



# **Peer review on “Ensuring adequate assistance for those most in need (Minimum Income)”**

Lithuania, 7 – 8 February 2019

**Peer Country Comments Paper - Germany**

## **The German basic income support for job seekers**

DG Employment, Social Affairs and Inclusion



**EUROPEAN COMMISSION**

Directorate-General for Employment, Social Affairs and Inclusion

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## 1 Introduction

This paper has been prepared for the peer review on "Minimum income benefits – securing a life in dignity, enabling access to services and integration into the labour market". It provides a comparative assessment of the policy of the host country Lithuania and the situation in Germany. For information on the host country policy, please refer to the Host Country Discussion Paper.

## 2 Situation in the peer country

The current minimum income schemes in Germany form a complex system of categorical benefit schemes. Minimum income benefits are intended as the main instrument for preventing income poverty. They supplement the primary safety net of the social insurance and income maintenance system and provide means-tested financial support for those whose needs are not covered by other resources. At the same time, all schemes are designed in principle to help beneficiaries to mobilise their self-help capacities and to overcome their need situation. The basic income support for job seekers (*Grundsicherung für Arbeitsuchende*), targeted at people of working age in need and capable of work, is especially aimed at supporting them to (re-)integrate into the labour market and employment system.

Traditionally, the German minimum income system consisted solely of a social assistance scheme. The social assistance scheme (*Sozialhilfe*) offered benefits and services to all population groups and with all kinds of needs (not covered by the primary safety net). Since the beginning of the 1990s, the last safety net has been gradually expanded and differentiated into several categorical minimum income schemes, of which there are currently four:

Table 1 The German minimum income benefit system

Minimum income benefit schemes	Target groups
'Basic income support for job seekers', ( <i>Grundsicherung für Arbeitsuchende</i> ) under Social Code Book II (Basic income support for job seekers) <sup>1</sup>	People of working age and capable of work as well as cohabiting family members
Current assistance towards living expenses outside institutions' ( <i>Hilfe zum Lebensunterhalt außerhalb von Einrichtungen</i> ), under Social Code Book XII (Social Assistance) <sup>2</sup>	People not capable of work
'Needs-based pension supplement in old age and in the event of reduced earning capacity' ( <i>Grundsicherung im Alter und bei Erwerbsminderung</i> ), under Social Code Book XII (Social Assistance) <sup>3</sup>	People with reduced earning capacity or in retirement
'Basic support' ( <i>Grundleistungen</i> ), under the Asylum Seekers Benefits Act <sup>4</sup>	Asylum seekers

<sup>1</sup> Sozialgesetzbuch II Grundsicherung für Arbeitsuchende vom 24. Dezember 2003, zuletzt geändert am 18. Dezember 2018, [https://www.gesetze-im-internet.de/sgb\\_2/SGB\\_2.pdf](https://www.gesetze-im-internet.de/sgb_2/SGB_2.pdf).

<sup>2</sup> Sozialgesetzbuch XII Sozialhilfe vom 27. Dezember 2003, zuletzt geändert am 10. Juli 2018, [https://www.gesetze-im-internet.de/sgb\\_12/SGB\\_12.pdf](https://www.gesetze-im-internet.de/sgb_12/SGB_12.pdf).

<sup>3</sup> Ibidem.

<sup>4</sup> Asylbewerberleistungsgesetz vom 5. August 1997, zuletzt geändert am 17. Juli 2017, <https://www.gesetze-im-internet.de/asylblg/AsylbLG.pdf>.

In 2017, 7.6 million people (or 9.2% of the population) were recipients of minimum income benefits, the vast majority living on basic income support for job seekers. This report will focus on this principal scheme of the Germany minimum income benefits system.

### **3 Assessment of the policy measure - Similarities and differences with the host country example**

#### **3.1 Securing adequacy of cash benefits**

##### (1) Institutional design of the basic income support for job seekers

Basic income support for job seekers is regulated by federal law (Social Code Book II) and provided at local level by job centres. In a job centre, the local employment agency and the local authority generally work together as the agencies ultimately responsible for the benefits. Employment agencies are responsible for payment of the social benefits to meet living expenses and for funding the integration service. Local authorities are responsible for covering housing and heating costs and for one-off payments. They are also responsible for providing additional education and participation assistance. The federal state provides funds for social benefits, staff and integration measures. While the funds for social benefits are made available according to actual needs, the funds for staff and integration are provided on a flat-rate basis and can be offset against each other. Furthermore, the federal state reimburses the municipalities up to 49% of their expenditure on housing and heating costs, with the rate varying from state to state. The benefit level as well as the eligibility conditions are defined by the Social Code Book II and cannot be modified by the local job centres. Because of this, the benefit level and the eligibility conditions are standardised and do not vary by region or by job centre. Only with regard to social services, there is some scope for local decision.

