

Designed and Printed in Hungary

**HUMAN RESOURCES DEVELOPMENT
OPERATIONAL PROGRAMME**



**Hungary at
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HUMAN RESOURCES DEVELOPMENT OPERATIONAL PROGRAMME

THE STRATEGY OF THE PROGRAMME

Hungary has prepared a National Development Plan (NDP), which sets the framework for the utilization of Structural Funds assistance. Based on a comprehensive analysis of the economic and social situation of the country, the NDP has identified the objectives and priorities to be supported from Structural Funds sources in the period 2004-2006. The overall objective of the NDP is **to reduce the income gap compared to the EU average**. In order to achieve this goal, **improving the competitiveness of the economy**, ensuring a **better utilisation of human resources**, **improving the environment** and ensuring a **balanced regional development** have been identified as specific objectives.

The strategy is implemented through operational programmes setting out the strategy of a given sector or region identifying the development priorities and the measures to be taken. Based on the NDP, Hungary has drafted five operational programmes. Out of these, it is the Human Resources Development Operational Programme (HRD OP), which will use the highest share of Structural Funds support. The total budget of the HRD OP amounts to **750 million Euros** in the period 2004-2006. Out of that, approximately **562 million Euros** is Community contribution, which is supplemented by another **187 million Euros** from national, mainly government, sources.

The HRD OP represents a key instrument in seeking to meet the objectives set out in the Joint Assessment Paper (JAP) as well as in the objectives of the European Employment Strategy. The Programme is based primarily on assistance from the **European Social Fund (ESF)**. The objective of the ESF is to support the implementation of the European Employment Strategy in order to prevent and reduce unemployment, to develop human resources, to promote integration into the labour market, to ensure equal opportunities for men and women, to enhance sustainable development and to strengthen economic and social cohesion. To ensure a more efficient implementation of ESF supported measures and to maximize their impact, these actions will be supplemented by investments in the infrastructure of education and training, social services and health care funded by the **European Regional Development Fund (ERDF)**. The actions supported by ESF and ERDF are mutually reinforcing and complementary interventions. The ESF will contribute 385 million Euros and the European Regional Development Fund 177 million Euros to the programme.

The Programme includes interventions in the area of employment, education and training, social services and healthcare system within the framework of the European Employment Strategy and the Joint Assessment of Employment Policy.

Human resources development, on the one hand, is an essential tool in supporting economic growth and coping with structural changes. Therefore, one of the purposes of this Programme is to promote the acquiring and improving the skills and competencies required by the knowledge based economy, and to make lifelong learning available to as many people as possible.

There are, however, individuals who are at a disadvantage in entering the labour market and in meeting its requirements due to economic and social factors, regional disparities or their circumstances, health status, lack of motivation, skills or information, etc. Hungary can only be successful in catching up with the EU, if all of its citizens are able to take advantage of this process. Therefore, another purpose of the interventions under this Operational Programme is to reduce the inequalities of opportunities and to assist people in overcoming their disadvantages. In this respect, the most important tool is ensuring an equal access to employment, education, social services and health care.

The strategy of the HRD OP is built upon three objectives. The first objective of the programme is **to raise the level of employment** to sustain economic growth. This can be achieved by improving the employability of the labour force, helping the unemployed and the inactive persons, particularly women, in returning to the labour market, as well as providing high quality and effective employment services.

The competitiveness of the workforce must be improved so that economic growth is not hindered by a lack of knowledge or vocational skills. The challenges of a knowledge-based society can only be met if knowledge, skills and adaptability are improved continuously by ensuring opportunities for life-long learning. The links between education and the economy need to be made stronger and opportunities provided for all to obtain competitive knowledge and skills. The poor health of the population significantly reduces the employability of the labour force and leads to high levels of inactivity and shorter working life. Active measures to reduce loss in productive time due to health problems, including the rehabilitation and re-skilling of those currently excluded from work, will make a significant contribution to increased output.

Participation in the labour market is essential in preventing social exclusion and poverty. Active measures in the areas of employment, education, training and social services will ensure that everybody has an equal chance of entering the labour market. Regional differences in social services and health care must be minimised to render high quality, effective services to those currently disadvantaged, especially the Roma population.

