



Exit from and non-take up of public services

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

[GLOSSARY]

EXNOTA consortium

Hungarian contribution to the glossary about non-take-up of social benefits in Europe

Hungarian comments on the French glossary term of "Non-take up".

1. **Igénybevétel hiánya**
2. **Geographical exclusion**
3. **Social inclusion and social exclusion**
4. **Measuring poverty**
5. **Social assistance threshold**
6. **Negative redistribution**
7. **The Roma**

1. Igénybevétel hiánya (word by word: omission or lack of use of benefit or service)

English: Non-take-up (of social benefits)

French: Non recours (aux prestations sociales)

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

IN HUNGARY ENTITLEMENT IS NOT QUITE CLEAR-CUT. IN THE STRICT SENSE IT REFERS ONLY TO PEOPLE WHO HAVE A SUABLE RIGHT. ELIGIBILITY IS A SOMEWHAT WIDER NOTION. IT COVERS BOTH CLAIMANTS WITH ENFORCEABLE RIGHT, BUT ALSO THOSE WHOSE ACCESS TO THE CLAIM DEPENDS ON THE DISCRETIONARY DECISION OF THE AUTHORITIES.

THE DIFFICULTIES OF TRANSLATION ARE VERY SIMILAR TO THOSE ENCOUNTERED IN FRANCE AND OTHER COUNTRIES. THIS APPLIES NOT ONLY TO THE TAKE-UP RATE, BUT ALSO TO SEVERAL OTHER EXPRESSIONS INCLUDING INCLUSION, MAINSTREAMING, DECOMMODIFICATION, ETC. AT PRESENT THERE ARE ONLY AD HOC SOLUTIONS.

Main Key Words used in HUNGARY.

Key Words	Meaning
<i>The target population</i>	The groups targeted by political decision-makers.
<i>The eligible population</i>	The groups that correspond to the formal conditions of allocation of a benefit (an allowance or a service). ELIGIBILITY DOES NOT CONFER NECESSARILY ENTITLEMENT. IT IS COMPATIBLE WITH DISCRETIONARY DECISIONS.
ENTITLED POPULATION	THOSE WHO HAVE AN ENFORCEABLE, SUABLE RIGHT TO A BENEFIT
<i>The beneficiary population</i>	The groups that actually receive the benefit, whether they are eligible or not.
<i>Regular NTU</i>	Regular NTU corresponds to the standard definition of NTU of benefits, i.e. not receiving a social benefit even though you are entitled to it, whatever the reason may be.
<i>The NTU rate</i>	Ratio of the number of eligible persons who do not receive the benefit, over the total number of persons who do receive it. IN H. THE TAKE-UP RATE IS UNDERSTOOD AS THE NUMBER OF BENEFICIARIES (DENOMINATOR) OVER THE NUMBER OF ALL ELIGIBLE PERSONS (NUMERATOR). NTU IS 100%-TAKE-UP RATE.
<i>Primary NTU</i>	When an eligible individual does not apply for the benefit and therefore does not receive it.
<i>Secondary NTU</i>	When an eligible individual applies for a benefit but does not receive it, either because of something he/she did or did not do to be eligible or because the administration has taken a bad decision (OR A DECISION AGAINST THE CLAIMANT?)
<i>Complete NTU</i> (DIFFERENCE WITH PRIMARY NTU UNCLEAR)	When an eligible individual receives nothing and applies for nothing.
<i>Partial NTU</i>	When an eligible individual applies for a benefit but receives only a part of it.
<i>Permanent NTU</i> NOT USED IN HUNGARY	When an individual does not apply for a benefit during the period in which he/she is eligible.
<i>Temporary NTU</i> NOT USED IN HUNGARY	When an individual applies for a benefit a while after becoming eligible, so that there is a lapse of time between the decision and the actual application.
<i>Frictional NTU</i> NOT USED IN HUNGARY	This form of NTU is due to the lapse of time necessary for the application for a benefit to be processed (due to the applicant, the administration or both).
<i>Cumulative NTU</i>	When an individual eligible for several benefits does not receive them all.

