

Access to public services: Affordability

The impact of basic public goods and services like education, health care and justice on citizens' lives depends significantly on the extent to which intended recipients are able to access and consume them. The accessibility of public services can be considered a performance criterion for governments, reflecting their capacities to accurately recognise the diversity and nature of different needs, create and tailor delivery and communication channels accordingly, and ensure equity and fairness in delivery and distribution.

Barriers to access can take several forms including: geographical distance, inadequate facilities for users requiring special accommodations, insufficient number of delivery channels (Internet, phone, person-to-person, etc.), insufficient information or use of complex language, a lack of interpreters or translators for non-native speakers, inconvenient opening times or excessive administrative burdens. Such barriers can decrease awareness of eligibility or existence of services or deter potential recipients. Affordability, or the economic costs of purchasing a good or service relative to income, can be an important barrier to access. Financial accessibility can not only make the difference between whether or not a good or service will be consumed, but can also impact the confidence of citizens in the fairness of public institutions.

However, while governments have a vested interest in ensuring that citizens, particularly low-income or other vulnerable groups, can afford basic services, they also face the challenge of balancing concerns for equity and well-being with efforts to preserve consumer choice and incentivise better performance of public providers. Indeed, subsidising or providing services at below-market prices can influence users to consume goods that they do not need or decrease competition, reducing the number of providers and decreasing the incentives for quality improvements.

Health care

While most OECD member countries provide universal health insurance coverage for a core set of services, citizens may still have to pay for some services or medications. These costs could lead some citizens to forgo or delay seeing a doctor or undertaking a treatment, thus reducing overall access to health care, or resulting in more costly hospitalisation at a later stage. In addition, citizens in greater need of health services may carry a heavier burden of these costs, if they are not exempted from some of these costs or if there is no spending cap. There is significant variation in out-of-pocket payments as a share of final household consumption across OECD member countries. Out-of-pocket payments represented 1.5% of final household consumption in France, the Netherlands, Turkey and the United Kingdom, but more than 4% in Chile, Korea, Mexico and Portugal (Figure 9.1). More important, however, is the distribution of those out-of-pocket payments by income group. Many countries, for example, have exemptions and caps to out-of-pocket payments for lower income groups to protect health care access.

Justice

Citizens also face time and monetary costs when bringing forward or processing a case through the legal system. In instances where one may be a defendant or an accused person, there are also costs associated with maintaining legal representation. The provision of legal aid can facilitate access to justice, ensuring that even those without the necessary financial resources may still exercise their right to a fair trial. Legal aid as defined here can take the form of gratuitous or subsidised legal representation, legal advice and exempted fees. The share of cases receiving legal aid can provide an indication of the extent to which public financial support is made available. Of the 11 OECD member countries for which data are available, in four countries – Finland, France, the Netherlands and Norway – citizens received legal aid in more than 10% of first-instance cases. In the remaining countries, citizens received legal aid in 6% or fewer of first-instance cases (Figure 9.2). In some countries, such as Austria, non-contested first-instance cases may not always be eligible for legal aid, potentially misrepresenting the ratio of cases benefitting from state assistance.

Education

In addition to direct costs, citizens can face indirect costs in accessing public services. For example, in addition to tuition fees, citizens will need to take into consideration living expenses as well as the potential earnings they give up when deciding to enter higher education. Public tertiary education institutions in five countries – Chile, Japan, New Zealand, the United Kingdom and the United States – charged tuition fees that accounted for 14% or more of per person disposable income (Figure 9.3). In five countries – Austria, Italy, the Netherlands, Spain and Switzerland – entry fees weighed significantly less on citizens' income, ranging from 3% to 7% of per person disposable income. In five countries – Denmark, Finland, Mexico, Norway and Sweden – public tertiary education institutions did not charge tuition fees.

In ten countries, at least half the students received financial aid. These countries included five of the six countries with above-average tuition fees (Australia, Chile, New Zealand, the United Kingdom and the United States), a country where tuition fees with respect to per person disposable income were relatively moderate (the Netherlands), and most countries with no tuition fees (Denmark, Finland, Norway and Sweden). In these countries, on average, approximately 71% of citizens of the relevant age cohort entered university-level education. In countries with less than half the students receiving financial aid, on average, approximately 45% of citizens of the relevant age cohort entered university-level education.

Methodology and definitions

Data on out-of-pocket payments are derived from OECD Health Statistics 2013. Out-of-pocket payments are expenditures borne directly by a patient where neither public nor private insurance cover the full cost of the health good or service. They include cost-sharing and other expenditure paid directly by private households, and also include estimations of informal payments to health care providers in some countries. Only expenditure for medical spending (i.e. current health spending less expenditure for the health part of long-term care) is presented here, because the capacity of countries to estimate private long-term care expenditure varies widely.

