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Gender Equality in Employment in Hungary and in Some Other Eastern European Countries

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Introduction

Although in the period from 1990 to 2000 the male activity rates of the ex-socialist Central and Eastern European (CEE) countries still exceeded 70%, a significant part of the female population had either disappeared from the labour market through voluntary exit or exclusion, or had had no opportunity to enter it at all.

The rate of women dependent on their family or on society is highest in Hungary: in 2000, 48% of women aged 15–64 was absent from the labour market. Similar developments, albeit on a smaller scale, occurred in the other ex-socialist countries as well and although the loss of the labour market position of women in the period from 1990 to 1997/98 came to a halt, it was replaced by stagnation rather than improvement.¹

Stagnation was partly due to the recurrent waves of global economic recession. Hungary as well as many other countries considered it quite an achievement to keep employment level and prevent unemployment growth. (In Poland, Slovakia and the Czech Republic, for example, the number of employed persons was lower in 2002 than in 1995.)

Important as it is, the global economic context is not the sole explanation of the current state of affairs: the employment situation of women in the CEE countries is strongly affected by the absence of/delay in national measures to trigger changes and adjust to the new economic requirements – although improvement in this respect is an unquestioned priority and a permanent agenda item everywhere.

The CEE countries are active in many areas, in close co-operation with international organisations fighting for the assertion of human rights, to ensure gender equality and prevent all forms of discrimination against women.² Interest in such activities escalated after the Beijing World Conference of 1995³, and the countries concerned, including Hungary, reported significant achievements in diverse areas.

Unfortunately, employment was not one of the success stories.

¹ Of the many analyses of the past decade covering the process itself and its reasons within the general context of “transition”, prepared by international organisations (UN, ILO, OECD), national governments and international research groups, international financial organisations etc. UNICEF (1999) also dedicated a study volume to the situation of women in the process of transition.

² Hungary ratified the UN Convention on the Elimination of All Forms of Discrimination Against Women (CEDAW) approved on 18 December 1979 in New York, in 1982, integrating it into its national legislation under Act X of 1982.

Countries having ratified the Convention must report on its implementation to the CEDAW Expert Committee every four years. Since 1982, the Hungarian Government prepared 5 reports, the last one in 2000. The fourth and fifth reports of Hungary to the UN Committee for the Elimination of All Forms of Discrimination Against Women surveyed gender equality issues in Hungary in a structure matching that of the Articles of the Convention.

³ The Hungarian Government reported on the implementation of the Beijing Activity Programme to the 44th Session of the UN Committee on the Situation of Women in July 1999.

The employment conditions of men and women are, of course, identical in many respects in the current context defined by accelerating labour market developments. The most general issues, i.e. availability of jobs and their prospective new criteria, etc. are not gender-specific and hence need not be discussed as such.⁴ We shall nevertheless focus on the special situation of women, and circumstances sustaining the gender gap in terms of employment opportunities despite the changes and positive efforts so far.

The period under study coincided in several CEE countries with preparation for accession to the EU and accession to it in May 2004. Hungary, together with seven other ex-socialist countries (Czech Republic, Estonia, Latvia, Lithuania, Poland, Slovenia, Slovakia) became members of the EU and as such undertook to adjust to the EU objectives, corresponding – in the area of gender equality, too – to those of the UN. Within the context of gender equality in every respect, the EU made it a declared objective to promote the employment of women in the member states (Luxembourg 1997: the employment rate of women aged 15–64 shall attain 60% by 2010; Stockholm 2001: the employment rate of women shall attain at least 57% by 2005.) The new member states committed themselves to taking the necessary measures to realise these goals in their own country, coinciding, in the case of women, too, with those of the Union.

However, in the years of accession preparation, the ex-socialist countries have not proved successful in boosting female employment. Despite many important and useful steps ahead to ensure equal rights to men and women (EU Accession Monitoring 2002), the social gap along the fault line of employment widened instead of narrowing, between men employed at a higher rate and women at a lower one in the organised (declared) economy and between persons enjoying social protection in the organised economy and those excluded from it.

The present paper discusses certain reasons of this social schism and the conditions of altering it.

It consists of two parts.

Part 1 discusses circumstances limiting the employment of both genders, especially of women, in the ex-socialist CEE countries, with certain differences by country, such as low retirement age compared to the corresponding Western Europe limits; the mismatch between general education and the structure of the economy, and between genuine labour demand and labour legislation adjusted to the new situation and the employment-limiting implications of labour costs.

⁴ Numerous “visions” have been expressed regarding the not-too-far future (DEMOS, 1994; Supoit al 1999; etc. Rifkin (2003.) at the time of the signing of the accession contracts of new Member States at Athens, the EU Presidency Conference’s key-speaker outlined the vision of an economy characterised by flexible demand for less and less labour – in which people find their real activities in civil society.

The same factors hinder the adjustment of labour market development to the constantly changing requirements of the economies and hence represent potential breakout points for employment promotion not only in the CEE countries, but throughout Europe.

Our main example is Hungary, but references will be made to other ex-socialist countries, too, as far as possible. (Unless specified otherwise, data originate from official national and international statistics, the Labour Force Surveys in the first place.)

Part 2 focuses exclusively on the situation of Hungarian women absent from the labour market: the reasons of their inactivity and employment options available to them within and without the organised economy. Hundreds of thousands among them would like to enter/re-enter the organised economy (irrespective of their household/family obligations), and their chances to do so depend mainly on the outcomes of the adjustment process discussed in Part 1.

1. Labour market activity of women in the CEE countries

1.1. Main trends in female employment, 1990–2003

As is well known, labour shortage was a constant concomitant of the socialist economic system which differed in every essential respect from the market economy regime. Unemployment was unknown in the socialist countries; labour shortage, on the other hand, was reproduced constantly in the typical shortage economy context (Kornai 1980). Consequently, the operation of the economy demanded a considerable “female labour input”.⁵

In the seventies and eighties, the male and female employment rates were equally high in every socialist country. With only a few exceptions, the rate of earning women attained or exceeded everywhere the full employment limit of 70%. The female employment rate was still high at the beginning of the period covered by the present analysis, in 1990, i.e., the start of the economic and political change of regime. According to the ILO (KILM 2002), the employment rate of women aged 15–64 was 76.3% in Estonia, 75.4% in Latvia and Poland, 74.1 in Slovakia, 74% in Lithuania and the Czech Republic, 72% in Bulgaria, 75% in Poland, 64.8% in Slovenia, 63.5% in Romania and 59.2% in Hungary.⁶

⁵ Many important aspects of female employment are left out from the present analysis as they are covered in detail by a comparative review of the Czech/Hungarian/Polish situation, to be published in the same volume (Fodor 2004).

⁶ Rates of under 70% were indicative of serious problems in the socialist economy. In Hungary, for example, where in the eighties, more than 70% of women was still employed, major reforms were introduced from the mid-eighties on, to limit the wasteful use of labour.

Although the decisive majority of women was employed, they usually had, proportionally with the relative development levels of the countries concerned, low-position jobs. (In agriculture, they did physical work requiring traditional skills; in industry, they were involved in assembly-line mass production; in the services, they worked as shop assistants, office clerks or administrators. Together with certain non-manual occupations, such as that of kindergarten/elementary school teacher, these have become almost exclusively female occupations.)

The very same jobs were lost in massive proportions in the course of economic restructuring in the transition economies emerging from the bankruptcy of the socialist regime. In the most difficult crisis years of 1990–1993, the collapse of the economies of the former COMECON, involved in circular trading and hence in mutual grave debts, buried under hundred thousands of jobs, reducing the employment rate by 28.7% in Bulgaria, 21.9% in Hungary, 18.8% in Slovenia, 16% in Poland, 13% in Slovakia (*Employment Observatory Central and Eastern Europe*, No. 5; Tímár 1994).

