

Technical Support to Reduce the Gender Employment Gap in the Hungarian Labour Market

Summary Report on stakeholders' views and beliefs



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Technical support to reduce the gender employment gap in the Hungarian labour market: report on stakeholders' views and beliefs

1. Aim of the report

This report is a deliverable of the project “Technical Support to Reduce the Gender Employment Gap in the Hungarian Labour Market” provided to Hungary by the Directorate General for Structural Reform Support of the European Commission (DG REFORM), in cooperation with the OECD. The beneficiary of the project is the Hungarian Prime Minister’s Office, Strategic State Secretariat for Families.

The report provides a summary of the results of the stakeholder consultation around issues such as the gender employment gap, women’s roles in society and work/life balance feasibility, and the State’s role in boosting women’s employment outcomes.

2. Methods for stakeholder consultation

The stakeholder consultation on the gender employment gap and areas for potential policy reforms in Hungary was conducted in two key phases: a survey among relevant stakeholders, followed up by interviews and focus groups meetings.

2.1. Survey

The survey aimed to gather basic information from a wide range of stakeholders, eliciting views on: the role of men and women in society, fathers and mothers with young children, part-time and flexible work among parents with young children, public support for mothers of young children in paid work, childcare for children under age three, paid parental leave and paid parental leave reserved for fathers (26 questions). The questionnaire, which offered anonymity to the respondents, also contained 8 questions on their background and 2 on potential follow-up consultations.

The list of survey recipients included governmental organisations, small and large firms, business confederations, employment service providers, trade unions, childcare providers, medical professionals, parent and women’s associations, children’s rights groups, family associations, non-governmental organisations (NGOs), media and researchers.

The questionnaire was available online, on LimeSurvey, during December 2020 and re-opened between February and April 2021 to gather additional responses. 68 completed questionnaires were collected from 350 invited stakeholders.

The final sample of respondents is homogenous: almost 90% are women and 79% are married. Almost half of the sample is aged between 40 and 49 and 23% between 50 and 59; 15% of respondents are older and 15% younger than these groups. Only 10% have no children, while on average, respondents have about two children with the youngest child over 6 years of age in most cases (78%). The largest group of respondents works in NGOs (38%).

2.2. Focus groups and in-depth interviews

The focus groups and in-depth interviews used survey insights to fine-tune the topics addressed. Invitees were identified from a list of survey respondents who indicated availability for follow-up consultations, and from a list of local governments that had recently received public financial support for

childcare centres. Attention was paid to ensure the involvement of a broad range of stakeholders representing various interests.

Discussions focused on the following policy areas to close Hungary's gender employment gap: paid parental leave, early child education and care (ECEC), flexible working arrangements, early retirement and Women 40, girls' and young women's participation in Science, Technology, Engineering, and Mathematics (STEM) education, and active labour market policies and skills development.

Due to the COVID-19 pandemic, all meetings were conducted via videoconferencing tools between mid-February and mid-April. In total, 46 stakeholders (38 women and 8 men) participated in the consultations.

3. The role of men and women in society

Most survey respondents show a clear preference for joint contributions to household income by both partners as opposed to a one-earner family model. Similarly, there is a strong rejection of clear role distinctions in a couple family, in which men solely engage in paid employment, while women look after the household and children.

Follow-up consultations showed that increasing labour market participation by women with young children is generally accepted as a legitimate policy goal, although some religious groups support mothers with young children staying at home. While some stakeholders are in favour of "promoting choice" for mothers either to stay at home or go back to work, others warn about the double burden of paid and unpaid work responsibilities. Overall, there seems to be general awareness that public policy is influenced by demographic concerns.

