International Labour Office
Central and Eastern European Team

Combating Poverty and Social Exclusion Volume 1 A Case Study of Hungary

Zsuzsa Ferge
Katalin Tausz
Ágnes Darvas

First published 2002

Zsuzsa Ferge, Katalin Tausz, and Ágnes Darvas
Combating Poverty and Social Exclusion – Volume 1
A Case Study of Hungary
Budapest, International Labour Office, 2002

ISBN 92-2-113214-5

ILO publications can be obtained through major booksellers or ILO local offices in many countries, or direct from ILO Publications, International Labour Office, CH-1211 Geneva 22, Switzerland. Catalogues or lists of new publications are available free of charge from the above address, or by email: pubvente@ilo.org
Visit our website: www.ilo.org/publns

Printed in Hungary

About the Authors

Zsuzsa Ferge was born in Budapest in 1931. An economist by training, she has worked in social statistics, sociology, and social policy. She became professor of sociology at the Eötvös Loránd University of Sciences in Budapest in 1988 and founded the first department of social policy in Hungary in 1989. Her main fields of interest are social structure, social inequalities, and poverty. She has been a visiting professor at French, British, and American universities and has published widely. She is a member of the European Academy and of the Hungarian Academy of Sciences, and has an honorary degree from Edinburgh University.

Katalin Tausz earned a Ph.D. in Sociology from Eötvös Loránd University of Sciences in Budapest in 1996. She began her academic career at the University of Agrarian Sciences as a lecturer in philosophy in 1973. Since 1978, she has been working at Eötvös Loránd University, recently as the head of Department of Social Work and Social Policy. She has many publications in Hungarian and English. In recent years, her research interest has focused on poverty, the sociology of disablement, and problems related to governance in the field of social policy.

Ágnes Darvas has been an assistant lecturer at the Department of Social Work and Social Policy of Eötvös Loránd University since 1997. Previously she earned a degree as a special teacher of emotionally disturbed children and as a sociologist. She completed her Ph.D. degree at ELTE University in social policy. Her main fields of interest are child poverty, family support systems, and policies to support the well-being of children.

Contents

Foreword **7**

Executive Summary **11**

Introduction **15**

Chapter 1
The Survey Sample **19**
1.1 Composition 19
1.2 The Income Situation 22

Chapter 2
Social Transfer Incomes: An Overview **25**
2.1 The Main Income Sources 25
2.2 Awareness of Benefits and Access to Them 29
2.3 The Efficacy of the Benefit System 33

Chapter 3
Child Benefits **35**

Chapter 4
Unemployment and Unemployment Provisions **39**
4.1 Who Are the Unemployed? 39
4.2 Unemployment Provisions 41

CHAPTER 5
Pensions **43**
5.1 The Situation of Pensioners in the Sample 43
5.2 Preparation for Old Age 45

CHAPTER 6
Access to and Use of the Health System **47**
6.1 Coverage of the System 47
6.2 Access to the Services – Satisfaction of Needs 48
6.3 Who are Hit by the Lack of Money? 50

CHAPTER 7
What Does Poverty Mean? **51**
7.1 Need Satisfaction – What Can the Poor Afford? 51
7.2 Subjective Feelings about Poverty 54
7.3 Outlook on the Future 56
7.4 Social Exclusion? 57

CHAPTER 8
Policy Recommendations **61**

Appendix 1
Description of the Survey and the Sample **67**

Appendix 2
Tables **73**

Appendix 3
Questionnaire **121**

Bibliography **153**

Foreword

This is the first of two volumes examining poverty and social exclusion in the transforming economies of Central and Eastern Europe. The studies were undertaken as part of the ILO project *Strengthening Social Security in Central and Eastern Europe through Research and Technical Cooperation*, sponsored by the French government. The research component of the project analyzes the restructuring of social security schemes in selected countries, giving particular attention to their efficacy in addressing poverty issues arising or persisting in the course of the transformation. The studies examine both social policy formation in the region's new multiparty democracies and early experience with implementation of reforms. Their broad goal is to offer countries still debating reform timely and relevant accounts of the recent experience of neighbors with similar concerns. They aim to inform and engage the government's social partners as well as they seek to shape their countries' policies.

These two volumes examine poverty, deprivation, and social exclusion. The remaining volumes produced under the research component of the project examine old age pension reform, disability pension reform, and the impact of social security reforms (pensions, maternity, and child care benefits) on gender equity. These studies will appear in the summer of 2002.

These volumes examine trends in two advanced EU-applicant countries, Hungary and Slovenia, focusing centrally on the role of social security benefits in assisting poor households. Reflecting the different availability of data in the two countries, the studies take different approaches. The Slovene study analyzes existing survey data recently recast to conform to EUROSTAT practice, comparing it with similar data from an earlier period. The present study undertakes a new survey of low-income households in Hungary. Here the policy changes of interest include: (i) restructuring the health care system; (ii) tightening eligibility for unemployment benefits; and (iii) revisions of child benefits. The survey also probes the scope and adequacy of social assistance, issues on which existing

research is inconclusive; examines pension participation by the working poor; and explores the implications of several different measures of social exclusion.

This volume is the work of Zsuzsa Ferge, Professor of Sociology at Eötvös Loránd University (ELTE), and an internationally renowned author, lecturer, and social critic; Ágnes Darvas, adjunct professor of sociology at ELTE; and Katalin Tausz, associate professor and chair of the ELTE Department of Social Work and Social Policy. This team has extensive experience in income and poverty research and deep knowledge of the Hungarian social security system. Their analysis is presented in eight chapters. Following an Executive Summary and Introduction, Chapter 1 describes the sample that the survey covered, and Chapter 2 provides an overview of the role of social transfers in Hungary. Chapter 3 analyzes child benefits; Chapter 4, unemployment benefits; Chapter 5, pensions; and Chapter 6, health insurance. Chapter 7 explores the subjective meaning of poverty for the target population, provides alternative measures of social exclusion, and presents the authors' perspective on this concept. The final chapter offers conclusions and policy recommendations.

The analysis reveals accomplishments of the Hungarian social security system as well as some critical shortcomings. Among the positive findings are the near absence of hunger among the poorest third of the population and the availability of minimum necessities for the great majority of children, including a modestly varied diet, good primary health care, and generally high rates of school attendance. The authors attribute this positive situation in part to the wide availability of certain social benefits, including health coverage for the poor, child benefits, and to a lesser extent, social assistance. The latter reaches nearly two thirds of the poor population, a significantly higher fraction than found in previous research.

Yet while the scope of social assistance appears to be relatively wide, the benefits are inadequate, averaging just over 3,000 Forints per month per recipient (US$11), or less than one seventh of the subsistence minimum set by government. One half of the households with an unemployed person received no unemployment benefit, and even in cases where such a benefit was paid household income remained low – no higher on average than in other poor households. Active labour market measures seldom reached the poor unemployed; only 15 percent participated in any type of training program, for example. While 98 percent of poor households had health insurance, some 35 percent had a member who was unable to follow a prescribed treatment because it required unaffordable medications.

In addition to providing a current profile of the poor, the study identifies certain trends. Over the past four years, the poor have visited a doctor's office with diminishing frequency. In addition, poor families find their eligibility for the child benefit dwindling as it is being partially replaced by a tax allowance. Moreover, among those surveyed there is a serious discrepancy between the fraction of respondents who expect to receive a pension in their old age (80 percent) and the fraction of people who today are actually contributing to some form of pension insurance (50 percent). However assessed, social exclusion of the poor is considerable. Using two different measures – one reflecting a set of simple indicators, the other reflecting a cumulative disadvantage – the authors find that 20–30 percent of the surveyed population suffer from multiple problems whose combination distances them from opportunities and benefits available to the majority.

The survey reaffirms that while poverty strikes different ethnic groups unevenly it is not confined to any one. Contrary to popular impression, the great majority of the poor in Hungary are not Roma. Still, the poverty of the Roma is concentrated, deep, and largely unalleviated by social security. While Roma receive more social transfer payments than other households, their income level remains significantly lower than the survey average. And despite greater efforts to find work, they experience higher rates of unemployment than other poor people (60 percent as opposed to 40 percent).

While recognizing that the roots of poverty lie outside the social security system, Ferge, Darvas, and Tausz propose changes in the system that would better support the efforts of the poor to cope. They identify the low level of social assistance benefits as a major flaw and advocate national dialogue on the establishment of a meaningful minimum. They propose revised government budgeting procedures that would set social spending levels in relation to needs and targets rather than as a percentage of resources. Finally, they point to the need for a greater role for non-governmental organizations in enhancing social security and delivering services and benefits.

We wish to express our appreciation to the Ministry of Employment and Solidarity of the Government of France whose financial support has made this study possible. Beyond the Ministry's financing for the project, we value the French government's recognition of the importance of social security as a tool in the protection of the most vulnerable and as a way forward in the struggle against social exclusion.

We at ILO Budapest hope that, by casting light on recent trends in poverty, income inequality, and social exclusion in two advanced CEE countries, these studies will help to highlight these issues as critical ones for the region and to promote national policy deliberations aimed at addressing them.

Jean-Pierre Laviec
Director
ILO Budapest

Elaine Fultz
Senior Specialist in Social Security
ILO Budapest

Executive Summary

This study examines the efficacy of the social security system, broadly defined, in combating poverty and social exclusion in Hungary. Through a direct survey of poor households, it analyzes the impact of social benefits and seeks greater clarity on questions where previous research is inconclusive. The starting point for our investigation is a recognition that "in the absence of national policy measures to defeat long-term poverty, the adequacy of the social safety net takes on added importance. Social protection is a critical lifeline for people in situations of high insecurity without the resources to cope with unexpected contingencies. It is a key not only to their health and economic survival but also to their continuing connection to society."[1]

Chapter 1 describes the sample that the survey covered, which consists, by and large, of the bottom income third of the population. The average income level in this group is very low, on average 15,400 Forints (about US$55) per capita per month. The special characteristics of this poor population are highlighted by comparing it with another recent national survey of the entire population, both poor and non-poor.[2] The comparison shows that in terms of demographic criteria (gender structure, marital status, and marriage rates) the poor resemble the general population very closely. They have more children on average, but not significantly more broken families or single parents. This contradicts some existing, but not very

[1] Excerpt from the study terms of reference.

[2] The InFocus Program on Socio-Economic Security (IFP–SES) of the International Labor Office started international People's Security Surveys (PSS) in 2000. Hungary was included among the first countries that carried out the survey. It was executed early in 2001 by a team partly overlapping with the ILO Budapest Social Protection–Poverty survey (ILO–POV) team. The sample size and the age criterion were similar in the two samples. We thank the director of the PSS survey, Guy Standing, for permitting us to use the ILO–PSS results as background material for the ILO–Budapest Social Protection–Poverty survey. The two samples (ILO–PSS and ILO–POV) are independent of each other; there are no overlaps.

conclusive findings of previous research. The present study also confirms that, while the Roma have a much higher than average risk of poverty, the majority of the poor (77 percent of those living in poor households) are not Roma.

Chapter 2 investigates the role of social income transfers in poor households, including social insurance payments, social assistance, and universal benefits. It shows that 91 percent of the poor households receive some transfer income, and 62 percent within this group have means-tested assistance. One quarter of the sample relies entirely on such social transfers, and these tend to be the poorest households. The need for assistance is partly related to the absence of active earners, but low income from work is also an important cause of poverty. Despite the rapid expansion of new forms of social assistance in Hungary, people are much better informed about the more traditional social insurance and universal benefits. Also, there is evidence that the social assistance system does not target sufficiently some of the neediest individuals. For example, 33 percent of households said that they did not apply for some benefit that they thought they were entitled to, and 37 percent (only partly overlapping with the first group) declared that their application for a benefit had been rejected during the past year. The reasons are not clear in either case, but the pattern of responses suggests that single people, unemployed, families with many children, and Roma are more likely than any other groups to be refused. On the whole, poor adults without children are not as well served by the system as poor families. The main cross-cutting problem identified in the survey is the low level of benefits, and particularly of means-tested benefits. The sums disbursed to recipients – around 3000 Forint per recipient per month – are too low to provide meaningful assistance. Thus, despite a well-developed social security system with many benefits and high participation rates, the average income of those in the poor sample, in all the different family groups, remains well below the national subsistence minimum.

Chapter 3 focuses on the various child benefits available to families. It shows that coverage of these benefits is very wide. The family allowance, universal by law, reaches essentially every family. However, since its nominal value has not changed since 1998, it has been losing its relative significance in family revenues. The tax benefit for families with children is becoming a more important form of assistance, but only 43 percent of the poor sample reported being able to use it fully. In this case, there is regressive targeting toward middle and upper income families, to the disadvantage of the poor. Child protection assistance reaches 57 percent of the households with children, but this group does not consist

exclusively of the most needy. Thus child poverty persists despite an apparently comprehensive and flexible system.

Chapter 4 provides information on the unemployed and the benefits available to them. As is widely known, the counting of the unemployed is not a clear-cut exercise. The survey produced different figures in response to different questions. According to the loosest definition (which also included discouraged people who are no longer looking for work), half of the surveyed households have an unemployed member. According to a stricter, more widely shared definition of unemployed (lacking a job and actively searching for one), 42 percent of the families have at least one unemployed member. The benefits (insurance, income replacement benefit, and assistance) reach only half of the households with unemployed people. During the previous three years, a higher portion received a benefit at some point in time, but the entitlement of many has expired. The income level is very low in all the households where there are unemployed, almost independently of whether they are registered or not. Active measures rarely reach the poor – only 15 percent received some type of vocational training.

Chapter 5 examines pensions, with an emphasis on the relation between current pension status (i.e., making contributions or not) and expectations concerning a future benefit. The future pension eligibility of the poor population is highly uncertain. Because of the very low activity rate, many people are not paying pension contributions (however, a portion of the unemployed, as well as those on child-care grant, are receiving pension credit for these periods out of the work force). There is a significant gap between the proportion of those who have some form of insurance or saving and those who expect a retirement pension in their old age – 80 versus 50 percent. The gap is particularly wide in case of the unemployed and dependent household members. The living standard of the households with members receiving pensions is slightly above average. While the retired persons in these households have low pensions, even low social insurance benefits are higher than assistance-type benefits received by other members who lack the required work history.

Chapter 6 examines the accessibility of the health care system to poor households. The coverage of the health system is wide, and access is assured for almost all Hungarian citizens. However, three problematic aspects of the system can be identified. Apparently the poor are sicker than the non-poor, yet they use health care services less frequently, and their awareness of the health needs may be lower. In general, they make use of sick pay more often than the average, yet

because many of them are afraid of losing income or employment, they do not opt for sick pay benefits when needed. While access to basic health care services is assured, 35 to 50 percent of the households (depending on how the question was asked) are unable to follow prescribed treatment because medications are unaffordable for them.

Chapter 7 summarizes some salient findings concerning poverty. Earlier chapters revealed the limited resources at the disposal of survey respondents. This chapter presents some consequences of this. While permanent hunger is found to be rare, a sizable minority of the poor cannot afford items that are widely used by others and may be considered necessities in modern Hungarian society. These include, for instance, adequate heating in winter, or measures to improve the opportunities of children such as the learning of languages. The findings illustrate that poverty means more than just the lack of money or amenities. It also means hopelessness, the feeling of lack of capacity to change things and to move out of a vicious circle. This section also discusses the concept and reality of social exclusion. It is suggested that this concept needs refinement and should be the focus of further efforts by researchers and policy makers.

Chapter 8 presents some policy conclusions. It identifies inadequate benefits as the most serious shortcoming of the system and suggests high-level social dialogue aimed at establishing a new commitment to a meaningful minimum level of protection for the poor. This level should be adjusted frequently based on changing conditions and needs, as well as available resources. In addition, social assistance payments should be calculated based on so-called 'equivalent income', so that the economies of scale in group living are recognized. This reform would assist single member households, which the survey shows are poorly served by the current system.[3] The need for housing assistance should be calculated separately from other needs, to prevent sharp rent increases from preempting the use of assistance for other basics, such as food, clothing, and transport. Moreover, funds for public housing should be increased to provide parity with the tax deduction for middle and higher income housing. In addition, the authors call for greater diversity in the means of providing assistance to poor families, and especially for a broader role for community and other non-governmental organizations.

[3] However, to avoid harming large families, this change should be undertaken only in the context of an overall increase in social assistance levels.

Introduction

Hungary experienced a sharp increase in poverty over the last decade. Between 1990 and 2001, relative poverty (the portion of those with less than half the mean income) increased by half, from approximately 10 to 15 percent of the population, while subsistence poverty (defined as the portion of those living under the minimum subsistence level) tripled, increasing from 10 to approximately 30 percent. While many aspects of this phenomenon are controversial, it is widely recognized today that there exists a group of poor people cut off from the labour market and experiencing multiple forms of deprivation.[1] Given their low skill levels, the reintegration of this group into mainstream society poses great challenges. At the same time, the failure to reintegrate them poses the threat of a dual society in which some members are trapped in long-term poverty and unable to share the benefits of national development.

Addressing this problem is one of the major challenges facing Hungarian society today and provides a critical test of its democratic institutions. It is also of major concern to the European Union, which places an increasing emphasis on issues of social inclusion and exclusion.

While research has been carried out on many aspects of poverty in Hungary in recent years (see Box 1), some basic questions remain unanswered. These concern the extent and depth of deprivation, the reach of the social security system in preventing and addressing it, and the complex relationship between poverty and social exclusion. The present survey endeavors to fill some of these gaps.

[1] For example, using TÁRKI data (Társadalomkutatási Intézet, or Social Research Institute, see Box 1), Zsolt Spéder (2002) found that 6.1 percent of the Hungarian population are long-term poor, meaning that they had experienced four or more periods of poverty during 1992–97 (Spéder 2002: 72).

Box 1
Poverty research

In 1995, the **Central Statistical Office** (CSO) carried out an income distribution survey, and in 1998 it provided a separate analysis of data on poor households. Beyond this, the CSO has no regular reporting system and no comparative time series on poverty. Since 1994, the CSO has been gathering various official data from the local authorities about social assistance expenditures and beneficiaries.

Most information on poverty come from the **Research Institute TÁRKI**[2] which each year analyzes the situation of the poor in the framework of a nationally representative survey. TÁRKI calculates various comparative measures and sometimes provides longitudinal information.

Some other research units – the **Sociological Research Institute of the Hungarian Academy of Sciences**, and the **Department of Social Work and Social Policy of the Eötvös Loránd University** – have also made important, albeit less well known contributions, particularly about the Roma population. (Horváth et al., 2000).

The facts gathered by various institutions are published in a condensed form in a **UNDP** report (1999), and they were presented to the **UN Summit** in 2000 in a civil report on poverty (Civil Report, 2000).

The terms of reference for the study recognize that "in the absence of national policy measures to defeat long-term poverty, the adequacy of the social safety net takes on added importance. Social protection is a critical lifeline for people in situations of high insecurity without the resources to cope with unexpected contingencies. It is a key not only to their health and economic survival but also to their continuing connection to society." From this perspective, the study seeks to address four broad issues.

The first is the scope and reach of social security benefits, broadly defined. The survey analyzes the impact of social insurance (pensions, sick pay, unemployment insurance) in the budgets of low-income households, as well as of the newer social assistance benefits (housing, unemployment, and general assistance)

[2] TÁRKI conducted a household panel survey between 1992 and 1997, and then continued with similar questionnaires on new samples not forming a panel. The main results are summarized in Sík and Tóth (1998), Szívós and Tóth (1999), Szívós and Tóth (2000), Spéder (2000).

created and expanded in the 1990s to meet new needs. In doing so, it seeks to resolve uncertainties from previous research, in particular about the effectiveness of the social assistance scheme in reaching poor households.[3] The role of various social transfer payments in supporting families with children is also examined in some detail, as is their role vis-à-vis the unemployed.

Second, the study examines access to health care by those cut off from the labour market. Under current law, the unemployed maintain their legal right to health insurance; but the decentralized method of financing and administration may make it difficult for some eligible citizens to obtain specific benefits and services.[4] Similar questions arise as to the effect of new requirements for copayments and partial privatization of some benefits, e.g. dental care. Our study seeks to determine whether concerns about access to health care are grounded.

The third and somewhat more exploratory question studied is the likely future of pension protection by members of poor households. The low activity rate among the poor, as well as the increasing individualization of pension rights, raise concerns about their possible exclusion from pension protection in old age. The study inquires into the payment of contributions by the working and nonworking respondents and compares this with their expectations about future eligibility for benefits.

Finally, the study seeks additional information about the life of the poor, including housing conditions, education, and the unmet needs of adults and children. These data may be interpreted as approaches to the measurement of social exclusion. Both the concept and the approaches to its measurement are still at an early stage of development and, in our view, need further refinement (see Box 2).[5] Thus, we hope that this analysis may provide a basis for further research and delineation of the concept.

[3] Previous research suggests that, while all households in the bottom income quintile are eligible for the main means-tested benefits, hardly more than a third of those in this quintile actually receive them (UNDP, 1999: 27). The World Bank (2001: 51) also presents evidence of poor targeting.

[4] Local governments make social health insurance contributions on behalf of such individuals and may require cooperation from them as a condition of doing so.

[5] The study found that almost half (42 percent) of households in the bottom income quintile suffered from poverty in at least three dimensions; and 4–5 percent of the population suffered from deep, clearly cumulative income poverty accompanied by deprivation in the above fields. There are many other approaches, of course.

Box 2
Social Exclusion

Social exclusion has recently become a popular and widely used concept. Its fields, dimensions, or areas are defined in many different ways, and the indicators used to characterize these are even more varied. The dimensions may include 'consumption', 'production', 'political engagement', or 'social interaction' – each with one appropriate indicator (Burchardt in Gordon and Townsend, 2000).

The CSO operationalized the concept as 'cumulative deprivation'. It was defined as income poverty accompanied by housing poverty, consumption poverty, and poverty in consumer durable goods (published in UNDP, 1999).

In a recent attempt by the EU to monitor social inclusion, it produced a document which defines the following 'key areas' to be mapped by various indictors: Education, Employment and Unemployment, Health, Housing, Access to Essential Services, Financial Precariousness, Social Participation (Atkinson et al., 2001). A European agreement is needed in order to compare the situation in the EU countries and to monitor the projects to strengthen social inclusion. Meanwhile country-specific approaches will remain necessary.

Chapter 1
The Survey Sample

1.1 Composition

The survey covers a sample of 1,047 individuals from by and large the poorest third of households in the population, or the families with a per capita income of less than 20,000 Forints per month (about US$55). They were selected through a multi-staged random sample stratified by settlement type and size. The sampling unit was Hungarian residents. All respondents and, indeed, all the adults in the households were between 18 and 60 years of age. Among them, a small number were pensioners.[6] The sampling procedure and the methodological details of the survey are described in Appendix 1.

The composition of this sample of the poor obviously differs from that of the whole population. To highlight these differences, a second recent survey commissioned by the ILO, the ILO–People's Security Survey (PSS), provides a convenient basis of comparison.[7] The exploration of these differences is a useful starting point for our analysis.

[6] This focus was taken since poverty among the elderly has been more extensively studied, and the 'new poverty' associated with the transformation is more a phenomenon of the working age population. After the screening, only households with members under age 60 were selected. Nevertheless, there were some pensioners (mainly on disability pension) in the interviewed households; and their needs and expenditures are briefly presented in the study. The rate of pensioners is around 10 percent in the sampled population while the nation-wide rate is almost 30 percent. The share of those aged over 60 should be zero, but because of imperfect screening it amounts to one percent in the sampled population (in the whole population, the ratio of those over 60 is 19.7 percent) (Statistical Yearbook, 2000).

[7] As explained earlier, this survey was undertaken by the InFocus Program for Socio-Economic Security of the ILO. Hungary was included among the first countries to carry out such surveys.

Individual *demographic differences* between the sample of poor people and the sample of the general population are not very significant. The ratio of male and female heads of households is close (73 percent of the heads in ILO–POV, 69 percent in ILO–PSS are male, the difference is not significant). An important demographic fact that runs counter to popular assumptions is that the marital status of the heads of households is not much different among the poor than among the total population. Married couples form a two-thirds majority among heads of household in both samples, and the marriage rate is actually slightly higher in the sample of poor people. At the same time, the ratio of those cohabiting is somewhat higher in the poor sample, eight percent as opposed to four percent, but even eight percent is not very high if compared to other geographic regions, for instance, the Nordic countries. This finding contradicts a perception sometimes expressed in political discussions of the fragmented or disordered character of poor families.[8]

It is true, nevertheless, that the poorest group (the poorest third of the ILO–POV sample, about the bottom ten percent of society) has more broken families than the whole sample. The ratio of single people is nine percent (as against four percent in Table 1.5), that of single parents 16 percent (instead of 14), but even in this group 62 percent of households are couples, the majority (54 percent) with children.[9]

The poor population is relatively young as compared to the ILO–PSS sample: the 30–45 generation is disproportionately represented among the heads of poor households (see Table 1.1).

