



Social security and human rights
Ensuring access and combatting the non-take-up of social benefits
ISSA, ALOSS: Belval, Luxembourg
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SOCIAL PROTECTION GAPS IN SITUATIONS OF SIGNIFICANT SUPPORT NEEDS

How accessible is income support in practice?
An illustration using household data

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'Gaps' in income support

Important ...

- Inequality
- Scarring
- 'Hook' for integration services, employment support
- Need for costly ad-hoc transfers?
- Hindering structural changes?

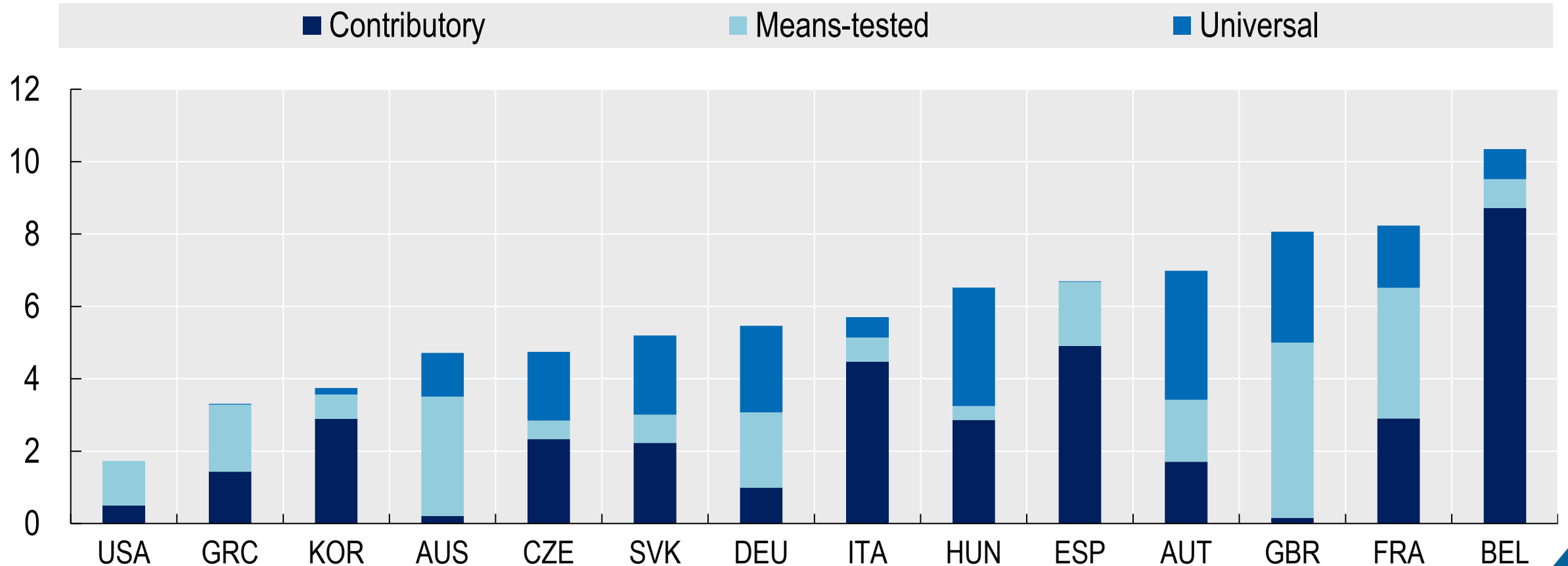
difficult to measure, monitor, compare ...

- *In practice, support depends on:*
 - Multiple programmes
 - Statutory rules, but also: implementation, 'take-up'
 - Size, composition of intended target group – changes can be huge



Total cash support for working-age people: Big differences

Share of benefits in total household incomes, pre-COVID, in percent



Note: Working-age households. Countries are ranked by the share of working-age benefits in total gross household incomes. Benefits that are both contributory and means-tested (e.g. unemployment assistance in Austria) are shown in the “contributory” category. Source: OECD calculations using EU-SILC, GSOEP, HILDA and KLIPS survey data.



Comparing the income support that people can access in practice

1. Situations of acute economic need

‘Last resort’ safety nets

- Minimum-income support (social assistance, housing benefits, some in-work benefits)
- Other non-contributory benefits (“categorical” transfers such as child benefits)

2. Recent job loss

- Unemployment benefits
- Other out-of-work benefits and earnings-replacement programmes



ILLUSTRATION 1

INCOME SUPPORT IN SITUATIONS OF ACUTE ECONOMIC NEED



‘Safety-net’ benefits attract renewed attention

- Safety nets are sometimes characterized as “income floors”, but not all low-income individuals receive support
 - There is therefore a need to **monitor** the **reach** of last-resort programmes, and what **levels of support** they provide for recipients
- How accessible are safety-net benefits **in practice**, notably for families in **acute economic need**, who are likely to require this type of support?

Eg., for households with very little resources and no access to contribution-based benefits



What safety nets?

