



■ René Lehwess-Litzmann

Basic income recipients in Germany: Do they experience a “social participation gap”?

2nd User Conference of the PASS Panel Survey

12 October 2017, Institute for Employment Research

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■ Analyses on the SGB II in the context of the network project *soeb* 3

■ *soeb* 3: Third report on socioeconomic development in Germany

- Funded by the BMBF between 2013 and 2016
- 16 institutional participants: universities, research institutes, research data centres

■ WP12: (Social) Participation and basic social security – SGB II as benefit system and individual life situation

- Collaboration of SOFI, Research Data Centre BA/IAB and HIS
- Topics related to employment biographies and to social participation of recipients
- Quantitative and qualitative data from IEB, AdminP, PASS and the qualitative panel study “poverty dynamics and the labour market”

■ Analysing the social participation gap of basic income recipients with PASS data

■ PASS waves 2 (2008) to 8 (2014), N (pooled) = 65195

■ Sample persons aged between 15 and 64 years

■ Comparison between groups of persons:

- 1) employed vs. unemployed (not entirely mutually exclusive)
- 2) in households receiving vs. not-receiving basic income benefits

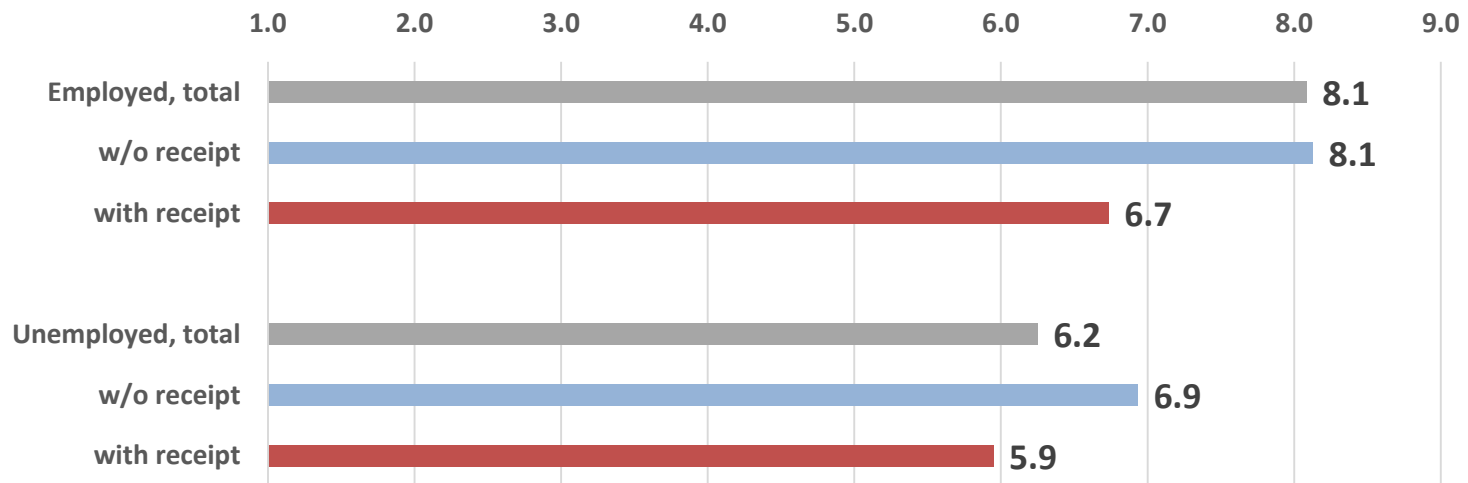
■ Items in PASS which capture different dimensions of social participation and which are included in all waves.

- Position in society, material deprivation, social relationships.
- Emphasis on subjective, but also objective measures.

■ Method: description of mean values per group and observed year. Validation by multiple regression analysis.

