

Title: "Studying access to the German basic safety net - potentials and limitations of the microsimulation approach"

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Author: Ralf Lüth

Affiliation: Institute of Social Work and Social Welfare, University of Kassel (Germany)

Contact: lueth@uni-kassel.de

Outline

1 Introduction.....	2
2 The German Basic Safety Net	3
3 The mainstream approach to researching NTU in Germany.....	6
3.1 The model.....	6
3.2 Findings.....	7
4 Problems.....	12
4.1 Representativeness	12
4.2 Validity.....	13
4.3 Explanatory power	13
5 Solutions	16
5.1 Improving on the quantitative approach	16
5.2 Alternative approaches	16
6 Conclusions.....	18
References.....	19

1 Introduction

The objective of this paper is to put forward two claims:

1. Multiplicity of non-receipt: Non-receipt of Basic Safety Net Benefits is in fact a set of distinct phenomena.
2. Need for mixed method research: Research aiming at uncovering the mechanisms that lead to non-take-up/non-receipt has to take into account qualitative empirical approaches.

To this end, a literature review of the research on non-take-up (NTU) of Basic Safety Net benefits in Germany is presented, focussing on quantification of the population affected. Based upon this review, the problems, by which the most common methodological approach is afflicted, are highlighted and possible solutions as well as implications for further empirical and theoretical work on non-take-up are discussed.

Explicitly, section 2 deals with the minimum income scheme in Germany and addresses the question, who is eligible to receive Basic Safety Net benefits in Germany. In section 3 the current state of research (in Germany) is presented, giving a condensed outline of the microsimulation approach to NTU research (3.1) and the results it yields as to the extent and structure of the population living in situations of NTU (3.2). Building upon this review, the problems by which this approach is afflicted are discussed (section 4), before solutions are proposed in section 5.

Basic Safety Nets, or Minimum Income Schemes, that aim at securing a minimum standard of living for persons that do not generate sufficient income from other income sources, have been established in most modern welfare states. It can be assumed that not all persons eligible for benefit receipt take up (or can take up) the rights granted – a problem inherent to all means-tested benefits – be they monetary or services –, as applicants generally have to undergo an application process that is fraught with further requirements.

This is a problem, because:

- Situations of non-take-up can be seen as a lack of effectivity in regard to objectives of social policy. Behrendt (2002: 50) describes three reasons for the ineffectiveness of welfare benefits: Certain groups of persons can be explicitly excluded from receiving benefits (*lack of coverage*), the type and level of benefits can be inadequate to the needs (*inadequacy*), or not all persons eligible take up the benefits (*non-take-up*).
- From a normative perspective non-take-up challenges the principles of equal treatment / non-discrimination, when certain eligible persons are less likely to receive benefits and are thus insufficiently protected from poverty.
- Finally, phenomena of non-take-up are a type of (in)action that begs for sociological explanations. This is because non-take up conflicts with dominant theories of social action, which see actors as optimising their utility, not the least in regard to financial matters and vis-à-vis the state.

Hence non-take up presents itself as a puzzle (cf. Frick & Groh-Samberg 2007: 1). The arguments put forward in this paper seek to contribute to answering the following question:

Which mechanisms lead into situations of non-take-up – on the individual level, organisational and policy level as well as in relation to discourses?

For this purpose, it seems apt to begin by quantifying the phenomena of non-take-up by collecting data on the extent and structure of the population affected. After all, you cannot fix (nor understand), what you cannot see.

Non-take-up occurs when a person eligible to a benefit does not receive it (cf. Warin 2014). Non-take-up generally does not refer to situations of non-receipt in cases of ineligibility. But, as will be argued (in section 5.2) this distinction is not as clear-cut as it might appear. Further, phenomena of non-take-up can be distinguished in three dimensions (cf. van Oorschott 1996: 11):

- Primary and secondary (depending on whether an application for benefits has been made or not)
- permanent or temporary (e.g. when persons take-up benefits belatedly or drop out of benefit receipt prematurely)
- total and partial (highlighting the possibility of forgoing additional benefits)

For the sake of this paper, a very general definition of non-take-up or non-receipt is used:

- *Persons are in a situation of non-take-up if they are below the poverty line defined in the Social Code Book and do not receive any Basic Safety Net benefits.*

This definition is even broader than the one above as it includes – amongst other cases – ‘poor’ persons (who are generally the addressees of minimum income schemes) that do not meet further requirements for receipt.

2 The German Basic Safety Net

Before discussing the existing NTU research in Germany, it seems appropriate to present the institutional framework of the Basic Safety Net, making clear who is *eligible* to receive the according benefits. Access to Basic Safety Net benefits is conditioned in three layers. Potential claimants have to meet the following criteria:

1. Being part of the target population
2. Being ‘in need of help’
3. Complying with the social administration’s requirements and demands

Target population and sub-systems

In principle every person living in Germany is eligible to claim Basic Safety Net benefits if he or she is deemed ‘in need of help’. The current minimum income scheme in Germany has been established in 2005 and consists of three sub-systems, all aimed at the provision of the so-called socio-cultural minimum of existence (cf. Hanesch 2015 for an overview). The legal basis of the Basic Safety Net is derived from §1 (human dignity) and §20 (democratic and social federal state) of German Basic Law and is explicitly stipulated in the Social Code Books II and XII. The benefits and the administration costs are financed by the federal budget, with the exception of the housing costs which come from the municipal budget.