THE DEVELOPMENT PRIORITIES

The programme consists of **four priorities**:

- a. Promoting active labour market policies:** The priority will support the active programmes of the Public Employment Service (PES) which are aimed at helping the unemployed to return to the labour market, to prevent long-term unemployment and to assist young people in meeting the requirements of the labour market. To ensure a higher quality and more effective standard of service, the IT system, job brokering and counselling also need to be improved. Support will be given to the reintegration of women to the labour market including starting up their own enterprises. In addition, this priority will support the coordination of work and family life through the improvement of services to ensure daytime care for children or other relatives of beneficiaries.
- b. Fight against social exclusion by promoting access to the labour market:** The priority supports actions aimed at improving the employment opportunities of disadvantaged people and developing 'pathways' towards the labour market. Target groups will include, among others, the Roma people, the long-term unemployed, the disabled, early school leavers, people with low levels of education and skills, addicts and those living in the most disadvantaged regions. The measures will be based on a comprehensive approach involving a range of activities in the field of education and training, employment and social support services. Across the priority as a whole, special emphasis will be given to improving the employability of Roma people, who face significant disadvantages in accessing the labour market.
- c. Promoting lifelong learning and adaptability:** The priority will cover several different levels and forms of education and training, including pre-primary, primary and secondary education, vocational training, post-secondary education and higher education, as well as adult training. It will support the following fields and activities: creating an appropriate methodological and pedagogical basis for the development of basic skills and competences, improving the system of vocational training so that it better responds to the needs of the economy, facilitating the adaptation of higher education to the requirements of the knowledge-based society and the changing demands of the economy, promoting adult training including, among others, in-company training and the development of entrepreneurial skills.
- d. Improving the infrastructure of education, social services and the health care system:** Supported by the European Regional Development Fund, this priority will promote investments in the infrastructure related to human resources development. Interventions will aim at reducing regional disparities in the quality of education, social and health care and promoting equal access to these services. Investment in infrastructure targeted to underpin ESF supported activities will contribute significantly to the achievement of the programme objectives.

THE SOURCES OF THE PROGRAMME

Priority	Measure	Source of Community contribution	Indicative allocation	
			Euro	As percentage of OP budget
Supporting active labour market policies	Preventing and tackling unemployment	ESF	160,067,514	21.3
	Developing the Public Employment Service			
	Promoting the participation of women in the labour market and the coordination of work and family life			
Fighting social exclusion by promoting access to the labour market	Ensuring equal opportunities for disadvantaged pupils in education	ESF	87,002,121	11.6
	Promoting social inclusion through the training of professionals working in the social field			
	Improving the employability of disadvantaged people, including the Roma			
Promoting lifelong learning and adaptability	Promoting the development of skills and competencies necessary for lifelong learning	ESF	229,258,270	30.6
	Developing the content, methodology and structure of vocational training			
	Developing the structure and content of higher education			
	Training for and promoting job-creation and the development of entrepreneurial skills			
	Developing the system of adult training			
Developing the infrastructure of education, social services and health care	Developing the infrastructure of education and training	ERDF	236,509,007	31.5
	Developing the infrastructure of services supporting social inclusion			
	Development of health care infrastructure in backward regions			
	IT development in health care in backward regions			
Technical assistance		ESF	37,593,354	5.0

THE INSTITUTIONAL BACKGROUND

The Programme has been developed by the Ministry of Employment and Labour, in close co-operation with the Ministry of Education and the Ministry of Health, Social and Family Affairs. In addition to these, the Ministry of Child, Youth and Sports, the Ministry of Justice, the Ministry of Economy and Transport and the Ministry of Informatics and Telecommunication have also contributed to the planning of the Programme.

The HRD OP will be implemented by the **HRD OP Managing Authority** set up within the Ministry of Employment and Labour. Certain tasks of implementation will be delegated to intermediate bodies, namely the National Employment Office, the ESF Agency, the Fund Management Directorate of the Ministry of Education, and the Ministry of Health, Social and Family Affairs.

The implementation of the Operational Programme will be managed by tendering procedures or – in the case of some ESF assisted measures – by directly assigned state organisations to complement national schemes like modernising the Public Employment Service or in the field of education. In these cases, the Managing Authority has to approve a central programme documents elaborated by the selected implementing organisation (final beneficiary).

