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SOWELL:

Social dialogue in welfare services

National report: Hungary

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ÁFEOSZ	Hungarian National Federation of Consumer Co-operative Societies and Trade Associations	Általános Fogyasztási Szövetkezetek és Kereskedelmi Társaságok Országos Szövetsége
ÁPB	Sectoral Social Dialogue Committees	Ágazati Párbeszéd Bizottságok
ASZSZ	Autonomous Trade Union Confederation	Autonóm Szakszervezetek Szövetsége
ATESZ	Autonomous Territorial Trade Union	Autonóm Területi Szakszervezet
BDDSZ	Democratic Trade Union of Nursery Employees	Bölcsődei Dolgozók Demokratikus Szakszervezete
ECEC	Early Childhood Education and Care	
EDFSZ	Independent Trade Union of Healthcare Workers	Egészségügyben Dolgozók Független Szakszervezete
EMMI	Ministry of Human Capacities	Emberi Erőforrások Minisztériuma
ÉSZT	Confederation of Unions of Professionals	Értelmiségi Szakszervezeti Tömörülés
ÉT	Interest Conciliation Council	Érdekegyeztető Tanács
ETUI	European Trade Union Institute	
EU-LFS	European Union Labour Force Survey	
FESZ	Independent Trade Union of Healthcare	Független Egészségügyi Szakszervezet
GDP	Gross Domestic Product	
HUF	Hungarian Forint (currency)	
HVG	Weekly Global Economy (weekly published Hungarian newspaper)	Heti Világgazdaság
ICTWSS	Institutional Characteristics of Trade Unions, Wage Setting, State Intervention and Social Pacts Database	
IPOSZ	National Federation of Industrial Associations	Ipartestületek Országos Szövetsége
ISCED	International Standard Classification of Education	
ISCO	International Standard Classification of Occupations	
KEF	Civil Service Stakeholder Forum	Közszolgálati Érdekegyeztető Fórum
KISOSZ	National Interest Group of Traders and Caterers	Kereskedők és Vendéglátók Országos Érdekképviseleti Szövetsége
KKDSZ	Public Collection and Public Culture Workers' Union	Közgyűjteményi és Közművelődési Dolgozók Szakszervezete
KSH	Hungarian Central Statistical Office	Központi Statisztikai Hivatal
KVKF	Consultation Forum of Public Service Enterprises	Közszolgáltató Vállalkozások Konzultációs Fóruma
LIGA	Democratic League of Free Trade Unions	Független Szakszervezetek Demokratikus Ligája
LTC	Long-term Care	
MaSZSZ	National Confederation of Hungarian Trade Unions	Magyar Szakszervezetek Szövetsége
MGYOSZ	National Confederation of Employers and Industrialists	Munkaadók és Gyáriparosok Országos Szövetség
MJVSZ	Association of Cities with County Status	Megyei Jogú Városok Szövetsége
MKIR	Employment Relations Information System	Munkaügyi Kapcsolatok Információs Rendszer
MKKSZ	The Trade Union of Hungarian Civil Servants, Public Employees, and Public Service Employees	Magyar Köztisztviselők, Közalakalmazottak és Közszolgálati Dolgozók Szakszervezete
MOSZ	Union of Hungarian Doctors	Magyar Orvosok Szakszervezete
MOSZ	National Federation of Workers' Councils	Munkástanácsok
MÖSZ	Association of Hungarian Local Governments	Magyar Önkormányzatok Szővetsége
MÖSZ	Ambulance Workers' Independent Trade Union	Mentődolgozók Önálló Szakszervezete

MSZ EDDSZ	The Democratic Trade Union of Health and Social Workers	Magyarországi Munkavállalók Szociális és Egészségügyi Ágazatban Dolgozók Demokratikus Szakszervezete
MSZOSZ	National Confederation of Hungarian Trade Unions	Magyar Szakszervezetek Országos Szövetsége
NGTT	National Economic and Social Council	Nemzeti Gazdasági és Társadalmi Tanács
NILO	National ILO Council	
OECD	Organisation for Economic Co-operation and Development	
OÉT	National Council for the Reconciliation of Interests	Országos érdekegyeztető tanács
OKISZ	Confederation of Hungarian Industry	Magyar Iparszövetség
OMT	National Labour Council	Országos Munkaügyi Tanács
OSZSZ	The Trade Union Association of Medical Universities	Orvosegyetemek Szakszervezeti Szövetségének
PDSZ	Democratic Trade Union of Teachers	Pedagógusok Demokratikus Szakszervezete
PSZ	Teachers´ Trade Union	Pedagógusok Szakszervezete
ReSzaSz	Trade Union of Residents and Specialists	Rezidens és Szakorvos Szakszervezet
SZÁD	Social Sector Workers´ Trade Union	Szociális Ágazatban Dolgozók Szakszervezete
SZÁÉF	Reconciliation Forum of Social Services Sector	Szociális Ágazati Érdekegyeztető Fórum
SZÁÉF	Reconciliation Forum of Social Services Sector	Szociális Ágazati Érdekegyeztető Fórum
SZEF	Forum for the Cooperation of Trade Unions	Szakszervezetek Együttműködési Fóruma
SZGYF	Directorate-General of Social and Child Protection Affairs	Szociális és Gyermekvédelmi Főigazgatóság
SZIOSZ	Nationwide Association of Social Institutions	Szociális Intézmények Országos Szövetsége
SzMDSz	Democratic Trade Union of Social Workers	Szociális Munkások Democratikus Szakszervezete
SZTDSZ	Trade Union of Social Workers	Szociális Területen Dolgozók Szakszervezete
TEÁOR´08	Statistical Classification of Economic Activities in the European Community - 2008	Tevékenységek Egységes Ágazati Osztályozási Rendszere - 2008
TÖOSZ	National Association of Local Municipalities	Települési Önkormányzatok Országos Szövetsége
USD	United States Dollar (currency)	
VKF	Standing Consultative Forum for the Private Sector	Versenyszféra és a Kormány Állandó Konzultációs Fóruma
VKTT ESZI	Unified Social Institution of the Multipurpose Association of the Veszprém Micro Region	Veszprémi Kistérség Többcélú Társulása Egyesített Szociális Intézménye
VOSZ	National Association of Entrepreneurs and Employers	Vállalkozók és Munkáltatók Országos Szövetsége

Executive Summary

This report seeks to understand how care services in Hungary have been affected by the increasing demand for the services over past decade on the one hand, and by the austerity measures as an aftermath of the economic crises starting in 2008 on the other hand. Within overall care services, the focus in on two subsectors: early childhood education and care (ECEC) for children aged 0-5; and long-term social and health services for elderly people (long-term care, LTC).

The report is part of the SOWELL project that scrutinizes care services in Hungary at the national and local level from the perspective of employment relations as a new arena for building solidarity and labour market coordination through social dialogue. The motivation for this focus is the growing demand for care services on the one hand and increasing budget austerity in delivering public finance for care services since 2008-2009 on the other hand. In this context, a four-fold challenge (or a *quadrilemma*) has been identified that stakeholders in the care sector are facing. These include constrained public finance, the need for quality services, aims to improve the access to services, and finally improvements in working conditions in care services. The report looks at the development in the Hungarian care sector acknowledging these challenges, and the role of social partners and social dialogue therein.

In the last two decades, employment increased in Hungary, especially among the 50+ age groups. This trend is also demonstrated in the ECEC and LTC sectors. In addition, both sectors are dominated by women workers, and professionalization of care workers. From the perspective of governance, the ECEC and LTC sectors are divided in their legislation, financing, competence allocation and responsibility of state authorities. This division fuels a lack of cooperation between social actors and policy makers in both sectors, and a lacking overarching perspective on care services.

The majority of care services are publicly funded, yet funding systematically remains below 1% of the GDP. Financing the care sector is further complicated by a complex structure of service providers: in ECEC, the dividing point is care for children below 3 years of age (social service, a complex structure of nurseries based on the type of provider) and children aged 3-6 (kindergartens, part of the school system). LTC is not recognized as a separate sector but covering health care and social care, whereas each are structured and governed separately without cooperation at the national level.

The fragmented structure of care provision is transposed also in the structure of social partners and the patchwork characteristics of social dialogue. Trade union structure is fragmented both in ECEC and the LTC sectors, while a higher fragmentation occurs in the LTC sector (3 trade unions in ECEC and 6 trade unions in the LTC sector). Persisting labour shortages and low wages in both sectors open opportunities for improvements and for social partner involvement. However, the findings show that not only is the interaction between policy makers and trade unions underdeveloped, the government fails to implement reforms to improve working conditions. The exception is the effort to support publicly-financed home care services. In result of lacking centrally governed policies, social actor involvement in developing and implementing solutions to the challenges within the quadrilemma occurs in a decentralized way, at the local level.

Four cases were analysed in greater detail to shed light on solutions to the quadrilemma at the local level. First, the Veszprém municipality directly subsidized wage increases in LTC provision, thereby pre-empting the need for collective bargaining and trade union involvement. Second, in 2022 the city council of capital Budapest initiated a wage bonus at 60% of the minimum wage, signing an agreement with trade unions. This step opened the door for strengthening social dialogue at the local level in conditions of lacking sectoral or national coordination. Third, in ECEC, trade unions in the municipality of Veszprém negotiated with the city council a wage supplement to address labour shortages and wage differences among various types of professionals and service providers. Trade unions used this as an opportunity for organizing new members. Fourth, despite a failure to implement wage guarantees to ECEC professionals at the national level, the BDDSZ and PSZ trade unions succeeded at the workplace where collective bargaining on the same issue was implemented in the Veszprém municipality. This case points at the importance of interplay in union strategies at the national and local levels, and the fact that a failure at the national level may still produce the desired outcome at the local level. All in all, local solutions and good practices yielded desired responses to the quadrilemma in conditions of fragmented policy making, complex service structures and decentralized industrial relations.

Introduction

This report presents the Hungarian employment relations, working conditions and social partners' strategies in the care services, focusing on two service sectors: Early Childhood Education and Care (ECEC) services for children aged 0-5[1]; and social and health services for elderly people (Long-term Care, LTC). As part of the SOWELL project, the report analyses the care services from the perspective of employment relations as a new arena for building solidarity and labour market coordination through social dialogue, both at the national and local levels. The motivation for this focus is the growing demand for care services on the one hand and increasing budget austerity in delivering public finance for care services since 2008-2009 on the other hand. In this context, a four-fold challenge (or a *quadrilemma*) has been identified that stakeholders in the care sector are facing. These include constrained public finance, the need for quality services, aims to improve the access to services, and finally improvements in working conditions in care services. The report looks at the development in the Hungarian care sector acknowledging these challenges.

The main objectives are to understand how the care services in the two sectors have been affected by the increasing demand for the services over past decade and effected by the austerity measures as an aftermath of the economic crises starting in 2008. In particular, the report has three aims. The first aim is a *mapping of the characteristics and main transformations of the labour market in Hungary* in terms of providers, share of overall workforce employed and its composition. This mapping exercise is followed by a scrutiny of *the labour regulation in terms of working conditions* (i.e., employment contracts, wage levels, contractual arrangements) *and employment relations institutions.* The second aim is *understanding the role played by trade union and employer associations, at local and national levels, to promote and sustain social dialogue in care services.* In particular, the report presents novel empirical evidence on how the quadrilemma has been addressed by strategies and actions of social actors, including employers and trade unions, but also national governments and local municipalities as service providers. Finally, the third goal is to identify what factors have pushed for the adoption of certain solutions over others in the specific labour market and industrial relations conditions in Hungary. This aim feeds into identification of conditions, under which social dialogue can again be a suitable arena to reconcile the *quadrilemma* and to (re)build solidarity among different segments of society and of the labour market.

The report is divided in three sections covering the period from 2008 to 2022. The first section provides evidence on the actual situation in the general trends in the labour market and employment relations system in Hungary, including trends in the Hungarian ECEC and LTC sectors.

The second section focuses on qualitative, legislative and institutional developments in the ECEC and LTC sectors, including the strategies of social partners and other stakeholders to address the challenges of and map the social actor strategies and actions to deal with the budget constraints, job quality, service coverage and quality of services.

Evidence analysed in this report has been collected by the authors between 2020 and 2022. Data were collected via desk research, access to statistical data, original interviews with stakeholders (see Table A8 in Annex, for an overview of interview respondents), and a national workshop with stakeholder

[1] Children aged 0-6, in case of Hungary

discussion, organized in Budapest on November 29, 2022. Interview-based data collection aligned with relevant regulations concerning respondent compliance and GDPR.

1. The labour market in Hungary

1.1 General trends

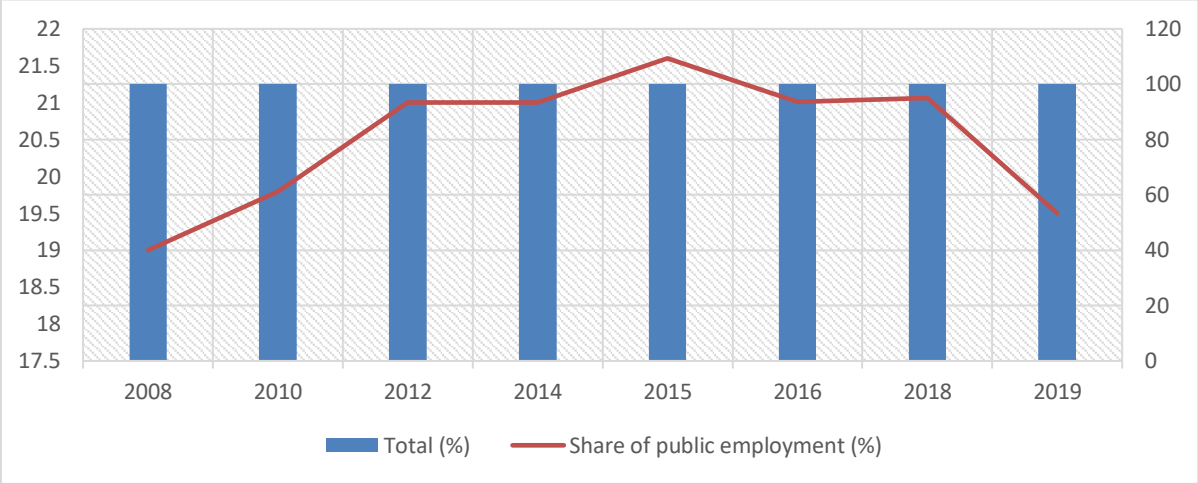
Based on the KSH (*Központi Statisztikai Hivatal - Hungarian Central Statistical Office*) dataset, approximately 4.5 million people are employed in Hungary in December 2020, corresponding to a 70.4% employment rate. These data cover a population aged 15 to 64 (KSH, 2021a). The data document an increase in employment rate compared to earlier years. In 2008 the total employment rate represented 61.5% of the entire population. In 2008 the largest share of employed persons was in the age groups from 20-24 and 50-54 years (average of 74.5%), while the lowest employment rate is found among people from 20 to 24 years (36.7% employment rate) and persons aged 55-59 and 60-64 (employment rate of 46.0 and 12.7%, respectively). The increase in the employment rate between 2008 and 2019 was however not linear, but underwent variations. The employment rate decreased between 2008 and 2011, reaching its lowest levels in 2010 (at 59.9%). The rate reached the 2008 level again in 2012 and has continued to increase since then.

The newest data, based on the Eurostat´s Labour Force Survey, shows that in 2019 the employment rate stood at 75.3%. In comparison with 2008, the 2019 data shows that there was a change in the structure of the age-based employment rate. Employment among 20-24 years old persons increased by nearly 12% from 36.7 to 48.4%. The employment rate rose most among those in the 55-59 years age group, namely, from 46.0 in 2008 to 74.3% in 2019. Employment in the age groups between 25 and 55 stood at 82% in 2019. For persons above 59, the employment rate rose also significantly, namely, from 12.7% in 2008 to 41.7% in 2019.

During the same period, unemployment decreased by 51.9 %. According to the Labour Force Survey (EU-LFS), there were 326,000 unemployed in 2008. The highest number of unemployed was 473,000 in 2012. In percentual terms, these numbers represent a decrease from 7.8% in 2008 to 2.4% in 2019, with an intermediate peak of 7.1% in 2012, after which the number continued to decline until 2019, when it reached 160,000 unemployed persons.

OECD-based data (see Figure 1) show that the share of public employment between 2008 and 2019 increased just by 0.5% (19.0% and 19.5% respectively). This indicates that the share of public employment has not changed in the last two decades. However, looking at annual trends, the data suggest variation in the share of public employment on overall employment, e.g., instability and oscillation between 19 and 21 percentual intervals, with the most visible changes between 2011 and 2018, when the share of public employment on overall employment reached 21%, reaching the peak of 21.6% in 2015.

Figure 1 Share of public employment out of the total employment, 2008 - 2019[2]



Source: OECD and EU-LFS.

The yearly GDP growth rate shows a strong fluctuation of the values over the analysed period (see Table A9 in the Annex)[3]. In 2009 the real GDP reached a decline of 6.6%. A year later, in 2010, the GDP rose by 1.1%. In 2011, the GDP growth had a value of 1.9%, but a year later, in 2012, the GDP growth rate was again in a negative number, concretely at the minus level of 1.3%. The period of years from 2013 to 2019 shows a turbulent, but increasing trend in the GDP growth. The last official data for GDP growth reports a 4.6% growth in 2019 - a slight loss compared to the previous year (5.4% growth rate).

Total employment increased between 2008 and 2019. While in 2008, 3.8 million persons were employed, by 2019 employment had increased by 17.2%. According to Eurostat´s Labour Force Survey, the highest employment rates are reported among technicians and associate professionals, professionals, workers in service and sales occupation, craft and trade workers, and in the category of plant and machines operators and assembles. In these occupational categories employment continued to expand by 20-40% between 2008 and 2019, except for the category of craft and trade workers, where the increase only reached 2.1% in the same period. In the category of professionals, employment as share on total employment in total increased from 13.9% in 2008 to 16.8% in 2018, undergoing a decrease between 2014 and 2018. In the category of technicians and associate professionals, the number of employed increased from 13.9 to 14.5 % between 2008 and 2019. In case of service and sales workers, the employment share increased from 14.7 to 15.4% and for plant and machines operators and assemblers' employment shares increased from 12.6 to 14.5% in the same period. The smallest increase in employment share was reported among skilled agricultural, forestry and fishery workers, where employment increased only by 0.2%, from 2.5% in 2008 to 2.7% in 2019. Developments in elementary occupations show a slight increase in share on total employment: from 8% in 2008 to 9.4% in 2019, peaking at 10.7% in 2016.

