

Gender Assessment of the Impact of EU Accession on the Status of Women in the Labour Market in CEE

National Study: Hungary

Social Innovation Foundation
Budapest 2003



**Gender Assessment of the Impact of EU Accession on the Status
of Women in the Labour Market in CEE**

National Study: Hungary

Szilvia Szabo (ed.)

Also available national studies for Bulgaria, Czech Rep. and Poland

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Budapest 2003



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Finally we say thanks to the Unifem and to the Karat Coalition, without their assistance production of this publication would have been impossible.

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Foreword

With countries of Central and Eastern (CEE) Europe, either set to join the European Union in 2004, scheduled to join at a later date, or are still aspiring to enter the accession process, accession to the EU is a dominant theme across the region. The accession and regional integration processes offer tremendous opportunities for women to advance the gender equality agenda. At the same time, there are strong economic and social forces and trends that also threaten women's human rights.

The present four gender assessments of the impact of EU accession on women's status in Bulgaria, Czech Republic, Hungary and Poland, have been undertaken under a project entitled "Gender and Economic Justice in European Accession and Integration" supported by the United Nations Development Fund for Women (UNIFEM) and implemented by the KARAT Coalition and Network of East West Women/Polska. UNIFEM support for women in Central and Eastern Europe is anchored in a human rights perspective that aims to address gaps in government compliance with their obligation to take all appropriate measures to eliminate discrimination against women. All CEE countries have ratified the major treaties, including CEDAW, and in the context of fulfilling EU directives, most countries have revised or adopted new national legislation, established national women's machineries, ombudsmen, or taken other measures to comply with EU standards. Yet in spite of such measures, women's human rights are far from being fully realized, including in relation to their economic rights. While some recent regional reports have highlighted improvement in women's labour market status as compared to men¹, the CEDAW Committee's concluding comments for countries of the region point to areas of discrimination against women in employment ranging from absence of sex-disaggregated data on women living in poverty (including minority and older women); decreased women's share in the economically active population; concentration of women in low paid occupational sectors; high percentages of women working as unpaid family workers, especially in rural areas;

1 World Bank, Gender in Transition (2002); UNICEF's MONEE project reports

strong vertical and horizontal segregation and wage differentials between women and men, and misuse of 'overprotective measures'².

In the context of accession to the EU, UNIFEM saw importance in supporting gender equality activists to examine the issues and analyze the data for themselves, with a view to strengthening evidence-based advocacy for equality between women and men in labour markets in the context of accession to the EU. Whereas the aforementioned regional reports are based largely on nondisaggregated figures of activity, employment and unemployment, these four gender assessments have aimed to disaggregate some of the main labour market indicators by relevant variables such as age, region, educational level or occupation. The reports by no means take up new research per se, but by also drawing on national research and other documented examples, they shed light on some of the lesser known aspects that raise concerns over discrimination against women and violation of their human and civil rights.

There are, as always, some important elements that were left out due to lack of proper data or lack of time. One of these concerns the situation of women in rural areas; another is the situation of the working poor and women in particular. The assessments also touch only briefly upon the complex links between fertility rates and women's participation in the labour market. In this regard, it is important to note that while policy responses to address some the challenges identified are more obvious, others clearly require further research and analysis.

UNIFEM is pleased that the four assessments will serve as a basis for discussion and debate at conference convened by the Karat Coalition in Warsaw on 7–9 November, 2003. This meeting presents an important opportunity for gender equality advocates from across the region to discuss the assessment findings, compare them with trends and experiences coming from other countries, and strategize on ways forward. It is hoped that this meeting will also allow for exchanges between NGO advocates, experts and policy makers at national and EU level, which could generate innovative ideas and solutions in response to the challenges that women face.

UNIFEM hopes that these assessments could inspire replication or adaptation in other countries. For example, in countries still in the initial stages of acces-

2 Legislative measures to "protect" women from work that is seen as high risk for women can sometimes respond to legitimate concerns, yet these measures are often overly broad and discriminatory in practice, inhibiting women's ability to obtain jobs by narrowing their choices or limiting their career advancement.

Foreword

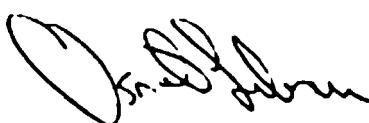
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sion, similar assessments could be useful in monitoring State compliance with EU directives on employment or advocacy for engendering of national employment plans. In countries joining the EU in 2004, such work may be useful in monitoring women's human rights in the context of government obligations to comply with the EU Employment Strategy or the Strategy to Combat Poverty and Social Exclusion.

UNIFEM would like to express its appreciation to the national teams who produced the assessments for their devoted efforts—the Gender Research Foundation in Bulgaria, the Social Innovation Foundation in Hungary, and the Gender Studies O.P.S in Czech Republic. A very special recognition is due to Karat Coalition Secretariat, who besides producing the gender assessment in Poland, assumed responsibility for coordinating the overall initiative, from the participatory selection of the countries and research teams, to the facilitation of inter-team communications and collaboration, compilation and production of the materials, and organization of a regional conference that would ensure effective dissemination of the knowledge generated to partners across the region and enhanced advocacy impact. UNIFEM also thanks Elizabeth Villagomez for providing the teams—not all specialized in labour market economics—with technical support and expert guidance on EU employment policy and its gender aspects.

Looking ahead UNIFEM sees importance in continued efforts to increase understanding of women's position in labour markets in the context of accession to the EU, towards better protection and realization of women's human rights. In this regard we hope to support deeper analysis of some of the issues raised in these four assessments under our regional economic programme for 2004–2007.

Osnat Lubrani



Regional Programme Director
UNIFEM Central and Eastern Europe

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The period of transformation in Hungary was determined by the demand of the population on democratic transition and the accession to the European Union.

The country has improved immensely, the institutions of democracy have developed and the market economy has strengthened during the past decade.

In spite of these facts a narrow group can only named as real beneficiaries of the transformation. We all, the whole society have to face many new phenomena which put the country through the test, among others unemployment, loss of job security, deterioration in the social situation and poverty. A big part of the population deems the future uncertain and without prospects, and they hold their own personal chances very slim. There is a comprehensive feeling of defencelessness and fear of pauperisation.

The overall objective of our Gender Assessment is to provide an analysis of specific impacts of the EU accession on women's access to and role in the labour market of Hungary. In an attempt to highlight the manner in which the EU directives, policies and programs can be used to improve the current situation of women, the Assessment specifically looks at the impact of Accession on:

- women over 35 having a break in their employment related to child-rearing and facing multiple discrimination;
- the gender wage gap;
- the provision of social services, which are supposed to support women in actively participating in the labour market.

Gender equality is guaranteed by the Constitution and other laws for a long time in Hungary. The legal material already complies with the accession requirements due to the EU law harmonisation. The practical realisation of the codified doctrines is a great challenge for Hungarian society.

Concerning the demographic situation of our country the trends are similar to the trends which can be observed in most of the developed countries. The number of marriages is declining, the rate of births is smaller than ever,

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the number of one-parent families (mostly headed by women) is growing and the population is getting older.

There is a great need for a comprehensive population policy, which stimulates child-bearing and supports child-rearing by implementing well-considered measures.

Here we must mention one of our most serious problems of the society: child poverty. To solve the situation of starving children, whose proportion is growing, and to provide them with the necessary food is crucially important, and requires well-defined and harmonized governmental measures.

The poor families need more financial support than the universal family support, which has been continuously loosing in value.

The tax deduction introduced by the former government (1998–2002) is in favour of the middle class, higher income families; only they have enough annual income to take advantage of the given opportunities.

During the past decade women's situation related to employment has significantly changed. The opportunities for employment are greatly influenced by the geographical environment. The Eastern orientation of the economic and political relations has changed due to the structural transformation of the economy and industry as well as to the opening to the Western developed countries. The emphasis, with the main dimensions centre/periphery, West/East, North/South, has shifted to Budapest and to the west. In shaping the opportunities for employment the geographical and economic environment, the cultural factors and the political relations are of decisive importance.

In spite of the facts that women are already better qualified, the number of women having tertiary education is continuously growing and the age composition of employed women is improving, the segregation of labour market still exists.

In the case of women, their extensive withdrawal from the labour market, their becoming redundant is the main trend.

Women are both forced and inclined to make innumerable compromises in order to maintain their labour market position and to keep the family together. The main difficulties are caused by the double burden of wage earning and the family.

The number of child care facilities, which are aimed at helping women with children in returning to the labour market, has decreased, especially in the provinces.

Those women who—in spite of the unfavourable labour market conditions—could find employment opportunities are compelled to stay at home with their children.

Therefore it is a very important prerequisite of developing women's labour market situation to improve the system of child care facilities.

An opposite trend can also be experienced, especially in the economically less developed parts of the country: young women endangered by becoming unemployed are more likely to choose motherhood as an escape route. After spending a maximum of three years at home with child-rearing, they will have less chance of returning to the labour market than before.

The main ambition of working women older than 35 is to keep employment at any price. The majority of women have now recognized that they will be able to maintain their position only by permanent retraining and learning. Lifelong learning is today a well-known and generally accepted notion especially among the better-qualified women.

Introducing new types of employment and education could give women effective assistance in reconciliating their different kinds of obligations.

Women older than fifty are either constantly focusing on survival, or they choose early retirement pension if possible.

Among elderly people many women live in poverty. To save the real value of pensions and to provide them with necessary medicine for prices available has crucial importance.

The integration of the older age groups into the labour market and active social life is essential in order to bring generations closer to each other and to develop an appreciation for the elderly by the society.

The women belonging to the Roma minority are in a multiply disadvantaged situation in contemporary Hungarian society. Prejudices against them are very strong.

The opportunities for continued education of young people encounter difficulties and opposition from the majority of society. The number of the Roma achieving higher education is increasing slowly but continuously; it is a strange contradiction of this positive trend that they mainly study professions which are not marketable. The formation of their stable labour market position is aggravated by their disadvantaged family conditions and their financial problems due to their employment in badly-paid occupations.

It can be ascertained that women feel disadvantaged more or less in society. There is a strong presence of prejudice. A much stronger government intervention is necessary to readdress social exclusion against the diverse minori-

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ties. Women are inclined to make efforts to maintain their labour market positions rather than men. As regards the older age groups it is usual to make use of surviving strategies, which are also "supported" by certain government measures.

The recovery of Hungary's general economic conditions and the expected positive effects of the EU accession increase confidence placed in the improvement of personal life situations.

We have intended that this assessment will be used as an advocacy tool in order to raise awareness among the policy makers, women's NGOs, the media and society as a whole about the gender implications of the EU Accession.

Chapter I.

Gender, the State and EU Accession

1. SUMMARY OF ECONOMIC DEVELOPMENTS SINCE 1997

Hungary is a functioning market economy. The continuation of its current reform path should enable Hungary to cope with the competitive pressure and market forces in the European Union.

On the basis of the far-reaching institutional and structural reform, Hungary achieved robust economic growth and falling unemployment combined with sustainable external deficits. After several years of structural reforms that encouraged the emergence of a dynamic foreign-led export sector, the focus of economic policy since 2000 has shifted towards an immediate improvement of living standards through wage and pension increases, and of infrastructure through public investment, at the cost of a higher budget deficit. The resulting strong domestic demand, both private and public helped to moderate the decrease in economic growth since the second half of 2001. The average real GDP growth between 1997 and 2001 was strong, at an annual rate of 4.5%. The current account deficit peaked at 4.9% of GDP in 1998, and has continuously declined since. The low external deficits were easily financed, thanks to the continuous inflow of foreign direct investment. Inflation, which had remained relatively high, only started to decline after the depreciating exchange rate target was replaced by an inflation target as the main monetary policy anchor in mid-2001. The general government deficit measured according to harmonized EU standards has averaged 5.4% of the GDP since 1997.

The general government gross debt has declined rapidly, from 64.2% of the GDP in 1997 to 53.1% in 2001. A fiscal stabilisation package during the period 1995–1998 effectively balanced the economy, and laid the foundations for rapid growth thereafter. Since 2001, the fiscal policy has turned expansionary to support growth during the economic slowdown. The intro-

duction of a mixed public-private three-pillar pension system in 1998 constituted a major step towards the long-term sustainability of public finances.

Hungary has made good progress in catching up with the EU average income level. The GDP per capita in purchasing power standards (PPS) was 51% of the EU average in 2001. However, there are significant regional disparities: the per capita GDP in PPS of the central region around Budapest was 76% of the EU average, while that of the northern great plain stood at a modest 32%.

Economic development in Hungary, 1992–2000									
	1992	1993	1994	1995	1996	1997	1998	1999	2000
Indices of GDP (1989=100)	82.4	81.9	84.3	85.5	86.6	90.6	95.1	99.1	104.3
GDP growth (%)*	-3.1	-0.6	2.9	1.5	1.3	4.6	4.9	4.2	5.2
Growth of industrial production (%)*	-9.7	4.0	9.6	4.6	3.4	11.1	12.5	10.7	18.3
Consumer price growth index (%)*	23.0	22.5	18.8	28.2	23.6	18.3	14.3	10.0	9.8
Unemployment rate (ILO)	9.8	11.9	10.7	10.2	9.9	8.7	7.8	7.0	6.4
Number of employed (%)*	-	-2.3	-2.0	-1.9	-0.8	-0.1	1.4	3.1	1.0
Labour productivity (%)a)*	-	-1.7	5.0	3.5	2.1	4.7	3.5	1.1	4.2
Growth of gross real earnings (%)*	1.7	-0.5	5.1	-8.9	-2.6	3.4	3.5	5.5	3.4
Net increase in real wages*	-1.4	-3.9	7.2	-12.2	-5.0	4.9	3.6	2.5	1.5

a) GDP / employee
* preceding year = 100%

Source: Joint Assessment of the Employment Policy Priorities of Hungary 2001, Table 1.

In 2001 the official unemployment rate in the Northern Hungary region remained at 8.5% (with evidence suggesting a considerable level of hidden unemployment adding to this ratio), while Budapest and the industrialized west of the country enjoyed virtually full employment. The employment rate at the national level has been steadily increasing from 52.7% in 1997 to 56.6% in 2001, generating a downward trend in the unemployment rate from 8.7% to 5.7%.

While both male and female employment have grown steadily, the female employment rate has grown faster, starting from a lower level. Female unemployment (5.1%) was even lower than male unemployment (6.3%) in 2001. At 44.8%, the share of long-term unemployment in total unemployment is

high and points to a rather low active labour reserve. This share has constantly declined from a 50.8% peak in 1998.

