

3rd Periodic Report of the Government of Hungary
to the UN Committee on Economic, Social and Cultural Rights

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Introductory statement by Ms. Erzsébet Kardos Kaponyi, Head of Delegation

Distinguished Mr. Chairperson, Distinguished members of the Committee

It is an honour and privilege to be given the opportunity to speak before this Committee.

I am here today to talk to you about the challenges that the Republic of Hungary faces and the efforts that we are making to address those challenges concerning the implementation of the provisions of the International Covenant on Economic, Social and Cultural Rights.

Let me start my short opening remarks by underlining the importance of this Covenant and state that Hungary is fully committed to making all efforts in implementing its provisions.

For the Republic of Hungary the International Covenant on Economic, Social and Cultural Rights is one of the most important and at the same time normative international legal document among all basic documents on human rights.

Under the provisions of the Constitution and all acts, the Republic of Hungary fully ensures all basic human rights and fundamental freedoms to its citizens. In addition to this Covenant, Hungary is party to the pre-eminent human rights conventions both at universal, as well as at regional levels.

Furthermore, following the latest developments in the codification of human rights, Hungary has taken an active role in the drafting of the Convention on the Rights of Persons with Disabilities adopted by the General Assembly in December 2006. Hungary intends to ratify this outstanding piece of legislation in the near future.

The Covenant on Economic, Social and Cultural Rights was ratified by Hungary in 1976, shortly after its entering into force, and upon ratification it became an integral part of the Hungarian legal system. The Government of Hungary establishes its policies in accordance with and by respecting the provisions of the Covenant.

From the 1990s Hungary has tried to cope with a fast changing world. The Republic of Hungary has attempted to increase economic growth and employment, maintain its welfare system and provide its citizens with modern public education.

As a result of the last one and a half decades' efforts the Hungarian legal system was restructured and modernized. After drastic and fundamental changes our former legal system became market-conform, and adapted to the whole *acquis communautaire* of the European Union, while at the same time fully implementing international standards.

One of the most significant changes of the period since the submission of the last Report is that the Government, in accordance with Hungary's accession to the European Union in 2004, puts much more emphasis on the preparation of comprehensive strategies and programs embracing longer periods in all policy areas, and thus, also with respect to the provisions of the Covenant.

Our aim is to define clear objectives, to identify unequivocal priorities, and to allocate European Union and national funds for the implementation of these priorities in a concentrated way. By taking more time and paying more attention, together with the inclusion of the widest professional circles, and by consulting social partners, civil society and interest groups, we have real chance to give such answers to the economic, social and financial challenges our country has to face, which fully respect all basic and social rights.

Now I would like to touch upon the most important changes in, and the prevailing directions of the last period.

Act No. CXXV of 2003 on equal treatment and the promotion of equal opportunities has been one of the most important legislative products of the recent period. Desiring to provide effective legal protection for persons exposed to discrimination the National Assembly declared that the promotion of equal opportunities is a task of the State.

For the first time in the history of Hungarian law, the Act contains comprehensive anti-discrimination rules. It defines the various forms of discrimination: direct and indirect discrimination, harassment, unlawful segregation and retaliation, in compliance with the relevant EU directives. The Act provides for the setting up of a new institution with the task of examining cases related to discrimination. The Equal Treatment Authority investigates individual complaints, therefore any person alleging that his/her rights enshrined under the Act have been violated may file a complaint with this Authority.

If this Authority establishes that a provision of the Act on equal treatment has been violated it is entitled, among others, to levy a fine. The provisions of the Act serve as minimum standards without prejudice to the sectoral rules completing the scope of legal protection.

As I have already mentioned, in 2004 Hungary acceded to the European Union. Therefore, Hungary takes upon objectives of the so-called Lisbon Strategy.

First, the National Lisbon Action Programme for growth and employment has to be mentioned which defines the most important objectives of Hungary in terms of macro-economy, micro-economy and employment for the term of 2005-2008. This document strongly relates to the National Strategy Report on Social Protection and Social Inclusion which aims at a more efficient cooperation of employment and social policies as well as the promotion of social cohesion. The National Strategy Report defines a two-year strategy – for the period of 2006-2008 – that, among others, aims at the elimination of poverty and social exclusion and the adequacy and the sustainability of the pension system.

Instead of mentioning further strategic documents I would rather focus on the most important measures taken so far and results achieved, without attempting to be complete, of course.

The Government has completed a systemized transformation of family benefits recently. By this the former 'three-tier' system, which was based on family allowance, regular child care benefit and tax allowance, was transformed into a unified system based on family allowance. The transformation remedied a number of social problems causing imbalance and inequality in the earlier system.

The transformation of the family support system is not a unique process; it is complemented by the reform of social benefits. The main elements of this reform are included in our answers to the list of issues of the Committee. In Hungary expenditure on social security amounts to 21.4% of the GDP. This might be less than the average 28% of the EEA countries but corresponds to the economic status of the country.

Analyses show that the performance of the Hungarian social protection system is good if we consider its impacts on the reduction of income inequalities and poverty. At the same time, guaranteeing social security demands continuous adaptation. Accordingly, demographic changes such as the aging population, create long-term challenges towards the transformation of the related systems. This means that in these areas continuous adjustments or even reforms are needed.

