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Social Capital and the Delivery of Social Services in Hungary: Review of Recent Research and Practice

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As a contribution to the Social Situation Report 2006, the Terms of Reference for this paper was to provide a broad contextual assessment of the links between social capital and social policy making in Hungary focusing on its contribution to the evolving welfare regimes. It should assess approaches to analyzing both conceptually and operationally social capital in Hungary, citing key quantitative and qualitative studies. Where relevant, attention should be drawn to factors such as significant regional and/or rural/urban differences. Finally, the report should include major social policy innovations relating, primarily drawing on national and regional developments, but including local examples which are regarded as best practice.

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ABSTRACT

The provision of care in Hungary have changed dramatic since the early 90s, due to many factors, including state or state related institutions no longer having a legal mandate for services and new institutions working in different ways. In addition, changes to care have been strongly influenced by socio-economic changes to settlement size, economic participation rates and social relations within and between households. The position paper investigates what is known about these changes focusing in particular on the care offered to very young children, to those at risk of dropping out of school, to elderly care as well as changing arrangements in the balance between work and life. There is evidence from surveys of civil society that local municipalities in Hungary are increasingly reliant on civic organizations for the delivery of services, particularly those connected with health and education. There is also greater emphasis on the role of organized citizenry in the rejuvenation of rural settlements. The shrinking of certain social networks caused by factors such as out-migration has increased the numbers of disconnected households. There is an increasing number of elderly who cannot rely on their families nor the local authorities for support and care, and an increasing widespread phenomena of self-welfare household. The question to further pursue and for policy makers interested in social cohesion to address, is whether these networks constitute a support that can be built upon for other purposes beyond household consumption?

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Introduction

In the past fifteen years, there has been a huge restructuring in the provision of care in Hungary. Certain changes are because state or state related institutions no longer have a legal mandate for services, others are because the new institutions fulfill their roles very differently and, finally, changes to care have been strongly influenced by socio-economic changes to settlement size, economic participation rates and social relations within and between households. The aim of this position paper is to investigate what is known about these changes focusing in particular on the care offered to very young children, to those at risk of dropping out of school, to elderly care as well as changing arrangements in the balance between work and life.

By social capital we mean those resources that may accrue to an individual or a community by being part of a network. We classify social capital according to whether it is bonding, bridging or linking, focusing especially on the latter for considering the ties and contacts between networks and institutions. The middle section focuses on the five policy areas and the conclusion explores some of the future directions for social policy.

There appears strong support in Hungary for the position that public policies can enhance levels of and distribution of social capital. The Hungarian National Development Plan for 2007-13, the Human Resources Development Plan as well as other strategic development plans stress the need for social cohesion to be built up in order to make economic development sustainable. The Prime Minister's introduction to the government program for 2006-10 for example, argues that

The Republic is built on co-operation: on the mutually responsible, voluntary partnership of citizens and their communities, the regulated co-operation of institutions and organizations. Competition and solidarity, freedom and responsibility go hand in hand.¹

There is evidence from surveys of civil society that local municipalities in Hungary are increasingly reliant on civic organizations for the delivery of services, particularly those connected with health and education.² There is also greater emphasis on the role of organized citizenry in the rejuvenation of rural settlements. As some of the later sections make clear, the shrinking of certain social networks caused by factors such as out-migration has increased the numbers of disconnected households. In this context, the practical implementation of partnership ideas connected to programs such as LEADER + require especial efforts, lest they be dominated by a small group of professional community developers. In other words, the strong cultivation of linking social capital is critical for household involvement in development.