Youth unemployment as a percentage of the 15 to 24 year old population stood at only 3.9% in 2001, a rate that had also constantly fallen from 6.1% in 1997.

Pensions and wages, and in particular the statutory minimum wage, which was lifted to a level above half of the national average wage, increased substantially in 2001 and 2002. Living standards for the low-skilled segment of the workforce have improved accordingly.

Employment, participation and unemployment rates in 2001											
	Employment rate			Activity rate 15–64			Unemployment rate 15+			Youth unemployment rate	Long-term unemployment rate
	Total	Men	Women	Total	Men	Women	Total	Men	Women		
Hungary	56.3	63.3	49.6	59.7	67.6	52.2	5.7	6.3	4.9	10.5	2.5
EU-15	64.0	73.0	54.9	69.2	78.1	60.2	7.6	6.6	9.0	15.3	3.2

Source: own composition based on data in Employment in Europe 2002, Recent Trends and Prospects, p. 138.

2. CIVIL SOCIETY

The origins. By the end of the 19th century participation in women's organizations had become a prestigious activity in the upper stratum of Hungarian society (Pető, 2002). The aim of the early feminists was to eliminate the laws discriminating against women, their main focus being the struggle for female suffrage but they were also fighting against prostitution. The "pre-suffrage" women's movement in Hungary (before 1918) was characterized by the negligence towards political aims. The "pre-suffrage" associations (charity, alumni, artistic, cultural, scientific) were formed with small membership, based on a common region aimed first of all at supporting well-to-do families with individual charity.

After 1945. 1945 was the year of new beginnings and rebuilding of Hungary after WWII (Pető, Ráska, 1999). In Hungary women's political weight was ensured by women's general suffrage achieved in 1945, which proved to be more important in changing women's situation than any other single factor (Pető, 2003). The scene of women's activism after 1945 seems simple at first sight: the Second World War had eradicated the earlier existing women's organizational network, feminists included, and with the Democratic Alliance of Hungarian Women (MNDSZ) a mass movement was established, which mobilized women in the interest of communist aims.

The post-1945 period was the golden age of the “submerged network”: the communists and the feminists restarted their activity after the decades of institutional persecution and, in the case of feminists, solitude. The feminists’ tactics of the “submerged network”, which had worked so well between the wars, did not produce any results after 1945. The general democratization of the country, the gaining of general suffrage right of women in 1945 meant that the feminists lost political ground. There was no political force, which was interested in the feminists’ experience. Due to its centralized structure, its identification as an accepted submerged network and the cultural values it upheld, the Feminist Association survived with organizing lectures till the ban by the Minister of Interior in 1949, when together with the other women’s organizations in Hungary, their activity was banned. (Pető, 2003)

After the transformation. Since the transformation the NGOs of women have been reorganized. In general, the Hungarian citizens’ collective activity is underdeveloped. It has not become part of the political culture, ensuring that an individual can achieve his/her goals only if they organize themselves. This is why civil society neither exerts pressure on nor tries to curb the power of the elite. (Gazsó, 2001)

The organizations that truly represent women’s interest are still a very small number. Networking has just begun in certain fields. They are strongly fragmented and often organized from top to bottom. A shortage in membership and lack of funds is prevalent. NGOs are manipulated by policies, which deteriorate their opinions, priorities and financial independence. Because they lack sufficient membership and solidarity with one another, these NGOs suffer from the inability to represent and enforce the interests of women.

The women have practically no willingness to join and participate. The most common reasons are lack of time, too many commitments and a prevalent lack of solidarity.

In the past decade we can mention only a few really important issues which could mobilize and unify women and their organizations in larger numbers including the debate on the regulation of abortion in 1991–92 and the modification of the law in 1999–2000, increasing the retirement age for women and the regulation of prostitution in 1999–2000. Women’s organizations expressed their articulated approach on the above mentioned issues in the public discourse. (Pető, 2002)

The participation of women’s NGOs in the accession process has become stronger in the past few years. They have been playing an active role in moni-

toring the possible effects of the accession on women's life, in amending the legal regulations, disseminating information on the equal opportunity policies of the European Union. Many training courses and seminars have been organized by the women's NGOs for women participating in the public life linked up with general education on gender equality. The Hungarian organizations of women actively participated in the events of the international community of women's NGOs. The regular meetings contributed to enhancing the dialogue and improving mutual information and the exchange of best practices regarding gender activities and policies. The enlargement process has accelerated the cooperation among the different kinds of women's NGOs both domestically and internationally.

3. WOMEN'S MACHINERY

In 1995 the Government Resolution No. 2268/1995 (IX. 8.) established the Hungarian National Mechanism Assuring Equal Status of Women. This organization started operating at the end of 1995 and was named Secretariat of Women's Policy in the Ministry of Labour. In 1996 the Council's name changed into Office for Equal Opportunities. After the change of the Government following the elections in 1998, the Ministry of Social and Family Affairs became legal successor of the Ministry of Labour. The Office for Equal Opportunities was shuffled and became part of the Department of Human Relations in the Ministry of Social and Family Affairs, named Office for Women's Issues.

The Directorate General for Equal Opportunities of the Ministry of Employment and Labour has been established in July 2002. It was the main government agency responsible for gender mainstreaming in all government activities, positioned on the level of deputy state secretariat, reporting directly to the permanent state secretary. Its mandate clearly defined it as the main government body for the coordination of the activities of different government agencies ensuring equal opportunities for women and men, as well as for developing the national machinery for gender mainstreaming.

The scope of activities and responsibilities of the Directorate-General—according to its mission statement—included partial government responsibility for the co-ordination of efforts to ensure higher level of employment of the Roma people (Secretariat for Roma Employment Programs) and employment rehabilitation of persons with disabilities (Secretariat for Employment Rehabilitation). These units worked in close cooperation with government agencies bearing general government responsibilities in their respective

fields, namely the State Secretariat for Roma Affairs at the Office of the Prime Minister, and the Directorate for Disabled Persons at the Ministry for Public Health, Social- and Family Affairs.

The particular gender equality-related activities of the Directorate-General were carried out by its Secretariat for Equal Opportunities for Women and Men. The major mainstreaming-related tasks and responsibilities of the Secretariat were the following:

- Development and monitoring of the National Action Plan for Equal Opportunities
- Development of the national machinery for gender mainstreaming
- Coordination of the activities of government agencies through the Inter-ministerial Commission for Equal Opportunities
- Coordination of Government-NGO cooperation through the National Council for Equal Opportunities, involving all non-governmental stakeholders, including trade unions, employee organizations and civil organizations of women.

Besides, the activities directly related to legislation and government-level mainstreaming, it was part of the main tasks of the Directorate-General to ensure that:

- up-to-date information is gathered and disseminated to the broad public on the situation of women, as well as on the expected changes after the accession to the European Union;
- the stakeholders and the broader public are better informed about gender inequalities and government, as well as European Union policies addressing those problems;
- the NGOs and other women interest groups are involved in policy-making, preparations for decisions, and in preparing the stakeholders for the accession to the European Union.

In May 2003 the director of Directorate General for Equal Opportunities has been appointed to be the Minister of Equal Opportunities Without Portfolio in Hungary.

The minister without portfolio responsible for the equality of opportunity shall make a contribution:

- to the activities aimed at removing inequalities afflicting women, people living with disabilities, the Roma, children and the elderly,
- to the mitigation of the exclusion of certain social groups,
- to the all-government planning for creating opportunities and for developing programs for them.

The primary tasks of the minister without portfolio are:

- to represent and reinforce the viewpoints of equality of opportunity in government activities,
- to reduce stereotyped views, and
- to foster good relations with civil society in support of creating opportunities.

The duties under her authority include the tasks associated with the European integration. The former Secretariat for Equal Opportunities for Women and Men has been incorporated into the body of the new Ministry.

4. LEGAL FRAMEWORK

The EU accession is a positive process for raising social standards, and standards on gender equality in particular. The process has primarily influenced legislation in the field of employment, the establishment of gender equality institutions and special legislation.

In the field of equal treatment of men and women, Hungary has transposed a large part of the *acquis communautaire*. After the entry into force of the amendments to the Labour Law in July 2001, legal approximation continued with the transposition of the Insolvency Directive in the second half of 2001. The modification of the Labour Code is highly significant in terms of equal opportunities for men and women as it contains the integration of the principle of "equal pay for equal work or work of equal value" in the Hungarian labour law and further clarifies and details the rule of reversing the burden of proof in cases related to discrimination. Both of these principles are central to the ideology and implementation of equal opportunities for women and men.

The EC legislation on equal treatment in agriculture and self-employment and on equal access to employment and vocational training was transposed in the second half of 2001. Hungary has also been undertaking efforts to promote mainstreaming, to train the legal professions, to raise awareness and to tackle inequalities, in particular in the labour market.

New staffing and training courses have been provided in the course of 2001 and 2002. A one-year training program for labour law judges, aimed at facilitating effective enforcement of the labour rules is also under implementation.

While the Constitution guarantees for equal treatment and protection against discrimination, Hungary does not yet have a unified law against discrimina-

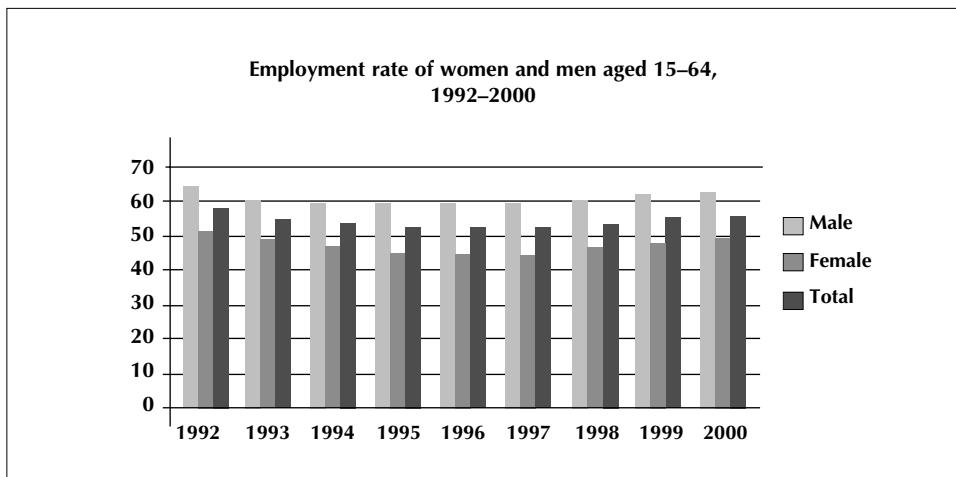
tion. The current anti-discrimination legislation is fragmented, with provisions in, among others, the laws on labour, public education, health care and minorities. Moreover, there is no comprehensive system to effectively enforce the implementation of the anti-discrimination legislation. Thus, the majority of anti-discrimination provisions are not yet backed up by appropriate sanctions. An adequate system of sanctions needs to be developed. The Government has decided to present a comprehensive anti-discrimination law to Parliament, which should ensure the transposition and implementation of the anti-discrimination *acquis*, based on article 13 of the EC Treaty.

Hungary ratified the Optional protocol to the Convention on the Elimination of All Forms of Discrimination against Women (CEDAW) in December 2000. Despite the positive trends, persistent and pervasive obstacles to the practical realisation of the newly formulated standards including lack of awareness and positive measures or affirmative action and the absence of institutions or other monitoring mechanisms to curb the enforcement of the law.

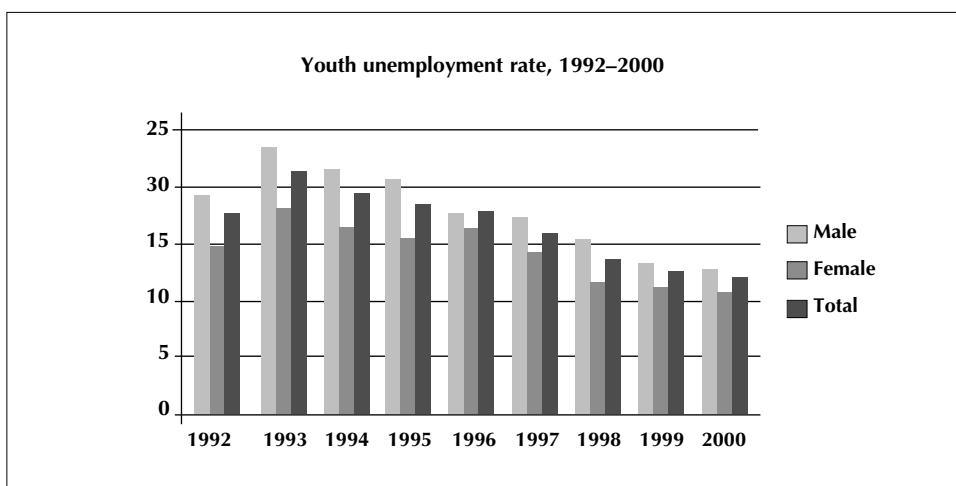
5. GENERAL OVERVIEW OF THE LABOUR MARKET SITUATION

Transition towards a market economy has instigated a profound adjustment in the Hungarian labour market. The main characteristics of this adjustment have been a reallocation of labour between sectors and a strong increase in labour productivity. This has meant a temporary decline in both employment and labour force participation, in particular for women and for workers over 50, and an increase in unemployment.

Developments in employment. Over the “transition shock” of 1989–1992, Hungary lost around 1.1 million jobs, constituting a fall of 21.4% of total employment. The decline in employment continued over 1993–1997 with a further drop of 5% in total employment. The employment level first became stable in 1997, and came to show a slight increase in 1998. These favourable labour market trends continued and became more pronounced in 1999 (though less so in 2000). The number of employed increased by 3.1%, and the employment rate (at 55.7%) surpassed its 1993 level (54.8%). This positive trend continued in 2000 and the employment rate was 56.4%. The greater part of this growth was registered in businesses employing less than five people. Nevertheless, the employment rate is still lower than the EU average (63.3% in 2000). This development should be seen in the context of the widespread hidden employment or informal economy, whose current size is estimated at 20% of the GDP.