THE HUNGARIAN EQUAL COMMUNITY INITIATIVE PROGRAMME

THE STRATEGY OF THE HUNGARIAN EQUAL COMMUNITY INITIATIVE PROGRAMME

Hungary has prepared a Single Programme Document for the EQUAL Community Initiative Programme to support innovative initiatives which foster the training, job access and employment of disadvantaged people - those who are excluded from the labour market or experience difficulties in accessing employment due to discrimination related to gender, ethnic origin, disability or age, low schooling, lack of qualifications, lack of job experience etc.

The analysis of the labour market situation in Hungary highlights different factors, such as the low schooling level, lack of qualifications, the lack of ability to adapt to continuous change, homelessness, poor health condition, living in areas or settlements lagging behind, discrimination on the basis of gender, ethnicity, disabilities or age, the attitudes of employers, which lead to significant disadvantages in the labour market and may hinder employment. At the same time, the analysis also points out some target groups,

including the Roma, people with disabilities, who are particularly affected by the disadvantages mentioned above. In addition, women also face disadvantages in the labour market due to the stereotypes related to gender roles, as well as the traditionally uneven distribution of burdens related to the family/household. Therefore, in the framework of the Hungarian EQUAL Community Initiative Programme, along with focusing on disadvantages in the labour market, special emphasis will be put on improving the labour market opportunities of these groups. In addition, asylum seekers also represent a high-priority target group across the EU, therefore all Member States are required to plan activities regarding asylum seekers in the framework of EQUAL.

In the light of the above, the priority themes of the Hungarian EQUAL Community Initiative are as follows:

• **Facilitating access or return to the labour market for those who have disadvantages in terms of the labour market** (*Theme A*)

The objective of this priority is to facilitate the integration of unemployed and inactive persons to the labour market through supporting initiatives based on a combination of the tools of education and training, employment and social services. Improving the employability of the most disadvantaged, including Roma people, should be based on an integrated approach that will take into consideration the complexity and accumulation of problems arising from social and economic disadvantages.

• **Promoting lifelong learning and "inclusive" work practices which encourage the recruitment and retention of those suffering discrimination and inequality in connection with the labour market** (*Theme E*)

This priority aims at enhancing equal opportunities for disadvantaged people within the labour market through promoting, on the one hand, "inclusive" work practices and flexible forms of employment and assigning new functions to already existing organisations or creating new forms of work organisation. On the other hand, the priority will support testing new ways to improve the adaptability of disadvantaged people, including low-skilled workers, people working in declining industrial sectors, and elderly workers, by promoting their access to training and re-training, with special regard to the development of basic competencies (e.g. literacy, communication, etc.) and ICT skills.

• **Reducing gender gaps and supporting job desegregation** (*Theme H*)

This priority promotes equal opportunities for women and men in the labour market through reducing gender gaps and fighting horizontal and vertical segregation. Measures under this priority aim at raising awareness of gender issues in the labour market, and changing stereotypes and patterns.

• **Supporting the social and vocational integration of asylum seekers** (*Theme I*)

This priority supports the elaboration of new methods and services enhancing the employability and inclusion of asylum seekers by providing language and vocational training, experimenting new integrated services that rely on linking the labour market, training, social and psychological support as well as the training of instructors, support staff and officials working in the asylum system.

THE SOURCES OF THE EQUAL COMMUNITY INITIATIVE PROGRAMME IN HUNGARY

The total amount of funding available for EQUAL Community Initiative Programme in Hungary for the period of 2004-2006 is 40,389,513 Euros, of which 30,292,135 Euros is from the Structural Funds coupled with 10, 097,378 Euros, a national contribution from the Hungarian Central Budget. The table below indicates the proposed allocation of funds by priorities and themes.

Priority	Share within programme budget and indicative allocation
Facilitating access or return to the labour market for those who have disadvantages in terms of the labour market	42 % 16,963,596 euros
Promoting lifelong learning and "inclusive" work practices which encourage the recruitment and retention of those suffering discrimination and inequality in connection with the labour market	39% 15,751,910
Reducing gender gaps and supporting job desegregation	8 % 3,231,161
Asylum seekers	3 % 1,211,685
Technical assistance	8 % 3,231,161
Total	100 %

THE INSTITUTIONAL BACKGROUND

Managing the implementation of the programme will be the task of the **HRDP and EQUAL Managing Authority** operating within the Ministry of Employment and Labour. The work of the Managing Authority and the elaboration and implementation of the projects of the Development Partnerships will be supported by the EQUAL National Support Structure, the National Employment Fund.

Further Information:

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