Social welfare matters: A realist review of when, how, and why unemployment insurance impacts poverty and health

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A B S T R A C T

The recent global recession and concurrent rise in job loss makes unemployment insurance (UI) increasingly important to smooth patterns of consumption and keep households from experiencing extreme material poverty. In this paper, we undertake a realist review to produce a critical understanding of how and why UI policies impact on poverty and health in different welfare state contexts between 2000 and 2013. We relied on literature and expert interviews to generate an initial theory and set of propositions about how UI might alleviate poverty and mental distress. We then systematically located and synthesized peer-review studies to glean supportive or contradictory evidence for our initial propositions. Poverty and psychological distress, among unemployed and even the employed, are impacted by generosity of UI in terms of eligibility, duration and wage replacement levels. Though unemployment benefits are not intended to compensate fully for a loss of earnings, generous UI programs can moderate harmful consequences of unemployment.

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1. Background

Existing studies on the connections between unemployment, poverty, and poor health abound (Artazcoz et al., 2004; Brenner and Mooney, 1983; Dooley, 2003; Dooley et al., 2000; Jahoda, 1981; Martikainen and Valkonen, 1996, 1998). Strong evidence supports the idea that unemployment increases the risks of both poverty (Gallie et al., 2003) and adverse health outcomes (Jin et al., 1995). The supporting rationale to conceptualize unemployment as a cause of poverty and poor health as effects are three-fold. The first argument is that unemployment often leads to poverty and material deprivation due to the loss of income and benefits (Bambra, 2011; Gallie et al., 2003). Second, unemployment, the threat of unemployment, or stigma from unemployment can be viewed as an acute and chronic stressor that impacts one's self-esteem and increases psychological distress (Lennon and Limonic, 1999). And third, it is argued that unemployment increases the likelihood of adapting unhealthy coping behaviours (Dooley et al., 1996). Despite these contributions, less work has examined whether unemployment insurance (UI) mediates the negative consequences of unemployment on poverty and health (Rodriguez, 2011), and whether these associations vary across welfare states and regimes that offer different kinds and levels of social protection for unemployed individuals (Bambra and Eikemo Terje, 2009). Moreover, realist review methods that synthesize theory and empirics to generate causal explanations and inner mechanisms for why and how UI policies shape and influence poverty and health are useful but have not been undertaken (Connelly, 2007; Kirst and O’Campo, 2011; Sayer, 1984).

Broadly defined, UI refers to income transfers and employment services made by state governments and/or trade unions to individuals who lose their jobs and are able to work but are unable to immediately find gainful employment. Unemployment insurance schemes are often constituted as a mix of three social protection principles: universalism, social insurance, and means-testing (Diderichsen, 2002). Whereas universal provisions of UI are available to all unemployed workers based on social citizenship rights,
social insurance schemes are dependent on previous earnings and contributions, and mean-testing supports are restricted to those in financial need (Rhodes, 1997).

UI programs vary by type of welfare state regime with less generous programs in liberal regimes (e.g., United States), moderately generous programs in conservative regimes (e.g., Germany), and most generous programs in social democratic countries (e.g., Sweden). The liberal regime relies on means-testing schemes to determine UI eligibility given its historical orientation toward free market and individualistic values— or basis in Elizabethan Poor Laws as is the case in the UK; the conservative regime favours a market and individualistic values; whereas greater restrictions, such as longer work period required for eligibility, stricter criteria for receiving benefits while also working, shorter duration of coverage, stricter criteria for refusal of job offers, and lower household income criteria, increase the risk of falling into poverty.

Sweden). The liberal regime relies on means-testing schemes toately generous programs in conservative regimes (e.g., Germany),

2. Data and methods

In accordance with Pawson's (2006) and as described in our protocol (Molnar et al., 2015) stages of realist evaluation, our methods include: (1) identifying the review question, (2) formulating our initial theory, (3) searching for primary studies, (4) selecting and appraising study quality, (5) extracting, analyzing and synthesizing relevant data, and (6) refining theory (iteratively as we analyze data).