Source: own calculation based on data in Joint Assessment of the Employment Policy Priorities of Hungary, 2001 Table 3: Labour market indicators in Hungary, 1992–2000



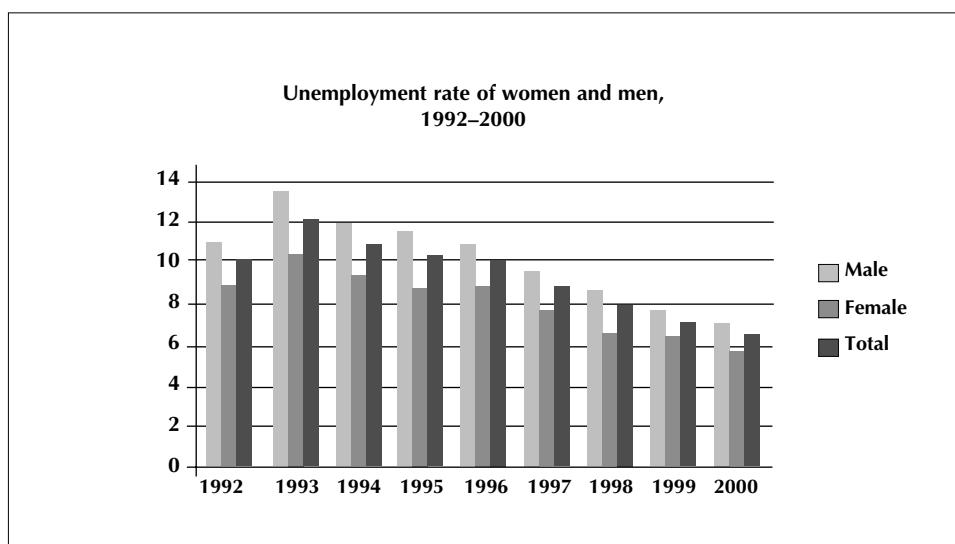
Source: own calculation based on data in Joint Assessment of the Employment Policy Priorities of Hungary, 2001 Table 3: Labour market indicators in Hungary, 1992–2000

Unemployment. In parallel with the sharp fall in employment over the 1989–1992 period, unemployment emerged rapidly to climb to its peak level of 11.9% (according to ILO standards) in 1993.

The rise in unemployment, however, has never been as dramatic as job losses, which reflect the widespread withdrawal from the labour market. Since 1993, unemployment has steadily decreased; the annual average rate of unemployment was 6.4% in 2000. This decline is both the outcomes of withdrawal from the labour market prior to 1997, and of the decrease in unem-

ployment, which started only in 1997. There has, however, been a significant increase in the stock of the long-term unemployed, which stood at 21.0% in 1992 and had risen to 44.2% by 2000. The majority of the long-term unemployed is multi-disadvantaged workers.

Unemployment has been much higher amongst the Roma than the national average, and the gap between Roma and non-Roma unemployment has been growing over the years. Some empirical sociological research suggests that the unemployment rate of the Roma may be three to four times as high as that of the non-Roma population.



Source: own calculation based on data in Joint Assessment of the Employment Policy Priorities of Hungary, 2001 Table 3: Labour market indicators in Hungary, 1992–2000

A note on education. While the ratio of students receiving secondary education is relatively high in Hungary compared to most EU Member States, the ratio of those receiving higher education is somewhat lower. The overall educational level of the employed is increasing as a result of the higher educational levels of new entrants as well as the lower labour force participation/employment rates of those with lower educational attainment. Between 1993 and 2000, the share of the employed with tertiary or upper secondary education (including vocational) rose from 72.7% to 82.6%, while the share with only eight year primary education fell from 27.3% to 17.4%.

Over the last decade, the educational enrolment ratios of both genders have significantly increased except for those of apprentice and specialized secondary education, which provide only a specialized vocational certificate with-

out a general final examination certificate. The number of students in primary education has decreased due to demographic changes. The rate of their participation is almost 100%. The number of students in upper secondary and higher education has been increasing despite the demographic changes.

Women have an advantage over men as regards education. Women's education measured in school years exceeds men's. Moreover, women's advantage is considerable in the younger generations. The education level of economically active women is especially favourable. A higher proportion of women has completed secondary and tertiary qualification. Less favourable is, however, the composition of women with tertiary qualification, because their proportion among college graduates is considerably higher than among university graduates. There are significant generation differences according to gender: the educational level of young economically active women considerably exceeds that of men. (Koncz, 2002)

Distribution of students at secondary schools and third level educational institutions in full-time-form, by sex						
Year	At vocational and apprentice schools		At secondary schools		At universities and colleges	
	Female	Male	Female	Male	Female	Male
1970	24.6	75.1	58.3	41.7	44.7	55.3
1980	31.6	68.4	57.6	42.4	49.9	50.1
1990	33.9	66.1	57.5	42.5	48.8	51.2
1995	35.2	64.8	54.8	45.2	52.0	48.0
2000 (a)	36.2	63.8	53.3	46.7	53.6	46.1

(a) data on school year 1999/2000
Source: Women and Men in Hungary, 2001—HCSO and Ministry of Employment and Labour 2002, p. 41.

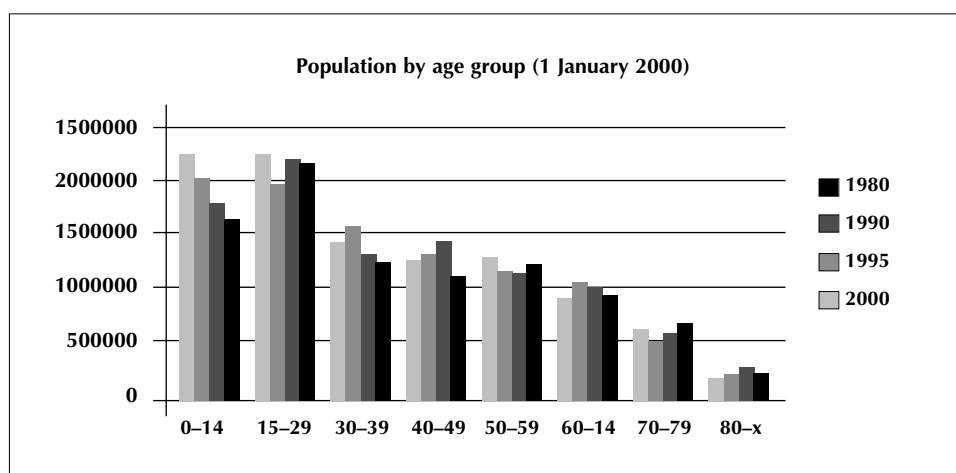
A note on demography and fertility. The demographic tendencies, which previously were observed in Western Europe, have become stronger in Hungary in the past two decades. The population is ageing, the fertility rate is dropping, the number of marriages is decreasing, there are more divorces than ever, and the popularity of cohabitation is also growing.

The developments of the Hungarian population can be divided into two distinctive periods: a time up to 1980 when the population was growing at a moderate pace, and after 1981 with a steady decrease. The number of the population in Hungary was 10 million 43 thousand on 1 January 2000. This number has been continuously declining since 1981.

Population*			
Year	In thousands	1992=100	Annual changes
1980	10709	103.6	-
1989	10421	100.8	-
1990	10375	100.4	-0.2
1991	10355	100.2	-0.2
1992	10337	100.0	-0.3
1993	10310	99.7	-0.3
1994	10277	99.4	-0.3
1995	10246	99.1	-0.4
1996	10212	98.8	-0.4
1997	10174	98.4	-0.4
1998	10135	98.0	-0.4
1999	10092	97.6	-0.4
2000	10043	97.1	-0.5

*1st January
Note: updated population census
Source: Munkaerőpiaci Tükör 2001, p. 203.

The ratio of different age groups is significantly changing, the number of aged 0–14 is decreasing, while the number and ratio of the age groups above 65 is increasing. Since 1993 the proportion of elderly people has been higher than the proportion of children. The population is gradually ageing.



Source: own calculation based on data in Yearbook of Welfare Statistics 2000, CSO, and p.4.

The number of *marriages* continuously declines in Hungary in the past two decades. Since 1980 the annual number of marriages has become less by 40% in 2000. The average age at marriage of both partners has also changed significantly. The average age for women at their first marriage is 27,5 years in 2000, three years more than twenty years earlier. As far as the men are concerned the age trend is the same.

Behind the changed marrying age trends there are various social and economic reasons, and altered attitudes and values. Firstly, longer schooling time connected with the increase of women's educational level, hence starting families later on in life. It is in general that women postpone marriage after the graduation. The changed labour market situation is also a big pressure in terms of starting a family. On the other hand, education improves women's opportunities in the labour market. Creating a home of their own has become financially more demanding than ever, which also induces the young to do it at a later time.

There are some women and men among the winners of the transition who can "afford" to remain single. They can maintain own apartments and can provide a standard of living considered normal or above the average level.

Main data on marriages							
Year	Marriages		Marriages per thousand 15-year-old and older single		Average age at marriage of, years average age, years		Difference in males and females
	Number	Per thousand inhabits.	Females	Males	Females	Males	
1941	79074	8.5	54.3	62.9	24.5	29.6	5.1
1960	88566	8.9	63.5	88.6	24.7	28.8	4.1
1980	80331	7.5	51.1	68.7	24.2	27.2	3.0
1990	66405	6.4	35.9	47.4	24.4	27.4	3.0
1995	53463	5.2	25.8	33.5	25.3	28.3	3.0
2000	48110	4.8	21.5	27.6	27.5	30.4	2.9

Source: Women and Men in Hungary 2001—HCSO and Ministry of Employment and Labour 2002, p. 9.

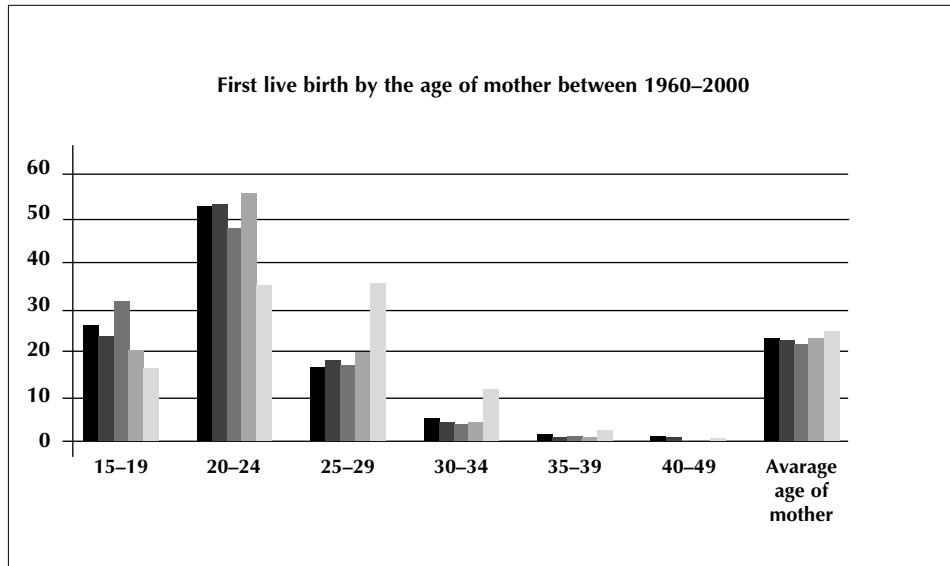
In the 1990s the pace of the decrease in fertility accelerated. *Fertility* dropped in all age groups of women, but to a different extent. The decrease of fertility correlates with the increasing age of mothers.

Cohabitation has become a gradually accepted relationship of partners in contemporary Hungarian society. In 2000 one of three babies were born in

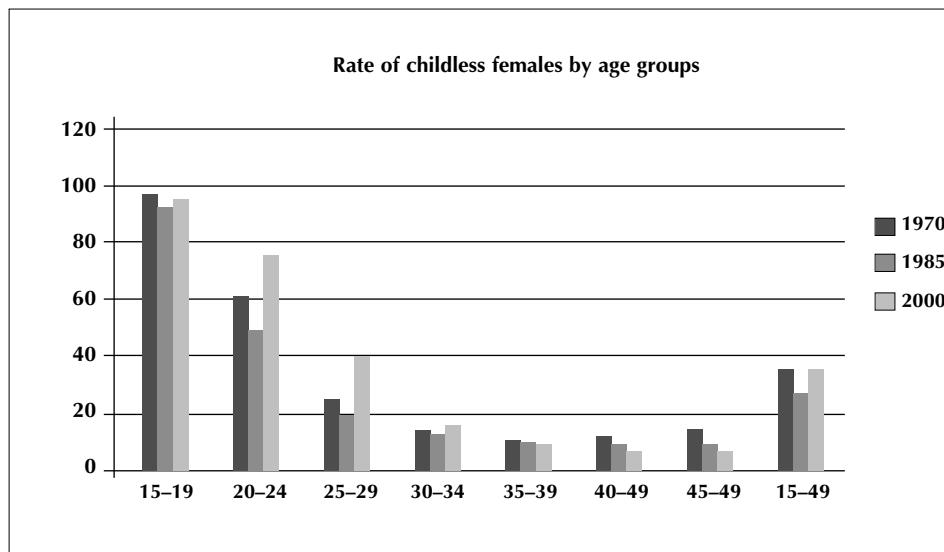
such families, while this rate was only 7% in 1980. The number of births in 1999 represented the ever-measured minimum in all respects, since that time it has been slightly increasing.

