

NATIONAL ACTION PLAN FOR EMPLOYMENT

2004

ANNEX

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ANNEX 1

INDICATORS

GUIDELINE 1 ACTIVE AND PREVENTIVE MEASURES FOR THE UNEMPLOYED AND INACTIVE

Table 1 Long-term unemployment rate*
Key indicator 6

Reference period	Total	Men	Women
2002	2.4	2.7	2.1
2003	2.4	2.5	2.3

*Long-term unemployed as a proportion of active population
Source:EUROSTAT

Table 2 Preventative indicator in 2003 for the unemployed registered for the first time 6/12 months earlier or repeatedly
Key indicator 7

Categories	(A) persons	(B) persons	(C) %
Youth under 25			
Up to primary school	52,637	14,451	27.45
Vocational training school	47,154	10,746	22.79
General secondary school, vocational secondary school	57,051	9,405	16.49
Tertiary education	8,178	872	10.66
<i>Men</i>	90,942	19,776	21.75
<i>Women</i>	74,078	15,698	21.19
TOTAL	165,020	35,474	21.50
Adults (>=25 years of age)			
Up to primary school education	184,575	47,223	25.58
Vocational training school	167,180	30,340	18.15
General secondary school, vocational secondary school	100,891	16,404	16.26
Tertiary education	22,748	3,015	13.25
People between 25 and 49 years of age	397,818	77,776	19.55
50 years of age or older	77,576	19,206	24.76
<i>Men</i>	257,054	51,887	20.19
<i>Women</i>	218,340	45,095	20.65
TOTAL	475,394	96,982	20.40
COUNTIES TOTAL:	640,414	132,456	20.68

(A) - Total registered unemployed at the end of the year when the survey started.

(B) - Total number of unemployed not having benefited from preventative services by the end of the year

Indicator calculated from columns (A) and (B) in % [(C)= (B)*100/(A)]

Source: National Employment Office (NEO)

**Table 3 New start indicator in 2003 for the unemployed registered for the first time
6/12 months earlier or repeatedly**

Key indicator 8

Categories	(A) persons	(B) persons	(C) %
Youth under 25			
Up to primary school education	52,637	17,671	33.57
Vocational training school	47,154	14,317	30.36
General secondary school, vocational secondary school	57,051	13,096	22.95
Tertiary education	8,178	1,329	16.25
<i>Men</i>	90,942	25,324	27.85
<i>Women</i>	74,078	21,089	28.47
TOTAL	<i>165,020</i>	<i>46,413</i>	<i>28.13</i>
Adults (>=25)			
Up to primary school education	184,575	47,375	25.67
Vocational training school	167,180	33,693	20.15
General secondary school, vocational secondary school	100,891	18,078	17.92
Tertiary education	22,748	3,291	14.47
People between 25 and 49 years of age	397,818	83,076	20.88
50 years of age or older	77,576	19,361	24.96
<i>Men</i>	257,054	53,794	20.93
<i>Women</i>	218,340	48,643	22.28
TOTAL	<i>475,394</i>	<i>102,437</i>	<i>21.55</i>
COUNTIES TOTAL:	640,414	148,850	23.24

(A) - Total registered unemployed at the end of the year when the survey started

(B) - Total number of unemployed not having been offered a new start, at the end of the year

Indicator calculated from columns (A) and (B) in % [(C)= (B)*100/(A)]

Source: NEO

Table 4 New start combined indicator in 2003 for the unemployed registered for the first time 6/12 months earlier or repeatedly

Key indicator 9

Categories	(A) persons	(B) persons	(C) %
Youth under 25			
Up to primary school education	52,637	12,987	24.67
Vocational training school	47,154	9,916	21.03
General secondary school, vocational secondary school	57,051	8,672	15.20
Tertiary education	8,178	834	10.20
<i>Men</i>	<i>90,942</i>	<i>17,939</i>	<i>19.73</i>
<i>Women</i>	<i>74,078</i>	<i>14,470</i>	<i>19.53</i>
TOTAL	165,020	32,409	19.64
Adults (>=25)			
Up to primary school education	184,575	35,126	19.03
Vocational training school	167,180	23,019	13.77
General secondary school, vocational secondary school	100,891	12,455	12.35
Tertiary education	22,748	2,316	10.18
People between 25 and 49 years of age	397,818	58,092	14.60
50 years of age or older	77,576	14,824	19.11
<i>Men</i>	<i>257,054</i>	<i>38,272</i>	<i>14.89</i>
<i>Women</i>	<i>218,340</i>	<i>34,644</i>	<i>15.87</i>
TOTAL:	475,394	72,916	15.34
COUNTIES TOTAL:	640,414	105,325	16.45

(A) - Total registered unemployed at the end of the year when the survey started

(B) - Total number of unemployed not having received either a preventative services or a new start benefit, at the end of the year

Indicator calculated from columns (A) and (B) in % [(C)= (B)*100/(A)]

Source: NEO

Table 5 Follow-up of participants in active measures

Key indicator 11

Reference period	Unemployed			Employed	Supported entrepreneurs	Employed with wage subsidies	Employed in public works	School leavers	
	proposed	accepted	total					Support for gaining work experience	Employment subsidy
	training								
2002	43.3	45.8	44.4	92.7	90.7	62.9	1.8	66.9	78.4
2003	43.2	46.0	44.4		89.6	62.0	1.4	66.1	78.2
average rate of inflow of LMP participants into employment in the case of Hungary: 57% (without public work)									

Source: NEO

Table 6 Inflow into long-term unemployment
Context indicator 8

Categories	2001	2002	2003
Youth (<25 years)	18.4	19.8	21.3
<i>Men</i>	18.5	19.7	21.1
<i>Women</i>	18.4	19.8	21.6
Adults (>25 years)	13.9	13.0	13.9
<i>Men</i>	13.4	12.5	13.3
<i>Women</i>	14.6	13.6	14.7

*People under 25 are considered as long-term unemployed after six months following registration, and people older than 25 years of age are considered as such after 12 months
Source: NEO

Table 7 Youth unemployment ratio
Context indicator 9

Categories	2001	2002	2003
Total	11.3	12.6	13.4
Men	12.2	13.2	13.8
Women	10.0	11.9	12.9

Source: Central Statistical Office

Table 8 Expenditures on active and passive employment measures

1992-2003

billion HUF, million ECU/Euro and as a percentage of GDP

Context indicator 10

	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003
Total expenditure												
billion HUF	82.8	99.0	79.9	74.0	77.4	91.4	101.6	110.1	112.8	124.0	149.9	157.4
million ECU/Euro	811.0	920.9	640.3	455.0	404.9	433.3	421.6	435.5	433.8	494.8	616.9	620.9
as a percentage of the GDP	2.81	2.79	1.83	1.33	1.13	1.07	1.01	0.96	0.86	0.86	0.90	0.85
Passive measures												
billion HUF	65.0	75.6	53.1	50.4	51.2	53.1	61.8	63.9	61.1	56.6	63.2	67.7
million ECU/Euro	636.6	703.3	425.5	309.9	267.9	251.7	256.5	252.8	235.0	220.5	260.1	267.1
as a percentage of the GDP	2.21	2.13	1.22	0.92	0.75	0.62	0.61	0.56	0.47	0.39	0.38	0.36
<i>Unemployment benefit</i>	2.15	2.02	1.07	0.72	0.60	0.46	0.45	0.47	0.44	0.38	0.38	0.36
<i>Early retirement</i>	0.05	0.11	0.15	0.19	0.15	0.17	0.16	0.09	0.03	0.00	0.00	0.00
Active measures												
billion HUF	17.8	23.4	26.8	23.7	26.1	38.4	39.9	46.3	51.6	71.0	87.3	89.7
million ECU/Euro	174.3	217.7	214.8	145.7	136.5	182.1	165.6	183.1	198.4	276.6	359.3	353.8
as a percentage of the GDP	0.61	0.66	0.61	0.43	0.38	0.45	0.40	0.40	0.39	0.48	0.52	0.48
<i>PES and administration</i>	0.15	0.15	0.15	0.13	0.12	0.14	0.12	0.12	0.11	0.12	0.12	0.12
<i>Training</i>	0.15	0.23	0.19	0.13	0.08	0.08	0.07	0.07	0.07	0.07	0.06	0.06
<i>Subsidised employment</i>	0.31	0.28	0.27	0.17	0.18	0.23	0.20	0.22	0.22	0.29	0.34	0.30
<i>Share of active measures of total spending (%)</i>	21	24	34	32	34	42	39	42	46	56	58	57