The most significant demographic difference between the two samples is *in the number of children.* The ratio of households without dependent children is 23 percent among the poor and 53 percent in the PSS sample, and the ratios of families with three or more dependent children are 21 percent and 6 percent respectively. Most of the children live with both of their parents, and this is also true for the poor. The share of couples with dependent children is higher, and that of single parents is somewhat lower, among the poor than in the PSS sample. This means that according to our findings, single parents do not seem to run a particularly high risk of poverty. However, they are worse off than couples with

[8] For example, a high official commented that the bottom third of the population is "splintered." See *Magyar Hírlap*, October 22, 2001, p. 18.

[9] However, the number of single parents in the survey is small, so the results are subject to uncertainty.

children.[10] This finding adds to the already existing contradictory evidence concerning the financial situation of single parents.[11] (The demographic breakdowns are presented for heads of households in Table 1.1, for the respondents in Table 1.2, and for the households in Table 1.5.)

The breakdowns according to *sociological variables* show also well-known differences between the poor and the general population. The *educational level* of both of the heads of household and the respondents is much lower in the sample of poor people. For instance, the rate of those having at most primary education is double, 40 percent in the poor sample and 20 percent in the PSS sample, and those having a secondary or a higher degree is much lower in the first group. The proportion of those having completed industrial apprentice schools is high, around 40 percent in both samples. This is close to the ratio of skilled workers in both samples. This means that the risk of poverty is no lower among skilled workers than in the population as a whole – but it is not higher either, albeit many apprentice schools offer obsolete training.

The *activity rate* is significantly lower, the unemployment rate higher among the poor. (The sociological breakdowns are presented for heads of households in Table 1.3, for the respondents in Table 1.4.)

Because of the lower level of education, higher unemployment, and the decline of agricultural production after the transition, the poor are strongly concentrated in villages. Among the cities, only Budapest has a lower than average proportion

[10] We calculated two indicators of income: the per capita income and the equivalent income. There are various formulae to calculate this latter indicator, which takes into account that living in a household results in some economies of scale. (If a two-person household has the double of the income of a single person the former has a higher standard of living.) We applied a widely used model: the weight of the first person is one, that of the second 0.7, and that of the others 0.5. The equivalent unit income of couples with children is 22,800 Forints, that of single parents 20,400. The analysis relating to the situation of the poor households uses mostly the equivalent unit (per member) income. We have to apply the per capita income for the analysis of the social assistance schemes because means testing is performed in per capita terms. We also use it for comparisons with outside sources that have no information on the equivalent income.

[11] The rate of single parents is 12 percent in the poor sample, 14 percent in the PSS sample, around 10 percent in the 1996 micro-census, and only two percent in the TÁRKI survey for 2000. The number of single parent households is not given, but only 84 persons out of 5253 live in these households (Szívós and Tóth, 2000: 55). The high poverty rates – e.g. 37 percent under half of the mean – are computed for the 84 persons, which makes the results rather unsure. The Central Statistical Office found that among people getting social assistance single parents had higher income than couples with children (CSO, 1999b: 44).

of poor residents – the smaller cities and towns have a similar weight in the two samples. The Budapest households represent 8 percent in the ILO–POV, and 18 percent in the ILO–PSS sample, while the rate of rural households is 43 and 33 percent respectively.

There were altogether 4,143 persons in the households covered by the ILO–POV sample, and 3,180 persons in the ILO–PSS sample. Among the members of the poor households, only *23 percent were active earners*, while 44 percent in the PSS sample. The *unemployment rate was 19 percent* among the poor, and 6 percent in the sample of the total population. The poor households also represent a higher poverty risk for children, who represent *39 percent of those living in the poor households*, and 'only' 27 percent in the PSS sample (see Table 1.6).

The Roma families have more children, so their average family size is larger than the national average. Consequently the proportion of Roma persons in the sample is somewhat higher than that of Roma households. Seventy-seven percent of the people belonging to the poor sample are non-Roma.

1.2 The Income Situation

In the initial screening phase of the survey, for purposes of drawing a sample of poor people, the filter question was whether the monthly per capita income in the household was under or over 20,000 Forints. This convenient round sum was low enough to cover the genuinely poor.[12] Based on this screening, we expected the filter question to target the lowest 30 percent of the income distribution in the population under 60. An obvious weakness of the survey was that homeless people, those having no address, and people permanently in institutions were not covered. These serious omissions were unavoidable given the limited time and resources for the study. (For more details, see Appendix 1.)

The filter question did not of course guarantee that the selected households would have low income, since the respondents may provide erroneous information. Therefore, it was necessary to estimate the two well-known errors in

[12] The 'omnibus' surveys carried out by Szonda Ipsos at the end of 2000 were separately analyzed to find a convenient upper level to identify the poor. It was found that 33 percent lived on less than 21,000 Forints per month in households with respondents under 60. The filter applied in the ILO–POV survey was therefore fixed at 20,000 Forints, a rounded variant of 21,000 Forints, and closer to the official assistance level, 18,310 Forints.

statistical research, namely that people with low income are not covered because they overestimate their income in response to the filter question (in statistical terms, a 'type one' error) and that those who indicate they have low income in response to the filter question may in reality be non-poor (a 'type two' error). The first type of error – that the sampling process missed poor people – cannot be checked because they are outside the sample. The second type of error was particularly important to assess for the following reason.

The average per capita income level recorded in the ILO–POV survey was 15,400 Forints. Various approximations suggest that this figure may understate the actual average by about 20 percent,[13] so that the true figure would be around 19,000 Forints (still under the 20,000-Forint-ceiling for the lowest third of the population). Such an underestimation of income levels might have occurred because the survey included only one question on this topic, that is, the *overall sum of the after-tax income the previous month.* TÁRKI (as well as the Central Statistical Office) takes a more detailed approach, recording incomes according to itemized sources and summing up the results after making some corrections. There is evidence in the literature that this latter approach produces a more accurate sum than a single question. We were, however, unable to probe more deeply into incomes because of resource limitations.

To check our income findings, we compared the ILO–POV sample with a comparable sub-sample of the ILO–PSS survey.[14] We found that the mean per capita income in the ILO–POV sample was only slightly higher than the mean per capita income of the lowest third of the national PSS sample (15,100 Forints). In addition, we compared the income distribution in the two surveys, noting that per capita income was less than or equal to 20,000 Forints in 35 percent of the PSS sample and in 96.5 percent of the ILO–POV sample.[15] On this basis, we can conclude that *96.5 percent of the ILO–POV sample* belong to the lowest income tercile – that is, that while incomes may have been somewhat understated by the

[13] Many checks were made. For instance, the mean income of the lowest 30 percent in the TÁRKI report was 17,600 Forints for the year 2000 (Szívós and Tóth, 2000: 14). This sum probably increased by early 2001 by the actual consumer price index, six percent. The difference between the increased sum and our mean income is then about 20 percent. Similar calculations were made on the basis of the few available data emanating from the CSO.

[14] It could not be compared directly with the TÁRKI data since no comparable sub-sample for the under-60 age group was available.

[15] The same relationships hold for equivalent unit income that takes into account the size of the household.

respondents, the survey still succeeded in hitting the target population: the lowest income third. The remaining 3.5 percent group, the top of the poor sample, is not much wealthier than the rest of the sample either. Altogether the poor sample is extremely compressed: the difference between the two extreme income deciles is close to sevenfold in the ILO–PSS sample, but less than fourfold in the ILO–POV sample (see Table 1.7).

It is not the purpose of this study to analyze the characteristics of poor people in detail, but rather to look at the role of social security in their lives. Suffice it to say that this survey confirms previous findings that the risks of poverty are higher than average among households with unemployed members, those living in villages, and those with many children. At the same time, three findings related to the income of poor families are worth emphasizing, though they are consistent with other research.

The first relates to *single people*. Comparing the two samples, it seems that single people produce a bi-modal income distribution. On the one hand, they are disproportionately represented among the poorest of the poor (in the bottom third of the poor sample their ratio is nine percent as against one percent in the two next terciles). On the other hand, in the ILO–PSS sample of the total population, they are significantly over-represented in the top decile (25 percent instead of 10 percent). Single persons who belong to the poorest households are in an extremely difficult situation. They find it harder to obtain assistance, and they have particularly unfavorable living conditions.

Second, our study confirms the *extremely high rate of poverty among the Roma.* According to the TÁRKI survey for 2000, the rate of those living under half of the per capita income was 14.6 percent in the whole population, and over four times as much, 64.5 percent, among the Roma (Szívós and Tóth, 2000: 55–56). Also, the huge majority of the Roma, 85 percent, are found in the bottom income fifth. These findings are confirmed by the ILO–POV survey. As Table 1.11 shows, 83 percent of the Roma households in the survey belong to the bottom three income quintiles, or 60 percent of our sample (that corresponds by and large with the bottom fifth of the entire population).

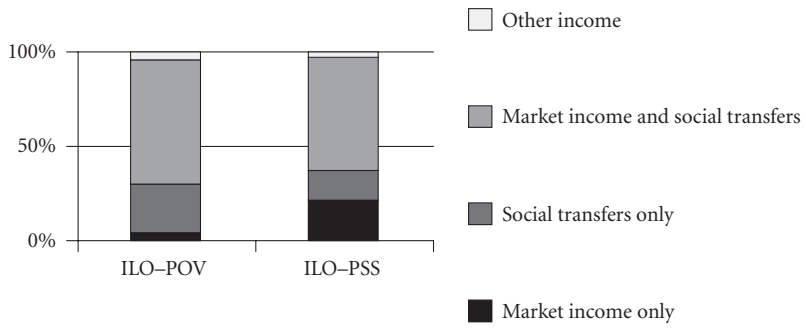
Third, the survey confirms that *poverty is not an ethnic issue:* the majority of the poor are not Roma. There are Roma in about 20 percent of the poor households, but in about 80 percent there are none. Even in the deeply poor lowest quintile, more than 50 percent of the households are non-Roma. Thus, there is a very strong case to be made for dealing with the problems of poverty as social and economic issues, and not as an ethnic issue.

Chapter 2
Social Transfer Incomes: An Overview

2.1 The Main Income Sources

In this study, social transfer incomes are defined to include all income maintenance payments made by government, including social insurance, universal payments, and social assistance. By all measures, the role of such transfers is large in Hungary, but particularly so in the life of the poor. In the national ILO–PSS sample, 16 percent, and in the ILO–POV sample 25 percent, of the households relied *solely on transfer incomes*. Close to two-thirds got some transfer incomes alongside earned income in both samples. Transfer incomes reached altogether 91 percent of the poor households and 76 percent of the households in the ILO–PSS sample (see Figure 2.1, Table 2.1).

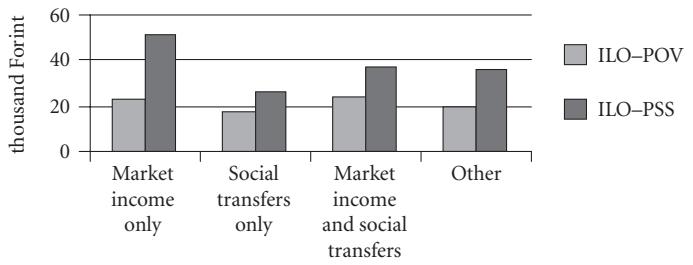
Figure 2.1
The share of the main income sources: Percentage of households having the given income source in the ILO–POV and ILO–PSS samples



Despite the low activity rate, a not insignificant number of the poor actually work: in 64 percent of the households there is an active earner. The return on their

labour is low, however. To put it another way, they are poor because they have low wages. The income differences between those having market income and those having only social income is significantly greater in the national sample than in the poor sample (see Figure 2.2, Table 2.2).

Figure 2.2
Average equivalent income according to the different income sources of the households



The survey inquired about various types of income. Among work-related types, wages are the most prevalent: in 60 percent of the poor families there is some regular wage. Twelve percent of the poor households receive income from occasional work (including the black economy), mostly if there is no regular earner. Some seven percent have income from agriculture, but (curiously) this happens more often when there is an active earner. Among the social transfer payments, there are some that are work-related (thus mostly active earners get it) such as the sick-pay. Universal family allowance is widespread among both the active and others, while other forms of social assistance are more frequent in households without an active member (see Table 2.3).

In principle, with higher earned or market incomes, the role of social transfer incomes (their proportion within the total income, but also their level) declines. Indeed, this relationship between market incomes and transfer incomes holds for the national sample (ILO–PSS). The ratio of households which have only market income is eight percent in the lowest income third, and 38 percent in the top third. The ratio of those receiving social transfers declines as income increases, from 89 percent in the bottom third to 60 percent in the top third. However, the

ILO–POV sample does not show this relationship.[16] The share of households having only market incomes is very low – around five percent – in all income thirds, and about 90 percent of the households get social income. There is one important difference between the poor income thirds, though. The ratio of households living *exclusively* on social transfer incomes is high, almost 50 percent in the bottom third, and rapidly declines thereafter (see Figure 2.3, Table 2.4).

Figure 2.3
Percentage of poor households with various income sources in the income thirds, ILO–POV

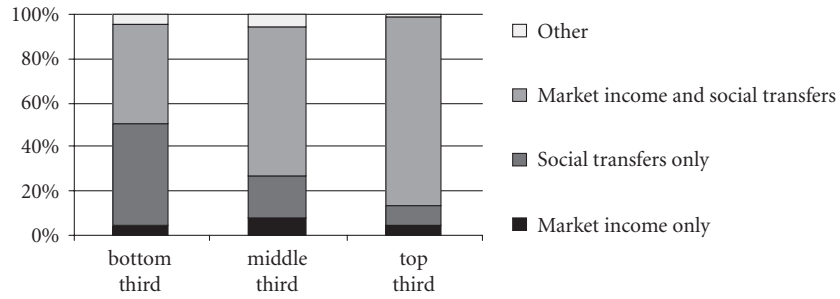


Table 2.5 shows the role of social and other incomes in the budgets of various household types belonging to different income thirds. The ratio of those living solely from social transfers is extremely high (almost three times the average of 25 percent in the poverty sample) among the single persons in the bottom tercile; it is relatively high among those having no children; and almost double of the average among Roma.

The apparent poverty of a small group of single people, altogether 43 in our sample, has already been noted. From this analysis of incomes, we can observe that almost one third of them (16 persons) are unemployed, and most of the others are disabled, receiving a low disability pension. Half of them are men, half women.

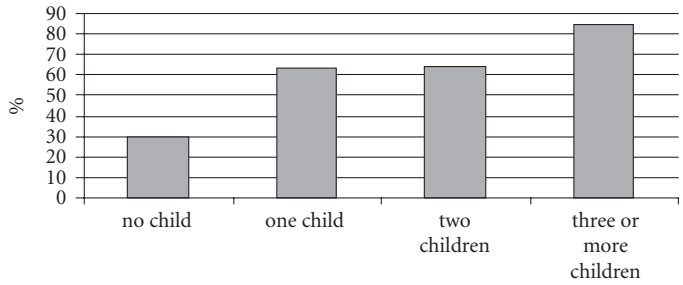
[16] In most respects, however, the bottom third of the national sample shows many similarities with the totals of the poor sample. Since the two samples are independent, the similarity confirms our presumption that the poor sample represents the lowest income third of the population under 60.

Further, the share of families relying solely on social transfers is only six percent in Western Transdanubia, an economically thriving region, and 36 percent in the poorest part of the country, Northern Hungary.

The activity rate in the household and the number of children and/or disabled members in the family cause predictable variations. For instance, 37 percent of the families where there are sick people needing constant medical care rely solely on social transfers, but only 21 percent of the households without sick people live exclusively on social income (see Table 2.5).

While social transfer payments reach the large majority of families in the survey, their importance depends on the type of transfer and household. We distinguished means-tested transfer incomes (social assistance) from universal and social insurance type benefits. In order to highlight the role of means-tested benefits, we lumped the other benefits together. Sixty-one percent of all poor families receive means-tested benefits. The rate is lowest in case of families in which all adults are active earners, or among families without children, but not single. The rates are highest in case of families with many children, particularly couples (see Figure 2.4, Table 2.6).

Figure 2.4
Percentage of families receiving means-tested benefits



As will be explained in more detail later, the effectiveness of social income transfers in preventing and alleviating poverty may be doubted. Social benefits are spread very widely, yet the income of the family remains low even after receiving them. The equivalent income is 17,300 Forints in case of those who rely solely on social transfers, and close to 24,000 Forints for other households (see Table 2.2). Means-tested benefits (social assistance) yield an even lower income.

Out of the 254 households receiving only social transfer income, there are 71 that rely on non means-tested benefits, and 183 who received both means-tested and other social benefits. In our sample, the former group has a somewhat higher average income, at 18,300 Forints, while the latter group reported an average income of 17,000 Forints.

All the data confirm that universal or insurance-type benefits are more beneficial to the poor than assistance specifically designed for, and targeted to, this segment of the population.

2.2 Awareness of Benefits and Access to Them

Traditional universal and insurance-based benefits are well known among Hungarians: over 90 percent of the respondents know about them; the rate reaches 97 percent in case of family allowance. Even the unemployment benefit, which was introduced in 1991, is known by 94 percent of the respondents, whether they are personally involved or not. The other forms of selective, means-tested benefits introduced mostly after 1990 are less familiar. Two of them, the income replacement after the unemployment benefit is exhausted (already extinct), and child protection assistance (which is an extension of an earlier benefit) are known, however, by almost 90 percent. The other forms are recognized by about 60 to 70 percent. The low rate of awareness of old-age assistance is due to the fact that the sample was young, they were not eligible for or involved with these benefits.

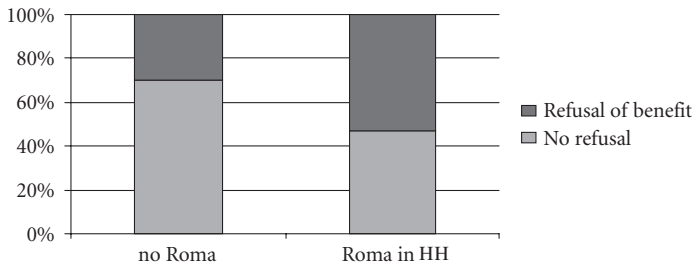
Potential eligibility does not, however, always assure receipt of the benefit. Families having housing debt may not know about the various forms of assistance with rent and bills (see Table 2.8). In the sample, 47 percent of the families with housing debt did not know about the possibility of help with the payment of bills, and 30 percent did not know about housing assistance. Similarly, 37 percent of families without children did not know about the child protection assistance, but there was lack of knowledge even in 18 percent of families with one child, nine percent with two children, and five percent with three or more children. It is of course possible that only the respondent lacked information and somebody else in the family was informed. Yet the relatively low information rate in some cases may also be due to limited efforts by the authorities to inform people about their rights.

The respondents were then asked about whether they applied for the various types of benefits (15 different benefits) in the last 12 months, and whether they received them.[17] It was reported that universal and insurance type benefits are usually granted on request. Means-tested assistance seems to be refused more frequently. Unemployment provisions were denied in 15–20 percent, and other requests for assistance (housing, crisis) in 25–55 percent of cases. Benefits for children are widespread and benefit applications are seldom denied. Benefits for adults are less prevalent and more often denied (see Table 2.8).

In order to verify the information provided by survey respondents on requesting and obtaining benefits, two general questions were asked. The respondents had to recall two events in the previous year. The first was whether someone in the household failed to apply for a benefit to which they thought they were entitled. Thirty-three percent reported that this had happened. The second question asked in a direct way whether anyone in the household had been refused any benefit for which they applied. The proportion asserting that such an event occurred was 37 percent. The rate of denied applications does not vary significantly with household income. The variations according to indicators of subjective poverty seem to be much more important. Those who feel very poor, or who assess their income as absolutely insufficient to cover needs, are *more likely to report not asking for,* and *much more likely to report being refused,* a benefit. The rejection rate also increases with the number of children – rejection is particularly high when there are three or more children. Large families do get more assistance than smaller ones. It seems, though, that their needs remain unmet as the authorities do not accept the added requests. The rejection rate is one of the highest, over 50 percent, among the Roma. Their situation is similar to that of the large families: households with Roma members do get assistance, but their felt or real needs are not fully addressed (see Figure 2.5, Table 2.9).

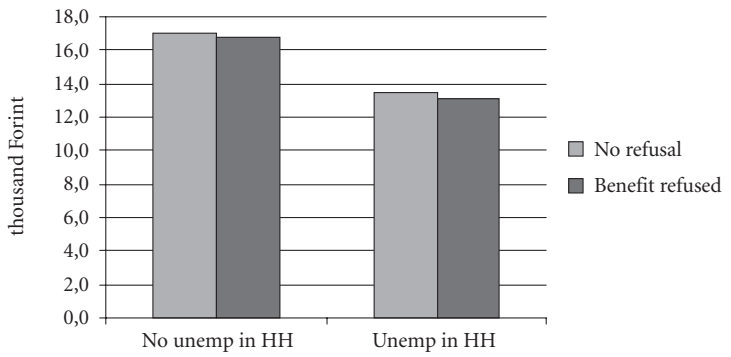
[17] Question 12 of Block 2.

Figure 2.5
Reported rejection rates for benefit applications, in households with and without Roma members



The average per capita income reported in the survey by the households having been refused social assistance is not higher, and is often lower, than that of the other families. Even if incomes are underreported by 20 percent as previously hypothesized, it still seems that the rejection is not justified on grounds of lack of need. Table 2.10 shows per capita income in the households that were not refused assistance compared with that of those whose applications were rejected. The differences are not very significant, but the income of those who were refused a benefit is lower than that of the others. The statutory threshold for social assistance in most cases is the minimum pension, 18,310 Forints in 2001. It means that the per capita income of the family is not supposed to exceed this sum. Given that the average income in our sample was lower than this amount and the upper limit was only slightly higher, one might guess that many or most of the rejected households had income that was below this limit, making them eligible for social assistance. However, one should not hasten to conclude that their rejection was unlawful. On the one hand, our income data are subject to some uncertainties, as previously noted. On the other hand, there are many other legal conditions of access to assistance that may be applied with some discretion. In any case, the data strongly suggest the possibility that the needs of poor, and apparently eligible, people remain unaddressed (see Figure 2.6, Table 2.10).

Figure 2.6
Per capita income of those refused or granted benefits



The rate of those receiving social insurance benefits and means-tested social assistance benefits, and the average sums per recipient, are presented in Table 2.11 and Table 2.12.[18] The ratio of those receiving means-tested benefits in the last month is 51 percent, which is lower than that of those receiving benefits during the whole year, 61 percent. The trends are nevertheless similar in both cases (compare Table 2.6 and Table 2.11). We added data on subjective poverty, that is, the ratio of those who feel poor. It seems that the relationship in this respect between the 'objectively' poor having little income, and those who feel themselves to be poor, is not very strong.

An overall conclusion based on the income figures is that the amount of means-tested benefits may be slightly higher among the poorer groups. Social assistance-type benefits may be more widespread in their case, but the per capita amount is so low (around 3,000 Forints per head per month in most groups) that it does not represent genuine help. The higher proportion of the Roma receiving benefits and the slightly higher amounts of assistance may be explained by their stronger entitlements (see Table 2.12). There are children under three years old in 20 percent of the non-Roma, and 33 percent of the Roma households. The average number of dependent children is 1.4 in the first group, and two in case of the Roma. Despite the greater role of benefits, the Roma remain significantly

[18] This is on the basis of the data relating to the last month before the interview.

poorer than the non-Roma. Nevertheless, one may conclude that open discrimination does not characterize the process of determining eligibility for social assistance.[19]

2.3 The Efficacy of the Benefit System

The Hungarian social security system is structured to be broad and flexible: it provides benefits for different life situations and different individual needs. We have already noted that coverage is wide. Ninety percent of the households among the poor (which is the lowest income third of the population) receive social transfer benefits, and over 60 percent among them also receive one or more types of means-tested benefits. We have also pointed out that the amount of social benefits paid is low. Consequently, payment of the various forms of social insurance, allowance, and assistance do not significantly improve the situation of most poor households. In fact, even with the addition of these benefits, their income remains below the 'socially acceptable minimum' as calculated by the Central Statistical Office. These subsistence minimum figures are regularly reviewed and made public by the CSO. The monthly average for 2000 was HUF 25,581 Forints, varying with the household type within a range of 20,000 to 33,000. [20]

Comparison of the CSO subsistence levels and the income figures revealed by the ILO–POV survey show that the differences are significant. Across the whole sample, the ILO–POV average is 40 percent lower than the average subsistence minimum. The difference varies between 30 and 50 percent depending on the type of the household. The gap is particularly wide in case of all-adult house-

[19] Some observers hold that the low level of social assistance is due to the fact that the scheme is designed with a view toward Roma, but this cannot be proved or disproved.

[20] A precondition for inclusion in the ILO–POV sample was that household per capita income be lower than or equal to 20,000 Forint. This amount is below the average subsistence minimum, therefore the income of the sample is necessarily lower than the subsistence minimum. However, because the subsistence minimum varies, we cannot measure the gap between the two figures precisely. The data presented show only that the income of the large majority in the lowest income third is *significantly* lower than the subsistence minimum, and that the gap differs according to the type of the household.

holds, and of large families with many children.

