

National Report

Policies shaping employment, skills and gender equality in the Hungarian labour market

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Introduction

As Hungary, just about to enter the EU, has not prepared its National Action Plan (NAP) yet to identify its policies of the coming years to increase the employment rate in line with the European Employment Strategy (EES), this report is limited to the analysis of *functionally equivalent* policy documents drafted during the accession process. (The first Hungarian NAP will be completed by October 2004. Preparation is underway, the first round of consultations with different ministries involved and with social partners were finished in March 2004)

During the accession period several policy papers reviewed the state-of-the-art of employment and identified the necessary actions to approximate to the more developed ‘old’ member states. Concerning the position of women in society in general, and their equal opportunities in the to-be-created Knowledge Based Society (KBS) in particular, these documents have fully adopted the principles laid down in the United Nation’s CEDAW Agreement.¹ Also, all pillars and horizontal objectives of EES were seriously taken into account in the course of the accession negotiations, as the policy papers shaping the employment policy of the country were the results of a series of discussions held between the representatives of the EU Commission and the Hungarian Government. While EES is not part of the ‘*legal acquis*’, in practice the EU required a sort of adaptation by candidate countries, and in the field of employment policy the process of accession negotiations showed, to a certain extent, resemblance to the ‘open method of coordination’, the basic instrument of developing NAPs in the member states.²

Although the Hungarian government documents presented to the UN and the EU show the very same endeavours, in reality they often only reflect intentions and objectives; to change

¹ The Convention on the Elimination of All Forms of Discrimination against Women (CEDAW), adopted in 1979 by the UN General Assembly, is often described as an international bill of rights for women. Consisting of a preamble and 30 articles, it defines what constitutes discrimination against women and sets up an agenda for national action to end such discrimination. By accepting the Convention, States commit themselves to undertake a series of measures to end discrimination against women in all forms, including:

- to incorporate the principle of equality of men and women in their legal system, abolish all discriminatory laws and adopt appropriate ones prohibiting discrimination against women;
- to establish tribunals and other public institutions to ensure the effective protection of women against discrimination; and
- to ensure elimination of all acts of discrimination against women by persons, organizations or enterprises.

(See: <http://www.un.org/womenwatch/daw/cedaw/index.html>)

² This statement obviously simplifies the relationship between the Commission and Hungary, but a more detailed discussion of the similarities and differences is beyond the scope of this study.

the practices is far from matching the visions. Out of these documents this paper will discuss those, which are relevant from the point of view of KBS. The most important documents are as follows:

- Joint Assessment of the Employment Policy Priorities of Hungary (JAP, 2001)
- National Action Programme on Ensuring Equality between Men and Women (2002)
- Joint Employment Policy Evaluation, 2nd Follow-up Report on the implementation of Hungarian employment policy from May 2002 to April 2003 (2003).
- National Development Plan, Human Resources Development Operational Programme (2003)
- Hungarian Information Society Strategy (2003)

The report is divided into three major blocks. The paper first outlines some fundamental features of the country (Part 1.), then presents the main principles of Hungarian regulations concerning equal opportunity of women and men, as well as the institutional background of enforcing them (Part 2.). Then the paper reviews the main documents of the EU accession and evaluates them from the point of view of KBS and gender equality (Part 3.) Finally, the conclusions summarise the major findings, heavily relying on interviews with various experts.

The following key persons were interviewed: Head of the Strategic Division of the Ministry of Employment Policy and Labour (female); Head of the Main Group of the Ministry of Education (male), Head of Division of the Ministry of IT and Telecommunication (male), two officers from the Governmental Office for Equal Opportunity (female, female), Director of the Foundation for Enterprise Promotion (SEED) (female) and Legal Advisor of Commercial Employees' Trade Union (female). Interview excerpts in this paper highlight only the process of policy making and assessment of policies from the point of view of the interviewees.³

³ Many statements of the present report are based on: Laky, Teréz: Gender Equality in Employment in Hungary and in Some Other Eastern-European Countries. Prepared for the forthcoming UNRISD volume titled 'Beijing Plus Ten', Geneva, 2004.

1. Key indicators of the Hungarian labour market in the EU context

Let us present some data illustrating the economic and social context in Hungary, in comparison, mainly, with the 2002 averages of the 15 EU Member States⁴

- At the time of the 1 January 2001 population census, Hungary had a population of 10.2 million, including 48% men and 52% women. (The population count has been decreasing slightly year on year since 1980.)

Within the population, 6.9 million were aged 15–64; 3.4 million men and 3.5 million women. Out of the 6.9 million active aged, in 2003 the number of employed was 3.9 million, of whom 2.1 million were men and 1.8 million were women. This low employment rate (56.6%) is basically the consequence of the transition to market economy in the beginning of the nineties when the labour market shrunk significantly due to the lost of 1.5 million jobs.

- The Hungarian retirement age is lower than the customary 64 years in Europe (2003: men 61, women 58). Since the pension reform of 1997, the retirement age of men and women has been increasing at a scheduled rate, so as to attain 62 years for both sexes by 2008.

Given the fact that, under the Hungarian Labour Code, the employment relationship of persons reaching retirement age can be terminated without special reason⁵, and employers tend to make use of this opportunity, Hungarians usually exit the labour market several years earlier than their peers in most European countries (a circumstance exerting a permanent negative impact on activity rates, too).

⁴ Hungary has taken part since 1992 in the regular Labour Force Surveys (LFSs) of the OECD countries, governed by uniform principles and methods, the source of data used for international comparisons and also of the NAP base data. (By the way, *Employment in Europe*, a publication reviewing the annual labour market data of the EU Member States, has for some years covered the accession candidate countries as well, Hungary included.) Source of EU data: Draft Joint Employment Report 2003/2004, Brussels, 27.1.2004 COM(2004) 24 final/2

(See: http://europa.eu.int/comm/employment_social/employment_strategy/report_2003/jer20034_draft_en.pdf) The sources of data not included in the LFS will be indicated separately. However, data from Hungarian sources slightly differ from the EUROSTAT database by methodological reasons.

⁵ This legal provision was introduced by an amendment in 2000 (Act XXXIII of 2000), while it had been a common practice of employers for decades.

Economically active population (ages 15–64, 2002)

%

	EU 15			Hungary		
	All	Men	Women	All	Men	Women
Economically active	69.7	78.4	60.9	60.1	67.7	52.9
- employed	64.3	72.8	55.6	56.6	63.5	50.0
- gender gap	17.5			13.5		
- ages 15–24	40.6	43.7	37.4	30.1	32.9	27.3
- ages 25-54	77.2	86.8	67.4	72.9	79.7	66.1
- ages 55–64	40.1	50.1	30.5	26.6	36.7	18.5
- unemployed	7.7	6.9	8.7	5.6	6.0	5.1
- gender gap	1.8			- 0.9		
Economically inactive*	30.3	21.6	39.1	39.9	32.3	47.1

* Calculated from the data above

Source: EUROSTAT

As the table shows, Hungary's employment rate (56.6% overall rate and 50,0% for women) is below both the present average rate of EU Member States and the EU's targets for the year 2010 (a 70% overall employment rate and a 60% female employment).

- Although the employment capacity of the broad sectors has been modifying steadily parallel with the slow modernisation of the economy, that of the services is still quite modest compared to the EU 15 average. In historical perspective, the current difference in employment is a result of a process of 'two-phase development': mass-scale industrialisation took place in the fifties and sixties while the service sector started to grow in the seventies. During the transition period over the last fifteen years' the service sector employment did not expand further but shrunk in terms of absolute numbers though its share grew due to declining employment in agriculture and industry.

Employment share of the main economic sectors (2002)

%

	EU 15			Hungary		
	All	Men	Women	All	Men	Women
Agriculture	4.1	4.8	3.1	6.2	8.3	3.6
Industry	25.0	34.7	12.7	34.1	42.1	24.5
Services	71.0	60.5	84.2	59.7	49.7	71.9

Source: EUROSTAT

- As is well known, services demand increases in direct proportion with welfare. In 2000, the Hungarian per capita GDP (in USD, at purchasing power parity) corresponded to 51.3% of the EU 15 average (USD 12,507 vs. USD 24,377).⁶
- The chapter of the Wim Kok Report dedicated to research and development (R&D) and innovation stimulation lists Hungary among the 8 (mainly new) member states allocating less than 1% of their GDP to R&D.⁷
- The drop in Hungarian GDP in the early nineties gave way to promising, albeit modest, growth in the early 2000s (annual growth rates: 5.2% in 2000; 3.8% in 2001; 3.3% in 2002 – Source: CSO Yearbooks). According to the estimates of Hungarian economic analysts, it will take 25–30 years for Hungary to catch up with the average national income – also increasing in the meantime – of the EU 15. In the early 2000s, Hungary produced significant public debts, due mainly to wage growth, tax cuts and higher welfare allowances to increase household incomes in the context of economic recession. Broad strata of the society urge catching up with the much higher standards of living in Europe, and the competing political parties have no desire to resist them, although the necessary conditions are missing yet.
- As far as the gender income gap is concerned, estimates based on different assumptions vary considerably. The 2nd Follow-up Report on the implementation of the Hungarian employment policy from May 2002 to April 2003 claims that in 2002 the overall wage gap between men and women was 14.6 % in the budgetary sector and 12.5% in the so-called competitive sector (i.e. private industries and services included state owned enterprises). Sectoral studies found an average wage difference of 10-12% in similar spheres of activity to the detriment of women. Obviously, the share of women is higher in traditionally low-paid industries (like textile and garment) and in services considered to be “feminine” (e.g. education, health care and social work.)⁸ () A closer scrutiny should take into account the different variables influencing individual wages (most importantly age, educational attainment, skill, economic branch of the employer, features of the local labour market, the economic conditions of the given employer, etc.) Different regression estimates of the “wage equation” revealed that the influence of the gender variable was

⁶ Source: National Accounts of OECD countries, Vol. I. Main Aggregates, 1989–2000, OECD, Paris.