Source: NEO

Table 9 Number and activity rate of registered unemployed, %

Categories	2001	2002	2003
A) Number of people participating in active employment measures	102,904	82,952	81,260
B) Number of registered unemployed	364,140	344,715	357,212
Activity rate A/(A+B)	22.1	19.4	18.5

Source: NEO

GUIDELINE 2 JOB CREATION AND ENTREPRENEURSHIP

**Table 10 Number of employed aged 15 to 64 and its change between 2003-2002,
by national economic sectors and genders**

Key indicator 13

Sector	Total			Men			Women		
	2002	2003	Index %	2002	2003	Index %	2002	2003	Index %
AB	239,132	213,151	89.1	175,922	164,937	93.8	63,210	48,214	76.3
C	14,777	12,773	86.4	13,379	10,966	82.0	1,398	1,807	129.3
D	958,609	923,153	96.3	563,474	545,620	96.8	395,135	377,533	95.5
E	74,207	68,055	91.7	55,651	50,082	90.0	18,556	17,973	96.9
F	270,421	298,827	110.5	249,891	274,553	109.9	20,530	24,274	118.2
G	549,465	550,203	100.1	262,351	266,181	101.5	287,114	284,022	98.9
H	136,419	138,792	101.7	61,955	59,445	95.9	74,464	79,347	106.6
I	309,489	302,634	97.8	227,021	219,031	96.5	82,468	83,603	101.4
J	74,716	72,359	96.8	22,871	22,514	98.4	51,845	49,845	96.1
K	229,449	260,873	113.7	126,442	141,341	111.8	103,007	119,532	116.0
L	280,998	293,533	104.5	147,166	150,444	102.2	133,832	143,089	106.9
M	315,597	325,544	103.2	67,692	69,209	102.2	247,905	256,335	103.4
N	238,612	265,100	111.1	55,396	61,407	110.9	183,216	203,693	111.2
O-Q	158,551	172,200	108.6	71,232	76,919	108.0	87,319	95,281	109.1
A-Q	3,850,442	3,897,197	101.2	2,100,443	2,112,649	100.6	1,749,999	1,784,548	102.0
G-Q	2,293,296	2,381,238		1,042,126	1,066,491		1,251,170	1,314,747	

Source: Central Statistical Office

Notes (symbols of different national economic sectors):

- A, B: Agriculture
- C, E: Energy industry, total
- D: Manufacturing industry
- F: Construction industry
- G: Trade, repair
- H: Accommodation services
- I: Transport and warehousing
- J: Financial activities
- K: Real estate transactions
- L: Public administration, protection; social insurance
- M: Education
- N: Health care, social benefits
- O-Q: Other public/personal services
- G-Q: Servicing sector, total

Table 11 Employment rate of people aged 15 to 64 by sectors, and the rate of the non-employed, 1992-2002
Context indicator 12

Categories	Agriculture	Industry	Services	Non-employed
Total				
1992	6.5	20.8	30.7	42.0
1993	5.0	18.8	30.7	45.5
1994	4.7	18.0	30.8	46.5
1995	4.2	17.4	30.9	47.5
1996	4.4	17.3	30.7	47.6
1997	4.2	17.6	30.7	47.5
1998	4.1	18.5	31.1	46.3
1999	3.9	19.1	32.6	44.4
2000	3.7	19.1	33.5	43.7
2001	3.5	19.4	33.4	43.7
2001*	3.5	19.3	33.4	43.8
2002*	3.5	19.2	33.5	43.8
2003*	3.1	19.1	34.8	43.0
Men				
1992	9.2	26.8	28.0	36.0
1993	7.2	24.7	28.1	40.0
1994	7.0	24.0	28.6	40.4
1995	6.5	23.8	29.2	40.5
1996	6.8	23.5	29.3	40.4
1997	6.4	24.2	29.3	40.1
1998	6.3	25.2	28.9	39.6
1999	6.1	26.2	30.1	37.6
2000	5.7	26.0	31.4	36.9
2001	5.4	26.3	31.4	36.9
2001*	5.4	26.1	31.4	37.1
2002*	5.3	26.4	31.2	37.1
2003*	5.0	26.5	32.0	36.6
Women				
1992	4.0	15.0	33.3	47.7
1993	2.9	13.2	33.2	50.7
1994	2.6	12.3	32.9	52.2
1995	2.1	11.4	32.4	54.1
1996	2.1	11.4	32.0	54.5
1997	2.0	11.4	32.1	54.5
1998	1.9	12.1	33.3	52.7
1999	1.8	12.3	34.9	51.0
2000	1.7	12.5	35.5	50.3
2001	1.7	12.7	35.4	50.2
2001*	1.8	12.7	35.3	50.2
2002*	1.8	12.4	35.6	50.2
2003*	1.4	12.0	37.5	49.1

*Re-weighted figures in accordance with population roll-over based on the 2001 census, without conscripts.

Source: Central Statistical Office Labour Survey

GUIDELINE 3 ADDRESS CHANGE AND PROMOTE ADAPTABILITY AND MOBILITY IN THE LABOUR MARKET

Table 12 Number of injuries and fatalities caused by an occupational accident

Key indicator 17

Categories	2000	2001	2002
Number of persons who died or were injured as a result of an occupational accident	28,220	26,369	26,072
Number of employed	3,829,100*	3,844,500*	3,870,600
Occupational accidents per one hundred thousand employed	737	685.9	673.6
Change (1998=100%)	94.4	87.9	86.3

* earlier weight

Source: Central Statistical Office Statistical Department of Health Care

Table 13 Number of fatalities caused by an occupational accident

Basic figures for the key indicator 17

Categories	2000	2001	2002
Number of persons who died as a result of an occupational accident	153	128	170
Employed	3,829,100	3,844,500	3,870,600
Fatal occupational accidents per one hundred thousand employed	4.00	3.33	4.39

Source: Central Statistical Office Statistical Department of Health Care

Table 14 Number of reported occupational diseases

Basic figures for the key indicator 18

Categories	2000	2001	2002
Men	450	360	367
Women	117	121	121
Total	567	481	488
Diseases per one hundred thousand employed	15,1	12.8	12.7

Source: Central Statistical Office, Statistical Department of Health Care

Table 15 Number of employed person aged 15 to 64 by working hours and type of employment in 2003

Basic figures for the key indicator 15

Reference period	Employed aged 15 to 64 in part-time employment			Employed aged 15 to 64 not employed part-time			Total number of employed aged 15	Part-time employed, independent, of 15 to 64 years of age	Non-part-time	Independent aged 15-64, total	Assisting family members aged 15 to 64, total	Total number of employed aged 15 to 64						
	defined	undefined	total	defined	undefined	total												
	period of contract			period of contract														
	<i>number of persons</i>																	
	a	b	c=a+b	d	e	f=d+e							g=c+f	h	i	j=h+i	k	l=g+j+k
Total																		
2002	22,889	92,351	115,240	216,143	2,992,384	3,208,528	3,323,768	25,601	477,413	503,014	23,660	3,850,341						
2003	29,778	106,983	136,761	223,445	3,021,757	3,245,202	3,381,963	25,220	469,201	494,421	20,816	3,897,199						
Men																		
2002	9,826	32,842	42,668	126,005	1,577,620	1,703,625	1,746,293	14,633	332,366	346,999	7,150	2,100,342						
2003	12,985	36,021	49,006	132,931	1,577,297	1,710,228	1,759,233	12,774	332,911	345,685	7,729	2,112,647						
Women																		
2002	13,063	59,509	72,572	90,138	1,414,765	1,504,903	1,577,475	10,968	145,048	156,015	16,510	1,750,000						
2003	16,793	70,963	87,756	90,514	1,444,460	1,534,974	1,622,730	12,447	136,290	148,737	13,086	1,784,552						

Source: Central Statistical Office

Table 16 Employment by working hours and type of employment
Key indicator 15

Reference period	1. Total part-time, defined period employed, and total self-employed as a percentage of the total employed	2. People employed in atypical employment (part-time and/or defined period contract) as a percentage of all employed				3. Total number of self-employed as a percentage of all employed	
		Part-time only, total	Only employed on the basis of defined period contract, total	Part-time and defined working hours	Total	Part-time*	Total
Total							
2002	21.7	3.5	7.2	0.7	11.1	0.7	13.1
2003	21.9	4.0	7.5	0.9	11.9	0.6	12.7
Men							
2002	24.6	2.4	7.8	0.6	10.7	0.7	16.5
2003	25.0	2.8	8.3	0.7	11.5	0.6	16.4
Women							
2002	18.2	4.6	6.5	0.8	11.5	0.6	8.9
2003	18.3	5.4	6.6	1.0	12.3	0.7	8.3
EU							
Total							
2002	38.0	15.4	9.7	3.4	28.7	1.7	14.0
Men							
2002	31.2	4.3	10.1	1.9	16.5	1.2	17.8
Women							
2002	47.1	28.9	9.1	5.2	43.4	2.3	8.9

