



ESPN Thematic Report on minimum income schemes

Germany

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European Social Policy Network (ESPN)

**ESPN Thematic Report on
minimum income schemes**

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Summary¹

(1) Currently, the German social minimum income schemes form a complex system of categorical benefit schemes. The regulation of the social minimum income schemes lies within the legal competence of the federal legislator, while funding and implementation vary between the different schemes. All the schemes take a rights-based approach, but also include elements of discretion.

(2) In principle, people of working age (and with them, cohabiting family members) can have access to each of the existing five social minimum income schemes. People capable of work normally have to apply for the 'basic income support for job seekers', the scheme with the large majority of all minimum income beneficiaries, introduced in 2005 by the so-called Hartz IV reform.

(3) The standard benefits of most of the minimum income schemes are determined by the so-called statistical standard method. According to this method, the benefit level is deduced from the spending patterns of lower-income groups, measured every 5 years by means of the Income and Consumption Sample. In the intervening years, the benefits are updated every year according to a mixed price and wage indicator.

(4) Access to minimum income benefits is based on a complex set of eligibility conditions and conditionality rules. Basically, the minimum income benefits are paid for an unlimited period of time, as long as the need remains.

(5) The 'Minimum Income Protection Indicators (MIPI)' dataset shows for all household types considerable gaps between the net household income provided by minimum income benefits and the household specific at-risk-of-poverty thresholds. The new gross statutory minimum wage of EUR 8.50 per hour lifts the working single household and the two-earner couple household without children above the poverty line. But with only one earner and/or the presence of children in the household, there is a need to top up this low wage with 'basic income support for job seekers'.

(6) The minimum income system basically covers all legally resident population groups at risk in Germany. But non-take-up is traditionally high in this system: micro-simulation studies agree in their findings that between a third and two-fifths of all eligible beneficiaries do not apply for the benefits.

(7) As a consequence, the growing risks of (relative) income poverty are not covered by this last safety net, and the number and ratio of relative-income poor have increased slowly but steadily. The constant extremely high at-risk-of-poverty rate among the (long-term) unemployed and the growing rate of in-work poverty are the main objects of serious concern.

(8) The introduction of the 'basic income support for job seekers' on the legal basis of Social Code Book (SGB) II was primarily intended to provide integration services and measures for benefit claimants, based on a restrictive, workfare-oriented activating approach. The job centres offer not only counselling and job placement, but also a wide range of integration programmes and measures regulated by Social Code Books II and III. But from the start of the 'basic income support for job seekers', the funding of activation and labour-market integration measures were not adequate, given the high priority of the activation objective.

(9) Even if most of the beneficiaries of the 'basic income support for job seekers' are long-term recipients, it is not appropriate to speak of 'welfare dependency' in Germany. The large majority of beneficiaries are actively involved in employment and family-related activities and show a high motivation to work, even under precarious conditions.

¹ This report was prepared in October 2015, but has been updated to include some more recent developments.

(10) According to Social Code Book II, the labour-market integration services of the job centres should be accompanied by social integration services in the case of need. Unfortunately, even 10 years after the implementation of Hartz IV, hardly any data on the service provision of the municipalities are available. Not only are there shortfalls in the scope and availability of these services in many municipalities, but cooperation between job centres and municipalities (or other service providers) is also not well developed.

Part I – Description of main features of the minimum income schemes

1 Governance arrangements

1.1 Levels of governance

Currently, the German social minimum income schemes form a complex system of categorical benefit schemes. In this report, we will focus mainly on the ‘basic income support for job seekers’ (based on the Social Code Book (SGB) II), as the main element of the last German safety net. In addition, we will investigate the main differences from the other schemes, primarily the ‘current assistance towards living expenses outside institutions’ (based on the SGB XII), as the traditional comprehensive social minimum income scheme in Germany.

Regulation of the social minimum income schemes in Germany lies within the legal competence of the federal legislator. Because the states and municipalities are directly concerned, legal acts of the Federal Parliament have to be agreed by the Federal Council, which represents the interests of the states (which according to the Basic Law at the same time represent the interests of the municipalities).

a) Basic income support for job seekers:

The tasks of the ‘basic income support for job seekers’, according to Social Code Book II, have to be carried out regularly by two different groups of institutions – the public employment services and the municipalities – which have to cooperate in the local job centres as joint institutions. The public employment services function as authorised local service centres of the centralised Federal Employment Agency; the municipalities as self-governing bodies are coordinated and controlled in formal terms by the states. The provision of benefits and services is organised at the local level by the job centres; these are normally joint institutions of the local employment agencies and the municipalities. In addition, a limited number of municipalities are authorised by the Federal Ministry of Labour and Social Affairs to carry out all legal tasks and to run their own job centres.

The funding of the ‘basic income support for job seekers’ is divided between the federal state (which has to carry the fiscal burden of the social benefits, the activation measures and a small part of the reimbursement of the housing and heating costs) and the municipalities (which have to bear the major part of the reimbursement of housing and heating costs and the total cost of the social integration measures).

b) Current assistance towards living expenses outside institutions:

The tasks of the ‘current assistance towards living expenses outside institutions’, according to SGB XII, have to be carried out by the municipalities. The funding of the ‘current assistance towards living expenses outside institutions’ is the responsibility of the municipalities. The fiscal burden of the ‘needs-based pension supplement in old age and in the event of reduced earning capacity’, also legally based on SGB XII, has been borne by the federal state since 2014.

1.2 Delivery arrangements

a) Basic income support for job seekers:

The two carriers, which normally have to cooperate as joint institutions in the local job centres, are free to decide on the organisational structure of the job centre and on the provision of benefits and services. Because different types of benefit and service provision can be distinguished, there is some degree of heterogeneity between the job centres in Germany. Basically, the job centres are designed as one-stop shops for all job seekers who are capable of work and who have no, or insufficient, social insurance protection. It is the centre’s responsibility to offer various kinds of benefits and services to this target group – including the vast majority of long-term unemployed – and to coordinate all actors in the field of labour market and social inclusion. In

practice, the job centre's support is focused on benefits and labour-market integration services and measures.

b) Current assistance towards living expenses outside institutions:

Social benefits are provided by the municipal social welfare offices. At the same time, the municipalities are responsible for funding, planning and coordinating the provision of social services. The organisational structure of welfare offices is the responsibility of the municipalities and varies greatly from one to another. Because the social services are normally provided by public or private agencies on behalf of the municipalities, there is close coordination and cooperation between the social welfare office and the service providers.

1.3 Rights-based versus discretionary benefits

All current social minimum income schemes rely on a rights-based approach, but also include elements of discretion. The different social benefits and their components, and the method of determining and upgrading the benefit level, as well as the activation process and the integration instruments, are legally fixed. At the same time, there is some degree of discretion with regard to assessment of the reasonable character of housing and heating costs. The same applies to determination of the adequacy of activation and social integration measures.