In Lithuania the minimum income benefit scheme is centralised in terms of eligibility criteria, conditionality rules and the formula for calculating benefits, which are set by national law and are uniform nationally. However, local authorities have the right to modify these criteria and apply exemptions from eligibility criteria and conditionality rules. Municipalities are not obliged to repay state funds not used for social assistance payments.

##### (2) Setting the level of the standard benefit in this minimum income benefit scheme

The basic income support for job seekers provides two different benefits, 'unemployment benefit 2' for those capable of work and 'social benefit' for cohabiting family members not capable of work. Both benefits include several income support elements: the 'standard benefit' covering the current minimum subsistence, 'fixed allowances' to meet additional requirements for certain groups or need situations (e.g. for single parents) and one-off payments according to specific actual needs. Furthermore, reasonable actual housing and heating costs are covered, as are contributions to the statutory health and long-term care insurance. Families with children in receipt of basic income support for job seekers are entitled to in-kind benefits for education and participation.

The 'standard benefit' is intended to cover necessary expenditure on food, clothing, personal hygiene, household goods, household energy and personal needs. It is paid as a monthly lump sum and is determined by the so-called 'statistical standard method'. According to this method, the benefit level is deduced from the volume and patterns of consumption expenditure of lower-income households, measured every five years by means of the 'Income and Consumption Sample' (Statistisches Bundesamt 2015). In the years in between, the benefits are updated every year according to a mixed price (70%) and wage (30%) index.

The basis for the assessment of the need to be covered by the standard benefit is special evaluations of the 'Income and Consumption Sample', a sample of official statistics collected every five years. For the construction of the reference groups, two populations are selected; one including all single person households, and one including family households with two adults and one child. Households receiving minimum income benefits according to Social Code Book II or XII are deducted from these so as to avoid a circular argument, because the standard benefit of minimum income beneficiaries cannot be derived from their own consumption volume and pattern. For the determination of the standard benefit, the lower 15% of the single person households and the lower 20% of the family households are selected as reference households. Even though the method used to determine the standard benefit is hotly disputed, it is a scientifically derived and empirically based method, regulated by the Standard Benefit Determination Law<sup>5</sup>, which, if adequately implemented, produces transparent and verifiable results. However, the implementation of the procedure by the Federal Ministry of Labour and Social Affairs is controversial and is criticised above all by academics, trade unions and welfare associations.

In order to improve the adequacy of cash social assistance, Lithuania has started to calculate minimum consumption needs for individuals and families. The annual calculation of this amount is based on food and non-food costs.

### **3.2 Prevention of long-term dependency**

#### (1) Link to active inclusion

In Germany, receipt of basic income support for job seekers is closely linked to participation in active inclusion measures. Both elements of basic income support, namely welfare benefits and employment services, are provided by local job centres, which act as one-stop shops.

Receipt of basic income support for jobseekers under Social Code Book II for applicants capable of work is legally tied to the signing of a 'personal integration agreement'. This contract is concluded between the applicant and his or her local job centre. It includes, among other things, an integration plan, which is updated regularly. Furthermore, it includes specific requirements and obligations to be fulfilled by the benefit claimant. At the same time, job centres are obliged to provide jobseekers with comprehensive support, according to their specific needs, with the aim of integrating them into the employment system as well and as quickly as possible. For this purpose, the job centres have to provide a personal contact person for every job-seeker (and their family members who live with them in a joint household as a 'needs community'). In the first phase of the counselling and placement process, 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 provided. Case management is provided above all for those user groups with major integration barriers, including labour market entrants and the long-term unemployed.

However, the success of these integration plans is limited by the restrictive approach to activation adopted in this German minimum income benefit scheme, which is focused on getting the unemployed into work as quickly as possible. Subsequently, advice and job placement are accompanied by ongoing monitoring and sanctions and supported usually by rather short-term activation and training measures. Therefore, these activation efforts result in high turnover in the labour market and short-lived jobs instead of sustainable integration (Hanesch 2015 and 2016).