4. Taking leave

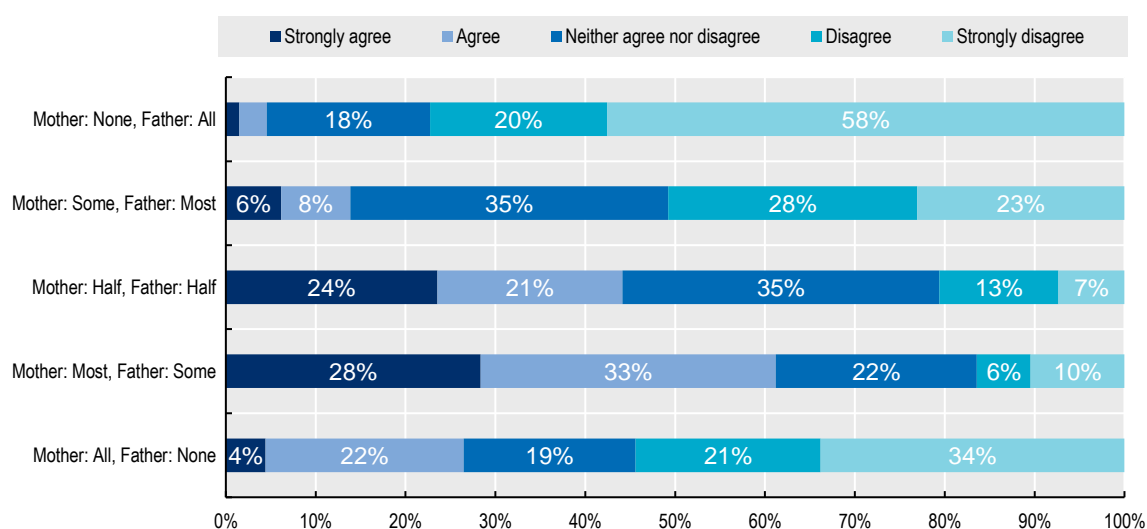
4.1. Exclusive or shared leave taking

While survey respondents are generally opposed to *exclusive leave taking* by one partner, about a quarter of respondents favour exclusive leave taking by the mother (Figure 1). Lack of support for exclusive leave taken by fathers exemplifies the importance attributed to mothers' involvement in a child's early years. However, with regard to *shared leave*, survey respondents generally support either equally shared leave (45% of respondents) or predominant (not exclusive) leave-taking by the mother (61%). Only 20% of respondents are against equal sharing of parental leave among fathers and mothers. Existing evidence suggests that most leave users in Hungary are mothers, with few mothers of young children engaging in paid work.¹

¹ See OECD (2021), Technical Support to Reduce the Gender Employment Gap in the Hungarian Labour Market - Inception Report Summary, <https://www.oecd.org/gender/Summary-Inception-En.pdf>

Figure 1. Respondents favour parental leave sharing, but prefer mothers to take the majority of it

Distribution of survey responses regarding attitudes towards parental leave sharing between mothers and fathers



Source: OECD Stakeholder Survey on Gender Employment Gaps in Hungary

4.2. Duration of paid leave

Most stakeholders see a link between the *duration of paid leave* entitlements and mothers' decisions to engage in paid work. Some highlighted lengthy parental leave as detrimental to working class and, especially, white-collar women, given the labour market changes occurring over three years. Moreover, while parents can claim GYED Extra (see Box 1) to maximize benefits, and carry on working, this has so far had little impact on the number of mothers with very young children in paid work. The mother who stays at home to provide childcare may not accrue formal labour-related entitlements.

Box 1. Parental leave benefits in Hungary

Hungary operates a fully-sharable family-based parental leave system. Employed parents can access paid parental leave until the child's third birthday. For insured parents, payment is made through a combination of an earnings-related benefit [*gyermekgondozási díj* (GYED)] until the child's second birthday and a flat-rate benefit [*gyermekgondozást segítő ellátás* (GYES)] until the child's third birthday. For parents who are not insured, payment is made through GYES.

GYED is paid at 70 percent of earnings up to a relatively low ceiling (HUF 193 200 in 2018) equal to about 56 percent of average full-time earnings. GYES flat-rate payment is much lower (HUF 28 500 in 2018, equal to about 8 percent of average full-time earnings).

