



RESEARCH PLAN

- **Original plan:** basic estimates of the non-take-up of Minimum Income Benefits (MIB) for as many European countries as possible
 - the delivery of MIBs are increasingly integrated with employment and social services
 - MIB: Non-contributory, working age people who are able to work, income tested
- **Actual note:** highlight the difficulties encountered when trying to estimate non- take-up based on Euromod
 - steps we took to verify existing issues
 - estimate non-take-up for 8 countries and the possible explanations of the insufficiencies in the simulations

! In this note, we do not investigate whether non-take-up is correlated with service integration of MIB.



COUNTRY SELECTION - EUROMOD COUNTRY REPORTS

- Not simulated or not EU SILC based simulation:
 - Different data source: DE, UK
 - Not simulated: IR, GR until 2016
- **Typical difficulties/simplifications** *mentioned in the country report about those countries that were reported fully simulated*
 - Lack of data on monthly wages: **EE, FI, FR, RO, SI**
 - Lack of data for assets criteria: CY, MT, PL
 - Lack of data on other eligibility criteria: AT, **BE**, BG, CZ, DK, EE
 - Differences between federal states/municipalities: AT, CY, EE,
 - Rarely mentioned but common problem: EU SILC variables according the national statistical offices

Partially simulated*: LV, **LT, PT, ES** - Partial simulation does not necessarily mean that the simulation is worse than those reported as fully simulated with simplifications



COUNTRY SELECTION RESULTS

- Those countries were selected where:
 - We had **background EU SILC data** and were at least partially **simulated** in Euromod
 - Simulation on unemployed single person households with no work history on average **were not different from the MISSOC data with more than 10%**
 - There **were not too many simplifications** listed in the country report
- **Selected countries:**
 - Belgium 0%
 - Estonia 2%
 - France 0%
 - Lithuania 0%
 - Netherlands 7%
 - Portugal 0%
 - Romania 1%
 - Slovenia 0%



BENEFIT TAKE-UP IN 2016 – RESULTS FOR 8 COUNTRIES (%)

Country	Take-up	Non-take-up	Leakage
Estonia	10,9	89,1	71,8
Portugal	18,8	81,2	65,0
Romania	20,1	79,9	69,1
Belgium	23,3	76,7	70,1
Slovenia	26,5	73,5	73,1
Lithuania	33,3	66,7	74,1
France	37,6	62,4	88,5
Netherlands	45,3	54,7	30,9



HYPOTHESES

1 Benefit amount

- Actual benefit amount:
take-up $>$ leakage
- Simulated benefit amount:
take-up $>$ non-take-up

2 Household size

Total population $<$ take-up / non-take-up / leakage
take-up $<$ non-take-up / leakage

3 Employment status 4 Household income

Total population $>$ take-up / non-take-up / leakage
take-up $<$ non-take-up / leakage



BENEFIT AMOUNT 2016

Actual benefit amount: **take-up > leakage**

✓ BE, EE, FR, LT, NL, PT, RO

✗ SI (No significant difference)

Simulated benefit amount: **take-up > non-take-up**

✓ BE, LT, NL, PT, RO

✗ EE, FR, SI (No significant difference)