Persons have to apply for the benefits and prove that they lack the financial means to meet a specified social need. Depending on their individual level of employability, applicants have to put forward their claim at different administrative units. Table 1 shows the target groups of the three sub-systems. Persons below the statutory pension age have to address their claim to so-called jobcenters. Contrary

to the title of the subsystem (i.e. Basic Safety for *Jobseekers*), being unemployed is no condition for eligibility. The elderly as well as those certifiably unable to work at least 3 hours a day are subject to the social welfare offices.

Table 1: The Basic Safety Net in Germany

Sub- system	Basic Safety for Jobseekers (<i>Grundsicherung für Arbeitssuchende</i>)	Basic Safety for the elderly and the incapacitated (<i>Grundsicherung im Alter und bei Erwerbsminderung</i>)	Social Assistance (<i>Hilfe zum Lebensunterhalt</i>)
Target group	employable persons and persons in the same household	persons older than 66 + permanently incapacitated	persons temporarily incapacitated
Authority responsible	Jobcenter	Social welfare office	Social welfare office
Regular allowance period	6 months	12 months	12 months
Legal basis	SGB II	SGB XII (4 th chapter)	SGB XII (3 rd chapter)
Eligibility condition	,need for help'		
Aim	provision of socio-cultural minimum of existence		

But there are groups of people that are explicitly not covered by the Basic Safety Net and therewith prohibited from (i.e. ineligible to) taking up benefits:

- students, for whom a separate scheme exists (that takes into account parents' income)
- asylum seekers, who are likewise subject to another scheme, with effective benefit levels below the Basic Safety Net
- other foreigners
 - if they do not have a residence permit
 - if they recently moved to Germany (banned for the first three months)
 - if the sole purpose of moving to Germany is job seeking

Means-testing

Persons are 'in need of help' if "they cannot fully cover their required expenses with their income and wealth and cannot receive help from others [...]" (§9 SGB II). These required expenses (also referred to as 'required living standard') consist of *regular needs*, *additional needs* and *housing costs*.

The *regular need* is a politically defined value that is increased every year. While an adult single person in 2020 has a regular need of 432 EUR per month, two adult partners each have a need of 90 percent of a single person, and minors, depending on their specific age, have a regular need between 250 and 345 EUR.

In certain cases, persons are granted *additional needs*:

- pregnant women (17 percent of regular need)
- single parents (between 12 and 60 percent, depending on the age and number of children)
- disabled persons in sheltered employment (35 percent)

The *housing costs* taken into account are the actual rent¹ and utility costs. However, after 6 months of benefit receipt, claimants are asked to reduce their housing costs if they exceed limits set by the local municipality.

¹ In case of home ownership, the interest on, but not the liquidation of real-estate loans is taken into account.

The means test, consisting of an income test and a wealth test, is at the core of benefit provision and determines whether an applicant is ‘in need of help’, or using a different terminology, is considered ‘poor’². In regard to the means test and thus the benefit level, there are almost no differences between the three sub-systems³. The means test is conducted on the household level. Hence the resources of every household member are taken into account⁴.

If persons put in a claim at the jobcenter or social welfare office, their defined needs are compared to the income available in their household. If their income⁵ lies below the defined needs (i.e. *regular needs + additional needs + housing costs*) they are deemed ‘in need of help’ and the share of the needs not met by their income is topped up monetarily by Basic Safety Net benefits.

A household is however not deemed ‘in need of help’ if it commands assets above a specified wealth limit. For employable persons, this limit is 150 EUR multiplied by age. Additionally, a car, as well as an adequate flat or small house are not taken into account and assets designated to old age provision are subject to a higher wealth limit.

For instance, a 35-year old person living alone, who does not have any income, is eligible to 432 EUR per month plus housing costs, as long as they do not have assets exceeding 6,000 EUR. Also they are automatically enrolled in a general medical insurance scheme free of charge. Additionally claimants may be eligible for additional benefits: for example counselling, training, vocational training or the reimbursement of job application costs or the costs incurred in connection with their children’s school and social activities. While the former additional benefits are subject to the discretion of the case worker, the latter monetary benefits are rights-based but have to be explicitly filed for.

Compliance

Applicants have to appear at the jobcentre/social welfare office to apply for Basic Safety Net benefits. They have to provide information and supporting documents not only about their own financial situation, but also relating to all persons living in their household. Every change regarding status, income or household composition has to be reported, as it may affect eligibility and benefit level.

Also, during benefit receipt, beneficiaries have to notify their case worker of extended holidays, because they have to be available for contact via post.

For persons subject to the regime of the Jobcenters, more specifically employable persons, further rules apply. Derived from the principle of ‘*Fördern und Fordern*’ – i.e. the carrot & stick method or the

² Note that this determination differs from the dominant method of poverty identification in economics and the social sciences, in which available household net income is compared to a percentage of the median income in the population. Not only does it use a different poverty line, but the means test takes into account additional needs, weighs persons of different ages differently and takes into account the assets available in the household.

³ The elderly and the incapacitated have a lower allowable wealth limit of 5,000 EUR (1,600 EUR before 2018) and slightly different tapers for wage income, compared to the employable population.

