

Enforcing gender equality in tax and social security systems, its effect on woman employment

Parts of research report and proposals

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Research report prepared by Szilvia Borbély

Translated from Hungarian by Jozefa Barreto

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Dr Szilvia Borbély: Gender equal opportunity in tax-, social security and welfare systems and their effect on woman employment – International overview

Dr Szilvia Borbély: Unemployment benefits and active labour market policies from gender point of view

Erika Lukács: Gender equalities in the social security systems and their effect on woman employment. Family assistances, child support system

Marianna Rózsáné Dr Lupkovics: Gender equality in tax-, social security and welfare systems and their effect on woman employment – Laws, legal aspects and points of view of interests

Dr. Mária Schadt Mária - Eszter Péntek: Gender equality in the health service, health insurance systems and their effect on woman employment.

Dr. Mária Vanicsek: Tax systems from the aspect of gender equality and their effect on woman employment (personal income tax, value added tax, wealth tax, company tax, simplified company tax)

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Introduction and summary

In our research we examined labor market utilities such as tax systems, health care and pension systems and social allowances regarding to the enhancement of gender equality and women's employment. Although the EU principles and guidelines are considered by the member states as a collective aim, the overall social security systems, social benefits and family allowances influencing women's situation decided by the individual member states.

Answering to the question whether are there any gender based approaches in the Hungarian personal income tax system, social security system and social benefit system it can be stated that if there are any, only in an indirect way. If, direct approaches can be found it's mostly within a restricted number of social benefit and employment policy areas. In these cases, these are special approaches that do not apply for social genders but for parents with children – traditionally – for mothers or pregnant women.

It can be pointed out, that active labor market utilities, social gender based planning could gain more space as it happens in more EU states. In certain EU states, active utilities can be found which specifically aim the labor market reintegration of women. In Hungary this approach is very rare and is drawn up mostly as a horizontal aim. The *Joint Report on Social Protection and Social Inclusion, 2008* emphasizes the three pillars of "active inclusion":

- a link to labor market through job opportunities and vocational training;
- to reach an income level which assures human dignity in living;
- the amelioration of the accessibility of services helping the employment reintegration of individuals and their families. (COM(2008) 42 final, 7274/08)

Tax systems in the EU, family circumstances, and number of dependents are taken into consideration, allocating tax credits differently. Example the number of children raised in the family.). In Hungary, family subsidies are also exists, but it should be point it out that there are very few other tools by which the consolidated tax base can be reduced.

The aim of the provisions of the social supply system is to reduce the risk of poverty, especially to handle child poverty and to support single parents who are characteristically mothers. According to data of the European Committee's declaration, *New Engagement for a Social Europe*, 16% of EU citizens (78 million people) are threatened by poverty, mostly children (the rate of the most endangered group being 19%), and the direct source of

children poverty being the enhanced risk of woman poverty. The cut back on woman poverty would s reduced child poverty. According to the Joint Report on Social Protection and Social Inclusion, with the aim of assuring adequate sources to families, most countries use an integral approach to cut back on poverty. They combine family income subsidies (including all families but mostly single parents and big families) and policies helping the labor market integration of parents. The Joint Report points out that, all member states are subsidizing the revenues of households with children at various levels. In most member states a considerable part of income subsidies granted to families with children consists of family benefits (generally about half of the social transfers toward households with children). This kind of subsidizing also consists of maternity incomes determined in an absolute value or related to earnings, special benefits like raising children with disabilities or single parent benefits. Family benefits can also depend on the number and age of children. In most countries general purpose and aimed subsidies are combined.

Pension subsidies are not based on gender, but on the provider capability to pay pensions. Women's pensions are lower than of men's due to lower wages, wage differences between men and women during their active life, and the shorter time of women spent in active employment.

In EU countries, health inequalities can also be observed in economic-social groups. This is indicated by general life expectancy and gender differences in the period of living a healthy life. These are considerably influenced by the educational, employment, income and economic circumstances of countries. The statement that women have higher average life expectancy in every country is relevant and the deviation between countries is also smaller: 8 years for women and 14 years for men. This is contrary to the years of healthy life for women and the deviation is bigger than for men (18 years). In EU member states women have 6 years of advance but their healthy years are more at risk because of their worse health conditions. It should be pointed out that most data on health conditions do not contains gender distribution, it is planned to be worked out by 1012. Health inequalities are also linked to life and work circumstances, the intensity of a healthy way of life and the accessibility of healthcare services. To ease up health inequalities, there is a need to increase social security and decrease social exclusion. Nevertheless, no matter the type of healthcare model being developed, the principle of solidarity has to be enforced in modern society. Solidarity is necessary not only to mitigate income inequalities but also in other issues like the gender question. This solidarity could not be realized only by private insurances without proper legal regulation and a system of sanctioning. Women are more receptive for health conscious life than men. In societies, as knowledge and educational level

grows consumers are more willing chose health conscious solutions in every area. The ideal condition would be – independently of the organization of the health care system - mainstreaming health protection and considering it as the center of the health care system, slowing down direct health expenditures or their growth, while life expectancy grows and the health condition of society improves. Only few countries, like Luxembourg, Denmark or Finland can set forth these conditions.

Hungarian women work more but their presence in labor market is low.

Compared to other European states, after Italy and Estonia, Slovenian and Hungarian women work mostly in the household. They spend almost twice as much time with housework than men. They have fewer spare time and they spend fewer time with paid work. At the same time one of the most important conditions of their economic independence is their labor market activity. Hungarian women work more but in most cases this doesn't results economic independence, since household work doesn't considered labor market activity. In Hungary the employment rate of the population between the age of 16 and 64 is he lowest in the EU. In 2009 49.9% of women and 61.2% of men aged 16 to 64 years was present in labor market. This shows that the situation has not changed significantly in the past ten years. This rate was 49.8% for women and 62.9% for men in 2001.

It is not a positive achievement that Hungary's relatively low unemployment rate "reached" that of the EU and the growth of women unemployment has been especially fast between 2001 and 2008. In 2004, domestic women unemployment rate (6.1%) reached then in 2005 it passed over that for men. Woman unemployment rate of 8.1 % passed the 7.5% average rate of the EU-27, in 2008.

By relaxing the relations between employer and employee, long term childcare leave has been put back the labor market integration of women. Experience shows that the longest the leave the smallest the chance to return to the same workplace as either the workplace is liquidated or the exigencies of the position are changed.