Types of support for 'working-age' families

	Dependent on past contributions or employment	Not dependent on past contributions or employment
Means-tested	E.g. Unemployment assistance in Austria	E.g. social assistance, housing benefit.
Not means-tested	E.g. Unemployment insurance and (often) disability pensions, maternity benefits, sickness benefits	Universal transfers (in practice: child benefits)

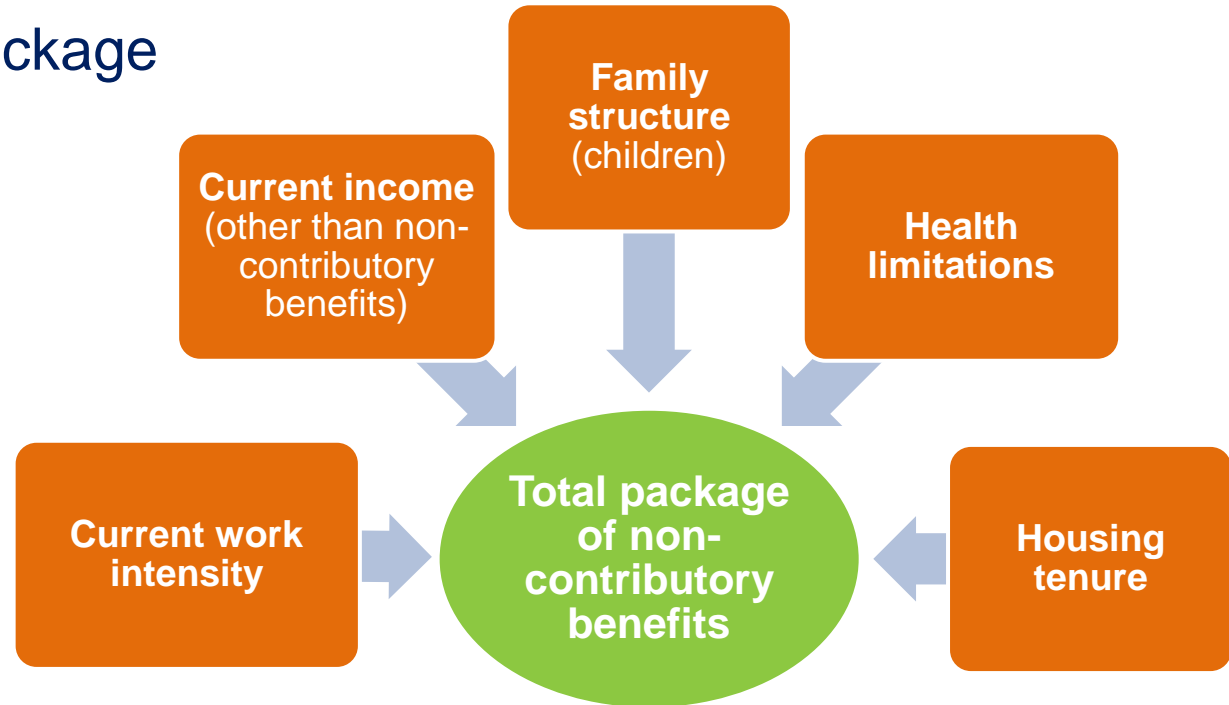


The focus of results / illustration



What support is available in practice?

1. Statistical model: (annual) benefit package using available micro-data



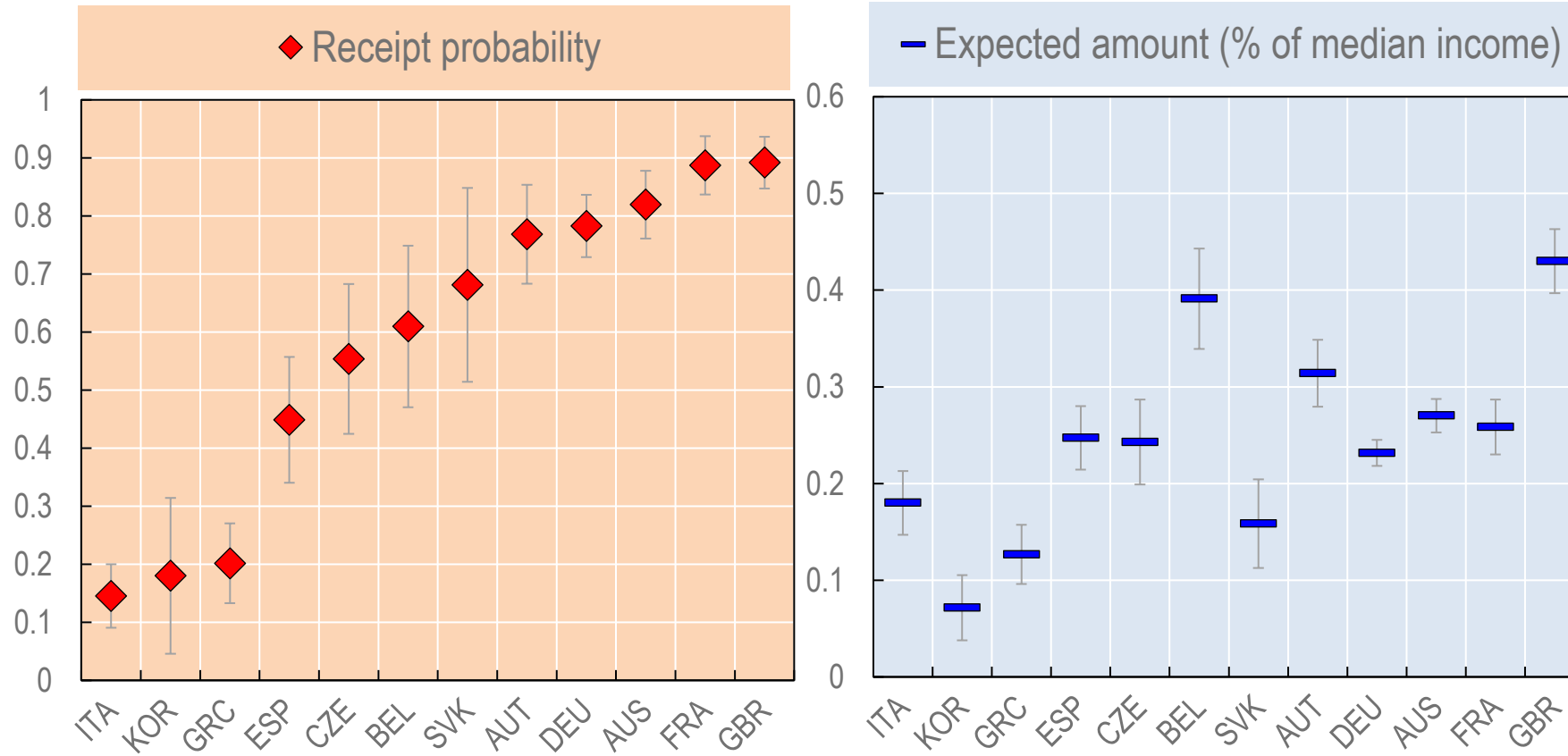
2. Infer ('predict') access / entitlements for low-income households for a range of concrete circumstances ('vignettes')

