

France's RSA income support: 35% lack of take-up?

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The lack of take-up of France's RSA income supplement benefit is often invoked as an argument for reforming the system for assisting people on low incomes (such as a Universal Income or establishment of a single social benefit that would merge the RSA, the in-work *Prime d'activité* benefit and Housing benefit). According to the CNAF, the lack of take-up of the base RSA benefit (*RSA-socle*) is 36% ([CNAF, 2012](#)). To arrive at this estimate, the CNAF relies on a quantitative survey conducted over the phone with 15,000 households selected from their tax returns. The RSA quantitative survey was specifically designed to replicate an eligibility test for the benefit. However, some households who are ineligible for the RSA claim they are benefitting from it. This category represented 524 households in the survey, i.e. 11% of the beneficiaries. This could result from a reporting error at the time of the survey, or from an approximation of the survey's eligibility test. In any case, the existence of this category shows that it is difficult to estimate the lack of take-up of a benefit using a survey, even a specific one. In addition, the Secours catholique association estimates the lack of take-up of the base RSA at 40% (out of all the households they encountered in 2016) [\[1\]](#).

There is another way to estimate the lack of take-up of the RSA. Recently, the INSEE and DREES have opened up access to the [INES](#) micro-simulation software. The INES can be used to simulate the socio-fiscal legislation by using the ERFS (Survey of Tax and Social Income). The ERFS is based on tax declarations; the survey – based on administrative data – is therefore very exhaustive (households are required to report their income every year). The ERFS, however, has limitations:

it concerns only so-called ordinary households. It excludes people who do not have a residence (the homeless) and people who live in institutions (army, retirement homes, etc. [2]). The survey field is metropolitan France. The tax returns are annual, but the resource base of the RSA are quarterly revenues, which implies, to simulate the RSA, rendering income “quarterly” on the basis of ad hoc assumptions.

According to the simulation done on the INES (2015 legislation), the number eligible for the base RSA in the fourth quarter of 2015 should be around 2,000,000 households, while according to the CNAF the actual number of beneficiaries of the base RSA (RSA-socle) in December 2015 was 1,720,000 [3]. According to the ERFIS survey (and microsimulations), the lack of take-up of the base RSA would be 14% [4].

So is the lack of take-up of the base RSA 14% or 36%? The truth undoubtedly lies in between, but at what level? The lack of take-up of housing benefits is estimated at 5% (Simon, 2000). But the two benefits (RSA, housing benefits) have similar target groups. The lack of take-up of the RSA is certainly higher than that for housing benefits (the target population is poorer, the administrative procedures are more extensive for the RSA). On the other hand, the difference between 5% (estimated lack of take-up for housing benefits) and 36% (lack of take-up estimated by CNAF for the RSA) is difficult to explain.

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[1] Source: 2017 report by Secours catholique : https://www.secours-catholique.org/sites/scinternet/files/publications/rs17_0.pdf

[2] But this is not important for the RSA as people over age 65 are eligible for another means-tested benefit, the ASPA.

[3] Base RSA + Base RSA and RSA activité in-work benefit, metropolitan France. CAF+MSA Sources : <http://data.caf.fr/dataset/foyers-allocataires-percevant-le-revenu-de-solidarite-active-rsa-par-caf>

<http://statistiques.msa.fr/wp-content/uploads/2017/01/Situation-du-RSA-au-regime-agricole-a-fin-2015.pdf>

[4] This result varies by a few percentages depending on the year, which shows that the model is – like any model – imprecise. The INES team (INSEE-DREES) considers that the model cannot be used to measure the lack of take-up, in particular because the ERFS does not capture very low incomes well (the estimated lack of take-up using the INES would thus underestimate real non-take-up). Historically, the ERFS is not considered very good for estimating the eligibility for the base RSA. It is true that as RSA beneficiaries are by construction not taxable, they do not risk a penalty in case of misrepresentation. This problem has been solved (partially) by using pre-filled declarations.