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<sup>5</sup> *Regelbedarfs-Ermittlungsgesetz – RBEG vom 22. Dezember 2016, [https://www.gesetze-im-internet.de/rbeg\\_2017/RBEG.pdf](https://www.gesetze-im-internet.de/rbeg_2017/RBEG.pdf).*



In principle, the local job centres offer a wide range of activation and labour market integration measures (regulated by Social Code Books II and III<sup>6</sup>). Nevertheless, all unemployed beneficiaries have access to activation support in the form of counselling and job placement, only a limited number have access to further activation and integration measures. Since the federal governments were expecting that short-term job placement and short-term activation would fast reduce the entitled population group, only limited volumes of federal funds were provided for integration measures. In some years, part of the activation funds has had to be used to fund additional staff in order to ensure the smooth functioning of the job centres. Only in recent years have additional funds been made available for activation and integration measures.

Furthermore, the limited funds for activation and integration measures – made available according to the Federal Employment Agency's binding guidelines – had to be used for those beneficiaries with the best chances of acquiring job in order to meet the high business performance indicators laid down. Consequently, vulnerable groups among unemployed beneficiaries, such as the long-term unemployed, are underrepresented in active labour market measures.

There seems to be no direct link between social assistance and active inclusion in Lithuania. For those applicants of working age and capable of work, entitlement does not depend on availability for work or participation in activation and integration measures. Even if unemployed beneficiaries are registered at the same time with the public employment service, there is no one-stop shop for this target group and there seems to be no special activation and integration programmes/measures for unemployed beneficiaries. However, local authorities can introduce special conditionality rules for this target group.

## (2) Allowance for gainful employment

If a beneficiary takes up gainful employment (whether as an employee or self-employed), he/she is still entitled to receive complementary basic income support for job seekers if his/her earnings are insufficient to ensure the minimum subsistence level. In order to create stronger incentives to take up work, not all earned income is deducted when calculating the entitlement to benefits: beneficiaries can deduct EUR 100 of their monthly earned income. In addition, for earned income between EUR 101 and EUR 1.000, 20% and for earned income between EUR 1.001 and EUR 1.200 (EUR 1.500 for families with children) 10% are deducted. This allowance for gainful employment ensures that those beneficiaries who work have a higher disposable income than those not working. With a gross income of EUR 1500, which is slightly below a monthly wage based on a full-time job at minimum wage, the difference is EUR 300 (with a child: EUR 330). Proposals to raise this allowance have not been implemented as they would increase the number of beneficiaries and the volume of expenditure.

The positive monetary incentive is accompanied by strict sanction rules that are applied, inter alia, in the event of refusal to participate in activation measures or to accept a job; they include time-limited reductions of benefits and, in the event of a repeat offence, loss of entitlement<sup>7</sup>. The problem is that the total burden of income tax, social security contributions and the withdrawal of transfers, particularly for low-income families, is not progressive and in some cases is actually regressive. This trend provides only minor, and in some cases even negative, incentives to take up employment or to work longer hours.

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<sup>6</sup> *Sozialgesetzbuch III Arbeitsförderung vom 24. März 1997, zuletzt geändert am 18. Dezember 2018, [https://www.gesetze-im-internet.de/sgb\\_3/SGB\\_3.pdf](https://www.gesetze-im-internet.de/sgb_3/SGB_3.pdf).*

<sup>7</sup> Claimants who fail to comply three times in a year lose all entitlement to unemployment benefit 2.

Lithuania has also introduced special monetary incentive measures to improve the motivation to work, among them an earnings disregard, additional social benefits for working beneficiaries and graduated reductions in social benefits for long-term unemployed beneficiaries of working age and capable of work. Furthermore, local authorities are allowed to modify the conditions of benefit receipt for working age people capable of work.

### **3.3 Improvement of adequacy, accessibility and effectiveness**

(1) Adequacy: There is an ongoing debate as to whether the level of basic income support for job seekers is sufficient to cover beneficiaries' socio-cultural needs (see e.g. Becker, Schüssler 2014; Lenze 2015; Becker 2016). For all types of households, the benefit level is well below the at-risk-of-poverty threshold, which means that – as in most EU member states - income poverty is not avoided or eliminated through the receipt of benefits. Only the poverty gap is reduced. A main focus of concern is labour market related poverty: According to Eurostat, the at-risk-of-poverty rate for unemployed persons is hovering since years at a record level compared to other EU member states (2017: 70.6%). And the rate of in-work at-risk-of-poverty, which doubled in the decade 2005 to 2015, is currently (2017) at 9.0% (Hanesch 2019).