* on the basis of the number of all employed

Source: Central Statistical Office

Table 17 Vacancies and the annual average number of registered unemployed, 1998-2003

Context indicator 15

Categories	1998	1999	2000	2001	2002	2003
number of registered vacant jobs	48,260	51,271	50,000	45,156	44,603	47,239
Number of registered unemployed	423,121	409,489	390,492	364,160	344,715	357,212
Vacancies per one unemployed	0,11	0,13	0,13	0,12	0,13	0,13

Source: NEO

GUIDELINE 4 PROMOTE DEVELOPMENT OF HUMAN CAPITAL AND LIFE-LONG LEARNING

Table 18 Percentage of 22 years olds having achieved at least upper secondary education

Key indicator 20

Categories	Total	Men	Women
2001	86.5	86.9	86.1
2002	87.6	87.4	87.8
2003	86.0	85.0	87.1

* ISCED 3

Source: Central Statistical Office

Table 19 Participation in education (25-64) %

Key indicator 21

Categories	Total	Men	Women
2001*	3.0	2.5	3.4
2002*	3.2	2.8	3.6
2003*	6.0	5.4	6.5

* Second quarter figures

Source: EUROSTAT

Table 20 Total public expenditure on education as a percentage of GDP

Key indicator 22

2000	2001	2002
4.54	5.0	5.43

Source, Ministry of Education

Table 21 Share of employees participating in training %

Key indicator 23

Total	Men	Women
12.3	12.9	11.4

Source: CVTS, 1999

GUIDELINE 5 INCREASE LABOUR SUPPLY AND PROMOTE ACTIVE AGEING

Table 23 Share of economically active population* by age group, %
Key indicator 24

Total	2000	2001	2002	2003
15-24	37.2	34.6	32.6	30.8
25-39	78.4	78.5	78.1	78.8
40-54	76.3	75.7	75.9	76.9
55-64	22.6	24.2	26.4	29.8
15-64	59.9	59.6	59.7	60.6
Men				
15-24	41.8	39.2	35.9	34.4
25-39	89.5	89.9	89.6	89.8
40-54	79.5	78.5	78.9	79.6
55-64	34.1	35.4	36.9	39.0
15-64	67.5	67.2	67.1	67.6
Women				
15-24	32.5	29.9	29.2	27.2
25-39	67.2	66.9	66.4	67.6
40-54	73.4	73.0	73.1	74.3
55-64	13.3	15.1	18.0	22.4
15-64	52.6	52.4	52.7	53.9

*unemployed and employed, total

Source: Central Statistical Office Labour survey

Table 24 Average age of withdrawal from the labour market
Key indicator 25

Reference period	Total	Men	Women
2002	59.2	59.6	58.8
2003	61.5	61.0	62.2

Source: Central Statistical Office

Table 25 Change in the labour supply of people aged 15 to 64, %
(Change in the number of economically active people* 2003/2002)
Context indicator 19

Total	Men	Women
1.3	0.5	2.1

*unemployed and employed, total

Source: Central Statistical Office

GUIDELINE 6 GENDER EQUALITY

Table 26 Share of unemployed within the population of a given age group, %
Key indicator 1

Reference period	15 to 24	25 to 54	55 to 64	15 to 64
Total				
2002	4.1	4	0.8	3.5
2003	4.1	4.1	0.8	3.6
Men				
2002	4.8	4.6	1.4	4.1
2003	4.7	4.7	1.1	4.1
Women				
2002	3.5	3.4	0.3	2.9
2003	3.5	3.6	0.6	3

Source: Central Statistical Office

Table 27 Employment rate by age groups and gender
Key indicator 2

Reference period	15-24	25-54	55-64	15-64
	employment rate of population in the age groups above			
%				
Total				
2002	28.5	73.0	25.6	56.2
2003	26.7	73.7	29.0	57.0
Men				
2002	31.2	79.7	35.5	62.9
2003	29.7	80.1	37.9	63.4
Women				
2002	25.8	66.5	17.6	49.8
2003	23.7	67.4	21.8	50.9

Source: Central Statistical Office

Table 28 The differences in employment rate between men and women in percentage points (15-64)
Key indicator 26

Reference period	15-24	25-54	55-64	15-64
	difference in the employment rate of men and women of the age groups above			
	<i>percentage point</i>			
2002	5.4	13.3	17.9	13.1
2003	6.0	12.7	16.1	12.5

Source: Central Statistical Office

Table 29 Number of unemployed by age group and gender
Key indicator 27

Reference period	15 to 24	25 to 54	55 to 64	15 to 64
Total				
2002	56,538	172,558	9,378	238,474
2003	54,816	179,155	9,630	243,601
Men				
2002	32,941	97,794	7,220	137,955
2003	31,650	100,575	5,739	137,964
Women				
2002	23,597	74,764	2,158	100,519
2003	23,166	78,580	3,891	105,637

Source: Central Statistical Office

Table 30 Earnings difference by gender %
Key indicator 28

Hungary	2000	2001
	20	19

Source: EUROSTAT

Table 31 Trend of earnings in the public and private sectors by genders 1999-2002, %
Key indicator 28

Categories	1999				2000				2001				2002			
	Total	Men	Women	Women / men =100,0	Total	Men	Women	Women / men =100,0	Total	Men	Women	Women / men =100,0	Total	Men	Women	Women / men =100,0
Budgetary sphere	62.5	68.9	60.2	87.4	65.0	73.5	61.9	84.2	64.6	72.5	62.0	85.5	71.4	79.9	68.4	85.6
Competitive sphere	100.0	105.0	92.1	87.7	100.0	105.0	92.2	87.7	100.0	105.0	91.9	87.3	100.0	105.0	91.9	87.5

In the private sector, men and women combined = 100

Note: The source of information is a representative data survey applying to the month May and drawn up about the individual earnings with an annual frequency.

The figures apply to all organisations in the budgetary sphere, and in the competitive sphere to the businesses employing at least 10 persons (1995-2000) and at least 5 persons (as of 2001).

Source: NEO, Individual earnings data survey

Table 32 Share of population participating in kindergarten, nursery and school education by age group (net ratio)
Key indicator 30

Age group	1999/2000	2001/2002	2002/2003
Children younger than 3 years of age*	10.3	10.2	10.1
3 to 6 years of age	87.8	86.4	87.8
6 to 12 years of age	100.0	100.0	100.0

* children in nurseries

Source: Central Statistical Office

Table 33 The difference in the employment rates between men and women converted into total working hours, 2002
Context indicator 20

Categories	Staff-proportionate		Converted to total working hours	
	employment rates of the population of 15 to 64 years of age			
	Men	Women	Men	Women
EU average	72.8	55.6	71.2	46.8
<i>Difference</i>	17.2		24.4	
Hungary	63.5	50.0	64.1	49.1
<i>Difference</i>	13.5		15	

Source: Employment in Europe 2003. Brussels

Table 34 Employment and unemployment rates by age group 25-64, gender and education level, 2003

Context indicator 21

Highest educational level	Total	Men	Women	Men-women difference
Employment ratios				
ISCED 1+2 (<=8 grades.)	37.9	44.2	32.7	11.5
ISCED 3+4 (secondary sch., vocational sch.)	71.4	77.9	64.4	13.5
ISCED 5+6 (high education)	82.8	87.0	78.9	8.2
<i>Average of employment rates</i>	<i>64.3</i>	<i>71.9</i>	<i>57.2</i>	<i>14.7</i>
Unemployment rate				
ISCED 1+2 (<=8 grades, primary school)	10.6	12.0	9.3	2.7
ISCED 3+4 (secondary technical school, secondary grammar school)	4.8	4.9	4.6	0.3
ISCED 5+6 (high school and university)	1.4	1.3	1.5	-0.2
<i>Average of unemployment rates</i>	<i>5.1</i>	<i>5.3</i>	<i>4.9</i>	<i>0.4</i>

Source: Calculation based on the preliminary figure of Central Statistical Office's labour survey