⁴ Parents or children not living in the same household play no role in the means test, unless there are indications that they have a yearly income exceeding 100,000 EUR.

⁵ All income available to a household – be they regular or one-time payments – have to be taken into account in the month they accrue. For every euro the person generates from other income sources, the benefit is reduced by one euro. However the first 100 EUR of income from work is not taken into account and every euro of income from work above 100 EUR reduces benefits by 80 cents. This wage income taper is in place as an incentive to take up employment.

conjunction of rights + responsibilities – they have to comply with the overall objective of overcoming their situation. Both parties have to sign a contract in which the claimant and the case manager define their duties and supporting measures. If the former breaks the contract, by declining a job offer or training opportunity, but also if they forget to report changes, their benefits can be cut. The extent of these cuts, referred to as ‘sanctions’, varies with the severity of the transgression and amount to between 10 percent and 100 percent of the benefit for up to three months.

There is no cap regarding the duration of benefit receipt and overall about 7 million persons (9 percent of the population in private households) receive minimum income benefits (cf. destatis 2020).

The Basic Safety Net can be described as the institution that *socially organises poverty*, providing help under bureaucratic conditions (cf. Maeder & Nadai 2004: 10). It simultaneously provides help and control and aims at differentiating the ‘deserving’ from the ‘undeserving’ poor, based on the criteria of incapacity or need of help vs. compliance (cf. Castel 1995).

3 The mainstream approach to researching NTU in Germany

Research on NTU in regard to the Basic Safety Net in Germany has primarily been conducted based on a method that combines data from general population surveys with microsimulation. Eight studies employing this method in the past two decades have been identified.

First the main features of this approach are described and then a condensed summary of the results in regard to the groups identified as being affected, and the reasons surmised, are discussed.

The underlying question to which the studies seek to provide answers are:

- (1) How many persons are in situations of non-take-up?
- (2) Which socio-demographic groups are less likely to take up benefits?
- (3) How have extent and structure of the population affected changed over time?
- (4) What can be implied in regard to the reasons, paths or mechanisms leading (in)to situations of non-take-up?

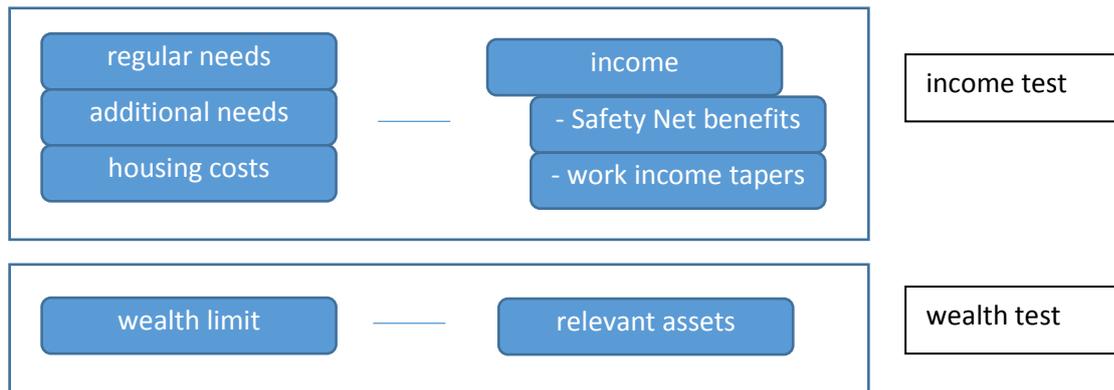
3.1 The model

All studies identified rely on the same basic method, although there are some differences (see below).

Generally a secondary analysis of a general population survey is conducted in which the hypothetical scenario of *all survey participants putting in a claim at the jobcentre/welfare office* is played through. The information available about each household’s income and wealth is used in a simulated means test. The aim is to determine which persons are ‘in need of help’ (see section 2). The population thus identified as ‘in need of help’ (or ‘poor’) is then further differentiated into those receiving Basic Safety Net benefits and those who do not take them up.

The central pillar of this approach is the microsimulation, in which the means test, as currently conducted in the jobcenters and social welfare offices and stipulated in the Social Code, is translated into a mathematical model. The operationalisation of the means test requires the construction of four household-factors, relying on information in the dataset *and* in the Social Code: the *needs*, the relevant *income*, *wealth* and the *wealth limits*. Figure 2 shows the basic procedure.

Figure 2: Microsimulation Model



The necessary steps in identifying non-take-up can be summarised as follows:

1. Identification of target group: Each person is identified as either employable or elderly/incapacitated and thus subject to the rules in the respective subsystems
2. Each household's needs (consisting of regular needs, additional needs and housing costs) are calculated.
3. All types of income available in a household are identified and compared to the identified needs/poverty line. Basic Safety Net benefits received are disregarded and income tapers for wage income are taken into account.
4. All relevant assets the household members command are aggregated and compared to a household-specific wealth allowance.
5. If the household lacks the means to meet the defined needs and it passes the wealth test, its members are identified as 'in need of help' and thus eligible to receive Basic Safety Net benefits.
6. Amongst the population 'in need of help' the persons receiving Basic Safety Net benefits are identified and the Rate of Non-Take-Up (RNTU) is calculated

$$RNTU = 1 - \frac{\text{persons receiving benefits}}{\text{persons in need of help}} * 100$$

3.2 Findings

Between 2003 and 2019 eight studies could be identified, that use the aforementioned method to estimate the extent and structure of the population affected by NTU of Basic Safety Net benefits in Germany.