<i>Deliberate NTU (a form of exit)</i>	The phenomenon results from a cost/benefit calculation; since there are more disadvantages the person decides on NTU.
<i>Quasi-NTU NOT USED IN HUNGARY</i>	The notion of quasi-NTU is proposed for benefits of which at least one of the conditions of eligibility can be decided by the potential beneficiary.
<i>>From a Hungarian perspective there are some circumstances that condition the NTU phenomenon, and may have policy consequences (SEE ALSO THE CHAPTER ON SOCIAL RIGHTS ABOUT THE OBSTACLES)</i>	
<i>Reasons of NTU:</i>	<i>Lack of knowledge about the benefit itself</i>
	<i>Lack of information about ways of application</i>
	<i>Lack of information about own eligibility</i>
	<i>Refusal of application for the benefit by the responsible agent or committee of the local authority for various reasons that are only partly researched:</i> <ul style="list-style-type: none"> - <i>lack of local funds (occurs seldom)</i> - <i>prejudice (particularly in case of "undeserving" people, Roma, long-term unemployed)</i>
<i>Difficulties in calculating the NTU rate</i>	
<i>Difficulties with the numerator</i>	<i>The issue is discussed in connection with the measuring tools that help to obtain the number of beneficiaries</i>
<i>Difficulties with the denominator</i>	
<i>a) depending on the existence of rights, "entitlement"</i>	<i>If there is no enforceable entitlement, eligibility may be defined, but only as an approximation</i>
<i>b) if there are other than income conditions</i>	<i>THE SOCIAL ACT DEFINES ONLY MINIMUM STANDARDS. EACH LOCALITY (3200 IN HUNGARY) CREATE THEIR REGULATION THAT MAY BE MORE FAVOURABLE FOR THE CLAIMANTS IN INCOME TERMS, BUT MAY ALSO ADD ADDITIONAL CONDITIONS OF UPTAKE. UNLESS ALL LOCAL REGULATIONS ARE SUMMARISED, THERE IS NO way of knowing the number of eligible persons.</i>
<i>Precariousness</i>	<i>"Precariousness is the absence of one or more form(s) of security that normally enable individuals and families to assume their basic responsibilities and to take advantage of their basic rights. The extent of the resulting insecurity and the seriousness and permanence of the consequences vary." (J. Wresinski)</i>
<i>Poverty</i>	According to the European Council (1994 definition), people considered as poor are "people whose resources (material, cultural and social) are so weak that they are excluded from minimal acceptable lifestyles in the Member State in which they live". Poverty in Europe is

	<p>therefore not measured on a harmonised scale. It can be addressed from different angles, depending on the country:</p> <ul style="list-style-type: none"> - Monetary poverty (insufficient income). This consists in setting a threshold below which households are qualified as poor. This numeric criterion is based on indicators set conventionally by the different European countries. The approach used most commonly in Europe is relative monetary poverty ("poor" populations are those at the bottom of the income scale compared to the population as a whole). - "Living conditions" poverty, that is, an absence of ordinary consumer goods. The lack is calculated on the basis of what survey respondents own and/or think. - "Subjective" poverty, based on people's perception of their wealth, THEIR MATERIAL CONDITIONS, or their unfulfilled needs. - "Administrative" poverty, concerning people who receive aid intended to alleviate poverty (e.g. guaranteed minimum income); this is a relevant criterion but difficult to use for comparisons.
<p><i>Exclusion</i></p>	<p>The notion of social exclusion is also relative and can be defined in various ways.</p> <p>Social exclusion can be considered as a multidimensional concept of poverty that, in particular, introduces social participation and observance or rights within its conceptualisation. Material poverty is simply one form of social exclusion.</p> <p>Exclusion refers to a break in social links resulting from the process of <i>social disqualification</i> (Paugam) or <i>social disaffiliation</i> (Castel), related to the massive return of social and economic vulnerability in industrialised countries.</p> <p>The term social exclusion, as an analytical concept, was invented in France in 1974. Originally it referred to various categories of people described as "social cases" and who benefited from no social protection. Social exclusion in this context refers to a process of social disintegration, in the sense of a gradual breakdown of relations between the individual and society. Since the end of the eighties the term "social exclusion" has been used by the European Commission, increasingly concerned about the problem of long-term unemployment and that of unskilled workers and immigrants.</p> <p>Socially, psychologically and economically excluded people are most often without resources and means (no job, no housing, acculturation, de-socialisation, family dispersal). Exclusion is a dynamic reality characterised by the absence, for a lengthy period, of the possibility of benefiting from rights attached to the individual's social situation and personal history. The essential problem is that exclusion is closely bound to feelings of social uselessness and loss of self-esteem that induce intense psychological suffering and difficulty in fitting into a network of relationships. (URCAM)</p>

<i>Social cohesion</i>	A concept that encompasses a series of values and principles aimed at ensuring that all citizens, on an equal footing, without any selection, have access to basic economic and social rights (Council of Europe).
<i>Means-tested benefits</i>	The organisations responsible for paying benefits control or ask for proof of income (Math). Access to benefits depends on criteria; they may be distributed on the basis of an income scale.
<i>TESTS AS CONDITIONS OF ASSISTANCE</i>	- LOW INCOME (most wide-spread). The threshold is set by the administration. (In Hungary it is usually a fraction of the minimum pension)
	- ASSETS – usually excluding assets fulfilling some basic needs
	- BEHAVIOURAL TRAITS : co-operation with the labour or social work offices; performance of communal work, etc.
	- DESERT : not a legal term, but often applied in practice wherever discretion plays a role. It may be decided upon on the basis of personal opinions of the administrators, or on the evaluation of the reports on home visits
	- In case of housing, medication etc. benefits there are other conditions (size of the home, severity of sickness, etc.)