Data on legal aid and first-instance cases are derived from the evaluation of judicial systems conducted by the European Commission for the Efficiency of Justice (CEPEJ). Legal aid refers to cases receiving public funds to subsidise or finance legal representation. It can also include cases that received gratuitous legal advice, or that were granted exemptions from certain fees. Criteria for receiving aid vary by country, ranging from types of individuals who may qualify for assistance to the kinds of cases eligible. Data on the estimated costs of processing a case are obtained from the World Bank Group's *Doing Business* (database). Cost is recorded as a percentage of the claim, assumed to be equivalent to 200% of income per capita. No bribes are recorded. Three types of costs are recorded: court costs, enforcement costs and average attorney fees.

Data on tuition fees, financial aid and entry rates into Type A university-level education are derived from *Education at a Glance 2013: OECD Indicators* (OECD, 2013). Tuition fees cover only Type A first-degree programmes at public institutions (in PPPs-converted USD) for the academic year 2010-11. Adjusted disposable income is defined as the maximum amount that a unit can afford to spend on consumption goods or services without having to reduce its financial or non-financial assets or by increasing its liabilities, adjusted for government transfers. Entry rates refer to the estimated percentage of people of an age cohort entering Type A university-level education for the first time.

Further reading

CEPEJ (2012), *European Judicial Systems – Edition 2012 – Efficiency and Quality of Justice*, Council of Europe Publishing, Strasbourg.

OECD (2013a), *Education at a Glance 2013: OECD Indicators*, OECD Publishing, Paris, <http://dx.doi.org/10.1787/eag-2013-en>.

OECD (2013b, forthcoming), *Health at a Glance 2013: OECD Indicators*, OECD Publishing, Paris.

Figure notes

9.1: Data for Australia, Austria, Canada, Japan, Mexico, New Zealand and Norway are for 2010. Data for Israel are for 2009. Data for Turkey are for 2008.

9.2: Non-criminal and criminal cases for all countries except Austria and France, where data refer to non-criminal cases only.

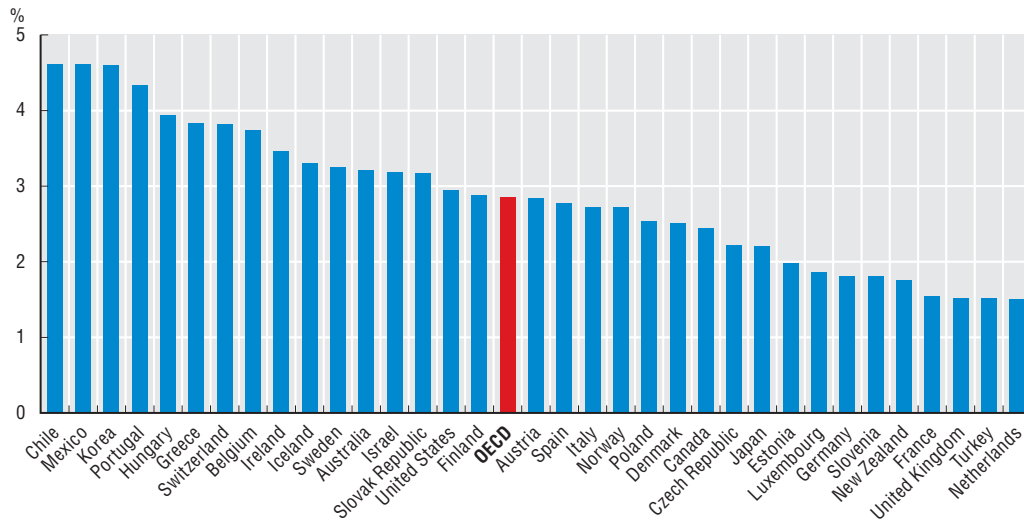
9.3: For the United States, figures on entry rates and the percentage of students who benefit from public loans/scholarships are reported for all students (full-time national and full-time non-national/foreign students), and data on entry rates include both Type A and Type B programmes. For France, average tuition fees ranging from USD 200 to USD 1 402 for university programmes are dependent on the Ministry of Education. For Japan, tuition fees refer to public institutions; however, more than two-thirds of students are enrolled in private institutions. For Chile, if only public institutions are taken into account, the proportion of students who benefit from public loans and/or scholarships/grants is 68%. Data on loans/scholarships: data for Australia exclude foreign students. Data for Mexico and the United Kingdom refer to academic year 2008-09. Data for Denmark, France, Mexico, the Netherlands and the United States include only public universities, including tertiary/Type B in France. See Annex 3 of *Education at a Glance 2013: OECD Indicators* (OECD, 2013) for further notes (www.oecd.org/edu/eag.htm).

Information on data for Israel: <http://dx.doi.org/10.1787/888932315602>.