⁷ Wim Kok et al.: Jobs, jobs, jobs – creating more jobs in Europe. Brussels, November 2003.

⁸ Szabó, Szilvia: Gender Assessment of the Impact of EU Accession on the Status of Women in the Labour Market in CEE. National Study: Hungary. Budapest, 2003. (KARAT report)

about 18-24 %, and it was somewhat decreasing over the nineties.⁹ The improvement of the income position of women was partly due to the changing rate of women in the labour market during the transition period, which resulted in a relatively upgraded position of those who had remained in employment. Thus the qualification level of women in employment and their share among white-collar employees became above average.¹⁰

- One of the several missing conditions is extensive knowledge required for economic modernisation. According to the population census of 2001, within the Hungarian adult population (ages 15–64), the majority (60%) has either incomplete (4%) or complete (56%) 8-year primary education or three years of vocational training. Some 28% of those remaining in education after primary school finish their 9–12-year study period by acquiring GCSE, and the rate of degree holders is only 12%.
- The young generations show a high propensity to remain in education, and the education system satisfies this demand, at least in quantitative terms. In the school year of 2001/2002, almost 80% of the 15–19 year-old was in education – a high rate even in European comparison. (It is a matter of importance that, under the so-called School-net (*Suli-net*) programme launched in the mid-1990s, the state provided every secondary school with computers and thanks to the national IT training programme, generations of secondary-school students have acquired sound user-level IT skills. Computers installed at community houses at small settlements through state subsidies under the simultaneous ‘telecottage programme’ are also typically used by students.)
- According to the LFS data on educational attainment for 2002, 28.6% of the nearly 5.5 million 25-64 year-old was at ISCED Levels 1 or 2 (incomplete/complete primary education), 51.8% at Level 3 (secondary education), and 5.5 at Level 4 (GSCE plus vocational qualification) 12.3% and 4% at Levels 5 and 6 (higher education), respectively. The distribution of women by educational attainment differs in some respect from that of men: more women than men have primary education only (33 and 24%, respectively). Among those at Level 3, the rate of skilled-worker men is twice that of women (39 and 19%, respectively), while 28% of women and only 18% of men have GCSE. Persons with

⁹ For the estimation of the wage equation see for instance: Körösi, Gábor: Labour Adjustment and Efficiency. Budapest Working Papers on the Labour Market. No. 2002/4. Institute of Economics – Budapest University of Economics and Public Administration, Budapest, 2002; Neumann, László: Does Decentralised Collective Bargaining Have an Impact on the Labour Market in Hungary? European Journal of Industrial Relations. (Vol. 8. (2002) No. 1. pp. 11-31.

¹⁰ Galasi, Péter. Női-férfi kereseti különbségek Magyarországon, 1986–1996. (Female-male income differences in Hungary) Országos Munkaügyi Kutató és Módszertani Központ, Budapest, 2000.

higher education qualification (ISCED Levels 5 and 6) include a somewhat higher proportion of women than of men (14.6% vs. 13.8%), but two-third of the approximately 6500 persons having PhD or DLA are men. The overall picture includes the fact that, in 2002, 170 thousand adults studied at evening courses, correspondence or e-learning courses, the majority (81 thousand) in higher education (ISCED Levels 5 and 6).

In other words, more women than men in the labour market have only completed primary education while those women who continue their education are much more likely to enter higher education than men, although more men complete Phd or DLA. Despite the generally low educational attainment of the population, one can safely say that on the average young women constitute one of the highest educated groups in Hungarian society.

- However, among the 20–24 year-old, the rate of students is as low as 21%, including some 18% undergraduate students. (Apart from sporadic cases, 2003 was the first year when part of the school-leaver degree-holders failed to get an adequate job satisfying their demands. This state of affairs prompted many, including politicians and labour market experts, to call for restrictive measures and enrolment quotas. However, as we have seen, despite the option of free university training, less than 20% among the 20–24 year-old actually aspire for a diploma.)
- Lack of state-of-the-art knowledge is a general problem among those at work already or waiting for placement. In 1998, the Second International Adult Literacy Survey (SIALS) assessed the writing and reading/text comprehension skills of the Hungarian adult population. The results were rated on a scale of 5. Level 1 included persons coping with everyday reading/writing tasks with difficulty or hardly at all; those at Level 2 coped better in the everyday context but had problems acquiring new knowledge, Level 3 represented basic skills required for everyday life – corresponding approximately to GCSE; Levels 4 and 5 included those with high-level/complex skills. In terms of age and gender groups, the best results were shown by women aged 16–25: a mere 15% among them was at Level 1 and 7% at Levels 4 and 5. The worst results were those of men aged 56–65: 64% (!) was at Level 1. By the way, women outperformed men in every age group. The same formula applies to results broken down by settlement type.¹¹ All in all, this picture corresponds to what could be expected on the basis of the school qualifications of

¹¹ Nők és férfiak Magyarországon, 2002 (Men and women in Hungary 2002), CSO, Ministry of Employment and Labour, Budapest, 2003.

the population, with the proviso that those who did not take part in education in adult life also forgot a certain, smaller or greater, part of what they had learnt at school.

According to the LFS data for 2002, in Hungary the rate of early school-leavers (i.e. those completed their regular, streamline education with max. lower secondary-level qualification) is 68.6 % among the age group of 18–24, while the corresponding EU average is 18.8%.

In the EU, three-quarter (75.6%; 72.9% of men and 78.4% of women) of the population aged 20–24 is in education. In Hungary, the corresponding rate is one-fifth (21.5%).

The situation has improved in the sense that knowledge as such has appreciated in the eyes of many, and a growing number of persons, especially among the youth, continues education at adult age.

- By the early 2000s women outnumbered men among non-manual workers. On the basis of the international classification system taking into account educational attainment (ISCED) too, in the white-collar occupations absorbing around 40% of earners, the rate of women exceeds 60%. (In the main group of “Legislators, managers in administration, interest representation, business”, on the other hand, their rate is around one third only, but this is independent of educational qualification issues). On the other hand, in manual jobs absorbing 60% of earners, the proportion of women gradually dropped in the transition years to hardly more than one third.

In the nineties, most job losses (of both sexes) occurred in the manual workers’ segment when bankrupt agricultural co-operatives and industrial plants were liquidated and the contracted labour market had no need for workers with lower qualifications. In 1992, 45% and 57% of job loser men and women, respectively, were semi-skilled or unskilled workers, typically with primary education. (In 2002, the corresponding rate was still higher than 50% for men, but already lower than 10% for women.) The demand for unqualified female workers shrunk to such extent that the majority became unemployed and then inactive, deeming job search hopeless.

Number of the employed by main employment groups in Hungary, 1994, 2002

Major job groups		1994*			2002**		
		all		women %	all		women %
		'000	%		'000	%	
1.	Legislators, senior officials and managers	240.8	6.4	36.8	261.7	6.8	34.5
2.	Professionals	383.3	10.2	56.7	454.5	11.7	57.2
3.	Technicians and associate professionals	448.6	12.0	64.5	544.7	14.1	65.2
4.	Clerks	318.9	8.5	91.2	246.8	6.4	92.3
Non-manual workers, total		1,391.6	37.1	63.7	1,507.7	39.0	62.0
5.	Service workers and shop and market sales workers	517.0	13.8	56.8	600.6	15.5	55.7
6.	Skilled agricultural and forestry workers	132.4	3.5	31.3	134.8	3.5	29.3
7.	Craft- and related workers	852.3	22.7	21.3	820.7	21.2	16.8
8.	Plant and machine operators and assemblers	390.1	10.4	21.1	480.8	12.4	29.4
9.	Elementary occupations	359.9	9.6	57.1	284.8	7.3	57.1
Manual workers, total		2,251.7	60.0	35.7	2,321.7	59.9	35.2
10	Armed forces	108.2	2.9	5.6	41.2	1.1	2.7
National economy, total		3,751.5	100.0	45.2	3,870.6	100.0	45.2

* First year of available data

** Calculation based on 2001 population census data.

Source: LFSs, CSO 2003

Economic restructuring no doubt played a significant part in the worsening labour market position of uneducated women and in the significant improvement of that of educated women as well as in gender segregation in certain occupations.

