

## Tilburg University

### **Do welfare benefit calculation systems reduce non-take up?**

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*Published in:*  
New Technology in the Human Services

*Publication date:*  
1996

[Link to publication in Tilburg University Research Portal](#)

*Citation for published version (APA):*  
Morgan, G., & van Oorschot, W. J. H. (1996). Do welfare benefit calculation systems reduce non-take up? Controversial issues. Yes, computers can increase the take-up of benefits by Gareth Morgan. No, computers do not increase the take-up of benefits by Wim van Oorschot. *New Technology in the Human Services*, 9(1), 20-25.

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## Controversial Issues

### **Introduction**

This new section in the journal aims to bring together subject authorities in a dialogue. The editors of the journal will pose a question. Two professionals are invited to write short responses taking opposing sides in the debate, being unaware of the identity of the other author at this stage. We may ask individuals to play 'devil's advocate'. We do so to raise issues concerning a particular subject. Once the original texts have been written, these as well as

the identity of the authors, are exchanged and a short rejoinder can be written by each of the authors. In this way, we hope to offer you a summarised lively debate on significant issues in our field of interest.

The first question we formulated for the controversial issues section was: do welfare benefit calculation systems reduce non-take up? We invited Gareth Morgan and Wim van Oorschot to conduct this debate.

### ***Do welfare benefit calculation systems reduce non-take up?***

#### **Yes, computers can increase the take-up of benefits.**

*Gareth Morgan*

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There are a number of reasons why people do not receive benefits to which they are entitled:

- they may be ignorant of their entitlement to benefits;
- they may be ignorant of the existence of the benefit;
- they may be receiving the benefit but at a wrong rate of payment;
- they may be aware of potential or actual entitlement but be dissuaded from claiming by the difficulty of the process;
- they may be unwilling to claim for various good personal reasons or simply out of perversity.

The first three of these obstacles can be removed by the provision of information and advice in a form which is particularly amenable to the use of computers. "The majority of people who used the computer learned they were eligible for benefit they were not receiving; many discovered they were entitled to a benefit they had never even heard of before." (Epstein, 1982, p.1) In a modern state with a complex interlinked system of social welfare benefits it is not possible for individual claimants to be au-fait with all the details of the benefits which may be available to them. This is recognised by the provision of, more or less, information about the existence and operation of schemes by official agencies, leaflets, advertising and by advisors such as social workers, Citizens Advice Bureau workers, charitable agencies and lawyers.



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Most advice provision has traditionally been geared to the answering of queries. A question is posed and an answer is received. With benefits entitlement this is often not good enough. ‘..people are generally uninformed about public services, and this means that they are not actively seeking information - from any source - about services they do not know exist and to which they have no notion of being entitled.’ (Epstein, 1982, p.2) What can work better is a system which allows a person to describe their situation and to be informed about what that situation entitles them to. Such a holistic system, using much information in common to examine different possibilities, works well when computerised.

*‘..over one-quarter of the survey sample used the computer for some specific reason and found out that they may be entitled to money on a totally separate benefit that they hadn’t been enquiring about. This is very important in view of what emerged in the staff interviews. It was common for staff at all agencies to say that when clients came in with a benefit question, it was easier and faster simply to give them a direct answer to that question, rather than going through a half-hour session with the computer (or making the client go through a half-hour session with the computer).’* (Epstein, 1982, p.25)

Even where advisors have the resources to be able to give the time to examine in detail the circumstances of a client this does not necessarily mean that they will be able to provide the same quality of information about these complex, formulae ridden benefits. The social worker does not often enter the profession because of a love for difficult mathematics.

A university social work course compared the performance of students who had the use of the Maximiser computer program compared to those using traditional handbooks and leaflets.

*‘Previous experience of welfare benefits work had no effect on the scores in either the test cases or the knowledge test. Few students reported having substantial work experience in welfare benefits but it is nevertheless surprising that it had no effect. Similarly surprising was the lack of effect of previous teaching. This had no effect on the students’ ability to calculate entitlement. What clearly made the difference between high and low scores was using the computerised benefit package’* (Hayes & Acton, 1991, p. 8)

The authors were surprised at the results of the comparison but felt that the results were clear, the computer users produced more accurate information.

*‘Our hypothesis at the beginning of this project was that those students who had both undertaken a course in welfare benefits and had the training session with*

*Maximiser would score noticeably higher than the other groups on both the knowledge test and the test cases. Our results clearly do not support this. The significant factor in enabling our students to identify and calculate entitlement to benefits was the use of the computer program and previous teaching was insignificant in helping them to do this.’* (Hayes & Acton, 1991, p. 9)

The same findings have been made in other research, additionally it is frequently shown that advisors who rely upon their own experience and knowledge are frequently out of date with current rules for benefit award.