Family	Income	Work	Health	Housing
Single / Lone parent / Couple	Bottom 10/20% of the income distribution	Workless / low work intensity...	"Good" / "poor" health	Rent / own



Safety-net benefits: Accessibility and levels

Workless low-income person living alone (working-age)



Source: EU-SILC and GSOEP, 2016 waves, HILDA, 2017 wave (financial year 2016), and KLIPS, 2017 wave.



Why do some (and sometimes many) low-income households not receive any support?

Observed benefit receipt results from the interplay between various factors.

Reasons for observed coverage gaps include:

- **Legal entitlement rules:** Income & asset tests, behavioural requirements
- **Implementation** of these rules, e.g. capacity constraints, complex and time consuming claims procedures → can limit responsiveness to changing needs, especially during periods of high demand
- **Household circumstances & behavior:** Social stigma of claiming benefits of last resort
- All these can **vary regionally**, and **over time**

Coverage gaps will be more of a concern in countries where safety nets are a principal channel for providing income support



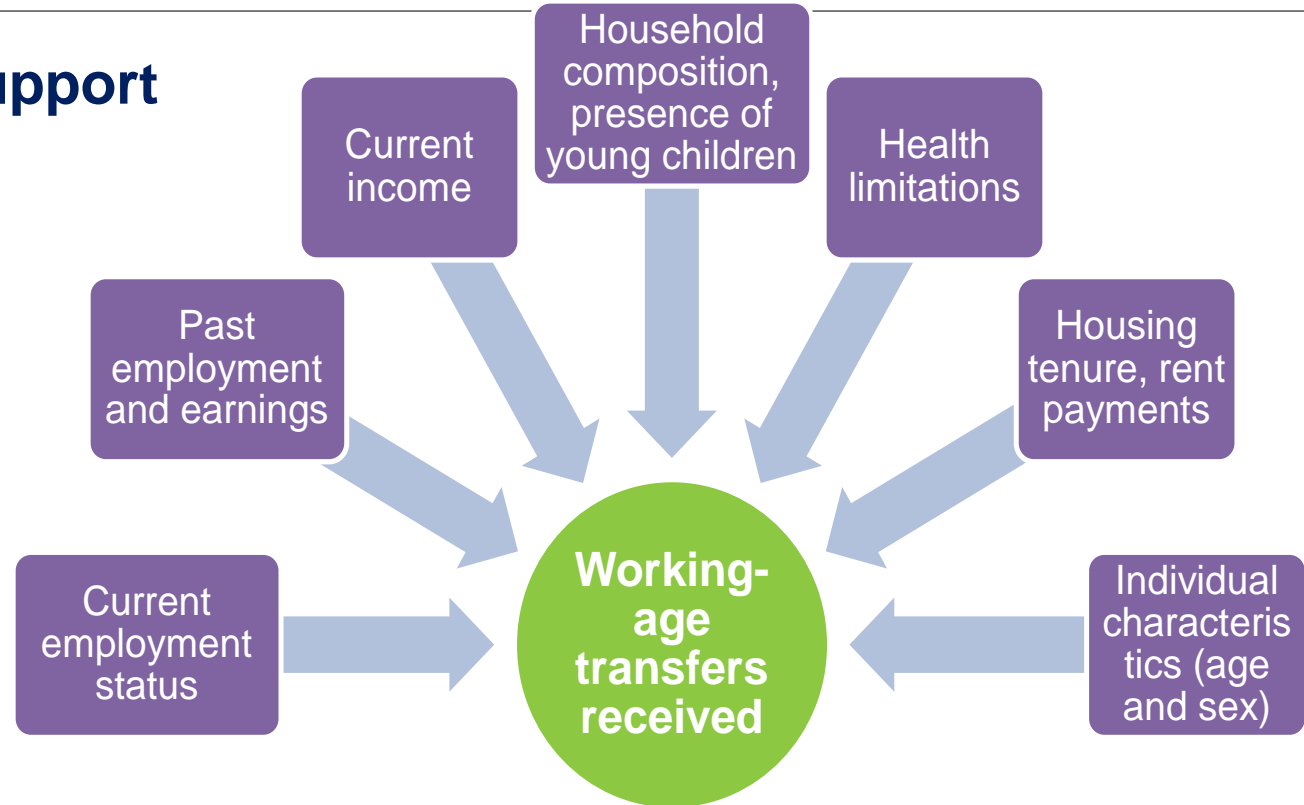