(2) Accessibility: The basic income support for job seekers has a low take-up rate. Depending on the data set, time period and micro-simulation model used, the non-take-up rate ranges from 33% to 50% of the eligible population (Bruckmeier et al. 2013; Bundesregierung 2018). There are many reasons why people fail to apply for minimum income benefits. Ignorance of the legal entitlement to minimum income benefits may play a part. In the case of small amounts of top-up benefit, 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 dissuade people from claiming 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 play a role.

(3) Effectiveness: Persons of working age capable of work who cannot cover their basic needs out of their own resources are eligible for unemployment benefit 2, regardless of their employment status. Consequently, not all recipients of 'basic income support for job seekers' are unemployed and looking for a job. Some of them are either employed but still in need of additional financial support or are capable of work but are - in agreement with their local job centre - involved in other activities (education, care responsibilities, etc.). 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 (see e.g. Beste, Bethmann, Trappmann 2010; Bruckmeier et al. 2015). Nevertheless, it must be emphasized that the activation and integration approach adopted in Germany has been only partially successful in integrating the unemployed into work and in preventing long-term benefit receipt.

All in all, there is a great need for action in order to improve the adequacy, accessibility and effectiveness of the resources provided for the most vulnerable groups in Germany. This applies particularly to the target group of the long-term unemployed (already mentioned in 3.2). However, families with children are also particularly at risk of being negatively affected by the receipt of benefits from basic income support. With a benefit draw rate of 15 per cent, children under the age of 15 are one of the population groups that are particularly often dependent on benefits for basic needs. In addition, families with children are often in long-term receipt of benefits. This is especially true for single parents. Experiencing poverty during childhood not only has a direct impact on a child's current life by excluding it from typical age-specific activities due to a lack of financial resources, but also has an

impact on the later life of adolescents and adults (Tophoven, Wenzig, Lietzmann 2015; Tophoven et al. 2018).

#### **4 Assessment of success factors and transferability**

(1) In Lithuania the number of beneficiaries and the volume of expenditure on CSA have fallen dramatically since 2012. This development is explained by the positive labour market development (continuous increase in employment and concomitant decrease in unemployment) as well as by the gradual transfer of responsibility for decisions on the use of CSA funds from the state and municipal levels (in 2012 to five and in 2015 to all municipalities). Without additional information it is difficult to assess why such a system should be more effective than a system as implemented in Germany with local job centres, jointly run by the public employment service and municipalities, which have to base their decisions on strict national regulations.

The main difference seems to be the Lithuanian municipalities' right to use unspent funds at their own discretion. A crucial question is to what extent the national framework legislation restricts the municipalities' new decision-making freedom. Did this new-found freedom create incentives to use as much as possible of the funds for other purposes in the municipalities? Whether or not this freedom has led to a conflict between adequate provision for the target groups and maximisation of municipalities' own resources depends, however, among other things, on the overall financial resources available to the municipalities.

It is therefore an open question as to whether the sharp decrease in beneficiaries and expenditure can be interpreted as success indicators. As another aspect of the reform, it can be expected that the conditions under which benefits are granted will start to vary from region to region and municipality to municipality. This could be contrary to the right to guarantee every citizen the same conditions for the receipt of social benefits.

(2) Starting in 2019, the CSA benefit level will be set on the basis of the person's/family's minimum consumption needs (MCN), which are calculated annually on the basis of food and non-food costs. This seems to be an important step away from arbitrary political fixing of the level of social benefits towards a scientifically rooted and empirically based measurement system.

In Germany too, the setting and updating of the level of the standard benefit of the basic income support for job seekers is based on such a method, which in principle ensures transparent and verifiable results. However, the German experience shows that this measurement system should be managed by an independent commission. In Germany, the procedure is in the hands of the Federal Ministry of Labour and Social Affairs and the method has changed with each review and update (every five years), which has met with criticism from academics, trade unions and social organisations. With the newly introduced statutory minimum wage, an independent minimum wage commission has been set up and the procedure is comparatively conflict-free.