Table 2: Estimated rates of non-take-up (RNTU) of Basic Safety Net benefits in Germany

Year of analysis	RNTU	Benefit	Data source	Study
1998	45 % - 50 %	Social Assistance	EVS NIEP GSOEP	Becker & Hauser 2005
2001	60 %		GSOEP	Jacobi 2003
2002	63 % - 73 %		GSOEP	Frick & Groh-Samberg 2007
2005	49 %	Basic Safety Net (SGB II / SGB XII)	GSOEP	Bruckmeier & Wiemers 2011
2006	42 %			
2007	41 %			
2007	35 % - 42 %		GSOEP	Becker 2012
2008	34 % - 43 %		EVS	Bruckmeier et al. 2013
2008	47 %		GSOEP	
2005 - 2014	54 %- 58 %	Basic Safety Net (persons younger than 67)	GSOEP	Harnisch et al. 2019
2010-2015	62 %	Basic Safety Net (persons older than 66)	GSOEP	Buesli et al. 2019
2007	46 %	Basic Safety Net (SGB II / SGB XII)	GSOEP	own calculations (preliminary)
2012	42 %			
2017	40 %			

Table 2 shows the RNTU reported in different studies. A RNTU of 50 percent signifies that for every benefit recipient, there is one person ‘in need of help’ that does *not* receive benefits⁶; likewise a rate of 100 percent would mean that nobody takes up benefits. Overall, the overview shows that the RNTU is estimated between one third and 60 percent since the introduction of the Basic Safety Net in the year 2005⁷. Differences between the results of the different studies cannot solely be attributed to changes of take-up behaviour or changes within the Basic Safety Net, but likely stem from the variables available for analysis and the model specifications and simplifications used⁸. As the rules concerning the means test are complex and the data used was not explicitly collected with these purposes in mind, this procedure relies heavily on simplifications and approximations. Thus claims about positive or

⁶ Amongst the persons identified as not taking-up their benefits, there are persons forgoing several hundred euros, as well as potential claimants of just a couple of euros.

⁷ Some studies report a range of RNTUs depending on different model specifications. In these cases the rates based on the model preferred by the authors are depicted.

⁸ For instance, the models can either be based on monthly or yearly incomes or use different proxy variables for information lacking in the data base. Also some studies use wealth variables extrapolated from other survey years, as wealth is not regularly asked for.

negative trends, should be taken with a grain of salt, although Harnisch et al. (2019) and Buslei et al. (2019) provide results for several years.

Compared to the extent of non-take-up in other countries, the RNTU in Germany is at the higher bound of RNTUs estimated internationally. According to Hernanz et al. (2004) RNTUs between 20 und 60 % can be observed.

The structure of NTU

In addition to the overall RNTU reported, it can be shown that take-up is not uniformly distributed in the group of the persons 'in need'. Certain groups of persons have a higher probability not to take up Basic Safety Net benefits. Each of the studies mentioned above further analyses the composition of the group identified as being in a situation of NTU in search of reasons that could impact on take-up behaviour⁹. Amongst the population identified as 'in need of help' via the simulated means test, a multivariate regression model with benefit take-up as the dependent variable is used to estimate the effect different variables have on the propensity to forgo benefits. Most authors base their selection of independent variables on theoretical arguments, distinguishing between utility (i.e. expected benefit level and duration) and costs (e.g. information, effort and stigma). Hereinafter the factors identified as significant in the studies are presented and compared. Table 3 shows the direction of the effects in each of the six studies. A "+" indicates an effect increasing the likelihood of non-take-up while "-" should be understood as an effect reinforcing take-up. Significant effects are highlighted by (*) and the last column summarises, whether the studies concur or conflict in regard to the effect¹⁰. Concurrence is assumed if at least two studies establish a significant effect in the same direction and no study refutes the effect.

⁹ The two most recent studies by Harnisch (2019) and Buslei et al. 2019 are not considered, as they focus on sub-sets of the population rather than the general population.

¹⁰ Variables analysed in just a single study are disregarded in this overview.

Table 3: Summary of effects on non-take-up

variable examined	Rip- hahn 2002	Kubis/ Wilde 2005	Jacobi 2003	Frick/ Groh- Sam- berg 2007	Bruck- meier/ Wie- mers 2011	Bruck- meier/ Wiemer s 2016	Consistent effect
calculated monthly benefit	- *	- *	- *	- *	- *	- *	negative
H: older than 65	+		- *	- *	+ *	+/-	conflict
single parent	- *	-	- *	-	-	-	negative
residential property	+ *	+	+ *		+ *	+ *	positive
H: foreign national	+	-		+/-	+	+/-	no effect
H: female	+	-		+/-	+ *	+	
H: age	- *		-		- *	- *	negative
location: rural	+ *	+ *	-	- *	-	-	conflict
location: metropolitan	+/-	+	-	-	+ *	+	positive
location: Eastern Germany	+/-	+	- *	-	- *	- *	negative
H: highly qualified	+ *	+		+/-	+ *	+ *	positive
H: low qualifications	- *	-		- *	-	- *	negative
person sick or in need of care		- *	- *	- *			negative
H: reduced earning capacity/disabled			-	-	+	-	no effect
single person					-	-	no effect
two partners with a child		- *			+/-	-	
# of younger children in household		-	- *		- *	- *	negative
# of older children in household	+ *		- *	+	+ *	+	conflict
working part-time (rf full-time)			- *	-			
unemployed (rf full-time)			- *	- *			negative
non-working (rf full-time)			-	-			no effect
self-employed (rf full-time)			-	-			no effect

