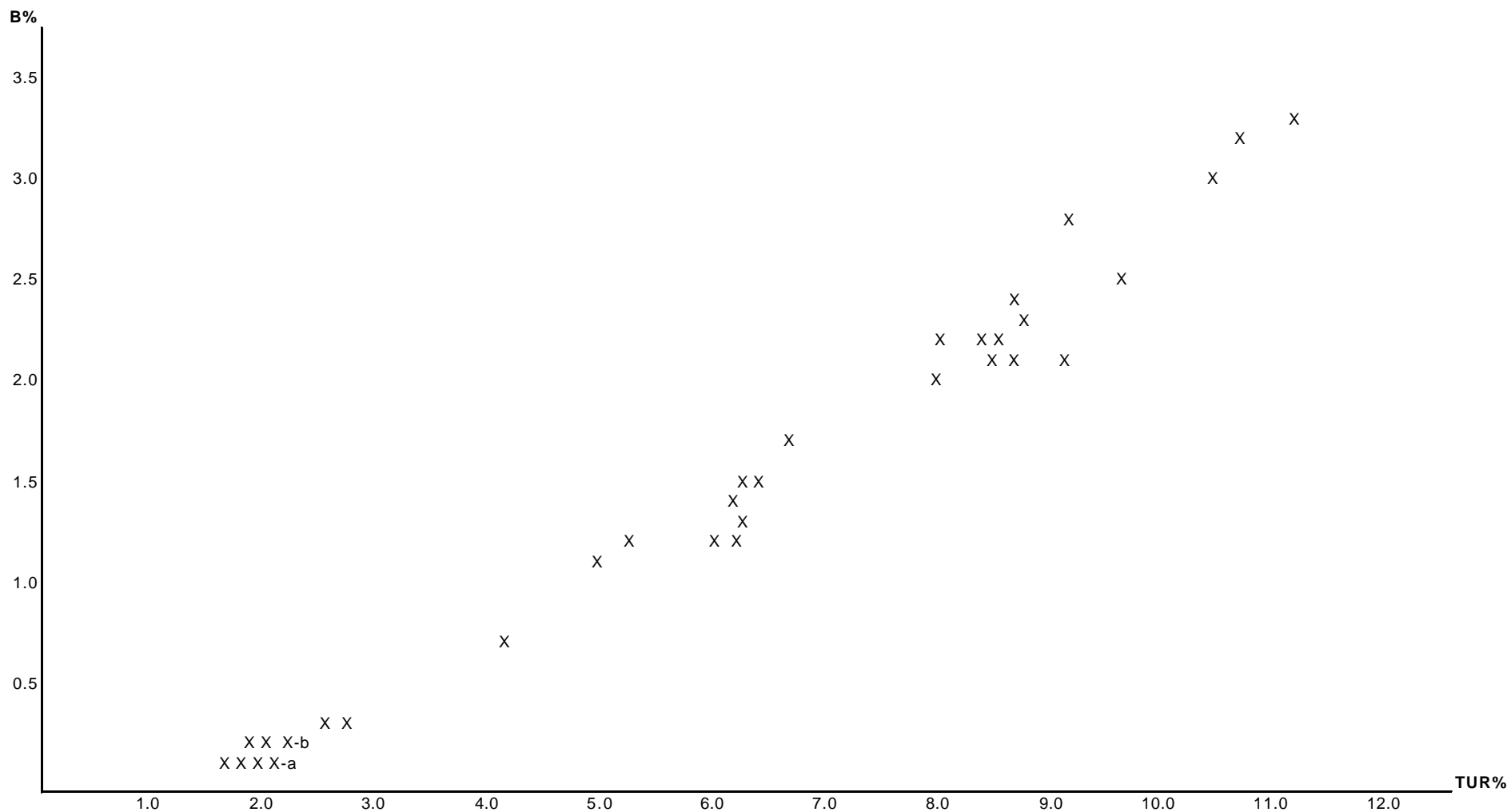


1957-1971 - Xs $B\% = 0.272 \cdot (TUR / (1 - TUR))\%$ Adj. R2 = 0.80

1972-1991 - Hs $B\% = 0.301 \cdot (TUR / (1 - TUR))\%$ Adj. R2 = -.01

1992-1998 - Rs $B\% = 0.224 \cdot (TUR / (1 - TUR))\%$ Adj. R2 = 0.49

Chart E. Benefit Costs, Benefit Generosity and Unemployment Rates in Australia, 1963 to 1998



a - Six years, not four as shown
 b Four years, not three as shown

Regression 1963-1974. $B\% = -0.198 + 0.155 \cdot (TUR / (1 - TUR))\%$ Adj R2 = 0.681

Regression 1975-1998. $B\% = -0.583 + 0.309 \cdot (TUR / (1 - TUR))\%$ Adj R2 = 0.955