Opposite to these growing occupational employment trends, there are occupations where employment declined; namely, among managers and in the armed forces, while employment among the category of clerical and support workers the employment share decreased by 1.3%, from 8.8% in 2008 to 7.5% in

[2] SOWELL project, internal dataset using OECD and EU-LFS data.
[3] Due to the economic crisis in 2008 and the government change in 2010.

2019. In the occupational category of managers, the share of workers employed was cut in half, from 7.5 in 2008 to 3.9% in 2019 without any major fluctuations during this period. 2014 was the only exception with a minor increase in the number of managers. For the category of craft and trade workers was typical the decrease from 17.3 to 15.0%, and for the armed forces from 0.9 to 0.4% during the analysed period of years.

The same data allow an assessment of women workforce in different occupational categories. Growth trends align with the overall occupational employment growth trends summarized above. A decreasing trend is observed in the category of managers, where the share of women workers decreased from 4.4 to 2.7% between 2008 and 2019; for technicians and associate professionals, female employment shares decreased from 28.4 to 16.7%. In the category of skilled agricultural, forestry and fishery workers and well as in the category of craft and trade workers, the female employment share decreased marginally (from 1.2 to 1.0%; and from 5.0 to 4.4%, respectively). Finally, for the category of plant and machines operators and assemblers the female employment share on overall employment decreased from 10.5 to 8.2% between 2008 and 2019.

Contrary to that, the increasing trend in the number of employed women was typical for the following occupations. For the category of professionals was typical an increase from 13.3 to 18.9% between 2008 and 2019. In the case of the clerical and support workers, the increase of 4.5% from 12.3 to 16.8% was recorded. The number of women employers in service and sales increased by 5.1 % from 17.8 to 22.9%. In case of the elementary occupations, the increase was from 6.9% in 2008 to 8.3% in 2019. Finally, in case of the armed forces the smallest increase was seen from all the analysed occupational categories. In 2008 the number of women workers was at the level of 0.0%, while in 2019 the number had increased only to 0.1%. According to the Labour Force Survey, the increase in the number was started in 2011, when the number jumped to 0.1%, and from that year, the number was stable. The armed forces have produced no official statistical data for two years, specifically for 2017 and 2018.

1.2 Labour market and employment in the ECEC and LTC sectors

Within the overall employment trends, this section takes a closer look at the labour market situation and employment trends in the two studied sectors – ECEC and LTC. National statistics by the KSH provides a detailed insight into employment trends in both sectors. While small divergences occurred (such as year-on-year employment growth in education and employment decline in health and social work), in sum, the development in both sectors throughout the analysed period shows a visible increase of total employment. In 2008, the total number of employees in both sectors together reached 548,100, while in 2019 this number stood at 655,900, which represents an increase of 19.67%.

KSH also offers data on the unemployment rate relevant for ECEC and LTC sectors. The number of unemployed persons in health and social work activities stood at 10,200 in the first quarter of 2009 (first year where data are available). At the end of the same year, this number decreased to 6,500 persons. Such fluctuations are typical for the health and social sector throughout the whole analysed period. Based on the KSH numbers, the highest number of unemployed people in the sector was in the second quarter of 2011, when the number of unemployed persons reached 14,300. In contrast, the lowest number of unemployed was recorded in 2018 and since 2021 unemployment is on the rise again. From the first to the second quarter of 2021 the number again increased from 5,100 to 6,200 persons, what is a doubled increase in comparison with the fourth quarter of the previous year, when this number reached only 3,100 persons (KSH, 2022).

The **employment analysis per age group** in both sectors shows very modest and diverging trends. In education, an overall rise applies to ages 15-24, stability in in ages of 25-49, and the most visible, yet still a minor rise in ages 50-64 (see Table 1). According to Czibere & Mester (2020: 445), the average age of those working in the social sector is 45.3 years. More than one third of employees providing professional work in the form of full-time jobs are older than 50 years, while employees under 30 represent only 7.1% of the total number of professional workers in the social sector. In social services, 90-91% of workers are women, while only 4% of employees in the area of basic child welfare services are men workers. In nurseries, 99.8% of employees are women. In the educational sector, the majority of employees belong to the age group of 25-49, with the oldest group of employees increasing in number between 2008 and 2019. In human health and social work, the employment share grew only among the youngest age cohort of 15-24, and declined in the older age cohorts (ibid).

Table 1 Share of workers in educational and health and social work activities by age groups (in %)

	2008	**2009**	**2010**	**2011**	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**
Education												
15-24 %	1.8	3.3	3.0	3.3	2.8	2.3	3.4	2.6	2.8	2.4	2.5	2.1
25-49 %	6.5	6.5	6.5	6.4	6.8	6.6	6.4	6.5	6.2	6.2	6.4	6.7
50-64 %	7.2	7.3	8.3	8.3	8.1	8.0	8.0	7.4	7.9	8.1	8.5	8.4
Human health and social work activities												
15-24 %	3.1	3.9	3.2	2.8	3.9	3.7	4.2	3.3	4.2	4.0	4.8	4.2
25-49 %	7.5	7.8	7.9	7.6	7.6	7.5	7.3	7.0	6.9	6.7	7.0	7.0
50-64 %	11.0	11.1	11.2	11.6	11.2	10.6	10.7	10.2	10.4	10.3	10.9	10.7

Source: Eurostat, 2022 (Labour Force Survey 2008-2019; Tables 105, 153).

The analysis of **employment from a gender perspective** shows that in education, women are represented in higher numbers than men in all three age groups (Eurostat). However, data for employed men in the 15-24 age group is unavailable. In 2008, 3.1% of this age group was employed in education, while in 2019, 4.5% of females in this age group were employed in education. For the age group 25-49, 2.7% of males and 13.3% of females were employed in 2008, and 2.9% of males and 12.1% of females were employed in 2019. In the 50-64 age group, 5.2% of males and 17.1% of females were employed in both 2008 and 2019. While there is a visible increase in the percentage of females in the 15-24 age group and males in the 25-49 age group, the percentage of females in the 25-49 age group decreased from 13.3% in 2008 to 12.1% in 2019. It is important to note that gender composition trends vary over time in each age group and for both genders. Similarly, the human health and social work activities sector in Hungary is strongly female-dominated, with women making up five to six times the number of employed men in this sector from 2009 to 2020 (KSH, 2022).

Trends in **female employment** show similar developments among young teachers in the two studied sectors between 2008 and 2019 (see Table 2). In the education sector, employment increased among younger employees (15-24 years of age), while in the 25–49 age group, employment decreased from 13.3 to 12.1%. The human health and social work activities sector showed similar developments among young teachers: employment in the 15-24 age group increased from 5.9 in 2008 to 7.5% in 2019. An increase in female employment was also recorded in the age group of 50-64, where employment increased from 11.4 to 14.6% (ibid.)

Table 2 Share of women workforce in education, health and social work (per age groups, in %)

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Educational sector												
15-24	3.1	5.5	5.2	5.2	4.9	4.4	5.8	5.3	5.5	4.8	4.7	4.5
25-49	13.3	13.5	13.5	13.2	12.8	12.7	12.4	11.8	12.0	11.6	12.1	12.1
50-64	17.1	17.6	16.7	17.4	17.3	16.9	17.2	16.8	17.1	16.8	17.5	17.1
Human health and social work activities sector												
15-24	5.9	6.5	5.3	4.3	5.2	5.9	8.1	6.2	7.9	7.9	9.1	7.5
25-49	11.5	11.3	11.3	11.6	12.3	11.9	11.5	11.6	11.1	11.5	11.4	12.0
50-64	11.4	11.5	13.3	12.5	12.8	13.0	13.3	12.1	13.3	14.2	14.1	14.6

Source: Eurostat, 2022 (Labour Force Survey 2008-2019; Tables no. 105, 153)

From the perspective of **educational attainment of ECEC and LTC workforce**, the EU-LFS data show that the percentage of employees with primary, secondary, or lower education levels (0-2) in the education sector decreased from 8.2% in 2008 to 4.8% in 2019. The decrease was more significant for women, from 9.4% to 5.7%. The percentage of employees with upper secondary and post-secondary non-tertiary education (levels 3-4) slightly decreased overall, but the decrease was only observed for men, from 27.8% in 2008 to 22.5% in 2019. For women, there was an increasing trend from 24.3% to 25.1%. The percentage of employees with tertiary education (levels 5-8) increased overall from 66.8% to 70.6%, with an increase in both genders, from 68.3% to 75.6% for men and 66.4% to 69.2% for women.

Similarly, in the human health and social work activities sector, there was a decrease in the percentage of employees with primary and lower secondary education levels from 9.9 to 8.0% between 2008 and 2019, with the most significant decrease observed in men employees, from 11.3 to 6.7%. The percentage of employees with upper secondary and post-secondary non-tertiary education levels also decreased from 64.2% to 58.8%. However, there was an increase in the percentage of employees with tertiary education levels from 25.9 to 33.1%, but the data for gender comparison were not available for this group.

Employment trends can be closely related to the investments into both sectors, therefore, the following paragraphs present **developments in investments as a share in the overall GDP**. Data for assessing

investments into both sectors are rather limited and suggest in general that investments remain low. Data from Eurostat and public expenditure in the ISCED (International Standard Classification of Education) level 0, which covers early childhood, as well as the pre-primary education, allow assessing investments in the ECEC sector[4]. The GDP expenditure in the ECEC sector, had a decreasing trend since 2008 (see Table 3). Overall, expenditures in the sector remained below 1% of the GDP.

In addition, the Hungarian Statistical Yearbook of Education for the 2013/2014 school year, covering 2008 – 2013, shows that public expenditure on kindergartens stands roughly at 0.7% of GDP. In comparison with the public expenditure in other educational institutions, like primary, or secondary educational institutions, in the case of kindergartens, the local governments have the highest expenditure rate, while in case of other institutions, the higher expenditure rate is on the side of the central government (EMMI, 2015: 172-174).

The LTC sector shows a similar trend; however, the decrease is not as steep as in ECEC. In 2008 and 2009, the public expenditure of the Hungarian government represented 0.30% of the overall GDP (see Table 3). Year between 2011 and 2017 saw a consistent increase and decrease in the public expenditure, while since 2018, the GDP expenditure remained at 0.26%.

Table 3 Public expenditure on educational institutions in the Early Childhood education and Care and Long-term Care (health) - % of GDP (2008-2019)

	Years											
Sector	**2008**	**2009**	**2010**	**2011**	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**
ECEC	0.96	0.91	0.97	0.89	-	-	0.81	0.81	0.81	0.74	0.71	-
LTC	0.30	0.30	0.31	0.29	0.27	0.29	0.30	0.28	0.26	0.27	0.26	0.25

Sources: Eurostat, 2022 [indicators: educ_figdp; educ_uoe_fine06; hlth_sha11_hc]

Employment in the ECEC sector

In the ECEC sector, the overall employment numbers can be further divided according to two key types of institutions, including services for children and kindergartens. A more detailed insight into the structures of these service provision institutions is available in Annex (Table A10).

1. **Services for children,** named as children´s day care (*gyermekek napközbeni ellátása*), covering two types of day-care facilities: nursery (*bölcsőde*), and out of school care (*családi napközi*)

Between 2008 and 2016, the number of caregivers in nurseries increased from 5,788 to 7,365 (see Table 4). The ratio of professional, or skilled caregivers (*szakképzett gondozónő*) also had an increasing tendency, from 88.0 % in 2008 to 98.5 % in 2016. These numbers show the **high level of professionalization in Hungarian nurseries**. A revision to data collection methodology by KSH since 2016 divides data on professional staff infant in nurseries into nurses (*kisgyermeknevelő*) and assistant nurses (*dajka*). The data further include four new service providers:

- mini-infant nursery (*minibölcsőde*),
- infant nursery located at a workplace of the parent (*munkahelyi bölcsőde*)

[4] http://uis.unesco.org/en/glossary-term/isced-0-early-childhood-education-includes-isced-01-and-isced-02

- family infant nursery (*családi bölcsőde*)
- day care for children's facilities (*napközbeni gyermekfelügyelet*) (KSH, 2022)

Among these types of providers, employment grew only in mini-infant nurseries, where the number of nurses and assistant nurses increased at least five to six times between 2017 and 2020.

Table 4 Number of caregivers by nursery types (2008-2020)

Service provider	**Nursery / Infant Nursery**			**Mini infant nursery**		**Workplace infant nursery**	**Family infant nursery**	**Day care for children**
Year	Nurses (pre-2017)	Nurses (post-2017)	Assistant nurses	Nurses	Assistant nurses	Service provider / nurses	Service provider / nurses	Service provider / nurses
2008	5,788	-	-	-	-	-	-	-
2009	6,026	-	-	-	-	-	-	-
2010	6,346	-	-	-	-	-	-	-
2011	6,628	-	-	-	-	-	-	-
2012	6,753	-	-	-	-	-	-	-
2013	6,908	-	-	-	-	-	-	-
2014	7,126	-	-	-	-	-	-	-
2015	7,279	-	-	-	-	-	-	-
2016	7,365	-	-	-	-	-	-	-
2017	-	7,346	1,517	73	43	17	1,513	270
2018	-	7,372	1,814	111	87	19	1,466	220
2019	-	7,525	1,862	232	202	12	1,170[5]	154
2020	-	7,650	1,922	320	266	18	1,343	156

Source: KSH, 2022 (STADAT 25.1.1.9; 25.8.1.8)

Kindergarten jobs that are directly related to teaching and learning include:

- In addition to educating and caring for the children, the ***nanny*** is also responsible for keeping the environment clean, preventing accidents, preparing meals, and actively assisting the children with their activities. The Education Act requires one nanny per kindergarten group. Courses for

[5] Changes in the methodology of data collection (included types of employers) – comparison with data in case of underlined numbers with values from previous year is possible only in a limited way. Source: https://www.ksh.hu/stadat_files/szo/hu/szo0009.html

nursery nurses (480-720 hours) are available in non-formal vocational training. The prerequisite for access to the training is a general school leaving certificate.

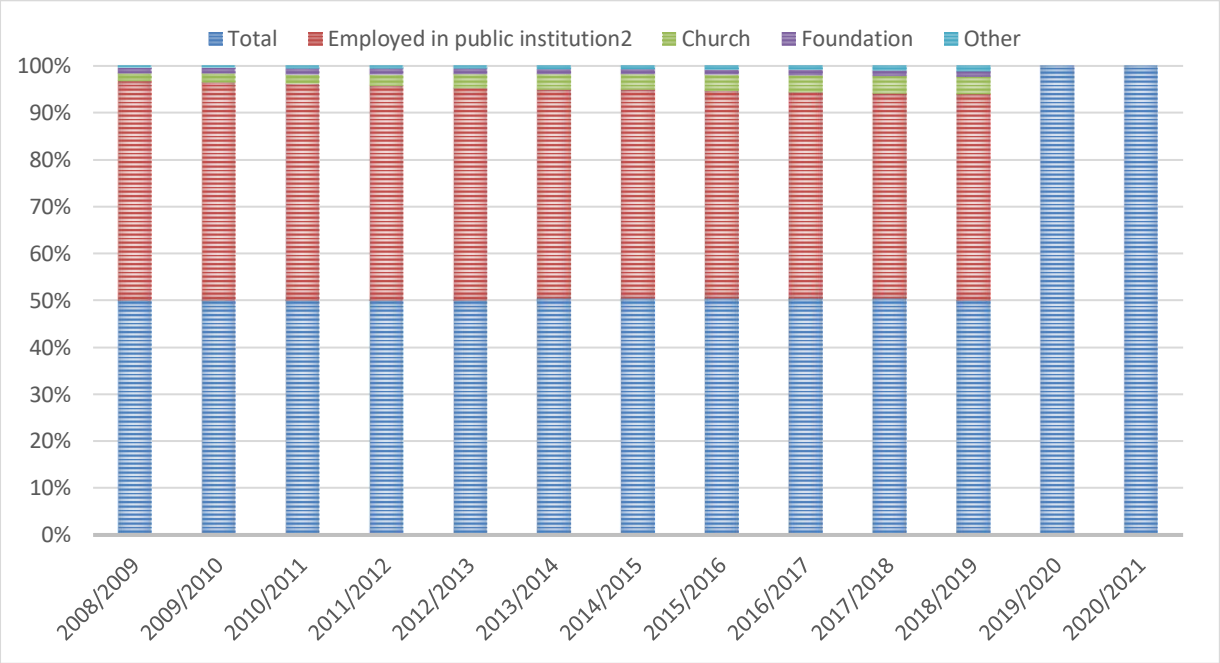
- ***Educational assistant:*** 1 person per 3 nursery groups financed.
- ***Nursery school secretary:*** 1 person is required when the number of children reaches 100; the secretary handles financial, administrative and labour matters.
- ***Swimming instructor:*** 1 person per kindergarten with a swimming pool.
- One ***specialist doctor*** per 250 children is required in nursery schools for children with special educational needs (NJT, 2022).

The *Hungarian Educational Authority (Oktatási hivatal)* has a detailed database about the share of public employment in kindergartens. These numbers are annually published in the *Statistical Yearbook of Public Education and of Education*. Most kindergarten employment is found in public kindergartens. In 2019, the overall number of employed teachers in kindergartens was 31,313, from which 27,566 were employed in the public sector. 19,141 employees were employed as educational support personnel in the public sector from the overall 22,246 and 4,858 employees were employed as other support personnel from the total number of 5,498 employees (EMMI, 2020b: 162).