- 47% of working-age women are inactive; inactivity in women who are not in education can mainly be attributed to their low educational attainment. . Nonetheless, the majority of inactive women would like to take up a job, but – among other reasons – in the lack of appropriate skills such ambitions can not be met.

The composition of the working-age inactive 1992, 1997, 2002

Year	Economically inactive '000	<i>Of which:</i>							
		in education		on parental leave *		Retiree**		Other	
		'000	%	'000	%	'000	%	'000	%
1992	1,677.4	652.8	38.9	240.2	14.3	383.8	22.9	400.6	23.9
1997	2,250.2	775.1	34.4	331.4	14.7	626.2	27.9	517.5	23.0
2002	2,298.3	707.4	30.8	286.9	12.5	739.2	32.2	564.8	24.5
<i>of which: women</i>									
1992	955.0	320.2	33.5	237.1	24.8	151.0	15.8	246.7	25.9
1997	1,333.1	385.9	28.9	327.6	24.6	320.2	24.0	299.4	22.5
2002	1,321.1	358.2	27.1	281.9	21.3	360.0	27.3	321.0	24.3

* Not including the employed and active job-seekers

** Disability and old-age pensioners

Source: LFS, 2002, CSO, 2003.

To sum up the labour market situation, while the qualification level of women is traditionally higher than that of men, their rate of employment has remained low and mass-scale female inactivity (mostly of the elder generations) is the severest challenge for employment policies of the day.

2. From Policy on Women (Nópolitika) towards Gender Mainstreaming in Hungarian policies

Para (19) of Article 66 of the Hungarian Constitution explicitly ensures the equality of men and women in all civil, political, economic, social and cultural rights. All forms of discrimination are prohibited, discrimination based on sex included. The guiding principle codified by the Constitution is complemented by acts and legal regulations covering practically every area of life.

The Labour Code, for example, guarantees equal treatment for men and women in the establishment of the employment relationship and for the duration of the same, the principle of equal pay included. It stipulates the same terms and conditions of promotion at the workplace for men and women etc. The rules applicable to employees treat the protection of women expecting children and the special rights of women raising small children specifically, too. Subsidised parental leave is available, in accordance with the principles of equal rights, to fathers, too, under certain conditions. Despite equal eligibility of mothers and fathers for almost all forms of parental allowances, in practice 98 % of the recipients are women.¹²

Family law also protects women in many respects and with emphasis, including protection against violence in the family. Women raising at least three children in their own household until the youngest one goes to school are eligible to special support, the so-called child-raising support (GYET), the period of which qualifies as service period for pension, as if the mother were in employment. (This is the only form of parental support which is not available for fathers.)

Among the many legal regulations aiming at the protection of the rights of women (and mothers with small children), only the one applicable to retirement age is not identical for both sexes. (Prior to the pension reform, the retirement age of women and men was 55 and 60 years, respectively.) The retirement age limit, subject to scheduled increase, – and aligned with a life expectancy that is still significantly lower than the European average – will be 62 years for both sexes by 2008. (A multitude of women, especially those with poor/no

qualification, did not consider the option of withdrawal to the household at a relatively young age a disadvantage. Most envisaged to spend their time taking care of their grandchildren. According to recent research findings, however, women with better qualifications would like to work on even after retirement age.¹³⁾

All things considered, the current Hungarian legislation qualifies as completely up-to-date in terms of the assertion of the principle of equal treatment for men and women. As it was shown, in theory fathers enjoy equal access to almost all child-bearing provisions, yet apart from values and traditions the low level of provisions also discourages fathers to make use of them for in the usual two bread-winner families fathers usually earn more than mothers.

Hungary has been the member of several major international organisations for years (ILO membership since 1922, UN membership since 1955, OECD membership since 1996 etc.), and has considered it essential, irrespective of the political power ever, to comply with their standards. It is of special relevance for our topic that – as it mentioned above – in 1982, well before the country's economic and political transformation, Hungary ratified the UN Convention for the Elimination of All Forms of Discrimination Against Women (by Law Decree No. 10. of 1982). It was promulgated as an Act in the same year, in which the government assumed the obligation to 'wind up inequalities between men and women'.

The main line of policy regarding women's rights, however, and concerns mainly the continuous implementation of the CEDAW programme and of the national programme having specified further tasks following the Beijing World Conference of Women.

The countries having ratified the Convention submit a report to the CEDAW Committee of Experts on the national implementation of the Convention every four years. Hungary drew up a consolidated 4th and 5th Report in 2000 (*The Fourth and Fifth Reports of Hungary to the UN Committee for the Elimination of All Forms of Discrimination Against Women – Ministry of Social and Family Affairs, March 2000*).

¹² For an overview of the Hungarian parental leave system see: Olga Tóth: Questionnaire for EIRO comparative study on gender equality plans at the workplace - the case of Hungary. EIRO (forthcoming)

¹³ See: Dobossy, Imre – S. Molnár Edit – Virág Eszter, *Öregedés és társadalmi környezet – Életünk fordulópontjai* (Aging and societal environment – Turning points of our lives), KSH Népeségtudományi Kutatóintézet, Budapest, 2002.

The Report covered the situation of women in Hungary, from political and public participation to family life, in a structure matching that of the Articles of the Convention, dedicating a special chapter, among others, to the issues of education and employment.¹⁴

The genuine government-level intention to assert the rights of women as fully as possible was supported among others by the establishment of the necessary organisational background.

2.1 Government offices for Equal Opportunities¹⁵

In 1982, when the Hungarian government signed the UN Convention (CEDAW), it was promulgated as an Act in the same year. In the Act, the government assumed the obligation to “wind up inequalities between men and women”. The next notable event in the area of government action on gender equality was in 1995, when Hungarian representatives signed the Declaration of the UN’s Fourth World Conference on Women and commenced to elaborate a National Action Programme on promoting the equality of women and disadvantaged social groups in general. In 1996, the Secretariat for Equal Opportunities, the first such governmental institution, was set up. In 1997, the government decided to develop a comprehensive programme to implement the National Action Plan. The 1999 report on implementation found that the relevant obligations had been mostly, but not fully, met.¹⁶

In 1998, the right-wing/conservative government led by the Alliance of Young Democrats-Hungarian Civic Party (FIDESZ-MPP) renamed the Secretariat for Equal Opportunities as the Secretariat for Women's Representation. This was not only a change in the name, but also a change in the philosophy of the body's activities. The reformed institution emphasised women’s education and supported religious and civil movements, but failed to set up a

¹⁴ The Report was supplemented by an extensive document providing detailed answers to the questions raised by the Committee in connection with the Report. In 1999, the Hungarian Government prepared a special report on the implementation of the Beijing Action Programme for the 44th Session of the UN Committee on the Status of Women (2000).

¹⁵ This section is partly based on: Pulai, András, Increasing emphasis on equal opportunity and gender issues. <http://www.eiro.eurofound.eu.int/2003/05/feature/hu0305101f.html>

¹⁶ In general 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; strong vertical and horizontal segregation and wage differentials between women and men, and misuse of ‘overprotective measures’. (KARAT report, Foreword)

comprehensive package of measures to proceed with the work launched by the previous government.

In 2002, the UN's CEDAW Committee's response to the report on implementation of CEDAW submitted by the Hungarian authorities in 2000 made further recommendations to governmental bodies. The Committee emphasised the need to: improve the conditions of female employment; develop measures against harassment of women; widen the institutions of law enforcement; establish nationwide institutions monitoring the needs of women; and set up a governmental institution to ensure equal opportunities between men and women. The EU also repeatedly requested the Hungarian authorities to give the relevant directives special attention.¹⁷

As requested in the 2002 CEDAW report, the socialist-liberal government, which came to office in 2002, set up a governmental body responsible for the issue of equality between men and women. This institution was the successor of the secretariats set up by previous governments, yet the new name – General Directorate for Equal Opportunities (Esélyegyenlőségi Főigazgatóság) – involves a new conceptual framework, with new tasks and new responsibilities. Katalin Lévai, who had headed the Secretariat for Equal Opportunities set up in 1996, was asked to be the general director of the new Directorate. The Directorate worked within the Ministry of Employment and Labour and had three main fields of action, focusing on the three largest disadvantaged social groups: women, people with disabilities and members of the Roma minority (Gypsies). Under the coordination of the Directorate, the latter two fields were managed jointly with other governmental institutions. At the same time, the Directorate took part in the preparation of all decrees and acts related to its fields of activities, and it was thus responsible for making the policies of every ministry 'gender mainstreamed'. It is too early to evaluate the results of these efforts, however obstacles met by the officers of the Directorate are pointed out in the interviews.