Last year we embarked on a reform process of the pension system, stirring professional and political debate. While the Hungarian pension policy is committed to provide a secure subsistence level to pensioners and to maintain the purchase value of pensions, further reforms and adjustments are needed in order to ensure the long-term sustainability of the system.

There was more consensus in society on another initiative of the Government, launched in order to eliminate child poverty and for the improvement of the opportunities of children. Parliament has adopted a comprehensive, national strategy and program called 'Children shall have it better', spanning over 25 years. The principal aim is to reduce poverty of children and families measurably yet within one generation; to promote equal opportunities of children in education; to eliminate extreme forms of exclusion and extreme poverty; and to change the attitude and the functioning of institutions and service providers which may contribute to the reproduction of poverty and exclusion.

Over the past years the Government paid special attention to the promotion of equal opportunities, to the enforcement of equal treatment in our diverse society, and to the prevention of discrimination. In this regard we consider the adoption of the Act on equal treatment and the promotion of equality, which took place in 2003, as an important step.

As regards equal treatment and the practical enforcement of equality three areas have been in focus recently: the elimination of gender-based discrimination, support to persons with altered working capacity, and last but not least integration of the Roma population.

The Government has taken several measures to eliminate gender-based discrimination. It provided, for example, assistance to women wishing to return to the labour market after a longer parental leave by means of successful labour market programs. Furthermore, it encouraged employers to employ more people returning to the labour market after having cared for their children or relatives. To this end the Government has provided different forms of contribution relieves and exemptions.

The Government of Hungary has also taken several measures in order to increase the chances of job-seekers with altered working capacity on the labour market. It has launched a number of programs for people with disabilities, for those receiving disability benefits and for other groups in disadvantaged situations in order to promote their employment. These measures and programs are outlined in detail in our answers to the questions of the Committee.

The Government has continued its former policy promoting the social integration of the Roma population. We adopted the Roma Integration Decade Programme Strategy Plan for the period of 2007-2015 which sets out tasks in two-year action plans. These action plans include concrete measures and monitoring tasks primarily in the field of employment, housing, education and health, as well as on horizontal areas embracing more programs.

It is only natural that for the promotion of equal treatment and equality, legal measures and Governmental incentives are not sufficient. It is essential to change attitudes and value systems, too. In this context we also would like to underline the significance of the Equal Treatment Authority. The Authority aims at protecting human dignity and eliminating all kinds of discrimination by legal means. The increase in the caseload of the Authority proves well that an

increasingly larger number of citizens are becoming aware of the basic requirements of equal treatment, and rely on legal protection. Both civil legal assistance organizations and state authorities which operate in the field of the enforcement of equal treatment, play an important role in the work of the Authority.

In short we can state that in the last few years we took the necessary measures and worked out the forms of support and services to promote the employment of people in disadvantaged situation. It is why we are convinced that we can do our best by increasing opportunities of employment instead of providing aid.

Vocational training and adult training have been developed in line with our employment policy. As a result of the restructuring of the Government in June 2006 vocational and adult training issues have been taken over by the Ministry of Social Affairs and Labour, which, at the same time, directs and coordinates employment policy, issues related to the shortage of certain qualifications and professions, and labour market issues. This way vocational training, adult training and employment policies can be harmonized more efficiently. In this new structure we consider vocational training, which is implemented in the framework of adult training, a means of adjustment by which modifications regarding the content and the qualifications that are necessary for the individual, the employer and for the whole society, too, can be implemented.

For all governments, one of the most critical issues is to find the sensitive balance of ensuring equal access to high quality health care, and at the same time preserving the financial sustainability of the system. The situation is even more complicated when an overall reform process is managed, affecting all segments of the system.

The Hungarian Government is in the process of simultaneously rationalizing the size and the structure of the hospital sector, reinforcing the insurance principle, increasing direct patient co-payment for services received, rationalizing the prescription and consumption of pharmaceuticals and, at the same time up-grading institutional capacities, taking measures to improve quality and enhance supervisory activities.

During this complex process, decisions-making inevitably involves trade-offs. On the other hand, decision makers have special responsibilities to pay particular attention to the rights and interests of vulnerable groups. When, for example, we take the necessary measures to enforce the insurance principle to exclude free-riders who do have the financial means to contribute, we have to make sure, and we have done so, that the state pays the contribution on behalf of those who are unable to take care of themselves. And when rationalizing and reducing the hospital sector we have to ensure that its distribution is becoming more equitable across the country.

The key issue, for the time being, is to reconsider how the Hungarian insurance model should look like on the long run. The question to be considered is the future of the existing single statutory insurance scheme. Currently an exchange of views is going on among Hungarian and international key players and experts on possible health insurance models.

Parallel to the modernization of the health sector, the implementation of the National Public Health Programme is continued, with particular attention to preventing and curing the major preventable causes of death, such as cancer and cardiovascular diseases, as well as promoting healthier life styles.