Live births					
Year	Live births			Of which extramarital , live birth %	Total fertility rate
	Number		Per thousand		
		inhabitants	Females aged 15-49		
1980	148673	13.9	57.6	7.1	1.92
1990	125679	12.1	49.4	13.1	1.84
1995	112054	11.0	43.3	20.7	1.57
1996	105272	10.3	40.7	22.6	1.46
1997	100350	9.9	38.9	25.0	1.38
1998	97301	9.6	38.0	26.6	1.33
1999	94645	9.4	37.2	28.0	1.29
2000	97597	9.7	38.7	29.0	1.33

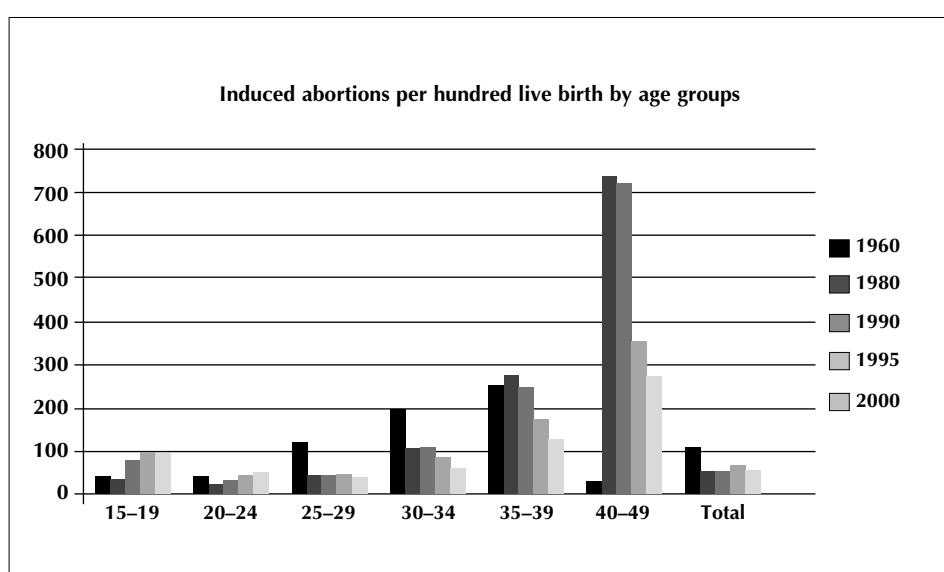
Source: Yearbook of Welfare Statistics 2000, CSO, and p. 6.



Source: own calculation based on data in Szerepváltozások 2001, p. 137.



Source: own calculation based on data in Women and Men in Hungary
2001—HCSO and Ministry of Employment and Labour 2002, p. 20.



Source: own calculation based on data in Women and Men in Hungary
2001—HCSO and Ministry of Employment and Labour 2002, p. 21.

In Hungary *the number of abortions* was extraordinarily high until the seventies. This can be explained by the fact that abortion was legal and available, health education was missing from the school-system, contraceptives were not widely known and the awareness level of the population concerning the importance of prevention was low. Since the '80s as the number of births have been decreasing, the number of abortions has also been declining, which indicates a more responsible contraception.

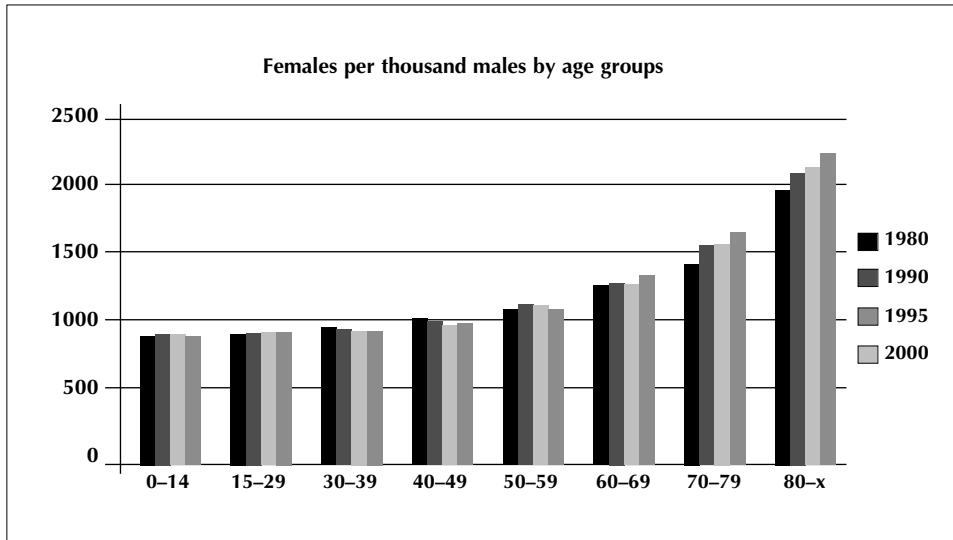
The growing number of *divorces* and their permanently high level is in connection with economic, social and legal changes which have occurred in the last decades. The fact that women have taken up employment in large numbers, social and geographical mobility, secularisation and the amendment of the legal background of divorce all have contributed to that result. Women's growing educational level, their better chances in the labour market and their improving economic position forms their attitude to the traditional marriage.

Concerning the total divorce rate it indicates that at present more than one third of marriages will end in divorce.

Number and rate of divorces, 1960–2000							
Year	Divorces	Per thousand			Average age divorce of, years		Total divorce at rate (a)
		Existing marriages	Inhabitants	Contracted marriages	Male	Female	
1960	16590	6.5	1.7	187.3	37.6	33.9	0.18
1980	27797	9.9	2.6	346.0	35.7	32.6	0.29
1990	24888	9.9	2.4	374.0	36.7	33.8	0.31
1995	24857	10.5	2.4	464.9	37.2	34.3	0.34
2000	23987	11.0	2.4	498.6	38.6	35.8	0.38

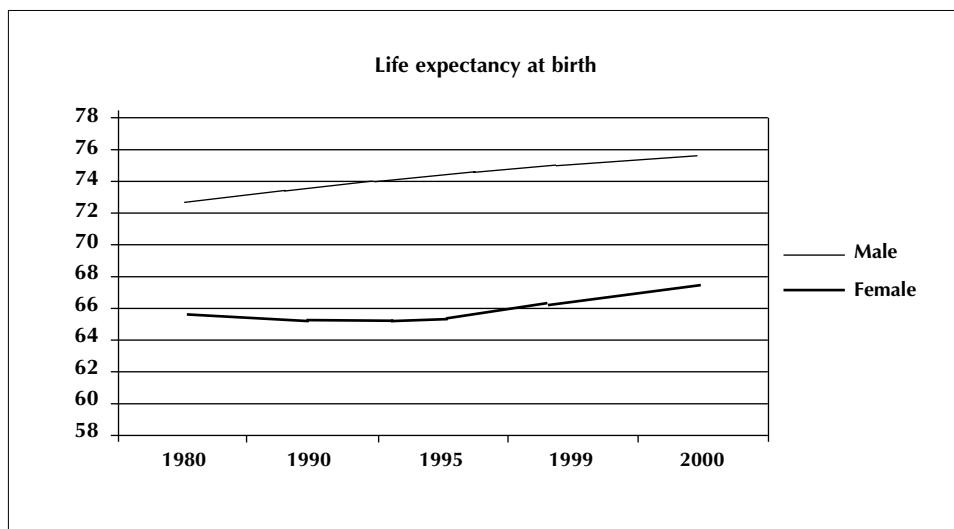
(a) Total divorce rate indicates the average number of divorces per contracted marriages in the given year, provided the marriage-duration-specific divorce rates of the given calendar year would prevail.
Source: Women and Men in Hungary 2001—HCSO and Ministry of Employment and Labour 2002, p. 11.

In Hungary the *proportion of the elderly* has been growing continuously over the past decades. A gradual shift within the older population has taken place to the advantage of women. The number of women above 50 in all age brackets is higher than that of men's.



Source: own calculation based on data in Yearbook
of Welfare Statistics 2000, CSO, p.4.

Mortality. In Hungary, the average life expectancy has been gradually growing in the past two decades. For women it was 75.59 years in 2000 and 67.11 years for men. In the case of women the increase is slightly more vigorous. Life expectancy in the European Union is higher regarding both sexes. Comparing women to their counterparts in the EU in 1999 the life expectancy of women was 80.2 years in Germany, 82.0 years in Sweden and 80.6 years in Greece. In the case of men in 1999 the life expectancy in Germany was 74.0 years, 76.7 in Sweden and 75.2 in Greece. In Hungary, the mortality rates by selected causes of death (heart disease, disease of the circulatory system, etc.) in all age groups above 30-39 are higher in the case of men.



Source: own calculation based on data in Yearbook of Welfare Statistics 2000, CSO, p.8.

Wage developments. In the early phase of the transition, gross real wages fell. The tide, however, turned in 1997 and gross real wages rose by 16.7% between 1997 and 2000. Overall, a 6.5% increase has taken place relative to 1988. The rise in gross real wages, witnessed since 1997, is in line with a dynamic GDP growth, and exceeded the rise in the productivity of the national economy only marginally. Net average earnings lost 25.9% of their purchasing power between 1988–1996; in spite of a 13.1% growth between 1997–2000, net real earnings in 2000 were still falling substantially short of their 1988 level.

Women's wages are below men's wages; the lag is about 15–20% on average. Differences are less, looking at the base wages only. The rate is rather similar to rates in market economies where female-male wage differences are decreasing with time. During the transition period differences decreased in Hungary too, just like in other transit economies. (Galasi, 2000)

Chapter II.

Women's Access to Employment and Pay

1. BRIEF HISTORICAL ANALYSIS OF GENDER ROLES

Period of "Statist Feminism". The Hungarian Constitution of 1949 declared the equality of men and women. The *de jure* equality was far away from the *de facto* equality, moreover the gender policies of the period of "statist feminism" operated on three levels (Nikolchina, 2002). The first level was the level of the official ideology: it was assumed that gender equity has been achieved through the constitution and legislation, and women's problems have been resolved with the help of a well developed state subsidized child care system, paid pregnancy leaves, infant care up to three years, etc.

The second level was the private realm that continued to be dominated by the traditional representations and expectations of femininity and masculinity. Although the initial communist project was to change radically this realm and included hostile attitudes to sex as well as the idea of abolishing the family, this radicalism was quickly relinquished and the private sphere remained the space for traditional and hierarchical gender ideologies.

The third level is that the official ideology had its theory of gender ("in so far as women are like men, they are equal"), the private sphere had its verbalized norms ("boys will be boys", etc.) The place where real but unarticulated redefinition of gender was given, was the work- place, which functioned as a nexus of the official and the private.

Since most women worked during "statist feminism" they encountered different hierarchies and experiences. The emancipated attitudes of women during communism became a matter of habitual practice learned in the workplace but remained largely without a language. Although emancipation was decreed in Eastern Europe "from above" and could not follow a natural course through women's movements, organizations, grass roots activism,

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education, etc., the result is nevertheless a lasting transformation of the "praxis" of femininity. In their actions and in their expectations from life, the women demonstrate a dynamic, active and interactive (most of the women boast of their communicative skills) approach. The difficulties many women encountered in the working place do not seem to relate to their gender or to differences in the understanding of gender. From that point of view, women seem to "blend" easily in their environment, which is one of the possible explanations for the low mobilization of women for feminist policies in Hungary. (Pető, 2003)

According to Mária Neményi (1996) the formally equal social status for women and men was achieved by the centralized methods of authoritarian power.

The most obvious indicators of the equality of women—equal opportunities in the labour market and in education; extensive and accessible family- and child care institutions; women's encouraged and active participation in the political and public spheres—supported the above mentioned statement.

Neményi calls the first twenty years of socialism "state feminism" concerning its impact on the social position of women, and the next period from the late 1960s brought the "conservative turn". The conservative ideas about women were supported by the state: the woman who accepts the traditional family values and fulfils a dual function as an employee and as a mother at the same time. The newly introduced governmental measures in this period contributed to re-establishing the traditional roles within the family.

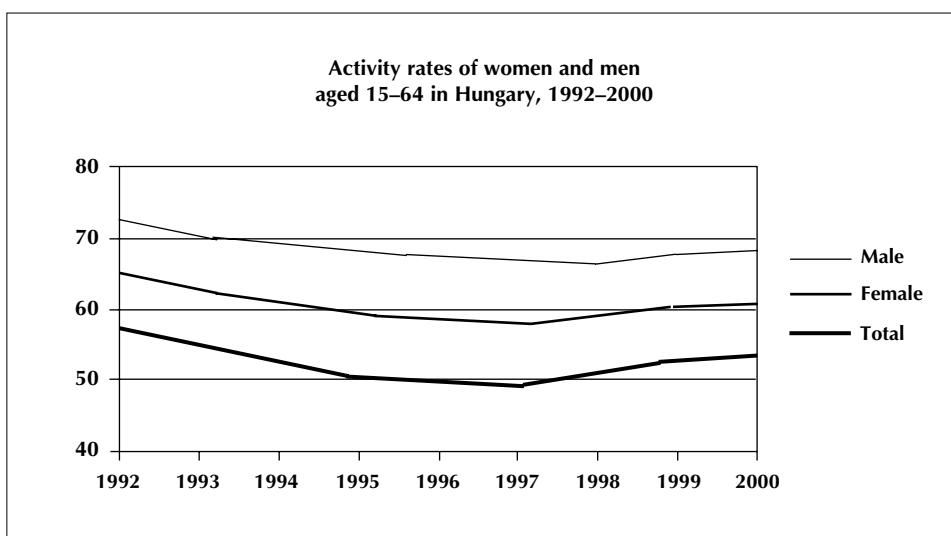
The radical changes during the transformation have proved the contradictions in the emancipation of women, which lacked constancy and content. Women have become the real losers of the political change. The number of child care facilities have decreased, their accessibility worsened, the social policy allowances have undergone a great transformation and devalued, and well defined "conservative" attempts could be experienced in order to re-establish women's traditional roles within the family. (Pető, 2002)

2. LABOUR MARKET TRANSFORMATION AND WOMEN'S EMPLOYMENT AND LIFE CHOICES

Economic activity. After the political transition in Hungary the employment has diminished considerably for both men and women. The former full employment has disappeared and the country had to face the phenomenon of unemployment.

In the '80s the participation rate of women in Hungary was higher than in Western Europe.

In the '90s the activity of women dropped considerably while it increased in Western Europe. At the end of the '90s the participation rate of women was lower than in most countries of the European Union. The decrease was extremely large among young people of both sexes (age 15–19 and 20–24), among women (age 20–24 and 30–39) and among men (age 40–54 and 55–59). (Nagy, 2002)



Source: own calculation based on data in Joint Assessment of the Employment Policy

Priorities of Hungary 2001,

Table 3: Labour market indicators in Hungary, 1992-2000

The negative peak of women's activity was experienced in 1997 (49.3%), since that time it has started to grow slowly (in 2000 52.7%).