2 Design of minimum income scheme

In Germany, the minimum income benefit schemes of the last safety net play a major role in the Social Protection System. Social minimum income benefits are intended as the main instrument for preventing income poverty. They supplement the primary safety net of the social insurance system and provide means-tested financial support for those whose needs are not covered by other resources. Since the beginning of the 1990s, the last safety net, which previously consisted solely of a social assistance scheme (and in addition war victim assistance), has gradually been expanded and differentiated into several categorical minimum income schemes, of which there are currently five:

- Basic income support for job seekers, under SGB II,
- Current assistance towards living expenses outside institutions, under SGB XII,
- Needs-based pension supplement in old age and in the event of reduced earning capacity, under SGB XII,
- Basic support for asylum seekers, under the Asylum Seekers Benefits Act (*Asylbewerberleistungsgesetz – AsylbLG*), and
- War victim assistance, under the Federal Law on War Pensions (*Bundesversorgungsgesetz – BVG*).

In principle, people of working age (and with them cohabiting family members) can have access to each of these schemes:

- If they are capable of work², they must apply for 'basic income support for job seekers'.
- People aged 18 and over who have suffered a permanent complete loss of earning capacity,³ must apply for the 'needs-based pension supplement in the event of reduced earning capacity'.

² A person is capable of work if she/he can work a minimum of 3 hours per day under normal labour-market conditions.

³ A person has permanently and completely lost his/her earning capacity when, as a consequence of illness or disability, he/she is not able to work for 3 hours per day under normal labour market conditions and this cannot be resolved.

- Refugees and asylum seekers must apply for 'basic support for asylum seekers'.
- War victims must apply for 'war victim assistance'.
- All other groups have to apply for 'current assistance towards living expenses' (a rather small and heterogeneous group of people, such as people temporarily incapable of more than short-term work, people with long-term illnesses, severely disabled people, people in institutional accommodations, etc.). Some groups like the mentally ill, drug addicts or homeless people frequently switch between the minimum income schemes of Social Code Books II and XII, according to their health status.

At the end of 2014, some 7.553 million people – 9.3% of the population – were living on social minimum income benefits, the vast majority of them (6.026 million) receiving 'basic income support for job seekers' (Statistisches Bundesamt 2015e.⁴ The ratio in eastern Germany (2014: 13.1%) is still almost twice as high as in western Germany (2014: 8.4%). Between 2009 and 2012, the number and ratio of recipients of social minimum income benefits declined constantly, from 9.5% to 9.0%; but in 2013 and 2014, the number and ratio started to rise again. While the number of recipients of 'basic income support for job seekers' has gradually decreased in recent years, the number of recipients of 'needs-based pension supplement in old age and in the event of reduced earning capacity' has increased continuously. In 2013, public expenditure on social minimum income schemes amounted to EUR 40.8 billion – that is, EUR 508 per inhabitant.

Since 2009 (Huster et al. 2009), the social minimum income schemes have been reformed several times. The main reforms were as follows:

- In 2009, the sixth law on amending the SGB II brought a reduction in federal participation in public expenditure on the reimbursement of housing and heating costs (Sixth Act on Amending the SGB II: *Sechstes Gesetz zur Änderung des Zweiten Buches Sozialgesetzbuch*).
- Following a ruling by the Constitutional Court, an amendment to the Basic Law and a reform of the job centres in 2010 introduced an adequate constitutional framework for the job centres by introducing the possibility of exemption from the prohibition of mixed administrations, the re-establishment of the job centres as joint institutions for the provision of benefits and services, the abolition of the temporal limitation of the experimentation clause and an increase in the number of municipalities eligible to participate (Amendment to the Basic Law and Act on Job Centre Reform: *Änderung des Grundgesetzes und Jobcenter-Reform*).
- In 2010, the seventh law on amending the SGB II brought a realignment of federal participation in public expenditure on the reimbursement of housing and heating costs (Seventh Act on Amending the SGB II: *Siebtes Gesetz zur Änderung des Zweiten Buches Sozialgesetzbuch*).
- Following a ruling by the Constitutional Court, in that same year the rules for determining the standard benefit in Social Code Books II and XII were reformed. Furthermore, an education and participation benefit for children and young people was introduced, and the partial earnings disregard for recipients of 'basic income support for job seekers' was reformed (Act on Determining the Standard Benefit and on Amending Social Code Books II and XII: *Gesetz zur Ermittlung von Regelbedarfen und zur Änderung des Zweiten und Zwölften Buches Sozialgesetzbuch*).

⁴ This total number does not include the number of recipients of current assistance towards living expenses living in institutional accommodations and people receiving 'help in special life situations' in the context of Social Code Book XII; see Table A5 in the Annex).

- In 2011, an act on improving integration chances on the labour market brought reform of the labour-market integration instruments in Social Code Books II and III (Act on Improving the Integration Chances on the Labour Market: *Gesetz zur Verbesserung der Eingliederungschancen am Arbeitsmarkt*).
- Following a ruling by the Constitutional Court, the Asylum Seekers Benefits Act was reformed in 2014. Monetary benefits were raised, even if they are still lower than in the social minimum income schemes under Social Code Books II and XII (Act on Amending the Asylum Seekers Benefits Act and the Act on Social Courts: *Gesetz zur Änderung des Asylbewerberleistungsgesetzes und des Sozialgerichtsgesetzes*).

2.1 Level of benefit

2.1.1 Actual level of minimum income benefits for different individuals and household types

'Basic income support for job seekers' includes two monetary benefits: 'Unemployment benefit II' (*Arbeitslosengeld II*) is offered to those people in need who are capable of work, while 'social benefit' (*Sozialgeld*) is offered to cohabiting family members not capable of work (mostly children and adolescents). The benefit level of these minimum income benefits aims to guarantee a socio-economic subsistence level which enables recipients to participate in normal social life; at the same time, the benefit level should provide a financial incentive to seek gainful employment. Benefits are not subject to taxation.

The benefit level of 'basic income support for job seekers' in 2016, according to SGB II, for four selected household types, is as follows:

(a) Single adult without children	EUR 404.00 +
(b) Married couple without children	EUR 728.00 +
(c) Married couple with two children (aged 7 and 14 years)	EUR 1,304.00 +
(d) Divorced single adult with one child (aged 2 years)	EUR 786.44 +*

*Notes: + = plus rent and heating costs; * = including allowance to meet additional requirements for single parents.*

Also the benefit level of 'current assistance towards living expenses outside institutions' and of the 'needs-based pension supplement in old age and in the event of reduced earning capacity' aims to guarantee a socio-economic subsistence level which enables recipients to participate in normal social life. The benefit level of these two social minimum income schemes does not need to provide a financial incentive to seek gainful employment, because beneficiaries are not capable of work. Nevertheless, the benefit level is the same as in the 'basic income support for job seekers'.