ILLUSTRATION 2

INCOME SUPPORT FOLLOWING JOB LOSS

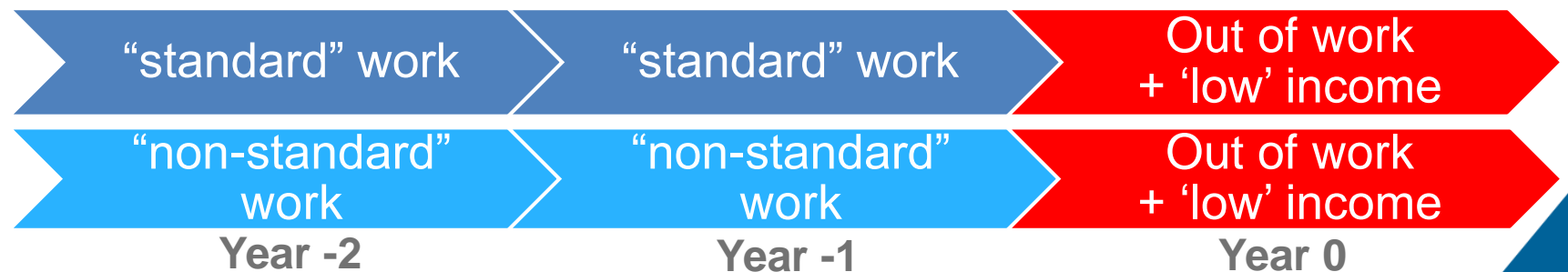


A people-centred perspective: Support received during joblessness in practice

1. Statistical model: **Total cash support** using available micro-data:



2. Infer ('predict') expected total benefits package after a job loss:

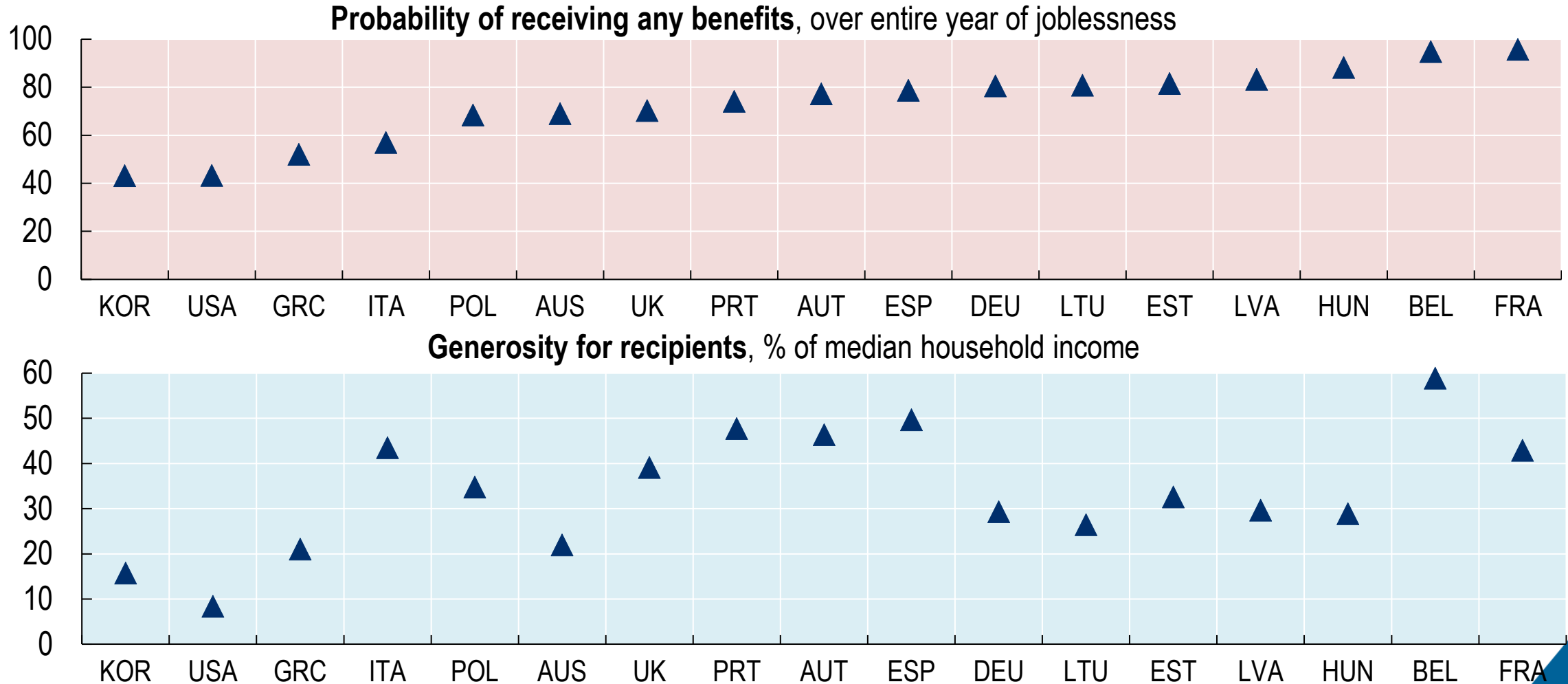




Results for “standard” workers after job loss

able-bodied, low income, continuous past employment

▲ Baseline: past ‘standard’ work

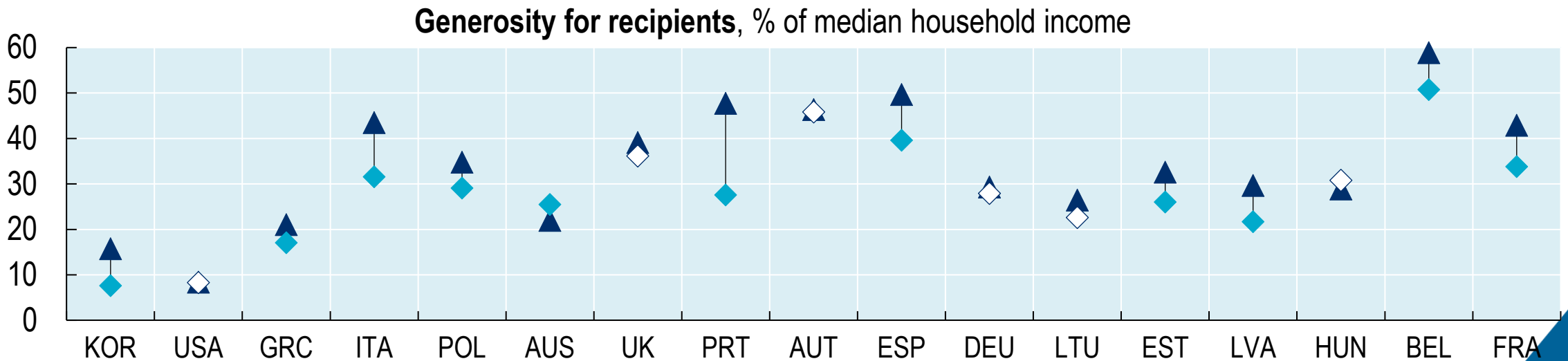
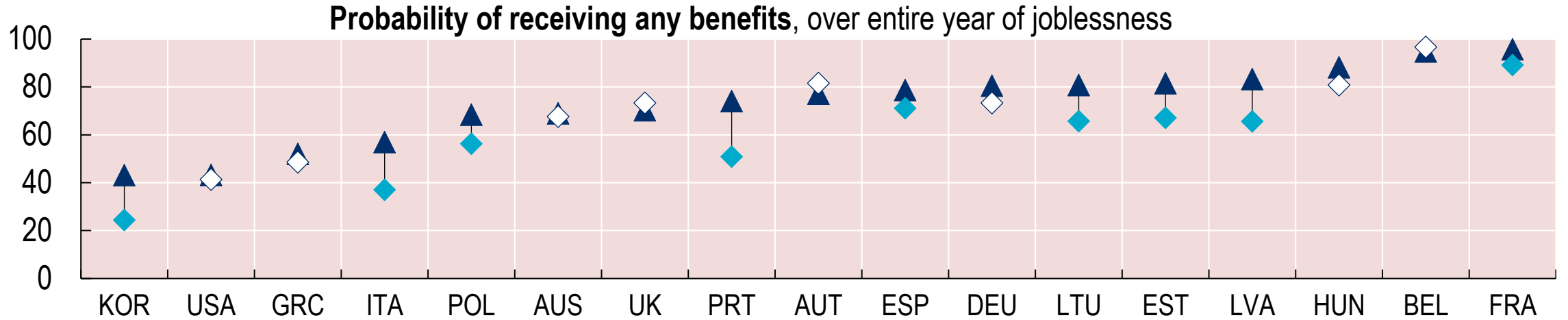