The spirit of Gender Mainstreaming would require a different approach than earlier equal opportunities programmes used. If we want to influence decision-making processes deep down we tend to violate vested interests. Men would be required to give over their seats in commissions to women. For instance, EU regulations for the National Development Plan monitoring committee require that half of the members be men and half of them women. Members, however, are delegated by ministries, civil organisations and regional interest representation bodies. All but one of public administration delegates – the heads of relevant

¹⁷ In this respect the following items of the „acqius” formulated important tasks to carry out: Council Decision 2001/51/EC establishing a programme relating to the Community framework strategy on gender equality (2001-5) and Council Decision 2000/750/EC establishing a Community action programme to combat discrimination (2001-6)

agencies – were men. When I commented on that, the minister chairing the meeting asked incredulously 'Do women have any problem here?'

As for our activities concerning Gender Mainstreaming, the biggest challenge was the newly established National Development Agency where we wanted to integrate this approach in the overall functioning of the agency. The organisation and the committees of the NDA mean so much work that it is impossible to be present at every meeting as in order to meet the horizontal objectives we should delegate a member in each of the committees, but our staffing is too small.

(Officers at the Governmental Office for Equal Opportunity)

In May 2003 Katalin Lévai was appointed to be a member of the Government as a Minister of Equal Opportunity without portfolio. This can be an indicator of the increasing importance of gender issues in Hungary. However, the new Governmental Office for Equal Opportunity practically inherited the responsibilities of the former Directorate, it is responsible not only for gender equality, but even for issues connected to ethnic relations (most importantly for the Roma population) and to the situation of handicapped people. Moreover, the Office will face another change in the second half of 2004, when the present Minister will most likely be a member of the European Parliament.

Although the new Governmental Office formally amounts to a stronger position within state administration, in practice the organisational change itself caused enormous problems. On the one hand, establishing a new office usually paralyses the functioning of government offices for at least half a year, and on the other hand previous initiatives of the predecessor Directorate-General have lost their impetus. At the moment (March 2004) neither the successor of the Women's Representation Council work, nor the Action Plan prepared by the former Directorate-General is in force.

(After initial hardships...) by 2002 the Women's Representation Council became able to cope with its tasks. After the new government came in office, heads of the Directorate-General wanted to make the council more efficient and to involve trade unions. The real thing on their minds, however, was that it is not a decision making forum but only an organisation of talks. By the time ministries had submitted their opinions on restructuring, newer organisation changes were underway... We have been working on our action plan since 1997, yet we have not been able to make the government accept it, although the UN itself requires it. To have the program accepted is important because it would set deadlines for public administration agencies and would make them accountable. Until May 2003 the affairs of the Council and the Program ran side by side but with the appointment of the minister without portfolio everything stopped. It will take at least 4 or 5 months to set up the new apparatus and appoint leaders. There is still no action plan in force, only a draft... And in addition to women, the new organisation is to deal with other target groups, the Roma and the disabled. Now the women's cause has to be defended once again, and fight for its position within the agency, too.

(Officers at the Governmental Office for Equal Opportunity)

2.2 Anti-discriminatory legislation ¹⁸

The Directorate, and its successor Government Office took a major role in preparing new acts on domestic violence and on anti-discrimination. The latter, which was submitted to parliament for debate and approval in mid-2003, includes measures on equal opportunities and equal treatment, and promotes project-centred positive action programmes in line with the relevant EU Directives and general EU principles. In the draft version several endangered groups to be protected were enumerated: gender, ethnicity, colour of skin, nationality, mother tongue, handicapped situation, health condition, religion, political orientation, marital status, parental status, sexual identity, age, social background, wealth situation, etc. Undoubtedly, then gender headed the list. However, later on it was the Ministry of Justice, which completed and submitted the draft law on Equal Treatment and Promoting Equal Opportunities to the Parliament in September 2003. (In the public discourse it is simply called the anti-discriminatory law.) The Ministry of Justice somewhat shifted the conception of the law: instead of dealing with different disadvantageous groups, the new bill focuses on different fields of discrimination, such as employment, social welfare and health care, housing, education and training, trade and services.

The earlier concept of the draft version included the requirement of public and private companies employing more than two hundred and fifty people to prepare an equality plan every year. According to the draft plan companies would have to make a survey of the employment situation of the endangered groups (especially on wages, working conditions, promotion, training, childcare and maternal allowances), and in the view of achieving the equal opportunity targets. Reportedly, due to the resistance of the employers' side in the National reconciliation Council (OÉT), the national tripartite forum, this relatively stringent regulation disappeared by September 2003. The final version passed by the Parliament (Act CXXV. of 2003) stipulates that only state owned companies employing more than fifty people are required to do draft the plan in the framework of the National Equality Programme, which should be prepared by the Government. The National Equality Programme must be submitted to the Parliament by 1st January 2005 for the first time. A newly established state office in charge of enforcement of the law and dealing with complaints of citizens will also commence its work at the beginning of 2005. The rest of the act came into force on 27th January 2004.

¹⁸ This section is partly based on: Nagy, Beáta and Neumann, László, Questionnaire for EIRO comparative study on gender equality plans at the workplace - the case of Hungary.

2.3 Civil and social dialogue, women organisations

The Governmental Office and its predecessors have been required to maintain contacts with the civil sphere and to involve civil society organisations into their programmes and decision-making. Based on this duty, the Council for Gender Equal Opportunities – as the previous government's Council for the Representation of Women (*Nőképviselési Tanács*) has been renamed – was established within the framework of the Directorate in 2002. The Council, comprising civil organisations engaged in gender issues, funds projects on a tendering basis. The duties of the Council include raising public awareness on gender issues. It is often civil organisations rather than the social partners were involved in consultation on the 2003-6 National Action Programme on Equality.

Trade unions initially were invited to the Council for Gender Equal Opportunities. The right-wing government, however, put them out from the Council for the Representation of Women. Interestingly enough, with the new government coming into power in 2002, their membership was not restored, and in recent letter addressed to the Head of Prime Minister's Office they have criticised the new Government Office.

Trade unions and employers' confederations take part in the work of the National Interest Reconciliation Council (OÉT), which was restructured in 2002, when the socialist-liberal coalition government came into power. As a part of the revitalisation of the OÉT, the new Equal Opportunity Committee (*Esélyegyenlőségi Bizottság*) was established. Since then the Commission held three sessions devoted to the evaluation of the draft versions of the anti-discriminatory law. Nonetheless the representatives of social partners are rather active in the field of employment policy, this is confined to the plenary session and to the Labour Market Committee, the Equal Opportunity Committee does not deal with such issues. The only exceptional case was the debate on the National Development Plan, which was discussed by the joint session of the Economic Policy and Equal Opportunity Committees.¹⁹ Concerning

See: <http://www.eiro.eurofound.eu.int/2004/02/word/hu0310103s.doc>

¹⁹ In this case the Office for the National Development Plan and EU Support (NFH), the government department in charge, launched an unprecedented and massive information and consultation campaign to reach all possible partners among local governments, business organisations, professional associations and non-governmental organisations (NGOs). In order to extend the scope of existing social and civil dialogue fora, the NFH used various methods, signing cooperation framework agreements with different organisations, holding a series of meetings with sectoral or regional partners and also relying on the internet and personal communication. See: Neumann, László and András Tóth: Social dialogue on National Development Plan.

See: <http://www.eiro.eurofound.eu.int/2003/06/feature/hu0306103f.html>

the Human Resources Development Operational Programme, at the plenary session the unions proposed incentive measures to allow part-time employment better to include women. As for life-long learning objectives, trade unions criticised the government's proposals for being limited to unemployed people, while neglecting the (re)training needs of the whole population in employment. According to the unions, social inclusion measures should be comprehensive in the NDP, and not applicable only to members of the Roma minority.

The few organizations of trade unions being active in gender issues have expressed their interests at all the three levels (national, sectoral and company level). At national level the trade union confederations' women's sections (commissions, task-forces, etc.) are rather active. For example, the Women Commission (*Női Választmány*) of the National Association of Hungarian Trade Unions (MSZOSZ) regularly publishes its standpoints and engages in lobbying at the Parliament. It has demanded a separate law on equal treatment at workplaces (like the regulation in Austria), has filed proposals dealing with violence against women within the family, government health care measures affecting women, etc. However, at sectoral level even in the industries dominated by female workers union federations do not deal actively with these issues.

In the summer 2002, the Equal Opportunities Committee of OÉT was set up on the initiative of MSZOSZ. However, the Committee was set up only after the discussion of the equal opportunities bill, and thus could discuss the draft bill of the Ministry of Justice only in the summer of 2003. The draft had lots of problems, for instance it included the possibility of public interest suing but the language was incomprehensible. The requirement of similar promotion was taken out of the Labour Code but it was not introduced in the new law... Moreover, in the first draft the requirement of equal pay for equal work would have been taken out of the Labour Code. To enforce the new regulations, first an Equal Treatment Committee of 4 researchers of great authority was to be set up to take care of complaints. We, just like other civil organisation, protested and wanted that the people affected have social representation in the committee. Finally, the Committee was made an Authority, and an advisory body with trade union representation will work to help it. This, however, will be started only in January 2005.