(3) The basic income support for job seekers in Germany is provided by local job centres. They are one-stop shops that both provide monetary benefits and deliver activation measures. Payment of monetary benefits is strictly dependent on claimants' readiness to participate in activation and integration measures, as documented by the signing of a personal integration agreement. Important building blocks here are a monetary incentive to take up work through the gainful employment allowance and employment-oriented case management.

In Lithuania too, the introduction of a closer link between social benefit provision and active inclusion could help to prevent welfare dependency, above all for those capable of work. This could mean introducing one-stop shops offering social benefits and activation measures. Receipt of benefits for working age applicants capable of work could be linked to a personal integration agreement. Finally, experience with

employment-oriented case management (adequately funded and staffed) has shown good results in improving integration success.

(4) In Germany, the introduction of the basic income support for job seekers was accompanied by an obligation to regularly evaluate the results and impacts of this benefit scheme. Since then, the Employment Research Institute of the Federal Employment Agency has played the major role in implementing a broad research programme. Many interesting findings have been presented, not all of which have been adequately noted by policy makers. In Lithuania, no comparable evaluation programme has so far been introduced. In order to ensure that the reforms actually achieve the desired goals, such continuous evaluation is highly recommended.

## **5 Questions**

- (1) What are the rules governing local authorities' freedom to decide on the conditions of benefit receipt?
- (2) What is the assessment of the risk that the conditions for benefit receipt will become more diverse as a result of local authorities' greater freedom for independent decision-making?
- (3) How is the person's/family's personal consumption need calculated and how is the CSA level set in relation to this?
- (4) Is information available on the non-take-up of social assistance among the population in general and those capable of work in particular?
- (5) Is information available on the employment and economic situation of those beneficiaries who have left the benefit scheme?

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## Annexes

### Annex 1 Summary table

The main points covered by the paper are summarised below.

#### Situation in the peer country

- The current minimum income schemes in Germany form a complex system of categorical benefit schemes.
- The basic income support for job seekers, targeted at people of working age in need and capable of work, is especially aimed at supporting them to (re)-integrate into the labour market and employment system.
- In 2017, 7.6 million people (or 9.2% of the population) were recipients of minimum income benefits, the vast majority living on basic income support for job seekers.

#### Assessment of the policy measure

- The benefit level and the eligibility conditions for basic income support for job seekers are standardised and do not vary by region or by job centre in Germany. The setting and updating of the benefit level is based on a scientific, empirically based method that, if adequately implemented, provides transparent and verifiable results.
- In Germany, receipt of basic income support for job seekers is closely linked to participation in active inclusion services/measures. Furthermore, a gainful employment allowance ensures that those beneficiaries who work have a higher disposable income than those not working.
- All in all, there is a great need for action to improve the adequacy, accessibility and effectiveness of the resources provided for the most vulnerable groups in Germany.

#### Assessment of success factors and transferability

- It can be expected that after the CSA reform in Lithuania the conditions under which benefits are granted will vary much more from region to region and from municipality to municipality.
- The German experience shows that the measurement system for setting and updating the benefit level should be managed by an independent commission.
- The introduction of a closer link between social benefit provision and active inclusion could help to prevent welfare dependency, above all for those capable of work.
- In order to ensure that the reforms actually achieve the desired goals, continuous evaluation is highly recommended.

#### Questions

1. What are the rules governing local authorities' freedom to decide on the conditions of benefit receipt?
2. What is the assessment of the risk that the conditions for benefit receipt will become more diverse as a result of local authorities' greater freedom for independent decision-making?
3. How is the person's/family's personal consumption need calculated and how is the CSA level set in relation to this?
4. Is information available on the non-take-up of social assistance among the

population in general and those capable of work in particular?

5. Is information available on the employment and economic situation of those beneficiaries who have left the benefit scheme?