The expansion of education had a crucial influence on the drop of participation rate of youth. The changes in the labour market increased the impor-

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tance of the secondary and high level education and encouraged them to improve their chances for being employed. Regarding childcare, women are more likely to be inactive with children younger than 10, and single mothers are more active than their married counterparts. (Nagy, 2002)

Year	Below working age	Women at working age (15–54) working age 55+								Women above			Total
		Employed	Of which: Self employed and assisting family members	Unemp- loyed	Pensi- oner	Stu- dent	On child	Other inac- tive other inac- tive	Emp- loyed	Pensi- oner and	Unemp- loyed		
1980	20.6	38.7	1.5	0.0	2.3	3.1	4.7	4.4	5.5	20.6	0.0	100.0	
1990	19.0	37.3	1.7	0.5	1.8	4.9	4.6	4.0	4.1	23.8	0.0	100.0	
1991	18.5	35.7	1.9	1.9	2.2	5.2	4.8	3.8	3.0	25.0	0.0	100.0	
1992	18.0	32.5	2.0	3.2	2.6	5.9	4.8	4.9	2.2	25.7	0.1	100.0	
1993	17.6	31.0	2.1	3.6	3.3	6.3	5.0	5.2	1.7	26.2	0.2	100.0	
1994	17.3	30.3	2.2	3.1	3.7	6.6	5.2	5.6	1.4	26.6	0.2	100.0	
1995	17.0	29.2	2.3	2.8	4.0	6.7	5.3	6.7	1.3	27.0	0.1	100.0	
1996	16.7	28.9	2.3	2.8	4.1	6.9	5.4	6.6	1.4	27.0	0.1	100.0	
1997	16.4	28.9	2.3	2.5	4.5	7.1	5.4	6.6	1.3	27.3	0.1	100.0	
1998	16.2	30.1	2.2	2.3	4.6	6.6	5.6	5.7	1.2	27.6	0.1	100.0	
1999	16.0	31.1	2.4	2.1	4.2	6.4	5.3	5.7	1.4	27.8	0.0	100.0	
2000	15.6	30.6	2.3	1.9	3.7	6.4	5.5	6.5	1.7	28.2	0.0	100.0	
2001	15.3	30.5	2.1	1.7	3.7	6.4	5.6	6.8	1.9	28.2	0.0	100.0	

Source: Munkaerőpiaci Tükör 2002, p. 251.

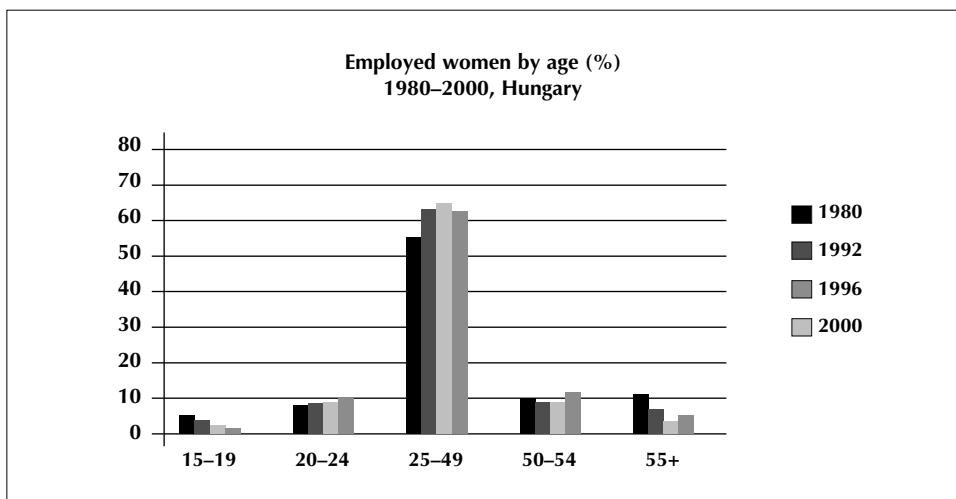
Women's employment. Employment rates dropped for both men and women in the transition period. Since 1998, the employment rate for both genders has been rising again. In 2000, the female employment rate (of 15–64 year olds) was 49.4% (EU-15:54%), as compared with 62.7% for males (EU-15: 72.5%).

The lower employment rate of women can be explained by the lower retirement age, child rearing, the limited demand for part-time workers and high-level involuntary inactivity, particularly in disadvantaged rural areas.

Employment rate by sex 2000, population aged 15–64 (per cent)			
Country	Employment rate		
	Male	Female	Total
Hungary	62.7	49.4	55.9
Czech Republic	73.1	56.8	64.9
Poland	61.2	49.3	55.1
EU-15 average	72.5	54.0	63.3

Source: own composition based on data in Munkaerőpiaci Tükör 2001, p. 275.

According to Laky (2000), the increasing employment since 1998 seemed to favour women; the growth of female employment exceeded men's. In spite of this fact, men still represent the majority of the employed. Almost two in three men are employed compared to one in two women among aged 15–64, which partly can be explained by the lower female retirement age.



Source: own calculation based on data in Munkaerőpiaci Tükör 2001, p. 219.

The transformation of the economy implied extensive transfers of the labour force across the three main sectors. The sector structure of women's employment has changed in the past decade. At the beginning of the '90s more than one-third of the employed women worked in agriculture. Their number was 143.3 thousand in 1992, which has decreased to less than the half of it by 2001. Regarding the industrial sector we can witness similar, but no so sharply declining trends. The number of women in the industries diminished by one third between 1992–2001. The number of the employed women is the highest in the service sector, it was more than 1,220,000 in 2001.

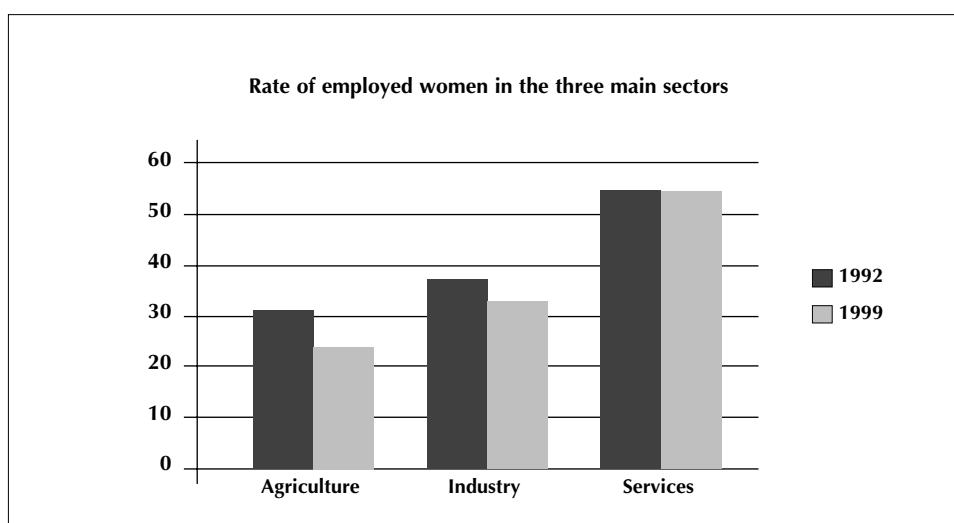
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According to Laky (2000) the demand for services is growing in proportion with prosperity, and this fact explains the increasing employment level in services. New jobs are created in the service sector according to the growth and changing demands. In the most developed countries the employment level in the services is more than 70%. In Hungary the corresponding figure is 60% in 2000, but it is still 200 thousand less than the existing number was at the beginning of the 1990s.

Employment in different sectors in Hungary, 1996–2001						
	1996	1997	1998	1999	2000	2001
Females						
Employment in Services / total employment	70.5	71.0	70.2	71.4	71.9	71.2
Employment in Industry / total employment	25.2	24.7	25.9	25.0	24.8	25.5
Employment in Agriculture / total employment	4.3	4.3	3.9	3.7	3.3	3.4
Males						
Employment in Services / total employment	48.9	49.4	47.8	48.3	49.8	49.8
Employment in Industry / total employment	39.7	40.0	42.0	42.0	41.1	41.8
Employment in Agriculture / total employment	11.4	10.6	10.2	9.7	9.0	8.4

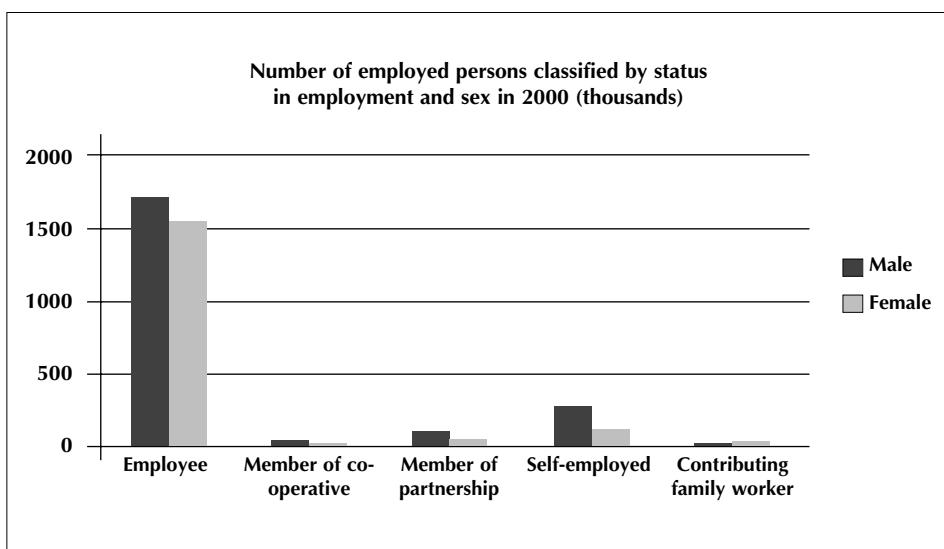
Source: own composition based on data in Eurostat in Employment in Europe 2002, Recent Trends and Prospects, p. 193.



Source: own calculation based on the data in IV–V. Cedaw Report of Hungary, p. 46.

The number of employed women classified by status in employment. Concerning the composition of employed women classified by status there have been some major changes since the transition in Hungary.

The drop of numbers is the most significant in the case of women members of co-operatives. Their number was 71.0 thousand in 1992 and it has diminished to 9.9 thousand up to 2001. The number of women members in partnerships has declined to its third between 1992 and 2001 from 98.7 thousand to 33.8 thousand. The women's number among unpaid family workers has shrank to the half; 17.1 thousand women belonged to this category in 2001. The number of employees actually has not changed since 1992; the overwhelming majority of the employed women are employees. The number of self-employed women has grown slightly since 1992; many laid-off women were compelled to choose this form of employment by the economic circumstances.



Source: own calculation based on data in Statistical Yearbook of Hungary 2000, CSO, p. 86.

Women's employment by highest qualification. The number of the employed women having less than 8 grades of primary school has been considerably decreasing in the past decade. Their number has fallen from 70.8 thousand to 9.9 thousand between 1992–2001.

The number of employed women with primary school certificate has also fallen at the same period of time, from 540.7 thousand to 318.4 thousand. Most of women in the labour market have a secondary school level edu-

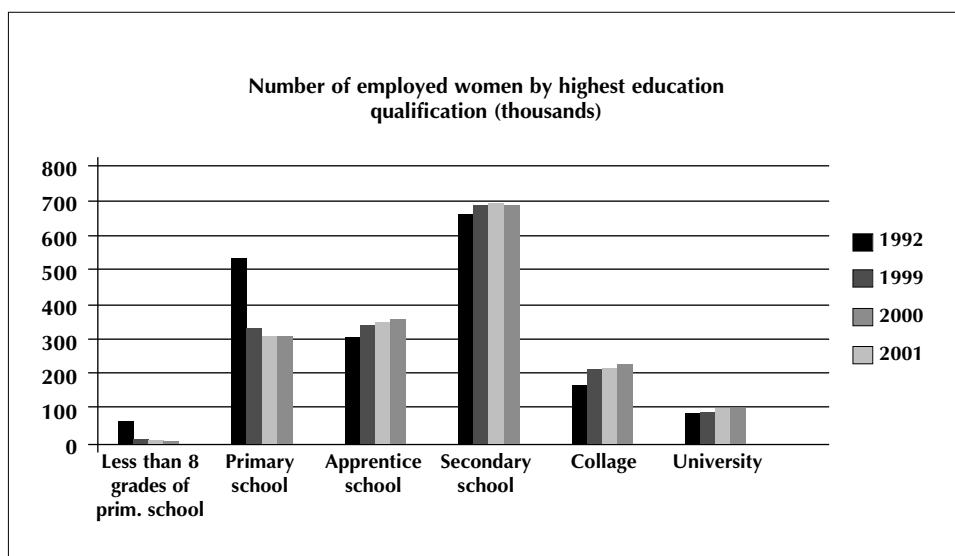
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tion and their number has increased from 671.3 thousand in 1992 to 698.5 thousand in 2001.

The number of employed women having a college degree (230.3 thousand) is higher than that of men (164.5 thousand) in 2001 and it shows a tendency to continue increasing.

Among employed people having completed university studies the number of women (104.8 thousand) is less than that of men (165.2 thousand) in 2001, but their number is also increasing.



Source: own calculation based on data in Statistical Yearbook of Hungary 2001, CSO, p. 71.

Unemployment. The sustained decline in unemployment is one of Hungary's major successes on its path of transition. Since 1997 unemployment has gradually fallen from 9.0% in 1997 to 5.7% in 2001.

The number of the unemployed women was 178 thousand in 1992, 40% of the total number of the unemployed. The share of unemployed women was 38.7% in 2001. After ten years it was the first time it increased to 42.2% in 2002. (Nagy 2002) The women's unemployment peaked in 1997 (10.4%) and since that time its rate is declining.

Unemployment rate by age and gender and lengths, per cent					
Unemployment rate of which					
Year	Males	Females	Total	15-24 ages	Ratio of long term unemployment*
1992	10.7	8.7	9.8	17.5	-
1993	13.2	10.4	11.9	21.3	-
1994	11.8	9.4	10.7	19.4	41.3
1995	13.3	8.7	10.2	18.6	45.6
1996	10.7	8.8	9.9	17.9	49.8
1997	9.5	7.8	8.7	15.9	46.5
1998	8.5	7.0	7.8	13.4	44.3
1999	7.5	6.3	7.0	12.4	44.9
2000	7.0	5.6	6.4	12.1	44.2

*100% = unemployed total

Source: Statistical Yearbook of Hungary 2001, CSO

The unemployment rate for women in Hungary, in contrast to most EU countries, has been lower than for men, including in absolute terms. In 2000, the unemployment rate was 7.0% for males and 5.6% for females. The official unemployment rate for women is lower than for men. However, the lower unemployment rates for women cannot necessarily be considered as indicative of their more favourable labour market position, as a significant percentage of working age women add to the number of the inactive, which is not reflected in the unemployment rate.

