

## SOCIAL ASSISTANCE: COMPARATIVE ANALYSIS

Signe Dobelniece<sup>1</sup>, PhD, associate professor

<sup>1</sup>Latvia University of Agriculture

**Abstract.** Social assistance is an important element of welfare states. Each country has some social assistance, but its structure, production and eligibility criteria can differ. In last decades, researchers have focused on the comparative analysis of social assistance. The aim of the paper is to introduce the comparative analysis of social assistance and its complexity. This paper is based on descriptive analysis of literature and statistical data. It discusses the concepts 'social assistance' and 'comparative analysis', as well as gives an overview of indicators and proposed typologies of social assistance. The analysis of social assistance mostly focuses on the following aspects: what resources are used, who and on what pre-conditions can get different types of benefits, and whether it affects poverty. The paper gives an insight into several typologies of social assistance, based on different criteria – ideas and values, relations between assistance, insurance and social work, generosity, selectivity, targeting etc. To illustrate the complexity of the comparative analysis of social assistance, the case of the Baltic countries is used.

The comparative analysis of social assistance has faced several methodological problems – there is no precise definition of the concept 'social assistance', and different terms are used as synonyms of it. Often it is difficult to make distinction between social assistance and other elements of social protection. Social assistance varies significantly from country to country in different dimensions.

**Key words:** social assistance, comparative analysis.

**JEL code:** I31, I38

### Introduction

Social assistance is a significant and important part of the social protection system in all developed welfare states. Being the last resort in the system of social protection, it provides support to individuals in need, prevents poverty, promotes social inclusion and, at the same time, indicates how well other systems, such as the labour market, employment policy and family policy, offer adequate provision for individuals and families.

Nevertheless, the term 'social assistance' neither has a fixed or universal meaning, nor a precise, common international understanding. In general, it refers mostly to the means-tested benefits that are paid to individuals in need to provide a definite level of subsistence or basic needs. The structure of social assistance may be complicated: it often consists of a standard benefit adjusted for household size, supplements to cover special needs (disability), and one-off payments for occasional needs (funeral expenses) (Nelson, 2007), but it can be designed in other way, too.

The comparative analysis has a long tradition – the field of social policy focuses on it since the 1960s–1970s. The development of comparative

analysis in EU and OECD countries has been facilitated by the process of globalization, EU initiatives and programmes. Although the research has been carried out on a regular basis, it faces several methodological problems, and some of these problems will be discussed in this paper.

The aim of the paper is to introduce the comparative analysis of social assistance and its complexity. The following tasks are set: 1) to conceptualize social assistance and comparative analysis; 2) to summarize and evaluate indicators used in the comparative analysis, as well as typologies of social assistance. The descriptive analysis is based on the literature review and on the publicly available statistical data that provide information about social protection and social assistance.

### Research results and discussion

#### 1. Conceptual framework

Some consensus among researchers is reached regarding interpretation of the concept 'comparative analysis'. It has been defined as systematic and contextual analysis of one or more phenomena in more than one country (Kennett, 2001). Similar definition is given by Hantrais, adding the aim of such analysis – "to

seek explanations for similarities and differences, to generalise from them or to gain a greater awareness and a deeper understanding of social reality in different national contexts" (Hantrais, 1995). Although some agreement is reached about the concept, there is a wide range of opinions about what phenomena should be compared, i.e., historical development, "products" (specific services), performance, expenditure, results etc., and how to compare them.

Since the end of the 20<sup>th</sup> century researchers have paid increasing attention to the comparative analysis of social assistance and have developed different approaches based on different criteria and indicators. These authors have studied various aspects – dimensions and performance of social assistance, benefit levels, similarities and differences in social assistance schemes, focusing on inputs, production, outputs and outcomes etc. Some researchers, such as Leibfried, Eardley, Lodernel, Gough and others, have made attempts to classify and create typologies of social assistance regimes (Kuivalainen, 2004). However, there is an opinion that much of the international research is not strictly comparative at the design and data collection stages, therefore the findings cannot be compared systematically. Despite considerable progress in the development of large-scale harmonised international databases, such as Eurostat, which tend to give the impression that quantitative comparisons are possible, attempts at cross-national comparisons are still too often ineffective, due to the lack of common understanding about main concepts and the societal contexts within which the phenomena are located (Hantrais, 1995). This refers also to the comparative analysis of social assistance.