The differences are so great in most cases that – even if the survey underestimated household income as previously hypothesized – more accurate reporting would not cause this gap to disappear. Also, we compared the ILO–POV data with the subsistence minimum figures for the year 2000, which are about 10 percent lower than the 2001 data will be. The shortfall in incomes is large and robust: it leaves no room for doubt that the social transfer system is inadequate to raise household incomes to minimum subsistence levels (Table 2.13).

Chapter 3
Child Benefits

The preceding description of the sample indicated that the poor have more children than the non-poor. The proportion of large families with three or more children is six percent in the national sample, and 21 percent in the ILO–POV sample. Table 3.1 presents the details of the distribution of households according to the number of children. The variations in the rate of childless households are self-evident (e.g. older people, pensioners). Larger families tend to be concentrated in villages, and they are more typical of the Roma, of couples cohabiting, and of the unemployed. (These characteristics are only partly overlapping. For instance, out of the 88 families where the couple is cohabiting, 54 are non-Roma and 34 are Roma. In both groups, the majority have children. See Table 3.1.) Overall, the average number of dependent children is 1.55. It is 1.44 in the households where there are no Roma, and 1.98 in the Roma households. The difference is significant, but not shockingly large.

There are three main types of child benefits, the *universal family allowance*, the means-tested *child protection assistance* (recently renamed complementary family allowance), and the *tax allowance*. In the last three years, the amounts paid as family allowance remained unchanged; the child assistance payments increased more or less along with the pension minimum; and the tax allowance escalated.

In the ILO–POV sample, the coverage of family allowance is almost universal. Only seven percent of the eligible households reported not receiving it. There may be errors in the responses, but it is also not completely unlikely that there are families that do not apply for this unconditional family allowance. Child protection assistance reached 57 percent of the families with dependent children (62 percent of those where the child is under 16 years old). The tax allowance, however, does not help the poorer households as much as the better-off. Thirty-nine percent of families with dependent children under 18 could not use it at all: eight percent did not know about it, and 31 percent could not use it because they had no taxable income. A further 18 percent used it only partly. Altogether only 43

percent of the households with children were able to make full use of the tax allowance (see Table 3.2).

There are obvious overlaps among the recipients of these child benefits. One quarter of the families with children received both family allowance and child assistance. Another quarter received both family allowance and tax allowance, and almost 30 percent received all three forms of benefits. Taking the three forms together, only three percent of households did not receive any benefit – not necessarily a significant finding (see Table 3.3). The scope of coverage by the different benefits varies considerably with income. These patterns are not surprising: in the bottom third, the family allowance and child assistance were the most frequent combination. In the middle third, the receipt of all three benefits is most typical. In the top income group (that is the least poor of the sample), the combination of family allowance and tax allowance is most characteristic. Thus, the tax allowance is a good example of reverse targeting: a benefit designed explicitly to provide greater support to middle and upper income families.

The structure of a family is decisive in its ability to use the *tax allowance*. Couples have a better chance than single parents, and families with one or two children can use it more fully than larger families. Yet even in case of smaller families and couples, a significant minority is not able to make full use of the allowance. Another important factor is the household's relation to the labour market. If all the adults are active earners, 85 percent have access to the tax benefit (75 percent to the full benefit), but only 22 percent of the families with no active earner can use it. These families constitute almost one third of the entire ILO–POV sample. Indeed, a good predictor of utilizing the tax allowance (implicit in the rules for its use) is the income position of the household. Thirty-seven percent of the bottom third, 60 percent of the middle third, and 82 percent of the top third can make use of it, either partly or fully. Since poorer families have more children, altogether the tax allowance cannot be fully utilized by 54 percent of them (see Table 3.4). Given the larger size of these families, this means 60 percent of the children within the poor sample.

Child protection assistance (recently renamed *complementary family allowance*) is targeted to the poor. The survey shows that this aim is achieved, and to a large extent. Large families, village residents, those in the lower two income thirds receive it more often than the others do. Yet 42 percent of the families with dependent children did not receive it, and this ratio is over 30 even in the bottom decile (see Table 3.5). The comparison of average income in families receiving

and not receiving child assistance shows that the efforts to improve targeting are only partly successful, as in certain groups – for instance in 'irregular' households – the non-receivers have very low income (see Table 3.6).

The objective of the child benefit system is to reduce income differences among families of different sizes. These differences, however, persist in the total population, because the portion of family income which does not depend on the number of children is much larger. For the poor, a high proportion of the total household income consists of various child benefits, and its amount increases with the number of children. Hence the reduced difference between smaller and larger households.[21]

It may also be noted that the *equivalent income* (adjusted to take into account the economies of scale, or lack thereof, in the living situation) *of childless households is lower* in the poor sample than that of the families with children. *This is a feature of poverty in Hungary that is often overlooked:* there is a group of very poor adults without children, a significant portion of them single people, and with a large share of unemployed and disabled (see Table 3.7). A comparison between Table 3.7 and Table 3.8 (which presents the national income data for households with different number of children) shows that childless people are much better-off than families with children in the national sample but are worse-off in the poor sample.

Roma families are in a somewhat paradoxical situation due to the shortcomings of the social assistance system. At least in our sample, they receive *more social transfers than the other households, yet their income level remains significantly lower than the average* (see Table 3.9). In other words, although there are more non-Roma among the poorest income third of the total population, as we have noted, a relatively large segment remains among the poorest of the poor. Moreover, Roma children are the most disadvantaged by the tax allowance that favors households with active earners. This allowance for three children is now higher than the family allowance. Yet Roma households, which have more children, are also more unable to use it given their higher ratio of unemployed and inactive members.

[21] A multivariate analysis (linear regression model) of per capita income in the ILO–POV and the ILO–PSS samples show that the number of children, active earners, and unemployed household members are all significant variables in explaining household income levels. (The education of the head of the household and the type of settlement constitute a significant factor only in the PSS sample.) Yet all these factors together explain much more variance in the PSS sample, while the importance of the number of children is lower in the poor sample.

Chapter 4
Unemployment and Unemployment Provisions

4.1 Who Are the Unemployed?

The definition of unemployment is – as is well known – controversial. There are two official definitions. The Hungarian official figures cover only those who have registered with a labour office. The definition of ILO used in the Labour Force Surveys yields even lower figures. People are largely unaware of these definitions. Even if they are explained what definition is used, they usually consider themselves as unemployed if they do not have a job but are looking for one – not necessarily through official channels. Thus the spontaneous answers usually yield higher rates than official definitions. (The ILO–PSS survey showed the same pattern.)

The survey included one question requiring a 'spontaneous' answer for all the adult members. This question asked about their current employment position, one possible answer being that they are unemployed. Phrasing the question this way, we found that there were unemployed family members in 42 percent of households. We also made more detailed inquiries concerning three types of unemployment, and sought to ascertain

(1) whether there are registered unemployed persons in the household, and whether the respondent is one of them;[22]

(2) whether there is anybody in the household who is not registered as unemployed, yet has no job and is looking for one, and whether this applies to the respondent;

(3) whether there is anybody in the household who has no job because he/she has already given up active search for a job (discouraged unemployed).

Tallying these results, we found that there were

– registered unemployed	in 274, or 26 percent of the households.
– someone looking for a job	in 224, or 21 percent of the households.
– discouraged unemployed	in 87, or 8 percent of the households.

[22] Questions 1 to 4, in Block 3.

There was only a small degree of overlap: only eight families had all three forms of unemployment in the household simultaneously, and 59 had two forms simultaneously, altogether six percent. Thus, based on this more detailed questioning, there were unemployed in 49 percent of all households, compared to a 42 percent response on the general question. (In the PSS sample the ratio is 34 percent, not much lower.) Apparently, discouraged unemployed members of the households do not regard themselves as officially unemployed, and a portion of those who are not registered do not spontaneously declare themselves unemployed either.

The unemployed are more heavily concentrated within the ILO–POV sample, however, leading to a larger total number. In 19 percent of the households there is one unemployed, and in 24 percent two or more. Thus the total number of unemployed is 440 in the 1,029 households (see Table 4.1).

The factors connected to unemployment are clearly detectable. The risk is higher than average in the youngest and oldest segments of the sample, among those respondents with low education and skills, in the economically deprived Northern region of the country. In addition, men are at higher risk than women (see Table 4.2). The tendencies are similar among household heads, though perhaps somewhat less marked (see Table 4.3). If we look at households as a whole, unemployment seems less salient in those with many children than in childless households. The survey findings also support the well-known fact that the employment situation is the most favorable in Budapest. And it is crucial to add that *unemployment is not a Roma problem, either.* They have a higher than average rate of unemployment (60 percent as against 40 of the non-Roma), but the majority of the unemployed are not Roma (see Table 4.4.) It is significant that *the Roma register relatively more often, and are looking for a job more often than the non-Roma* (see Table 4.5).

Among heads of household, the spells of unemployment in the last three years appear to be very long (we do not have data for the other members of the household). Altogether over two-thirds of the respondents having experienced unemployment were unemployed over 12 months, half of them over two years. The uneducated, the Roma, and unskilled workers have a higher risk of very long spells of unemployment (see Table 4.6).

4.2 Unemployment Provisions

All unemployment provisions were introduced after 1990. A three-tier system evolved until 1998, consisting of an *insurance benefit*, a *replacement income* after exhaustion of the insurance, and *means-tested assistance* in case of lack of entitlement for the replacement income. This system has since been substantially altered. The replacement income was phased out from 2000 on, and assistance was tied to workfare. (The income replacement is still received by those who were in the system in 1999.) As in case of the other benefits presented in Section 2.2, the insurance type benefit is better known than unemployment assistance (94 percent know insurance and 78 percent, assistance).

Altogether half of the households in which there is unemployment received some sort of unemployment benefit (see Table 4.7). Even if they received a benefit, the household income remained low – as low as in the households not receiving unemployment benefit. Per capita income in both groups is below the assistance limit (see Table 4.8). Yet, registration helps to some extent: the ratio of the unemployed getting some benefit is 63 percent among the registered, and only 29 percent in the households with non-registered unemployed (according to self-declaration). In the latter case, most people receive assistance (see Table 4.9).

While at present only half of the unemployed receive some benefit, in a longer time perspective it seems that more people are reached. The 359 unemployed respondents were asked about entitlement and receipt of the various unemployment benefits in the last three years. Two thirds said that they were entitled to an insurance benefit, and almost all of them had received it for a certain period of time. Less than half of them were entitled to income replacement, and 86 percent of these received it. (As explained, this benefit is being gradually phased out, so that it is no longer available to new applicants.) Only 23 percent of the unemployed thought themselves to be entitled to assistance, and of these 78 percent received it at some point. Altogether the majority of the respondents received some unemployment benefit, but almost 20 percent received nothing during spells of unemployment in the last three years.

Table 4.10 sums up the experience with active labour market measures, presenting the distribution of the households having or not having Roma members. Active measures seldom reach the poorest third of the population. Only 15 percent of the unemployed participated in some kind of training, and 26 percent participated in public work.

Among the participants of training courses, the majority already had some kind of training in an industrial apprentice school or secondary school. The most frequently mentioned reasons for not participating in training are that the unemployed people do not believe that they will get a job this way (39 percent), they think they do not need any training (25 percent), and there are different family reasons (22 percent). More than one third of these people try to earn their living in some other way.

It seems that the principle of 'work for welfare' is beginning to take hold in the poorest strata of the Hungarian society: 26 percent of the unemployed respondents (91 out of 361) participated in some public work activity. They accept this solution because they have no better alternative. Seventy-one percent of those who did public work mentioned that the income is higher than from social assistance, and according to 68 percent that was the only way they could obtain the right to social assistance. At the same time, two thirds of those who did public work thought it paid very little; and 81 percent complained about the shortness of the job. These complaints were voiced also by some 10 percent of those unemployed who did not do public work. Of those having participated in public work, practically nobody (seven persons) think that public work may help in getting a regular job (see Table 4.11).

One would presume that if the statutory provisions fail to help people, they would look for individual solutions. There were 133 unemployed people who in fact mentioned that they tried to earn some money instead of accepting public work. However, they do not trust advertised job offers – and their mistrust seems somewhat justified. Forty percent of them responded to at least one job offer in the last three years, and 78 percent of these attempts proved to be unsuccessful. The failure was more often a rejection on the part of the prospective employer than non-acceptance of an offer. Less than 40 percent decided to refuse the job because of low pay or bad conditions, while over 60 percent were rejected, mostly because the post was already filled.

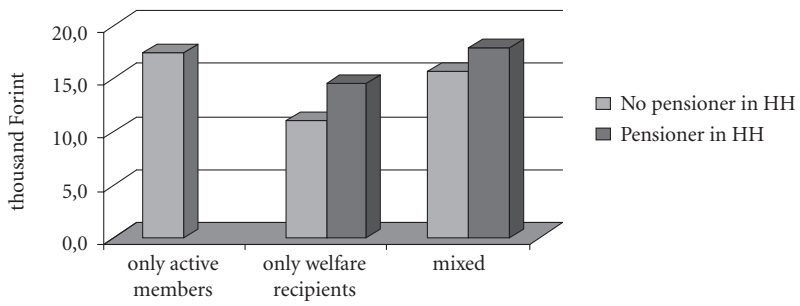
Chapter 5
Pensions

5.1 The Situation of Pensioners in the Sample

The respondents in the sample had to be between 18 and 60 years old. Some members of the household, including the head, may have been older than 60. Nevertheless, the sample cannot be taken as representative of the pensioner population. There are pensioners in 35 percent of the households in the sample; the majority is on disability pension (see Table 5.1).

The households that have pensioner members are in the same or a slightly better situation than the households without them (see Table 5.2). However, the relatively favorable situation of pensioners is due only to the very low aggregate income of those who have neither pension nor earned income. The incomes are the highest in the households in which there are only active earners. They are followed by the households in which there are both pensioners and active earners, and households in which there are only welfare recipients but no pensioners fare the worst (see Figure 5.1).

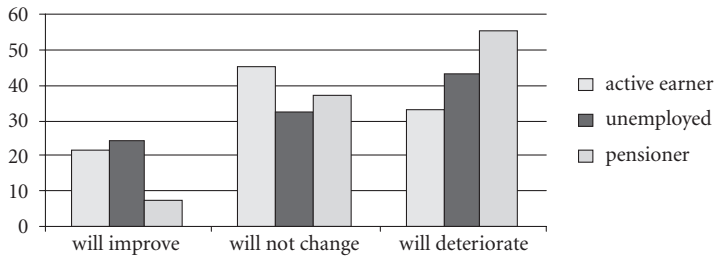
Figure 5.1
Average per capita income of different types of households with and without pensioners



The proportion of households with pensioner members is similar across the whole sample, thus it is the same among the Roma and the non-Roma (35 percent in both sub-samples). This is partly due to the absence of elderly people in the sample of respondents. From other studies, it is widely known that the life expectancy among the Roma is much lower than the average, thus they are less likely to receive old-age pension. It is also known, however, that the cases of work accidents and occupational diseases are more frequent among them, thus they are more likely to receive disability pension. Given the exceptionally high rate of unemployment among the Roma today, it is unlikely that employment-related pensions would be paid to Roma families in the future. At present, pensions are still an important contribution to Roma household budgets – but still not enough to match the income level of the non-Roma households in similar status groups. Taking all the groups together, the mean equivalent income in our sample is 22,800 Forints among the non-Roma if there is no pensioner, and 23,800 if there is. When there are Roma in the household, the respective figures are 17,400 and 18,700 Forints, about 20 percent lower.

The indicators of objective and subjective poverty are not quite in line with the income data: respondents with pensioners in the household feel poorer, and are more pessimistic about the future. (This is, however, in line with former research findings, see Ferge, 1999.) One explanation for this subjective poverty is the significant drop in household revenues after the retirement of the family member, and the other is the lack of trust in a future improvement of pensions (see Figure 5.2, Table 5.3).

Figure 5.2
Expectations about family income next year



5.2 Preparation for Old Age

Our survey data suggest that poor people in general do not have a clear picture of the pension system or the mechanisms of retirement. To sum up our main impression: The majority of respondents expect to receive old-age pension in the future while only about half of them pay contributions or know about the payment of contributions.

The issue of payment of contributions does not apply for everybody: those already on pension are not expected to pay. The question is certainly relevant, though, in case of the active earners, the unemployed, and those on child-care grant. As Table 5.3 shows, the responses are ambiguous and apparently contradictory. For instance, 19 percent of the active earners think that nobody pays any contribution for them (this happens if someone works illegally, but this should not be true in all cases here), and only 13 percent believe that the contribution is paid both by themselves and their employer. The respondents on child-care grant seem relatively well informed about their situation (their answers seem to mirror 'reality'). If the unemployed and dependent members of the family are also well-informed, then over 70 percent of them are not cumulating any pension right (see Table 5.3).

The respondents were asked in a separate question whether they had pension insurance. Their answers are more or less similar to those made on the payment of contributions. Most of the active earners and child-care grant recipients are insured, while the unemployed and the dependent members seem to have a very precarious future. Among the unemployed or dependent members of poor households, the uninsured segment is very large – in both cases over 20 percent (see Table 5.4). Occupation (or education) makes a difference among the active earners; for instance, there is a significant differential between the skilled and the unskilled workers. Another important finding is that almost 40 percent of the self-employed respondents are inadequately insured (see Table 5.5).

Meanwhile, the poor have few other ways of saving for the future at their disposal. 37 percent of the households have no form of insurance or private savings, but this ratio increases to 66 percent if we discount the public schemes (see Table 5.6). According to a 1999 survey, the proportion of those who had private pension insurance among the non-retired adult population was 28

percent, and among the economically active over age 20 the ratio was 32 percent. In the sample representing the poorest third, this ratio is 12 percent.[23]

Not surprisingly, the non-insured and those who are not saving are poorer than the rest. The lowest income groups, the Roma families, and the respondents with unfavorable housing conditions are disproportionately represented among them. For instance 68 percent of the non-Roma, but only 44 of the Roma have pension insurance.

People seem to be confused about the mechanism of the pension system. For example, although 37 percent of the respondents say that they do not save in any way for the old age, the dominant majority, 86 percent, expect a pension in the future. (Nine percent of those who have insurance do not expect a pension – which may be just an error or the sign of a different kind of confusion.) Even among the currently uninsured, 76 percent of the respondents still expect to receive old-age pension in the future (see Table 5.7).

If we rephrase the question to focus on the resources people expect to have in their old age, again 86 percent anticipate that they will have old-age pension. The remaining 14 percent mention occasional work, family support, or social assistance from the municipality as possible sources of income in their old age.

[23] Béla Janki (1999), *A magán-nyugdíjpénztárak tagsága* (Members in the Private Pension Insurance Schemes), Társadalompolitikai tanulmányok 18, December 1999, p.13, Table 2. Budapest, TÁRKI.

Chapter 6
Access to and Use of the Health System

6.1 Coverage of the System

The overwhelming majority of the households in the sample (1,022 households, or 98 percent) have health insurance coverage.[24] Twenty percent receive health 'vouchers' which assure access to free or almost free medication within certain limits. (The eligibility for this voucher is predominantly means-tested, but it may be granted to anybody suffering from a specific illness.) The need for these vouchers seems to be somewhat less satisfied. Seventeen percent of households say that probably they would have needed the voucher but did not apply for it, and in case of a further seven percent (53 households), the local municipality refused an application for the voucher. It seems paradoxical that both types of household (the one that did not apply, and the other that did apply but was refused), have a lower than average income level. The average rate of refusal, at least in our sample, seems to be higher among the Roma than among the non-Roma, suggesting the possibility of discrimination.

The assessment of the health status of the households and their need for medical care is only self-declared. In 20 percent of the 1,040 households, there is one or more persons who need permanent medical treatment and, in 27 percent, the sick person needs only occasional medical assistance. In 63 households, both types are present. Ninety-five respondents consider their own health status as very serious, demanding permanent care, and 133 persons, though being sick, say they require only occasional treatment.

[24] In the framework of this survey, we were unable to identify the reasons why the remaining twenty-some households do not have health insurance.

6.2 Access to the Services – Satisfaction of Needs

The respondents' use of general medical services (family doctor, specialists, and hospitals) appears more in line with their needs than their use of dental services. Also, the needs of children seem to be better covered than the needs of adults, even though the coverage of perceived needs is very high (see Table 6.1).

As far as adults are concerned, there are few obstacles preventing the use of medical services. The question was considered to be so important that detailed direct questions were asked. Apparently (according to the respondents) they are not strongly hindered by a lack of entitlement, because the majority has obtained their social security number and social insurance card. Four percent said that they did not use the medical services though they would have needed it because they did not know they were entitled, and another four percent did not sign up with any practitioner. There seems to be no shortage of information, and gaining access to services and pharmacies is not difficult. In case of children, even these obstacles are not present: their needs seem to be practically fully covered. The well-functioning network of visiting nurses and pediatricians as well as medical services in the educational institutions probably play an important role in providing children of poor families with the necessary treatment.

The main problem is that there is a significant minority, 35 to 50 percent (depending on how the question was asked) of households, who cannot pay for the prescribed medication. We shall return to this question.

It is an open question whether the perceived health needs correspond to 'real' needs. According to all information, the poorer segments of the population have a shorter life expectancy than average. It may be assumed that their medical needs are also greater.

The only comparison that could be drawn is with the results of the TÁRKI survey for 1997.[25] The tendencies are very similar: women see the general practitioner (GP) more often, education or locality have a mitigated impact, and – probably the best news of all – there appears no difference in this respect between the Roma and non-Roma households. In the comparison, the only significant difference is between the data concerning the bottom income fifth of

[25] *Empírikus felmérés a népesség egészségi állapotának meghatározottságáról. Zárótanulmány,* 1998. május. Budapest, TÁRKI.

the households and all the other ones. While in our sample, among the poorest 200 families the GP visiting rate was 51 percent, the TÁRKI data show a 63 percent visiting rate. The better the income situation of the household, the higher the likelihood that the ill member of the household goes to see the GP. The findings of the two surveys here show similar trends: the GP visiting rate reaches a level of 68–69 percent in the top income fifth.

However, as far as the levels are concerned, practically all the ratios are lower in the ILO–POV survey than four years ago in the TÁRKI survey. Since we cannot suppose that the poor are healthier, and since there is in our survey a clear connection between income and visiting the GP, it seems that the poor visit the doctor less often than it could be necessary (see Table 6.2).

There are also similarities between our survey and the TÁRKI survey in terms of patterns of visiting the dentist, but the frequency is not much lower in case of the poor. The use of dental services is inversely related to age, unlike visits to the GP. The same is true for the educational level (see Table 6.3). In contrast with other medical services, a considerable number of people mentioned the lack of dental treatment when they would have needed it. Since the health insurance system was reformed in 1995 so as to make most dental treatments available only for a fee, visits to dentists have significantly decreased. In fact 124 persons say they did not visit the dentist when it was needed, and they referred primarily to financial reasons (in 114 cases).

Access to sick pay is a difficult issue. The ratio of sick pay is meaningful if related only to active earners and the unemployed. (The other employment status groups have no entitlement.) In the year before the interview, a very high proportion of active earners used sick pay, 37 percent. The illnesses they suffered from seem to be serious: the average number of those on sick leave was 30 days, higher than the national average. Yet, an even higher rate, 50 percent asserted that they needed sick pay but did not use it – mostly because they could not afford it (see Table 6.4). When these respondents were asked about why they did not opt for sick pay, they cited the potential loss of income (61 percent) and the fear of losing their job (57 percent) as principal reasons.

6.3 Who are Hit by the Lack of Money?

The problem of poverty does not seem to prevent access to medical treatment, or at least it seldom does. Yet, the implementation of the prescribed treatment seems to be affected. Two questions probed this problem. In the income block of the questionnaire, it was asked whether an occasional income deficiency (for instance, at end of the month) affected drug expenditures. In the health block, the question was whether the family could buy all the prescribed drugs. The two answers only partly overlapped (see Table 6.5). Half of the households declared that they did not have difficulty in either case, one fifth claimed that both problems occur, and the others had one or the other problem.

In what follows, we characterize only the group that could not pay for prescriptions (35–50 percent of the households, depending on how the question was asked). The households where the impact is greater than average are those with fewer active members, where there are pensioners, where per capita income falls below the sample average, and particularly the Roma families. In the group of people using medical vouchers, significantly more people are unable to obtain prescribed medicines than those who have a social insurance card, as the medication in question may not be on the approved list for the voucher and they are unable to buy it. The problem is increasingly severe in the lowest segments of the poor population (see Tables 6.6 and 6.7).

Chapter 7
What Does Poverty Mean?