■ Subjective social participation (I)

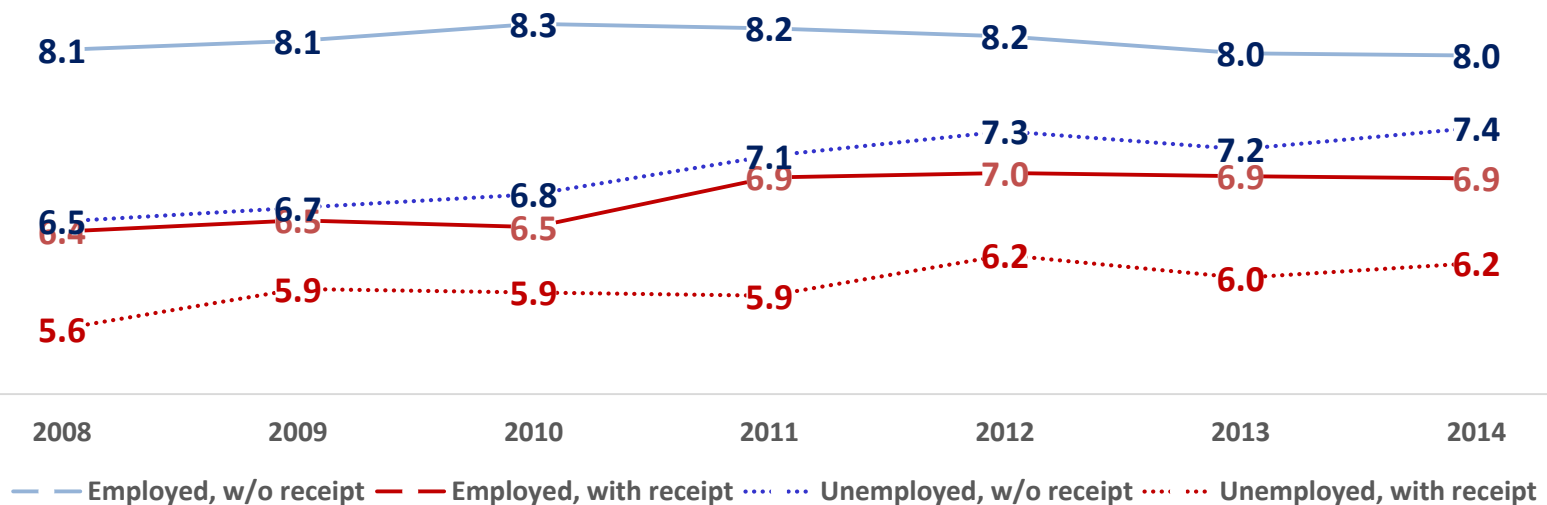
- PASS interview question: “One may have the feeling of being integrated into everyday social life and being real part of society or one may feel rather excluded. What about your case?”



Degree of subjective social participation of unemployed and employed persons with and without basic income receipt, 2008–2014 (pooled) (scale: 1 excluded, 10 integrated)

■ Subjective social participation (II)

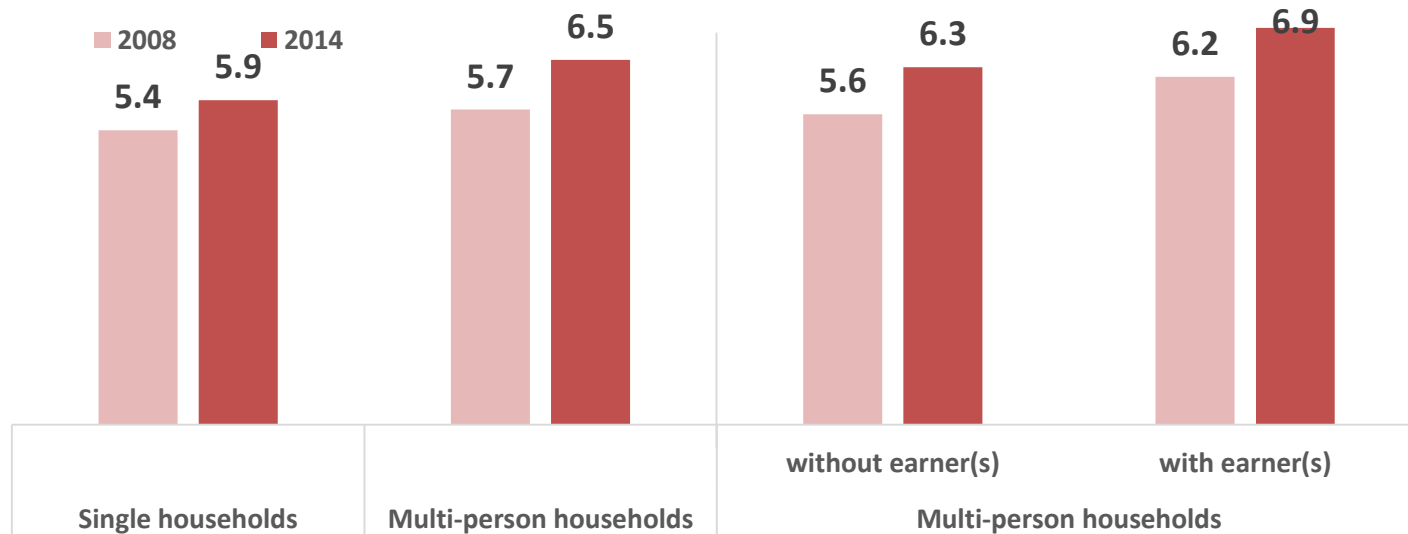
■ A gap remains, but there is upward convergence over time