**Social assistance** is a part of a broader range of societal provisions, and "present social assistance bears a strong trait of policy inheritance and historical traditions" (Kuivalainen, 2004) characteristic of the specific social

contexts. Disregarding the importance of social assistance, no commonly accepted definition exists. Even more – different terms, such as 'targeted income support to the poor', 'means-tested social assistance', 'means-tested social transfers', 'targeted social assistance' or 'safety nets' (de Neubourg, 2007), are conventionally used to denote the concept of social assistance. Policy makers in European countries most often refer to social security and social assistance, but EU bureaucrats use the term 'social protection' (Walker, 2005). For example, "social protection benefits are transfers to households, in cash or in kind, intended to relieve them from the financial burden of a number of risks or needs" (Eurostat Statics Explained). Social assistance may be defined also as the range of benefits and services available to guarantee a minimum (whatever defined) level of subsistence to people in need. In some countries, a key element of the social safety net comes through non-contributory citizens' benefits or pensions (Eardley et al, 1996).

In general, social assistance refers to last-resort income support programmes and is looked upon as the last safety net "to which citizens can turn when they have exhausted all other options" (Daigneault, 2014), i.e., if they do not get sufficient income from work, social insurance or do not have a family support (in relation to the latter, differences depending on countries apply). Social assistance usually is provided on the basis of evaluation of the material resources (income and possessions) of a claimant and his/her family. The aim of the social assistance is to give support to individuals and families in a situation of crisis when the basic needs cannot be met.

Another methodological issue of the comparative analysis of social assistance is related to the complexity of social protection systems that consist of different components, and social assistance is just one of them. The distinction between social assistance and other social protection programmes in different

countries is sometimes vague (de Neubourg, 2007). In addition, the design and performance of social assistance are related to national contexts and differ significantly from country to country. In some countries, social assistance is associated not only with income maintenance and support of the individuals in need, but also with social work and social rehabilitation, in other - it is understood as supplementary schemes that are subsidiary to the main means-tested minimum income benefit.

Another problem relates to the use of the terms 'means-tested', 'income-tested', 'income-related' and 'asset-tested' to refer to different forms of resource testing (Eardley et al., 1996) that is implemented in different countries.

Discussion about the concepts and their meanings within different countries and contexts is extremely important in the context of the comparative analysis, as researchers must use common terminology and have a shared understanding of the phenomena they are studying. Otherwise, the proper comparison is not possible.

## 2. Criteria of analysis

Social assistance programmes differ considerably in the EU countries, and this fact makes the comparative analysis a challenge. To find a solution, different approaches have been developed. C. de Neubourg and the colleagues offer to conduct analysis of five dimensions in order to find similarities and differences and to make comparison of social assistance in different countries. These dimensions characterize systems and include several basic questions that must be addressed by policy makers in the process of designing a system of social assistance (de Neubourg et al., 2007).

Solidarity between family members. What is primary – individual or collective solidarity? Does collective solidarity apply only after individual solidarity among family members is exhausted? For example, such countries as Italy and Germany prefer the approach of individual

solidarity – family members are responsible for each other, the income of family members is a part of the means test. Sweden pursues a completely different approach - individuals are treated independently and entitled to assistance irrespective from the income of other family members.

Selectivity and targeting. Who is entitled to assistance - everybody whose income is below the set threshold, or people who belong to specific categories? What is the income threshold? How is it defined? And how "income" (means) is calculated? For example, Sweden takes into consideration more income sources, if compared to other countries. How is the budget of the programmes determined? Are the programmes designed as entitlements, or are they subject to quotas?

Institutional decision level. Which level in the administration system defines the amount of benefits? Is the entitlement defined as rights of the citizens? How are local authorities involved, and what decisions can be made on the local level? For example, in France decisions are made by central authorities, in many other European countries – by local authorities.

Generosity. What is the level of the benefit? What is taken into consideration when the level is defined? For how long period the benefit is allocated? Benefit levels differ widely among EU countries.

Re-integration efforts. How does the system avoid welfare dependency of the beneficiaries? Do they have duties? How does the system stimulate re-integration of the beneficiaries into the labour market?