2.1. Identifying the review question

This project is part of a larger program of research to evaluate the impact of structural policies—employment, housing, health, fuel poverty, family support as a few examples—on health inequalities in Europe (SOPHIE) funded by European Community’s Seventh Framework Programme.

2.2. Initial theory and mechanisms

To identify our initial theory and mechanisms we consulted the literature for review articles and papers describing how UI is related to poverty and health but found very few peer-review or grey literature with sufficient detail to develop our initial realist mechanisms. Therefore we supplemented this activity with short interviews with experts who were policy-analysts, policy-makers, researchers, academics, advocates, and front-line personnel working in the area of UI. The purpose of the expert interviews was three-fold: (1) to gain input on our list of candidate CMO configurations (either supporting or refuting), (2) to identify additional CMO configurations, and lastly, (3) to identify additional literature and/or relevant concepts that we may have missed. Our initial theoretical framework has been published elsewhere (Molnar et al., 2015) but Table 1 includes a brief summary of our initial CMOs.

2.3. Searching for primary studies

To generate evidence to support our initial theoretical framework, we undertook a systematic search for primary empirical studies of any design (both qualitative and quantitative). An information specialist performed electronic searches in the following fourteen databases: Ovid Medline, Social Sciences Citation Index by Web of Science, Ovid EMBASE, ProQuest, International Bibliography of the Social Sciences, Worldwide Political Science Abstracts, Political and International Studies (PAIS) International, EBSCO, FRANCIS, Sociological Abstracts, Applied Social Science Index and Abstracts, PsycINFO, EconLit, and International Political Science Abstracts. Dates searched were from 2000 to 2013, and there were no restrictions applied to language or type of publication. Search terms included variations of terms representing our outcomes, poverty and health, combined with the following terms: “unemployment insurance”, “employment insurance”, “unemployment assistance”, “employment assistance”, “unemployment protection”, “employment protection”, “unemployment benefit”, “jobseeker’s allowance”, “jobseeker’s benefit”, “workseeker’s allowance”, “workseeker’s benefit”, and “unemployment compensation”. Mechanism search terms for poverty and health will include: “risk”, “at-risk”, “materialist”, “neo-materialist”, “psy-cho-social”, “stress”, and “stigma”.

To enhance the breadth of our search, a snowball technique was used by the information specialist during the search for primary studies, as well as the research team members during the data extraction stage. This technique involved checking references for other relevant studies. Our search for primary studies was deemed

Table 1 Initial mechanism configuration for poverty and health outcomes.

<table>
<thead>
<tr>
<th>Context</th>
<th>Mechanism</th>
<th>Outcome</th>
</tr>
</thead>
<tbody>
<tr>
<td>UI Policies which vary by eligibility criteria, replacement rate/ benefit levels, duration of benefits, ability to earn some income while keeping benefits, &amp; waiting period</td>
<td>P1 Eligibility criteria for initiating and maintaining benefits impact the risk of falling into poverty. Whereas greater restrictions, such as longer work period required for eligibility, stricter criteria for receiving benefits while also working, shorter duration of coverage, stricter criteria for refusal of job offers, and lower household income criteria, increase the risk of falling into poverty.</td>
<td>Short &amp; Long-term Poverty</td>
</tr>
<tr>
<td>P2 Benefit Levels impact the risk of falling into poverty. Low levels of wage replacement increase the risk of falling into poverty.</td>
<td></td>
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<tr>
<td>P3 Short duration of UI coverage impacts the risk of falling into poverty. Longer waiting period once unemployed and shorter duration of coverage during the unemployment spell increase the risk of falling into poverty.</td>
<td></td>
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</tr>
<tr>
<td>H1 Eligibility criteria impacts psychosocial health with means-tested programs resulting in greater psychosocial impacts (i.e., stress) of being unemployed compared to universal programs in which everyone is entitled to receive UI.</td>
<td>Mental Health &amp; Well-being</td>
<td></td>
</tr>
<tr>
<td>H2 More generous UI benefits impact levels of stress and mental well-being. More generous benefits—for example, generous eligibility criteria including universal coverage, longer duration of coverage and greater wage replacement levels—contribute to lower stress levels, fewer stress induced poor health behaviours, and better mental health.</td>
<td></td>
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</tr>
<tr>
<td>H3 Universal coverage impacts levels of psychosocial stress. Universal coverage versus means-tested programs is less stigmatizing and results in lower levels of stress and better mental health.</td>
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complete when a saturation point was reached (i.e., studies no longer provided new results). Fig. 1 shows a flow chart diagram of our search strategy.