Degree of subjective social participation of unemployed and employed persons with and without basic income receipt, 2008–2014 (scale: 1 excluded, 10 integrated)

■ Subjective social participation (III)

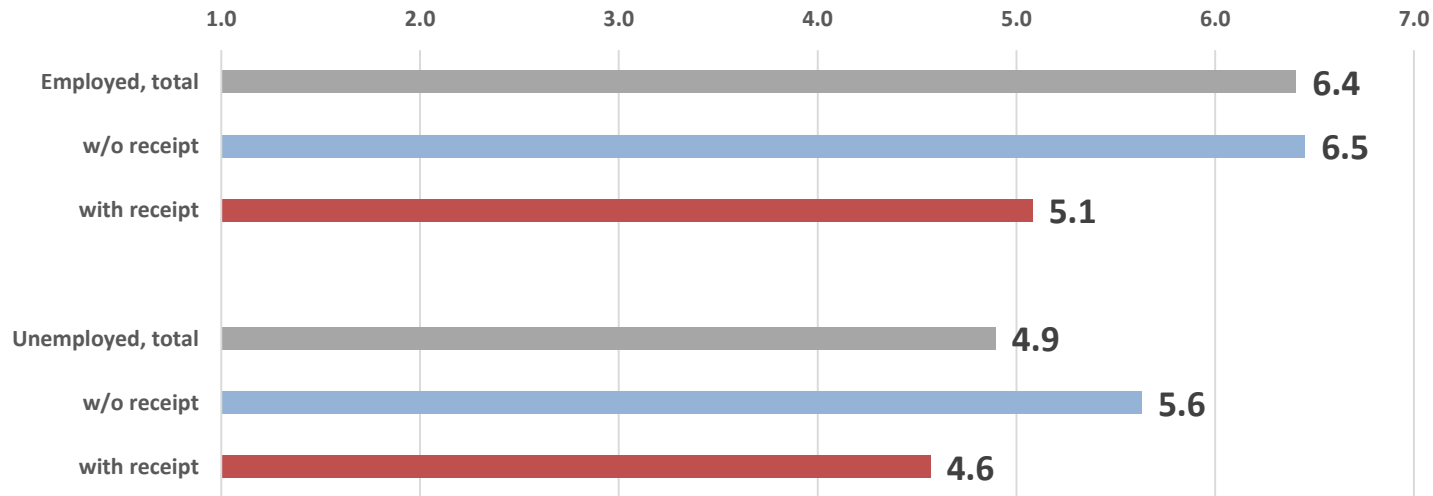
■ Unemployed benefit recipients: upward trend observed for different kinds of households



Degree of subjective social participation of unemployed persons with basic income receipt, by households situation, 2008 and 2014 (scale: 1 excluded, 10 integrated)

■ Subjective social position (I)

- There are groups in our society, which are considered to be rather at the top while other groups seem to be positioned at the bottom. Where would you see yourself using the numbers 1 to 10?



