THE HOUSING BENEFITS DATASET (HBEN)

Documentation

Version April 2023

THE SOCIAL POLICY INDICATORS (SPIN) DATABASE

HBEN data is collected within the framework of the Social Policy Indicator SPIN Database, which is major investment in Swedish basic research and an ongoing research infrastructure project at the Swedish Institute for Social Research (SOFI), Stockholm University.

SPIN provides the foundations for new comparative and longitudinal research on causes and consequences of welfare states. SPIN data is oriented towards analyses of institutions as manifested in social policy legislation. Data are carefully collected in a coherent and consistent methodological manner to facilitate quantitative research of social policy across time and space.

The need to move from descriptive to causal analyses of social change has long been recognized in the social sciences. Due to the difficulties of conducting experimental studies, social scientists use comparisons between countries and over time as fruitful strategies to analyze central processes in modern societies.

Lack of relevant and reliable data has hitherto constrained comparative research, particularly in the field of social policy where expenditure data often is used. Comparative research requires more precise indicators on the institutional design of social policies in areas that are crucial for living conditions and capabilities of citizens. This type of institutional information cannot easily be extracted from extant data sources. Instead, a considerable amount of basic research is required concerning both conceptualization and measurement of institutional structures embedded within the welfare state.

The long tradition of comparative social policy infrastructure projects at SOFI provides considerable momentum towards better understanding of the ways in which countries have organized their welfare states. SPIN is a development of the advancements made possible by these investments in basic research.

SPIN is organized in data modules covering different policy areas or geographical regions. HBEN constitutes one data module specifically designed to facilitate comparative and longitudinal analyses of financial support to housing. More information about SPIN is found on the homepage (www.sofi.su.se/spin).

CONTENTS

THE HOUSING BENEITS DATASET (HBEN)

The Housing Benefits Dataset (HBEN) is part of the SPIN database at the Swedish Institute for Social Research (Stockholm University). It is an ongoing research project with the aim to improve the possibilities to conduct large-scale institutionally informed comparative and longitudinal analyses of social policy in general and of housing benefits in particular. The current version of HBEN includes detailed information about the generosity of means-tested benefits in 39 countries year-by-year for the period 2001–2020.

ACKNOWLEDGEMENTS

The data in HBEN has been extracted from the OECD Benefit and Wages online platform. A streamlined version of the platform can be accessed online, at http://oe.cd/TaxBEN. It includes an OECD tax-benefit web calculator, which can be used to extract the same data as included in HBEN. The online platform that we used is specifically designed for users requiring larger-volume output for academic projects, or for other non-commercial uses. Access to the online platform is subject to an access agreement and requires valid credentials that registered users can obtain from the OECD.

CODING COMMENTS

Levels of social benefits are complicated to compare over time and across countries. The general procedure gradually adopted in comparative research is to follow a type-case or model family approach, where benefit levels are calculated based on national (sometimes regional and local) legislation for certain standardized households (see Korpi, 1989; Esping-Andersen, 1990; Bradshaw et al., 1993; Gough et al., 1997; Scruggs and Allan, 2008). In HBEN, benefit levels are calculated for four model families: a single person, a one-earner couple, a lone parent with two children aged 7 and 14, and a one-earner couple with two children aged 7 and 14. The breadwinner is assumed to be of working age, full-time employed, and earning an average salary.

Assistance towards housing costs is often provided in the form of a separate housing benefit that help low-income families to cover their rent expenses, but also within social assistance, and sometimes as a combination of both. In OECD tax/ben, focus is on stand-alone housing benefit programs available to tenants in the regular housing market. The size of the housing benefit is usually determined based on household income and size, as well as actual housing costs or rent. OECD tax/ben is confined to rent payments, and does not include (if available) any assistance towards utilities, insurance, maintenance, electricity, fuel, water, etc.

In HBEN, benefits are simulated at various wage-levels, ranging from 5 to 200 percent of the national average wage (with 5 percentage points increments). The lower-bound truncation of wage-levels is imposed on our data to avoid confusion with social assistance, which is the last-resort safety net available to those with no other means of income. It should be noted that wages below 50 percent of the national average often are unlikely due to legislated or collectively agreed minimum wages in many countries (Nelson et al., 2022).

The rent paid is allowed to vary between model families, but not across wage-levels. For the European countries, we used the European Union Statistics on Income and Living Conditions (EU-SILC) to calculate actual rents for each model family. EU-SILC started in 2004, and data on rent levels for 2001-2003 were extrapolated from the first EU-SILC wave by movements in consumer prices. For the non-European countries, we relied on household expenditure surveys carried out by national statistical agencies. We also provide an additional series of indicators using the OECD approach of applying fixed rents for all model families and wage-levels, corresponding to 20% of the average wage for each country and year.

In HBEN, the housing benefit of each model family is expressed as a percentage of the gross wage (or alternatively the net wage) of the same model family, using an average of housing benefits provided at levels between 5-200, 50-150, and 50-200 percent of the average gross wage. We also provide indicators on the concentration of housing benefits (i.e. the extent to which benefits target families with low incomes), using Kakwani's (1997) approach based on Lorentz curves. The concentration coefficient is calculated after model families are ranked according to gross earnings. The concentration of housing benefits ranges between values of -1 and +1. Negative values indicate a high degree of concentration of benefits among model families with lower earnings. Positive values indicate that housing benefits (as percentage of the gross wage) increase at higher earnings. Values close to zero suggest that housing benefits (as percentage of the gross wage) are evenly distributed across earnings levels. Concentration coefficients cannot be calculated for wage brackets in which the particular model family receives no housing benefits.

