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Disaggregation of benefits and pensions variables

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Abstract

The EU-SILC regulation so far foresees variables on income on a relatively high level of aggregation. Against the background of strict output-harmonisation of variables as well as lowest possible cost to fill the necessary indicators of social inclusion this was a good approach in the beginning of SILC. But as soon as an in-depth analysis of welfare systems and their impact on the personal (micro-data) level is the topic for analysis the EU-SILC target variables are too low in information. Comprehensive models, which have be recently requested from political users, demand more detailed information. . The cost to provide this additional information could be low compared to the additional analytical benefit. So from a users' perspective to go towards more disaggregation would be favourable. But also from a producers' viewpoint this is worth considering: potential benefits on the producers' side are more insight into the data quality, into structures and interdependences between variables - and often disaggregated data are simply already there. So when building the variables according to "natural" aggregation levels, i.e. the level the income questions have to be asked to be meaningful to respondents or the level they are found in registers, the cost is low compared to the gain in benefit.

In Austria disaggregated data on income components, on social benefits and pensions, have been provided for special users for some years now. EUROMOD in Austria and

also the simulation project of the Federal Social Ministry called SORESI (Social Reform Microsimulation) have been using data from SILC on a more detailed level than the target variables in the UDB. So far these variables have been filled according to the more detailed questions that were needed to fill the target variables. From EU-SILC 2012 on the disaggregated variable level has still to be built post hoc – since this was the first year in Austria to draw income information primarily from registers. In spring 2014 the disaggregated users data will also be available for EU-SILC 2012. From then on the additional programming effort to have disaggregated user data will be very low each year.

Providing individual benefit variables can be problematic in a harmonised database like the UDB, because of being nation-specific. So harmonised variables should be provided at an intermediate level of disaggregation together with documentation detailing which individual benefits have been aggregated into the harmonised variables. Basically the Austrian strategy follows the proposal made by ISER for the revised SILC regulation to disaggregate according to the following criteria: contributory (b) non-contributory non means-tested (c) non-contributory means tested. This strategy is not only welcome as it is coherent with our national approach, but also because these criteria correspond to the ESSPROSS scheme – this allows for cross-country comparisons as well as comparisons of the micro-data from SILC with the results on the macro-level.

Our presentation discusses the selected disaggregation criteria and the importance for analysing the social security system. Additionally, we will talk about practical questions on disaggregation of income data (classification, data security) and present some applications so far. . We want to make other MS aware that this step is indeed feasible and worth doing. Additionally we are sure to get some interesting discussions about other countries' social security systems and ways of data collection.