Subjective social position of unemployed and employed persons with and without basic income receipt, 2008–2014 (pooled) (scale: 1 bottom, 10 top)

■ Subjective social position (II)

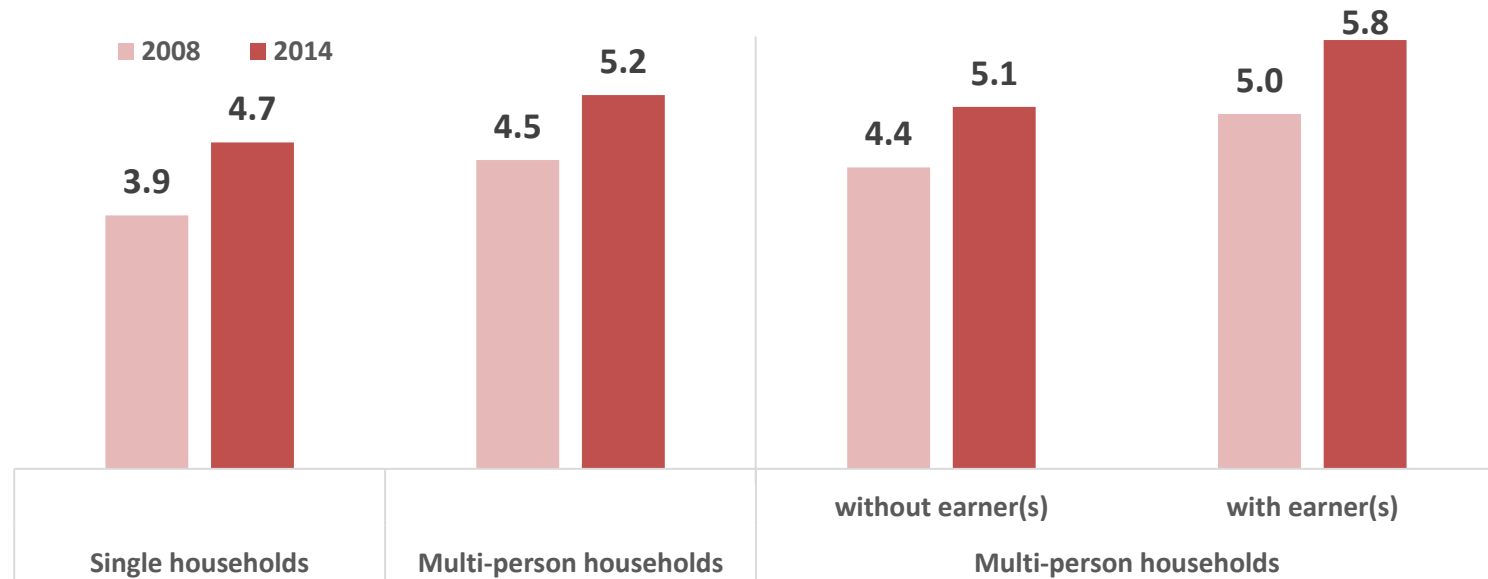
■ A gap remains, but there is upward convergence over time



Subjective social position of unemployed and employed persons with and without basic income receipt, 2008–2014 (scale: 1 bottom, 10 top)

■ Subjective social position (III)