In Hungary, from 1989 to 1994, a total of around 600 thousand women exited the population of earners, and 256 thousand among them had themselves registered as unemployed (Labour Account 1994).

Although this dramatic decline gradually slowed down in most countries (in Latvia in 1996, in Hungary in 1997, in Slovenia in 1998 – in the Czech Republic and in Estonia as late as 2000), slow growth in Lithuania from 1999 and in Poland from 1996 reversed again to significant decline after 2000, and proved volatile in Slovakia, too, where, as in several ex-socialist countries, the number of employed women was still lower in 2000 than in 1995. In Romania, decline persisted even in 2002.

Job losses on such scale understandably shocked these societies, accustomed to almost full employment. In most countries (e.g. Poland), however, this was only the beginning. Economic restructuring entailed further job losses in the following years, and probably none of the countries concerned can expect unbroken improvement yet.

Although it has become obvious that none of the ex-socialist countries will regain their employment levels of 20–25 years ago, in the second half of the nineties, incessant economic restructuring has been concurrent with the consolidation of most labour markets, that is, the job gains equal or exceed job losses in the same year.

Note that, in these shrunken economies, the male and female employment rates are roughly the same as in the EU. The present apparent similarity, however, is the result of contrary processes, i.e. slow growth in female employment in the EU, and fast decline followed by stagnation in the former socialist countries.

Table 1

Some features of the labour market situation of women, 2000

Country	Activity rate (15-64)		% rate of women		% rate of unemployed *	
	male	female	to all employed	to all unemployed	male	female
European Union						
Belgium	73.7	56.4	42.2	53.7	4.2	4.9
Denmark	84.2	75.6	46.5	50.8	3.4	4.0
Germany	78.9	63.3	44.0	45.8	5.8	8.5
Greece	76.9	49.7	38.0	61.0	5.8	8.5
Spain	77.3	49.2	36.7	57.6	6.2	8.0
France	75.2	62.4	45.0	55.6	6.0	7.2
Ireland	79.7	56.5	41.3	41.3	3.6	2.5
Italy	74.1	46.3	37.0	52.9	6.1	6.7
Luxembourg	76.3	51.6	39.2	50.0	1.3	1.5
The Netherlands	84.1	66.0	43.0	56.3	2.0	2.5
Austria	80.2	62.0	43.7	52.9	2.7	2.4
Portugal	79.3	63.9	45.1	56.3	2.7	2.6
Finland	77.2	71.8	47.6	51.8	7.1	7.6
Sweden	79.8	74.8	47.7	45.1	4.6	3.9
United Kingdom	83.2	68.2	44.9	39.6	5.1	3.4
EU average	78.2	59.7	42.6	51.0	5.4	5.6

Ex-socialist countries						
Bulgaria	66.2	55.6	46.9	46.0	11.5	9.3
Czech Republic	79.1	63.6	44.0	53.3	5.9	6.7
Estonia	75.8	64.8	49.2	45.7	11.7	8.0
Hungary	67.9	52.7	45.1	40.2	4.8	3.0
Latvia	75.5	67.4	50.0	41.7	13.6	8.9
Lithuania	72.7	62.1	48.9	45.5	11.2	10.5
Poland	71.9	59.7	44.9	52.4	10.4	10.8
Romania	75.0	61.9	46.2	43.4	6.4	4.4
Slovakia	76.8	63.2	45.9	45.5	14.6	11.7
Slovenia	71.9	62.9	45.9	47.6	4.7	4.5
All	73.1	60.2	45.3	50.0	9.3	8.8

- To the economically active

Source: Computation based on the data of *Employment in Europe 2003*, pp. 209–237.

Apart from a few common denominators of the employment/unemployment situation of women, neither country group shows one or a few obvious patterns. In all probability, the social and economic characteristics of the country and its extra-economical circumstances (traditions regarding family roles, family models adopted by various age groups, including the propensity to having children etc.) are at least as important for the employment intentions of women as the level of economic development, the standards of living etc.

In the CEE countries having joined the EU, the labour market presence of women is not low in comparison with the “old” EU Member States. Their activity rates, with the exception of Hungary and Bulgaria, exceed 60%. Although none report such exceptionally high rates as would approximate those of Danish, Swedish and Finnish women, neither are there any nadirs similar to those in Italy and Greece .

The historically different development courses of female labour market participation in Europe converged in the early 21st century. So far, however, the male/female employment trends of the new and old Member States have show no changes.

In the period of general recession following 2000 – while in most EU-15 countries economic activity increased under the combined effects of modest unemployment *and* employment growth, with most new jobs created for women – 6 of the 8 new EU member states registered an increase in the male employment rate. The rate of the unemployed became higher among women and lower among men, and the activity rate also decreased first and foremost in the female population.

Beside the shifts concurrent with the short-term economic trend fluctuations, measured in decimals, the overall picture suggests two strongly marked developments:

- stagnation (and in several countries decline) in female employment and, within that,
- the improvement of the labour market chances of men and the deterioration of those of women.

Note that, in the majority of the countries concerned, more than 70% of men and less than 60% of women was present in the labour market . The rate of women exiting the labour market or excluded from it – and giving up job-search deemed hopeless – has remained high in the region, albeit with significant differences by country.

Although, for demographic reasons, women outnumber men in the adult population, within the population of earners, the rate is the inverse. Women have noticed the spread of the circle of jobs filled, typically, by men.

Obviously, male dominance has become much more marked in the labour markets of the ex-socialist countries than it used to be. In the contracted Hungarian economy, for example, between 1992 and 2002, almost 70% (68.8%) of lost jobs used to be filled by women. While more than 200 thousand jobs were lost in agriculture, the proportion of male agrarian workers rose from two-third to almost three-quarter and that of women declined from almost one third to one quarter (agrarian earners, 1992: men: 68.8%, women: 31.2% ; 2002: men: 73.4%, women 26.6%). Over the same period, manufacturing lost 90 thousand jobs, of which 67 thousand had been

filled by women. In the two production sectors (agriculture and industry), 110 thousand jobs were lost, 98 thousand by women. Simultaneously, 175 thousand new jobs were created in the services sector, 60% (104.5 thousand) of them filled by men and 40% (70.7 thousand) by women.

This phenomenon, in turn, has made a strong impression on public opinion within a relatively short time, reviving and intensifying the opinion, deeply rooted in European public thinking anyway, that men should be the breadwinners in the family.

In Hungary, for example, in 2000, when hardly more than half of women aged 15–64 was present on the labour market, public opinion polls found that 76% of men and 70% of women agreed with the statement that “The husband should earn a living for the family, and the wife should do the household chores”.

Other response scores also reflected the centuries-long conservative conception of family roles: 68% of men and 67% of women was of the opinion that “the full-time employment of a woman strains the life of the entire family”. Moreover, almost two-third of men and women said that “Being a housewife can be as fulfilling as pursuing an earning activity”. The general opinion on the social prestige of women rhymes with the above: 48% only of men and 51% of women said that “working women have a higher prestige” (Pongráczné 2002).

Let us emphasise that the above opinions are not the products of conscious or instinctive discrimination against women. Although this, too, may happen, and public opinion, of course, is well-aware of this fact,⁷ the phenomenon itself is rooted in the more general economic and social circumstances.

In what follows, we shall focus on some of the more prominent strands of the complex texture of interacting socio-economic circumstances. In order to really improve the current disadvantaged labour market situation of women, these factors need to be altered.