M. Pfeifer suggests different approach - the analysis of such indicators as expenditure, generosity and accessibility of social assistance (Pfeifer, 2012). Some researchers in their analysis focus on the costs, effectiveness and efficiency of the system, emphasizing the difference between eligibility and inclusion or real coverage (Slater, Farrington, 2009). S.

Kuivalainen in her study uses the model of the production of welfare elaborated by M. Hill and G. Bramley (Kuivalainen, 2004). The analysis of social assistance is performed focusing on inputs – allocated resources, production – the policy instruments to distribute social assistance and entitlement, and on what grounds benefits are granted. It also focuses on outputs – the level and the incidence of payments, as well as on the outcomes – the final distribution of income that shows the effectiveness of the system in the protection against poverty.

Different authors propose slightly different criteria or indicators for the analysis. However, some consensus is achieved – the analysis focuses on what resources are used, who and on what pre-conditions can get benefits, and whether poverty is eliminated.

### **3. Typologies of social assistance**

One of the outputs of the comparative analysis is classification and typology of countries. Although it is difficult to conduct typologies, especially of so different phenomena as social assistance schemes because of their unique and distinctive character (Kuivalainen, 2004), there have been several attempts since the 1990s.

One policy based attempt is made by P.-M. Daigneault. He introduces three social assistance paradigms – entitlement, workfare and activation, that are based on values, ideas about policy ends and objectives, as well as on appropriate policy means that “provide a stepping stone toward a more systematic study and evaluation” (Daigneault, 2014) of the system of social assistance. More detailed characteristic of the paradigms is presented in Table 1.

Another typology is elaborated by Lodernel and Schulte. This typology is based on the following criteria – combination of social assistance and social work/ treatment measures, the degree of social assistance centralization and the relationship between social insurance and social assistance. These authors distinguish four “poverty regimes”: residual, institutionalized, differentiated, and incomplete differentiated.

Residual poverty regime (Nordic countries) is characterised by division between social insurance and social assistance; generous insurance benefits apply in these countries, therefore, social assistance has a marginal role. Administration of social assistance operates at the local level, stigmatizing effects of assistance benefits, and great emphasis is put on social work. Institutionalized poverty regime (United Kingdom) has social assistance integrated with non-means-tested social insurance benefits; administration of social assistance takes place at the central government level; social assistance is distinct from social work; there is strong entitlement and high degree of standardization. Differentiated poverty regime (Continental welfare states) is characterized by medium division between social insurance and social assistance; separate categorical schemes exist in parallel with the general schemes providing support for specific groups. Incomplete differentiated poverty regime (Southern European countries) is characterized by dominance of categorical schemes for non-able-bodied; no or very limited general assistance is strongly tied with social control/ treatment national framework on social assistance is developed recently, and social insurance has a predominant role (Kuivalainen, 2004).

**Three paradigms of social assistance**

	<b>Entitlement paradigm</b>	<b>Workfare paradigm</b>	<b>Activation paradigm</b>
Main objectives	Reducing poverty by guaranteeing a decent level of income and decommodification	Improving the work ethics, attitudes, and self-esteem of welfare claimants	Boosting the economic activity rate, enabling to work and reducing poverty in work
Generosity of social assistance benefit	High	Low: "less eligibility" principle	Moderate: low basic benefit but relatively generous income supplements
Preferred policy instruments	Unconditional cash transfers	Cash transfers are conditional on work-related requirements (including workfare) and control measures	Unconditional cash transfers, conditional income supplements and active measures (e.g., training, job search assistance)
"Targeting" (i.e., who is targeted by policy)	Low: few distinctions are drawn between clients (i.e., broadbased or universal eligibility)	High: segmentation of assistance between "deserving" and "undeserving" clients	High: income supplements are restricted to clients who comply with work-related conditions