(Legal Advisor of Commercial Employees' Trade Union)

Although trade union representatives are actively involved in national and sectoral level fora, the union movement as a whole is fairly weak in Hungary. Trade union membership is steadily declining, the impact of collective bargaining on wage determination and working condition is insignificant. Due to their limited resources, national and sectoral union centres are short in experts specialised in the different issues negotiated in the social dialogue committees. Although social dialogue institutions have improved over the recent fifteen years,

partly on the influence of the EU and the ILO, it is up to the governments' political will whether the existing channels provide unions and employer organisations with a possibility for meaningful negotiations.

Clearly, in the recent years the government has taken the lead in equal opportunity issues in line with the relevant EU policies, while the social partners and civil organisations seem to be lagging behind in raising such questions and taking their own initiative in the various consultation fora.

The assertion of equal opportunities in every area, as well as the protection of women's rights, is obviously a government policy of increasing priority. The latter, however, has so far essentially been limited to the highest level of politics.

As will be shown by the following, neither did policies targeting women play a part of merit in the drafting of several major national programmes; apart from occasional declarations, the stock-taking of specific tasks, based on serious reflection, and their organic integration into the programmes ever, is mostly missing.

3. Some programmes related to employment promotion and the Knowledge Based Society

In what follows, we shall survey the most important features of these programmes from the point of view of our topic, with special regard to the level of co-ordination of the policies involved, and the extent to which they embody the targeted common objectives. The survey is based on documents, and on interviews with their authors and with participants of the related social debates.

3.1 National Action Programme on Ensuring Equality between Men and Women

The experts of General Directorate for Equal Opportunities draw up the 2003-6 National Action Programme on Ensuring Equality between Men and Women (*Nemzeti cselekvési program a nők és férfiak esélyegyenlőségének biztosítása érdekében*). The Programme specifies a variety of tasks to be carried out during the current governmental term. It promotes the realisation of the general equal opportunity strivings formulated by the specialised political areas (social policy, employment, regional development) and to exert an efficient influence on public opinion.

The National Action Programme was supposed to be funded by the government, save a pilot project (Twinning Project on “Tackling the Gender Gap in the Labour Market”), which was launched with the support of PHARE to promote the labour market reintegration of women.²⁰ In fact, the Programme has not been endorsed either by the previous nor the current government due to the changes in the organisation of public administration, and only the PHARE project, enforced by international contracts, has gone on irrespectively of the change of governments in 2002. It is emphasised among the future tasks that, in order to assert the principle of equal opportunities on the labour market, branch-specific legal regulations will also have to be reviewed and, if necessary, amended, in order to eliminate all forms of labour

market discrimination of women. Special attention should be paid to women of child-bearing age, to women raising children and to aged over 40, those returning from maternity leave as well as to the situation of Roma women.

The measures promoting and ensuring equal opportunities in the labour market specify actions aimed at reducing and eliminating discrimination against disadvantaged groups and the segregation of women. These actions include:

- helping women entering or re-entering the labour market, by developing vocational training, assisting (re)integration, and introducing a system of state incentives for employers to employ disadvantaged women;
- revising welfare provision for children and elderly people, taking into account equal opportunities perspectives;
- launching programmes to promote the principle of reconciling work and family life; and
- promoting the idea of the 'family-friendly' workplace by auditing employers and encouraging them to take part in an annual 'family-friendly workplace' competition (which was already initiated by the previous government).

Further tasks include the collection of data broken down by gender on the types/extent of wage gaps; the review of the career orientation system; the development of a work performance measurement system to ensure the assertion of the principle of “equal work, equal pay”; furthermore, assistance to women to fill managerial posts in the enterprise sector by providing/subsidising appropriate training. Furthermore, a nation-wide network of legal aid offices is to be created to provide help free of charge for those suffering from inequality, for example at the workplace, and to inform the various target groups about their rights. Educational packages for public servants, judicial employees (lawyers, judges and prosecutors), civil servants and human resource managers are to be developed.

One way to reconcile employment and family life is to spread flexible employment options and improve child supervision facilities. The top priorities of the Government include the spread of part-time employment, for the purpose of the reconciliation of work and family life, and easier access to education and training options while at work.

²⁰ See: Karen Sjoerup et al.: Draft report on gender-mainstreaming of the National Action Plan for Employment. Danish Research Center on Gender Equality. February 2003.

In Hungary, a significant proportion of female earners would like to work part time (at least this has been their declared standpoint for decades²¹), mainly to be able to fulfil their family duties, too. This form would be especially popular among mothers raising two children (in 1978, more than one third and in 1991 more than half of them would have chosen this alternative).²² Unemployed women, on the other hand, do not consider part-time work so attractive: the majority would prefer a full-time job, as in other countries of Europe. Yet, among earners, the actual part-time employment rate has been stable at 5–6% for some time. Hence, although many women consider part-time work an attractive option, it has so far not become a successful employment promotion option in Hungary. One obvious obstacle is that most families cannot afford to renounce of half/one third of their income. On the other hand, employers are not interested either in part-time employment, given the fact that one labour cost element, the flat rate health care contribution, is payable irrespective of working time. The intention to support part-time employment of women with small children went by and large unnoticed, given the absence of job opportunities.²³ (As a latest development, a Ministerial Decree introduced a targeted form of wage subsidy in 2003. Employers may claim for 75 % of wages and wage levies for a year, if they create part-time job for those who have been unemployed for least three month or for parents raising a child younger than 14. This measure might have a major impact on employers' willingness to employ part-time.) Hence with the approach of Hungary's accession to the EU, the improvement of the situation of women shifted from declarations to more specific action.

3.2 Joint Assessment of the Employment Policy Priorities of Hungary (JAP) and its follow-up reports

The JAP prepared by the competent EU and Hungarian authorities to sum up the main tasks of employment promotion in Hungary is the programme laying the groundwork for Hungary's accession to the EU. Preparation of the first document began in 1999, and it was finally signed at the end of 2001, then the two follow-ups were issued in subsequent years. On the

²¹ See: Frey, Mária.: A nők munkaerőpiaci helyzete (Labour market situation of women) CSO, Budapest. 2001

²² Pongrácz, Tiborné: "A család és a munka szerepe a nők életében." (The role of family and work in the life of women) In Spéder Zsolt, (ed.), Népeség, értékek, vélemények (Population, values, opinions). Népeségtudományi Kutatóintézet, Budapest, 2002. Kutatási jelentések No. 73, pp.123–137.

²³ In answer to the relevant recurrent LFS question, in 2001 only 1000 of the 90 000 female respondents expressed their preference for part-time work, although a few tens of thousands would have accepted that, too, for lack of a better alternative. See: Laky, Teréz: Labour Market Report 2001. Main Trends in Labour Market Demand and Supply. National Employment Office – National Employment Foundation. Budapest, 2002.

one hand, over the five-year history of the ‘open coordination method’ between Hungary and the EU documents improved considerably due to the fact that the relevant units of Hungarian public administration improved and underwent a learning process. On the other hand the various Hungarian governments, always reshaping public administration, had an enormous influence on labour market policies and the objectives laid down in the documents.

When in 1999 the experts of DG V. came to Hungary, negotiations were coordinated by the section of the Ministry of Social and Family Affairs in charge of international contacts while the Ministry of Economy was in charge of the active employment policy and education was split up between several ministries. In the Ministry of Social Affairs no one seemed to be interested in lifelong learning, but the Ministry of Education was politically very strong that time and created their own absolutely new Adult Education Bill. And also before the assessment was signed further institutional changes took place. Although in 2000 the whole of employment policy was referred to the Ministry of Economy, for the minister employment policy was not a central issue. Even they were late with the preparation of NDP because they were not interested in the EU documentation at all. It was not before the new government taking office in 2002 that an employment policy power centre was created for the labour market was an important issue for the politicians in the socialist government.

The basic document of 2001 is mostly the answers to the questions of the EU and focuses less on problems we thought important. Later we had a hard time to cope with commitments resulting from the originally given responses. Also, the concept of the documents tended to change. For instance, in the first of them, lowering the unemployment rate was an important priority. This was politically important, governments like to boast of low unemployment rates, but this in itself is not that important for professionals. Later the apparatus tried to subtly modify priorities and made the reduction of inactivity the central issue of evaluations.

(Ministry of Employment Policy and Labour)

While providing a multifaceted analysis of tasks deriving from the state of the Hungarian labour market, the document, approved in November 2001, hardly discusses the special problems of women, i.e. their low rate of employment and high rate of inactivity and the relevant reasons. As for the hindrances of employment promotion, it identifies identical priority tasks for men and women (establishing a more flexible labour market; regional mobility; investment in human resources; initial education and training; continuing vocational education and training, etc.) Women are mentioned marginally, in the context of the efforts to ensure gender equality in general, in connection with the increase of retirement age, “encouraging people to carry on working beyond retirement age while reinforcing the principle of insurance by pro-rating obtainable pensions” (p.11.). Furthermore, “Through a new programme, the Government intends to stimulate female employment. One element of

the programme is to create family-friendly workplaces ...Pilot projects have also been launched to reintegrate women in family-based enterprises to expand child-care possibilities and courses organised for women returning to work” (p.11.)