Table 36 Population by age groups and genders

Reference period	15-24	25-54	55-64	15-64
	population of the age groups above			
	<i>number of persons</i>			
Total				
2002	1,373,525	4,340,291	1,135,993	6,849,809
2003	1,331,437	4,351,970	1,152,869	6,836,277
Men				
2002	693,342	2,137,481	506,999	3,337,822
2003	669,866	2,144,387	515,766	3,330,018
Women				
2002	680,183	2,202,810	628,995	3,511,987
2003	661,571	2,207,584	637,104	3,506,258

Source: Central Statistical Office

Table 37 Number of employed by age groups and genders

Reference period	15-24	25-54	55-64	15-64
	employed of the age groups above			
	<i>number of persons</i>			
Total				
2002	391,607	3,168,310	290,523	3,850,440
2003	355,529	3,207,302	334,410	3,897,241
Men				
2002	216,324	1,704,383	179,735	2,100,441
2003	198,794	1,718,535	195,319	2,112,648
Women				
2002	175,283	1,463,928	110,788	1,749,999
2003	156,736	1,488,767	139,091	1,784,593

Source: Central Statistical Office

GUIDELINE 7 PROMOTE THE INTEGRATION OF AND COMBAT THE DISCRIMINATION AGAINST PEOPLE AT DISADVANTAGE IN THE LABOUR MARKET

Table 38 Share of early school leavers aged 18 to 24, %

Key indicator 31

Categories	2000*	2001*	2002*	2003*
Early school leavers, total	13.8	12.9	12.2	11.8
Men	14.3	13.3	12.5	12.4
Women	13.2	12.6	11.8	11.1

* 2nd quarter

Source: Central Statistical Office Labour Survey

Table 39 Roma population (15 years and older) by employment and job seeking

Key indicator 32, Context indicator 25

TOTAL	Employed	Not employed					Job seeker	Unemployed	
		Total	not seeking a job	job seekers					as a percentage of Roma population
				total	of which				
					unemployed	other job seeker			
122,332	19,227	103,105	72,995	30,110	22,492	7,618	15.8	11.8	

Source: Central Statistical Office Census

Table 40 Number and share of people suffering from long-term health problem and people with disabilities

by age groups, economic activity and genders, 2nd quarter of 2002

Context indicator 25

Categories	Population of 15 to 64 years of age				
	TOTAL	People suffering from a long-term health problem and people with disabilities (of population aged 15-64)			
		Total	Economically active		Inactive
			number of persons	%	
Total	6,710,601	748,174	100	12.8	87.2
Men	3,287,774	365,617	100	12.9	87.1
Women	3,422,827	382,557	100	12.7	87.3

Source: Central Statistical Office

GUIDELINE 8 MAKE WORK PAY THROUGH INCENTIVES TO ENHANCE WORK ATTRACTIVENESS

Table 41 Employed persons living below 60% of the median income per one consumption unit (the poor)

(thousand people)
Key indicator 34

Categories	2001			2002		
	Total	Men	Women	Total	Men	Women
Employed	161.7	92.6	69.1	136.3	81.3	55.0
Entrepreneurs	18.1	11.6	6.5	19.4	10.5	8.9
Employed, total	179.8	104.2	75.6	155.7	91.8	63.9

Source: Central Statistical Office

Table 42 The working poor

Key indicator 34

The working poor as share of the total numbers in a given category (%)						
Categories	2001			2002		
	Total	Men	Women	Total	Men	Women
Employed	5.1	5.6	4.6	4.3	4.9	3.7
Entrepreneurs	3.1	3.0	3.5	3.4	2.8	4.7
Employed, total	4.8	5.1	4.5	4.2	4.5	3.8

Source: Central Statistical Office

Table 43 Number of employed persons (thousand people)

Key indicator 34

Categories	2001			2002		
	Total	Men	Women	Total	Men	Women
Employed	3,147.2	1,657.9	1,489.3	3,176.0	1,675.8	1,500.2
Entrepreneurs	576.9	390.0	187.0	562.6	374.3	188.3
Employed, total	3,724.2	2,047.9	1,676.3	3,738.6	2,050.1	1,688.5

Source: Central Statistical Office

Table 44 People receiving benefits by the income support system, 1995-2002
(as a percentage of the active population) *

Categories	1995	1996	1997	1998	1999	2000	2001	2002
Unemployment benefit	3	2.8	2.3	2.1	2.3	2.1	1.9	1.8
Unemployment allowance	3.5	3.5	3.3	3	2.4	2.1	0.9	0.1
Regular Social Benefit							1.1	1.6
Participants in retraining programmes	0.4	0.3	0.3	0.4	0.4	0.4	0.4	0.3
Disability pension	4.9	5.2	5.3	5.6	6.3	6.2	6.5	6.6
Other disability benefits	4.2	4.7	5.1	5.3	5.5	5.4	5.2	5
Sick pay	2.5	1.8	1.7	1.7	1.7	1.8	1.8	1.9
Sick leave	0.6	0.7	0.7	0.6	0.7	0.6	0.6	0.5
Early retirement pension	0.5	0.5	0.6	0.6	0.6	0.6	0.6	0.7
Pre-retirement pension	0.7	0.6	0.6	0.5	0.3	0.2	0.2	0.1
Advanced old age pension	0.7	0.8	0.9	0.8	0.5	0.2	0	0
Child Home Care Allowance	1.7	1.8	2.7	3.4	3.6	3.1	3.1	2.6
Child Care Fee	1.9	1.7	0.8	0	0	0.9	0.9	1.1
TOTAL	24.6	24.4	24.3	24	24.3	23.4	23.2	22.3

*annual averages, the figures of early beneficial retirement at the end of the year

Source: Central Statistical Office, -NEO, MoEL, Ministry of Health, Social and Family Affairs

Table 45 The unemployment trap
Key indicator 36

Hungary	2001	2002
	74.9	70.6

Source: Central Statistical Office

Table 46 Implicit tax rates

Context indicator 26

Categories	2002			2003		
Average	Men	Women	Total	Men	Women	Total
lower quartile	59,976	58,763	59,208	67,162	70,000	69,000
middle quartile	89,059	82,543	85,607	101,052	100,000	100,517
upper quartile	139,512	120,637	129,600	160,000	151,254	155,131
167%	171,200	127,169	154,403	182,067	136,125	164,817
100%	102,515	76,149	92,457	109,022	81,512	98,693
67%	68,685	51,020	61,946	73,045	54,613	66,124
Employee						
lower quartile	14,290	13,799	13,979	12,700	13,846	13,442
middle quartile	26,069	23,430	24,671	26,383	25,958	26,167
upper quartile	55,454	44,636	50,448	63,483	57,503	60,154
167%	71,456	49,111	62,974	75,049	47,159	66,360
100%	32,223	20,840	27,445	29,601	18,494	25,431
67%	17,817	10,663	15,088	15,075	7,633	12,281
Employer						
lower quartile	24,292	23,892	24,039	25,613	26,550	26,220
middle quartile	33,889	31,739	32,750	36,797	36,450	36,621
upper quartile	50,539	44,310	47,268	56,250	53,364	54,643
167%	60,996	46,466	55,453	63,532	48,371	57,840
100%	38,330	29,629	35,011	39,427	30,349	36,019
67%	27,166	21,337	24,942	27,555	21,472	25,271
Total						
lower quartile	38,582	37,691	38,018	38,313	40,396	39,662
middle quartile	59,958	55,169	57,421	63,180	62,408	62,788
upper quartile	105,993	88,946	97,716	119,733	110,867	114,797
167%	132,452	95,577	118,427	138,581	95,530	124,200
100%	70,553	50,469	62,456	69,028	48,843	61,450
67%	44,983	32,000	40,030	42,630	29,105	37,552
Rate						
lower quartile	45.8	45.6	45.7	41.3	41.8	41.7
middle quartile	48.8	48.3	48.5	45.8	45.7	45.8
upper quartile	55.8	53.9	55.2	55.4	54.2	54.7
167%	57.0	55.0	56.4	56.4	51.8	55.8
100%	50.1	47.7	49.0	46.5	43.7	45.6
67%	46.9	44.2	46.1	42.4	38.3	41.1

Source: NEO

Table 47 Tax wedge on low-wage earners

Key indicator 37

	2001	2002
Hungary	45.8	42.0

Source: EUROSTAT

GUIDELINE 10 ADDRESS REGIONAL EMPLOYMENT DISPARITIES
Table 48 Economic activity, activity ratio, unemployment and employment rates by region and county, (% population aged 15-64), 2003