Gaps: 'standard' vs 'non-standard' workers

able-bodied, low income, recent job loss

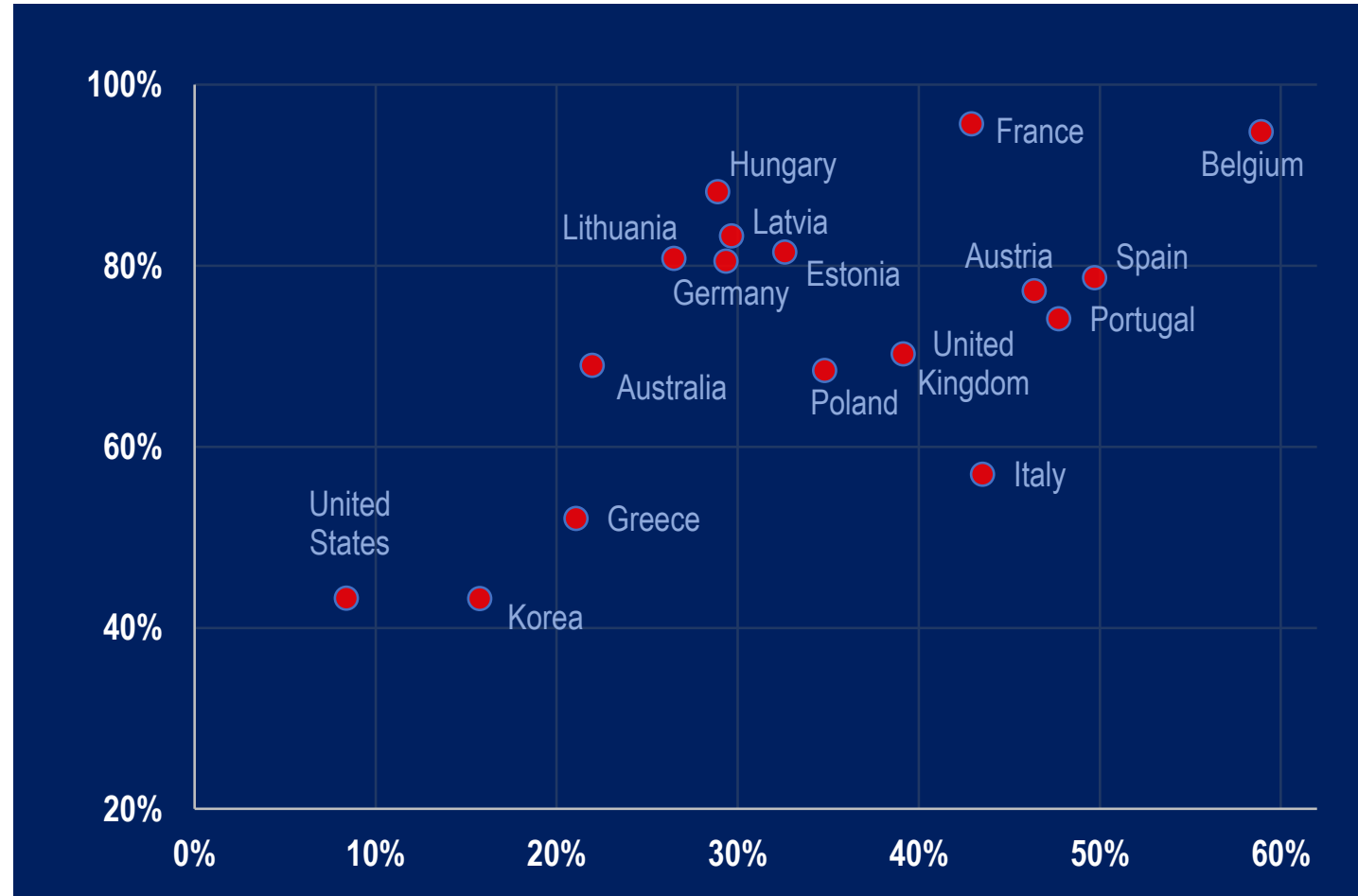
▲ Baseline: past 'standard' work ◆ Past 'non-standard' (significant gap) ◇ Past 'non-standard' (non-significant gap)





Out-of-work support for 'standard' workers: Accessible and adequate?

Accessibility
% receiving
any income
support



Benefit amount
Average for recipients, % of median household income



Thank you!

Sources & further reading

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- **Benefit reform for inclusive societies:** [Unites States](#), [Korea](#). Forthcoming: Greece, Portugal
- **How reliable are social safety nets?** Value and accessibility in situations of acute economic need. <https://doi.org/10.1787/65a269a3-en>
- **Social protection gaps in practice:** Monitoring income support accessibility and levels <https://doi.org/10.1787/48e282e7-en>
- **Left on your own? Social protection when labour markets are in flux** doi.org/10.1787/bfb2fb55-en
- **Basic income as a policy option: Can it add up?** [Research paper](#) || [Policy Brief](#)
- **OECD tax-benefit policy database & indicators** <http://oe.cd/TaxBEN>. OECD Social Benefit Recipients database <http://oe.cd/SOCR>; How demanding are activation requirements for jobseekers? <https://oe.cd/ActivationStrictness>