Unemployment rate by sex, 2000 (per cent)			
Country	Unemployment rate		
	Male	Female	Total
Hungary	7.2	5.8	6.6
Czech Republic	7.3	10.5	8.8
Poland	14.6	18.3	16.3
EU-15 average	7.0	9.7	8.2

Source: own composition based on data in Munkaerőpiaci Tükör 2001, p. 274.

In reality female unemployment is higher than what statistics show. We can observe a trend in Hungary, which is similar to the trend in the developed market economies. The unemployment of women is increasing and the rate of it has already exceeded men's. Many women are working in households, which is a socially accepted field of activity showing the general attitude towards the domestic division of labour. Based on this practice, women are not registered as unemployed and they are missing from the official statistics. As a consequence of this phenomenon, women's hidden unemployment, or

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the discouraged worker effect, is higher as compared with men's. (Koncz, 2002)

Special features of women do not influence the likelihood of women's employment. Although women are less likely to be unemployed than men are, they find it to be more difficult to have a new job than their male counterparts. (Nagy, 2002)

The most frequently unemployed persons are men, age 25–49 with primary or lower education, living in rural areas. Among the occasionally unemployed, women, younger and older workers, workers with vocational and secondary education, and those living in large cities are much more common than among the frequently unemployed. (World Bank, 2001)

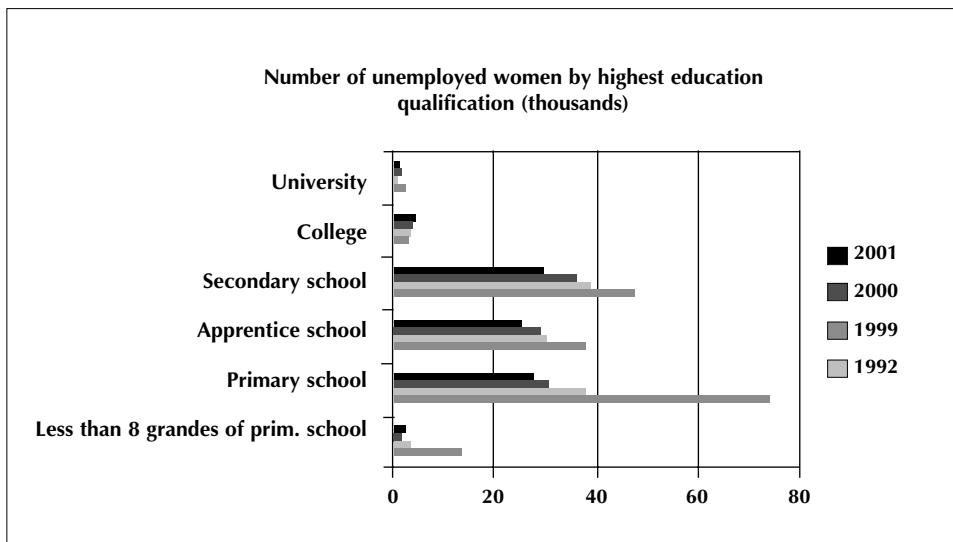
Two categories have been disproportionately hit by unemployment: young people under 25 and the low skilled/less educated. The youth represented 26.9% of the total number of unemployed in 2000, while the unemployment rate of this age group was 12.1%, about 5 percentage points lower than the EU average for the same age group. The youth unemployment rate (under 25) has dropped significantly since 1993 (from 21.3% in 1993 to 12.1% in 2000).

Regional inequalities in the educational level of the unemployed are considerable. By way of example, among the unemployed living in Budapest, approximately twice as many as the national average have completed secondary or higher education.

Workers with only primary education have an unemployment rate estimated 10 times as high as university graduates.

Unemployment generally appears to strike blue-collar workers more than white-collar workers; while blue-collar workers make up 60% of people in employment; white-collar workers account for 80% of the unemployed.

Despite the positive labour market changes, people with low education/skill levels continue to face difficulties in finding jobs. The current unemployment in Hungary is partly structural, including the emerging mismatch between unskilled labour supply and the demand for labour with specific skills. A shortage of skilled workers in certain vocational areas has already been detected, especially in Budapest and in the west of the country. The shortage is most marked in the manufacturing industry, where 10% of the companies indicated labour shortage as the prime reason for capacity under-utilisation.



Source: own calculation based on data in Statistical Yearbook of Hungary 2001, CSO, p.72.

Regional disparities. The economic transformation, both in its downward and upward tendencies, has affected the regions differently, and resulted in significant regional disparities in unemployment. The decline in economic performance and employment has been much more severe in the rural disadvantaged regions of the North East and the South West than in the more developed central and western regions of the country. While in the western and the central part of the country (Budapest and Pest County), the unemployment rate is below 5%, it reaches 11–12% in the northern and northeastern regions. More accurate data on registered unemployment at local level indicate that the difference is even greater, i.e. 4–4.5 times as high. The Roma are heavily concentrated in the disadvantaged areas of the country.

In addition, withdrawal from the labour force is higher in the disadvantaged counties; high-unemployment regions have, not surprisingly, lagged behind in terms of job creation (the employment rate for Northern Hungary is 49.5% as compared to 63.5% for the Western-Transdanubian region, calculated for the 15–64 year old population).

Inactivity. The inactivity rate in case of both sexes continuously increased in the period of transition. The rate of inactive people approximately doubled between 1980 and 2000.

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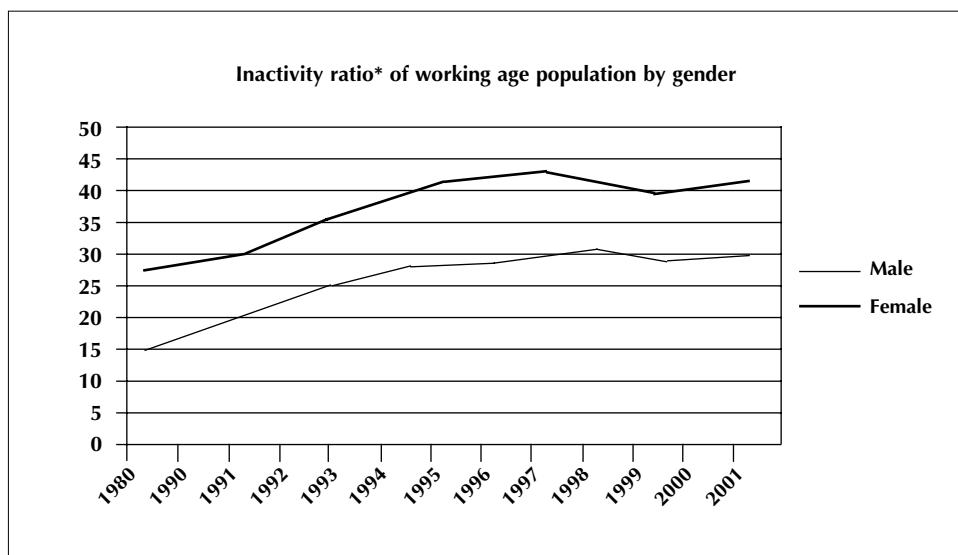
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In the European Union the rate of men on average missing from the labour market was 15% and women's rate was 27% in 1999. (Quality of life and health, CSO 2002)

In Hungary, the inactivity rate of men was 29.8% and of women 41.1% in the percentage of the working age population in 2001. (Munkaerőpiaci Tükör, 2001)

Inactivity rate of population aged 15–64 by gender (EU average and Hungary), 1999			
Country	Inactivity rate		
	Male	Female	Total
EU average	15.0	26.7	21.0
Hungary 1999	32.2	47.7	40.1
Hungary 2000	32.0	47.3	39.8

Source: own composition based on data in Quality of Life and Health 2002, CSO, p.142.



*Per cent of the working age population

Source: own calculation based on data in Munkaerőpiaci Tükör 2001, p. 279.

According to Laky (2000) the high number of economically inactive people (1.7 million) in Hungary can be supported by many reasons, which have demographic or social roots such as schooling, child care, illness, disability or retirement. More than half a million people have no (visible) source of income. They are away from the labour market compelled by personal or family reasons or by the unfavourable labour market conditions.

Concerning the economically inactive women aged 15–19 years their ratio and number has decreased; among women aged 20–24 years it has increased by 40%. The number of inactive persons is the highest among people aged 55–74 years, their number was 1057 thousand in 2002. (Nagy 2002) The female inactivity rate is higher in every age group than the corresponding rate for men.

The increasing inactivity among women aged 15–24 years can partly be explained by the high enrolments in secondary and tertiary education. Female unemployment was low in the 1990s because high educational level shielded many of them from the structural changes in the labour market. As a consequence of the conservative turn in society many women decided to become housewives, and this fact also influenced the increase of inactivity. (World Bank, 2001)

The Hungarian retirement age was very low in comparison to European countries. The national expenditure could not be financed because the number of active employees decreased. The Parliament adopted a new law in 1996, which increased the retirement age of women from 55 to 62 and in the case of men from 60 to 62. Despite the regulation women over the age of 55 have very little chance of finding long-term employment, and they are compelled by the circumstances to stay away from the labour market and to choose the status of being inactive. (Gere, 2002)

The strikingly low employment rate for older workers (55–59), which stood at 33.8% in 2000, cannot be explained solely by the relatively poor health conditions of Hungarian employees, but it is certainly one of the contributing factors. This is most likely due to widespread withdrawal from the labour market through early retirement and disability pensions. One quarter of the working age population still receives some form of government benefit, disability pensions being the largest category.

The child care allowance provides a modest but regular income for many families especially in the less developed areas of the country. Instead of being unemployed, taking advantage of the child care system—despite the steady decline in the number of births—gives an opportunity for mothers being absent from the labour market and to stay at home with their small children.

3. GENDER PAY GAP

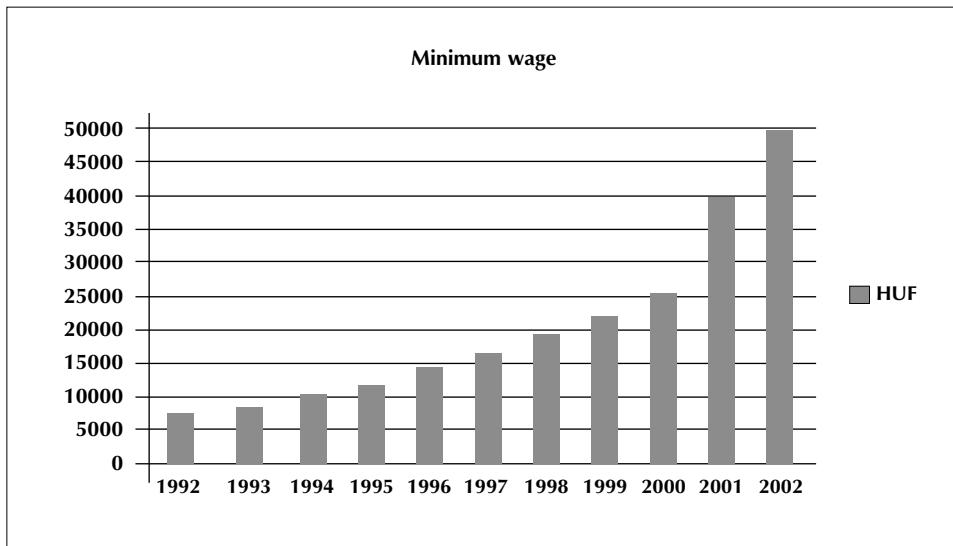
The long-lasting fall in real wages ended in 1997 in Hungary, and since then real wages have been increasing, and they appear to be in line with productivity growth. Over the years of transition, considerable wage disparities between economic sectors, branches, regions, education and skills have risen, which cannot always be explained by economic performance. The minimum wage stood at 35.8% of the average wage in 1992 and at 28.8% in 1998, after the unbroken decline in relative ratios.

Minimum wages were raised significantly in two steps; in 2001 from 96 euros to 192 euros a month and in 2002 to roughly 200 euros a month. The raises lifted the minimum wage to a level of about half of national average wages and affected about 25% of the work force.

Minimum wage		
Date	Monthly average (HUF)	Average gross earnings=100
1992. I. 1.	8000	35.8
1993. I. 1.	9000	33.1
1994. II. 1.	10500	30.9
1995. III. 1.	12200	31.4
1996. II. 1.	14500	31.0
1997. I. 1.	17000	29.7
1998. I. 1.	19500	28.8
1999. I. 1.	22500	29.1
2000. I. 1.	25500	29.1
2001. I. 1.	40000	38.6
2002. I. 1.	50000	43.7*

*Jan.-June monthly average
Source: Munkaerőpiaci Tükör, 2002, p. 291.

As a combined result of all these effects, real wages in the overall economy increased by 6.4% in 2001 and by 11.3% year-on-year during the first half of 2002.



Source: own calculation based on data in Munkaerőpiaci Tükör 2002, p. 291.

Wage-setting mechanisms typical of a market economy have been operational in Hungary since the early 1990s. Wages in the public sector (state administration, public services (e.g. education, health), armed forces) are determined by the relevant laws (Act on Civil Servants, Act on Public Employees, Act on Armed Forces, etc.), whose wage-tariff systems must be set (and adjusted every year) after due consultation with the social partners.

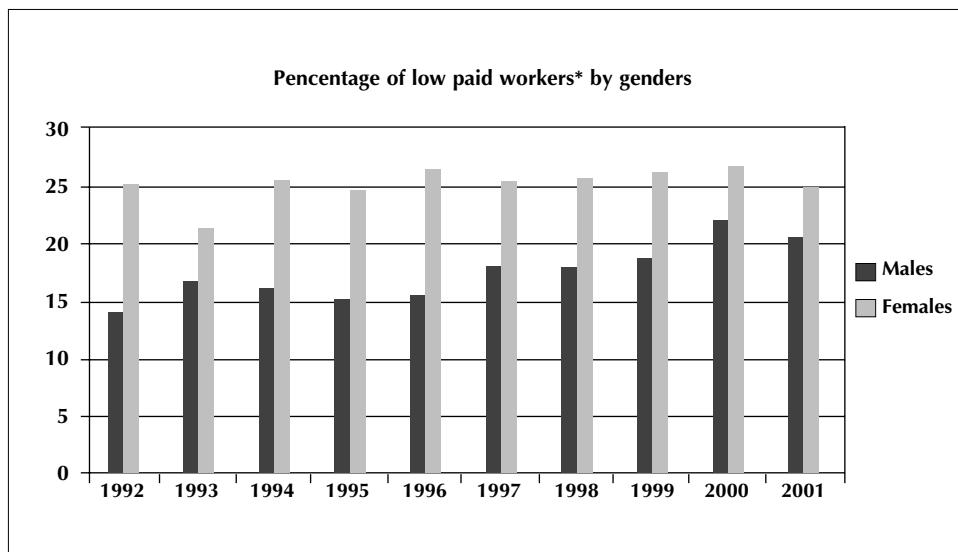
In the private sector, the government has a relatively limited role to play and does not generally intervene in the wage-setting process (except through the Labour Code and the mechanisms in place for determining the national minimum wage). In practice, the sector operates a decentralized non-mandatory system of wage setting whereby the social partners themselves determine wage increases under agreed bipartite arrangements. While not formally participating in this process, the government for its part seeks to ensure that average wage increases agreed by the social partners are in line with the general principles underlining responsible wage developments.