According to a survey, women return to work after child care benefits discontinued, **by** a quite high percent (88%). This rate is lower (77, 49 %) for those who wants to return after the period of maternity benefit or child care benefit. Women with number of children have less intent to return to work.

The intention of returning to work is lower in rural areas, with commuting difficulties and lack and/or inflexibility of daycare facilities. In smaller communities – lacking work opportunities –

women find solutions in finding more forms of childcare benefits and when payments discontinued they become housewives.

Renewing of family life and work would results problems for almost 60% of beneficiaries. The main problem is not to be able resolve daycare. Almost 90% of those who cannot chose employment because of unresolved daycare would require help in this problem. Most of the persons concerned would be interested in half time and flexible employment. (Frey, 2000).

The aim to increase employment and decrease unemployment emerges with more and more strength, resulted to put importance from passive provisioning to human resource development investments and to operation of active labor market means and programs. Aims of changes introduced in 200, 2002, 2005, 2007 and 2009 into domestic unemployment services and active employment means were to encourage unemployed persons to keep an active contact with employment agencies and to find a job.

Measures taken to enhance the labor market integration of mothers with children did not improve the status quo in the years of 2000. We can also mention those measures aiming to help employment of mothers and to maintain labor market relations during the period of childcare. Example the one that makes it possible to do part time work (full time in case of home employment) during maternity benefit, child care benefit or on attendance allowance payment period after the child reaches 18 months. To mitigate conflict of interest employers were exempted from health care allowances after mothers employed during their maternity benefit or child care fee payment period since 2004. The measure which makes possible for those who became inactive because of childcare to obtain a new qualification either in vocational or higher education for free or to take part in labor market training has also very positive effects since 2002. The problem is that these possibilities are not used very often.

Another regulation, started July 1, 2005, obliges communities with more than 10,000 inhabitants to maintain daycare facilities and to increase available place. The problem is implementation, because self governments usually short of sources, they can not implement this measure, to increase the number of daycare places to reach demands. This situation prevents mothers wanted to reenter to the labor market. New construction such as family daycare or very expensive private institutions did not relieve the status quo.

To summarize: retentive effects of social habits, revival of conservative family model, fixed gender roles in the division of labor markets and in family subsidy models, lack of daycare facilities, insufficiency of labor market demand, the effects of insufficiency of labor market demand and supply proved to be stronger than the effect of these provisions. Women ages

30 to 44 with a secondary degree education are in the worst situation and probably will be in the future. The active labor market means should mostly apply to this group.

Answering to the question whether are there gender based approaches in the Hungarian personal income tax system, social security system and social benefit system we have to say that if there are any, only in an indirect way. If we can find such approaches directly, it's mostly within a restricted number of social benefits and employment policy means. In these cases, these are special approaches that do not apply for social genders but for parents with children – traditionally – for mothers and pregnant women.

In Hungary, in view of the aim to increase employment and reduce unemployment, emphasis was put from passive supplies to investments on human resource development and on the functioning of active labour market tools and programs. The statements of the *Joint Evaluation on Employment Policy* (2003) are very important. They point out that in Hungary “special attention has to be directed to women who are of childbearing age, single parents and aged over 45 years and also to the situation female gypsy minority population”. Many aspects of the 2003 Evaluation have been realized, but not everything – in spite that they had been put out the agenda. Example gender based data collection of type and range of wage differences has been completed by the National Employment Service. Nevertheless, survey of the career advice system has been shifted to 2010 by the completion of the project of Social Renewal Operative Program 2.2.2.

The development of work evaluation system for enforcement of the “equal wage for equal work” principle has not been accomplished. Promotion of women to higher positions in the private sector is still hindered. Various organizations have started trainings to achieve this aim. Efforts to make flexible work still unsuccessful, although one of the best means to enhance work-life balance is considered to be flexible work (mostly in the form of part time and distant work). There is also much to do in the development of day care facilities.

Family subsidies, maternity benefit, child care fee, child care benefit

One of the most important questions of gender equality is how family and child raising duties are divided between the two sexes. Although our examination is focused on gender equality issues within social security systems and on how these systems influence woman employment, this area cannot be examined without stepping out of those areas classically defined within the frames of social security. On one hand certain benefits which were granted through the social security system became benefits granted on subjective right after the transition, social security allowances and subjective right benefits supplement each other.

The three main groups of family subsidies are:

- general purpose and subjective law based benefits (i.e. family allowance)
- benefits requiring social security coverage, child birth benefit, child care fee and child care benefit
- benefits based on the principle of need, which supplement allowances of big systems and have an important role in maintaining social security network.

Direct connections of the last point with employment are practically negligible. From woman point of view, employment, benefits following childbirth are primary importance (child birth benefit, maternity benefit, child care fee, maternity benefit), which can make a long absence from labor market possible. Among non-financial benefits the accessibility of daycare institutions and connected benefits has an important role. We point out that the period of the payment of maternity benefits and child care benefits are accepted as service period for pension. Subsidies mentioned above, Child Protection Law disposes other financial and non-financial benefits and services, which are granted by local governments from the central budget. Within the framework of social security allowances a mother who has legal insurance relations is entitled to a maternity leave for 24 weeks after giving birth during which she receives child birth benefit then she can demand a two-year leave during which she receives a child care fee. The latter can be demanded by the father as well.

Expenditures on family benefits were very irregular in the past decades in Hungary. They were the highest at the transition period, 3.9% expressed in percentage of the GDP in 1990. After the 1996 financial reform they were around 1.5 – 1.7% of the GDP, 2.1% in 2006-2007 then 2.2% in 2008. Family allowance is the most important item within financial benefits of the family benefit system. At the transition period its rate was 80%, in the 90's, after a loss in real value it gradually lost importance becoming of 54-60% of all family subsidies then in 2006 it has risen again to 65%. The relatively high family allowances significantly increase social expenditures.

If part of this is transferred to beneficiaries through personal income tax, it doesn't appear in social expenditures. Since 2006 personal income tax benefit after children – except for third children – is not available any more, it has been built into the amount of family allowance. It would be practical to change the proportioning of family allowance – with at least 20-25% difference in favor of single parents – who are mostly women – and their children. Nevertheless, we have to add that family allowance is not the best solution to reduce poverty, which means a risk mostly for single parents and families with more children.

If we examine the overall recourses of child care fee, maternity benefit, and child care benefit between 1990 and 2008, we can state that recourses of these systems had been stable, number of beneficiaries were around 300,000, from which there were around 260,000 persons who claimed child care fee and maternity benefit. For unknown reasons the number of claimants of child care benefit started to diminish when wage barriers set for applicants had been abolished. We can just guess that with improvement of employment conditions persons were able to find employment and did not need to claim child birth benefit.