2.1.2 Method (and frequency) of setting level(s) and of indexing/updating

The standard benefits of the 'current assistance towards living expenses outside institutions' and of the 'needs-based pension supplement in old age and in the event of reduced earning capacity' on the legal basis of SGB XII are determined by the so-called statistical standard method. According to this method, the benefit level is deduced from the spending patterns of lower-income groups, measured every 5 years by means of the Income and Consumption Sample. In the years in between, the benefits are updated every year according to a mixed price and wage indicator.

The results of the statistical standard method for the social minimum income schemes in the context of SGB XII have to be transferred to the standard benefit of the 'unemployment benefit II' and the 'social benefit' of the 'basic income support for job seekers' under SGB II. The same applies to the method of updating.

2.2 Eligibility conditions

a) Capability to work:

'Basic income support for job seekers' under SGB II: those eligible for 'unemployment benefit II' are persons of working age who are capable of work and who are not able to cover their living costs from their own resources. Also eligible are family members not capable of work who live with them in a 'community of need' (*Bedarfsgemeinschaft*) and who can apply for 'social benefit'. Employment status is of no importance for eligibility.

Each member of the 'community of need' has an individual right to claim. According to the law, it is normally assumed that a claimant capable of work is authorised to claim for all members of the 'community of need', but each member can revoke this and submit her/his own application for benefits. Normally, the benefits are paid monthly.

People of working age (and family members living with them in a community of need) who are temporarily incapable of more than short-term work and who are not able to cover their living costs from their own resources are eligible for 'current assistance towards living expenses', according to SGB XII. People aged 18 and over (and their family members in the 'community of need') who have suffered a permanent complete loss of earning capacity are eligible for the 'needs-based pension supplement in the event of reduced earning capacity' (according to SGB XII).

b) Age:

'Basic income support for job seekers', according to SGB II: those eligible are persons of working age (from age 15 until the statutory standard retirement age). Children in need of special assistance who live with them in a community of need can claim in their own right.

All age groups are eligible for social minimum income benefits, according to SGB XII: all persons aged under the statutory standard retirement age can claim 'current assistance towards living expenses'; persons aged between 18 and the statutory standard retirement age can claim a 'needs-based pension supplement in the event of reduced earning capacity'; persons aged over the statutory standard retirement age are eligible for a 'needs-based pension supplement in old age'.

c) Nationality:

The receipt of 'basic income support for job seekers', according to SGB II, is not linked to nationality: excluded from benefits are foreigners who are neither employed/self-employed in Germany nor fall under the free movement provisions of national or EU law, and so are their family members for the first 3 months of their stay. Foreigners (as well as their family members) whose stay in Germany is dictated solely by a job search are also excluded.

The receipt of social minimum income benefits according to SGB XII: those eligible are German nationals and citizens of those countries that are signatories to social security agreements (e.g. most of the EU Member States); also eligible are other foreigners (with benefit entitlement restrictions) and specific categories of people (civil war refugees).

For asylum seekers and foreigners who were legally obliged to leave their home country, a special benefit system applies under the Asylum Seekers Benefits Act (*Asylbewerberleistungsgesetz, AsylbLG*).

d) Residence:

Recipients of social minimum income benefits according to Social Code Books II and XII: those eligible are persons who have their habitual residence in Germany.

e) Apprentices and students:

Apprentices and students who are entitled to benefits under the Employment Promotion Act or the Federal Training Assistance Act are excluded from minimum income benefits.

f) Means-related conditions:

Beneficiaries and cohabiting family members are treated as members of a 'community of need', sharing all income and assets in the household context.

There is no uniform definition of income within the social minimum income schemes. Salary, social security benefits (such as 'unemployment benefit I', 'child benefit' or 'parental allowance') and ongoing maintenance payments are always considered as income. Any entitlement to other social benefits and maintenance claims must be exhausted. Exempt income includes pensions or allowances under the Federal Compensation Law, the basic pension under the Federal Assistance Act on Pensions to War Victims, and (under certain strict conditions) also assistance from charitable organisations.

For the 'assistance towards living expenses' and 'needs-based pension supplement in old age and in the event of reduced earning capacity', the equivalent of 30% of income from dependent or independent work of the beneficiary are deducted, within the limit of 50% of the standard benefit. Beneficiaries of 'basic income support for job seekers' who are working can deduct EUR 100 of the monthly earned income. For earned income between EUR 101 and EUR 1,000, 20% is deducted; for earned income between EUR 1,001 and EUR 1,200 (or EUR 1,500 for families with children) 10% is deducted.

All realisable assets (movable and immovable goods, claims and other rights) are taken into account. In the 'basic income support for job seekers' assets, for example, an adequate piece of real estate used by the claimant, adequate household equipment, and certain state-funded pension capital or smaller cash savings are exempted. From the assets, for each member of the community of need, EUR 150 per year of that person's age is deducted (with a minimum of EUR 3,100). Also exempt are state-funded pensions, if the beneficiary does not retire early. The same applies to pensions that cannot be used due to a contractual obligation (EUR 750 per year of age).

2.3 Conditionality rules

The receipt of minimum income benefits is tied to the fulfilment of certain cooperation obligations. For applicants able to work, the receipt of 'basic income support for job seekers' on the legal basis of SGB II is tied to an integration contract (*Eingliederungsvereinbarung*), which is concluded between the applicant and the local job centre. Beneficiaries must actively look for a job and must be available for activation and integration measures offered by the job centre, unless they have a valid reason not to work because of family obligations, like child care (of a child under the age of three) or long-term care of a family member, etc. If the beneficiary fails to fulfil her/his obligations, she/he faces a range of sanctions laid down by law.

2.4 Duration

According to Social Code Books II and XII, the social minimum income benefits are paid for an unlimited period of time, as long as the need remains. Eligibility criteria are generally reviewed after shorter periods of time (SGB II: 6 months; SGB XII: 12 months).

2.5 Transitions

The transition to employment is of special importance for recipients of 'basic income support for job seekers' (SGB II): the transition to benefit receipt occurs normally as a consequence of unemployment. This may happen if the claim to unemployment benefit I (according to unemployment insurance) has been exhausted. It also occurs if the individual does not meet the conditions for receipt of unemployment benefit I or if

the benefit is not sufficient to raise the household income above the neediness threshold. In this case, unemployment benefit I can be topped up by 'basic income support for job seekers'.

The transition from benefit receipt to employment is supported by the requirement that benefit recipients capable of work actively look for a job or participate in activation and labour-market integration measures. When a job is taken up, only a small part of the earnings is disregarded when it comes to withdrawal of benefits.