1 The New Hungary, The Programme of the Government of the Republic of Hungary for a successful, modern and just Hungary, 2006, available at http://misc.magyarorszag.hu/binary/7838_kormanyprogram2006_vegl_engl.pdf

2 In populous settlements, 99% of local authorities claimed that they contracted NGOs for service provision. In villages by contrast, only 15% engaged NGOs in the formal delivery of local public services, Nagy, Renáta et al. (2005), *Nonprofit szervezetek Magyarországon 2003*. Budapest: KSH

1. Social Capital and Early Childhood

Social capital has been an increasingly important resource for families for the care of very young children. Although, there is a long history of state provision for very young children (0-3 years old) and for pre-school children (3-7 years old), the decentralization of powers to local authorities, demographic changes and the restructuring of the economy all had a profound impact on the availability of pre-school care, particularly outside the capital and the big cities.³

In brief, the transfer of many responsibilities for public services, including education, to local authorities did not result in the continued maintenance of socialist levels of child care. Not only have local authorities struggled to maintain levels, they have also had to cope with falling numbers of children which gives greater incentive to rationalize the availability and location of places. The result is that the overall numbers of kindergarten places has dropped by almost 10%, the numbers of kindergarten teachers has dropped by 10% whilst the numbers of children attending state controlled services has fallen by 16%.⁴

The 1993 Social Security Act did encourage local authorities to work in partnership with the private sector, the voluntary sector, or with religious organizations in the supply of child care facilities. Although there has been some increase in the involvement of non-state actors, these still remain very small in number, and are concentrated in the large cities.⁵ According to Korintus and Moss, only about 5 percent of the existing childcare places for children under 3 are maintained by the non-governmental sector including both non-profit and for profit providers. The result of these changes has been that family and friends provide the majority of care for very young children. Indeed, the state offers universal and contributions based benefits for mothers looking after their children at home up to the age of three.

One policy question is whether this current mix of provision is contributing to the social capital of both individuals and communities, or by contrast, is having a socially isolating effect that reduces the frequency and variety of contacts previously enjoyed. A related question is how does socialization principally within the family compare to that provided by the formal professional services? There appears to be some consensus amongst international educational policy specialists, that the earlier that children enter into the world of kindergartens the better they are able to adjust to the formal schooling that begins at 7. Furthermore, this is especially the case where the child might be facing disadvantages in terms of household income, parental education, attitudes towards schooling, relations with the authorities.

But in areas where there is no professional child care services, there have been some recent initiatives to support the informal child care networks, particularly in rural settlements. This support is often located at county rather than local authority and takes the form of training and certification, rather than financial subsidy. It also encourages the usually women child carers to take on other child related issues, such as nutrition. The schemes are only limited in scope so far. Informal child care extends to less than 1 per cent of children at present, but with greater emphasis at state level to the importance of early starts, particularly for those known to face difficulties later on, then there well might be an extension to these schemes.

3 Halász, Gábor et al. (2001), 'The Development of the Hungarian Educational System' OKI. <http://www.oki.hu/article.asp?Code=english-art-bie.html>

4 Hungarian Central Statistical Office, (2006), Education data 2005-06, Preliminary Data, Budapest. Available at <http://www.ksh.hu>

5 Korintus, Marta, and Moss, Peter, (2004), 'Work with Young Children, A Case Study of Denmark, Hungary and Spain', consolidated report, January 2004 www.ioe.ac.uk/tcru/carework.htm

2. Social Capital and Educational Underachievement

If we look at the problem of educational underachievement, then by far the main problem in Hungary is the high proportion of drop outs, absentees and poor qualifications received by the Roma minority in Hungary. There have been great number of initiatives that focus on the causes of low outcomes in schools, and while there is controversy within Hungary over the direction to take, and there are differences amongst Roma groups, there is consensus that educational underachievement is a serious problem for future generations of Roma in Hungary.

Since 1991, segregation of the Roma population from others in Hungary has increased.⁶ Settlements have become more homogenized in the number of areas solely occupied by Roma, schools and classrooms have become de facto Roma schools but the numbers of jobs has decreased. The consequence has been an increase in poverty levels amongst the Roma and a general worsening of living conditions.