Employment in kindergartens has a swinging trend during the analysed period. An increasing trend is visible until the school year 2015/2016, when the number of employed teachers peaked at 31,484 (see Figure 2). In the following school year, a slight decrease in the number of employed teachers was noted.

In 2008/2009, there were 29,860 teachers, 75 contracted teachers, 15,594 support staff, and 7,176 other support staff working in kindergartens. Of the 29,860 teachers, 27,449 were employed in public kindergartens, and 1,018 were employed in church-based kindergartens (OKM, 2009: 131). In 2018/2019, there were 31,313 teachers, 242 contracted teachers, 22,246 support staff, and 5,498 other support staff working in kindergartens. Of the 27,566 teachers employed in public kindergartens, 2,338 were employed in church-based kindergartens. The proportion of employees remained the same in both years (EMMI, 2019: 162).

Figure 2 Number of teachers in kindergartens (2008-2019)



Sources: KSH, 2022 (STADAT 23.1.1.7.); Statistical Yearbooks of Education (OKM 2009; NEM 2010-2011; EMMI 2012-2015) and Statistical Yearbooks of Public Education (EMMI, 2016-2020), own description

Employment in the LTC sector

The main source of data on LTC employment is the *Social Statistical Yearbook*, last available for 2020 (KSH, 2020b). However, there are limitations related to the lack of characterisation of all the sub-sectors within the LTC sector; and the share of public employment within LTC. This limitation is interconnected with the fact that the statistical yearbook presents detailed numbers only from the year of its publication, and historical development of the employment within the concrete sub-sectors of the LTC sector presents only in form of concrete number of employees in separated years. Basically, it does not give to us any information about the type of the maintainers, or institutions, according to which could be possible to separate between public and private sector-based employment. A second limitation is related to the changes in methodology, as well as in the national legislations during the analysed period of time.

The first group of LTC-based employees are those employed as so-called *domestic carers* (*házi gondozók*). In 2008 the total number of employed persons in this occupation was 6,815, from which around two thirds were qualified workers. In 2012, the last year before the methodological changes, the total number of domestic nurses represented 16,323, from which 10,259 were qualified workers. Between 2013 and 2017 the number decreased from 13,830 to 11,790, but the share of the qualified workers reached its maximum numbers, 10,663 in 2013 and 10,979 in 2017. After the legislative changes conducted in 2018 the final numbers from 2019 show a total number of 11,985 employed persons, from which 11,346 are qualified workers. In 2019, the majority of domestic nurses were employed by the local governments or by the Associations of local governments (2,453 and 3,899), 76 by maintainers operated by the Central Government, 1 by a public foundation, 207 in association-based institutions, 177 in non-profit institutions, the biggest number of employees are situated in church-based

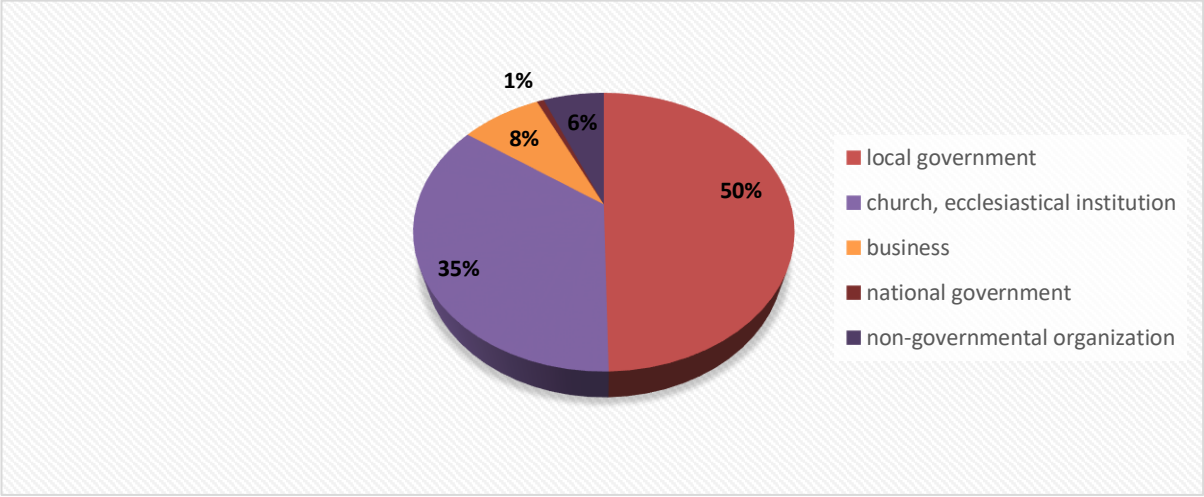
institutions, 5,047, and 83 are employed in a so-called private entrepreneur or business partnership-based institutions.

The number of persons employed as *village and homestead caretakers* (*falu- és tanyagondnoki szolgáltatás*) changed during the analysed period of time in a limited way. In 2008, 708 workers were employed as village caretakers, and 276 as homestead caretakers. In 2014 these numbers increased to 915 and 445, while in 2019 976 and 464.

For the *day-care institutions* (*nappali ellátást nyújtó szociális intézmények*) only data from 2019 are available. From the total number of 2,370 workers, the majority are employed in local and association of local governments-based institutions (870 and 862), another 21 persons are employed by central government institutions, 76 in foundations, 5 in public foundations, 150 in associations, 67 in non-profit enterprises, 316 in church-based institutions, and 4 in business partnerships (KSH, 2020b: 133-151).

Another important source of information is an analytical paper written for the Budapest office of Friedrich Ebert Stiftung in February 2022, which uses official general data of KSH about the distribution of employees within the entire LTC sector. In 2020, 33,057 persons were employed in the LTC sector, from which the majority, 46.7%, is employed by local governments, 33.1% by church, 7.7 % by business associations, 6.7 by national government, and the rest, 5.8%, or 1,931 employed persons are employed by non-governmental organizations (Gyarmati, 2022: 11).

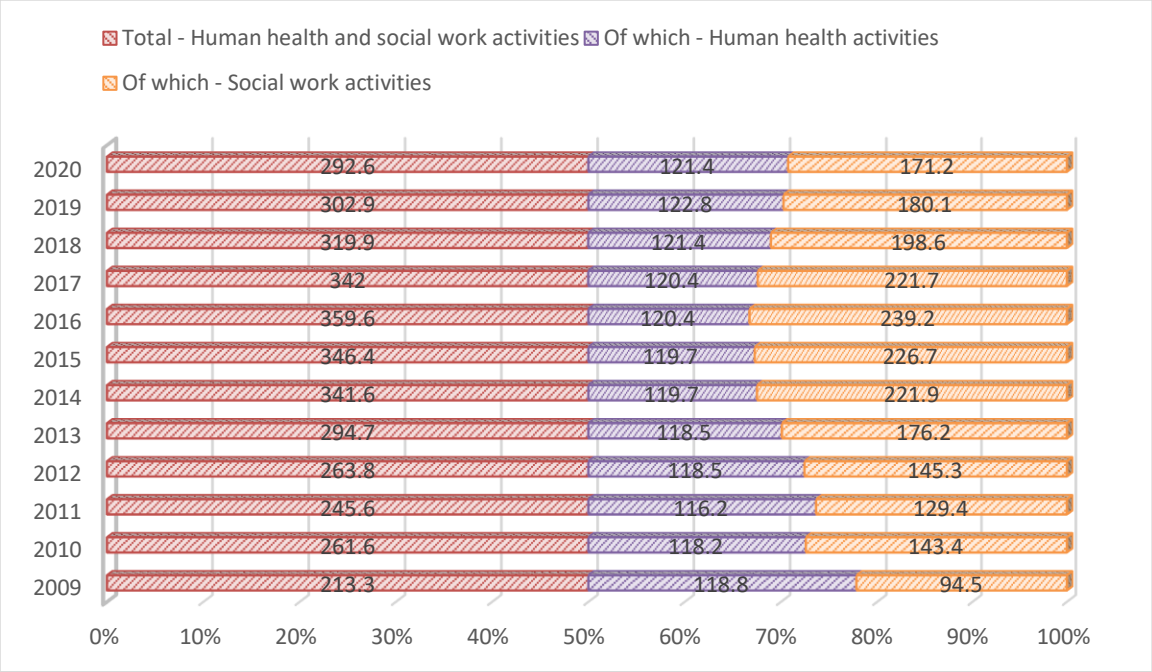
Figure 3 Distribution of Employees by Type of Maintaining Institution (December 31, 2020)



Source: Gyarmati, 2022: 11

The KSH does not provide detailed employment statistics on the LTC sector, but on economic branches. Figure 4 shows the number of employees in human health, as well as in social work activities, between 2009 and 2020. Overall, there was a modest increase in overall employment, while both health and social work underwent employment decline between 2016 and 2019. In 2020, the human health activities branch employed only 121,400 persons, and the social work activities branch employed 171,200 persons (KSH, 2022).

Figure 4 Employees in human health and social work activities (in thousands)



Source: KSH, 2022 (STADAT 20.1.1.52)

In sum, the share of employment in ECEC and LTC have not experienced significant changes in the last two decades. However, looking at annual trends, the data suggest variation in the share of public employment on overall employment, e.g., instability and oscillation between 19 and 21%, with the most visible changes between 2011 and 2018, when the share reached 21%, and reached its peak of 21.6% in 2015. Female employment dominates in both sectors. The employment share among younger cohorts did not undergo relevant changes and are stagnating. In ECEC, the share of older professional staff rose, while in LTC, the share of employees over age 50 declined. Investments in both sectors as a percentage of GDP also remained low, generally below 1% or around 0.75% (OECD internal dataset). Employment trends show a detailed regulation and professionalization of workers in both sectors. The division into various categories of care provision also affects the governance and control of these sectors, as well as financial flows and actor power relations, presented in the next Section.

2. Structure and governance of the ECEC and LTC services

2.1 Structure

ECEC

The Hungarian ECEC sector has two stages and can be considered a bi-sectoral area as it is divided into social and educational subsectors. This division is based on the provision of compulsory and non-compulsory care and educational services for children in pre-primary education age. The first stage provides non-compulsory institutional care for children aged 0 to 3 years, which can be either paid or (state) subsidised. These services are outside the scope of ISCED categories (nurseries). The second stage provides mandatory care and educational services for children from the age of 3 until they reach primary school age, and is free of charge (kindergartens, ISCED level 020).

ECEC's structural differentiation by service provision and child's age is reflected in its political management and administration. This is evident in Hungary where different state secretariats within the *Ministry of Human Capacities (EMMI - Emberi Erőforrások Minisztériuma)*[6] are responsible for ECEC. The *State Secretariat for Family and Youth Affairs* oversees nurseries, while kindergartens, being part of the public educational system, fall under the *State Secretariat for Public Education* (Eurycide, 2022).

According to Paragraph 42 of the Hungarian Child Protection Act (Act 31 of 1997), day care for children under three years of age must be provided within the nursery care framework. Since 2017, the act recognizes four types of providers (Wolters Kluwer, 2022b), two of which are institutional (nurseries and mini-nurseries) and two of which are non-centre based (family nurseries and workplace nurseries).

In the following part, each of these providers are presented:

- ***Nursery (bölcsőde):*** the most prevalent childcare providers for children under the age of three years. In the Hungarian nursery care system, they refer to a typical nursery, that provides day care in accordance with the National Core Programme of Nursery Education and Care. Not only does it deal with basic childcare, but it also offers advisory services for families, provides so-called children's hotel services (24/7 childcare services for children whose parents are unable to care for them), and more;
- ***Mini-nursery (mini bölcsőde):*** providing professional nursery care and education to children in small groups, with fewer number of nursery personnel, and simpler material and operating rules, as in case of traditional nurseries. Local governments can establish this type of institution if there is a need to care for a maximum of 7 children (8 children, if each of them is more than two years old).

The normative financing of nurseries and mini nurseries has been replaced by task-based financing, under which the central budget provides wage subsidies for all institutions (the average wage-based subsidy for the statutory headcount) and operating subsidies (considering the tax capacity of the given settlement), which helps local governments perform their tasks effectively and enduringly.

- ***Workplace nursery (munkahelyi bölcsőde):*** day care service providers, established by an employer of the parents. This type of nursery service, if it does not operate within the institutional framework

[6] The EMMI defunct in 2022 after the ministerial transformation of the Hungarian government, caused by the results of the parliamentary elections in the same year. The social care, health care and education sector agenda went under the *Ministry of Interior*, except of the agenda of nurseries, which is newly in the competence of *Ministry of Culture and Innovation.*

of the company, can operate within the building, or within the area, where the employees are located. The workplace nurseries can take care of a maximum of seven children.

- ***Family nurseries (home-based provision) (családi bölcsőde):*** provide services for children from weeks old to three years. They can be established easier and faster than other nurseries, as this type of care service can be provided within the house of the service provider, or in a building specially created and modified for the needs of this type of childcare service. (Eurycide, 2022).

Kindergartens (óvoda), provide childcare services for children from 3 years old until they are ready for primary school. Since 2017, children under the age of 3 are no longer admitted, even if there are available spots (Schreyer & Oberhuemer, 2017). It is mandatory for children to attend kindergarten for at least 4 hours a day, starting from September 1st of the year they turn 3 until August 31st of the following year. However, parents can request an exemption from compulsory participation until the child is 4 years old, based on family circumstances, the child's development, or specific situations (Eurycide, 2022). Most of the childcare services are provided by public actors, such as state-governed institutions or those run by municipalities. Private provision accounts for 10% of enrolled children, and non-profit or private-for-profit providers operate 19% of kindergartens. Foreign citizens are subject to fees decided by local government bodies, as the Hungarian Child Protection Act does not specifically address them (Schreyer & Oberhuemer, 2017).

ECEC – financing and cost for parents

Municipalities receive funding from the national budget based on the number of professionals and support staff in kindergartens. Additional funding is given to kindergartens that enrol children with language deficiencies, learning disabilities, or physical/sensory impairments. Parental fees are waived for most families due to a government program providing free meals. In nurseries, fees are capped at 25% of the family's net per capita income. In public kindergartens, parents pay only for meals provided. Private settings cost around EUR 223 per month (Schreyer & Oberhuemer, 2017). Mini nurseries charge per day of care; depending on the number of operating days in the given month, while nurseries charge a full month fee, unless, the maintainer decides otherwise. Fees for nurseries and mini nurseries usually average around EUR 20 per month. In family nurseries, parents typically pay between HUF 40,000 – 10,000 (EUR 114 - 286) per month. Kindergarten education is free in Hungary and publicly funded. The government provides most of the budget to maintainers who determine expenses, and parent fees for complementary services help subsidize costs. Children can receive lunch and snacks in kindergarten, with the local government covering the costs. Children receiving the child protection allowance get free meals. Micro-villages and farms have a specific form of kindergartens run by associations, offering joint services and transportation via kindergarten buses (Eurycide, 2022).

Between 2008 and 2016, the total number of available places in nurseries increased in Hungary, with two types of nurseries available - infant nurseries and out-of-school care institutions. In 2016, there were 39,944 places in infant nurseries and 8,125 places in out-of-school care institutions. Since 2017, there have been five types of childcare service providers, including infant nurseries, mini-infant nurseries, workplace infant nurseries, family infant nurseries, and day care for children. In 2020, there were 42,217 spaces in infant nurseries, 1,889 in mini-infant nurseries, 70 in workplace infant nurseries, and 6,032 spaces in family infant nurseries (KSH, 2022). According to data from KSH, the number of kindergarten

spaces in Hungary has increased over the last decade. In the 2008/2009 school year, there were 354,267 spaces available in 4,355 kindergartens, with a 91.9% occupancy rate. By the 2020/2021 school year, there were 386,134 spaces available in 4,575 kindergartens, with an occupancy rate of 83.6%. Although there was a small decrease in the number of spaces compared to the previous year, the trend shows an overall increase in kindergarten availability over the last decade (KSH, 2022).

LTC

The LTC sector in Hungary receives little public policy attention, resulting in limited research and data, and a lack of public services available. The responsibility of caregiving is placed on families, exacerbating their burden. The LTC system is uncoordinated, and there has only been slight progress towards unification. Services in LTC include nursing care in hospitals and homes, as well as home care, day care, and residential care, with the central government as the primary provider. The economic crisis of 2008 led to a shift towards home-based care, but the number of professional caregivers is decreasing due to low earnings (the social sector is one of the least paid sectors in the national economy), resulting in many unfilled vacancies and employee migration to foreign countries, especially since 2010. Research pays more attention to informal care sectors, while policy and clinical practice remains warranted (Eurocarers, 2021). Centralized planning in the LTC sector previously favoured institutionalized care, but a trend shift towards home-based care occurred after the economic crisis of 2008. In Hungary, social services are divided into *basic social care (szociális alapellátás)* and *social specialist care (szociális szakellátás)*. Day care services are provided within basic social care, with a total of 38,675 approved spaces in 2019, which shows a decreasing trend (KSH, 2016:149; KSH, 2020:119). Long-term residential social institutions had 81,528 approved beds in 2019, with the majority provided for elderly people, respectively for homes for elderly people (KSH, 2019: 120). In homes and temporary homes for the elderly 57,638 beds were available (KSH, 2019: 121) in the same year.

Long-term care in Hungary has undergone a rapid shift to publicly-funded home-based care in recent years, despite the lack of a stand-alone LTC system. Health care and social care systems provide LTC services with different legislation, financing mechanisms and services. They each have parallel institutional networks that include institutional and home care. There is weak coordination between them despite some recent improvements. Until recently, the LTC system was shaped by central planning, favouring institutionalised care over home-based care. However, there has been a shift towards more home care. The social care system provides home care, day care and residential care, and there is only one type of social allowance available. The bulk of LTC provision is left to private households or the informal market (ECFIN & EPC, 2019). More information about the Hungarian LTC sector can be found in Gyarmati (2022).