In 2000, with the set back of child care fee, a partly parallel system has been built out of the two elements of the system: child care fee as a social security allowance which could be demanded until the child reaches his second year of life (child care fee) and maternity benefit which could be demanded until the child's third year of life (second year of life from 2010). The latter can be demanded by everybody, including those who were never employed and those who do not want to or cannot go back to work after their entitlement for child care fee discontinued. Child care benefit has been started in 1993 as an allowance demanding social security coverage which similarly to maternity benefit had been linked to wage level until 1998 when it became a benefit claimable on subjective right after the third child until the youngest child reaches his eighth year of life.

In order to make a work-life balance possible, it had been possible to do part time work during the entitlement for maternity benefit and child care benefit. During maternity benefit period it was also possible to do full time work but this possibility was used very rarely by beneficiaries. The rate of those employed during maternity benefit period was always very low. In 1993 it was 6% which further diminished to 4% in 2006. This indicates that efforts to enhance employment during maternity benefit period stayed ineffective. Long absence from the labour market is possible, because elements of the system are built on each other and through maternity benefit, assures paid leave until the child's third year of life. In Hungary, there are considerable differences in employment of women with young children or women with more children compared to other age groups and to the international average.

This must be in connection with the phenomenon that in Hungary demands to exploit child care benefit provider system is high comparison to international situation and parents' absence from the labour market is paid for a long period.

Among EU countries, employment rate of mothers with children not older than two years is the lowest in Hungary, and second lowest concerning mothers with children aged three to five years. There is a need for further substantive development of day care institutions, and to start programs to help employment opportunities for parents.

We have to point out that individual choices are considerably restricted by the practice built on a system to promote financial support staying home. Recently, the situation has been changed when workplaces have been disappeared in the past few years. When a workplace is closed, there is no means, judicial order that could force employer to take his former employee back to his former position. In these circumstances the problem is that, the system force parents to choose between work and family and does not make balanced functioning of these two aspects possible. This means that the system does not have the capability to ensure harmonized functioning of these two roles. Restraining the system in these circumstances, when unemployment continuously increasing would not be a practical step. Drastic aggravation of availability of benefits would cause rise in unemployment. Additionally, the institution system assuring day care facilities, parallel to the extension of child car fee entitlement, has been reduced significantly; places available have been diminished by half in the past 20 years.

At present, the situation would require a quick change. Nevertheless, neither labour market conditions nor capacities for day care availability make this change possible. In lack of day care facilities there is no possibility for parents to decide between staying at home with a child and going back to work. A system should be worked out which do not require a forced decision from parents in fear losing benefits. This has to be completed with a flexible, financially reachable day care infrastructure which can serve different demands and with flexible working arrangements to assure that women could create an appropriate work-life balance. Although this cannot be assured by legal regulation, there are means like campaigns, various support bridges and good practices – mostly in the public sphere – which can achieve medium term changes..

During system reforms, besides labour market considerations, it is always necessary to take into consideration the functioning and altering of child allowance systems links areas of great sensibility where usually different aspects and values collide.

Necessary reform of these systems can only be successful if they guarantee to achieve employment policy goals assure wide - scale possibility of choices and alternatives. The key for this can be mutual adaptation, flexibility, information and the awareness that changes cannot be realized in short run. The failure of initiatives for enhancement of employment introduced earlier to the existing child allowance systems shows that there cannot be immediate breakthrough in this area. Actions for change can be more efficient in the long run, when opinions are considered carefully.

Hypotheses and answers

This research examines employment policy tools and the tax and social security system from the point of view of the assertion of gender equality and their effect on woman employment and unemployment.

- Our hypothesis is that certain elements of employment policy means and the tax and social security system can influence gender equality and, through decisions concerning employment they may influence economic independence of women.

- Our hypothesis is that enhancement of labor market activity is helped by passive and active labour market policies. During our research we stated that among active labour market means applied in the EU help reintegration of women to the labour market. In Hungary we find such means only sporadically and fulfilling horizontal aims.

There are few means help reintegration of women with young children – women on child care fee or on maternity benefit. One of them is called Start Plus Program. We can also mention those provisions that help to maintain labour market relations and employment of mothers during the period of child care leaves, like doing work during the period of entitlement to a maternity benefit. The provision allowing inactive persons being on a childcare leave to obtain a qualification free of charge, to participate in higher education or – since 2002 – to participate in labour market training facilities has been a very positive step. The Management Board of Labour Market Foundation decides on the division of employment and rehabilitation basis on central and decentralized funds and on utilization of central funds of the employment basis. Although women are not mentioned *expressis verbis* among target groups of the Management Board, in labour centers we sometimes find programs targeted directly to women. Nevertheless, we found that exploitation of these programs is very low and very few women want to reintegrate into the labour market.

A provision being in force since 2005 aimed helping reintegration to the labour market.

It obliges communities with more than 10,000 inhabitants to maintain daycare facilities and increase available place. The problem lays in practical realization because municipalities continuously in short of sources, cannot observe this measure and five years were not enough so that the number of daycare places reach demands, putting an obstacle in front of mothers wishing to re-enter labor market. New construction such as family daycare or very expensive private institutions did not relieve the situation.

- Our hypothesis is that the diminishing tax burdens the simplification of tax system could enhance employment generally but also women employment, with the positive effect of widening the circle of taxpayers. Because of its delayed effects, the degree of moderation is bound by the capacity of the economy.

The effects of tax system on women living in society appear primarily through the characteristics of women's wages. Family tax credits directly influenced women with children. Later, the group of beneficiaries has been tightened up (it can be claimed only after the third child). At the same time this benefit has been built into the amount of family allowance. Thus, this means which theoretically was to encourage appearing on the labour market but can be considered unjust in the case of those with lower wages – have been placed into the sphere of social (family) benefits.

However, in the years 2000, measures for increased labor market integration of women raising children was not enough to improve the status quo.

In sum, fixed social roles, prevailing conservative about the family, retentive effects of fixed gender roles and family benefit system, lack of day care institution, insufficient labor market demands, inadequacy between labor demand and supply have proved stronger.