3 Links with other social benefits and services

3.1 Components covered by minimum income schemes

Social minimum income schemes provide social benefits which include the following income support elements:

- a) Standard benefit covering the current minimum subsistence;
- b) Fixed allowances to meet additional requirements for certain groups or need situations (e.g. for single parents);
- c) One-off payments according to specific actual needs (a few one-off payments are listed in the laws; beneficiaries can claim for credit to cover additional needs);
- d) Actual housing and heating costs are covered in the full amount, if these are reasonable. What is deemed 'reasonable' is generally based on local conditions.

During the receipt of benefits according to Social Code Books II and XII, beneficiaries are subject to compulsory insurance in the statutory health and long-term care scheme. If free co-insurance as a family member is not possible, social insurance contributions are covered by the job centres (SGB II) or municipal welfare offices (SGB XII).

3.2 Other means-tested benefits

- a) Housing allowance (*Wohngeld*): because housing and heating costs are covered to a reasonable extent within the social minimum income schemes, there is no access to additional housing allowances.
- b) Child benefit (*Kindergeld*): because the basic subsistence of children is covered by the social minimum income schemes, child benefit is offset against the minimum income benefit.
- c) Benefit for education and participation (*Leistungen für Bildung und Teilhabe*): children and young people in households living on social minimum income benefits have access to this non-cash benefit, which is aimed at improving the educational and social participation of children and young people from low-income families.
- d) Supplementary child benefit (*Kinderzuschlag*): families on a low income can apply for supplementary child benefit, which is paid subject to the following conditions: children aged under 25 must be living with their parents in the same community of need; and income and assets are sufficient for the parents to live on, but not enough to support the children as well. The level of the supplementary child benefit depends on the parents' income and assets, but the maximum is EUR 140 per child per month.

3.3 Passport to other services and benefits

Benefit recipients of social minimum income schemes in general have access to social services, which are funded and coordinated by the municipalities and are supplied by the social and youth welfare offices, as well as by private, mostly not-for-profit providers.

Part II – Analysis of minimum income schemes

1 Assessment of adequacy, coverage, take-up and impact

1.1 Adequacy

The benefit level of social minimum income schemes in Germany is aimed at guaranteeing a socio-economic subsistence level which enables recipients to participate in normal social life; at the same time, the benefit level should provide a financial incentive to seek gainful employment. This is only of relevance, however, for those recipients of 'basic income support for job seekers' who are capable of work. The conditions of benefit receipt are also designed so as to guarantee that these benefit schemes serve only as a last resort.

The following assessment of the adequacy of the benefit level of the social minimum income schemes in Germany is based on MIPI, a model family data base of the tax and benefit systems in the European Union (Van Mechelen et al. 2011; Bradshaw and Marchal 2015). As a first step, we look at the net disposable income package of four standard household types living on minimum income benefits. Table 1 presents the results for the net income of households living on minimum income benefits in local currency terms, in Euro purchasing power parities, as well as in per cent of the at-risk-of-poverty threshold, derived from the EU-SILC for 2013 and using the OECD modified scale (minimum income case). As a second step, we look at households living on the minimum wage. Table 2 presents the results for the net income of a single-earner family on the minimum wage (minimum wage case).

Table 1 Net income on social assistance, 2012

	Minimum income benefits local currency	Minimum income benefits € ppp	Minimum income benefits as % of at-risk-of-poverty rate
Single	6,828	6,705	58
Couple	10,428	10,240	59
Couple 2 children (aged 7 and 14)	18,204	17,876	67
Single parent 1 child (aged 2)	11,672	11,461	76

Source: CSB MIPI Version 3/2013.

Table 2 Net income of a single-earner family on the minimum wage, 2012

	Net minimum wage local currency	Net minimum wage € ppp	Net minimum wage as % at-risk-of-poverty rate
Single	11,911	11,697	101
Couple	14,028	13,775	80
Couple 2 children (aged 7 and 14)	21,923	21,528	81
Single parent 1 child (aged 2)	12,258	12,037	80

Source: CSB MIPI Version 3/2013.

The MIPI data show a considerable gap for all household types between the net household income provided by minimum income benefits and the household-specific at-risk-of-poverty thresholds. At 58% and 59%, the gap is higher for single and couple households, and is significantly lower for couples with two children (67%) and

for single parents with one child (76%). The MIPI benefit levels for the four household types are considerably lower than the results published by the Bundesagentur für Arbeit (2013a) for the same year.⁵ Therefore, the results for the minimum income benefits as a percentage of the 60 per cent threshold are in general lower, but show the same structure as comparable micro-simulations undertaken for Germany in recent years (see, for example, Lietzmann et al. 2011; Tophoven et al. 2015; Munz-König 2013).

The results for a single-earner family on the minimum wage have to be carefully assessed, because a statutory minimum wage did not exist at that time. The MIPI data calculation was based on a virtual minimum wage that was (and still is) well above the minimum wage, which was introduced by law in Germany in January 2015. The data in Table 2 are therefore hardly realistic. The new gross statutory minimum wage of EUR 8.50 per hour lifts the full-time working single household and the two-earner couple household without children above the poverty line. But with only one earner and/or the presence of children in the household, the need to top up this low wage with 'basic income support for job seekers' is higher than is shown in Table 2 (Bruckmeier and Wiemers 2014). Because of the short period since its introduction, no evaluation results are currently available on the impact of the statutory minimum wage on income and employment.

The adequacy of the benefit level of the last safety net – as well as the conditions for benefit receipt – is the subject of a long and controversial debate in social science and social policy in Germany. The operationalization by the Federal Government of the statistical standard as a method for determining the level of the standard benefit in Social Code Books VII and II has, in particular, been criticized repeatedly by social scientists (Becker 2010; Lenze 2010; Spindler 2010) and welfare associations. As a consequence of the Decision of the Federal Constitutional Court on standard benefits according to SGB II of February 2010, in which the court ruled the procedure for determining these standard benefits by the legislature to be at least partially unconstitutional, the Federal Parliament and the Federal Council had to adopt a new Act on the Determination of Standard Benefits and on Changes to Social Code Books II and XII (*Gesetz zur Ermittlung von Regelbedarfen und zur Änderung des Zweiten und Zwölften Buches Sozialgesetzbuch*) in March 2011. Since then, a number of social science and social policy experts have criticised the fact that the new law has not eliminated the shortcomings and weaknesses criticised by the Federal Constitutional Court (see e.g. Becker and Schüssler 2014). In a new decision of September 2014 on the same topic, the Federal Constitutional Court came to the conclusion that these shortcomings fall within the discretion of policy makers, and so decided not to force the legislature to revise the law. Certainly, this new decision will not end the critical debate on procedural issues related to the determination of the standard benefit in Social Code Books II and XII; but it has reduced the legal requirements for the legislature.