HOUSEHOLD SIZE 2016

total population \leftarrow take-up / non-take-up / leakage

✓ BE, EE, FR, LT, PT, RO

✗ NL, SI

take-up \leftarrow non-take-up

✓ BE, NL, PT, SI

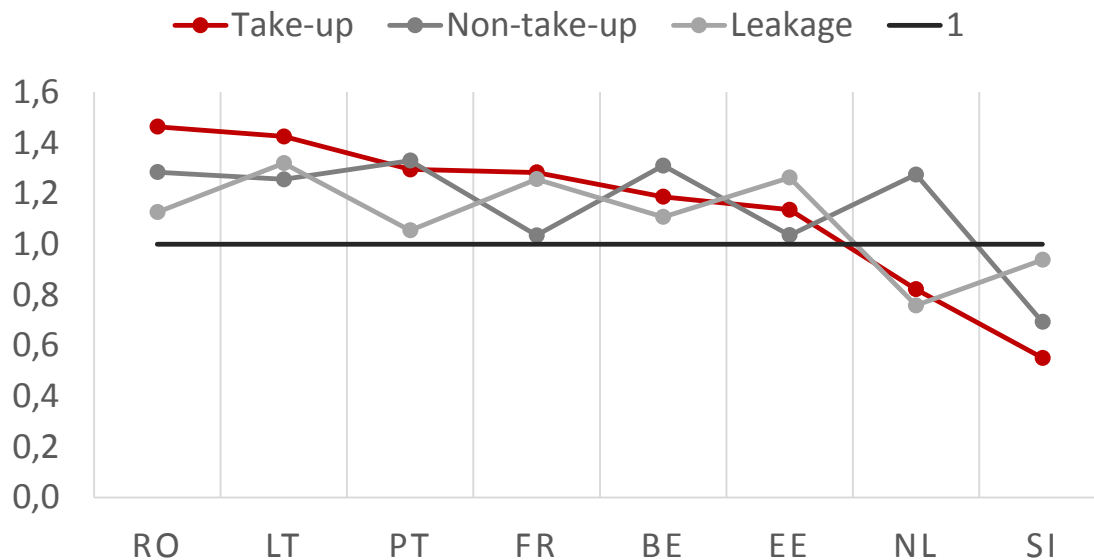
✗ RO, LT, FR, EE

take-up \leftarrow leakage

✓ BE, PT, SI

✗ RO, LT, PT, FR, NL

HOUSEHOLD SIZE 2016





EMPLOYMENT 2016

Full time employment for 12 month
Working-age household members

total population \gt take-up / non-take-up / leakage

take-up \lt non-take-up

✓ EE, FR, LT, PT, RO, SI

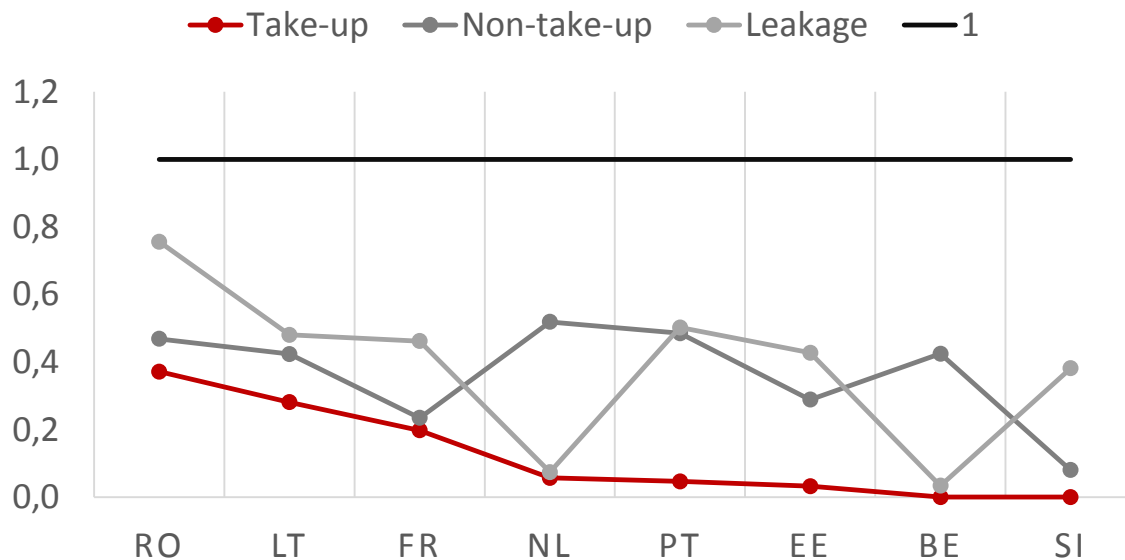
✗ NL, BE

take-up \lt leakage

✓ BE, EE, LT, PT, RO, SI

✗ FR, SI

WORK FULL TIME 2016





HOUSEHOLD INCOME 2016

take-up < non-take-up

✓ BE, EE, FR, LT, NL, PT, RO, SI

✗

take-up < leakage

✓ EE, FR, LT, NL, PT, RO, SI

✗ BE (No significant difference)

- **Equivalized original income:**
 - all incomes before any benefits



CONCLUSION

- Suspiciously low take-up rates and high non-take-up and leakage rates even compared to earlier research
- Our hypotheses were underpinned
 - we can assume that both the non-take-up groups and the leakage groups are less vulnerable than those of the take-up → closer to the eligibility threshold
 - not taking up the benefit in case of the non-take-up groups
 - falsely simulated eligible in case of the non-take-up groups
 - falsely simulated non eligible in case of the leakage.
- Except: bigger households do not necessarily ending up non-take-up or leakage



COMMENTS

- Work-in-progress research
 - ? Can it be more accurate or we have to deal with the results as it is
 - ? Or these results actually correspond with the actual situation
 - ? What other explanation could explain these suspicious results
 - ? Would it make sense to include countries where the simulations contain even more simplifications



QUESTIONS, COMMENTS?

Thank you!

bori.greskovics@budapestinstitute.eu