⁷ In another poll (TÁRKI 2000/3), a fraction only of respondents agreed that “In Hungary, men and women with appropriate qualifications/experience have equal chances to fill a vacancy”. The majority of the few who agreed was men. In groups formed by educational qualification, the proportion of affirmative answers decreased proportionally with the increase of the qualification level. 13% of women with primary qualification and only 3% of women with tertiary qualification deemed their chances equal.

Nevertheless, men and women alike rejected the idea of the positive discrimination of women. The question “Would you consider it unjust if women were given an employment advantage compared to men possessing identical skills and qualifications?” was answered in the positive and the general idea was rejected by the decisive majority (the relevant ratio was highest at 90% for women with tertiary qualification and lowest at 42% for women with primary qualification). (TÁRKI, 1998/4).

1.2. Some factors hindering the labour market presence of women and the relevant breakout points

Government politics as well as the prevalent social value system consider gender equality a high prestige issue. This governing principle is codified in the constitutions of practically every European country, including the Hungarian and the Polish ones.

Hungary joined the International Labour Organisation in 1922 and has ratified a significant part of its conventions and recommendations in the course of the decades. The same principles are asserted in the national labour legislation/labour codes of several ex-socialist countries, such as Bulgaria, the Czech Republic, Poland and Lithuania (EU Monitoring 2002). Since 1996, Hungary as well as Poland have been members of the OECD – together with the Czech Republic having joined it in 1995 –, and since 2004 of the European Union, together with another seven East and Central European ex-socialist countries.. As mentioned already, Hungary ratified the CEDAW Convention, too, and makes serious efforts to realise the Beijing objectives. These have proved satisfactory in several areas – e.g. legislation.⁸

As indicated by this list, Hungary – the same as the other ex-socialist countries – does its utmost to adjust to the maximum the common principles and expectations regarding human freedoms of the more advanced part of the world.

Its backlog in catching up, relative to its own expectations, too, is explained – but not excused – by the distant and more recent historical circumstances of the country, the same as in the other ex-socialist countries, facing similar problems of adjustment to the new requirements implied by market economy and, simultaneously, its fast-changing demands (not an easy task in Western Europe either) (Auer et al 2001).

To date, the factors to be discussed in what follows are mainly *facts* for the ex-socialist countries. Some will only change in the long run, by spontaneous development, while others can be altered by conscious political will. We shall focus on those among the latter that may contribute to the improvement of the labour market opportunities of women.

Obviously, the low employment rate of women is decisively due to these circumstances, and hence any changes of merit must also depart from there.

⁸ In January 2004, the Hungarian Parliament passed Act CXXV of 2003 on Equal Treatment and the Promotion of Equal Opportunities. Since 1996, the assertion of the principle of equal opportunities has been supervised by a government agency. In 2003, Equal Opportunities, an independent, government-level organisation was created, headed by an official in ministerial rank.

1.3. Breakout points

1.3.1. Retirement age

One of the most controversial legacies of the socialist regime is what qualifies as low retirement age in European comparison.

The advanced economies have already encountered the problem implied by the combination of low birth rates – increasing life expectancy for sustainable pension schemes. (EU Adequate and sustainable pension 2002.)

From a labour market point of view, the problem is phrased in a different way.

a.) Both life expectancy and retirement age are significantly higher in the advanced European countries than in the CEE. Retirement age gaps are especially marked for women. In most developed countries, active age ends at 64 and eligibility to full pension, on certain service period and insurance history conditions, starts at 65. Although retirement age is sometimes lower for women than for men, it is higher without exception than in the ex-socialist countries. Reforms are underway in the latter, too (Fultz et al. 2003), but male and female retirement age limits are still different and will remain lower than in the developed economies after the reform as well.

b.) Until the second half of the nineties, the typical retirement age limit in the ex-socialist countries was age 60 for men and age 55 for women. The reforms raise these limits somewhat.⁹

Note that neither does life expectancy increase in the CEE countries at a rate similar to that in the advanced economies. In Hungary, for example, where around 1950 life expectancy at birth approximated the average of the 15 EU Member States of the pre-2004 era, in 2003, the corresponding figures were 5.1 years lower for women and 7.2 years lower for men than in the Union. (CSO Reports, 2003/4; 30).

Although on certain conditions, somewhat different by country, persons reaching retirement age can, in principle, keep working if they want to and have an opportunity, the vast majority is driven outside the labour market. At times of economic decline or permanent recession, such exits, often encouraged by central age-exemption measures, signify an escape route from uncertainty and unemployment.

⁹ Retirement ages: Czech Republic: men (2006) 62 years, women (2007): 61 years by 2007; Estonia:: men 63 years, women (2016) 63 years; Hungary: men (2003): 62 years, women (2008): 62; Latvia: men/women: 62 years, at an increase of 6 months/year from 2000 on; Lithuania (2009): men 62.5 years, women 60 years; Poland: men : 65, women 60 years, Slovakia: men 60, women 53–56 years; Slovenia: men 63, women 58–61 years – raised gradually from 2000 on (Fultz-Ruck, 2001).

As a result of the above, in the nineties, hundred thousands of women left the labour market in the CEE countries some 10 years earlier than their Western European peers. The increase in retirement age corrects this disadvantage in part only (for both sexes).

In the context of shrinking employment, the general practice was to send persons having reached retirement age to pension. Prior to the change of regime, many among them remained in employment, in pensioner status (in Hungary, for example, in 1989, 220 thousand men and 281 thousand women remained active, as their contribution was considered necessary under the given economic conditions). In the transition period, the employment of pensioners came to an end. The Hungarian Labour Code rules that the employment relationship of pensioners can be terminated without justification, and employers tend to make this a routine procedure. In 2000, of a population of around 1.5 million past retirement age as defined in Hungary and under 74 years of age, a mere 27 thousand men and 37 thousand women were employed or active job-seekers. The majority of workers in this category were self-employed persons or degree-holders in non-manual occupations. The pensioner generations were gradually forced out of the labour market.

As in most European countries, labour demand focuses on those of prime working age (ages 25–54), and especially men among them in the CEE, too. The employment rates of these age-groups have been permanently high in the EU (the rate went up from 74% in 1992 to 77% in 2002; the male employment rate to around 87%, and the female one from 60% to 67%). (Employment in Europe 2003).

The corresponding rates of the new member countries, although lower than in the eighties, are of a similar order (2002: 72% of all employed; 78% of men and 67% of women in the age group of 25 to 54) (Employment in Europe 2003), due partly to the fact that the generations concerned are under retirement age in both groups.

Although the residents of the ex-socialist countries now reach retirement age at a somewhat higher age than previously, they are still forced to exit the labour market then. This is highly unfortunate, especially for women, if only due to their often quite low pension, the result, in turn, mainly of their previous low-qualification/low-paid jobs.

The labour market participation rates of the ex-socialist countries are currently inevitably lower in international comparison than those of the countries defining a higher employment age ceiling.

The analyses of large international organisations (OECD, EU 2002) on sustainable pension suggest that, instead of the further increase of retirement age, the solution lies in creating job opportunities for those who are able and willing to continue working. (Ageing ...OECD 2001; Adequate... EU, 2002). In the ex-socialist countries especially, individual and social aspirations coincide in this respect.