1.2 Coverage

The German system of social minimum income schemes basically covers almost all legally resident population groups at risk in Germany. Only apprentices and students, who are entitled to benefits under the Employment Promotion Act or the Federal Training Assistance Act, are formally excluded. In practice, there are certain groups that have a higher risk of failing to gain access to adequate support. This is especially true for groups in extreme poverty who are affected by multiple aspects of poverty and deprivation, like homeless people, drug addicts, etc. Even if these groups have formal access to minimum income benefits and services, the specific volume and nature of need are often either not covered or are not adequately covered (Mingot and Neumann 2003). Similar problems are reported for asylum seekers and refugees who

⁵ Because the standard benefit and the fixed allowances for certain groups or need situations are fixed by law, the different levels can only result from different assumptions with regard to the coverage of housing and heating costs.

live on benefits and services under the Asylum Seekers Benefits Act, but who have only limited access to treatment and care for health problems. Despite the recent reform of the Asylum Seekers Benefit Act in 2014, this situation has remained unchanged (BAGFW 2014; Hanesch et al. 2015c).

At the end of December 2014, 2,764,000 people were registered as unemployed, and of these 2,475,000 were beneficiaries: 733,000 unemployed received unemployment benefit under SGB III, and 1,814,000 received basic income support for job seekers under SGB II; 73 received both kinds of benefits. At the same point in time, the total number of people receiving basic income support for job seekers was 6,026,000: of these, 4,322,000 were capable of work and 1,704 cohabiting family members were not capable of work. Of those capable of work, 1,814,000 (42%) were unemployed, 1,264,000 (29%) were employed and 1,244,000 (29%) were neither unemployed nor employed – mostly people with family duties such as child care or long-term care, those attending school or university, those temporarily unable to work, or older workers exempt from the registration requirement (Bundesagentur für Arbeit 2015a, 2015b).

1.3 Take-up

The non-take-up rate of minimum income benefits has traditionally been high in Germany (Becker 2007). This finding has been confirmed in recent years by several micro-simulation studies, which have attempted to determine the extent of non-take-up of minimum income benefits. Bruckmeier and Wiemers (2010) found a volume of 39% (on the basis of Socio-Economic Panel data from 2007). Depending on varying assumptions in the micro-simulation model, Bruckmeier et al. (2013) found a range of between 34% and 43% (on the basis of Income and Consumption Survey data from 2008). In two micro-simulation variants, Becker (2013) also found non-take-up rates of 35% and 42% (on the basis of Socio-Economic Panel data of 2007). To sum up, micro-simulation studies on the non-take-up of social minimum income benefits in Germany agree that between a third and two-fifths of all those eligible do not apply for the benefits. With regard to people aged 65 plus, Becker (2012) came to the conclusion on the basis of Socio-Economic Panel data from 2007 that up to 68% of the eligible population did not receive minimum income benefits.

There are many reasons for people failing to apply for social minimum income benefits. Lack of knowledge of the legal entitlement to minimum income benefits can play a part. In the case of low top-up benefit amounts, cost-benefit considerations may lead people to waive their entitlement. Furthermore, institutional arrangements and administrative procedures can act as barriers to claiming benefits. Finally, negative perceptions and experiences of reactions in the social environment, as well as fear of stigmatisation, may encourage people to forgo the benefits.

In the case of social minimum income schemes in Germany, no reliable findings are available; but there is strong evidence that all four reasons do play a role. While employed people are often not aware that they are entitled to 'basic income support for job seekers', (long-term) unemployed people and job entrants are deterred from claiming by the restrictive workfare-oriented conditions of benefit receipt under SGB II. Fears with regard to negative perceptions and reactions play a major role, especially among elderly potential beneficiaries; while the decision to waive small top-up amounts can occur within all groups of entitled people.

To reduce the high non-take-up rate in social minimum income schemes, some measures would be necessary:

- Even if the information situation has considerably improved since the introduction of Hartz IV, there is still lack of clarity and precision for certain groups. The raising of public awareness of these benefit schemes and the conditions of entitlement would be helpful.
- Emphasis on the receipt of minimum income benefits as a legal claim could contribute to destigmatising the receipt of benefit.

- A change in the activation policy, in the context of SGB II, from the demanding workfare-oriented approach to an enabling approach (Eichhorst and Konle-Seidl 2008) could contribute to a higher take-up rate in this minimum income scheme. Such an alternative prevention-oriented strategy – mainly for people with a weak position in the labour market – should place the emphasis on stronger investment in human capital to improve their long-term employment chances and perspectives.

1.4 Impact

a) Impact on poverty:

The impact of the social minimum income schemes on poverty in Germany is determined by two decisive facts:

- The benefit level of the existing social minimum income schemes is significantly lower for all household types than the at-risk-of-poverty threshold.
- A significant proportion of those entitled to minimum income benefits do not apply; therefore, the non-take-up rate is continuously high.

As a consequence, the growing risks of (relative) income poverty are not covered by this last safety net, and the number and ratio of relative-income poor have increased slowly but steadily. A sustained reduction in severe material deprivation has also not been possible.

EU-SILC data show that in 2014, almost one person in every six was living at risk of poverty in Germany – 16.7% of the population, or around 13 million people. The number and rate of people at risk of poverty have both slightly increased over the previous year and have therefore continued the development of the poverty rate in recent years. The people who have been affected to an above-average degree by the risk of income poverty are, above all, unemployed people (67.4%), single-parent households (32.9%) and people with lower education (29.1%) (Statistisches Bundesamt 2014, 2015d). Analyses of data from the Socio-Economic Panel show that the dynamics of income poverty have decreased in recent years. As a consequence of this solidification of poverty, the chances of escaping income poverty have deteriorated (Goebel et al. 2013). The continuous extremely high at-risk-of-poverty rate among the (long-term) unemployed and the growing rate of in-work poverty are the main objects of serious concern.

The minimum income schemes of the last safety net, jointly with the protection schemes of the first safety net, have contributed to a reduction in the number of people at risk of poverty in Germany. But the compensating effect of state transfers on the development of the poverty risk has weakened over the past decade. In 2013, social transfers reduced the at-risk-of-poverty rate among the population from 25.0% before transfers to 16.7% after transfers, thereby lifting 8.3% above the poverty threshold (in 2005: 10.9%). The depth of poverty, measured by the relative median at-risk-of-poverty gap, has also tended to increase (from 18.9% in 2005 to 23.2% in 2014; see Table A13 in the Annex). In their present form, the minimum income schemes are not appropriate for preventing the occurrence of income poverty in Germany.

b) Impact on the labour market:

The Hartz IV reform of 2003 and the introduction of the ‘basic income support for job seekers’ were mainly intended to restructure social protection in a more employment-friendly way and to improve the activation and labour-market integration of beneficiaries.