The Conclusions indicate, among the tasks to be reviewed by the EU and Hungary, the “implementation of measures to address gender gaps, including the review of the implementation of non-discriminating legislation and provision as well as the promotion of family-friendly working arrangements” (p.30.).

JAP gives “high level ... knowledge and technology, especially Information Society Services” and education processes designed to lay their foundations an emphasis corresponding to their weight, without, however, making special reference to the role of women.

Many documents were prepared in the accession preparation phase (2001 to 2004). Hungary submitted its first report to the Commission on achievements regarding the jointly defined objectives in May 2002. The Commission pronounced an (unofficial) opinion on the measures taken to implement the tasks considered most important in August 2002, and, subsequently, in October 2002, representatives of the Hungarian Government and the Commission discussed future tasks at a professional seminar and formulated their conclusions jointly. The following tasks were given priority:

- measures to address gender gaps, including the stimulation of the establishment of non-discrimination legislation and provisions;
- enhancement of job creation capacity, in particular in the service sector, as well as in SMEs with a high level of knowledge and technology, especially Information Society Services;tasks relating to vocational education of adults.²⁴

The European Commission released its evaluation of the employment policy of the accession candidate countries, including Hungary, in February 2003.²⁵ The evaluation on Hungary essentially analysed the performance of the country in 2001 on the basis of the findings of JAP.

²⁴ Labour market notes, Hungary (Munkaerőpiaci feljegyzés, Magyarország), Work-document of the professional seminar, 15. October 2002.

²⁵ Commission Staff Working Paper, Supporting document to the Communication “Progress in the implementation of the Joint Assessment Papers on employment policies in candidate countries” {COM (2003) 37 (final) Brussels, 18.1.2003 SEC (2003) 200}

Hungary prepared its 2nd Follow-up Report on the Implementation of Medium-term Employment Policy Priorities in April 2003.²⁶ The evaluation treats gender equality and in particular the problems of women in unprecedented detail. For, in the course of the accession preparations, measures to improve the situation of women were included in each and every basic document of key importance for the future. In its section 4.4. the document enumerates a series of concrete measures to be taken in this field. For instance, it envisages the reviewing of sectoral regulations and if necessary their amendments, data collection concerning the gender wage gap, revision of enrolment orientation systems, and development of job assessment methods in order to enforce the 'equal wage for equal work' principle at workplaces, promoting women's career as well as their business start-ups. Harmonising working and family life is a highlighted issue too, and thus the report suggests promoting part-time work and the development of kindergarten and day-care facilities. The report to a large extent repeats the measures elaborated in the previous drafts, first of all, in the National Action Programme on Ensuring Equality between Men and Women.

3.3 National Development Plan (NFT)

Undoubtedly, among the several policy documents the National Development Plan (NFT) is of paramount importance for its main role is to enable the Hungarian government technically to utilise the EU Structural and Cohesion Funds. The Plan's long-term objective has been defined as follows: to improve living conditions in the country in general and, regarding the given finance period, 'to decrease the territorial differences in the degree of development compared to the EU as well as across regions of the country. The Plan is divided into five main policy areas:

- the Human Resources Development Operational Programme;
- the Economic Competitiveness Operational Programme;
- the Agricultural and Regional Development Operational Programme;
- the Regional Operational Programme; and
- the Environmental Protection and Infrastructure Operational Programme

²⁶ Joint Employment Policy Evaluation, 2nd Follow-up Report on the implementation of Hungarian employment policy from May 2002 to April 2003. Ministry of Employment Policy and Labour, Ministry of Health, Social

Each operational programme consists of a detailed list of measures and indicative methods for assessing the expected results, and outlines the institutional capacity to implement the programme. For instance, the Human Resources Development Operational Programme (*Emberi Erőforrás Fejlesztési Operatív Program*, HEFOP), which is the main area of concern for his study, aims to increase the employment level, help disadvantaged groups (re)enter the labour market and promote social inclusion. Furthermore, the programme seeks to strengthen employability through improving vocational training and the public employment service – in these fields, infrastructure development seems to be the preferred measure.

Out of the 15 “measures” of the HEFOP only one is devoted exclusively to improve the labour market participation of women. Measure 1.3 titled “Promoting the return of women to the labour market” identifies the following objectives: to improve the employability of women; to promote their participation in the labour market; and the reconciliation of work and family life will be facilitated through providing child care services. In practice, this measure, endowed with a relatively small budget, continues the project already commenced in the framework of a PHARE programme, and makes it possible for the government to meet the project’s sustainability requirement. Naturally, the fairly extensive document’s rhetoric deals with equal opportunity as a horizontal objective, and women are often mentioned in various other chapters of the programme.

At the policy making level, we participated in the ex-ante evaluation of the Human Resources Development Operational Programme. I saw that although doing the SWOT analysis is compulsory, the three ministries involved started their analyses from the perspective of EU requirements rather than of the real situation. At the rhetoric level, there is the whole European Employment Strategy but officials always speak about it with a forgiving smile. Employment of women, management of less developed regions, equality of chances are all topics that have only been integrated because of accession to EU but otherwise the ministries seem to be unable to cope with them. Similar is the situation with the economic competition operational programme of National Development Plan which is supposed to support enterprises. Here in Hungary, the contingent type positive action rhetoric was replaced by the new rhetoric of equality of chances without clarifying the difference between the two.

(Managing Director, Foundation for Enterprise Promotion (SEED))

The PHARE project addressed many issues relating to work and family balance, such as the 3 year maternity leave hindering re-integration of women, which is also aggravated by the lack of child care facilities and poor public transportation. Reportedly, this initiative met fierce opposition of representatives of the right-wing government and of certain social partners:

and Family Affairs, Ministry of Education, Ministry of Finance, Budapest, 2003.

We discussed it with PHARE advisors from abroad that women have a serious trouble with returning to work when their child care benefit period is over. When the advisors attacked the three-year benefit, however, trade unions and government experts were outraged and said they were not willing to give up a jot of it... Moreover, my earlier boss once stopped me outright at a meeting when I tried to address this issue...

(Officer at the Governmental Office for Equal Opportunity)

Originally, the Human Resources Development Operational Programme was supposed to be a separate 5th programme on the employment of women. Finally, the issue was not given that level of priority, but a small measure was introduced as a continuation of the PHARE project to help finding a job when the child care benefit and child care fee period is over. At the time of planning the National Development Plan, there was a great fight with the EU experts who asked why the issue of women's segregation was not addressed. They raised this issue because at some stage in the preparation of NDP a Hungarian expert in his evaluation of the situation wrote about occupational segregation while the ministerial document failed to mention it. Once a problem is mentioned in the evaluation, a measure has to be included in the plan. Eventually, as a compromise, we inserted a section on segregation in the EQUAL initiative, for it is a pilot program and does not require that much money...

(Ministry of Employment Policy and Labour)

3.4 Hungarian Information Society Strategy

As early as in 1997 the socialist-liberal government launched its first action to promote telework in the view of improving positions of various disadvantageous strata in the labour market. It established the Telework Co-ordination Company (*Táv munka Koordinációs Közhasznú Társaság*), a sort of public-private partnership to facilitate spreading telework in order to create home-based jobs, especially for the disabled, women staying at home (either because of raising children or taking care of other family members) and those living in rural settlements lacking job opportunities. Although in 1998 under the right wing government the Ministry of Social and Family Affairs subsidised employers to hire such disadvantageous groups through telework, these early attempts created only few jobs. For instance, the Telework Co-ordination Company collected more than 10,000 applications from those who wanted to take up home-based telework, whilst not a single employer applied for creating jobs this way.²⁷ In 2002, the incoming left-wing government also announced a new experimental programme to create 1,000 jobs through telework and subsidised fairly generously, both in

²⁷ A scrutiny of the applicants revealed that many of them were women on parental leave. Interestingly, a substantial part of the applicants were not unemployed or inactive in a statistical sense, but they wanted to complement their low income, coming either from waged work, or from self-employment activity. See: Neumann, László: a távmunkára jelentkezők munkaerőpiaci kínálata . (Labour market supply of the applicants for telework.) Munkaügyi Szemle 2000. július-augusztus.

terms of wages and investments into up-to-date technology. As it was proclaimed, in the spirit of equal opportunity, the programme preferred the disabled, single parents, the Roma, those aged over 45 and those taking care of a disabled or elder family member at home. As already mentioned, other government programmes have subsidised (the purchase of) computers and Internet access in schools and other public institutions, most notably the so-called telecottages (*teleházak*) in rural areas.