2.4. Selecting studies and appraising study quality

2.4.1. Selecting studies

During the selection stage, abstracts and titles were independently reviewed by two research team members, using the following questions as an inclusion guide:

- Is the study examining UI policies?
- Is the study outcome either poverty or health?
- Does the study report on empirical findings?

Two reviewers examined each article to ensure that the inclusion criterion was fully satisfied. Results were discussed within the analysis team and any discrepancies that arose were resolved through team discussions (See Table 2 for a comprehensive list of inclusion and exclusion criteria).

2.4.2. Appraising study quality

Unlike other conventional research methods, the process of quality appraisal in realist methods is revealed in the synthesis stage; where relative contributions (in terms of whether the articles are appropriate for the research question (i.e., fit for purpose) and richness of evidence (i.e, thick descriptions of the mechanisms) of each study were weighed. Studies that had evidence that was highly relevant for assessing the mechanisms and provided rich detailed descriptions of mechanisms—ideally providing information about how the mechanism led to the outcome and any contextual influences on those mechanisms—were weighed more heavily in the synthesis process. Moreover, our team started the synthesis process using studies with the most relevant and thick descriptions. Studies that provided ‘weak’ mechanistic

![Fig. 1. Flow diagram of search, screening and inclusion of articles.](image-url)
contributions were considered during the synthesis process but often not highlighted in our findings (Kirst and O'Campo, 2011; Pawson et al., 2005). The potential biases of the included studies were also considered based on the methodological soundness (e.g., research question, study design, sample description, data collection procedure, and data analytical technique) but no checklist or tool was employed. Weak evidence was often comprised of authors’ opinion or speculation about why associations were observed in the study and used references from other empirical studies to support such speculations. When speculations alone were proposed with no support from any other source or data from the study, we did not rate that as weak but discarded that evidence on the basis that it was not empirical.

2.5. Extracting, analyzing, and synthesizing relevant data

Initially, all research team members reviewed each article to flag sections of the papers concerning evidence about the context(s), mechanism(s) and/or mechanism rival(s), and outcome measure(s), as well as providing annotations. This activity was done in pairs by the research team by flagging the locations of the evidence and keeping track of it for each article in an excel sheet. The results of the initial data extraction were regularly shared and discussed with the entire research team to ensure that any questions were answered, and/or, any discrepancies were resolved.

As part of the analysis and synthesis process, the research team re-read all the selected studies and participated in several intensive team discussions to synthesize the evidence across studies. We approached this process by reviewing and synthesizing the evidence from the studies by each outcome (i.e., mental health, poverty, material hardship). While studies of mental health or poverty usually had standard measures for outcomes, material hardship was measured in different ways such as through reports of having difficulty paying bills or even maintaining housing. As this process required reading and re-reading the studies and summarized evidence several times, we ended up with a smaller subset of the research team who went through all stages of the analysis until all evidence was summarized.

From the evidence available for synthesis, we identified patterns in the mechanisms, known as ‘demi-regularities’ (Pawson, 2006), that were used to organize the synthesized evidence in a manner that was consistent with our theoretical framework. We present our findings by demi-regularity first for the poverty followed by the health outcomes. Each demi-regularity is followed by a description of selected evidence.