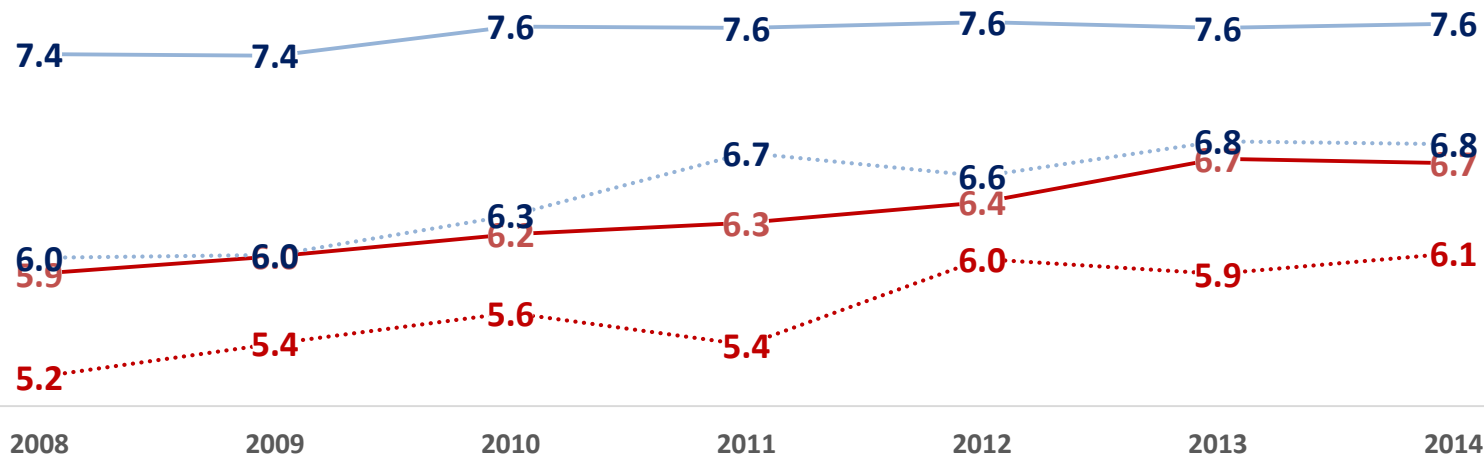
- Only unemployed benefit recipients: upward trend again observed for different kinds of households.



Subjective social position of unemployed persons with basic income receipt, by households situation, 2008 and 2014 (scale: 1 bottom, 10 top)

■ General life satisfaction

■ Upward convergence...

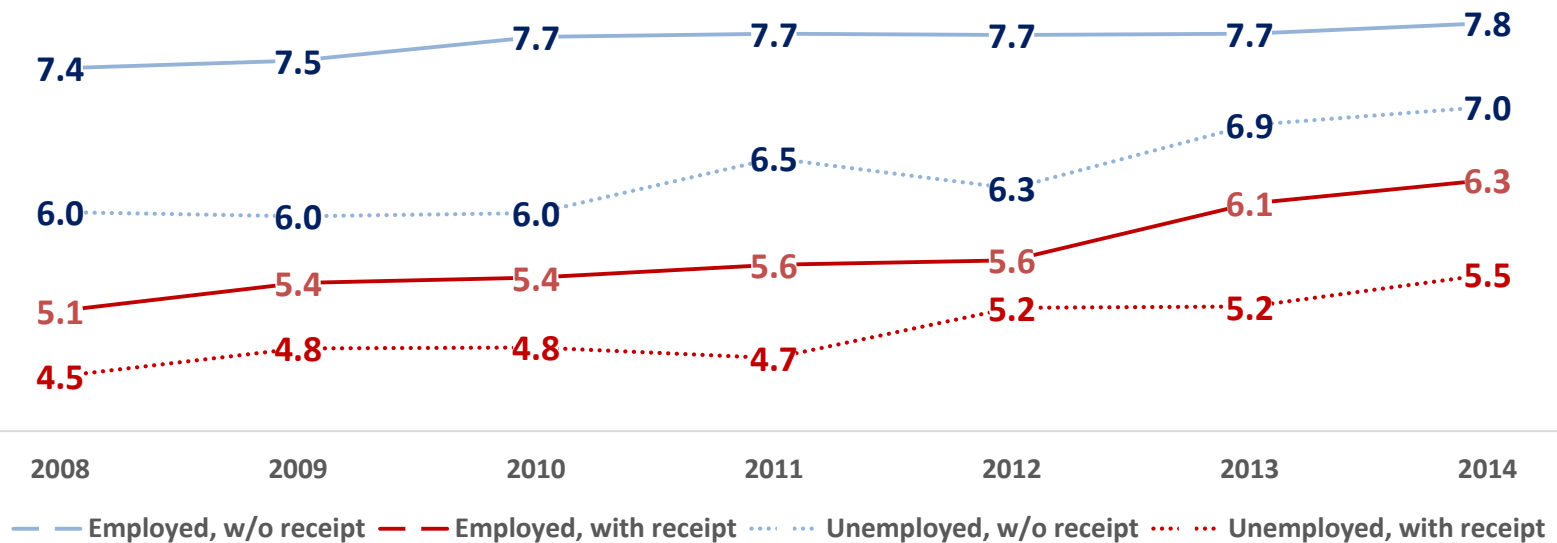


— Employed, w/o receipt — Employed, with receipt ··· Unemployed, w/o receipt ··· Unemployed, with receipt

