



Exit from and non-take up of public services

A comparative analysis: France, Greece, Spain, Germany, Netherlands, Hungary

[EMERGENCE OF "NON-TAKE-UP" THEME]

EXNOTA consortium

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EMERGENCE OF THE "NON-TAKE-UP" THEME IN THE SIX COUNTRIES UNDER STUDY

On the basis of each team's presentation of the emergence of NTU in the six countries (see "**National Reports**"), several results appear. These are highly informative and important for understanding the work achieved by the EXNOTA Consortium. We have divided this overview related to the emergence of the NTU theme (WP1) into four parts:

- Initial definitions
- An analysis of the emergence of the NTU theme, convergences and specificities
- Selectivity of benefits and NTU – an interpretive hypothesis
- Conclusion – Developing the approach to NTU as a political risk

1. A COMMON DEFINITION OF NTU/EF PHENOMENA

Our starting point has been the hypothesis that the search for both efficiency and social cohesion leads European countries (and, more generally, those of the OECD) to adopt public policy models (aimed at "policy issues") characterised by a focus on specific groups, on measurable problems and on the gathering of a maximum amount of information on goals and results. At the same time, we have considered that more selectivity in matters of social welfare could introduce signs of rupture with public supply. To begin with, we distinguished two possible expressions of this phenomenon of rupture, those of non-take-up (NTU) and exit from or defection (EF):

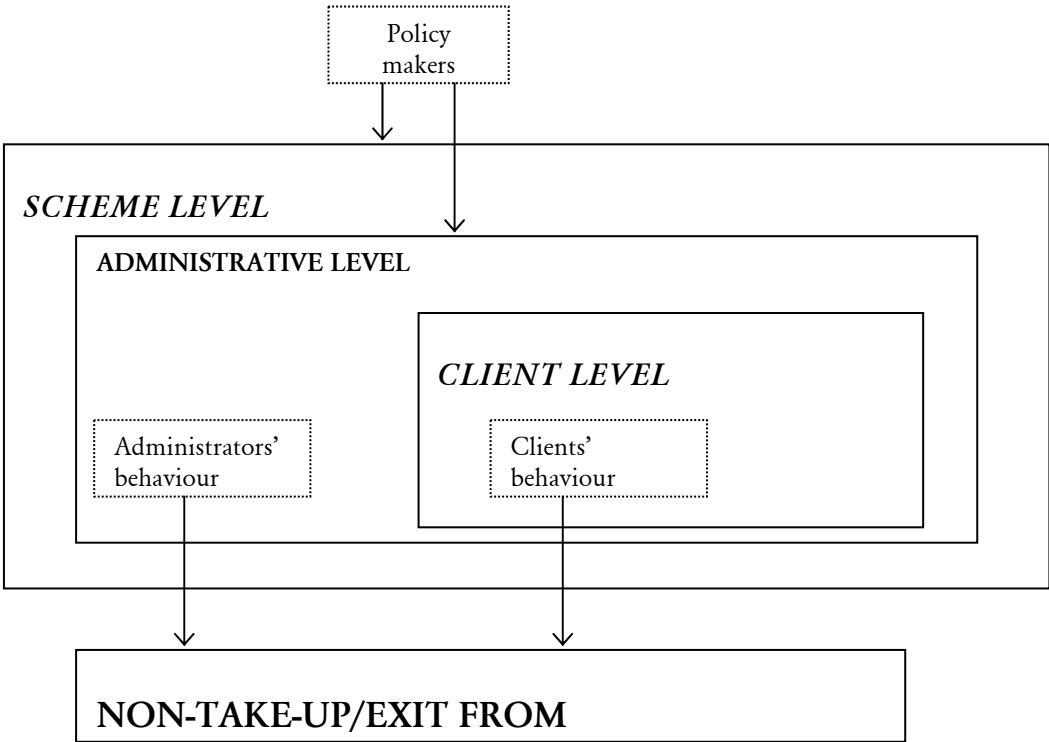
- Non-take-up is "inadvertent". It concerns individuals who for different reasons (social, economic or cultural) are not capable of satisfying their demands on public services and who do not receive all or even part of the goods and services they are entitled to. This notion implies the idea of an absence of effects, in the large sense of the term, of those services on individuals, without referring to a specific cause as it mostly refers to individuals' difficulties. NTU shows the gap between what can theoretically be offered and the actual production (those benefits or services that are actually used). Much effort and many policy outputs miss their targets; eligible people are lost. In fact, we intend to show, through this phenomenon, the erosion of the universal dimension of social protection systems.

- Exit from public services, by contrast, corresponds more to a choice. This phenomenon is associated with individuals who for diverse reasons decide to do without social benefits or public services and who eventually try to obtain these services somewhere else. Exit

can thus be identified as one element explaining swings of interest and disinterest among the public for targeted and individualised public supply. It also illustrates the problem of effects but in terms of a disinterest toward the public supply judged to be inefficient, too costly, not practical enough or 'a-dime-a-dozen'. In this case, 'non-take-uppers' are those people who abstain from or redirect their demands towards other services or solutions.

From this initial hypothesis, we concluded that we should not limit ourselves to conceptualising non-take-up in a passive way, i.e. simply as the consequence of various individual or institutional failures. From this point of view, we have considered the possibility to analyse the NTU/EF phenomena through a multilevel factorial model (see diagram below). In this case rules, legislative systems, public policy choices and implementation structures at different levels are all related to the general issue of NTU/EF. Precise questions are raised regarding inefficiencies. These are related to many different institutional or organisational aspects that, in turn, relate to definitions of who has access not only to benefits, access conditions, service practices, etc., but also to costs, stigma, risks, etc., for entitled beneficiaries who appear vulnerable, incapable and as victims. At the same time, individuals are also led to using other avenues for solving their problems, through social solidarity practices as well as individual and collective capacities by which they develop and use resources. This is especially true of groups that do not have general access to rights, or on the other hand some "well-integrated" groups with a choice between several solutions, in particular in the fields of education or health. NTU can thus also appear as (pro)active, in that it results from a voluntary process and from a choice made, with all that this implies in terms of lifestyle, social relations specific to groups, calculation of costs and even risks associated to the use of public services. In this case NTU is therefore also a phenomenon of voluntary *defection*.

Picture of the multi-level influences on NTU/EF : an interactive model



In other words, we have the choice to analyse both non-take-up (NTU) and exit-from (EF). The distinction between NTU and EF should not be analysed theoretically as this qualification of situations can give rise to different and even opposite interpretations that consequently do not require the same political responses. But to begin with, we have considered that NTU refers rather to social benefits and EF refers rather to all public policy domains (education, health, security, etc.). This difference will be refined afterwards.

We have also proposed a structural scheme and definition for the non-take-up topic, based on our reading of the main literature on the subject and discussions during the Consortium's meetings.

“Non-take-up” basic definition: *not receiving a social benefit that the person is entitled to.*

<i>Non-Take-Up</i>	
Not receiving...	<ul style="list-style-type: none"> - full / partial - permanent / temporary - involuntary /voluntary - frictional (waiting list) - cumulative
... a social benefit...	<ul style="list-style-type: none"> - universal / specific services - public / private management
... that the person is entitled to.	<ul style="list-style-type: none"> - Entitled / not entitled and ambiguous cases. - Covered persons: citizens / immigrants; regularised / non-regularised; marginal minorities, etc.

“Not receiving” can be full or partial, permanent or temporary, frictional or cumulative:

- *Full non-take-up* occurs when a person does not apply for a benefit
- *Partial non-take-up* occurs when a person applies for a benefit but receives only part of it (little empirical information available)
- *Permanent non-take-up*, if a person makes no claim during the period of eligibility and at the time of losing this status. Temporary or delayed non-take-up occurs when a person puts in a claim some time after becoming eligible.
- *Frictional non-take-up* refers to the time it will take to move through the claiming process (claimant errors, time to get information, administrative time, etc.)
- *Cumulative non-take-up*, when a person is entitled to several benefits but more than one are not being received.

It refers to all types of public benefits or services. A basic distinction is made between *universal* services (meant for all citizens) and *specific* services for certain groups. According to this, the research scope is very wide (including all state intervention policies).

The basic definition of NTU only includes persons who are entitled or legally covered. It therefore excludes those outside the respective state law, such as undocumented immigrants (except for those benefits recognized as universal rights: health assistance, compulsory education, etc.), irregular workers (related to labour benefits), couples not legally married/registered (related to family benefits), and the mass of people who are not covered (when *people in need are not entitled*). The analysis therefore focuses on eligible groups. Apart from these elements of definition, we have identified the main scenarios of NTU/EF in order to have a common analysis framework.