*‘Not surprisingly subjects were able to produce more accurate results using the computer system. Though many errors did occur. These were often mistakes in inputting information or incorrect reading of the problem. Unexpectedly, experienced subjects did significantly worse than inexperienced subjects using the leaflet system. It appeared, in at least a few cases, that experienced subjects had outdated or incorrect ideas about how the benefit system worked and tended to apply these without looking in detail at the leaflets.’* (Jones, 1987)

One of the major users of computers to provide information about benefits entitlement in the UK has been the Employment Services agency. Since 1988 they have used Ferret’s In-Work Helper program to offer advice about entitlement to benefits to job seekers. The program calculates such items as the ‘better-off’ figure (the wage at which a claimant becomes better off working and claiming benefits available to workers than remaining on out of work benefits) and benefits over a range of earnings as well as individual benefits entitlement. These calculations would be impractical to carry out by hand because of the numerous iterative calculations involved.

*‘“Better-off” calculations: The regulations are so complex and interactive that ordinary people simply cannot calculate accurately whether they will be better off in work, and there is a lot of mythology and guesswork (usually pessimistic). Many participants (single parents for example) wildly overestimated what they would need to earn to be better off. Having access to a precise calculation from IWBP is therefore extremely valuable - and that is a service well worth publicising in its own right. Having a specific figure can dispel uncertainty and breed confidence, as well as correcting misconceptions. This in itself can be motivating.’* (Hedges, 1993)

The ability to quickly and accurately check the figures of benefit which are being paid to claimants is a particularly effective way of increasing the amount of benefit in payment. Many benefits in payment have been calculated incorrectly. In the UK, Department of Social Security error rates for Income Support, the main means tested benefit, in the latest report run from 16% to 36%.



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'The main cause of error was failure to obtain sufficient evidence before making a decision' (Chief Adjudication Officer, 1994) There are no precise figures on the amounts of error or which errors result in over or under payments, but most welfare rights workers would say firmly that in the vast majority of incorrect assessments claimants are being underpaid rather than overpaid. One of the often expressed reasons for underpayment of benefits is that the officer makes incorrect assumptions about the claimant and simply does not ask the relevant questions which would increase their entitlement. Computers, of course, always ask the questions.

I would argue strongly that informing a client of his or her entitlement to a calculated amount of a particular benefit is particularly persuasive in motivating them to take up that benefit and that computers with good benefits advice systems are an effective way of achieving this.

There is criticism of computerised benefits advice, coming sometimes from those who believe that computers in some way 'come between' the worker and the client. There is a feeling expressed that the client feels dehumanised by the process although most evidence points the other way, 'People who used the computer preferred that way of getting information to any other they had tried' (Epstein, 1982, p.36) and social workers in turn have been criticised for their reluctance to take up such tools.

Another fundamental issue is the empowerment of service users. The lack of universal implementation in social work agencies of, for example, welfare benefits programs, coupled with long-standing traditions of lack of service-user power in the social work relationship lead one to question whether the goal of client empowerment - as opposed to client independence (i.e. getting the client off the books) - is actually taken seriously. (Phillips, 1989)

The major criticism frequently expressed is that computers are too slow, that it's quicker to do calculations by hand.

*'Virtually all staff members commented on the length of time the computer takes, saying they could answer a simple direct question so much quicker. What many professional workers fail to realise is that though they can answer a question quickly, they cannot answer the unasked question. Most people do not even know what is relevant to ask. The program is long because it covers all areas, professional workers do not. The second thing to note about the length of the program is that hardly any members of the public complained it took too much time. In fact, just the opposite - again and again people told us how much faster it was - than DHSS, UBO, Social Services, even CAB to some extent. What the professionals do not appreciate is that people do not object to long periods of receiving service and attention; what they do object to is long periods of waiting for service and attention.'* (Epstein, 1982, p.65)

## **No, computers do not increase the take-up of benefits.**

Wim van Oorschot

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Whether welfare benefit calculation systems can reduce non-take-up of benefits depends wholly on the question whether such systems and their practical applications are able to remove the causes of non-take-up sufficiently. Having studied the extent and causes of non-take-up for some years I do not believe they can.