## Annex 2 Additional tables

Table 2 Labour market development and receipt of basic income support for job seekers in Germany 2008 - 2017

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b>Employment and unemployment (absolute and in % of respective population)</b>										
Employed people	36.583	36.585	36.232	36.955	37.290	37.584	37.873	38.148	39.068	39.386
Unemployed people	3.018	3.098	2.821	2.399	2.224	2.182	2.090	1.950	1.774	1.621
Employment rate	74.0%	74.2%	75.0%	76.5%	76.9%	77.3%	77.7%	78.0%	78.6%	79.2%
Unemployment rate	7.4%	7.6%	7.0%	5.8%	5.4%	5.2%	5.0%	4.6%	4.1%	3.8%
<b>Receipt of basic income support for job seekers (absolute and in % of respective population)</b>										
Regular recipients	6.755	6.538	6.415	6.080	5.917	5.939	5.935	5.930	5.925	6.062
Reg. rec. capable of work	4.973	4.866	4.838	4.565	4.403	4.391	4.354	4.327	4.312	4.362
Reg. rec. not capable of w.	1.782	1.672	1.577	1.515	1.514	1.549	1.580	1.602	1.613	1.711
Quote of reg. recipients	10.3%	10.1%	9.9%	9.5%	9.3%	9.4%	9.3%	9.3%	9.2%	9.3%
Quote of reg. rec. cap. o. w.	9.2%	9.0%	9.0%	8.5%	8.3%	8.2%	8.1%	8.0%	7.9%	8.0%
Quote of reg. rec. n.c.o.w.	15.3%	14.4%	13.7%	13.2%	13.4%	13.8%	14.1%	14.3%	14.2%	14.8%

Source: Eurostat, Bundesagentur für Arbeit.



Table 3: Benefit level of basic income support for job seekers and At-risk-of-poverty threshold 2013\*

	Standard benefit	Fixed allowance for single parents	Housing and heating coverage	MI total	AROP threshold**/*	Difference AROP threshold - MI total absolute	MI total in % of AROP threshold
Single	382	-	300	682	1,189	507	57.4%
Single parent with 1 child (under 7)	606	138	414	1,158	1,546	388	74.7%
Single parent with 2 children (under 7 + under 15)	861	138	481	1,480	1,902	422	77.8%
Couple without children	690	-	374	1,320	1,784	464	74.0%
Couple with 1 child (under 7)	914	-	499	1,584	2,140	556	74.1%
Couple with 2 children (under 7 + under 15)	1,169	-	375	1,848	2,497	649	74.0%

\* 2013 is the last year, for which currently Income and Consumption Survey data are available.

\*\* AROP = At-risk-of-poverty

\*\*\* AROP based on the Income and Consumption Survey

Sources: BMAS 2017; BMAS 2018; own calculations.

### Annex 3 Example of relevant practice

Name of the practice:	Model projects publicly funded employment in North Rhine-Westphalia (NRW)
Year of implementation:	2013
Coordinating authority:	State of North Rhine-Westphalia
Objectives:	Target groups are long-term unemployed recipients of basic income support for job seekers. The services provided are intended to improve recipients' chances of integration into the formal labour market in the medium term.
Main activities:	<p>The support services are organised on a modular basis:</p> <ul style="list-style-type: none"> <li>- An employment subsidy to the employer as compensation for deficits in labour productivity makes it possible to place the participants in a full-time job subject to social insurance contributions for a maximum period of two years.</li> <li>- Participants are supported by coaches whose primary qualification is in social pedagogy, so that further stabilisation of the employment relationship and individualised support for participants is guaranteed if required.</li> <li>- Further modules consist of linking the subsidised jobs with municipal services if required. Competence assessments are carried out regularly, which provide a basis for further qualification planning and the precise "matching" of competences and work requirements. A further component is the training of the participants. Finally, support is to be provided to participants in developing new perspectives on the labour market and the job search process.</li> </ul>
Results so far:	<p>The evaluation of the model projects, which started in 2014 (Bauer et al. 2016), produced the following results:</p> <ul style="list-style-type: none"> <li>- Overall, the starting positions of the participants varied greatly, which mean that company requirements had to be adapted to individuals' characteristics and competences.</li> <li>- The model measures not only stabilised the employment relationships but also the personal situations of the majority of the participants.</li> <li>- Both the activities of the coaches and the municipal services were evaluated as useful and helpful.</li> <li>- Employability was increased and the conditions for re-integration into the labour market were also improved in the personal sphere.</li> </ul> <p>The evaluation results were incorporated into the design of the Participation Opportunities Act (<i>Teilhabechancengesetz</i>), which came into effect in January 2019 and is aimed at improving support for long-term unemployed recipients of basic income support for job seekers (Bauer et al. 2018).</p>