Without link between beneficiary and benefit	<i>Total</i> : to be unaware of the benefit, not to know that it exists.	
	<i>Partial</i> : there is a general idea, but the information is not correct and concise.	
With link between beneficiary and benefit	<i>Administrative denial cases</i> : they applied for a benefit but it has been denied.	<i>Reasons</i> : - <i>Personal</i> reasons (of the beneficiary: lack of money, not registered as a beneficiary or registration not updated). - <i>Institutional</i> reasons (of the administration). - <i>Social context</i> reasons (social discourses, stigmatisation, etc.).
	<i>Lack of interest or dissuasion</i> : they do not apply for a benefit.	
	<i>Alternative cases</i> : access to the benefits is obtained via other means, either by the commercial field (paid services) or the social reciprocity field (family and solidarity networks).	

Distinction between the two main types (NTU *with* or *without* information) is intended to stress a very frequent reason for NTU in the existing studies on the subject (i.e. the lack of information). The distinction between *full* and *partial* lack of information is quite usual in the British literature on the subject.

Within NTU with information, there are cases of a search for *alternative benefits*. Here people obtain access to benefits in other ways (non-public-sector). These other ways involve EF and can be solved through the market (health, education, private lawyers, etc.) or through reciprocity (family, friends, non-governmental organisations, etc.).

Among those who have information but not access to the benefit, two types are distinguished: those who applied but the administration *denied* the benefit, those who did not apply because of multiple circumstances. In relation to the reasons for refusals and for failure to apply, we distinguish between two types: *personal* reasons (of the beneficiary: lack of interest when the benefit is regarded as limited and its duration as short; stigmas associated with receiving it, etc.) and *institutional* reasons (of the administration: bureaucratic difficulties, conditions for choosing, etc.), to which we can

add some elements of *social context* (that implies, in particular, to present a minima the evolution of social policies in each country under study). In this analytical distinction one must never forget that "interior" (personal) reasons and "exterior" (institutional/social) reasons are closely linked and determine one another.

All these elements of definition are in the **Common Glossary** gradually constituted during our work. This does not mean that each team can not select other keywords (see national reports).

2. AN ANALYSIS OF THE EMERGENCE OF THE NTU THEME, CONVERGENCES AND SPECIFICITIES

The following results comply with the objectives to analyse the process by which the NTU phenomenon is put on the agenda of scientific forums and epistemic communities relating to social issues, and on the public scene, and emerge as a recognised theme.

Two observations were made from the outset:

- The scientific work and debates likely to interest us are on NTU and incidentally on EF. Only the notion of NTU is defined, while the possibility of EF appears sometimes, as a sub-category of NTU ("voluntary NTU"). Difficulties of access to benefits and services have become a political and scientific concern, but this is apparently not the case with the specific issue of exit from the public offer. Hungary (and probably most of the CEE countries) may be somewhat exceptional. NTU is mostly approached by politics in terms of "good targeting": political interest is less focused on those who had a right and did not use it, and more focused on those who obtained benefits without being "truly needy".
- The issue of NTU interests each country in different ways, depending on the level of development of the welfare State. In certain cases the main issue is not the take-up or not of benefits or public services, but above all the fact of having them. Consequently, NTU is always related to a state of benefits and services. In other words, the NTU phenomenon is not necessarily an object of research or an object of action in all six countries under study.

2.1. The quest for "welfare-State improvement" launched the NTU theme in the Netherlands during the 1970s

The first appearance of the theme was in the Netherlands, in connection with debate on the development of the welfare-State in a more "social-democratic" than "corporatist" way, as in Scandinavian countries, especially with the implementation of the social minimum income in 1965 and housing benefits later on. In this country, the emphasis on

NTU of the means-testing principle must not be associated with a problem of limitation of benefits but, on the contrary, with the development of new social benefits. The debate on NTU was political, but initially it concerned the effectiveness of action rather than inputs and philosophy. Based on research in the English-speaking world, a definition was given by the first Dutch researchers working on the subject: "*non-take-up is a phenomenon by which persons or households do not get or only partly get social benefits to which they are legally entitled*"¹. With the development of the scientific literature on NTU, this became the "standard" definition. The majority of researches referred to the same seminal studies, especially those of Scott A. Kerr or Wim Van Oorschot² (see the review of American and British literature proposed in the introduction of Part 2 "Methodologies and tools of measurement of 'non-take-up' "). Later, the emergence of the NTU theme in the Netherlands and to a lesser extent Germany was also related to the importance of the converse issue of abuse and over-use of social welfare. Denunciation of the welfare system triggered demands for stronger controls. Thus, it was also through reactions to excesses of this approach and to its dissuasive effects that the NTU theme was simultaneously proposed, especially by academics specialised in social policy.

As in many Western countries, concern for the care of those in need has existed for a long time in the Netherlands. Local initiatives in favour of assistance to the homeless in Dutch cities can be traced back to the middle ages. The Dutch state itself is very old – as a matter of fact much older than most of the neighbouring states. However, the Dutch state's commitment is very recent in the field of assistance to the poor, as is the development of welfare arrangements for all citizens. Yet, despite the recency of the Dutch welfare state, it has been developed to a large degree compared to other European welfare states. Moreover, the Dutch case illustrates the combination of several logics in the development of the welfare state, notably the "insurance logic" and the "assistance logic" to which special attention is paid in the EXNOTA project. First of all, the insurance logic was developed in the Netherlands with regard to the state's commitment to welfare, by the setting of welfare provisions partly based on employers' and employees' contributions. Nevertheless, a significant development can be observed in the past two decades, from a prevailing emphasis on the insurance logic towards a growing emphasis on the assistance logic with the development of benefits limited to the most deprived households.

In the Netherlands scientists are both witnesses of the emergence of the non-take-up theme and key actors in that development. The past few decades have also witnessed a shift in the perspective in which non-take-up is dealt with by Dutch scientists. Initially, it was primarily a matter of interest for scientists involved in the study of the relevance of the means developed for policy implementation. Their perspective was rather critical but they did manage to get funds from some ministries which were open to critical research

¹ OORSCHOT W. van, KOLKHUIS TANKE P. 1989. *Niet-gebruik van sociale zekerheid: feiten, theorieën, onderzoeksmethoden: een overzicht van de stand van zaken in binnen- en buitenland*, Den Haag, Ministerie van Sociale Zaken en Werkgelegenheid.

² The "basic" articles are: KERR S. A. 1982. Deciding about Supplementary Pensions: a Provisional Model. *Journal of Social Policy* 11(4): 505-517. OORSCHOT W. van 1991. Non-Take-Up of Social, Security Benefits In Europe. *Journal of European Social Policy* 1(1): 15-30. For a review of the international literature see: CRAIG P. 1995. Costs and Benefits: A Review of Research on Take-up of Income-Related Benefits. *Journal of Social Policy* 20 (4): 537-565.

and were under less pressure at the time. Non-take-up subsequently became a matter of interest for a "bigger" ministry, the Ministry of Social Affairs and Employment, at a time of growing pressure in debate on the future of the welfare system. Research was undertaken by a new generation of academics who expressed concerns about the main developments in the reform of the welfare state, namely the development of means-tested benefits parallel to the development of a stable group of people in a state of exclusion as regards the social benefit system. Compared to the early 1990s, the topic is being studied by a larger group of scientists. Surprisingly, most of their studies focus on persistent poverty in spite of the economic recovery in the early 1990s. Thus, non-take-up is part of the sociological observation of social exclusion and modern poverty in a broader perspective than the political analysis of developments in government.

2.2. The debate on "new poverty" and consequent measures were central in the emergence of the NTU theme in Germany in the 1970s and later in France

Initially the (re)discovery of poverty triggered criticism of social policies and the welfare state. The debate started off being political; it focused on counting the poor. The existence of populations in situations of poverty, because they lacked access to their entitled benefits (based on the assumption that normal access to those benefits prevents poverty), led to opposition to the welfare state (sometimes launched by successful books or reports that immediately paved the way for research work, as in Germany and France). The ineffectiveness of social policies was criticised and the NTU theme soon appeared as a favourite subject in political debate on the reform of welfare systems.

It is necessary to take many factors into account to describe the emergence and the discussion process of "social problems" in welfare states. Apart from the national state of research or the constitution and development of the welfare state, it is also important to consider the respective political debates and authorities. Particularly with regard to the problem of non-take-up of social benefits, we deem this step of reconstructing the framework and the initial context crucial and highly productive, as the "detection" of this phenomenon as a "social problem" has taken place in different historical periods and discursive contexts within the various European welfare states – or in some cases has not yet taken place.

Germany's current remodelling towards an "activating welfare state" can be emphasised as a drastic change. This is, among other things, the result of national and international discussions and debates which have emerged since the 1970s as a criticism of the welfare state. The thematisation of non-take-up of Social Assistance can be regarded as an inferior discourse thread of these socio-political discussions which was introduced in Germany at a relatively early stage and can be understood as a criticism of the welfare-state security system, its implementation, and bureaucracy. Yet, the discussions, which proceeded in different ways within these past 30 years, were ignored or instrumentalised by social policy to a large extent, and were often put under pressure by the restoration policy which took its course in the 1970s. We are able to distinguish different phases of

the thematisation: the political and scientific “discovery” of the issue within the context of “new poverty” and, with reference to Social Assistance, its integration into poverty research and treatment of charitable organisations, its reformulation within the context of German reunification, and its increasing development towards establishing a specific field of research.