note: direction of effect: + = contributes to NTU; - = diminishes likelihood of NTU; +/- = no effect; H = household head; consistent effect = consistent significant effect in the same direction in at least two studies without another study showing a significant effect in the other direction.

In the following paragraphs variables are listed that exhibit significant effects within the multivariate regression models employed in the different studies.

Benefit level: All studies concurrently show that the amount of money that can be expected from take-up is positively correlated with take-up. This is often seen as proof of the applicability of rational choice theory to the issue of NTU, because it postulates that the level of expected benefits is a decisive factor in the decision to take up benefits, because it may offset real or imagined costs of take-up in the context of an individual utility assessment. But likewise, Kerr's threshold theory implies that a high

potential benefit and therewith a more dire financial situation can be seen as contributing to overcoming several thresholds by increasing one's awareness of being in need of help.

Household characteristics: Take-up is more likely for single parents in need of help compared to persons in other household constellations. The role of children however is less clear. While the presence of young children seems to promote take-up, the results relating to older children are ambiguous. Persons owning the home in which they live are more likely not to take-up benefits. While the former observations (single parents and younger children) are attributed to the higher social acceptability and the lack of alternative means of income generation by the authors, the role of residential property could result from a lack of knowledge on the part of the owners (i.e. falsely assuming that home ownership necessarily leads to ineligibility)¹¹.

Age and gender: Comparing the effect of age is complicated as the classification of respondents into age groups is not consistent across the studies surveyed. But the tendency seems to be that the older the person in need, the higher the probability of NTU. Explicitly looking at persons above the age of 65 however one of the more recent studies (i.e. Bruckmeier & Wiemers 2011) shows the opposite effect. Based on the benefit-cost model a higher age can be seen as a proxy variable for a long expected duration of benefit receipt which translated to a higher overall utility compared to younger persons who may anticipate positive changes in the imminent future; on the other hand shame in regard to benefit take-up is often assumed to be more prevalent amongst the older generations. How age specifically impacts on take-up thus seems to warrant further research. Special note should be taken of the differences regarding the administration between persons younger and older than 66 as they are subject to different sub-systems of the Basic Safety Net. Only one study (Bruckmeier & Wiemers 2011) reports a positive effect of female gender on take-up.

Migration background: No significant effects can be identified. Bruckmeier & Wiemers (2016) having looked at it more closely, claim that migrants in need of help, whether differentiated by migration background or specific foreign nationalities, do not exhibit take-up behaviour that differs from native nationals.

Education: Three studies report that, amongst the persons in need of help, highly qualified persons are less likely to receive Basic Safety Net benefits than persons with low or no qualifications. This fits the assumption that highly qualified persons can expect to overcome their need of help via labour market participation, thus the time and effort related to take-up being pitted against a lower utility (i.e. a shorter expected duration of benefit receipt).

Special needs: Household members who suffer from an illness or are in need of care are consistently identified as being a factor that increases the likelihood of take-up. Contrary to expectations, no study showed an effect for disabled persons or persons with a reduced earning capacity. As with single parents it is assumed that those persons perceive lower levels of stigma when seeking help.

Labour market status: Compared to employed persons eligible to top-up their wages with Basic Safety Net benefits, the unemployed are more likely to take-up benefits, as two of the studies show. This is often attributed to a lack of knowledge on the part of the employed persons 'in need of help' about the possibility to claim partial benefits. Just one study (Jacobi 2003) shows a similar effect for part-time workers. Being self-employed or having two jobs (the latter having been analysed in only one study) yielded no effects.

¹¹ Another possible explanation is that the adequacy of the home is not being tested in the simulated means test (thus erroneously identifying households as eligible that should not have passed the wealth test).

Region: Most estimates show that take-up among those in need of help is more widespread in the former GDR, compared to the western parts of Germany. Bruckmeier and Wiemers (2016) show that the probability to take up minimum income scheme benefits is lower in metropolitan areas compared to middle-sized towns. Results in respect to rural areas are ambiguous. One could assume that in cities the lower potential for stigmatisation due to anonymity, as well as the lower information costs, minimise take-up costs; at the same time the utility of the Basic Safety Net benefits might be dwarfed by the cities' larger range of alternative support structures and employment opportunities – at least in the perception of potential claimants.