Regions and counties	Employed	Unemployed	Economically active persons	Economically non-active persons	of which: passive unemployed	Population of 15 to 64 years of age	Activity rate	Unemployment rate	Employment rate %
Central Hungary	1,194,731	50,566	1,245,297	691,468	13,433	1,936,765	64.3	4.1	61.7
Budapest	740,175	28,247	768,422	401,595	6,820	1,170,017	65.7	3.7	63.3
Pest county	454,556	22,319	476,875	289,873	6,613	766,748	62.2	4.7	59.3
Central Transdanubia	472,796	22,850	495,646	263,707	5,201	759,353	65.3	4.6	62.3
Fejér county	181,816	9,300	191,116	99,018	1,770	290,134	65.9	4.9	62.7
Komárom-Esztergom county	134,605	6,070	140,675	75,200	1,334	215,875	65.2	4.3	62.4
Veszprém county	156,375	7,480	163,855	89,489	2,097	253,344	64.7	4.6	61.7
West Transdanubia	423,186	20,475	443,661	240,202	5,263	683,863	64.9	4.6	61.9
Győr-Sopron county	183,680	6,327	190,007	110,253	1,573	300,260	63.3	3.3	61.2
Vas county	118,529	6,481	125,010	58,068	677	183,078	68.3	5.2	64.7
Zala county	120,977	7,667	128,644	71,881	3,013	200,525	64.2	6.0	60.3
South Transdanubia	356,014	30,736	386,750	279,320	12,226	666,070	58.1	7.9	53.4
Baranya county	139,183	12,286	151,469	122,968	5,225	274,437	55.2	8.1	50.7
Somogy county	124,224	9,350	133,574	89,912	3,972	223,486	59.8	7.0	55.6
Tolna county	92,607	9,100	101,707	66,440	3,029	168,147	60.5	8.9	55.1
North Hungary	435,576	46,995	482,571	368,923	24,482	851,494	56.7	9.7	51.2
Borsod county	237,240	30,164	267,404	221,000	19,944	488,404	54.8	11.3	48.6
Heves county	117,926	10,065	127,991	89,557	2,274	217,548	58.8	7.9	54.2
Nógrád county	80,410	6,766	87,176	58,366	2,264	145,542	59.9	7.8	55.2
North part of the Great Hungarian Plain	531,838	38,717	570,555	460,504	27,713	1,031,059	55.3	6.8	51.6
Hajdú-Bihar county	195,740	12,535	208,275	160,974	9,653	369,249	56.4	6.0	53.0
Jász-Nagykun-Szolnok county	151,247	9,080	160,327	115,180	3,836	275,507	58.2	5.7	54.9
Szabolcs-Szatmár county	184,851	17,102	201,953	184,350	14,224	386,303	52.3	8.5	47.9
South part of the Great Hungarian Plain	483,099	33,924	517,023	390,653	10,887	907,676	57.0	6.6	53.2
Bács-Kiskun county	201,434	15,990	217,424	144,388	5,350	361,812	60.1	7.4	55.7
Békés county	131,152	10,017	141,169	120,517	2,775	261,686	53.9	7.1	50.1
Csongrád county	150,513	7,917	158,430	125,748	2,762	284,178	55.8	5.0	53.0
TOTAL	3,897,240	244,263	4,141,503	2,694,777	99,205	6,836,280	60.6	5.9	57.0
Of which:									
Budapest	740,175	28,247	768,422	401,595	6,820	1,170,017	65.7	3.7	63.3
other cities	1,902,134	108,752	2,010,886	1,259,015	33,388	3,269,901	61.5	5.4	58.2
villages	1,254,931	107,264	1,362,195	1,034,167	58,997	2,396,362	56.8	7.9	52.4

Source: Labour review, 2003, including the period from January to December

Table 49 Number and share of participants in active measures and registered unemployed by region, 2003

Regions and counties	Participants in active measures		Annual average of the number of registered unemployed	People participating in active measures	Registered unemployed	Registered unemployment rate without active measures
	annually involved	annual average				
	number of people			average annual rate (%)	(%)	
Central Hungary	26,796	8,607	35,873			
Budapest	10,607	3,920	18,670	0.5	2.4	2.9
Pest county	16,189	4,687	17,203	1.0	3.7	4.7
Central Transdanubia	26,565	9,476	32,791			
Fejér county	10,130	3,824	12,358	1.9	7.1	9.0
Komárom-Esztergom county	6,954	2,549	9,252	1.9	6.0	7.9
Veszprém county	9,481	3,103	11,181	1.8	7.0	8.8
West Transdanubia	16,321	5,712	22,661			
Győr-Sopron county	4,439	1,791	7,996	0.9	4.1	5.0
Vas county	5,319	1,740	5,932	1.3	5.0	6.3
Zala county	6,563	2,181	8,733	1.6	7.0	8.6
South Transdanubia	29,655	10,562	44,359			
Baranya county	11,100	4,081	18,181	2.5	11.9	14.4
Somogy county	10,371	3,512	15,840	2.6	12.2	14.8
Tolna county	8,184	2,969	10,338	2.9	10.7	13.6
North Hungary	64,449	18,882	78,308			
Borsod county	44,427	11,542	52,893	4.2	19.6	23.8
Heves county	11,825	4,401	13,121	3.3	10.0	13.3
Nógrád county	8,197	2,939	12,294	3.4	14.6	18.0
North part of the Great Hungarian Plain	60,479	20,259	79,147			
Hajdú-Bihar county	17,396	5,899	27,857	2.7	13.1	15.8
Jász-Nagykun-Szolnok county	12,541	4,147	17,003	2.6	10.7	13.3
Szabolcs-Szatmár county	30,542	10,213	34,287	5.0	17.7	22.7
South part of the Great Hungarian Plain	40,391	14,764	51,576			
Bács-Kiskun county	14,358	5,152	20,033	2.3	9.4	11.7
Békés county	14,383	5,044	17,153	3.4	11.5	14.9
Csongrád county	11,650	4,568	14,390	2.5	8.5	11.0
TOTAL	264,656	88,262	344,715	2.1	-	-

Source: NEO

Table 50 Participants in public work by region, 2003

Regions and counties	in public work
Central Hungary	10,181
Budapest	2,951
Pest county	7,230
Central Transdanubia	5,652
Fejér county	1,649
Komárom-Esztergom county	1,827
Veszprém county	2,176
West Transdanubia	2,581
Győr-Sopron county	881
Vas county	456
Zala county	1,244
South Transdanubia	6,665
Baranya county	2,000
Somogy county	3,298
Tolna county	1,367
North Hungary	24,440
Borsod county	19,112
Heves county	2,542
Nógrád county	2,786
North part of the Great Hungarian Plain	17,931
Hajdú-Bihar county	4,175
Jász-Nagykun-Szolnok county	3,067
Szabolcs-Szatmár county	10,689
South part of the Great Hungarian Plain	9,442
Bács-Kiskun county	3,127
Békés county	4,669
Csongrád county	1,646
TOTAL	76,892

Source: NEO

ANNEX 2

CALCULATIONS FOR SETTING THE NATIONAL TARGETS

Labour market forecast up to 2010 (age group between 15 and 64 years of age)

Period	Number of employed in thousands	Number of unemployed in thousands	Economical-ly active persons in thousands	Economical-ly inactive persons in thousands	Population aged 15, thousand people	Employ-ment ratio, percentage	Activity ratio, percentage	Unemploy-ment rate, %
Grand total								
2003 baseline	3,897	244	4,141	2,695	6,836	57.0	60.6	5.9
2004	3,945	246	4,192	2,673	6,864	57.5	61.1	5.9
2005	4,005	250	4,255	2,638	6,893	58.1	61.7	5.9
2006	4,056	253	4,309	2,612	6,921	58.6	62.3	5.9
2007	4,100	250	4,350	2,555	6,906	59.4	63.0	5.8
2008	4,165	248	4,413	2,477	6,890	60.5	64.0	5.6
2009	4,240	245	4,485	2,390	6,875	61.7	65.2	5.5
2010	4,312	242	4,554	2,305	6,859	62.9	66.4	5.3
Annual average change	59	0	59	-56	3	0.8	0.8	-0.1
Men								
2003 actual	2,113	138	2,250	1,079	3,330	63.4	67.6	6.1
2004	2,131	139	2,270	1,074	3,344	63.7	67.9	6.1
2005	2,155	140	2,295	1,062	3,357	64.2	68.4	6.1
2006	2,176	142	2,318	1,053	3,371	64.5	68.8	6.1
2007	2,199	141	2,339	1,024	3,364	65.4	69.6	6.0
2008	2,232	140	2,371	985	3,356	66.5	70.7	5.9
2009	2,270	138	2,408	941	3,349	67.8	71.9	5.7
2010	2,308	137	2,445	896	3,341	69.1	73.2	5.6
Annual average change	28	0	28	-26	2	0.8	0.8	-0.1
Women								
2003 actual	1,784	106	1,890	1,616	3,506	50.9	53.9	5.6
2004	1,815	108	1,922	1,599	3,521	51.5	54.6	5.6
2005	1,851	109	1,960	1,576	3,535	52.3	55.4	5.6
2006	1,881	111	1,992	1,559	3,550	53.0	56.1	5.6
2007	1,902	110	2,011	1,531	3,542	53.7	56.8	5.4
2008	1,934	108	2,042	1,493	3,534	54.7	57.8	5.3
2009	1,971	107	2,077	1,449	3,526	55.9	58.9	5.1
2010	2,005	105	2,110	1,409	3,518	57.0	60.0	5.0
Annual average change	31	0	31	-30	2	0.9	0.9	-0.1
People aged 55 to 64								
2003 actual	334	10	344	809	1,153	29.0	29.8	2.8
2004	358	10	369	811	1,179	30.4	31.3	2.7
2005	383	11	393	813	1,206	31.7	32.6	2.7
2006	407	11	418	814	1,232	33.0	33.9	2.6
2007	432	11	443	824	1,267	34.1	35.0	2.5
2008	457	12	468	833	1,302	35.1	36.0	2.5
2009	482	12	494	842	1,336	36.1	37.0	2.4
2010	507	12	519	852	1,371	37.0	37.9	2.3
Annual average change	25	0	25	6	31	1.1	1.1	-0.1