The implementation of the Hartz reforms and the uninterrupted series of follow-up reforms have been evaluated comprehensively on behalf of the Federal Ministry of Labour and Social Affairs. Above all, the Federal Institute for Employment Research (*Institut für Arbeitsmarkt- und Berufsforschung* – IAB) is mandated by the Federal Government to continuously evaluate and monitor labour-market development and

labour-market policy in Germany, and it has repeatedly provided assessments of the integration instruments. In addition, evaluations have been conducted by independent researchers.

In fact, evaluation results show a differentiated picture of the reform impacts, and to date there has been little consensus on the extent to which the labour-market reforms or the changing macro-economic framework conditions have contributed to the positive labour-market performance of the last decade (see for example, Möller et al. 2009; Akyol, Neugart and Pichler 2013; Launov and Wäldle 2013; Krebs and Scheffel 2013).

2 Links to the other two pillars of active inclusion

2.1 Inclusive labour markets

a) Link to active labour-market policy support

The introduction of the 'basic income support for job seekers' on the legal basis of SGB II was intended to provide not only minimum income protection for those capable of work, but also integration services and measures for benefit claimants based on a restrictive, workfare-oriented activating approach.

As already mentioned in Section 2.3 of Part I, applicants capable of work normally have to sign an integration contract, which includes, among other things, specific requirements and obligations on the part of the benefit claimant. The integration contract involves an integration plan, which is updated regularly. The integration contract is also the basis for sanctions in case the benefit recipient fails to fulfil his/her obligations. In the demanding activation approach that Germany takes, a decisive role is played by the threat to sanction any unwillingness to cooperate and to actively look for a job or accept activation measures. But even if the total number of sanctions has risen steadily in recent years, the number of sanctions for serious violations of the beneficiaries' obligations (e.g. refusing to sign the integration contract or to accept a job or work opportunity) has remained at a remarkably low level (Wolf 2014; Vom Berge et al. 2015; DGB 2013).

According to § 14 SGB II, the job centres are obliged to support job seekers comprehensively, according to their specific needs, with the aim of integrating them into the employment system as well and as rapidly as possible. For this purpose, the job centres have to provide a personal contact person for every job seeker (and their needs community). The claimants are assessed and classified in different activation categories according to their specific integration barriers, for which different kinds of advice and support are defined. Case management is provided for those user-groups with major integration barriers, entrants and the long-term unemployed.

The job centres offer not only counselling and job placement, but also a wide range of integration programmes and measures regulated by Social Code Books II and III. Active labour-market policy (ALMP) measures have regularly been evaluated by the Institute for Employment Research. According to Heyer et al. (2014), the results of this evaluation research can be summarised as follows: most of the instruments contribute towards improving the employment chances and prospects of the participants. Because the impact varies for different groups of participants, there is a need to improve the selection of participants according to the objectives of the measures. Placement services by private providers do not generally improve the participants' chances of finding regular work. Positive results can be found in relation to hiring subsidies for employers, subsidising start-ups, moves out of unemployment and short-term in-firm training, but there is a risk of producing deadweight, substitution and displacement effects. Further vocational training and short-term classroom training also contribute towards improving the employment prospects of participants, but with a time delay. Traditional job-creation schemes in the public and non-profit sector can only improve the integration chances for hard-to-place groups far removed from the labour market.

From the start of the 'basic income support for job seekers', the funding of activation and labour-market integration measures was not adequate compared to the high priority of the activation objective. Between 2010 and 2013 alone, public expenditure on labour-market integration measures for benefit recipients of 'basic income support for job seekers' fell by around EUR 2.5 billion or 42%. The reduction in spending on activation measures was accompanied by parallel reductions in expenditure on administrative staff (including case managers). The job centres were even forced to use the activation budget for the administrative budget (Sell 2014). The cut in spending was accompanied by an enforced concentration on those groups with the lowest integration barriers, who promised the highest success rates. In 2012, the Federal Court of Auditors (Bundesrechnungshof 2012), summarising the results of its evaluation of the integration policy in selected job centres, emphasised that the integration practice focused mainly on the promotion of those unemployed who have the best chances on the labour market, while those who have little chance are hardly promoted at all. This fatal setting of priorities was the result, among other things, of a short-term performance and financial efficiency orientation, which was determined by regulatory instructions from the Federal Employment Agency. A necessary re-orientation of the integration policy, in the context of SGB II, towards sustainable integration success has not so far taken place and should still be on the agenda.

Furthermore, the segmented structure of the labour-market integration service for unemployed people with a legal status in accordance with SGB II or III hinders successful integration in the case of those who have a weak labour-market position. What would help would be the introduction of an integration service system based on a one-stop shop principle, offering individually tailored integration service, regardless of the legal status and type of benefit being received by the unemployed person.

b) Duration of benefit receipt and welfare dependency

The implementation of activation policies in the context of SGB II was not accompanied by either a rising activating rate or a refocusing on those groups with the highest need for integration support. As a consequence, the number and the rate of registered long-term unemployed have both remained high and the average period of benefit receipt of the 'basic income support for job seekers' has continued to be extended. In December 2011, half of the beneficiaries of 'basic income support for job seekers' received benefits for an uninterrupted period of 42 months (including short breaks of up to 31 days); 24% of all beneficiaries had been living on benefits since the introduction of SGB II in 2005. In December 2014, 70.9% of all beneficiaries aged 17 and above and capable of work were 'long-term beneficiaries', who had received benefit for at least 21 of the previous 24 months. From these figures the Federal Employment Agency has drawn the conclusion that most benefit recipients are permanent beneficiaries (Bundesagentur für Arbeit 2013b, 2015c).

At the same time, the Institute for Employment Research has analysed the motivation to work on the basis of an annual survey of beneficiaries aged 15 to 64 (December 2007 until July 2008). The researchers found that the great majority of beneficiaries were actively involved in different kinds of activities: 29.3% were employed (most of them in 'mini-jobs'), 10.2% were in vocational training and 10.1% participated in activation measures offered by the job centres. In total, almost half of them were employed or participating in employment-related measures. Furthermore, 28.8% were involved in child care and 6.9% in long-term care. In total, 65.5% of the beneficiaries (women 77.2%, men 53.0%) were in one of these employment or family-related forms of activity. At the same time, the survey provided evidence that motivation to look actively for a job was high, as was readiness to make concessions and to accept difficult working conditions (low pay, unfavourable working hours, long commutes, etc.). The researchers found only a small group of beneficiaries who – although committed – did not actively look for a job; many of them lived in regions with few job vacancies, were elderly workers or had repeatedly participated in activation measures (Beste et al. 2010).