In Germany it is particularly striking how, during the past decades, social policy has continually put more pressure on low-income population groups, irrespective of all scientific insights. The average non-take-up quota of 40-50% shows, in particular, that many persons eligible for Social Assistance do *actively* take care of their lives off the welfare-state security systems. In order to better determine this disproportionateness, it is necessary to qualify the various actors and institutions of the thematisation of non-take-up in their concrete scientific procedures and political context. Only then can questions be answered as to why and how it was possible for research on NTU to be downplayed to such an extent in Germany increasingly lost in methodological questions, or why the problem was researched in Germany almost exclusively with regard to Social Assistance.

The initial political approach to NTU (evident in Germany) around the debate on the reform of welfare system was consequently replaced during the 1990s by a more technical and methodological approach, more concerned with measurements (or assessments) and actions. Due to the cost of reunification, Germany had to re-examine the social issue more comprehensively; NTU was no longer the only criterion for defining poverty. Faced with the need for solutions but also due to a debate tainted by themes related to poverty and NTU, such as abuse and cheating the system, the social sciences, traditionally more pragmatic in Germany than in other European countries, complied with a demand that was increasingly interested in the definition of measurement tools.

In the Netherlands the tendency was the same, but this was due to the fact that the first studies on NTU very quickly addressed technical aspects by focusing on problems related to equal access to income-based benefits. It is likely that the similarity between social welfare systems in that country and the UK facilitated the importation of a debate that the UK and US had experienced in the 1960s and '70s, on universal coverage or not of welfare benefits. But the proximity between scientific forums and expert groups probably played a significant role in this transfer as well, possibly of more importance than the structural affinities of the welfare State.

It was during the same period, the 1990s, that the NTU theme emerged explicitly in France around debate on the struggle against extreme poverty.

Difficulties of access to benefits are not a new phenomenon in France. Debates on social inequalities have highlighted these problems, both as causes and as effects, in some cases for a long time. Historical studies on the social treatment of poverty clearly attest to this³.

³ References include the work of historian André Gueslin (*Les gens de rien. Une histoire de la grande pauvreté dans la France du XXe siècle*. Paris: Fayard, 2004), and of Jacques Guilhaumou and his team who show how, on

In recent years the issue of access to benefits was revived when debate on “new poverty” emerged on the political and media scene. In the late 1960s economic growth declined, social integration via employment was no longer sufficient, and joblessness increased and became a long-term phenomenon. In 1974 René Lenoir's report on “*Les exclus*” helped to focus attention on this debate. Not wanting to let the issue escape its control, the government put it on the political agenda. It commissioned large-scale statistical surveys on household income trends which showed that the gap between rich and poor was widening and that some families were living below the poverty line. These results triggered the production of administrative and parliamentary reports from the early 1980s. The humanitarian, charitable organisation movement, following in the footsteps of “ATD ¼ monde”, demanded government action. The government's first response was the institution in 1988 of the RMI (*Revenu Minimum d'Insertion*), a minimum income support allowance that concretised individuals' constitutional right to obtain the means to live from the community. Yet the first evaluations of the RMI soon showed that this minimum income support, an emblem of the struggle against poverty, was insufficient. From the early 1990s all reports indicated the persistence of social exclusion despite economic growth. The existence of a “new” poverty could no longer be denied. A part of the country's population was living below the poverty line, without access to social benefits. There was clearly an accumulation of difficulties in certain segments of the population: problems relating to housing, health, education and literacy. France had its “fourth world”.

Charitable organisations stepped up pressure on the government to put a comprehensive policy to combat poverty onto the political agenda, without real statistics at the start but with the help of studies of life stories and their dissemination. The government commissioned a report by Father Joseph Wrensinski, founder of the organisation “ATD ¼ monde”, on “Extreme poverty and social and economic precariousness” (*Grande pauvreté et précarité économique et sociale*). This report, presented in February 1987 by the Economic and Social Council, was a turning point in the recognition of the fundamental problem of access to social benefits. After an initial bill was scrapped due to the dissolution of the National Assembly in 1997, the 28 July 1998 framework law relative to the struggle against exclusion recognised access to benefits as a priority. This law still serves as a key reference in all policies to combat exclusion. The problem of NTU is now officially recognised by the National Observatory of Poverty and Social Exclusion (*Observatoire National de la Pauvreté et de l'Exclusion Sociale*) in its first report published in 2000.

In the field a more operational concept was, however, needed. The CNAF (*Caisse nationale des allocations familiales*), the “family” branch of the general social security scheme which administers all family allowances as well as “social minima” like the RMI, required a concept that corresponded to its action. This was hardly surprising, for this

the eve of the 1789 Revolution, the question of measuring poverty (the visibility of the “have-nots”) was raised and even dealt with through approaches that can, *a posteriori*, be qualified as sociological owing to their methodological reflection. See, in particular, J. Guilhaumou, 2002, *Sieyès et l'ordre de la langue. L'invention de la politique moderne*. Paris: Kimé ; *La Révolution française à l'épreuve du mouvement social. Une question de visibilité sociale*. Forthcoming.

important social institution plays a key role in the separation between the “insurance logic” and the “assistance logic”. In charge of income-based benefits, the CNAF is directly involved in the implementation of social policies. Its goal is to provide better access by the entitled population to its social benefits and thus to defend an institutional situation (in particular, to preserve employment). From the early 1980s the CNAF applied the recommendations of the Oheix report for combating precariousness and poverty. The institution was thus mobilised in the search for potential beneficiaries and in the attempt to ensure continuity in the payment of benefits and the increase of financial aid.

The CNAF's research department consequently imported the concept of “*non recours*” (a translation/adaptation of “non take-up” and “*nietgebruick*”), essentially as a result of its interaction with the Dutch academic Wim Van Oorschot⁴. This concept has the merit of defining the phenomenon to treat and the groups concerned. The CNAF was the first institution, in the mid-1990s, to undertake studies and research on the subject.

Initially the CNAF was the only institution managing social benefits to engage in reflection and action on NTU. That was until the recent phase of more asserted recognition of the issue, resulting from several closely linked developments: the revival of the government's plans for social cohesion and its response to the European NAPs/incl.; the need for results indicators in a new procedure of budgetary planning of policies to promote inclusion; and the establishment of a scientific research programme on NTU, equipped with an ad hoc “observatory”. As a result, despite the persistent lack of awareness of NTU, by the beginning of 2005 the issue had acquired a degree of political and institutional visibility in the choices of the Inter-ministerial committee to combat exclusion (*Comité interministériel de lutte contre l'exclusion*) and the National council to combat exclusion (*Conseil national de lutte contre l'exclusion*) – two bodies created by several central government administrations in liaison with the institutions of the different branches of the social security system (family, health, pension). This consolidation of the NTU theme is reflected in the more general recognition of the phenomenon, in the development of methodological tools (establishment of on-going observation), and in the creation, on an experimental basis, of 'warning devices' financed by the State and informed by local public services and NGOs to identify and treat situations of NTU at a local level.

2.3. A theme linked to the debate on “administrative reform” in France, Greece and Hungary

The French report shows that the NTU issue transcends the question of welfare benefits and encompasses public services in general. Along with policies against poverty and exclusion, and anterior related policies (e.g. concerning urban life or modernisation of the civil service), other issues gradually brought NTU to the fore. In particular, the problem

⁴ In these studies we clearly see the influence in France of seminal work from the English-speaking world and, in particular, of the definition of non-take-up given by W. van Oorschot. It was in an article co-signed by Oorschot and a French researcher, now a member of the French EXNOTA TN team, that the concept of NTU thus defined first appeared: Oorschot W. van, and Math, A., 1996, “La question du non-recours aux prestations familiales”, *Recherches et Prévisions (CNAF Review)*, 43: 5-17 (Special issue on NTU).

of re-territorialisation of government policies and consequently of administrative action, addressed through various modernisation measures (proximity of public services, administrative simplification and quality of services delivered), has led to more or less explicit recognition of NTU in the past few years. In the German case, discourse on NTU and that on the effectiveness (and improvement) of benefits and public services coexist without really being connected. We are not aware of any scientific research that considers both issues together.

Though in a different context – mainly concerning the development of the welfare State – this remark is strongly confirmed by the Greek case. Wider administrative modernisation policies as well as more recent policies aimed at improving the quality of universal public services (education, health) show that NTU is a broader phenomenon. Its recognition nevertheless remains indirect. The question of the quality of public services calls for a public response, especially to criticism by users who sometimes choose to forego benefits or to apply for them elsewhere. EF resembles a consumerist challenge to the government offering, judged by some to be of a low quality compared to their expectations.