Non-take-up is not the result of a single factor, not even of a relatively small number of factors. Instead, causal factors are numerous and present at different levels of scheme structure, administration and clients. I do not believe that one single new tool, like a benefit calculation system, is able to tackle this causal complexity. Furthermore, in the total process of realizing rights to benefits, the calculation of entitlements - by administrators or clients - is only one small step.

For about twenty years now benefit calculation and expert systems have been developed and applied in nearly all countries with well-developed social security systems, and in none of them has a serious reduction of non-take-up occurred yet (e.g. in the United Kingdom and the Netherlands). To explain my reservations more clearly I would like to point to the fact that non-take-up of entitlements to welfare benefits is very closely linked to means testing (Van Oorschot, 1991 and 1995). Studies from a number of different countries show that non-take up of means-tested benefits is never less than 10 to 15 percent, but on average between 30 and 40 per cent (Zedlewski & Meyer, 1987, Bendick, 1980, Van Oorschot,



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1991 & 1995). Non take-up of non means-tested benefits, on the contrary, is very rare. Means-testing, i.e. making entitlement to a benefit dependent on people's and their spouse's resources, is a way of targeting welfare selectively to those who are in greatest need and at the same time morally 'deserving' support by society. In practice means-testing implies a number of things, some of which are known to be important causes of non-take-up. The most crucial of these are complexity of scheme rules, discretion for administrators and stigmatization of clients. No doubt computerised calculation systems, let alone more sophisticated expert systems, can and will be adequate tools for coping with the complexity of means-tested benefits. That is their strong point. They may even reduce, be it only partly, the discretionary power which the administrator has over the client (which reduction, however, will be dimmed by the administrator's greater control over the calculation or expert system). I do not see, how in practice, such systems can do away with the stigmatization problem. In theory one could imagine a situation of complete anonymity, in which feelings of humiliation and degradation will be minimized: the client feeds a user-friendly computer system with the necessary data and the payment of the benefit follows automatically. However, I do not think that it will ever come so far, since means-tested benefits are also a means of controlling and policing the poor, which implies that society will always feel the need for personal contacts between welfare administrations and clients: they have to show up, hold up their hands, prove that they are honest and trying their best to escape dependency etc. We must not forget that there is a deep-rooted antipathy in society against making things as easy as possible for the poor or let them do as they like. So, it is in the structure and purpose of means-tested benefits itself that calculation systems can only have a limited effect upon take-up.

Another crucial reason for this is present at the administrative level and can be referred to shortly as 'passivity of the administration'. One of the main conclusions of my empirical studies on the problem of non take-up is that factors at this particular level are of critical importance. The extent and quality of information and advice activities of administrative bodies have a strong and direct effect on take-up. Where administrators are active in this respect, they can reduce non take-up substantially. Not only of the benefit(s) they are responsible for themselves, but also of other benefits administered by other bodies. By creating an overall information context the take-up of a number of benefits encompassed in this context can easily be stimulated mutually (as has been shown by the municipal social service of the Dutch city of Nijmegen). However, what I also have found is that only very few administrative bodies in the field of social security actually are active. Most of them in fact care little about the problem of non take-up: their ambitions and feelings

of responsibility do not seem to go beyond just being there for those active citizens who appear before their desks and ask to be helped. In other words, the dominant attitude of and within administrative bodies towards welfare clients is 'take-it-or-leave-it'. If this mentality does not change I do not see that substantial reductions of non-take-up can be the result of the application of new technologies by these bodies. Such technology is only a tool, and as with all tools, its use and effects depend mostly on how they are applied, by whom and with what intention and purpose.

Finally, not only administrators are passive. The same is true for a large section of their clients. Clients' passivity in the process of realizing rights manifests itself mainly in two ways. One is that usually a substantial number of eligible people do not take a firm decision whether or not to claim, and among those who do, many make a decision only after delay. The other is that people usually do not actively monitor or seek information, with the result that, if decisions are taken, they tend to be based on relatively little information. As for the passive deciding behaviour of clients - the 'non-deciding' and the delayed deciding - I do not think that new technologies can easily have a positive influence. For, such passive behaviour is the result of cultural and personal factors, rather than of the actual availability of information and advice and the actual form in which they are present. As outlined above, many welfare clients do not actively search for information. This means that just giving them the possibility of making use of new technology in the different stages of claiming is not enough. As with written and oral forms of information and advice 'reaching out' to clients is most important. The possibility of using new technology by clients has thus actively to be turned into a reality. Clearly, people with low incomes, who form the target population for most means-tested benefits, are usually not 'calculating citizens' who actively scan the provisions of the welfare state and pick out rationally those items to which they think they might be entitled. Rather, their passivity in this respect should form the premise for the design of schemes and of administrative practices. The latter including the application of benefit calculation systems.