Gender perspectives and employment in certain economic areas

Factors	Helps or does not help woman employment	Gender perspective (yes/no)	Gender effect (indirect)
Taxation	No	No	Yes
Health care	No	No	Yes
Active employment policy tools	Insignificant	Yes (partly, horizontally)	Yes
Family benefits	No	Yes	Yes
Pension	More and more with the rising of age limit	No	Yes

Own source

- Our hypothesis is that women are more health conscious than men so they use health care services more often. At the same time their absence from the labor

market influences their health state for a smaller extent thus employment does not influence their life expectancy as much in the case of men.

Women care more for their health than men. They consider prevention more frequently, take less risks and they go to medical care and more frequently than men. According to data of the 2003 National Public Health Survey the use of outpatient care was potentially linked to gender, age, educational level, employment relations, financial situation, type of settlement and functionality. Our research proved that when we examine health state, health behavior, health awareness based on approaches generally can not speak gender based differences. Social factors like education level, type of employment, and settlement characteristics influence approaches to health than gender. Secondary analysis of researches show that even though women on an average go to see a doctor more often than men, in the case of highly qualified women, their health state homogenized more often by equal status than by gender. According to raw data on death, the death rate of economically inactive persons is higher than that of active persons; however the number of inactive women is higher than that of men. So, the gender based similarity of employment rates would be an important prerequisite in the amelioration of women's equality and health state – although this would not mean the automatic realization of gender equality. As more women are inactive than men and the risk of the inactive group shows a higher rate in raw death rate, we cannot say that women would be less effected by their absence from the labour market than men.

In Hungary, we can observe negative tendencies in the employment of older age groups, which affects their state of health. We pointed out that in Hungary there are two contrary trends. On the one hand, the employment capability of older people is worsened by the low number of healthy years. On the other hand the lower employment rate of older people caused by open or hidden discrimination and their leave the labor market – which touches mostly women – can cause mental illnesses, social isolation, and impoverishment. Stepping out of this vicious circle could be possible by a labour market load more appropriate to the health state of older age groups (easy physical work, part time employment, etc.).

Our hypothesis is that the interaction between gender based health chances, health care facilities and women employment could also be examined.

EUROSTAT uses the official health indicator of life expectancy spent in a healthy condition... In Hungary, this was 55.3 years for men and 58 years for women in 2007. Men spend 80% of their life healthy condition while women only 75% (KSH 2007).

This indicator shows basic importance in the employability of both men and women. With the appearance and accumulation of health problems the ability of work and the employability of both sexes diminish. The extension of active life can be realized only (not only as a legal obligation) if the period of life spent in health also increases. Uncertainty concerning employment is in strong connection with the state of health for both men and women. Workplace support is also connected to health state indicators. There can be significant differences between men and women which are caused mainly by differences in qualifications and differences between career type employment and employment based on economic necessity. Subjective health factors play an important role in the sickness and death rate of women, which cannot be ignored when we examine the inequalities of health chances.

Our hypothesis is that health inequalities between regions will not augment in the case of men but will augment in the case of women. We suppose that inequalities in using services alter the accessibility of these services. Our main question in the examination of the health care system is how and for what extent gender considerations prevail in the differences of health care and regional health inequalities.

In our research, we pointed out that there is a connection between settlement type and computed value. According to data, settlement differences increase continuously.

In 1990, death rates of men and women between counties show the highest rate. The lowest rate was 2,6 years which grew to 3,5 years in 2005 (Demográfiai Portré 2009, p.56-57).

Many researches prove that the health care system can play important role in developing and reducing health disparities. When we examine the territorial references of health care, we observe the prevalence of the phenomenon of the so called "law of inverse supply. Counties (regions) with worse health conditions received fewer sources than economically more developed counties with a healthier population. The augmentation of social security and social services would be important in rural areas inhabited by older people, mostly women. Marginalization and gender inequalities rooted in the disparity of the institutional system should be avoided. Differences in the average life expectancy of men and women show descending tendency, it shows positive difference to the benefit of women. However, in two markedly different groups, women are gradually losing their advance. One of the groups is inactive women who are in disadvantageous state spite of the fact that inactivity has a smaller effect on raw death. The other group is women in high prestige positions with higher education and qualifications with career type of work where death rates, similarly to that of men's, show more unfavorable tendencies.

Consequence of these two tendencies is that Hungarian men reach EU average in healthy life period, but Hungarian women are in disadvantageous situation compared to women living in other EU countries.

Our hypothesis is that gender consideration in the pension system will gain more importance in the future and has to go through an awareness process.

Different provisions and changes introduced to the pension system after the transition helped to enhance gender equality and woman employment. Our expectation is that the improved pension system will help to mitigate wage differences if benefits linked to raising children. Disadvantages caused by a higher age – although this will be less weighty in the future – can only be made up by allowing a longer labour market career for women and wages comparable to that of men. However, differences between men and women's pensions will probably rise as an effect of newly introduced reforms, because it eliminated such reallocation elements that ameliorated the positions of people with a low income. These disadvantages can only be pushed back if woman employment is sufficiently expanded and preferential elements linked to child care and family care get sufficient weight. These also have to play a stimulating effect on employment.

Social security rules, before the pension reform significantly reduced the disadvantages of women such as disadvantages linked to labour market characteristics, lower wages, the loss of earnings caused by shorter service time and they also significantly reduced effects rooted in the differences of active age. The actual widow's pension system – the beneficiaries of which are mostly women – has a role in reduce disadvantages based not on labour market but on demographic differences. However, we have to see that besides the application of the extensive system of redistribution, there are areas where disadvantages could not be eliminated. The extent of exposure to old age poverty is higher in the case of old women and it will supposedly augment in the future.

Our hypothesis is that institutionalization of family benefits and social allocations offer solutions that help to fulfill the traditional roles of women. However, there is a need to establish solutions and systems offering more flexible alternatives.

It has to be pointed out that individual choices are considerably restricted by the practice which is built on a system being introduced to assure financial support to stay home.

These systems - maternity benefit (1967), child care fee (1984) - were created when returning to the same position or to a position similar to the former had been guaranteed after 4-5 years of parental leave. The situation has been changed recently when workplaces have been disappeared in the past few years. When a workplace is closed, there is no means, or judicial order that could force employer to take his former employee back to his or her former position. The problem is that, in these new circumstances, the system compels parents to choose between work and family and does not make the balanced functioning of these two roles possible. The best proof of this is that presently it is possible to work full time while receiving the full amount of maternity benefit and child care benefits, however, very few women chose this option. This shows that the system in its present form is not suitable to support a work-life balance.