Even if most beneficiaries of the 'basic income support for job seekers' are long-term recipients, it is not appropriate to speak of 'welfare dependency' in Germany. The

large majority of beneficiaries are actively involved in employment and family-related activities and show great motivation to work, even under precarious conditions. Even if beneficiaries do not seem to be motivated, this attitude is less a result of a general reluctance to work, and more an outcome of their own recent experiences and a realistic assessment of their labour-market chances. Significantly, these people have rarely been threatened with sanctions. Financial aspects seem to play only a minor role in the behaviour of beneficiaries, compared to other aspects of the work-life balance. Most likely, the 'mini-jobs' are poverty traps, which contribute to low work intensity in low-income households. Therefore, many labour-market experts and welfare associations call for a reform of this and other precarious forms of employment.

2.2 Access to quality services

According to SGB II, the labour-market integration services of the job centres should be accompanied by social integration services in the case of need. According to § 16a SGB II, integration services include, above all, childcare, long-term care, debt counselling, in addition to counselling and psychosocial care. In fact, the success of the integration services of the job centres with regard to, for example, young job seekers or the long-term unemployed is largely dependent on social integration services, because these services are good for responding individually and appropriately to the different integration barriers and to the specific needs of the job seekers.

According to federal and state laws, it is mainly up to the municipalities to guarantee, coordinate and fund the provision of social services. In addition to the municipalities, private welfare associations, churches and for-profit agencies also play an important role as service providers. Because the provision of these services is a self-government task of the municipalities, the volume and structure of services vary greatly from municipality to municipality. This is a result of differing social-policy concepts, as well as of the great regional differences in economic strength and financial power between the municipalities.

In recent years, municipalities in Germany have been under pressure to expand their services according to the growing social problems. At the same time, the municipalities' continuing lack of fiscal resources has led to cutbacks in the provision of affordable high-quality services. The introduction of a debt cap by Constitutional Law, which will come into force from 2016, will further restrict the fiscal framework for political action. There is a risk that the most vulnerable groups will be most affected by this development (Hanesch 2013).

Unfortunately, even 10 years after the implementation of Hartz IV, hardly any data on the service provision of the municipalities are available. Not only are there shortcomings in the scope and availability of these services in many municipalities, but also the cooperation between job centres and municipalities (or other service providers) is not well developed. The objective to interlink professional and social services and to provide integrated support from a single source ('one-stop shop') has, up to now, not become a reality in Germany (Adamy and Zavlaris 2014).

3 Summary table

Assessment of minimum income scheme: basic income support for job seekers				
	Assessment			Evolution over time*
Adequacy How adequate is the level of minimum income (MI) benefits?	Adequate	Somewhat inadequate	Very inadequate	
			X	SQ
Coverage How extensive is the coverage of people in need?	Fairly comprehensive	Partial	Very limited	
	X			SQ
Take-up How complete is the take-up of MI benefits by those entitled to them?	Fairly complete	Partial	Quite limited	
		X		SQ
Impact on Poverty Reduction (1) What is the impact of MI provision in reducing the at-risk-of-poverty rate?	Strong impact	Partial impact	Very limited impact	
			X	SQ
Impact on Poverty Reduction (2) What is the impact of MI provision in reducing the at-risk-of-poverty depth?	Strong impact	Partial impact	Very limited impact	
		X		SQ
Link to Active Labour Market Policy (ALMP) In practice, how effective are the links between MI scheme(s) and ALMP measures?	Very effective links	Mediumly effective	Very ineffective	
		X		SQ
Link to Adequate Services In practice, how effective are the links between MI scheme(s) and access to adequate services?	Very effective links	Mediumly effective	Very ineffective	
			X	SQ

* SQ = Status Quo

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Annex

Table A1 Recipients of social minimum income benefits at the end of years 2008–2014 (absolute numbers) 2014

	2008	2009	2010	2011	2012	2013	2014
Germany	7,646,014	7,761,468	7,536,721	7,257,779	7,249,273	7,384,947	7,553,014
- Western Germany	5,241,519	5,393,590	5,275,197	5,089,042	5,117,658	5,269,930	5,459,102
- Eastern Germany	2,404,495	2,367,878	2,261,524	2,168,737	2,131,615	2,115,017	2,093,912

Source: Statistische Ämter des Bundes und der Länder.

Table A2 Number of recipients of social minimum income benefits at the end of years 2008–2014 (% of total population)

	2008	2009	2010	2011	2012	2013	2014
Germany	9.3	9.5	9.2	9.0*	9.0*	9.1*	9.3*
- Western Germany	8.0	8.2	8.1	7.8*	7.9*	8.1*	8.4*
- Eastern Germany	14.6	14.5	13.9	13.3*	13.4*	13.3*	13.1*

* Based on data of the 2011 census.

Source: Statistische Ämter des Bundes und der Länder.

Table A3 Number of recipients of social minimum income benefits according to benefit schemes at the end of years 2008–2014

Year	In total	Basic income support for job seekers (SGB II)			Current assistance towards living expenses outside institutions (SGB XII)	Needs-based pension supplement in old age and in the event of reduced earning capacity (SGB XII)	Basic support for asylum seekers	War victim assistance
		In total	Unemployment benefit II	Social benefit				
2008	7,646,363	6,611,861	4,799,304	1,812,154	92,320	767,682	127,865	46,256
2009	7,761,363	6,737,363	4,908,304	1,829,059	92,750	763,864	121,235	46,256
2010	7,536,721	6,469,423	4,701,380	1,768,043	98,354	796,646	130,297	42,001
2011	7,257,779	6,119,846	4,426,901	1,692,945	108,215	844,030	143,687	42,001
2012	7,249,273	6,037,330	4,357,214	1,680,116	112,585	899,846	165,244	34,268
2013	7,384,947	6,041,123	4,350,135	1,690,988	122,376	962,187	224,993	34,268
2014	7,553,014	6,025,589	4,322,018	1,703,571	132,770	1,002,547	362,850	29,258

Source: Statistische Ämter des Bundes und der Länder.

Table A4 Benefit recipients in SGB ii 2010–2014, in December of year (absolute numbers in millions and percentages)

	2010	2011	2012	2013	2014
Number of needs communities	3,471	3,305	3,276	3,281	3,258
Total number of persons in needs communities	6,472	6,120	6,037	6,041	6,026
Needy persons capable of work	4,701	4,427	4,357	4,350	4,322
- of whom unemployed persons	1,970	1,887	1,839	1,874	1,814
- of whom employed persons	1,369	1,334	1,303	1,295	1,264
Needy persons not capable of work	1,761	1,693	1,680	1,691	1,704
- of whom under 15 years	1,683	1,614	1,603	1,618	1,634
Percentage of needy persons	10.0%	9.4%	9.4%	9.4%	9.4%
Percentage of needy persons capable of work	8.7%	8.2%	8.1%	8.1%	8.1%
Percentage of needy persons not capable of work under 15 years	15.3%	14.8%	15.1%	15.3%	15.4%

Source: Bundesagentur für Arbeit.