Consistent reforms in education started in 2004 in the framework of the National Development Plan I, and specific measures have to be taken at all levels and in all the forms of education and training to improve both quality and efficiency. The continued spreading of competency-based education, new learning forms, and digital literacy, the introduction of unified norms for the measurement, evaluation and quality management systems for student and teacher performance serve this aim. It is also assisted by connecting formal, non-formal and informal

systems and modernizing teacher training and further training, and also by considering expected developments in the employment requirements related to the teaching profession.

It is indispensable that the content and structure of education and training meet the social and economic requirements flexibly. The educational-training content and structure, the compatibility of various training institutions, the opportunities for mobility and a unified vocational system, all have to support the coordination of labour force supply and demand, as well as their adaptability to labour market needs. Particular attention is paid to the development of basic skills, labour market competencies (primarily foreign language skills, digital literacy, knowledge in mathematics and natural sciences and skills required for leading a successful life style). Cultural tools have to be built on too, when developing skills and competencies.

In order to improve cost-efficiency in primary and secondary education as well as to diminish regional differences, the structural and administrative reform of the educational system is indispensable.

Guaranteeing Equal Opportunities for everyone through education is an important task and the Government's educational policy considers it as a high priority. In 2003 the Act on Public Education was changed. Several amendments were proposed in order to integrate children and pupils requiring special treatment. The notion of integrating preparation (in grades 1, 5 and 9) was initiated in November, 2002. Starting in September 2003 the Finance Act provided extra funds to comply with the regulation. There is a high rate of children receiving this kind of subsidies in Roma ethnic minority.

As a response to the higher number of Roma and/or socially disadvantaged students in schools, the well-to-do families take their children to new schools, sometimes even to ones in other villages. In order to develop equal opportunities of the disadvantaged and to help exercise their right of free choice of school, the amendments to the Act on public education came into force in January 2007.

Concerning pupils with disadvantages, we attach great significance to the Vocational School Programme initiated by the Ministry of Education in 2002 for the modernization of the vocational school network that educates a great number of pupils at risk. Its aims are to provide the competences and knowledge essential for their success in life and to provide marketable qualifications by decreasing the number of failure providing topical knowledge for skilled workers, thus decreasing unemployment

Using international and national financial resources for the development and spreading of new school models serving the elimination of inequalities, with special attention to the school of "second chance" and to new educational forms supporting the transition between education and work.

The reform of higher education is ongoing to support Hungary's organic integration into the European Higher Education Region by focusing on implementing the principles of performance, practice-oriented training and mobility. As regional knowledge centres, higher educational institutions have to play a leading role in creating the human resources base *for research and development, innovation and local economy, in strengthening knowledge-based economy and in the support of technology and knowledge transfer*. It is important that the regional knowledge centers become suitable for maintaining and developing the human resources base, to alleviate the far too strong dominance of Budapest, and to increase regional development. The development and introduction of practice-oriented training and further training programs flexibly adhering to the requirements of local enterprises are especially supported. It is important to increase the number and ratio of students conducting studies in natural sciences and

technology, the development of the institutional system for talent management in order for the universities to become the driving forces of knowledge and innovation supporting development.

Recently the Minister for Culture issued an important document and action plan concerning cultural rights titled ‘Trends of cultural modernization’. This document states that culture fundamentally determines the modernization of Hungary, and cultural policy measures can bring solutions for handling or avoiding social conflicts arising from economic changes.

Let me list some of the focal strategic objectives of cultural modernization:

- the expansion of access to cultural goods;
- provision of opportunities for the disadvantaged, removing obstacles barring persons with disabilities in accessing culture ;
- preservation and creative presentation of the cultural heritage of Hungary and the world;
- integration of the values of minority culture into Hungarian and European culture;
- framing a new, efficient cultural institutional and funding system, promotion of cultural development.

The priorities of the cultural modernization are centered around the following activities:

- Cultural development of rural areas – measures to revitalize cultural centers of small towns and communities, to establish multifunctional community centers;
- Enhancing the links between culture and education – presenting new cultural trends in curricula, better serving educational needs by heritage institutions, stressing innovative and creative role of culture in education and life long learning;
- Forming a new cultural country image of the modern Hungary, strengthening national identity;
- City of Pécs 2010 – the Cultural Capital of Europe: a new cultural approach to regional and urban development based on partnership and cooperation;
- Reforming the financing mechanisms of culture, finding new funding sources, enhancing links between arts and business.

The cultural modernization of Hungary will bring about a new impetus in the process of realizing the right of everyone to take part in the cultural life which he or she considers pertinent, and to manifest his or her own culture.

I do hope that, even if I could not provide a comprehensive overview to the Committee due to the limited time allotted, I managed to touch upon the most important developments of the recent period. I do believe that we have already achieved a lot, at the same time we are aware of the tasks we face. We understand and clearly see the challenges, and we are strongly committed to actively taking further measures by involving all civil society organizations and interest groups concerned in order to enable all citizens of our country to enjoy all their rights, and to have a full and independent life, in line with the provisions of the International Covenant on Economic, Social and Cultural Rights.

The Hungarian delegation is looking forward to your comments and we will be happy to answer your questions.

Thank you for your kind attention.