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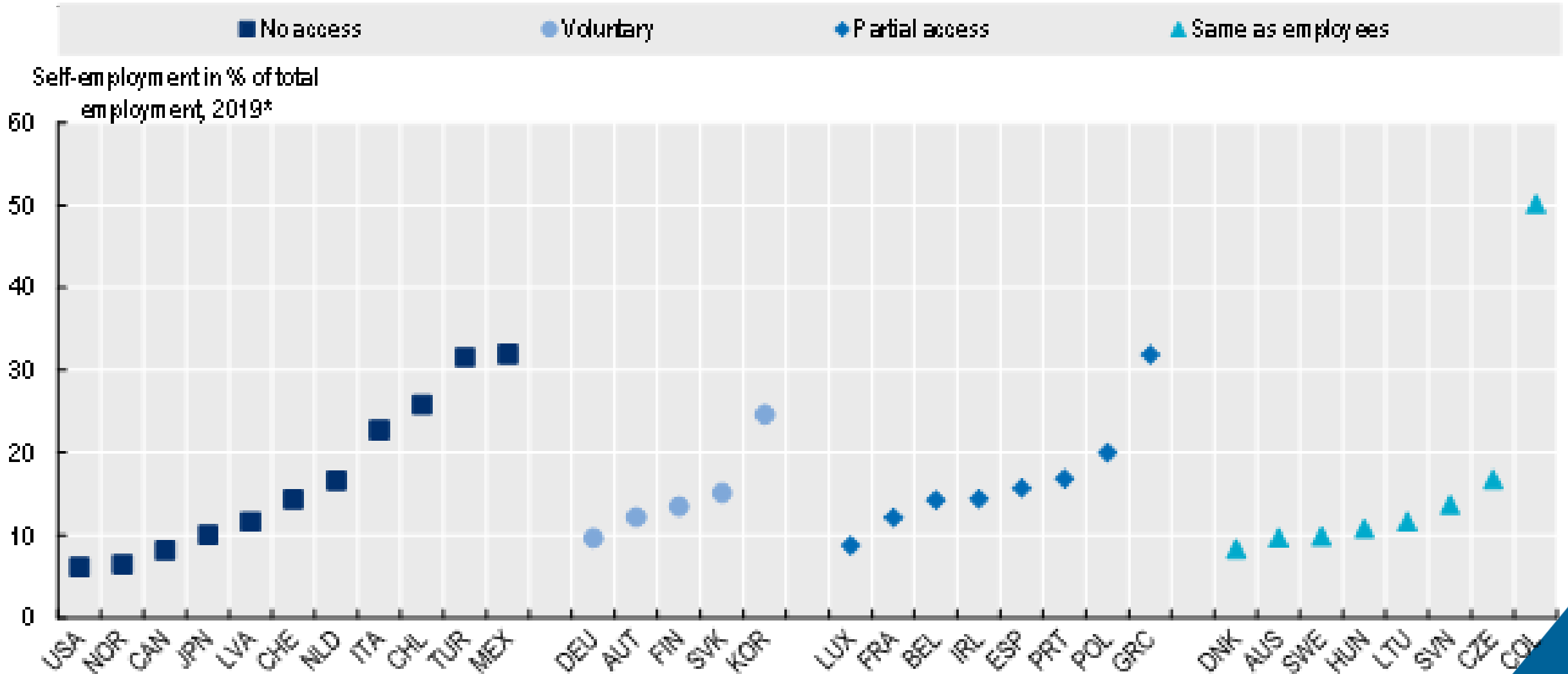
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ADDITIONAL SLIDES