To quote a Hungarian example again: according to a survey of the Research Institute for Demography covering middle-aged and older persons under retirement age, querying the general social attitude to ageing, although most would prefer to retire at an earlier age (and there is hardly any difference between the opinions of men and women in this respect), the closer they get to retirement age, the more seriously they consider the possibility of activity afterwards. One third of persons past 55 still at work actually plans to do so. Among the inhabitants of Budapest, the capital, the rate of prospective active pensioners, whether in the capacity of employee or self-employed, is well above the average, whereas those living in smaller settlements expect to earn a supplementary income in agriculture. More than 50% of persons with secondary and especially with tertiary qualification below retirement age hope to find a job of some sort, while among those with lower-level qualifications, the corresponding rate is less than 20%, probably due to their realistic assessment of the relevant opportunities. (Dobossy et al. 2002)

Former agricultural workers living in villages/small settlements have the best chances to work in pensioner status. After the disintegration of the co-operatives, hundreds of thousands – having lost co-operative member/employee status and preferring pension to unemployment – acquired land again, and work on small plots of land qualifying, officially, as “smaller than farm size” (in 1996, 124 thousand retired men and an equal number of women registered at least 90 days of agricultural work according to CSO).¹⁰ Such small plots of land mainly provide for the household, although relatively many produce for sales, too.

Pensioners working on family farms, however, are assigned to the category of the inactive under the Labour Force Surveys. This has several reasons, including the Hungarian taxation system, which grants practically full tax exemption to a multitude of subsistence farms (and hence relieves them of the registration obligation, too). The persons concerned also consider themselves pensioners, not employed. This is partly due to the general attitude, quite widespread in the ex-socialist countries, identifying “employment” with permanent, full-time work for pay under regulated conditions implying specific rights and obligations.

Men and especially women retiring at an early age represent a major reserve pool of labour. In order to “activate” them – or have their activities recognised as employment –, however, many of the current regulations ought to be changed and new opportunities be created for non-standard employment.

1.3.2. The qualifications of women

The signs are that women exiting the labour market – and having the least chance to re-enter it – typically have low educational qualification and no vocational skills.

¹⁰ Fóti–Lakatos. 1998.

The Hungarian population census of 2001 showed that, within the active population (i.e., persons aged 15–64), 4% had incomplete primary education, 56% finished 8–12 grades, but had no GCSE, 28% had GCSE and 12% a degree. The respective female rates exceeded the male ones among those with secondary qualification and were lower than those for degree-holders.

The propensity for learning has spread among the youth, and especially among young women, representing the majority of students past 15 since the mid-nineties.¹¹

In the transforming economy, the number of non-manual jobs, to be filled by persons with better qualifications, have been rising permanently.

The educational qualifications of adult women (ages 25–64), however, show rather extreme differences. One third completed 8-year primary school or less (ISCED Levels 1–2). The same rate was one quarter for men, and deteriorates with age for both sexes. Among those at Level 3, the rate of skilled worker men is twice that of women (39 and 19%, respectively), while 28% of women and only 18% of men have GCSE. Persons with tertiary qualification (ISCED Levels 5 and 6) include a somewhat higher proportion of women than men (14.6% vs. 13.8%), while around two-third of the 6,500 persons having PhD or DLA are men.

Economic demand offers better chances to those with higher qualification. Prior to the nineties, the level of schooling defined one's labour market chances to a large extent. Unskilled women usually did routine physical work in agriculture, or earned their living as semi-skilled workers in manufacturing. Most persons with GCSE filled administrative jobs – actually, for women, the acquisition of the GCSE meant they aspired for “office” work. (In numerous Hungarian families, the wife typically did administrative office work and the husband was a skilled worker of some sort.)

In the transforming economy, non-manual activities and hence jobs to be filled by those with better education have kept proliferating. By the early 2000s, women had outnumbered men among non-manual workers thanks to their educational attainment. On the basis of the international classification system taking into account educational attainment, too, in the non-manual jobs, absorbing around 40% of earners, the rate of women exceeds 60%; 930 thousand of the 1.5 million *white-collar* workers are women. In non-manual jobs requiring lower educational qualification, as clerks, simple administrators filled in more than 90% of the cases by women however, the demand for them declined. In 1994 (at the time of the earliest data suitable for comparisons), women in simple office/administrative jobs represented one third of non-manual workers. By 2002, however, their number had dropped by more than 60

¹¹ The high rate of girls among those remaining in education is typical in other ex-socialist countries, too. In the OECD countries, it exceeded 90% for girls aged 15-19 in Poland, it was 86-88% in the Czech Republic and in Hungary; the corresponding rates for those aged 20-24 is 47% in Poland, 37% in Hungary and 25% in the Czech Republic. The corresponding rates are lower than in Poland and Hungary only in Slovakia, at 67% and 27%, respectively. Education at a Glance, OECD, 2002).

thousand, (from 290 thousand to 230) and their rate among non-manual workers fell to one quarter.

On the other hand, new opportunities have presented themselves for women with higher schooling. 60% (108 thousand) of the 179 thousand new jobs created from 1994 to 2002 requiring secondary/tertiary qualification (job groups 2 and 3) were filled by women. Nevertheless, in the group of “Legislators, managers in administration, interest representation, business”, their rate is around one third only, but this is independent of educational qualification issues. One significant reason is the traditional, conservative attitude of society, taking for granted the “leading” role of men, and another is the refusal of the majority of women to occupy typical “male” positions at the workplace, to act as the boss, and their realistic assessment of their own forces, especially in relation to family tasks, which remained mostly their burden.

The importance of vocational skills has increased in the manual occupations, too. Among non-manual workers, representing 60% of earners, the proportion of women fell from 39% in 1992 to 35% by 2003, and, while, the unskilled ones lost their job; mean at the same time, the proportion of male skilled workers increased by around 2 percentage points, and that of female ones by almost 10 percentage points.

Hence the distribution of employment opportunities by education has changed considerably. A multitude of unskilled persons have been left without a job (and an earning).

In 1992, 45% and 57% of unemployed men and women, respectively, had filled non-manual semi-skilled or unskilled workers’ jobs previously, typically with primary education. In 2002, 50% of unqualified jobless men, and less than 10% of unqualified jobless women were active job seekers. Most unqualified women have over the years given up hope to re-enter the labour market.

Economic restructuring (the slow but permanent shrinking of agriculture, and the internal, branch-level, restructuring of the manufacturing industry as well as the growing labour demand of the services) no doubt played a significant part in the worsening labour market position of uneducated women. The same developments have resulted in the significant improvement of that of educated women, but also in gender segregation in certain occupations.

As mentioned already, some occupations, manual and non-manual alike, have been “monopolised” by women.¹² CSO examined the gender distribution of 617

¹² As in the advanced economies, certain occupations have been “expropriated” by women, often to an even larger extent than in Western Europe. For years, more than 90% of simple office clerk and administrator positions has been filled by women and in most CEE countries, they are in majority in the judicial bodies, too (Hungary: 70%; Romania, Slovenia: almost the same rate, Czech Republic,

occupations in 1994 and in 1999 on the basis of the Labour Force Surveys. The survey findings were essentially identical. In 1999, there were 67 occupations (clerk, kindergarten teacher, district nurse, midwife, hygienic gymnastics teacher, cosmetician, social worker) filled decisively (min. 90%) by women, representing 36% of all employed women. Nurses and health care assistants were also almost exclusively women. (CEDAW/C/HUN/4-5).

The preference of women for certain lines of tertiary education has also remained unchanged. In the training of teachers of handicapped, primary-school and kindergarten children, respectively, and at the social faculties, women represented 80–96% of students in 2001. The corresponding rate was much lower in technical and IT training (23 and 16%, respectively) (Nők és férfiak, 2002; 47). In 2003, 4 only of the 400 first-year IT students of a Budapest university were girls.

Tradition, fashion and life-career images are not easily altered, especially in the more backward areas of Eastern and Central Europe, where traditional forms of thinking and behaviour tend to be preserved by low education.¹³ Girls are reluctant to leave the beaten track but, on the other hand, the occupations they tend to choose on pragmatic grounds are such as have been and probably will be in demand.