Source: Daigneault, 2014

T. Eardley and the colleagues in the analysis are aiming at identifying common patterns in different systems of social assistance. They distinguish seven types of social assistance. In the selective systems, all benefits are means-tested. There are several categorical programmes nationally organized, inclusive and rights-based. The means-testing is carefully constructed; disregards of assets and earnings are relatively generous. The public assistance state has an extensive set of means-tested benefits, arranged in a hierarchy of acceptability and stigma; assets tests are strict, benefits tend to be low. Welfare states with integrated safety nets are characterized by providing national general safety net (as Income Support in UK or Canadian Assistance Plan). Dual social assistance provides categorical assistance schemes, supplemented with general basic safety net. Assets tests are flexible. In Rudimentary assistance, national categorical assistance schemes cover mainly elderly and the disabled individuals. The support for the rest of the population is provided by local municipalities or religious organizations. Cash benefits tend to be integrated with social work and generally are very low. For Residual social assistance, full employment is typical. Because of universal welfare provision, social assistance is not so important. The system has a single general, nationally regulated scheme with high

benefit level. Strict means-tests with the emphasis on the individual, not on the family, are typical. Highly decentralized assistance contains some elements of other systems. Localised relief is linked to social work. Great emphasis is put on family obligations. Benefit levels are below average, and there are few claimants of social assistance, as it is stigmatized (Eardley et al., 1996).

Basing on the comparative analysis of nine European countries and using the above discussed five dimensions, de Neubourg and the colleagues have distinguished three types of social assistance systems.

Supportive social assistance system is characterised by universal approach. Social assistance is residual, as social insurance is well developed and extensive; social assistance is the last resort, based on strict means-testing. At the same time, the system is generous, social assistance benefits are high with no time limits. There is a focus on re-integration in the labour market. The model is characteristic of the Nordic and Central European countries.

Selective social assistance is centred on family solidarity, and family support is primary in this system. Social assistance is limited in time, and it is provided by local governments; therefore, there are great differences not only among countries, but also within a country itself. This

model is typical to the Southern European countries.

Inclusive social assistance – social assistance is integrated within the system of social protection. There is a focus on poverty; therefore, social assistance benefits are based on strict means-testing. Great Britain is an example of this model (de Neubourg et al., 2007).

Since the analysis was made in particular countries, there is a little probability that these typologies can be applied to any of the other countries. This occurs mostly because the

systems of social assistance differ so much across countries.

#### 4. Social assistance in Baltic countries

To make comparison and illustrate its complexity, an overview with some statistical data of the systems of social assistance of the Baltic countries is presented further in this paper.

Different data can be used to characterise expenditure or inputs in the system – total expenditure for social protection, expenditure as per cent of GDP or of total expenditure, expenditure per inhabitant and other (Table 2).

Table 2

#### Social protection expenditure

	Social protection benefits as % of GDP			Means-tested benefits as % of GDP			Total social protection expenditure EUR per inhabitant		
	2012	2013	2014	2012	2013	2014	2012	2013	2014
EU-28	27.6	27.8	27.6	3.1	3.1	3.1	7644	7730	7903
Latvia	14.2	14.4	14.3	0.4	0.3	0.2	1556	1550	1714
Estonia	14.8	14.7	14.9	0.1	0.1	0.1	2036	2132	2273
Lithuania	15.5	14.4	14.0	0.9	0.7	0.5	1818	1806	1838

Source: author's calculations based on Eurostat Social protection data

Expenditure for social protection, as well as per one inhabitant is higher in Estonia; however, it is still almost three times less than in the EU-28. At the same time, Estonia spends less on means-tested benefits, if compared to the other Baltic countries. To explain this phenomenon, it is necessary to understand national contexts, structure of the social protection system, also, what is the place of social assistance within this system, as well as the structure of assistance (what kind of benefits are included in the system).

Estonia has one social assistance benefit - **the subsistence benefit** for those suffering from material deprivation. The benefit is paid by the local government to persons living below the subsistence level, including people without a place of residence. In 2016, the subsistence limit was **EUR 130** a month for a person living alone or firstborn member of a family and **EUR 104** for the second and each succeeding member of the

family (EUR 130 for every underage family member) (Subsistence level and ..., 2016).

Lithuanian social assistance system consists of three state guaranteed benefits - social benefit or cash social assistance, reimbursement of house heating costs, hot water, drinking water and social assistance pensions. Social benefit varies depending on family structure and time of reciprocity; it is reduced for long-time recipients, and there is time-limit up to 60 months. The benefit is granted to beneficiaries without children for longer period. The amount of the benefit is lower than in Estonia, but it can be supplemented with the benefit for heating and water (European Commission, 2014).

