



**Economic and Social
Council**

Distr.
GENERAL

E/C.12/HUN/3
17 February 2006

Original: ENGLISH

Substantive session of 2006

IMPLEMENTATION OF THE INTERNATIONAL COVENANT ON ECONOMIC,
SOCIAL AND CULTURAL RIGHTS

Third periodic reports submitted by States parties under articles
16 and 17 of the Covenant

Addendum

Hungary * ** ***

[28 September 2005]

* The second periodic reports concerning rights covered by articles 6 to 9 and 10 to 12 (E/1984/7/Add.15 and E/1986/4/Add.1) submitted by the Government of Hungary were considered by the Sessional Working Group of Governmental Experts on the implementation of the International Covenant on Economic, Social and Cultural Rights at its 1984 and 1986 sessions (see E/1984/WG.1/SR.19 and 21 and E/1986/WG.1/SR.6-7 and 9). The second periodic report concerning rights covered by articles 13 to 15 (E/1990/7/Add.10) was considered by the Committee on Economic, Social and Cultural Rights at its seventh session (see E/C.12/1992/SR.9, 12 and 21) in 1992 (Concluding observations E/C.12/1992/2, paras. 133-154).

** The information submitted by Hungary in accordance with the guidelines concerning the initial part of reports of States parties is contained in the core document (HRI/CORE/1/Add.11).

*** In accordance with the information transmitted to States parties regarding the processing of their reports, the present document was not formally edited before being sent to the United Nations translation services.

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INTRODUCTION

1. The Government of the Republic of Hungary has the honour to submit to the Committee on Economic, Social and Cultural Rights the third periodic report drawn up in accordance with articles 16 and 17 of the International Covenant on Economic, Social and Cultural Rights (hereinafter: the Covenant). The third periodic report would have been due on 30 June 1994, the fourth periodic report on 30 June 1999. The present report is therefore a consolidated version of the third and fourth periodic reports of the Republic of Hungary, covering the period 1992 to 2005. Statistical data related to specific articles are provided separately in Annex I.

ARTICLE 2 – REALIZATION OF RECOGNISED RIGHTS

2. Article 7 paragraph 1 of the Constitution (see Annex 2) declares that the legal system of the Republic of Hungary accepts the generally recognized principles of international law, and shall harmonize the country's domestic law with the obligations assumed under international law.

3. The phrasing of this Article does not explicitly place international law within the Hungarian legal system and of the hierarchy of international and domestic law. Examining the relationship of international treaties and domestic legal provisions the Constitutional Court decided on a triple hierarchy [53/1993 (X. 13.) AB decision, ABH 1993, 327.]. Accordingly, the Constitution as basic law stands above all the other laws, international treaties promulgated by national law stand between the Constitution and the other laws (including acts as well). Therefore, in case an international treaty, in the instant case the Covenant, collides with a legal provision which stands at a lower level in the hierarchy of the legal sources than the international treaty, it is the international treaty which shall have priority. If two legal norms positioned on the same level collide, in the instant case it may be an act and a law-decree, the international treaty shall enjoy priority again.

4. In the Hungarian legal regime there are two ways for exercising constitutional control over international treaties. Art. 1 subsection a) of Act XXXII of 1989 on the Constitutional Court provides: „The Constitutional Court shall exercise prior control over the constitutionality of the provisions of international treaties adopted but yet not promulgated.” The circle of those who may initiate prior constitutional control is limited by the Act, authorization being given only to the President of the Republic of Hungary and the Government (Art. 21 para 1 of the above Act).

5. The scope of posterior control over promulgated bilateral international treaties has become settled in the practice of the Constitutional Court. Accordingly, if the Court finds the entirety of an international treaty or part of it unconstitutional it will declare the act promulgating the international treaty unconstitutional. This shall not affect the international obligations undertaken by the Republic of Hungary. In such cases the legislature shall reconcile the international and the domestic law by modifying either the international treaty or the Constitution [4/1997. (I. 22.) AB decision, ABH 1997, 41.]. In contrast to the institution of the prior constitutional control, posterior control of international treaties can be initiated by anyone, just as the posterior control of the acts and the other legal instruments of state direction (Art. 21 para 2 of the above Act).

6. As to the application by the Hungarian courts of the provisions of the Covenant it must be noted that in the Hungarian judicial practice there are only rare references to international

treatises. This is the case, in particular, with the comprehensive human rights conventions because the rights enshrined under them are generally also protected under domestic law [e.g. under the Constitution or Chapter VII (on the rights related to the person and to intellectual property) of Act IV of 1959 on the Civil Code].

7. On the basis of what has been set forth above it must be concluded that there are only rare references to international treaties, including the Covenant, in the Hungarian judicial practice.

8. If the rights secured under the Covenant have been violated, available legal remedies are ensured by the Constitution. Art. 50 paras 1-2 of the Constitution provides that the courts of the Republic of Hungary shall protect and uphold the constitutional order as well as the rights and lawful interests of natural persons, legal persons and unincorporated organizations and „the courts shall review the legality of the public administration decisions”. Art. 57 para 1 of the Constitution provides that „In the Republic of Hungary everyone ... has the right to have his rights and duties in legal proceedings determined in a just, public trial by an independent and impartial court established by law.” The fundamental rights and duties enumerated under Chapter XII belong to the circle of those rights and duties, which are referred to under Art. 57 para 1. Thus, the possibility of legal remedies is guaranteed under the Constitution.

9. In addition to the Constitution specific acts also ensure the possibility of legal remedy. Civil claims can be raised if the rights secured under Chapter VII (on the rights related to the person and to intellectual property) or the Civil Code have been violated (Art. 84 para 1 of the Civil Code). The claims that can be raised by the injured party are specified under subsections a) to e) of the above mentioned Article.

10. The rights guaranteed under the International Covenant on Economic, Social and Cultural Rights of the United Nations (henceforth: the Covenant) as protected under Hungarian law can be divided into two groups: those guaranteed only for citizens and those guaranteed for citizens and non-citizens alike.

Rights guaranteed only for citizens	Rights guaranteed for citizens and non-citizens alike
<p>1.) <i>The right to social security including social insurance</i> (Art. 9 of the Covenant; Art. 70/E paras 1-2 of the Constitution); This right has been extended by Art. 13 para a) of Act LXXX of 1997, which provides that, following Hungary’s accession to the European Union, the citizens of the European Economic Area shall, in compliance with the Community rules, be entitled to social security services; Art. 8/A of Act LXXXIII of 1997 extended the personal scope of those entitled to the health security services to the citizens of the European Economic Area; Art. 23 para 2 of Act XXVI of 1998 extended the personal scope of the forms of supports made available for disabled persons to EEA citizens. These amendments were enacted respectively by Art. 27, Art. 14 and Art. 39</p>	<p>3.) <i>The right to form trade unions and join the trade union of his choice</i> (Art. 8 of the Covenant; Art. 4, Art. 63 para 1 and Art. 70/C of the Constitution)</p>

para 1 of Act LXX of 2001.	
2.) The right to education (Art. 13 of the Covenant; Art. 70/F para 1 and Art. 70/J of the Constitution)	4.) Equal rights of men and women (Art. 3 of the Covenant; Art. 66 para 1 of the Constitution, which has taken over the text of the Covenant.)
	5.) The right to work and the right to gain his living by work which he/she freely chooses or accepts (Art. 6 of the Covenant; Art. 70/B of the Constitution)
	6.) The right to just and favourable conditions of work (Art. 7 of the Covenant; Art. 70/ B paras 2-4 of the Constitution)
	7.) Protection of the family, children and mothers (Art. 10 of the Covenant; Art. 15, Art. 66 paras 2-3, which follow word by word the text of the Covenant, and Art. 67 of the Constitution)
	8.) The right to the enjoyment of the highest attainable standard of physical and mental health (Art. 12 of the Covenant; Art. 70/D of the Constitution)
	9.) The right to take part in cultural life, to enjoy the benefits of scientific progress and its applications (Art. 15 of the Covenant; Art. 70/G para 1 of the Constitution)
	10.) The right to strike (Art. 8 para 2 of the Covenant; Art. 70/C of the Constitution)

11. Since Article 8 (para 2) of the Constitution provides that „in the Republic of Hungary regulations pertaining to fundamental rights and duties are determined by acts”, the best way to present the particular anti-discrimination measures taken in respect of the rights ensured under the Covenant seems to be by reviewing the acts which contain the requirements of equal treatment. These acts are as follow:

1) The right to work	Art. 2 of Act IV of 1991 on the promotion of employment and the unemployment benefits
	Art. 5 para 1 of Act XXII of 1992 on the Labour Code (amended by: Art. 1 of Act XX of 2003 on the harmonization of Act XXII of 1992 on the Labour Code and the related acts)
	Art. 4 para 1 of Act XXXIII of 1992 on the legal status of civil servants
	Art. 17 of Act II of 2002 promulgating the Convention on the status of stateless persons
	Art. 16 of Act XXVI of 1998 on the rights and equal opportunity of disabled persons
2.) The right to social security including	Art. 94/E para 2 of Act III of 1993 on social

<i>social insurance</i>	administration and social benefits
3.) The right to education	Art. 4 paras 7-15 of Act LXXIX of 1993 on public education (Articles 8-15 of the above Act were amended by Art. 13 para 5 of Act LXI of 2003)
	Art. 2 of Act CXL of 1997 on museums and public libraries
4.) The right to the enjoyment of just and favourable conditions of work	Art. 6 of Act XLIII of 1996 on the service of the official members of the armed forces
	Art. 3 para 1 of Act LXXV of 1996 on labour surveillance
	Art. 6 of Act LXLV of 2001 on the legal status of official and contract members of the Hungarian Army
	Art. 6 para 1 of Act LXXX of 1994 on the service and data handling of the public prosecution (amended by Art. 57 para 1 of Act XX of 2003)
	Art. 1 para 2 of Act LXII of 2000 promulgating Covenant No. 122 on employment policies, adopted in 1964 by the International Labour Conference
5.) The right to form trade unions and join a trade union of his choice	Art. 30 para 1 of Act XLIV of 1996 on the service of soldiers performing compulsory military service
	Art. 15 para 1 of Act XXII of 1992 on the Labour Code
6.) Protection of the family, children and mothers	Art. 3 para 2 of Act XXXI of 1997 on child protection and the administration of child protection
7.) The right to health	Art. 7 para 1, Art. 9 para 4 and Art. 30 para 5 of Act CLIV of 1997 on Public Health

12. In its current legislative program the Government has engaged in working out a comprehensive Anti-Discrimination Act. After two years long preparatory work, in September 2003 the Government submitted to the National Assembly the Bill No. T/5585 on equal treatment and the promotion of equal opportunity. The Bill was adopted on 28 December 2003 as Act No. CXXV of 2003 on Equal Treatment and the Promotion of Equal Opportunities (see Annex 3).

13. The Act is a framework regulation which, being general and horizontal, aims to create a unified dogmatics. Compared to it, the branch acts are to be regarded as *lex specialis*. By elaborating a unified terminology the Act also aims to modify and modernize the provisions prohibiting negative discrimination of the particular acts.

14. So as to ensure harmonization with European Community law, the Act has taken over Directive 2000/43/EC on implementing the principle of equal treatment between persons irrespective of racial or ethnic origin and Directive 2000/78/EC on establishing a general framework for equal treatment in employment and occupation. Furthermore, the Act also

contains provisions that harmonize with Directive 76/207/EC, modified in 2002, on implementing the principle of equal treatment between men and women in employment and training. The Act enumerates the legal means of protection and orders to launch a National Equal Opportunity Program from 1 January 2005.

15. In connection with the enforceability of the economic, social and cultural rights reference is made to Article 57 para 1 of the Constitution which provides that „in the Republic of Hungary everyone is entitled to have his rights and duties in legal proceedings determined in a just, public trial by an independent and impartial court established by law.” Chapter XII of the Constitution (Fundamental rights and obligations) is the highest legal source of the fundamental rights, in respect of which Article 57 para 1 shall apply unconditionally.

16. In connection with this particular issue the Constitutional Court has not delivered any decisions but in its decision on the applicability of certain international treaties it declared: ”with a view to Article 7 para 1 of the Constitution, which provides for the harmonization of international and domestic law, it is a constitutional requirement that the courts, when determining whether to exclude the public from a hearing, take into account the provisions of the International Covenant on Economic, Social and Cultural Rights, promulgated by Law Decree No. 8 of 1976, and the provisions of the Convention for the Protection of Human Rights and Fundamental Freedoms, promulgated by Act No. XXXI. of 1993 [58/1995. (IX. 15.) AB decision, ABH 1995, 289.]. Through analogy it can be deduced that in cases of violation/limitation of fundamental rights deriving from international obligations the courts must take into account the relevant provisions of the given international legal instrument as applicable law.

17. Rights deriving from international legal obligations can, as a general rule, be enforced before the courts. The actual enforceability of these economic, social and cultural rights, however, constitutes an exception in several respects.

18. The so-called second-generation rights enshrined under the Covenant do not entirely correspond with the broadly conceived social rights protected by the Constitution. Moreover, some of them are declared by the Constitution not as substantive rights but as positive obligations of the state. That is to say, the majority of the social rights are not individual rights because they cannot be enforced before the courts, therefore, not all the rights protected under the Covenant are directly enforceable before the Hungarian courts. In respect of the particular rights protected under the Covenant the following can be established:

19. According to the Constitutional Court the right to work (see ABH 1999, 402.) as substantive right must be interpreted broadly, so as to comprise the freedom to choose and practice all kinds of activity, profession, „work”, including the right to establish and run undertakings [21/1994. (IV. 16) AB decision, ABH 1994, 120.].

20. The constitutional principle of *equal pay for equal work* (Article 70/B para 2 of the Constitution) is to be conceived as a partial substantive right of the right to the enjoyment of just and favourable conditions of work (Art. 7 of the Covenant; Article 70 /B paras 2-4 of the Constitution).

21. According to the Constitutional Court „Article 70/B of the Constitution must be interpreted as the specification of Section 70/A for the world of work, prohibiting negative discrimination in general.” The prohibition of negative discrimination under Article 70/A is

related to the right to human dignity protected under Article 54 para 1 of the Constitution. The Constitutional Court established: „If the discrimination violates the right to human dignity, the prohibition contained in Article 70/A of the Constitution shall apply in respect of the whole legal system [61/1992. (XI. 20.) AB decision, 1992, 280.].

22. The substantive rights, in respect of which the prohibition of negative discrimination applies, like the principle of equal pay for equal work, receive constitutional protection on the basis of the provision declaring equal protection for human dignity. Since the right to human dignity as fundamental right and the principle of the prohibition of negative discrimination can directly be invoked before the courts, the principle of equal pay for equal work can also be invoked.

23. As to the *right to fair wages* reflecting the volume and quality of the work as well as the right to rest and leisure it is noted that no reference to these rights can be found either in the practice of the Constitutional Court or in the case law of the Hungarian courts. Therefore the enforceability of these rights is uncertain.

24. The Constitutional Court has deduced *the right to form trade unions* (Art. 8 of the Covenant; Art. 4, Art. 63 para 1 and Art 70/C of the Constitution) from the right to freedom of association and interpreted the right to form trade unions as a special manifestation of the right to freedom of association [41/1995. (VI. 17.) AB decision, ABH 1995, 177-187.]. Accordingly, when interpreting Article 70/C para 1 of the Constitution, the Court's ruling on the content of the right to freedom of association has to be taken into account. The right to strike can similarly be invoked before the courts (Art. 8 para 2 of the Covenant; Art. 70/C para 2 of the Constitution).

25. As to *the right to protection to the family, children and mothers* (Art. 10 of the Covenant; Art. 66 paras 2-3 and Art. 67 paras 1-2 of the Constitution), the Constitutional Court has several times expressed its opinion on children's constitutional rights. Law enforcing authorities shall enforce and ensure this right as protected under Article 67 para 1 of the Constitution even in case a particular act, in the instant case Act No. IV. of 1952 on family law, does not contain specific provisions on their protection (2299/B/199 AB decision, ABH 1992, 572.). In an earlier decision the court had already declared that „the protection of the constitutional rights is an obligation of the law enforcing authorities even in case no specific legal provisions can be invoked” (1097/B/1993 AB decision, ABH, 1996, 467.)

26. *The right to take part in cultural life and the right to enjoy the benefits of scientific progress and its applications* (Art. 15 of the Covenant; Art. 70/G of the Constitution). The Constitutional Court emphasized the substantive nature of the right to freedom of scientific life, which forms part of the right to cultural life, when it declared: ”the right to freedom of scientific life is a manifestation of the fundamental right to freedom of expression and can be deduced from it” [34/1994. (VI. 24.) AB decision, ABH 1994, 183.]. The scope of the cultural rights as protected under the Covenant is wider than the scope of the right to freedom of scientific life, therefore those cultural rights which fall outside the scope of the right to freedom of scientific life are not enforceable before the Hungarian courts.

27. According to the Constitutional Court *the right to social security including social insurance* (Art. 9 of the Covenant; Art. 70/E of the Constitution) is, despite the fact that it is declared as a subjective right, not a substantive right, consequently no enforceable claim arises from it [45/1991. (IX. 10.) AB decision, ABH 1991, 206.]. According to the interpretation of the Court, Article 70/E paras 1-2 of the Constitution declare a duty for the state and contain an

indefinite obligation for the state [43/1995. (VI. 30.) AB decision, ABH 1995, 191.]. Therefore this right cannot be invoked directly before the courts.

28. Article 11 of the Covenant declares the right to an adequate standard of living, including food. The Constitutional Court has several times been faced with this problem. In its decision of 772/B/1990 the Court declared that „the right to social security does not mean the right to fix remuneration or that citizens’ standard of living attained earlier cannot fall in consequence of unfavourable economic situation”. This view was upheld in a later decision [43/1995. (VI. 30.) AB decision, ABH 1995, 192.].

29. The Constitutional Court interpreted the right to social security as an obligation of the state and declared that only „the right to subsistence” can be conceived as an individual right [32/1998. (VI. 25.) AB decision, ABH 1998, 251.] which can be deduced from the right to human dignity (Art. 54 para 1 of the Constitution). The right to be free from hunger is logically connected to the right to subsistence.

30. In a later decision the Constitutional Court held that from the right to subsistence no definite partial rights, like the right to housing, can be deduced [42/2000. (XI. 8.) AB decision, ABH 2000, 329.]. Consequently, nor can the right to be free from hunger be regarded as a fundamental right directly enforceable before the courts.

31. The Constitutional Court has interpreted the right to physical and mental health not as a fundamental right directly deducible from the Constitution but as a constitutional obligation of the state, limited by the economic strength of the state [56/1995. (IX. 15.) AB decision, ABH 1995, 270.]. In its later decisions the Court reiterated this position when it held: „the right to the enjoyment of the highest attainable standard of physical and mental health...in itself cannot be interpreted as a substantive right and it contains an obligation for the legislature to ensure substantive rights in certain areas of physical and mental health.” Therefore it can be established that the social right to physical and mental health is unenforceable before the courts and no claim arises from it for the individual.

32. The Hungarian Constitution declares the right to education as an obligation of the state (Art. 13 of the Covenant; Art. 70/F para 1 of the Constitution). According to Article 70/F para 1 this right is guaranteed in the Republic of Hungary. Para 2 enumerates the means through which the state ensures this right (dissemination and general access to culture, free compulsory primary schooling, etc.). As to the right to participation in higher education the Constitutional Court declared that the right to culture in the sphere of higher education can be realized in several ways. The realization of this obligation cannot be challenged before the courts, failure to realize this obligation can create a basis only for political responsibility, control over its realization is exercised by the Parliament (1310/D/1990. AB decision, ABH 1995, 586.).

33. On the other hand, in certain areas of education enforceable individual claims arise from the state’s obligation (e.g. the right of parents and pupils to participate in free primary education [22/1997. (IV. 25.) AB decision, ABH 1997, 113.].

34. The Covenant was transposed into the Hungarian legal system by Law-Decree No. 9 of 1976 (entered into force on 3 January 1976) promulgating the International Covenant on Economic, Social and Cultural Rights, adopted on 16 December 1966 on the 21st session of the General Assembly of the United Nations. In the era preceding the 1989 change of regime, law decrees had been issued by the Presidential Council of the People’s Republic of Hungary. This

organ was abolished by Art. 38 para 2 of Act No. XXXI of 1989. Since then law decrees have not been issued, however the ones existing have retained their force and validity. The law-decrees in force are evaluated by the Constitutional Court as a regime equaling the regime of the acts [7/1994. (II. 18.) AB decision, ABH 1994, 58.].

ARTICLE 3 –EQUAL OPPORTUNITIES FOR WOMEN AND MEN

Statistics and analysis

1. Work and employment

35. Low levels of employment of both genders are a major challenge faced by employment policy in Hungary. Women account for 45 % of the total number of employees. The rate of unemployment was 5.6 % in 2003 – 0.5 % lower than that of men (6.1 %). However, the ratio of inactivity is higher among women. The low level of employment is partly a result of the extensive system of childcare services and benefits. The scarcity of part-time employment and other flexible forms of employment complicate the return of women with children to the labour market. In 2003 a total of 4 % of all employees – 2.8% of men and 5.4 % of women – worked in part time jobs.

36. The employment is characterized by gender-based horizontal and vertical segregation. Horizontal segregation is indicated by the fact that women are employed in substantially higher percentages in sectors and jobs offering lower than average pays. Vertical segregation is indicated by the fact that in the private sector only a tenth of top managers and only 30 % of all entrepreneurs are women.

37. Despite the higher level of qualifications, the average gross earnings of women in 2003 were 19 % lower than those of men. In comparable jobs, for work considered equivalent, women are paid 13-14 % lower wages both in the public and in the private sector, on an average.

2. Education and training

38. In Hungary, the level of women's education is continuously rising, primarily among young women. The qualifications of women are higher than those of men in terms of school years. On the other hand, there are still stereotypes relating to traditional gender roles in various areas. There are significantly fewer women with a university degree than women with a college degree. In scientific research, segregation in special areas and under-representation of women can both be observed.

3. Health

39. Since 1981 the diminution of the population has been approximately 6.3%. The expected average age has been slowly rising in the past years. In 2002 the average life expectancy at birth of females was 76.6 years; of males 68.3 years. Based on the data of the Hungarian Central Statistical Office there is a slow increase of the average life expectancy at birth for the term 1990-2002.

40. The number of abortions is still alarmingly high compared to the number of births. In 2002 the number of the induced abortions per hundred live births is 57.9, although there is a slow diminution in this field.

4. Social protection

41. Although the ratio of poverty is around 10% both among women and men, the social status of poor men and poor women differs greatly. This is due to a different degree of presence in the labour market by women and men.

42. The average number of divorces per contracted marriages (total divorce rate) for the period 1990-2002 indicates an increasing trend. In 2002 the total divorce rate was 0.42. The overwhelming majority of single parents are women.

43. There are minors in one third of all households and other dependent family members in 40% of families. In the majority of cases, the tasks related to these family members are incumbent on women.

Government programmes and measures

1. Work and employment

44. The objective of the program entitled “Encouraging Women to return to the labour market” implemented within the framework of the Human Resource Development Operational Program with the support of the European Social Fund is to organize personalized training and supporting services in order to help women return to the labour market or become an entrepreneur, taking into account the specific needs of women.

45. The purpose of the program entitled “Promotion of harmonization of family life and work” is to spread family-friendly workplaces and human resource management methods widely with special attention to strengthening the labour market position of women. Within the framework of the program, approximately 4,000 women can take advantage of personalized services.

46. The objective of reducing the present gender based horizontal and vertical segregation is supported by the EQUAL Community Initiative of the European Union from 2004. In order to reduce horizontal segregation, the program supports primarily awareness-raising activities and encourages young people to try employment fields traditionally dominated by the other gender, and also encourages increased involvement of women in research and innovation, as well as technical and natural sciences. In order to reduce vertical segregation, it supports awareness-raising initiatives and new methods supporting the promotion of women at the workplace.

2. Social protection, family support system

47. In order to offset the extra expenses incurred by families at the beginning of the school year, in 2002 an additional month’s family allowance was introduced for eligible individuals, payable before the start of the school term in August each year.

48. In order to offset extra expenses incurred in relation to childbirth and maternity, the amount of maternity allowance has also increased. Since 1 January 2003, the lump-sum maternity allowance payment due at the time of the birth has increased to 225% as compared to the former 150 % of the minimum amount of old-age pension.

49. Maternity allowance for families with twins has increased to 300% of the lowest retirement pension for each child. For families with twins the child-care allowance amount has doubled since 1 January 2003 in order to offset the extra expenses incurred in relation to regular and concurrent needs. Simultaneously, the term of eligibility for child-care allowance has been extended for families raising twins until the child reaches school attendance age.

50. The service period required for eligibility for early old-age pension includes a child-care benefit from 2003 in the case of women born after 1946 and men born after 1940, and it applies for everyone in the case of reduced and early retirement pension. This extension of entitlement affects 1,500-2,000 individuals each year.

3. Health

51. The National Public Health Program outlines the tasks for the decade ahead, in order to improve the health status of the Hungarian population by a three-year extension of life expectancy at birth and reduction of the frequency of major causes of mortality.

52. In the course of the implementation of public health screening tests, priority is attached to the following:

- Breast cancer screening: Mammography examinations of women once every two years between the ages of 45 and 65,
- Cervix screening, gynaecology examination of women between the ages of 25 and 65 at least once every three years, including cytology tests,
- Colon screening examination of women and men between the ages of 50 and 70 once every two years, based on identification by laboratory tests of blood hidden in faeces.

53. Another important goal of the program is to prevent HIV/AIDS infection and to reduce the spreading of sexually transmitted diseases by awareness raising among young people. One of the pillars of the specific action plan is comprised of the installation of condom dispensing slot machines, the distribution of leaflets containing information about sexual matters and the provision of consulting at youth information offices.

54. In 2002 the Government adopted a resolution on the government tasks related to the implementation of short and medium-term objectives of the national strategic program aimed at the reduction of the drugs problem. The resolution devotes particular attention to pregnant mothers and drug addict babies, launching special programmes for them.

Legal System

1. General regulations

55. The Act on Equal Treatment and the Promotion of Equal Opportunities was adopted in 2003. In the Republic of Hungary the Constitution and other legal regulations state the

prohibition of discrimination, yet the adoption of the new regulation is of outstanding importance. This Act provides that promotion of equal opportunities is primarily an obligation of the State, with a declared purpose of providing effective legal protection to those suffering from discrimination. The Act allows for the enforcement of claims in the interest of the public, inverses the burden of proof in case of violation of the law and orders the establishment of a special authority proceeding in cases of violation of equal treatment (the Authority has started operating in 2005). This Act constitutes harmonization with European Community legislation on this subject.

2. Work and employment

56. The amendment to the Labour Code (Act XXII of 1992) in 2001 introduced the concept of 'equal pay for equal value work'. Pursuant to this regulation, from 2004 the requirement of equal treatment is to be respected in the establishment of compensation for work.

57. Since 1 July 2001 by the Act on Promotion of Employment and Provision for the Unemployed, it is possible to provide support to training for persons offered or accepted by the labour centre, who receive pregnancy and confinement benefit, maternity benefit or child-care allowance. Since 1 January 2003 support may be provided pursuant to the above Act for part time employment and for the performance of distance work.

58. Part - time employment of those raising children below the age of 14 as well as those having been without a job for more than three months may be facilitated with financial assistance by paying the wages and contributions for such employees and by providing commuting cost reimbursement from the Labour Market Fund.

59. The amendment to Act LXXXIV of 1998 on Family Support gave an opportunity for mothers to return to the labour market once the child has completed one year of age. While they are at work, grandparents can care for children, and the thus increased expenses of grandparents are compensated with child-raising benefit, naturally in addition to the grandparent's pension obtained on his/her own right.

60. As the amendments of Act LXVI of 1998 on Health Contribution entered into force on 1 January 2005, the number of those for whom employers do not have to pay health contribution has been increased. This provision is expected to increase the willingness of employers to employ women raising children.

3. Social protection and health

61. The 1993 Act on Social Administration and Social Benefits introduced "family support" as a personal social service. The family support centres are responsible for – inter alia – providing help for families and individuals in social, financial, mental, family or other crises beside prevention of such crisis situations. Family support centres are to work in strong co-operation with the child protection and public health system as well.

62. Under Act CLIV of 1997 local authorities provide a district health visitor service. The main responsibilities of health visitors are protection and consulting for pregnant women and care for children under 3 through regular family visits. The service mainly intends to prevent, recognize and eliminate health, mental and social threats occurring in families.

ARTICLE 6 – THE RIGHT TO WORK

63. Hungary ratified the ILO Employment Policy Convention, 1964 (No.122) and ILO Discrimination (Employment and Occupation) Convention, 1958 (No. 111). (We attach our reports of 2003 concerning the measures taken to give effect to the provisions of ILO Conventions No.122 and No.111.)

Labour market situation

Employment trends

64. In the first part of the 1990s, during the years of economic recession following the political changes, Hungary's working population of 5 million dropped by 25% to 3.6 million. The upswing came in 1998, when the growth rate of the GDP exceeded 4%. The growth in GDP was mostly the result of improved productivity, and only to a lesser extent of higher labour market participation. The application of modern production methods and technologies as well as better organization of work have contributed to an annual average productivity gain of 3% over the last period.

65. Employment grew by 1.4% in 1998, and by 3.1% in 1999. The growth of the economy likewise started to slow down due to a slowing world economy. Employment rates stagnated in 2001 and began to drop in the first part of 2002. The shrinking rate of industrial investment and production – from 18.3% down to 2.6% - had a negative impact on the employment rate.

66. Beside the international economic recession, some economic policy measures worsened the situation. They included the raise of the minimum wage – which resulted in a more expensive work-force – and the strengthening of the HUF exchange rate. Some enterprises relocated part or all of their production capacities to other countries, and restructuring continued in the economy. Employment in agriculture and coal mining decreased. Lay-offs took place in a number of low-paid sectors of the economy, mainly in the textile, clothing and shoe industries. However, most of those dismissed from various parts of the economy could find work relatively quickly primarily in investment projects financed from foreign capital, or in the construction or service industries.

67. In 2002 the processing industry, previously a sector absorbing labour, began to shed labour, and the employment rate was kept level by employing labour in the service sector. In sum, the increase of the employment rate in the service sector helped in reaching the 2001 rate.

68. Since the second half of 2002 employment has been on the rise. In the second quarter of 2003 there were 1.5% more, and in the third quarter 1.7% more people employed than in the respective periods of 2002. The recent detailed statistics indicate that the employment in the second quarter of 2003 reached 3.924 million, and the employment rate of the 15-64 age group was 57%. Men's employment rate equals 63.5%, and women's 50.9%. Men's employment rate exceeds that of the women in every age group. The proportion of women among those employed amounts to 46%, rising gently, as female employment rises at a larger extent than that of men.

69. Hungary has had a low level of atypical forms of employment: in 2002, 3.9% of the active workforce worked part-time, and 6.3% of the active workforce worked on a contractual basis for a specified period.

Trends of unemployment

70. Unemployment in Hungary reached its highest level in 1993 with the unemployment rate close to 13%. Since then, unemployment decreased gradually until 2001, partly as the result of more rigorous regulations in the unemployment benefit system. That, however, had the unfavourable effect of discontinuing the benefits of those most disadvantaged in the labour market. These people were cut off the employment centres, which reduced their chances to return to the labour market.

71. The new legislation passed in 2002 extended the forms of support available for encouraging employment. It raised the amount of support paid during training and re-training courses so as to urged enrolment in labour market training. The new legislation enables the application of regulations more favourable than usual in the case of members of the most disadvantaged social groups, i.e. the elderly and the Roma. In order to encourage the spreading of atypical forms of employment, the new law allocates more support to part-time employment and telework.

72. The recession-type unemployment which characterized the first half of the 1990's has taken on a structural character. Besides unemployment, in certain trades and occupations significant shortage of labour can be experienced.

73. Over 2002-2003, the Central Statistical Office (CSO) indicated practically stagnating employment levels disregarding seasonal changes. According to statistics, in June-August 2003 239,000 persons of the age group between 15-74 years were out of work, which corresponds to an unemployment rate of 5.7%. In the same period the unemployment rate among the 15-24 year old population amounted to 13.2%, showing a 0.4% fall compared to the responding statistics in the previous year.

Inactivity, disadvantaged people in the labour market

74. Low employment coupled with low unemployment is a 'characteristically Hungarian' feature. In other European countries with similar unemployment rates, employment usually comes with higher unemployment, while in Hungary it comes with low labour market participation, i.e. high inactivity. 4 people out of every 10 Hungarians aged between 15-64 are inactive. They neither work nor seek employment actively. 30% of them study, 13% raise their children and 36% are retired. There are, however, 500,000 people without any legitimate income, supported by their families, and/or working on the black labour market.

75. Unemployment and inactivity, i.e. lack of steady employment is one of the sources of disadvantaged status. There are **disadvantaged groups** that do not benefit even from economic growth, and so their labour market situation improves only when specifically supported by targeted schemes or subsidies. These groups usually include people with low schooling, with disabilities, with reduced health condition, and of Roma descent.

76. The labour market participation rate of those **with low qualification level** lags far behind the average rates in the EU, and the unemployment is the highest in these groups. The average

unemployment rate in the second quarter of 2003 was 5.7%. 29% of the unemployed finished less than 8 years of primary school.

77. The labour market participation of those with **disabilities** is marginal. The CSO's 2002 labour force survey revealed 656,000 working age persons claiming to have lasting health damage. 95,000 of them were in contact with the employment service, and even these included almost 10,000 unemployed. The labour market chances of those with lasting health damage or disability are limited. Less than 20% of them were employed in special (so-called sheltered or subsidized) workplaces.

78. Professional estimates claim the size of the **Roma population** to be approximately 450 to 600,000. Contrary to the non-Roma population, their number increases, and demographers forecast that their share in the population would rise from the present 5% to 11% over the next 50 years. All of their employment indicators are worse than those of the majority population. This is explained by a variety of reasons, all causally related: low schooling, concentration in economically disadvantaged areas, discrimination in the labour market. Compared to the non-Roma population, their employment rate is about the half, and their unemployment rate is 3-5 times, and the dependent/wage-earner rate is 3 times higher than that for the non-Roma population. As a result of permanent unemployment lasting for over a decade, there is an increasing threat that inactivity becomes their standard way of life.

79. Therefore, a complex approach is needed to manage the variegated and multi-tiered problems of joblessness among Roma persons. Programmes to improve their education levels and skills, to reduce regional disadvantages, to cut back on discriminatory phenomena, and to increase the effectiveness of active programmes are all-important tasks.

80. Comprehensive central and county programmes which build interlinked service and support components are of particular importance when assisting people who are jobless on long-term, as is the processing and evaluation of the lessons of current programmes. Programme implementation can be made more successful if people responsible for Roma programmes, mentors, and programme organisers work to include Roma persons. Several counties have designed programmes where teachers, supported by labour centres, are hired to keep Roma youth from dropping out of school, and to help them improve their grades, with extra-curricular activity connected to school study programmes (assistance in gap reduction, reviews, help in adjusting, etc.). Employment of Roma persons as school superintendents and welfare assistants serves a similar purpose.

81. Employment and training programmes for people who have been jobless on long term have been successful primarily in communities where local Gypsy Self-Governments and associations established by them actively cooperate with the local employment offices and local governments, often signing cooperation agreements. The local governments agree to organise gap-reduction training, to seek out participants and keep them in the courses, to operate welfare safety nets, and to organise community service work.

82. Through additional supports, the labour organisation employs affirmative action that benefits disadvantaged groups including Roma persons. Affirmative action can be clearly demonstrated and employed when local Gypsy Self-Governments or work organisers of Roma origin assist the persons who take part in the programmes aimed at improving employability.

83. A new Phare programme called "*Combating exclusion from the world of work*" was launched in 2002 and continued in 2003 again. The direct goal of the programme is to integrate

people who have been jobless on a long term and are at risk of social exclusion, people receiving regular welfare assistance, through public work projects involving welfare and environmental health, based on a local government initiative. One specific component targets support for the Roma population's labour market integration. The programme is expected to reduce the number of people in the region registered as long-term unemployed and the number of people in the regions receiving regular local government welfare assistance. The Ministry of Education provides professional supervision over the implementation of the EQUAL program, which is an experimental ESF-type project. This project is intended to promote finding employment on the primary labour market by teaching marketable professions for about 300 beneficiaries.

84. The return of the **older generations** to the labour market is made difficult by the fact that they have more difficulty in adapting to the changed labour market requirements. The qualification structure of the 50+ unemployed population is unfavourable.

85. The **homeless** are estimated to number around 30 000-35 000. Targeted surveys suggest that a significant part (25-30%) of those living in homeless shelters earns a regular wage, and there is a similar rate of those having some occasional employment. There are a number of reasons of becoming homeless. Thus, only comprehensive assistance, which combines medical, social and employment-related services may be an effective remedy to the problem.

86. Employment indicators of **women** reflect a different picture as compared to those of men. Some of their labour market indicators are more, while some are less favourable than the EU average, but the statistics of the two genders are less discrepant in Hungary. Employment and activity rates of women declined between 1990 and 1997 at an extent similar to that of men. After 1997 the employment indicators of women climbed up more intensively than those of men. Women's unemployment is lower than men's since the latter have a higher retirement age, and have a lower participation rate in education.

87. Since the first LSI survey in 1993, the share of **mothers** in employment before going on a maternity provision has decreased. According to the 2002 survey, over one fifth of mothers were not employed before having children. As for those who had been employed, for some the employer ceased to exist while they were on one of the maternity allowances. In 2002, in case of over 12% of mothers in employment before having children and currently on a maternity provision the employer did not exist as opposed to 8.6% in 1993. While in the period between 1993 and 2002 businesses became fairly stabilized, with the introduction of the child care support (received by one-fifth of some 300 thousand women eligible to maternity allowance) the average absence period has grown, increasing the risk of the employer going out of business by the time the maternity allowance period is over. Despite the legal guarantee, many mothers are let known that their employers do not really want them back, while a smaller share of women want to work elsewhere. (The reason for this, however, is very often related to the employer: long travelling or work in two or three shifts is impossible for mothers with young children.) In 2002, only 45% of earlier employed women on a maternity provision thought that after this period they would work with their former employer.

88. Employers tend to assume that mothers with small children will be substantially more often absent than the average because of the illnesses of the children, which is disadvantageous not only from the point of view of organization of work (with a lack of surplus labour, all activities have to be carried out by the core team doing "peak output" anyway) but also from the point of view of finances (the first ten days of sick leave are paid by employers, and sick leave to

stay at home with ill children is typically taken out several times a year by mothers with small children). Therefore employers avoid employing mothers with small children. Not only mothers of small children but also those over this period of life almost univocally said that today it was much harder to co-ordinate work and motherhood than earlier, sometimes simply impossible without the help of the family and grandparents.

89. In 2002 the employment rate of women with one child was higher than the rate of the whole female population aged 15 to 64 years (60.2% and 55.3% respectively), with an unemployment rate slightly above average. The employment rate of women with two children is somewhat lower than the average (52.2%), and is significantly lower of women with large families (3 or more children), of whom only 18.6% were employed. With the definition of child applied here (persons under 15), a significant number of mothers with 3 or more children are entitled to, and the overwhelming majority of them actually are on a maternity provision, yet their absence from the labour market does not seem voluntary, as suggested by their 11.2% unemployment rate, which is 2.5 times higher than the average of women aged 15–64.

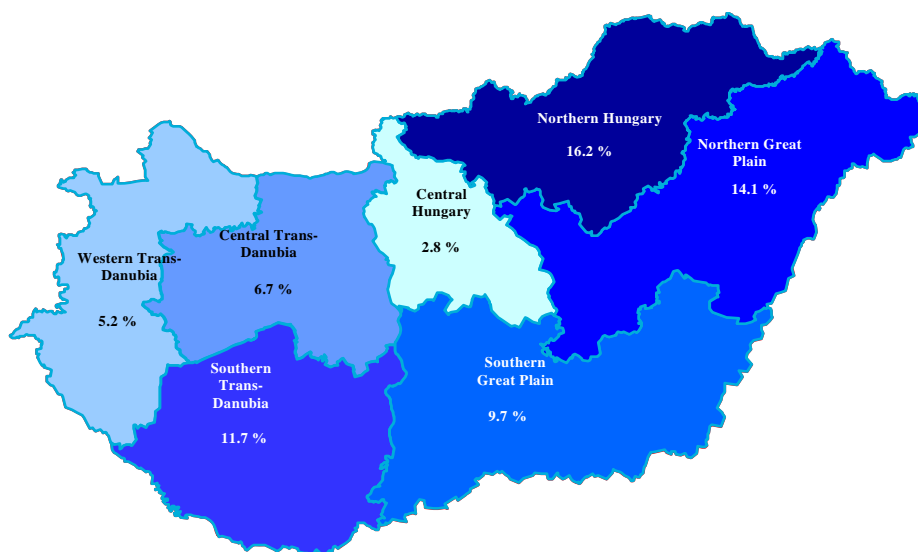
Regional discrepancies of employment and unemployment

90. Employment and unemployment differences between regions in Hungary are not excessive in international comparison. However, analyses carried out at regional level in Hungary fail to convey the right picture about the real situation of local labour markets. The labour market is relatively small, and it breaks up into closed local labour markets whose size best corresponds to a small region. The majority of regional differences may be identified between counties, or perhaps even more between small regions, or settlements. The differences of respective rates of small regions keep growing, while the relative position of a particular small region does not change. This refers to the fact that stable reasons not changing on a short term (limits related to commuting and migration, transport difficulties, the territorial concentration of new workplaces, the geographical distribution of the Roma minority, etc.) are the real reasons behind the regional discrepancies of unemployment.