Independent workers' statutory access to unemployment benefits is often limited

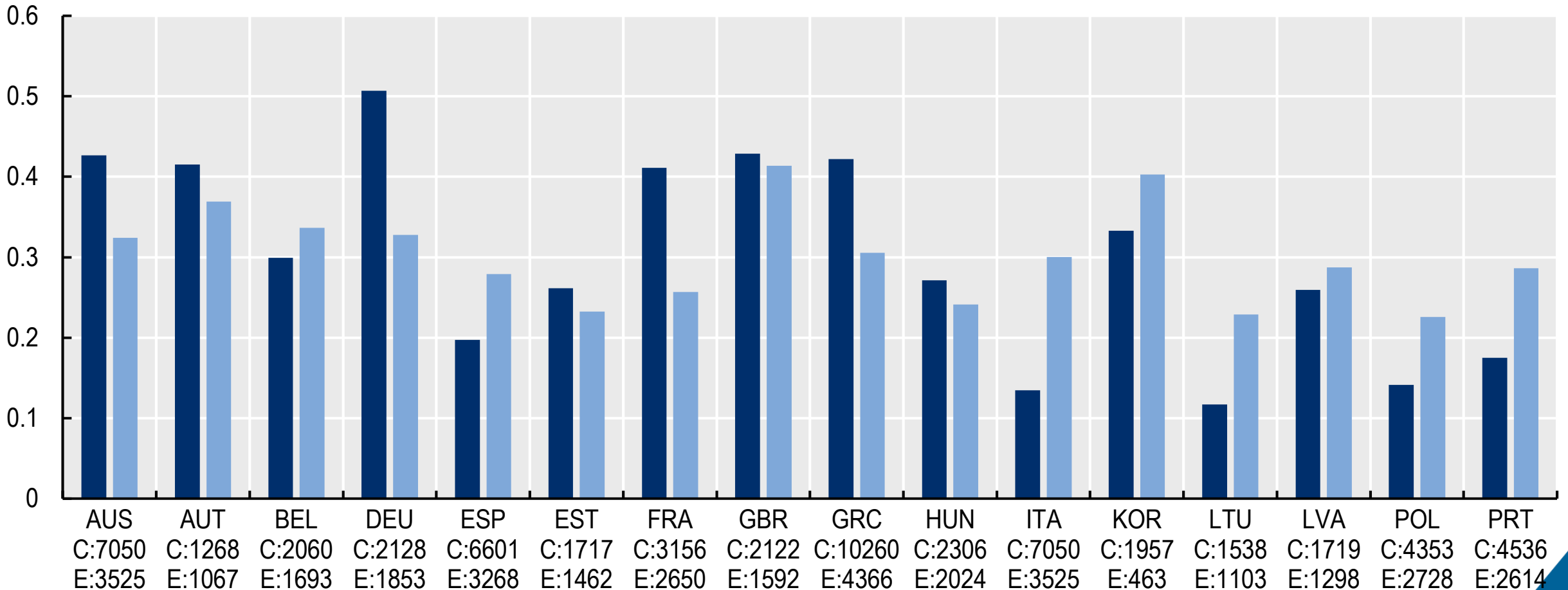




Sample sizes and goodness of model fit

Coverage

Entitlements



Note: McFadden's pseudo R2 for the two regression models ("Coverage" and "Entitlements") by country., along with size of estimation samples. The pseudo R2 ranges between 0 and 1 (1 means perfect fit).



Summary statistics (illustration, annex for all countries)

		Italy								
		Working-age population, reference year <i>t</i> *		Out of work ≥ 6 months in reference year <i>t</i>						
				By previous work status, years <i>t</i> -1 & <i>t</i> -2				Mostly non-standard work (NSW)		
		All	With complete calendar info	Estimation sample **	Mostly out of work	Mostly standard work (SW)				Unstable
							Total	Self- employed	Part- time	
Number of observations		55,642	48,135	7,051	5,404	559	1,088	262	236	590
Population (weighted, 000s)		93,971	91,728	28,996	23,136	2,145	3,715	744	885	2,085
Number of individuals (% of out-of-work estimation sample)		-	-	100	80	7	13	3	3	7
Women (%)		51	51	75	79	53	63	56	71	63
<i>Total</i>		48	49	55	54	65	58	34	64	63
<i>average amount (% of median income)</i>		16	16	17	14	28	24	12	21	27
<i>Without children</i>		32	33	45	43	55	49	28	53	56
<i>average amount (% of median income)</i>		24	24	23	21	32	26	16	21	30
<i>With children</i>		65	66	67	66	77	68	43	77	71
<i>average amount (% of median income)</i>		12	12	12	10	24	22	7	22	25
<i>With children under the age of 6</i>		77	77	74	73	79	78	69	87	77
<i>average amount (% of median income)</i>		11	11	12	10	23	17	8	24	16
Household composition <i>Adult living alone</i>		13	12	7	6	16	11	12	13	10
<i>Couple without children</i>		17	17	18	19	15	16	18	18	16
<i>Three adults or more without children</i>		22	22	28	29	24	26	31	23	25
<i>Couple with children</i>		35	36	32	32	28	32	26	36	32
<i>Three adults or more with children</i>		11	11	13	13	15	12	11	7	14
<i>Lone parent</i>		2	2	1	1	1	3	2	2	3
Annual earnings during <i>t</i> -1 (%) ^{††} <i>No earnings</i>		24	24	69	82	1	23	1	2	40
<i>Quintiles 1-2</i>		29	29	20	11	62	54	81	90	29
<i>Quintiles 3-5</i>		47	47	11	7	37	23	19	8	31
Annual earnings during <i>t</i> -2 (%) ^{††} <i>No earnings</i>		25	25	68	83	10	10	26	12	4
<i>Quintiles 1-2</i>		29	29	21	10	52	69	52	75	73
<i>Quintiles 3-5</i>		45	46	11	7	38	21	21	13	24
Disposable household income before social transfers in the <i>Quintile 1</i>		21	22	40	39	41	43	40	48	42
<i>Quintile 2</i>		19	19	25	27	18	21	20	18	23
<i>Quintile 3</i>		19	19	16	17	12	16	17	17	15



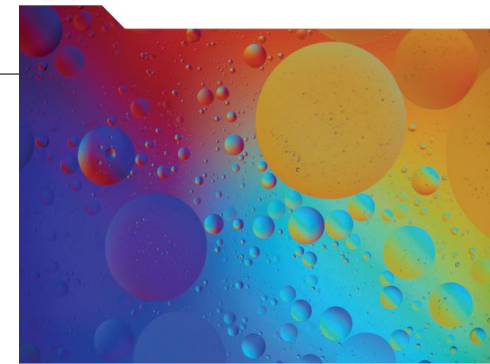
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Sources & further reading

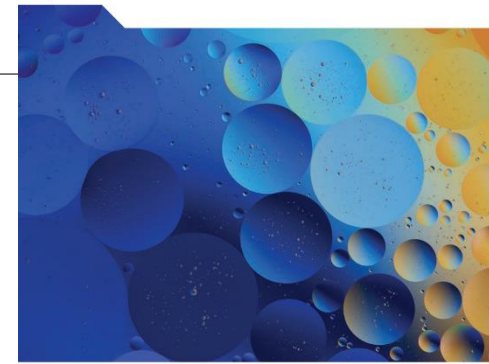
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