The real problem is the (re)integration of unemployed women having given up job search, i.e. of inactive women. Economic structure tends to follow the same line of development as in the advanced world, albeit at a different pace. In Hungary, the current transformation still threatens with job loss a multitude of men and women (due to streamlining envisaged in mining, in the army, in public administration or to steady market loss in several manufacturing branches such as textiles and clothing, footwear and the food industry).

True, the steadily transforming economy has no demand for either unqualified or older female labour. More precisely, the traditional, “legacy”, conditions of employment, prevent their exit from the household and force them to cede earning occupations to men.

In this hopeless situation, having lasted for years, a growing number of non-earning women feel, if only in self-defence, that they do not mind their inactive status.

Two CSO surveys, one in 1995, the other in 1999, queried if working-age women considered it important that women have an earning occupation. Positive answers reduced quite significantly, from 73% to 67% from the date of the first to the second survey. The overwhelming majority of women in contact with the labour market i.e.

Estonia: around 60%. In the UK, the corresponding rate is under 20%, in Norway and Germany under 30%. – UNECE Gender Statistics Database).

¹³ In Hungary, in the fifties and sixties, there were several campaigns to make women choose a tractor driver's career, doomed to failure as the village population judged the activity of women working with men, in the same occupation, under the same conditions “immoral”. (Farkas 2003)

employed or unemployed women (73 and 70%, respectively), and especially those in non-manual occupations among them (79 %) considers it important that women have earning occupations, (KSH, 1999, Frey) while 40% of the inactive – especially those absent from the labour market on parental leave – says women should deal exclusively with the household and child-rearing (Pongráczné 2002).

1.3.3 Labour legislation, labour costs

Stagnating employment for years and the need to reverse the trend of inactivity growth have called the attention of the CEE countries, too, to the social context of employment, with special regard to the relevant legislation, and to employment-related taxes and contributions. It is becoming ever more obvious that, to date, both hinder employment growth among men and women alike.

Public opinion generally associates economic revival with employment growth. In the less developed CEE economies, this expectation has been enhanced by the renewed, massive, inflow of foreign capital producing a multitude of jobs, as well as the resulting domestic upswing. True, these circumstances are of great help. However, the fuller exploitation of the improved economic trend context requires better adjustment to the changed economic conditions.

In addition to re-shuffling the broad sectors, economic restructuring, referred to several times already, altered the typical size of business entities, too. With a few exceptions, giant industrial plants and agricultural co-operatives with occasionally more than 10 thousand staff disappeared. 96% of the hundreds of thousands of active business organisations consists of so-called micro enterprises with less than 10 (most often 1–3) staff. Their demand for extra labour is extremely modest or none. They typically need specialised assistance (book-keeper, loader, administrative staff, temporary replacement at the shop while they are away, suppliers etc., for a few days' or hours' time) rather than full-time employees. The multitude of households have similar needs for helpers, ranging from casual manual work to the supervision of children, old or sick persons. If no family member/friend can do the work as a favour, they look for temporary paid help. In the advanced economies, such activities are contracted out to another company. In the less developed ones, this happens more sporadically, mostly at larger settlements with a denser network of business enterprises and a more stable clientele. So long as different reasons (capital shortage among others) hinder the appearance of professional helpers, micro-enterprises organise a network of casual helpers around themselves, including anyone capable of doing the work, pensioners, students, second job holders.

On the other hand, new demand has emerged in many areas of the economy, partly for permanent part-time employment and partly for fixed-term employment in the seasonal branches (agriculture, construction, travel, catering, trade – occasionally on several occasions per year, etc.). The relevant demand exists for a few months or a few hours, depending on the nature of the peak periods, and would provide work opportunities mainly for non-earner women, older and younger, with lower or higher

qualification, representing a major reserve pool of labour. However, society and labour law has no answer as yet to the new demands. The gap between the standardised regulations responding to the (Fordian) large enterprise setting on the one hand, and the highly varied new demands of the economy to date on the other has not been bridged so far.

Such temporary demand, present with certain differences in every ex-socialist country, however, is difficult to satisfy due to the single-focus approach of the effective legislation and the extent of wage-related taxes and contributions.

The developed European countries have paid considerable attention to the rapid spread of precarious work since the eighties (Rogers, G. and J., 1989). In the nineties, atypical employment, i.e., part-time, fixed-term and temporary work, was subject to a series of international surveys (Delsen 1995; Employment Outlook 1996, 5–22; 1999, 18–46; 2000, 155–199. etc.) In the same years, a legion of experts set out to identify the distinctive features of typical/atypical work (Burchell–Deakin–Honey 1999), while labour statisticians at national organisations operating under the auspices of the UN Statistical Committee and at large international organisations proposed to redefine employment statuses. The international research team set up on the initiative of the European Commission summed up the principles of the inevitable changes in labour legislation, stating the following: “Labour law, and the social protection deriving from it, tend to become standardised in the sense that they favor labor relationships that fall into a single pattern (based on the binary system, subordinate/independent work) and guarantee workers passive individual security, homogeneous working hours, relatively independent collective bargaining and a special status for public officials, associated with the notion of public service.” In their opinion, however, all three pillars of this system have collapsed: the Fordian production model, with the man as earner, head of the household, breadwinner, the Fordian trade unions bargaining at branch (not trade) level, and the Keynesian state sustaining domestic demand even at the risk of inflation and protecting the domestic market from foreign competition. The way out lies in the reform of the labour legislation, its adjustment to reality and the new social context, including the more selective application of wage-earning status (Supoit et al. 1999).

The increasingly distinct opinions on the changed world of labour make large international organisations feeling responsible for workers take diverse steps in roughly the same direction, including the global UN action to ensure gender equality and prevent discrimination against women in every area. The OECD announced the slogan of “making work pay” in 1996, directed against low-pay work and also gender-specific wage gaps. For years, the European Employment Strategy has given increasing emphasis to providing better jobs to all. The ILO set the requirement of “decent work”, i.e. work under conditions guaranteed by labour law, demanding social protection for all workers irrespective of the nature of the employment relationship (ILO 2002).

Obviously, the demarcation lines between earners within and without the organised economy on the one hand and between those employed under traditional schemes and

in precarious jobs in the former segment, without proper protection measures, tend to become more marked.

In most European countries, job creation meant part-time work, typically for women. In the 15 member states of the EU, in 2002, one third of female earners were employed part-time (the corresponding male rate was under 6%) (Employment in Europe 2003). The decisive majority (80%) of women chose this form voluntarily, not for lack of full-time jobs (Employment in Europe 2000, pp. 30–35.) (Note that part-time employment is the most generally regulated new employment option. This is the collective term expressing the employment aspirations/possibilities of a multitude of women. In practice, more types of employment would be needed. As of now, we use the term as a synonym for all flexible forms of employment, as it is understood by public opinion.)

In Hungary, a significant proportion of female *earners* would like to work part time (at least this has been their declared standpoint for decades), mainly to be able to fulfil their family duties, too (Frey–Gere 1994; Frey 1996, 2000, 2002). This form would be especially popular among mothers raising two children (in 1978, more than one third and in 1991 more than half among them would have chosen this alternative) (Pongráczné 2002). *Unemployed* women, on the other hand, do not consider part-time work so attractive: the majority would prefer a full-time job, as in a few other countries of Europe, where the rate of part-time employment is low ¹⁴. In answer to the relevant recurrent LFS question, in 2001 only 1000 of the 90 000 female respondents expressed their preference for part-time work, although a few tens of thousands would have accepted that, too, for lack of a better alternative (the corresponding rates hardly changed in 2002).