Long-term care is generally seen as a relatively small section of the social protection system in Hungary. However, over the last five years a rapid shift to publicly-financed home-based care has taken place. The country has no stand-alone LTC system. Instead, LTC services are provided either by the health care system or by the social care system. The two systems have a different legislation, financing mechanisms and services. They each have parallel institutional networks that include institutional and home care. There is only weak coordination between them despite some recent minor improvements due to the merging of the health care and social affairs portfolios under the supervision the Ministry of Human Resources. Until recently the LTC system was still shaped by the organisational logic of central planning: centralisation (as fewer institutions are easier to control), a preference for institutionalised

care versus home-based care and a lack of awareness beyond its immediate operational sphere. The main consequence was a dual structure consisting of a centralised institution supplemented through the informal behaviour of individual and households. However, this has recently changed with a shift towards more home care. A health care system provides nursing care in nursing departments of hospitals and home nursing care. Hospitals have nursing / chronic beds (determined by law) for those who are in need of long-term nursing. The tasks of these department or services: help in stabilising and improving health conditions, alleviation of pain, and supporting relatives for participation in home care. The social care system provides three main types of services: home care (including "meals-on-wheels" services), day care and residential care. The LTC-system does not offer cash benefits for recipients to improve access to care. There is only one type of social allowance, the nursing fee, for those relatives caring for a disabled family member. Beyond this, the bulk of LTC provision is left to private households or the informal market (ECFIN & EPC, 2019). Further evidence on wages, labour shortages, working conditions, trade union membership, or experiences related to the Covid-19 pandemic and its outcomes in the Hungarian LTC sector is available at Gyarmati (2022).

2.2 Governance

ECEC

Responsibility for ECEC policy Hungary is shared between two sub-Ministries of the Ministry of Human Capacities: *The State Secretariat for Family and Youth Affairs*, responsible for centre-based care for children under the age of three *(bölcsőde)* and *the State Secretariat for Education*, responsible for kindergarten education *(óvoda)* for children 3-6 years old. In 2013, Hungary's public expenditure on ECEC was 0.7% of GDP, higher than the OECD average of 0.6%. However, the per-student expenditure of 5,074 USD was one of the lowest in the OECD, with the average being 8,070 USD. Private funding of pre-primary education represented 9% of total funding in Hungary, compared to 17% on average in the OECD countries. The OECD report has a limited number of available data. The OECD argues, that the public expenditure comes in Hungary mainly from the fees paid by parents for the services, and for this reason the analysis of the private expenditure in this sector is not possible (OECD, 2016: 310).

Table 5 Total educational expenditure on ECEC over time

	2014	**2015**	**2016**	**2017**	**2018**
Million euro	850.2	890.8	917.9	931.3	962.1
Million purchasing power standards (PPS)	1 500.6	1 563.6	1 545.0	1 492.3	1 521.4

Source: Eurostat, 2022 [educ_uoe_fine01]

Table 6 Public educational expenditure on ECEC by source over time (in Million purchasing power standards (PPS)

	2014	2015	2016	2017	2018
General government	1 500.6	1 563.6	1 545.0	1 492.3	1 521.4
Central government	2 004.2	1 102.5	1 197.5	1 076.2	1 068.6
Local government	1 271.8	1 400.2	1 267.1	1 309.9	1 335.5

Source: Eurostat, 2022 [educ_uoe_fine02]

LTC

The Hungarian LTC system consists of separate health care and social care sectors, which lack coordination at the national level and exhibit no cooperation between them. In 2010, legislative actions pertaining to health care were determined by the Hungarian parliament, while regulations concerning social care were specified by the Hungarian government. During that time, local governments had the opportunity to implement their own regulations. Both the social care sector and the health care sector were governed in a similar way; however, it is worth noting that local governments were more active in the social care sector compared to the health care sector (Czibere & Gál, 2010: 3-4). The main providers of social care in Hungary are the local governments (50% of meals-on-wheels services and home care; 85% of day care; and 40% of residential care – all by the number of recipients in 2016); churches (44%, 11% and 23%, respectively); non-profit organisations (respectively, 3%, 2% and 11%); and the central government (18% of residential care). All providers are financed by the central budget, and recipients are expected to contribute to the cost. Health care in LTC is primarily provided by the central government and is insurance-based, with universal coverage. Social care is financed from general taxes (Gál, 2018).

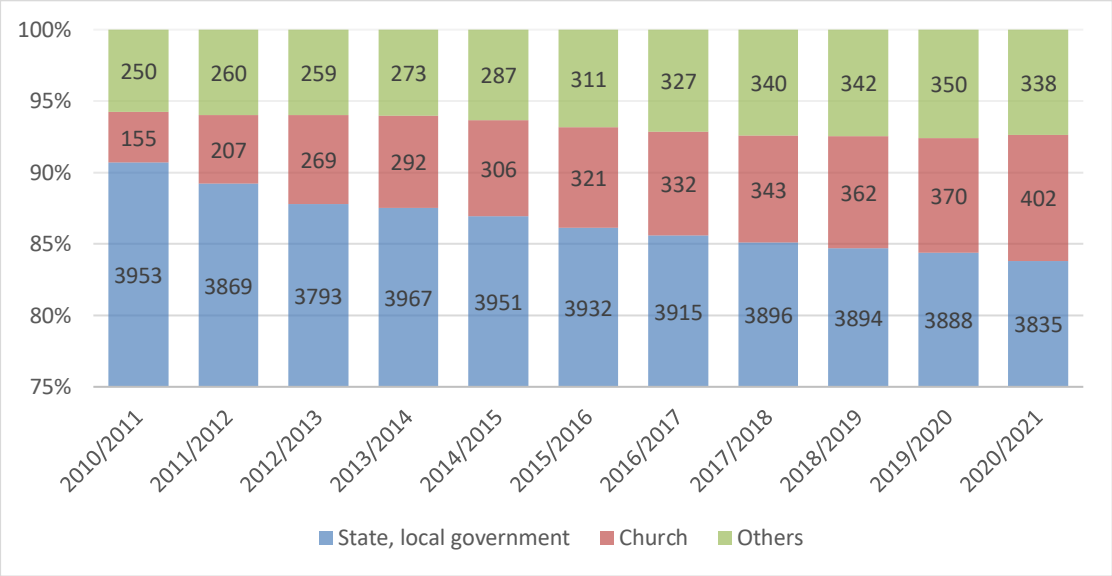
2.3 Service providers in LTC and ECEC sector

To know more about the concrete types and numbers of service providers active in both the LTC and ECEC sector, the most reliable source is the database of institutions operated by the Hungarian Social Sector Portal, where the social care service providers are divided based on the regional location, as well as on the institutional type of the service providers.

ECEC sector

To learn more about service providers in the ECEC sector, the KSH databases are essential. In 2019, there were 1,930 nurseries in Hungary, with 789 being classical nurseries, 214 mini-nurseries, 918 family (home-based) nurseries, and only 9 workplace nurseries. The majority of mini-nurseries were managed by local or state-level government, while family (home-based) nurseries were mainly run by civil or non-profit organizations. The number of kindergartens increased by 5% between 2010 and 2020, with a decrease in government-based facilities and a triple increase in church-based kindergartens. In the 2020/2021 school year, 84% of the 4,575 kindergarten facilities were provided by governmental actors, mostly by local or regional governments, with church-based and other actors having a similar share. (KSH, 2019, 2021b).

Figure 5 Number of kindergartens by the type of the service provider (2010-2021)



Source: KSH, 2021b

LTC sector

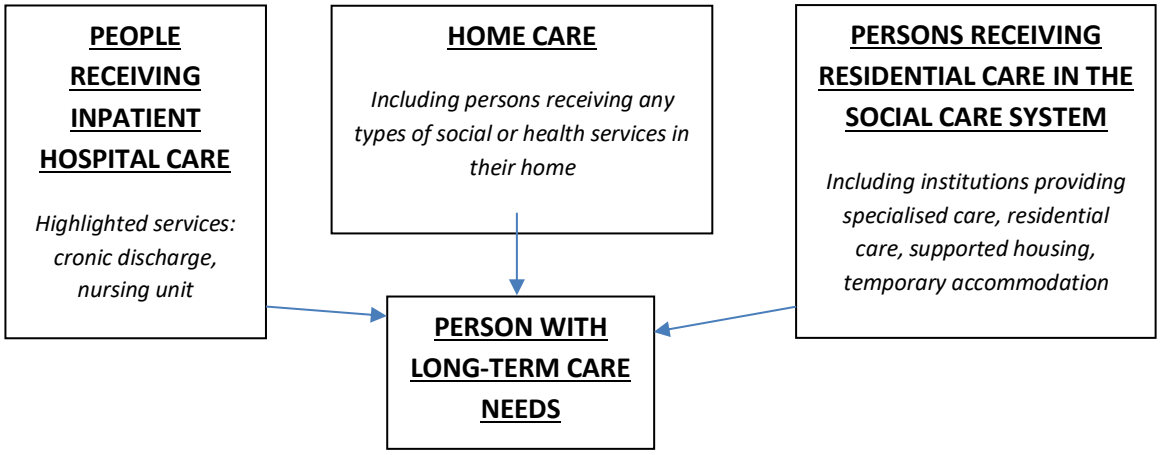
In Hungary's LTC sector, residential care homes are a part of specialist care services for elderly people who require continual assistance. There are 685 registered providers on the Hungarian Social Sector Portal, providing services in 890 institutes. Local governments are the biggest providers with 340 institutes, followed by churches with 248. The *village and rural caretaking services* are mainly provided by local governments, with 1,333 village and 493 rural caretaking services in total. Other providers operate in only a few cases. Village caretaking services are more common than rural caretaking services although their presence is inconsistent across counties (Szocialisportal.hu, 2022; Gyarmati, 2019:6-7). *Home care* is a type of personal care available to individuals who are socially disadvantaged and need assistance to maintain their independence. It is the responsibility of municipal authorities to ensure that home care services are provided, which are accessible to those who meet the eligibility criteria following means-testing for social support or personal care. The Social Sector Portal records 1,383 institutes, of which 1,032 are provided by local governments, 255 by churches, 59 by other non-governmental providers, 26 by non-profit non-governmental providers, and only 11 by central governance (Gyarmati, 2019:6; Szocialisportal.hu, 2022). *Daytime care services*, or *elderly clubs*, are provided by municipalities with a total population of over 3,000 inhabitants, focusing on disadvantaged individuals and offering services to help maintain their independence and social connections. Out of 1,812 institutes, 1,201 are provided by local governments, 280 by churches, 218 by other non-governmental actors, 86 by non-profit non-governmental actors, and only 27 by central governance. The highest number, 219, of these services are located in Szabolcs-Szatmár-Bereg County, while Budapest has 198 daytime care services. *On-call home help* care service is a non-stop special taskforce service that aims to help socially deprived individuals. The majority of services, 160 out of 203 institutes, are provided by local governments, with the central government offering 18 institutes and churches 16. *Temporary care facilities*, including elderly care homes, provide full-time care services for up to one year to elderly clients who cannot take care of themselves due to illness or other reasons. The Social Sector Portal

records 125 facilities of this type, with the majority (61) provided by local governments, 29 by non-governmental actors, 2 by the central government, 19 by churches, and 14 operating as non-profit non-governmental institutions. Finally, *social catering* is a form of social service where local authorities provide at least one hot meal per day to socially deprived individuals. There are 2,407 specialized institutes for social catering, with 1,996 of them provided by local governments and 322 by churches. Other providers make up a small portion (Gyarmati, 2019:6-7; Szocialisportal.hu, 2022).

Home care-based services is another important sub-group of the LTC sector, which includes Personal and Household Services, such as social support and care provided in the patient's household. Out of the 1,346 institutions providing PHS services in Hungary, 1,024 are provided by local governments and 251 by churches. Employment in this sector follows the public sector employment model, and while there is a possibility of illegal employment, it is difficult to determine the extent of this issue (AD-PHS, 2020).

Within the LTC sector the *hospital-based service provision* has a specific role. According to the Act LXXXIII on Compulsory Health Insurance Benefits, those facilities, which provide a so-called inpatient specialised care, could provide a service related to the LTC. This option is available for the insured persons, who are entitled to get this extra care for a payment in form of a supplementary fee, established in Governmental Degree 284/1997 (XII. 23.) at the level of 800 HUF per one day (Wolters Kluwer, 2022c; 2022d)

Figure 6 Available services for patients within the LTC sector (social and healthcare services)



Source: Kormány.hu, 2020:14

2.4 Conclusions

The ECEC and LTC sectors in Hungary share a number of structural similarities, that help understanding the challenges in their governance and responses to the quadrilemma. First, both sectors face a complex structure and further subdivisions into particular types of care services, whereas each type belongs to the government scope of another state authority. In the ECEC sector, this structural division follows the principle whether the ECEC service is part of the care services within the existing school system for children above 3, or whether it is a social service for younger children, subject to different governance rules. In LTC, the division follows the principles of long-term care that is provided in form of residential care, home-based care, or inpatient care within the hospital structure.

Another set of structural divisions apply from the perspective of the type of actors and the type of funding: in both ECEC and LTC, the presence of public service provides dominates. These include services provided by both the central government and municipalities. The share of private providers (e.g., NGOs, for profit and not-for-profit based providers, as well as church-based providers) still represents a small share in service provision. An interesting exception is the fact that in the LTC sector, churches are the second largest service providers.

Given these structural complexities, Hungary is seeing partial decentralization in the ECEC strategic agenda and lacks a coherent strategic agenda related to LTC. A strategy applies to a smaller part of care services under the social protection system. However, the last years saw an effort to support publicly financed home-care services, under the auspices of family responsibility to provide care for people in need.

3. Employment relations

To contextualize the developments in the ECEC and LTC sectors, this section reviews the key characteristics of the national employment relations system and actors in Hungary. The system went through a massive transformation during the last three decades, covering changes in tripartite reconciliation of interests, the structure of social partners, and legislative underpinning of collective bargaining.

3.1 Tripartism and bipartism

The last tripartite reconciliation institution, responsible for cooperation between governmental actors, employer and employee representatives, was cancelled in 2011. The *OÉT (Országos érdekegyeztető tanács – National Council for the Reconciliation of Interests)* was established in 1988 and operated at a macro-level for reconciliation between national employment relations system actors. Its social partners were represented by government officials (polhist.hu, 2022a) (including the State Secretary of the ministry responsible for the social and employment agenda[7], and other governmental actors) and national trade union confederations and employer associations. OÉT's responsibilities included employment, national economy, wage bargaining, legislative changes, and proposals related to the national Labour Code. OÉT's work was divided among Standing Committees responsible for specific areas and coordinated by a responsible ministry. It also had two Profession Committees - *NILO (National ILO Council)* and *Sectoral Council* (polhist.hu, 2022b; Borbély & Neumann, 2019; parlament.hu, 2016). OÉT underwent several name and structural changes during its activity (visualised in Table A12 in Annex). In 2009, the Constitutional Court of Hungary defined OÉT as *"an actor of public power,"* making it operate based on the law until its cancellation in 2011 (Kun, 2019: 26).

The *NGTT (Nemzeti Gazdasági és Társadalmi Tanács - National Economic and Social Council)* replaced OÉT in 2011, but is not a direct successor since their roles and competences differ. It was established as a multipartite consultative body, adding NGOs, academics, and the church to its members. As a result, the government and Parliament withdrew from its structure, causing the NGTT to lose its tripartite character and decision-making rights, defined as a legislative change in Act No. XCIII from 2011. Nevertheless, NGTT still addresses economic and social development and organizes internal debates about new regulations and legislations that impact national social, labour, and economic trends. NGTT can also submit draft proposals to the government related to proposed measures or legislations (Parlament.hu, 2016: 1-2; Borbély & Neumann, 2019: 296).

Another actor in the Hungarian social dialogue system is the *OKÉT (Országos Közszolgálati Érdekegyeztető Tanács – National Public Service Interest Reconciliation Council)*, established in 2002. In case of this social dialogue body, we can talk about the public service version of the OÉT. The OKÉT is a tripartite body established in 2002, dealing with public service employee wage and labour policies. It operates based on Act No. XXXIII from 1992 and includes government members, public servant trade unions, and local government representatives (Parlament.hu, 2021: 4). However, its activities have been criticized for being inconsequential and were only active de jure in the last decade (LIGA, 2020; Borbély & Neumann, 2019: 297).

[7] Here might be too complicated to specify this person as a State Secretary of the Ministry for social, or employment affairs, because the social and employment agenda moved from Ministry to Ministry many times in the last 30 years.

In sum, based on the previously mentioned developments in the social dialogue system, it is possible to observe a visible erosion in employment relations in Hungary, especially at the national level. In response to this erosion and criticism from social partners regarding the inefficiency of the national social dialogue system, the government has started to re-establish a nationwide social dialogue at a tripartite level (Kun, 2019: 26-27). In response to this, the government established two new tripartite bodies: the *VKF (Versenyszféra és a Kormány Állandó Konzultációs Fóruma - Standing Consultative Forum for the Private Sector)*, which focuses on the private sector, and the *KVKF (Közszolgáltató Vállalkozások Konzultációs Fóruma – Consultation Forum of Public Service Enterprises)*, which focuses on state-owned public service companies. The VKF was established in 2011 and the KVKF was established in 2018. (Parlament.hu, 2021: 3).

At the bipartite level, the *ÁPBs (Ágazati Párbeszéd Bizottságok – Sectoral Social Dialogue Committees)* focus on sectoral collective bargaining. Established in 2004, there are currently 21 Committees (Matheika, Borbély & Krokovay, 2021). The KEF (Közszolgálati Érdekegyeztető Fórum - Civil Service Stakeholder Forum) is a minor social dialogue body that deals with civil servants and government officials. Hungary also has policy area-based social dialogue bodies that focus on employment relations within specific policy areas (Parlament.hu, 2016:4). The *SZÁÉF (Szociális Ágazati Érdekegyeztető Fórum - Reconciliation Forum of Social Services Sector)* is the most relevant to our research and will be discussed further in this report.