General life satisfaction: Unemployed and employed persons with and without basic income receipt, 2008–2014 (scale: 0 very dissatisfied, 10 very satisfied)

■ Standard of living: general satisfaction

■ Improvement by more than one point for basic income recipients



Satisfaction with standard of living in general: Unemployed and employed persons with and without basic income receipt, 2008–2014 (scale: 0 very dissatisfied, 10 very satisfied)

■ Standard of living: deprivation items

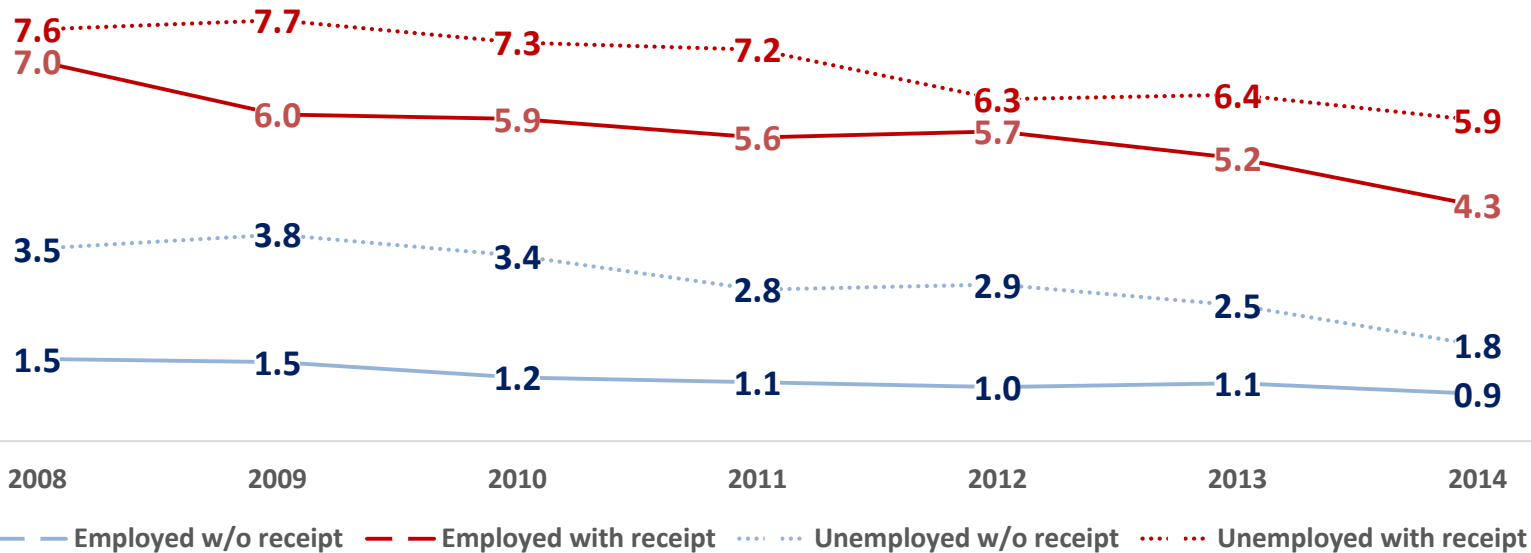
■ From tiny to marked differences, according to basic income status

Deprivation items	Unemployed		Employed		Difference (p.p.)	
	No basic income receipt	Basic income receipt	No basic income receipt	Basic income receipt	Unemployed	Employed
A holiday away from home for at least one week a year	41,7	77,5	18,1	69,9	35,8	51,8
Saving a fixed amount a month	42,0	78,9	19,1	69,8	36,9	50,8
To eat out at a restaurant once a month?	38,6	71,3	19,0	64,3	32,7	45,3
[...]	[...]	[...]	[...]	[...]	[...]	[...]
Heating in the apartment	1,4	2,8	0,6	1,4	(1,4)	0,7
Bathroom with bathtub or shower in apartment	0,8	1,0	0,1	0,4	(0,2)	0,3
Toilet inside the apartment	0,2	0,6	0,0	0,2	0,4	(0,1)