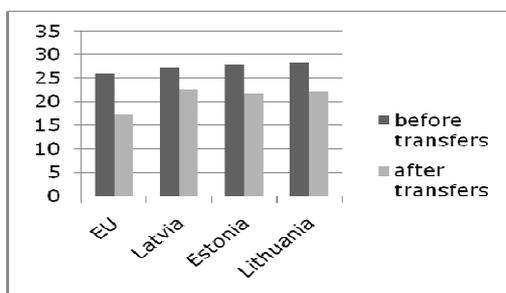
Latvia's system of social assistance is more complicated. There are two compulsory benefits - benefit for ensuring the guaranteed minimum income level (GMI benefit) and housing benefit. In addition, there is a great variety of other municipal social benefits that have an important place in the system of social assistance: the rate

of GMI benefit is 23 per cent, housing benefit – 40 per cent, and other benefits – 37 per cent (The Ministry of Welfare).

The decision about GMI benefit and its amount as well as regarding housing benefit is made by the government, but other benefits are the matter of the local authorities. Local authorities can decide what benefits are paid, their level as well as the eligibility criteria. Therefore, significant differences are seen among different counties. Individuals are entitled to social assistance benefits, if they have the status of a needy (income level of EUR 128.06 set by the government) or low income (the level set by local authorities) person (family). Wide local differences apply in this respect. For example, in Riga, low income status is awarded, if income does not exceed EUR 320 per family member and EUR 400 for single pensioners. In Jelgava, the status is awarded to working-age individuals with dependent children, if income does not exceed EUR 180 per person, EUR 232 for pensioners and EUR 261 for single pensioners. In addition to compulsory social assistance, Riga municipality offers 12 benefits but Jelgava even more -17. (Rigas Dome; Jelgavas pilsetas pasvaldibas...).

Although there are so many benefits, it is impossible to speak about generosity of the system, as benefits are generally low.

The comparison of the outcomes of the social assistance systems of Baltic countries, their redistributive effects and elimination of poverty are presented in Figure 2.



Source: author's calculations based on Eurostat 2016a; Eurostat 2016b

Fig. 2. At-risk-of-poverty rate before and after social transfers, 2015

Social transfers that include social assistance benefits reduce poverty in all countries. The poverty level is for 6.4 per cent points lower in Lithuania, 6.2 in Estonia and 4.8 in Latvia after social transfers. The outcomes of social assistance in relation to poverty reduction are similar in the Baltic countries, but smaller, if compared to the EU-28.

The case of the Baltic countries reveals significant differences in the structure (offered benefits) of assistance, entitlement, generosity, decision-making level but differ less in expenditure and outcomes.

### Conclusions, proposals, recommendations

- 1) The comparative research of social assistance has attracted attention of many researchers. Nevertheless, it includes several unsolved methodological problems related to the concepts, definitions and common understanding that are essential for a proper comparative research. Social assistance is generally understood as means-tested benefits but often it is difficult to differentiate between social assistance and other elements of social protection.
- 2) There is a variety of criteria used for the comparative analysis. In addition, different classifications are proposed. However, none of the typologies is universal, as they are closely linked to a limited number of the countries studied.
- 3) The systems of social assistance of the Baltic countries differ considerably. The most obvious are differences of the structure but differences can be noticed also in relation to other indicators.
- 4) The comparative analysis of so different phenomena as social assistance systems is extremely complicated; however, it does not prevent researchers from studying it.