Table 7 Main tripartite and bipartite bodies in Hungary

Name	Type	Level	Issues covered
*National Economic and Social Council (Nemzeti Gazdasági és Társadalmi Tanács, **NGTT**)*	***multipartite***	***national***	Overall social-economic issues, strictly for information and consultation without the right to negotiate (or collective bargaining)
*Permanent Consultative Forum of the Industry and the Government (Versenyszféra és a Kormány Érdekegyeztető Fóruma, **VKF**)*	***tripartite***	***national***	Minimum wage, annual recommendation for general wage increase, for negotiation; labour-law related issues for consultation. Other issues in the area of work-related taxation or health and safety, sometimes EU-related legislation, but only on an ad hoc basis, and for information or consultation only
*Sectoral social dialogue committees (Ágazati Párbeszéd Bizottságok, **ÁPB**)*	***bipartite***	***sectoral***	Issues covered agreed by the parties. Committees have the right to collective bargaining

Source: Matheika, Borbély & Krokovay, 2021

3.2 Social partners

Employers´ associations

Eurofound discovered that eight employers organizations operate in Hungary, but only three of them participate in collective bargaining negotiations at the tripartite level within the *VKF*. These organizations are *MGYOSZ*, representing employers in the industrial sector; *ÁFEOSZ*, focusing on employers in retail and wholesale; and *VOSZ*, mostly representing SMEs. The other organizations, such as *KISOSZ* for trade and catering, *OKISZ* for Hungarian-owned industrial SMEs or *IPOSZ* for crafts and artisan businesses, are not involved in collective bargaining. *MOSZ* is recognized as the largest organization in the agricultural sector (Matheika, Borbély & Krokovay, 2021), and *STRATOSZ* deals with state-owned companies in strategic areas such as telecommunications, railways, media, or energy sectors. *STRATOSZ*, established in 1994, is a member of *NGTT*, *KVKF*, and *NILO Council* (Stratosz.hu, 2022).

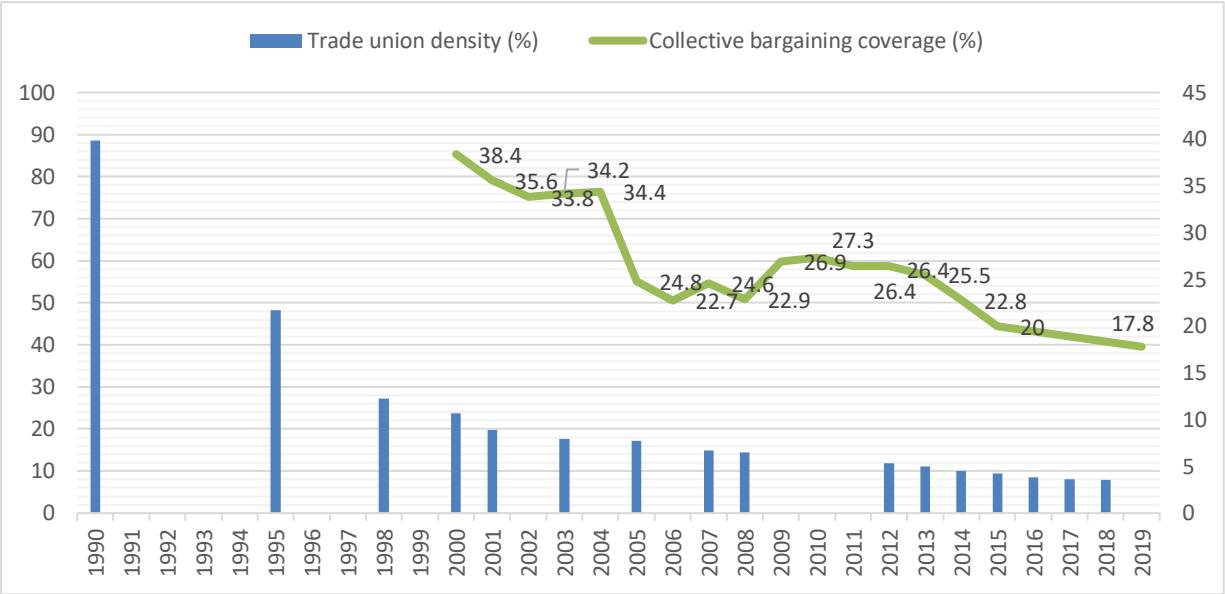
Trade Unions and Collective Bargaining

It is important to examine trends in trade union density and collective bargaining coverage in Hungary (Figure 7). Official data from the *ILOSTAT* and *ICTWSS databases* were used. Hungary has experienced a significant decrease in trade union density over the last 30 years, dropping from 88.6% in 1990 to 7.9% in 2018 (ILOSTAT, 2021, Visser, 2019). In 2015, only 328,829 out of 3.2 million employed persons were trade union members (KSH, 2022). Unofficial data from the ETUI identifies five active trade union confederations in Hungary: ***MaSZSZ, LIGA, ÉSZT, SZEF,*** and ***MOSZ*** (Fulton, 2021). The new 2012 Labour Code affected trade unions and their bargaining rights. To reach a collective agreement with a single employer, trade unions must meet a newly established 10% membership threshold, as stated in Act I of the Labour Code8 (Matheika, Borbély & Krokovay, 2021; Borbély & Neumann, 2019: 304).

The collective bargaining coverage in Hungary has decreased similarly to trade union coverage. In 2019, the coverage rate was 17.8% (Visser, 2019). with 2,846 collective agreements covering 6,023 companies and approximately 815,000 employees. The majority of the agreements were signed by a single organization, either a company or a state institution. Only 85 multi-employer agreements were signed in the non-state sector, while the state sector had only two. According to the ETUI report, the availability of valid numbers for collective agreements could be problematic. The report states that the negotiators do not always provide the newest information, and the register might include invalid or expired collective agreements. However, the report states, that the collective agreements are mostly signed by a single companies or institutions and the collective bargaining activity covers only one fifth of all employees (Fulton, 2021). A report by Homicskó et al. stated that 125 collective agreements were registered in the social sector in 2018, but this might not be accurate due to the register's lack of updates (Homicskó et al., 2018: 55).

[8] Act I. of 2012 on The Labour Code, Article 276

Figure 7 Trade union density and collective bargaining coverage in Hungary (%) – 1990–2019



Sources: based on ILOSTAT (2021) Database (Collective bargaining coverage, 2000-2019) and ICTWSS 6.1 Database (Visser, 2019 - Trade union density rate, 1990-2018), own compilation,

The ICTWSS database has limited data to define bargaining coverage in private and public sectors. The last available numbers from 2007 showed 25.7% and 21.9% of private and public sector employees were covered by collective bargaining agreements. In 2012, the database recorded a higher coverage of multi-employer bargaining, with 6.6 out of every 100 employees covered this type of bargaining. Since 2005, autonomous central agreements negotiated by trade unions and employers' organizations, where binding wage agreements are reached at the national or cross-sectoral level, have not been enforced in Hungary. Additionally, works councils were barred from negotiating between 2008 and 2011. They now negotiate only if no union is present (Visser, 2019).

3.3. Legislative background for collective bargaining

The Hungarian Labour Code outlines the terms and conditions for collective bargaining negotiations, where employers and employees are the two actors involved (Paragraph 276). Employers can only sign one collective agreement but can be covered by multiple agreements, especially in sector-level negotiations. Employers can negotiate collectively, through an employers' association, or individually. The trade union is the only authorized negotiating actor for employees, and they need to meet a 10% trade union membership threshold for representativity. The trade union's representativity is based on the average statistical number of members over the last six months. Even if trade union membership decreases, the collective agreement remains valid until the end of its expiration period. (HVG, 2022: 53-54).

3.4. Conclusions

Hungary belongs to CEE countries in the Visegrad Group region with fragmented industrial relations and decentralized collective bargaining. The country faces a declining trend in trade union density and collective bargaining coverage, which is similar to the whole Visegrad region. In public services, tripartite interest reconciliation has been constrained since 2011. Although interest representative organizations are present, overall, they have a limited and rather symbolic character in the LTC and ECEC sectors.

The legislative definition of collective bargaining is anchored in the Labour Code, which underwent widescale transformation in 2012. One of the major changes was a de facto ban on the right to strike in the public service (formulated as the obligation to provide basic services even in case of strike activity).

4. Working conditions and bargaining in ECEC and LTC sectors

In the overall national legislative and institutional context covered in Section 3, this section provides evidence on working conditions, wages and collective bargaining in the Hungarian ECEC and LTC sectors.

4.1 Sectoral collective bargaining

The 2012 Labour Code changed the rules for collective bargaining, including the requirement for trade unions to reach a 10% membership threshold. Public sector employees no longer have the option to negotiate sectoral-level agreements, and instead must meet the 10% threshold to negotiate single-employer or multi-employer agreements (SzMDSz, 2015). Since 2012, there are valid general rules and principles for the private sector, stated in Chapter XXII of the Labour Code. This means that the Labour Code has no sector-specific rules or principles, which could be applicable to the entire public sector, or on its concrete subsectors (Wolters Kluwer, 2022e).

Data on the number and wording of collective agreements negotiated in Hungary is limited. According to Hungarian labour law, employers and employees are obligated to inform the Ministry responsible for employment affairs about collective bargaining negotiations and upload the collective agreement into the *MKIR (Munkaügyi Kapcsolatok Információs Rendszere – Employment Relations Information System)* registry. However, if the social partners do not fulfill this obligation, the Ministry cannot penalize them, and collective agreements can still be negotiated and signed. According to Gábor Kártyás, this could be one of the reasons, the MKIR database is not updated enough, and there are missing data, according to which we could make statements about the actual situation within the Hungarian employment relation system (Kártyás, 2019: 80). The 2014 measures on the representativeness of trade unions categorized by the national sectoral classification of economic activities (TEÁOR'08) show that within the social care sector, only two representative trade unions were representative. The *BDDSZ (Bölcsődei Dolgozók Demokratikus Szakszervezete – Democratic Trade Union of Nursery Employees)* was the only representative trade union in the "Social care without accommodation" and "Other social care without accommodation" sub-sectors, while the *PSZ (Pedagógusok Szakszervezete – Teachers´ Union)* was the only representative trade union in "Other daytime care services". Within the “Residential, non-hospital care” were no representative trade unions. From these data it is visible, that the ECEC sector-based trade unions (PSZ and BDDSZ) are basically the only representative trade unions, in comparison to those specified on the LTC sector (MKIR, 2014). In 2022, there were only two representative trade unions for public sector employees: the BDDSZ and the KKDSZ *(Közgyűjteményi és Közművelődési Dolgozók Szakszervezete - Public Collection and Public Culture Workers' Union)* (BDDSZ, 2022: 4995).

After analysing the MKIR database, it can be concluded that there are 200 registered collective agreements within the ECEC and LTC sectors (TEÁOR´08 professional sectors from 8730 to 8899). However, the majority of these agreements (around 129) were negotiated between 1991 and 1999, while only one agreement was adopted in 2020 related to the LTC sector – residential, elderly care facility. Out of the 200 collective agreements, 83 have already expired, while the remaining agreements have an indefinite duration. The registry provides basic information such as the name of the service provider,

address, registration number of the agreement, the beginning of its validity, and the type of collective agreement, but it does not include details related to the content of the agreements (MKIR, 2022).

4.2 Wages

Compared to other national economic sectors, social, educational, and healthcare sectors (including ECEC and LTC) have the lowest gross monthly wages, with only agriculture, construction, hotel-accommodation and catering, water and waste management, real estate, and administrative services having lower wages. In 2020, the total gross average wage in the national economy was 394,960 HUF/person/month, while in education it was 349,514 HUF and in human health and social care it was 304,536 HUF (KSH, 2020c). In addition to the low wage level, the LTC sector is also affected by a high number of vacant job places, with 5,374 vacancies and a 7% shortage in the social care sector as well as a 4% shortage in the LTC sector as of December 2020 (Gyarmati, 2022:7). For the Hungarian ECEC and LTC sector, it's not necessary to discuss remuneration and wages separately as both sectors follow the same legislative and methodological basis for compensating their workforce.

In the ECEC and LTC sector, public sector employee wages are regulated according to the annual *Civil Servants Pay Scales* (*Közalkalmazotti bértábla*). The most important legislation for the employment of civil servants is Act No. XXXIII of 1992 on the Legal Status of Civil Servants. Chapter V of the Act deals with the promotion and salary system for workers and divides them into 10 salary groups and 17 salary levels (for visualisation, see Tables A13 and A14 in Annex) based on education and duration of working life (visualised in Table A14). The lowest salary level is for those with 0-3 years of experience, while the highest is for those with 49-51 years. This system aims to reflect the worker's education and experience based on years worked, allowing for potential wage increases both horizontally (based on education) and vertically (based on work experience). Table A13 in the Annex shows a wide range of sectoral wages based on education level and work experience. A beginner with primary education in the public sector can earn 167,400 HUF (approximately 430 EUR) in 2021. It's worth noting that for salary groups A-F, work experience does not affect the basic salary. This means that employees with one year of experience and those who have worked for 49-51 years earn the same salary. This is because Act XXXIII requires that employees receive at least the legally mandated minimum wage, or the guaranteed minimum wage if they have completed upper secondary or higher education. (Sources: Szakszervezetek.hu, 2021; Wolters Kluwer, 2022f; Meleg, 2021a).

The terms and conditions of receiving the (guaranteed) minimum wage could be summarized in the following way:

- Employees who completed primary education receive the minimum wage, independently from the length of their training (employment experiences);
- Employees who completed upper secondary education receive the guaranteed minimum wage (for skilled workers), independently from the length of the training;
- Employees who completed higher education, but without a special qualification or an academic degree, again, receive only the guaranteed minimum wage up util the 51st year of employment (Szakszervezetek.hu, 2021).

Wage increases based on working life are only applicable to Group G, which includes those with a college degree, professional qualification, and relevant professional experience of 43-45 years. The

minimum wage for this group is 224,790 HUF (577 EUR), while newcomers receive 219,000 HUF (562 EUR). The highest salary group ranges from 210,600 HUF to 321,746 HUF (approximately 540 to 825 EUR) (Mosthallottam.hu, 2021).

The Civil Servants Pay Scales are inflexible and do not follow the rising trend of minimum and guaranteed minimum wages in Hungary. This salary fixation limits wage increases for many public service employees, resulting in slight differences between the wages defined for specific salary groups and levels. Although yearly wage corrections were implemented into legislation, actual wage increases have not occurred since 2008. As a result, in 2021, 84.7% of the actual values in the Pay Scales are covered by the minimum and guaranteed minimum wages, compared to just 22.4% in 2011. To address this issue, wage bonuses have been implemented in the civil servants' sector (Meleg, 2021a).

Social sector wage bonus

The ECEC and LTC sectors have sectoral wage bonuses (wage supplements) that are important. These supplements differ for social care sector employees, teachers, and those employed in kindergartens. We focus on social care sector-based wage supplements in the next section. The Social Sector Aggregated Wage Supplement has been implemented since 2014 and is governed by a Governmental Decree[9]. The amount of the wage bonus is based on the employee's Salary Group and Salary Level, which were explained earlier. Governmental budget support, defined in the Governmental Decree No. 34, is available for wage supplements, but only if certain conditions are met and an application is submitted by local governments, service maintainers, or providers, as well as central budgetary bodies and non-state service providers (Meleg, 2021b: 9-10; Wolters Kluwer, 2022a; 2022g).

Nursery care wage bonus

The nursery care sector is a specific area within social care services for wage bonuses. Employees in this sub-sector receive an individual bonus called the "wage bonus for nursery workers," as stated in Governmental Decree No. 257/2000. The bonus table was updated on 1st January 2022 and is differentiated based on the applicable Salary Groups and Levels (Magyar Közlöny, 2021a: 9813-9814). For instance, a trainee in a nursery or mini-nursery with 0-2 years of experience receives a bonus of 100,000 HUF (257 EUR), while a teacher with a master's degree and 15-17 years of experience receives a bonus of 44,600 HUF (114 EUR). Additional bonuses are also available for therapeutic pedagogical workers and co-worker coverage (Meleg, 2021b: 11; SzocOkos, 2021).

Wage bonus for workers in healthcare

In healthcare, a separate wage bonus system is in place for certain occupational groups. According to Paragraph 15/C of Governmental Decree No. 257/2000, this bonus is given to workers employed in social care facilities requiring medical qualifications (e.g., doctors, head nurses/caretakers, nurses/caretakers), and to those working in homecare or residential care facilities providing professional healthcare services, and who are public employees and members of the *Hungarian Chamber of*

[9] *257/2000. (XII. 26.) Korm. rendelet a közalkalmazottak jogállásáról szóló 1992. évi XXXIII. törvénynek a szociális, valamint a gyermekjóléti és gyermekvédelmi ágazatban történő végrehajtásáró*

Healthcare Professionals. The bonus is differentiated according to Salary Groups and Levels, in the same way as the sectoral wage bonus. (Meleg, 2021b; Wolters Kluwer, 2022a).

Educational sector - Teachers´ Pay Scale

The educational sector has a separate pay scale for teachers. The pay scale was established in 2013 and is not linked to the minimum wage system. The projection base, defined in Paragraph 61, Act C of 2017 on the 2018 Central Budget of Hungary, sets the minimum salary for teachers (Wolters Kluwer, 2022h). However, the projection base has not changed in the last 8 years. Teachers' salaries are determined based on their educational level (if the teacher reached a secondary education, gets 120% of the projection base (121,800 HUF – 338 HUF); a teacher with a bachelor degree gets 180% (182,800 HUF – 469 EUR) and the teacher with master degree 200% (203,000 HUF – 521 EUR) of the projection base) and the Pedagogical Career Model categorizes teachers into five grades based on their experience:

- **Grade One:** Teacher-trainee (2-4 years of experience)
- **Grade Two:** Educator I. (6-9 years of experience)
- **Grade Three:** Educator II. (min. 6 years of experience + certificate about the first qualification exam)
- **Grade Four:** Master Teacher (min. 14 years of experience + specialization + certificate about second qualification)
- **Grade Four:** Research Teacher (PhD degree + 8-14 years of experience + certificate about second qualification) (Officina.hu, 2022)

These criteria, together with the duration of the working life, determine the basic salary of teachers. In addition to the basic salary, teachers can also earn a sectoral professional wage bonus, which increased from 10 to 20% of the salary bases at the end of 2021. Other bonuses related to pedagogical work are also specified in the Governmental Decree No. 326/2013 (Pénzcentrum.hu, 2021; Magyar Közlöny, 2021b: 10056; Wolters Kluwer, 2022i).