7.1 Need Satisfaction – What Can the Poor Afford?

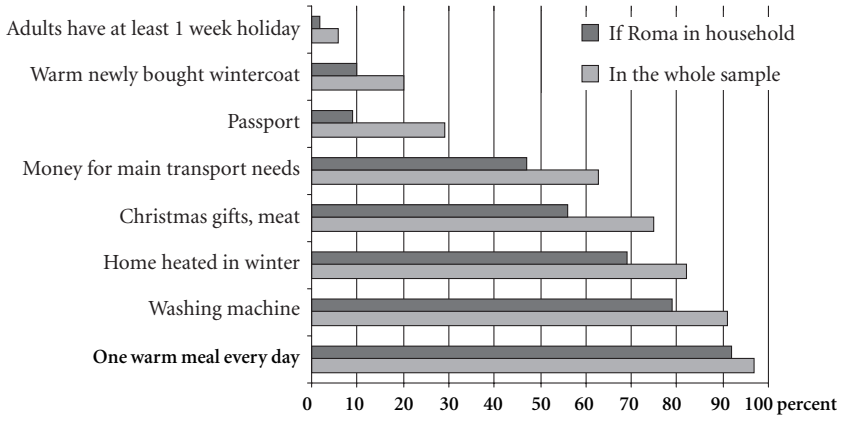
The degree of satisfaction of basic needs is a many-faceted issue that is difficult to capture in a simple questionnaire. The survey applied separate indicators for adults, children in general, and school children. In all the cases, the indicators were selected to reveal the extent of fulfillment of the most essential needs (for food, clothing, required school items), as well as some 'secondary' needs (for cultural development, such as holidays or the use of a computer, particularly in case of children).[26]

The factors that differentiate need satisfaction provide no great surprises. Income is the most important factor, as is education and occupation. Considering the most basic needs, the situation is not much worse in the Roma than in the non-Roma households. In other respects (housing, accessibility of home, transport), they are the poorest of the poor (see Figure 7.1).

The first important finding is that hunger is probably no more a widespread or basic problem. It used to be so before World War II, ceased to haunt the poor around the sixties, and – although the transformation in 1989 was followed by severe hardships – has now become rare.

[26] We relied on the Poverty and Social Exclusion (PSE) survey of Britain in the choice of indicators. See Gordon and Townsend, 2000.

Figure 7.1
Affordable items in the full sample and in households with Roma members



This does not mean that hunger has disappeared. The survey suggests about six percent of adults in the bottom income third do not have a hot meal every day.[27] This group grew rapidly in the first years of the transition, but then the situation improved somewhat as local public and civil efforts got underway.[28] One indicator of not very satisfactory nourishment is the frequency of meat consumption. In Hungary, meat is one of the most important components of the diet. Yet only 50 percent of adults have meat at least once every second day. There is evidence that this is not by choice: among the bottom income third, 43 percent of the adult population eats meat frequently, while in the top income third, the share is almost 60 percent. In both cases, only three percent declare that they do not eat meat because they prefer not to do so.[29]

[27] The spokesman for a Civil organization for the nourishment of school children said on the radio (October 5, 2001, Info Radio) that there were about 7,000 hungry children around the country (too much, yet far less than one percent of children), and more who were undernourished.

[28] Moreover, everyday experience shows that the homeless (most of them middle-aged men) search for edibles in garbage cans, queue up at soup-kitchens, and are hungry.

[29] The differences in the consumption of meat reveal quite interesting gender and other differences. While a summary report cannot elaborate on these details, it may still be interesting to note that women consume much less meat than men even under similar income conditions. This observation just points to one of the difficulties of poverty analysis.

On the whole, it seems that in the very unequal society that Hungary has become, a third or fourth of the population appear to have enough discarded food, clothing, and furniture to cover the needs of the poorest. The recycling of such used goods on a large scale is a new development in Hungary. Unfortunately, this practice also includes the more unhealthy and inhuman forms of recycling (like garbage can searches) and the less organized collection of discarded goods. Indirect evidence of this is the small portion of poor adults who have a winter coat they purchased new.

It should be noted that all the things that are not needed for elementary everyday survival – like a new warm coat, or a passport, or holidays – are scarce in the life of the poor.

The question of distribution within households is still a 'black box' in Hungary. According to our findings, it seems that the needs of children may be slightly better attended to than those of adults. It is very difficult to find indicators that allow real comparability because the needs of children are different. We applied stricter standards: for example, instead of one warm meal per day, we asked whether children have three meals a day. In any case, three meals a day, undergarments, and separate beds seem to be the rule. One cannot exclude, of course, that people are ashamed of their basic poverty and embellish reality. But even if there is some exaggeration in the declarations, it is a positive sign in our view that parents know what should children have. Financial difficulties seem to exert a strong effect on the purchase of such items as a pair of new shoes; and children's holiday is a rare luxury among the poor. In any case, though, the differences between the children in the three income thirds of the poorer third of society are somewhat less significant than in the case of adults. We have already noted that in this segment of society income inequalities are compressed. This may be particularly true in case of the families with children (see Table 7.2).

The relative priority given to children's needs stops at what is beyond the financial capacity of these poor families. Most of them cannot really overcome the obstacles that stand in the way of good education for their children. Apparently, 'the basics' required by the school are assured, and social policy – free distribution of textbooks, for instance – may help to achieve this. But the non-statutory aspects of education which promote the broader cultural development of the children – e.g. organized sports, the learning of languages, or access to computers

– are prohibitively expensive. Hence the future of the poor children is very unsure (see Table 7.3).

The present lives of the families, but also the future of the children, is to a large extent influenced by housing conditions. We recorded some features of housing that we can compare with the national sample. The poor families – and among them particularly the Roma – live with much fewer facilities (inside toilet, running water, bathroom), in more overcrowded homes, and their whole environment is less 'civilized' and less safe. For instance, on the national level (according to the ILO–PSS survey), in 17 percent of the families two or more persons live in one room, and in four percent, three or more per room. In the ILO–POV sample, these figures are 37 percent and 17 percent respectively. In the national sample, over nine percent of the households have no inside toilet, in our sample this ratio is 22 percent (see Table 7.4).

7.2 Subjective Feelings about Poverty

The question of whether declared income is sufficient to cover basic needs is very often asked in household surveys. In our case, the respondents had to answer on a five-point scale whether the income the family had in the month preceding the survey was enough to cover everyday living needs (1 meaning absolutely not enough, 5 meaning fully adequate). The distribution of the responses to such questions usually displays a more or less asymmetrical Bell-curve.[30] In our sample, the curve is practically truncated. There is almost no one who responded with a 4 or 5 to this question, and in 56 percent of the households the respondent answered that their income was absolutely insufficient to cover their basic needs. The rate of absolute insufficiency reaches 70, 80, or even 90 percent among the most deprived groups. The inadequacy of incomes is indeed staggering.

The difference between Roma and non-Roma is significant, 78 percent as opposed to 50 percent. However, interestingly, the number of children is not a very significant factor. In line with our previous observations, the rates are above average among childless households (60 percent) and families with three or more children (62 percent). Table 7.6 presents the distribution of households by income thirds. While the majority of the sampled households are rather deprived,

[30] The ILO–PSS survey shows what a 'normal' survey usually produces (see Table 7.5).

the differences between the answers of the lower and higher income terciles concerning need-satisfaction are huge. Absolute insufficiency reaches 82 percent in the bottom third (see Table 7.6).

We also asked whether the family had run out of money by the end of the month sometime in the past year. This happened with regularity to 70 percent of households, and to 81 percent of the poorest third of them. The share of those who never had this sort of trouble was six percent for the whole sample, two percent in the poorest third, and only nine percent in the top third. The situation is similar to needs coverage: these ratios are inordinately high, and suggest extremely difficult living conditions. The same question was regularly asked (and published) by TÁRKI between 1992 and 1997.[31] The ratio of those who had financial trouble in a month was (instead of 70 percent) between 25 and 30 percent, and the ratio of those who had not had any difficulty in making ends meet was (instead of six percent) between 30 and 40 percent. Unfortunately there are no published data on the differentiation of these ratios by various social groups.

A third indicator of subjective poverty is declared feelings. To reveal these, respondents were asked whether the family could be considered poor, only occasionally poor, or not poor at all.[32] This same question had been asked in several previous surveys in Hungary.[33] The findings of several independent surveys were rather similar. The ratio of the two extremes, the 'absolutely' poor and the non-poor, are each around 20 percent. In the present survey, the share of the subjectively poor is double that in any former survey, around 40 percent, and that of the non-poor much lower, six percent. The portion who feel constantly poor is 50 percent in the bottom tercile, and 70 percent in households with Roma members. About two percent of the sample feel that their situation has improved; 13 percent, that it has become worse; and 85 percent, that there has been no change, the majority of these having remained poor. Pensioners are one of the rare groups with higher rates of reported economic improvement – six

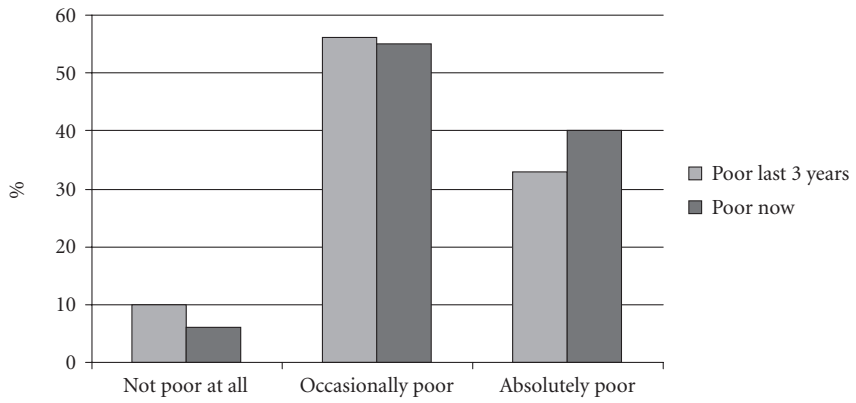
[31] Sik and Tóth (1998), *Zárótanulmány* (Final Report), p. 41.

[32] The question was presented as follows: Nowadays there is much talk about poverty. What do you think about the situation of your family now and in the last three years? Possible responses: 1. Not poor at all (never poor); 2. Occasionally, or in some respects poor; or 3. Poor.

[33] See e.g. Zsuzsa Ferge (2000), 'Poverty in Hungary and in Central and Eastern Europe,' in Gordon and Townsend, eds., *Breadline Britain,* pp. 267–306.

percent instead of two percent. Deterioration is perceived as occurring at an above average rate among the unemployed and dependents (15 percent for each), and among mothers on child-care grant because of the loss of income (22 percent). In the perceptions of the respondents, the major reason for the deterioration of their situation or persistent poverty is low or decreasing (real) income (mentioned spontaneously by 35 percent), and the absence or inadequacy of work (27 percent).

Figure 7.2
Percentage of households feeling poor in the last three years and now



7.3 Outlook on the Future

The survey also asked respondents about their future expectations. These, it turns out, are largely shaped by past experiences. About 80 percent expect no change or deterioration (see Table 7.7). However, the issue of getting or keeping a job is an important concern for the future. Political decisions do not seem to have great influence on how the respondents see their chances: only 29 persons mention this in connection with the past, and 49 persons in connection with the future.

Interestingly, optimism and pessimism do not vary as much as many other indicators. The range of those expecting improvement varies between 10 and 30

percent, and that of those anticipating deterioration (39 percent on average) between 30 and 50 percent. Optimism is almost independent of incomes. In terms of the deciles, there is a U-shaped curve, with the lower and the higher income groups reporting more pessimism. In terms of income thirds, there is a slight positive relationship. The young, the better educated, and the child-care grant recipients who expect to return to work are more optimistic than average. The Roma and older respondents (over 45 years old) are more pessimistic. Childless people and families with many children are less optimistic than families with one or two children (see Table 7.8).

To sum up: The poor are on the whole unable to satisfy their basic needs, let alone live a dignified life. The future of poor children is endangered by the inability of their families to ensure adequate living conditions and provide education to equip them for a productive role in the future. Subjective feelings of poverty are very strong among the poor, they experience a constant struggle for survival, and they look with little optimism into the future.

7.4 Social Exclusion?

The survey was motivated by a concern about social exclusion shared by the authors, the ILO, and the project donor, the French Ministry of Employment and Solidarity. While the main focus of the ILO–POV survey was on the operation of the social security system, it also provides several indicators that may be applied in the construction of models of social exclusion.

We shall note here, but not delve into, the theoretical and methodological difficulties with the concept of social exclusion. The issue is very high on the agenda of the EU, and we shall return to it in a separate work. Out of the many possible approaches, we present here two models without going into too much detail about the logic of their construction.

The first shows the simultaneous presence of four basic indicators: (i) *relation to the labour market,* operationalized as the absence of active earners in the household; (ii) *low income,* operationalized as income below the median in the ILO–POV, that is, almost half of the median on the national level; (iii) *low educational level,* operationalized as the head of household having completed eight grades or less; and (iv) *poor housing,* operationalized as no inside toilet. In other words, exclusion is portrayed here as the structured 'cumulating' of

essential disadvantages. Thus, the analysis shows how handicaps are related to each other.

Nearly a third of poor households (31 percent) report none of the above problems, and these households have incomes well above the average in the sample. The proportion of those experiencing only one of the problems is 27 percent, and these too reported above average income, except in the case when low income is the only problem. Twenty-one percent mentioned two problems, with income levels varying depending on which two problems were cited. Twenty-one percent reported three or more problems: these 224 households are extremely poor with a per capita income around 10,000 Forints, with only one household as an exception (see Table 7.9).

Our second approach examines the simple (not structured), simultaneous presence of multiple facets of poverty that may be conducive to exclusion. In this model, nine issues or fields are covered: the four problems above, plus three items on consumption (not enough money for food at the end of the month, not enough money for drugs, and winter heating not affordable), one item on health (ill member of family needing constant medical care), and one item meant to symbolize social contacts. Here, lacking any more appropriate social indicator, we chose the ability of the family to celebrate Christmas with presents and festive meals.

In this case, 14 percent of the households have none of the problems, while 22 percent have five or more difficulties. These latter households are much poorer than average. Beyond this, per capita income gradually decreases with the number of problems, albeit there is a wider gap between those who have 'only' one, and who have two problems (see Table 7.10).

In both models, childless households and families with many children are disproportionately present among the most excluded (see Table 7.11). The presence of the Roma in the most deprived segments is even more salient. Thus, multiple deprivations with serious danger of exclusion is much more characteristic of the Roma than the non-Roma population. Yet even in the most deprived groups, there is a significant non-Roma presence (see Table 7.12).

Despite the consistency and salience of the results obtained, we are not convinced that these models effectively mirror social exclusion. It seems to us that those who live in remote and desolate areas, for example, such as poor Roma neighborhoods, are not really included in the mainstream of society even if they

happen to have enough money for prescription drugs, or even if somebody in the family has a job. Nevertheless, the concepts of social inclusion and exclusion are of extreme importance. The approach to them merits more reflection, and their political adaptation requires a long process of consensus building. On the basis of the present data, we may only conclude that the majority of the sampled households are extremely poor in many respects, and that many of them are lacking essential amenities or goods that would assure full social citizenship.

Chapter 8
Policy Recommendations

Like a number of previous investigations of poverty in Hungary, this survey showed that poverty is heavily concentrated among households with unemployed individuals who want to work and are able to do so, whether or not they are classified officially as unemployed. This situation implies that the major instrument for addressing poverty lies outside the social welfare system itself in the creation of new jobs and development of new expertise and skills. Yet, given the magnitude of unemployment, even the most vigorous efforts at new job creation cannot be expected to have a significant short-term impact. Hence we must expect that the social welfare system will continue to play a key role in poverty alleviation in the years immediately ahead.

The survey also showed that universal and social insurance benefits are more effective than targeted social assistance payments in addressing poverty among those who receive them. This is a telling indictment of social assistance, both in terms of its limited reach and the very low benefit levels. Yet there is also no doubt that social assistance is here to stay as the central means of assisting the poor. Given its inadequacies on the one hand and the long-term nature of job creation on the other, a key challenge facing the government today is to improve social assistance. Supported by survey findings, the following recommendations are offered as a blueprint.

(1) *The government should adopt a new approach to setting benefits and determining eligibility*. This approach should involve, first and foremost, setting an adequate social minimum, sufficient to lift families out of poverty, whatever their size. In the past, such a procedure has never been part of the political process. Rather, the standard of eligibility and total sum to be spent on social assistance were determined entirely by budgetary considerations. While affordability must be taken into account, this must be considered in relation to social needs and the total level of government resources, not just what is left after other priorities are

addressed. Thus, there is a need for high-level social dialogue and a new political commitment to meaningful levels of social support.

In making this recommendation, we are mindful that its adoption would go a long way toward eliminating poverty in Hungary, and this cannot be achieved overnight. Thus, the government should pursue an incremental strategy which increases social assistance year by year, so that benefits rise gradually to the standard of the new family-adjusted social minimum. A definite time line for achieving this should be adopted. We urge that a goal be set this year of raising social assistance benefits to the level of the social minimum (adjusted for family size) over a period of five years, or by 2007.

(2) *Government should review the social minimum regularly.* Once set, the minimum level should be subject to regular review and adjustment, aimed at meeting changing needs and conditions. Thus, if conditions improve or deteriorate, the minimum adequacy level may also change. This is all the more important because the gradual increase of the minimum adequacy level is one way to prevent or contain growing social inequality.

(3) *Eligibility determinations should be based on the needs of families (households) rather than individuals.* At present only individualized eligibility conditions are defined (for unemployed, sickness, families with children, etc.). The needs of the family are not recognized by the social transfer or assistance system. Moreover, a guaranteed minimum income has recently become a social objective in Hungary, giving new importance to the unit to be considered for eligibility determination. We urge that this unit be the family (household) as a whole. (Singles should be considered as families of one.) In order to assess the differentiated needs of families, their size and perhaps their composition should be taken into account by some sort of equivalent income.[34] The entitlement for assistance would depend on the relation between the measured family income and the level of the family minimum, instead of calculations based on per capita income that are damaging for small households.

[34] We view the scale currently used by the Central Statistical Office more suitable to Hungarian circumstances compared to the OECD equivalence scale because it is more flexible and distinguishes between adult and child household members.

If undertaken without other offsetting adjustments, the transition from individual eligibility to family eligibility could cause losses to families with many children that receive uniform (complementary) means-tested allowance for each child. Given the inadequacy of social assistance benefits, the loss must be avoided. One solution is to increase universal family allowance instead of the tax allowance, that is today producing reverse redistribution toward higher-income families. Besides, if the family minimum is set on an adequate level that is perforce higher than the current eligibility levels, any losses should be minimal.

(4) In setting the social minimum, housing costs should be considered separately from other family expenditures. Housing expenditures differ greatly among poor families due to regional and local variations in housing markets and to variation in individual circumstances (loan contracted at the wrong time, extensive distance heating, bad insulation, etc.). These variations mean that an across-the-board housing minimum would create great hardship for some families. Public provision should cover (within an overall family limit, which is subject to regular adjustments) the real housing costs of those in need.[35]

(5) Housing subsidies should be made transparent. Poor housing is, among other ills, a barrier to the social and intellectual development of children. The construction of housing has taken off in recent years, but this is not directed toward, or available to, the poor. Rather, large amounts of public money are being used to finance the interest on loans that can be obtained only by middle and upper income households; and social housing has become one of the lowest public priorities. We strongly urge that the government issue a public report on the level and distribution of housing subsidies. On this basis, it should address the imbalance through increasing funds for low-income housing.

(6) The government should carry out a formal evaluation of the effectiveness of special purpose benefits and issue a report on its findings. Our survey provides strong evidence that several benefits which are provided for special purposes are not achieving their goals. Unemployment assistance

[35] While funding constraints also prevent the government from fully covering housing costs immediately, there should be immediate efforts to alleviate the worst forms of housing poverty – i.e., those poor families whose housing costs exceed a specific percentage of their income.

is reaching a greatly diminished number of the unemployed; active labour market measures reach them even more rarely; and the health voucher does not seem to be achieving its intended purpose of enabling poor people to purchase medications. The evidence which emerges from the survey is strong, justifying a systematic examination and a report by government on its findings.

(7) *The government should carry out a public information campaign aimed at increasing the outreach of social assistance.* The poor are not adequately informed on many forms of social assistance, nor on their rights or entitlements to these benefits under the law. Improving social assistance thus requires increasing general knowledge about its availability. A public information campaign is needed, along with more outreach by local governments and written materials geared to the target populations.

In a more general vein, we stress the importance of separating social policy from policy toward particular ethnic groups. The survey confirms that the majority of the poor are non-Roma. Therefore, it is imperative to keep the two issues disjunct. Social policy should not be crafted with only the Roma in mind, nor should policies toward the Roma be substituted for more general poverty alleviation measures.[36]

Similarly, the low reported rate of payment of pension insurance contributions is a cause for serious concern, all the more so because many of those who reported non-payment expect a pension in retirement. While the solution to this problem lies beyond the scope of this study, one possibility (as in many countries of the European Union) would be a decent level citizen's pension scheme funded from general budget revenues. This issue should receive attention in the ongoing debate on reform of the pension system.[37]

[36] For example, a well-meaning government policy offers higher than average per capita payments in case of Roma children. This has proved to be difficult to administer because privacy laws prevent the schools from obtaining and recording information on ethnic origin. The regulation also breeds discrimination. The solution advocated by many is to adopt the policy of creating 'educational priority areas' or 'zoning' that means increased funding for all the schools that work under difficult conditions, and with poor (not only Roma) children.

[37] This proposal was put forth in the pension debate of the late 1990s. A universal pension should not, however, replace public earnings-related schemes, but be combined with it. This is the tip of the iceberg in the pension debate and cannot be dealt with adequately in this study.

Finally, we recognize that the deep problems associated with long-term unemployment, poor housing, and insufficient support for those in need cannot be dealt with adequately by government programs alone. A strong government presence is needed because public funds and firm political will are essential to combat poverty. Yet communal and regional strategies are also needed, based on the participation of civil society at large. Such projects have been initiated in some parts of the country, but they have not become widespread, and those that exist face difficulties because of weak administrative and financing frameworks. Yet the approach holds promise to bring new energy, resources, and perspectives to the task of improving social welfare, as well as to provide a new political force to press for improvements in public support for the poor.

Appendix 1
Description of the Survey and the Sample

The sample was drawn, the survey carried out, and the data recorded by the public opinion research institute, Szonda Ipsos. The director of the survey within Szonda Ipsos was László Harsányi.

1. Objective

The overall objective of the survey was to determine how well the current social security system reaches and aids the poorest Hungarians. It was focused on three main areas of inquiry: First, it investigated the efficacy of certain programs designed for poor populations, namely (i) general social assistance, (ii) child-rearing assistance for low-income families, and (iii) income support for the long-term unemployed. Second, it examined access to health insurance by those cut off from the labour market. Finally, it looked into pension protection, particularly whether the unemployed and working poor have public or private pension insurance. Since all these topics were underpinned by a concern about social exclusion, the survey endeavored to identify and describe groups which are at particular risk.

2. Sampling

2.1 The basic (omnibus) sample

The ILO–POV sample is a sub-sample of the regular Szonda Ipsos 'omnibus' samples, which are drawn randomly on a nationwide basis. The statistical units of analysis are Hungarian resident citizens. The sample is a multi-phase, proportionately stratified random sample covering approximately 1,000 persons. The first step in constructing it was a random selection of settlements (sampling points) drawn in such a way that their composition – according to variables such

as population size, infrastructure, etc. – follows the composition of the entire territory of Hungary. One hundred settlements were used as sampling points.

In the second phase of sampling, the number of households and respondents to be interviewed in each settlement was set in proportion to the population size of the settlement. The address database produced (also in electronic form) by the Central Data-Processing, Registrations, and Elections Office of the Ministry of Interior serves as basic sampling frame. Updated on a quarterly basis, this is a registry of all Hungarian persons residing in the country who are not imprisoned, otherwise confined, or homeless. Upon request by Szonda Ipsos, the Office sends a complete database matching the selection criteria of the desired size for the selected settlements. (If a sample of 1,000 is sought, then over 1,400 addresses are requested.) The information available for each unit in the sampling frame is name, gender, age group, and address. The random sample should match the national proportions in terms of age, gender, and size of settlement. In order to assure an exact match, the final data are weighted according to these criteria.

2.2 The ILO–POV sample

The sub-sample for the ILO–POV study was produced by screening 13 'omnibus' surveys carried out between January and April 2001. There were three screening criteria: The respondents had to be: (i) between age 18 and 60, (ii) not receiving an old-age pension, and (iii) a member of a household with per capita income of less than 20,000 Forints. On the basis of these criteria, households were selected. When the enumerators made the first visit to the family, they used the above three criteria as filter questions. If the third criterion was met, the first and second were used to find the most suitable person within the household.