2.6. Ethics

Ethics was approved by the Research Ethics Board at St Michael’s in Toronto, Ontario, Canada.

3. Results and findings

Our final number of articles we used to undertake the synthesis was 33, 13 for poverty and 22 for health with two covering both outcomes (Fig. 1). While all studies in this final set contributed to our overall findings, as we delved deeper into the articles and assessed the quality of the evidence, we found that studies merely reporting associations with no explanations about pathways for the relation between UI and the outcome contributed less to our final summaries. Those studies that provided causal mechanisms explaining how UI led to the outcomes were the main sources used in the synthesis process (Ferrarini and Sjöberg, 2010; Krueger and Mueller, 2011; MacDonald et al., 2009; Matoba et al., 2003; McKee-Ryan et al., 2005; Smith and Zhang, 2011; Vodopivec, Worgotter, and Raju, 2003; Young, 2010; Zuberi, 2004).

3.1. How UI is related to poverty and material hardship

3.1.1. Demi-regularity (1-poverty)

When eligibility criteria are generous, poverty levels amongst the unemployed are reduced because a large proportion of the unemployed receive benefits.

3.1.2. Supporting evidence

Across several countries, it has been repeatedly demonstrated that generous unemployment benefit eligibility, supported by the transfer of wealth from the better-to-worse off, drive down levels of relative poverty (Smith and Zhang, 2011). The Eastern European socialist transition economies experienced large shifts in employment in the 1990s, which provided a rich natural experiment in which to study the relation of unemployment insurance to re-employment and poverty. In Eastern European countries, the reduction of absolute poverty was facilitated by maximizing the share of household income that is replaced by UI benefits. Unemployment benefits greatly reduced poverty when: it was received by the majority of unemployed households; it was targeted to households in poverty; and when workers represented a sizable share of household income. In addition, ensuring a benefit floor that is adequate to address material hardship also reduced levels of poverty (Vodopivec et al., 2003).

3.1.3. Demi-regularity: (2-poverty)

When benefit levels are too low, UI does not reduce poverty because (a) the benefits do not replace wages and may not even reach the minimum wage level and, therefore, (b) unemployed are not motivated to apply for benefits as the effort required to apply or maintain benefits is not perceived as worthwhile.

3.1.4. Supporting evidence

Among the transition economies of Eastern Europe in the 1990s, low wage replacement levels (e.g., benefit levels below minimum wage or at or below 60% of wages) and a small share of unemployment benefits supporting total household income resulted in small reductions in poverty in countries such as Estonia, Latvia or Bulgaria. In these countries UI made very small contributions to reducing overall poverty and the proportion of poor households that received UI was low (Vodopivec et al., 2003).

3.1.5. Demi-regularity (3-poverty)

When benefits are flexible to accommodate seasonal, migrant or occasional workers, material hardship is averted as (a) the unemployed are allowed to work part time and retain benefits.

3.1.6. Supporting evidence

The evidence reveals that employment insurance (EI) systems that have flexible eligibility criteria for example (e.g., past employment contribution for seasonal/part-time workers) prevent material hardship (Zuberi, 2004) and improve people’s livelihoods (MacDonald et al., 2009). An in-depth comparative analysis between the Canadian and US social safety net show that even though the unemployment policies in the province of British Columbia create a more robust social safety net than what is available right across the border in Washington state, it is the difference in availability of benefits during unemployment, lay-offs, or reduced hours that played a more significant role than the actual social spending and income supports in preventing material hardships and resulting in a higher percentage of employees accessing unemployment benefits among Vancouver compared to Seattle hotel employees (Zuberi, 2004). On the East coast of Canada where there is seasonal
work, the UI program for fishers acknowledges the fluctuating nature of fishers' employment (i.e., seasonal work, many low hour weeks) enabling them to keep benefits for longer and averting some but not all material hardship (MacDonald et al., 2009).