9. SPECIAL FEATURE – SERVING CITIZENS

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9.1. Out-of-pocket expenditure as a share of final household consumption (2011 or latest available year)

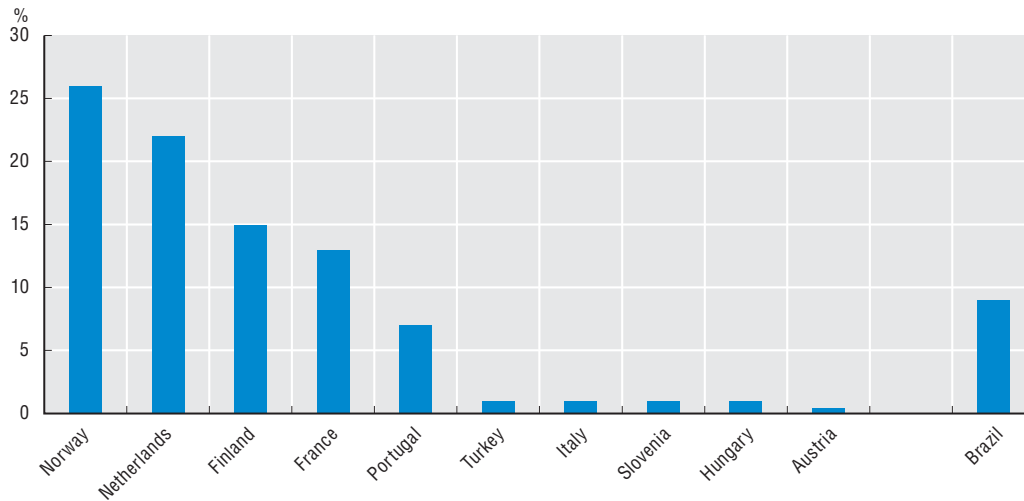


Source: OECD Health Statistics 2013.


StatLink  <http://dx.doi.org/10.1787/888932942944>

9.2. Cases granted legal aid (2010)

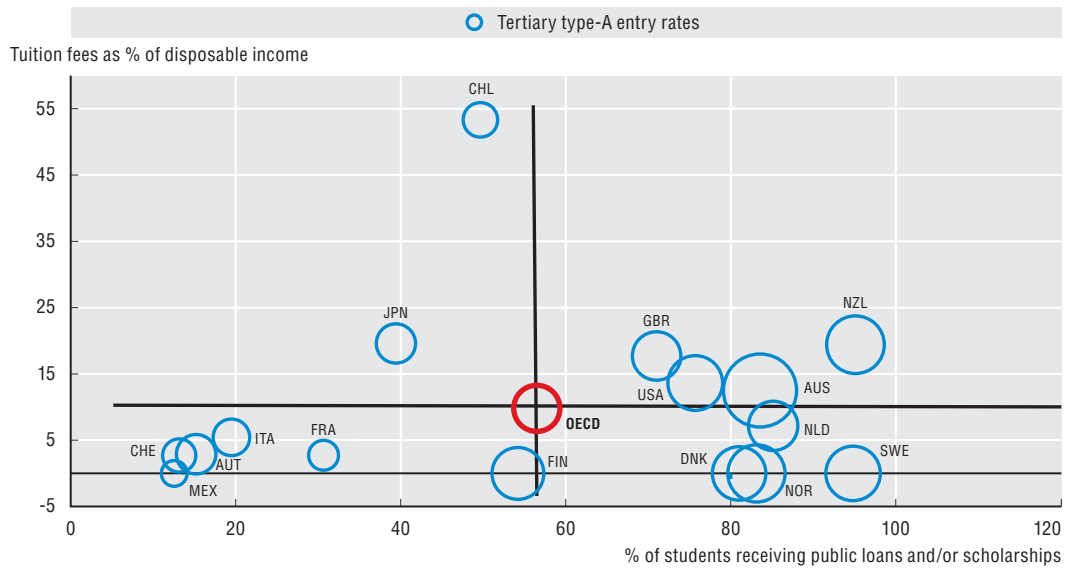
As a share of first instance cases




Source: CEPEJ (2012), *European Judicial Systems* (database). OECD calculations based on questions 91, 94, 97, 98, 99 and 100. Data from Brazil provided by the national authorities.

StatLink  <http://dx.doi.org/10.1787/888932942963>

9.3. Tuition fees and financial aid (2010-11)



Sources: OECD (2013), *Education at a Glance 2013: OECD Indicators*, OECD Publishing, Paris, <http://dx.doi.org/10.1787/eag-2013-en> (Tables B5.1, B5.2 and C3.1a); and OECD (2013), *National Accounts at a Glance 2013*, OECD Publishing, Paris, http://dx.doi.org/10.1787/na_glance-2013-en.

StatLink  <http://dx.doi.org/10.1787/888932942982>



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