The choice of the income limit was based on a thorough analysis of the results of the omnibus survey done in December 2000. It was concluded that concerning per capita income in the whole sampled population:

– the bottom 5 percent consisted of those under 10,000 Forints
51 persons

– the bottom 10 percent consisted of those under 13,300 Forints
99 persons

– the bottom 33 percent consisted of those under 23,300 Forints
329 persons

The same data for those under the age of 60 in the sampled households were as follows:

– the bottom 5 percent consisted of those under 9,800 Forints
34 persons, out of them 10 unemployed

– the bottom 10 percent consisted of those under 12,250 Forints
71 persons, out of them 23 unemployed

– the bottom 33 percent consisted of those under 21,000 Forints
246 persons, out of them 42 unemployed

In order to prevent too much overlap with previous samples, Szonda Ipsos used the 13 consecutive omnibus surveys, mentioned above, to draw the ILO-POV sample. The sample may be considered representative in terms of age, gender, and type of settlement. That means that any difference from the composition of the national samples – for instance, the disproportionate presence of villagers or younger people or women – is due (with the possible exception of sampling errors) to their disproportionate presence among the poor. Since there are no national data with which to compare the sample, no weighting was warranted to correct for possible sampling errors in terms of age, gender, or settlement.

3. Questionnaire

Block	Contents
I. Basic information	Age, education, marital status etc. of each household member
II. Income, assessment of present situation	All income, its adequacy, and detailed questions about all transfer benefits; debts; and indicators of unmet everyday needs
III. Unemployment	Unemployment in the family, detailed unemployment experience of the respondent, use of unemployment benefits, the use of 'active' labour market measures
IV. Health status, health care	Sickness in the household, access to and use of health services by adults and children, sick pay
V. Housing conditions of the family	Amenities, condition of the house or flat, accessibility
VI. Pension provisions in the household	Current pensions, payment of contributions, future expectations, saving for old age

The questionnaire consists of six blocks:

Besides the list of closed questions, there were open questions as well, designed

to elaborate on such issues as difficulties in obtaining assistance or reasons for improvement or deterioration of the household's financial situation. The additional information elicited by the open questions is rather small. The members of the team also carried out interviews to obtain information on some less well-known aspects of the interview topics. In all, the questionnaire session took 40–70 minutes, depending on the number of household members involved.

4. Training and Field-Work

Szonda Ipsos is responsible for training the interviewers and the quality of tier fieldwork. All the interviews were conducted face to face. Szonda Ipsos has a pool of 1,250 trained interviewers and 19 regional group leaders in 250 settlements (including all cities in Hungary). Interviewers working at Szonda Ipsos must take an exam in methodology and practical information on interviewing. Only 30 percent of applicants pass it. The fieldwork for each survey starts with project-specific training to highlight the key issues and problems involved in carrying it out, as well as to introduce the questionnaire to the interviewers. The survey was conducted during June and July in 2001.

5. Data Processing

The aim of data processing is to create a useful database out of the completed questionnaires, with the aid of statistical programs. In the first phase, the information must be coded in order to allow for systematic recording and analysis. Data entry is performed using SPSS Data-In software. After the initial entry of the data for a single questionnaire, a series of consistency and range checks are performed on numeric data variables. This involves going through the questionnaires manually and with the help of software programs. In the ILO–POV survey, 10 percent of the questionnaires were controlled manually and others by computer. The corrected data file was then ready for statistical analyses. The corrected, English-labeled file was ready by early September 2001.

6. Response Rates

The response rate can be measured by the additional addresses added to those surveyed. Eventually, 1,047 interviews were made, 60 percent from the main address list, 40 percent from the complementary (replacement) one. The reasons for dropping the main addresses were distributed as follows:

	Percentage
Nobody was found at home even after 3 visits	34
The criteria of the sampling were not applicable (income too high, etc)	27
Respondent refused to answer	16
Respondent moved to unknown address, could not be found	14
Respondent was absent or sick, could not answer	9

The response rates to each question may differ because either the question did not apply, or there was partial refusal to answer it. The coding of responses helps improve the quality of such data.

7. Sampling and Survey Errors

Sampling error arises because surveys involve inferring characteristics of an entire group of people – in our case, Hungarians living in the country between age 18 and 60 – from observations of a sample drawn from that group. It is a measure of the variation we can expect in different samples of the same size drawn randomly from the same population. For example, where we know that an entire population is evenly divided on a yes-no question, with normal sampling techniques, we might reasonably expect the fraction of yeses to vary between 47 and 53 percent, depending on the particular sample drawn. This level of expected error increases when smaller sub-groups of the total sample are surveyed.

Sampling error may be compounded by additional non-sampling errors. There are three main sources of non-sampling errors in the ILO–POV questionnaire.

One is more or less deliberate distortion in survey responses, a problem that is common when questions are asked about a respondent's income. For this reason, we tried to check income data as closely as possible. For instance, the mean income of the lowest 30 percent of the TÁRKI sample was 17,600 Forints for the

year 2000 (Szívós and Tóth, 2000: 14), or about 20 percent higher than the mean income in our sample. Since this segment of the population is nearly identical to the one we sampled but our sample reported lower incomes, we suspected underreporting.[1] Similar calculations were made on the basis of the few available data emanating from the Central Statistical Office (CSO).

Part of the observed difference is probably due to the fact that both the CSO and the TÁRKI impute missing data and correct data which is obviously erroneous. We declined to do this because we had absolutely no basis for imputation. (The only correction made was to replace the very high income of two outliers.) Thus, we concluded that the income data yielded by the ILO–POV study are about 20 percent lower than 'reality'. Nevertheless, the overall patterns in the two surveys seem very consistent, so that we decided to present the reported income data. Although we warn the readers that the reported income data are probably lower than the real figures, we should keep in mind that incomes in the sampled population would be very low even if there were fewer survey errors.

The second source of error is inaccurate information provided by the respondents about other members of the family, albeit in many cases more than one member was present at the interview.

The third source is lack of knowledge among poor people about many public issues that involve them personally. For instance, there is much confusion about the various types of assistance, the labels and conditions of transfers, etc.

These last two distortions cannot be corrected, except that there was a check of the data during the processing to see if responses seemed reasonable.

[1] This sum probably increased until early 2001 by, let us assume, six percent. The difference between the increased sum and mean income revealed by our survey is then about 20 percent.

Appendix 2
Tables

Appendix 2. Tables

1. The Composition of the Sample

1.1 Demographic characteristics of the head of household (HHH), in percentage distributions

1.2 Demographic characteristics of the respondent, in percentage distributions

1.3 Sociological characteristics of the head of household (HHH), in percentage distributions

1.4 Sociological characteristics of the respondent, in percentage distributions

1.5 Characteristics of the households, in percentage distributions

1.6 The composition of the population covered by the two samples according to the employment status of the members

1.7 The average monthly per capita income and equivalent income, by the income deciles in the ILO–CEET Poverty survey, and in the ILO–PSS survey (in Forints)

1.8 The average monthly per capita income and equivalent income, by the income quintiles (20 percent) in the ILO–POV survey, and in the ILO–PSS survey (in Forints)

1.9 The average monthly per capita income and equivalent income, by the income thirds in the ILO–POV survey and in the ILO–PSS survey (in Forints)

1.10 The distribution of the households by income thirds (based on the equivalent income) in the different groups of households

1.11 The ratio of households without and with Roma members within the equivalent income quintiles

2. SOCIAL TRANSFERS – AN OVERVIEW

2.1 The share of the main income sources, in percentage of households having given income source
2.2 Equivalent income according to the source of the income in the two surveys (in Forints)
2.3 Incidence of the main types of market and other incomes received previous month according to the income status of the members of the household (in percentage of households having the given source of income)
2.4 The ratio of households having different income sources in the equivalent income thirds (in percentages)
2.5 The ratio of households having different income sources in the various household groups (in percentages)
2.6 The distribution of households according to the type of transfer incomes (whether means-tested or not) in the various household groups (in percentages)
2.7 The role of means-tested and other transfer benefits in the per capita income deciles (Percentage of households receiving different benefits)
2.8 Awareness of, application for, and receipt of transfer benefits in the last 12 months in percent of the respondents (Block 2, Question 11).
2.9 Failure in the last year to apply for a benefit for which entitlement was expected, and rejection of application for benefit (in percent of households)
2.10 Mean income of the households according to whether there was rejection of the application for benefit or not (Per capita income in Forints)
2.11 Percentage of recipients of total income, social transfer income, and means-tested social transfer income (Data for the last month before the interview)
2.12 Monthly averages of per capita amounts of income, total social income, and means-tested social income calculated for recipients (Amounts for the last month before the interview, in Forints)
2.13 Comparison of the subsistence minimum and the survey results

3. Child Benefits
- 3.1 The distribution of the different groups of households according to the number of dependent children under 18 (in percentages)
- 3.2 The coverage of the households with dependent children by three types of family benefits (in absolute numbers and percentage)
- 3.3 Child benefits by equivalent income thirds, percentage distribution of households with children
- 3.4 Use of tax allowance in the different groups of households with children
- 3.5 Households with children receiving or not receiving child protection assistance (in percentages)
- 3.6 Per capita income in households with children receiving or not receiving child protection assistance (in Forints)
- 3.7 Equivalent, per capita income and social transfers per recipient in households with different number of dependent children (in Forints)
- 3.8 Equivalent and per capita income in the ILO–PSS survey (national sample) in households with different number of dependent children (in Forints)
- 3.9 Equivalent and per capita income in households with and without Roma members (in Forints)

4. Unemployment
- 4.1 Households with different number of unemployed in the equivalent income thirds (in percentages)
- 4.2 The ratio of households with unemployment according to the characteristics of the respondent
- 4.3 The ratio of households with unemployment according to the characteristics of the head of households
- 4.4 The ratio of households with unemployment according to the characteristics of the households
- 4.5 The distribution of households with and without Roma members who are registered and looking for a job
- 4.6 The distribution of various groups of respondents according to the length of unemployed periods in the last 3 years (Only those who were unemployed) 31

4.7 The percentage of households with an unemployed member receiving unemployment benefit
4.8 Per capita income per month in households with and without unemployment benefit (in Forints)
4.9 Ratio of households with registered unemployed (or not) receiving unemployment benefit
4.10 Access to 'active' labour market measures in the last 3 years
4.11 Advantages and disadvantages of public work according to respondents who did public work in the last three years

5. PENSIONS
5.1 Pensioners in the sample
5.2 Income according to the employment status of the head of household
5.3 The distribution of the respondents in households without pensioners, according to the payment of contributions, by employment status groups
5.4 The distribution of the respondents in households without pensioners according to whether they have pension insurance, by employment status groups
5.5 Pension insurance by the occupational group of the respondent in households without pensioners
5.6 Type of saving for old age in households without pensioners
5.7 Pension insurance at present and expected pension eligibility in the future, households without pensioners

6. HEALTH SYSTEM
6.1 Needs and coverage
6.2 Respondents' use of primary care service (GP) during the last year
6.3 Respondents' use of dental service during the last year
6.4 Sick pay: active earners and unemployed, those who used and needed sick pay
6.5 The combination of the answers to "Money shortage affects drug expenditure" (Block 2, Question 5) and "There was not enough money for prescribed drugs" (Block 4, Question 14)

6.6 Distribution of households with and without health vouchers according to the reported difficulty of buying drugs (in percentages)
6.7 Characteristics of households that had insufficient money for drugs

7. POVERTY
7.1 The percentage of households in which adults have (can afford) given items according to equivalent income terciles
7.2 The percentage of households that can afford some items for all children according to equivalent income terciles
7.3 The percentage of households that can afford some items for school children according to equivalent income terciles
7.4 Some indicators of housing (in percentages of total sample)
7.5 To what extent is current income sufficient to cover needs? (Responses in percentages)
7.6 To what extent was last month's income enough to cover customary needs by per capita income tercile (in percentages)
7.7 Percentage distribution of respondents according to future expectations
7.8 The share of optimists and pessimists in different demographic and social groups (The percentage of those who said the family's situation will improve or will deteriorate)
7.9 A model of social exclusion built as the simultaneous presence of four factors of exclusion
7.10 Frequency of situations of multiple deprivation with nine items, and per capita income in the groups
7.11 Distribution of households with different numbers of children according to levels of multiple deprivation (nine items, number of problems compressed), and per capita income
7.12 Distribution of households with or without Roma members according to levels of multiple deprivation (nine items, number of problems compressed), and per capita income

1. The Composition of the Sample

1.1 Demographic characteristics of the head of household (HHH), in percentage distributions

Distribution of the sample according to the characteristics of the head of the household (HHH)	ILO–POV	ILO–PSS
Number of households (N)	1,047	1,001
In percentage	100	100
By sex of the HHH (n)		
Male	73	69
Female	27	31
Total	100	100
By age group of the HHH (n)		
18–29 years old	18	16
30–45 years old	53	41
46 and more years old	27	43
Total	100	100
By marital status of the HHH (n)		
Married	68	64
Cohabiting	8	4
Widow/er	4	5
Divorced	11	12
Separated	1	1
Single (unmarried)	8	14
Total	100	100

* The total number of respondents and corresponding households was 1,047 in the ILO–POV poverty survey, and 1,001 in the ILO–PSS socio-economic survey. In some cases the number of respondents answering a particular question – for instance declaring their income – may be lower. Also, there are questions that relate to only a sub-sample – for instance to families with children or to unemployed. The total 'N' will be also of course lower in these cases.

1.2 Demographic characteristics of the respondent, in percentage distributions

Distribution of the sample according to the characteristics of the respondent	ILO–POV	ILO–PSS
Number of respondents (N)	1,047	1,001
In percentage	100	100
By sex of the respondent		
Male	45	50
Female	55	50
Total	100	100
By age group of the respondent		
18–29 years old	28	31
30–45 years old	49	37
46–60 years old	23	32
Total	100	100
By marital status of the respondent		
Married	63	53
Cohabiting	9	4
Widow/widower	3	3
Divorced	10	11
Separated	1	1
Single (unmarried)	14	28
Total	100	100

1.3 Sociological characteristics of the head of household (HHH), in percentage distributions

Distribution of the sample according to the characteristics of the head of the household (HHH)	ILO–POV	ILO–PSS
Number of households (N)	1,047	1,001
In percentage	100	100
By educational level of the HHH		
8 grades or less	40	19
Industrial apprentice school, skilled worker certificate	40	36
Secondary school	18	31
Higher education	2	14
Total	100	100
By employment status of the HHH		
Employee	57	67
Self-employed, entrepreneur	5	11
Member of cooperative	1	1
On child-care grant	3	1
Unemployed	17	5
Pensioner (old-age/disability in ILO–POV)	15	8
Other (helping family member, disabled, student, other dependent)	2	7
Total	100	100
By present or last occupation of HHH		
Self-employed, entrepreneur, manager, professional	7	26
Other non-manual	7	14
Skilled worker	36	35
Unskilled or agricultural worker	47	22
Never had a job	3	3
Total	100	100

1.4 Sociological characteristics of the respondent, in percentage distributions

Distribution of the sample according to the characteristics of the respondent	ILO–POV	ILO–PSS
Number of respondents (N)	1,047	1,001
In percentage	100	100
By educational level of the respondent	*(N=1,001)*	
8 grades or less	42	21
Industrial apprentice school, skilled worker certificate	35	32
Secondary school	20	34
Higher education	3	13
Total	100	100
By employment status of the respondent	*(N=985)*	
Employee in public sector	15	22
Employee, other	21	30
Self-employed, entrepreneur	3	8
Member of cooperative	1	0
On child-care grant	12	5
Unemployed	24	9
Pensioner (old-age/disability)	15	7
Disabled (disability pension included)		7
Other (helping family member, disabled, student, other dependent)	9	13
Total	100	100
By present or last occupation of the respondent	*(N=976)*	
Self-employed, entrepreneur, manager, professional	6	20
Other non-manual	8	17
Skilled worker	27	31
Unskilled or agricultural worker	45	22
Never had a job	14	10
Total	100	100

1.5 Characteristics of the households, in percentage distributions

Classification of households	ILO–POV	ILO–PSS
Number of households (N)	1,047	1,001
In percentage	100	100
By the type of the household		
Single adult	4	9
Couple without child	7	14
Couple with child/ren	64	52
Single parent with child/ren	12	14
Other	13	11
Total	100	100
By the number of members in the household		
One	4	9
Two	11	24
Three	22	28
Four	32	26
Five or more	31	14
Total	100	100
By the number of dependent children under 18		
No child	23	53
One child	30	26
Two children	26	15
Three or more children	21	6
Total	100	100
By the type of the settlement		
Budapest	8	18
County seats	15	19
Other towns	34	30
Villages	43	33
Total	100	100
Percentage of households with member(s) belonging to the Roma minority		
According to self-reporting	20	(2)
According to interviewer	22	N.A.

1.6 The composition of the sampled population covered by the two samples according to the employment status of the members

	ILO–POV		ILO–PSS	
Number of households (N)	1,047		1,001	
Number of the people belonging to the households	4,143		3,180	
	Percent	N	Percent	N
Active earners	23	963	44	1,382
Unemployed	19	774	6	195
Persons receiving child-care grant	6	261	3	92
Pensioners	10	403	20	644
Student over 18 and other adult dependents	3	124		
Dependent children aged 0–18	39	1,618	27	867
Total	*100*	*4,143*	*100*	*3,180*
Average size of the HH	3.95		3.18	

1.7 The average monthly per capita income and equivalent income, by the income deciles in the ILO–POV and ILO–PSS surveys (in Forints)

	Per capita monthly income, ILO–POV	Per capita monthly income, ILO–PSS	Per equivalent unit monthly income, ILO–POV	Per equivalent unit monthly income, ILO–PSS
Bottom decile	6,500	9,900	9,500	12,800
2nd decile	10,000	14,500	14,200	20,800
3rd decile	12,200	17,600	17,100	25,700
4th decile	13,900	20,500	19,600	29,500
5th decile	15,400	24,200	22,100	33,200
6th decile	16,800	27,700	23,600	37,200
7th decile	17,900	31,100	25,400	41,100
8th decile	18,900	35,800	26,700	46,200
9th decile	19,500	41,500	28,400	54,500
Top decile	23,300	67,200	33,500	81,500
Mean	15,400	29,500	22,000	38,200
Top/bottom:	3.6	6.8	3.5	6.4
Variance:	37%	61%	35%	53%
N	1,029	813	1,029	813

1.8 The average monthly per capita income and equivalent income, by income quintiles (20 percent) in the ILO–POV and ILO–PSS surveys (in Forints)

	Per capita monthly income, ILO–POV	Per capita monthly income, ILO–PSS	Per equivalent unit monthly income, ILO–POV	Per equivalent unit monthly income, ILO–PSS
Bottom quintile	8,200	11,900	11,900	16,900
2nd quintile	13,000	19,300	18,400	27,400
3rd quintile	16,000	25,700	22,800	35,000
4th quintile	18,300	32,900	26,000	43,600
Top quintile	21,500	54,900	30,800	68,200
Total, mean	15,400	29,500	22,100	38,200

1.9 The average monthly per capita income and equivalent income, by the income thirds in the ILO–POV and ILO–PSS surveys (in Forints)

	Per capita monthly income, ILO–POV	Per capita monthly income, ILO–PSS	Per equivalent unit monthly income, ILO–POV	Per equivalent unit monthly income, ILO–PSS
Bottom third	9,900	15,100	14,200	20,500
Middle third	16,000	26,500	22,800	35,100
Top third	20,500	47,400	29,100	58,800
Total, mean	15,400	29,500	22,100	38,200

1.10 The distribution of the households by income thirds (based on the equivalent income) in the different groups of households

Classification of households	Bottom third	Middle third	Top third	Total	
	%	%	%	%	N
All households	33,4	33,4	33,1	100	1,029
By the type of the household					
Single	86	8	6	100	36
Couple (married or cohabiting)	38	49	13	100	71
Couple + child/ren	28	32	40	100	658
Single parent + child/ren	42	40	18	100	130
Other	34	32	34	100	133
By the number of dependent children under 18					
No child	35	33	32	100	235
One child	30	37	33	100	305
Two children	27	26	48	100	267
Three or more children	38	36	26	100	222
By the number of household's members					
One or two	53	40	7	100	156
Three	30	38	33	100	232
Four	27	26	47	100	327
Five and more	34	34	32	100	314
By the income status of the members of the household					
Only active members	17	31	52	100	225
Only welfare recipients	62	28	10	100	361
Mixed	17	40	43	100	435
By the type of the settlement					
Budapest	31	42	27	100	81
County seats	33	30	37	100	152
Other towns	29	34	37	100	349
Villages	37	33	30	100	447
Someone from household belongs to the Roma minority					
No Roma in HH	27	35	38	100	816
Roma in HH	60	27	13	100	211

1.11 The ratio of households without and with Roma members within the equivalent income quintiles

	No Roma in HH	Roma in HH	(Quintiles)
Bottom quintile	14	42	20
2nd quintile	18	27	20
3rd quintile	21	16	20
4th quintile	23	8	20
Top quintile	23	9	20
	100	100	100

2. Social Transfers – An Overview

2.1 The share of the main income sources, in percentage of households having a given income source

	ILO–POV	ILO–PSS
Market income only	5	21
Social transfers only	25	16
Market income and social transfers	66	60
Other	4	3
Total	100	100
Number of households	1,047	813

2.2 Equivalent income according to source in the two surveys (in Forints)

Income source	ILO–POV		ILO–PSS	
	Mean income	N	Mean income	N
Market income only	22,600	57	51,800	171
Social transfers only	17,300	254	25,800	132
Market income and social transfers	23,800	673	36,800	487
Other	19,800	44	35,500	23
Total	22,000	1,028	38,200	813

2.3 Incidence of the main types of market and other incomes received in the previous month according to the income status of the members of the household (in percentage of households having the given source of income)

Type of incomes	Only active earners	Only social transfer recipients	Both	Total sample
N	*232*	*365*	*439*	*1,036*
Market incomes, all forms	*99*	*26*	*95*	*72*
Regular wage	92	4	90	60
Second job wage	3	1	3	2
Income from business	10	1	4	4
Occasional income	6	18	10	12
Income from farming, agriculture	11	5	6	7
Income from other work	5	4	2	4
Social transfer income, all forms	*84*	*89*	*94*	*91*
Pension – all forms	1*	50	37	33
Child care grant, nursing benefit	9**	32	33	27
Family allowance	81	63	75	72
Unemployment benefit	0	30	15	17
Sick pay	8	1	5	4
Assistance	22	38	31	31
Other income	*2*	*10*	*12*	*4*
Income from family	3	3	2	3
Alimony	5	6	3	5
Income from other agencies	0	1	1	1
Other income	N.A.	N.A.	N.A.	4

* One may have a pension alongside full-time work.
** This may be due to some coding error.

2.4 The ratio of households having different income sources in the equivalent income thirds (in percentages)

	Bottom third	Middle third	Top third	Total
ILO–POV				
Market income only	4	8	5	5
Social transfers only	47	19	8	25
Market income and social transfers	44	67	86	66
Other	5	6	1	4
Total	100	100	100	100
ILO–PSS (national sample)				
Market income only	8	18	38	21
Social transfers only	30	12	6	16
Market income and social transfers	59	67	54	60
Other	4	3	2	3
Total	100	100	100	100

2.5 The ratio of households having different income sources in the various household groups (in percentages)

Classification of households	Proportion of HHs having			Total, percentage	Total, N
	social income only	market and social income	only market and other income		
Total sample	25	65	10	100	1,045
Income status of the adult members of the household					
Only active members	1	83	16	100	232
Only welfare recipients	64	25	10	100	365
Mixed	4	90	6	100	439
Type of household					
Single*	(71)	(2)	(26)	(100)	(42)
Couple (married or cohabiting)	39	27	34	100	71
Couple + child/ren	19	75	6	100	669
Single parent + child/ren	30	51	19	100	130
Other	27	68	5	100	135
Number of dependent children under 18					
No child	41	33	26	100	243
One child	22	68	10	100	310
Two children	13	85	3	100	270
Three or more children	25	73	2	100	224
Type of settlement					
Budapest	28	55	17	100	83
County seat	31	56	12	100	153
Other town	21	71	8	100	357
Village	24	66	10	100	454
Region					
Central Hungary	24	64	12	100	146
Central Transdanubia	13	70	17	100	100
Western Transdanubia*	(6)	(82)	(12)	(100)	(33)
Southern Transdanubia	21	70	9	100	120
Northern Hungary	36	61	3	100	154
Northern Great Plains	29	62	9	100	278
Southern Great Plains	21	67	12	100	216
Someone from household belongs to the Roma minority					
No Roma in HH	20	69	12	100	832
Roma in HH	43	52	5	100	213
Whether there is a sick person needing constant medical care in the household					
No	21	68	11	100	838
Yes	37	55	8	100	209

* Parentheses indicate small number of respondents in a given category (N is below 50).