The following variables were each analysed in only study (not shown in table 3): Kubis and Wilde (2005) have looked at several variables (the expectation to find employment soon; an optimistic outlook on general economic development; the perception of one's own economic situation; having to resort to personal savings), but just the latter has been shown to be positively associated with benefit take-up. Furthermore Jacobi (2003) could show that persons in need of help having received benefits in the year prior to the survey have a higher propensity to take up benefits. Likewise, she identifies persons having grown up in metropolitan areas and having grown up in a low qualifications households as more likely to take up benefits. Contrarily, NTU is shown to be more widespread among persons who engage in civil or religious organisations. A strong identification with a political party is reportedly positively associated with take-up of means-tested benefits. Frick and Groh-Samberg (2007) show that persons living in regions with high rates of benefit receipt are less likely to forgo benefits.

4 Problems

Having presented the basic premises of the microsimulation approach and the main results it has yielded, this section focuses on limitations in regard to representativeness, validity and explanatory power. For each of the three sets of problems I discuss possible solutions in section 5.

4.1 Representativeness

All of the studies examined in section 3 use well-established population surveys, with complex systems of random sampling, as the data source for analysis. They are deemed representative of the population in private households in Germany in regard to common socio-demographic variables (e.g. gender, region, education). But every sampling method is confronted with the problem of differing individual propensities in the willingness to participate. There are doubts as to whether general population surveys can adequately map the living conditions of persons in low income situations. This is especially true when it comes to phenomena that are associated with shame or being overburdened by stressful and complex situations. One can assume that persons shying away from benefit take-up or being overwhelmed by the interaction with the public administration, are less likely to participate in a scientific survey. Admittedly, this might also hold true for those persons that do take up benefits. For instance the GSOEP¹² (German Socio-economic Panel), commonly deemed highly representative in regard to common socio-demographic characteristics, and most commonly used in the studies mentioned above, seems to underestimate the number of Basic Safety Net recipients compared to administrative data¹³. This error might be attributable to either unit non-response or item-non-response. But all the same, analysis of take-up behaviour is dependent on the strong assumption that participation in general population surveys is equally distributed within the group of persons in need

¹² cf. Goebel et al. (2019) for an overview of the panel survey.

¹³ Although Harnisch et al. (2019: 5 f.) show that the discrepancy between the two data sources has decreased in recent years.

of help, i.e. persons taking-up benefits must be assumed to be just as likely to shy away from being interviewed as persons not taking up benefits.

Another important limitation of using general population surveys is that they commonly only cover persons in private households. This excludes persons in communal accommodation (e.g. elderly homes, medical facilities, prisons) as well as the homeless. In regard to the former, one might assume that NTU is less widespread, as institutionalised lodging lends well to administering the inhabitants' needs. But concerning unsheltered persons very little can be surmised about the incidence of NTU.

4.2 Validity

For the purpose of this paper, validity here refers to the precision of the microsimulation. Just as with regard to the representativeness of the underlying data, the application of the microsimulation approach is dependent on some strong assumptions. Translating the means test (as stated in the Social Code Book, specified in administrative guidelines and executed by the welfare and jobcentre officers) into a mathematical model cannot be perfect. The data sources provide very detailed information on household composition, individual characteristics, different types of income and assets held. Yet some details that the means test calls for are not available. Hence simplifications have to be introduced that might lead some household members to be wrongly identified as 'in need of help' or 'not in need of help'. This imprecision, or doubt as to the validity of the operationalisation of the means test, can be quantified. For one, there is a sizable group of persons identified via the microsimulation as not in need of help, that nonetheless reports receiving Basic Safety Net benefits¹⁴. Although a person declaring wrong information vis-à-vis a welfare officer, but being truthful in the general population questionnaire is a conceivable scenario, the majority of respondents falling into this paradoxical group are likely wrongly identified as ineligible by the microsimulation. The other metric reflecting the imprecision of the microsimulation is the discrepancy between the benefit amounts reported by respondents and the amounts calculated within the model for the group of benefit recipients (cf. Harnisch 2019: 40). The discrepancy is not high on average, but the cases in which the calculated benefit greatly varies from the amount actually received, reflect the problems the simulated means test appears to have with some households.

A further issue contributing to the imprecision of the simulated means-test stems from the fact the studies must either use the respondents' current income or the income information collected for the previous fiscal year. While relying on the former may lead to falsely identifying NTU where benefits are underway in the days following the survey interview, the latter may underestimate NTU as some persons may appear to have sufficient income in the long term, but may lack significant income for some months, in which they would be eligible for take-up.

4.3 Explanatory power

Even if the problems concerning representativeness of the datasets and the validity of the simulated means test are disregarded, the approach predominantly employed in NTU research in Germany has some fundamental shortcomings.

Relying solely on quantitative surveys in capturing non-take-up, two problems arise:

1. We do not know whether a person in need of help was in fact *ineligible* because of non-compliance.

¹⁴ Only four of the eight studies discussed in section 3 explicitly mention this problem. But it is safe to say that it occurs in all studies based on the microsimulation approach.

2. We do not know *why* a person did not take-up a benefit.

The quantitative analyses reported above point to millions of people ‘in need of help’ not receiving Basic Safety Net benefits. But we are unable to determine whether an individual identified as being in a situation of non-receipt had lacked the necessary knowledge, was misinformed, was too ashamed, unable, not allowed or unwilling to take up benefits. It stands to reason that all of these reasons play a role in the high incidence of non-receipt.