Proposals for change

The situation of the unemployed part of the population is influenced by the different elements of the supply system. The low employment rate of women means that their economic situation is more uncertain than of men.

Most EU countries use an integral approach, combining family benefits (for all families but mostly for single parents and big families) with policies helping the labour market integration of parents.

Labour market tools

➤ The 1991 employment law contains a wide scale of individual employment policy tools already tried out in developed market economies and used by employment centers. Subsequently this law had been amended and other forms of plans financed from different sources (e.g. European Social Found) had been introduced. On the one hand, this diversity is commendable because it makes possible the flexible accommodation to necessities. On the other hand, the complexity of the system comprises the risk of the fragmentation and the insufficiency of sources. This is intensified by frequent changes. It would be worth to choose from the numerous forms of the most cost effective plans and plans most demanded by employees and employers.

➤ The transparency of available tools and the knowledge of their often changing content are also important. The concentration of employment policy tools and labour market supplies financed from different sources and operated by different institutions in single window administration (or at least information) points would be useful.

➤ International experience shows that when active or passive tools of labour market are being planned, it has to be considered that one of the most difficult tasks is the reintegration of permanently inactive persons – mostly women raising children – to the labour market. A cheaper and often more efficient solution is to find ways that help the population to stay active (preventing unemployment or the quick reintegration of the unemployed to labour market, that is preventing permanent unemployment.)

➤ We can state that women aged between 33 to 44 years with secondary degree are in the worse situation and expected to be in the future. Active labor market opportunities should be directed to these age groups.

➤ Women below 24 years of age include one third of those need training possibilities for employment. The question whether these cases mean prolongation of school years and whether the resorting of this kind of support is the best solution for both men and women. When women, after finishing regular training in the labor market has less marketable knowledge than men, then this would require the revision of the direction and content of training. After implementation of the new authority of the Regional Committees for Development and Education, it will be possible to support certain training facilities to conform labor market demands on a regional level. This can be a good practice only if expected labor market demands can realistically be forecasted. The system is functioning, but there is a need to a follow-up.

➤ The participation in labor market training for women receiving maternity benefit, child care fee and child care benefit is minimal. Searching for causes we would probably find lack of information, insolvability of day care, traveling difficulties and reduced work opportunity.

For the comprehensive solution of the problem, the revision and transformation of child support systems and active employment policy means are needed.

Mothers on maternity benefit should be reached before benefit expiration and convinced to participate in vocational training courses or in capacity building training courses before taking up work again. Participation in training, ease the effects of stress caused by the long absence from work, and functions as a transit to the world of work.

Women on parental leave should be taken into existing or into newly launched programs, similar projects worked out by EQUAL innovative community initiatives. (A good example was the EQUAL mini project *With Chance Again* (E/400). The course in which the training and the keeping in contact with nurses on maternity benefit, child care fee and child care benefit had been realized by developing specialized materials and assuring child care possibilities during the time of training.)

➤ Distant work and part time work is an advantageous form of work for mothers with young children. Partial payment is not an obstacle any more, because mothers on maternity benefit have the possibility to take on remunerated work.

We do not have data on the effects of supports, specifically to women and mothers interested in part-time work. However, many projects permit distant work have been introduced. In knowledge of the exact circumstances, specified proposals should be design

concerning distance and part time employment of women with children. (Nevertheless, we must point out, that in line with the motivation of woman employment, the possibility of free choice without constraint have to be kept.)

In addition, the improvement of the financially clear value of time spent with child care should stay on the agenda. Only this will advance both parents to undertake household child care duties and part time work.

Legal regulation to prohibit indirect discrimination and selecting wage amounts to the efficiency of work and not to the length of work time would also bring us closer to the solution.

In part time work higher wage would be granted to those raising children or taking care of old or disabled persons. It would be important that the gender financing approach absorbs changes of the labor market, prevent replication disparities between men and women. These arrangements are in accord with reduced burdens for women linked to household duties would have positive effect accommodating to have children. Also, health risks caused by the overload of women could be minimized.

➤ During the planning of active means, it is important to consider supports, characterized by the best estimate getting a job and the lowest specific benefit to become an entrepreneur, the benefits for graduates and received training. The durable effects of types of entrepreneur support excel from the different types of support and active means. Taking this into consideration, based on the cost-profit principle, significant improvements of this type of support would be desirable, parallel to efforts to instigate interest to teach entrepreneur skills in schools.

➤ On the course of public work, the local social policy roundtable – the local forum of professional interest reconciliation - reports on, evaluates and analyses the social political decisions of settlements. Its activity can help to validate the gender approach in local public work. In the case of public work gender approach cannot only help the employment of long term unemployed women. Public institutions (especially day care services) which back up women who want to be employed and civil organizations (foundations, associations) which strengthen the gender approach can also be subject to support.

➤ According to surveys, alternative labor market services make most of the cost effective labor market means. (Good examples the British National Employment

Partnership. In this framework 22 large employers signed an agreement that they advertise every non skilled position at Job Centre Plus, or the employment service centers of the French ANPE which specialize in specific employment branches and work out personalized action plans. 51% of job seekers participating in personalized action plans found a paid job within 6 months and 64% within a year.) Well prepared labor market professionals are needed. Also, there is a need for detailed and comprehensive gender based data of career advisory services to measure their cost effectiveness.

➤ Among parallel requirements of Social Renewal Operative Program projects there are the so called equal chance pledges. The question arises whether is this solution enough to the effective enforcement of gender mainstreaming? Whether the participants of the project consider those pledges seriously enough or they take them only as formal obligations arising at the filling in to the data sheet.

There is a need to the direct display of equal chance pledges in projects, especially regarding equal chances of the two sexes. The new Social Renewal Operative Programs being launched in 2010 aimed reintegration of employees dismissed during the economic crisis. It would be advisable to consider gender equality not only as a horizontal aim, but in case of those returning the labor market after child care leave.

➤ It would be important to examine pilot projects and innovation solutions worked out within frames of the EQUAL project and to help their adaptation. We cannot afford to waste well defined and expensive projects which can increase reintegration of women with young children to the labor market.

➤ One of the most important hindrances of the labor market reintegration of women with children is insufficient day care services. To increase day care places would facilitate in great extent reintegration of mothers into the labor market.

Lack of affordable day care institutions providing good quality services impede this reintegration considerably. The Barcelona objective on admission capacity of day care institutions aims EU employment strategy concerning women and young parents.

According to this objective, institutions will be able to admit at least 90% of children aged 3-6 and 33% of children younger than 3 years, by 2010.