**Bibliography**

1. Daigneault, P.-M. (2014). Three Paradigms of Social Assistance. Sage Open, October-December, pp. 1-8. Retrieved: [https://www.researchgate.net/publication/285814633\\_Three\\_Paradigms\\_of\\_Social\\_Assistance](https://www.researchgate.net/publication/285814633_Three_Paradigms_of_Social_Assistance). Access: 12.12.2016.
2. de Neubourg, C., Castonguay, J., Roelen, K., (2007). Social Safety Nets and Targeted Social Assistance: Lessons from the European Experience. The World Bank.
3. Eardley, T., Bradshaw, J., Ditch, J., Gough, I., Whiteford, P. (1996). Social Assistance in OECD Countries: Synthesis Report. University of York.
4. European Commission. (2014). European Minimum Income Network Country Report. Lithuania. Retrieved: <https://eminnetwork.files.wordpress.com/2013/04/emin-lithuania-2014-en.pdf>. Access: 02.01.2017.
5. Eurostat. (2016a). At-Risk-of-Poverty-Rate. EU-SILK Survey. Retrieved: [http://appsso.eurostat.ec.europa.eu/nui/show.do?dataset=ilc\\_li02&lang=en](http://appsso.eurostat.ec.europa.eu/nui/show.do?dataset=ilc_li02&lang=en). Access: 28.12.2016.
6. Eurostat. (2016b). At-Risk-of-Poverty-Rate before Social Transfers. EU-SILK Survey. Retrieved: [http://ec.europa.eu/eurostat/en/web/products-datasets/-/ILC\\_LI10](http://ec.europa.eu/eurostat/en/web/products-datasets/-/ILC_LI10). Access: 28.12.2016.
7. Eurostat. Social Protection. Retrieved: <http://ec.europa.eu/eurostat/web/social-protection/data/database>. Access: 28.12.2016.
8. Eurostat Statics Explained. European System of Integrated Social Protection Statistics (ESSPROS). Retrieved: [http://ec.europa.eu/eurostat/statistics-explained/index.php/Glossary:European\\_system\\_of\\_integrated\\_social\\_protection\\_statistics\\_\(ESSPROS\)](http://ec.europa.eu/eurostat/statistics-explained/index.php/Glossary:European_system_of_integrated_social_protection_statistics_(ESSPROS)). Access: 28.12.2016.
9. Hantrais, L. (1995). Comparative Research Methods. Social Research Update. Issue 13. University of Surrey. Retrieved: <http://sru.soc.surrey.ac.uk/SRU13.html>. Access: 25.11.2015.
10. Jelgavas pilsetas pasvaldības iestāde "Jelgavas Sociālo lietu parvalde". (Jelgava City Municipal Organization "Jelgava Social Affairs Department"). Retrieved: <http://jslp.jelgava.lv/sociala-palidziba.html>. Access: 27.12.2016.
11. Kennett, P. (2001). Compartmental Social Policy: Theory and Research. Open University Press, Buckingham, Philadelphia.
12. Kuivalainen, S. (2004). A Comparative Study on Last Resort Social Assistance in Six European Countries. Helsinki, STAKES. Retrieved: [https://www.researchgate.net/publication/35658556\\_A\\_comparative\\_study\\_on\\_last\\_resort\\_social\\_assistance\\_schemes\\_in\\_six\\_european\\_countries](https://www.researchgate.net/publication/35658556_A_comparative_study_on_last_resort_social_assistance_schemes_in_six_european_countries). Access: 14.12.2016.
13. Nelson, K. (2007). Introducing SaMip: The Social Assistance and Minimum Income Protection Interim Dataset. SOFI, Stockholm University. Retrieved: <https://www.diva-portal.org/smash/get/diva2:187575/FULLTEXT01.pdf>. Access: 28.12.2016.
14. Pfeifer, M. (2012). Comparing Unemployment Protection and Social Assistance in 14 European Countries. Four Worlds of Protection for People of Working Age. International Journal of Social Welfare, Volume 21, Issue 1, pp. 13-25. Retrieved: <http://onlinelibrary.wiley.com/doi/10.1111/ijsw.2012.21.issue-1/issuetoc>. Access: 26.12.2016.
15. Rigas Dome Labklājības departaments. (Riga Municipality. Department of Welfare). Retrieved: <http://www.ld.riga.lv/lv/sociala-palidziba.html>. Access: 27.12.2016.
16. Slater, R., Farrington, J. (2009). Targeting of Social Transfers: A review for DFID. Overseas Development Institute. Retrieved: <https://www.odi.org/sites/odi.org.uk/files/odi-assets/publications-opinion-files/5494.pdf>. Access: 25.11.2016.
17. Subsistence Level and Subsistence Benefit (Estonia). (2016). Retrieved: [https://www.eesti.ee/eng/topics/toetused\\_ja\\_sotsiaalabi/toetused\\_ja\\_huvitised/toimetulekutoetus](https://www.eesti.ee/eng/topics/toetused_ja_sotsiaalabi/toetused_ja_huvitised/toimetulekutoetus). Access: 02.01.2017.
18. The Ministry of Welfare. Sociala palīdzība (Social Assistance). Retrieved: <http://www.lm.gov.lv/text/3371>. Access: 26.12.2016.