2. Geographical exclusion – some additions to the Greek definition from the Hungarian point of view

Beside the differences between rural and urban areas very significant inequalities can be observed between the disadvantaged eastern and the prospering western part of Hungary. The regional inequalities can be seen in the extent of provided services, the rate of unemployment, the poverty rate, the life expectancy etc. The old-age problem of the differences between the different types of settlements within the regions red in the '90s. For instance the positive statistics on the western regions hide the disadvantaged situation of the very small (with 500 or less inhabitants) villages without basic services, working and transport possibilities and with an infrastructure in bad condition. The analyses prepared for the 2nd National Development Plan drew the attention on the topic.

As a tool for overcoming the difficulties of small villages a central program was launched last year which supports and encourages the so called multi-aimed small-regional associations of local municipalities aiming at providing joint services (in the field of education, health care and social policy).

Within the issue of geographical exclusion the segregation of poor people especially the Roma population has to be mentioned. A huge proportion of the Roma live geographically segregated in certain parts of settlements or outside of them. While special governmental programs has been launched aiming at winding up the roma-settlements there is a tendency that poor people who can not cope with the costs of housing in the towns escape to villages or are squeezed out to local ghettos. Due to this tendency there is a growing number of small, "depression" villages which are becoming the destination of disadvantaged groups moving to them from the towns.

3. Social inclusion and social exclusion

Although the terms became used (mainly by academic persons and the administration) due to the participation of Hungary in the EU social inclusion process in the last few years, the term of 'poverty' and 'disadvantaged situation' are still much more widespread in public discourse. One of the reasons behind can be that the appropriate Hungarian adaptation of the terms is still lacking as there are serious translational difficulties with both of the terms.

In the case of social exclusion the difference in the interpretation leads to a passive and an active version of translation. The active version refers to the active role of the society in excluding others. Opposite to this interpretation the passive version does not assume the responsibility of anybody.

In the case of social inclusion the difference is quite similar, but contains the dimension of paternalism as against equality. One of the translations means that the majority receives those experiencing poverty into the society while the other is about the solidarity between equal members of the society.

The uncertainty in using the different versions led to the use of different translations in the title of the Joint Inclusion Memorandum and of the National Action Plan on Social Inclusion.

4. Measuring poverty

Many different definitions and measurements of poverty exist in Hungary. Due to the EU accession the Laeken indicators, i.e. mostly relative definitions used for the comparable data collecting (SILC) will probably become the official definition. Although the main research institutions use the same or similar definitions for poverty they regularly come to different conclusions (e.g. the multiplier between the top and bottom income quintile was 3.3 according to CSO and 5.4 according to TARKI in 2001). Another problem comes from the use of OECD equivalence scales: given the different national living standards and consumption habits, the use of OECD2 "equivalised income" is likely to lead to an underestimation of people experiencing poverty. Hungarian research proves that the OECD1 scale is better adapted to the conditions of the country.

5. Social assistance threshold

The official income threshold under which persons are entitled to the different types of social provisions is linked to the minimum pension. The amount of minimum pension is defined by the laws on the annual budget of the state – it is 24 700 HUF (approximately 100 EUR) in 2005. The amount changes year by year - it follows inflation but is not fully indexed to wages. The threshold is not flexible, and tapering is (as yet) unknown. This means that if the income of an entitled person rises over the threshold even by a few HUF, he loses the total benefit.

6. Negative redistribution

As a hidden part of the welfare state a broadening system of tax relieves and allowances has been built up in Hungary. Its main elements are the allowances and services provided by the employers mainly to management, the different tax allowances – for instance for the members of private pension or health insurance schemes. Instead of rising the amount of the universal family allowance the conservative government introduced a new system of child tax relief. All the heads of families can credit a certain amount depending on the number of children from their tax-bases. The problem is that families with low income do not pay any or enough tax to resort the possible tax-relief. The tax relief and tax allowance systems support the advantaged groups in Hungary. There is a pending tax reform that may improve perverse redistribution.

7. The Roma

The Roma people are the largest ethnic minority in Hungary. According to different researches their number is estimated between 350 and 600 thousand. As their fertility rate is over the national average their absolute number and relative ratio are growing.

During the socialist regime due to the "full employment" strategy the majority of the Roma were integrated into the labour market. After the transition the situation changed dramatically. If we examine demographical, educational, social etc. indicators the Roma people are in a very disadvantaged situation compared with non-Roma in Hungary. Due to the discrimination and segregation against the Roma people a high proportion of them live and study in segregated areas or school forms, and are excluded from the labour market.

Many central and local initiatives (programs, strategies etc.) have been launched aiming at reducing discrimination, segregation and to promote employability and employment of the Roma. Significant developments can not be recorded until now.

Some of the programs to help Roma people are based on the concept of solidarity among the Roma. For instance there are special scholarship and mentoring programs for young Roma people which aim to help them in getting higher educational level and to school the future Roma intellectuals who will use their knowledge in favor of the Roma people. As a result more and more Roma professionals have started working for the Roma.