The 2008 report of the European Committee (COM (2008) 638 final) examines the accomplishment of Barcelona objectives. According to the report, objectives concerning the 0-3 age group have been achieved only in five countries – Denmark, The Netherlands, Sweden, Belgium and Spain. Eight member states, - Hungary, among others - with only 10% coverage are very far from achieving this aim.

Government program to establish 15 thousand day care facilities for 2012 welcomed, but to assure proper coverage, capacity of two or three times higher than presently available would be necessary.

➤ It would be useful to examine and to use good examples of other countries. In Switzerland, when an employee loses his/her job and finds a position, offers wage which do not reach two-third of previous earnings, the state completes the new wage, thus motivating reemployment.

Belgium introduced numerous provisions to avoid employment traps and to enhance purchasing power in 2008. Financial incentives were not strong enough for persons finding only part time opportunities to return to work. To solve this problem, from 1st July 2008 every employee has a right compensation of 75.43 Euros which was entitled formerly only for breadwinners. Also, part time employers have a right to claim unemployment bonus and reduced social security contribution. In order to make paid work more attractive and to increase gap between unemployment allowances and regular wage not only unemployment allowances have been raised but also low wages.

In Germany, the major active labor market programs are to enhance labor market participation of older employees with training programs. The social pact on vocational training and employment of qualified workers are aimed to help training and employment opportunities of young people.

In the Netherlands, allowances are granted only if they are based on real employment. The employee has to provide a vacancy or a new position that assures his/her employment for more than a year.

In Great-Britain, the program called *New Flexible Deal* has replaced former employment programs from April 2009. The program underlay an employment based approach considering personal needs and local labor market demands emphasizing skill development or the need to help getting work experience before finding a paid position. Another element

of the program is helping people to stay in their position by improving their health conditions. Poor health conditions of people costs an estimated 100 million £.

In order to avoid or reduce this, a program called Fit for Work has been designed to support people in the early phase of their ailment.

➤ It would be worth examining why all budgetary cash-ins and operation costs comprise of 45% of all cash-outs of the Labor Market Found.

Suggestions concerning taxation

➤ The present (2010) personal income tax changes will not help those earning less than the average. Changes not aimed at women, men in the same category are affected unfavorably. However, interest enforcement based on preliminary examination of the subject before changes could result in certain compensation.

According to our calculations, those earning less than the average wage, pay more tax in 2010 than they paid in 2009. Those earning a minimum wage have loss of 31.000 Forints annually. The situation changes by those employees who have an annual wage of 2.500.000 Forints, those earning average wage. Those earning more than that are the lucky ones. The luckiest are those having an annual wage of 4.5 million Forints. GKI Economic Research Ltd. has worked out a comprehensive proposal for the reform of tax and contribution burdens of employment. (The paper, titled *Wage and Wage Reform (Bér és bérreform)* can be found on www.gki.hu). The paper raised the issue of super-gross. According their calculations, in the new system, employees losing the most would be those who earn below an annual wage of 1.800.000 Forints. To prevent this, they worked out a proposition of compensation.

The basic principle that reduction of tax levels and tax keys enhance employment and woman employment in particular, should be considered. The rise of employment would also increase the tax basis.

➤ Relatively high family allowances do not encourages employment, have a positive effect on the employment situation if money spent of the education of children should be resorted through personal income tax system. A three pillar system should be proposed which includes family allowances, tax credit and supplementary benefits where needed. The system based on more pillars would be more protected against taxing intentions and would

create a system reacting more appropriately to the system. Furthermore, it would have a positive effect on transparency of the economy, reducing tax and frauds. There are serious counter-arguments in favor of a non-pillar system family tax credit can be claimed only by those who have an appropriate tax basis.

Those who live within the worse circumstances and would mostly need it, those who work for low wage, minimal wage or have no earnings, cannot use this solution. It is recommended to calibrate the system in a way that most reductions could be claimed already from the second child and from the minimum wage (if its taxing would appear on the agenda), even in form of negative tax. Those who do not fit into this system would get this amount as a supplement or as a benefit.

Propositions for health care

➤ According to research data, individual factors determine health inequalities significantly. To reduce inequalities and improve the state of health of the Hungarian population, cooperation of health sectors with other sectors is indispensable.

Target areas of interventions for increase the population's state of health, like employment, and areas of other sectors. Practical policies should aim more healthy development of living areas, schools and workplaces. For women, minimization of disparities and widening of choices should be promoted.

It should be emphasize the multi sector (education, social areas, etc.) character of health state and health prevention, mostly concerning women. Thus, supporting these areas is of foremost importance.

➤ Health chances are influenced mainly by social inequalities. The mitigation of woman poverty (widows, single parents, unqualified, minorities) plays an important role in diminishing cases of health problems. Steps in education policy, social policy and employment policy, together with health policy initiatives could have positive effects on improvement of women's health conditions. The adaptation of the principle of "health in every policy branch" would be important.

➤ In the case of women, stress, continuous stress effects, symptoms of depression and low coherence caused by incapability of coping with problems have important role in the development of health conditions.

Dominant stress sources are family conflicts and workplace stress. The latter being the source of family conflicts caused by incapability to find work-life balance. The solution should be to reduce stress factors and help women to solve emerging problems and challenges.

- Part time work. (It should be compulsory to give parents the possibility to chose part time employment until the child reaches his 6th-7th year)
- Flexible work, distant work.
- Families with young children, the father should also be eligible for extra days off or work time benefits to be able to participate in child care.
- Flexible and efficient training possibilities for women to help them to be able to catch up.
- The family friendly workplace title should give important financial advantages for companies.
- Flexible and affordable day care institutions, financially supported by employers.
- Large companies should establish and run their own day care facilities
- Official involvement of grandparents regarding child care
- Possibility for women to ask assistance from trade unions in negotiations with employer. Efficient employment control.

➤ Fundamental change of attitude should be reached to see the tasks of family care as parental duties and not as women duties, similarly to North European countries, where this attitude supported by law. Conflicts can cause significant mental problems as highly qualified women are facing obligation to choose between work and family.

Stereotypes connected to child care hinder full value participation of women in employment. They considered either reduced value work force or have important emotional problems caused by work-family conflicts.

Therefore, it would be important in Hungary to adapt an obligatory share of parental leave and other rights concerning childbirth between mothers and fathers by adopting experiences and practices of Scandinavian countries.