Shares of persons who cannot afford certain activities or possessions of everyday use, by employment and recipient status, 2008–2014 (pooled)

■ Standard of living: deprivation index

■ Trend towards less deprivation in all groups



Material deprivation in households of unemployed and of employed persons with and without basic income receipt, 2008–2014 (scale: 0 min., 23 max. deprivation)

■ Standard of living: deprivation index

■ Even for unemployed households without earners, the deprivation index goes down



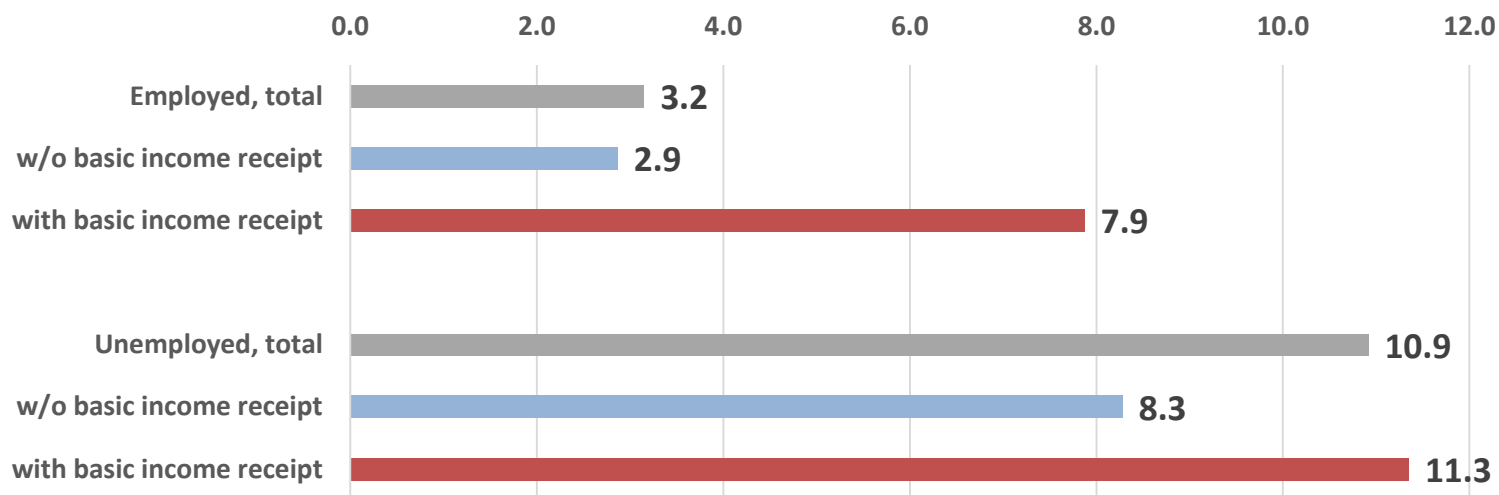
Material deprivation in households of unemployed persons with basic income receipt, by households situation, 2008 and 2014 (scale: 1 bottom, 10 top)

■ **Social relationships**

- **Unclear whether to expect a stronger or weaker network of social ties for basic income recipients: hypothesis of disaffiliation (R. Castel) vs. hypothesis of compensation (of low income)**
- **The great majority have close friends/relatives, but some do not, e.g. 11.3% of unemployed basic income recipients.**
- **Average number of social contacts of basic income recipients lower as compared to non-recipients (median: 6 vs. 5 contacts).**
- **The incidence of misunderstandings, tensions or conflicts in household differs between employed and unemployed respondents, but not by basic income recipients status.**
- **Non-recipients are more often actively engaged in organisations or associations.**

■ Social relationships: no close contacts outside the household

- Basic income recipients are more often socially isolated than non-recipients. Unemployment also seems to play a large role.