2.6 The distribution of households according to the type of transfer income (whether means-tested or not) in the various household groups (in percentages)

Classification of households	No social benefit	Only not means-tested	Only means-tested	Both types	Total	Percent receiving means-tested benefit
Whole sample, total	7	33	4	57	100	61
Income status of the adult members of the household						
Only active members	14	39	3	45	100	48
Only welfare recipients	4	23	7	66	100	73
Mixed	5	38	1	56	100	57
Type of household						
Single	21	31	5	43	100	48
Couple (married or cohabiting)	31	35	3	31	100	34
Couple + child/ren	3	33	3	61	100	64
Single parent + child/ren	9	28	10	53	100	63
Other	3	34	2	61	100	63
Number of children in the household						
No child	23	47	3	28	100	30
One child	5	33	6	57	100	63
Two children	0	36	3	61	100	64
Three or more children	0	15	2	83	100	85
Income thirds by per capita income (equivalent income)						
Bottom third	6	27	3	64	100	67
Middle third	9	25	6	60	100	66
Top third	4	46	1	48	100	49
Type of settlement						
Budapest	12	29	5	54	100	59
County seat	7	31	5	57	100	62
Other town	5	35	3	57	100	60
Village	7	33	3	57	100	60
Someone from household belongs to the Roma minority						
No Roma	8	37	4	52	100	56
Roma in HH	2	17	3	77	100	80

2.7 The role of means-tested and other transfer benefits in the per capita income deciles (percentage of households receiving different benefits)

Classification of households	No social benefit	Only not means-tested	Only means-tested	Both types	Total	Percent receiving means-tested benefit
Whole sample, total	7	33	4	57	100	61
By per capita income deciles						
Bottom decile	5	24	3	68	100	71
2th decile	4	25	2	69	100	71
3th decile	4	24	3	70	100	72
4th decile	3	21	3	73	100	76
5th decile	8	19	6	66	100	72
6th decile	2	38	7	53	100	60
7th decile	10	36	3	50	100	54
8th decile	9	40	3	48	100	51
9th decile	6	46	4	44	100	48
Top decile	10	54	2	34	100	36

2.8 Awareness of, application for, and receipt of transfer benefits in the last 12 months in percent of the respondents (Block 2, Question 11)

Type of the benefit	Aware of the existence of the benefit	Applied for the benefit	Received the benefit
Insurance-type			
Child-care allowance	93	10	9
Sick-pay	94	13	13
Unemployment benefit	94	19	16
Universal-type			
Family allowance	97	71	70
Child-care benefit	96	29	29
Assistance-type			
Nursing benefit	73	4	3
Child protection assistance	83	49	44
Income replacement	89	16	13
Unemployment assistance	77	10	8
Old-age assistance	53	1	1
Housing assistance	64	13	6
Other regular assistance	62	9	4
Public utility assistance	48	4	3
Crisis assistance	67	15	7
Other assistance	15	4	3

2.9 Failure in the last year to apply for a benefit for which entitled was expected, and rejection of application for benefit (in percent of households)

Classification of households	Did not apply though entitled, percent	Asked, but did not get benefit percent	N of households in the group (100%)
Total	33	37	1,011
Income thirds by per capita income			
Bottom third	33	39	343
Middle third	33	35	357
Top third	33	30	330
Subjectively declared poverty			
Poor	36	43	405
Occasionally or in some respects poor	33	31	561
Not poor at all	12	17	57
Number of children in the household			
No child	32	28	218
One child	29	32	297
Two children	35	32	257
Three or more children	36	47	215
Someone from household belongs to the Roma minority			
No Roma	33	30	784
Roma in HH	33	53	203

2.10 Mean income of households according to whether an application for benefits was denied or not (Per capita income in Forints)

Classification of households	No denial		Denial of application		Total	
	Mean income	N	Mean income	N	Mean income	N
Total	15,600	658	14,900	350	15,400	1,008
Number of children in the household						
No child	16,000	156	16,300	62	16,100	218
One child	16,300	205	15,700	97	16,100	302
Two children	15,700	180	15,500	86	15,600	266
Three or more children	13,600	117	13,000	105	13,300	222
Someone from household belongs to the Roma minority						
No Roma	16,100	558	16,400	238	16,200	796
Roma in household	12,600	99	11,800	111	12,200	210

2.11 Percentage of the recipients of total income, social transfer income, and means-tested social transfer income (Data for the last month before the interview)

Classification of households	Percent receiving income	Percent receiving social transfer income	Percent receiving means-tested income
Total	100	94	51
Income thirds by per capita income			
Bottom third	100	91	69
Middle third	100	92	59
Top third	100	84	33
Subjectively declared poverty			
Poor	100	90	57
Occasionally or in some respects poor	100	93	53
Not poor at all	100	96	47
Number of children in the household			
No child	100	74	26
One child	100	95	54
Two children	100	98	58
Three or more children	100	98	80
Someone from household belongs to the Roma minority			
No Roma	100	91	50
Roma in household	100	94	69

2.12 Monthly averages of per capita amounts of income, of total social income, and of means-tested social income calculated for recipients (Amounts for the last month before the interview, in Forints)

Classification of households	Per capita income	Social income per recipient	Means-tested income per recipient
Total	15,400	8,300	3,300
Income thirds by per capita income			
Bottom third	9,900	7,800	3,300
Middle third	16,000	8,700	3,300
Top third	20,500	8,300	3,300
Subjectively declared poverty			
Poor	14,000	8,900	3,600
Occasionally or in some respects poor	16,300	7,900	3,100
Not poor at all	16,800	6,900	2,700
Number of children in the household			
No child	16,300	11,300	6,800
One child	16,100	7,700	3,000
Two children	15,600	6,400	2,800
Three or more children	13,300	8,600	2,900
Someone from household belongs to the Roma minority			
No Roma	16,300	8,200	3,200
Roma in household	12,200	8,600	3,400

2.13 Comparison of the subsistence minimum and the survey results[1]

Households with an active member, number of adults and children	CSO Subsistence level, 2000, per capita sums	ILO–POV per capita income	N in ILO–POV	ILO–POV per capita income in percentage of the CSO subsistence level income (2/1, %)
	1	2	3	4
1 adult, active age	32,900	15,700	35	48
1 adult + 1 child	27,100	16,700	33	61
1 adult + 2 children	23,500	16,000	22	68
2 adults	28,700	17,000	106	59
2 adults + 1 child	26,300	16,600	127	63
2 adults + 2 children	23,800	15,800	191	66
2 adults + 3 children	21,700	14,100	116	65
2 adults + 4 children	20,200	13,400	43	66
3 adults	27,400	16,200	77	59
3 adults +1 children	25,900	15,600	77	60
3 adults +2 children	24,000	16,300	30	68
3 adults +3 children*	22,100	11,400	53	53
3 adults +4 children*	20,900			
Total	25,600	15,400	904	60

*Categories according to the CSO subsistence level calculations; in the ILO-POV sample, 3 or more adults and 3 or more children

[1] Our income data refer to mid-2001, and the subsistence level to mid-2000. It seems to us that the 2001 subsistence level would be at least 10 per cent higher than the 2000 one because of inflation. This diminishes the potential error of the comparison between our 2001 income data and the 2000 subsistence levels.

3. Child Benefits

3.1 The distribution of the different groups of households according to the number of dependent children under 18 (in percentage)

	0	1	2	3 or more	Total, N
		child/ren			
Number of households	*243*	*310*	*270*	*224*	*1,047*
In percentage	23	30	26	21	10
By the sex of the HHH					
Male	22	26	28	24	763
Female	28	39	19	14	284
By the age of the HHH					
18–29 years old	14	36	30	21	186
30–45 years old	13	26	33	28	555
46 and more	49	31	9	10	304
By the marital status of the HHH					
Married	17	29	30	24	710
Cohabiting	19	28	23	30	88
Widow/er	(21)	(11)	(5)	(6)	(43)
Divorced	40	30	19	11	113
Separated	(3)	(2)	(2)	(4)	(11)
Single (unmarried)	42	37	13	8	82
By education level of the HHH					
8 grades and less	26	29	23	22	417
Industrial apprentice school, skilled worker	21	31	26	22	416
Secondary school	22	29	31	19	189
Higher education	(7)	(5)	(7)	(5)	(24)
By employment status of the HHH					
State employee	20	27	33	20	232
Employee by private firm	16	29	33	22	364
Member of cooperative	(2)	(2)	(6)	(3)	(13)
Has own business	22	30	32	16	50
On child-care grant	(0)	(12)	(5)	(18)	(35)
Unemployed	26	31	16	27	175
Pensioner	46	33	9	12	153
Other	(9)	(6)	(5)	(3)	(23)
By the type of the settlement					
Budapest	33	26	24	17	83
County seats	22	35	27	16	153
Other towns	22	29	28	21	357
Villages	23	29	24	24	454
Someone from household belongs to the Roma minority					
No Roma in HH	25	31	26	18	832
Roma in HH	18	24	25	33	213

3.2 The coverage of the households with dependent children by three types of family benefits (in absolute numbers and percentages)

	Did not receive		Received		Total	
	N	Percent	N	Percent	N	Percent
	The household:					
Family allowance	75	7	728	93	803	100
Child protection assistance	348	43	456	57	804	100
Tax allowance, partly used	280	39	131	18	721	100
Tax allowance, fully used			310	43		
Any of the three	25	3	779	97	804	100

3.3 Child benefits by equivalent income thirds, percentage distribution of households with children

	Bottom third	Middle third	Top third	Total	N
Received neither	5	3	1	3	25
Received only family allowance	21	11	13	14	115
Received only child protection assistance *	3	1	1	2	16
Received only tax allowance*	2	2	3	2	18
Received family allowance and child protection assistance	39	30	10	26	203
Received family allowance and tax allowance	9	16	41	23	181
Received child protection assistance and tax allowance*	1	3	2	2	17
Received family allowance, child protection assistance, and tax allowance	20	34	29	28	219
Total	100	100	100	100	794
N	248	261	285	794	

*Probably error in the answer.

3.4 Use of tax allowance in the different groups of households with children

	No tax allowance	Uses it in part	Uses it fully	Total	N
Total	39	18	43	100	721
By family structure					
Couple with children	35	19	46	100	532
Single parents and other families with child/ren[2]	52	14	34	100	179
By the number of children					
One or two children	37	16	47	100	505
Three or more children	42	24	34	100	216
By employment status of the adult HH's member/s					
Only active	15	21	64	100	184
Only welfare recipients	78	5	17	100	212
Mixed	26	25	49	100	319
By settlement					
Budapest	59	14	27	100	51
County seat	34	14	52	100	105
Other town	31	26	44	100	250
Villages	44	14	42	100	315
Someone from household belongs to the Roma minority					
No	33	20	47	100	563
Yes	61	10	29	100	157
By equivalent income terciles					
Bottom third	63	8	29	100	218
Middle third	40	20	40	100	234
Top third	18	25	57	100	260

[2] One parent and child/ren and/or grandparent and/or other relatives.

3.5 Households with children receiving or not receiving child protection assistance (in percentages)

	Did not receive child protection assistance	Received child protection assistance	Total	N
Total	43	57	100	804
By family type				
Couple with children	42	58	100	588
Single parents and other families with child/ren[3]	45	55	100	205
By the number of children				
One child	55	45	100	310
Two children	47	53	100	270
Three or more children	23	77	100	224
By employment status of the adult HH's member/s				
Only active	55	45	100	199
Only welfare recipients	30	70	100	248
Mixed	46	54	100	350
By settlement				
Budapest	55	45	100	56
County seat	53	47	100	119
Other town	42	58	100	278
Villages	39	61	100	351
Someone from household belongs to the Roma minority				
No	47	53	100	628
Yes	29	71	100	175
By equivalent income terciles				
Bottom third	37	63	100	248
Middle third	31	69	100	261
Top third	58	42	100	285

[3] One parent and child/ren and/or grandparent and/or other relatives.

3.6 Per capita income in households with children receiving or not receiving child protection assistance (in Forints)

	No CPA	Received CPA	Total	N
Couple with child/ren	16,500	14,600	15,400	579
Single parent with child/ren	16,300	15,100	15,600	94
Other types	13,600	13,600	13,600	110
Total	16,000	14,500	15,200	783

3.7 Equivalent, per capita income and social transfers per recipient in households with different numbers of dependent children (in Forints)

Number of dependent children	Equivalent	Per capita	All social transfers per recipient	Means-tested benefit per recipient	N
No child	20,900	16,300	11,300	6,800	266
1 child	22,400	16,000	7,700	3,000	276
2 children	23,400	15,700	6,400	2,800	266
3 and more children	21,400	13,400	8,600	3,300	221
Total	22,000	15,400	8,200	3,300	1,029

3.8 Equivalent and per capita income in the ILO–PSS survey (national sample) in households with different numbers of dependent children (in Forints)

Number of dependent children	Equivalent income per unit	Income per capita last month	N
No child	43,000	36,100	387
1 child	36,100	26,200	214
2 children	34,000	22,900	152
3 and more children	25,100	15,800	60
Total	38,200	29,500	813

3.9 Equivalent and per capita income in households with and without Roma members (in Forints)

Number of dependent children	Equivalent income	Per capita income	N
	HH without child		
No Roma in HH	21,400	16,800	198
Roma in HH	16,500	13,300	37
Percent of Roma/non Roma	77	79	
	HH with children		
No Roma in HH	23,500	16,000	619
Roma in HH	18,000	11,900	174
Percent of Roma/non Roma	76	74	

4. Unemployment

4.1 Households with different numbers of unemployed in the equivalent income thirds (in percentages)

Income thirds	Number of unemployed HH members— condensed.				
	No unemployed in HH	One unemployed member	Two unemployed members	Three or more unemployed members	Total
N	589	193	187	60	1,029
Bottom third	35	24	28	13	100
Middle third	60	20	16	4	100
Top third	77	12	10	1	100
Total	57	19	18	6	100

4.2 The ratio of households with unemployment according to the characteristics of the respondent

Distribution of respondents	Respondents is unemployed		Total	
	No in % (N)*	Yes in % (N)*	Percent	N
Number of respondents	71	29	100	1,047
By age group of the respondent				
18–29 years old	64	36	100	287
30–45 years old	75	25	100	509
46–60 years old	70	30	100	251
By sex of the respondent				
Male	68	32	100	475
Female	73	27	100	572
By marital status of the respondent				
Married	74	26	100	660
Cohabiting	65	35	100	91
Widow/er*	(27)	(7)	N.A.	(34)
Divorced	71	29	100	106
Separated*	(8)	(6)	N.A.	(14)
Single (unmarried)	57	43	100	140
By educational level of the respondent				
8 grades and less	63	37	100	444
Industrial apprentice schools, skilled worker certificate	76	24	100	362
Secondary school	76	24	100	211
Higher education*	(24)	(5)	N.A.	(29)
Present or last occupation of the respondent				
Self-employed, entrepreneur, manager, professional	81	19	100	59
Other non-manual	76	24	100	88
Skilled worker	80	20	100	283
Unskilled or agricultural worker	65	35	100	469
Never had a job	63	37	100	141

*Where the number of households is below 50 in a certain category, the number itself is provided rather than the percentage.

4.3 The ratio of households with unemployment according to the characteristics of the head of households (HHH)

Distribution of the heads of the household	Head of the household unemployed		Total	
	No in % (N)*	Yes in % (N)*	Percent	N
All households	83	17	100	1,045
By age group of the HHH				
18–29 years old	77	23	100	186
30–45 years old	83	17	100	554
46 or more years old	85	15	100	301
By sex of the HHH				
Male	81	19	100	762
Female	89	11	100	283
By marital status of the HHH				
Married	85	15	100	709
Cohabiting	66	34	100	88
Widow/er*	(26)	(17)	N.A.	(43)
Divorced	80	20	100	112
Separated*	(8)	(3)	N.A.	(11)
Single (unmarried)	82	18	100	82
By educational level of the HHH				
8 grades and less	75	25	100	417
Industrial apprentice school, skilled worker	87	13	100	414
Secondary school	90	10	100	189
Higher education*	(23)	(1)	N.A.	(24)
Present or last occupation of the HHH				
Self-employed, entrepreneur, manager, professional	96	4	100	76
Other nonmanual	90	10	100	70
Skilled worker	89	11	100	375
Unskilled or agricultural worker	77	23	100	488
Never had a job*	(25)	(9)	N.A.	(34)

*Where the number of households is below 50 in a certain category, the number itself is provided rather than the percentage.

4.4 The ratio of households with unemployment according to the characteristics of the households

Distribution of the households	One or more unemployed[4] household member (in percentage)		Total	
	No	Yes	Percent	N
All households	54	46	100	1,047
By the number of dependent children under 18				
No children	44	56	100	243
One child	51	49	100	310
Two children	65	35	100	270
Three or more children	57	23	100	224
By the number of household's members				
One or two	53	47	100	162
Three	54	46	100	234
Four	57	43	100	333
Five and more	53	47	100	318
By the type of the settlement				
Budapest	61	39	100	83
County seats	52	48	100	153
Other towns	56	44	100	357
Villages	52	48	100	454
Someone from household belongs to the Roma minority				
No Roma in HH	60	40	100	832
Roma in HH	34	66	100	213

4.5 Distribution of households with and without Roma members according whether they are registered or looking for a job

	No Roma in the HH	Roma in the HH	Total
Registered unemployed in household			
No	76	64	74
Yes	24	36	26
	100	100	100
Someone looking for a job in household			
No	83	61	78
Yes	17	39	22
	100	100	100
No	831	213	1,044

[4] Registered unemployed and/or not registered unemployed who is looking for a job and/or not registered unemployed who is discouraged from looking for a job.

4.6 The distribution of various groups of respondents according to the length of periods of unemployment in the last 3 years (Only those who were unemployed)

	Less than 5 months	6–11 months	More than 12 months	Total
Total, N	48	63	234	345
Total, percentage	14	18	68	100
By age group of the respondent				
18–29 years old	21	21	58	100
30–45 years old	10	18	72	100
46–60 years old	11	16	74	100
By educational level of the respondent				
8 grades and less	13	14	74	100
Industrial apprentice school, skilled worker	12	26	62	100
Secondary school	20	18	62	100
Higher education	33	N.A.	67	100
By equivalent income thirds				
Bottom third	11	13	76	100
Middle third	12	25	63	100
Top third	25	23	52	100
Someone from household belongs to the Roma minority				
No Roma in HH	15	20	65	100
Roma in HH	12	14	75	100

4.7 The percentage of households with an unemployed member receiving unemployment benefit

	No unemployment benefit in household	The household received unemployment benefit	Total
Percentage distribution according to receiving benefit			
No unemployed	100	0	100
There are unemployed	50	50	100
Total	79	21	100
N			
No unemployed	603	0	603
There are unemployed	221	223	444
Total	824	223	1,047

4.8 Per capita income per month in households with and without unemployment benefit (in Forints)

Unemployed member in household	No unemployment benefit in household	The household received unemployment benefit	Total
No unemployed	17,000	N.A.	17,000
There are unemployed	13,500	13,200	13,300
Total	16,000	13,200	15,400
N	824	223	1,047

4.9 Ratio of households with unemployed member (or not) receiving unemployment benefit

Unemployed and registered unemployed member in household	No unemployment benefit in household	The household received unemployment benefit	Total
No registered member			
No unemployed	100	N.A.	100
There are unemployed	71	29	100
Total	93	7	100
Registered member			
No unemployed	N.A.	N.A.	N.A.
There are unemployed	37	63	100
Total	37	63	100

4.10 Access to 'active' labour market measures in the last 3 years

Some characteristics of the respondents' unemployment	No Roma in HH	Roma in HH	Total		In percent of unemployed respondents
			%	N	
The respondent was unemployed in the last 3 years	73	27	100	334	100
Respondent registered in unemployment office					
Never	69	31	100	54	16
Sometimes	63	37	100	30	9
Every time	75	25	100	257	77
Training					
Got training	80	20	100	50	15
Public work					
Did public work	54	46	100	91	26
Answered advertised job offer					
Succeeded with answer for job offer	76	24	100	37	44
Not succeeded answer for job offer	81	19	100	148	11

4.11 Advantages and disadvantages of public work according to respondents who did public work in the last three years

	Percentage of respondent mentioned … (N=91)
Advantages	
More money than assistance	71
Assured right to assistance	68
Helps to get regular job	7
Disadvantages	
Job too short	81
Demeaning	77
It pays very little	66
Bad working conditions	38

5. Pensions

5.1 Pensioners in the sample

Type of pension	No. of pensioners	In percent of all households
Old-age pension	68	7
Disability pension	284	27
Early retirement pension	9	1
Survivor pension	36	4
Accident benefit	4	0
Old-age allowance from cooperatives	2	0
Number of households with any kind of pensioners (without overlaps)	362	35 (in 4 percent of households there are two pensioners)

5.2 Income according to the employment status of the head of household (HHH)

Employment status of HHH	Equivalent income (HUF)	Per capita income (HUF)	N of HH
Active earner	24,500	16,900	648
On child care grant	17,400	12,100	35
Unemployed	15,900	11,500	173
Pensioner	20,000	15,000	152
Dependent	15,900	11,200	20
Together	22,000	15,400	1,028

5.3 The distribution of the respondents in households without pensioners according to the payment of contributions, by employment status groups

Who pays the pension contribution?	Active earner	On child care grant	Unemployed	Dependent	Total
Nobody	19	28	73	80	41
Respondent	22	33	8	12	19
Employer	45	24	8	(3)	28
Respondent and employer	13	3	(2)	N.A.	7
Municipality or municipality + others	2	12	9	5	6
Total	100	100	100	100	100
N	*320*	*116*	*177*	*60*	*673*

5.4 Distribution of the respondents in households without pensioners according to whether they have pension insurance, by employment status groups

	Active earner	On child care grant	Unemployed	Dependent	Total
Never had any	11	13	21	50	18
Had it but does not have it now	6	8	48	25	20
Has it now	83	79	31	25	63
Total	100	100	100	100	100
N	*317*	*115*	*174*	*60*	*673*

5.5 Pension insurance by the occupational group of the respondent, in households without pensioners

	Never had any	Had it, but now does not pay for it	Has it now	Total	N
		In percentage			
Manager, employed		20	80	100	*5*
Professional, employed	7	14	79	100	*14*
Other non-manual, employed	13	11	76	100	*54*
Self-employed, entrepreneur	12	31	58	100	*26*
Skilled worker	8	13	79	100	*195*
Semi-and unskilled worker	15	27	58	100	*275*
Agricultural worker	4	46	50	100	*24*
Never had a job	67	4	29	100	*45*
Other	53	14	33	100	*36*
Total	18	20	63	100	*674*

5.6 Type of saving for old age in households without pensioners

Type of insurance	Entrepren. manager, profess.	Non-manual, other	Skilled worker	Unskilled agric. worker	No occup.	Total
Public	33	28	29	32	11	29
Private	4	9	9	6	9	8
Public + private	16	22	20	12	5	15
Voluntary	N.A	4	5	1	5	3
Public + voluntary	4	6	9	3	N.A	5
Private + voluntary	N.A	N.A	1	0	N.A	0
All	9	7	6	2	N.A	4
Does not have	33	24	21	42	70	37
Total	100	100	100	100	100	100
N	*45*	*54*	*195*	*299*	*80*	*673*

5.7 Pension insurance at present and expected pension eligibility in the future, households without pensioners

Pension insurance now	Pension in old age		Total	N
	No	Yes		
No	24	76	100	207
Yes	9	91	100	373
Total	14	86	100	580

6. Health System

6.1 Needs and coverage

	Adults			Children		
	Needed	Used	Used/ needed	Needed	Used	Used/ needed
	*In percent of all households**					
Family doctor	67	63	95	62	61	99
Specialist	39	37	95	26	26	100
Hospital	20	19	95	15	14	98
Dentist	39	27	68	31	30	97
	N					
Family doctor	687	656		647	643	
Specialist	404	388		276	274	
Hospital	211	201		155	151	
Dentist	407	278		319	309	

*The total number of households is 1,047, that of families with dependent children about 750.

6.2 Respondents' use of primary care service (GP) during the last year

	ILO–POV		TÁRKI (1997)[5]	
	N	Percent	N	Percent
Total	1,047	62.7	N.A	N.A
Gender				
Male	475	58.7	1907	62.1
Female	572	65.9	2131	74.7
Age-group				
18–29 years old	282	59.6	783	58.4
30–45 years old	507	62.5	N.A	N.A
46–60 years old	251	66.9	N.A	N.A
Level of education				
8 grades and less	444	64.2	1646	72.5
Industrial apprentice school, skilled worker certificate	362	58.3	988	62.7
Secondary school	211	65.4	964	68.1
Higher education	(29)*	(72.4)	439	72.3
Type of locality				
Village	454	61.5	1495	67.3
Other town	357	64.9	1010	68.7
County seat	153	62.1	754	71.6
Budapest	83	60.2	780	68.8
Income per capita				
Bottom fifth	205	51	903	62.9
Top fifth	207	69	839	68.0
Someone from household belongs to the Roma minority				
Yes	213	62.9	N.A	N.A
No	832	62.5	N.A	N.A

* Parentheses indicate small number of respondents in a given category (N is below 50).

[5] *Empírikus felmérés a népesség egészségi állapotának meghatározottságáról. Zárótanulmány.* (Empirical survey on the determining factors of the health conditions among the population. Final Report.) 1998. május. Budapest, TÁRKI, p.137, Table 4.