We propose to introduce child and health care studies already at lower classes of secondary education. The attendance of children and persons who are unable to care for themselves has to be institutionalized based on comprehensive child and health care knowledge together with establishing controllable structures coordinated by municipalities.

➤ Accentuated areas should promote prevention:

- health insurance support from employers for screenings, other examination and preventive treatments
- the support health truism
- mental health support, employment of a psychologist at larger institutions.

➤ In small communities, because of insufficiency of institutional networks and high rate of unemployment, health care institutions are not available mainly for old people. Supported and organized training to enhance self employment would be a solution against permanent unemployment (as in Finland). It could diminish territorial disadvantages and could assure proper health care and attendance for old people.

➤ Changes in gender based municipal policy, employment policy and in training structures, make available health care and life learning facilities to older women.

This means economic advantages, but also plays a role in improving life chances by affecting the personal character.

At present, in Hungary, there are negative tendencies in employment regarding old people which affecting health conditions.

In Hungary, we have to consider two trends contrary to each other. On the one hand, the low rate of healthy years worsens employability of older age groups. On the other hand, the lower employment of older people caused by open or hidden discrimination can cause mental illnesses, social isolation and poverty.

In order to get out of this vicious circle, employers should take into consideration the health condition of older persons, offering light physical work, part time work, etc.

The good quality of life is the consequence of the good state of health which is the outcome of a satisfactory financial situation. Therefore, efforts have to be made to improve labor market conditions of old persons. The earning activity of old age groups should be advanced and institutional problems of health and social services should be solved.

According to the Green Paper *Confronting Demographic Change: a New Solidarity between the Generations* (COM (2005)0094), the review of tasks going together with an ageing society and the planning of responsibilities on an institutional and micro level is necessary.

What propositions can we make for reduce health disparities on regional and gender level?

Regional effects can be directly linked to educational level, because balancing health inequalities can be improved only by reducing differences in the quality of education and increasing labor market possibilities in disadvantaged settlements.

How health care services and health chances effect woman employment and what are the effects of the latter on the former? What recommendations can we make for improvement women employment?

In Hungary, 85.7% of men compared to 52.2% of women raising children younger than 12 years of age pursue earning activity (this rate for men with no children is 81.4%, for women with no children is 80.5%). While children have almost no effect on the employment of men, the willingness to have children causes the highest difference (28.3%) at European level. However, in Hungary 65% of women have a degree in high education (above 80% of women finished secondary education). This level of qualification could be used in institutionalized health and social care in paid or unpaid services, thus enhancing woman employment and diminishing the risk of social exclusion.

Propositions for the pension system

What propositions can we make to enforce gender equality and employment preferences in the pension system?

Regarding to specific realization of recommendations, these are depending on the determined directions of reforms. We give only a loose outlines that would be needed for the mitigation of gaps between the chances of genders.

In the 1998 pension reform the age of retirement has been standardized in 62 years, women lost their advantage to retire earlier than men.

The 2009 regulation of retirement age meant an equal augmentation for both men and women. However, it handles certain groups of women differently giving the possibility to transition from former preferences of the system. The new era offers preferences for women in a more targeted way, eliminating disadvantages that cause a real difficulty in the two sexes' social division of labor. These assure preferences where and when they appear and not decades later. We can say that this plan more efficient and offers better solutions than early retirement. It is important that the addressee of preferences should be women, more precisely women raising children or taking care of sick family members, thus strengthening preferences linked to non-paid work.

Measures are gender-neutral do not differentiate between sexes. If a male member of the family resorts of the elements of childcare or he takes care of family sick members, the same preferences can be claimed. However, in reality exclusively women take care for young children. The beneficiaries of the system are mostly women. Preferences are directed towards families raising children, and those who choose this supply spend 4.7 years on average with child care.

The concept shortening the period of child care and emphasizing an earlier return to the labor market can be justified on employment and other reasons, such as the sustainability of the pension system, and the assuring of individual pension expectations.

However, we have to consider that realization of these ambitions will cause certain “generation deficit” according to the logic of the pay as you go system.

Shortening of qualifying period would be needed to enhance employment and to have enough contributors to finance actual pension expenditures.

In case of low employment and the small number of contributors, taxes and contributions are high which can end in abuses with tax return. Also high contributions, active young or middle-age generations face that their right and accessibility to system (linked to child care) has been restricted.

At the same time, they also face that benefits implicitly or explicitly assured by the system has been eliminated. (This happens in the reformed social security-pension system – the turning back of the solidarity based reallocation; the introduction of the linear scale approving a long assurance period, etc.)

As a result, it is very probable that contributors participating in the present system will have a lower pension even with a higher or identical contribution performance than he would have 10 or 15 years ago. Thus, a certain generation deficit is outlining and we have to make an effort to compensate this deficit in line with social policy preferences linked to child care.

At present, we see that the value of the human factor is increasing, when there are less and less contributors financing the care of old persons whose number is increasing. In these circumstances, human reproduction, the “exploitation of new contributors” is an elementary interest which has to be handled by the system as a preference and has to be supported by all means.

➤ There is a need for the continuous monitoring of the system's impact on gender equality. It should be revised every 2 or 3 years. Part of this has to be the modeling of individual typical pension careers.

➤ There is a need for information, the creation of pension awareness, in order to be prepared to the amount of pension one will get. It would also be important to have information not only few years before retirement but much earlier, to have the possibility to changes in case of need.

➤ We suggest the augmentation of preferential elements in the pension system.

➤ In the pension system, fair handling of part time employments and other forms of atypical employments required.

➤ There is a need for mitigation of employment gaps both in the area of early retirement and both in the case of persons raising children, so employment indicators must be improved. (That is beside the official raise of retirement age, the real raise of the age of retirement.)

Propositions for the family benefit system

➤ There is a need for change of inside rates of the family allowance in order to improve the situation of single parents who are mostly women. In their case, family allowances were always somewhat higher, but these differences became symbolic.

The chances of this group getting under the poverty line are considerably higher than of those living in complete families. At least 20-25% differences proposed to their advantage. Although family allowances are not specifically adequate (or only by high expenses) to mitigate poverty, it is reasonable to assure a bigger preference to single parents with a least two children.

➤ Forcing to return to the labor market from child care support systems is a good direction, but a longer transition period, broad flexibility and solutions offering the possibility of choice have to be assured in legal regulation. It is not worth forcing to reduce the period of maternity benefit in areas where there is no work and no possibility for proper day care.