3.2. How UI is related to health

3.2.1. Demi-regularity (1 – health)

When UI benefits are generous (i.e., high replacement rates, long duration, broad eligibility criteria, low waiting period), unemployed individuals experience better mental health due to greater financial security.

3.2.2. Supporting evidence

Data from long standing welfare democracies from Western Europe and six transition countries in East and Central Europe (Estonia, Poland, the Slovak Republic, Slovenia, the Czech Republic, and Hungary), right after the turn of the century, lend support to this hypothesis. When countries were characterized in terms of UI generosity (e.g., wage replacement levels, duration of coverage, recipiency rate or coverage in the population of unemployed) there were strong associations, even after accounting for numerous individual-level variables in multi-level models, between UI generosity and subjective well being. Lower financial strain was cited as a contributing factor to the better subjective well being among those receiving UI benefits (Ferrarini and Sjöberg, 2010).

In the Matoba et al. (2003) 2-year follow-up study of dismissed Japanese workers, the authors showed that the subjects kept their health and daily life style in good condition while receiving unemployment benefits. Low financial stress was cited as a reason for the positive health behaviours and status. Expiration of UI benefits resulted in mood disorders in those who remained unemployed, particularly among men (Matoba et al., 2003).

3.2.3. Demi-regularity (2-health)

When UI benefits are generous, even those who are employed experience positive psychosocial well-being due to the perception that if job loss is experienced the standard of living might be maintained.

3.2.4. Supporting evidence

Data from 21 European countries show that unemployment benefit generosity has a positive and significant effect on the well-being of employed individuals (Sjöberg, 2010). When unemployment benefit generosity is broken down into individual components (e.g., duration, replacement levels, and average expenditure), they all demonstrate a beneficial effect on the psychosocial well-being of employed individuals. This is particularly true of replacement rate, which seems to have the greatest positive impact on subjective well-being, suggesting that it is the possibility of maintaining an accustomed standard of living that reduces the effect of perceived job insecurity on psychosocial well-being (Sjöberg, 2010; Ferrarini and Sjöberg, 2010).

3.2.5. Demi-regularity (3 – health)

Generous UI benefits are unable to fully ameliorate well-being among unemployed individuals because the experience of being unemployed also has negative psychosocial (e.g., loss of social status, social exclusion, low self-esteem, etc.).

3.2.6. Supporting evidence

The evidence reveals that generous UI benefits cannot fully protect the well-being of the unemployed because, in addition to income loss, the unemployed also experience negative psychosocial impacts that play a significant role in overall well-being (Young, 2010; McKee-Ryan et al., 2005). For instance, a U.S. study examining the mediating effects of UI on unemployed individuals finds that while UI provides some degree of financial replacement, it does not buffer against the loss of status, self-confidence and security that comes from job loss. The income transfer from UI is unable to mediate the psycho-social effects of job loss (Young, 2010). Similarly, a meta-analytic study examines well-being among unemployed individuals receiving generous UI benefits versus those receiving low replacement levels and short duration of UI benefits. The authors found that “despite the increased replacement wages and length of benefits, generous UI benefits did not protect displaced workers from the detrimental psychosocial effects of job loss” (McKee-Ryan et al., 2005, p.67).

4. Discussion

The recent global recession makes UI an increasingly important support program for the growing numbers of unemployed (ILO, 2013). Gaining an understanding how these programs and their different designs can effectively prevent poverty or declining psychological health is essential. Financial strain or psychological distress as a consequence of unemployment can compromise efforts to become re-employed (Dooley, 2003).