Telecottages are usually established and operated by civil organizations. Working telecottages today provide nearly 60 different types of local services (educational, social, cultural, medical, economical, administrative and other). According to the brochure of the Ministry of IT through telecottages 2 million village dwellers can access modern telecommunications and information technology, and it claims that approximately 1600-2000 jobs have been created. However, research experiences do not underpin these fairly optimistic estimates.

- In my opinion, the problem essentially is that while penetration of the use of Internet is slowly improving, the benefit of it for people will be apparent very gradually. In the South Great Plain we did a research on telecottages. What we found was that the penetration of Internet was low, and it would require a community agora, the type telecottages could ensure, to remedy this. But the financial situation of telecottages is uncertain and security is missing exactly where disadvantages accumulate.
- Who use telecottages?
- Mainly young people. According to our research on women as a focus group, women tend to shy internet, many of them do not even want to learn how to use them, for them ‘digital exclusion’ is very true. Those women, who need internet for their work do use it but only up to a certain level. For KBS, an interactive relationship is needed with a development potential.
- Why are women passive? They learn more in vain.
- Their knowledge and roles are conflicting. Even if they have several university degrees they often live in feudal marriages and work under such conditions. This is not interrelated with women’s educational level but with the village conditions. According to the findings of the focus group research, using a telecottage is a matter of propriety. They are afraid of being shamed by the priest in his preach. Those who come to the telecottage want to find prices, business information, grant application opportunities. Entrepreneurial women are like that. They only need to be shown where to click.

(Managing Director, Foundation for Enterprise Promotion (SEED))

After these rather sporadic attempts to overcome the ‘digital divide’, motivated by various political considerations of different governments, eventually the newly founded Ministry of Informatics and Communications published the Hungarian Information Society Strategy in

November 2003.²⁸ In accordance with relevant EU policies (eEurope+ and the eEurope 2005 action plans) and in line with the experiences of the member states, it laid down a comprehensive strategy document opening up the path for a new economy which will we be able “to create an information society as soon as possible and to the best of its power.” The implementation of the strategy will be funded by the government and by EU funds in the framework of the National Development Plan. Admittedly, the own resources of the Ministry of Informatics and Communications are rather limited therefore its role is confined to coordinating sectoral programmes and to providing other ministries’ projects with technology advices.

As to the gender dimension of the strategy, that is simply non-existent. However, one of the major objectives of authorities is to sketch the strategy to provide all citizens with access to information technologies. Therefore as a horizontal objective, the policy document deals with equal opportunities, presenting a sketchy list of social dimensions of the digital divide: “qualified/unqualified labour, high/low income, young/old, city/village, healthy/handicapped, man/woman and ethnic affiliation.” (p. 41.) Also, the strategy identifies other priorities, such as regional and inter-regional equal opportunities, where the latter means equal treatment of Hungarians living outside the country’s border. The ‘Social cohesion programme booklet’ (*Társadalmi integráció programfüzet*), one of the supplements to the strategy, analyses the nature of the ‘digital divide’ in Hungary, and it states that the elder generation, the disabled and Roma population are the most segregated in this respect, while the opportunities of women are not even mentioned in the paper. The booklet presents a draft of the e-Inclusion project to combat the digital divide.

- How is the Gender perspective integrated in the strategy?
- One of the key areas is promoting the equality of chances and identifying disadvantaged groups. Our hypothesis was that women are one of the disadvantaged groups but we failed to prove it by the measure of using a computer. There are, of course, special groups who need assistance, such as women with children. Telework could be a possibility for them, especially if in addition to unregulated working time there would be community workplaces created where the supervision of children could be ensured. Why not create such centres in small villages and set up the necessary targeted support system? The disabled, the Roma and the elderly are further target groups. The ‘digital divide’ in these three groups is horrifying. By the way, pilot programs appear to be very successful with the elderly.

(Head of Department at Ministry of IT and Telecommunication)

²⁸ A summary of the strategy is available: <http://www.ihm.hu/English/strategy/>

Another supplementary booklet, titled 'eWork', deals with telework in detail. Its main objective is to create the legal, economic and technology preconditions of "virtual labour exchanges" which are new service providers specialised in matching the supply and demand in this segment of the labour market. The legal underpinning includes the recognition of performing tasks outside the traditional employment relationship. Obviously, a fundamental shift has taken place in the concept which does not expect telework any more to create new jobs, but it departs from the necessity of the new spatial distribution of work and accordingly from the reorganisation of the work process as a whole. Although the new "virtual labour exchanges" would operate as for-profit business organisations, according to the proposal disadvantaged applicants for telework assignments would be ensured subsidies in the framework of the e-Shelter (*e-Ernyő*). Nevertheless, the funding of the new telework strategy is not specified and the proposal includes only experts' estimates about the costs.

3.5 Education strategies for life long learning

The Ministry of Education has so far failed to publish its strategic documents, but their preparations are underway. In this effort the Ministry closely co-operates with other ministries, first of all with the Ministry of Employment and Labour. As a matter of fact, the EU accession process forced them to work together as the EU funding through the National Development Plan is the main source of infrastructure development in public education, too. Under the previous government for a while the Ministry of Education was in charge of preparing the Human Resource Development Operational Programme. The Ministry of Education has also been involved into forming various employment policy documents for the EU.

- What is the relationship between the education policy and employment policy?
- The co-operation was forced by the EU. The Ministry of Education participated as early as in drafting the Joint Assessment; now, in the National Action Plan there will be a separate chapter on life long learning, prepared by the ministry. An inter-ministerial plan will be prepared on life long learning. In this, the development of competences, use of information and communication technologies, life-wide learning, i.e. exploiting the educational role of systems outside the school (for instance telecommunication) and creating cooperation between the various educational channels are of key importance. Another practical field of connection with the employment policy is the human resources development operational programme of National Development Plan. NDP was the first important inter-ministerial document. Under the previous government, for a year or year and a half this ministry was in charge of the human resources programme, before the Ministry of Labour and

Employment was re-established. Educational policy makers realised that the education policy can only have access to European Social Fund monies if identifies its own tasks as employment policy goals. Such goals are fighting dropping-out, competence development, training of drop-outs. The main effort over the past four years has been cooperating with the Ministry of Labour and Employment, and I myself was a member of Steering Body of the Steering Committee of the Labour Market Fund for four years.

(Head of the Main Group of the Ministry of Education)

Each concept of the forthcoming strategy on (primary and secondary) public education, vocational training and higher education takes into account the requirements of KBS and Life Long Learning. The latter issue is also addressed by an inter-sectoral task force. The main concern of the new educational policies is to facilitate the change in the approach of schools in terms of shifting their curricula from passive learning to developing skills and competencies for adapting to the labour market demands. Basically, the method of policy making in education concerning the adaptation of EU guidelines is similar to that of the EES, which is mainly open co-ordination and highlighting best practices.

Admittedly, gender aspects are still missing from the draft versions of the above-mentioned documents. The relevant EU guidelines stress one gender dimension in education, namely to improve the share of female students in universities of natural sciences and technology (most notably in high-tech branches, like computer sciences), but the Ministry has no means to implement such a policy. While it is widely known that in Hungary women's enrolment has traditionally been extremely low in these faculties, officers in higher education seem to be completely ignorant of this fact.

- How does Gender Mainstreaming feature in educational policy documents?
- The Gender dimension is rather poor in Hungary, but it is so in the educational policy of the EU, too. So far only one objective has been identified: the gender leverage of students in technical and natural sciences, but policy makers lack the necessary knowledge background for this. The professional public received this kind of initiatives of the ministry with rejection and absolute incomprehension. By professional public of the ministry the heads of educational institutions are meant.
- What kind of tools does EU offer to promote this policy?
- Here too, an open co-ordination procedure has been introduced, with extremely soft methods. In Brussels there is a 'best practice' team, but I do not know of any specific recommendations in this area. Enrolment quotas obviously cannot be introduced, while in natural sciences education the curricula could be made more practical, comprehensible, experience-oriented to make the professions more attractive for girls. Currently the first steps of drafting a concept are being made, the new educational strategy was approved by the leadership of the ministry two months ago. It does not include the gender dimension.

(Head of the Main Group of the Ministry of Education)

4. Some conclusions

In Hungary to date, gender equality in every respect is asserted, typically, at the level of legal regulations and political intentions. Concrete action, including steps to meet the EU requirements, has so far mostly remained at the level of plans and hopes.