4.3 Social actors in the ECEC and LTC sectors

In Hungary, trade unions and social partners in the public sector have limited activity due to centralised control by the government. This has made it difficult to get a clear understanding of the current state of the employment relations system, particularly in the ECEC and LTC-based sectors. While some minor reconciliation exists on issues like wages and financial support for service providers, social partners have little input into legislative or strategic plans. Bargaining and negotiation occurs mainly on a regional or local level, rather than through standard tripartite negotiation. Despite these challenges, there are active actors in the social care sector working to improve the position of social partners, particularly in education and social care. The following section of the report will provide a detailed introduction of these actors.

4.3.1 Social care sector

In the Hungarian social care sector, employment relations and social regulation are governed by two laws: Act III of 1993 on Social Administration and Social Services, and Act XXXI of 1997 on Protection of Children and the Administration of Guardianship. In 2018, the sector faced issues such as underfunding, a lack of employees, an overloaded workforce, high employee fluctuation, an aging workforce, workplace stress, and poor working conditions. According to Homicskó et al. (2018), the social sector employed 92,000 employees, with only 9% being male workers. 95% of employees are specialized in their work. Service providers must have a valid operating license, and employees have the right to participate in trade union movements (this right is regularized in Act XXXIII of 1992). However, collective bargaining has a formal importance due to the delivery of documents only 24-48 hours before negotiations and the lack of field experts representing trade unions. Reconciliation forums, including representatives from the government, employers, employees, and providers, carry out collective bargaining and employer relations in the social sector. The employees are represented by three main trade union organizations, while providers are represented by several actors, including the Association of Hungarian Local Governments and churches providing social services (Homicskó et al., 2018: 40-50). Information on actors and their roles in employment relations in the ECEC and LTC services in Hungary is limited, with outdated and irrelevant data available. However, a 2018 publication on collective bargaining and agreements in the social services sector provided useful information. According to the publication, the reconciliation forum *SZÁÉF (Szociális Ágazati Érdekegyeztető Fórum – Reconciliation Forum of Social Services Sector)* was established in December 2015 to deal with employment relations in the social service sector (Homicskó et al., 2018: 47-48). According to the official rules of procedure of SZÁÉF from 2017, the actors within the forum can be grouped into three categories (concrete composition of the SZÁÉF is visualised in Figure 8). The Hungarian government is represented by the Ministry of Human Capacities, the Ministry for National Economy, and other governmental actors depending on the specific topic of the meeting (BDDSZ, 2017). The SZÁÉF includes the following trade unions:

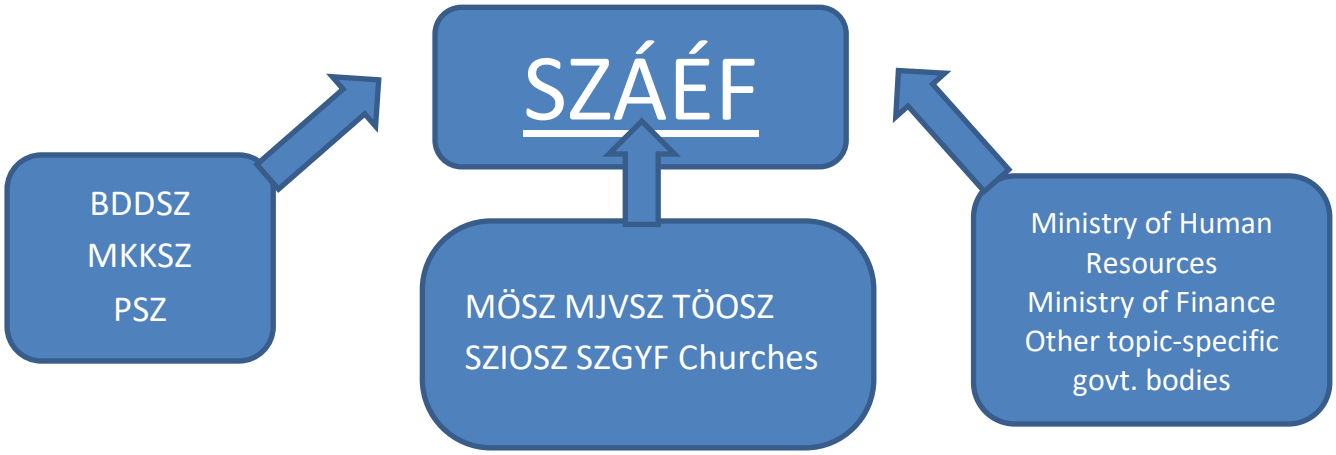
- ***BDDSZ*** *(Bölcsődei Dolgozók Demokratikus Szakszervezete - Democratic Trade Union of Nursery Employees)* established in 1989 is one of the most active trade unions in Hungary's social care sector. BDDSZ represents 11,000 members, or one-third of all employees in the sector, including those in nurseries, education, child protection, and disability care. BDDSZ has a representative role in SZÁÉF, OKÉT, KOMT, and the trade union confederation of SZEF (BDDSZ, 2022b);

- ***MKKSZ*** *(Magyar Köztisztviselők, Közalkalmazottak és Közszolgálati Dolgozók Szakszervezete - The Trade Union of Hungarian Civil Servants and Public Employees)* is the most important trade union for national and local public employees and civil servants, established between 1989 and 1990. MKKSZ is a member of SZÁÉF and SZEF (MKKSZ, 2018);
- ***PSZ*** *(Pedagógusok Szakszervezete - Teachers' Trade Union)* is the only representative trade union in the public education sector, established in Hungary. PSZ represents over 16,000 members in government, local-municipality-based, church-based, and foundation-based institutions (PSZ, 2022).

Employers´ associations included in SZÁÉF are:

- ***MÖSZ*** *(Magyar Önkormányzatok Szövetsége – Association of Hungarian Municipalities);*
- ***MJVSZ*** *(Megyei Jogú Városok Szövetsége – Association of Cities with County Rights)* representing privileged Hungarian towns. MJVSZ aims to represent the interest of its members, create and maintain cooperation with national and foreign institutions and municipality associations, and develop the functioning of its members (MJVSZ, 2022);
- ***TÖOSZ*** *(Települési Önkormányzatok Országos Szövetsége – National Association of Local Municipalities)* is a national interest representation body focused on local municipalities, present in Hungary's employment relations system since 1989. TÖOSZ is the only interest representative organization covering municipalities (TÖOSZ, 2022);
- ***SZIOSZ*** *(Szociális Intézmények Országos Szövetsége - National Association of Social Institutions);*
- ***SZGYF*** *(Szociális és Gyermekvédelmi Főigazgatóság – General Directorate of Social Affairs and Child Protection)* is a government budgetary body established in 2012, dealing with direct management of social and child protection facilities. SZGYF maintains social and child protection services in 94 institutions, including 48 social care-related facilities, 33 within child protection, and 13 with a mixed social care-child protection characterisation (SZGYF, 2022).
- ***Churches***

Figure 8 Visual map of the actors and relationships among them in the SZÁÉF



Source: BDDSZ, 2017; own visualization based on the SZÁÉF´s Agenda documentation

Based on available information and interviews with experts and trade union representatives, SZÁÉF has been inactive for the last two years. The number of meetings has decreased since its establishment in 2015, with only two meetings held in 2020. The last meeting in June 2020 focused on the COVID-19 pandemic and its impact on social care services, as well as outsourcing social care services to churches.

Other, non-SZÁÉF-based trade unions in the ECEC and LTC sectors:

- ***PDSZ*** *(Pedagógusok Demokratikus Szakszervezete – Democratic Trade Union of Teachers)*
- ***SZÁD*** *(Szociális Ágazatban Dolgozók Szakszervezete – Social Sector Workers´ Trade Union)*
- ***MSZ EDDSZ*** *(Magyarországi Munkavállalók Szociális és Egészségügyi Ágazatban Dolgozók Demokratikus Szakszervezete - The Democratic Trade Union of Health and Social Workers),*
- ***SzMDSz*** *(Szociális Munkások Democratikus Szakszervezete – Democratic Trade Union of Social Workers)*

4.3.2 Healthcare Sector

The health care sector in Hungary requires a representative labour organization to meet the 10% representativity criteria. However, there are no employer organizations that have a representative role in the sector. On the other hand, there are several trade unions, the largest being the *EDDSZ (Magyarországi Munkavállalók Szociális és Egészségügyi Ágazatban Dolgozók Demokratikus Szakszervezete - The Democratic Trade Union of Health and Social Workers),* established in 1989, which is active in health and social care provision, child and youth protection, and wage bargaining for health care sector employees. The *FESZ Független Egészségügyi Szakszervezet – Independent Trade Union of Healthcare)* is a newer trade union established in 2011 with the same policy agenda as EDDSZ. The *MÖSZ (Mentődolgozók Önálló Szakszervezete - Ambulance Workers' Independent Trade Union)* is another important trade union for ambulance workers, and the *ReSzaSz (Rezidens és Szakorvos Szakszervezet – Trade Union of Residents and Specialists)* focuses on the representation of healthcare employees, especially medical residents and specialists. There are also trade unions at medical universities that represent employees and can sign collective agreements with university management. The healthcare sector trade unions are recognized as the most active unions, from all the employment sectors, but they have limited opportunities compared to other sectors. As a result, their focus primarily lies on active participation in negotiation processes. Only trade unions with membership above 10% can participate in collective bargaining, with the EDDSZ and MÖSZ being the only ones that meet this criterion (Homicskó et al., 2018: 3-19). According to Homicskó et al.'s publication on Collective Labour Disputes and Alternative Dispute Resolution Options in the Health and Social Sector, trade unions in the social sector in Hungary are fragmented and are often only present in a few workplaces. To be a member of the SZÁÉF, trade unions must fulfil the representativeness criteria separately stated for social care services and early childhood care. As a result, several trade unions deal with specific care sectors but cannot participate in negotiations related to collective bargaining or other employment and employee-related topics. In 2018, eight trade unions were active in the social care sector but were not involved in SZÁÉF negotiations, including organizations like *SZTDSZ*, which represents the social sector employees, FESZ, which is an independent healthcare trade union, or the PDSZ, the Democratic Trade Union of Teachers, which also represents employees in the social care sector (Homicskó et al., 2018: 50-54).

Right to strike and the problem of strike organization in the social sector

The employment relations system in Hungary is decentralized and lacks cooperation between social partners, including trade unions. This is partly due to the government's centralized decision-making system, which controls budgetary and legislative measures. Trade unions find it challenging to propose initiatives to improve working conditions, wages, and workplace quality in the care sector. Strikes have been used as a tool to pressure the government to take action. In the past decade, several strike committees were formed in the social and education sectors, including the 2016 Social Sector Strike Committee, which aimed to improve working conditions (Szakszervezetek.hu, 2016). The aim of this Strike Committee will be explained in the WP3 part of the report. This last social sector strike activity was due to legislative changes that limited strike activity in sectors that provide essential services. The National Strike Law (Act VII. Of 1989) requires employers to ensure that strikes do not impede service provision, but the law does not specify what "sufficient provision of services" means. In response, trade unions organized online strikes and brought a lawsuit (SZÁD and MKKSZ trade unions), which was decided in their favour by the Curia in late 2020. However, no concrete actions were specified, leading trade unions to take the matter to the European Court of Human Rights. As of now, the limitation on strike activity in the social care and public sectors remains in effect in Hungary (Wolters Kluwer, 2022j; Fazekas Lázár, 2021; Bogatin, 2021).

4.4 Interview-based findings

In addition to the evidence presented above, interviews conducted between October 2021 and August 2022 (see Annex for the list of interviews) reveal a negative attitude towards the working conditions and collective bargaining in care services. Trade union representatives highlighted the lack of cooperation between the two secretaries of Ministry responsible for the social and public education sectors, as well as independently implemented rules for the two sub-sectors, which causes an overly complex and complicated definition of the entire social care system. The situation is not better within the ECEC or LTC sector itself, with the biggest problem in the ECEC sector being that nursery-based services are included in the social care branch, while kindergarten-based services are included in the public education sector, despite both being pre-education services. This, combined with small but visible wage differences, leads to employees migrating between sectors for higher wages. Moreover, those with university degrees, especially in nurseries, are more likely to find work in other sectors beyond social care services (Interview 1 & Interview 4).

A deeper analysis shows that wages are low in both the ECEC and LTC sectors, with respondents describing the situation as "horrible" in both sectors. However, service providers and trade unions praise the positive activity of local governments and service maintainers who are trying to increase wages through wage bonuses or other financial supports. It is important to note that this form of help represents only a minor part of the wages, and its availability depends on the financial situation of the local government or service maintainer (Interview 1, 4, and 6-9).

4.5 Conclusions

The summary implications from the analysis of bargaining and working conditions suggest persistent labour shortages and low wages in both the ECEC and LTC sectors. In the eyes of the interviewed stakeholders, the **government has failed to implement reforms** to improve working conditions. In addition, the interaction and cooperation between policy makers and trade unions are weak, and trade unions face fragmentation in both sectors. In the LTC sector, union fragmentation is more extensive than in the ECEC sector.

In these conditions, traditional coordinated social dialogue and collective bargaining are underdeveloped and missing. Therefore, policy-making that would impact the quality of working conditions in the care sector is highly centralized and politicized. In response, social actors target their activities towards policy-making and political lobbying, which further prevents the development of sectoral social dialogue structures.

To expand on these overall sectoral findings, the next section focuses on local case studies and uncovers how particular solutions, via action and interaction of social actors at the local level, helped make up for the missing bargaining coordination structures at the sector and national levels.

5. Case studies: local solutions to the quadrilemma

In addition to the overall findings on the role of actors and responses to the quadrilemma in the ECEC and LTC sectors, this section provides a deeper insight into particular local solutions. Case studies presented in this section provide particular insight into (successful) responses of social actors at the local level within the ECEC and LTC sectors. During our selection of case studies, we tried to find good practices, which might be an answer on the national problems within the employment relations system of the country in general, as well as in case of the two social care sectors. Originally, the focus of the case study selection on innovative practices, but, as it was already mentioned in the previous parts of the report, in case of the country with a centralized legislative system a decentralized service provision is quite complicated to find cases which might be applicable to the entire sector at all. Based on previous interviews, it becomes evident that we cannot discuss a homogeneous set of problems in Hungary. Instead, these issues are region-based, sector-specific, and institution-dependent. In these contexts, all actors involved are striving to develop a range of tools to enhance workplace conditions for employees. This and problematic research can be stated as a main limitation of the research at all due to a lack of available sources for possible case studies.

The focus of the case studies is, therefore, on a local solution in terms of practices, strategies and initiatives to address the issues. Particular attention is paid to the variation of the cases following the diverse solutions involvement of a variety of social partners and local authorities, and services providers.

The methodology of the case selection and analysis followed several steps:

- Initiative interviews with the social partners and social actors at the national level indicating relevant practices in ECEC and LTC;
- Desk research on the potential case and assessment of its merit for the research objectives;
- Selection of the relevant actors of the case and conducting 7 semi-structured interviews
- Analysis of all the data and information and compiling the case study.

The section covers four case studies, two from ECEC and two from LTC. Each case describes the context – background related to service governance or employment relations at the local level and a description of the main challenges addressed. The core part is devoted to the detailed description of the process and solution used to tackle the issues. Particular attention is paid to the implementation of the chosen solution, key factors of success, challenges, and obstacles in the solution and its implementation, with a focus on the role of social partners and employment relations.

To compile the case studies, interviews with social partners, local authorities and providers, and other relevant actors involved in the case have been interviewed. The organisations providing the interviews are listed in the Annex. Based on a comparison of the four cases, the last part of Section 5 presents sectoral similarities and differences in actor responses and the potential role of employment relations in generalising the solutions from the local level to the national one.

5.1 Case 1 ECEC – Demographic outlier and good provider/trade union activity

As previously stated in this national report, the Hungarian ECEC sector operates under a dual, decentralized system in terms of competence. This system manages nurseries, which fall under the competence of the *Ministry of Culture and Innovation*, and kindergartens, which fall under the

competence of the *Ministry of Interior*. These entities are managed separately in terms of legislation, competencies, wages, employee qualifications, and other aspects. Additionally, the sector is characterized by female dominance, a mostly middle-aged workforce, and significant fluctuation between sub-sectors within and beyond the care sector.

During our research conducted in the town of Veszprém, located in the northern part of the country near the famous touristic area of Lake Balaton, we realized that national average data could not be applied to every individual case. For the nurseries, it is typical that the majority of the 186 workers (we are talking about several nurseries maintained by the local government of the town of Veszprém) were born between 1981 and 2000, which is consistent with census-based data about the demographic situation in the town where the 15-39 and 40-59 age group represent the majority of the population (Albert et al., 2012: 10). The interviewees informed us of the good cooperation with the nursery trade union (BDDSZ) as well as the support and help from the local government, especially during the Covid-19 pandemic, which will be defined in detail in the next parts of this report.

This case study demonstrates the importance of cooperation between the social partners (in this case the service providers and trade unions – on the local level), with the aim to maintain job and wage stability for the employees even during periods of global crisis. The care workers, who were directly affected by the pandemic, experienced the direct impact of the restrictions and work limitations. The town was not selected as a case study, rather it was a set of interviews, during which we wanted to have a deeper knowledge about the situation in concrete towns, or regions of the country, in relation to the data and trends, and how these national data look in comparison to the local situation. Finally, as we did not receive a positive response from other actors to the possibility of participating in our interviews, this town was selected, also for its anomalies, in comparison to the national situation, as one of our case studies.