Using a realist approach we started our research by proposing several theoretically based hypotheses about how specific components of UI can avert material hardship, poverty or declining psychological health (See Table 1, P 1–P3; Molnar et al., 2015, submitted). In the area of averting material hardship and poverty, we found support for several mechanisms linked to the generosity of UI in terms of wage replacement, duration of coverage and flexibility around eligibility and maintenance of benefits. There was strong support for the mechanism around UI generosity being able to avert poverty and material hardship as demonstrated through three of the four demi-regularities concerned with those outcomes. Several studies in different contexts ranging from North America to Europe to Asia all supported the idea that the more generous UI is along several features, the more that material hardship and poverty can be averted during times of unemployment. Generous wage replacement levels and duration of coverage, in particular, seemed to be key drivers of the avoidance of material hardship. In the context of seasonal work in North America, flexibility in being able to have non-standard work situations (e.g., seasonal work or low weekly hours) in order to qualify for or maintain benefits were important for avoiding material hardship. This evidence is consistent with our initial propositions. That is, generous benefit levels and flexible eligibility criteria all work to reduce the risk of falling into poverty or experiencing material hardship.

In exploring alternative explanations for our findings, we should note that there were some studies have suggested that UI is a disincentive to find new employment, and therefore, generous UI programs might act to increase material hardship or poverty (Vodopivec et al., 2003). While this was not an initial hypothesis that we proposed, we found weak support for this mechanism. For example, data from ten transition countries of Eastern Europe provide evidence for the link between wage replacement levels and delay in re-employment. Most countries provided benefits that were at or exceeded minimum wage for between six to twelve months with a few countries providing benefits for up to 24 months. Findings from ten countries (Bulgaria, Czech Republic, Estonia, Hungary, Latvia, Lithuania, Poland, Romania, Slovakia, and Slovenia) suggested that re-employment occurs toward the end of the benefit duration suggesting that UI acts as a disincentive, in that context, to seek re-employment until the time that benefits are about to run out (Vodopivec et al., 2003). In their single site study, Matoba et al. (2003) followed a group of Japanese unemployed men
and women (n = 768) over 40 years of age, dismissed from a large shoe making company after a sudden bankruptcy in 1998. The majority of re-employment occurred toward the end of the benefit period (the last 6 months of a 2 year period) again suggesting that UI benefits may act as a deterrent to getting a new job. There is evidence to support this observation of delays in re-employment while receiving UI benefits in low-income countries as well (Atkinson and Micklewright, 1991; Devine and Kiefer, 1991; Elmeskov et al., 1998; Lindert, 2004; Nickell, 1997; Nickell et al., 2003, 2005; Nunziata, 2005). However, while the studies that we examined in depth demonstrate that re-employment may be delayed until toward the end of the benefit period, the data from both Japan and Europe did not take into account labor market factors (i.e., were good jobs readily available?), the number of household members that may be working, or whether the delay in re-employment was linked to material hardship or poverty outcomes.

Thus we consider this evidence merely suggestive of a possible hypothesis to investigate in the future with better studies that can eliminate alternative explanations such as the contextual drivers such as the job market and availability of quality jobs. Past research has emphasized how UI, by design, is not intended to reduce poverty. It is rather to smooth patterns of consumption during economic downturn. But in some contexts, where social programs are sparse or job availability and/or re-employment opportunity is low, UI acts to buffer against poverty (Vodopivec et al., 2003) as illustrated by our findings reported here. This comes about as low income households often have no buffer to offset a loss of wages from work and for these households UI is the only means by which poverty will be averted.

Our findings also indicate how UI benefits health. Job insecurity is posited as a chronic stressor that has adverse effects on individual psychosocial well-being because it threatens financial security (Sjöberg, 2010). Thus, when UI benefits are generous, the psychological well-being of employed persons experiencing job insecurity remains high from knowing that UI is available to them, should they become unemployed (Sjöberg, 2010).

While our first and third propositions (Table 1, H1 and H3) were concerned about means tested programs and universal coverage, none of the evidence we synthesized were able to provide support for or against these hypotheses as study designs and data were not available. Thus, all our evidence was concerned with the second hypothesis about UI benefit generosity and health. Specifically, we found that when UI benefits are generous (i.e., high replacement rates, long duration, broad eligibility criteria, long waiting period), the resulting financial security results in better mental health among those who are unemployed. Improved mental health may also come about due to job replacement occurring soon after unemployment or a confidence about being able to replace the job that was lost at a similar or better level. One author suggested that more generous benefits may facilitate transition to employment by making more resources (i.e., time, financial resources) available to go toward the job search effort (Vodopivec et al., 2003). Still, we also found that while generous benefits did improve psychological well-being among those who are unemployed, the unemployed do not achieve the same levels of mental well-being as those who are employed. Thus, even generous UI cannot fully eliminate the (dis)stress associated with being unemployed.