At central level, there have been a series of legislative initiatives aimed at reducing direct discrimination, at stopping the practices whereby Roma children found themselves almost automatically labeled as disabled, at increasing incentives for schools to provide special measures to enhance Roma achievements at school and scholarship schemes to increase Roma participation in higher education.⁷ Part of the problem identified is that for local authorities, there is not such a strong political incentive to prioritize Roma issues as perhaps there is at central level, where the World Bank, the European Union, the United Nations and countless NGOs act as constant reminder of the poor living conditions experienced by the majority of Hungarian Roma.

If we want to focus on those initiatives that draw directly on social capital ideas, then there are recommendations from the National Institute for Public Education which argued for a new kind of school that would market itself very differently to students.⁸ The emphasis would be on opening up the school as a place of learning, Roma parents would be actively encouraged to take part in activities, special supportive after school measures would be given by teachers to ensure that children did not fall behind and Roma teaching assistants would be trained in greater numbers.

There have been ongoing debates over the effectiveness of offering Roma only institutions. In other words, such institutions would seek to strengthen bonding forms of social capital within the Roma minority. Some have argued that these are necessary to counter the disadvantages that Roma children face from their domestic environment, where parents may be unsupportive or even hostile to the mainstream school. A number of researchers have identified that the practice of labelling a child as private, which allows them to attend infrequently and to leave earlier, is often initiated by Roma families for their young daughters.⁹ At the same time, there are those who argue that not only do Roma children tend to fare worse in schools where Roma dominate, but many Roma parents have expressed their desire

6 World Bank, (2005), 'Needs Assessment Study for the Roma Education Fund: Hungary' [http://lnweb18.worldbank.org/ECA/ECASHD.nsf/ECADocByUnid/08D46484E7EE2BF1C1256F80003CB3BD/\\$FILE/NARreportFinal%201129%20Hungary.pdf](http://lnweb18.worldbank.org/ECA/ECASHD.nsf/ECADocByUnid/08D46484E7EE2BF1C1256F80003CB3BD/$FILE/NARreportFinal%201129%20Hungary.pdf)

7 Tautin, Sarah Kay 'Hungarian Roma Education Policy: A Review of Legislative Efforts To Reduce Educational Disparity Among Roma Primary School Children', unpublished Dissertation, University Of Edinburgh, 2005

8 Németh, Silvia et al, (2003), 'Integration vs. Segregation, Hungarian Roma Education Policy Note,' National Institute of Public Education, Budapest, Hungary. Funded by the World Bank and the Local Government and Public Service Reform Initiative of Open Society Institute

9 Kaltenbach by contrast sees the practice as exclusion by another name "In many cases the intention of getting rid of problematic children lies behind the exemption from attending school thus the possibility of becoming a private student may become a method of exclusion." Kaltenbach, J. (2001), 'From paper to practice in Hungary: the protection and involvement of minorities in governance', in Bíró, A-M. and P. Kovács (eds) Diversity in action. Local public management of multi-ethnic communities in Central and Eastern Europe, Local Government and Public Service Reform Institute/Open Society Institute: Budapest. However, Cometta, argued that, in general terms, 'this phenomenon is not considered harmful by Roma families. As mentioned by one of the school directors interviewed, "in many cases it is the Roma family who asks to register their child as a private student, especially ewly arried students or pregnant girls"' Cometta, Laura (2004), 'Education of Roma in Hungary: The importance of Teaching training and Further Training', unpublished dissertation, University College Dublin.

not to have their children educated in separate institutions to other Hungarian children. In such cases, rather than creating special schools for the Roma, a better solution particularly in cases of rural scarcity and educational rationalisation would be to subsidise school transport.¹⁰

Nevertheless, there does seem to be increasing consensus that the problems of Roma underachievement in schools are only part of a wider problem of disadvantage and social exclusion, and to increase parental participation in schools and thereby change attitudes towards formal education, requires dealing with the wider problems of unemployment, of relations with the authorities, of poor housing conditions, poor health and hygiene. The Roma decade of inclusion, for example, which is sponsored by the World Bank and the Open Society Institute (OSI) and which is signed up by all the countries in the region with significant Roma populations has introduced sophisticated mechanisms for monitoring the effects of programs and policies on Roma education levels.¹¹ A recent OSI assessment of 15 years of funding Roma programmes in education found that