Declarations and intentions notwithstanding, the situation in early 2004 can be characterised briefly as follows:

- a) As in previous years, employment (of both men and women) has stagnated and nothing could be done to facilitate the (re)employment of women driven to inactivity, whose number (1.5 million) is hardly less than that of female earners. The few hesitant, benevolent, initiatives, launched mostly without serious reflection, have remained ineffective.²⁹ However, no progress has been made in the areas of the legal regulation of flexible forms of employment improving the employment opportunities of inactive women, representing a major labour reserve pool, or the reduction of high taxes and contributions associated with employment.
- b) For decades, the propensity for education has increased spontaneously among the youth, and this tendency has mostly been supported by the relevant central measures. Undergraduate students include more women than men, but among participants of post-graduate (PhD, DLA) training, the ratio is the inverse. Although nowadays many young, educated women find jobs in public administration, the majority of women still choose one of the traditional “female” occupations (kindergarten or elementary school teacher, nurse, hygienic gymnastics teacher etc.), and relative few venture in the area of the “high tech” occupations (informatics, natural sciences and engineering) regarded typically as

²⁹ One initiative extended eligibility to child-care leave (and the relevant financial remuneration) to grandparents. The relevant conditions, however, were extremely unfavourable: the grandparent, for example, had to resign his/her own pension. The ad hoc initiative, launched without a preliminary impact analysis, soon failed due to indifference. Another programme was designed to promote the labour market re-integration of inactive degree-holder women by providing them an opportunity to get a second degree free of charge while on child-care leave. (In Hungary, the acquisition of a first degree is free.) Persons having no degree could obtain vocational and re-training subsidy. Although almost half of the 240 thousand women concerned knew of this option, a fraction only sued it. See: Frey, Mária: A gyermeknevelési támogatásokat igénybe vevő és a családi okból inaktív személyek foglalkoztatásának lehetőségei és akadályai. (Possibilities for and obstacles to employment of women being inactive due to parental leave or family reasons) Budapest, 2002.

male occupations today.³⁰ One third of adult women (aged 25+), on the other hand, has basic education only (eight-year elementary school at best). For men, the corresponding rate is less than one quarter. Adult training and life-long learning are currently in the declaration/drafting stage yet.³¹

- c) At 26%, the rate of those performing knowledge-intensive activities is well below the corresponding rates of the leading EU countries (Sweden: 47%, Denmark: 44%), and also the EU average (33.3%) (EUROSTAT, , 7 November 2003). Thanks to the Suli-net programme, secondary schools use computers extensively, and the same is true of the economy and of public administration, but not of the households. Approximately the same rate of men and women use computers, typically in connection with their work, as in recent years computer literacy has become a precondition of employment in white-collar jobs.³²

The current situation is explained by several factors.

- Many uncertainties relate to the development of the Hungarian economy, transforming at a fast pace in the context of a highly unstable global situation. The prospective demands of the economy essentially depend on those of the European and the global economy, which, however, can hardly be foreseen. Small countries such as Hungary can rely to a lesser extent on domestic consumption growth: their employment rates are dictated by the demands of the global economy. Furthermore, given the capital shortage of the country, foreign capital will keep playing a major role in shaping its development chances for a long time to come – but the latter’s development intentions are fully unpredictable. Should these be limited to assembly-type work, the current level of knowledge is by and large sufficient.
- Politics has little elbow room given the relatively low per capita GDP of the country, its obsolete consumption structure, more and more difficult to maintain (re-distribution having evolved in response to the needs of the socialist state), offering little opportunity,

³⁰ In the context of the CEDAW report, the data of 617 occupations were scanned to identify to what extent they were considered “male” or “female” ones. In 1999, 67 occupations only qualified as “female”, filled at more than 90% by women, representing 36% of earners at that time.

³¹ The drafts reflect, beside basic uncertainties, fear from unemployment among degree holders. According to a recent document (dated March 2004!) prepared for a debate carried on in the apparatuses, one task is to moderate the share of higher education students among the given age groups, or at least halt its growth. The following sentence witnesses the complete lack of understanding of the relevant European efforts: “The corrective role of adult education (ie. matching actual labour supply and demand), will remain decisive for around 5 to 10 years” (Ministry of Employment and Labour, debate on the training system).

under the given circumstances, for re-allocations of budget (e.g. the increase of the ratio of education/R&D) and even less for tax cuts that would trigger employment promotion. Every government in office since the change of the economic and political regime encountered this increasingly obvious problem, and every one shrunk back at the thought of launching a state finances reform.

- In this situation, in a fierce fight for popularity, the political parties (since 1994, this essentially means two parties) did their best to adjust their declarations to the EU policies. Political documents regularly reiterate the EU objectives, but there are few specific programmes suitable for execution. This is due, among others, to the fact that the parties, changing places every four years, hardly continue the work of their predecessor (any amount of example could be quoted, from the national basic curriculum to the telework initiative).
- The consecutive governments have reorganised the administration/expert apparatuses several times, they dissolved ministries and founded new ones. Newly appointed officials tried to start everything anew, mostly disregarding the antecedents. Given this state of permanent re-organisations, the special administration staff could hardly co-operate with representatives of other areas. Consequently, instead of harmonising tasks interpreted according to their different points of view, they tended to juxtapose their conceptions (as in the case of the tasks relating to employment, life-long learning, adult training, IT – conceived of independently by each agent). Consequently, most programmes were characterised by an absolute lack of coherence. Nonetheless, in this field it is a promising development that the EU accession process increasingly forced the different ministries to co-operate, as the EU funding, the main source of their infrastructure development, is available through the National Development Plan.
- The above co-exists with the problem that Hungarian political and public opinion alike deems other gaps, such as those relating to the ethnic minorities, and especially the Roma, more serious than the gender gaps. (The Ministry of Equal Opportunities is, rightly, of the opinion that all types of inequalities are of equal weight for them.) No doubt, the Roma issue (eviction of Roma families, school segregation of children etc.), for example, requires constant attention and more frequent fire fighting-type intervention than any other area. Also, students have become more interested in studying the roots and

³² See: Nagy, Beáta: G(ender)G(eneration)G(ap) – kirekesztés vagy befogadás? (Exclusion or inclusion?) Budapest, 2003.

explanations of this kind of inequality; the discrimination against the Roma population is the most highlighted issue. In comparison, the situation of women as a social group seldom necessitates immediate, urgent action. Although all forms of discrimination require action programmes of the same type, covered by legal guarantees, in the case of women – as opposed to the Roma population –, normally, there is (would be) a need “only” for sets of measures executed in a systematic and consistent order.³³

- All the more so as in Hungary, great masses of women are rather passive and willing to resign themselves to exclusion, especially in the labour market. A significant part of women with low schooling and no qualification (representing, as we have seen, one third of the age group of 25–64) content themselves with their traditional, household, role. Many among them, especially village residents, contribute to the living of the family financially, too, in addition to doing household chores, by cultivating small family farms (of a smaller size than the official “farm” category), providing the household with the necessary food items at the cost of considerable, traditional, physical work. Others undertake casual work, day-time work, care for the old/sick etc., if possible, as undeclared work in the unorganised economy. Many do not aspire for more. Among women excluded from the labour market, the role of mother/housewife has appreciated in value. A significant part of mothers with small children is of the opinion that child-raising and work in the household is more important than work for pay.³⁴ Lots of women driven out of the labour market are deterred from job search by the prospect of fiascos. However, many would like to have a regular earning occupation, at least a part-time one, in the organised economy, even though they do nothing for that purpose.
- For diverse reasons, the women’s movement has never been strong in Hungary. Of course, there were always persons representing the interests of women (in the socialist era mainly as advocates of the official women’s rights policy), as well as excellent women artists, sportswomen, scientists, etc. illustrating gender equality through their own personal career. The decisive majority, however, did not think it possible to get in the same

³³ In this respect Hungary is far from being a unique case in Europe. For instance, a recent EIRO study on gender issues states: „Thus, at present, there is considerable public attention paid to: racial discrimination in countries such as Denmark, Germany, the Netherlands, Norway and Sweden; the position of immigrants in countries such as Belgium, Finland and Italy; and age discrimination in countries such as Denmark, Finland, the Netherlands and Poland. A particular issue is prominent in Hungary and Slovakia - the situation of the Roma minority. Though it is difficult to create such a 'hierarchy', it can be argued that: in Hungary, Italy and Slovakia racial and ethnic issues are currently given more attention in political and public debate than gender” Christina J Colclough, Mikkel Mailand and Carsten Jørgensen: Gender equality plans at the workplace. <http://www.eiro.eurofound.eu.int/2004/02/study/tn0402101s.html>

position as men. Feminist ideologies, having spread at about the time of the change of regime, raised interest in narrow circles of the intelligentsia at best, often mingled with aversion and rejection there, too, due probably to their excessively militant interpretations and exclusion of men. To date, a multitude of women (mainly intellectuals) work *for* women, without any background support of merit so far. The masses of women concerned are not partners (as yet).

- The conditions of knowledge-based society should be established by government politics. Until Hungary's accession to the EU, many reasons could be quoted to explain the delays. Among others, changes of governments and policy objectives and the consequent frequent reorganisation of public administration are slowing down the work. Hungary's membership, on the other hand, implies the coming to force of the relevant obligations, too, and regular callings to account, as in every other member state. The Wim Kok Report, having assessed the situation of Hungary, too, from the point of view of the EU employment policy objectives for 2010, expressed concerns over the current situation (arrears in changes) in several respects. The report indicated as a precondition of progress reforms implemented by improved governance for every country concerned. This, it wrote, would require a considerable amount of determination.

³⁴ See: Pongrácz Tiborné, *ibid.*