In the past decade there has been a redistribution of incomes from the poor to the rich. As a consequence of this trend, between 1987 and 1999 the poorest 10% of earners saw their share of national income drop from 4.5% to 2.7%, while the share of those in the top decile saw their share of annual income increase from 20.9% to 27.8%. In essence, the top 10% of earners went from receiving five times the annual income of the lowest earners to receiving 10 times as much income. Another consequence of this income

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redistribution was that, in 1999, about 26% of the population lived under the poverty line; the share of the population in poverty before 1999 was less than 10%. (Ecostat, 2001)



*Percentage of those who earn less than 2/3 of the median earning

Source: own calculation based on data in Munkaerőpiaci Tükör 2002, p. 293.

A low-paid worker is more likely to be a woman, either young (under 24) or older (over 50), with only primary or lower education or (less often) basic vocational training, with an unskilled manual job and living in a village. (World Bank, 2001)

There are economic sectors where earnings have been traditionally low in Hungary, primarily agriculture, construction, textile and paper industries, catering, trade, health care and social services. Concerning these worse paid economic branches, the rate of women is still higher in those considered to be "feminine" (e.g. education, health care, social work).

The rank of earnings has also changed in the 1990s. The heavy industry and mining provided the best wages before the transformation. Now financial intermediation and energy industries are occupying these positions. In the energy industries the rate of women is one third of men's and the female/male earnings ratio is 82.7% on average. Concerning the financial intermediation the women's proportion is three times as high as that of men's and the wage earned by women is 40 % less than men's. The industry of financial intermediation provides the highest gender wage gap within Hungarian economy.

Gender discrimination in regard to job and income. According to a research conducted on "Women, Labour and Globalisation" (2002), roughly 60% of the respondent women feel disadvantaged to men when it comes to career advancement and income; 11% believe discrimination occurs frequently; 22% believe it happens occasionally and 27% say discrimination is rare. Some 7% of the respondents made no comment, and the rest, nearly one-third of those polled, say they have never felt discrimination.

The older a woman is, the more likely she will face discrimination, while younger women have fewer chances of experiencing it. A proportion of respondents reported that regular and systematic discrimination decreases with rising school education. Women who do not work hold a much more unfavourable opinion. Half of single women say they never experienced discrimination. A high number of women who consider themselves under-qualified say it is quite common that gender discrimination manifests itself in pay rises and incomes at the workplace. Women content with their qualifications reported infrequent cases of gender discrimination.

The widest earning disparities have developed between the public and private sectors. The public wages had fallen far behind private sector wages throughout the transition. Therefore the public wages were increased in 2001, thus securing continued public support for the transformation process and also for guarding against a brain drain from public administration. The average wage inequalities by gender—in similar spheres of activity—have not changed much, showing a difference of 10-12% to the detriment of women.

Within the private sphere the size and ownership of the companies also influence the wages. The big multinational companies can provide higher wages for both sexes than the smaller and domestically owned firms. According to Galasi (2000) the income position of women has improved significantly, and the gender wage gap decreased partly due to the changing rate of women in the labour market and their upgraded labour market experience in the transition period. The qualification level of women is above average, they occupy better positions and they are employed in higher wage regions.

The gender wage gap can be explained partly by the fact that women are employed in greater number in the sectors of economy providing poorer remuneration and the age and qualification of the employed women varies. There are some factors, which have contrary influence on the wage gap. The share of women in non-manual occupations is higher than that of men's, and

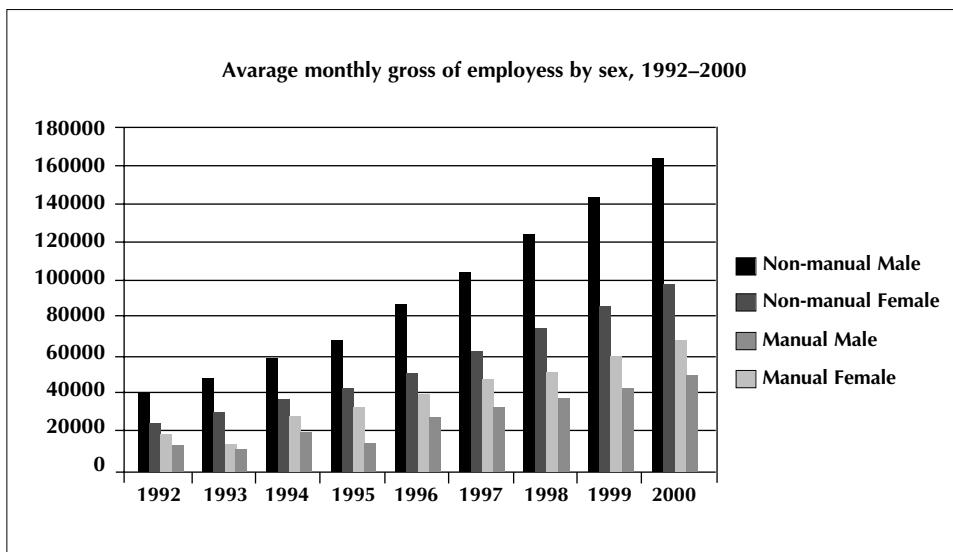
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this fact has an advantageous impact on women's overall average payments. On the other hand, women's representation in lower paid occupations is generally higher compared to that of men's and it has a reducing effect on their relative pay. Variables influencing the rate of payment are the following: age, educational attainment, occupation of the employee and economic activity of its employer. (Hárs, 2002)

Industries	Male		Female		Total		Female/ Male earnings ratio
	Compo- sition	Average earning	Compo- sition	Average earning	Compo- sition	Average earning	
	Per cent	HUF/month Per capita	Per cent	HUF/month Per capita	Per cent	HUF/month Per capita	
Agriculture	7.2	76596	2.2	66575	4.7	74303	86.9
Fishing	0.1	64777	0.0	62705	0.1	64464	96.8
Manufacturing	34.4	118940	25.0	85578	29.7	105003	72.0
Mining and quarrying	0.5	122163	0.1	120907	0.3	122030	99.0
Electricity, gas, steam and water supply	4.7	143031	1.5	118224	3.1	136991	82.7
Construction	6.9	83780	1.0	86441	3.9	84103	103.2
Wholesale and retail trade	9.4	102280	9.8	83511	9.6	92736	81.6
Hotels and restaurants	1.5	91634	1.9	67104	1.7	78109	73.2
Transport, storage post and telecom.	12.7	118314	6.2	108197	9.5	115013	91.4
Financial intermediation	1.1	296368	3.1	174516	2.1	207550	58.9
Real estate, renting and business activities	5.5	131787	4.8	109728	5.1	121559	83.3
Public admin. and defence; compulsory social security	5.0	153617	11.5	112368	8.2	125049	73.1
Education	5.1	103337	18.3	81990	11.7	86707	79.3
Health and social work	3.3	93404	12.5	78270	7.9	81451	83.3
Other	2.7	108824	2.3	89690	2.5	100096	82.4
Total	100.0	115045	100.0	92034	100.0	103610	80.0

Source: Munkaerőpiaci Tükör 2002, p. 286.



Source: own calculation based on data in Statistical Yearbook of Hungary 2000,
CSO, 2001, p. 94.

The level of education is also a very important influencing factor of the earnings. Women with tertiary education earn less than men with the same level of qualification. The gap is significant especially in the case of employed women, who graduated in college compared to their male counterparts. The wage difference between employed women having primary and tertiary qualification is double and triple depending on the classification (college, university) of their degrees.

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The composition of full-time employees and average earnings by gender according to the level of education, Economy (total)							
Level of education	Male		Female		Total		Female/ Male earnings rate
	Compo- sition	Average earning	Compo- sition	Average earning	Compo- earning	Average earning	
	Per cent	HUF/month Per capita	Per cent	HUF/month Per capita	Per cent	HUF/month Per capita	
Primary school 0-7 classes	0.9	63489	0.7	55548	0.8	60113	87.5
Finished primary school	15.6	73545	21.0	60973	18.3	66376	82.9
Vocational school 2 years	2.4	74235	2.5	71375	2.5	72802	96.1
Vocationa school 3 years	37.9	84260	14.8	65296	26.4	78991	77.5
Vocational secondary school	14.3	109613	20.9	90837	17.6	98512	82.9
General secondary school	5.6	110264	14.7	91979	10.1	97081	83.4
Technical secondary school	5.5	134012	2.5	113514	4.0	127708	84.7
College	8.6	189909	16.6	118714	12.6	143274	62.5
University	9.2	258115	6.5	192272	7.8	231020	74.5
Total	100.0	115045	100.0	92034	100.0	103610	80.0

Source: Munkaerőpiaci Tükör 2002, p. 287.

4. SOME RECOMMENDATIONS

Following the recommendations that can be found in the EU National Action Plan for Employment Guidelines and in other international documents, in which Hungary undertakes obligation to improve women's general labour market situation. We recommend a regular and correct analysis of the situation and to take the adequate measures in line with the national and international expectations and obligations.

Our recommendations are:

- to promote job creation in order to increase the number of employed women,
- to introduce measures enhancing women's employability,
- to improve training opportunities for women, to facilitate retraining for women who return to the labour market,
- to encourage lifelong learning, especially for older women workers, for whom the retirement age has been raised,
- to counteract income and wage discrimination against women,
- to eliminate age discrimination against women in the labour market,
- to create employment opportunities reflecting to the need of women for part-time work, flexible working hours,
- to promote the employability and the access of women to IT jobs, particularly by enhancing participation of women in relevant education and training,
- to tighten regulations in order to limit the misuse of early retirement and disability pensions, and to prevent the employment rate of the age groups above 40 from dropping still further,
- to improve the health status of the population in order to prevent inactivity and sustain economic activity.

Chapter III.

Social Services and

Women's Employment

1. BRIEF OVERVIEW OF TRENDS AND EVOLUTION 1989–2003

After the transition period Hungarian society had to face many new situations and problems, which have affected basically the life of individuals and families.

In judging the changes of the past 12 years the views of the opportunities and the missing of the opportunities have been given voice again and again. Society has become a "2/3 one", that is two thirds have sunk into poverty and live in it, while one third can be regarded as "beneficiaries" of the political transformation. The number of people falling into poverty and social isolation has been growing.

Poverty significantly increased in Hungary between 1990 and 2001. Relative poverty (the ratio of those under half of the average) increased from about 10 to 15%, and subsistence poverty (the ratio of those living under the subsistence level) from 10 to about or over 30%. Many issues about poverty and inequality are controversial. It is widely recognized though that there exists a group of poor people cut off from the labour force and experiencing multiple forms of deprivation. (Ferge-Tausz-Darvas, 2002)

The most important indicators of poverty in Hungary—according to the Hungarian ESWIN (European Social Welfare Information Network)—are the level of education (and labour market performance), ethnicity and single motherhood.

Households with three and more children or single parent families have been hit very seriously by poverty. Their poverty rate is very high—when taking the upper bound of the subsistence level as a threshold, 18% of all households are poor. A more refined analysis shows that the more restrictively the

definition of poverty is used, the higher the percentage of families with children will be poor. Longitudinal analysis proves also that this population has practically no chance to escape from poverty. (Ferge-Tausz-Darvas, 2002)

The social transitions, changing over to market economy, the increasing impoverishment, despite the vast social incomes, were urgently demanding a new social supply system in Hungary. Social security is based on the employment opportunities: unemployment benefits, social insurance, and independent social policies.

In Hungary the system of social protection comprises three major subsystems:

- the system of compulsory social insurance (comprising separate health insurance and pension insurance),
- systems for the management of unemployment,
- social benefits (taking the form of benefits in cash, kind or personal services). (Széman and Harsányi, 2000)

The social protection system consists of social assistance programs and labour-related social insurance benefits such as pensions and unemployment benefits. The seven basic elements of the social safety net are: old-age pensions, public health care, disability benefits, unemployment benefits, active labour market programs, family support and child protection. (World Bank, 2001)

The local governments have an important role in providing social assistance. On one hand, there is a legal obligation which compels them to fulfil the individual needs; on the other hand, they have close connections with the people in need locally.

The central budget provides the financial background of social assistance programs annually, but the local governments have the opportunity to initiate and carry out local programs covered totally from their own budgets.

Social policy is dedicated to defend and assure the socially acknowledged rights and interests of minority groups and different social strata of the population. It has crucial importance and necessity to provide social security for those individuals and families who are experiencing the worst social situation.

The social security system is based on necessity, widening the opportunities and responsibility of the local governments in implementing the local social

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policies. Through its subsidies it concentrates on families, but it also emphasizes the responsibility of all stakeholders including the local communities. It gives more opportunities for contractors in increasing number (churches, entrepreneurs) to provide social services.