- If feasible, reducing the period of maternity benefit from 3 to 2 years should be postponed and not carry out during the period of economic crisis when unemployment increases.
- Lack of proper day care possibilities justifies a longer transition period.
- It takes longer time to build new establishments and to assure its availability in a more extensive area. Day care, mostly for children under 3 years of age, is an expensive form of care. Where there is no work, granting maternity benefit until the child's third year could be a more cost effective solution.
- To establish, maintain and operate day care facilities for children under age of three is not profitable in smaller settlements.
- Time and change of attitude required to establish flexible forms of day care and get rooted.
- There are situations where early skill development offered by day care facilities is advisable because it enhances social equality. However, there are cases when it is better for the child to stay at home as long as he can. In this area, also it is important to have possibility of choices.
- Two aspects should be considered: (a) insurance coverage to get maternity benefit, (b) The transformation of maternity benefit to an income tested allowance, drawing the line of entering much higher than the line of support. Version (a) would create a stronger relationship with employment; version (b) would introduce reasonable barriers into the system.
- However, this latter should be harmonized with social areas and with other benefit conditions.
- Transformation of the system should be realized step by step to give time for the change of attitude.

➤ It could be a possible solution to grant maternity benefits automatically after the child reaches his second year of life only in case where is no employment possibility.

Employment centers or municipalities should prove this situation and maternity benefit periods would be prolonged automatically until the child's third year of life. This solution would need the cooperation of local administration and the administration of the Treasury, but it is worth to assume in order to avoid more serious conflicts.

➤ Other solution could be that maternity benefit should be granted until the child reaches his second year of life, but a second child is born before the former reaches his third year of life. The period of maternity benefit should be prolonged by this period of time. This proposition

would have the advantage of giving larger preference for the willingness to have a second or third child while it would shorten the period of resorting.

➤ The aim of transformation of the maternity benefit system would be the roll back on resort practice where it is justified.

It is important that the period of maternity benefit would be shortened only in circumstances where proper conditions are given thus permitting social adaptation.

(The new measures on the availability of child care fee which link the period of resort to the length of assurance coverage are not worth to be changed because they strengthen labor market attachments.)

➤ It is worth considering give compensation of child care in the pension system. Those age groups which cannot participate in early retirement and retired at higher age should be subject for reforms in this area.

Propositions for legal aspects

Direct effects on regulation, governing life circumstances of both sexes can be reached by joining the preparatory phase of the legislative process and by gender balancing.

Our recommendations are as follows:

- The Equal Chances Committee of the National Interest Reconciliation Council (OÉT) should initiate a program for changes in regulations of the social security and social system to examine gender perspectives and contain measures to decrease differences in the treatment of the two sexes before drafts are accepted by Parliament.
- Considering that laws on taxes, social security and social allowances concern every citizen, it is necessary to create the possibility of social/ professional debate (mostly when changes are radical and touch either the philosophy or the technique of regulation).
- Concerned authorities should publish draft materials for debate. (Usually on their website). In this preparatory debate, the opinion of organizations representing woman's interests has to be considered by the responsible authorities.
- Procedures should be developed to serve as a filter for the enforcement of gender issues in the legal processes and propositions about differentiation or even for the avoidance of discrimination.

- Existing or new legislative practices have to be used in order to embrace gender equality in a wider spectrum of legislation. Very few laws deal with the question of equal treatments to promote equal chances of the genders.

Research gaps

- After finishing a special, recommended training program for unemployed persons, only few persons, particularly women can acquire a suitable position. It raises the question, how the recommended training programs achieve the actual labour market demand. What are the motivations of persons taking part in training programs? Are they selected the proper training? This latest question is closely related to the existence of quality lifelong guidance and adult career counselling. Another question to answer is, are employers satisfied with the quality of the training programs? To answer these questions, a specific research is recommended.
- It is worth to examine and follow-up the gender consequences of the newly introduced methods on the vocational training development with the aim to match the local labour market demands. (These new methods concern the new vocational education system introducing the modular and partial qualifications, the new roles of Regional Development and Educational Committees (RFKB), and the activity of Territorial Integrated Vocational Centres (TISZK).
- Analysis of gender effects possible only if we know the actual situation. The EU gender guiding principle requirements can be observed only if we have public databases with adequately detailed data. At present, we do not have them at our disposal. Economic statistics on economic performances, households, consumption panels and buying habits contain gender broken data rarely. Of course, research can be carried out without available database. But in this case we need to carry out single data collection which makes the research more expensive and less comparable with previous research results.
- *We could not find gender broken data on types of entrepreneurship. For example, it is unknown the popularity of the simplified company taxation system among women.*
- Analysis of the property taxation, which was cancelled, showed lack of data regarding to property distribution value. To investigate thoroughly the issue, we can do it based on nationally representative samples asking about the value of homes where they live. Property tax on homes and apartments has been introduced and applied in

several countries in Europe and all over the world. Taxation the wealth based on several types of income is “democratic” and is relatively easy to solve it, if we have appropriate databases. It is possible that introduction of the property tax will be necessary in the near future. It is obvious that its implementation will be different from the last attempt. Building the required databases, gender aspects must be taken into consideration.

- To expose the real situation of the health sector at this time, we should have more comprehensive data for our disposal. Comprehensive primer data required by health institutions taking into consideration financial possibilities and the level of needs as well. The so called secondary data are not enough to do it. Multi factual analyses are needed. Based on one single factor, the state of health can not be appraised. (Example: we don't know the character of the settlement, the low scholarliness or the occupation which decreases considerably the life expectancy of women working in the agriculture).
- According to the latest research, regarding *measurement of the inequalities*, together with differences in state of health, access to health care services of different social levels has basic importance. Identification of these inequalities justifies measures; policy interventions will be able to improve the state of health and living quality of social groups. Regarding to health conditions, mostly women are in disadvantageous situation. (Egészség Monitor, 2008). At present, knowing and adopting international experiences we have earnest possibilities to reduce inequalities at this area. Use of data on territorial and public distribution of health inequalities makes possible to allocate health resources according to the needs of population. It serves more than one objective: not only the use of resources will be utilized efficiently but also the satisfaction of population can raise and the inequalities among the different social groups can considerably decrease.
- The scale to be introduced from 2013 presumes notable decrease of the starting level of pensions. Without knowing accurate details of the scale we can only approximate calculations. During additional transformation of the system, eventual correction accentuated role should receive the modelling of future incomes and the micro simulation of expected typical pensions. Investigation of gender effects would be an important aspect of such a work.