This observation is important in so far as it allows a broader approach to NTU. It is interesting to take this into account, for like NTU of social benefits that fires opposition to the welfare state in other countries, here NTU of public services fuels challenges to the effectiveness of the public service model at the service of the state as a producer. This phenomenon is not isolated. In the US and Germany in the 1960s and '70s already, observation of the under-use of public services was employed in models inspired by the concept of rational choice, to challenge the existence of urban public services. Even before that, the issue of "mal-administration", so dear to opponents of municipal socialism in France, used the theme of problems of access to services to oppose state control. If we are able to corroborate this result by means of other findings in other countries, we may be able to associate the NTU issue with the idea of "indispensable state reform", of both the welfare state and the state as a producer. The Greek case study reinforces this observation, given the emphasis on administrative modernisation policies.

In Hungary a particular administrative problem is linked to the issue of social assistance. Soon after the political transition the Local Self-government Act replaced total over-centralisation of state socialism by the complete autonomy of local governments. These are responsible for the well-being of the local population, and have the power of local legislation. There are nearly 3,200 localities, one third (1,012) with less than 500 inhabitants. Nonetheless, all of them have the same responsibility and the freedom to adjust laws to local needs and tastes. In the case of the Social Act they have the obligation to administer most assistance-type benefits, and to vary the conditions of access to some extent, on an ad hoc basis. For instance, they may offer more than the minima provided by the law. There is no judicial control over local legislation, so that many of the local regulations may be in conflict with the Social Act, or even with the Constitution. The reform of public administration now under way plans some changes in this respect. The reform of social legislation also under preparation plans to limit some of the powers of the local authorities so as to make social legislation more equitable.

Another particular question concerns the measurement of incomes as a condition to make means-testing reliable. In Hungary two factors confuse the issue probably more than in most EU countries. The first problem is the black market. Because of high taxes, moonlighting is widespread particularly in poorly paid, menial jobs. These jobs have no insurance and provide no access to any benefit (they offer no alternative to NTU of all insurance-related benefits such as healthcare or pension). Wages paid in these circumstances cannot be declared since they are obviously illegal. People cannot simply deny this type of income when they hand in a means test, because the local authorities in small villages "know" everybody, and would accuse the applicant of cheating. More importantly for administrative purposes, those whose official income is too low to pay taxes *do not submit a tax return*. Therefore their income is not known, and the number of entitled beneficiaries cannot be calculated.

Our discussions on these aspects have also enabled us to observe the influence of European policies in this respect. As several national reports show, in the National Action Plans against poverty and social exclusion (NAPs/incl), equal access to quality services is one of the conditions to be met if the broadest possible universal coverage of redistribution policies is to be achieved⁵. It is important to remember here how the EC links the problem of poverty, the challenge of access to fundamental rights, and the challenge of improvement of services provided and their access (see box below).

"The challenges – The overarching challenge for public policy that emerges from the NAPs/incl is to ensure that the main mechanisms which distribute opportunities and resources – the labour market, the tax system, the systems providing social protection, education, housing, health and other services – become sufficiently universal to address the needs of those that are threatened by poverty and social exclusion, and to enable them to access their fundamental rights. It is thus encouraging that the NAPs/incl highlight the need and confirm the commitment of Member States both to enhance their employment policies and to further modernise their social protection systems as well as other systems, such as education, health and housing, and make them more responsive to individual needs and better able to cope with traditional as well as new risks of poverty and social exclusion. While the scale and intensity of the problems vary widely across Member States, eight core challenges can be identified which are being addressed to a greater or lesser extent by most Member States. These are:

- developing an inclusive labour market and promoting employment as a right and opportunity for all;
- guaranteeing an adequate income and resources to live in dignity;
- tackling educational disadvantages;
- preserving family solidarity and protecting the rights of children;
- ensuring good accommodation for all;
- guaranteeing equal access to and investing in high quality services (health, transport, social, care, cultural, recreational and legal);
- improving the delivery of services;
- and regenerating areas of multiple deprivation."

Source: Communication from the Commission of the Council, the European Parliament, the Economic and Social Committee and the Committee of the Regions. *Draft Joint Report on Social Inclusion*. Brussels, 10th October 2001 COM(2001) 565 final, p.6.

⁵ See the famous report to the European Council by Mary Daly: *Access to Social Rights in Europe*, October 2002, ISBN 92-871-4985-2. Our analysis of the reasons proposed by Mary Daly for difficulties of access to social benefits in Europe shows that they correspond very closely to the institutional and behavioural factors presented by Wim Van Oorschot (Warin P. 2004. "L'apport des experts européens. Présentation commentée du rapport Daly (2002) pour le Conseil de l'Europe". *Informations Sociales*, 120, December 2004: 130-140.

2.4. The emergence of the NTU theme from the point of view of “labour and social inclusion” in Spain and Greece, and gradually in Hungary

The two southern European countries studied, Greece and Spain, provide other highly interesting observations that enable us to shift away from the “poverty/exclusion =>NTU” causal or explanatory relationship. Greece, like Spain, enables us to identify or to suppose a possible emergence of the NTU phenomenon from the point of view of “labour and social inclusion”, either via the issue of management of migratory flows in these countries that have become major gateways into the European space, or in response to European plans for employment and social inclusion.

The question of development of the welfare state in these two countries tends to conceal the NTU phenomenon as it appears in other countries. The political debate is focused essentially on the insufficient development of the welfare State, so that the main concern is the issue of its density rather than its access. More specifically, contrary to the main trend in EU countries during the 1980s, Greece has followed Keynesian policies in order to compensate for the low development of the welfare State, mostly in health and education policies but also in other areas (social insurance, etc.). This resulted in increasing government spending and financial problems that had to be addressed in the 1990s.

But in this respect it seems to be necessary to distinguish between Spain and Greece. The Spanish report clearly shows opposition related to “frictional NTU” (NTU resulting from the time required by the procedure of applying for a benefit and processing the application), especially in the health and judicial fields where the situation of the most vulnerable groups generates strong demands and mobilisation by associations or trade unions. This situation is also observed in France (movements of the unemployed, undocumented foreigners, people with inadequate housing, etc.). In the case of Spain it seems that the current dynamic of reconstruction of social (and even civil) benefits is maintained through the public exposure of difficulties encountered in obtaining access to benefits. In a country in the process of democratic transition, access to social rights and public services also depends on awareness of new civil rights (the case of access to legal services in Spain is an example).

In Spain there is no agreement among Social Policy specialists on the explicit concepts referring to *non take up* of and *exit from* rights, as defined in the EXNOTA Project. Nevertheless, in an implicit way, many statistic indicators of NTU estimations and signs have been found.

The Spanish report has identified measurements of frictional non take up of diverse benefits, rates of *exit from* public health services and, generally, multiple estimations of NTU of rights, services and benefits related to potential users. Most of the indicators are obtained by comparing general statistics (official demographic, economic or social data) with user statistics (number of persons benefiting from a certain right or benefit). In some cases there are also *ad hoc* studies focusing specifically on one aspect of NTU.

The Spanish report also assesses one of the main reasons for non take up and exit from rights. It points out the lack of information about the benefit itself, bureaucratic sluggishness, the preconditions or costs not easily afforded and cutbacks in welfare budgets.

Spain is not the only country in a comparable situation. In southern Europe administrative information systems are often unable to produce the data needed to generate controversies such as those in Germany and the Netherlands, on the inefficiency of social policies.

In the Greek case two main issues are highlighted by the study of NTU and explain its relative "non emergence" as a political problem: the slow and belated development of the welfare state that generates claims for a higher level of services; and administrative deficiencies in terms of organisation, coordination and red tape. These factors in some way prevent the emergence of the issue but are closely linked to possible "subjective" obstacles to take-up which remain unacknowledged and generally unknown.

However, some forms of NTU and exit from may be identified in Greece under various names: e.g. in education (dropout rates, shift to private education), and health (private vs. public expenditure), but also in the case of access to public services by groups threatened by social exclusion. Common experience witnesses frictional or temporary NTU (waiting lists for hospitals, delays in issuing pensions, court decisions etc.) and quasi-NTU (e.g. in the case of active employment policies that require potential beneficiaries to overcome discouraging bureaucratic procedures). On the whole, these remain under-researched and unaddressed issues, unlike abuses of the system which are of great concern to policy-makers and administrators.

