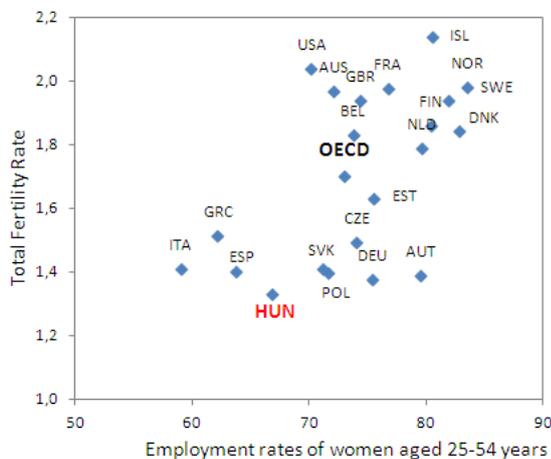


# Doing Better for Families Hungary

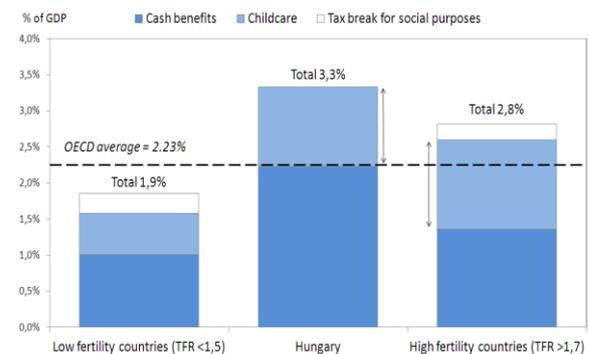
## More support to combine work and family can boost fertility in Hungary

At 1.33 children per woman, the total fertility rate in Hungary is the 3rd lowest across the OECD (the average is 1.74). The decline in fertility started in the 1980s, and accelerated in the early 1990s. Since 2000, fertility rates stabilised in Hungary, while about half of the other OECD countries experienced an increase.

*Hungary combines low fertility and low female employment rates (2009)*



*Hungary spends large amounts on families, but less on childcare services than countries with high fertility*



Low fertility goes hand in hand with low employment among women. In 2010, the female employment rate was just below 50% (10 percentage points below the OECD average), and at 46% in 2007, the maternal employment rate was the lowest of the European OECD countries.

The combination of low fertility and female employment rates is largely explained by the limits in support for parents to reconcile work and care commitments. Hungary is among the top OECD spenders on families with 3.3% of GDP allocated to family benefits in 2007. However, only 1/3 of these resources invested in families are spent on formal childcare supports, while this share is above 43% in countries with fertility rates above 1.7 children per women.

The prolonged duration of parental leave and the limited provision of childcare supports establish de fact barriers to employment for many mothers. Parental leave can last up to 3 years (compared with 1.5 years on average across the OECD) and be combined with the reception of a flat-rate cash-for-care benefit; a parent of three or more children can even stay at home and receive this benefit until the youngest child is eight years old. Moreover, less than 9% of children under age 3 are enrolled in formal childcare services (well below the EU target of 33% fixed by the Lisbon Strategy).

Hungary has recently introduced a tax relief for households with large number of children, which might have a positive influence on birth-rates. However, the evidence from other countries is that a wider provision of formal childcare services is a more effective tool for helping parents with work and family commitments and thus raise birth-rates. Hungary needs to strengthen its investment in early care and education services.