91. The differences in employment and unemployment between regions seemed to decrease between 1998 and 2001, but in 2002 they have grown again. The most unfavourable conditions permanently characterize the regions of Northern Hungary and the Northern Great Plain, their employment rate staying behind the highest rate of Western Transdanubia by 12.5 and 12.3%. While the highest employment rate belongs to Western Transdanubia continuously since 1998, the lowest unemployment rate was represented by Central Hungary in 1998 and in 2002.

92. The Labour Force Survey does not make it possible to examine data of counties and small areas as its sample size involves representative for regions (NUTS2 level), thus further data sources are needed.

Unemployment by regions - Register based unemployment rate 2003



Employment policy objectives

93. The Government of Hungary regards the general raise of the employment rate as one of its most important objectives and tasks. The raise of the employment rate requires increased flexibility and the creation of an employment friendly environment. The expectations of sustainable growth and improved economic competitiveness make it indispensable to develop human resources. The raise of the employment, the formation of a more flexible labour market, and the promotion of investment related to human resources development, and the qualification for funding from the European Union's structural funds require the strengthening of the institutions as well as the legal framework of employment.

94. The economy and the improvement of its competitiveness, the sustainability of the social security system require a much larger share of the workforce to be present in the labour market. To further that objective, measures need to be taken on both the supply and the demand side of the labour market.

The demand side of the labour market

95. The need for the employment rate rise supposes, on the demand side of the labour market, the creation of jobs, and the improvement of the employment potential. This calls for further involvement of foreign investment capital, the gradual cutting of the costs of labour, the strengthening of the employment potential of small- and medium sized enterprises, and the establishment of a stable financial and legal environment to increase the safety of smaller employers.

96. As regards job creation, it is mainly the service sector that offers major potential. Various processes related to changes in demographic trends and family structure herald the growth of the service sector. The Government aims at creating the conditions for better exploiting the

employment potential of the service sector, at identifying, and supporting new forms/patterns of activity and of employment in the fields of social welfare, household services, ancillary services.

The supply side of the labour market

97. As regards the supply side, employment rates may be raised by enabling unemployed and inactive persons and those cut off the labour market to return, and by preventing unemployment from becoming a lasting state. If we are to achieve lasting results, personalized labour market services, work placement and counselling must become a significant item among the activities of the employment service. Such services must also reach out to those jobless inactive persons who are today still out of sight for the employment service. Attempting to prevent and successfully overcome unemployment, emphasis must be put on the increased number of participants in active labour market policies, and the number of financial contributions, also on improving effectiveness, including the employment rate of employment agencies.

98. The mitigation of the geographical discrepancies of employment and wages requires comprehensive program packages and resources to balance unevenness. The concentration of public investments and employment promoting schemes mainly on the less developed areas will help create jobs and develop the performance of enterprises where the requisite capital or entrepreneurial potential is still missing. It will also help integrate closed regions into the blood circulation of their respective districts/regions. This may be compounded by significant public works projects.

The rights of persons with disabilities

99. Regarding the rights of persons with disabilities, Article 5 of Act XXVI of 1998 on the Rights of Persons with Disabilities and the Assurance of Equal Opportunities to them provides that persons with disabilities shall be entitled to live in a perceptible and safe environment, which offers free access to public areas. This requirement includes the possibilities of orientation in transportation, and in the constructed environment.

100. Articles 15-16 of the same piece of legislation regulating employment provides that a person with disabilities is entitled to preferably integrated, or, in lack of such, sheltered employment. The employer providing such employment must ensure that the working environment, working tools and equipment are adequately converted to the extent required by the job in question. Grants from the central budget may be claimed to cover the expenses incurred by such conversion.

101. Currently 20% of public buildings offer free access, and the reconstruction of the remaining 80% is under way. In many cases the reconstruction work to ensure free access could not start due to short financial resources.

Labour law legislation

102. Every citizen of the Republic of Hungary has the right to work, to the free choice of work and occupation, as provided by Act XX of 1949 on the Constitution of the Republic of Hungary effective since 23 October 1989. According to Act XXII of 1992 on the Labour Code an employment relationship is created – unless otherwise provided by legislation – through a work contract, i.e. the mutual expression of intent by the parties. On the same note, any amendment of the work contract is also possible through a mutual expression of intent of the parties to that end.

Since 1 July 2003 it has been the obligation of the employer to put the work contract in writing, and in lack of such, only the employee has the right to refer to the ineffective nature of the work contract.

103. The freedom to contract also covers the freedom of specifying the content of the contract.

104. Para (1) of Article 77 of the Labour Code contains another provision promoting the free choice of work. The employee may only be requested to make such statements or complete only such forms, and be subjected only to such aptitude tests as do not infringe upon his/her rights to privacy, and as may identify information essential from the point of view of the employment relationship anticipated. There is a provision effective since July 1 2003 prohibiting the obligation of the employee to undergo a pregnancy test or to present a statement of such a test, except if such test is carried out as part of a set of job aptitude tests required by applicable legislation.

105. Article 72 of the Labour Code outlines that only person older than 16 may conclude a work contract as employee.

106. In addition to the protection of the above-mentioned human rights, both the Constitution and the Labour Code contain regulations to safeguard the basic political and economic freedoms of the individual. Economic freedoms are established mainly in Para (2) of Article 70/B of the Constitution in connection with the employee's right to his/her wages. It provides that equal work must be remunerated by equal wages without any discrimination. Para (2) of section 8 of the Labour Code provides further guarantees to the right to wages. It outlines that the employee may not give up on any of his/her rights ensuring the protection of his/her wages or personality in advance, and may not conclude any agreement that infringes upon such rights to his/her detriment.

107. Part II of the Labour Code regulates the relationship of the representative organizations of both employees and employers in order to protect the employees' social and economic rights and to maintain work peace. These regulations establish the right to organize, and outlines participation of the employees in the process of specifying working conditions. Part II determines the procedures of collective bargaining, and those aimed at preventing and terminating labour disputes. The right to organize is likewise established in Para (1) of Article 70/C of the Constitution, providing that everyone has the right to form or join organizations with other people with the purpose of protecting his/her social and economic rights.

Vocational training, adult training

108. Vocational training and adult training in Hungary have been differentiated by a new regulation that came into effect on 1 January 2002.

109. Adult training is meant to provide general training, and vocational as well as language training to those adults who have neither a trainees' nor a students' legal relationship with any institution of public or higher education. On that basis, today there are about 500,000 persons participating in adult training, which thus also covers approximately 150,000 adults per year who study for a vocational qualification. The Adult Training Act, departing from the principle of life long learning, and relying on quality assurance, intends to do more for adults, and therefore it has

introduced per capita financing for adult training institutions, and tax allowance for training participants. The target group of the adult training in relation to per capita funding changes constantly. In 2003 it covered those not having vocational qualification, and those with disabilities. However, the tax allowance is for all adults who study in an accredited institution according to an accredited program.

110. The National List of Qualifications (OKJ) contains all vocational qualifications recognized as such by the state. They currently number 812, including 73 vocational qualifications available for persons with disabilities in the mainstream educational program. Training courses may be basic training, retraining, continuing training, training of unemployed persons, rehabilitation training, etc. Employers may ensure training to their own employees, an opportunity whose significance is emphasized by the state, and which is also supported through legislation. Apart from the Vocational Training Act, and the Adult Training Act, we continuously update the Public Education Act, and the Higher Education Act as well, along with the Vocational Training Contribution Act, the latter being particularly relevant for this subject.

The prohibition of discrimination

111. Hungarian law does not allow any form of discrimination related to the right to work. In our legislation there is Article 70/A of the Constitution outlining the general prohibition of discrimination. Article 5 of the Labour Code outlines a regulation prohibiting negative discrimination in a broader sense, specifically in an employment relationship context. In accordance with Para (1) of Article 5 of the Labour Code, possible grounds for discrimination are as follows: the employee's gender, religion, political conviction, affiliation to an employees' representative organization, the activity related to such, his/her part time employment, the specified period of his/her employment, and all other circumstances unrelated to employment.

112. The Labour Code recognizes indirect negative discrimination as well, whereby the employer does not apply negative discrimination against a well-defined group of employees, but provides apparently equal treatment with regard to all. The employer may take formally consistent measures, which, however, prove to be unproportionally unfavorable for a number of persons that may be regarded mostly as a uniform group. No indirect discrimination takes place if a given measure or the specification of seemingly discriminative conditions have been adequate and necessary, or may be justified by objective facts. Provided a legal dispute emerges, the employer must prove the existence of such facts.

113. The prohibition is applicable in conjunction with the creation of the employment relationship, including any regulation, measure, condition, or practice, taking place prior to the employment relationship, or related to any process/procedure promoting its creation; the exercise of rights or performing obligations during the employment relationship, assumption of liability, or terminating the employment relationship.

114. Moreover, negative discrimination even includes distinction whereby one employee is put at a disadvantage vis-à-vis another in the case of promotion on one of the grounds listed above – under otherwise equal conditions. This, however, does not mean that an employee would be automatically eligible for promotion with a specified amount of experience or after a given qualification obtained.

115. There is only a single exception from the general prohibition of discrimination, namely, when the nature or the character of the work obviously requires such distinction. It may be established by legislation so as to protect young employees or pregnant women, or the employer may stipulate such regulations.

116. On the basis of Article 3 of Act LXXV of 1996 on Labour Inspection, labour inspectors, and occupational health and safety inspectors are authorized to inspect the compliance with the prohibition of negative discrimination. Therefore the Act on Labour Inspection was amended so as to enable inspectors to control the employer's procedures in preparing the legal relationship aimed at work (e.g. the employment relationship), especially the call for applications, and the actual selection process.

117. Para (1) of Article 2 of Act IV of 1991 on the Promotion of employment and providing for the unemployed likewise contains provisions on the prohibition of negative discrimination on the basis of their gender, age, race, origin, religion, political convictions, or affiliation to employees' representative organizations.

118. In spite of the above-mentioned, practical experience shows that there are groups in the labour market, which have a special status because their situation is different from the average. Such groups include the Roma, persons with disabilities, those suffering from addictions, and, from a certain point of view, women, young persons, as well as elderly employees.

119. Collecting/storing data of race, colour of skin, gender, religion, or nationality is not allowed in Hungary.

120. Since the Labour Code came into effect 1 July 1992, it has been amended thirty-eight times, which in fact reflects few changes in a number of chapters of the Act. These were the requirements of harmonizing our national legislation with the *acquis communautaire* of the European Union. Some EU directives regarding labour law were integrated by means of legislative amendments. Those amendments that had a more significant effect on labour or the right to the free choice of employment are discussed above.

121. To provide a broader outlook, it is necessary to mention a few legislative measures to be implemented in the near future. The Bill on Equal treatment and the promotion of equal opportunities was adopted in December 2003. (Act No. 125. of 2003) This piece of legislation handles the entire issue comprehensively, in accordance with consistent principles regarding each of the legislative fields concerned.

122. Items on the agenda include issues related to telework as a special legal relationship, and, the amendment of the Labour Code in connection with the same. Telework, from an employment policy point of view, represents a new type of employment initially for young, qualified workforce, and those easily adapting to the requirements of the information society. The spreading of telework is a particularly sensitive issue for women (mothers with a family), and for those with changed working capacities who are confined to their homes. This is how the right of increasingly larger groups of society to the free choice of work and employment moves beyond the letter of law, and becomes everyday reality.

ARTICLE 7 – JUST AND FAVOURABLE CONDITIONS OF WORK

123. Hungary ratified the following ILO Conventions in relation to Article 7 of the Covenant:

- ILO Convention 100 on Equal Remuneration (1951), ratified on 8 June 1956.
- ILO Convention 14 on Weekly Rest (Industry) (1921), ratified on 8 June 1956.
- ILO Convention 132 on Holidays with Pay (Revised) (1970)), ratified on 19 August 1998.
- ILO Convention 81 on Labour Inspection (1947)), ratified on 4 January 1994.
- ILO Convention 129 on Labour Inspection (Agriculture) (1969)), ratified on 4 January 1994.
- ILO Convention 155 on Occupational Safety and Health (1981)), ratified on 4 January 1994.

124. Hungary has not ratified ILO Convention 131 on Minimum Wage Fixing (Developing Countries) (1970). Hungary has not ratified ILO Convention 106 on Weekly Rest (Commerce and Offices) (1957).

125. We attach our report of 2003 on the measures taken to give effect to ILO Convention 14 on Weekly Rest (Industry), ILO Convention 100 on Equal Remuneration, and ILO Convention 132 on Holidays with Pay (Revised).

Wages

126. The basic methods of determining wages are outlined:

- in the Labour Code (Act XXII of 1992) for the private sector,
- in Act XXIII of 1992 on the Legal Status of Civil Servants and
- in Act XXXIII of 1992 on the Legal Status of Public Employees for the public sector.

127. In an employment relationship the employer is obliged to pay wages, and the employee has the right to receive such wages. Any agreement not corresponding to it shall be invalid. The provisions of the Labour Code also contain the methods whereby performance standards must be specified. In piece-rate pay 100% performance is associated with a given amount of pay

128. Wage levels in the competition sector – except for the minimum wage – are set in the agreement of the parties or in the collective agreement covering either the particular enterprise or the branch. Factors of piece-rate of an employee employed full time must be specified so that if the performance requirement has been fully satisfied, and the full working time worked, the wages payable to the employee should amount to at least the statutory minimum wage. If delivering the performance requirement depends significantly on factors beyond the employee's competence, a guaranteed level of wage must be set.

129. Wages based on piece-rate must be determined in a way not resulting in discrimination among the employees.

130. The statutory minimum wage is set by the Government with the agreement of the National Council for the Reconciliation of Interests. There is one generally applicable minimum wage in Hungary, from which any deviation is only allowed if resulting in conditions more favourable for the employee.

131. The following must be taken into account when determining the statutory minimum wage: the needs of employees, the national level of wages, subsistence costs, social security allowances,

the living standards of individual social groups. Economic circumstances must be considered as well: the requirements of economic growth, levels of productivity, and requirement of maintaining a possibly high rate of employment.

132. It is compulsory to review the level of the minimum wage from time to time. It is the government's responsibility to instigate national wage negotiations. Such negotiations take place every year. The payment of the statutory minimum wage is required by legislation, and the compliance of employers with such legislation is regularly controlled by the National Chief Inspectorate for Labour and Occupational Safety (OMMF).

133. Until the end of the 1990s the minimum wage had gradually lost of its real value, and its value – compared to average earnings and the poverty line – had likewise dropped. In 2001-2002, the nominal value of the minimum wage almost doubled following measures initiated by the government. This significantly improved the ratio to the average wage and to the poverty line.

Discrimination

134. In Hungary, the Labour Code establishes the principle of equal pay for work of equal value. That principle requires that in determining the remuneration for work of equal or of admittedly equal value it is forbidden to apply any unjustified discrimination among employees. Upon determining the equal value of work, the demands of the work must be taken into account: the nature of the work performed, its quality, its amount, the working conditions, the required qualification, the physical and mental effort and experience needed, the responsibilities.

135. The gender distinction of earnings has virtually not changed in Hungary over the last years. In comparable positions women's earnings fall about 13-14% behind those of men.

Real wages

136. There was a particularly dynamic increase in real wages in Hungary in 2001-2003, amounting to some 33% over the three years in question. The increase proved to be particularly high in budgetary institutions (public sector), where the significant wage increases amounted to more than 50%. Wage increases in the competition sector (enterprises) were likewise considerable (approx. 26%), while remaining below that in the public sector.

137. As a result of the significant difference in the rate of increase, currently the average earnings in the public sector are above that of the competition sector. In 2000 the average earnings amounted to 86,210 HUF/month in the public sector and 88,425 HUF/month in the competition sector. In 2002 the average earnings in the public sector rose to 136,891 HUF/month, a larger amount than the average of 116,555 HUF/month in the competition sector.

138. The significant wage increases in the public sector in 2001-2003, applicable to all categories of employees had the primary aim of eliminating the major disadvantage of the public sector in comparable positions. That lag equalled to about 35% on average in positions recognized as comparable (e.g. requiring similar qualifications) in the period prior to the increase. These measures resulted in a significant reduction, and in certain job categories even in the complete elimination of the lag.

Occupational health and safety

139. Legislation concerning safe work, not harmful to health, as provided by a general regulation of Act XCIII of 1993 on Occupational Safety, covers those employed in organized work. Para 87 of Article 9 of the Act on Occupational Safety defines organized work as follows:

“Organized work: in the framework of an employment relationship, in a civil service, or a public service legal relationship, or - in the case of cooperative membership - in a legal relationship of an employment relationship character, in a trainees’ or students’ legal relationship in practical training, in a penitentiary legal relationship (in detention, or as an in-mate), under the effect of a public administrative resolution, or any work performed by members of the armed forces, armed organizations, members of the professional public and professional local governmental fire brigade, and other law enforcement organizations in the framework of their respective legal relationships, work performed in the civilian service, and social work projects initiated, managed or approved by the employer.”

140. In order to ensure that work is safe and not harmful to health, employers must, under the Act on Occupational Safety, follow the provisions of ministerial decrees and ensure compliance with the provisions and require their workforce to comply with those provisions.

141. The occupational safety representative representing the employees’ interests concerning safe work – if such representative(s) have been elected – may, with a view of implementing the provisions of applicable legislation and regulations in practice, make observations, and recommendations to the employer on issues beyond the employer’s compulsory jurisdiction.

142. Based on the authority derived from the Act on Occupational Safety, the labour and occupational safety inspectors of the National Chief Directorate for Labour and Occupational Safety examine whether employers comply with their statutory obligations, and take measures that result in safe work, not harmful to health.

Legislative control of occupational safety

143. The Labour Code outlines all requirements in Hungary concerning occupational safety. The Labour Code has been amended several times over the years. The legislation LXXVIII of 2001 provides new rules concerning risk assessment, occupational safety training, occupational safety representatives, the occupational safety fine, the law enforcement jurisdiction of labour and occupational safety inspectorates, and gives a definition of two notions: prevention and workplace. The amending legislation LIII of 2002 harmonizes and updates the following provisions: provisions related to the certification of occupational safety compliance of work tools/equipment, the definition of dangerous work tools/equipment, occupational safety compliant installation of tools/equipment, preliminary occupational safety assessment, the election of occupational safety representatives, and the operation of occupational safety experts. The amending legislation regulates the notion of business relocation, and -for the purposes of the legislative regulations concerning those present in the immediate environment of work- it extends the notion of the workplace to the place of work of the private entrepreneur doing all the work exclusively on his/her own. It extends the notion of employer to those hiring the employee, and those posting the worker.

144. Minister of Labour decree 5/1993 (XII.26.) on the implementation of some provisions of the Labour Code amended the Minister of Employment and Labour decree 11/2002 (XII.28.) regarding the list of dangerous working tools/equipment. The decree stipulates that employers grouped in danger class III, and employing over 50 persons have to employ a qualified occupational safety expert. The decree amended the licensing conditions of the activity of occupational safety (effective since 1 January 2004). The work accident protocol form supplemented to comply with EURSTAT data content is effective since 1 January 2004 as well.

Trends of work accidents

145. The number of work accidents has – as reflected by the table in annex – decreased by a modest 6% since 1997. The frequency indicators of work accidents show the following: in 1997 there were 7.9 cases per 1,000 employees, and 4.1 fatal work accidents per 100,000 employees (the working population numbered 3,646,300 based on CSO statistics). In 2002 there were 6.5 work accidents per 1,000 employees, and 4.2 fatal work accidents per 100,000 employees (the working population in 2002 numbered 3,870,600 based on CSO statistics).

146. It is a rather unfavourable circumstance that the number of fatal work accidents (within serious work accidents) has risen sharply. A decisive factor in shaping that statistic was that there were 10% more fatal work accidents in the transportation sector and 36% more in the building industry).

147. Most of the accidents in the building industry resulted from falling from a height. The reason is that neither employees nor employers ensure that they are properly protected against such occurrences. This is partly explained by financial factors: the employers want to save money by not ensuring the required scaffolding, and the personal protective gear. At the same time employees, confident of their – usually – many years of experience fail to observe the most obvious safety instructions.

148. In the building industry the second largest number of fatal work accidents occur in deep structure constructions, namely sewage construction. The immediate cause of the fatality is deficient supporting in the working ditches. The reason again goes back to ‘economizing’ on supporting material and pressing handover deadlines.

Regulations of labour law regarding resting time and leisure time

149. The Labour Code dedicates a separate chapter to working time and rest periods (part III, Chapter VI). As regards resting time, the employer must provide the employee at least with the followings:

- a general break of minimum 20 minutes,
- a daily rest period of minimum 11 hours,
- a weekly rest period of 2 days,
- days off.

150. The employee is entitled to at least 20 minutes of general break involving discontinuation of work

- if scheduled daily working time,
- or the duration of special work duty exceeds six hours,
- after every further 3-hour-working period,

This break, meant by the Labour Code primarily for eating purposes, only forms part of working time if so provided by other legislation or so agreed by the parties involved. Generally it does not count as working time (Labour Code, paragraph a) of subsection (1) of Article 117, and Article 122).

151. Resting time between finishing work on one day and starting it on the following day must amount to at least 11 hours, but in some cases 8 hours as a minimum. The 8 hours of daily resting time may only be prescribed by the collective agreement (i.e. not by agreement between the parties). It is only possible in the case of work in stand-by duty, or when work is performed in continuous shifts, or in several shifts, or in the case of seasonal work (Labour Code, subsections (1) and (2) of Article 123).

152. The entire amount of daily rest period must be observed in the event of instruction to do special work duty. The daily resting time must always be granted as an unbroken period. If the employer fails to ensure the statutory amount of daily resting time between finishing work on one day and starting it at the usual time on the next day (due to e.g. for special work duty), the employee may only be obliged to take up work at the time which allows him/her to enjoy the daily resting time to which he/she is entitled to. The employee is justified to start work later on the following day. Similarly, only the collective agreement may prescribe that the employee is not entitled to resting time following a period of stand-by (Labour Code, subsection (3) of Art.123).

153. The general rule concerning weekly resting time is that the employee must be granted two resting days per week, one of which must be a Sunday. The law allows for two types of deviation from that general rule: the employee may either be ensured a rest period of a specified length instead of a rest day, or he/she may be granted rest days combined. Thus, if working time cycle is being applied, the employee may, based on his/her working timetable, be granted a total of 48 hours of unbroken resting time instead of rest days, which period must include a Sunday.

Payment for days off

154. According to the general rule employees shall not work on an official holiday, and are entitled to absence fee for that period. The absence fee equals the employee's basic pay for the time spent away from work; plus the pro rata amount of regular wage supplement(s); along with the proportional average of the supplementary extra pay for unscheduled work or work performed in addition to the working time cycle (Labour Code, subsection (1) of Art.151/A).

155. Holiday work is allowed in a few cases:

- in normal work schedule: if there is an unbroken working pattern, or in the case of an employer (or job) where continuous operation is the nature of the business.
- as special work duty: employees who may be required to work on such days as part of their regular working schedule, or in cases of force majeure (when work becomes

necessary due to accident, natural disaster, damage, or to eliminate immediate danger to life, health, physical integrity) (Labour Code, section 125).

156. Art.149 of the Labour Code gives the details of the elements of remuneration payable to the employee for working normal hours or in special work duty on an official holiday in addition to his/her normal wages.

157. For normal working time on an official holiday:

- if the employee is remunerated on a monthly basis, he/she will be entitled -on top of the regular monthly wages- to wages due for work on a legal holiday,
- if the employee is paid piece-rate or by the hour, he/she is entitled to his/her absence fee on top of the wages due for work on an official holiday.

158. An employee obliged to perform extraordinary work on an official holiday is entitled to 100% supplementary pay on top of the wages described above. Such supplement amounts to 50%, if the employee is granted another resting day instead. The resting period or the other resting day must be granted the next month at the latest. If extraordinary work is frequent, or its remuneration becomes too complicated, the employer can set a flat rate to replace the above wage supplements.

Reasonable restriction of working time

159. According to the Labour Code daily working time shall mean the duration of working time on a calendar day or in an uninterrupted period of twenty-four hours. Weekly working time shall mean the duration of working time in a calendar week or in an uninterrupted period of one hundred and sixty-eight hours (Labour Code, paragraph b), and c) of subsection (1) of Art.171). The working time is 8 hours a day, and 40 hours a week. Regulations applicable to the employment relationship (e.g. the collective agreement) may specify working time shorter than this. In the case of standby and if the employee is a close relative of the employer (or owner), the daily working time might be longer than 8 hours but mustn't exceed 12 hours a day or 60 hours a week. Relevant acts and the collective agreement may determine the maximum period of time, which the employee may still spend on a given activity without suffering any health damage or exposing him/herself to any danger (Labour Code Art.117/B)

160. Working time may be defined not only in terms of working days, but also in working time cycle, which should be based on the daily working time. For employees working in standby, in continuous or alternating shifts, or performing seasonal work, the collective agreement may specify even annual hours. The initial and the final date of the working time cycle is to be determined, and the employee should be informed thereof in writing. Such written information may be replaced by publishing/posting the same information in a locally customary manner. It is important that the application of a longer period of working time cycle should not result in the infringement of the rules concerning working time (Labour Code Art.118 and 118/A).

161. The employer determines the work schedule. The employer must take account of the requirements of healthy and safe work. Daily working time may not exceed a total of 12 hours, weekly a total of 48 hours, and, in the event of work in standby, it may not exceed 24 hours a day, or 72 hours a week. Night work may not exceed 8 hours if the employee is employed in a

job that is listed in relevant legislation as involving the risk of health damage. When applying the rules concerning the daily and weekly working time limits, in case the time period of the standby cannot be measured, the full period of such work must be regarded as working time.

162. As the employer may specify an irregular working schedule for successive working days, the Labour Code sets the limit whereby in such cases the daily working time may not be any shorter than 4 hours. It has been a frequent cause of uncertainty in conjunction with that regulation whether the 4-hours daily limit also applies to part-time employment. The Labour Code therefore enables the specification of a part-time daily working time shorter than 4 hours based on the mutual agreement of the employer and the employee (e.g. the employee may be employed part-time as mailman for two hours a day everyday). Thus a woman, or a single father may only be employed in an irregular working schedule or split working time if they themselves so agree, and the same group of employees may not be instructed to perform night work. We would like to point out with regard to the prohibition of night work that minor employees may not be employed on night work (Labour Code Art.119, Labour Code. Art.120, Labour Code subsection (5) of Art. 129/A).

Regular paid holiday

163. Holiday time is a paid resting time to be granted to the employee. Holiday time may be

- regular holiday time comprised of basic and extra holiday (Labour Code Art. 130-136),
- extra holiday according to collective agreement or employment contract.

164. Basic holiday: Holiday is to be granted for working days. The employee is entitled to holiday in each employment relationship, thus also in further – possibly simultaneous – employment relationships. The length of the holiday must be defined separately with each employer. The employee shall be entitled to regular annual leave even if the employer does not employ him/her full time. Thus an employee employed part-time shall also be entitled to holiday, so e.g. an employee employed six hours a day shall be entitled to remuneration during his/her holiday to an extent corresponding to employment of 6 hours a day. According to the general rules, no remuneration is payable for the time during which the employment relationship is suspended, except for cases identified in subsection (2) of Art.130 of the Labour Code such as for the period of sickness incapacitated for work, or maternity leave. The basic holiday is based on the age of the employee and it may range from a minimum length of 20 to a maximum length of 30 days.

165. The Labour Code sets the following rules regarding extra holidays:

- Young employees shall be entitled to five working days of extra holiday each year.
- One of the parents assuming greater role in raising a child according to the parents' decision, and single parents shall be entitled to extra holiday time amounting to
 - two days per year for one child,
 - four days per year for two children,
 - a total of seven days per year for more than two children
- The parents are entitled to the extra holiday until the child is under 16.
- Blind employees shall be entitled to five extra days of holiday each year.

- Employees permanently working underground or spending at least three hours a day performing a job subject to ionizing radiation shall be entitled to five extra days of holiday each year.

166. Extra holiday according to the collective agreement and the employment contract: In addition to the provisions of the Labour Code, the collective agreement or an employment contract may set additional extra holidays. As a general rule, the employee must be given an opportunity to express his/her views concerning his/her holiday prior to granting it. One quarter of the basic holiday must be granted in a time requested by the employee except for the first three months of the employment relationship. The employer shall inform the employee of the time of the holiday granted at least one month prior to the holiday.

167. The Labour Code enables the financial reimbursement of the holiday in two cases:

- upon the termination of the employment relationship,
- upon conscription (abolished since) for military service, if the employee has not been granted the pro rata holiday until such date.

The exercise of the rights

168. The law does not exclude any group of employees from exercising the above-mentioned rights. A legal dispute may be instigated in accordance with the provisions of the Labour Code in case any difficulty should arise

- for the employee in conjunction with realizing a claim deriving from the employment relationship, or
- for the trade union or
- for the labour council (labour representative) to realize a claim arising from the Labour Code the collective agreement, or the labour agreement.

Such labour disputes shall be decided by a court of justice (Labour Code, Section 199).

169. In addition to the above, a trade union having representation in the employer's organization is entitled to submit an objection against an unlawful measure by the employer (omission) if such measure immediately affects the employees or the representative organizations.

170. The 1995 amendment of the Labour Code (Act LV of 1995) provided that employees may establish a trade union even within the organization. The rights of the trade union include informing the employees of their financial, social, and cultural rights, and responsibilities, and those concerning their living and working conditions, and representing its members in issues related to industrial relations, and the employment relationship vis-à-vis the employer or public agencies (Labour Code Section 19). Furthermore, the trade union is entitled to control the compliance with legislation concerning working conditions. As part of this effort, it may request information from the competent agency regarding the compliance with regulations applicable to the employment relationship. Such information or data must be statutorily provided to it. The trade union may bring any errors or deficiencies identified during such controls to the attention

of the agencies responsible for the implementation and it may instigate the appropriate proceedings if that agency should fail to take the necessary measures. The agency conducting such proceedings must notify the trade union of the outcome (Labour Code Section 22). Relevant special occupational safety requirements form part of the planned regulations on telework.

ARTICLE 8 – TRADE UNIONS

171. Hungary ratified ILO Convention 87 on the Freedom of Association and Protection of the Right to Organize (No. 87) on 6 June 1957, and ILO Convention on the Right to Organize and Collective Bargaining (No. 98), and ILO Convention on Labour Relations (Public Service) (No. 151) January 4, 1994.

172. The 2003 reports on the measures taken to give effect to the provisions of ILO Conventions No. 87 and No. 98 can be found in annex to this report.

The operation of trade unions

173. Trade unions may be established in Hungary in accordance with the provisions of the Act on Association. The freedom of association is a basic human right recognized by the Republic of Hungary, and its undisturbed exercise is guaranteed statutorily. The freedom of association grants the right to everyone to create organizations and/or associations with others, or to participate in the activities of these. Social organizations – and thus trade unions – may be established to pursue an activity that is in harmony with the Constitution, and which is not prohibited by law. To create a social organization – and thus a trade union – a statement of at least 10 founding members is required; whereby the members declare the organization established, determine its statutes, and elect its management and representative organs.

174. Both the Constitution, and the Labour Code regulate the issue of trade unions. The Constitution provides that 'trade unions, and other representative organizations protect, and represent the interests of employees, cooperative members, and entrepreneurs'. According to the Labour Code trade unions are understood as any organization of employees whose primary aim is to promote and protect the interests of employees in conjunction with the employment relationship.

175. Employees may create a trade union even within the work organization. The rights of a trade union include the followings: operating various organs within the work-organizations, and involving its members in the operation of these; informing the employees of their financial, social, and cultural rights and responsibilities, and those concerning their living and working conditions; representing its members in issues related to industrial relations, and the employment relationship vis-à-vis the employer or public agencies.

176. A trade union is entitled to conclude collective agreements in accordance with legislation established in the Labour Code.

177. Hungarian trade unions may freely join any trade union confederation. All the six national trade union confederations sitting in the National Council for the Reconciliation of Interests are members of the ETUC.

178. Hungary has enterprise level trade unions, branch level trade unions, and trade union associations uniting members of a profession, as well as national trade union confederations.

179. The following trade union confederations are members of the National Council for the Reconciliation of Interests, the tripartite national forum of social dialogue:

- National Association of Autonomous Trade Unions
- Trade Union Grouping of Intellectuals
- LIGA - Democratic Confederation of Free Trade Unions
- National Federation of Hungarian Trade Unions
- National Federation of Workers' Councils
- Forum for the Cooperation of Trade Unions

180. About 20% of all employees are members of a union, and about one third are covered by a collective agreement.

The right to strike

181. The right to strike is a basic constitutional right in the Republic of Hungary. Art.70/C of Act XX of 1949 on the Constitution outlines that everyone has the right to establish an organization with other people or join such an organization with the purpose of protecting his/her economic or social interests. The right to strike may be exercised in accordance with the law providing the applicable regulations. It is a guarantee-rule that the passing of the Act on the Right to strike requires two thirds of the votes of the members of Parliament present.

182. Strikes are regulated by Act VII of 1989. The Act prohibits strikes in judiciary organizations, in the armed forces, armed organizations, and law enforcement bodies, and civilian national security services. In public administration bodies strikes may be exercised on the basis of an agreement between the Government and the trade unions concerned. Apart from the above, the right to strike is subject to restrictions if it immediately and seriously threatens human life, physical integrity, health, or the environment, or if it hampers the prevention of a natural disaster. The third group of cases of restricting the right to strike regards agencies providing a public service. These may only exercise the right to strike if it does not hinder the provision of a still sufficient level of service.

183. A strike shall be unlawful if initiated without all legislative conditions in place, or if it is aimed at a purpose violating a provision of the Constitution, or if it was initiated against a measure of the employer whose modification belongs in the competence of a court of justice, or, further, if it was initiated to alternate a provision of the collective agreement during the period of validity of the collective agreement. The law appoints the labour court to decide if a particular strike was lawful or unlawful. There is no deadline for submitting requests for such decision, thus it may be submitted any time during or following the strike. The labour court shall decide the case in a non-litigatory process. That means that no court hearing is held, but the court may summon the parties for questioning if it deems necessary, or may seek further proof.

184. Act VII of 1989 on the Right to Strike has been amended on a single occasion since the last report. Act CXXV of 1995 changed the language of subsection (2) of Art. 3, as a result of which the civilian national security service was added to the list of public agencies in which the

right to strike is restricted. Judiciary bodies have established a uniform practice in this regard, and the Supreme Court has issued a Guideline resolution on the matter, and has decided several individual cases as well.

ARTICLE 9 – SOCIAL SECURITY

185. According to Article 70/E of the Constitution the “*Citizens of the Republic of Hungary have the right to social security; they are entitled to the support required to live in the old age, and in the case of sickness, disability, being widowed or orphaned and in the case of unemployment through no fault of their own. The Republic of Hungary shall implement the right to social support through the social security system and the system of social institutions.*”

186. The system of social safety in Hungary is composed of three major subsystems:

- the system of compulsory social security
 - health insurance branch
 - pension insurance branch
- the mechanism handling unemployment
- social benefits (including family benefits and child protection services)
 - cash benefits,
 - in-kind service types, and
 - personal service types.

187. The systems of social safety operate partly on an insurance basis (pension insurance, health insurance, unemployment benefits), and partly through the re-distribution of tax inflow.

188. Social assistance reaches the target groups partly in the form of public allowances, and partly in the form of assistance schemes operated by the geographically competent (permanent residence based) local governments.

The system of compulsory social security in Hungary

189. According to Article(1) 14 of Act LXXX of 1997 on Persons Entitled to Social Security Benefits and Private Pensions, as well as the Coverage of These Services (Social Security Act): “Social security services may be used within the framework of the health insurance and pension insurance schemes.”

190. Under Sub-paragraphs (2) and (3) of Article 14 of the Social Security Act, the general structure of the health insurance and pension insurance benefits are as follows:

A. Health insurance services:

1. Healthcare services in kind
2. Cash benefits
 - maternity/confinement aid
 - childcare allowance
 - sick pay
3. Accident-related benefits

- healthcare services following accident
- accident-related sick pay
 - accident-related long-term allowance

B. Pension insurance benefits:

4. Direct entitlement social security pension
 - old-age pension
 - disability pension
 - accident – related disability pension
5. Survivor's retirement benefits
 - widow(er)'s pension
 - orphan's allowance
 - parental pension
 - accident-related survivor's retirement benefits

191. The services provided within the framework of the social security entitle partly to use services and partly to apply for cash benefits. Only insured persons are entitled to the whole range of social security services, in the case of other circumstances specified by law.

Health insurance services:

192. According to Act LXXXIII on the services of the mandatory health insurance (Health Insurance Act), the following health insurance services can be used:

- 1) health care services
- 2) cash benefits
- 3) accident-related services

193. 1. The health care services are available partly without charge, partly with subsidies provided towards the price or a portion of the prices can be covered by the Health Insurance Fund or they can be used on the basis of equity. *Healthcare services available without charge:*

- a. Healthcare services aimed at prevention and early diagnosis of illnesses
- b. Benefits available for therapeutic purposes
 - Care by the primary care physician
 - Dentistry
 - Outpatient care
 - Inpatient treatment
- c. Other healthcare services
 - Obstetrical care
 - Medical rehabilitation
 - Patient transport, emergency care

194. Medications, medical implements and medical care can be used with state subsidies provided towards the price.

195. Certain dental provisions or services that can be used only upon medical prescription without having this prescription are available for the insured person upon partial payment of

compensation, or the use of services provided by other health care institution that the one initiated by the doctor if urgency is not justifying it. If the use of a service initiated by the insured person – in certain cases specified by the law - is causing additional costs, or special treatment within the institution (separate room, special meal, or board or accommodation of higher quality).

196. The director of the National Health Insurance Fund – within the limits defined in the health Insurance Fund budget – may provide access based on equity to healthcare services for persons not entitled otherwise to these services in ways specified by the law.

2. Cash benefits

- a) pregnancy – maternity allowance
- b) childcare fee
- c) sick-pay

197. *Pregnancy–maternity allowance* is due for those women who were insured for at least 180 days during a period of two years prior to the birth, and

- have their baby during the insurance period or within forty two days from the termination of the insurance, or
- have their baby after the forty two days period following the termination of the insurance, during the period of which sick-pay or personal accident sick-pay was paid to her, or within twenty eight days from the termination of the sick-pay.

198. The pregnancy-maternity allowance is due for a period equaling the childbirth leave. The pregnancy-maternity allowance shall be 70 per cent of the daily average wage.

199. As of January 1, 2000, the palette of childcare benefits was enlarged with introduction of the *childcare fee*. The childcare fee is paid to parents who had been appropriately insured through employment before the child was born, and it is due until the child reaches the age of two years. The amount received is pegged to the parent's former salary (70 per cent) but has a ceiling. In 2001 the ceiling was HUF 80,000/month, in 2002 it was HUF 83,000/month, and in 2003 it was also HUF 83,000/month. The average monthly number of parents receiving childcare fee in 2001 equaled 62,904, in 2002 equaled 70,167. In December 2003, this childcare fee was being paid for 80,175 parents. The childcare fee is financed by the contributions paid into the Health Insurance Fund.

200. Persons becoming disabled during the existence of the insurance or on the first, second, or third day after its termination, and are obliged to pay a health insurance contribution determined in the Health Insurance Act, shall be entitled to *sick-pay*.

201. Sick-pay shall be due for the period of incapacity but for not more than

- a) one year during the insurance period, 90 days after the termination of the insurance
- b) until the child becomes 1 year old, if the legal title for sick-pay is the nursing or breast feeding of the child under the age of 1;
- c) eighty-four calendar days per child annually if the legal title for sick-pay is the nursing of a child between the age of 1 and 3;
- d) forty-two days per child annually (eighty four in the case of stand alone parent) if the legal title for sick-pay is the nursing of a child between the age of 3 and 6;

- e) fourteen days per child annually (twenty eight in the case of stand alone parent) if the legal title for sick-pay is the nursing of a child between the age of 6 and 12.