Administrative deficiencies affecting access to services are equally a source of problems for the implementation of means-tested benefits (lack of reliable data, incapacity to accurately define beneficiaries and lack of reliable implementation mechanisms). Potential beneficiaries are either over- or under-estimated, while concerns to restrict their numbers are explicitly or implicitly present at the political and the administrative level. A form of NTU therefore arises from the way in which eligibility criteria are defined and then interpreted. Given the less than generous character of the welfare state in Greece, means-tested benefits are made contingent on extremely low income levels, intentionally excluding ("by design") large numbers of potential beneficiaries in real situations of need. Means testing itself may be the origin of a form of NTU, produced by the administrative process through which eligibility has to be proven. By far, the single most important reason for NTU is insufficient or inaccurate information of potential beneficiaries.

Actors potentially aware of the issue of NTU (political-administrative system, professionals, social partners, the media, academic and policy research) exhibit low interest in the issue as such. However, NGOs play an important role in connecting people in need with welfare services. They have to deal with non take-up and to some extent try to remedy it.

NTU is indirectly an issue when administrative deficiencies are debated. Apart from the issue of social exclusion, the debate in Greece includes two other forms of exclusion which concern the conditions of access to public services: a) geographical exclusion, (unequal distribution of public services leading to territorial inequalities) and b) administrative exclusion, (administrative deficiencies such as centralisation, time-consuming procedures, complexity of regulations, insufficient coordination and information between services, insufficient planning, evaluation and control mechanisms).

Thus, NTU (and exit) in Greece present a considerable administrative component which possibly prevents the emergence of NTU as a political issue. It does not seem to generate wider social, political or scientific debate - with very few exceptions, that mainly concern exit. Strong emphasis is placed on administrative weaknesses, an issue that in practice overshadows any discussion on the non-use of, or non access to, rights and non-take-up of public services and benefits. The fact that the phenomenon is not measured is a result of this and of the general absence of outcome indicators. This is why a first attempt at measuring it has been made in the context of this project (see Greek report).

In this context the emergence of interest in NTU in Southern European countries – as a phenomenon by which persons or households do not get or only partly get social benefits or public services to which they are legally entitled or legally have access – is to be expected elsewhere. There are probably two favourable contexts:

- The first concerns the policy to fight social exclusion, actively applied by the EU (the NAP Inclusion). By making the issue of social inequalities in access to benefits evident, through the definition of focus groups, this policy can facilitate the emergence of the NTU theme. The introduction of categories of action, with regard to diagnoses and the programming of actions, can help to evaluate NTU phenomena in certain areas. This is also valid for Hungary that started the preparation of the Joint Inclusion Memorandum in 2003 (see below).

The evolution of the Spanish situation - since the Democratic 1978 Constitution and the 1986 entry into the European Community/European Union - also strongly depends on its European Union inclusion, with neo-liberal oriented macro-economic and monetary goals prevailing over a social agenda and plans to track down exclusion, unemployment and inequality – plans that, seen from Spain, are more rhetoric than effective action. Nevertheless, this implementation of a neo-liberal social and economic model in recent decades, and through that the relative decline of universal public services (education, health, basic social services, judicial guardian, etc.) has been accompanied by new benefits for specific groups, often in situations of exclusion or precariousness., This has produced fragmentation and duality of resources (public/private). As in other countries, this situation can promote concern as to the effectiveness of measures designed to help the most disadvantaged groups.

- Secondly, increasing migratory flows in Greece and to a lesser extent Spain are adding new groups to those already threatened by exclusion. The issue of these groups' access

to social welfare has stirred up the problem of the inadequacy of social benefits and the development of the welfare state. Political debate on immigrant populations' treatment is feeding the political theme of guaranteed access to benefits for existing groups. As a result, public opinion itself is able to produce the NTU theme. The same can be said for the Rom population in Hungary, although for different historical reasons. As regards new populations, even if by definition NTU does not apply to groups that are not entitled to benefits, our findings in Greece and Hungary – that could be extended to other countries as regards the treatment of repatriated or immigrant groups, in particular – warrant closer attention.

Although the question of the absence of benefits and, more generally, of public policies targeted at certain groups is urgent, it does not directly raise the issue of NTU since it does not concern eligible groups. On the other hand, the question of “non-coverage” of certain needs and certain groups by benefits falls into the NTU debate when, in these countries as in others, changes in the rules commanding access to rights suddenly exclude people who were formerly eligible. Situations change very quickly along with laws and regulations (see above), so that those who were eligible no longer are and vice-versa (e.g. access to universal medical aid for foreigners without official papers in France). This strong tendency for regulations to change, especially in the case of certain benefits that are means-tested or contingent on behaviours, has significant dissuasive effects that can lead to attitudes of withdrawal or renunciation, and hence to NTU.

Note that, apart from the case of Greece and Spain, this “institutional” explanation for NTU – introduced by Oorschot, in particular, and taken up by Hartmann and others in Germany and Math in France, to complete the behaviourist model of Kerr, or of Deacon and Bradshaw⁶ inspired by behaviourist studies in the 1970s on stigmatisation⁷ – reappears forcefully in many recent analyses of NTU. This is equally true of research reports and official documents or even memoranda by NGOs to government authorities. At the same time, the analysis becomes more refined and demands a graded approach to NTU, because the difficulty of measuring and reducing NTU also stems from the fact that in none of the countries under study is it necessary and sufficient to belong to a legally defined category in order to be entitled to a benefit. The dividing line is very often set by agents in contact with applicants in so-called “infra-benefit” zones. This emphasises the importance of “street level” bureaucracy and the link between access to public services and social rights, and wider administrative modernisation policies. The use of a discretionary power in the processing of applications can have other dissuasive effects, as many reports on observations in particular services note (this also applies to Hungary).

To revert to the Spanish and Greek cases, and to some extent to the Hungarian case, we cannot attempt to analyse the reasons why the emergence of the NTU theme is hindered in southern European countries without taking into account all forms of social solidarity, over and above social welfare systems. The question of NTU is an issue that is more

⁶ DEACON A., BRADSHAW 1983. *Reserved for the poor. The Means Test in British Social Policy*. Oxford: Martin Robertson.

⁷ In an abundant literature, see, in particular: TAYLOR-GOOBY P. 1976. “Rent Benefits and Tenants' Attitudes. The Batley Rent Rebates and Allowance Study”. *Journal of Social Policy*, 5(1): 33-48.

likely to be posed in northern Europe and, in general, in societies where mutual help networks, especially family networks, are not consistent enough to be a substitute for social welfare. We cannot exclude the hypothesis that in certain countries the most problematical NTU is "NTU in the person's family or community", which forces people to seek aid that is often limited to institutions. In this case European policies of social inclusion may have the effect of importing concerns and a theme that are foreign to usual social functioning. It would be interesting to study debate on the subject as part of a possible follow-up in terms of comparative research.

2.5. In Hungary, a question that has still not been perceived and depends on processes of political and economic transition, and integration into the European social space

In Hungary the timid emergence of the topic at the end of the nineties is related to the increasing concern with old and new poverty, but also to the insistence of the EU to put social exclusion on the political agenda.

In order to gauge NTU, "rightful claimants" need to be clearly defined, which also means clearly defined social rights. That cannot be taken for granted. In Hungary the Constitution defines basic rights, but no obligation to enforce them. A debate arose in the mid-nineties about better clarification and enforcement of social rights. Social workers and civil organisations made attempts to raise awareness of these issues among citizens. Their efforts were relatively fruitful.

Social policy at different times in Hungarian history has had an impact on current political attitudes towards poverty and provision. The pre-war Hungarian social protection system had a social insurance system that was by and large on a par with the European conservative regimes, and an approach to poverty that was essentially "mean and lean". Coverage, standards, access, and take-up or non-take-up were not topics of public discourse. Social policy had a questionable status throughout the period hereafter referred to as state socialism. "Kadarism" developed the large social policy systems based on full employment and price subsidies for "basic needs". Despite the absence of an autonomous social policy, the system almost attained full coverage in health, education, pensions, child benefits and institutions with some concern for access and exit (note that housing was never considered a part of this system). Provisions for special needs, for deprived or needy groups, and for individual problems never became central concerns. Public awareness, public discourse, concepts and measurements remained under-developed in the case of poverty. The issues of adequacy of standards, of TU ad NTU of assistance-type provisions were ignored.

The "great transformation" in 1989/1990 reintroduced a market economy and democracy. Alongside freedom and the rule of law, inequalities and poverty rapidly increased. Social policy was marked (besides path dependency) by neo-liberal efforts to privatise and to cut back state intervention. About half of the population has benefited from the changes, while the other half has been losing out. Old and new poverty have called for new measures. Laws have been passed but former concerns, particularly weak rights and low standards, have survived. Means-tested benefits have remained the stepchild of social policy. There are hardly any official statistics, and the issues

of adequacy, TU and NTU are still not on the political agenda. The EU has put the issue of poverty and exclusion more forcefully onto the agenda. Yet economic problems, low employment and budgetary deficits jeopardise social objectives, particularly the real need for more funds to combat poverty and exclusion.