For the most recent year, the following housing benefit programs were included in the calculations: Commonwealth Rent Assistance (Australia), Mietbeihilfe/Wohnbehilfe (Austria), Příspěvek na bydlení (Czech Republic), Boligsikring (Denmark), ESTONIA, Yleinen asumistuki (Finland), Allocations logement (France), Wohngeld (Germany), Lakásfenntartási támogatás (Hungary), Rent Supplement/Housing Assistance Payment (Ireland), Contributo per l'affitto (Italy), Provision of Benefits for Securing Housing (Japan), Dzīvokļa pabalsts (Latvia), Būsto nuomos mokesčio dalies kompensacija (Lithuania), Subvention de loyer (Luxembourg), Huurtoeslag (Netherlands), Accommodation Supplement (New Zealand), Bostøtte (Norway), Dodatki mieszkaniowe (Poland), Príspevok na bývanie (Slovakia), subvencija najemnine (Slovenia), Bostadsbidrag (Sverige), Frais de logement/Wohnkosten (Switzerland), Universal Credit/Support for housing costs (United Kingdom). Detailed information about eligibility criteria and benefit formulas for these benefits (and those of earlier years) are available by the OECD.

Most of the countries included in HBEN have data from 2001 and onwards. However, the Central and Eastern European countries together with Cyprus were not included in OECD tax/ben from the start. Czechia, Hungary, Poland, and Slovakia were added to the platform in 2001, Cyprus, Estonia, Latvia, Lithuania (before 2015), and Slovenia in 2005, Romania in 2008, and Croatia in 2013. A few countries in OECD tax/ben lack housing benefits, including Belgium, Canada, Lithuania, Portugal, Romania, Spain and the United States. For these particular countries, the housing benefit variable is coded to zero. Even if some countries lack housing benefit programs that correspond to the definitions and coding principles of OECD

tax/ben, other forms of assistance toward housing of low-income households are often in place, albeit not included in HBEN. Belgium has grants for home ownership, and low-income families may also qualify for housing with reduced (below market) rent. In Canada, financial assistance towards housing costs is often provided within the overall system of minimum income benefits, which are provided at provincial level. It is not possible in OECD tax/ben to isolate such housing supplements to social assistance. Before 2015, Lithuania only provided assistance towards heating and hot running water. Social assistance recipients in Portugal (i.e. those receiving rendimento social de inserção) may in some situations receive a housing subsidy. Similar to Canada, it is not possible in OECD tax/ben to identify this rent supplement to social assistance. In Spain, only some regions have a separate housing benefit. There is a tax credit for housing expenses at national level. While the former is not included in OECD tax/ben, the latter is not distinguishable from the total taxes paid by the model families. The United States has tenant-based Section 8 vouchers, and some states also use funds from other federal programs to provide rent assistance. These programs are not included in OECD tax/ben due to long waiting periods and high levels of discretion.

VARIABLES

In total, the HBEN includes 123 different variables reflecting the levels and concentration of housing benefits in various countries and years. Variables are named using abbreviations that reflect the type of indicator, household type, income range, and so forth. Key to these abbreviations are provided in *Table 1*.

Table 1. Abbreviations in variable names of the Housing Benefits (HBEN) Dataset.

mean	Average level (as percentage of wage)
cons	Concentration of housing benefits across the wage distribution
si	Single person
co	Couple
lp	Lone parent with two children
fa	Two parent family with two children
g	Gross income used as denominator for calculating the rate of benefits
n	Net income used as denominator for calculating the rate of benefits
e	Estimated actual rent levels
f	Fixed rent levels (20% of average wage)
5-200	Benefits calculated for model families earning from 5 to 200 percent of an average wage
50-150	Benefits calculated for model families earning from 50 to 150 percent of an average wage
50-200	Benefits calculated for model families earning from 50 to 200 percent of an average wage
Country	36=Australia
	40=Austria
	56=Belgium
	100=Bulgaria
	124=Canada
	191=Croatia
	196=Cyprus
	203=Czech Republic
	208=Denmark
	233=Estonia
	426=Finland
	250=France
	276=Germany

```
        300=Greece
        348=Hungary
        352=Iceland
        372=Ireland
        376=Israel
        380=Italy
        392=Japan
        410=Korea
        428=Latvia
        440=Lithuania
        442=Luxembourg
        470=Malta
        528=Netherlands
        554=New Zealand
        578=Norway
        616=Poland
        620=Portugal
        642=Romania
        703=Slovak Republic
        705=Slovenia
        724=Spain
        752=Sweden
        756=Switzerland
        792=Turkey
        826=United Kingdom
        840=United States
***     Variables without 'si', 'co', 'lp', or 'fa' are averages across model family types.
```

REFERENCES

Bradshaw J, Ditch J, Holmes H, Whiteford P. 1993. A comparative study of child support in fifteen countries, *Journal of European Social Policy* 3(4): 255–71.

Esping-Andersen, G. 1990. *The three worlds of welfare capitalism*. Princeton University Press.

Gough I, Bradshaw J, Ditch J, Eardley T, Whiteford P. 1997. Social assistance in OECD countries, *Journal of European social policy* 7(1):17–43.

Kakwani, N. C. 1977. Applications of Lorenz curves in economic analysis, *Econometrica* 45(3): 719–728.

Korpi W. 1989. Power, politics, and state autonomy in the development of social citizenship: Social rights during sickness in eighteen OECD countries since 1930, *American Sociological Review* 54(3): 309–28.

Nelson K, Borg I, Nieuwenhuis R, Alm S. 2022. The political determinants of housing benefits, *European Sociological Review* 39(1): 104–17.

Scruggs L, Allan J. 2008. Social stratification and welfare regimes for the twenty-first century: Revisiting the three worlds of welfare capitalism, *World Politics* 60(4): 642–64.