202. The amount of the sick-pay, in the case of an insurance period of at least two continuous years, shall be 70 per cent of the daily average income to be taken into consideration, and in the case of an insurance period shorter than the above, or in the period of inpatient treatment, it shall be 60 per cent.

3. Accident-related services

- a) Accident –related healthcare services
- b) Accident sick pay
- c) Accident annuity

203. Those persons are entitled to *accident-related health care services*, sick pay and annuity as an accident-related service whose health conditions worsened as a result of a work accident or an occupational disease.

204. *Accident sick-pay* shall be due to those who become incapable of earning as a consequence of a work accident during the existence of the insurance or on the first, second or third day after its termination. The amount of accident sick-pay is equal to the calendar day amount of the income receiving for work carrying out in the calendar month directly before the starting day of the eligibility for accident sick-pay and forming the basis of the health insurance contribution base of the insured person. If the insured person was not obliged to pay health insurance contribution in the three months before the eligibility for accident sick-pay, the amount of sick-pay is equal to the average income per calendar day calculating from the real income receiving before the accident or if it is not possible from the income stated in the contract.

205. Those shall be eligible to *accident annuity* whose capacity to work is reduced to an extent exceeding fifteen percent as a consequence of a work accident, but are not eligible to accident disability pension. If the extent of the reduction in the capacity to work does not exceed twenty-five percent, the accident annuity shall be payable for not more than two years, if it does exceed it, it shall be payable without any time limit for the period of the reduction in the capacity to work. In contrary with it, the accident annuity shall be payable without any time limit during the prevalence of the reduction in the capacity to work resulting from silicosis or asbestosis and not exceeding twenty-five percent. The extent of the accident annuity depends on the degree of the reduction in the capacity to work caused by the work accident. In accordance with the degree of reduction in the capacity to work,

- a) persons whose capacity to work is reduced by 16-25 percent belong to accident category 1,
- b) persons whose capacity to work is reduced by 26-35 percent belong to accident category 2,
- c) persons whose capacity to work is reduced by 36-49 percent belong to accident category 3,
- d) persons whose capacity to work is reduced by 50-66 percent belong to accident category 4.

206. The amount of accident annuity is, in the order of the categories determined above eight, ten, fifteen and thirty percent of the average monthly earning respectively.

Retirement benefits:

207. According to Act LXXXI of 1997 on the Social Insurance Pension,

- direct entitlement retirements benefits or
- survivor's retirement benefits

can be claimed. Both retirement benefits are cash benefits owing to the insured person who has accumulated the defined service years, or his/her relative.

1) Direct entitlement retirement benefits:

- a) Old-age pension
- b) Disability pension
- c) Accident-related disability pension

208. *Old-age pension* shall be disbursed to the ensured person, if he/she reaches the age and accumulates the service time specified by law.

209. *Disability pension* shall be disbursed to any person who has lost at least 67 % of his/her working potential, acquired the obligatory service time, and does not work on a regular basis, or his/her income is significantly smaller than that which he/she received before becoming disabled. Eligibility for disability pension terminates if the pensioner is no longer disabled, or works on a regular basis, and his/her income for the preceding four months was not significantly lower than the income she/he could have earned without being disabled in the job he/she had had prior to becoming disabled.

210. Any person shall be eligible for *accident-related disability pension* who has lost 67 per cent of his/her working potential primarily due to an employment-related accident (50% if it is due to silicosis), and who does not work on a regular basis, or whose income is significantly lower than the income he/she received before he/she became disabled.

2. Retirement benefits granted to surviving dependants:

211. *Widow(er)'s pension* is disbursed to a spouse, a divorced spouse, or a partner in cohabitation who before the death of his/her partner lived with the deceased for a year without interruption and they had a child, or lived with the deceased for ten years without interruption. No widow(er) may be disbursed if the surviving partner had received widow(er)'s pension or accident-related widow(er)'s pension during the entire or partial period of cohabitation. Widow(er)'s pension may be disbursed to a person whose accumulated the service time necessary for old age or disability pension, or who has died as a recipient of old age or disability pension.

212. *Orphan's allowance* is granted to any child – including children born in wedlock and reared by married couples in the same household, and children reared together by partners in cohabitation in the same household, but born in former marriages or cohabitations – whose parent until his/her death has accumulated the service time necessary for old age or disability pension eligibility, or whose parent died as a recipient of old age or disability pension. The

orphan's allowance for each child equals 30% of the sum that was or would have been granted to the deceased parent.

213. *Parental pension* is granted to any parent whose child died after accumulating the service time necessary for old age or disability pension eligibility, or who dies as a recipient of old age or disability pension if the parent was already disabled at the time of the death of his/her child, or had already reached the age of 65 and the parent was primarily supported by the child throughout the year preceding the child's death. These provisions shall similarly be applied to grandparents and grandchildren.

214. *Accident-related retirement benefits* to dependants are granted if the injured person dies due to an employment-related accident. Surviving dependants are eligible for accident – related retirements benefits even if the recipient of accident – related disability pension dies due to reasons other than the employment – related accident. Accident related retirement benefits shall also be disbursed to the dependants of an injured person if the latter dies during the period of disbursement of accident – related sick benefits due to reasons other than the employment – related accident, provided that it can be presumed that, had the person in question survived, he/she would have been eligible for accident – related disability pension. The general provisions of retirement benefits granted to surviving dependants are applied for accident-related retirement benefits granted to surviving dependants with the provision that the dependant shall be eligible for accident-related retirement benefits regardless of the service years the deceased accumulated.

215. The law – with the possibility of concluding an agreement – provides the retirement benefits for those who are not eligible for these benefits according to the compulsory system.

Funding the social security services

216. The health insurance services, the disability pension and certain categories of the accident-related disability pension are covered by the Social Insurance Funds. The state guarantees the financing of the health insurance services. However, there are certain services which are covered from sources belonging to the Ministry of Youth, Health, Social and Family Affairs.

217. According to the Health Insurance Act from the health insurance services the healthcare services can be used – within the framework of the Act – to the extent justified by health conditions. The cash benefits can be used proportionally with the obligation to pay health insurance contribution.

The financial sources of the obligatory social security services

218. The state budget ensures the financing of the obligatory social security services primarily by the collection of contributions. With the exceptions laid down by the law, with regard to the principle of solidarity, those persons are entitled primarily to the social security services who cover the expenses of the services.

219. The insured should pay health insurance and pension contributions. The employer should pay pension and health insurance contributions and should also contribute to illness benefits. Members of private pension funds should pay pension contributions and membership dues as contributions.

220. Comparing to the 44-33 % social security contributions of previous years, from 1 January 2001 the private entrepreneur considered as an insured and the employer should pay 31% social security contribution. From this, the pension contribution is 20%, and the health insurance contribution is 11 %

221. From 1 January 2002 the amount of the social security contribution has been reduced to 29%, from which the pension contribution is 18%, and the health insurance contribution is 11%. The employer should pay the social security contribution – specified by law – according to every paid or accounted income forming the contribution base.

222. The rate of the pension contribution to be paid by the insured is

- 8,5 % for persons coming exclusively under the effect of the social security pension fund,
- (was) 1,5 % in 2003 and 0,5 % in 2004 for persons who are members of private pension funds.

223. The rate of the health insurance contribution to be paid by the insured was 3 % in 2002, and 4 % in 2004. In the interest of raising competitiveness, the rate of social security contributions paid by the employer has been gradually reduced with 15 % between 1992 and 2004. Within this, the pension contribution has been reduced with 6,5 %, and the health insurance contribution with 8,5 %. The contribution to illness benefits has been introduced in 1997. This is – in most cases – a fixed amount contribution. The aim of the Government is to gradually phase out this type of contribution.

224. Besides the reduction of the health insurance contribution – paid by the employers – from 44 % to 29 %, the contributions paid by the insured persons have been raised from 10 % to 12,5 % between 1992 and 2004. The health insurance contribution was 3 % between 1998 and 2003. In all the other years – within the examined period (1992-2004) – it was 4 %.

225. Besides the gradual reduction of social security contributions, both the revenues and the expenses of social security have been increased nominally, but changed cyclically in relation to the GNI. In 1995 besides 44% +10% of revenues from contributions the social security expenses reached the 17,1 % of the GNI. In 2002 besides 29% +11% of revenues from contributions the social security expenses reduced to the 15,9 % of the GNI, in a way that the negative balance remained the same, and the revenues, the guarantee and the contribution of the central budget to the expenses of the funds raised with 2 %.

226. There has been a significant change in relation to the GNI in case of retirement benefits and health care services. The expenses of retirement benefits changed between 9,0 % and 9,9 % of the GNI. The expenses of healthcare services changed between 2,99 % and 3,7 % of the GNI. It was between 1,4 % and 1,7 % with respect to medications and medical implements and between 0,5 % and 0,8 % with respect to sick pay.

The Hungarian pension system

227. The Hungarian pension system has a history of nearly a century. Similarly to many developed countries, after – and as a consequence of – World War II the previously fully funded system was converted into a pay-as-you-go system, which allowed for its standardisation, and by 1975 it gradually grew to cover all persons who had income from work. By the turn of the 1980's and 1990's, its problem became obvious, which was aggravated by the economic crisis that accompanied the change of the political regime (the country lost one-fifth of its gross national product in a short time). The unemployment that followed in its wake made nearly complete generations to run away into early retirement, while the number of contribution payers declined steeply. In the first half of the 1990's, in the absence of an appropriate social net the pension system was forced to perform social tasks. The gradual reforms launched at the beginning of the 1990's served to ensure financial equilibrium and, on the other hand, were aimed at reducing the weight of the social redistribution elements. In 1998 the pension system was changed into what is called a system of mixed funding, in addition to the pay-as-you-go social security pillar a fully-funded second pillar appeared.

The first pillar

228. The first pillar of the pension system, the so-called social security pension system is a pay-as-you-go defined benefit scheme. Money to be paid as pension is covered primarily by the pension insurance and pension contribution collected from employers and the insured to the Pension Insurance Fund, but the Pension Insurance Fund is also given significant subsidies from the budget due to its deficit, while cover for more than two-thirds of disability pensions is transferred by the Health Insurance Fund to the Pension Insurance Fund. (The underlying consideration is that loss of the ability to work prior to retirement age is a healthcare problem, the cost of which should be borne by the Health Insurance Fund until retirement age is reached.) In addition to pensions, the Pension Insurance Fund's manager, the National Pension Insurance Directorate also disburses so-called regular social benefits in a pension system, whose funding is provided by the central budget.

The second pillar

229. The services financed by the social security were not able to meet all the demands with regards to health care services. One of the main reasons of this was the lack of sufficient resources. The establishment of funds providing healthcare services and based upon voluntary payments is one way to cure this problem. The voluntary mutual healthcare funds – which have been introduced in 1993 – became the most important institutions of savings of healthcare purpose in Hungary.

230. As a result of the reforms of the pension system in the 1990's a two-pillar system has been established in Hungary in 1998. This means that on the one hand, the mandatory state system has been partly privatized and, on the other hand, since 1994 a voluntary pension fund system has been introduced. 30% of the persons with an earned income have joined this system. In 1998, in course of the structural reform of the mandatory pension insurance system, by the partial privatisation of the state system two pillars have been established within the mandatory pension system. For career beginners, it is mandatory to join one of the private pension funds,

which constitute the second pillar of the pension system. For non-beginners it was optional. The social security pension pillar constitutes three quarters of the mandatory system for those participating in the private pension funds. Every year there is a possibility to change the private pension fund the person is belonging to, but presently it is not possible to traverse between the two systems.

231. The retirement benefits are increased yearly according to the rate of the weighted average of the consumer price increase and the rate of the average net wage growth.

Data on social security retirement benefits and pension-like social services

232. The number of persons using the social security retirement benefits and the pension-like social services has increased by 300,000 between 1992 and 2002, from 2,750,000 to 3,070,000. Half of this 11.6 % increase is due to the increase of the number of disability pensioners. The number of other persons receiving benefits or services has also increased by 100,000, especially among those whose working abilities changed. The proportion of persons using the services and the benefits has increased from 27.1 % to 30.2 % of the whole population.

233. The income of those persons using the social security retirement benefits and pension like social services has decreased from the 62,4 % of the net average income of full time employed persons (in year 1992) to 57,3 % in 2002. This trend is partly due to the fact that the raise of retirement benefits was smaller than it was in case of the net salaries of active employed persons. The other reason was that the composition of people enjoying these services has been changed, the ratio of lower disability pensions and the benefits of persons with changed working abilities became higher.

234. The social security retirement benefits are covered by the contributions of active workers. The contribution paid by the employers is 18 % of the gross income, the contribution paid by the insured person is 8.5 % of the gross income.

235. In the year 1992 the expenses assigned to pensions and pension-like social services were 321.7 billion HUF, which amount has increased to 1696.3 billion HUF by the year of 2002. The expenses increased to more than fivefold, but in ratio of the GDP they have decreased from 11 % to 10 %. This reduction has taken place besides nearly 12 % increase in the number of persons, and a relative decrease in the level of services (compared to the economic growth and the wages of the active population). The purchasing power of the retirement benefits has increased with 8.9 % during the examined period of time (1992-2002). In the ratio of the expenses of the central budget the expenses assigned to social security retirement benefits and pension like social services have increased from 18.6 % to 29.1 % in the examined period of time. The main reason for that is that the redistributive role of the central budget has decreased significantly.

236. According to the consolidated functional expenses of the state budget in the year 2001, 4.2 % of the GDP has been allocated to healthcare (hospital activities and services, family doctor' and paediatrist's services, dentistry and other healthcare services) and 10.4 % of the GDP to social security expenses (sick pay, maternity services, temporary accident-related benefits, retirement benefits and other social security services). From the expenses of the social security sub-system 1.8 % of the GDP has been allocated to healthcare and 9.6 % to social security services. The local governments allocated 1.7 % of the GDP to healthcare, which means the financing of the investments of the healthcare suppliers owned by the local governments.

Unemployment benefits

237. Chapter V of the Employment Act contains the following services for the unemployed:

- unemployment benefit
- unemployment benefit granted prior to retirement
- reimbursement of expenses of travelling
- job seeking incentive allowance.

238. The benefit system is composed of two parts. The *unemployment benefit*, paid on an insurance basis, is followed by a *support type allowance* covered by taxpayers.

239. The unemployed person is entitled to unemployment benefits as set forth in the Employment Act, and may receive an unemployment allowance as a welfare measure, incentive benefit, pre-pension jobless aid, and/or reimbursement of costs. The unemployment allowance based on the insurance system is followed by an assistance financed by taxes.

240. A person is entitled to unemployment benefits if he or she can claim at least two hundred days of employment over the four years prior to becoming unemployed, is not entitled to disability or accident benefits, is not receiving sick pay, and wants to work but the competent employment centre cannot offer an appropriate job (Employment Act, paragraph 25).

241. The period of the unemployment benefit is calculated on the basis of the time spent in employment, whereby any five days of employment is an entitlement to one day of benefits. Thus 200 days of employment will qualify someone for 40 days of unemployment benefits. The longest period during which unemployment benefits are paid is 270 days. (Employment Act paragraph 27 sub-paragraph (3))

242. The amount of the unemployment benefit is 65 per cent of the average earnings of the unemployed person. The minimum amount of unemployment benefit equals 90 per cent of the minimum old age pension valid on the initial day of the entitlement for the unemployment benefit. Its upper limit is twice the amount set in this fashion. The minimum sum was HUF 19,620/month in 2003. If the average earnings of the unemployed person are lower than the lowest sum determined this way, then the grant will be equal to average earnings.

243. The pre-pension unemployment benefit is the basis of providing for employed persons close to retirement are and it equals 80 per cent of the minimum old age pension of the given time.

244. Eligibility criteria for pre-pension unemployment benefits are: at least 140 days of unemployment benefit disbursement, no more than 5 years from retirement age, sufficient qualifying period for an old age pension, reaching of the eligibility age limit for pre-pension unemployment benefit within three years from the expiration of the benefit disbursement period, and inability to find a job. The sum of the pre-pension unemployment benefit in 2000 equalled HUF 13,280 per month.

245. Incentive benefits shall be granted to a person who is unemployed, has been granted unemployment benefits for at least 180 days and payment of these benefits has been terminated for the reasons getting involved in gainful activities, acceptance of a training program, expiration of period of eligibility for unemployment benefits and who was co-operating with the

employment central during and after the period when drawing unemployment benefits but who has been unable to find a suitable job in spite of his/her efforts.

246. Incentive benefits are provided for a period of 180 days or, for persons reaching the age of 45 at the time the application is submitted, 270 days. The amount of incentive benefits provided to job seekers is 85 per cent of the mandatory minimum old age pension on the first day of eligibility for the incentive benefits.

247. The unemployed person (including first job seekers) must be reimbursed for justified long distance (i.e. between settlements) public transportation expenses incurred in conjunction with the statement of the unemployment benefit, and with seeking employment (including travel from their residence to the employment centre and back, and travel aimed at obtaining the occupational health certificate as required by the employment centre).

248. Unemployed persons whose eligibility for unemployment benefits expired before May 1, 2000, and for whom the employment centre could not offer an appropriate job, may claim income supplementing support from the local government. The criterion for eligibility was that the per capita income in the family is below 80 per cent of the minimum pension. Income supplementing support could be claimed for a maximum of 2 years, and its amount equalled 80 per cent of the minimum pension. A further criterion was that the unemployed person should co-operate with the employment centre, and should seriously consider taking the job opportunities offered by it.

249. New applications for income supplement for the unemployed have not been accepted since May 2000, which means that this support is gradually running out. The current recipients will be eligible for regular social support payable to persons whose unemployment benefit dried up and who meet the required criteria.

250. Following the expiration of the unemployment benefit, the local government provides regular social support to unemployed persons of economically active age whose monthly income does not exceed 70 per cent of the minimum old age pension applicable at the time (HUF 20,100 in 2002, 21,800 in 2003), and whose family per capita income does not exceed 80 per cent of the minimum old-age pension applicable at the time, has no property, and undertakes to co-operate with the settlement local government and/or the employment centre in finding a job.

251. The local government organises community service employment projects so as to improve the labour market position of unemployed persons of economically active age, during which (at least 30 days) the person, otherwise entitled to regular social support, will receive the minimum wage. Local governments are obliged to examine the employment potential of the person in question prior to disbursing the regular social support, and if this seems impossible within the statutory period, they will state eligibility for the disbursement of the support. (Social Act, paragraph 37/A)

252. In 2002 a monthly average of 132,479 persons of economically active age but jobless received regular social benefits. In 2003 the number was 123,276. In 2002 the average number of people per month who participated in community service employment was 12,500, while in 2003 it was 15,700.

253. In 2002 75 per cent, while in 2003 90 per cent of the regular social support for jobless persons of economically active age comes from the central budget, and 75 per cent of the income support comes from the Labour Market Fund. The arrangement costs of the paid community

service along with the related administration/management costs are likewise reimbursed from the Labour Market Fund. The Labour Market Fund is a separate public fund whose resources are a 3 per cent employer contribution computed from the gross paid and deducted wages/remuneration of the employee (earnings), and 1 per cent paid by employees.

254. The following tables show the tendencies in the number of registered unemployed and the recipients of unemployment benefit/support.

Number of registered unemployed and tendencies in the number of recipients of unemployment benefit/support (1996-2000)

Month, Year	Number of registered unemployed	Recipients of unemployment benefits (including pre-pension and first-time job seeker benefits)	Recipients of income subsidies and social support
June 1996	481,951	166,306	208,542
December 1996	477,459	139,408	211,615
June 1997	459,948	137,870	206,502
December 1997	463,962	136,707	194,522
June 1998	406,386	121,280	186,595
December 1998	404,094	141,601	157,964
June 1999	394,371	133,221	164,115
December 1999	404,509	150,389	148,729
June 2000	375,265	122,451	147,339
December 2000	372,409	122,458	137,282

Source: Employment Office, monthly data supply, monthly closing numbers

Persons receiving income substitution support and social support, capita

Month, Year	Jobless persons of economically active age, capita	Number of persons receiving income substitution support
June 2001	88,391	53,460
December 2001	106,835	26,109
June 2002	125,070	4,964
December 2002	131,203	1,151
June 2003	N/A	825
December 2003	N/A	582

Source: Central Statistical Office

ARTICLE 10 – PROTECTION OF THE FAMILY, MOTHER AND CHILD

255. The laws of the Republic of Hungary employ numerous means to ensure the social and economic protection of mothers and children. Article 67 of the Constitution stipulates that “(1) *In the Republic of Hungary all children have the right to receive the protection and care of their family, and of the State and society, which is necessary for their satisfactory physical, mental and moral development. (3) Separate regulations shall establish the responsibilities of the State with regard to the situation and protection of the family and youth.*”

256. The Act on the Protection of Children sums up the most important rights of children, including, among others, their right to be provided assistance, to be raised in their own family, to be protected against abuse and exploitation, to be separated from their parents exclusively when in the interests of the child, and not to be subject to removal from the family for financial reasons alone. The Act on the Protection of Children assists families with children having financial problems by cash benefits of several types.

257. In Hungarian society the sociological notion of family acquired general usage. According to this, the family is the fundamental unit of the society. A small group of people, living together and linked by marital, genealogical or adoption relationship. The statistical concept is a little bit narrower: only parents and their unmarried children living together with them are considered as members of the family. According to this latter one, three types of family can be distinguished:

- married couple
- married couple with children
- one parent with children

258. In Hungary, children reach legal maturity by the age of 18 or, according to the Act on Family Law, a minor may get married – with the consent of the public guardianship authority – at the age of 16, thereby reaching legal maturity.

259. For the conclusion of a marriage the two parties to be married, both present before the registrar, should declare personally that they want to get married. The marriage service takes place publicly, in the presence of two witnesses in the official premises devoted to this purpose. Before the marriage, the two parties to be married should declare before the registrar that according to their best knowledge, there is no legal obstacle of their marriage and they have to prove it as well.

260. The financial support systems provided for the maintenance and the bringing up of the children have four pillars: (A) assistance to families, (B) cash supports for low income families, (C) tax benefits for dependent children, (D) support for setting up a home.

Assistance to families

261. The State channels cash assistance in child raising in a number of ways. In part, these systems help to cover the costs of child raising, and in part they replace the income lost by the parent looking after the child. Helping with the costs of child raising takes place both directly, and indirectly (i.e. through the tax system).

A/1 Child raising allowances: family allowance and schooling support

262. A child raising allowance is available to parents after each child under 16 years of age (or younger than 20 years of age, when studying in primary or secondary school). It is called a family allowance before the child reaches school age and a schooling allowance after that. The assistance is available regardless of the family's property or income status. Eligibility is determined and the assistance subsequently disbursed by the family assistance disbursement point, or by the Regional Directorate of the Hungarian State Treasury.

263. As of November 2002, the schooling allowance as such was eliminated. Instead, in all cases of entitlement, family allowances are being disbursed under the same conditions as the schooling allowance. It continues to be a monthly government contribution to the costs of raising and schooling children.

264. The person who is entitled to the allowance can be the parent, foster parent, officially appointed foster parent, or custodian who is raising a pre-schooler or school-aged child, or child attending primary or secondary school in his or her own family. The monthly average number of children receiving this kind of allowance was 2,115,400 in 2001 and 2,045,600 in 2002. In December 2003, this allowance was being paid for 2,118,741 children.

265. The monthly sum of the assistance is differentiated in accordance with the number of children, the type of family (two-parent or single parent), and the health status of the child. The monthly amount of the assistance is set annually by Parliament when it adopts the Budget Act. In 2003 the amount varied between HUF 4,600 and HUF 12,600 per month and per child. Families will be eligible for family allowances, if the child is in a public school, until the child reaches the age of 23, under a gradual increase in the eligibility age limit that will be reached on September 1, 2004. (Act on the assistance to families Paragraph 6-7). In the month of July, families are entitled to a double family allowance.

266. The following forms of government **assistance** are meant **to replace lost income** of the parent while looking after the child.

A/2 Childcare assistance ('GYES')

267. Either parent looking after the child is eligible for childcare assistance while the child is under 3 years of age. That amount of aid is equal to the current minimum old age pension, which was HUF 18,310/month in 2001, HUF 20,100/month in 2002, and HUF 21,800/month in 2003. If a child is chronically ill or has a serious disability, the parent looking after him or her is entitled to this assistance until he or she reaches the age of 10. As of January 1, 2003, the amount of assistance paid to the parent of twins is double the minimum pension (HUF 43,600/month) and is paid until they reach official school age (age six). If the twins do not reach official school age in the same time, the child last reaching that age shall be taken into consideration. (Act on the Assistance to Families, paragraph 20(1)b)

268. The parent receiving the benefit is not allowed to undertake employment before the child reaches one-and-a-half years of age, and after that time may only do 4 hours a day of paid work, or without a time limit providing the work is done in the home.

269. Starting on May 1, 2001, the biological or adoptive parent of a child and the spouse of the parent are entitled to receive the assistance. A grandparent may receive childcare assistance if the child is more than a year old, if the care is in the parents' home and if the parents submit a statement in writing that they renounce their own right to the childcare assistance and agree with the grandparent's application. (Act on the Assistance to Families, paragraph 20/A)

270. The average monthly number of persons receiving childcare assistance in 2001 and 2002 equaled 182,888 and 171,768, respectively. In December 2003, this childcare assistance was paid to 164,758 persons.

A/3 Child raising assistance ('GYET')

271. Either parent is eligible for child raising assistance equivalent to the childcare assistance, if they are raising at least three minor children in their own household, and the youngest is 3-8 years of age. The assistance is available regardless of the family's property or income status. Eligibility of applicants is determined by the Regional Directorate of the Hungarian State Treasury, which is also responsible for disbursement. The parent may work while receiving the child raising assistance (GYET), under the same conditions as recipients of childcare assistance (GYES).

272. The average monthly number of parents receiving child-raising assistance in 2001 and 2002 equalled 51,333 and 50,336, respectively. In December 2003, this child-raising assistance was paid to 46,567 parents. The disbursement period for both GYET and GYES count as time spent on-the-job when determining eligibility for a pension, so an 8 per cent pension contribution has to be paid on both.

A/4 Childcare fee ('GYED')

273. As of January 1, 2000, the list of childcare benefits was enlarged by the introduction of childcare fee. The childcare fee is paid to parents who were appropriately insured through employment before the child was born, and it is due until the child reaches the age of two years. The amount received is pegged to the parent's former salary (70 per cent) but has a ceiling. In 2001 the ceiling was HUF 80,000/month, in 2002 it was HUF 83,000/month, and in 2003 it was also HUF 83,000/month. The average monthly number of parents receiving childcare fee in 2001 equalled 62,904, in 2002 equalled 70,167. In December 2003, this childcare fee was paid for 80,175 parents. The childcare fee is financed by the contributions to the Health Insurance Fund.

A/5 Maternity allowance

274. The maternity allowance is a lump-sum payment due to families upon the birth of a child by way of contribution to the expenses incurred in connection with the birth of the child. The eligibility condition is that during pregnancy the mother must have attended free-of-charge pregnancy counselling at least four times, or, if the birth was premature, at least once. The amount of the maternity allowance equals 150 percent of the minimum old-age pension; in 2001, it was HUF 27,465 per month, and in 2002 it was HUF 30,150. The adoptive parent

is also eligible for maternity allowance if the adoption is permitted by a final decision within 180 days after the birth of the child, as well as the guardian who, on the basis of a final decision, becomes responsible for providing care for the child within 180 days. As of January 1, 2003, the amount of the allowance was reset to 225 percent of the minimum pension valid at the time the child is born. For twins the amount was set at 300 percent of the minimum pension. In 2003 this came to HUF 49,050 or, for twins, to HUF 65,400 (Act on the Assistance to Families, paragraph 29).

A/6 Pregnancy-maternity allowance

275. Pregnancy–maternity allowance is due for those women who were insured for at least 180 days during a period of two years prior to the birth, and

- a) have the baby during the insurance period or within forty-two days from the termination of the insurance, or
- b) have the baby after the forty-two days period following the termination of the insurance, during the period of which sick-pay or personal accident sick-pay was paid to her, or within twenty-eight days from the termination of the sick-pay.

276. The pregnancy-maternity allowance is due for a period equalling the child birth leave.

277. These cash benefits are covered by the central budget. Payments are made through the regional bodies of the Hungarian State Treasury.

Cash supports for low-income families

B/1 Supplementary family allowance/regular child protection support

278. If the per capita income of a family raising a child/children fails to meet the minimum old -age pension, the family is entitled to regular child protection support (which was called a supplementary allowance between January 2001 and February 2003). This support is disbursed to the family as long as it meets the conditions set by law.

279. The purpose of regular child protection support is to promote care for the child within the family and to prevent having to remove it. The local government's council of representatives provides the regular child protection support to the family if the per capita income in the family where the child is being raised does not exceed the minimum pension. There is a proviso, however. The settlement local government needs to order an investigation of the family's assets, which may not exceed a pre-set value, separately or taken together. This value is calculated as follows:

- a. when calculated separately the total assets of the family member may not exceed twenty-five times the minimum old-age pension, or
- b. when calculated together it may not exceed seventy-five times the minimum old age pension assuming that the sale would not put the subsistence of the asset-holder at risk. The real estate in which the parent or other person supporting the child actually lives, or the car kept because of a physical disability are not included in the asset calculation. (Act on the Protection of Children, paragraph 19)

280. In terms of the Act on the Protection of Children, paragraph 20/A the family of a student including a college student is entitled to a 13th month of assistance paid in July or, if the student only submits proof of school attendance after July, according to Paragraph 66/B of the Government Decree 149/1997 in October. The support is due until the age of 23 for a child attending secondary school and until the age of 25 for a child attending college or university.

281. In 2001 the amount of the support was HUF 4,000 per child per month, in 2002 it was HUF 4,200/child/month, and as of January 2003 it was HUF 4,600/child/month. As of 2004 the amount was set at 22 per cent of the minimum old-age pension. In 2002, the average monthly number of children for whom child support was paid was: 760,000. In 2003, families received this support for 713,000 children, which in December meant 360,000 families. The total amount paid out in this type of support was HUF 39,452,000,000 in 2002, and it was HUF 35,000,000,000 in 2003. In 2002 and 2003, regular child protection support was paid to the families of 96 per cent of all minors (as well as to 32 000 families of children who had reached their majority but were still at school).

B/2 Extraordinary child protection support

282. If the family raising a child/children experience transitional problems that threaten their very subsistence, the local government provides them with extraordinary child protection support. The representative body of the local government of a settlement provides extraordinary child protection support, the amount of which is set by decree, if the family raising the child suffers a transitional difficulty that threatens its subsistence or if an extraordinary personal situation threatens its subsistence (Act on the Protection of Children, paragraph 21). In 2001 and 2002, local governments provided this support in 800,000 and 750,000 cases, respectively.

Tax benefits for dependent children

283. Tax benefits for dependant children were introduced in 1998. The amount of the benefit depends on the number of dependants in the family. The personal income tax law defines a dependant for whom a deduction may be made as a child for whom the family receives an allowance. This includes a child who is entitled to his or her own allowance and a foetus (including twin foetuses) through the period of pregnancy (from the 91st day after conception until birth), as well as a private person receiving a disability allowance.

284. In 2002 and 2003, tax benefit for dependants was as follows, per child and per month of eligibility:

- for one dependant, HUF 3,000
- for two dependants, HUF 4,000
- for three or more dependants, HUF 10,000.

285. A private individual who is entitled to a family allowance under the family support law may claim the family benefit as may a pregnant woman and her spouse or partner if they share a household.

286. Only one deduction may be made for one and the same dependant. However, the person with the entitlement and a spouse with whom he or she shares a household (as of 2003, with a partner, too) may split the deduction at the end of the tax year, assuming that they register the split on their tax returns (employment accounts) and include the tax number of the other party. Rules of deduction changed in 2003 to allow the family deduction to be shared with a common-law wife/husband.

Daytime care for children

287. Under the Act on the Protection of Children, local governments are furthermore bound to provide appropriate daytime care/supervision to children whose parents cannot ensure that due to their work, to illness or other reasons. Care shall be provided primarily to a child raised by a single or elderly person, or whose parent cannot take care of the child due to their deprived social situation.

288. By way of daytime care to children, supervision, care, education, occupation and meal provision for children suited to their ages have to be organised for children whose parents, foster-parents, or caregivers cannot care for them during the day because of work, illness or some other reason.

289. Day-care for children has to be provided primarily to children

- who need regular day-care to promote their physical or mental development,
- who are being raised by a single or elderly person, or are in a family with three or more children the child concerned included, unless the child's caregiver is receiving childcare assistance, a childcare fee, or a nursing fee,
- whose parent/keeper cannot provide care due to their social situation.

290. Day-care for children may be organised in ways including crèches, live-in weeklong crèches, family day-care facilities, pre-schools, home care, summer day-care facilities or day-camp, or in pre-schools or after-school day-care facilities under the validity of Act LXXIX, 1993 on Public Education, depending on the age of the child.

291. Supervising and occupying a child over the age of ten who does not attend a school day-care facility, particularly a latchkey child or one who is at risk for other reasons – by involving him or her in daytime sports and other club facilities, or in organised playground, playhouse form qualifies as day-care. Here meals are provided if the operator can meet the conditions, particularly those set by law. (Act on the Protection of Children, paragraph 41) These alternative day-care facilities were called for in Act 31 of 1997 on Child Protection and Custodial Administration, amended by Act IX of 2002, which took effect on January 1, 2003.

292. The Act on the Protection of Children names **three forms of daytime care** for children: crèche, family day-care and child supervision at home.

293. The **crèche** in an institution providing day-care and professional care and education to children under three years of age raised in the family. In addition, under the Act on public education, when childcare professionals and a rehabilitation committee issues a supportive opinion, a child with a disability may remain in a crèche until the age of six if it will assist in mainstreaming or rehabilitating him or her. In addition to performing its primary service, a

crèche may undertake periodic child supervision or operate as a hotel for children offering counselling or other child-raising services to families.

294. The crèche may furthermore provide early mainstreaming and rehabilitation-oriented education to disabled children. It takes part, in the framework of crèche care, in the development-oriented preparation and education of disabled children until the age of six, on the basis of an expert opinion and the opinion expressed by the rehabilitation committee as specified under Act 79 of 1993 on Public Education.

295. Beside primary care, the crèche may help families by providing such service as special consulting, temporary child supervision, hotel facility for children, or other services to assist child-raising (Act on the Protection of Children, paragraph 42).

296. A condition for mothers to start working is proper crèche service. However, the capacities have reduced by more than 50 percent since 1990 until 2002.

297. **Family day-care facilities** provide daytime care to small children raised in families who do not attend a crèche, or pre-school. They also care for schoolchildren who do not attend after-school facilities run by the school. These family day-care centres offer the children day-care appropriate for their age, including supervision and assistance, meals, and programmes. Family day-care facilities are mandated to meet the special needs of children with disabilities. (Act on the Protection of Children, paragraph 43)

298. The care-provider receives the children in his or her own home or in other premises adapted to the purpose, and takes care of a maximum of 5-7 children between the ages of 20 weeks and 14 years. The contents as well as the personnel and technical conditions of such care are defined by Decree of the Minister of Welfare No. 15/1998. This form of care is particularly appropriate in smaller settlements where there may not be a crèche or where the pre-school and after-school centre are overcrowded. This type of childcare as well as home child supervision, to be discussed in detail later, was created by the Act on the protection of children. The building of a nation-wide network has only begun, and this explains low figures.

299. Family day-care is to provide non-educational care for children not attending crèche or pre-school and schoolchildren who do not attend after-school centres. Family day-care provides daytime supervision, care, meals and occupations for children who live in families, adjusted to their ages. Children with disabilities shall be provided with care adapted to their special needs. (Act on the Protection of Children, paragraph 43)

300. **Child supervision at home** provides day-care to children who for some reason cannot be placed at an institution providing day-care (e.g. an illness). The caregiver is the parent or legal guardian. This form of care has to be adjusted to the work schedule of the parent since the parent only can care for the child part of the time. The duration of family day-care must be adjusted to the work schedule of the parent (Act on the Protection of Children, paragraph 44). The caregiver must provide the type of care appropriate to the age and health status of the child.

301. When providing family day-care the child must be helped with his or her studies, if under the Act on Public Education he or she is studying in home-schooling because of a disability or serious illness (Act on the Protection of Children, paragraph 44).

302. Children attend **pre-school** (kindergarten) from the age of three until they reach the level of development needed to start school, at most until the age of seven. From the age of 5, the pre-schools offer programmes similar to schools as preparation for school, which fit well into the primary task of a pre-school, which is to offer day-care to a child.

303. Children attending primary school may attend **after-school facilities under teacher supervision**. Here, children review material learned during the morning hours. The programme adjusts well to the basic function of an after-school facility, which is to care for children during the day.

Support for setting up a home

304. The Act on the Protection of Children contains provisions regarding yet another form of support, namely assistance in setting up a home (paragraphs 25-27).

305. The objective of the assistance in establishing a home is to promote the acquisition of a dwelling and provide a permanent housing solution to young adults who are leaving temporary or long-term state guardianship.

306. Eligibility: Young adults who had been under the guardianship of the state for at least three uninterrupted years, terminated when they reached their maturity. At that time, the cash or property they possessed cannot have exceeded 60 times the minimum old-age pension. Savings originating from the earnings of the young adult shall not be taken into account in calculating these funds.

307. The young adult shall be eligible for this benefit though under state guardianship for fewer than three years, if the guardianship became necessary because the child had no custodial parent owing to the forfeiture of the parent(s)'s custodial rights and it was not possible to appoint a guardian.

308. The support can be used for the purchase a building plot, flat, house or for the construction or transformation of a facility for residential purposes, for renovations or the enlargement of a flat, for paying rent or subletting fees, or for repaying a bank loan to help start a home or to save up for one ('pre-saving').

309. An application for support in setting up a home must include a statement regarding the conditions of eligibility. It also must include a statement by the young adult declaring willingness to co-operate (or statement of co-operation) with the person responsible for his or her follow-up care in using the support, up until an accounting of how the funding was used is submitted.

310. The person responsible for follow-up care shall provide help for one year to realise the objective of the initial housing benefits.

311. The amount of support payable to set up a home depends on the number of years spent under state guardianship and on the financial circumstances of the eligible candidate. If the eligible candidate has no property the amount provided is as follows, or, if he or she has property, the overall amount receivable including his or her own property is as follows:

- 40 times the minimum old-age pension when the person was in state care for less than four years;
- 50 times the minimum old-age pension when the person was in state care for more than four years
- 60 times the minimum old-age pension when the person was in state care for over five years.

312. The increased level of support is valid as of January 1, 2003.

313. The young adult shall present a statement of accounts supported by documentation on how the support for setting up a home was spent, certifying that it was spent for a purpose approved by the guardianship authority, within thirty days of its use, and no later than twelve months from the date the relevant contract (e.g., sale or lease contract) was concluded.

314. On the basis of the resolution of the guardianship authority, the support in setting up a home shall be granted by the clerk of the local government with jurisdiction in the area where the public guardianship authority is located, debiting the amount concerned to the central budget.

315. The guardianship authority may record a prohibition on alienation in favour of the Hungarian state in the real estate registry for a period of five years regarding real estate purchased with this support.

316. Upon the request of the young adult eligible for support in setting up a home, in case of a major change in their circumstances, the guardianship authority may cancel the prohibition on alienation recorded at the latter's initiative.

317. The guardianship authority shall inform a child in writing 6 months before their coming of age that support for setting up a home is available.

318. The applicant may submit an application for support in setting up a home

- after having attained maturity, but no later than having reached the age of 24,
- if the young adult having come of age is still at school, until the end of the studies concerned, but no later than having reached the age of 25.

The protection of mothers

319. According to Art 66 paragraph 2 of the Constitution, *„In the Republic of Hungary mothers shall receive support and protection before and after the birth of the child, in accordance with separate regulations.”*

320. The Hungarian social supply system is a comprehensive system covering both the period before and after the confinement. An expectant mother who has the appropriate insurance is entitled to maternity guidance and healthcare services free of charge. As a cash benefit she is entitled to pregnancy-maternity allowance and maternity allowance.

321. As a social benefit, the expectant mother is also entitled to sick pay if she is unable to work due to her pregnancy and she is not receiving pregnancy-maternity allowance. Parents are entitled to sick pay until the age of 14 of the child, if they are taking care of their child.

322. The duration of the maternity leave is 24 weeks, 4 of which – if possible – should be before the confinement. The father is also entitled to 5 days off at the time of his child's birth.