History explains the late emergence of awareness of poverty in policy making, the flaws of the social welfare system, and the issues of rights, access and NTU. Some aspects of this slow evolution must be considered, such as the lack of clarity of social rights. There are controversial findings about the sums spent on means-tested assistance, about the number and rate of the households or persons covered, and about the precision of targeting. But some sociological findings about the efficiency of assistance point out that about half of the potentially needy do not have access to social welfare, and that the poverty of those who do receive assistance is hardly alleviated. The problem is not targeting but rather the low standards, ongoing weak rights and many other bad administrative practices.

3. SELECTIVITY OF BENEFITS AND NTU – AN INTERPRETIVE HYPOTHESIS

The NTU observed in the majority of countries under study concerns means-tested benefits set up, long ago in some cases, to avoid residual poverty during periods of economic growth and to be able to provide welfare for the most underprivileged groups during periods of rising unemployment and precariousness.

The literature on NTU has often related it to the means-testing principle. In the selectivity/universality debate, a very old (and recurrent) debate in the US and the UK, one of the arguments opposed to means testing is the fact that selective benefits have higher rates of NTU than universal benefits. Two reasons are said to explain this. First, since these benefits cater for underprivileged groups, they are more stigmatised among the poor who are believed to forgo them to avoid feeling shame or appearing to be receiving "charity". Second, means testing implies the collection and verification of information on income, which makes these benefits less easy to understand, their calculation more difficult, and eligibility more uncertain and likely to change. Applicants are also more often required to partly expose their own privacy and that of their family.

Here too, with these six other countries, it is believed that we cannot escape a general framing of NTU characterised by changes in the welfare State as efforts are made to control public expenditures. This is resulting in a revision of conceptions of social welfare and in restrictions on expenditure on public services.

In all the countries under consideration we observe a widespread phenomenon of profound alterations to the welfare State system. This system was built around a paradoxical combination between universal values and insurance institutions, with full

employment making it possible to avoid strong tensions between the two. With the rise of unemployment and “new poverty”, a great divide set in between employment-related solidarity (financed by contributions) on the one hand and, on the other, insurance mechanisms financed by taxes and supposed to act as a relay for those people who had been excluded from the job market either permanently or for long periods. The key hypothesis is that **the shift from social benefits based on social insurance, to means-tested benefits financed by taxes (“national solidarity”), is at the heart of NTU phenomena.**

On the one hand the insurance-based benefit is obtained in return for past contributions and is therefore demanded without any reluctance nor feeling of stigmatisation. The social actors agree on the amounts. By contrast, resorting to national solidarity is seen as charity. Even in countries where the benefit is seen as a right, it is a fragile right that has not been deserved by former contributions and is a burden on the community. This phenomenon is reinforced by a culture of suspicion that has always been strong in the English-speaking countries and is developing fast in France, Germany and Hungary. It is a culture that is also found in the countries on the “boundaries of Europe”, such as Greece, Spain or Hungary, where migrants’ quest for access to “common rights” is a highly sensitive issue.

3.1. Elements of confirmation

Explanatory factors have been mentioned repeatedly in our discussions, especially: *stigmatisation* and *complexity of regulations*. These elements were already found in earlier works, by Oorschot for example.

National reports shed more light on these factors. From one reform to the next, from insurance deficit to insurance deficit, the definition of those entitled to benefits has been marked by instability, as has the border between insurance benefits and social action. The apparatus and access conditions of the different forms of solidarity are subject to symbolic political demands, leading to sedimentations that seem erratic or arbitrary. This is visible in national reports concerning many benefits. Because there is always a phase of maturing, of learning about a new benefit, frequent renewal of measures generates a high level of *frictional NTU*.

Our discussions have also spawned other explanations. This is the case of *family responsibility*, in particular. In the reformist rhetoric, it is necessary to move on from a perspective of state-controlled social protection to one that is society-controlled; from a welfare State that feeds on the destruction of social links to a welfare Society where the social and domestic actors are urged to share the responsibility in the management of social problems. In this approach the family is expected to play a particular role. We thus witness an NTU triggered by the fact that people refuse aid or benefits which are subject to contribution by the family. An obvious case is old people who refuse assistance at home, or refuse to go into an old-age home, to avoid eating into their descendents’ inheritance.

At the same time, EF from and NTU of public services also seem to be associated with policies to restrict public expenditures characterising the past decades, associated with consumerist tendencies that limit citizens' loyalty to the public services. Several possible explanations are put forward:

- *Geographic inequalities and inequalities of access*: The more spending on public services is rationed, the more difficult it is to take measures to guarantee access by all to those services. Restrictions tend to result in the freezing of existing situations –when they do not undermine the territorial public service network. NTU of public services related to isolation is thus accentuated, especially as regards access to health care.

- *Rationing and exit from*: The more resources are rationed, the more difficult it is for the public service to renew its facilities and to train its staff, etc. For example, it is likely that budgetary restrictions in government hospitals have favoured the development of specialised facilities in the private sector, thereby causing the public-sector hospital monopoly to be called into question, and promoting NTU/EF. The rising sector of private education from nursery schools to universities is a significant example of rationing and EF in Hungary. Moreover, emergency or temporary accommodation and care for people in extreme difficulty no longer meet existing needs, so that some of these people prefer to manage alone rather than using such services. In France, this form of NTU/EF is becoming a cause for concern. Apart from its proportions, it shows the limits of the mechanisms created a few years ago for reinsertion through housing.

- *Rationing and social stigmatisation*: The result of reserving certain facilities or services for the poor has often been poor facilities that contrast with those of the categories not concerned. The example of social housing seems particularly significant in this domain. In a sense, rationing tends to amplify phenomena of NTU/EF related more generally to an unequal quality of public services, particularly noticeable in the areas of health and education.

- *Rate scales and EF*: Rate scales can have dissuasive effects and cause EF by groups that stand to gain more elsewhere, even if they do not benefit from the same quality service. An example is services for the aged when they are no longer covered by social welfare.

- *Lack of motivation in the civil service* to improve information on benefits and services because this is seen as going hand in hand with more expenses, e.g. German municipalities as regards social assistance.

- *Stricter or narrower interpretation of conditions of access* in the case where the administration has some leeway for interpretation or action to reduce expenses (for example the case of German social welfare, and assistance and social services in Hungary).

3.2. An assumption that needs to be qualified

The link between selectivity and NTU needs to be qualified in relation to data on the proportion of means-tested benefits in Europe⁸. The first way of comparing targeting on the basis of means is by using EUROSTAT statistics on social welfare expenditures that distinguish between benefits that are means tested and those that are not. In the six countries of the EXNOTA project for which data are available⁹, the proportion of means-tested benefits is relatively high: close to or more than 10% of the total social welfare expenditure. This accounts for 4% of the social expenditure (State budget), or 0.6% of the GNP.

Survey data from the community household panel corroborate the observation of greater selectivity of social welfare systems in Spain, the Netherlands, France and Germany, where social transfers are concentrated more on households at the bottom of the income scale, which is not the case in Greece.

SESPROS data enable us to examine trends in targeting over the past decade, through the increase in the weight of means-tested benefits from 1990 to 1999. Among the possible causes for this development, it is difficult to distinguish between those that can be imputed to the economic context and those that stem from changes in eligibility criteria.

Increases in the proportion of means-tested benefits are sensitive to the economic context. Even without changes of legislation, the proportion of benefits intended for people who are unemployed or destitute increases during periods of recession because more households become eligible. By contrast, in periods of economic recovery their numbers tend to decrease. However, not all benefits are sensitive to economic changes. Trends in means-tested benefits paid to the aged, for instance, correspond to more long-term trends since pension benefits are acquired over several decades preceding retirement.

The proportion of means-tested benefits may also increase if changes to the laws or regulations reinforce selectivity, e.g.: the introduction of a means test for benefits previously paid unconditionally; the creation of new means-tested benefits such as universal coverage for complementary medical aid in France since 2000; or restrictions on access to welfare benefits that are not means-tested, such as unemployment benefits. On the other hand, the possible extension of social welfare coverage, either through improvements in the law or, for example, owing to greater participation by women in the labour market, will tend automatically to reduce the proportion of means-tested benefits.

EUROSTAT statistics indicate an increase in the proportion of means-tested benefits in the first half of the 1990s when economic growth stagnated, followed by a slight decrease after 1995, reflecting the improvement in economic conditions and the decrease

⁸ The following data are drawn from MATH A. 2003. "Cibler les prestations sociales et familiales en fonction des ressources. Eléments de comparaison européenne". *Revue de l'IRES*, 41: 41-95.

⁹ Data on social welfare expenditures in a harmonised framework (SESPROS), concerning countries of central and Eastern Europe but not yet Hungary.

in unemployment, and even the extension of social welfare coverage in certain southern European countries and Ireland. In Hungary the “assistance industry” developed rapidly after 1990: new benefits were introduced to handle unemployment, old forms of assistance (e.g. child protection) increased because of clearer rights; housing assistance was introduced because of escalating housing costs. Since 1998 the number of beneficiaries and the share of assistance slightly declined not because poverty was reduced, but because of increased severity towards the poor.