According to the set of interviews conducted by the representative of the City Council and the representative of the nurseries located in the town, the following set of characteristics is typical for the nurseries in Veszprém. The town has a joint institution of six nurseries, with a capacity of 516 children between the ages of 0-3 years. According to our information, the facilities have their own kitchen, laundry, and an employed seamstress, which in comparison with the national standards is starting to become an exception. This means that the majority of the nurseries cooperate with external employees providing these services or having a joint service with other service providers.

As mentioned earlier, the majority of the 186 workers were born between 1981 and 2000, resulting in a relatively young workforce compared to national trends. 32 employees have a university degree, and 154 have secondary education. Irregular employment is not typical, and employees work 7-8 hours per day, 40 hours per week. Similarly, to national trends, there is a problem with the lack of workforce, which the service provider is trying to resolve by increasing workforce capacities.

According to the collected information, there are no problems finding a person who would like to work as a care giver, but problems arise in finding non-care workers such as technicians, administrative workers, etc.

The service providers have reported good cooperation with the local municipality and neighbouring counties. They share experiences and discuss actual issues, which was particularly important during the Covid-19 pandemic. The interviewees described this cooperation as a form of "sharing good strategies".

The process

The municipality and nurseries' trade union are actively working to meet the needs of ECEC workers. During the Covid-19 pandemic, there were no employment cutbacks in the nurseries, and the services remained "open" in the form of "online nurseries". They organized seminars for children and parents, and provided homework to them. In terms of remuneration, low wages are typical for the region as they are at the national level, and the municipality is trying to increase wages through wage bonuses.

There are 40 BDDSZ members in the nurseries, and the union is actively recruiting new members. However, there is mistrust in the union's competency as members are unsure whether problems can be solved at the national level, and they prefer to discuss them at the local level. Additionally, there are a high number of employees with a university degree in the nurseries in this area, which is the result of decades-long lobbying by the trade union's management. Before their implementation, there were no options for nursery carers to obtain a profession-specific degree. We attempted to gather the local trade union office's opinion, but they declined to participate in the report preparation.

The solution

Social partners (trade unions, service maintainers, and service providers) attempt to address nationally recognized problems at the local level. This approach may solve issues locally, but communication and cooperation between different levels of governance hinder its implementation on a broader scale. Our research suggests a paternalistic approach from the municipality to preserve services and workforce quality locally. Meanwhile, the trade union focuses on national activism concerning wages, legislation, and working conditions.

5.2 Case 2 ECEC – Improvements in wages with(out) participation in strikes

The second case study relates to a significant problem facing the public sector in Hungary, namely the low level of wages. As mentioned in the WP1 and WP2 sections of the report, those working in social care, healthcare, and education have the lowest wages of all employed persons in Hungary. The wage calculation system is outdated, with around 90% of wages being covered by the minimum wage. Pay scales for specific care services are separately stated, with different wage levels, terms, and conditions. Additionally, any extra pay in the form of wage bonuses varies from maintainer to maintainer, depending on the budget available to maintain the level of service and worker satisfaction.

As a result, in November 2013, the main trade unions active in the social care sector formed a joint national strike committee. On April 20th, 2016, the Social Sector Strike Committee organized a strike event as a result of their previous activity, during which they requested that the government approve the wage settlement claims of social care sector workers. By organizing the strike, the social sector aimed to join the pedagogical workers who had a strike event on the same day. However, a few days before the strike, the Hungarian government declared it illegal because it had not been announced earlier. The Strike Committee's claims were ignored, and there was no joint decision about the wage settlement or other requests made by social partners later. The main points of the Strike Committee were:

- *Extension of the teacher career path to nursery teachers with secondary education;*

- *Increase of 20% of the current gross salary for all professional and auxiliary staff in social sector (except of carers in nurseries);*
- *Initiation and continuation in the regular negotiations between the government and the representative trade union organizations in the social sector;*
- *To include the inter-working breaks as a part of the working time (initiation of a legislative changes)* (Szakszervezetek.hu, 2016).

In terms of pushing the government to address the issues of social care workers, the trade union efforts can be considered a complete failure. Nevertheless, in certain areas of Hungary, the mobilization of workers resulted in local successes. The service maintainers implemented solutions on a local level to maintain service quality standards and provide wage supplements to workers (BDDSZ, 2016a; 2016b).

The process

In Budapest, the capital city of Hungary, several nurseries wanted to join the strike organized by the Social Sector Strike Committee. However, the local municipalities decided to negotiate with them about the claims stated in the original document of the Strike Committee. One of them, the Joint Nursery Institute in the municipality of Józsefváros is analysed in the following part of the report.

The Strike Committee started to inform social care service institutions a few days before the strike that there was the possibility to join them. The Joint Nursery Institute had mixed opinions on their participation in it. Out of the 8 nurseries integrated into this institution, 3 wanted to join the strike event. The service provider decided to inform the mayor of the municipality about this, who quickly organized a roundtable with the representatives of all the nurseries. The mayor, reflecting on the statements of the nurseries, decided to try to solve the problem locally through a 20% increase in wages. The nurseries contacted the BDDSZ (trade union) about this offer, and after consultation, they decided to accept the recommendation of the municipality, and as a result, cancelled their participation in the strike.

On 21st April, the Municipality Council decided that from 1st May, employees in nurseries would get an 18% wage increase. At that time, this decision had a direct impact on the wage of 154 employees in all the eight nurseries. This wage increase was not the only activity of the municipality in relation to employment relations, as since 2013, the municipality had guaranteed a 13th salary for the nursery's employees. (Mandiner, 2016).

The solution

In an interview with the service provider, it was stated that the local municipality allocated 33.8 million HUF (approximately 88.000 EUR) for the service provider to divide among employees based on sectoral pay scales. This meant a monthly wage increase ranging from 3,000 to 20,000 HUF per employee, and was stated to be indefinite. However, employees with university degrees were not eligible for this increase, as they were paid according to the teacher career path. After the municipal election in 2019, the new Council cancelled the 13th month salary, replacing it with a single wage bonus of 100,000 HUF per employee, which was increased to a monthly wage since 2022. This wage supplement, amounting to 58 million HUF, is still in effect and funded by the municipality's budget for nursery workers.

The success of this case study is attributed to constructive discussions and cooperation between all social partners at the local level, but mainly due to the activity and understanding of the local government. The activity in this district had a direct effect on other districts located in Budapest, and this case highlights

the potential impact of national-level pressure on creating local-level change. Ultimately, the success of such agreements depends on the willingness of municipalities to allocate funds towards improving working conditions for.

5.3 Case 1 LTC – Municipality support in wage increases

For our next case study, we return to the town of Veszprém, where our previous case study focused on the situation in the nurseries. In this case, we examine the long-term care services provided for elderly people. As previously mentioned, Hungary's care sectors, including LTC, suffer from the worst employment and wage situation. Similarly to the ECEC, those working in the LTC sector have the lowest wages, distributed based on their classification in the sector-specific pay scale. This pay scale is similar to other sub-groups within the care sector, in almost 90 per cent covered by the minimum wage. In these situations, service providers have only one option to maintain working standards and morality: to increase wages and other financial or non-financial support from their own resources.

According to interviewees, the situation in the LTC sector is problematic. Decision-making is made without their input, wages are low, and there is also a problem with trade unions, which have limited coverage in the region. When we consider the entire care sector, trade unions are more active in the area of ECEC than in LTC. The sector is also facing a labour shortage, as workers are opting for employment in the health care sector, or are moving to other sectors or countries. To maintain working standards, a Local Multipurpose Partnership was established between the municipality of Veszprém and the surrounding areas, which deals with social service provision for its own clients. The Partnership, established in 2016, has 19 members (municipalities) and operates 7 institutions, including 2 nursing homes and 5 basic social care providers for clients (Veszprém, 2022). The total number of employees is 150, of which only 5 have part-time employment contracts. In the case of commuters, the Institution supports them by reimbursing their travel costs.

The process

The interviewees reported that employment relations remained unchanged before and after the Covid-19 pandemic. However, low wages remain a critical problem, which the municipality plans to address with a wage bonus after pandemic restrictions ended. Private service providers may offer higher wages, but the quality of services and workplace conditions are often similar or worse than those in the public sector. Despite this, most social care employees view their work as a profession, which helps retain them in the public sector. During the pandemic, the municipality implemented institution-level measures, such as a quarantine system and IT system improvements, to make the work more effective and to reduce the spread of the virus and lower the death rate in the town.

The LTC sector is strongly connected to health care services, which is also a problematic area within the sector. For doctors, services within the LTC sector are considered secondary, and the wages are not as high as in the healthcare sector. To address this, the municipality established a specific Performance Contract for those who would like to provide health care services within the LTC sector. This contract lasts for five years and provides doctors with a medical office for free, with only overhead costs such as energy needing to be paid. According to interviews, this cooperation is manageable for both parties. Doctors receive extra salary, and the municipality fulfils the requirement for compulsory medical services.

The solution

Similarly, to the previously analysed cases, the main goal of the municipality was to retain employees and establish a set of standards necessary for the smooth running of social care services in the municipality's area. This support from the municipality can be defined as a form of paternalistic activity aimed at gaining control over care services while increasing the care provision quality. However, all these extra expenditures are only possible if the service maintainer is willing to support its own institutions and employees and take care of their needs. This indirectly influences the workforce positively and improves the quality of services in the workplace.

5.4 Case 2 LTC - Municipality-based wage bonus for public sector employees and trade union mobilization

The final case study is slightly different from the previous ones. As mentioned in the introductory part of the case study report, it was challenging to find relevant case studies in Hungary that could serve as "good practice" cases for our research. In the previous cases, we were able to retrieve information from secondary literature and primary sources through interviews conducted by individuals who directly participated in specific actions to improve the quality and workforce standards in both sectors. However, in the last case study, especially given that the actors are mostly active in the ECEC sector, it was difficult to find another relevant case that could provide us with a better understanding of the situation in the LTC sector and the development of the employment relations system within it. Instead, the next case study shows us a general technique that all municipalities or service maintainers use, and which was actually mentioned in all the previous case studies. This technique or method is the extra wage bonus that municipalities, if they have sufficient financial resources, can provide to employees in the public sector above the amount of money stated for each employee, based on the wage pay scale.

Due to the lack of data and expertise in this research area, and to the fact that nobody responded to our request for an interview, we are using only secondary data in this case study, which were applied by the City Council to a newly established wage bonus scheme in Budapest.

As explained in detail in previous sections of the report, those employed in the Hungarian public sector receive wages based on a specific qualification and age-related pay scale, which is individual in all sub-sectors within the social care sector. According to our expertise, there are separate wage bonuses for social sector employees, nursery workers, teachers, and workers in the health care sector. Over and above these parts of the wages, local municipalities can provide employees with an extra wage bonus, which is above the previously mentioned pay scale-based wages and sector-specific wage bonuses. According to our expertise, this form of financial support from municipalities, as a service maintainer, is quite typical for the Hungarian public sector. However, the amount of money provided strongly depends on the budget of the municipalities, and therefore, the level of this form of financial support varies in Hungary.

The process

The basis of our case study dates back to 2021 when the social partners, the public sector-based trade unions, and the City Council of Budapest signed an agreement regarding the development of the Budapest wage policy for the years 2021 to 2024. Within the agreement, the social partners stated that between 2022 and 2024, *"each employer and its trade union will agree on the implementation of the wage increase for the concrete year within 30 days after the publication of the government decree on the minimum wage, but no later than on 15 February of the year. The rate of the increase shall be equal to the arithmetic average of the percentage increases in the minimum wage and the guaranteed minimum wage"* (Budapest.hu, 2021).

In relation to this agreement, on January 26th, 2022, the City Council decided to establish a special wage bonus for those employed in companies or institutions where the owner is the City of Budapest. According to the Vice Mayor's statement, the establishment of the "Budapest Wage Bonus" is separate financial support, which will be expanded in the next period to several sectors operating in Budapest. The estimated number of employees who will receive this wage bonus was stated to be around 22,000. However, two sector groups were excluded from the wage bonus, namely cultural and social care workers, as for the wage increase in these sectors, both the government and the municipalities are responsible. At the beginning of 2022, there was a discourse regarding the inclusion of social workers into the group of workers who would receive the wage bonus. This was mainly due to the fact that the 20% wage increase promised by the government was levelled-down, and the guaranteed minimum wage rise was calculated into the 20% increase. According to the trade unions, this decision is incorrect as the sector-level wage increase must happen without any connection to the rise of the minimum wage (Lehoczki, 2022).

The biggest player in the Budapest Wage Bonus from the social care sector is the SZÁD (Workers in Social Sector) trade union, which was also a signatory party of the Budapest wage policy coalition in 2021. In relation to the wage increase, announced by both the government and by the City of Budapest, the SZÁD started a petition, in which they asked both actors to increase wages in a previously stated amount. In the case of the government, it meant a 20% increase, while in the case of Budapest, a 15% wage increase for those employed in social facilities. After starting the petition, the SZÁD began a massive campaign on its Facebook channel and negotiated the wage increase in the social sector with representatives of Budapest. On February 24th, the trade union posted a message stating that negotiations were successful, as the City Council had voted to allocate 461 million HUF for social facilities operating in Budapest. However, this amount of money is less than the 15 per cent wage increase, but for the SZÁD, it was a good step forward (SZÁD, 2022).

The solution

This case study highlights the trade unions' proactive mobilization and initiative at the local level, which is in contrast to previous cases. The SZÁD, in this case, quickly reacted to the omission of social care workers from the Budapest Wage Bonus and the lack of wage increases from the government and the municipality. The union launched a petition and social media campaign that rallied social sector employees, resulting in 1,500 signatures within a month. This case may be interesting at the national level because it demonstrates that it is difficult to achieve better working conditions for employees without active participation in the employment relations system.

5.5 Conclusions from local-level cases

In the absence of national policy framework and transparent structures of care service provision and its governance, experience shows that social actors resort to local responses to the quadrilemma (how to secure access to and quality of service as well as quality of working conditions in conditions of constrained public finance).

The four case studies were presented to demonstrate the local embeddedness of social actor responses. All presented initiatives are still in progress and therefore it is difficult to evaluate as 'best practices' with a positive impact on working conditions and the quality of services. Nevertheless, each case shows a strong local actor that initiated the measures and cooperation with other social actors in order to implement measures to improve working conditions and the quality of service in ECEC and LTC sectors.

Two case studies from the city of Veszprém, one in ECEC and one in LTC, show a strong presence of the municipality as a key actor in the initiation of the improvement measures. Cooperative decision-making and negotiation is present for the implementation of higher wages in Józsefváros, when according to our own data, a strong, but socially sensitive municipality leadership is visible. In this case, the municipality was open for cooperation with social partners to find a win-win solution for all involved actors. On the other hand, strong trade union-based mobilisation is visible in Budapest at the city-level, where social sector actors are still trying to push the City Council to include the social sector workers into the newly established wage bonus system. Despite smaller gains and successes, the case is still ongoing and its full evaluation cannot yet be done.

From a temporal perspective, the original timing of the presented initiatives matters. The Józsefváros case was launched in 2016 and it still persists, just like the LTC support case in Veszprém. In contrast, the remaining two cases were directly influenced by the global pandemic, as well as by the current economic, political, and energy crisis, interconnected with the Ruso-Ukrainian conflict.

It is important to acknowledge the reasons of the above initiatives emerging. Upon a deeper analysis, the primary goal of the social actors in all the cases was to improve the reputation of the workers both in the ECEC and LTC sector vis-à-vis other sectors in the Hungarian economy. Embedding the analysis of initiatives in the ECEC and LTC sectors in the broader system of employment relations in Hungary (see Chapter 3), it can be argued that the primary goal for which social partners are striving for is a noteworthy wage increase. Wage levels are perceived as the necessary precondition for decent working conditions, stabilized workforce without major shortages and fluctuation, and in turn also the quality of service.

6. Conclusions

This report provides an insight into the care services in Hungary, starting from the overview of the employment situation, through the structure and governance of two particular subsectors of the care sector – ECEC and LTC, and the role of social dialogue in these subsectors in addressing the recent challenges related to the growing demand for services and constrained public budgets.

The approach adopted in the report draws on employment relations as a new arena for building solidarity and labour market coordination through social dialogue. In particular, the report focused on the four-fold challenge (or a *quadrilemma*) in both ECEC and LTC, and the involved social actor responses and cooperation to address this challenge. In particular, the quadrilemma includes constrained public finance, the need for quality services, aims to improve the access to services, and finally improvements in working conditions in care services.

Employment trends in Hungary show that in the last two decades, employment increased generally as well as in the ECEC and LTC sectors. Both sectors are dominated by women and professionalization of care workers. This is an important precondition for the assessment of bargaining power on the side of workers' interest representation in the context of labour shortages in the Hungarian care sector. From the perspective of governance, the ECEC and LTC sectors face a complex and fragmented structure, which applies to legislation, financing, competence allocation and responsibility of state authorities. This division fuels a lack of cooperation between social actors and policy makers in both sectors, and a lacking overarching perspective on care services.

The majority of care services are publicly funded, yet funding systematically remains below 1% of GDP. Financing the care sector is further complicated by a complex structure of service providers: in ECEC, the dividing point is care for children below 3 years of age (social service, a complex structure of nurseries based on the type of provider) and children aged 3-6 (kindergartens, part of the school system). LTC is not recognized as a separate sector but covering health care and social care, whereas each are structured and governed separately without cooperation at the national level.

The fragmented structure of care provision is transposed also in the structure of social partners and the patchwork characteristics of social dialogue. Trade union structure is fragmented in both the ECEC and LTC sectors, while a higher fragmentation occurs in the LTC sector (3 trade unions in ECEC and 6 trade unions in the LTC sector). Persisting labour shortages and low wages in both sectors open opportunities for improvements and for social partner involvement. However, the findings show that not only is the interaction between policy makers and trade unions underdeveloped, the government fails to implement reforms to improve working conditions. The exception is the effort to support publicly-financed home care services. In result of lacking centrally governed policies, social actor involvement in developing and implementing solutions to the challenges within the quadrilemma occurs in a decentralized way, at the local level.