Romani NGOs are integral partners, invaluable in terms of community outreach, out-of-school support, links with public schools, advocacy and the providing of early childhood education. The Roma Education Initiative collaborates with parents, local communities, service providers, and other institutes, including local and national governments, in an effort to approach education comprehensively. Experience has shown that such broad-based coalitions are necessary for success.¹²

3. Social Capital and Work-Life Balance

The balance between work and life has not received the same media or political attention in Hungary as in other EU member states. The recent Labour Force Survey from 2005 reported apparently high levels of satisfaction with the balance between work and other activities. According to the Central Statistical Office, some 90% of men and 81% of women who had responsibility for looking after children under the age of 15 said that they did not want to change their current working arrangement. Only 4% of men and 8% of women said that they wished they could work more and reduce the amount of time spent looking after children.¹³ In addition, other time use surveys have found that the amount of free time had increase for both men and women, in 1991 the proportion of free time were 17 and 15% for men and women respectively, by 2005, these figures had increased to 21% and 18% respectively.¹⁴

There are increasing policy tensions between efforts to increase the low levels of female participation in the workforce (the proportion of part-time workers, for example, an oft taken indicator of feminized employment structures, is very low for European levels at 5-6%) and efforts to deal with the declining birth rate, which at 1.3, is seen as the principal cause of the drop in the Hungarian population from 10.8 million in 1990 to just over 10 million in 2005. There have been some tax incentives recently introduced to encourage employers to offer more tempting packages for returning mothers. At the same time, as was noted in the last section, there is extensive child benefits and also a strong cultural presumption in favor of at least very young children, being looked after by the mother.

10 Horn, Daniel, (2006), 'Do small settlements provide education of inferior quality? The case of Hungary', Central European University Political Science Journal, Issue 1, January 2006, 4-13

11 See <http://www.romadecade.org/>

12 Rorke, Bernard and Wilkens, Andre (eds.), (2006) Roma Inclusion: Lessons learned from OSI's Roma Programming, Open Society Institute, New York. Available at www.soros.org

13 Csaba, Erika (2005): Reconciliation between work and family life. HCSO

14 Bukodi, Erzsébet (2005), Women's Labour Market Participation and Use of Working Time, in Changing Roles, Ildikó Nagy, M Pongrácz, I. Gy. Tóth (eds.), TARKI, Budapest.

The Labour Force Survey also highlights how employer flexibility towards employees for family care reasons varies. More than a third of the employed aged 15-64 are able to move the start or/and the end of their working day for family reasons; for about another third this is - though rarely, but - possible. There is no significant difference between men and women in this respect, although older people have a more flexible working day than younger ones whilst white-collar workers have a more flexible workday than blue collar ones.

One of the reasons perhaps for the apparent satisfaction with existing work/life arrangements, particularly as they deal with care for children, relates to the high participation rates of grandparents in their grand-children's care. According to Molnar, 38% of 60-78 year olds claim to be actively involved in the care of children.¹⁵

4. Social Capital and the Impact of Retirement

One of the consequences of transition has been a sharp decrease in the numbers over 65 who are economically active. The Labour Force Time Series Survey from 1993-2003 charts the steady decline in levels of participation in the economy. Whereas in 1993, there were 52,100 people between the ages of 65-74 still economically active, by 2005, this figure was down to 23,700. At the same time, there has been an increase in the overall numbers of people in this age group in Hungary, from just over 830,000 people in 1993, to almost 908,000 in 2005.¹⁶

Older research studies showed the importance of the workplace in Hungary as a source of networks of contacts.¹⁷ The recent Eurobarometer survey found that, compared to other countries, Hungarians tended to meet up with their work colleagues more frequently than with friends.¹⁸ In other words, earlier withdrawal from the workforce might well result in the gradual or even sudden loss of network support. This seems to be backed up by data on inter-household transfers by Bocz and Harcsa who found that the proportion of households in 1986 that said that they neither regularly gave nor received support was 20%, by 2000, this figure had increased to 31%.¹⁹

In terms of lessening the negative impact of retirement on levels of social capital, then, as mentioned in the previous section, caring for family members, whether children, spouses or other close relatives, remains a very important occupation for many older Hungarians. In terms of policy initiatives, there have been several attempts to enhance inter-generational solidarity, for example, the efforts of the Ministry of Education to involve grandparents in their grandchildren's education through competitions and awards.