Means-tested welfare benefits (as a % of total benefits)

	1990	1995	1999
European Union (15 countries)		10.6	10.2
European Community (12 countries)	9.8	10.9	10.5
Denmark	2.6	2.8	2.9
Belgium	2.7	3.8	3.6
Austria	4.0	4.1	3.8
Italy	5.1	4.8	4.4
Luxembourg	6.3	6.6	4.9
Sweden		6.7	5.1
Portugal	6.8	7.0	7.7
Greece	6.2	5.7	9.0
Germany	8.5	10.2	9.5
France	11.0	11.5	11.6
Spain	13.6	13.5	12.6
Netherlands	9.6	10.8	12.6
Finland	11.5	12.1	14.0
UK	16.5	19.1	16.6
Ireland	31.0	31.8	28.5

The countries are classified by increasing order for the year 1999. Source: EUROSTAT.

Note: 4% in Hungary in 2000.

The share of means-tested benefits was slightly larger at the end of the nineties than at the beginning, even though unemployment rates had dropped to their 1990 level. This seems to reflect a general tendency to increase targeting of welfare benefits (the Hungarian trends are an exception). It would, however, be exaggerated to conclude that social welfare systems became far more selective in Europe during the 1990s, even if trends differ from one country to another. Throughout the nineties the proportion of means-tested benefits rose sharply in the Netherlands, Greece and Hungary, and, to a lesser extent, in Germany (where the proportion was initially high, before dropping slightly). By contrast, this share decreased slightly after 1990 in Spain and has remained stable in France. In other words, the idea that we are witnessing a massive tilting of the system of welfare benefits and non-means-tested universal benefits towards a system of

benefits grounded in a rationale of assistance, is not entirely accurate. Changes are limited, as is the share of means-tested benefits in the total social welfare expenditure.

At the same time we observe highly variable trends, depending on the sector of social protection, which could explain increasing concern as to the effectiveness of benefits.

Old-age and survival benefits, which account for almost half the mean European expenditure, are very seldom means-tested. Barely 3.5% of the total old-age/survival benefits in the European Union were means-tested in 1999. Their proportion is high in Spain (10.1%) and to a lesser extent the Netherlands (5.8%). In the other countries (Germany 1%, France 3.3%, and Greece 2.5% although increasing since 1990, less than 1% in Hungary, but with a forecasted increase), with the termination of distribution-based pension schemes created after WWI and the retirement of generations of women who have had longer careers, the long-term tendency is towards the slow but regular decrease in the share of means-tested benefits. This can be seen in France with the continuous decrease in the number of beneficiaries of the minimum old-age pension. The Netherlands is the only noteworthy exception, with an increase from 0% to approximately 6% during the nineties, probably because of changes to allocation rules. The problem with these figures is that for Germany the risk of poverty in old age is actually assigned to a variety of types of benefits and services. For example, for the year 2002 there was no minimum old-age pension and those who would have qualified were mainly supported by the social assistance scheme. For 2003, we can say that the so-called Soziale Grundsicherung (comparable with minimum old-age) is implemented, i.e. the share of means-tested benefits in the old-age sector is going to increase, even if this means a shift from the social assistance scheme to those aged people who are getting support from the Soziale Grundsicherung.

Health care benefits are the second largest source of social welfare expenditures, accounting for a quarter of the mean total in the European Union. But, as for old-age pensions, it is not here either that the causes for increased targeting should be sought. Only 1% of these benefits are means tested (Netherlands 0%, Greece 0.3%, France 1%, Germany 1.2%, and Spain 3% but down since 1990).

Benefits devoted to unemployment account for a little under 7% of mean expenditure on social welfare. Their share is decreasing due to reforms that have limited this type of welfare and due to a decline in unemployment in the latter half of the 1990s. The proportion of means-tested unemployment benefits in the total of all these benefits was approximately 18% in the European Union in 1999, but with wide disparities: from 6.3% in Greece, 9.2% in France, 18.3% in Germany and 22% in Spain, to 41% in the Netherlands.

These differences are to be used with caution since welfare for the jobless can be provided in the form of benefits classified in other categories (invalidity, social exclusion not classified elsewhere, etc.). Moreover, the share of means-tested benefits did not change substantially in the EU as a whole during the nineties. Accordingly, that is not where we are likely to find an increase in means-tested welfare expenditures during that

decade. Trends nevertheless differed from one country to the next, reflecting economic trends and changes of legislation, especially more stringent conditions of eligibility to welfare benefits in several countries. The share of means-tested benefits rose steeply in Germany (from 14 to 18% of all unemployment benefits), in Greece (from 1 to 6%) and, to a lesser extent, in France (from 7.8 to 9.2%). By contrast, it declined in the Netherlands (from 56 to 42%), probably owing to the effect of a steep drop in unemployment, and remained stable in Spain (26 to 25.8%). In Hungary we attend a jump after 1990 and a stagnation since 1998.

In fact, the increasing proportion of means-tested benefits in the 1990s – visible throughout EUROSTAT data – must be imputed to trends concerning expenditure on benefits for families/children, invalidity, housing, and other forms of assistance for the poor. Housing allowances and assistance for the poor (only those not included in other categories) are, almost by definition, entirely means-tested. However, these benefits account for a very limited share of benefits in the European Union. They have contributed relatively little to the increasing proportion of means-tested benefits in the total expenditure on welfare benefits since they accounted for 3.7% in 1999 as compared to 3.2% in 1990. The accentuation of the targeting of social welfare expenditures in the European Union is also imputable to benefits for families/children (from 26.9% in 1990 to 28% of the total of these benefits in 1999) and to invalidity benefits (18% in 1990 to 19.5% in 1999).

Judging by the studies on NTU that we have identified, it is not necessarily these benefits that have been focused on most. The benefits that have been subjected most to means testing have, to a large extent, remained excluded from concerns about NTU. It is primarily for those benefits that weigh the most in the total welfare expenditure, but that are the least limited by means testing, that the question of NTU is raised. But this questioning focuses on the parts that are means tested, such as the guaranteed minimum income or universal health insurance, which everywhere have become emblems of new national solidarity¹⁰. Seen from this angle, **it is less selectivity as a type of policy that draws attention to NTU, than the political necessity to show an interest in the effectiveness of "key measures", either to demonstrate the legitimacy of government choices or to criticise them.**

¹⁰ Apart from studies on the countries under consideration, the same findings have been obtained for candidate countries. For examples, the reader is referred to the following articles: EVASON E., DOWDS L., DEVINE P., 2002. "Pensioners and the Minimum Income Guarantee: Observations from Recent Research", *Social Policy & Administration*, 36 (1): 36-35 (for the Irish case). MARES P, 2000. "Socialni politika a socialni kompetence jejich klientu" (Failure of social policy: Non-take-up of social security as a problem of social cognisance), *Sociologia, Slovak - Sociological Review*, XXXVI (2): 143-156 (for the Czech case).

4. CONCLUSION – DEVELOPING THE APPROACH TO NTU AS A POLITICAL RISK

If we explore *stigmatisation* and *complexity of regulations* as valid explanations for NTU we perceive other elements that complete and even add to the hypothesis of a close link between selectivity of benefits and NTU.

Based essentially on examples provided by the various teams during the Consortium's meetings, and on qualitative results produced by the French team via an *ad hoc* observation unit (see the French report), it appears that the shift to systems of more targeted or means-tested benefits, or required behaviours, increases the risk of "distance" or "rupture" with potential beneficiaries.

Apart from what we know about the dissuasive aspects of access to services and to certain types of benefit, we need to emphasise those aspects considered in the different explanatory models of NTU proposed until now, essentially in Anglo-Saxon countries. In particular, we need to consider the limits of the prevailing behavioural and institutional explanation in relation to specific questions on chosen or assumed dimensions of NTU, in terms of lived experience, transformation of lifestyles and change of expectations vis-à-vis the public offer of benefits and services. Between an explanation of NTU that concentrates on the sordid aspects of life and a critical analysis of policies and administrative functioning, there is place for an in-depth exploration of possible disinterest in the public offer and, beyond that, a form of social and political "desocialisation". This hypothesis was part of our initial project and we now have some evidence to verify it.

This hypothesis relates to an in-depth analysis of the efficiency of public policies ("What if they do not or no longer reach their publics?") and of the reality of the political link today, addressed at the crucial level of perception of systems of solidarity and welfare, and of the consequent take-up of social benefits. It is based on several observations carried out in parallel with the EXNOTA programme, which relate to particularly significant if not worrying findings. These would need to be verified in follow-up work. Two of them are discussed briefly below.