323. Until the end of the 1980s, most family support benefits were related to the social security, which meant that only those received these who had gained direct entitlement by occupation. After the change of the political system (1989-1990), family support benefits became the means of addressing poverty emerged in families with children. At the beginning of the 90's the emphasis has been put on the increase of the number of children. The main aim was to re-establish the former meaning of family and to stimulate the population increase. From the middle of the 1990's the major aims of the family support system were to ensure the equal rights of women, their equal opportunities in the labour market and to reinforce the rights of the children. As a result of this, the normative financial support of crèches has been reintroduced and in 1997, the Parliament has adopted the Act on the Protection of Children. Since 1998, the child care assistance and the child raising assistance became benefits to which everyone is entitled, without respect to his/her financial situation. The childcare fee, the amount of which is based upon the former salary of the insured, is a real chance for those who had a good salary before having a baby. The universal character of the family allowance has been reintroduced as well. This benefit is called schooling support after the child reaches school age. The aim was to enforce schooling.

324. Tax benefits for dependent children were new elements of the family support system, which mean a real support for families with higher income. At the beginning of the school year, parents raising the children are receiving double amount of family allowance. In the interest of ensuring the equal opportunities of women and of reinforcing the classical family model, the Parliament has adopted a motion about the eligibility of grandparents to childcare assistance. This gives an opportunity for the mother to return to the labour market after her child reaches the age of 1 year.

325. The Act on the Protection Children was amended as of January 1, 2003, to give priority to protecting pregnant women and single mothers in welfare and family crisis situations. Under the amendment, support, assistance, and counselling for pregnant women in crisis situations was augmented to include providing her with a temporary residence (temporary residences for families) and organising her placement in any of the family homes (paragraph 39, sub-paragraph (2) c).

326. As of January 1, 2004, the mandatory establishment of child protection centres in all towns with populations exceeding 40,000, which is intended to provide hospital social work in the healthcare facilities of the town, serves the same purpose. Hospital social work is to include outreach in maternity and paediatric wards, with a particular focus on pregnant women in crisis situation and protection of victims of family violence (Act on the Protection of Children, paragraph 40, sub-paragraph (3) c).

327. The amendment added the obligation to admit abused pregnant women and women departing from maternity wards to temporary residences for families. (Act on the Protection of Children, paragraph 51, sub-paragraph (3), sub-paragraph b), and mandates all cities with populations over 30,000 to establish these institutions by January 1, 2005.

328. Rules regarding other responsibilities were expanded to include an obligation to admit to any of these homes women wanting to keep their pregnancy secret, including to ones that

are far away from their regular place of residence. (Act on the Protection of Children paragraph 125, sub-paragraph 13)

329. Legal protection enforced in the world of work is the following: Sub-paragraph (1) of Paragraph 75 of the Labour Code provides that „women and young persons shall not be employed in work which may result in detrimental effects with a view to their physical condition or development”.

330. It is prohibited to compel a woman employee to take a pregnancy test or to produce a certificate thereof unless it is necessary, as prescribed by legal regulation, to determine the employee's proficiency for the position in question. (Sub-Paragraph (2) of Paragraph 77) Under the provisions of the Labour Code, pregnant and nursing women enjoy further protection as follows:

- a. They cannot be employed for night work from the time of the pregnancy up to the time when the child reaches one year of age (Paragraph 121);
- b. Special work duty shall not be required from any woman between the time of her pregnancy up to the time when her child reaches one year of age, (Paragraph (6) of Paragraph 127 and Paragraph 129);
- c. Women in the pregnancy period or giving birth shall be entitled to twenty-four weeks of maternity leave. Such leave shall be scheduled so as to commence four weeks prior to the expected time of birth if possible. (Paragraph 138);
- d. During the first six months of nursing, a woman shall be entitled to two hours of working time allowance each day, and one hour daily thereafter up to the end of the ninth month (in respect of multiple births, the working time allowance for nursing shall be commensurate with the number of children) (Paragraph 138);
- e. Employers shall not terminate an employment relationship by ordinary dismissal during pregnancy, for three months after giving birth, or during maternity leave (Paragraph 90);
- f. A woman, from the time her pregnancy is established until her child reaches one year of age, shall be temporarily placed in a position suitable for her condition from a medical standpoint, or the working conditions in her existing position shall be modified as appropriate, on the basis of a medical report pertaining to employment. The new position shall be designated upon the employee's approval. The wages of a woman temporarily transferred to a different position or employed under modified work conditions without being transferred shall not be less than her previous average earnings. If the employer is unable to provide a position as appropriate for her medical condition, the woman shall be relieved from work and shall receive the wages payable for idle time for such period of time (Paragraph 85).

The protection of single mothers

331. It is a basic principle of the Act on the protection of children that the child must be provided for in a way suitable to their situation and condition, thus if the child's problems, or part of their problems come from being raised by a single mother, then services and supports must accommodate that fact. In what follows we would like to highlight a few services that have been specifically or primarily designed to assist single mothers.

332. The task of the child welfare service is to provide assistance and support to the pregnant mother in a social crisis situation, and to offer counselling. The service relies on the outreach paediatric paramedic network in performing that function. For instance, a single mother who is unable, due to her working schedule, to look after her children early in the morning or late at night must be helped by a child-minder at home. A mother forced to take refuge due to the brutal behaviour of her husband or partner, or bearing the child out of wedlock, and therefore becoming outcast must be accommodated in the temporary family home. We have the following detailed information concerning the temporary family homes:

333. Mothers raising their child on their own today in Hungary number 378,674. This constitutes 13 percent of all families, of which there are 164,273 mothers whose child(ren) is/are younger than 15 years of age. (214,401 single mothers raise (a) child(ren) older than 15 years of age.). There are a total of 70 temporary family homes in Hungary with 1,827 places. The majority (44) are so called mixed homes, i.e. they are not only for mothers and children, but also father/mother/child type of families are welcome in cases of homelessness, unemployment, or other social difficulties.

334. There are 26 homes specifically for mothers who do not go there necessarily to flee brutal behaviour, but who are single mothers in some other serious social crisis situation (e.g. their job was cut, or they are on a social dead-end due to having to nurse a sick child, and no longer being able to pay the rent).

335. Social organisations play a very significant role in operating these institutions. Even though the Act on the protection of children classifies temporary family homes as a primary service of the child welfare system, today NGOs operate most of these shelters. The largest capacity shelters are operated by religious institutions, and the smallest by local governments. Most shelters operate on a temporary license. The greatest part of the shelters do not have a service contract with the geographically competent local governments. Only about 34 percent have such a contract, and only 16 percent of these have a contract to cover their entire capacity.

The role of international assistance in the implementation of Article 10 of the Covenant

336. Hungary has joined the member states of the European Social Charter and our accession to the Joint Memorandum of the European Union on Social Inclusion is in process.

ARTICLE 11 – THE RIGHT TO AN ADEQUATE STANDARD OF LIVING

The evolution of income in 2002-2003

337. For the period between January to October 2003, the average gross nominal income exceeded the previous year's level by 12.9%, the average net income by 15.9%, real value income by 10.9% (at an inflation rate of 4.5%). This can be attributed primarily to the effects of the 50% raise in public employees' minimum wages, introduced in September 2002.

338. Between January and October 2003, some 2.7 million persons were employed by enterprises with 5 and more employees, state-run institutions and non-profit organisations, which is 0.9% more than a year earlier. The number of those employed in the agricultural and fishing sector decreased by 1.6%, whereas in other sectors (building, trade, tourism, financial services, real estate) an 1.8 to 7.1 % increase was recorded, therefore overall numbers did not change in the private sector. In three major segments of the public sector (administration, education, health), the number of employed increased, by a total of 2.8%.

339. Between January and October 2003, the average gross nominal salary of those employed full-time was HUF 131,400. Within that, blue-collar workers earned HUF 88,900, white-collar workers earned HUF 183,700 on average. Those working in the private sphere earned an average of HUF 123,200 (blue-collar workers: HUF 87,700; white collar workers: HUF 193,900), those in the public sector HUF 150,800 (blue-collar workers: HUF 96,000; white collar workers HUF 173,600). At the level of the national economy, the average net salary in this period was HUF 85,900 per month.

340. The average monthly income at national level was HUF 136,900, which represents a 13% increase compared to the previous year. The average part of the income complementing the salary was 4%.

341. Gross nominal wages in 2002 grew by 18.3%, the same as in the previous year. The increase was slightly lesser, 13.3% in the private sector, whereas the public sector was characterised by a marked 29.2% increase, due to the measures taken by the Government in 2001 and 2002. These included an increase of the minimum wage from HUF 40,000 to HUF 50,000, the raising of professional officers' wages by 50-70%, and the 50% rise in public employees' wages.

342. Differences between particular sectors have eased somewhat, without major changes to their ranking. The best wages are paid in the financial sector, with double the national average. The least well paid are those in the catering and accommodation sector, as well as agriculture, with wages less than two thirds of the national average.

343. Workers receive different fringe benefits as well as wages (housing and lunch allowances, partial reimbursement of the costs of travelling to the workplace, etc.). In 2002 the national average monthly income was HUF 127,300, with a 17.4% nominal increase compared to the previous year. The part of the income above the wage is decreasing, in 2002 it was 3.8% on average, compared to 4.8% a year earlier.

344. In 2002 the average net nominal salary was HUF 77.600. White collar workers' net salary was HUF 101.700, blue-collar workers' HUF 58,450. The average net salary grew by 19.6% compared to the previous year, exceeding the increase in the gross salary by 1.3%. In the private sector, the net increase in wages was 2.4% greater than the gross increase, whereas in the public sector (where the proportion of those receiving the minimum wage is only 4%) the increase in net wages was 1.7% less than that of the gross wages.

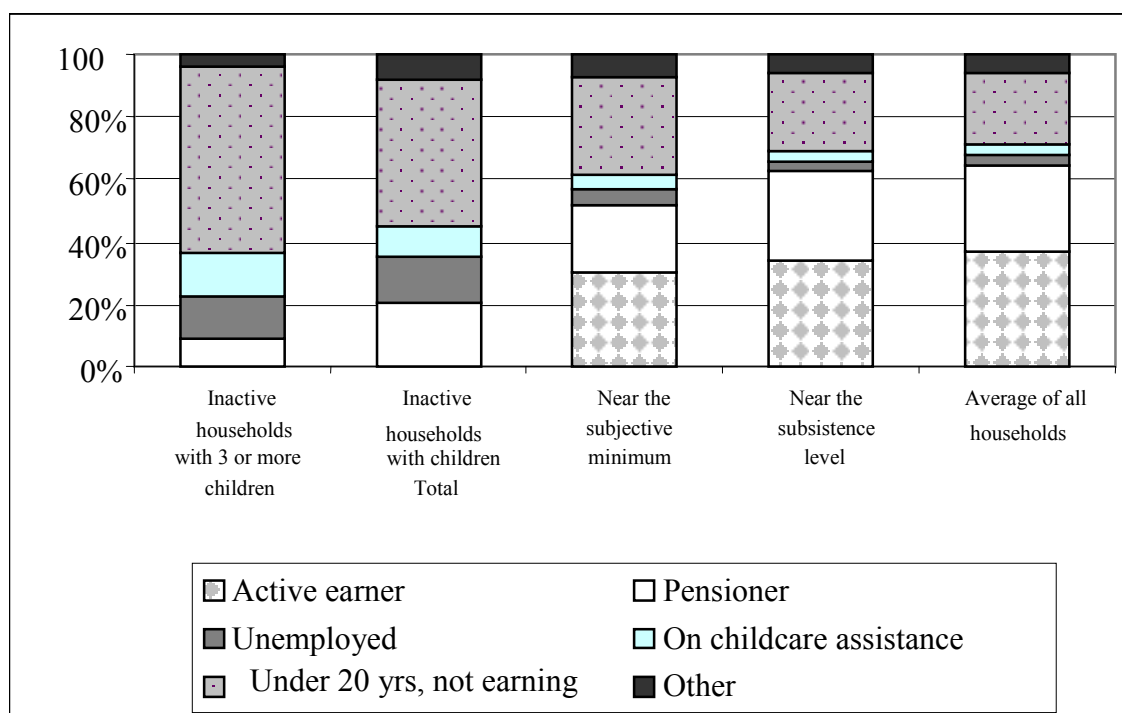
Subsistence level

345. The level of subsistence, the sum ensuring the satisfaction of basic (conventionally regarded as primary) needs for a continuous lifestyle is calculated by the Central Statistical Office on the basis of normative values of food consumption. In 2002 the monthly subsistence

level per person was HUF 33,900, which is an average of values for different types of households within a range of HUF 27,000 and HUF 43,000 (the value of the nutrition standard multiplied by 2.75). Another comparison is possible based on households' opinion on how much money they deem necessary for different existence levels. According to this measurement, the minimum level of subsistence was HUF 30,900, lower than the level calculated by the Central Statistical Office. In 2002 the average level of subsistence per consumption unit was HUF 43,108. For a typical household with two active adults and two children this was HUF 125,000 (HUF 114,000 in 2001).

346. In households living on the minimum level of subsistence, the monthly consumption of certain foodstuffs per capita was the following in 2002: 5.1 kg meat, 5.7 l milk, 1.4 kg dairy, 9.7 kg vegetables and fruits. 86% had a telephone and 38% owned a car.

Composition of households living at different existence levels, according to the activity of their members (2002)



Characteristics of housing conditions and consumption of households below the national average

347. No substantial differences can be found in the size of flats. On the other hand, the number of persons per 100 rooms can be largely different, which is explained by differing sizes of households. In inactive households with children 100 rooms take in 200 persons, 250 with three or more children. The national average is 118.

348. Public utilities: Electricity is available in practically all households. Running water is available in 93-96% of households, with the exception of inactive households with children, where the ratio is 81% (for three or more children, 74%). The percentage of households equipped with a bathroom and toilet is just a little less.

349. Great differences can be discerned in households connected to the sewage system and gas mains. 30 % of inactive households without children are connected to the sewage system and 42% to gas mains (for those with three or more children even fewer); for households living at the subsistence level as calculated by the Central Statistical Office the rates are 55% and 69%, respectively, whereas the national average is 60% and 73%.

350. The fast improvement of the availability of telephones is evident for the entire country: 68% of inactive households with children, 86% of those around the subsistence level now have a fixed or mobile telephone. The national average is 88%.

351. Consumer durables: 88 to 99% of households at all levels are equipped with fridges, washing machines, colour televisions. There are greater differences in the number of cars, automatic washing machines, computers: 19 % of inactive households with children (13% of those with three or more children) have a car, compared to 44% of households living at the subsistence level as calculated by the Central Statistical Office and the 44% national average. The indicators for automatic washing machines are, respectively, 40% (31%), 62% and 67%; whereas for computers 13% (5%), 18% and 23%.

Poverty in Hungary

352. Two factors have led to an increase in poverty incidence (headcount) in Hungary: a decline in overall national income and a more unequal distribution of income. Poverty in Hungary is “shallow”: incomes are densely concentrated around the poverty line. Therefore, a small increase or decrease in income levels can lead to a substantial change in the incidence of poverty. Growing income inequality has also played a part in the rising incidence of poverty. The poorest 10 percent of the population have suffered the largest decline in real income.

353. Hungary does not have an official or even widely used poverty line. Within the benchmarks utilised for the social transfer system, only the minimum pension has a poverty connotation. It is also used as the basis for various social assistance programs. The minimum pension in 1993 was worth only 73 percent of its real 1989 value and is used in this analysis to identify the poorest individuals in Hungary. There is a strong tradition in Hungary of using relative poverty lines, often set as a fraction (1/3, 1/2, 2/3) of mean income/expenditure.

354. Income from employment, self-employment, and business (but primarily wage income) is the main contributor to individual and household income. Of sources of household income, employment income (wages) was already the most unequal, and its dispersion across the income groups increased markedly in the transition years. Aggregate labour incomes declined by almost as much as the decline in GDP during 1989-1993, but the decline was much more a function of job losses than of real wage declines. As such, those who kept a regular job fared reasonably well, particularly in so far as formal-sector jobs provide access to second jobs, an additional source of income. Highly educated employees in private sector companies, often

associated with foreign investment, have seen substantial real wage gains. In contrast, less educated and semi-skilled workers and public-sector employees have experienced real wage declines. But, the transition has affected most severely the unemployed, casual workers, those on extended child care on state support, and those who have withdrawn from the labour force altogether (in many cases on disability pension arrangements). Their access to regular wage income has essentially ceased.

355. Among the socio-economic groups, the deepest poverty is among households whose head is unemployed, temporarily employed, or dependent on childcare benefits as the main source of income – about five percent of the population. Approximately one-fifth of such households live below the minimum pension. Poverty among pensioners is slightly above average but not a serious phenomenon. Elderly female pensioners living alone, however, are among the very poorest. In households affected by unemployment, poverty is deeper if the head of household is unemployed than if another member of the household is unemployed. If the head is unemployed and does not receive unemployment insurance benefits, then incidence of poverty is very high: more than 40 percent of such households are below the minimum pension.

356. Demographically, the incidence of poverty is lowest in households with one or two children. It rises steadily with the number of children and is especially deep in households with two adults and four and more children, and in households with three adults and three and more children. Among these households, one in five lives below the minimum pension. Poor children live primarily in villages, and in households whose head is poorly educated and does not have more than a temporary attachment to the labour market. This indicates the likelihood of inter-generational poverty. Hungary displays the normal inverse U-shaped lifecycle pattern of poverty but the age effect is stronger among the young than the old, reflecting the relative well-being of pensioners and the high unemployment rate among the young. There is a distinct gender dimension to poverty. Poverty is deeper among female-headed households, especially if they are single adults with children.

357. Regionally, Budapest has the lowest incidence of poverty, while the predominantly rural North and South Plains have the highest incidence. This disparity is consistent with the finding that poverty is deeper in villages than in cities.

358. Hungary offers an array of cash transfer programs. The transfer system includes contributions-based social insurance, income supplement entitlements and means-tested social assistance. In 1993, cash transfers were widely distributed in Hungary, benefiting no less than seven million individuals and 91 percent of households. Of the six transfers examined, pensions, family allowance and social assistance were found to benefit the largest number of households. Pensions alone reached 52 percent of households, and the family allowance reached 44 percent of households. One of the most striking findings was that the aggregate value of cash transfers was very uniform across households. (While this was not an unexpected outcome for some programs, such as pensions and family allowance, because of the design of those programs, such a flat distribution should not occur with means-tested programs like social assistance.)

359. As the share of labour income in aggregate disposable household income has declined in the transition years, cash social transfers that, in the aggregate, maintained their real value through 1993 have become even more important. In 1993, they provided around 38 percent of

gross household income, accounting for 20 percent of GDP. In the past two years, public expenditure on cash transfers has fallen, and since the number of recipients has remained largely unchanged, benefit amounts have declined. Different cash transfers have played different roles during the transition and some have been more effective than others at preventing poverty. In general, social insurance-based transfers tied to previous wages and designed to replace wage income (pensions, unemployment insurance benefits and the child care fee) have been most effective at maintaining incomes, largely due to program size and the high value of payments. (These transfers alone account for 15 percent of GDP). Social assistance has been less effective at alleviating poverty, due primarily to poor targeting and inadequate transfer amounts for those most in need.

360. In a static sense, cash transfers have prevented many households from falling into poverty. Indeed, cash transfers have held about 60 percent of households above two-thirds of mean household expenditure, or 45 percent if pensions are excluded. On the other hand, because of their wide distribution and their relative "blindness" to need (or household income level), cash transfers leave many transfer recipient households in poverty. More than one-quarter of households who receive social transfers remain below the poverty line.

361. Of considerable interest, both as a counterfactual to the recent past and to the present time when expenditure reduction is needed for macroeconomic stabilisation reasons, is the extent to which cash transfers could be more effective poverty alleviation tools. (It is acknowledged that they have other important objectives.) It is clear that they could do a great deal more to help the poor. There are two fundamental aspects that prevent more effective poverty alleviation:

- There are too many beneficiaries, but there are also unintentional exclusions, mainly from discretionary (social assistance) programs. Programs would do well to be more narrowly focused (targeted).
- Because of the large number of beneficiaries and the flatness in their distribution (with respect to household income), cash transfers are of an inadequate amount when they are most needed. Benefits remain largely unreconstructed from the past when there was little income differentiation and uniform payments made sense. That is no longer the case, and the level of benefits needs to be much more carefully tied to need.

Anti-Poverty Strategy—Restructuring Social Transfers

362. Dealing with Shallow Poverty: The appropriate policy response to the phenomenon of shallow poverty is complicated because people in this poverty category are a heterogeneous group – included here are some pensioners, low-paid employees, some of the unemployed, and some of the households with a large number of children. The appropriate policy responses for each of these groups differ. Moreover, evidence suggests that the movement of people (households) in and out of shallow poverty is substantial, and incomes around the higher poverty line are very close together. Differentiating people at this level of income has little validity.

363. The resumption of economic growth, creating new jobs and generating productivity-based real wage growth would be an effective cure for much of the population in this income range. In addition to benefiting those active in the labour market, it would probably attract discouraged workers back into the workforce, and provide a revenue base for higher pay-as-

you-go pensions. Beyond this, however, specific policy interventions in the form of reformed cash transfers could be needed for large families.

364. Households with three or more children are a population group that are over-represented in shallow poverty. This number of children is closely correlated with the low educational level and poor labour-market status of the household head. As such the number of children can also be used as proxy for other variables closely associated with poverty but which may be more difficult as a characteristic for targeting. This interaction between many children in the family, poor educational attainment, and poor labour-market status creates inter-generational poverty. As a poverty group, these households should be high on the priority list of Hungary's policymakers.

365. The family allowance is the main cash transfer program for preventing poverty among children; it has clearly made an important contribution to this goal in recent years. However, previous research has shown that the family allowance can do even more, and many recommendations have been forwarded to improve its targeting. (The recommendations have focused on taxing the family allowance, targeting by categorical indicators, using means tests, and applying a combination of these.) The family allowance could play a much more critical role in alleviating poverty. Targeting the family allowance more effectively could virtually eliminate poverty below the higher poverty line.

366. Measures approved by Parliament in 1995 (Act CXXII) tackle universal entitlement to the family allowance for the first time and attempt to target the transfer to needier households with children. The retention of the family allowance in all families with three and more children is a particularly important feature of the reform. These measures represent a major step forward.

367. Helping those in deep poverty: Among the pockets of deep poverty, one group is particularly vulnerable, the long-term unemployed, who have exhausted their wage-related unemployment insurance benefits and have been unable to find a job. It is unlikely that economic growth will lift these people out of poverty without other policy interventions. In theory, the long-term unemployed who are active job seekers are entitled to a means-tested social assistance program, introduced in 1993 for this particular target group. Yet, the level of payment, up to 80 percent of the minimum pension, is a very modest amount, and quite insufficient to have any meaningful impact on severe poverty. This program needs urgent review.

368. Pensioners are a particularly important population group, numbering almost three million. Cash transfers paid as pensions have both a significant absolute and relative impact on poverty: they keep more than 60 percent of recipient households out of poverty. But this comes at a high cost, currently borne by the working population, and it leaves one group of pensioners – elderly women – in deep poverty. While still meeting their other objectives (income smoothing in old-age, and mandatory saving), pensions could be made more effective at combating poverty. One mechanism would be to raise the level of the state-provided minimum pension and ensure that it becomes a genuine minimum such that no one entitled to a pension would receive less. This scheme could easily be affordable without any additional expenditure if the value of state-provided pensions received by top income households (pensioners) were reduced.

369. GYED and GYES (childcare fee and child care allowance) were merged in April 1996, and became contingent on means tests, whose income thresholds would be similar to the family allowance. The replacement allowance is equal to the minimum pension. The analysis in the report finds women on childcare leave among the poorest, and although GYES is one of the most effective programs at reaching the poor, its benefit level is insufficient to lift these families out of poverty. Some GYED and GYES recipients will return to work, assuming that they have a job to return to, and someone to take care of their children. In this case, the income/expenditure outcome would be positive. For those who do not (cannot) return to work, the poorly educated and low skilled, the situation for some (especially single parents) could deteriorate. Additional interventions might be necessary.

370. Hungary's social assistance programs are the least effective of all cash transfers at alleviating poverty. Given their function as the last layer of the social safety net, this is a serious failing. The programs suffer from two major problems: benefit leakage and omissions, and low-levels as well as large variations in payments. Too many people are currently receiving too little social assistance to ensure any meaningful poverty alleviation where it is most needed.

371. Some of the shortcomings of the social assistance system are embedded in the design of the 1993 Social Service Welfare Administration and Social Services Act (the Social Act for short). There are three basic problems with the 1993 Social Act: the income ceiling is too high, ineffective and outdated standards for assessing eligibility, and a lack of a national minimum level of support (only local minimum exist). What exists, therefore, is a mixture of some modern, Western approaches to social assistance, overlaid on subjective, case-by-case eligibility criteria that are remnants of the previous system.

372. The categories of citizens entitled to a nationally mandated social assistance program could be extended to include others with a high probability of belonging to poor segments of society. Benefits should then be set at levels ensuring the beneficiaries are lifted above the lowest poverty line, but without creating undue disincentives to work. The system would have to be reasonably coherent and administratively simple so that benefit levels could be made more substantial and the potential target group reached more effectively. At the same time, the income ceiling governing eligibility could be lowered. A maximum of twice the minimum pension and possibly only 1.5 times it (preferably on an equivalency rather than per capita basis) would be appropriate.

Housing

373. **Minimum housing conditions:** Government Decree 253/1997 (XII. 20.) on the National Standards of City Planning and Construction Works specifies the requirements regarding settlement structure, use of areas, and locating and erecting buildings. As regards guaranteeing minimum housing conditions, the National Public Health and Medical Officers' Service has the responsibility of enforcing health protection and public health standards as provided by the Decree, the detailed provisions of which will be prescribed in a Decree by the Minister of Health.

Conditions of allocating state housing benefits

374. The system of State subsidies for social purposes has been transformed several times in recent years. According to Government Decree 12/2001. (I. 31.) on the state subsidy for housing presently in effect, state subsidies are available for the purpose of the construction, purchase, extension, modernisation of a housing facility; the modernisation of parts of residential buildings in common use, and collective water utility investments. State subsidies are available, furthermore, to local governments for the purpose of increasing their stock of rental units; for the energy-saving modernisation/renovation of residential buildings, and the modernisation/renovation of blocks of residential buildings in large towns and for pensioners' homes built by a religious organisation.

375. The Decree specifies the following types of subsidies:

- a) subsidy for the construction (purchase) of a home,
- b) subsidy to provide disabled access,
- c) tax-repayment subsidy,
- d) interest subsidy on mortgage bonds,
- e) supplementary interest subsidy,
- f) interest subsidy on renovation of residential buildings or water utility construction,
- g) interest subsidy to local governments,
- h) subsidy granted by the local government,
- i) subsidy to local governments for the purpose of increasing the stock of municipal rental units; for the energy-saving modernisation/renovation of residential buildings built by mass production technology; the modernisation of blocks of residential buildings in large towns; the creation of building plots with public utility and subsidy to religious organisations for the purpose of the modernisation/renovation of residential real property owned by a religious organisation, and the building of pensioners' houses

376. Hungarian citizens above 18, and minor Hungarian citizens at least 16 years of age taken into permanent State care are eligible to the following subsidies under Sub-paragraphs a)-c) above (direct subsidies) for the purpose of the

- construction of a new dwelling unit,
- purchase of new dwelling unit,
- acquisition of right of permanent use of newly constructed dwelling unit in the ownership of a housing society,
- extension of a dwelling unit, with the exception of the subsidies for the removal of obstacles to access and the interest repayment subsidy,
- purchase of a dwelling unit as a type of subsidy available for the purchase of a dwelling unit by families raising three or more children.

377. If a person is a citizen of another country or is stateless, the Ministry of Economy and Transport may grant permission to access the direct supports. For couples, if one of them is a Hungarian citizen there is no need for a permit to access the direct supports. The decree sets no specific criteria regarding citizenship for other supports.

378. Conditions of eligibility for direct subsidies for the construction/purchase of a dwelling unit, or the acquisition of the permanent right of use: The applicant, their spouse, common-law wife/husband or child of minor age or family members moving together with the applicant shall own no residential property and have no right of permanent use to a dwelling unit, or shall have no rental legal relationship to a dwelling unit in municipal

ownership or associated with a service relationship or a job position, or shall have resigned that validly in writing, and that was accepted by the lessor in writing.

379. In respect of the application of the Decree, a dwelling unit provided by a member of a business company to the company as asset contribution as well as a dwelling unit used for a purpose permanently different from that specified under the permit of construction and of inception of use (maintain) or from the proper use thereof shall be considered the same way as residential property.

380. Departing from the above, a direct subsidy is available also if the applicant, their spouse or common-law wife/husband, child of minor age and family member moving with the applicant

- have collectively, a maximum of 50 percent property share in a dwelling unit having come to their ownership by the termination of communal property or by inheritance, or
- the notary of the local government ordered or authorised the demolishing of the residential unit in their ownership, or
- the dwelling unit came into their possession prior to 31 December 1988, encumbered with a beneficial interest, and the beneficiary lives in the dwelling, or
- the dwelling unit came into their possession by inheritance after 31 December 1988, burdened with usufruct, and the beneficiary lives in the dwelling.

381. The housing claim qualifies as justified if the number of dwelling units in the flat and its construction (purchase) price satisfies the following conditions. The justified housing claim is for the applicant and the family members moving with the applicant (spouse, common-law wife/husband, minor child, and other family members defined under Paragraph 7 irrespective of their income) is as follows, depending on the number of persons concerned:

- one/two persons: min. one and max. three rooms,
- three persons: min. 1.5 and max. 3.5 rooms,
- four persons: min. 2, max. 4 rooms.

382. For any further person, the upper limit increases by 0.5 room. For families with three or more children, the upper limit increases by 1 room for each extra person.

383. The housing claim qualifies as justified irrespective of the type of floor covering:

- useful floor-space of the half room more than 6 sqm and less than 12 sqm,
- useful floor-space of the room more than 12 sqm, but - except for the existing, established, state of affairs – less than 30 sqm; if it is bigger than that, it shall be taken into account as two rooms. If the living room, the dining room and the kitchen are in a common, undivided section of space, and their useful floor-space collectively exceeds 60 sqm, they shall be taken into account as two rooms.

384. The housing claim qualifies as justified if the construction (purchase) costs of the flat not including the price of the building plot do not exceed the average costs indicated by the average construction costs of flats containing an identical number of rooms published by the Ministry of Economy and Transport in the Hungarian Gazette.

385. In respect of the determination of the upper limit of the justified housing claim, in case of a young childless married couple living together, a maximum of two children to be born and in case of young married couples having one child, another child to be born shall be taken into account. For the purpose of the application of the Decree, a married couple will qualify as

young if, at the time of concluding the loan (sales) contract, neither party has reached the age of 35.

386. Another condition of granting direct subsidy is that the applicant shall use the financial means at their disposal to settle the construction costs (purchase price). Financial means at the applicant's disposal shall include the sales price of their flat sold in the five years preceding the conclusion of the subsidy contract, reduced by the sum of municipal and employer subsidies and settled residential financial institution loan debited to it.

Housing allowance

387. The social policy allowance was introduced by Government Decree 7/1971 (II.8.) on the financial conditions of individual forms of residential construction and the social policy allowance. Government Decree 141/1994 (XI.2.) changed the name "social policy allowance" to "housing allowance". In summary of the earlier regulations also, housing allowance is due to Hungarian citizens having no independent dwelling facility of their own, intending to have a flat of a size and value matching what is considered 'reasonable housing needs', applying for the allowances in order to supplement their own funds. State subventions are available directly for the construction of a private dwelling or the purchase of dwellings constructed for the purpose of sales, or sold indirectly, through an agent of a re-sale home. The housing allowance is a non-repayable state subsidy due for dependent children and other dependent family members. It will only be granted once for the same child or other dependant. It is available for the following purposes (Gov. Decrees 12/2001 (I.31.) and 138/2001 (VII.31.):

- a) construction of a new dwelling (with the exception of construction in attic-space not qualifying as the adding of a new storey),
- b) purchase of a new dwelling
- c) construction activities in a home owned at least 50 percent by the applicant, resulting in floor-space increase resulting in the expansion of the building by at least one dwelling unit (for everyone, and converting attic space is included for owners supporting three or more children).
- d) as of August 1, 2002, persons with three children or more who sell a home and purchase another with a larger area and at least one more room and a reasonable level of conveniences, the purchaser is eligible for the allowance to purchase the latter home.

388. Subsidy to facilitate disabled access: State subvention is available to cover extra costs incurred due to the construction of a technically obstacle-free dwelling for a person whose motion is seriously impeded.

Tax reimbursement subsidy

389. Under Government Decree 202/1998 (XII.19.), for building permits issued after January 1, 1999, interest repayment subsidy is due to the builder or, in case of a deed of sale concluded after that date, to the buyer on the construction costs or the purchase price. The amount of that is 60percent of the VAT paid after financial certificates closely related to the construction or on the invoice of the new flat purchased, not exceeding 400 thousand HUF per dwelling unit. In case the construction is the builder's own investment, one quarter of the

subsidy can be paid only after receiving the license on use of the building, issued by the building authority.

Interest support of the credits financed by mortgage bond

390. The state, in order to reduce the interests of the housing mortgage loans granted for individuals, provides interest support for the mortgage bonds issued by the national mortgage credit institutions. The loan can be used for house-purchase, house-building, house-enlargement, house-modernization or renovation of those parts of the condominium buildings which are in common use. In case of house-purchase the seller can be neither close relative nor common-law spouse of the debtor of the mortgage loan or of his/her joint debtor. At least one of the debtors of the loan must be a resident individual. In case of house-building and new house-purchase the sum of the loan cannot exceed HUF 15 million while in case of second-hand house-purchase, house-enlargement and house-modernization this sum cannot be greater than HUF 5 million. In case of house-building, house-purchase and house-enlargement the debtor, the joint debtor, their spouses, common-law spouses and other members of the family moving together have to make a written declaration that, apart from some allowable exceptions, they do not have existing loan for house-building, house-purchase or house-enlargement purposes supported by the state.

391. During the duration of the support and of the interest of the loan the joint annual rate of the costs charged for on any legal grounds and of other considerations cannot be greater than 110 percent of the government securities' yield, increased by 4 percentage points, reduced by the interest support. The interest support is available during the first 20 years of the mortgage loan transaction period, which is the basis of the support. In case of new house-building, house-purchase the rate of the interest support is equal to the 60 percent of the average yield of those government securities the period of which are identical with those of the financing mortgage bond, while in case of second-hand house-purchase, enlargement, and modernisation the interest support rate equals that of the 40 per cent.

392. The modernisation includes all the works which serve the increase of the comfort of the housing, such as the installation of water, drain, electricity and gas, creation of a bathroom, formation or change of central heating, insulation of the building, exchange of the external doors and windows as an energy-saving measure. Only products having suitability certificate can be used for building works.

Supplementary interest support

393. Supplementary interest support can be demanded by couples if at least one of them is a resident individual and by those resident individuals who bring up child for new house-building and for purchase of new housing built with the aim of sale. The building costs without the price of the building site and the purchase price containing the value-added tax cannot exceed HUF 30 million. The sum of the loan, the payment of the interests of which is supported by the state for 20 years, cannot be greater than HUF 15 million. The claimant has to be the owner at least in 50 percent of the share capital of the real estate for which he/she claimed the loan with supplementary interest support. The sum of the loan cannot exceed the building costs (purchase price), which are proportional to the joint ownership stake of the claimant, of his/her common-law spouse, supported children and family members. The

supplementary interest support is equal to the 60 percent of the stated government securities' yield.

Interest subsidy on the construction of a dwelling unit for the purpose of sale or rental

394. If a legal entity, unincorporated company, private person or sole proprietor has a flat built for the purpose of selling it to a private person or for the purpose of renting it out, and undertakes by contract to sell the flat or rent it for a minimum of 20 years, or sell it during the specified renting period, the state shall provide a subsidy to pay interest on a loan from a lending institution drawn for this purpose, provided that the sales price of the flat, not including the price of the building plot and including VAT, or in case of renting, its constructions costs, do not exceed 30 million HUF.

Subsidy for the renovation of residential buildings or the construction of water utilities

395. If the renovation funds are generated at the rate specified below, and deposited with a lending institution, the State shall provide a subsidy on the repayment of loans taken out from the lending institution for the purpose of the modernisation, renovation of parts qualifying as common property in residential buildings in housing society or condominium ownership. The extent of the subsidy is 70 per cent of the interest in the first five years of repayment and 35 per cent of the interest in the second five-year period.

396. Eligibility: interest subsidy on the renovation of parts of a condominium residential building representing common property or owned by a housing society shall be available if the monthly renovation contribution amount is not less than

- 6 HUF / sqm and 8 HUF / sqm for the flats of a residential building without and with elevator, respectively, within 15 years starting from its take into use or renovation,
- 10 HUF / sqm and 12 HUF / sqm for the flats of a residential building without and with elevator, respectively, from the 16th year starting from the taken into use of renovation until the renovation or repeated renovation of the residential building.

397. When an association conducts a public works projects of local significance or builds an individual sewage outlet, in the first five years of repaying the loans, the central budget will cover 70 per cent of the interest and will cover 35 per cent in the next five - making the payment instead of the association which borrowed the money irrespectively of who executes the investment. The preferential loan may come to a maximum of 65 per cent of the overall costs of a sewage system investment for public purposes.

Interest subsidy to local governments

398. If the rents on residences and non-residences owned by local governments do not exceed the costs of maintaining and renovating them and of supporting renovation of housing owned by natural entities and of expenditure for housing maintenance and eliminating emergency rentals, the central budget assumes, instead of the debtor local government, 70 per cent of interest on financial institution loans drawn for the purpose of the renewal and

concurrent modernisation of a dwelling in the ownership of the local governments (not exceeding 50percent of costs).

Subsidy available from the local governments

399. The local governments may grant interest-free loans or partly or fully non-repayable subsidies to families in need. The subsidy may be used for the acquisition of a usable building plot, of a new or re-sale dwelling, the enlargement, renovation or maintenance of a dwelling, to cover the repayment instalments on residential loans or to pay the lease fee of the dwelling or to bear other costs related to the dwelling. The local government establishes the conditions of granting the local subsidy by decree. The extent of the local government subsidy depends primarily on the financial situation of the local government.

Residential tax subsidy

400. The residential tax subsidy is governed by Act CXVII., (1995) on personal income tax. Tax payable by a private person shall be reduced by 40percent of the amount, not exceeding HUF 240,000 per annum, certified by a lending institution, paid to settle costs related to capital, interest and miscellaneous expenses in the given tax year by the private person indicated as debtor of the credit drawn for a residential purpose on the basis of the relevant contract concluded by the credit institution after December 31, 1993.

401. Essentially, there are **two types of local government welfare-type assistance to assist families to ensure that they have a place to live**: home maintenance support and debt management services.

402. Home maintenance support is a tool to prevent eviction. The local government offers it to persons living in a home which does not exceed the minimum size and quality recognised by the settlement for the size of the family, or if the family lives in a facility that was not intended to serve as a residence, and the family has no income from sale or rental of a residence. The conditions for being granted the support and the amount of the support is regulated by the local government through an ordinance, but the amount of the support may not be less than HUF 1,000/month.

403. The increase in home maintenance costs in the past decade has led to an accumulation of debt among families. Several programmes of action have been started to resolve them, but the results have been transitional at most. The Social Act, as of January 1, 2003, has made it possible to manage residential debt and money owed in a systematised way, within the jurisdiction of the local governments. The system operates on two pillars. One involves cash support to cover the debts and the other is a debt management advisory service which also promotes an increase in the ability to repay the debts. In December 2003, 1.186 persons received subsidy.

404. Both housing maintenance support and the debt management service were regulated in the Social Act, which covers Hungarian citizens, immigrants with personal IDs entitling them to permanent residence, persons with permanent residence permits, and persons recognised by the authorities as refugees, as long as they live within Hungary.

405. As of January 1, 2003, there were 4,104,000 home units in Hungary. We have two years' worth of data on the housing stock in Hungary, which, according to the Central Statistical Office, showed the following trend (Data refer to overall housing, in other words, to the total number of homes. However, one household in Hungary typically lives in one home, therefore the results for households are quite similar):

Breakdown of home units by ownership (percentages)

Year	Own home	Rented home	
		From private person	From local government
1999	92 %	3 %	5 %
2001	91 %	3 %	6 %

Homeless people

406. At the moment there are between 30 000 and 35 000 homeless people in Hungary, of whom 20 000 live in Budapest. Nearly 8000 accommodation facilities are operated in the whole country, and 5000 individuals are served daily in day shelters and soup kitchens, but during the winter months these services have proved to be inadequate. In the recent years street work has played a more and more important role in services for the homeless. Social workers have an extremely important role in winter, when their effective activities can prevent direct danger of life, or long-term health damages. At the moment there are 100 social service organisations operating in the large towns of the country.

407. Since 1 January 2004, 24 hours health centres have been created at 6 regional locations and 4 Budapest sites, of which the first four already started their operation supplemented with a Mobile Medical Service. These centres operate as a background service for street social work offering emergency services, disinfecting baths, observation and nursing care.