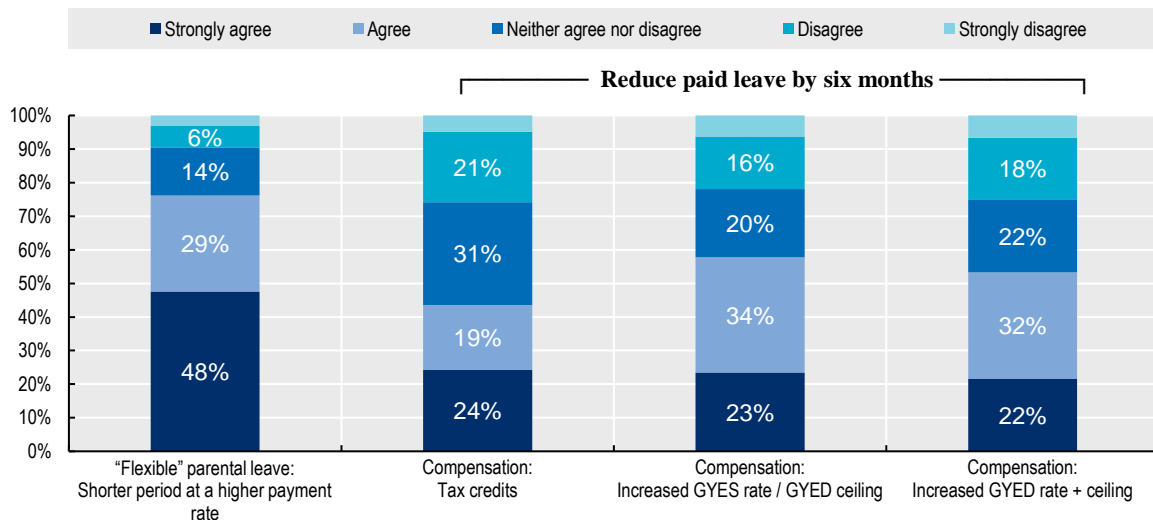
Since 2016, under the "GYED Extra" programme, parents in receipt of parental leave benefits can work unlimited hours once the child turns six months old, with no loss of benefit.

Source: Technical Support to Reduce the Gender Employment Gap in the Hungarian Labour Market - Inception Report Summary, <https://www.oecd.org/gender/Summary-Inception-En.pdf>

Stakeholders see some scope for reform in Hungary's parental leave system, although some acknowledge that reducing existing benefit entitlements may negatively affect trust in the government and fertility decisions. Regarding policy options, over two thirds of survey respondents favour parental leave *flexibility*, allowing parents to take leave for a shorter period at a higher payment rate (Figure 2). Over half would support a *reduction of paid parental leave* if this comes with compensation (increasing GYES payments for the uninsured and the ceiling on GYED payments for the insured, raising the payment rate and ceiling on GYED, or an equivalent tax credit increase for parents once back to work).

Figure 2. Limited opposition to reduction in leave periods, although flexibility is preferred

Distribution of survey responses regarding the statement: "To what extent would you support or oppose the following possible options for reform to paid parental leave?"



Source: OECD Stakeholder Survey on Gender Employment Gaps in Hungary

4.3. Fathers-only leave

Stakeholders support *fathers-only leave* for a two-month duration, even if this is deducted from mothers' total leave entitlement. Support is greater if a deduction does not occur, granting two extra months overall.

Insights from interviews and focus groups shows support for fathers' leave (especially if under 2 months) by more progressive stakeholders, while most stakeholders agree on fathers' essential role in care responsibilities. According to nursery workers and visiting nurses, fathers in younger generations are increasingly ready to play their part in care responsibilities. Human resource (HR) professionals and parental interest groups referred to some employers' practices that grant fathers extra leave following childbirth as a means to reduce workplace discrimination. Parental organizations consider following international good practice on fathers' increased involvement as positive.

Media representatives consulted called for a governmental communication strategy alongside fathers' paid parental leave. However, many stakeholders do not expect the government to introduce such a policy: even when it promotes choice as long as it does not reduce mother's entitlement to paid leave, it may still be seen to go against government family policy, which stresses traditional family roles.

5. Mothers returning to work and their public support

Consultations revealed general agreement among respondents that a return to full-time work before the child is a half-year old is inappropriate, and limited support for a return over the following year. Stakeholders stressed that while municipal nurseries must have facilities for children aged below one, a mother with a child that age rarely returns to work then as it would be frowned upon by nursery professionals, peers and society in general.

Returning to work when a child is aged 2 (when the GYED subsidy ends and the GYES begins), rather than 3, is considered more socially acceptable and feasible if full-time childcare is provided. Many low-income mothers choose a return to work at this stage, but employers and others warned that mothers who return to work this early may face a double burden in terms of responsibilities and stigmatization (especially in small towns in the countryside). 15% of survey respondents view a return to full-time work as only acceptable when the child reaches age 3, while only 4% see 4 as the preferred age.