- *The generational dimension of NTU.* Although NTU concerns all age-groups, single young people (with or without dependents) do seem to be concerned more, statistically. Other variables also play a part, such as gender, nationality, qualifications, occupational status and income. But the findings of qualitative surveys, available to the French team in particular¹¹, show the existence of "nomadism" that signals a high degree of irregularity in seeking welfare benefits, having access to them and actually taking them up, among the youngest potential beneficiaries. This raises the types of question on

¹¹ See the website of the "Observatoire des non recours aux droits et services": <http://ODENORE.msh-alpes.prd.fr>

trends in lifestyle, expectations and concerns, that the current sociology of youth tends to explore¹².

Certain findings suggest the possibility of lasting NTU of a public welfare offer seen as inaccessible or unfair, ineffective or useless, especially when NTU concerns young people whose parents or older siblings are or were also in a situation of NTU. It is the memory of unemployment but also of a lack of education, poor housing, no buying power etc. that emerges strongly here, from one generation to the next, and that mentally puts individuals off their benefits, in a sense. This is reminiscent of observations about "hereditary poverty" due to social and racial inequalities (see the common glossary). These were first signalled in 1962 in the famous Harrington report, *The Other America. Poverty in the United States*, and far more recently around debate on "social capital" and its decline that has highlighted inequalities of opportunities which penalise the youth and minorities.

- *The political expression of NTU*. We have to be careful not to reduce NTU to the issue of social exclusion. NTU can concern all social categories and relate to individual choices and preferences. This observation needs to be explored further by qualitative research, which is lacking on the subject. NTU can signify deliberate distance from the public offer and the institutions concerned, and thus a possible rift in the system of solidarity and welfare in place. An analysis in terms of cycles of interest and disinterest in the public offer, or of TU/NTU, as defined by Albert O. Hirschman (political economics professor at Princeton), therefore seems necessary to qualify the NTU phenomenon as a possible expression of *political desocialisation*. It is one expression among many, if we bear in mind other phenomena such as the rise of "secessionism" experienced by systems of solidarity and principles of social justice, with reference to the many scientific studies in urban sociology and development in the US and Europe¹³. This possible political desocialisation has not gone unnoticed. It is referred to in political discourse on exclusion and its consequences¹⁴. But it also clarifies the very definition of social exclusion which, in political and scientific discourses throughout Europe, has supplanted notions of poverty and deprivation¹⁵. It refers to the necessity to pay attention to the multiple causes and effects of exclusion, like NTU which can be both a cause and an effect.

¹² In this current, the book by PUGEAULT-CICCHELLI C, CICCHELLI V, RAGI T. (eds) 2004. *Ce que nous savons des jeunes*. Paris : PUF, col. « Sciences sociales et sociétés ».

¹³ *International Journal of Urban and Regional Research*: 25(4), December 2001.

¹⁴ Among many examples, Jacques Chirac's use of the term "social fracture" during the 1995 presidential campaign referred directly to risks of severing the social and political link. Tony Blair referred to the same concern when he stated that "Social exclusion is about income but it is about more. It is about prospects and networks and life chances. It's a very modern problem, and one that is more harmful to the individual, more damaging to self-esteem, more corrosive for society as a whole, more likely to be passed down from generation to generation than material poverty", Speech by Prime Minister on Monday 2 June 1997, at the Aylesbury Estate, Southwark, included on the Cabinet office – Social Exclusion Unit home page at www.gov.uk

¹⁵ See the synthesis proposed by Michael Harloe, based on suggestions by Nick Buck: "Social exclusion as a term has achieved increasing prominence in European social science and policy discourses, and has tended to supplant the more traditional language of poverty and deprivation, as well as overtaking the more recent debates around the term 'underclass'. (...) the term social exclusion does convey at least three meanings which, in principle at least, indicate that it could take us further than traditional concepts such as poverty and deprivation. First, it suggests that disadvantage should not be thought of as a simple single-dimension concept, such as poverty or unemployment, so drawing attention to multiple causes of disadvantage and to the full range of social consequences. Second, it can direct attention to the processes that generate disadvantage and cause it to persist. The idea of long-term persistence of disadvantage tends to be embodied in the term. This leads to research and policy that focus longitudinally on processes that lead individuals into disadvantaging situations, and through which they escape, rather than simple cross-sectional observations of states. Third, it is

At the intersection of these two observations, the issue of NTU appears as a reaction to longstanding social and economic inequalities that targeted policies are unable to remedy. In fact, rather than being a solution, these policies worsen inequalities when they demand potential beneficiaries for additional proof of their efforts and their good faith. Based on our findings in France concerning healthcare and economic integration, we have reached the same conclusion as Mick Shaw and his colleagues in a recent report in which they note that in Britain "*the health gap is widening and that this widening is a result of widening inequalities in other aspects of life in Britain over time*"¹⁶. In other words, people subjected to inequalities over a long period of time feel unable to take up their benefits and even lose the wish to do so. The higher morbidity-mortality rate in these groups points to a sequence of deprivation and "giving up".

Without going so far as to say that the shift from social benefits based on social insurance, to means-tested benefits financed by taxes, is an accelerator of NTU (different periods would need to be compared), we can affirm that policies targeting "disadvantaged groups" do not seem able to curb the emergence of an underclass as regards access to welfare benefits, especially in groups living just over the social minima (who may have access under certain conditions). It is in this respect that NTU seems to be a phenomenon that characterises those known today as "the poor workers" (temporary workers, jobless young people, the aged with small pensions, etc.). In the field of health, a means-tested benefit such as "*Couverture Maladie*" in France offers a level of health insurance that is 30% superior to other types of complementary health insurance (dental and optical care included)¹⁷. Does this mean that with the solidarity systems which are developing today, it is better to be *poor* than *precarious*? This is possible and to be feared, judging by the gradual impoverishment of the middle classes almost everywhere in Europe.

NTU does not seem to be an urban phenomenon¹⁸ only but also to affect those areas furthest from social welfare and assistance apparatus, irrespective of the efforts made in certain countries in terms of neighbourhood services. Discussions within the Consortium have shown that Hungary and Greece, which face problems of "geographical discrimination" (see: Common Glossary), are no exceptions in this respect. In France, for instance, beneficiaries of the RMI (minimum income support) who do not opt for the "insertion contracts" proposed, usually live in the least urbanised areas, far from large towns or cities. Likewise, independent workers with modest incomes (artisans, "small" traders, "small" farmers) are statistically further from their social benefits due to a lack of information, possibly through negligence and probably through defiance vis-à-vis the State which they see as "robbing" and "taking advantage" of them.

a concept that implies agency. Exclusion is something that is done to people, allowing us in principle at least to move away from 'blaming the victim'." HARLOE M. 2001, Social Justice and the City: The New 'Liberal Formulation', *International Journal of Urban and Regional Research*, 25.4, December, 889-897.

¹⁶ SHAW M., DORLING D., GORDON D., DAVEY SMITH G. 1999. *The widening gap: health inequalities and policy in Britain*. Bristol: The Policy Press.

¹⁷ BOCOGNANO A., COUFFINHAL A. DUMESNIL S., GRIGNON M. 2000. *La complémentaire maladie en France: qui bénéficie de quels remboursements?* CREDES, Biblio n° 1317.

¹⁸ BUCK N. 1996. Social and economic change in contemporary Britain: the emergence of an urban underclass?, in MINGIONE E. (ed.), *Urban poverty and the underclass: a reader*. Oxford:Blackwell.

This additional information, that warrants validation through qualitative research, prompts us to question NTU as a risk *per se* of social welfare, in addition to recognised risks¹⁹, i.e. **the risk of actually not having legal access to the social welfare to which one is entitled**. If the hypothesis is true that the shift from social benefits, based on social insurance, to means-tested benefits, financed by taxes, impacts on the NTU phenomenon, and if it is confirmed that there are lasting rifts with the public offer, we need to take a fresh look, at the end of this programme, at the nature of the crisis of welfare systems. This crisis seems to be due not simply to the fact that these systems have not been able to provide better coverage, but also to the fact that their shortcomings and dissuasion have totally undermined trust in their value and importance. In other words, we are back to a debate on welfare, like the precursors of the NTU issue, but somewhat differently compared to initial controversies on the negative impacts of each system. What we are able to state here is that, irrespective of the inadequacies of welfare systems, the repetition of their negative impacts seems to cause disinterest and withdrawal, that is, a political and not only social form of NTU, when trust in the idea of social welfare is effectively eroded.

¹⁹ The social welfare system in many European countries covers the following: illness, invalidity, occupational hazards, old-age, children, occupational (re)insertion, unemployment, housing, poverty and social exclusion. This is the case in France. ("Le Compte de la protection sociale – Série Statistiques" n° 24, août 2001, <http://www.sante.gouv.fr/drees/seriestat/seriestat24.htm>)