ANNEX 3

**THE ROLE OF NATIONAL SOURCES IN IMPLEMENTING
THE GUIDELINES**

Guideline 1

Measures	National sources	2004 (million HUF)
Active labour market policies	Labour Market Fund	42894.5
Unemployment benefits	Labour Market Fund	75000

Guideline 2

Measures	National sources	2004 (million HUF)
Széchenyi Business Development Programme	Ministry of Economy and Transport	10407.5
SMART Programme	Ministry of Economy and Transport	11605.9
Agricultural and environmental developments	National Environmental Programme	21264.5
Research and Technological Innovation Fund	Research and Technological Innovation Fund	14758.7

Guideline 3

Measures	National sources	2004 (million HUF)
National Labour Inspectorate	Ministry of Employment and Labour	3412.4
Converting traditional jobs into tele-jobs	MITS	100
Increasing of community broad-band Internet penetration	MITS	4873

Guideline 4

Measures	National sources	2004 (million HUF)
Normative support for adult training	Labour Market Fund	2900
e-Education programme	MITS	12137
The Vocational School Development Programme	Labour Market Fund	3200
Providing scholarship to enhance the participation of disadvantaged young persons in higher education	Public Foundation "Esély a tanulásra"	250
Support for public education, higher education institutions and sport facilities to make buildings accessible for people with disabilities and for ensuring access to ICT for disadvantaged people.	PHARE HU 2003-004-347-02-01	1020.0
Regional Training Centres	Ministry of Employment and Labour	1983.2
National Institute for Adult Training	Ministry of Employment and Labour	695.6
Adult training programmes	Ministry of Employment and Labour	56.4

Guideline 5

Measures	National sources	2004 (million HUF)
Labour market programmes to improve the employability of school leavers (launched by 9 labour centres)	Labour Market Fund	2380.1
"Young graduates in the public administration" programme	Labour Market Fund	117
Activities contributing to the improvement of health condition of active age population	The 2004 Action Plan of Public Health Programme	1100

Guideline 6

Measures	National sources	2004 (million HUF)
Facilitating the participation of women in the labour market	PHARE HU 0104-02	421.1

Guideline 7

Measures	National sources	2004 (million HUF)
Labour market programmes launched by PES for disadvantaged people	Labour Market Fund	3800
Support of non- profit organisations facilitating the integration of disadvantaged people to the labour market	National Employment Foundation	60
Public work programmes	Labour Market Fund and MoEL	3200
Creating a network of e-Esély (e-Chance) points	MITS e-umbrella Programme	320
Pilot projects for the labour market involving disabled people (ensuring accessibility of the PES offices for people with disabilities; the establishment of four new RICs; 'alternative' labour market services)	Labour Market Fund	504.3
Programme supporting the modernisation of sheltered businesses receiving state subsidies (launched by MoEL)	Labour Market Fund	130
Support of public and higher education institutions and sport facilities to improve accessibility, and programme for ensuring access to ICT for disadvantaged people.	PHARE HU 0104-02	1020.0

Guideline 9

Measures	National sources	2004 (million HUF)
Central Employment Register	Ministry of Employment and Labour	655.0

Guideline 10

Measures	National sources	2004 (million HUF)
Promoting local economy, job creation and safeguarding of jobs, and encouraging business start-up and innovation (through industrial parks and 'incubator houses')	Territorial and Regional Development Fund	16252
Financial investments related to public work	Labour Market Fund	810
Support for self-employment and business start-up	Labour Market Fund	1100
Support for job creation investments focusing on regions with high unemployment rates	Labour Market Fund	2000

ANNEX 4

THE ROLE OF THE STRUCTURAL FUNDS AND THE COHESION FUND IN IMPLEMENTING THE GUIDELINES

Guideline	Measures	Financial sources 2004-2006 (million Euro)				
		National public participation	Community participation			
			ESF	ERDF	EAGGF	Cohesion Fund
1. Active and preventive measures for the unemployed and inactive	Preventing and tackling unemployment (HRDOP 1.1): <ul style="list-style-type: none"> - youth aged 16 to 30 who have not yet been employed on the labour market. - long-term unemployed. with special regard to people of above 45 years of age. - not yet long-term unemployed of above 30 years of age. for whom - by means of the programme - becoming a long-term unemployed can be prevented and the inactive population. 	29.2	87.6			
	Comprehensive development of the PES system (HRDOP 1.2): <ul style="list-style-type: none"> - improvement the system of job brokerage (consultancy. job-searching services). - improvement the quality of PES services through the tin-service training with special regard to the Roma. - development of effective labour market analyses and research in order to anticipate changes in the labour market supply and demand. - provision of up-to-date labour market information and on training opportunities. 	8.0	24.0			
2. Job creation and entrepreneurship	Support for training programmes related to investments to creating new jobs, and training to enhance the competitiveness of enterprises (HRDOP 3.4.)	16.7	50.1			
	Encouraging of investments (ECOP)*	32.9		98.7		
	SME development (ECOP)*	9.6		28.8		
	Development of R&D infrastructure (ECOP)*	32.9		98.7		
	Support for investments in agriculture (ARDOP 1.1)*	54.2			162.7	
	Support for young farmers (ARDOP 1.3)	3			9	

Guideline	Measures	Financial sources 2004-2006 (million Euro)				
		National public participation	Community participation			
			ESF	ERDF	EAGGF	Cohesion Fund
3. Address change and promote adaptability and mobility in the labour market	Improving access to disadvantaged regions and small regions (RDOP 2.1.)	31.0		93.1		
	Upgrading the main road network (EIOP 2.1)	62.9		156.1		
	Development of transport infrastructure (EIOP 2.2)	10.9		32.7		
4. Promote development of human capital and supporting life-long learning	Modernisation of the NQR (HRD OP 3.2.1)	5.2	15.5			
	Regional integrated vocational training centres: structural, methodological and infrastructural development (HRD OP 3.2.2; 4.1.1)					
	Converting the structure of tertiary education: elaborating short cycle training programmes adjusted to the requirements of the labour market. Bologna process (HRD OP 3.3, 4.1.2)	6.6	19.9			
	Developing the system of adult training: improving access to adult training services (HRD OP 3.5)	5.1	15.2			
	Competence based training in public education (HRD OP 3.1)	18.3	54.9			
	Supporting trade-related vocational training and retraining (ARDOP 1.4)	1.6			4.8	
5. Increase labour supply and promote active ageing	Reducing the regional differences of access to health care services, developing the infrastructure of rehabilitation services in the disadvantaged regions (HRDOP 4.3)	22.2		66.6		
	Elaborating and experimenting new methods for the training of asylum seekers and for enhancing their integration to the labour market (EQUAL-I)	0.3	0.9			
6. Gender equality	Promoting the participation of women in the labour market and reconciliation of work and family life. (HRD OP 1.3)	2.8	8.4			