### *Rejoinders*

*Gareth Morgan*

I find myself agreeing with much that Wim van Oorschot wrote in his article. Indeed we appear not to be arguing about the same thing. I argue from the stand point of an ex-practitioner who sees a computerised welfare benefits calculation system as a tool for assisting the take-up of benefits by individual clients and not as a tool for solving the structural problems of a benefits system.



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Even were the resources given to provide such a tool to every relevant agency in a country, I agree that this would be extremely unlikely to provide 100% take-up of welfare benefits.

I also agree with the premise that the actions of the administrative bodies of benefits are likely to have a particularly strong and direct effect on take-up. However where, as in the United Kingdom, there is a strong and well developed independent advice and advocacy network the actions of those people may also have a strong and direct effect upon the take-up of some benefits. This has been seen on a number of recent occasions where the campaigning of such agencies has been so effective that the Government has changed the rules in order effectively to reduce the costs involved. It should also be recognised that the majority of users of computer systems designed to offer advice to benefits claimants in the UK are not from the agencies which administer or award the benefits but from organisations which tend to a more critical view of the benefits system.

When the present 'income-related benefits' system was initially established in the United Kingdom in 1988 one of the factors in its design was the removal, to a very large extent, of any discretion available to administrators in determining the entitlement to and the amount of means tested benefits. This was specifically so that the schemes could be more easily computerised for administrative convenience. As the regulations were drafted in this way it is much easier for a computer to decide upon a definite entitlement to an amount of benefit than is the case in countries where discretion still plays a part in the calculation.

Interesting things can however be done with computer systems designed for administrative use as is shown in the UK where a number of systems for housing benefit and council tax benefit schemes administered by local councils have been used by welfare rights units as campaigning tools. Programs have been used which make use of the data recorded for these local benefits to decide whether there is a possible entitlement to any state benefits, particularly disability benefit entitlements and these initiatives have proven to be extremely useful on a local level.

Further modern welfare benefits advice programs have moved beyond the area of means tested benefits as the technology permits the incorporation of more text based information containing law, precedent and commentary in such a way that the more discretionary award of benefits can be described and modelled as advisory tools upon computers.

As Wim van Oorschot says the client group most likely to benefit from computerised welfare benefit systems tend not to be those who actively seek or trawl for information and it is precisely because of this that many agencies now use computers as a part of their general activities. When in contact with clients with a wide range of presenting problems, not necessarily even financial, it is common practice to run a benefits entitlement check on the client. Poverty is recognised as being a cause of many other problems and illnesses and the provision of competent advice will often depend upon a precise awareness of benefit entitlement.

In summary, the computer program provides a tool which can make the non-specialist almost as effective as an experienced specialist (and certainly more accurate), and the more effective the worker the more benefit will be taken up.

*Wim van Oorschot*

I agree with Gareth Morgan that computers can increase the take-up of benefits in the ways he sketches. Indeed, the obstacle of ignorance can be removed by the provision of information and advice in a form which is particularly amenable to the use of computer. It is true that most people do not actively seek for information, or that administrators usually do not scan all possibilities for their clients, and that therefore the computer's possibility of offering better-off and 'holistic' calculations is a strong plus. There is no doubt that using the computer will mostly result in more accurate, less erroneous calculations and decisions. Clearly, all of this is to the benefit of take-up.

However, my point is that the application of computers will not reduce non take-up substantially, since the situations which are described by Morgan are all situations in which administrators or clients actually have access to computers and do really use them. At this moment, I think, clients lack sufficient access to the computers (not in the least due to their own passivity) and most of them who have access will experience high thresholds in using them. Also with regard to administrators the core of the problem is their passivity, as I have emphasized in my statement. What is needed more than using computers at their desks and offering clients access to them, is to actively 'reach out' to clients.

I believe that computers can only reduce non take-up substantially when they are brought into action in a way such that the barrier of administrators' and clients' passivity either is broken through or overtaken in one way or another. A prerequisite for this to happen will be that computers have entered the daily life of ordinary people, comparable to the degree in which television has done. We are not that far as yet.



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Ferret Information Systems Ltd is a Cardiff based organisation producing a number of products for human services. Their managing Director Gareth Morgan contributed to this issue in the controversial issues section. Last September, Ferret Information Systems organised a successful conference on Advice and Information in the Community. The full text of the contributions to this conference have now been made available at their web site at <http://www.ferret.co.uk/>