Stakeholders are divided when assessing the Hungarian government's current provision of support for family-friendly employment of mothers with young children. Yet, they seem to agree that more policy effort is needed in this field, even as they tend to consider GYED Extra as a successful intervention.

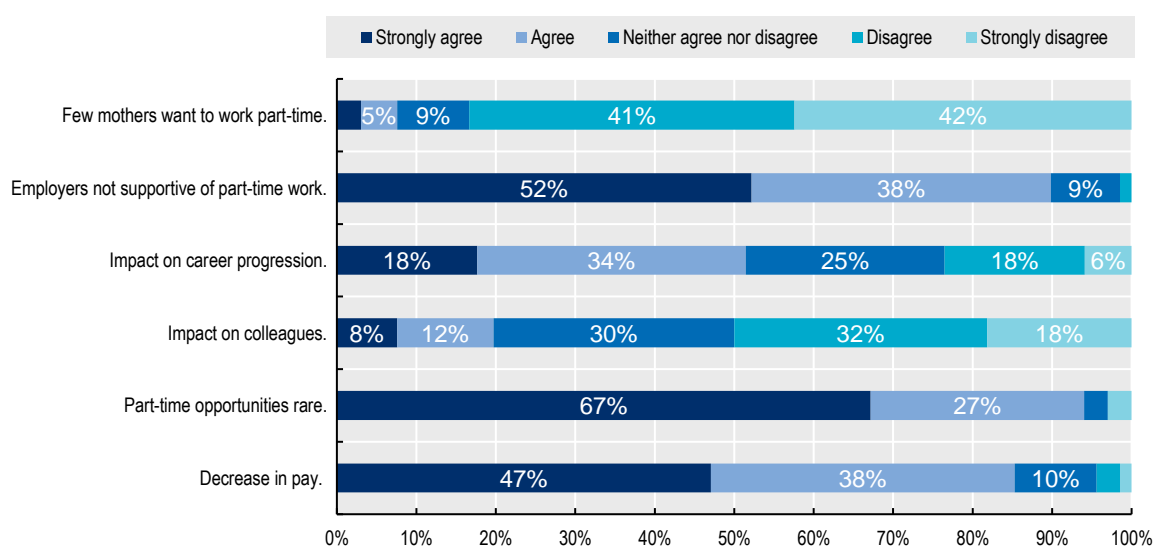
6. Part-time and flexible work among parents with young children

6.1. Part-time work

Although part-time employment can aid an earlier return to work, the opportunities and support for doing so are perceived as rare (Figure 3). While only 8% of survey respondents think that only few mothers would be willing to work part-time, most respondents identify scarce available opportunities, a lack of support from employers, and disincentives related to decreased pay as key obstacles to mothers' participation in part-time work. Part-time employment is not considered an option for low-income families. Various stakeholders indicated that this limits the use of GYED Extra despite its flexibility.

Figure 3. Opportunities & support for part-time work are rare and it does not pay enough

Distribution of survey responses regarding reasons for low part-time employment of mothers with dependent children