While we did not anticipate this finding, when UI benefits are generous, even those who are employed will experience positive psychosocial health. The mechanism here is that there is little threat to existing standards of living if job loss occurs when benefits are generous and duration of benefits is long.

Our review has a few limitations. First, we had to rely on just a handful of studies for this review because most studies examining poverty or health as outcomes in relation to UI benefits had no evidence or very sparse evidence on mechanisms that was often of a speculative nature. Few studies were actually designed to examine mechanisms in any depth so even those studies that we did include were not rich in descriptions of mechanisms. Moreover, we had few studies reporting no associations between UI and our outcomes to include in our synthesis, perhaps because those findings receive less attention in discussion sections of papers and may be less likely to be published in the first place. Nevertheless, almost all the evidence that we did include contributed strong support for the demi-regularities that we did report on. We also limited our synthesis to those studies examining Unemployment Insurance programs and not the affiliated set of programs or assistance schemes that often accompany UI such as active labor market programs that provide retraining and job placement support to the unemployed or social service programs that the unemployed may also be eligible for. Studies provided also little information on other contextual differences across countries that can affect the performance of UI systems, such as GDP per capita, labor market performance, fiscal constraints and expenditures (Stovicek and Turrini, 2012). Thus, while we tried to isolate our evidence to UI alone, some of the findings in the studies we reviewed may in fact be influenced by these other factors.

Notwithstanding the above limitations, our review does have important strengths. First, our study is the first that applies a realist review method to explore how, why and under what circumstances structural policies influence health and well-being. In this way, it offers an explanatory view to the existing body of literature on the impacts of UI systems, also represents a needed shift in the health inequality research from the emphasis on downstream to the upstream policies (Sheena and Halliday, 2007). Second, as our study compiled evidence on multiple outcomes including poverty and health, it provides a synthesis of evidence across diverse disciplines, such as political sociology, public health, labour economics, and social psychology. Third, the evidence that we synthesized came from a variety of countries settings. Some of the contexts in our review were quite specific. For example, we drew upon a unique set of data emerging from a natural experiment of sorts, transition countries of Eastern Europe. While countries started in much the same place of having full employment and previously non-existent UI programs prior to the 1990s, the circumstances yielded several specific contrasts that enabled the study of mechanisms related to generosity of UI and its impact on poverty. Unique aspects of this natural experiment include the initiation of UI benefits in a setting where such programs did not exist.

Traditionally, the aim of social security systems has been to ensure income support and continued consumption during unemployment spells. However, in the current context of economic downturn, as part of the wider agenda to the population of productive members of society, notably in Europe, the attention has shifted towards policies which facilitate a fast return to the labor market (Eurofound, 2007). Therefore, ongoing reforms that aim to modernize social security systems have to carefully balance social protection, incentives for re-employment and fiscal costs (Stovicek and Turrini, 2012). By showing several examples of mechanisms how generous unemployment policies can alleviate poverty and improve psychosocial health, and encountering little evidence to the contrary, our findings have special importance in the context of the current economic crises, where the most marginalized population groups suffer the most from job loss and consequences of unemployment. And though unemployment benefits are not intended to compensate fully for a loss of earnings, they can moderate harmful consequences of unemployment and speed up transition between jobs. Our findings support the view that
carefully planned dimensions of a generous UI system averts economic hardship and poverty and also positively impacts mental well-being.

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Appendix A. Supplementary data

Supplementary data related to this article can be found at http://dx.doi.org/10.1016/j.socscimed.2015.03.025.

References