Among Hungarian earners, the actual part-time employment rate has been stable at 5–6% for some time. Part-time workers typically include two major groups: employed pensioners – in whose case the wage/working time relationship is often reversed: instead of calculating wages on the basis of working time, payable wages are converted back into statistically accountable working time –, and “real” part-time workers, employed mainly in trade, especially by the shopping malls of big international organisations, in the capacity of cashiers, sales-persons etc., as required by the daily/weekly/monthly fluctuation in turnover (Seres 2001).

Hence, although many women consider part-time work an attractive option, it has so far not become a successful employment promotion option in Hungary. One obvious obstacle is that most families cannot afford to renounce half/one third of their income (Pongráczné 2002). On the other hand, neither are employers interested in part-time employment, given the fact that one labour cost element, the so-called health care contribution, whose amount, raised year on year, currently corresponds to almost 10% of the minimum wages, is payable on an itemised basis, irrespective of working time. (Only big international companies consider this insignificant, as the wages payable in

¹⁴ According to a survey of 1994 covering 11 EU countries, preference for part-time -work increased proportionally with the spread of part-time work and vice versa (Delsen 1995).

the ex-socialist countries, public burdens included, are still much lower than in the advanced economies. However, such companies employ but one quarter approximately of Hungarian earners, mainly in manufacture) (CSO, 2003).

For the domestic companies, on the other hand, employing the other three quarters of labour, each and every item imposed on wages is considered a factor aggravating the general situation and the competitiveness of the business entity concerned. Although employment policy took a cautious step in 1997 to preserve jobs and promote, in this context, the part-time employment of women raising small children and of persons near retirement age and disabled persons, this effort, “fortified” by excessive conditions, was countered by other measures of the government (such as the increase of the health care contribution referred to above). The intention to support the part-time employment of women with small children went by and large unnoticed, given the absence of potential job opportunities.

Other positive initiatives have met with a similar fate. One related to the so-called Casual Employee’s Booklet (CEB), a system designed originally to keep up the labour market presence and eligibility to social allowances (health insurance, unemployment benefits) of men and women having lost eligibility to benefits but unable to get a job, by certifying to specific, short, employment spells, and allowing the employer to meet tax and contribution payment obligations in a simplified way, by sticking stamps into the Booklet.

CEB, extended later on to other persons undertaking legal employment (earners, pensioners, students etc.), has become somewhat more popular with the reduction of public burdens. The latter, however, adjusted to the minimum wages ever, have still been too high for the casual labour demand of small enterprises/households, implying lower costs if kept without the organised economy.

Certain superficial similarities apart, the developments having taken place in the ex-socialist countries have not been modelled on those analysed by the Sapiot Group, but they have nevertheless led to the establishment of a uniform employment regulation system. The transformation will probably be extremely difficult in the ex-socialist countries, where after the nationalisation of the means of production and the institutionalisation of the plan economy, directly or indirectly, the bulk of earners became public employees. What is today regarded as “traditional” employment became the rule uniformised at the giant companies and in the public services, assimilating gradually the majority of components, from the manner of employment to the, partly mandatory, allowances due to workers, present in similar plants/services in Western Europe.

The state as the biggest employer (apparently) depended on neither the global market, nor its rivals, and the central budget (and subsequently the public debt) covered the burdens of economically unjustified employment and allowances granted independent of the relevant performance indicators.

At the time of the collapse of the socialist regime, resulting in the loss of hundred thousands of jobs, practically no steps were taken to alter this uniform regulation system and introduce more varied forms of employment. Although the governments concerned have been promising for years to establish the legal conditions of part-time work, to promote the employment of women among other reasons (e.g. 2000 Country Report to CEDAW , p. 47.), this has not been realised so far.¹⁵

The arguments for and against part-time work are well-known. However, in the ex-socialist countries, Hungary included, women intending to work have essentially two options: legal, part-time, work and lower earnings or nothing at all, or even exclusion from the organised economy.

Of course, the easing/simplification of regulations governing work-time schedules, allowances, paid leave and notice period or severance pay is difficult for several reasons. The trade unions resist any effort to curtail acquired rights. The ideal of the unemployed population is “real”, i.e.. permanent, full-time, employment secured by legal regulations and rules in every respect (Wallace, 2002). However important the achievements ensuring worker protection, it is equally important that they should not hinder the employment of those waiting for a job. Delayed adjustment, rigid rules protecting the *present-day* interests of those in employment actually hinder the flexible, adjustable and competitive operation of the economy, i.e., its *future*.

The steady increase in wage-related taxes and contributions for years, although a different matter, has had a similar effect (Lindnerné 2000). According to the experts, the Hungarian taxation system is essentially EU conform. However, wages and labour in general are subject to very high taxes and contribution payment obligations – the highest in both the OECD and the EU countries. (According to a World Bank analysis, employers and employees together pay the budget HUF83 on every HUF100 of paid wages, the highest amount in the 26 countries covered by the study. Hungary is followed by Slovakia and then Poland. In the USA, the corresponding tax rate was half of the Hungarian one. Australia and Switzerland impose the least tax on labour. Riboud et al. 2001). Labour costs hinder employment especially in the lowest wage category, that of the minimum wages (Kertesi–Köllő 2004), while those concerned – including, as we have seen, the population of inactive women –represent the greatest reserve pool of labour.

The consequences of high labour-related taxes are well-known: they act against employment growth and hinder the introduction of part-time work and other flexible forms of employment. Instead of “regular” employment in the organised economy, employers and employees alike look for “cheaper” solutions. Part of workers simply exit the organised economy: they do not have themselves registered anywhere, do not request social protection, pension and health insurance. (The high inactivity rate of

¹⁵ On the contrary, new regulations sometimes include additional, detailed, employment provisions, impossible to comply with (e.g. mandatory leave to students doing casual work through school co-operatives), neither are there any special conditions to facilitate the employment of school-leaver youth.

Hungarian men aged 19–24, to be attributed in all probability to individual/family reasons – cf. Table 2., is indicative of this attitude. In 2002, more than a hundred thousand young men and a similar number of men of “prime working age” (24–54) had dependent status. The even higher inactivity rate of women – to be discussed in more detail later on – generally refers to “real” dependent status.) From the point of view of taxation, the key point of “illegal” employment is the tax burden itself.

Despite the reduction of various personal and corporate tax items, labour-related taxes overall have not diminished significantly. Employers still find employees “expensive”, and the burdens to be paid to the central budget increase proportionally with the wages (the state had to offset the unintentional, negative, employment effects of the minimum wage increase by special compensation measures). The taxation system should, sooner or later, be adjusted to the real needs of the economy, in which a multitude of enterprises and households would demand part-time workers, not workers employed under the traditional scheme, on a full-time basis.

The elbow room, however, is probably smallest in this respect.

Per capita GDP, the generally accepted success indicator of prosperity, is still half/one third only in the CEE transition economies of that in the more well-to-do European countries.¹⁶

The same is, of course, reflected in other development indicators, including among others the employment structure of the economies concerned, hence the relatively high share of agricultural and low share of services employment (in the well-to-do countries, the latter is typically high).

The governments of the CEE countries, fighting balance problems, cannot renounce the obligation to fulfil common social tasks and hence need every cent available for budget planning generated by employer and employee contributions. Given the high costs of labour, however, employment cannot increase in the organised economy – hence the flight from the organised economy continues, and that is disadvantageous to all concerned.

Any change of merit would require a reform of state finances, a re-interpretation of the communal tasks/obligations of the state. And although every government in power since the change of regime has been fully aware of that, they all shrunk back from that task. Postponing it, however, is detrimental both economically and socially, for it tends to divide to a growing extent the adult population into employees of the

¹⁶ According to the calculations released by OECD, in 2000, the average per capita GDP (at purchasing power parity, in USD) was USD24377 in the EU Member States (it was highest in Luxembourg at USD46743 and lowest in Greece at USD16817), but those of the Czech Republic and Hungary, following them in rank order, corresponded to 59 and 50%, respectively, of that, and the averages of the other countries were even lower (Poland:39%, Lithuania: less than 30%). (OECD, 2002).

organised economy, enjoying legal and social provisions, on the one hand, and persons unable to enter the labour market on the other.