Guideline	Measures	Financial sources 2004-2006 (million Euro)				
		National public participation	Community participation			
			ESF	ERDF	EAGGF	Cohesion Fund
	Promoting the reconciliation of work and family life by developing day-care services: developing the infrastructure of nurseries, reducing the regional differences in access to services (HRD OP 4.2.)	8.2		24.7		
	Developing the infrastructure of kindergartens and primary schools (RDOP 2.3.)	10.1		40.4		
	Elaborating new approaches and methods for decreasing horizontal segregation (EQUAL-H)	0.8	2.4			
7. Promote the integration of and combat the discrimination against people at a disadvantage in the labour market	Ensuring equal opportunities within education system. creating new methods for preventing drop-outs (HRD OP 2.1.)	7.6	22.8			
	Training of professionals working in the social field (HRD OP 2.2.)	4.1	12.4			
	Improving the employability of disadvantaged people by practice-oriented training and alternative labour market services (HRD OP 2.3)	10.0	30.0			
	Elaborating and experimenting new methods for helping disadvantaged people to access the labour market (EQUAL-A)	4.2	12.8			
	Promoting inclusive work practice to facilitate the employment of people with disabilities (EQUAL-E)	3.9	11.8			
10. Address regional employment disparities	Strengthening the capacities of local public administration and non-governmental organisations (RDOP 3.1)	5.3	21.5			
	Support for local employment initiatives, support for the social economy and developing local and regional employment strategies (RDOP 3.2)	3.8	15.2			
	Strengthening the co-operation of higher education institutions with local actors (RDOP 3.3)	2.8	8.4			
	Training programmes responsive to labour market needs for SMEs (RDOP 3.4.)	2.8	8.4			
	Expansion of rural income earnings opportunities (ARDOP 3.1)	6.3			18.9	
	LEADER+	4.78			14.3	

* the resources are also supplemented by private financing

ANNEX 5

COUNCIL RECOMMENDATIONS FOR HUNGARY

The employment rate in Hungary is low, particularly for the low-skilled, the disadvantaged, women and for older workers. At the same time, unemployment remains well below the EU15 average. This is explained by a low participation rate, i.e. a large inactive population of working age. There are major labour market imbalances between the central and western regions, where the 'modern economy' is concentrated, and the rest of the country. Regional and sectoral mobility is low, while skills bottlenecks reflect both a lack of skilled labour and the insufficient responsiveness of education and training systems to labour market needs.

Increasing adaptability of workers and enterprises

The tax wedge on labour remains high and represents an obstacle to job creation and a factor likely to contribute to undeclared work. Moreover, given the slowdown in economic growth, further efforts are required to ensure, together with the social partners, more employment-friendly wage developments. These are driven by the more competitive part of the economy and therefore not necessarily conducive to strengthening the job creation capacity of its weaker parts.

Attracting more people to the labour market and making work a real option for all

The health situation of workers is an issue of concern, which may partially explain low activity. To this end, there is a need for a policy to promote better working conditions, and improving preventive and curative healthcare. Reforms of the social benefit systems, including sickness benefits, should be pursued with the view to make work pay and to reduce undeclared work.

This should be accompanied by the development of more flexible and family-friendly working arrangements, including more attractive part-time work, in particular for women and older workers. Strengthening preventive and active labour market measures for the unemployed and the inactive is also necessary, especially in the most disadvantaged regions. This calls for modern public employment services, so as to support occupational and geographic mobility. Building on the Integration Strategy, efforts are needed to improve the labour market prospects of the Roma population.

Investing more and more effectively in human capital and lifelong learning

Efforts to develop lifelong learning strategies should be pursued and should encompass measures to reduce school drop-outs, to promote equal access to university education and to broaden access to training, in particular for the low-skilled and disadvantaged. It is important to improve the efficiency of the education system, and increase its flexibility in order to better adapt to the skills needs of the labour market.

ANNEX 6

**PARTNERSHIP CONSULTATION AND CONTRIBUTIONS
PRESENTED BY THE SOCIAL PARTNERS**

Partnership consultation and contributions presented by the social partners

1 THE CONSULTATION AND ITS PARTICIPANTS

Throughout the drafting of the National Action Plan for Employment, the MoEL paid special attention to cooperating and consulting with social partners. The consultation took place in June and July, when the 9 employers' confederations, the 6 employees' confederations, the bi-partite Sectoral Dialogue Committees (ÁPB), the National Interest Reconciliation Council (OÉT) and the tripartite county labour council were invited to discuss and make comments on the draft.

The consultation was characterised by a high interest and intense participation of the social partners and as a whole the document received positive feedback. The written comments were summarised and incorporated in the draft document in August. Most of the remarks suggested incorporating further issues to the Action Plan or urged for new measures and policy responses. In addition to commenting the draft, the Government addressed both employees and employer organisations with some concrete questions as well regarding policy issues where progress can only be made in close cooperation with the social partners (such as flexibility and security, lifelong learning, and wage development). The answers received are summarised below in section 2. The feedback and comments of social partners – OÉT, ÁPB, confederations, and labour councils – on the draft action plan are presented in section 3.

2 THE POSITION OF SOCIAL PARTNERS ON THE THREE QUESTIONS

How can flexibility and security of employment be combined in a balanced way? How can employment become more flexible without significantly reducing the security of workers? What are the ways to fostering flexibility?

According to the representatives of employees, it is hard to balance flexibility and security, nevertheless they fully acknowledge the importance of flexibility for the competitiveness of the economy. The security of employment could be enhanced among others by the following measures: dismissal protection 5 years prior to retirement (except for cases of insolvency), raising the dismissal protection period of those returning to work from an absence (child care, sick leave etc.) to 90 days, instead of redundancy payments providing regular allowance to redundant workers for a certain period of time, in case of insolvency providing free re-training or access to information on training opportunities. Moreover, the more widespread use of collective agreements or the expansion of the existing ones would also enhance security while benefiting employers as well.

The representatives of the employers emphasised the role of the legislation and the economic environment in increasing flexibility, in other words legislation should allow for more flexibility and economic conditions should be favourable. In their view, the security of employment is enhanced by a stable economic growth and predictable and stable tax and social security regimes. To this end, they suggest to set the framework for the development of tax and social security systems for the upcoming 3-5 years. Furthermore they call for a comprehensive review and reform of the labour-related contributions both paid by employers and employees. The different types of contracts should be approximated in terms of regulation, tax and social security contributions, and administrative burdens. The new Labour Code should define framework rules taking into account sectoral characteristics, and then the detailed rules should be laid down by the collective agreements. It is also important to expand the boundaries of part-time work, however creating adequate legal guarantees of part-time workers.

How can a balanced and employment-friendly wage development be ensured? Considering the recommendations of the Council, what are the prospects of a multi-annual wage agreement?

The representatives of the employees can only conceive a multi-annual wage agreement in a stable and predictable economic and regulatory environment. Otherwise, the agreement would prevent low-wage earners from wage-negotiations and wage-adjustments. Nonetheless, they call for a medium-term indicative agreement on the approximation of wages to the EU average. The basis of wage-negotiations should be performance and productivity. Some would consider desirable the introduction of a sectoral wage-tariff regimes and the enhancement of the role of ÁPBs. Finally, they suggest that the calculations on standard basic living cost should be made and published regularly for setting the minimum wage.

The employers claim that a distinction should be made between national wage agreement and sectoral or firm wage development. Some representatives can envisage a multi annual national wage agreement if economic growth is sustainable and stable, tax and social security regimes predictable, and the reform of the state budget is completed. Thus, a national wage agreement does not seem feasible in the near future. Nevertheless, sectoral wage agreements seem possible and preparatory activities could start. To this end a mandatory national wage-tariff regime could be created. Other employers however, exclude multi-annual wage agreements because in their view wage developments should be based on the actual growth and performance of the economy. Nonetheless they could accept sectoral wage-recommendations.

How can investment in human capital be increased? What are the roles of the employers, employees and the Government in enhancing lifelong learning of workers?

According to employee organisations the Government should create the legal and financial conditions, and ensure the necessary support of lifelong learning and thus make it attractive. Adequate legislation should be in place to ensure that only accredited institutions provide training, but these institutions should receive support. The prestige of vocational training should be restored and its structure modernised. Better use could be made of the experience of trade unions when planning vocational training, and bipartite vocational training centres could be set up. Vocational training should respond to the needs of the labour market. Both employees and employers should be encouraged to participate in lifelong learning.

Employers' representatives emphasise that development of human capital is a common interest, in which both employers and employees, and last but not least the Government have responsibilities. According to them more attention should be given to distance-learning and make sure that businesses have access to programmes supporting distance learning. To increase efficiency of training, there should be a closer link between adult training centres and vocational training schools. Some suggest to introduce the concept of "job-retention training" that would be organised by the employer and compulsory for the employee.