The population identified by the quantitative approach fits the general definition of non-take-up mentioned at the outset of the paper, i.e. *all persons ‘in need of help’ but not receiving benefits*. But as pointed out in section 2, there are in fact three criteria for eligibility: (1) a person has to be part of the general group covered by the scheme, (2) be in need of help, and (3) comply with further requirements. While survey based NTU studies generally exclude students as they are not covered¹⁵ by the Basic Safety Net and the microsimulation can determine whether or not a person is ‘in need of help’, there is no way to determine the third criterion, i.e. *compliance*. Hence the RNTUs reported include persons in ‘need of help’ that have in fact taken up benefits, but were subsequently sanctioned and denied payment due to non-compliance. These persons are – at least temporarily – *ineligible* and would thus not be categorised NTU following the traditional definition of NTU.

Still those sanctioned persons remain ‘in need of help’ and should therefore not be disregarded when studying access to Basic Safety Net benefits. After all they may have either *wilfully* disregarded the demands they were presented with or they could be *incapable* to fulfil them due to personal capabilities or special circumstances. As such they are a sub-group of non-recipients who ended up in a situation of non-receipt because of mechanisms distinctly different from the cases of *primary* non-take-up.

NTU theory has made great strides in the past decades. From purely *econometric models* (Craig 1991), over the introduction of the term ‘*welfare stigma*’ (Moffit 1983) and the consideration of *trigger events* (van Oorschot 1991), to viewing take-up as overcoming a series of *thresholds* (Kerr 1982) more and more explanations focussed on the individual actors have been put forward. An important contribution to NTU theory from Germany (Becker and Hauser 2005: 139 ff.) is that NTU viewed as based on a purely rational decision process should be supplemented by alternative perspectives on individual action: lack of *knowledge* and *capabilities*, the adherence to socio-cultural *frames*, individual *beliefs*, *habits* and routines should also be taken into account. But most importantly, explanations focussing on the persons affected often overlook the structures in which individual behaviour unfolds: “*Clearly non-take-up cannot be explained solely in terms of the motives, intentions and decisions of the nonclaimants themselves. Policy-makers and administrators can often be held responsible too*” (Evans 2010: 21). Summarising the theories relating to NTU would clearly go beyond the scope of this article (see van Mechelen & Janssens 2017 for the state-of-the-art of NTU theory). But the consensus seems to be that take-up behaviour is influenced by factors on several levels (see figure 2).

¹⁵ The group not covered by the Basic Safety Net –persons having only recently migrated to Germany, as described in section 2 – cannot be reliably identified.

Figure 2: factors influencing take-up behaviour



In the context of quantitative studies many of these theories (especially stigma and knowledge) are mentioned, but – having to rely on methodological individualism – rational choice arguments are the only ones being tested. The issue worth pointing out is that the actual reasons underlying the bivariate and multivariate effects identified by the quantitative approach can merely be surmised if no other empirical data is taken into account. Ascertaining which forces really are at play lies beyond the scope of the quantitative approach. After all there is a multitude of possible explanations for persons not applying for benefits to which they are eligible.

Fundamentally, the microsimulation-based analysis is unable to differentiate between different types of non-take-up. This goes for the distinction between *primary NTU*, where there is no attempt to obtain benefits (because of costs, stigma or a lack of knowledge) and *secondary NTU*, which occurs when persons apply for but do not receive the benefits although they are in fact ‘in need of help’.

Also, the approach is blind to *partial non-take-up*. This is because data on additional benefits (e.g. services like counselling or training), which are conditional on further application and often subject to the discretion of the case worker, are not collected in the datasets.

If one wants to identify the barriers, or more generally, the mechanisms leading to non-receipt, relying solely on the quantitative approach described above does not suffice.

5 Solutions

As follows, suggestions are made as to how the identified problems could be addressed.

5.1 Improving on the quantitative approach

In spite of the shortcomings identified in the previous sections, there is room for improvement within the quantitative framework.

Further potential of existing data sources

Using the general population surveys available, especially the GSOEP, it seems promising to further tap their full potential. The research undertaken by Hanisch et al. (2019) and Buslei et al. (2019) are promising, because they observe NTU over a longer timeframe, but they focus on specific sub-systems of the Basic Safety Net. But one could analyse the long-term dynamics of non-take-up for the German population as a whole. With such an approach, observing take-up over time but within a common framework, some of the conflicting findings described in table 3 might be resolved.

Also, there are a couple of available variables that have yet to be tested as to their effect on take-up (e.g. attitudes and social contacts) and the panel nature of the dataset should be taken into account in order to identify paths into and out of situations of NTU.

Moreover there are attempts at matching survey data with procedural data from the social administration aiming at validating the former (cf. Bruckmeier et al. 2019).

Potential of a survey dedicated to NTU research

While there is still room for improvement in the utilisation of existing data sets, a survey focussing on NTU seems an obvious next step. It could include a module with questions more adequately reflecting the information needed to ascertain whether respondents are indeed 'in need of help', thereby increasing the *validity* of the simulated means test. The problematic lack of *representativeness* however is a larger problem, concerning social science methodology on a more fundamental level. In regard to the *explanatory power* however, such a survey could include further question modules that capture factors identified as relevant in NTU theory and from qualitative empirical research.