408. The development of the services of institutions currently described as day shelters, and integration of already existing models are of key importance, because only a fragment of homeless people use the accommodation facilities, thus the best opportunity for establishing contact could be provided in a day care system with a wide range of services. In addition to the bathing, washing and cooking opportunities involved in the currently available day services we would like to provide information services, luggage guarding services, to supply a postal address, legal assistance, access to computers and Internet, job search and training.

Temporary homeless shelter

409. A temporary homeless shelter provides a chance to sleep at night, wash up, warm up food and eat it, isolate persons who are ill, spend time in a community. The facility provides the following for persons who access it:

- bedding,
- washcloths and towels,

- facilities for laundering personal garments,
- secure places to leave personal items,
- first-aid equipment.

410. The opening hours of a temporary shelter are determined in accordance with the care giving activity provided but they must remain open for at least 16-hours a day. Social welfare and mental health services for homeless persons at temporary shelters must be available for at least six hours a day. Social welfare and mental health services at temporary shelters are made up of the following in particular:

- individual care management, group social work, community social work,
- individualised assistance in moving upward from a temporary shelter,
- organisation of community life within the facility,
- rehabilitation therapy
- assistance in re-establishing/maintaining family and social connections,
- assistance in handling administrative matters

Overnight shelter for homeless persons

411. A maximum of 20 persons may be located in the same room at an overnight shelter for homeless persons. The overnight shelter is open in the evening and at night, for at least 14-hours a day. The overnight shelter keeps qualified personnel on duty while it is open to prevent and manage any conflict situations. The overnight shelter must employ a social worker for at least four hours a day to handle social work. Social work consists principally of: providing welfare information and counselling on eligibility for care.

Residential facility for homeless persons

412. A homeless person who cannot be cared for in a temporary shelter because of a need for enhanced care induced by age or state of health may be admitted to a residential facility. Special mental health care must be provided to persons in residential facilities for the homeless, with a particular focus on lifestyle specifics stemming from homelessness. Health care in residential facilities for the homeless must include regular therapeutic, prophylactic, and hygienic supervision, organisation of treatment by specialist physician, nursing, healthcare rehabilitation, and if necessary organisation of hospital care.

Institutional rehabilitation for homeless persons

413. Institutional rehabilitation of homeless persons is a fundamental task. It is designed to assist the care recipient in

- restoring or evolving an independent lifestyle,
- restoring ability to work,
- restoring and retaining a place to life,
- developing the ability to establish and maintain contacts, to maintain community relationships, and to accept the norms of communal life,
- to learn cultural integration and practice leisure time activities.

414. Follow-up care particularly includes:

- support of the rehabilitated person in adjusting to the external environment - preparing the environment to receive the person if necessary,
- counselling, briefing,

- maintaining a liaison with the social welfare institutions offering primary care in the place of residence,
- assistance in adjusting to the job and in holding a job, counselling for the family and briefings and advisory services for the social welfare institutions involved.

415. Housing is of key importance, without which no rehabilitation can be successful. The Government has already provided an opportunity for organisations serving the homeless in 2003 to provide housing support for people capable of living their own lives, thus increasing the number of people overcoming homelessness. In the near future the efforts of the Government will be reflected in a wider access to housing support, and availability of cheap and subsidised housing facilities.

Housing situation of the Roma

416. The situation of the Roma, in terms of equality and discrimination, remains a major challenge, in particular in the area of housing. In 1971 two thirds of the Roma population lived in isolated slum-like neighbourhoods with no comfort at all. With the improvement of housing conditions, this proportion decreased to 14% by 1993, still this makes up thousands of people living without running water, electricity and other conveniences. In order to eliminate these problems, the Hungarian authorities have launched programmes at local and regional levels as well.

1. Model programme for the housing and social integration of those living in Roma colonies

417. A survey on colony-like living environments, launched in 1997, was completed and evaluated by summer 2000. According to the findings, 96 000 people live under slum-like living conditions in 19 000 flats. The line ministry has accorded priority to professional measures to be taken, in collaboration with the communities living in colonies or colony-like environment and minority self-governments of the settlements concerned, to eliminate factors that may endanger both the environment and human health.

418. The Ministry of Youth, Family, Social Affairs and Equal Opportunities announced the model programme for the housing and social integration of those living in the Roma colonies, in line with the objectives identified in the government programme 'New Dynamism for Hungary', at the beginning of February 2005. The most important objective of the programme is to create opportunities for those living in the colonies and colony-type living environments for the real improvement of their living conditions and social development.

419. The amount of the budget that can be spent for the programme is HUF 680 million. Project proposals involving 9 settlements were retained (Dencsháza, Galambok, Hencida, Kerecsend, Kisvaszar, Szentgál, Táská, Tiszabő, Uszka). Approximately 40 per cent of the inhabitants of these settlements, i.e. 4,492 persons (1,012 families), live in colonies or colony-type environments. The colonies in the supported settlements have emerged for different reasons, with different histories and structures, therefore, the concept developed for the improvement of the situation of those living in the colonies is different for each of the 9 settlements. For example, the total elimination of the so-called 'wild colonies' is being implemented in Táská and Galambok where 17 families, among them also children, living

under inhuman conditions, are being moved to newly built flats maintained by the municipalities. In Tiszabő and Uszka, where the total population of the settlements, altogether 2,550 persons, lives in a colony-type environment, the primary goal is to renovate the flats being in condition that endangers life and develop the infrastructure of the settlement. In addition to the housing solutions for the various families, the infrastructure developments planned at the settlements will also affect the quality of life of the whole population of the settlement (construction and renovation of road and pavements, extension of the drinking water supply system, development of schools and kindergartens, solution of waste disposal, zoning, improvement of social care, training and employment programmes for the adults).

420. The amount of the support to each settlement ranges between HUF 55 million and HUF 90 million, the duration of the implementation is one year. The implementation of the projects requires intensive work on the part of the concerned municipalities. Their work will be assisted by the local institutions, minority self-governments, NGO-s organisations and experts, and by the concerted effort of those living in the colonies. The ministry intends to assist the municipalities by maintaining an intense relationship and operating a mentoring and monitoring network.

2. Development Programmes in the 8th district of Budapest

421. Since 1996, in close cooperation with the self government of Budapest, several programme plans (based on the development conception of the self government of the 8th district of Budapest) have been adopted¹ aiming to strengthen the district's economic-social-environmental situation, and to solve the social problems of the people living in the district. The main goals of the programmes are to improve the quality of life, to solve the housing problems while strengthening public security, social cohesion and improving the labour market potentials in the district.

422. In order to improve the housing situation, the district was divided into 11 "quarters"², based on the specific social architectural and environmental needs of these quarters. The renovation works have already started in the "Szigony quarter" (duration of the project is 2005-2009) and in the "Magdolna quarter" (duration of the project is 2005-2019), which is said to be the most run down quarter in the district. The constructor of the Szigony and Magdolna Project is the Rév8 Ltd. (owned by Budapest (60%) and the self government of the VIIIth district (40%)), the estimated cost of these projects is 32 million €.

Nutrition, food hygiene

423. The average per capita daily foodstuff consumption in 2001 was 93,9 g of protein, of which 50,7 g of animal origin, 140,8 g fat, 360,6g carbohydrate. It meets the minimal healthy nutrition requirements in all aspects, despite the fact that the average meat consumption and the fat consumption recently exceed the recommendation of healthy diet.

¹ Rehabilitation Concept of the VIIth District (1996), Rehabilitation Programme Plan of Józsefváros (1998), Housing Concept of the VIIIth district (2000), District Development Concept (2001), Town Planning Regulation of the VIIIth District (2003)

² Palota quarter, Népszínház quarter, Csarnok quarter, Józsefváros központ quarter, Magdolna quarter, Orczy quarter Szigony quarter, Tisztviselő telep, Ganz quarter, Kerepesi quarter, Százados úti quarter

424. The data on food consumption of specific strata of society are available from the regular annual Household Budget Surveys.

425. The per capita average daily energy intake in 2001 was 12 824 Kjoule.³ The „food basket” for the minimal healthy nutrition according to the recommendation of National Institute of Nutrition contains 91 g of protein (of which 40 g animal protein), 98 g fat, 371 g carbohydrate, 783 mg Ca, 2465 mg K, 12 mg Fe, 111 mg vitamin C. This covers the demand of energy, vitamin and minerals of an average adult person with moderate physical activity.

426. In some groups of the population, mainly in poor households (in the first income decile) and in households with more than 3 children the structure of food consumption is far from the optimal nutrition. They consume more fat and cereals than the optimum and the fruit and vegetable consumption among them is much more less than the average.

427. The average total consumption of milk and dairy products in the country is also below the optimal level and figures are quite low in international comparison too.

428. The reason of that is the rise in the price of milk and dairy products since the change of regime, during the 1990s, so the milk consumption has decreased almost 20 litres from that time and seems to be stabilized at a lowest level.

429. Since the food quantities and the nutritional values of meals consumed out of household are not known from the HBS (the observation concerns to the value only) the quantity of domestic food consumption (according to National Accounts) is higher than the HBS data.

430. The consumption out of household is not significant in the poorest households. Another important factor in the household food consumption is the own account consumption (own production). In Hungary own production can be observed in 50% of private households. In the capital city it is not significant (2%) but in country average it takes 16 per cent and in the southern Great-Plain regions around 20-30%. One third of meat and eggs consumed in the households, half of the legumes and potatoes, one third of the fruits are originated from self-production, from household plots, hobby-gardens, small farms etc. The home made preservation of self-produced or harvested fruits is also popular and since the end of eighties seems to be growing. Instead of the traditional sugar-based preservation several share of that has made by deep-freezing. Freezers and freezer-fridges can be found in half of the Hungarian households.

Control of food hygiene

431. The control of foodstuffs takes place on the basis of the authority of Act XC of 1995 on Foodstuffs, which, along with joint decree by Ministers of Agriculture, Public Welfare, and Industry and Trade 1/1996. (I. 9.) concerning its implementation provides the tasks of food control in several ways.

432. The procedure of controlling food is provided by joint decree of the Ministers of Agriculture, Interior, Defence, Industry, Trade and Tourism, and Public Welfare No. 21/1998.

³ Data source: National Accounts, Food Balances 2001

(IV. 8.). The scope of the Decree extends over foodstuffs, and tobacco products intended for public consumption or sold in the territory of the Republic of Hungary, and over controls by authorities of public health, quality, animal hygiene, and food hygiene concerning the production and commerce of food and tobacco additives. The top level of co-ordination is the Government of the Republic of Hungary. The general co-ordination of food safety performed by the Government is helped by interministerial committees such as the 'Food safety advisory board', the 'Interministerial food control co-ordination committee.'

433. Act XC., 1995 on foodstuffs appoints three food controlling authorities:

- the county level animal hygiene and food control stations, the Ministry of Agriculture and Regional Development
- the organisation for public health, epidemiology, and health protection (National Public Health and Medical Officers' Service), Ministry of Health
- the organisation responsible for consumers' interest representation (Consumer Protection Authority, Ministry of Economic Affairs)

Other authorities participating in food control:

- Vegetable hygiene and soil protection stations
- National wine grading institute

434. More recently, Government Decree 66/2003 (V. 15.) sets up the framework for establishing a Hungarian Food Safety Office. The organisation of the Office, designation of its sphere of activity and the selection of its personnel are currently underway.

435. In relation to the quality of drinking water, a government decree and a national programme implementing Directive 98/83/EC of the European Union have been adopted: The programme was adopted by the Government on March 20, 2001, and Government Decree 201/2001 on the quality standards and control of drinking water on October 25, 2001. Annex 6 Part "A" of the decree includes the list of 191 settlements where municipalities are responsible for lowering levels of arsenic, boron, fluoride and nitrite to standard by December 25, 2009.

Access to safe water

436. In 1999 the length of drinking-water mains was 61 999 km, the amount of the drinking water provided for the households was 368 727 000 m³. Between 1990 and 1997 the length of the mains increased with 9 580 km. The ratio of settlements supplied with mains water has increased from 79.2 % to 99.7 %. The ratio of flats supplied with mains water increased from 84.9 to 91.4% in the examined period.

437. The length of the sewerage system has almost doubled between 1990 and 1999. It was 22 732 km in 1999. The ratio of settlements having sewerage increased from 41.6% to 49.1% between 1990 and 1999.

438. The length of sewerage per 1 km drinking- water mains has increased in Hungary by 60.7%, from 228.2 meters to 366.7 meters between 1990 and 1999. The length of sewerage per 1 km drinking-water mains increased to the biggest extent in case of villages, with 247.6%, from 65.1 meters to 226.3 meters. However, it is still only 61.7 % of the national average. In the cities outside of Budapest the length of sewerage per 1-km drinking-water

mains was 29.2% more than the national average (474 meters). In Budapest it was 155.7% longer than the national average (937.8 meters) in 1999.

Water management, water and sewage associations, flood damage compensation

439. For years the Parliamentary Commissioner had been receiving complaints about the surface water-rainwater drainage system from various regions of the country, therefore in 2000 he conducted a comprehensive enquiry of the issue, and established that the drainage of excess surface water and rain water as a public task was not performed. In the time since then, complaints have been received concerning the proceedings, or lack thereof, of local governments and construction, water management and road authorities (primarily town clerks).

440. As a result, in 2002 the Parliamentary Commissioner conducted another comprehensive enquiry, following up on the previous enquiry at the same time. Many of the cases was attributable to the fact that one or more persons in the towns concerned constructed or demolished structures irregularly, changing the terrain in their own property or in public land, which resulted in excess surface water damage in other people's property or in public areas. The damage often resulted from irregularities or omissions committed for decades. The most frequent causes are related to the limited funds available.

441. No substantive changes occurred in the drainage of excess surface and rain water in urban areas since the previous comprehensive enquiry. The state had not performed the water management duties previously assigned to it, later to be delegated to the local governments, even before local governments were constituted. The facilities for downtown surface and rainwater drainage are missing, and the ones existing are in a poor state of repair due to the lack of maintenance. As a result of the lax construction discipline and the absence of regulatory measures, the technical conditions that have emerged in a number of locations are irreversible, or reversible only with substantial public outlays. Generally, settlements cannot even provide for the water management aspects of a healthy environment and the prevention of water damage. In most settlements this is attributable primarily to the lack of funds, but settlements in better financial positions do not necessarily provide for these tasks adequately either. The absence of maintenance and improvements, and the lack of the irregularly destroyed drainage or storage facilities amplify the consequences of rainy weather, floods result, and water causes billions worth of damage. After natural disasters the deficiencies that caused them are often not eliminated or the mistakes are repeated.

442. Relying on the findings of the 2002 enquiry, the Parliamentary Commissioner repeated in his second report that, due to the deficiencies in the drainage of excess surface water and rainwater, the anomalies relating to the rights of citizens to legal certainty and fair procedure, to property, to health and a healthy environment still exist. Their elimination would require more co-ordinated action by the central and local governments.

ARTICLE 12 – THE RIGHT TO THE HIGHEST ATTAINABLE STANDARD OF PHYSICAL AND MENTAL HEALTH

Legal background

443. Article 70/D of the Constitution provides for the right to health through the following provisions:

“(1) Everyone in the territory of the Republic of Hungary is entitled to the highest possible level of physical and mental health.

(2) The Republic of Hungary ensures this right through providing occupational safety, health institutions, medical services, offering possibilities of regular physical exercise, and through the protection of the built and the natural environment.”

444. Article 18 of the Constitution declares that *“The Republic of Hungary recognizes and shall implement the individual's right to a healthy environment.”*

445. The most important provisions concerning health are provided by **Act CLIV of 1997 on Health** (see Annex 10) that establishes both the exercise of the right to health and the most important rules of health services. Part of the services are to be statutorily provided to every person in the country's territory (e.g. emergency care), some services are available to persons who are in the country lawfully (e.g. free care of pregnant mothers), and most of the services are provided in the framework of the compulsory health insurance system. No one lawfully staying in Hungary may be refused health services. In accordance with sub-paragraph I) of Sub-paragraph (1) of Paragraph 16 of the Act on Social Insurance all minor age persons – i.e. below 18 years of age – with a residence in Hungary are automatically eligible for social security services.

446. The following general subjects are discussed in Act CLIV of 1997 on Health:

- rights and obligations of patients,
- issues of public health, and more specifically, issues of health development, family care and women's care, youth health, sports health, environmental and settlement related health issues, nutrition and food related health issues, radiation related health, labour health, epidemiology,
- the system of health services,
- technical standards of healthcare services,
- rights and obligations of healthcare workers,
- the responsibility of the state for the health status of the population,
- the structure and management of public health services

447. The section focusing on details deals with the following:

- medical research carried out on humans,
- special procedures targeted at human reproduction,
- services to psychiatric patients,
- organ and tissue transplants,
- tasks related to deceased persons,
- supply of blood,
- health related measures required in the event of a disaster.

448. Act CLIV of 1997 aims – among other things – to facilitate the improvement of health of the individual and thus the improvement of health of the population, to create equal opportunities in the field of access to health care services. The law provides equal rights and obligations for all patients. The basic rights are as follows (Title 2 of the Act):

- the right to health care (Sections 6-9)
- the right to human dignity (Section 10)
- the right to have contact (Section 11)
- the right to leave the health care facility (Section 12)
- the right to information (Section 13-14)
- the right to self-determination (section 15-19)
- the right to refuse healthcare (Section 20-23)
- the right to become acquainted with the medical record (Section 24)
- the right to professional secrecy (Section 25).

449. Section 70 of the Act stipulates: “All patients have the right for appropriate, continuously available healthcare as required by their medical condition, without any discrimination.” The Act – apart from providing the rights of the patients – also stipulates that all patients shall have the right to lodge complaints with regard to care, or have the right for legal remedy. The patient advocates (representatives) protect the rights of the patients, and assist them in getting to know their rights (see Title 3, Enforcement of patients’ rights, Sections 30-33). The patient advocates work within the institutional framework of the county (municipal) institutions of the National Public Health and Medical Service. They pay special attention to those who are defenceless because of their age, physical or mental handicap, health condition, social condition.

450. Act LXXIX of 1992 on the Protection of Foetal Life provides the protection of the foetus along with the conditions for induced abortion. Likewise a separate piece of legislation is Act XLVII of 1997 on the Handling and Protection of Medical and Related Data. Other legislation specifies the organisation, the structure, and the rules of the expansion and the downsizing of the system of service provision.

451. It is a guarantee for disadvantaged persons and groups that the rights of patients and the basic legislative principles include the following:

- prohibition of discrimination,
- the right to fair and equal access to medical services,
- post-acute care and rehabilitation as forms of service provision.

There is separate legislation to provide the equality of rights of persons with disabilities that includes the provision of medical aids as well as the training to use these.

452. For those who are financially disadvantaged in accessing medical services, there are reduced-rate services available on a means tested basis, and, in the social welfare system the public medical system helps persons in need to obtain access to services that are otherwise partially payable.

The physical and mental health condition of the population

453. The health condition of the Hungarian population is extremely unfavourable in international comparison and falls considerably behind the level that could be possible to reach at the level of the country's social and economic development. As regards certain diseases and causes of death, Hungary is in the lead in international statistics. At present, life expectancy at birth is 68 years for men and 76 years for women. These data are considerably lower than those of other member states of the European Union. The extremely great mortality of middle-aged men is particularly tragic.

454. This situation is unacceptable and requires effective action. The extremely bad health condition of the Hungarian population has numerous historic, social, economic and cultural reasons, but it is directly attributed to the general lifestyle.

455. The national nutritional habits are unhealthy: the consumption of energy, fat and salt is extreme, while that of fibre, vegetables and fruits is not sufficient. A considerable part of the Hungarian adult population is overweight and obese. On average, Hungarian adults exercise hardly more than ten minutes a day, and six out of ten adults exercise neither weekdays nor weekends. 41 per cent of adult men and 26 per cent of women smoke more or less regularly, and the proportion of smokers, mostly among young women, is increasing rapidly. Every year 28 000 people die exclusively due to smoking. The number of alcoholics is high, and drug-consumption is also spreading. A considerable part of the population do not have the ability to tackle the problems of everyday life and mental health troubles have been widely spreading.

456. To influence the lifestyle of the people in order to move it to a favourable direction regarding health is a difficult and extremely complex task which needs well-considered and harmonised action by the government, public institutions, the civil society, actors of economic and social life and the media. To this end, a professionally based ten-year strategy relying on social and political agreement provides the bases.

457. The improvement of public health requires co-operation and a joining of forces on both governmental and societal level. The framework programme encompassing the tasks ahead is called the *Public Health Programme for a Healthy Nation*. Part of it is dedicated to the dissemination of information concerning the preservation of health, while another part concerns the maintenance of various preventive, screening, and therapeutic services.

458. The following were the main causes of death in Hungary in 2002 (number of mortalities in brackets):

Malignant tumours	(32,950)
Heart diseases	(38,428)
Cerebrovascular illnesses	(18,462)
Arteriosclerosis	(7,395)
Bronchitis, pulmonary emphysema, asthma	(3,232)
Liver diseases	(6,119)
Accidents	(5,080)
Suicide and self-inflicted injuries	(2,814)
Total mortality	(115 480)

The results of the National Health Survey (2000)

459. Functionality: 25 % of the middle-aged, 50% of the old population is durably restrained in social life due to health problems. 10% of the old people needed help in everyday life. It was more frequent among people of lower education, of lower social situation, or among those who are unemployed, living in underdeveloped regions, working alone, or not able to work.

460. Mental health: At least every sixth woman and every eleventh man had mental health problems reducing their functionality. Those who were in the most dangerous category (a real chance to commit a suicide) was 1,3% in the population, 1,1 % among men, and 1,5% among women. The chance of having a mental health problem was higher among those who were restrained, unable to work, or who were not in a good financial situation, who were alone.

461. Believed health: 42% of the adult population considered his/her health condition good or very good. This ratio was 39% among women, and 48 % among men. However, 18,5 % of women and 13,3 % of men considered it as bad or very bad.

462. Expected health: An 18 year-old woman will live prospectively another 59 years, but from this, only 43,3 years will pass without any constraints if the health conditions are not going to change. With the same conditions an 18 years old man will live another 50 years, and from this, as an average 38,4 will be without constraints.

463. Biological factors: The chance of diabetes is 10 times more in the population group of 60-69 years, then in the youngest population group. But lower in the oldest population group (above 80 years) than in the two younger population groups (60-79 years). We can find similar trends concerning overweight people. The chance of smoking is lower among the old people, less than 1/5 of the chance of the age group of 18-34 years. The chance of drinking is the highest in the age group of 35-64 years. The chance of drinking in case of women is 17% of the chance in case of men.

464. Financial situation: The chance of having constraints is getting smaller with the improvement of the financial situation. The chance of smoking and using fat in the kitchen is also getting lower with the improvement of someone's financial situation. However, those who are in a better financial situation are moving less than the average. The chance of obesity is almost double in case of women and more than double in case of men in a good financial situation than in case of people in the worst financial situation.

465. Education: The chance of circulatory system and heart diseases and diabetes is lower among people of higher education. Among young people (18-34 years old) the chance of smoking is lower in case of those of higher education. In case of women, the chance of drinking is higher among those of higher education.

The National Programme for a Decade of Health

466. The "Johan Béla" National Programme for a Decade of Health was adopted by Parliament on April 7, 2003 by its Resolution 46/2003 (IV. 16.) as an upgrade and extension of the Public Health Programme for a Healthy Nation. It provides the professional framework for public health action. When choosing programme priorities, the focus was on the most serious

general health concerns. Improving the chances of socially disadvantaged groups is a priority consideration. Designers of the programme studied domestic and international methodology, and considered implementation opportunities and cost effectiveness.

467. The programme is aimed at improving general health by alleviating deficiencies in four areas. The policy focuses special attention on

- youth issues;
- problems of the elderly;
- ensuring equal opportunities; and
- creating an environment supportive to health in all walks of life.

468. One important target is to advocate primary prevention on the society-wide level. The programme is giving priority attention to:

- reducing tobacco use;
- alcohol and drug prevention;
- disseminating healthy nutritional habits and improving food safety;
- promoting physical activity and exercise;
- improving public health and epidemiological safety, and
- evolving a healthy physical environment.

469. Measures must be taken to prevent premature mortality. Other measures need to prevent morbidity and disability. Priority issues are:

- reducing mortality caused by coronary and cerebral blood vessels;
- halting and reversing the trend towards a rising mortality rate due to tumours;
- improving protections in the mental health area;
- reducing motor disorders and resulting complications, and
- preventing AIDS and other sexually transmitted diseases.

470. In keeping the programme priorities, it is also necessary to advance the network of healthcare and public health institutions:

- We have to continue with mammograms and to introduce other types of screening that are a public health priority;
- We need to advance the healthcare system to attain the socially highest health benefit. This means that advancing primary care and intensifying and improving the conditions for preventive measures are a top priority;
- We need to build and concentrate efforts throughout the variegated world of public health so that we become able to meet challenges regarding the qualification level of our professionals and our financial and organisational resources;
- We have to build up a monitoring system that allows us to continuously monitor programme advances and introduce course corrections as needed.

471. Successful implementation of the programme will contribute to the development of the country and the people on multiple levels and in a wide variety of areas. Given the perspective of a decade, the anticipated social effects of the programme can be summed up as follows:

- average life expectancy at birth for males will increase to at least 71 and for females to at least 79;
- the number of years of life spent healthy will increase and the general quality of life will improve;
- inequalities in the health status of the residents will decline;

- there will be opportunities to reduce the health and welfare gap between disadvantaged social strata and the mainstream;
- a healthy way of life will become a society-wide model, and the order of values espoused by the residents and their everyday lifestyles will change to reflect this;
- inter-sectoral co-operation to promote health will evolve on all levels and become a regular standard;
- community actions and the role of the NGOs in health promotion will become stronger.

472. The decade-long professional effects on health care can be summed up as follows:

- there will be a decline in preventable and premature mortality, and in the early manifestation of chronic non-contagious disorders;
- the need for treatment/care by the patient groups targeted by the programme will be reduced or will shift to an older age group;
- there will be a decline in the regional and social inequalities in access to health care services;
- preventive services offered by the health care system will develop and improve;
- the quality and cost effectiveness of health care will improve;
- the system of public health institutions will be transformed to conform to modern demand and to adjust to EU norms;
- research and education related to public health will advance.

473. The long-term economic effects of the programme are as follows:

- programme investments in advancing human resources will have a favourable spill-over effect on sustainable economic growth;
- the quality, efficiency, and competitiveness of the workforce will improve;
- new resources and reserves will be mobilised through inter-sectoral co-operation;
- the market for products and services beneficial to the health will expand;
- the programme will make a significant contribution to improving general living standards.

474. Successful implementation of the programme is a defining element in improving public welfare, in creating long-term opportunities and in sustainable nation-wide economic growth. Through co-operation that is centred on people, we have to turn health into a basic value in all areas of life. We need to reach a point where every single action, whether political, government, social, economic, or even media-triggered, is judged by the extent to which it serves to promote personal health and the health of Hungarian society. Our citizens have to feel that society and the government is offering them all possible assistance in maintaining their health, and that it is their job to take responsible advantage of the opportunity.

Expenditure allocated to the health care system

475. The expenditure allocated to the whole health care system is 705 USD per capita. According to WHO statistics, in 1995-1998 Hungary spent 6.5-7 per cent of its GDP on health care. Besides the supports ensured by the state budget it is worth mentioning the voluntary health and mutual insurance funds of which both the number and the number of their members is considerably increasing. Important data of the funds are shown below:

Category	Number of members in	Service in 2000 (million HUF)	Number of members in	Service in 2002 (million HUF)
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	2000 (person)		2002 (persons)	
Voluntary health fund	71,600	1,728	150,500	5,511
Mutual fund	60,500	2,887	76,100	2,509

Source: Ministry of Finance

The number and rate of births

476. The number of births in 2002 was 96 804, which is almost the same as it was in 2001 (lower by 243). The rate of live birth per 1000 inhabitants was 9.05, which has not changed compared to previous years. The frequency of premature births (below 2500g) has continuously decreased until 1995. This tendency has stopped, however, and the 1995 rate for premature birth of 8.2 % has not changed significantly since then – in fact, there has been a slightly increasing tendency. (In 1998: 8.3 %, in 2000: 8.4%, in 2002: 8.5%.) Hungary's rate of premature birth being above 8 % is not very favourable in international comparison.

Number and ratio of births

	1970	1980	1990	2000	2001	2002
Number of live births	151 819	148 673	125 679	97 597	97 047	96 804
Its ratio per 1000 people	14.7	13.9	12.1	9.6	9.5	9.5
Ratio of live births under 2500 gr (%)	10.7	10.4	9.3	8.4	8.5	8.5
Number of late foetal mortalities	1 520	1 154	699	538	550	523
Its ratio in the % of all births	1.00	0.78	0.56	0.55	0.57	0.54

477. In infant mortality there are considerable regional differences. According to the statistics of the years 1997-1999 the most favourable indicators were in Csongrád County (5.5/1000), in Tolna County (7.8/1000) and in Veszprém County (8.0/1000). The worst indicators were in Somogy County (11.8/1000) in Fejér County (11.4/1000) and in Szabolcs-Szatmár – Bereg County (11.4/1000).

Infant mortality 1970-2002

	1970	1980	1990	2000	2001	2002
Infant mortality	5 449	3 443	1 863	900	789	693
Its ratio per 1000 live births	35,9	23,2	14,8	9,2	8,1	7,2
Infant mortality by age groups (per 1000 live births)						
Under 1 day	13,6	7,8	4,3	2,3	1,8	1,8
1-6 days	10,9	7,6	4,5	2,3	2,1	1,9
7-27 days	3,9	2,5	2,1	1,6	1,4	1,6
28 days and older	7,5	5,3	4,0	3,0	2,8	1,9

478. Statistics related to infant mortality have improved: In 2001 the rate of infant mortality per 1000 live born was 8,1 %, which has slightly decreased in 2002 to 7,2%. The number of infants deceased before the first birthday was 693 (as compared to 789 in 2001) in 2002. In the same year, the number of infants deceased before the first birthday per 1000 live-born belonging to the same sex was as follows: Boys: 7.3; Girls: 7.0; Total: 7.2.

The development of average life expectancy

479. Life expectancy of men at birth decreased a little bit between 1980 and 1990, but from the mid-1990's an increase can be seen. Life expectancy in case of women hardly changed between 1980 and 1990. However, an increase can be seen since 1990. (For further statistics, see in annex).

Life expectancy between 1970 and 2001

Year	At birth		At the age of 1		At the age of 40		At the age of 60	
	Male	Female	Male	Female	Male	Female	Male	Female
1970	66,3	72,1	68,1	73,4	31,5	35,8	15,2	18,2
1980	65,5	72,7	66,2	73,2	29,6	35,5	15,6	18,3
1985	65,1	73,1	66,1	73,9	29,6	36,2	15,1	19,2
1990	65,1	73,7	65,2	73,7	28,8	36,1	14,7	19,0
1995	65,3	74,5	65,0	74,2	28,3	36,4	14,8	19,5
1998	66,1	75,2	65,9	74,8	28,9	36,8	15,0	19,8
1999	66,3	75,1	65,9	74,7	28,9	36,7	14,9	19,6
2000	67,1	75,6	66,8	75,2	29,6	37,2	15,3	20,0
2001	68,2	76,5	67,8	76,0	30,4	37,9	16,0	20,7

State of pharmacy supply

480. Number of pharmacies per 1,000 residents 0.2. In 2000 there were 2,045 retail pharmacies in operation. Pharmacies are given licenses to operate on a geographical basis, and in particularly small settlements, where an independent pharmacy is economically not viable to operate, a larger pharmacy from another nearby settlement may establish a local branch. Where even a local branch does not exist, the local primary care physician may receive a license to operate a dispensary to assure that the local population can access to the most important medications in their own settlement. In 2000 there were 4,905 active pharmacists, and 6,958 active assistant pharmacists in the country.

The structure of the health care system

Primary care

481. Primary care, the first tier of the health service, allows patients to freely choose their primary care physician. Most primary care physicians must obligatorily serve a given area, i.e. they are responsible for the health of the population of the area, and must under all conditions ensure that the area is served in case of an epidemic. 91 per cent of primary care physicians work as entrepreneurs or private doctors, holding consulting hours in offices and using equipment leased free of charge from the local government. Many live in local government service apartments and work in an adjoining office.

482. In accordance with new regulation accepted in February 2000, primary care physicians may sell their personal entitlement to operate a primary care physician's service, and, similarly,

such a service is inheritable. The same legislation (Act II of 2000 on the Independent Medical Service) allows more room than before to primary care physicians assuming ownership of the consulting room and of the equipment. The local government will conclude a contract with them to oblige them to serve the given area. One of the local government's basic duties is to cater for the primary medical care of the population in its area of responsibility. There are about 5,125 primary care physicians for adults operating in the country.

483. Similarly to adults' primary care physicians, the **primary care paediatrician's service** is also divided on a geographical basis. Primary care paediatricians' duties include, in the framework of a contract with the schools in the area, medical services to schools. A regular service of this nature is required by the Public Education Act. Primary care paediatricians are responsible for giving the compulsory injections to babies and children, and for performing the compulsory screenings. Parents may decide which primary care physician's services they wish to seek. If no primary care paediatrician operates in the area, then the adult primary care physician will attend to both adults and children as a so-called mixed area. Special knowledge for medical services to children forms part of the training and further training of primary care physicians.

484. The **childcare paramedic service** must also be provided as part of the primary care system, likewise divided on a geographical basis, and operated in close co-operation with gynaecological service providers in the framework of primary care paediatricians, with pregnant mothers' care, and mothers' protection. The majority of over 4,000 childcare paramedics work in their designated area doing pregnant mothers' care, consulting, and arranging for physical exercise, preparation for bearing a child, for breast feeding, for looking after the neonate, and, together with the paediatrician, the childcare paramedic will contribute to performing examinations, and screenings that monitor the physical and mental development of the child. In the course of their duties in schools they will be charged with many responsibilities in areas of teaching the subject called health, and in other areas of health education.

485. A smaller number of childcare paramedics work at the **family protection service** of the National Public Health and Medical Officers' Service, preparing mothers for pregnancy, providing genetic counselling, and protecting foetal life. Act LXXIX of 1992 on the Protection of Foetal Life provides the following concerning that subject:

“2. Paragraph (2) The Family Protection Service operating in the framework and with the authorisation of the institutions of the National Public Health and Medical Officers' Service in the cities (and in the various districts of Budapest) provides counselling, helps in the resolution of possible crisis situations, and arranges for the dissemination of knowledge on family planning on top of the education provided in educational institutions.

8. Paragraph (1) The request of pregnant women to have their pregnancy terminated is personally presented to the representative of the Family Protection Service (hereinafter: the official) along with a certificate issued by the obstetrician-gynaecologist who diagnosed the pregnancy.

9. Paragraph (1) Following the presentation of the request to have the pregnancy terminated, the official, with full respect to the feelings and the dignity of the expectant woman, preferably in the presence of the father of the foetus, and for the sake of keeping the foetus, informs her – or the representative at court in cases provided by 8 Paragraph (3) – of the following:

- a) cash and in-kind assistance from public and non-public resources available in the event that they decide to keep the child;
 - b) the existence of organisations and institutions that can provide moral/spiritual and financial assistance if she decides to keep the baby;
 - c) possibilities and conditions of offering the baby for adoption;
 - d) public or non-public ways of help in solving the crisis situation; the official offers their co-operation in accessing these;
 - e) conception, foetal development, dangers related to abortion, and its possible effects on subsequent pregnancies;
 - f) in the event that she insists on terminating her pregnancy, the official informs her on the necessity of repeated attendance of a family protection counselling session no sooner than 3 days following the provision of information as in a)-e).
- (2) In the event that woman presenting the request maintains her intention to have the pregnancy terminated, the official will inform her of the following (with the exception as in Sub-paragraph (7), and no sooner than the period in sub-paragraph f) of Sub-paragraph (1):
- a) legislative conditions of abortion;
 - b) other conditions of abortion, and the way in which it is done;
 - c) medical institutions performing abortion, and
 - d) the assistance available at the Family Protection Service following the abortion, and will at the same time offer their help in appropriate family planning by informing her on personalised ways of contraception;
 - e) subsidised ways of access to contraceptive devices.
- (3) Following the information given in (2) the official establishes in writing the request to terminate the pregnancy. The request is then signed by the applicant and – preferably – the father of the foetus, along with identifying the medical institution which she (they) selected for carrying out the intervention.
- (4) The official will countersign the request, and hands it over the applicant.
- (5) The official forwards the copy of the countersigned written request to the medical institution selected, within 24 hours following the handing over of the request by the applicant.
- (6) All officials involved are under obligation of confidentiality.”

486. Also part of the primary care system, in addition to the above is **primary dental care**, with compulsory annual dental screening in schools forming its integral part. There were 1,502,216 patients receiving children’s dental treatment in 2000. Most dentists operate as a business, in the framework of a contract for primary care services with the local government responsible to organise the service. It is a special feature of dental treatment that screening, prevention, and emergency treatment are free of charge within the compulsory health insurance system, dental conservation, and orthodontics are free of charge for patient under 18 years of age, and are partly payable for patients above that age. For social welfare reasons certain kinds of tooth replacements are likewise free of charge for pensioners, however, the costs of dental technicians must be covered partly or fully.

487. In the framework of dental services the insured person is entitled to the full range of primary and specialised services (except for technicians’ costs) under the following conditions:

- until the age of 18, and then during studies in secondary school, and at full-time courses in vocational schools,
- from a diagnosis of pregnancy until 90 days after delivery, and
- above 60 years of age.

488. Insured persons older than 18 years, not belonging to any of the above, are entitled to emergency treatment, dental surgery, plaque removal, and treatment of gum deformations on the basis of his/her health insurance legal relationship.

489. Insured persons are entitled, regardless of their age, to treatment of tooth and mouth diseases related to the original disease, and to a search for the dental origin of a different type of disease based on a referral by a specialised doctor. The following are available for partial payment:

- orthodontics for insured persons under the age of 18
- dental conservation treatment above 18 years of age
- dental replacement in order to restore the ability to chew.
-

490. Act LXX of. 2001 has rendered dental conservation treatments free of charge.

491. There are **specialised surgeries and care institutions operated in the framework of outpatient treatment**. Some of the surgeries operate in close co-operation with, virtually as part of the hospital.

492. Care institutions constitute a national network in any of five areas. There are 162 pulmonary care institutions, and 134 permanent and 48 mobile screening stations operating in the country as a traditional part of the anti-tuberculosis care.

493. Institutions specializing in dermatology and sexually transmitted diseases numbered 121 in 2000 and 124 in 2002. Apart from standard care functions, these institutions participate in the compulsory medical screening of prostitutes.

494. There were 139 psychiatric care institutions operating in the country in 2000 and there were 144 in 2002. In some of them substance abuse treatment was also available. There are 136 independent substance abuse treatment institutions in the country treating alcohol and drug addicts. As a tendency of recent years, outpatient anti-drug centres began to provide crisis intervention, detoxification services and offer longer-term treatment for abusers, splitting off from outpatient drug clinics. There are 16 operative outpatient drug clinics.

495. There are 86 centres operating in the **oncology care** network, providing care-related services. A professional decision was made in the Ministry of Health Social and Family Affairs on the introduction of specific oncological screening examinations to promote public health. The relevant government proposal is currently being co-ordinated by the relevant bodies of government administration.

496. Treatment in therapeutic institutions, and psychiatric, gynaecological, oncological, accident-emergency, and eye treatment, as well as all forms of primary care may be taken free of charge without a referral. The government decree on health insurance services provides a detailed list of the types of specialised outpatient treatment that are available without a referral. The primary care physician should otherwise, give referrals or some other specialised consulting office, or in-patient institution. In the event that the patient wishes to take a service, normally available on referral, without a referral, the medical service will be free of charge, but the related travel costs will not be reimbursed by the insurance company, and the medical institution may charge a fee, provided by relevant legislation, for diverting from the standard referral procedure.

497. In accordance with the applicable legislation in the reference period, *the following services rendered by specialised clinics and long-term care facilities are available without a doctor's referral:*

Provided by specialist outpatient facilities:

- dermatology,
- ear-nose-throat,
- gynaecology,
- general surgery and traumatology,
- ophthalmology,
- oncology,
- urology,
- psychiatry,

and medical treatment provided in the framework of the neurology, skin and STD care, pulmonary care, oncology, and the substance abuse treatment units.

498. A significant part of the imaging diagnostics in outpatient treatment is operated by *private entrepreneurs*, and much of the diagnostic infrastructure is likewise in private hands. The privatised ratio of dialysis units in comparison to the average is also outstandingly high with two thirds of all facilities privately owned. Privatisation in this area began in the early parts of the decade parallel to that of the primary care physician's service. Privatisation began in the operation of laboratories and in other areas of diagnostics services. Health businesses may be established and run since 1989 as provided in detail by relevant legislation, however, the frequent changes to the legislative landscape as well as that of economic indicators did not favour the quick spreading of such businesses.