The provisions for supporting families in Hungary are:

- provision for the upbringing of children (family allowance)
- child care benefit (child care allowance, child care subsidy)
- maternity benefit (pregnancy benefit, one-time birth allowance, and sickness benefit for the term of caring for a sick child),
- other benefits (child protection benefit)

Rate of welfare expenditures within the GDP and the real value						
	1991	1995	1999	2000	2001	2001 1991=100%
Education	6%	5%	5%	5%	5%	105%
Public health	6%	4%	4%	4%	4%	89%
Housing	4%	2%	1%	2%	2%	44%
Retirement allowances	11%	9%	9%	8%	9%	94%
Family supports	3%	2%	2%	2%	2%	58%
Sickness and maternity-related benefits	2%	2%	2%	2%	2%	96%
Unemployment	1%	1%	1%	0%	0%	51%
Others social supports	3%	2%	1%	1%	1%	58%
Welfare provision	1%	1%	1%	1%	1%	127%
Total	36%	29%	25%	25%	25%	83%

Source: Ministry of Finance

The first introduction of the different types of family-related benefits (child care allowance in 1967 and child care fee in 1985) served basically demographic purposes. The socialist economy in the period of consolidation did not demand the female labour force in a larger volume than before. The decreasing number of workplaces and the declining rate of births required a new political and ideological background for withdrawing women from the labour market. (Neményi, 1996)

The different elements of the child and family benefit system have been relatively constant until the early '90s. The most important feature of the expenditures was the lost value of the benefits, which were universally eligible.

In 1995 the law on economic stabilisation made a differentiation based on the income situation of family, and the child care fee (GYED) was abolished.

In 1999 a new act on support of families came into force. According to this regulation, families bringing up their children in their own household are entitled to assistance irrespective of their incomes and financial situation.

The real value of the family allowance decreased between 1990 and 2001. Family allowance shares in GDP 3.8% in 1990 and its share is in GDP 2.3% in 2003. (Mózer, 2003)

Year	Real value of average monthly amount per family of:					
	Child care fee		Child care allowance		Family allowance (a)	
	Previous year=100	1990=100	Previous year=100	1990=100	Previous year=100	1990=100
1990	92.9	100.0	96.4	100.0	89.4	100.0
1991	94.6	94.6	99.8	99.8	92.9	92.9
1992	101.7	96.1	95.2	95.0	91.5	84.9
1993	98.8	95.0	93.6	88.9	93.4	79.3
1994	96.4	91.6	103.1	91.7	84.3	66.8
1995	89.6	82.1	84.9	77.7	79.8	53.3
1996	96.0	78.7	96.0	74.7	83.7	44.6
1997	100.7	79.3	110.0	82.3	99.1	44.2
1998	-	-	97.6	80.2	103.5	45.7
1999	-	-	100.3	80.5	91.9	42.0
2000	-	-	99.9	80.4	91.4	38.4

a) From 1 October, 1999 including schooling subsidy
 Source: Yearbook of Welfare Statistics 2000, CSO, p. 99.

The family policies served multiple goals and constituted a very important part of public policies. It was important to support the maintenance of economic capacities of all families with children and to help keeping the labour market attachments of mothers with children. Concerning the deteriorating demographic situation they also had pro-natalist aims, and intended to alleviate poverty as well. (Michael F. Förster, István György Tóth, 2000)

Aggregate expenditure figures for family benefits (a)								
Year	Pregnancy and confinement benefit	Maternity benefits (b)	Child care		Family allowance	Schooling subsidy	Total	Payments as a % of GDP
			Fee	Allowance				
Million HUF								
1970	673	88	-	1191	2810	-	4762	1.43
1980	1535	360	-	3913	13561	-	19369	2.69
1990	4062	726	9669	3754	64281	-	82492	3.95
1995	9804	2030	20384	11264	100188	-	142770	2.54
1996	8276	1325	22252	14110	95031	-	140994	2.05
1999	7768	2084	-	44501	121201	10544	186098	1.63
2000	10047	2335	20381	38418	55607	76910	203697	1.58

(a) Without postal charges (ledger data)
 (b) Up to 31 December, 1992 maternity grant; from 1 January, 1993 to 14 April, 1996 pregnancy allowance; from 15 April, 1996 maternity subsidy)
 Source: Yearbook of Welfare Statistics 2000, CSO, p. 97.

2. SOCIAL SERVICES AND ACCESS TO THE LABOUR MARKET

A glance at the social and domestic environments, which determine the role of women as employees, will help us understand the female job market.

A traditional approach to gender roles characterized the 1960s, 1970s and much of the 1980s. Women regard work important for financial reasons and for the subsistence of the family; personal ambitions and career play a less important part. The work done outside the home typically plays a secondary role in a mother's set of values. As a result of the political transition, the job market has radically changed and strengthened opinions that providing for the family is the man's duty, while a woman performs tasks around the household. Agreement on this view increased among the younger generation as well. (Pongráczné, 2001)

During the transition period many nurseries and kindergartens were closed, down which became quickly a major barrier for the young mothers with small children who wished to return to the labour market. They had to realize that there were no proper institutions where they could safely leave their children during their working hours. Other services which could efficiently help women are also missing (such as child minding in the home, affordable arrangement for children during the long summer holidays when women have to work, etc.).

Mothers with disabled children or with elderly family members who they have to nurse are also hindered in returning to the labour market. Though home care is available in bigger cities, and even home nursing is on the spread, in smaller places and villages such services are usually missing. (Gáthy, 2002)

Year	Number of children				
	1–11	12–23	24–35	36 month and older	total
	months old				
1970	3171	9286	25464	3850	41771
1980	2744	10450	48043	8531	69768
1990	302	2899	24726	12898	40825
1995	418	5455	16991	14832	37696
2000	327	4600	13519	11115	29561

Since 1993 data apply to 31 May instead of 31 December. The upper and lower limit of the age groups changed in 1992 up to 1991: –10, 11–18, 19–36, more than 36 months
Source: Yearbook of Welfare Statistics - Central Statistical Office 2000, p.133.

The infant nurseries provide day-care according to need for working parents, single parents, parents on child care allowance going out to work, parents with disabled children and parents attending school.

The maintainers of the nurseries might be local governments, private persons, foundations, churches, institutions and companies: the organizational form can be independent or integrated. The state supports the maintenance of nurseries through normative grants (social normative). The infant nurseries and kindergartens which are not privately maintained are available free of charge, families have to contribute only to the costs of feeding.

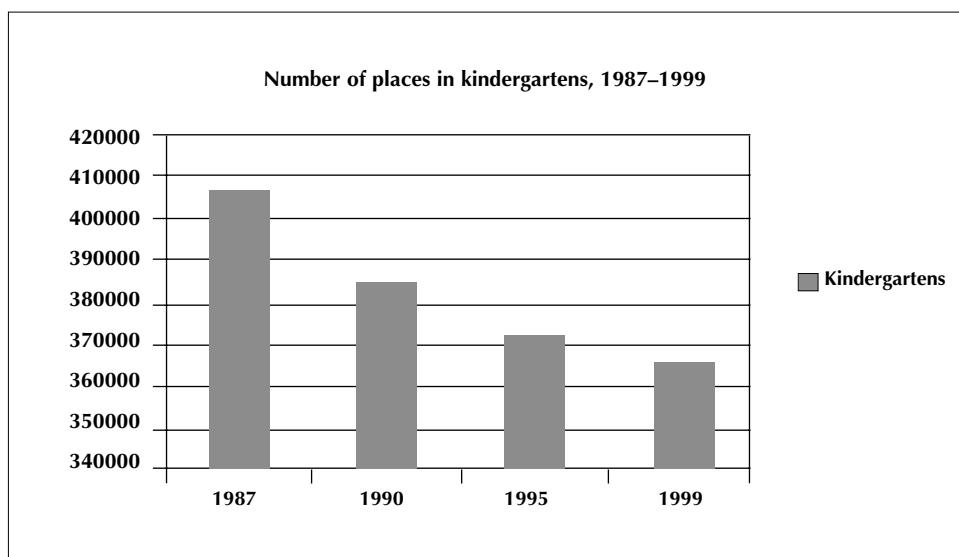
The number of infant nurseries and kindergartens has been decreasing, especially in the villages and in the small towns since the transition. The process of decreasing—coupled with a drop in demand due to lower rate of fertility—has been accelerated since 1990 and, among many reasons, the determining factor is the financing of these facilities.

Chapter III. Social Services and Women's Employment

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Infant nurseries						
Maintainer	Number of places			Percentage of total places		
	1999	2000	2001	1999	2000	2001
Local government	25158	23985	23544	96.50	96.07	96.60
Factory	528	386	284	2.03	1.55	1.17
Enterprises	107	302	177	0.41	1.20	0.72
Foundation	88	88	157	0.34	0.36	0.64
Institutional	80	70	80	0.30	0.28	0.33
Other	110	134	132	0.42	0.54	0.54
Total:	26071	24965	24373	100.00	100.00	100.00

Source: Central Statistical Office—1999, 2000, and 2001



Source: own calculation based on data in Women and Men in Hungary, 2000, CSO and Ministry of Social and Family Affairs 2001, p. 91.

The long period of time (up to three years) which is provided by the law spent away from the labour market makes the situation of women who wish to return to work rather difficult. Under the period of child care they are losing the opportunity of being up-to-date professionally and this fact limits their chances of re-employment. In many cases the connections to their former employers come to an end, and in the case of new employment they frequently have to face discrimination. Women with three and more children are indeed very strongly limited in finding any job.

According to a research on "Women, Labour and Globalization" conducted in 2002 examining different types of employment, the judgement of the situation can be controversial. Theoretically and generally speaking women would like to have the opportunity to choose from different kinds of employment forms.

A considerable number of women would prefer part-time employment. This would allow them to meet their family commitments while keeping them connected to the world of work. They are not worried that part-time work leads to a reduction in social security and pension.

According to evidence from the public opinion poll conducted as part of the research, full-time employment, possibly with flexible hours is the most popular form of employment. This is because full-time employment offers full benefits and security—top priority in a working woman's value system.

Part-time employment offers only a proportional income, while transportation costs remain the same, and the expected work performance must not be lower when compared to working hours.

It is a big challenge for young women to harmonize their family commitments with their work responsibilities. After having children, young and highly qualified women have better chances to return to the labour market. In spite of this fact, they cannot usually afford to spend years away on child care leave because they do not want to risk losing their better opportunities; these women are afraid that their career and work progression could be strongly impeded by the years they are required to spend at home with their babies. (Pongráczné, 2001)

Reconciling family and employment roles of women has always been a difficult task. Under harsh circumstances of market competition, employers require a workforce that can offer them full working capacity. Women with children are unable to offer this, mainly because women are still expected to take care of the children and the household and men are not willing to undertake more household duties. The deteriorating economic situation of many families compels women to provide services that were utilized from outside sources before the transition. (Gere, 2002)

3. TAX-DEDUCTION FOR CHILDREN

A new form of tax relief for each child was introduced in 1999 in Hungary. The aim of the regulation is to help families in bringing up children. The parent who can apply for the tax deduction must have a taxable income and his/her children are entitled to the family allowance.

If the parent does not receive enough income to use the full tax deduction, the difference can be deducted from the other parent's income. The realisation of the measure has proven its controversial nature: the tax deduction is eligible only for those parents whose income is sufficient to take advantage of the opportunity: these are mostly the middle-class families.

Tax deduction for children, 1999–2003			
	1999	2000	2003
Parent with one or two child(ren)	1.700	2.200	3.000
Parent with three or more children	2.300	3.000	4.000
Parent with disabled child	2.600	3.400	10.000

Source: Act No. CXVII of 1995 on Personal Income Tax

4. SOME RECOMMENDATIONS

Based on the analysis above, we have collected some important recommendations that partly can be found in international documents in order to harmonize social services provided by the state and the microenvironment, and the career opportunities of women. The necessary measures with the appropriate implementation should be supplemented with a monitoring system in order to improve the situation.

Our recommendations are:

- to review tax benefit systems in view of reducing disincentives for women entering the labour market,
- to promote the reconciliation between family and career
- to create more family-friendly workplaces for employers and employees, which is reflected in good practices,

- to facilitate the combination of gainful employment and parenthood for both female and male employees,
- to promote accessible, affordable and quality child care to enable women and men to combine their family and working life,
- to improve transport services enabling more women to access labour market opportunities,
- to reintegrate women in family-based enterprises to expand child care possibilities and courses organized for women returning to work,
- to disseminate information on social rights and laws,
- to reduce labour market differences across the different regions of the country
- to introduce new support system for the construction of welfare housing.

FINAL CONCLUSIONS

The analysis of the impact of the EU accession on women and the labour market provided in this Gender Assessment has drawn attention to the importance of evaluating the general labour market situation of women in line with the social policies which are mutually influencing each other. The level of knowledge about the impacts of the EU accession is not sufficient in Hungary, for the wider public there is not enough and reliable information available. The awareness of the gender issues is generally low, the lack of gender research and specific statistics hinder the development of the necessary policies to improve women's labour market and social position. Deep-rooted gender stereotypes persist and require concerted broader educational efforts. Governmental education programs and researches conducted in cooperation with women's NGOs are very important in order to raise the consciousness level and to utilize expertise and capacity developed by civil organizations.

The accession to the European Union provides a unique opportunity to learn more about the institutions and measures introduced in the member states and to implement the "best practices" in our country. In addition we emphasize the necessity of monitoring our national labour market and social system by NGOs and academic researchers in order to analyse the impacts of the implemented EU requirements and simultaneously save our national achievements.

The division of labour in families shows the agreement on traditional gender roles prevailing. Although women's general qualification level has been increasing, women are channelled into specific occupations and the segregation within jobs still exists. In spite of the extended legal regulations promoting the principle of "equal pay for equal value work" women still earn less than men do. The gender wage gap contributes to maintaining women's subordinated position and makes them more vulnerable to economic changes. Concrete government measures must be taken to counteract income and wage discrimination against women and to improve their economic status.

There is a strong correlation between the economic activity of women and the availability of child care facilities. The lack of proper institutions can be

one of the major barriers of women's wish to return to the labour force. The deteriorating demographic situation is a response to the controversy of reconciling family and work. The choice of freedom must be given to all women by promoting accessible, affordable and quality child care.

In order to make easier the participation of women in the labour market, political measures must be taken to facilitate the combination of gainful employment and parenthood for both female and male employees. Creating more workplaces, which is reflected in good practices, urging businesses and corporations to introduce programs and policies that respond to and support the needs of employees and families.

The Gender Assessments of the impact of the EU accession on women and the labour market produced for Hungary and three other countries show how the labour market position of women in those countries are changing as a consequence of the EU membership, what opportunities are being utilized, which ones are being lost. It is our belief that the framework developed by the four Gender Assessments can be used in capacity building of other candidate and non-candidate countries of our region who will apply for the EU membership soon. Those countries can utilize our analysis to anticipate the impact of the EU accession on the labour position of women in their countries. They can also use the Gender Assessments developed for Bulgaria, the Czech Republic, Poland and Hungary as models for similar assessments produced in their countries.

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