Source: OECD Stakeholder Survey on Gender Employment Gaps in Hungary

6.2. Flexible work

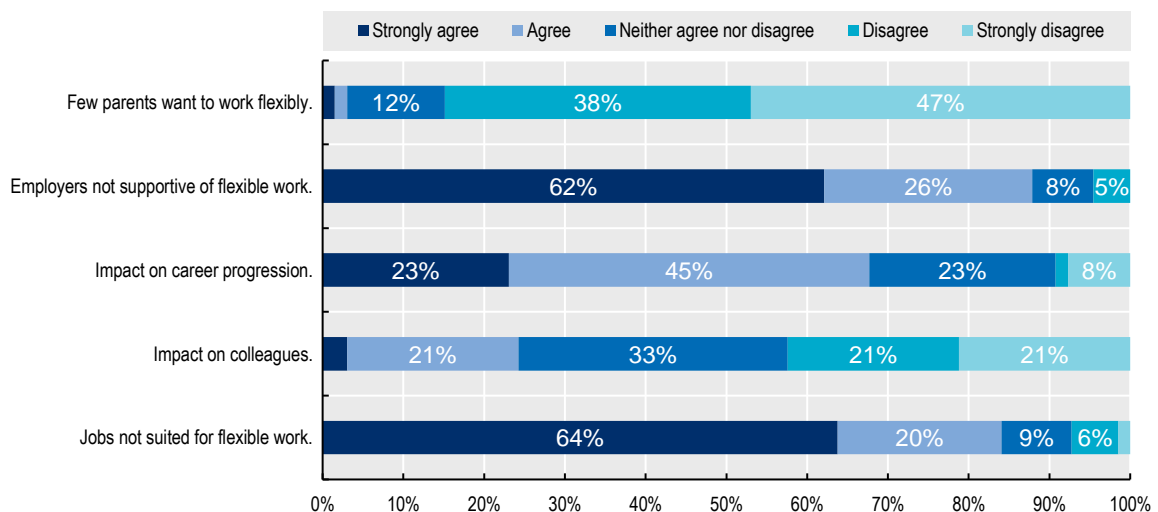
Similar patterns are identified regarding flexible work for mothers and fathers (Figure 4). Most survey respondents disagree that only few parents want flexible work arrangements, but many agree that most jobs are unsuited for flexible arrangements and that employers seem unsupportive of flexible work. Several HR professionals stressed that an Act of Parliament is needed to settle regulatory issues concerning work from home.

For both part-time and flexible work, concerns about career progression might also play a role, while there is only limited concern regarding the impact on colleagues.

Exchanges in experiences between HR managers of local employers was mentioned as a good practice that could help workplaces to become more supportive and innovative through flexible work arrangements and accommodating the childcare needs of employees.

Figure 4. Many jobs are not considered suited for flexible work and employers are generally not supportive

Distribution of survey responses regarding reasons for low flexible employment of parents with dependent children



Source: OECD Stakeholder Survey on Gender Employment Gaps in Hungary

The Covid-19 pandemic may have shifted employers' views of flexible working. In late 2020, a government decree² stipulated some exemptions to make home office work possible for the pandemic's duration – which the HR experts and mayors consulted described as a breakthrough moment. Over three quarters of survey respondents assume this will have long-term effects on employers' perceptions of flexible forms of work.

7. Childcare for children under age three

Strong support for further government intervention in childcare policy exists, in particular for children aged under three. Focus groups and interviews provided insights for potential policy actions.

² 487/2020. (XI. 11.) Korm. rendelet

7.1. Public day care facilities

When it comes to *increasing public investment in public day care facilities*, efforts to expand municipal nurseries over the past decade were seen as effective. Local government representatives claimed newly established nurseries seem to be filling up, and mayors of towns with a recently opened nursery may consider further expansion. Some interviewees highlighted that the decision to operate a centre depends on political leadership, demographic concerns, labour demand, cooperation between towns/settlements and local government finances. Nursery grants to local authorities are determined by daily attendance, with nurseries losing funding when children miss over ten days a month. This discourages admitting (more) children whose parents work part-time.

7.2. Childcare guarantee

Reinforcing the existing childcare “guarantee” was mostly not considered an option, since the guarantee is not seen as a reality for all with a child below 3 years, especially in small rural communities. Nursery groups added that low-income families are under-represented and often admitted on recommendation of visiting nurses and social workers, while Roma families may not trust state institutions including nurseries. Employing Roma workers, and increasing outreach efforts, may help to address this.

7.3. Private childcare services

The option of *providing public childcare support to parents using private services* was scarcely considered. Different stakeholders stressed that private, smaller, flexible, non-family-provided services, including family nurseries, are an option mainly utilised by higher income households.

7.4. Employer-provided childcare

Employer-provided childcare, which had been contemplated as an option by some mayors, met limited enthusiasm among stakeholders: employers may struggle to offer such services, and employees may prefer childcare options closer to home. Nevertheless, some employers found novel HR solutions in this direction, such as summer camps for children when nurseries are closed.

8. Early retirement and Women 40

Consultation of stakeholders as regards modifications of the Women 40 Programme, or its abolishment altogether, met with a lukewarm response. Changes are not seen as a realistic option.

9. STEM education, quotas and active labour market and skills policies

HR experts are in favour of making girls aware of the effect of their school choices. HR professionals and academic experts would welcome measures addressing gender bias, and sensitization elements incorporated into teacher training, but religious groups are against any change in this regard.

At the same time, gender quotas are not considered as options. No clear views were collected on active labour market or skills policies.