Four cases were analysed in greater detail to shed light on solutions to the quadrilemma at the local level. In the absence of national policy framework and transparent structures of care service provision and its governance, the data shows that social actors resorted to local responses to the quadrilemma (how to secure access to and quality of service as well as quality of working conditions in conditions of constrained public finance).

Two case studies from the city of Veszprém, one in ECEC and one in LTC, show a strong presence of the municipality as a key actor in the initiation of the improvement measures. The Veszprém

municipality directly subsidized wage increases in LTC provision, thereby pre-empting the need for collective bargaining and trade union involvement. In ECEC, trade unions in the municipality of Veszprém negotiated a wage supplement with the city council to address labour shortages and wage differences among various types of professionals and service providers. Trade unions used this as an opportunity for organizing new members. Despite a failure to implement wage guarantees to ECEC professionals at the national level, the BDDSZ and PSZ trade unions succeeded at the workplace where collective bargaining on the same issue was implemented in the Veszprém municipality. This case points to the importance of interplay in union strategies at the national and local levels, and the fact that a failure at the national level may still produce the desired outcome at the local level.

Next, in 2022 the city council of Budapest initiated a wage bonus at 60% of the minimum wage, signing an agreement with trade unions. This step opened the door for strengthening social dialogue at the local level in conditions of lacking sectoral or national coordination. Cooperative decision-making and negotiation is present for the implementation of higher wages in Józsefváros, when according to our own data, a strong municipality leadership, that is both strong and socially sensitive, is visible. In this case, the municipality was open for cooperation with social partners to find a win-win solution for all involved actors. On the other hand, strong trade union-based mobilisation is visible in Budapest at the city-level, where the social sector actors are still trying to push the City Council to include the social sector workers into the newly established wage bonus system. Despite smaller gains and successes, the case is still ongoing and it cannot be fully evaluated at this time.

From a temporal perspective, the original timing of the presented initiatives matters. The Józsefváros case was launched in 2016 and it still persists, just like the LTC support case in Veszprém. In contrast, the remaining two cases were directly influenced by the global pandemic, as well as by the current economic, political, and unfortunately energy crisis, interconnected with the Russo-Ukrainian conflict.

All in all, local solutions and good practices yielded desired responses to the quadrilemma within conditions of fragmented policy making, complex service structures and decentralized industrial relations. It is important to acknowledge the reasons of the above initiatives emerging. According to a deeper analysis, the primary goal of the social actors in all the cases was to improve the reputation of the workers both in the ECEC and LTC sector vis-à-vis other sectors in the Hungarian economy. Embedding the analysis of initiatives in the ECEC and LTC sectors in the broader system of employment relations in Hungary (see Chapter 3), it can be argued that the primary goal for which social partners are striving is a noteworthy wage increase. Wage levels are perceived as the necessary precondition for decent working conditions, a stabile workforce without major shortages or fluctuation, and in turn, the quality of service.

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Annex

Table A8 List of interviews – national and sector levels

No.	Type of organisation	Sector	Respondent role	Level	Date of interview	Form of interview
1.	Trade Union	ECEC	Union representative	National	11.10.2021	Online
2.	University - expert	LTC	Expert	National	15.10.2021	Online
3.	Expert	ECEC/LTC	Formerly responsible for governments' strategic agenda in ECEC and LTC	National	03.11.2021	Online
4.	Service provider	LTC	Provider and TU representant	Local	18.05.2022	Online
5.	University - expert	ECEC	Expert	National	30.05.2022	Online
6.	Municipality – service provider	ECEC/LTC	Representative	Local	14.06.2022	In-person
7.	Employer/service provider	LTC	Employer	Local	14.06.2022	In-person
8.	Employer/service provider	ECEC	Employer	Local	14.06.2022	In-person
9.	Employer/service provider	ECEC	Employer	Local	14.06.2022	In-person
10.	Trade Union	ECEC	Former TU president	National	05.08.2022	In-person

List of interviews – local case studies

No.	Organisation	Type of organisation	Sector
Case 1			
	Veszprém - Mayor's Office of a City with County Rights	Local government	ECEC
	Veszprém - Nursery and Health Care Integrated Institution	Local provider	ECEC
	Veszprém – "Ringató" District Kindergarten	Local provider	ECEC
	BDDSZ – Former President of Trade Union	Trade union (national level)	ECEC
Case 2			
	BDDSZ – President of Trade Union	Trade union (national level)	ECEC
	Budapest (District VII – Józsefváros) - Unified Nurseries in Józsefváros – Principal of Kindergarten	Local provider	ECEC
Case 3			

	Veszprém - Mayor's Office of a City with County Rights	Local government	LTC
	Veszprém – VKTT - Unified Social Institution of the Multipurpose Association of the Veszprém Micro region	Local provider	LTC

Table A9 Real GDP growth rate – volume in %

Time	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
	-6.6	**1.1**	**1.9**	**-1.3**	**1.8**	**4.2**	**3.7**	**2.2**	**4.3**	**5.4**	**4.6**	**-4.7**

Source: Eurostat, 2022

Table A10 ECEC staff structure, according to types of institutions and centre-based settings

Job title	Main ECEC work-place settings and age-range	Main position/s	Main age-range focus of IPS	Minimum qualification require-ment and ECTS points/EQF lev-el/ISCED[1] level
Kisgyermeknevelő **Infant and Early Childhood Educator** Previous and still valid title: **Early Childhood Caregiver and Educator** *Profile*: Early Childhood Pedagogy Profes-sional (Nursery specialist)	*Bölcsőde* **Infant-toddler centre** 0–3 years	Core practition-er with group responsibility Centre head	1–3 years	Childcare Certificate (*kisgyermekgondozó,-nevelő*) ECTS points: n/a[2] EQF: Level 5 ISCED 2013F: 0922 ISCED 2011: 4 ***or*** Childcare Diploma (*csecsemő- és kisgyermeknevelő asszisztens*) Since 2017 the occupational title **ECEC Assistant** is used. ECTS points: 120 EQF: Level 5 ISCED 2013F: 0922 ISCED 2011: 5 ***or*** (optional qualification route since 2009) Bachelor's degree, 3 years university (*csecsemő- és kisgyermeknevelő*) ECTS points: 180 EQF: Level 6 ISCED 2013F: 0922 ISCED 2011: 6 ***or*** one of the older (up to 2002) Childcare Certificates listed in legislation ECTS points: n/a EQF: Level 3 ISCED 2013F: 0922 ISCED 2011: 4 and 3
Óvodapedagógus **Pre-primary Pedagogue** *Profile*: Pre-primary Educa-tion Professional	*Óvoda* **Kindergarten** 3–6 years	Core practition-er with group responsibility Centre head with group responsibility in small centres	3–6 years	Bachelor, 3 years university ECTS points: 180 EQF: Level 6 ISCED 2013F: 0112 ISCED 2011: 6 Centre Heads: 5 years' work experience as pedagogue plus special exam
Dajka **Auxiliary Co-worker**	*Bölcsőde* **Infant-toddler centre** 0–3 years *Óvoda* **Kindergarten** 3–6 years	Co-worker with no formal IPS or no specialist qualification		No requirements Available since 1990: Special training course leading to a vocational certificate for sup-port staff in *óvoda*.

Source: Korintus, 2017:4

Table A11 Sector-specific jobs in the social sector

	Designation	Payment classes									
		A	B	C	D	E	F	G	H	I	J
1.	In the framework of social services, jobs directly related to the treatment, care, employment, development, care, nursing and social assistance of the recipients of social services, requiring higher education qualifications										
	doctor								*	*	*
	social worker						*	*	*	*	*
	head nurse, head specialist nurse, nurse, specialist nurse						*	*	*	*	*
	employment organiser						*	*	*		
	development teacher						*	*	*	*	*
	movement therapist, physiotherapist						*	*	*		
	therapist						*	*	*	*	*
	assistant						*	*	*	*	*
	helper						*	*	*	*	*
	case manager						*	*	*	*	*
2.	In the context of social services, jobs directly related to the treatment, care, employment, development, care, nursing and social assistance of the recipients of social services, not requiring higher education qualifications										
	nurse, specialist nurse			*	*	*					
	carer		*	*	*	*					
	helper, village and rural caretaker	*	*	*	*	*					
	therapeutic worker					*					
	assistant			*	*	*					
	other sectoral jobs										
	employment organiser,										

Source: (Wolters Kluwer, 2022a)

Table A12 Standing Committees of the OÉT (1991 – 2004)

ÉT (1991)	OMT (1999)	OÉT (2004)
Wages and Labour Committee (Bér- és Munkaügyi Bizottság)	Committee on Wages and Collective Agreements (Bér- és Kollektív Megállapodások Bizottság)	Committee on Wages and Collective Agreements (Bér- és Kollektív Megállapodások Bizottság)
Economic Consultative Committee (Gazdasági Konzultatív Bizottság)	Committee on Information and Statistics (Információs és Statisztikai Bizottság)	Economic Committee (Gazdasági Bizottság)
Information Committee (Információs Bizottság)	Labour Market Committee (Munkaerő-piaci Bizottság)	Committee on Equal Opportunities (Esélyegyenlőségi Bizottság)
Goodwill and Ethical Committee (Jószolgálati és Etikai Bizottság)	Labour Law Committee (Munkajogi Bizottság)	Labour Market Committee (Munkaerőpiaci Bizottság)
Committee on Income Policy (Jövedelempolitikai Bizottság)	Occupational Health and Safety Committee (Munkavédelmi Bizottság)	Labour Law Committee (Munkajogi Bizottság)
Labour Market Committee (Munkaerőpiaci Bizottság)	Vocational Training Committee (Szakképzési Bizottság)	Occupational Health and Safety Committee (Munkavédelmi Bizottság)
Occupational Health and Safety Committee (Munkavédelmi Bizottság)	Social Committee (Szociális Bizottság)	National Development Plan Commission (Nemzeti Fejlesztési Terv Bizottság)
National Training Council (Országos Képzési Tanács)		Vocational Training Committee (Szakképzési Bizottság)
Privatisation Commission (Privatizációs Bizottság)		Social Committee (Szociális Bizottság)
Committee on Social Policy (Szociálpolitikai Bizottság)		Committee on the Social Charter (Szociális Karta Bizottság)

Source: (polhist.hu, 2017a; 2017b; 2017c); own compilation

Table A13 Civil Servants Pay Scales for 2021

Fizetési	osztályok			Közalkalmazotti bértábla a 2021. évre					Mosthallottam.hu	
fokozatok	A	B	C	D	E	F	G	H	I	J
1	167 400 Ft	219 000 Ft	219 000 Ft	219 000 Ft	219 000 Ft	219 000 Ft	219 000 Ft	219 000 Ft	219 000 Ft	210 600 Ft
2	167 400 Ft	219 000 Ft	219 000 Ft	219 000 Ft	219 000 Ft	219 000 Ft	219 000 Ft	219 000 Ft	219 000 Ft	210 600 Ft
3	167 400 Ft	219 000 Ft	219 000 Ft	219 000 Ft	219 000 Ft	219 000 Ft	219 000 Ft	219 000 Ft	219 000 Ft	210 600 Ft
4	167 400 Ft	219 000 Ft	219 000 Ft	219 000 Ft	219 000 Ft	219 000 Ft	219 000 Ft	219 000 Ft	219 000 Ft	210 600 Ft
5	167 400 Ft	219 000 Ft	219 000 Ft	219 000 Ft	219 000 Ft	219 000 Ft	219 000 Ft	219 000 Ft	219 000 Ft	210 600 Ft
6	167 400 Ft	219 000 Ft	219 000 Ft	219 000 Ft	219 000 Ft	219 000 Ft	219 000 Ft	219 000 Ft	219 000 Ft	210 600 Ft
7	167 400 Ft	219 000 Ft	219 000 Ft	219 000 Ft	219 000 Ft	219 000 Ft	219 000 Ft	219 000 Ft	219 000 Ft	219 390 Ft
8	167 400 Ft	219 000 Ft	219 000 Ft	219 000 Ft	219 000 Ft	219 000 Ft	219 000 Ft	219 000 Ft	219 000 Ft	229 046 Ft
9	167 400 Ft	219 000 Ft	219 000 Ft	219 000 Ft	219 000 Ft	219 000 Ft	219 000 Ft	219 000 Ft	219 000 Ft	238 703 Ft
10	167 400 Ft	219 000 Ft	219 000 Ft	219 000 Ft	219 000 Ft	219 000 Ft	219 000 Ft	219 000 Ft	225 425 Ft	248 359 Ft
11	167 400 Ft	219 000 Ft	219 000 Ft	219 000 Ft	219 000 Ft	219 000 Ft	219 000 Ft	219 000 Ft	233 945 Ft	258 015 Ft
12	167 400 Ft	219 000 Ft	219 000 Ft	219 000 Ft	219 000 Ft	219 000 Ft	219 000 Ft	219 000 Ft	242 465 Ft	267 671 Ft
13	167 400 Ft	219 000 Ft	219 000 Ft	219 000 Ft	219 000 Ft	219 000 Ft	219 000 Ft	227 273 Ft	252 405 Ft	278 486 Ft
14	167 400 Ft	219 000 Ft	219 000 Ft	219 000 Ft	219 000 Ft	219 000 Ft	219 000 Ft	235 690 Ft	262 345 Ft	289 301 Ft
15	167 400 Ft	219 000 Ft	219 000 Ft	219 000 Ft	219 000 Ft	219 000 Ft	219 000 Ft	244 108 Ft	272 285 Ft	300 116 Ft
16	167 400 Ft	219 000 Ft	219 000 Ft	219 000 Ft	219 000 Ft	219 000 Ft	224 790 Ft	252 525 Ft	282 225 Ft	310 931 Ft
17	167 400 Ft	219 000 Ft	219 000 Ft	219 000 Ft	219 000 Ft	219 000 Ft	232 728 Ft	260 943 Ft	292 165 Ft	321 746 Ft

Source: Mosthallottam.hu, 2021

Table A14 Characteristics of Salary Groups and Salary Levels in 2021

Salary Group	Required educational level	Type of salary
A	Basic education	*Minimum wage*
B	Basic education and vocational qualifications	*Guaranteed minimum wage*
C	Secondary school certificate or a qualification based on a vocational qualification stated in Group B	*Guaranteed minimum wage*
D	Requiring more than a vocational qualification and school certificate	*Guaranteed minimum wage*
E	Higher education qualifications, higher education qualifications (not university/college degree) or higher education qualification from an accredited school	*Guaranteed minimum wage*
F	College degree and a vocational qualification	*Higher amount than the guaranteed minimum wage*
G	Statutory qualification for the job at Group F	*Higher amount than the guaranteed minimum wage*
H	University degree and a diploma or a university/college degree + scientific degree	*Higher amount than the guaranteed minimum wage*
I	University degree and professional qualifications, diploma certifying a statutory professional qualification + before 01.09.1984 a doctorate degree or a postgraduate degree received after 01.09.1984	*Higher amount than the guaranteed minimum wage*

J	University degree, professional qualification and scientific degree or membership of the Hungarian Academy of Sciences, academic doctorate	*Higher amount than the guaranteed minimum wage*

Salary Level (level & duration of working life)					
Level 1	**Level 2**	**Level 3**	**Level 4**	**Level 5**	**Level 6**
0-3 years	4-6 years	7-9 years	10-12 years	13-15 years	16-18 years
Level 7	**Level 8**	**Level 9**	**Level 10**	**Level 11**	**Level 12**
19-21 years	22-24 years	25-27 years	28-30 years	31-33 years	34-36 years
Level 13	**Level 14**	**Level 15**	**Level 16**	**Level 17**	
37-39 years	40-42 years	43-45 years	46-48 years	49-51 years	

Source: Pénzcentrum.hu, 2022

Table A15 Gross and Net Wage development in Hungary (2021 January-December)

Sector	**Total**		**Without public employees**	
	Average monthly salary, HUF/person	**Change in comparison with the same period from last year, %**	**Average monthly salary, HUF/person**	**Change in comparison with the same period from last year, %**
Gross				
Entrepreneurship	450,800	7.8	451,300	7.8
Budgetary	409,900	9.5	448,000	9.5
Non-profit	419,100	15.4	434,800	14.5
Total national economy	438,800	8.7	449,600	8.5
From this:				
Public sector employees	83,900	2.6	N/A	N/A
Net				
Entrepreneurship	299,800	7.8	300,100	7.8
Budgetary	272,600	9.5	297,900	9.5
Non-profit	278,700	15.4	289,200	14.5
Total national economy	291,800	8.7	299,000	8.5

From this:				
Public sector employees	55,800	2.6	N/A	N/A

Source: KSH, 2022b

Table A16 Number and coverage of trade unions in the public social sector (January, 2014)

Name of the Trade Union	**Member in TU Confederation**	**Number of TU members (NACE Q87 – residential, non-hospital care**	**Trade union coverage, in %**	**Number of TU members (NACE Q88 – social, non-residential care)**	**Trade union coverage, in %**
Total number of public sector employees:		***35,313***		***25,121***	
MSZ EDDSZ	***N/A***	1,554	*4.40*	219	*0.87*
SZTDSZ	***MSZOSZ***[10]	1,478	*4.19*	151	*0.60*
MKKSZ	***SZEF***	676	*1.91*	316	*1.26*
PSZ	***SZEF***	363	*1.03*	70	*0.28*
EDFSZ	***SZEF***	112	*0.32*	4	*0.02*
PDSZ	***Liga***	34	*0.10*	N/A	*N/A*
BDDSZ	***SZEF***	23	*0.07*	2,584	*10.29*
EDSZ Independent basic organisation	***ÉSZT***	11	*0.03*	N/A	*N/A*
Basic organisation, direct member of the confederation	***ÉSZT***	15	*0.04*	N/A	*N/A*
ATESZ - Autonomous Territorial Trade Union	***ASZSZ***	N/A	*N/A*	171	*0.68*

Source: Borbély, 2017: 45

[10] In 2015 the MSZOSZ and the ASZSZ were merged into one trade union confederation, what caused that the SZMDSZ, ATESZ, and the SZTDSZ became members of a new confederation, the MASZSZ.

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