6.3 Respondents' use of dental service during the last year

	ILO–POV		TÁRKI (1997)[6]	
	N	Percent	N	Percent
Gender				
Male	475	21.9	1536	26.3
Female	572	30.4	1557	36.2
Age-group				
18–29 years old	282	35.5		33.1
30–45 years old	507	24.6	N.A	N.A
46–60 years old	251	19.9	N.A	N.A
Level of education				
8 grades and less	444	24.5	966	21.8
Industrial apprentice school, skilled worker certificate	362	22.6	893	25.3
Secondary school	211	34.1	868	35.7
Higher education	(29)*	(51.7)	365	44.3
Type of locality				
Village	454	24.0	N.A	20.7
Other town	357	29.7	N.A	30.0
County seat	153	28.1	N.A	32,6
Budapest	83	24.1	584	41,9
Someone from household belongs to the Roma minority				
Yes	213	31.0	N.A	N.A
No	832	25.5	N.A	N.A

* Parentheses indicate small number of respondents in a given category (N is below 50).

6.4 Sick pay: active earners and unemployed, received and needed sick pay

	Was on sick pay		Needed, but did not go on sick pay	
	Active earner	Unemployed	Active earner	Unemployed
	N			
No	249	214	204	205
Yes	148	21	207	31
	400	235	411	236
	Distribution in percentage			
No	63	91	50	87
Yes	37	9	50	13
	100	100	100	100

[6] *Empírikus felmérés a népesség egészségi állapotának meghatározottságáról. Zárótanulmány.* (Empirical survey on the determining factors of the health conditions among the population. Final Report.) 1998. május. Budapest, TÁRKI, p.144, Table 8.

6.5 The combination of the answers to "Money shortage affects drug expenditure" (Block 2, Question 5) and "There was not enough money for prescribed drugs" (Block 4, Question 14)

	N	In percent of households
No difficulty in either case	514	49
Expenditure affected	162	16
No money for prescriptions	162	16
Both problems occur	209	20
Total	1,047	100

6.6 Distribution of households with or without health vouchers according to difficulty of buying drugs (in percentages)

Public health voucher	HH could not by drug – did not have enough money		Total
	Did not occur	Occurred	
Does not have voucher	65.1	34.9	100
Has voucher	54.3	45.7	100
Total	62.7	37.3	100
N	*621*	*370*	*991*

6.7 Characteristics of households that had insufficient money for drugs

	N	Out of it: Percent of those who did not have enough money for drugs
Level of education of the HHH		
8 grades and less	444	44.6
Industrial apprentice school, skilled worker certificate	362	33.7
Secondary school	211	21.8
Higher education	(29)	(17.2)
Type of locality		
Village	454	33.5
Other town	357	33.3
County seat	153	41.8
Budapest	83	43.4
Someone from household belongs to the Roma minority		
Yes	213	60.1
No	832	29.1
Income per capita		
Bottom third	327	45
Middle third	322	41
Top third	327	28

7. Poverty

7.1 The percentage of households in which the adults have (can afford) given items according to equivalent income terciles

	Equivalent income thirds			Total	
	Bottom	Middle	Top	Percent	N
Adults have warm meal once a day	94	97	99	97	*993*
TV set	88	93	96	92	*949*
Washing machine	84	92	96	91	*932*
Refrigerator	84	91	96	90	*928*
Home heated in winter	76	82	88	82	*841*
Family celebrates Christmas with gifts	63	76	85	75	*767*
Family has money for main transport needs[7]	55	60	76	64	*642*
Banking card (at least one member)[8]	33	51	71	51	*527*
Adults have meat every second day[9]	43	45	57	48	*498*
Home insurance[10]	23	42	59	41	*425*
Passport (at least one member)[11]	22	25	40	29	*300*
Adults have warm winter coat[12]	14	22	25	20	*207*
Adults have at least one week holiday[13]	4	3	9	6	*58*

[7] No need of it: 12.4 percent.
[8] No need of it: 5.6 percent.
[9] No need of it: 3.3 percent.
[10] No need of it: 6.6 percent.
[11] No need of it: 12.7 percent.
[12] No need of it: 6.1 percent.
[13] No need of it: 1.7 percent.

7.2 The percentage of households that can afford some items for all children according to equivalent income terciles

	Equivalent income thirds			Total, in percentage
	Bottom	Middle	Third	
Families with children (N)	*248*	*261*	*285*	*794*
In percentage	31	33	36	100
3 sets of underwear	95	97	99	97
Bed cloth	94	98	99	97
Three meals a day	94	98	98	97
Warm winter cloth	91	98	100	96
Own bed	91	94	96	94
Sunday cloth	85	91	93	90
Own books	74	88	91	85
Own toys	79	88	89	85
Get gift for birthday, name's day	75	82	90	83
Fruit once a day	72	82	87	81
Bicycle, at least one	66	73	81	73
Two newly bought pair of shoes	56	58	63	59
At least one week holiday	18	22	26	22

7.3 The percentage of households that can afford some items for school children, according to equivalent income terciles

	Equivalent income thirds			Total, in percentage
	Bottom	Middle	Third	
Number of households with school-children (N)	*170*	*195*	*212*	*577*
In percentage	29	34	37	100
School children have required school items	84	88	87	87
Can afford school programs	64	76	86	76
Have pocket money[14]	49	49	51	50
Have regular sport activity[15]	31	37	42	37
Children have use of a computer[16]	19	27	36	28
Can afford extra-curricular studies[17]	14	20	23	19

[14] No need of it: 5.4 percent.

[15] No need of it: 9.1 percent.

[16] No need of it: 5.4 percent.

[17] No need of it: 11.5 percent.

7.4 Some indicators of housing (in percentages of total sample)

	No kitchen	No water tap indoors	No indoor toilet	No built road	2 to 2.9 persons per room	More than 3 persons per room
Total	3	14	21	17	21	17
Distribution by number of dependent children						
No children	1	16	22	11	17	5
One child	2	12	20	13	17	12
Two children	4	12	15	13	38	19
Three or more children	4	18	29	31	9	33
By income terciles						
Bottom third	5	26	34	23	18	26
Middle third	3	12	22	16	19	16
Top third	1	4	7	12	25	8
By Roma living in the household						
No Roma in the HH	2	8	14	15	20	10
Roma in the HH	6	40	50	27	23	41

7.5 To what extent is current income sufficient to cover needs? (Responses in percentages)

	ILO–POV	ILO–PSS
1 Absolutely insufficient	55.9	18.3
2	31.6	29.7
3 Moderately sufficient	11.5	37.8
4	0.9	9.5
5 Fully sufficient	0.1	4.7
Total	100	100

7.6 To what extent was last month's income enough to cover customary needs, by per capita income tercile (in percentages)

	Bottom third	Middle third	Top third	Total	N
Total	33	35	32	100	
N	*339*	*357*	*329*		*1,025*
Percentage distribution of households					
1 Absolutely insufficient	82	53	32	56	571
2	15	35	46	32	325
3	3	11	20	11	119
4	0	1	2	1	9
5 Fully sufficient	0	0	0	0	1
Total	100	100	100	100	

7.7 Percentage distribution of respondents according to future expectations

The overall situation of the family	Percentage	N
Will improve	22	212
Will not change	39	376
Will deteriorate	39	369
Total	100	957

7.8 The share of optimists and pessimists in different demographic and social groups (The percentage who said the family's situation will improve or deteriorate)

	Optimists	Pessimists
Total	22	39
By gender of the respondent		
Male	20	39
Female	23	39
By age group of the respondent		
18–29 years old	32	29
30–45 years old	21	38
46–60 years old	13	51
By the number of dependent children		
No children	18	46
One child	25	34
Two children	26	32
Three or more children	20	42
By income terciles		
Bottom third	22	43
Middle third	22	40
Top third	22	33
By occupational groups		
Own business	30	37
Non-manual	26	33
Skilled worker	24	34
Unskilled worker	17	44
By Roma living in the household		
No Roma in the HH	23	34
Roma in the HH	16	56
By employment status groups of the respondent		
Active earner	22	33
On child care grant	36	29
Unemployed	25	43
Dependent	14	47

7.9 A model of social exclusion built as the simultaneous presence of four factors of exclusion

1) absence of active employment
2) low income, equivalent household income under median
3) low educational level of the head of household
4) no inside toilet

Type of problems mentioned	Number of Households mentioning the problems	Percentage of Households mentioning the problems	Per capita income in the group, in Forints
None of the problems			
None of the problems	325	31	18,800
One problem			
No active earner in household (1)	44	4	19,100
Low level of education (2)	98	9	19,800
Low income (3)	129	12	13,100
No inside toilet (4)	11	1	17,500
Together	282	27	
Two problems			
(1+2) no active, low educ	26	2	18,800
(1+3) no active, low income	91	9	12,100
(1+4) no active, no toilet	3	0	16,500
(2+3) low educ, low income	69	7	12,500
(2+4) low educ, no toilet	14	1	18,000
(3+4) low income, no toilet	13	1	12,900
Together	216	21	
Three and more problems			
(1+2+3)	115	11	11,600
(1+2+4)	9	1	18,000
(1+3+4)	14	1	9,000
(2+3+4)	23	2	11,400
All four problems	63	6	9,800
Together	224	21	
All together	1,047	100	15,400

7.10 Frequency of situations of multiple deprivation with nine items,* and per capita income in the groups

Number of problems mentioned	Number of Households mentioning the problems	Percentage of Households mentioning the problems	Per capita income in the group, in Forints
0	147	14	19,500
1	197	19	17,600
2	173	17	15,300
3	160	15	14,700
4	138	13	14,600
5	97	9	13,300
6	65	6	12,000
7	47	4	11,200
8	20	2	11,100
9	3	1	5,700
Total	1,047	100	15,400

* The nine items are following:
– the four problems in Table 7.9;
– three items on consumption: "not enough money for food at the end of the month", "not enough money for prescription drugs", and "heating not affordable in the winter";
– one item on health: "at least one sick person in the family needing constant medical care";
– one item on social contacts: "Christmas festivities are not affordable".

7.11 Distribution of households with different number of children according to levels of multiple deprivation (nine items, number of problems compressed), and per capita income

Number of problems mentioned	No children	One child	Two children	Three or more children	Total
Percentage distribution of households					
None	12	13	20	10	14
One problem	15	22	22	16	19
Two to four problems	44	46	44	45	45
Five or more problems	30	19	13	29	22
Total	100	100	100	100	100
Per capita monthly income (in Forints)					
None	21,200	20,200	18,800	17,900	19,500
One problem	19,300	18,100	17,000	15,600	17,600
Two to four problems	15,400	15,700	14,900	13,300	14,900
Five or more problems	14,300	12,100	11,300	10,600	12,200
Total	16,300	16,100	15,600	13,300	15,400
N (number of households)					
None	28	41	55	23	147
One problem	36	67	59	35	197
Two to four problems	107	143	120	101	471
Five or more problems	72	59	36	65	232
Total	243	310	270	224	1,047

7.12 Distribution of households with and without Roma members according to levels of multiple deprivation (nine items, number of problems compressed), and per capita income

Number of problems mentioned	No Roma in the household	Roma in the household	Total
Percentage distribution of households			
None	99	1	100
One problem	95	5	100
Two to four problems	84	16	100
Five or more problems	46	54	100
Total	80	20	100
Per capita monthly income (in Forints)			
None	19,500	16,900	19,500
One problem	17,700	15,700	17,600
Two to four problems	15,200	13,200	14,900
Five or more problems	13,400	11,200	12,200
Total	16,300	12,200	15,400
N (number of households)			
None	145	2	147
One problem	188	9	197
Two to four problems	393	76	469
Five or more problems	106	126	232
Total	832	213	1,045

Appendix 3
Questionnaire

Questionnaire
On Social Security, Poverty, and Exclusion in Hungary (ILO 2001)

Locality
Sample number
Reason of non-response
Name of interviewer
Date of interview
Beginning of interview (time in hrs, mins)
End of interview (time in hrs, mins)
Coder
Reason of delay

GIVING ANSWERS IS VOLUNTARY

I. Basic Information

1. Please list all family members with whom you live in the household. Include those who are temporarily absent but share household revenues and expenditures.

CIRCLE THE RESPONDENT

Rank number Given name	Relation to the Head of the family	Sex 1–Male 2–Female	Year of Birth	Marital Status	Highest level of education
1.	Head of Household				
2.					
3.					
4.					
5.					
6.					
7.					
8.					
9.					

0 X

(CODES TO USE)

Relation to the Head of the Family	**Marital Status**
1 – Spouse	1 – Married
2 – Mother, father	2 – Spouse in cohabitation
3 – Child, child of the spouse	3 – Widow, widower
4 – Sibling, sibling of the spouse	4 – Divorced
5 – Mother-in-law, father-in-law	5 – Separated
6 – Grandchild, grandchild of the spouse	6 – Single or unmarried
7 – Grandparent, grandparent of the spouse	
8 – Other relative	
9 – Other person	

Highest Level of Education

1 – Below 8 grades (less than primary)
2 – Eight grades (primary school graduate)
3 – Industrial apprentice school, skilled worker certificate
4 – Secondary school (grammar school, vocational or technical high school)
5 – College
6 – University
7 – Never attended any schools

Size of the household

Number of members in the household: ……
Number of dependent children under 18: ……..
Number of dependent children under 18: ……..

Structure of the Household – (CODE IT ON THE BASIS OF THE TABLE)

1 – Single
2 – Couple (married or cohabiting spouses)
3 – Couple with children
4 – Single parent
5 – Grandparents and grandchildren
6 – Three generations
7 – Other

2. Let us ask you some more questions about all members of the family over 15

Number of the person from Table I.1.	Given name	Current employment status	Current or the last occupation and position

0 X

(CODES TO USE)

Employment Status, Work Activity	Occupation or Position
01 – Employee	1 – Entrepreneur (owner)
02 – Member of a cooperative	2 – Employed manager
03 – Entrepreneur (individual or in partnership)	3 – Employed professional
04 – Family member assisting the entrepreneur	4 – Employed other non-manual worker
05 – On child-care grant	5 – Skilled worker
06 – Unemployed	6 – Semi- and unskilled worker
07 – Student	7 – Agricultural worker
08 – Homemaker	8 – Never had a job (e.g. unemployed youth, survivor's pension receiver)
09 – Pensioner	9 – Other
10 – Disabled	
11 – Other dependent family member	

IF, AS NOTED IN TABLE I, THE RESPONDENT MENTIONED THAT THERE ARE CHILDREN IN THE FAMILY IN PRIMARY SCHOOL AGE – THAT IS, WHO HAVE BEEN BORN BETWEEN 1987 AND 1995 – CONTINUE WITH QUESTION 3, OTHERWISE GO TO QUESTION 4.

3. Please tell us what type of kindergarten or school each child in the family attends

	1. child	2. child	3. child
Number in Table I.1.			
Given name			
Schooling status (see codes below)			
IF ATTENDS PRIMARY SCHOOL			
Type of the class (see codes below)			

(CODES TO USE)

Schooling	**Primary school class type**
1 – Does not attend school, still in kindergarten	1 – Normal
2 – Does not attend school, stays at home	2 – Specialized (language, etc.)
3 – Primary school, which grade?	3 – Special pedagogy class (for handicapped children)
4 – Secondary school, which grade?	4 – Other, please specify
5 – Other, please specify	

IF, AS NOTED IN TABLE I, THE RESPONDENT MENTIONED THAT THERE ARE CHILDREN IN THE FAMILY IN SECONDARY SCHOOL AGE – THAT IS, WHO HAVE BEEN BORN BETWEEN 1983 AND 1986 – CONTINUE WITH QUESTION 4, OTHERWISE GO TO BLOCK II.

4. Please tell us what do the secondary school age children in the family do? If attends school, what type? What are the plans of his/her future?

	1. child	2. child	3. child
Number in Table I.1.			
Given name			
Activity status (see codes below)			
IF ATTENDS SECONDARY SCHOOL Type of the school (see codes below)			
Do you think he/she will finish the school?			
What do you think he/she will do after finishing the current studies? (see codes below)			

(CODES TO USE)

Activity status	**School type**
1 – Does not attend school, stays at home	1 – Primary school
2 – Attends school, pursues studies	2 – Industrial apprenticeship
3 – Works	3 – Special secondary school (not offering graduation degree)
4 – Other, please specify	4 – Vocational or technical school (offering graduation)
	5 – Grammar school (offering grad.)
	6 – Other, please sepcify

Plans for the future, after finishing current school

1 – Continues education (higher education)
2 – Looks for work
3 – Stays at home
4 – Other, please specify

0 X

II. Income, Assessment of Present Situation

1. What was the total amount of net family income in the last month (which members of the family brought home or received)?

…….. Forints

0 X

2. Was this amount sufficient to get along, to cover the customary needs of the family? Please rate on a scale of five grades: 1 meaning an income absolutely not sufficient, 5 meaning fully sufficient to cover the needs.

Fully sufficient				Absolutely not sufficient
5	4	3	2	1

3. What would be the monthly net amount to cover the most basic needs in a household like yours?

BASIC NEEDS MEAN THE PAYMENT OF THE REGULAR HOUSING COSTS, HEATING OF THE LIVING ROOM, SUFFICIENT FOOD, MAINTENANCE OF CLOTHING, AND THE NECESSARY PRESCRIBED DRUGS.

…….. Forints

0 X

4. Did it happen during the last year that the family ran out of money by the end of the month?

1 – Montly
2 – Less often
3 – Never

0 X

5. If it ever occurred that the family ran out of money during the past twelve months, which type of expenditures (or needs) were affected?

Type of expenditure	Was affected (Did not have enough for …)	Was never affected	Do not spend money on this item	
1. Food	2	1	3	0 – X
2. Rent	2	1	3	0 – X
3. Bills (heating, electricity, water, housing loans)	2	1	3	0 – X
4. Clothing of adults	2	1	3	0 – X
5. Clothing of children	2	1	3	0 – X
6. Prescribed drugs	2	1	3	0 – X
7. Public transport for essential travel (work, school, GP visits, daily grocery shopping)	2	1	3	0 – X
8. Outings with family and friends, leisure activities	2	1	3	0 – X

6. Nowadays there is much talk about poverty. What do you think about the situation of your family (household) now, and in the past three years?

	Now	In the past 3 years	
1. Does not consider the family poor	1	1	0 – X
2. Occasionally, in some respects	2	2	0 – X
3. Fully poor, by any standards	3	3	0 – X

IF THE SITUATION IMPROVED ACCORDING TO TABLE 6 – THAT IS, THEY ARE NOT POOR NOW, BUT WERE DURING THE PAST 3 YEARS, CONTINUE. IF IT DID NOT IMPROVE, GO TO QUESTION 8.

7. *(OPEN QUESTION)* **If the income situation in the family improved during the past three years, what do you think were the main reasons?**

0 X

8. *(OPEN QUESTION)* **If the income situation in the family remained bad or deteriorated during the past three years, what do you think were the main reasons?**

0 X

9. What do you expect for the family's income situation in the next three years?

1 – It will improve
2 – It will not change
3 – It will deteriorate

0 X

10. *(OPEN QUESTION)* **Why do you think so?**

0 X

11. *(SHOW CARDS)* **Did the family have some income in the last month from the sources specified below?**

	Did the family have income from the following items?		
	Yes	**No**	
INCOME FROM WORK AND/OR BUSINESS			
1. Regular wage, earnings	2	1	0 – X
2. Second job wage, earnings	2	1	0 – X
3. Income from business and entrepreneurial activities	2	1	0 – X
4. Income from occasional work (street vending, peddling, 'black' labor market)	2	1	0 – X
5. Income from farming or agricultural production (on own or leased land)	2	1	0 – X
6. Other work-related income, please specify: ……..	2	1	0 – X
OTHER INCOME (FROM THE STATE, MUNICIPALITY, OR EXTENDED FAMILY)			
7. Pension (of any kind)	2	1	0 – X
8. Child-care grant (GYES, GYED, GYET), nursing benefit	2	1	0 – X
9. Family allowances (incl. educational allowance)	2	1	0 – X
10. Unemployment benefit, income replacement	2	1	0 – X
11. Sick pay	2	1	0 – X
12. Any kind of assistance from the municipality	2	1	0 – X
13. Income from the extended family	2	1	0 – X
14. Alimony	2	1	0 – X
15. Financial support from any other agency or person	2	1	0 – X
16. Other, please specify: …… (such as bank interest, rent revenue, stipend)	2	1	0 – X

0 X

NOW LET US TALK IN SOME MORE DETAIL ABOUT THE BENEFITS THE FAMILY RECEIVES FROM THE STATE OR THE MUNICIPALITY

12. *(SHOW CARDS)* **Have you heard of the benefits listed below? Have you ever applied for it and/or received it from the municipality or other authorities?**

	Have you heard of this benefit?			**Did anyone in the family apply for this benefit in the past 12 months?**			**Did anyone in the family receive this benefit in the past 12 months?**		
	Yes	No		Yes	No		Yes	No	
1. GYES, GYET	2	1	0 – X	2	1	0 – X	2	1	0 – X
2. GYED	2	1	0 – X	2	1	0 – X	2	1	0 – X
3. Nursing benefit	2	1	0 – X	2	1	0 – X	2	1	0 – X
4. Family allowance	2	1	0 – X	2	1	0 – X	2	1	0 – X
5. Sick pay	2	1	0 – X	2	1	0 – X	2	1	0 – X
6. Unemployment benefit, insurance	2	1	0 – X	2	1	0 – X	2	1	0 – X
7. Income replacement	2	1	0 – X	2	1	0 – X	2	1	0 – X
8. Unemployment assistance from municipality (after 6. and 7. expired)	2	1	0 – X	2	1	0 – X	2	1	0 – X
9. Old-age assistance	2	1	0 – X	2	1	0 – X	2	1	0 – X
10. Child protection assistance	2	1	0 – X	2	1	0 – X	2	1	0 – X
11. Other regular assistance	2	1	0 – X	2	1	0 – X	2	1	0 – X
12. Extraordinary (crisis) assistance	2	1	0 – X	2	1	0 – X	2	1	0 – X
13. Housing assistance from municipality	2	1	0 – X	2	1	0 – X	2	1	0 – X
14. Assistance with regular bill payments from any agency	2	1	0 – X	2	1	0 – X	2	1	0 – X
15. Other, specify (including support from NGOs)	2	1	0 – X	2	1	0 – X	2	1	0 – X

13. Did anyone in the family file a tax report for the year 2000 (whether prepared by the taxpayer or his or her employer)?

1 – Yes
2 – No

0 X

14. *(ONLY IF THERE ARE CHILDREN IN THE FAMILY)* **Could you use the tax allowance for children?**

1 – No
2 – Partly
3 – Fully
9 – Did not know about it

0 X

15. *(ASK EVERYONE)* **Did it ever happen during the past twelve months that you did not apply for a benefit or assistance, even though you believed you were entitled to?**

1 – Yes
2 – No

0 X

16. Did it ever happen during the past twelve months that you did apply for a benefit or assistance but the application was refused?

1 – Yes
2 – No

0 X

NOW LET US TALK ONE-BY-ONE ABOUT THE BENEFITS WITH WHICH THERE WAS ANY PROBLEM

17. *(OPEN QUESTION)* **Problem with family (including educational) allowance (did not know where to apply to, the child was absent from school, etc. … please give as many details as possible).**

18. *(OPEN QUESTION)* **Problem with unemployment benefit and insurance (did not have enough insured time, there was no adequate job on offer, etc. … please give as many details as possible)**

19. *(OPEN QUESTION)* **Problem with unemployment assistance (did not know about it, could not accept the public work offer, etc. … please give as many details as possible)**

20. *(OPEN QUESTION)* **Problem with child protection assistance or complementary family allowance (did not apply for it, the municipality found the family's income too high, etc. … please give as many details as possible)**

21. *(OPEN QUESTION)* **Problem with housing or bill payment assistance (did not know about it, already was in debt, the municipality did not have the money, etc. … please give as many details as possible)**

22. *(OPEN QUESTION)* **Problem with any other type of benefit (including extraordinary or crisis assistance, etc. … please give as many details as possible)**

23. What was the amount received last month from the types of benefit listed below?

	If anyone from the family received the benefits below, what was the amount in Forints
1. Pension (of any kind)	0 – X
2. Child-care grant (GYES, GYED, GYET), nursing benefit	0 – X
3. Family allowances (incl. educational allowance)	0 – X
4. Unemployment benefit, income replacement	0 – X
5. Unemployment assistance from municipality (after 4. expired)	0 – X
6. Sick pay	0 – X
7. Old-age assistance	0 – X
8. Child protection assistance	0 – X
9. Housing or bill payment assistance from any agency	0 – X
10. Extraordinary, crisis, or other assistance	0 – X

24. *(IF THE RESPONDENT DOES NOT REMEMBER THE DETAILS)* **What was approximately the total amount of all social benefits received last month, including the pensions?**

…… Ft

25. *(ASK ONLY THOSE RECEIVING CHILD PROTECTION ASSISTANCE OR COMPLEMENTARY FAMILY ALLOWANCE)* **In what from did you receive the assistance in the last twelve months?** *(MULTIPLE RESPONSES ARE POSSIBLE)*

1 – In cash
2 – In the form of transfers (to school meals, creditors, etc.)
3 – In kind (including food stamps)
4 – Other, specify

0 X

26. Where did you receive this assistance?

1 – Transferred to own bank account
2 – Mailed
3 – Picked up at the municipality office
4 – Other, specify

0 X

27. *(ASK ONLY THOSE WHO INDICATED IN RESPONDING TO QUESTION 23, ITEM 10, THAT THE FAMILY RECEIVED EXTRAORDINARY, CRISIS, OR OTHER ASSISTANCE – OPEN QUESTION)* **In what form and where did you receive this type of benefit?**

28. Does the family have any debt?

1 – No *(SKIP TO QUESTION 30)*
2 – Yes

0 X

29. Has the family arrears in payment for any of the following items? *(IF YES)* **For how many months?**

	Yes	No	How many months?	
1. Rent	2	1		0 – X
2. Housing credit, mortgage	2	1		0 – X
3. Gas, electricity	2	1		0 – X
4. Central heating (from a distance)	2	1		0 – X
5. Shared costs, water, sewage, garbage collection	2	1		0 – X
6. Other overhead costs (telephone, housing insurance, etc.)	2	1		0 – X
7. Debt accrued at the grocery store	2	1		0 – X
8. Debt towards family or friends	2	1		0 – X
9. Other, specify: ……..	2	1		0 – X

30. Did it ever happen during the last three years that any of the public services were cut off due to the arrears? Is any of theses services currently cut off?