2. Women outside the labour market

As mentioned repeatedly above, within the Hungarian population aged 15–64, the rate of inactive women, dependent on society and/or their family, is high and on the rise. (According to the population census data, in 1999, 1.5 million women aged 15–64 were inactive, in 2001 1.7 million, i.e. 41 and 48% respectively of the age-group concerned. The corresponding rates for men are 23% in 1990 and 34% in 2001.) Owing to the relatively low but increasing working-age limit (2003: 15–58), the current figures are somewhat more moderate (1.3 million, 42%).

A certain rate of inactivity is a natural phenomenon in every society. In Hungary, even in the years of quasi-full employment, there were always some 350–400 thousand women who could not or would not engage in work for personal or family reasons. Obviously, this type of inactivity exists to date, too.¹⁷ At the beginning of the transition period, many women experienced unemployment as an unexpected “vacation” allowing them to put their household into order, have more time for rest and leisure activities, etc. By the time their unemployment benefits had come to an end, however, they realised the true meaning of unemployment. For the great majority, the situation having evolved by the 2000s is the direct or indirect result of changes having taken place in the labour market. In the organised economy, in addition to the narrowing of the more expensive forms of employment under the “traditional” forms and the lack of “cheaper” employment opportunities, the decisive reasons, other pre-conditions of female employment have deteriorated as well. For example, with the collapse of the large (state, co-operative) organisations, the creche and kindergarten facilities provided by them disappeared as well, and the local municipalities could only take over a fraction of these. The many families that cannot do without a second earning obviously cannot afford to pay the fees of private kindergartens, having proliferated recently and mostly offering special services, either. The costs of transport, of commuting, have also increased, and this makes job-search focusing on places at a distance from the place of residence superfluous for uneducated women who would have a low pay anyway.

The growing population of inactive women includes representatives of every age group, from 15-year-old girls having finished their studies but unable to find a job due to their age/lack of qualification, to women having retired with age exemption, caring for their grandchildren and refusing to re-enter the labour market. They include students and persons with the most diverse qualifications, although the majority, similarly to the decisive part of the population, has low or no qualification.

¹⁷ Although not a typical case, some women in Hungary can afford dependent status thanks to the relatively higher earnings of their spouse, without feeling an urge to contribute themselves to earning a living for the family. However, most families are well below the standards of living customary in the more well-to-do European countries, and this in itself is a rather strong drive acting in favour of the preservation of the two-earner model.

Beside their demographic diversity, it is a common denominator that they are all in need of the support of others (society, family) for a living. The inactivity of the largest groups among them is promoted socially. Actually, the first two of the three typical instances of inactivity –education, child care and retirement with age exemption – are encouraged and supported by society.

Table 2

Composition of the working-age inactive population, 1992–2002

Year	Ec. inactive '000 * =100 %	<i>of which:</i>							
		Student		On parental leave **		Pensioner		Other reason	
		'000	%	'000	%	'000	%	'000	%
1992	1,677.4	652.8	38.9	240.2	14.3	383.8	22.9	400.6	23.9
2002	2,298.3	694.8	30.2	286.9	12.5	760.8	33.1	555.8	24.2
<i>of which: women</i>									
1992	955.0	320.2	33.5	237.1	24.8	151.0	15.8	246.7	25.9
2002	1,321.1	347.3	26.3	282.6	21.4	381.5	28.9	309.7	23.4

* According to the Hungarian limits of working age

** Not including the employed and active job-seekers

Source: LFS, 2002., CSO, 2003.

The growth of inactivity is no doubt due in part to the growing propensity of girls to remain in education, referred to in another context already.

In 2002, 27% of inactive women was absent due to studies, a profitable activity for individual and society alike.

Another socially encouraged and supported form of absence from the labour market is child-care.

Birth rates have declined radically throughout Europe since the seventies. (In Hungary, 146.5 thousand children were born in 1960, only 97 thousand in 2001 and 96.8 thousand in 2002. The fertility indicator (live births per thousand females) of women aged 15–49 was 58.9 in 1960 and 38.1 in 2000.)

Similarly to numerous European countries, Hungary carries out an active family policy to halt the decline in birth numbers, among others by assisting parents in staying away from the labour market until the child reaches the age of 2 or 3.

The regulations governing parenting allowances, introduced in the sixties as one of the first of their kind in Europe and first limited to employed women, were amended countless times over the decades. The most important changes include eligibility on citizen's right to all mothers or, under specific conditions, to either parent. In addition to this fixed amount child-care aid, available on citizen's right until the child reaches the age of three, in the nineties, not in the least under the impact of the ever shrinking labour market opportunities, two further forms of child care allowance were

introduced. One was the so-called child-raising support, introduced as an alternative to unemployment, viz. as an escape route in some sense. This form of support is available to mothers raising 3 or more young children in their own household (qualifying as service period from the point of view of eligibility to pension). The other was child-care fee providing earning-proportional support to women having had an earning occupation previously, for a period of 2 years.¹⁸ Although, in line with the principles of gender equality, with the exception of the child-raising support, all other forms are available to men too, they are almost always used by women.

Despite the decline in birth numbers, the number of persons on parenting leave for 2 or 3 years with (modest) support is on the rise: it increased from 245 thousand in 1990 to 287 thousand (including 282 thousand women, representing 21% of inactive women) in 2002.

Early retirement is yet another socially approved option. In addition to age exemption due to health reasons or the circumstances of work in some occupations, in the early nineties, the option of early retirement was available, too, from a certain age on. The objective was clearly to ease certain labour market tensions and prevent the further rise in the already high unemployment rate. (After 1997, parallel with the increase in retirement age, this option was restricted considerably.)

The number of men retiring at an early age doubled and that of women tripled in the nineties (1992: 151 thousand, 2002: 360 thousand). In 2002, early retirees represented 27% of inactive women.

Inactivity due to socially accepted reasons has justified, for years, around three-quarter of absences from the labour market.

The absence of the fourth quarter, of more than 320 thousand women, on the other hand, has no such obvious reason as the above. It is probably due to other, probably individual or family, reasons, as they are neither students, nor mothers with small children or pensioners. Apart from that, the members of every age group are represented (those aged 15–19 in the smallest and those 45–49 in the largest proportion).

¹⁸ The monthly amount of child-care aid/support (2002: HUF20,100), corresponding to the minimum old-age pension, equalled 16.4% of the gross average wages and 24% of the average wages of manual workers in the same year. Persons on child-care fee after employment received 70% of their average daily wages, not exceeding HUF83 thousand per month. In 2002, the average monthly fee was HUF45 thousand.