3 COMMENTS ON THE NATIONAL ACTION PLAN FOR EMPLOYMENT

EMPLOYEE ORGANISATIONS

Throughout the consultation, the representatives of the employee organisations emphasised that employment policy and related measures should be integrated in a single strategic framework instead of ad hoc measures. The NAP could well serve this purpose.

Guideline 1 Active and preventive measures for the unemployed and inactive population

According to the employee organisations rising the retirement age and the prolongation of the activity of older workers would have a negative impact on the labour market situation of school leavers. As far as active measures are concerned, they suggest to increase allocated funding so that more unemployed

and inactive persons can be involved. In case of mass redundancies, a pre-assessment of necessary funding and measures should be always made. Finally, they highlight that the new employment act (already consulted with the social partners) should be ratified and enter into force in 2005.

As for the services of the PES, to increase their efficiency adequate institutional, staff and technical capacities should be ensured at all levels, and cooperation with local stakeholders (local governments, NGOs) strengthened. Social partners should be more closely involved in the preparation and implementation of PES programmes.

Guideline 2 Job creation and entrepreneurship

In general, more attention should be paid to job creation but they suggest to emphasise job-retention as well. They agree that to create jobs, in the first place existing businesses should be strengthened and to a less extent more new businesses created. Some organisations call for stricter labour inspection.

Concerning the agricultural sector, employee organisations establish that the expected decline of the number of producers and the increase of farm size is a necessary, however not sufficient condition of increasing the competitiveness of agriculture. There is a need for an increased cooperation and association of competitive producers, and the strengthening consultancy capacities. Moreover, the tax-regime should become fully sector-neutral.

Guideline 3 Address change and promote adaptability and mobility in the labour market

According to the representatives of the employees adaptability can be enhanced by planned restructuring. The Government should make such sectoral and regional economic policies that facilitate labour-demand forecasting as well. They also emphasise the need for reliable economic analysis and prognosis that can be carried out in co-operation with the social partners.

The widespread proliferation of atypical employment forms is prevented not only by the problems of legislation, but also by the low wages and the uncertainties of fixed-term and self-employment. Nevertheless, employee organisations acknowledge that in certain sectors, most importantly in agriculture, traditional forms of employment are more and more replaced by atypical or undeclared work. Legal atypical contracts should thus be promoted more intensively by easing the administrative burden and tax wedge of employers, and increasing the legal protection of employees.

According to trade unions, the mobility of labour is hindered by bad transport infrastructure and the regional disparities of the real estate market. Suburban transport in cities is particularly poor and a greater emphasis should be put on the development of railways.

Guideline 4 Promote development of human capital and life-long learning

This guideline is of outstanding importance because only a well-educated and skilled workforce can create a knowledge-based society, improve productivity and boost job creation. Education and training from vocational schools to universities should be in line with and respond to the needs and structure of the economy. Trade unions certainly see a role for themselves in contributing to these objectives. Finally, vocational training should be modernised and expanded.

Guideline 5 Increase labour supply and promote active ageing

To create incentives for hiring older workers, some employee organisations propose to consider cutting the tax and contribution wedge for older workers. Others however, see helping the labour market integration of school leavers more important rather than promoting active ageing. They argue that because of the poor health condition force and the low life expectancy of the Hungarian population, active ageing is not a topical issue. As regards migrant workers, they accept the temporary and legal employment of ethnic Hungarian workers from neighbouring countries.

Guideline 6 Gender equality

Trade unions agree with the content of the guideline, however suggest introducing more incentives to hire or retain women returning to work following child home care. To this end the dismissal protection of these groups should be restored to 90 days.

Concerning wage gaps, one of the trade union confederations calls for an action programme to tackle wage differences, modernise wage classifications and fully implement the principle of equal pay. They also emphasise the need to combat vertical segregation. Finally, they highlight that adult training should pay greater attention to sectors employing predominantly skilled female workforce.

Guideline 7 Promote the integration of and combat the discrimination against people at a disadvantage in the labour market

Employee organisations highlight that to facilitate the labour market integration of disadvantaged people, more government-supported training and public works programmes are needed. However, to ensure efficiency people themselves should be more actively involved.

Guideline 8 Make work pay through incentives to enhance work attractiveness

Trade unions urge the ratification of the Article 4. of the European Social Charter. Moreover they suggest that the average income should not fall within the range of the highest income tax rate. Concerning unemployment payments, they call for strengthening the link between unemployment benefit and previous income and also raise its maximum already in 2004. According to the representatives of the employees, the primary purpose of unemployment benefits is replacing missing income and giving the opportunity to search for and prepare to take up a new job.

Guideline 9 Transform undeclared work into regular employment

In the trade unions' view, to combat undeclared work, the tax wedge on labour should be reduced, the flat-rate health contribution should be abolished and the Labour Code should be fully reviewed and amended. They add that labour inspection capacities should be strengthened and inspections and sanctions made stricter to prevent undeclared work.

Guideline 10 Address regional employment disparities

In the regions lagging behind development and attracting investment should receive priority and also adequate funding should be allocated. In addressing regional disparities, it is of high importance to develop the transport, the infrastructure and the IT networks, and the construction of state-supported accommodation.

EMPLOYER ORGANISATIONS

Guideline 1 Active and preventive measures for the unemployed and inactive population

The representatives of employers emphasise that training should always be based on real labour market needs or be in line with regional development strategies. It is also important to ensure high quality. They also support that the new employment act enters into force at the earliest possible.

Guideline 2 Job creation and entrepreneurship

They fully acknowledge the importance of job-creation and job-retention, however they add that a significant number of medium-sized firms suffer shortage of capital. As far as SMEs are concerned, besides improving training of management and entrepreneurial skills, they also consider necessary a better supply of funding resources and simplifying access to them. Finally they suggest considering tax and social security contributions cut and reducing the administrative burdens of businesses.

Guideline 3 Address change and promote adaptability and mobility in the labour market

Adaptability can be enhanced by planned restructuring. The Government foster such sectoral and regional economic policies that facilitate labour-demand forecasting as well. They also emphasise the need for reliable economic analysis and prognosis.

They agree that the geographical mobility of the Hungarian workforce is not expected to increase, thus more support should be given to commuting, improving public transport and facilitate relocation.

Concerning the flexibility and security of employment, employers would need cheaper and more flexible employment. This would require the consolidation and dissemination of flexible contract types that are good for both employers and employees.

Guideline 4 Promote development of human capital and life-long learning

According to the representatives of the employers, education policy should be brought in line with the real needs of the economy. This could be facilitated by regular sectoral reports on labour supply and assessment of training/education. Priority should be given to adult training and re-training, furthermore the system of vocational and adult training should be modernised. It would be important to support also the basic skills development of workers in order to facilitate participation in lifelong learning. However, besides these major structural reforms, some short-term measures are needed as well. They acknowledge the importance of the role of employers in training. Employer organisations do not consider necessary and adequate to increase the number of university students.

Guideline 5 Increase labour supply and promote active ageing

Employer organisations agree with the content of the guideline.

Guideline 6 Gender equality

Employer organisations agree with the content of the guideline.

Guideline 7 Promote the integration of and combat the discrimination against people at a disadvantage in the labour market

Employer organisations agree with the content of the guideline.

Guideline 8 Make work pay through incentives to enhance work attractiveness

According to employers the rise of the minimum wage should be based on the performance and capacities of the economy or the given sector.

Guideline 9 Transform undeclared work into regular employment

Employers agree that to combat undeclared work, the tax wedge on labour should be reduced, the flat-rate health contribution should be abolished and the Labour Code should be fully reviewed and amended.

Guideline 10 Address regional employment disparities

The employers agree that mechanisms that take into account the capacities and characteristics of the regions and the labour needs of the businesses are needed to reduce regional disparities. Moreover, to boost business creation in the regions lagging behind financial incentives are needed.

The adequate implementation of the NAP and coordinating it with the Government agenda is a priority for the social partners. To ensure good governance both in the elaboration and implementation of the action plan continuous consultation and coordination with the social partners and organized interest groups is necessary. Regarding the budget of the NAP, social partners suggest considering highlighting fewer priorities for better concentration of financial resources. They recommend that the Labour Market Fund should allocate funding only for employment purposes, and especially increase funding for training and rehabilitation. The National Development Plan has a prominent role in attaining the objectives of the NAP. Social partners reassure their commitment to the implementation of the NAP and their participation in the Monitoring Committee. They also support the establishment of the inter-ministerial Committee for Employment.