	Cut any time during the last three years			Switched off currently		
	Yes	No		Yes	No	
Electricity	2	1	0 – X	2	1	0 – X
Water	2	1	0 – X	2	1	0 – X
Gas	2	1	0 – X	2	1	0 – X
Telephone	2	1	0 – X	2	1	0 – X

31. *(IN CASE OF THE ADULTS IN THE HOUSEHOLD)* **Can you afford to have or pay for the following items? If not, is there any need for that particular item at all?**

	Yes	No		
	Can afford it	Does not need it	Cannot afford it	
Warm meal at least once a day	2	3	1	0 – X
Meat or fish every second day	2	3	1	0 – X
Heating of living quarters in winter	2	3	1	0 – X
Newly purchased warm winter coat	2	3	1	0 – X
Television, if works well	2	3	1	0 – X
Washing machine, if works well	2	3	1	0 – X
Refrigerator, if works well	2	3	1	0 – X
Home insurance	2	3	1	0 – X
Public transport for basic needs	2	3	1	0 – X
Holiday once a year, for at least one week	2	3	1	0 – X
Christmas celebrations (with presents and a festive meal)	2	3	1	0 – X
Banking card (for at least one member of the household)	2	3	1	0 – X
Valid passport (for at least one member of the household)	2	3	1	0 – X

32. *(ASK ONLY IF THERE ARE CHILDREN IN THE HOUSEHOLD)* **Can you afford to have or purchase the items listed below for the children? If not, is there any need for that particular item at all?**

	Yes	No		
	Can afford it	Does not need it	Cannot afford it	
Three meals a day (including meals in the school or kindergarten)	2	3	1	0 – X
Fruit once a day (at home or in school)	2	3	1	0 – X
Own bed	2	3	1	0 – X
Own bedclothes	2	3	1	0 – X
Warm winter clothing	2	3	1	0 – X
Sunday suit	2	3	1	0 – X
2 pairs of shoes, newly bought for child	2	3	1	0 – X
At least three sets of underwear	2	3	1	0 – X
Bicycle, new or used	2	3	1	0 – X
Gift on occasion of birthday or name-day	2	3	1	0 – X
Own toys	2	3	1	0 – X
Own books	2	3	1	0 – X
Holiday once a year, for at least one week, including summer camp	2	3	1	0 – X

33. *(ASK ONLY IF THERE ARE SCHOOLCHILDREN IN THE HOUSEHOLD)* **Can you afford to have or purchase the items listed below for the children? If not, is there any need for that particular item at all?**

	Yes	No		
	Can afford it	Does not need it	Cannot afford it	
All items required by the school	2	3	1	0 – X
A regular sports activity (besides physical education classes)	2	3	1	0 – X
Participation in programs organized by the school (e.g. excursions, theater, camping)	2	3	1	0 – X
Extracurricular studies paid for by the family (language, music, sport)	2	3	1	0 – X
Access to the use of computers	2	3	1	0 – X
Pocket money	2	3	1	0 – X

34. The last question concerning benefits and assistance. Who is dealing with the benefit agencies and the municipality (file applications, talks wth the social worker, picks up the money)?

1 – The husband or father
2 – The wife or mother
3 – Some other member, usually male
4 – Some other member, usually female
5 – There is no regularity

III. Unemployment

1. Is there anyone in the family who is officially registered as unemployed?

1 – No
2 – Yes *NUMBER AND GIVEN NAME FROM TABLE I.1: .....*

0 X

2. Is there anyone in the family who is officially not registered as unemployed, but does not have a job and is currently looking for work?

1 – No
2 – Yes *NUMBER AND GIVEN NAME FROM TABLE I.1: .....*

0 X

3. Is there anyone in the family who currently does not have a job (either registered as unemployed or not) but stopped looking for work?

1 – No
2 – Yes *NUMBER AND GIVEN NAME FROM TABLE I.1: .....*

0 X

FROM HERE UNTIL THE END OF THE UNEMPLOYMENT BLOCK, ASK ONLY THE RESPONDENT.

4. Are you unemployed at present?

1 – No
2 – Yes, registered
3 – Yes, but not registered

0 X

5. How many spells of unemployment did you have in the course of the last three years, including the present one?

..... times

IF THE RESPONDENT WAS NOT UNEMPLOYED DURING THE LAST THREE YEARS AND IS NOT UNEMPLOYEDNOW EITHER, GO TO THE FIRST QUESTION OF THE NEXT BLOCK ON HEALTH.

6. How much time was that all together? (In months, one year 12 months):

……

7. Have you registered yourself at the employment office?

3 – Yes, each time
2 – Sometimes yes, sometimes no
1 – Never

0 X

8. When you were unemployed during the last three years, including this time, what types of benefits were you entitled to, and which one did you in fact receive? *(MULTIPLE ANSWERS ARE POSSIBLE)*

	Did not receive because			Received	
	Was not entitled	Did not apply	Applied but was refused		
1. Severance pay	1	2	3	4	0 – X
2. Unemployment benefit	1	2	3	4	0 – X
3. Income replacement	1	2	3	4	0 – X
4. Regular social assistance from the municipality	1	2	3	4	0 – X
5. Other type of assistance from any agency	1	2	3	4	0 – X

9. While you were unemployed, did you do anything during the last three years to make money or get a job? If yes, select from the list below. *(MULTIPLE ANSWERS ARE POSSIBLE)*

	Yes	No	
1. Visited/visits the unemployment office	2	1	0 – X
2. Accepted/accepts public work	2	1	0 – X
3. Participated/participates in any kind of training	2	1	0 – X
4. Other ways of making or earning money, please specify: ……	2	1	0 – X

10. If you did not ever participate in a retraining course during the last three years, what was the reason for it?

1 – No need (has adequate skills)
2 – Have not heard of retraining courses
3 – Adequate training is not accessible (too far, etc.)
4 – The training does not help to find a job
5 – The payment is delayed, the family does not have reserves to wait for that long
6 – Family reasons
7 – Too old to learn again
9 – Other, please specify: .....

0 X

11. If you ever participated in a public work program during the course of the last three years, what were the advantages of it? *(MULTIPLE ANSWERS ARE POSSIBLE)*

Advantage	There was such advantage	There was no such advantage	
1. The money from public work was better than the assistance	2	1	0 – X
2. One can get a regular job as a result of the public work	2	1	0 – X
3. Public work was a condition of receiving any further assistance	2	1	0 – X

12. Have you experienced any of the following problems with public work during the past three years?

Problems	Had such experience	Did not have such experience	
1. The municipality did not organize such type of work, or there was not enough room for all applicants	2	1	0 – X
2. The job is only for a short period	2	1	0 – X
3. It pays very little	2	1	0 – X
4. Working conditions are bad	2	1	0 – X
5. Cannot participate because of health problems	2	1	0 – X

13. Did you apply for an advertised job during the last three years?

1 – No
2 – Yes, with success
3 – Yes, without success

0 X

14. If you applied for a job or offered one by the unemployment office but did not get it, what were the reasons of not succeeding?

	Yes	No	
1. You did not accept the job because it paid little	2	1	0 – X
2. Did not accept the job because transportation was bad, complicated, or expensive	2	1	0 – X
3. Did not accept the job because the working conditions were inadequate	2	1	0 – X
4. The job was (said to be) filled	2	1	0 – X
5. You were rejected because of inadequate training	2	1	0 – X
6. Were rejected, probably because of racial or gender discrimination	2	1	0 – X
7. Were rejected for other reasons, specify: ……	2	1	0 – X

IV. Health Status, Health Care

1. Do all adult family members have a valid social insurance card or a "health card" to use the health care system?

All adults have it	Some have it, some do not	Nobody has it	
3	2	1	0 – X

2. *(OPEN QUESTION)* **If someone does not have such a card, what are the reasons?**

0 X

3. Is there anyone in the family who is chronically ill, disabled, or handicapped?

	Nobody	Yes, but does not need constant medical care or treatment	Yes, and needs constant medical care or treatment
The respondent			
Another adult			
A child			

4. Does anyone in the family have a public health drug voucher *(közgyógyellátási igazolvány)*?

1 – No

2 – Yes *NUMBER AND GIVEN NAME FROM TABLE I.1: .....*

0 X

5. If there is none, would it be needed? Have they already applied for it?

1 – There is no need for it
2 – They would need it but did not apply
3 – They applied but were rejected

0 X

6. *(OPEN QUESTION)* **If they have already applied for such a voucher, but did not receive one, what were the reasons for it?**

FOR QUESTIONS 7–16, ASK ONLY ABOUT THE RESPONDENT. OTHERWISE, GO TO THE NEXT BLOCK OF QUESTIONS ON HOUSING.

7. Do you yourself have any chronic illness, health problem or handicap?

1 – No *(SKIP TO QUESTION 9)*

2 – Yes

0 X

8. If you have any health problems, what are the consequences of it?

	There is such consequence	There is no such consequence	
1. Renders difficult everyday life, has to get help from others	1	2	0 – X
2. Makes job or job search difficult	1	2	0 – X
3. Expensive	1	2	0 – X
4. Other, please specify: ……	1	2	0 – X

9. Did it happen during the last year that you were on sick pay or sick leave?

	No	Yes	If yes, how many days?
1. Sick pay	1	2	
2. Paid sick leave	1	2	
3. Unpaid sick leave	1	2	

10. Did it happen during the last year that you would have needed a sick leave but did not ask for it?

1 – No *(SKIP TO QUESTION 12)*

2 – Yes

0 X

11. Why didn't you ask for a sick leave?

(MULTIPLE ANSWERS POSSIBLE. WAIT FOR SPONTANEOUS RESPONSE, IF RESPONDENT DOES NOT MAKE IT, THEN PROMPT)

	The reason existed	No such reason existed	
1. Not entitled to sick pay, no such benefit exists at the workplace	1	2	0 – X
2. The sick pay would have meant a serious loss in the family budget	1	2	0 – X
3. It takes too long a time to wait for the arrival of the sick pay	1	2	0 – X
4. Was afraid of losing the job if declares sick	1	2	0 – X
5. Could not leave the job for other reasons	1	2	0 – X
6. It would have been complicated to ask for sick pay, did not know how to do it	1	2	0 – X

12. Did you need any medical assistance or health care service during the last 12 months? If yes, select from the list of health care service providers below.

	Did not need it	Needed it		
		And used it	And did not use it	
1. Family doctor (GP)	3	2	1	0 – X
2. Specialist (excl. dentist)	3	2	1	0 – X
3. Dentist	3	2	1	0 – X
4. Hospital	3	2	1	0 – X

13. If you needed to see the family doctor or a specialist (except the dentist), or needed hospital treatment, but eventually did not use the service, what were the reasons?

(MULTIPLE ANSWERS POSSIBLE. WAIT FOR SPONTANEOUS RESPONSE, IF RESPONDENT DOES NOT MAKE IT, THEN PROMPT)

	The reason existed	No such reason existed	
1. The problem was not serious, mended itself	2	1	0 – X
2. Did not have time	2	1	0 – X
3. Did not give the insurance card to the GP in advance	2	1	0 – X
4. Did not have a card, or did not know whether had entitlement	2	1	0 – X
5. Transportation is difficult or expensive	2	1	0 – X
6. Could not afford paying the doctor under-the-table	2	1	0 – X
7. Could not afford the treatment or medication	2	1	0 – X
8. Relationship with the doctor is in strife	2	1	0 – X
9. Other, please specify ……			0 – X

14. If you needed to see the dentist, but did not use the service, what were the reasons? *(MULTIPLE ANSWERS POSSIBLE. WAIT FOR SPONTANEOUS RESPONSE, IF RESPONDENT DOES NOT MAKE IT, THEN PROMPT)*

	The reason existed	No such reason existed	
1. The problem was not serious, mended itself	2	1	0 – X
2. Did not have time	2	1	0 – X
3. Did not know where to go	2	1	0 – X
4. Did not have a card, did not know whether had entitlement for free dental treatment	2	1	0 – X
5. Transportation is difficult or expensive	2	1	0 – X
6. Could not afford the treatment	2	1	0 – X
7. Relationship with the doctor is in strife (please explain why)	2	1	0 – X

15. Did it ever happen during the last 12 months that you could not buy a prescribed medication? If yes, what was the reason? *(MULTIPLE ANSWERS POSSIBLE.)*

	Yes	No	
1. Did not have the money to buy the drug	2	1	0 – X
2. The pharmacy was too far, did not have money for the transportation	2	1	0 – X
3. Other, please specify: ……..	2	1	0 – X

THE FOLLOWING QUESTIONS ARE RELATED ONLY TO THE HEALTH CONDITIONS OF THE DEPENDENT CHILDREN IN THE HOUSEHOLD.
IF NO SUCH CHILD, GO TO THE FIRST QUESTION OF BLOCK 5 ON THE HOUSING SITUATION IN THE FAMILY.

16. Did it ever happen during the last 12 months that any of the children needed medical help or health care assistance? If yes, did you use the service?

	Did not need it	Needed it		
		And used it	And did not use it	
1. Family doctor (GP)	3	2	1	0 – X
2. Specialist (excl. dentist)	3	2	1	0 – X
3. Dentist	3	2	1	0 – X
4. Visiting nurse	3	2	1	0 – X
5. Hospital	3	2	1	0 – X

17. If you needed to call the family doctor or to take the child to a specialist or for a hospital treatment, but eventually did not use the service, what were the reasons? *(MULTIPLE ANSWERS POSSIBLE. WAIT FOR SPONTANEOUS RESPONSE, IF RESPONDENT DOES NOT MAKE IT, THEN PROMPT)*

	The reason existed	No such reason existed	
1. The problem was not serious, mended itself	2	1	0 – X
2. Did not give the insurance card to the GP in advance	2	1	0 – X
3. Did not have a card, or did not know whether had entitlement	2	1	0 – X
4. Transportation is difficult or expensive	2	1	0 – X
5. Could not afford paying the doctor under-the-table	2	1	0 – X
6. Could not afford the treatment or medication	2	1	0 – X
7. Other, please specify ……			0 – X

V. Housing Conditions of the Family

1. The house or flat in which your family lives is

1 – Owned by the family
2 – Rented from the municipality
3 – Rented from others (including tenancy)
4 – Other, please specify (illegal occupation, etc.): ……..

0 X

2. What is the number of rooms (living room, bedroom, etc.) which is in the exclusive use of your family?

…….. rooms

0 X

3. Which one of the facilities listed below do you have in the house or flat?

	Yes	No	
1. Water tap indoors	2	1	0 – X
2. Inside toilet	2	1	0 – X
3. Bathroom, shower	2	1	0 – X
4. Kitchen	2	1	0 – X

4. If you do not have water tap indoors, how far is the water outlet you use?

…….. meters

0 X

5. Do you have any of the following problems with the house or flat?

	Yes	No	
1. Damp, leaking	2	1	0 – X
2. Dark, no sunlight, no air	2	1	0 – X
3. Derelict, draughty due to defective doors or windows	2	1	0 – X
4. Overcrowded	2	1	0 – X
5. Living quarters cannot be heated sufficiently in winter	2	1	0 – X
6. Difficult to maintain or to pay the bills	2	1	0 – X
7. The neighborhood is unsafe	2	1	0 – X
8. Transportation is bad, hard to access	2	1	0 – X
9. The environment is polluted or unhealthy	2	1	0 – X
10. The center of the city or village is too far	2	1	0 – X
11. Are not entitled to live in the house or flat	2	1	0 – X
12. Danger of eviction	2	1	0 – X
13. Other, please specify: ……..			

6. Are there sewage facilities? If yes, what type?

1 – There is no sewage
2 – Septic tank or ditch (only for toilet refuse)
3 – Septic tank or ditch (for all refuse)
4 – Connection with the public sewage system

0 X

7. What is the condition of the road leading to the house or flat?

1 – Good, built road, easy to access or negotiate
2 – Neglected built road, difficult to access or negotiate
3 – There is no built road, but the house is still accessible even in unfavorable weather
4 – There is no built road, and the house is difficult to access in unfavorable weather

0 X

VI. Pension Provisions in the Household

1. *(SHOW CARDS)* **Is there anyone in the family who receives any of the following (insurance-type) benefits?**

Type of benefit	Yes	No	
1. Old-age pension, on own right	2	1	0 – X
2. Disability pension	2	1	0 – X
3. Early retirement pension	2	1	0 – X
4. Survivor's pension (for widow, widower, orphan)	2	1	0 – X
5. Accident benefit	2	1	0 – X
6. Old-age benefit for members of an agricultural cooperative	2	1	0 – X

2. *(OPEN QUESTION)* **If there is a family member on disability pension, how secure is its continuation (for instance, in case of renewed examinations, etc.).**

0 X

THE FOLLOWING QUESTIONS RELATE TO THE RESPONDENT, EXCEPT FOR THE VERY LAST QUESTION.

3. Do you think you will have a social insurance pension in your senior age?

1 – No
2 – Yes, on own right
3 – Yes, on survivors' right
4 – Other (e.g. "no need for it, I will die before retiring")

0 X

4. Have you ever had pension insurance? Do you have it now?

1 – No, never had any
2 – Once had it, but now does not pay for it
3 – Still has it, now has it
9 – Does not know

0 X

5. What type of pension insurance do you have? *(MULTIPLE ANSWERS POSSIBLE)*

1 – No insurance
2 – Compulsory public insurance
3 – Compulsory private insurance
4 – Voluntary pension fund

0 X

6. If you have insurance, who pays the contribution? *(MULTIPLE ANSWERS POSSIBLE)*

1 – No insurance
2 – You, employee
3 – Employer
4 – Municipality
9 – Does not know

0 X

7. How many years of pension entitlement have you accumulated so far?

…….. years

INTERVIEWER: ALL YEARS OF EMPLOYMENT BEFORE 1989 AUTOMATICALLY MEAN ENTITLEMENT YEARS

8. *(OPEN QUESTION)* **Do you save in any way for your senior age? If yes, in what form?**

0 X

9. How many years do you have left before you may retire on an old-age pension?

…….. years

0 X

10. What sources of livelihood do you think you will have in your senior age?
(MULTIPLE ANSWERS POSSIBLE. WAIT FOR SPONTANEOUS RESPONSE, IF RESPONDENT DOES NOT MAKE IT, THEN PROMPT)

Source of income	Will have it	Won't have it	
1. Old-age pension	2	1	0 – X
2. Occasional work	2	1	0 – X
3. Regular job	2	1	0 – X
4. Family support	2	1	0 – X
5. Money saved before retirement	2	1	0 – X
6. Assistance from municipality	2	1	0 – X
7. Production on household plot	2	1	0 – X
8. Others, please specify: ……	2	1	0 – X

11. Last question: Are there Roma members in the family?

1 – Yes
2 – No

0 X

THANK YOU FOR THE INTERIEW.

AFTER THE INTERVIEW.
INTERVIEWER: DO NOT ASK, ONLY MARK YOUR OPINION.

1. Do you think there are Roma members in the family?

1 – No
2 – Yes, the respondent
3 – Yes, others in the family

2. How do you rate the type of house in which the respondent lives?

1 – Isolated farm *(tanya)*
2 – Traditional peasant house
3 – Temporary shelter (shop, etc.)
4 – Flat in a traditional house (with rented flats)
5 – Flat in a modern housing estate *(panelház)*
6 – Family house or villa, with many flats in one house
7 – Single family house *(családi ház)* or villa
8 – Other, please specify: ……

3. How do you rate the type of the neighborhood in which the respondent lives?

1 – Isolated Roma neighborhood *(cigánytelep)*
2 – Poor neighborhood, with mostly Roma inhabitants
3 – Poor neighborhood, with mostly non-Roma inhabitants
4 – Mixed, average neighborhood
5 – Affluent neighborhood
6 – Other, please specify: …….

Bibliography

Burchardt, Tania (2000): 'Social exclusion: concepts and evidence.' In David Gordon and Peter Townsend (eds.), *Breadline Britain. The Measurement of Poverty,* 385–406. Bristol, The Policy Press.

Civil Report for Hungary (2000): Report of the National Committee of ICSW–Alliance of Social Professionals for the World Summit for Social Development of the UN, Geneva 2000.

Ferge, Zsuzsa (1999): 'Reálisan a nyugdíjasok helyzetéről (How Do Pensioners Fare?).' In *Esély,* 1999/6: 34–49.

Ferge, Zsuzsa (2000): 'Poverty in Hungary and in Central and Eastern Europe.' In David Gordon and Peter Townsend (eds.), *Breadline Britain. The Measurement of Poverty,* 267–306. Bristol, The Policy Press.

Gordon, David and Peter Townsend, eds. (2000): *Breadline Britain. The Measurement of Poverty.* Bristol, The Policy Press.

Horváth, Ágota, Edit Landau, and Júlia Szalai, eds. (2000): *Cigánynak születni. Tanulmányok, dokumentumok* (To Be Born a Roma. Studies, Documents.) Budapest, Aktív Társadalom Alapítvány–Új mandátum.

Központi Statisztikai Hivatal (CSO) (1998): *A szegények jellemzői a mai Magyarországon.* (Characteristics of the Poor in Present-Day Hungary.)

Központi Statisztikai Hivatal (CSO) (1999): *A háztartások és a családok társadalmi-foglalkozási tagozódása. A háztartásoki rétegződése* (Időszaki közlemények). (Az 1996. évi mikrocenzus eredményei alapján.) (Social and Occupational Stratification of the Households.)

Harcsa, István (1997): *Szociális ellátás az önkormányzatoknál, 1994–1996.* A kisérleti adatgyüjtés eredményei, KSH Népességtudományi Kutatóintézet Kutatási Jelentései, Társadalomstatisztikai Füzetek 18. (Social Provisions on the Local Level.)

Janky, Béla (1999): *A magán-nyugdíjpénztárak tagsága* (Members in the Private Pension Insurance Schemes). Társadalompolitikai tanulmányok 18. December 1999, p.13, Table 2. Budapest, TÁRKI.

Központi Statisztikai Hivatal (CSO) (each year): *Statistical Yearbook of Hungary.*
Központi Statisztikai Hivatal (CSO) (1999): *A segélyezett háztartások életkörülményei.* Társadalomstatisztikai füzetek 25. (Living Conditions of Households Getting Assistance.)
Központi Statisztikai Hivatal (CSO) (2001): *Szociális segélyezés 1997–1999.* (Social Assistance.)
Sík, Endre and István György Tóth, eds. (1997): *Az ajtók záródnak.* A MHP 5. hullámának eredményeiről. Budapest, BKE Szociológia Tanszék–TÁRKI. (Doors Closing?)
Sík, Endre and István György Tóth, eds. (1998): *Zárótanulmány.* A MHP 6. hullámának eredményeiről. Budapest, BKE Szociológia Tanszék–TÁRKI. (Final Report.)
Spéder, Zsolt (2000): *A szegénység dinamikája Magyarországon.* Doktori Disszertáció (Dynamics of Poverty in Hungary.)
Spéder, Zsolt (2002): *A szegénység változó arcai.* Tények és értelmezések. Budapest, Andorka Rudolf Társadalomtudományi Társaság, Századvég Kiadó.
Szívós, Péter and István György Tóth, eds. (1999): *Monitor 1999.* TÁRKI Monitor Jelentések. Budapest, TÁRKI. (Monitor Report.)
Szívós, Péter and István György Tóth, eds. (2000): *Növekedés alulnézetben.* TÁRKI Monitor Jelentések. Budapest, TÁRKI. (Growth Seen from Below.)
UNDP (1999): *Életkörülmények Magyarországon 1998.* A Human Development Report, Hungary 1998. (Living Conditions in Hungary.)
(The) World Bank (2001): *Hungary: Long-Term Poverty, Social Protection, and the Labour Market.* April 2001, Report no. 20645-HU.