Table A5 Benefit recipients in SGB xii 2010–2014, in December of year (absolute numbers in millions)

	2010	2011	2012	2013	2014
Current assistance towards living expenses	0.319	0.332	0.343	0.370	0.382
- outside institutions	0.098	0.108	0.113	0.122	0.134
- in institutions	0.221	0.224	0.230	0.248	0.248
Needs-based pension supplement in old age and in the event of reduced earning capacity	0.797	0.844	0.900	0.962	1.002
- in the event of reduced earning capacity	0.385	0.408	0.436	0.465	0.490
- in old age	0.412	0.436	0.464	0.497	0.512
Help in special life situations	1.261	1.341	1.295	n.y.a.*	n.y.a.
- Assistance towards healthcare	0.030	0.029	0.030	n.y.a.	n.y.a.
- Integration assistance for disabled persons	0.770	0.821	0.788	n.y.a.	n.y.a.
- Assistance towards nursing care	0.411	0.439	0.423	n.y.a.	n.y.a.
- Assistance in overcoming special social difficulties	0.094	0.094	0.096	n.y.a.	n.y.a.

*n.y.a. = not yet available.

Source: Statistisches Bundesamt.

Table A6 Recipients of basic support for asylum seekers 2008–2014

Date	Male	Female	Total
31.12.2014	230,364	132,486	362,850
31.12.2013	137,873	87,120	224,993
31.12.2012	99,404	65,840	165,244
31.12.2011	84,634	59,053	143,687
31.12.2010	76,791	53,506	130,297
31.12.2009	71,649	49,586	121,235
31.12.2008	75,117	52,748	127,865

Source: Statistisches Bundesamt.

Table A7 Standard benefit in SGB II 2011–2016 in Euro

Valid from ...	Standard needs level 1*	Standard needs level 2*	Standard needs level 3*	Standard needs level 4*	Standard needs level 5*	Standard needs level 6*
1.1.2011	364	328	291	287	251	215
1.1.2012	374	337	299	287	251	219
1.1.2013	382	345	306	289	255	224
1.1.2014	391	353	313	296	261	229
1.1.2015	399	360	320	302	267	234
1.1.2016	404	364	324	306	270	237

* Standard needs levels:

Standard needs level 1 = single or single parent

Standard needs level 2 = couple per head

Standard needs level 3 = additional adult in a needs community

Standard needs level 4 = young people 14 to under 18 years

Standard needs level 5 = child 6 to under 14 years

Standard needs level 6 = child 0 to under 6 years

Source: BMAS.

Table A8 Public expenditure on social minimum income schemes in 2013 (billions of Euros)

Minimum income schemes	Public expenditure in billions of Euros
Basic income support for job seekers (SGB II)	33.2
Current assistance towards living expenses outside institutions (SGB XII)	0.7
Needs-based pension supplement in old age and in the event of reduced earning capacity (SGB XII)	5.4
Basic support for asylum seekers	1.1
War victim assistance	0.4
In total	40.8

Source: Statistische Ämter des Bundes und der Länder.

Table A9 At-risk-of-poverty rate by poverty threshold; age and sex in Germany 2008–2014 (%)

	2008	2009	2010	2011	2012	2013	2014
Total population	15.2	15.5	15.6	15.8	16,1	16,1	16.7
- Women	16.2	16.3	16.4	16.8	17.2	17.2	17.4
- Men	14.2	14.7	14.9	14.9	14.9	15.0	15.9
Population under 18 years	15.2	15.0	17.5	15.6	15.2	14.7	15.1
Population between 18 and 64 years	15.4	15.8	15.6	16.4	16.6	16.9	17.2
Population 65 years and more	14.9	15.0	14.1	14.2	15.0	14.9	16.3

Source: EU-SILC.

Table A10 At-risk-of-poverty rate by poverty threshold and household type in Germany 2008–2014 (%)

	2008	2009	2010	2011	2012	2013	2014
People in all household types	15.2	15.5	15.6	15.8	16.1	16.2	16.7
People in households without children	17.0	17.4	16.5	17.5	18.0	18.4	18.9
People in households with children	13.1	13.0	14.6	13.7	13.5	13.2	13.7
Single person	29.2	29.3	30.0	32.3	32.4	31.9	32.9
Single parent households	35.9	37.5	43.0	37.1	38.8	35.2	29.4
Two adults	11.7	12.4	10.5	10.8	10.9	11.4	11.5
Two adults with one child	9.3	9.8	9.0	9.8	10.6	11.1	11.5
Two adults with two children	8.3	7.7	8.8	8.7	7.7	8.5	10.9

Source: EU-SILC

Table A11 Population 16 years and more at-risk-of-poverty in Germany by poverty threshold and most frequent activity in 2008 – 2014 (%)

	2008	2009	2010	2011	2012	2013	2014
Employed	7.1	6.8	7.2	7.7	7.8	8.6	9.9
Not employed	22.8	24.0	23.9	24.0	24.4	24.3	25.8
- Unemployed	56.8	62.0	70.3	67.8	69.3	69.3	67.4
- Retired	15.0	14.9	13.4	14.0	15.1	15.0	16.7

Source: EU-SILC.

Table A12 Population 16 years and more at risk of poverty by poverty threshold and education status in Germany 2008–2014 (%)

	2008	2009	2010	2011	2012	2013	2014
ISCED 0 to 2 – low	22.8	23.2	25.3	25.8	25.5	25.7	29.1
ISCED 3 to 4 – middle	13.7	14.6	14.1	14.7	14.8	15.4	16.0
ISCED 5 to 6 – high	8.6	8.1	7.9	7.7	8.3	9.0	10.5

Source: EU-SILC.

Table A13 People at risk of poverty before and after social transfers 2005–2014 (%)

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
At-risk-of-poverty rate before social transfers	23.1	25.7	24.8	24.2	24.1	24.2	25.1	24.3	24.4	25.0
At-risk-of-poverty rate after social transfers	12.2	12.5	15.2	15.2	15.5	15.6	15.8	16.1	16.1	16.7
Difference	10.9	13.2	9.6	9.0	8.6	8.6	9.3	8.2	8.3	8.3
Relative median at-risk-of-poverty gap	18.9	20.4	23.2	22.2	21.5	20.7	21.4	21.1	20.4	23.2

Source: EU-SILC.

Table A14 People at risk of poverty or social exclusion in Germany 2008–2014 (%)

	2008	2009	2010	2011	2012	2013	2014
Total population	20.1	20.0	19.7	19.9	19.6	20.3	20.6
- Women	21.6	21.2	20.9	21.3	21.1	21.9	21.8
- Men	18.5	18.8	18.6	18.5	18.1	18.8	19.5
Population under 18 years	20.1	20.4	21.7	19.9	18.4	19.4	19.6
- Women	19.5	18.3	21.4	21.5	19.2	20.0	21.1
- Men	20.7	22.1	21.9	18.6	17.6	18.9	19.2

Source: EU-SILC.