499. The Hungarian phrase for privatisation in the health sector is functional privatisation whereby the institutions, the real estate, the equipment remain local government property while the service provider is an entrepreneur or a business. About 90 per cent of primary care physicians in primary care belong in this category, while this arrangement is rather rare in outpatient treatment. Real privatisation differs from this if the health institution and the real estate, and the equipment likewise enters private ownership, or if all these are created as private property in the first place. This latter form is definitely rare in the circle in which services are provided under the compulsory health insurance system (medical public services)

500. The overwhelming majority of the inpatient care system operates in local government owned institutions, and the state only owns about 15-20 per cent of the institutions, while private ownership only reaches a few percentages. There were about 105,000 beds in the early part of the 1990s, but from 1995 to date the number of beds have had to be radically cut on the basis of the decisions of the local governments with the parallel development of outpatient units. Total hospital bed numbers include acute beds where serious cases are treated, beds serving chronic cases, terminal wards, hospices, and beds in acute and chronic psychiatric institutions, and sanatorium beds used for rehabilitation purposes. 24 per cent of beds serve chronic treatment purposes. The number of chronic beds includes the capacity of medical institutions where patients take specialised care for a longer period.

501. The specification of medical capacities is the task of the local governments, which, in turn, are responsible for catering for the needs of the local population as a result of the Constitution and the Local Governments Act. There is a specific capacity provided by law,

guaranteed by the state, and offered in the framework of the health insurance system that the health insurance system will fund under all conditions. Any inpatient beds and outpatient counselling units are subject to negotiation. When establishing relevant needs, about 85,000 beds were funded in 2000 as part of the medical provision system. On July 1, 2001 the number of beds tied up for medical purposes equalled 81,259, of which effective funding contracts cover 80,200. The difference is the reservation of the capacities with medical service providers that have not yet been granted their operating licences.

502. From among medical services, *rescue in a crisis situation, emergency services, and care of pregnant mothers are available to everyone in the country's territory*. On the basis of compulsory insurance, in the course of the medical care provision, *every Hungarian citizen must be assumed to be insured, and so his or her treatment cannot be refused*. In the case of non-Hungarian citizens emergency treatment cannot be refused, and if the treatment prolongs, or when it is over, measures must be taken to recover the costs. If the person in question is the citizen of a country with which Hungary has a bilateral or multilateral international agreement, then the health insurance system will take charge of the administrative measures to be taken to account for the situation on the basis of these agreements and conventions, and the health insurance provider will reimburse the costs of the health institution. The administrative tasks related to the treatments either covered through a private insurance policy or taken as a private service, will be delivered by the health institution.

Measures to prevent epidemic, endemic and other diseases

503. The Health Act deals with epidemic-related issues in a separate chapter. Here it specifies those cases in which the health authority may mandate the whole or part of the population to undergo screening, present themselves for vaccination or medical treatment at short notice, or it may order a quarantine.

504. Minister of Welfare Decree 18/1998 (VI. 3.) on epidemic-related measures necessary to prevent diseases and epidemics, issued to ensure the implementation of the law offers a detailed list of what needs to be done in conjunction with individual epidemic/contagious diseases at the level of both treatment and prevention.

505. In order to have lasting safety from epidemics, the medical data-handling act specifies those contagious diseases that must be kept in a detailed file in the database of the health authority. The data of that file are only accessible for the medical staff involved in treatment and for the authority.

506. Epidemic-related measures are funded from the state budget, so nobody shall remain out of their scope on financial grounds. There is a system of compulsory vaccination in the country primarily concerning children, whose vaccination rate is 99-100 per cent, an outstanding ratio even in comparison to the European, including European Union average.

507. The system of vaccination is constantly improved. Vaccination against hepatitis B was introduced in 1999 and ensures the long-term protection of the young teenage age group. Vaccinations against haemophilic influenza begin at 2 months of age. At present inoculations are mandatory for 10 diseases (tuberculosis, H influenza, diphtheria, pertussis (whooping cough), tetanus, poliomyelitis, measles, epidemic parotitis (mumps), rubeola (German measles), and hepatitis B.)

508. The high level of vaccinations and effective immunisation can be seen by the fact that there has not been a single case of diphtheria since 1996. No cases of measles occurred in the country in 2002 (for the first time), and there have been only one or two cases of whooping cough each year. Since inoculations were introduced the cases of mumps dropped from several tens of thousands a year to several hundred.

509. Vaccination against influenza has become free of charge for the priority exposure group of the over-65, following the recommendations of the WHO. Compulsory vaccination is otherwise free of charge for the population, and all optional vaccinations are generally available at a 50 per cent subsidy by the social security.

510. The National Centre publishes the annual procedures of compulsory vaccination for Epidemiology. This organisation is in charge of continuously monitoring the epidemic situation, and of controlling the safety of vaccines. Three years ago the Centre began, apart from the investigation of the epidemiology of contagious diseases, also the epidemics related work on non-contagious diseases.

511. Particular importance has been attached for decades to the fight against tuberculosis, in the framework of which, in addition to the compulsory initial vaccination and the occasional booster vaccination, there is a network of chest X-ray screening stations to help with early detection of the disease. Chest X-rays ceased to be compulsory some years ago, it is only one of the recommended types of care, however, if the disease becomes more frequent in a given area, mass screening for lung problems may be ordered.

512. Compulsory epidemics related measures may be taken, if necessary, in the case of foreigners arriving in Hungary, meaning that they may be ordered to subject themselves to screening and vaccination. Alien control legislation enables the refusal of the right of entry to persons known to suffer from dangerous contagious diseases, however, there is no measure to make the refusal of their entry obligatory, nor is there a list of relevant contagious diseases.

513. **AIDS** is classified in Hungary as one of those diseases that are sexually transmissible. HIV positive persons may be looked after in any health institution, however, in order to comply with professional requirements, and ensure a better environment for special treatments, the hospital in Budapest specialising in treating contagious diseases operates a separate ward to provide care to HIV/AIDS patients. The ward functions at the same time as a methodological and professional counselling centre.

514. The screening of blood products has been compulsory in Hungary since 1985, and the first prevention campaigns began in 1985-86; the co-ordination of professional bodies and NGOs in this area is the duty of the National AIDS Commission, operating under the Ministry of Health mostly on central budgetary funding.

515. Based on the Central Statistics Office Statistical Yearbook on Health, published in 2001, and on the EPINFO statistical data (EPINFO 2002.6. special issue, EPINFO 2003, No. 20) of the National Centre for Epidemiology, we have the following information on AIDS patients in the Republic of Hungary: In 1986-2001 cumulative AIDS incidence in Hungary was 39 persons/1 million population, while aggregate cumulative incidence in the countries of Western Europe was 663 persons/million population. Similarly, the cumulative incidence of HIV infections from 1994 to 2001 was 54-persons/million population in Hungary including

foreigners, and 36-persons/million excluding foreigners, compared to 310 persons/million in the countries of Western Europe.

516. Each year between 1986 and 2001, the most frequent cause of infection among both AIDS patients and HIV-positive patients was homosexual sexual relations. Among the HIV-positive patients diagnosed up to the end of 2001 as well as among the AIDS patients, 72 per cent became infected in this way. The ratio of HIV-positive patients infected through heterosexual sexual relations was 16 per cent of all cases in Hungary.

517. From 1986 to the first quarter of 2003, a total of 251 AIDS patients died in Hungary. In recent years, the number of AIDS-related mortalities has declined in Hungary, too, as a result of effective anti-retrovirus therapy.

Maximising community participation in planning, operating and controlling the primary health system.

518. Hungary does not have a strong tradition of community participation. Strengthening the role of the civil sector is still a task. For that reason, Decree of Parliament 46/2003 (IV.16.) on the 'Béla Johan' National Programme for a Decade of Health sets as one of the programme's priorities the generalization and regularization of community participation in the preservation and development of health.

The role of the Parliamentary Commissioner in enforcing patients' rights in the health administration

519. Enquiries launched pursuant to complaints submitted to the Parliamentary Commissioner for Civil Rights (Ombudsman) in the field of health care related to the constitutional rights of legal certainty of the insured, the right to life and human dignity and the right to the highest possible standard of physical and mental health.

520. Recurring complaints submitted to the commissioners relate to the work of the ambulance service. The creation and organisation of a framework necessary for the safe, uniform and co-ordinated operation of the ambulance service is the responsibility of the state. Whenever the ambulance is unable to perform its life saving and closely related emergency duties, the constitutional right to life is in imminent danger. The programmes designed to improve the ambulance service may be conducive to the full enforcement of the right to life on behalf of the health service. The Parliamentary Commissioner established that if health care is denied, the constitutional rights to human dignity and to the highest possible standard of physical and mental health may be jeopardised.

521. Grievances suffered during imprisonment constitute a special area of health care related complaints. The right of inmates to the highest possible standard of physical and mental health is not curtailed during the term of imprisonment; therefore they are entitled to health care appropriate for their health condition. The General Deputy to the Parliamentary Commissioner for Civic Rights found constitutional anomalies relating to the right to the highest possible standard of physical and mental health where appropriate health care for an inmate could have been provided only outside the penitentiary system but the institution did not initiate ex officio the suspension of imprisonment.

522. The equal opportunities of disabled persons are treated as a priority in the enquiries of the Parliamentary Commissioners. They concluded from the investigation of seven cases that the constitutional rights of citizens were violated, in particular the rights to human dignity, to social security and to equal opportunities. Complaints related to institutional care, to various financial grants, and in one instance the complainant was aggrieved due to the misconstruction of law. There have been recurring complaints about transportation allowances to the motor disabled in several reporting periods. The Parliamentary Commissioner found anomalies relating to the prohibition of discrimination because according to the effective Hungarian regulations a significant section of the severely disabled who receive disability allowances are not eligible to the transportation allowance.

Residential institutions

523. Six reports on enquiries into the constitutional rights of inmates in residential institutions were prepared in 2002. Most of the procedures pertained to the requirements of legal certainty arising from the rule of law and the right to fair procedure, as well as the constitutional right to the highest possible standard of physical and mental health. The infringement of rights to social security and to property was also established.

524. The enquiries revealed that, like in previous years, most problems were attributable to deficiencies in mental health care due to the shortage of specialised staff in institutions, the limited financial resources available as well as other deficiencies relating to the direct care of the elderly. The renovation and modernisation of existing homes to a level which is indispensable to compliance with the conditions required in the various technical regulations has been more and more pressing year from year.

525. Despite the numerous enquiries in residential institutions and the publication of their findings, shortcomings relating to the absence of minimal necessary medical attendance and the relating therapeutic and rehabilitation activities are still present. It is encouraging, however, that the actions of the Parliamentary Commissioner were fully successful in each case investigated. The recommendations and initiatives were accepted in every case, and practices were adjusted accordingly or action plans were prepared in co-operation with specialised authorities and county methodological centres to promote the implementation of recommendations as soon as possible.

Family planning

526. Family protection services to promote family planning and willingness to have children are organised on a regional basis. They have been established on a sub-regional and municipal district principle, operating alongside the health care authority. Their job is to provide genetic counselling, offer information on family planning and birth control, prepare prospective parents for their child, and advise on how to treat infertility. They have undertaken these latter tasks in recent years. Earlier, their advisory role was limited exclusively to abortion counselling.

527. Furthermore, in accordance with Paragraph 39 of the Act Sub-paragraph (2) sub-paragraph b) on the Protection of Children, the functions of the child welfare service include, in order to promote the physical and mental health and raising in the family of the child, among

others, the organisation of consulting on matters of family planning, psychology, education, healthcare, mental health, prevention of drug abuse, or of access to these.

528. The Health Insurance Act contains the general rules concerning screenings that are available to the insured persons free of charge. They include screenings conducted by paediatricians on a mandatory basis for the age groups in their charge as well as screenings recommended for the adult population. A process of updating the organisation and execution of oncology screening is underway. It is focused on achieving a higher level of efficiency in detecting cervical, mammary, and digestive tract tumours.

529. One general legal requirement is that if a patient undergoes an examination that is suitable as a manner of screening for a disorder, the physician is mandated to write an opinion of the patient's condition from the aspect of the screening on the examination report.

530. The *National Programme for a Decade of Health* has a sub-project called "Healthy Youth," which has set special measures to protect pregnant women, mothers, infants, children and adolescents, and reproductive health in general, to promote responsible decisions to have children and a healthy start to life. The sub-project is focused on improving family planning counselling, by improving the district childcare paramedic service, the school childcare paramedic service, and the Family Protection Service, by building a professional and methodological hinterland, and by co-ordinating and improving the activities of the existing system of institutions.

531. It will promote early recognition of genetic disorders and the prevention of manifestations of disorder through promoting a healthy lifestyle and medical intervention. It will advance the childcare paramedic service, improve the personnel and objective operation of professional supervision, and offer more extensive continuing education, and define and introduce uniform principles. It will introduce the uniform principles of prevention in gynaecological and maternity care, and in healthcare for children aged 0 to 18. It will encourage "family-friendly obstetrics clinics," and use all means at its disposal to popularise breast-feeding, so that it becomes the general and natural way to nourish infants.

- Number of district nurses (in 2001): 4.831
- Number of pregnant women taken into care: 99.000
- Number of pregnant women taken into care in the % of confinements: 86,9%
- Number of infant visits: 95.000
- Number of infant visits in the % of births: 98,3%
- Number of counselling sessions per a mother newly taken into care: 8,2
- Number of counselling sessions per an infant newly taken into care: 10,8
- Infants receiving professional medical care: 98,3 %

Measures taken to combat smoking, alcohol and drug abuse, as well as against sexually transmitted diseases

532. Reducing **smoking** is among a top priority public health task as a particularly high ratio of the population smoke, and the number of cigarettes smoked per capita per year is about double the EU average (2,372 cigarettes/person/year in 1999).

533. Parliament passed Act XLII of 1999 on the *protection of non-smokers* and on certain rules regarding consumption and trade of tobacco products. A series of restrictions similar to those in EU countries were introduced as a result, mainly in smoking rules regarding workplaces and public areas. And even though some restrictions had been in effect in medical, education, sports, and youth facilities, these were further restricted by new legislation. The public health authorities may fine violators of the rules, and some of the fine money has been earmarked for health promotion and prophylactic care.

534. As regards *tobacco products*, Hungary has the same regulations for the labelling and health protection signs as the EU. The programme for the next five years will be to change the structure of Hungarian tobacco production in order to reduce tar and nicotine in tobacco products. In regulating tobacco advertisements, Hungary is introducing European Union standards. The advertisement of tobacco products is subject to Act LVIII. 1997 on business advertising, amended by Act I of 2001 to impose a general ban on the advertisement of tobacco products.

535. In terms of the number of diseases caused by **alcohol consumption**, Hungary is very high on the list in Europe. The morbidity rate for diseases directly linked to alcohol consumption, including diseases/deficiencies of the liver, heart, and vascular system, is currently increasing.

536. **Drug use** has also drastically increased. The number of patients treated has increased fourfold in the period 1994 to 1999, imposing extra tasks on the health service, in both quantitative and qualitative terms. While in 1995 there were 3,553 patients treated in health care institutions, the number in 1999 was 12,765, and in 2000 it was 12,789. In contrast, the number of new patients shows a slight decline. Between 1995 and 1999 the number of patients continuously increased, a slight decline was registered only between 1999 and 2001. Between 2001 and 2002 there was a slight increase again. The government programme designed to combat drug use is the *National Strategy to Reduce the Drug Problem*. Implementation of the programme and achievement of its objectives requires the co-operation and the support of several ministries as well as that of the public.

537. The Public Health Programme for a Healthy Nation mentions among its ten priority national tasks, for its programme until 2010, the fight against substance abuse (excessive alcohol consumption, smoking, and drugs). Parliamentary Resolution 46/2003 (IV.16.) adopted the National Programme for a Decade of Health. This programme includes 19 sub-programmes, each with separate sub-projects that focus on reducing smoking, and preventing alcohol and drug abuse, on AIDS prevention, on reducing risks to human health, and on preventing avoidable mortality, morbidity and disability.

538. In December 2000, Parliament voted Resolution 96/2000 (XII.11.) on the Acceptance of the National Strategy Programme in order to Reduce the Drug Problem with a vote of 309 in favour, two abstentions, and none opposed. This document contains the short, medium and long-term tasks and objectives, and it constitutes an action plan to overcome the problem of drug use. The national strategy deals mostly with drugs, but in many areas, the tasks are inseparable from alcohol, smoking, organic solvents, or even medicines not recommended by doctors.

539. Our programmes for developing the service network, and for modernising substance abuse education comply with European Union recommendations.

540. The national drug strategy intends to implement targets based on valid research. ESPAD (European School Survey Project on Alcohol and Drugs) research has been ongoing as requested by the former Ministry of Youth and Sports Affairs, to get a clearer picture of the drug situation in Hungary in the light of international data. Several drug prevention programmes are currently being studied for efficacy. An examination of the strategic process will soon begin. Several strategies have been designed, under the co-ordination of the former Youth and Sport Ministry. The national police force (Interior Ministry), the Customs and Excise Office (Financial Ministry), the Defence Ministry, and the Education Ministry have all designed professional concept documents, which mesh with the national drug strategy.

541. More funding than before has been allotted to a school drug prevention and health development programme financed by the former Youth and Sport Ministry with the participation of the Education Ministry. This programme ensures access to many thousands of students within the school and classroom network, who are approached by professionally competent service providers including appropriately trained teachers who work within the given school.

542. Several highly successful prevention projects have been designed and advanced. The best among them were the "Network movie" programme and the exhibition called "Intermediate Transitions." The "Network Movie" programme addresses young people in the school classroom with professional assistance. The ministry is currently working on extending the programme to schools outside of Budapest. "Intermediate Transitions" is an interactive exhibit, which is also followed by dialogue with experts. The exhibition has run through several successful foreign series.

543. There are over 60 Drug Action Teams and we are seeing a growing number of grass roots social organisations operating on sub-regional, county and regional level to co-ordinate effects to reduce drug use.

544. We are still in the process of developing a network of Safe Entertainment Places. The goal of this programme is set up hazard reducing programmes at venues where drug use data shows exceptionally high levels, such as places that offer music and dancing. These programmes will offer a healthy environment that is essential in cutting down disco accidents.

545. An amendment to the Penal Code made it possible for all persons experimenting with drugs to choose a treatment diversion when apprehended as a drug consumer, not only drug dependent persons. The decree related to the amended law (Decree 26/2003 (V.16.) ESZCSM-GYISM on regulating treatment for drug dependence, diversionary options in treating drug users, and preventive-informative services) issued by the Health and the former Youth Ministries includes the protocol for the professional organisations that participated in designing the law. The joint decree calls for a free of charge surveying of condition, and distinguishes among three groups of participants in diversionary options:

- experimental user
- abuser
- problematic user (dependent)

546. Health care (drug clinics, rehab centres, substance abuse wards) and non-healthcare institutions (low threshold services, prevention programmes, etc.) all may participate in care as long as they are professionally competent to join in implementing diversionary options.

547. One priority part of implementing the strategy is support for risk-reduction programmes. New initiatives regarding both methadone and needle exchanges have recently been started. The ministry is planning a five-level “needle exchange” programme. The various levels are inter-linked in the following way:

1. Low threshold services
2. Outreach programmes on the streets
3. Mobile needle exchange service (bus)
4. Automated needle exchange device
5. Pharmacy-based needle exchange programmes

548. So far the first four levels of the five-level programme have been implemented. The first automated needle exchange device set on a street began operating on August 25, 2003, initially on an experimental basis. Plans are to expand it with additional automated needle exchangers.

549. According to the Minister of Culture and Education Decree 11/1994 (VI. 8.), paragraph 6, schools shall employ professionals to work with the protection of children and youth. The professionals help to prepare the programme on health education including drug prevention. Under the decree the selling and consumption of unhealthy products is prohibited. According to Paragraph 6B the free-time organiser also helps in the prevention of addiction as well as the integration of students who have recovered from addiction.

550. Paragraph 20-21 of Minister of Welfare Decree 18/1998 (VI. 3.) on epidemiological measures to prevent contagious diseases and epidemics deals with the **prevention of sexually transmitted diseases**, and with the procedure to be followed in the event of contracting the disease. In accordance with the legislation, tracking down and treating patients with these infectious diseases is under the authority of the National Institute for Dermatological and Sexually Transmitted Pathologies, and the Institute for Treating Skin and Sexually Transmitted Diseases. Statistics suggest that over the last 10 years fewer than 1,000 syphilis and 1,200-5,000 gonorrhoea cases were registered in Hungary. The legislation enables the National Public Health and Medical Officers' Service to order treatment for persons who do not appear voluntarily when notified by the STD-treatment facility.

551. The National Health Promotion Institute and the National AIDS Commission operate as ministry institutes, expressly conducting health education work for residents and various groups of residents. They also co-ordinate the work of NGOs operating in the field, using budget finding attained through bidding processes.

Health status of certain vulnerable groups

552. Within the “Johan Béla” National Programme for a Decade of Health the sub-project “**Equal Opportunity for Health**” focuses on protecting the health of persons and groups in disadvantaged situations:

- Reducing in short term and completely eliminating in the long run the reasons behind the significantly poorer health of social groups excluded from society (Roma, persons with disabilities, homeless) compared to the mainstream.
- Ensuring discrimination-free access to the healthcare system, to care itself, and to preventive programmes for the excluded social groups.

- Eliminating prejudice on the part of professionals in the healthcare system which trigger discrimination, and elimination of other causes of discrimination.
- Supplementing undergraduate and postgraduate healthcare education with information on the health status, socio-economic status, and cultural specifics of socially excluded groups, primarily of the Roma population, with training programmes that reinforce tolerance of differences. Developing screening and post-screening care for socially excluded groups.

553. In the framework of the National Programme for a Decade of Health, measures in the sub-project to improve and protect the health of the elderly include the improvement of training in gerontology, a situation analysis followed by the elaboration of a programme of action to learn the health and welfare-related needs of elderly people, and initiating the building of a “lay home-care network”.

554. Homeless people in Hungary are the group living under the worst material and physical conditions. One outcome of their poor economic status is that the health of people in this group is very poor. The Ministry of Health has established a separate network of primary care physicians to care for this group using the welfare funding available to it. It maintains continuous operation of the network through separate contracts. Since the largest groups of homeless persons appear in Budapest, the medical care is typical of Budapest, but all county seats operate similar primary care services. The cases they register are sent on to appropriate screenings available to them. Adjusted to the unique features of this group, the Maltese Charity Service has assisted in setting up mobile screening facilities which, as well as providing other assistance, are used to track down problem cases.

555. The Welfare Minister’s Decree no. 18 of 1998 (VI. 3) specifies a requirement to establish disinfectant baths at inpatient facilities to prevent the denial of admission for this reason for patients in need. The issue of care and of opportunity to access care must be resolved in accordance with the specifications of the Health Act and the rules governing health insurance. Foundations also play a significant role in resolving the healthcare problems of this stratum.

556. In addition to the homeless, the health status of persons who have been jobless on a long term, and people who live far from places where medical services are provided - such as people on isolated farms - have a disadvantaged health status.

The health status of the Roma population

557. The Roma are exposed to multiple factors that unfavourably influence their state of health, and thus the life expectancy of the Roma population is more than 10 years less than that of the non-Roma: on average, Roma men die 12.5 years earlier, Roma women 11.5 years earlier than members of the majority society. Neonatal mortality is alarmingly high in this group, about twice as much as the national average. Improving the health status of the Roma population is a goal of utmost importance. In this regard, increasing the efficiency of the preventive screening and nursing healthcare services are crucial.

558. Subsequent governments since the mid 1990s have taken steps to address the poor situation of Roma in a comprehensive manner, and it is now a third medium-term package of measures aimed to improve the living standards and social position of the Roma population (Government Decree No. 1021/2004) which is providing a framework of action for line ministries. The Ministry of Health wishes to improve and encourage the training of

professionals of Roma descent in healthcare, facilitate the elaboration and introduction of multicultural programmes that strengthen attitudes and practices free of prejudice or discrimination, and which can be fitted into the degree and post-graduate programme of medical schools and other health care training institutions. It is our objective to develop training programmes for students for the different levels of health care provision that can awaken and/or solidify the social sensitivity and openness of students towards other cultures.

559. Measures recently taken include the following:

- The National Institute for Basic Healthcare initiated and organised a course for so-called Roma assistant health keepers. In the programme persons of Roma descent were trained for healthcare skills. As a result of the positive feedback, basic skills in social work were added to the training and currently the programme is called training for **healthcare mediators**.
- In the improvement of access to healthcare special significance is attributed to **district nurses**. The district nurse – through his or her activity as care-giver to families – does not only know the way of life of the Roma people and their health condition, but efficiently facilitates the distribution of information to an ever greater number of families, and works to convince as many of them as possible to make use of the relevant services. The Ministry organised training for health visitors (mother and child health nurses) and primary health care staff with the involvement of practitioners of Roma origin.
- The Ministry supported several research projects related to the Roma colonies and the attitude of healthcare professionals with regard the Roma. (A few examples: “Representative study among family doctors for revealing discriminative events and mechanisms appearing in basic health provision”; “Discriminatory mechanisms in the relation between the Roma population and the system of social provision, unequal opportunities for the Roma to access to social provisions”; “Social situation of juvenile Roma mothers and the system of social provisions”.)
- The programme **Tolerance for Health** was launched in five hospitals, with the objective of also improving access to healthcare services, with emphasis on specific problems of the Roma.
- The Ministry of Health has also been encouraging the development of health of the Roma by inviting tenders. In 2003 a tender was called in order to **develop family planning skills** for disadvantaged people. The winning applicants undertook to develop the family planning skills among the Roma, mainly those of the Roma youth at club meetings, courses on family planning and through organising camps.

560. Within the framework of the ‘Béla Johan’ National Programme for a Decade of Health main programmes in progress are:

- a. Research into the health conditions of the Roma.** Four supplementary, branch-specific research studies have been commissioned:
- A survey about the reasons why Roma children are sent to special schools for the mentally challenged. [For information on measures to reintegrate pupils unnecessarily directed to these special schools, see paragraphs 602-605.]
 - A survey about the relationship between the Roma and health and social situation.
 - A survey about the Roma and mechanisms in the health care system which have a discriminatory effect.

- Examination of the relationship between the Roma and the health care system.

b. Supporting complex health development programmes to improve the health condition of the Roma people: Programmes were organised at six settlements, involving between 200 and up to 987 persons at each one, with a total of 2,700 directly involved. It is estimated that an additional 7,720 persons also received information about the programmes. Information on healthcare and screenings constituted common elements of the six programmes with different underlying concepts according to local needs. It is hoped that developing health conscious behaviour through model programmes like these will help improve the health conditions of the Roma.

c. Training: Local level cooperation should be strengthened and the methods of efficient cooperation and support developed in order to encourage health and making use of preventive services, which are also important from the point of view of public health. With that aim, training took place in four higher education institutions (Semmelweis University, ELTE Bárczi Gusztáv, Wesley, Vitéz János Római Katolikus Tanítóképző). Involving students in field work with Roma and providing information contribute to local cooperation and the use of preventive services. Some two hundred students wrote seminar papers on Roma-related subjects, and 194 participated in field work.

d. Health development in the community: Persons working for NGOs and Roma community centres will have to be prepared for cooperation in realising health development plans.

Education in order to prevent health-related problems

561. The Health Act, the Medical Services in Schools Act, and the Public Education Act ensure compulsory medical services in public education institutions. Medical services, and information dissemination are helped by child and youth protection officers, and a leisure time manager. As regards health protection and health education, it is compulsory for schools to maintain the school health service in which consulting and health education are mainly the responsibilities of the school health protection specialists. The Higher Education Act guarantees mandatory medical care for all students (employees are also insured but under a different statute) and the central budget funds the healthcare contributions of these students. Healthcare services are organised in all institutes of higher education.

562. The National Core Curriculum (NAT) specifies the health-related knowledge that students have to acquire during their studies. Part of this knowledge is integrated into the individual subjects constituting the normal curriculum, but may also be found in the subject of Health science. Health science is also a separate major subject at teacher training institutions, whose task is primarily to prepare students for healthy lifestyles, and for the health related responsibility of their students. Problems caused by cigarette-smoking and alcohol, and prevention of sexually transmitted diseases are parts of this programme, which includes both information and learning the necessary skills. There is a “safe sex” campaign within the 2003 projects of the National Programme for a Decade of Health.

563. Education of drug training co-ordinators in schools: the first such training began in 2001 co-ordinated by the Ministry of Education. Co-ordinators were trained for secondary schools, and in 2002 the training of 2000 specialists began for institutions of primary education.

564. A health development and drug prevention strategy must be drawn up by schools to include home room classes concentrating on health development which must be integrated into the curriculum. The legislation requiring this is Paragraph 10 of Sub-paragraph (5) of Education Minister decree 28/2000. (IX. 21.): education for a healthy lifestyle, and health protection must be integrated into the local curriculum of the school in home room classes, and the timing should be the 5th to the 12th year, and its duration may not be less than 10 lessons per academic year.

Ensuring the right to a healthy environment

565. Within the area of public health, it is the responsibility of environmental and settlement health authorities to investigate the health deteriorating effect of the environment, to identify the causal relationships, and to take health improving measures.

566. Institutions of public health and environmental protection regularly investigate the pollution level of the soil, ground and underground waters, drinking water, outdoor and indoor air. They study the effect of these on the population's health status, as well as the current situation of sewage drainage, and of solid waste, environmental noise, vibration, and light pollution, and the amount and health deteriorating effects of ionising and non-ionising radiation.

567. There is a governmental division of labour and breakdown of tasks and jurisdiction of the various ministers. Recently there have been a number of joint actions concerning environmental health matters involving experts from several sectors among which we would like to highlight the creation and the implementation of the National Environmental Health Action Programme. This joint programme was launched at the initiative of the WHO.

568. The National Environmental Health Action Programme was approved by Parliament by its Resolution 83/1997 (IX. 26) simultaneously with the National Environmental Protection Programme, as part of the former. The programme involves the creation of an effective environmental health strategy, the reduction of the health deteriorating effects for the sake of protecting the environment and human health. It examines the impact that environment in the broad sense has on human health, and assesses and identifies problems of environmental health, prioritises them and makes recommendations for their solution. The following are the main objectives of the programme:

- improving the health status of the population, and promoting an environment that supports health;
- setting priorities concerning the most important environmental health problems, and reviewing the possible solutions at a national, regional, and local level;
- designing specific actions, and fundable projects with the view of creating an environment that ensures the protection of health;
- supporting local environmental health initiatives;
- supporting any action aimed at creating a healthy lifestyle;
- creating instruments under the policies of the relevant ministry that are necessary for the implementation of the programme;
- developing relevant international cooperation.

569. The most important areas of the National Environmental Health Action Programme are as follows:

- - investigating the impact of air pollution on health;
- - the quality of drinking water and bathing water, preventing water pollution from threatening human health;
- - the health-damaging effect of environmental noise;
- - the environmental health implications of waste depositories and soil pollution;
- - occupational environment, occupational health;
- - improving chemical safety;
- - traffic safety;
- - radiation safety;
- - food safety;
- - the built environment.

Infringements on the right to a healthy environment

570. In cities problems typically relate to construction projects, while in the country to the keeping of animals, flood or excess surface water problems, and in every type of settlement to enterprises, catering facilities and the licensing of business premises. Complaints continue to indicate the heightening environmental awareness of citizens and a positive shift in their values and approach to the world. Though today it is still natural that individual complainants request legal remedy due to the infringement of their own present interests relating to their narrow environment, some complaints, mostly relating to the damaging of nature protection zones, to greenfield projects or the felling of trees, endeavour to protect the rights of others and of future generations.

571. One-off and mostly individual grievances also frequently indicate the fundamental conflict between the need to vitalise the national economy, infrastructure developments, investment projects and small and medium-sized enterprises on the one hand and the requirements of self-restraint to assure sustainable development on the other hand.

572. Traffic-induced noise, vibration and air pollution is a problem in the whole country. Urban public road networks, sometimes designed over 100 years ago, are incapable of carrying today's traffic load. High building density does not allow for the widening of roads and their reconstruction in accordance with the traffic needs. Complainants also objected to the high number of vehicles leaving motorways due to the introduction of the road toll and using the parallel main roads which go through towns, to the heavy-vehicle traffic, to public transportation and the relating issue of the positioning of bus stops, and to the resulting increased environmental load. The introduction of traffic restrictions on parallel roads is an urgent task due to the exceedingly high number of people affected. In light of the very high number of persons affected and the gravity of their constitutional grievances, the Parliamentary Commissioner in his recommendations always places special emphasis on redressing their grievances by legislative means.

573. The National Environmental Programme considers the improvement of the sewage systems, sewage cleaning and special sewage treatment of settlements and the protection of the drinking water reserve to be general urban environmental objectives. Healthy environment and better environmental status indicators also entail that sewage water is carried in a closed system, excluding the possibility of its infiltration into the environment, and that it is treated in a particular manner. The absence of measures necessary for the elimination of gullies along main roads, which are highly disturbing to the residents and could be replaced by state-of-the-art solutions, causes an anomaly. As recurring problems, the Commissioners noted the

protracted regulatory procedures, the absence of effective measures, the lack of adequate discretion in the licensing procedure, and the failure to appropriately investigate reports of public interest.

ARTICLE 13 – THE RIGHT TO EDUCATION

574. The relevant provision of the Constitution is Article 70/F, which provides that “(1) *The Republic of Hungary guarantees the right of education to its citizens. (2) The Republic of Hungary shall implement this right through the dissemination and general access to culture, free compulsory primary schooling, through secondary and higher education available to all persons on the basis of their ability, and furthermore through financial support for students.*” Act LXXIX of 1993 on Public Education ensures the exercise of the right to education based on equality of opportunity, laid down in the Constitution of the Republic of Hungary. The Act also guarantees the freedom of conscience, the freedom of religion, the implementation of the right of national and ethnic minorities to education in their mother tongue and the realization of the freedom of education and teaching. In the Republic of Hungary public education is free and available for everyone. The Act on Public Education (see the text in annex) specifies the conditions of free public education both at primary and secondary levels.

Compulsory education

575. In the Republic of Hungary education is compulsory for every child, in line with the Act on Public Education. A child reaching the level of development required for schooling becomes subject to compulsory education when he or she reaches the age of six years between the beginning of the calendar year and May 31. At the request of the parents, a child may be subject to compulsory education if he or she reaches the age of six before December 31. Compulsory education might begin at the age of eight for those children who were born after August 31 of the year. The fulfilment of compulsory education begins on the first day of the school year. Compulsory education lasts until the end of the school year in which the student reaches the age of 18. For a student with special educational needs, compulsory education may be extended till the end of the school year in which he or she becomes 20 years old.

576. At the parents’ choice, compulsory education can be fulfilled through school attendance or private tuition. If the head of the school is of the opinion that it would be disadvantageous for a given student to meet the requirements of compulsory education through private tuition, or the student is not expected to complete his or her studies in this way, the head of the school shall be obliged to inform about that the notary of the local authority of the student’s permanent address or place of residence. The notary shall decide in what way the student is to complete compulsory education. In case of a student of disadvantageous situation the head of school should obtain the opinion of the child-care services.

577. Compulsory education can be fulfilled in primary school and, from the fifth grade on, in academic secondary school. From the ninth grade on it can also be fulfilled in vocational secondary school or vocational training school.

Taking into consideration individual differences

578. Special attention is needed for students who can advance slower or faster than the average. Providing for pupils with disabilities or especially gifted children create special requirements. The Act on Public Education and the related ministerial decrees are not just prescribing compulsory education, but ensuring a right to special care and rehabilitation for those children whose developmental characteristics prevent them from the regular fulfilment of compulsory education. The right to special care makes the introduction of different forms of extra subsidies necessary in the public education. The children entitled to extra subsidies and the principles of their specification are laid down in the Act of Public Education and in the related laws. The National Expert Committees for the Evaluation of Study Abilities and Rehabilitation and the Educational Counselling Centres determine the title to special care. Furthermore, the Act on Public Education specifies other groups of children who are not entitled to special care or rehabilitation, but which are in need of extra subsidies. These groups are the following:

- Students entitled to individual progress in course of the 1- 4 Grades of the school.
- Students beyond the age limits of compulsory education, participating in catching up education in the ninth and tenth grades.
- Students in a disadvantageous social situation.
- Students having a learning failure.
- Students who need catching up education.
- Students belonging to national or ethnic minorities.

579. These groups are not always separable from each other. In certain cases there are several reasons justifying extra subsidies for a child. In the case of these groups the forms of extra subsidies – according to the Act – should be included in the pedagogical programs of the educational institutions. These are the following: reducing, eliminating the lags in course of a differentiating education, establishment of extra classes, reduction of the number of students in the class.

School system

580. Public education includes kindergarten education, school education and teaching and dormitory education. Schools may take part, in accordance with the provisions laid down in the Act on Vocational Training, in the performance of the tasks of vocational training. It is the task of the state to operate the public education system. In accordance with the provisions of the Act on Public Education, kindergartens, schools authorised to issue certificates of education or vocational training, dormitories and institutions of primary art education are professionally independent educational institutions.

581. Pre-school education is part of the public education, for children from the age of three to the level of reaching the development required for schooling. From the first day of kindergarten educational year in which children reach the age of five children must attend activities preparing them for school life, within the framework of kindergarten education, in four hours per day. If the student reaches the development required for schooling he or she becomes liable for compulsory education at the age of six as an earliest time and at the age of eight at latest.

582. The primary school – with certain exceptions - has eight grades. In primary school basic level education and teaching is performed. In primary schools pupils shall be prepared for further training in secondary or specialised school, conformed with their interests, abilities and skills and for integration into the society.

583. The specialized school has ninth to tenth grades and at least two grades of vocational training. On the ninth and tenth grades' education and teaching laying the foundations of general knowledge is performed, furthermore, career orientation, vocational preparatory knowledge and vocational foundation teaching may also be performed. After the tenth grade the preparation for the vocational examination is performed. Those pupils, who reached the age of 16, but have not finished the eighth grade of the primary school, can take part in catching up teaching and they can only enter the vocational grade after successfully passing the primary examination. Specialized school can operate as a specific specialized school if it prepares for vocational examination those incapable to advance with the fellow students because of their handicap, or as a specific specialized school of skills' development if it provides the necessary preparation for starting an independent life for students with middle serious handicap. Specialized school may operate solely with vocational training grades if it prepares for vocational examination students who completed successfully the tenth grade.

584. Vocational secondary school has four secondary school grades preparing for secondary school examination, and laying the foundations of general knowledge (9-12 grades). From the ninth grade professional orientation, from the eleventh grade theoretical and practical foundation teaching in groups of profession may be performed, in accordance with the National Register of Training. Students can decide to take only the secondary school maturity examination or, vocational examination following the secondary school maturity examination. Vocational secondary school preparing for vocational examination students with secondary school maturity certificate may operate only with vocational training grades.

585. The academic secondary school has four grades, with certain exceptions specified in the Act on Public Education. In the academic secondary – school of four grades the education and teaching starts on the ninth grade and finishes with the twelfth grade. The academic secondary school can operate with six or eight grades, if the necessary conditions for fulfilling the compulsory education can be created, and the admission in academic secondary school of students willing to start their studies of academic secondary school on the ninth grade is solvable on capital and county level. The academic secondary school of six grades starts education and teaching on the seventh grade, the academic secondary school of eight grades starts education and teaching on the fifth grade, and both finish with the twelfth grade.

586. At academic secondary schools, the education and teaching is laying the foundations of general knowledge, and preparing students for secondary school maturity examination and for higher educational studies. At academic secondary school theoretical and practical classes preparing for and helping to take up an employment may also be held from the eleventh grade.

Education of minorities

587. Article 68 paragraph 2 of the Constitution declares that „*The Republic of Hungary shall provide for the protection of national and ethnic minorities and ensure their collective participation in public affairs, the fostering of their cultures, the use of their native languages,*

education in their native languages and the use of names in their native languages.” Minority education – as a part of the Hungarian public education system – is expected to provide all services that are generally provided by public education as a whole. Moreover, their task is not simply to offer these services in the native language: it is also necessary to create the conditions for studying the native language and passing on the understanding of the culture and history of the people.

588. In the majority of minority families, the process of passing on the language has broken down; and the Hungarian language has become dominant. The different dialects spoken by the minorities do not lend themselves to regular refreshment, and thus their role in social communication is decreasing. This makes the role of the school in passing on the native language all the more important; the responsibility of educational institutes is all the greater.

589. As minority affiliation is a sensitive private issue, the local municipal government will organize and launch minority education only upon the initiative of parents. According to the law, the request of the parents of 8 pupils belonging to the same minority is sufficient, and it obliges the municipality to organize a class with minority education. In this case, declaring one's identity is voluntary, and it only helps people to benefit from some additional right.