5.2 Alternative approaches

As pointed out, the approach of using general population surveys has its limits. Hence different qualitative empirical approaches should be taken into consideration to supplement the dominant quantitative approach.

Interviews with persons in situations of non-take-up

Persons 'in need of help' not receiving Basic Safety Net benefits, or having previously been in such a situation, could be used as subjects for qualitative interviews. By using partly-structured questionnaires they could be prompted to narrate their individual experiences, thereby shedding light on their subjective view of which factors lead to NTU. As such they would be experts for their own experience. The factors that could be broached are objective as well as subjective perceptions and the processing of social reality, with a focus on knowledge, attitudes and emotions regarding the Basic Safety Net, subjective reasons for NTU and coping strategies in situations of NTU, as well as the experiences of interaction with the welfare officers. The interviewees could be chosen based on a

combination of theoretical sampling and convenience sampling (cf. Marshall 1996). Of course such an approach could not achieve representativeness, but it has the potential to yield in-depth insights into the phenomena of interest. The sample should include persons subject to the different sub-systems of the Basic Safety Net, persons having consciously denounced take-up, having been unaware of their potential claim and those having lived without benefits because of other reasons.

Members of the group that does not take up benefits because they are unaware of their eligibility to take up benefits however would be hard to find. And just as with the standardised questionnaires in the quantitative surveys shame, stigma and privacy considerations might hamper the access to these groups.

To date no such study was conducted for the German case. There is a multitude of studies focussing on the subjective experience of welfare recipients (for example Dörre et al. 2013), but as of yet none with an explicit focus on NTU.

Expert interviews with social counsellors

While researching the subjective experience of NTU is a promising way to go, there are some mechanisms that elude the subjective perception of the persons affected. Hence another way to go is harnessing expert knowledge. In Germany the administration units responsible for granting means-tested welfare benefits (i.e. the jobcenters and social welfare offices) operate side by side with organizations providing advice to (potential) claimants. Advisors / social counsellors fulfil an important role with regard to citizens living in poverty. Although partly funded by the state, they are organised in distinct entities independent of the state-run administration, mostly organised under the umbrella of religious or labour associations. To shed more light on NTU dynamics, it seems appropriate to focus on social advisors, because (1) they have a direct impact on take-up behaviour and (2) they are carriers of in-depth knowledge about these dynamics, thus broadening the perspective to conditions and influences that microsimulation studies are blind to.

As part of a preliminary study (yet to be published), six interviews with social advisors (in two German municipalities and employed by different organisations) were conducted. The topics covered by these semi-structured expert interviews include the clients' knowledge of the Basic Safety Net, perceived reasons for NTU, observations on individual coping mechanisms of clients in NTU situations as well as the nature of the relationships between the advisors, clients and social administration agents. The qualitative interviews highlight the dynamics of the take-up process as well as the administrative and discursive context in which it unfolds. Analysis shows that social advisors can shed new light on individual incapacities to comply with the (sometimes erratic) demands of the social administration units. They also provide illustrative examples of distinctive behavioural patterns, such as delayed and partial non-take up.

Explicitly the interviews show that:

- Persons in 'need of help' seem to predominantly draw on the knowledge of their peer groups when it comes to the Basic Safety Net and misconceptions about the eligibility criteria and additional requirements abound.
- The jobcenters and welfare offices are often perceived to be an unwelcoming place, in some cases dissuading persons to take up benefits and regularly failing to point out rights to take up additional benefits.
- (Potential) claimants often fail to understand the welfare officers' decisions and the demands they are confronted with.
- Errors in benefit calculations occur and documents have been reported to disappear.
- Delayed take-up seems to occur regularly.

- Shame and fear of stigmatisation seems to be an issue more common to older persons.
- The administration seems ill-prepared to deal with cohabitation and unusual and fast-paced changes of individual circumstances.
- Eligible persons doing without Basic Safety Net benefits often cope by resorting to the financial resources of families and friends, drawing on savings and running into debt.

Of course many sub-groups of Basic Safety Net non-recipients, first and foremost those unaware of their eligibility or in fear of stigmatisation, are not to be found in the offices of social counsellors. So like, the other approaches mentioned, some types of non-take-up overlooked

Mapping the public discourse on the Basic Safety Net

Public discourse in mass media has a large impact on individual attitudes, emotions and knowledge about the Basic Safety Net. Debates concerning the issues of self-responsibility and benefit fraud as well as deservingness and hardship shape the public image of the Basic Safety Net. Collecting data on which messages are communicated, and which messages take root on the side of the individuals, could contribute to NTU research (see van Oorschot & Roosma 2015 for suggestions on how to map public discourse on means-tested benefits).

6 Conclusions

The main contributions of this paper are as follows:

- grounded on a systematic review of quantitative studies on the NTU of means-tested benefits in Germany, the methodological limitations of the microsimulation approach were brought to the fore.
- The multiplicity of the phenomena of NTU was demonstrated.
- The potential of using in-depth knowledge of social counsellors was highlighted.

Although focussed on the German case, the discussion of implications and limitations of different methodologies seeks to benefit the research in different institutional contexts.

The discussion of the three sets of problems regarding the quantitative approach to NTU research should not be misconstrued as a fundamental refutation of its potential. Quantification is a necessary first step in social research, but combining mixed method research has the potential for more in-depth sociological understanding.

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