Table 3

Age-group distribution of persons absent from the labour market for unknown reason, 2002

Age group	Inactive		<i>of which: reason of absence unknown</i>					
	‘000	%	‘000	% rate to the inactive	men		women	
					‘000	%	‘000	%
15–19	590.9	93.2	96.3	16.3	51.7	17.5	44.6	15.1
20–24	334.5	45.2	95.5	28.6	52.9	35.4	42.6	22.9
25–29	203.7	24.9	62.5	30.7	28.1	57.6	34.4	22.2
30–34	155.3	22.0	56.0	36.1	20.9	67.9	35.1	28.2
35–39	111.5	18.0	50.9	45.7	17.6	53.0	33.4	42.5
40–44	121.7	18.4	59.7	49.1	20.4	42.6	39.3	53.3
45–49	179.4	22.3	64.4	35.9	21.6	28.5	42.8	41.3
50–54	227.8	31.3	50.6	22.2	16.9	17.1	33.7	26.2
55–59*	300.4	59.0	27.4	9.1	12.3	98.6	15.1	8.7
60–61	73.1	78.9	1.5	2.1	1.5	2.1	-	-
Aggregate	2,298.3	36.2	564.8	24.6	243.8	24.9	321.0	24.3

* Women: ages 55–58

Source: CSO data

Absence from the labour market may be voluntary or involuntary (i.e., a decision taken under some constraint, such as the need to care for a sick family member, one's own state of health, residence in a small settlement offering no employment opportunity etc.). Although in most cases it is difficult to draw the line between the two (e.g. whether a girl of 15 or 16 having finished school is kept at home by the family because they consider her too young for an earning occupation or because they know she would not be employed anyway given her lack of qualification/experience), the employment intentions of women suggest that their dependent status is usually due to a decision taken under some constraint.

2.1. Employment intentions of inactive women

In 2002, 60% of inactive women had had an earning occupation previously. Some had exited the labour market more than eight years earlier, due to job loss or child-care leave/retirement. With the exception of those in education and of those near retirement age, the great majority, hundreds of thousands, would have liked to work again – in 2002, mainly those on child-care leave and almost 40% of those absent for personal/family reasons. Inactive women hoping to be re-employed, although not making a personal effort to that effect, have outnumbered for years the group of active job seekers (2002: 236 thousand vs. 100 thousand).

Re-integration to the labour market, however, is not an easy task.

CSO has carried out recurrent surveys since 1994 to investigate intentions and chances to re-enter the labour market among persons on child-care leave.

In the beginning of the decade, parental leave represented an escape from the deteriorating labour market, initially with the hope of return, guaranteed by the law, to one's previous job. In the majority of the cases, this right, however, could not be asserted as the companies concerned were liquidated. Masses of young mothers became jobless and returned to the household due to the decline in employment and the absence of new jobs until 1998.

The most recent analysis of the re-employment chances of persons on parental leave, presenting a rich array of findings, was prepared by Mária Frey (2002) on the basis of the supplementary questionnaire attached to the LFS in spring 2002.

The survey covered, in addition to recipients of child-care assistance of some sort, inactive persons having declared, on the occasion of previous Labour Force Surveys, that they wanted a regular job but made no effort to find one due to unresolved child supervision problems or other family obligations. Let us focus now on its findings relating to labour market re-entry chances.

At the date of the survey, 217 thousand of the 283 thousand persons on parental leave had had a job before. 98 thousand among them could and intended to return to that, 21 thousand did not. The jobs of 98 thousand had been lost in the meantime or the employer was not able to take them back. The rate of those intending to return to the labour market is on the rise: currently, it is 70%.

Return, however, is increasingly difficult for those having spent a longer spell outside the labour market. In 1999, a good two-third of prospective re-entrants had had a job within a max. of three years; by 2002, this had increased to 4 years but some had worked last 7 years earlier.

Return chances have deteriorated slightly despite several measures to promote re-entry to the labour market, such as the opportunity to acquire a second degree for free or measures supporting vocational and re-training. Almost half of those concerned was aware of these possibilities, but a fraction only used them.

One third of those who did not want to return to their jobs wanted another child. Another third wanted to find a new job due to problems relating to working in shifts, transport, low pay etc., and one third referred to difficulties in organising family life.

The last reason is probably more widespread. Few can afford to/are willing to pay for child supervision, sick care, household help, and most are adverse to either using or providing such service. A mere 13% would buy and 15% would provide such service.

Although persons on parental leave are entitled to engage in earning activity for a max. of 4 hours a day, the current conditions do not favour that. Only 7.5% of persons receiving child-raising support recorded an earning activity during that period, although many more would have liked to work. Until an adequate job could be found, they did their best to be of use at least in the household. The obvious opportunity for those living in the countryside is work on the household plot, producing for the family. (This, however, may be a trap: according to Simonyi's (2001) research, single women with children involved in subsistence farming cannot accept a (typically low-pay) job in the organised economy, because that would undermine the basis of their existence, viz. household farming. They could not risk that for what might turn out to be an uncertain and maybe a short-term job.) Household work, on the other hand, could be as profitable, according to the calculations of experts, as a low-pay job.¹⁹ However, most households miss a second earning, and hence those who can undertake work offered in their environment, mostly casual day-work, seasonal work, assistance-type work at micro-enterprises, help, gardening, care for the old/children, cleaning etc., for a few hours a day or a week, organised via informal, social, contacts, by-passing the organised economy, will do that. Remuneration in this case is independent of wage items in the organised economy: it is adjusted to socially accepted standards, mostly under the minimum wages. Those engaging in such work are poor people, living on pension or child-care aid, grasping any work opportunity.²⁰

Júlia Szalai writes the following concerning this stratum: "Despite judgements to the contrary common in public opinion, the unemployed, whether they are men or women, recipients of benefits or not, registered or not, *work a lot*. However, the scenes of their work are outside the scope of socially acknowledged organised work, remunerated with taxable wages and a social security card. The paths they follow lead elsewhere, even if they used to have a vocation at one time. The consequences of economic and social developments having taken place behind the extreme segmentation of today's Hungarian labour market (analysed by several authors) have become visible by now. This process, however, was concurrent with the undeniable exclusion/forcing into the illegal economy of the less qualified and less competitive

¹⁹ According to an analysis based on mathematical-statistical methods, the household work of women contributes more to the well-being of the family than the (average) earnings of men. Although the analysis compares earning couples, the value of household work can be calculated for a non-earning wife, too, comparing her (potential) income to her contribution in the household. Such calculations are made, instinctively, in many families, and hence the decision that the wife should remain in the household may be a rational one (Sík-Szép 2000).

²⁰ While awaiting a more extensive empirical survey of this phenomenon, let us quote a few examples of undeclared work by women in the most diverse life-situations (not including care for children, the old or the sick, quite widespread, and remunerated in function of certain local and social circumstances, such as the age of the child, the period of supervision, the state of health of the old person etc.), based on personal communication.

Woman (58), disability pensioner for 5 years, previous job in trade: cleaning, half days, in 2–3 households per week; pensioner (60) former co-operative member: in peak period, regular agricultural day-work in the neighbourhood, a weekly 2–3 days on family farms; college student (21): 2 x 3–4 hours of supervision, assistance in a fitness parlour for a monthly HUF30 000 (the full-time minimum wage is HUF50 000); high-school student: distribution of fliers etc., every 1–2 months, half a day per occasion, per HUF3-4000; resort place: occasional cleaning, airing, watering etc. in the house of the neighbour (a foreign resident, spending the summer there), for a monthly HUF15 thousand; woman (40) living in a housing estate, raising two young children, registered unemployed, does shopping for the neighbour for a small fee; unemployed woman (50), occasional sewing: shirts for children, HUF170/pc, 5–6 times/month, from 22.00 to 06.00. etc.

strata. Between the two economies, there is currently almost no passageway, and extreme segmentation offers no breakthrough option from the latter. Hence work performed night and day, despite many kinds of short-term counter-interests, generated by this enclosed situation – “black” work itself – becomes the essential exclusion trap” (Szalai 2002).

In the advanced economies, the wish to repress the unorganised economy has intensified, with good reason. According to the European Employment Strategy (1998), “any work, legal and paid by its nature” qualifies as work to be declared.

In Hungary, too, inactive women waiting for an employment opportunity would prefer to work in the organised economy, if only the possibilities of entering it could be extended somehow.

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