590. The geographical dispersion of minorities can cause problems mainly at the level of secondary schools. The number of pupils wanting to attend a minority secondary school may not be sufficient in one settlement to run for them a secondary school or a class. However, in this case, too, the state is obliged to organize schooling at the request of the parents of 8 pupils. This can result in running one or two boarding secondary schools which receive pupils from a region or from all over the country. Altogether there are 26 secondary grammar schools and 14 technical schools or vocational training centres running minority education or teaching some minority language.

591. The Act on Public Education offers another possibility that can be a good solution in the case if there are no 8 minority pupils in the given settlement. This is a new form called complementary minority education, which makes participation in minority education possible also for those minorities that do not have a minority school. In this case, pupils attending normal school education elsewhere have special additional (afternoon) courses to study their minority language and culture. This instruction is recognised as part of the normal school system, and the certificate the pupils get here entitles them to pass the so-called maturity exam in the given subject and to enter higher education.

592. From the point of view of minority education, the 13 minorities living in Hungary can be divided into three groups. In the first group we have the bigger communities (Germans, Croats, Slovaks, Serbs, Slovenes, Romanians) that have had for decades a well-established system of educational institutions comprising state-run schools and nursery schools. It is understandable that these are the languages for which Hungary has made commitments under Part III of the European Charter for Regional or Minority Languages.

593. With regard to different factors (process of linguistic assimilation, geographical dispersion, group sizes, etc.) Hungary has developed a system with **three types of minority schools**. The most frequent type consists of schools where the minority language is taught as a second language in at least 4 or 5 lessons a week. The second type consists of bilingual schools where a significant part (at least 50%) of the subjects are taught in the minority language. The number of schools teaching all subjects in the minority language is rather low because of the lack of qualified teachers and the lack of children wanting to attend them.

594. According to the regulations, both local and national minority self-governments are entitled to take over a local minority school if they conclude an agreement with the local municipal council, which, as a rule, is the maintainer of educational institutions. If the national minority self-government wants to take over a school with regional or national coverage, this agreement should be concluded with the minister of education. In this way, minority self-governments become the maintainers of these schools. They can get the same forms and amounts of state subvention as municipalities, and they are entitled to submit project proposals to granting agencies under the same conditions as the former maintainers. So far one Croatian, one Slovak and two German institutions have been taken over by the respective national minority self-governments. By providing financial support to this trend, the Republic of Hungary tries to fulfil the recommendation of the Committee of Ministers of the Council of Europe, according to which Hungary should „continue to develop the system of minority self-governments, in particular by improving the conditions for the transferral of educational and cultural bodies and institutions to minority self-governments.”

595. Hungary is unable to ensure higher education in minority languages in all scientific fields. We only train teachers of minority languages and literature, but there are no courses in minority languages to students of other subjects or specialisations. However, bilateral agreements between the Kin states and Hungary ensure the full-time or part-time training of minority undergraduate and PhD students in their mother country. The diplomas obtained in the Kin states are accepted in Hungary. Another solution to the problem of the insufficient number of qualified teachers who would teach sciences in minority languages is the “importation” of teachers from the mother countries.

596. The second group comprises the small minorities that do not have a network of schools, just one school or even none. In order to teach the native language, they have some extra-school courses, the so-called Sunday schools, which constitute a special form of minority education and are organised outside the school system. In general the organisers of this form of education are the national minority self-governments, with financing from the Ministry of Education. Of course, the possibility of the 8 parents’ initiative is open also to these small minorities. In 2004, the Bulgarian, Greek and Polish communities launched their first educational institution in the form of complementary minority education explained above.

597. The third group comprises the Roma minority. Here the main problem consists not in the provision of mother tongue education, as 85% of the Roma population lost the use of the native language centuries ago and they only speak Hungarian. The primary aim of the Ministry of Education is to fight school segregation by promoting and also financially supporting integrated education.

598. According to a survey carried out by the Ministry of Education in 2000, almost all Roma children complete the eight classes of the primary school. This is a significant improvement, since at the beginning of the seventies and the nineties this proportion reached respectively only 26% and 75%. However, a great number of these children finish their primary school studies only after the compulsory schooling age, and their studying in secondary grammar or vocational schools is not satisfactory either from a quantitative or from a qualitative point of view. Some 84-85% of Roma children completing their primary education go on studying at secondary level, but only one fifth of them choose schools providing a secondary school leaving certificate that would allow studies in higher education. The majority of Roma secondary school pupils get qualified in subjects that provide them with only limited

chances for employment. Less than 1% of Roma hold higher educational certificates. Preparatory classes to improve the chances of young people and studies starting at 0 level are held in several higher education institutions with the support of the Ministry of Education. For seven years now, a well-established system of scholarships for Roma students has been effectively stimulating Roma youth to attend secondary and higher education. The number of grantees was about 26,600 in the first semester of the 2004/2005 academic year.

599. The success of pre-school and school education establishing the equality of opportunities for the Romany community is to a large extent dependent on the professional quality of teacher training and further training. With support from the Ministry of Education, several institutions of higher education have introduced – within the framework of departmental, special college or independent programmes – Romany studies (Romology) in order to improve the understanding and awareness of students.

600. The Ministerial Commissioner for Roma Issues in the Ministry of Education promoted the setting up of a National Network for Integrated Education and initiated the introduction of a new per capita educational financial support called “integration normative support”. The network, in operation since January 2003, contributed to the start of nearly fifty programmes that aim at promoting the integration of socially disadvantaged and Roma children. (More information on this is provided below under the section on measures adopted for increasing the chances of children in disadvantageous situation or in need of special education).

601. If we want to promote tolerance and democracy in society, it is vitally important that the primary educational system should provide possibilities for everybody to learn about the culture and history of minorities. That is why the National Core Curriculum stipulates that „at every level of school education every child should be taught about the culture and history of minorities of the country”. Similarly, elements of Roma culture and history have been built into the requirements for the matura, the school-leaving exam in the subjects of History and Hungarian language and literature. Roma culture is first introduced in the lower grades of primary school, then reappears in higher grades and also in secondary school. It is our hope that introducing multicultural content into the requirements will enable the children of the majority society to get information at an early age about the culture of their minority peers and to decrease the distance between them created by prejudice. A similarly major change is the introduction of Romany languages into public education.

Immigrants

602. After the change of the political system in Hungary, the number of foreigners staying in the country legally and for a longer period has increased significantly. However, in most of the schools accessible for foreigners the language of instruction is Hungarian. The Hungarian language can only be learned as a mother tongue in schools run by local authorities, which is not sufficient for foreigners because of the requirements. Therefore, it is common that foreign pupils – because of language reasons – should stay in a class for two years or they can only register in a lower class. Most of the schools cannot make it possible for foreigners to learn their mother tongue. Those pupils are in an easier situation whose mother tongue is one of the languages spoken all over the world, or a language which can be learned in Hungary. For them, the bilingual or national minority schools offer a chance for school education.

Institutions of public education not run by state/local authorities

603. In Hungary there are two types of institutions not run by local authorities: church or denomination schools and foundation or private schools. The legal situation of the two groups of schools is similar, but the way they were founded, their pedagogical aims, their operation or their social bases and state support is different. Private schools enjoy autonomy in their operation, as legally independent institutions, operating separately from the educational system run by local authorities. However, their financing and pedagogical activities are regulated by the state. They can independently choose the constitutional form of the maintainer, of the management and they can freely work out their pedagogical program and curriculum. They can take part – as a partner – in the fulfilment of the tasks of the local authorities. In this case, they conclude an agreement of public education with the local or county self-government, or with the Minister of Education if the institution is going to perform a regional or national task. The operation of the private schools is financed by the state budget and by the maintainer. The state is providing for them– on the basis of sector neutrality – the same amount of normative support under the same title as for the local authorities. The state or the local authority can provide extra financial support if the private school – upon an agreement of public education – performs state or self-government’s tasks.

604. The church as a legal personality is entitled to normative budgetary support after the children and pupils admitted to the educational institutions run by it. According to the Vatican Agreement (an agreement signed between the Republic of Hungary and the Holy See on the 20th of June 1997 on the financing of the public service and religious activities of the Hungarian Roman Catholic Church) the schools run by the Roman Catholic Church receive an extra financial support as well.

605. The education run by non-state actors is mostly represented in the secondary and higher education. On secondary level the educational institutions run by the church are mostly academic secondary schools, while most of the foundation schools can be found in the vocational training.

Accessibility, interchangeability, dropping out of students, ways of correction

606. The proportion of participation in the kindergartens is more than 95 % among children reaching the age of 5 years. There is an emerging consensus in expert circles about the positive role of kindergartens in the strengthening of social integration and in the preparation for school. Although since 2000 on national average the number of places in kindergartens exceeds the number of children, 25 % of heads of kindergartens indicated in 2001 that they had to refuse applicants because of a lack of places.

607. In Hungary, until the last amendment of the Act on Public Education (2003) it was possible to repeat a class in every grade. From 2004, in the first three grades this is only possible with the consent of the parents, and the evaluation of the child should be performed with text and not with marks. The repetition of a class is most frequent in the first, fifth and sixth grades and the most rare in the eighth grade. In 2000, 95 % of the students reaching the age of 16 have finished the primary school.

608. In Hungary primary schools are accessible to a great extent, and schools refuse new students only in exceptional cases (bilingual instruction, sport branch). On secondary and higher levels the scope of movement is more limited. As schools are receiving their budgetary support upon the number of their student they try to bridge the gaps between the programs of the different educational institutions with the aim to increase the number of their students. According to a research of 2001 every second student of specialized schools could change to schools of higher level of education without losing a year, and 1/3 of the students could do the same with losing a year. There were also examples for students who were able to go from the 9-10 grades of specialized schools – in most of the cases without losing a year – to other secondary schools.

609. The size of adult education on primary level has been getting smaller and smaller in the past years. The proportion of persons participating in adult education on secondary level is approximately the same in case of academic secondary schools and vocational secondary schools (18%), but much lower in specialized school education (3%). The younger generation (students between 18 and 22 years old) is represented to the greatest extent in the adult education. The Act on Adult Education adopted in 2001 widens the role of adult education and not just gives a correctional function to it, but marks it for a “life-long education” function.

610. Compared to 1990, in the year 2002 the number of students in higher education has tripled, while the number of students passing the maturity examination increased by only one third. In the past decade the number of applicants – in the year of their maturity examination – to institutions of higher education has increased by 85 %, and the number of successful applications has increased by 122%. The number of students in day-school education is around 80 000 since the middle of the 1990s. Between the year 2000 and 2001 the number of students admitted to places financed by the state has increased by 8.45 %, and by 23.74% for those places in institutions of higher education, which are provided upon payment.

Measures in the interest of increasing the chances of children in disadvantageous situation or in need of special education

611. The Ministry of Education has taken numerous measures to address the serious concerns expressed in relation to the fact that Roma children are frequently over-represented in so called special schools for children with mental and learning difficulties that follow a simplified curriculum without experienced teachers, which resulted in de facto segregated classes.

612. It has been established that one of the main reasons why children are placed in such schools or classes is the children’s unfamiliarity with certain notions and language that are considered evident by the examiner (e.g. how to hold a pencil) but the lack of which can be explained by the family background, and does not in itself constitute a real handicap. Therefore, pre-school education of children has to be a priority. Finding children unjustifiably labelled handicapped and returning them to schools following the standard curriculum is a crucial task.

613. The programme “**From the Last Row**” aims to decrease the school segregation of those disadvantaged children who have unjustifiably been labelled handicapped; the long-term goal is to put this kind of segregation to an end. Within the framework of this programme, the Ministry has initiated changes in legislation and taken other centralised measures too. Furthermore, children labelled handicapped in the second grade were re-evaluated by independent experts in

the school-year 2003-2004. 11 per cent of these children were found fit for standard school and so their return there was suggested. A new normative for children re-introduced into the standard system has been added to the budget. In accordance with the principle of follow-up care, children returned to the standard system should be helped to readjust problem-freely and in a timely manner, using a skills development pedagogical system.

614. Within the Ministry of Education the **Office of the Commissioner for Disadvantaged and Roma Children** realises the integration efforts. Skills improvement training has been introduced, which means that children who are disadvantaged in multiple ways receive individual support to improve their development, in a way that takes into consideration their existing individual skills and aims to build upon them. It will also aim to improve their learning and further educational possibilities and utilise the talents they have. A special normative can be requested to organise such trainings. If the educational institution decides to perform such training in an integrated format, they can apply for an increased amount of normative support, which is three times higher than otherwise. The pedagogical system of integration confirms that integrated education is the solution and that children coming from different social and cultural backgrounds should be provided the same level of education. Both of the training formats above are conducted according to the skills development and integrative pedagogical system (training programme) issued by the minister of education. The core of this is that it takes into consideration the individual child's personality structure and also the characteristics of the background the child is coming from.

615. The **National Educational Integration Network**, set up in 2003, provides professional support for institutions for the introduction and running of integrative trainings. The network is organised on a regional and sub-regional basis, and its task is not only to provide professional support for institutions but also to collect and promote good practices.

616. **Anti-discrimination warning system:** In 2005 the Ministry's Office of the Commissioner responsible for disadvantaged and Roma children set up an anti-discrimination warning system in the field of education. The first phase of the set-up began with training for 600 participants. The aim of the warning system is two-fold: it provides legal advice for people affected by ethnic or other kind of discrimination, and it also coordinates the most convenient processes for legal assistance; it operates as a legal assistance body in a way. It also provides impact analysis for the centralised integration measures, using its feedback possibilities. This means that it also works as an indicator system assisting the political bodies.

617. Effective as of September 2005, **compulsory education has been raised to 18 years of age**, and this can be further raised for students with special educational needs until the end of the school year when they reach 20 years. This has special importance if we consider the fact that one of the biggest problems haunting the disadvantaged is that they leave school too early. Education figures are poor for the Roma population. The policy of the Ministry of Education is to create opportunities so that children with serious disadvantages can catch up instead of leaving the education system.

618. Measures to help further studies, according to social needs:

- a) **Kindergartens cannot reject the application of a disadvantaged child.** This measure is especially significant since one of the guarantees for the academic success of disadvantaged children is attending kindergarten for three years.

- b) **Free kindergarten meals.** Disadvantaged children are given free meals in kindergarten. This measure serves not only social but also education policy goals. Kindergarten plays a very important role in preparing children for school life and its requirements. It is even more important in the case of children from different socio-cultural backgrounds.
- c) **Subsidized lunch,** at a rate of 30-50%, with the same conditions as in the case of free course books.
- d) **Free course books.** Schools provide free course books to those where there are three children in the family, to single parents, to those where there is a child with prolonged illness or disability and where social support is recurrently necessary.
- e) **Restrictions on becoming a private student.** The most important modification is that several check points have been built into the system. In the case of disadvantaged children, the process of declaring someone a private student now includes ways of verifying that the case is really justified. The primary reason for these modifications is that this option should not become a new form of segregation, during the course of which a student's school career becomes untraceable and they will eventually drop out of the school system. According to sociological research, Roma children are eight times more likely to be absolved from having to attend school, which means 10 per cent of today's 14-15-year-old Roma population.
- f) **Measures to improve further education:** At the initiative of the Ministry of Education, from September 2005 disadvantaged students will be given preferential treatment at entry into higher education. This means that disadvantaged students will be accepted into their college or university of choice if they reach the level required for the self-financed format. Institutions will provide an added 3 per cent of places over the maximum number of students that they can accept to accommodate for the disadvantaged students getting into higher education this way.
- g) **Modern infrastructure.** Today in Hungary the institutions of public education and especially primary schools are in a rather poor technological condition. This is especially true for village schools, where the lack of proper infrastructure negatively affects the standard of teaching. This is why the Ministry decided to provide information technology and building reconstruction support for villages in such a situation within the framework of the „Investing in the 21st century” tender programme.
- h) Within the programme „**From the last row**”, special attention is given to providing disadvantaged children with the possibility of learning foreign languages. The aim of the experimental „From the last row” educational projects is to develop skills improvement language training programmes which help disadvantaged children gain higher foreign language skills and catch up if they were left behind. It also includes teacher-training programmes which help teachers working schools with integrated teaching programmes.

619. Other programmes and measures helping disadvantaged students achieve academic success:

- The **Mentor-programme** starting September 2005 helps those disadvantaged students who got into higher education with the help of the measure for disadvantages students (see previous sub-paragraph 602 f). In order to overcome their initial problems and cope with their studies later on, students will be helped by their peers in higher years, who are exceptionally good achievers and who will provide active help. These mentor students will be given grants for their work.
- **The reformed scholarship system** has also made it possible for disadvantaged students to access further grants. All four types of the „Útravaló” („For the road”) National

Scholarship system assigns a mentor teacher to assist the disadvantaged recipient of the grant so that the aim (getting into a secondary school in order to get the matura, getting the matura, learning a marketable profession, achieving academic success) is surely achieved by the recipient. The four types of scholarship are: Road to secondary school, Road to matura, Road to profession, Road to science.

- **Scholarship (HEFOP/2005/2.1.8.) in order to „Improve schools that educate severely disadvantaged children in settlements where there is only one school”.** The aims of the programme are: to improve institutions and pedagogical methods, modernisation of the students’ environment in disadvantaged settlements, providing infrastructure for using innovative pedagogical methods, improvement of digital literacy of teachers and students in schools of disadvantaged settlements.
- **Scholarship (HEFOP/2005/2.1.5.) in order to „Provide integrated education for disadvantaged children”.** The aims of the programme: improve institutions and pedagogical methodology. Segregated education should cease in as many schools as possible and integrated education should be introduced. Such a learning environment should be created that is suitable for group work and that is student-friendly.
- **Scholarship (HEFOP/2005/2.1.7.) in order to „Decrease segregation in schools”.** The aim of the project is to support local projects where school segregation of severely disadvantaged children is decreased in a settlement or a network of settlements by cooperation between several schools and their maintainers.
- **Scholarship (HEFOP /2005/ 2.1.4.B.) „Supporting extra-curricular activities”.** The most efficient form of engagement outside the school system is the ‘Tanoda’ (Study group) programme as it increases the school success rate of disadvantaged students within a short period of time. The introduction of this institution widely known within the European Union was helped by the modification of the Higher Education Act as well.
- Developments within the **HEFOP 2.1.1** central programme encourage integrated education, necessary cooperation systems and the establishment of trained human resources through the development of experts and programmes dealing with disadvantaged, primarily Roma, students and students with special needs. Developments within central programmes offer such complex services (trainings, central methodological databank, service program pack) to grant-winning institutions that are able to support all stakeholders within the integration process.
- The aim of the **“János Arany” Talent Attendant Program** is to support talented children who live in small villages in a difficult social situation, with the aim to prepare them for higher education. The programme includes ensuring adequate professional services, the organization of necessary extension training, the permanent operation of the measuring and assessing system adapted for the programme, and the provision of scholarships and the financing of the institutions. The program lasts for five years. The four years education of academic secondary school is preceded with one year of preparation. The aims of the preparatory year are the following: catching up education, psychological assistance, the development of creativity, the education of English language, and of information science as a priority. The self-governments sending the student to the program provide a scholarship of 5000 HUF per month for the students. The academic secondary schools and dormitories participating in the Program receive the double amount of budgetary support from the Government as the others. From 2001 the Program has been completed by a Roma Sub-Program. In three Roma dormitories 50 Roma students could start their preparation for higher educational studies per year.

In 2002 already 1027 students were participating in the “János Arany” Talent Attendant Program.

620. The Public Foundation of Budapest for the Development of Public Education has launched a Mentor-Program for the continuation of Roma children’s studies. The Programme aims to support the continuation of studies by Roma children in the seventh and eighth grades.

621. The Socrates and Leonardo Programmes of the European Union are playing a significant role in the field of professional co-operation and development. Since 1997 Hungary is participating in both Programmes. The European Union within the framework of the PHARE Programme supported the development of the Hungarian public education, mainly in the interest of the social integration of groups in disadvantageous situation. A PHARE Program launched in 1999 has the aim to support by the means of education, the social integration of young people – especially young Roma – who are in a disadvantageous situation in a cumulative way. It supports the development and the establishment of programs aiming at the improvement of the chances of young Roma just leaving the school to find an employment.

622. The Council of Europe declared the year 2003 the Year of Persons with Disabilities. That was one of the reasons for the official school-year opening ceremony to take place in the School for Blind Students. The Ministry of Education introduced a Programme of Open Schools, in the framework of which participating schools are opening for a few days their institutions for children with disabilities. Students take part together in different programmes and classes. Institutions for the education of children with disabilities also invite non handicapped children to study and to participate in different programs together.

The Commissioner for Educational Rights

623. The commissioner, who is directly and exclusively responsible to the Minister of Education, contributes to the promotion of citizens' rights concerning education of children, pupils, students, researchers, educators, teachers, parents and their associations. any child, pupil, parent, educator, student, researcher, teacher or their associations may file a petition in individual cases, if in their judgement their guaranteed rights have been infringed or there is a direct threat of such infringement, once they have exhausted all available legal remedies apart from court proceedings or if the decree or measure they wish to complain about has been brought within one year. The subject of a petition can be decrees or measures brought or taken in individual cases, as well as omission of such decrees or measures, which infringe or present a direct threat of infringement of the guaranteed rights, rights guaranteed by the law for any association of children, pupils, parents, educators, students, researchers and teachers receive equal protection with individual right.

624. If the petition is well founded, the Commissioner will initiate conciliation. If consensus is not reached by the parties, the Commissioner may initiate personal mediation. If the institution or person has not terminated the infringement of guaranteed rights, the Commissioner initiates termination of the infringement or the direct threat of infringement. If the Commissioner finds that the initiative has not led to consensus, he prepares a recommendation to the institution or its supervisory organ. The Commissioner may initiate ex-officio proceedings if he finds that a legal regulation, a measure or its omission may result in a grave infringement, or may infringe the rights of a larger group of citizens (Decree No. 40/1999

ME of the Minister of Education on the Tasks and Operation of the Office of the Commissioner for Educational Rights.

The salary of persons employed in the sector of public education

625. In 1992 the salary of persons employed in the sector of public education was 8% lower than the national average earnings. Between 1992 and 1996 the relative salary position of those working in the sector of public education has worsened with further 10 % (21 % in case of persons working in secondary education, 7 % in case of persons working in primary education). In 2001 the average gross earnings of those working in the public education has only reached the 80% of the national average earnings. The biggest arrears can be found with respect to the salary of teachers with a university education. The earnings of an average university graduate starting his/her career is more than double than a teacher with a university education starting his/her career. This difference in the salary is increasing to triple by the tenth year of the career (around the age of 35). Those teachers with a college education who has been working for more than ten years have the smallest salary loss, especially taking into consideration the advantages of the career of teachers, such as the stability of employment, the longer summer vacation and the other privileges of public employees.

626. Between 1992 and 2001 the difference in the earnings of secondary school teachers and primary school teachers got smaller, and has reduced from 27% to 10%. There has been always a difference in the salaries of teachers according to the size of the school maintainer settlement. In 2000 the salary of teachers working in the capital was 7% higher, than the salary of those working in villages. In 2002 the salary of public employees (teachers, doctors) has been increased with 50 %, aiming at ameliorating the financial respect of teachers.

Budgetary expenditures on public education

627. The national budget in 2001 has assigned almost 771 billions HUF to education, from which amount the public education has received 516 billions HUF. In the second half of the nineties the degree of the increase of expenditures on public education has been generally higher than the rate of the inflation. However, in 2000 the inflation rate has already been higher than the increase of the expenditures. Accordingly, between 1999 and 2001 the degree of expenditures on public education was only 4 % in real value.

628. In the year 2001, Hungary has spent 290 000 HUF on one student in the primary and secondary education, which was 19,9% of the per capita GDP. It was a little bit lower than in 1998, which means that the increase of the GDP has been faster, than the expenditures on students. This 290 000 HUF spent per student was 15% higher than in the year 2000 and 425 higher than in the year 1998. The fact, that the per student expenditures has increased in a greater extent, than the total expenditures on public education (it was 39% between 1989 and 2001) indicates that the financial efficiency of the public education has worsened. It is worth mentioning that the per student expenditures in the ratio of the GDP, in case of the kindergarten education is a little bit higher than in the OECD countries (21% in Hungary, 18% in the OECD countries). In the first four grades of the primary schools there is no significant difference, but in the second four grades and in the secondary education there is a more significant difference.(18% in Hungary, 23% is the OECD average, and 24% in Hungary and 28% in the OECD)

Higher education

Accessibility

629. Higher education institutions perform accredited higher education and vocational higher education financed by the State according to the number of students determined by the Government. The higher education - with the participation of students of Hungarian nationality or foreign students having the same status in line with international agreements or legal regulations – can be carried out in full time courses, in the form of basic training, basic complementary training, in higher vocational training, in specialized extension training and in doctoral training.

630. Every Hungarian citizen in line with Article 83 of Act LXXX of 1993 on Higher Education (See the text of the Act in the Annex) has the right to continue studies in the higher education institution and branch chosen by him/her, and to apply for admission in several higher education institutions by specifying the order of the institutions.

631. Those persons may apply for admission to

- A) graduate education or accredited higher vocational education who possess a final examination certificate or equivalent of a secondary school leaving certificate or a diploma acquired at a higher education institution,
- B) specialized university or college postgraduate education who possess a university or college diploma,
- C) doctoral education who possess a university or equivalent diploma.

Exemption from the tuition fee

632. According to the Act a student participating in higher education financed by the state is entitled to exemption from the tuition fee, if he / she

- a) participates in the first graduate education or in the first complementary graduate education if she/he completes his/her studies in line with the conditions determined in the Government decree,
- b) pursues the first doctoral studies, in the first two academic years if she/he conducts the educational activity determined in the government decree and in the third academic year,
- c) in other cases determined in the Government decree.

633. The above mentioned students are entitled to tuition fee exemption only in one higher education institution (branch, faculty). On the occasion of enrollment students should declare under criminal and disciplinary responsibility that in which higher education institution they would like to benefit from the tuition fee exemption and that how many started terms they already had within the framework of state financed higher education in other higher education institutions.

Ensuring the freedom of research

634. According to Article 91 (1) of the Act on Higher Education “a university is entitled to provide doctoral education, and to award the doctoral decree, in those fields and branches of sciences in which its suitability has been recognized by the Hungarian Accreditation Committee.”

Foreign studies by Hungarian citizens

635. A Hungarian citizen may pursue studies in higher education abroad without official permission. For the pursuing of studies at foreign higher education institutions, state scholarship may be awarded on the basis of competition.

The studies of foreigners in Hungary

636. For the admission of foreigners, for their legal standing, and for their studies in Hungarian higher education institutions, the provisions of the Act on Higher Education should be applied, unless the law or an international agreement provides otherwise. The detailed regulations concerning foreign student are determined by the higher education institution in its regulations. Foreign students, if law or international agreement does not order differently, shall pay the tuition fee, expenses and other fees in accordance with section 31 of the Act on Higher Education.

The recognition of foreign studies in Hungary

637. A foreign higher education institution may conduct regular graduate education, specialized postgraduate education (independently, within the framework of another organization, or in co-operation with one), and may issue foreign degrees if

- a) in the country where it is based, the institution is officially recognized as a higher education institution, and the degree issued is recognized as a higher education degree, and it can prove this convincingly,
- b) the Minister of Education, considering the viewpoint of the Hungarian Accreditation Committee, has authorized such operation of the higher education institution.

638. A Hungarian higher education institution may conduct joint graduate, specialized postgraduate, and doctoral education with a foreign higher education institution insofar as the co-operating foreign higher education institution satisfies the conditions mentioned above. Such co-operation must be reported to the Minister of Education.

Scientific research

639. Higher education institutions in line with the provisions of the Act on Higher Education ensure the freedom of activity of academic worth for its teaching staff, the researchers, and the students and support the implementation of the appropriate conditions for this. Higher education institutions create a stock of resources necessary for scientific research, they establish and maintain libraries and a stock of equipment, and ensure the accessibility of these.

640. Higher education institutions assist the implementation of the above mentioned provision by the launching and financing of individual, group, and institutional programs; by organizing scientific events, by building up and maintaining scientific contacts at home and abroad, by providing doctoral education (in the case of universities), through the publication of scientific works, and in other ways.

641. A higher education institution decides in its regulations concerning the use, and conditions for use of the equipment intended for scientific purposes and other equipment of the

institution and/or of the teaching or scientific research organizational unit. A higher education institution, independently or in co-operation with other institutions, may conduct scientific research, or may establish institutes, industrial parks, and professional advisory enterprises, for the purpose of its developmental targets.

642. Fifty percent of the amount serving to support the scientific (artistic) activity of higher education institutions is divided among the higher education institutions based on the performance indicators of the institutions' research and developmental activities. The remaining share, based on competition, may be won to support researches and developments promising exceptional scientific results, and their early introduction in practice, based on the strategic standpoints determined by the Higher Education and Research Council.

ARTICLE 14

643. With regard to the fact that in the Republic of Hungary compulsory primary education is secured free of charge, no detailed plan of action had to be adopted under this Article.

ARTICLE 15 – THE RIGHT TO TAKE PART IN CULTURAL LIFE, ENJOY THE BENEFITS OF SCIENTIFIC PROGRESS AND BENEFIT FROM THE PROTECTION OF MORAL AND MATERIAL INTERESTS RESULTING FROM COPYRIGHT WORK

644. **Legal regulation:** Art. 70/G of the Constitution stipulates that “(1) *The Republic of Hungary shall respect and support the freedom of scientific and artistic expression, the freedom to learn and to teach.* (2) *Only scientists are entitled to decide in questions of scientific truth and to determine the scientific value of research.*”

a) Participation in cultural life

645. Legal background: **Act CXL of 1997 on the Protection of Cultural Goods, Museum Institutions, the Supply of Public Libraries and Cultural Education** sets the basic principles of access to public library services, as well as museums and services of general cultural education. The Preamble states that “*goods belonging to our cultural heritage are irreplaceable resources for learning about our past and present and are integral parts of national and universal cultural heritage; whereas gaining knowledge of these goods is a fundamental right of all human beings; whereas society has the continuous obligation to provide for special protection, storage and preservation of such goods, as well as to make them broadly and equally accessible to the public*”; “*a fundamental element in the operation of an information society and a democratic State is the library system, which makes information freely accessible to all persons; whereas support and development of library services is a necessity from the perspective of citizens and society as a whole and State support of information and library services is of strategic importance; whereas the library system must serve the needs of citizens*”; “*the promotion of the preservation and practice of national cultural traditions and those of national and ethnic minorities, the improvement of the personnel, intellectual and economic basis for individual and community cultural education,*

and activities which improve the quality of life of citizens and transmit values as well as the operation of the institutions and organizations created to achieve these goals is in the common interest of society”.

646. Section 4 of the Act declares that “All persons shall have the right

- a) to become familiar with goods of cultural heritage and learn of their significance in history, the formation of national identity and the identity of national and ethnic minorities, and information about the protection of such goods by way of the activities of museum institutions, the services of libraries, education, cultural education, the dissemination of knowledge, the press and mass media,
- b) to use the services of the public library system, museum and cultural education institutions,
- c) to increase and expand their education and knowledge during all phases of their life, to establish groups in the interest of exercising their rights to cultural education and to found and operate organizations in accordance with the provisions of other laws”, etc.

647. The institutions of public culture and the civil organizations of local communities are important depositories of our cultural values and the intellectual heritage of settlements. General culture performs its role by making culture accessible, in taking part in the preservation of local traditions, by supporting amateur and alternative arts and cultural initiatives. According to national statistical data, one-third of the adult population, and half of the young and the elderly regularly visit the institutions of public culture and participate in some kind of cultural programs, or in family or community events organized in an institution. Depending on the financial situation and investment intentions of local governments, the buildings and venues for general culture are of a very different condition in the country.

648. The local governments own ninety-five per cent of the buildings. It was for the first time in 1999 that a form of support assisting the renewal and operation of the institutions of public culture appeared in the chapter under the control of the Ministry of National Cultural Heritage entitled "financing of cultural tasks" to the sum of 100 million HUF. In 2003, the Ministry already spent 800 million HUF in a concentrated manner on the development, enlargement and renewal, and also on the improvement of the operational conditions of institutions of public culture, community sites and venues that are necessary to the community, cultural, educational life and activities of local society by the announcement of the program for the development of the network of national public culture and libraries.

649. It can be stated that between 1999 and 2003, annually an increasing number of applications were submitted for the announcement continuously made for investments by local governments, and the size of financial subsidies requested is also growing continuously, it is five times as much in 2003 as it was 1999. (In 1999 the sum requested was 2000 million HUF, in 2003 the local governments submitting their applications indicated a need for 10 000 million HUF.) Annually an average of 65 settlements received subsidies for the renewal of buildings of general cultural purposes or for the establishment of new buildings of the same designation. In addition to the direct support granted by the portfolio the local governments also utilized targeted and specified subsidies in order to have access to further state resources to be used for the renewal and maintenance of their buildings dedicated to cultural purposes.

Strengthening and development of cultural identity

650. The network of the institutions of public culture is one of the most important local networks of the strengthening and development of cultural identity.

651. Amateur artistic activities create the possibility of aesthetic expression and joy for much broader circles of people than those of professional artists. During the past five years the activities of amateur art ensembles have broadened and the number of participants has also grown. Local events in the forms of visiting neighbours, festivals, exchanges of experience and meetings are very well attended and popular. New resources have opened up for supporting the amateur, self-organized art groups during the past five years.

652. The most characteristic forms of activity of the institutions engaged in general culture are the creative cultural communities, the dissemination of knowledge, courses, trainings, clubs and major events. Cultural and other community activities by external organs done in buildings of general culture are also significant. The international activities of data suppliers and access to the Internet have a growing tendency in the performance of the tasks of general culture. The number of creative cultural communities was 8493 in 2001, and 9112 in 2002, a growth by 7.3%, therefore this type of form in general culture is a growing one. Within this group 56.4% were amateur art groups, 29.4% were folk art, 4.2% were art groups creating handicraft objects in 2001. In 2002 the proportions were: 55.3% amateur art groups, 30.2% folk art, 14.5% art groups creating handicraft objects. In the year of 2001 the membership of creative artistic communities was 164 thousand, the average membership of one community was 19 people. In 2002 it was altogether 177 000, and the average membership of one community was again 19 people.

Development of the creative centres of folk art, the preservation of local traditions

653. In the area of folk handicrafts significant governmental assistance was launched in 1999, in the framework of which the Ministry of National Cultural Heritage intended to strengthen the technical and objective equipment of creative folk handicraft centres working with a national or regional competency. Those local governments, institutions and organizations are assisted that consider the preservation of traditions and handing down the values of folk art and handicrafts their task, and contribute to the exercise of creative processes and the preservation of the regional characteristics on national, regional and county levels by the maintenance of creative homes for folk art and workshops for handicrafts.

654. The professional activities of the House of Traditions created by the minister of culture on 1 January 2001 are realized in three units:

- the name of the artistic collection is the Hungarian State Folk Ensemble (MANE)
- the name of the public collection is the "László Lajtha" Workshop for the Preservation of Tradition,
- the name of the collection of general culture works under the name Folk Art Workshop.

655. The basic tasks of the House of Traditions include professional training and handicrafts in particular. In 2001 for instance, 185 people participated in training in three forms, and five

professional publications were completed. The House of Traditions has realized a very rich program in the area of the so-called “organization of movements”. A system of program organization and financing is about to be launched, it would allow for forwarding the programs of live folk culture to rural centres as well, that have been working so far in a disadvantageous situation. The establishment of a national organization for the implementation of this program has already begun.

Preservation and modernization of the culture of our mother tongue

656. Applications are annually invited in the subject of protecting and developing the mother tongue within the topic of the protection and modernization of the Hungarian language. We have supported the realization of domestic conferences on the cultivation of the language and a series of lectures. The Government has subsidized the publication of materials aiming at the improvement of the condition of public discourse, the organization of programs, activities and camps cultivating the language, and also the introduction of eminent cultivators of the mother tongue.

Positive achievements, difficulties, with special regard to disadvantaged groups

657. Institutions of general culture have particularly significant tasks in the field of ensuring general culture and access to culture, moderation of the differences in opportunities in the area of general culture, as it is the local cultural centres and libraries that are closest to population groups in a disadvantageous position.

658. The central location of cultural and youth centres, and clubs makes those institutions suited for turning with proper attention towards people in disadvantageous position, who are often old, or just very young families and inhabitants. Unfortunately there are serious problems with the infrastructure of the institutional system. Even in the case of new institutions the access is not always assured for the disabled people.

659. The participation of those performing the tasks of general culture is remarkable in the general culture of national and ethnic minorities as well, as altogether almost 700 cultural centres and civil organizations have indicated to do such work in 2002, of which about 400 institutions worked for the Roma minority, or offered cultural services jointly with them. This, however, is related only to about 10% of the 3358 institutions run by local governments or civil organizations performing tasks of general culture, which, in the current situation cannot be considered a reassuring result.

660. Currently no exact figures are available about the work for public culture among the poor. Cultural as well as social activities can also be undertaken besides the performance of the main tasks if they serve the demands of the poorer inhabitants of a small village. It has to be set as a goal that cultural choice should be offered to poor groups of the population by institutions working in villages and parts of towns, and those groups should also be involved in the groups

they deal with and into their information activities. Though several institutions organize courses and retraining programs for unemployed people and inhabitants of low school education, their number should be raised.

Regional differences and disadvantages in the field of cultural services

661. A significant difference can be identified in the field of accessible cultural offer and institutional coverage between Budapest and the other cities of the country. Sociological surveys are currently in progress wishing to map the coverage of the country by cultural institutions from the angle of territorial balance. Irrespective of the surveys the problem is widely known in every field of the network of cultural institutions. Therefore all assistance is given to the realization of that stipulation of Act CXL of 1997 that in every settlement there should be an institution of general culture, a community house, or at least a community space suitable for the performance of the tasks of general culture.

662. Further tasks in the field of equalizing opportunities:

- Further development of the structure of programs of the institutions of general culture, meeting the needs of the biggest visiting groups (the young, the elderly), and of the marginal social strata.
- A general modernization of the infrastructure of the institutions of public culture and the assurance of accessibility for the disabled.

Protection, cultivation and handing down of local cultural heritage and strengthening commitment and responsibility for it in the population of the country

663. Local cultural heritage is a retaining force. We are glad to state that currently institutions of public culture function in 188 buildings that are historical monuments and others function in buildings under the protection of the local governments in 439 settlements. The preservation of these buildings, but also of the other houses located in the centre of settlements, serving the improvement of the image of the place, and the continuation of activities for the preservation of tradition are important tasks of the profession.

664. The achievements of the traditionally strongest area of general culture, of the amateur art movement and of the creative communities are well known. Important elements of the local inventories of cultural value are the local choirs, dance groups, creative groupings, their numbers and the quality of their activities. In this field too the equality of opportunities should be further strengthened by an even more deliberate involvement of population groups in a disadvantageous position.

Forms of co-operation with civil organizations:

665. National civil organizations of public culture receive subsidies to their operation. Organizations in the field of public culture received operational subsidy in the value of 35-45 million HUF from the annual budget. Annually subsidies are allocated to about 40 national civil organizations from that sum. Experience related to the utilization of subsidies shows that the centres of the national civil organizations are mostly in Budapest, but the utilization of the

sums allocated is done all over the country. The organizations forward a certain part of the subsidy received for the strengthening of their territorial member organizations, or spend it on local and regional programs. Civil organizations subsidized by a sum specifically earmarked in the budget:

666. Association of Regional Cultural Institutions: The allocation supports the maintenance and operation of cultural institutions that were formerly run by trade unions and places of work, and performing tasks of general culture supplied to the population but not maintained by local governments. The Association covering more than 100 suppliers of general culture received almost 400 million HUF of subsidy annually.

667. Association for the Dissemination of Scientific Knowledge: The Association annually receives HUF 90 million as subsidy to support the operation of its central and territorial organizations and for the development of activities in the area of the dissemination of knowledge.

668. The national federations of popular colleges may apply for budgetary subsidies that would support the movement of people's colleges. The sum of the subsidy was 40 million HUF in average annually during the past five years more than half of which was directly transferred to the local people's colleges. The European Institute of Folklore, established by the Association for European Folklore Centre which receives special allocation, grants annually 10 million HUF for EFI, doing research about the Hungarian and European traditions of folklore, publishing its results, and organizing conferences. UNESCO also supports the European Institute of Folklore.

669. The International Association of Hungarian Language and Culture receives annual budgetary subsidy. The activities of the Association are aimed at the preservation and development of the mother tongue and cultural traditions of Hungarians living beyond the state borders. For this purpose it organizes academic conferences, extension training courses and camps, and also carries on significant publishing activities focusing on the Hungarian minority.