Share of observed persons without close friends or family members outside the household, by employment status and basic income receipt, 2008–2014 (pooled) (%)

■ Social relationships: active engagement in organisations or associations

■ Low activity: Union membership of unemployed persons without basic income higher than of employed persons with basic income.

	Unemployed		Employed	
	No basic income receipt	Basic income receipt	No basic income receipt	Basic income receipt
Union	6,6	2,6	12,9	2,8
Political party	1,9	1,3	3,1	1,1
Church community	9,4	5,6	14,7	6,7
Clubs (sports, etc.)	25,9	12,3	38,6	15,0
Other organizations	9,0	5,2	11,9	5,3

Active engagement in organisations or associations, by employment status and basic income receipt, 2008–2014 (pooled) (%)

- **Validation by multiple regression (I)**

- **Structural effects as an alternative explanation of the observed differences?**
- **Regression analysis with social participation items (DV), basic income status (IV) and control variables:**
 - unemployed sub-sample: employed or not
 - employed sub-sample: registered as unemployed or not
 - gender, age, education, migration background, household type, number of earners in household, regular care work for relatives or friends, region, year
- **Idea: if the coefficient of the basic income status (dummy) is significant in spite of control variables, then the (descriptively measured) social participation gap is not an artefact.**

■ Validation by multiple regression (II)

■ Coefficients of basic income dummy tend to be neg. significant.

Variable measuring social participation	Sub-sample	
	Unemployed	Employed
Subjective social participation	-0,351***	-0,330***
Subjective social position	-0,391***	-0,352***
General life satisfaction	-0,370***	-0,214***
General satisfaction with standard of living	-0,511***	-0,334***
Satisfaction with dwelling	-0,251***	-0,248***
Material deprivation (index)	0,774***	0,570***
Number of close friends or family members outside the household	-0,104***	-0,077*
Incidence of misunderstandings, tensions or conflicts	0,01	0,02
Active engagement: sum of domains of engagement	-0,254***	-0,186***

Notes: Standardised dep. variable. Between-effects-model. * $p < 0,05$; ** $p < 0,01$; *** $p < 0,001$

■ Summary

- Evidence shows that recipients of basic income do experience a (statistically significant) gap of social participation as compared to non-recipients. The gap mainly appears in terms of general life satisfaction, subjective social participation and social position, the standard of living, but also in social relationships.
- However, there has been no recent deterioration: instead, the social participation gap seems to shrink between 2008 and 2014. We observe upward convergence for all of the abovementioned dimensions (except for social relationships). This holds both for objective and subjective items.

■ How to *not* explain the recent improvement of social participation

- Boom phase after 2008? ← But basic income recipients by definition not the ones who benefitted.
- Synergies through increasing household size ← Not the case.
- Increases in benefits? ← Negligible
- Better living standard due to increasing private debt? ← No clear trend of private indebtedness in the observation period.
- [...]

■ How to explain the recent improvement of social participation?

- Subjective improvement due to habituation to the basic security scheme over time (after a shock when “Hartz IV” was introduced)?
- Identification with the success story of the German labour-market miracle in the midst of the “Great Recession”? Hope of individually benefitting by the boom at a later moment?
- Changed perception of social problems through the crisis: unemployment/poverty no individual fault?
- Yet, improvements were also observed for objective indicators.
 - (Banalisation of deprivation items? ← Not only the provision with industrial goods improved. ← But maybe savings on cheaper industrial goods allow buying more services also?)
- Biased panel mortality: those who do better tend to remain in?

■ More...

- Müller, Dana; Wurdack, Anja; Lehweß-Litzmann, René; Grimm, Natalie; Seibert, Holger (2017): Teilhabe und Grundsicherung – SGB II als Leistungssystem und Lebenslage. In: Forschungsverbund Sozioökonomische Berichterstattung (Hrsg.): Dritter Bericht. Bielefeld: W. Bertelsmann Verlag (wbv). Kapitel 15. [download](#)
- Lehweß-Litzmann, René (2016): Teilhabelücke im Grundsicherungsbezug besteht, vermindert sich aber seit 2008. soeb-Working-Paper 2016–4. [download](#)
- www.soeb.de
- www.sofi-goettingen.de