New trends in the performance of tasks in public culture

670. Strengthening of multifunctional institutions of basic cultural supply: According to a survey conducted in 1999, 34 per cent of all the institutions maintained by local governments that also perform tasks of general culture are complex, merged institutions. When surveying the new trends the following main changes should be noted:

671. Growth of the number of public cultural centres: Article 33 of the Act on education has made it possible to perform the basic tasks of public education and general culture within the framework of merged, multifunctional institutions in a given settlement of the maintainer. One such type is the general cultural center where there is a possibility for the co-ordinated performance of educational and general cultural tasks. In addition to the separated, autonomous institutions of general culture there is also a network present that, according to law, is an institution of public education, but the supply of tasks of general culture is also done in the form of an autonomous organizational unit or activity. The output of the institutions is uneven; their infrastructure in general may rather be described as outdated. The proportion of hardly functioning local institutions is estimated to be 30%.

672. Changes of the number and social composition of visitors: Two-thirds of the permanent visitors of the institutions of general culture belong to groups that are to be particularly supported. Pensioners' clubs, children's events, users of courses, and members of groups for the preservation of tradition represent such target groups.

673. Youth information bureaus and offices organizing international youth exchanges have been in operation in several cultural centres. That institutional network as a general cultural supplier also does the organization of children's and youth camps and of tourist programs. Experts of general culture actively participate in supporting this target group.

674. The development of Roma community centres has begun. Several institutions of general culture organize festivals and courses with the involvement of the Roma population.

Other practical steps

675. The target system of the decentralized development of public culture (from 2004 onwards)

1. Development and co-ordination of the basic supply of general culture for small regions

- i. Definition of the functions of general culture in small regions; development of the structure of activities for the realization of tasks of small regions in settlements. (In harmony with the reform program of public administration and regional development, considering the existence of 168 small regional institutions of general culture.)
- ii. Transformation of the supply for tasks of the set of urban institutions and those of the urban periphery linked to the tasks in small regions.
- iii. Elaboration of the infrastructural conditions and budgetary consequences of the tasks to be performed in small regions.

2. Development of the regional performance of the tasks of public culture

- iv. Definition of regional functions of public culture, co-ordination of the planning of activities. (In keeping with the 7 statistical regions, based on the performance of tasks by the county centres of public culture and services.)
- v. Elaboration of the infrastructural conditions and budgetary consequences of the regional performance of tasks.

3. Creation of equality of opportunities in the set of institutions of public culture

- vi. Further development of a program structure best suited for the demands of the major groups of visitors in the institutions of general culture (the young, the elderly), and for the needs of the marginal social strata.
- vii. Making the infrastructure of the institutions of public culture free of obstacles and suited for the disabled.
- viii. Creation of the professional conditions of work in public culture targeted at the minority and marginal groups.

Telecottages

676. In Hungary, local communications access centres, known as “telecottages” (teleház), have developed over the past decade. The telecottage movement began and continues as a community-driven initiative, where local civil society and NGO organizations have banded together to provide public access to ICT (telephone, fax and copy machine, computers, internet access, e-mail addresses for the citizens, a network connecting telecottages, homepage with links to databases, computers for distance work) as well as many other traditional forms of information, from library books to bulletin boards. Hungary is characterized by a large number of very small villages (about 1,800 villages have fewer than 1,300 residents, and 2500 have fewer than 3,000 people) so telecottages play an important role in providing access to information for people living in these isolated small villages.

677. The first Telecottage was established in 1993 as part of the community development program in a small mountain community. The program was launched by local activists, and gained financial support from the Hungarian government, NGOs and international donors such as USAID. Each telecottage is independent and a local NGO usually owns the assets. Typically local governments provide office space, staff and financial support. Often the host institution itself is an entity affiliated with the local government (library, school or community centre). The telecottages are not yet wholly self-sustaining, generating about 30% of operating costs from local revenues, while public and donor sources make up the difference. On the other hand, there has been little instance of failure (less than 3%), in comparison with much higher failure rates for telecentre projects in other countries. This growing movement has spread not only throughout Hungary, where telecottages exist in at least 500 towns and villages, but to neighbouring countries as well.

678. The statutes of the Hungarian Telecottage Association (HTA) establish the goals of the Association as follows: supporting the creation and functioning of telecottages based on civil initiative and aimed at ensuring the economic, social and cultural development of settlements and micro-regions, their catching up and the creation of equal opportunities. The telecottages operated by the members of the HTA, as public community access centres, provide for all interested without restriction the possibility of using information technology, the knowledge transfer necessary for their use, and thus access to information. Their qualified staff, who are accepted by the small communities play a crucial role in creating equal digital opportunities and improving the local quality of life. Telecottages actively take part in the organisation of community events. The HTA aims to pursue the following activities of public interest:

- social activities, supporting families and the elderly,
- education, skills development, ismeretterjesztés
- protection of the environment
- promoting equal opportunities for disadvantaged groups, including through specialized training for telecottage staff,
- protection of human rights, including training
- promoting training and employment of disadvantaged groups on the labour market

as well as preservation of health, prevention of illnesses, healing and rehabilitation; scientific activities, research; cultural activities; protection of cultural heritage; protection of built heritage; protection of the environment, protection of animals; protection and representation of the interests of children and youth; activities related to the national and ethnic minorities living in Hungary, and Hungarians living in neighbouring countries; employment as rehabilitation; consumer protection; promoting Hungary’s Euro-Atlantic integration; etc.

Cultural diversity

679. Article 68 paragraph 2 of the Constitution declares the State's commitment to fostering the cultures of the national and ethnic minorities living in its territory. Hungary is party to the European Framework Convention on the Protection of National Minorities and the European Charter of Regional or Minority Languages. For detailed information on Hungary's policy on cultural diversity we attach in Annex 13 a recent report prepared for the Council of Europe in 2002.

Protection of immovable cultural heritage

680. In the second half of 1998 the organizational structure of cultural affairs in Hungary underwent major changes that resulted in the establishment of the Ministry of National Cultural Heritage. The changes also affected the field of the preservation of immovable cultural heritage. Issues related to cultural heritage previously had been the responsibility of two different ministries. The protection of historical monuments belonged to the competence of the Ministry of Environment, while the Ministry of Culture was responsible for the archaeological and cultural immovable heritage.

Institutional background of the preservation of immovable cultural, built and archaeological, heritage in Hungary

681. The Ministry of National Cultural Heritage was set up in 1998. According to the provisions set out in Article 2 of the Government Decree 161/1998 on the responsibilities and scope of authority of the Ministry all cultural matters, including the protection of immovable cultural heritage became the responsibility of the newly organized Ministry. Consequently, a completely new unit, the Department of Monuments was established to administer the Government's duties related to immovable cultural heritage. The Department comprises two sections: the Division for Archaeology –being in charge of excavations, archaeological sites, presentation sites - and the Division for the Protection of Monuments that cares essentially for protected monuments and sites, fixtures and fittings as well as cultural goods closely linked to them. The establishment of the Department of Monuments reflected the growing importance that has been attached to immovable cultural heritage at Government level.

682. The Department of Monuments performs its duties according to the conceptual framework that was conceived to best advance the cause of cultural heritage, and it fully complies with the spirit and provisions of relevant national and international legal instruments as well as the needs and requirements of the field. The principles below constitute the basis of the conceptual framework:

- a. facilitating the preservation and long term use of immovable cultural heritage values,
- b. ensuring the necessary means and measures to this end,
- c. defining the role of immovable cultural heritage properties in the national economic development policies.

683. The National Office of Cultural Heritage carries out the daily operational tasks emerging from safeguarding immovable cultural heritage. The Office in its current form was established in 2001, through the merger of two formerly independent institutions: the Office for the Preservation of Historical Monuments and the Directorate for Cultural Heritage. The creation of this new institution meant that the previously divided tasks of archaeology, cultural goods and the preservation of monuments were consigned to a single organization.

684. The National Office of Cultural Heritage carries out its duties via its Head Office located in the capital and its nine Regional Directorates, whose activities cover the whole country. Besides this, the Office heavily relies on the services of its three specialized institutions: the Hungarian Board of Trustees, a stewardship institution managing 18 major state owned historical buildings; the Renovation and Restoration Company, which engages mainly in the renewal of protected monuments and the Museum of Architecture, which is connected to historical monuments with its rich collection of historical documents.

The protection of immovable cultural heritage properties

685. In Hungary there are separate systems applicable to the protection of built heritage, archaeological properties and cultural goods. A two-tier protection system is employed for built and archaeological heritage properties.

686. Built properties and sites of outstanding national significance are protected by a ministerial decree, and are inscribed on the National Monuments List, thus gaining the status of monuments. Properties that embody values relevant just for a smaller community are subject to local authority protection mechanisms. The number of protected monuments to date is in the range of 10 500, out of which the most important 281 are provided special protection by law, which means that according to the law they cannot be sold, and should be kept in state ownership. Besides that, there are 2500 other objects, not enjoying special protection, but eligible to gain the rank of monument. Estimates put the aggregate number of locally protected properties to roughly 250 000.

687. All archaeological sites enjoy general protection by the law. However, sites of exceptional scientific, international or national prominence and sites of great importance are classified by a special ministerial decree as exceptionally protected sites, or highly protected sites respectively. A buffer zone may be delimited by the same decree to lessen the adverse impacts that might endanger protected sites. There are altogether 750 protected archaeological sites in Hungary and about 30 000 sites that are known to possess underground archaeological remains.

688. All cultural goods stored in museums or archives, and documents of historic value kept in libraries are protected by law. Irreplaceable cultural goods as well as collections and cultural goods with high historic merit and eminence are placed under special protection by a ministerial decree.

Providing access for everyone to immovable cultural heritage

689. The right for everyone to take part in the cultural life is realized in the field of immovable cultural heritage by granting access to heritage sites, and by raising people's

awareness to their values and encouraging them to take part in safeguarding properties in their surroundings. In Hungary the right of accessibility is ensured by Articles 76-80 of the Act LXIV of 2001 on the Protection of Cultural Heritage. The Act also lays down the steps to be taken in order to facilitate the physical access of people with disabilities to immovable cultural heritage properties. They are realized via different measures:

- a. Special archaeological parks or presentation sites are established on the venues of major excavations for demonstrating the preserved remains and finds. These places, some 50 all through the country, function as museums, and are visited by a great number of tourists each year.
- b. Special signboards are located along the roads to direct visitors to cultural heritage sites.
- c. Thematic historic events are organized at the premises of castles, historical houses, which attract a large audience.

690. One of the most successful instruments of promoting immovable cultural heritage is the European Heritage Days, the joint initiative of the Council of Europe and the European Union. The events, which cover the whole country, allow each year tens of thousands of people to get access to immovable cultural heritage places, including even those which are not otherwise open to the public. The Ministry of National Cultural Heritage joined the organization of the events in 1998. It has co-ordinated it via its institution, the National Office of Cultural Heritage and has financially supported it ever since. The figures below demonstrate the success European Heritage Days enjoy in Hungary.

Year	Sites involved	Towns involved	Total number of visitors	Financial support provided by the Ministry of National Cultural Heritage
1998				
1999	279		66 000	1 000 000 HUF.
2000	250		72 000	1 300 000 HUF
2001	336		75 000	3 700 000 HUF
2002	440	160	110 000	3 700 000 HUF
2003	350	163	120 000	4 100 000 HUF
Total	1655	323	443 000	13 800 000 HUF

691. The Ministry also took charge of co-ordinating and financing the organization of the one-year long Europe: a common heritage campaign, initiated by the Council of Europe, which lasted from September 1999 to September 2000. Hungary was one of the most active countries during the campaign. A wide range of cultural events, programs took place all over the country, many of them extending beyond the borders. These programs reached out to a huge number of people, thus contributing to a great extent towards raising awareness of people for the cultural heritage properties in their surroundings. Each year the Ministry of National Cultural Heritage set aside resources from the budget for the purposes of facilitating cultural events connected to cultural heritage. The yearly sum for this purpose is in the range of 10 millions HUF.

Funding of the preservation of immovable cultural heritage

692. A survey, conducted by the Gallup Institute in Hungary, revealed that the general public is fully aware of the importance of providing special attention to objects of high historical merit in order to safeguard them for the future generations. The vast majority (72%) of those surveyed consider that monuments in general are in a dilapidated state. At the same time, they (42%) think, that it is the responsibility of the state to ensure resources for the maintenance and restoration of protected properties.

693. There are different channels in place for providing state funding for safeguarding immovable cultural heritage. Resources needed for the maintenance of state owned immovable cultural heritage properties are allocated through the Treasury Property Directorate, who exercise the ownership rights on behalf of the State, or the State Trustee Company which is the leaseholder of the largest state owned historical houses. In the yearly budget of the Ministry of National Cultural Heritage, there are also funds earmarked for safeguarding immovable cultural heritage.

694. In 1999, the Ministry launched a major project, the National Heritage Program, with the aim of providing financial support for the owners of immovable cultural heritage properties in order to facilitate conservation, renovation initiatives. Within the framework of this yearly run Program, owners or trustees of different types of monuments, historical houses, historical gardens, parks or cemeteries could apply for a sum twice the amount they had at their disposal for restoration purposes, as well as for the registration, research and excavation of archaeological sites.

695. A part of the funds of the National Heritage Program was set aside for the renewal of properties located in the least developed counties. The chart illustrates the support provided for each of the counties involved.

County	1999 HUF million	2000 HUF million	2001 HUF million	2002 HUF million	2003 HUF million	<i>Total</i> HUF million
Békés	-	24	26.4	29	15.7	79.4
Borsod-Abaúj- Zemplén	156	72	79.2	87.1	28.8	394.3
Nógrád	55	36	39.6	43.6	10.5	174.2
Somogy	-	36	39.6	43.6	13.1	119.2
Szabolcs- Szatmár-Bereg	140	72	79.2	87.1	27.5	378.3
Bács-Kiskun	-	-	-	-	19.7	
Jász-Nagykun- Szolnok	-	-	-	-	15.7	
<i>Total</i>	351	240	209.6	264	131	1,195.6

696. Besides this, large funds were allocated from the Ministry's budget for the conservation and restoration of the most valuable cultural heritage properties. Among them the Millennium Investment, the Royal Towns, the Medieval Churches, the Museum Reconstruction or the Renovation of the most outstanding Buildings projects are noteworthy. The Royal Towns Project was an initiative aimed at the conservation of the medieval remains of the former royal seas. Five major towns were involved. 51 of the earliest small medieval churches were renewed with the financial resources granted within the framework of the Medieval Churches Project.

Similarly, considerable resources were allotted for the refurbishment of the most outstanding museums, churches and other buildings.

697. The Ministry of National Cultural Heritage also contributes to the preservation, conservation and research of the immovable cultural heritage sites of Hungarian origin located in the neighbouring countries. This contribution is channelled through the National Heritage Program and its yearly sum is in the range of HUF 130-140 millions.

698. State's contribution to the restoration of locally protected properties is available for the owners through local authorities or municipalities as well as projects launched by the Ministry of Interior.

Safeguarding and presenting the immovable cultural heritage of mankind

World Heritage Sites

699. Before 1998, issues related to world heritage properties fell within the scope of responsibility of the Ministry of Environment. In 1998 these matters were moved to the newly established Ministry of National Cultural Heritage, where they were granted distinguished attention. The number of properties of universal value in Hungary that have been inscribed on the World Heritage List is 8, from which

- One is natural:

Caves of Aggtelek karst and Slovak karst,

- Four are cultural sites:

Budapest, the banks of the Danube, the Buda Castle Quarter and Andrassy Avenue,

The Old Village of Hollókő and its Surroundings,

The Millenary Benedictine Abbey of Pannonhalma and its Natural Environment,

Early Christian Necropolis of Pécs

- Three are cultural landscapes:

Hortobágy National Park- the Puszta

Fertő/Neusiedlersee Cultural Landscape

Tokaj Wine Region Historic Cultural Landscape

- Two of these sites are joint ones:

one with Slovakia – Caves of Aggtelek Karst and Slovak Karst

one with Austria – Fertő/Neusiedlersee Cultural Landscape

700. State resources for the maintenance, conservation research and documentation of these sites is also provided from the budget of the Ministry of National Cultural Heritage. Roughly 50 million HUF are allocated per year for these purposes.

Education and vocational training in the field of immovable cultural heritage

701. The education of young generations in heritage skills is the competence of the Ministry of National Cultural Heritage in so far as the curricula and the examination criteria is concerned. There are three officially recognized cultural heritage skills taught in the educational institutions in Hungary.

Measures in support of scientific societies, specialized associations and other professional and cultural institutions and associations

702. The Ministry of National Cultural Heritage attaches great importance to fostering the activities of non-governmental cultural organizations, including those functioning in the field of immovable heritage, to encouraging them to acquire wider role in the preservation and promotion of heritage properties. For this reason, the Ministry provides funds each year in support of the nationally significant non-governmental organizations.

703. The financial resources provided to the non-governmental organizations for carrying out their activities in the field of immovable cultural heritage are shown in the chart below:

Resources allocated for non-governmental organizations (HUF)	1999	2000	2001	2002	2003	Total
	6,4 million	8 million	8 million	7,4 million	7,5 million	37,3 million

Legislative background of the preservation of cultural heritage

704. In Hungary there is no comprehensive cultural law. The different sectors of the cultural sphere have their specific legal instruments. At the beginning of 1998 there were two separate acts applying to the field of cultural heritage. Act LIV of 1997 applied to the protection of monuments, while archaeological heritage and cultural goods came under the scope of Act CXL of 1997. The redefinition of the national cultural policy, including the preservation of cultural heritage, by the newly established Ministry of National Cultural Heritage impelled the modification of the legal framework of the sphere. As a result of a two-year legislative process a new act was elaborated and enacted in 2001, which stipulated the basic principles pertaining to the protection of archaeological, architectural heritage and cultural goods. Subsequently, it was followed by a series of executive acts, which lay down the guidelines concerning the implementation of the principles embodied in the Act.

International treaties and conventions

705. Hungary has signed and/or ratified the major international treaties and complies with other secondary legislation – recommendations, resolutions, etc. – concerning the protection of cultural heritage. They are as follows:

- The Venice Charter – International Charter for the Conservation and Restoration of Monuments and Sites, approved by the II. International Congress of Architects and

Technicians of Historic Monuments held in Venice in 1964.

- Convention Concerning the Protection of the World Cultural and National Heritage, adopted by the General Conference of the UNESCO in Paris on the 17 November 1972 – Ratified by Hungary in 1985.
- The Council of Europe Convention for the Protection of Architectural Heritage of Europe, Granada 1985.
- European Convention on the Protection of Archaeological Heritage, adopted in Valetta, 1992, Ratified by Hungary in 2000.
- Convention Concerning the Protection of Underwater Cultural Heritage – adopted by the General Conference of UNESCO in 2001, Paris
- The UNIDROIT Convention on Stolen or Illegally Exported Cultural Objects, Ratified by Hungary in 1998.
- Convention on the Means of Prohibiting and Preventing the Illicit Import, Export and Transfer of Ownership of Cultural Property, Paris 1970., Ratified by Hungary in 1987.
- Convention for the Protection of Cultural Property in the Event of Armed Conflict, The Hague 1954, Ratified by Hungary in 1956.

Promoting international cultural relations

706. Hungary has a consciously developed, state budget financed international cultural, scientific and educational co-operation, since the 1920's. The sectoral ministries, in co-operation with the Ministry of Foreign Affairs manage the co-operation in the various fields of the intellectual life.

707. International co-operation in the fields of science, education and culture is going on, in most part, within the frameworks of bilateral intergovernmental agreements and working plans for their implementation in practice. These documents are incorporated into the Hungarian legal system in the form of Acts (ie. agreements and conventions ratified by the Hungarian National Assembly, texts published in the official journal) and in forms of lower level regulations (ie. ministerial decrees in cases of working plans, texts published in the official journals of the sectoral ministries). Thus, the implementation of the content of these documents is obligatory for the government offices concerned. Hungary has regular cultural co-operation with more than 50 countries. The conditions described in these documents are regularly supervised and in case of need, they are renewed. Between 1998-2003, 8 bilateral cultural agreements and 16 bilateral cultural working plans had been concluded.

708. The government also manages the maintaining and the operation of the Hungarian cultural centres abroad. In 2003, such cultural centres were in 16 cities in Europe and overseas. The new regulation of the management of the Hungarian cultural centres abroad had been newly regulated in the Government Decree 11/2000(II.8.). Further, the management of the individual cultural centres may be regulated unilaterally or on mutual basis with the receiving

country, in special agreements for the purpose. The Hungarian cultural centres abroad have an important role in increasing the rights and possibilities of the Hungarian artists in the given country, by introducing them to the international audience.

709. In respect of regional co-operation, a newly developed element is the cultural co-operation of the four Visegrád-countries (Hungary, Poland, Czech Republic, Slovakia). The details and conditions of this co-operation are set in the closing communiqués of the ministerial meetings. These documents are considered, on Hungarian side, as equal with the intergovernmental cultural working plans, ie. the implementation of their content is obligatory for the Ministry of National Cultural Heritage. From 1999 on, annually two ministerial meetings are organized.

710. Hungary had ratified the most important Council of Europe conventions in the fields of culture and cultural heritage, prior to the investigated period. Hungary had signed the new European Convention on the Protection of Audio-visual Heritage, in 2003. Its ratification is under process. As a result of Hungary's accession to the Convention, the rights to free access and research of the audio-visual heritage will be extended.

711. In the process of having joined the European Union, the government of Hungary implemented a comprehensive legal harmonization program. As a part of this program, the national law on the export and import of cultural goods and on the media had been modified.

712. Furthermore, in accordance with the expectations of the European Union, the Ministry for Cultural Heritage established the Cultural Contact Point on 1 April, 2000. The task of the Hungarian CCP is to assist the applicants for the EU Culture 2000 Program with advice, co-ordination and information on the program. The CCP promotes in this way the more effective participation of the Hungarian citizens in the Culture 2000 Program and it deals with the national co-ordination concerning the Program.

713. A main characteristic of international cultural co-operation in Hungary is the fact that the demands both by the sending and the receiving partners are permanently growing. Thus, the main issue is not the use of the possibilities, but a more important question is to provide suitable conditions according to the various demands and to assure the necessary financial resources, by the governmental and non-governmental bodies.

714. In Hungary, the governmental and non-governmental activities in the implementation of international cultural relations are practically in balance, however, the financial means are still assured mostly from governmental budgetary resources.

715. The efforts of the cultural government in Hungary are focused on large scale information service and counselling – in case of the EU programs, by establishing independent information offices – in order to promote the participation of individuals, institutions and civil organizations in the international cultural co-operation. This means, first and foremost, that they are assisted in the increased and more effective use of their rights, in this field.

Arts

716. After Hungary's accession to the European Union, one of the basic questions for art in Hungary is whether it can meet the challenges represented by the preservation, cultivation and

enrichment of cultural heritage. It has to be continuously reconsidered for what artistic activities the role of the state would be indispensable, to what extent it should be and in what sort of financing form it could be.

Changes and nature of the institutional infrastructure

717. It was necessary to review the set of tasks and conditions of the institutions of arts and economic companies directly maintained by the Ministry for Cultural Heritage. During the recent years the number of budgetary institutions has significantly dropped and characteristically it took place by transformation into public benefit companies operating in the form of an economic company.

718. The demand that has been expressed by dancers for long years, namely the development of an infrastructure of a theatre of dance offering a permanent opportunity of performance for the various forms of dances was realized by the foundation of the National Theatre of Dance public benefit company in June 2001.

719. The deed of foundation of the Hall of Exhibitions was also modified: the Ernst Museum and the Dorottya Gallery were separated from that institution. The new unit started its autonomous operation as an independent institution of exhibition under the name Ernst Museum Public Benefit Company in the second part of 2000 and has been performing its task without any difficulty.

720. The government has created conditions for the national opera to become one of the ten best music theatres of Europe working with eminent guest artists in a few years, thus regaining its old respect in the world and rejoining the international elite of opera performers. As a first step the Ministry modified the deed of foundation of the Hungarian State Opera on 1 January 2001: and created the job of chief music director. The director-general of the institution is responsible for the operations in general, therefore the minister appointed an expert experienced in crisis management, having qualifications in economics and experience in the organization of an institution to the job. The development of the artistic image of the Opera is the task of the chief music director.

721. The National Theatre Joint Stock Company was formed and the building of the new National Theatre was completed. (15 March 2002) After waiting for one and a half centuries, our national theatrical art obtained its new home, specifically built for this purpose.

722. With the reconstruction of the Uránia Cinema, started early in 2001, the circle of national institutions has been enriched by the National Cinema Public Benefit Company. The basic task of that cinema is to put national films beginning with the silent ones continuously on its program, and to present productions to the public irrespective of the form, the length and the production technique.

Supporting local governments

723. The cultural policy of the government of the day is decisively realized by the set of institutions run and maintained by local governments. Local governments maintain a large part of artistic institutions and they are entitled to receive subsidies from the central budget.

724. The main sum of 2003 allocated for subsidizing theatres by local governments increased by 59% compared to that of 2002. In addition to preserving the traditional built theatres supporting the innovative and alternative workshops of theatrical art was also considered to be a special task. In 2003 HUF 290 million was distributed among workshops of alternative theatres, alternative dance and movement.

725. In detailed breakdown it means that the increase of the framework sums of support for theatrical workshops supported through applications increased in 2003 as follows:

- Open-air theatres 33%
- Theatres of national minorities 42%
- Theatrical enterprises, alternative theatrical workshops 96% (!)
- Alternative workshops of dance and movement 22%.

726. In the framework of the specified subsidies for local governments the reconstruction and modernization of public buildings housing professional artistic workshops should be supported by larger allocations from the central budget than the previous ones. Up to 2003 each year sums were allocated to the reconstruction of a theatre building.

727. We have considered it as a task of special importance to reconstruct and modernize public buildings housing professional artistic workshops within the framework of the specified subsidies allocated to local governments. The program of the complete reconstruction of theatre buildings continued: the renewal and extension of the Madách Theatre, the Operetta Theatre of Budapest, of the theatres of Zalaegerszeg, Eger and Nyíregyháza was completed. The puppet theatres of Kecskemét and Debrecen got new and modern homes.

728. A system of subsidies should be extended over the largest possible number of areas in the framework of which the local governments may have access to central resources as a function of their own contribution. For instance jazz clubs, creative settlements, creative camps and houses, should be subsidized.

729. The resource accessible by applications for subsidizing works of fine and applied arts in public places is supposed to supplement the resources of local governments and non-profit organizations earmarked for the setting up of statues in public places.

730. Local governments maintaining or supporting professional orchestras and choirs are eligible to receive supplementary central subsidy for the operational cost of the ensembles. The allocations of central subsidies reflect the proportions of the contributions by local governments as well.

731. The subsidies are available not only for professional ensembles maintained by local governments or by public benefit companies founded by local governments, but also for such professional ensembles that have concluded a long-term, at least 5-year public service contract with the supporting local governments. In 2003 the sum was increased to HUF 990 million, thus the ensembles of local governments could receive an almost 100% increase.

732. The Ministry of National Cultural Heritage regularly assists the enrichment of the stock of contemporary works of art of the museums of national collecting activities by the purchase of pieces of art. A professional committee distributes the available allocation on the basis of the requests of museums, within the framework of invited applications. Annually about 20

significant collections received subsidies. It is a novelty that a public collection across the border was also included among those receiving subsidies from 1998 onwards.

Major events, art festivals

733. Strategic objectives:

- The major domestic events and festivals should be registered and classified by categories.
- Continuous monitoring should ensure the possibility of mobility between categories.
- The Ministry, if possible, should not appear as organizer, but as patron and sponsor.
- The Ministry should undertake patronage of festivals, events and series of events comprehensively representing a branch of art, and as major sponsor should ensure the financial background of their organization.
- The Ministry should grant support to the solution of tasks related to traditional events representing significant artistic value.
- The Ministry should contribute to regional and local events by awarding prizes.

Social organizations of arts and expert activities

734. The Ministry for Cultural Heritage regularly allocates financial subsidies based on applications to the professional bodies of the different branches of art. Without those subsidies the organizations representing the professional interests of artists, performing tasks of self-management and state tasks handed over to them, would not be able to function and to perform their set of important tasks in the public life of arts.

735. The list of experts co-operating in the assessment of the pieces of fine and applied arts, of photo art has been renewed and published in the Cultural Gazette. At the same time, it was stipulated by a legal norm that a prize won in the given field of art might substitute the expert's license and certificate. It is primarily significant in the participation of specialist training in arts.

Prizes, fellowships

736. Supporting the beginning of young artists' (of fine arts, applied arts, photo art, art historians, writers, dramatists, theatrical artists, musicians and dancers) career has occupied an important place in the set of values of the Ministry. Following the protected nature of student life in higher education in arts many people are forced to establish themselves in the "cultural market" without a secure job and regular income.

737. The sphere of fellowships of artists has been enlarged in order to facilitate their situation and it is not only the system of applications that is operated annually but we also ensure a representative publication for the fellows to present themselves and opportunities for introducing themselves in festivals.

738. The system of fellowships of the Ministry supporting young creative and performing artists has been developed by tiers since 1955. Currently there are 11 different fellowships in the area of literature, music, fine and applied arts, photo art, theatre and dance, annually for more than 100 people.

Libraries

739. The processes that were in progress in the Hungarian society since 1989-1990, affected library policy as well and the system of libraries underwent radical changes within a few years. Those structures that constituted the stipulations of the Act of 1976 were wound up in the changing political, economic and social environment. It became increasingly obvious that a legal regulation suited for the new environment was needed. In 1996 the concept of a possible legal regulation, a new Act on libraries, was elaborated. The framework of legal regulation was worded by an entirely new approach in the concept.

740. It is a central element of the Act adapted on the basis of that concept that the use of libraries is a right of all and library supply should be ensured by a public library system. It is not the individual institutions, but the entire public library system that has to be suited to enable library users to reach information necessary to them in any element of the system and to have access to the required documents. This idea included the need for the establishment of a rather high level of co-operation among institutions. Two tasks derived from it for the cultural portfolio, such as:

741. IT development: a network and content should be placed in each library. With the resources available to the management of the branch assistance had to be given to joining the large-area network connections necessary to co-operation; further on, the institutions constituting the elements of the system had to be offered assistance in the development of their local systems and services based on them (local networks, integrated systems, up-to-date IT means, digitalization in the interest of content supply). During the past five years Internet connections have been developed to the level of city libraries in Hungary. Thus it has become possible for the citizens to effectively use library services and other sources of information accessible through the Internet.

742. The creation of the National System of Document Supply (ODR): In order to help library users to have access not only to the documents of libraries located in their places of residence, the Ministry of National Cultural Heritage has developed and operates the National System of Document Supply. This is a service system ensuring access to documents through libraries with the help of a national register of document location. The ODR co-ordinates and supports the co-operation of 55 libraries (national library, county libraries and the Municipal Ervin Szabó Library, university libraries and the national specialized libraries), the stock of their documents approximately covers the current base of documents found in the country. They are the so-called document sending and servicing libraries. Any public or non-public library, they are the receiving libraries, can be served by the ODR. Differences in access to information have been further reduced by the operation of the ODR and the equality of opportunities has been significantly improved for those living in the countryside. Government Decree No. 73/2003 (IV. 28.) lays down the organizational framework and financing of the operation of the ODR.

Public Archives

743. The operation, competency and use of the materials of public archives is regulated by Act LXVI of 1995 on public documents and public archives. The stipulations of this Act are in full harmony with the recommendation No. R(2000) 13 concerning the European basic principles of access by research to archive documents of the Ministerial Committee of the Council of Europe passed on 13 July 2000.

744. The most important development of the infrastructure is the building of archives and storage rooms meeting the requirements of our age. During the period between 1998 and 2003 new archives were built in Pest County, in Vas County. In Szabolcs-Szatmár-Bereg County the archives obtained more suitable conditions by the total reconstruction of an old building. The archives of Heves, Komárom-Esztergom and Nógrád Counties were enlarged by new storage capacity. The new building of the Archives of the Capital City of Budapest is about to be completed, and the construction of the Archives of Veszprém County has begun..

745. Though it is less cost intensive, but the Internet connection and the homepage leveltar.lap.hu are important to those interested. They are easily accessible and the portal can serve researchers' demands as well. Access to the database of the various institutions claiming the interest of the wider public and facilitating research has been continuously extended, or has begun to be developed in a few archives.

Media and Film

746. The Parliament passed the Motion Picture Act in 2003. One of the main goals contained in this Act is to guarantee the production of a great number of national films and films co-produced with other countries and to promote the wide access to these films so as to increase the share of these productions in the national and international audio-visual market. The Act determines several measures that serve the support of production and distribution of audio-visual works, mainly those that represent the European and universal cultural diversity and high quality (public support of art-film distribution and art cinemas).

747. The Motion Picture Act defines those financial resources that serve the goals of production and distribution (direct and indirect supports, including a new tax credit scheme). The Act also sets up new organs such as the National Film Office (administering the national film registry, the rating system and certifying national and co-production status of films), the Motion Picture Co-ordination Council (co-ordinating the different bodies and organizations that are allocating resources in the film sector, including national televisions).

748. The Parliament passed the Amendment to the Act on Radio and Television in 2002, which aligned the national regulation with the regulations of the EU. This Amendment provides that the national and regional televisions have to serve a certain proportion of their broadcasting time and/or their programming budget to European works in general and those European works that are made by independent producers.

749. Hungary signed the European Convention on the Protection of Audio-visual Heritage in 2003. The goals defined in this Convention are to be reached through several legal norms and programs (digitalisation of films in the National Film Archive, setting up of National Audio-visual Archive).

750. Hungary put into force the European Film Co-Production Convention in 1998. Since then the Hungarian cultural government strengthened the co-production activities with other countries by bilateral agreements from 2004 onwards.

b) Enjoyment of the benefits of scientific progress and its applications

751. Hungary has strong traditions in research and sciences. Since 1825, the role of the Hungarian Academy of Sciences has been crucial to the promotion of science. A recent initiative under the aegis of the Academy has gained unprecedented success and contributed greatly to raising public awareness of the achievements of scientific research.

752. The **University of All Knowledge** (*Mindentudás Egyeteme*) was started in 2002 by the Hungarian Academy of Sciences and Magyar Telekom and T-Online as a series of IT-supported lectures on topical issues in all branches of science with the goal of reviving Hungary's high standards of scientific education and raising the profile of leading national scientists. The French programme, *L'Université de tous les savoirs* was an inspiration, but was redesigned to meet Hungarian standards (while the Hungarian name saved its French generosity and universal impetus). In the end, a different programme was created with its own logic, message, fundamental concepts and organization. The concept of *Mindentudás Egyeteme* / ENCOMPASS was supported by prominent figures in the Academy as an opportunity to develop the internet-based/medialized management of scientific knowledge; to develop the organization, research, and presentation of science in Hungary. The initiative, which operates through a combination of on-line components and collaboration with television and radio networks, as well as newspapers, incorporates the long and respected heritage of international and Hungarian public science, while diverting from traditional forms of teaching and learning. It was created under the aegis of public and private partnership with the academic supervision of the Hungarian Academy of Sciences and sponsorship from the corporate social responsibility programmes of telecommunications companies Magyar Telekom and T-Online. Within the collaboration, the latter provide project management and info-communication know-how, infrastructure and significant financial support. The three principles laid out by the founders were making the position of science competitive in the media world, popularising Hungarian scientists and enriching Hungarian language culture on a value basis. *Mindentudás Egyeteme* has also found a new name for the promotion of its programmes abroad: ENCOMPASS (ENCyclopedic knOwledge Made a Popular ASSet) and has launched its new, foreign language website. The name 'ENCOMPASS' truly describes the content-creation process at *Mindentudás Egyeteme* whereby ideas and subjects of potential interest are taken from the lofty world of science and shared with the general public with the help of modern-day multimedia, in a manner that should prove as engaging as it is informative.

753. The project aims at raising public awareness and facilitating dialogue between science and society. ENCOMPASS incorporates a live lecture, television programme, radio broadcast, newspaper, book and a website with interactive elements stimulating participation. On the social level, therefore, this is the first communication "mix" where the various communication channels are deliberately combined. The media presence of the programme is total by today's standards due to its visibility on at least one TV station on any day of the week. The three public networks air each lecture a total of five times, one of which is aimed specifically at

overseas viewers of Duna TV. The lectures are regularly shown on local television stations as well. The Hungarian public radio network and one of the commercial radio stations also broadcast the programme. Readers of all national newspapers and two-thirds of the regional papers can familiarise themselves with the text version of the lectures and the biographies of the lecturers. Through the newspapers and weeklies this scientific information reaches one and a half million individuals every week. Educational television programmes and discussions address the topics by referencing the lectures and even presenting excerpts of the individual sessions. According to a representative survey, close to one-third of the adult population have heard of ENCOMPASS, two-fifths have seen at least one of the lectures on television, and over 80 percent attribute great importance to dialogue between researchers and those interested in sciences.

754. Development of the scientific and artistic learning of underprivileged groups: The organisers are involving persons with disability, the Roma youth and large families in their continuously expanding programmes. Roma students from the schools of Budapest, as well as physically disabled children from the Pető Institute have participated at club discussions and museum visits held in the Hungarian Natural History Museum. Sponsored by Family Aid Centres, underprivileged families regularly visit museum club events. ENCOMPASS covers the travel expenses of disabled groups and groups travelling from outside of Budapest to the events. In each semester the organisers provide the library of the National Association for the Hungarian Blind and Partially Sighted with the audio versions of the lectures. Students with hearing disabilities from secondary schools regularly visit the lectures where sign language interpreters provide assistance for them.

755. On the role of institutions of higher education in research, see paragraphs 639-642.

c) Protection of the moral and material interests resulting from scientific, literary or artistic production

756. Hungary is a member of the World Intellectual Property Organisation, and has ratified (19) or signed (3) all international treaties under that organisation. Act LXXVI of 1999 on Copyright provides protection for literary, scientific and art creations, and states in its preamble that *“any copyright-related regulation (...) has to keep abreast of technological development in order that it can exercise a substantial impact on the stimulation of intellectual creation and the preservation of the values of the national and universal culture; that it can create and maintain equilibrium between the interests of authors and other rightholders, as well as users and the public at large, taking in this connection account of the requirements of education, culture, scientific research and free access to information; and that it can provide for a comprehensive and efficient enforcement of the copyright and the related neighbouring rights.”* The protection of other forms of intellectual property is fully in line with international legislation, and in particular the directives of the European Community. More on the relevant legislation is available at the Hungarian Patent Office’s homepage (<http://www.mszh.hu/English/jogforras/>).

List of Annexes

1. Statistical Data
2. Act XX of 1949 on the Constitution of the Republic of Hungary
3. Act CXXXV of 2003 on Equal Treatment and the Promotion of Equal Opportunities
4. Act XXII of 1992 on the Labour Code
5. Recent reports by the Government of the Republic of Hungary on the implementation of ILO Conventions 14, 87, 98, 100 and 132
6. Act LXXX of 1997 on Persons Entitled to Social Security Benefits and Private Persons, as well as the Coverage of These Services
7. Act LXXXI of 1997 on Social Insurance Pension
8. Act LXXXII of 1997 on Private Pension Funds
9. Act LXXXIV of 1998 on Family Support
10. Act CLIV of 1997 on Health
11. Act LXXIX of 1993 on Public Education
12. Act LXXX of 1993 on Higher Education
13. Hungarian National Report to the Council of Europe (2002): Cultural Policy and Cultural Diversity
14. Act LXVI of 1995 on Public Records, Public Archives, and the Protection of Private Archives
15. Act II of 2004 on Motion Picture
16. Fact Sheet on National and Ethnic Minorities living in Hungary, prepared by the Office for National and Ethnic Minorities (June 2005)

Abbreviations

AB – Constitutional Court
ABH – decision of the Constitutional Court
CSO – Central Statistical Office
EC – European Community
EEA – European Economic Area
EPINFO – epidemiological information software
EQUAL – EU community initiative promoting equal opportunities
ESF – European Social Fund
ETUC – European Trade Union Confederation
EU – European Union
EURSTAT – Statistical Office of the European Communities
Phare programme – former EU assistance programme for candidate countries
GCE – General Certificate of Education
GDP – Gross Domestic Product
GNI – Gross National Income
Gvt – Government
GYED – childcare fee
GYES – childcare assistance
GYET – child raising assistance
GYISM – Ministry for Children, Youth and Sports Affairs
HBS – Household Budget Survey
HIV/AIDS – Humane Immunodeficiency Virus/Acquired Immunodeficiency Syndrome
HUF – Hungarian Forint
(at the time of submission of this report, 1 EUR=245 HUF, 1 USD=199HUF)
LFS – Labour Force Survey
N/A – not available
NAT – National Core Curriculum
NUTS 2 – Nomenclature of territorial units for statistics (NUTS) level 2,
used by the European Statistical Office
OMMF – National Chief Inspectorate for Labour and Occupational Safety
sqm – square meter
STD – Sexually Transmittable Diseases
TÁKISZ – Regional Government Budget and Public Administration Information Service