Another phenomena related to the social and economic consequences of transition is an increase in what researchers have called the 'self welfare' households, where, particularly in the rural areas, female led households rely significantly on self provisioning as well as inter-household exchange.²⁰ Traditionally, and as with other countries in central and eastern Europe, self provisioning has had an important

15 Molnár, Edit S. (2005), 'Lifestyle and Well-being in the Elderly Population' in Social Report 2004, eds. Kolosi Tamás, Tóth I. György, and Vukovich György, TARKI, Budapest pp. 152-164..

16 Hungarian Central Statistical Office (2006), Labour Force Survey, Times Series 1993-2005, Budapest, available at www.ksh.hu

17 Sik, Endre (1994), 'Network capital in Capitalist, Communist and Post-Communist Societies,' International Contributions to Labour Studies, Vol. 4., pp. 73-93.

18 See Wallace, Claire (2005), Trends in Social capital in the EU, Working Paper 2, Aberdeen ACESR, University of Aberdeen, based on Eurobarometer, 2004

19 Bocz, J. and Harcsa, I. (2001) op cit.

20 Gershuny, Jonathan (1978), *After Industrial Society?* Macmillan Press, London, Sik, Endre (1988a), 'New Trends in the Hungarian Welfare System (Towards „self-welfarization?“)', in *The Shift in the Welfare Mix*, EUROSOCISL, Wien, pp. 281-296.

cultural and economic significance. Not only may it offset some of the difficulties caused by prices rising faster than wages, it also offers a site for inter-household and inter generational exchange. According to the Ministry of Agriculture, the numbers of those over fifty providing family labour for private agricultural holdings increased significantly from 2000-03.²¹ For males between 50-59, for example, the group most affected by early retirement, the numbers taking part in small-scale farming doubled in this period. Hungarian anthropologists have highlighted how it would be a mistake to see this solely in terms of direct economic necessity. Czegledy for example, identifies what he calls the urban peasant, who for familial and cultural reasons maintains strong and frequent connections with both family and neighbours through land in the countryside.²²

5. Social Capital and Reducing Dependency and Isolation in Old Age

Reducing levels of dependency and social isolation amongst the elderly remains a significant difficulty for both the central and the local state in Hungary. Whilst the elderly population has increased as a proportion of the whole, at the same time, the numbers of households claiming that they have no-one to turn to in times of need has increased. The European Social Survey found that 56% of women over the age of 70 reported that they were socially isolated, a figure which is almost three times the average in EU 15. For Hungarian men over 70 the figures remain high at 45%, again three times the average for the EU 15 and well above comparative figures in Poland, Slovenia and the Czech Republic.²³

An additional change is the increase in uni-dimensional transfers between households. Whereas, giving and receiving care was something that, in the past, was strongly reciprocated between generations, a combination of earlier retirement and an increasing divorce rate has led to reductions of reciprocal support networks, in others words the younger generations tends to receive more care than they give.²⁴

One of the main questions is whether older people can expect the same levels of support from their families that they might have given during their working lives. In the short run, the answer appears to be no. If such is the case, then how has the state responded? Traditionally, there were very few residential homes for the elderly in Hungary, especially in smaller settlements. The majority of care was provided at home and in the community. As with other public services, the responsibility for services for the elderly was devolved to local authorities in the 1990s. The problem, as mentioned earlier, was that with a declining population, increases in demand and a decrease in the revenue base, local authorities found it harder to supply comprehensive services was drastically curtailed. For example, Bukodi found that, between 1990 and 2003, the overall numbers of elderly people provided with home help and meals decreased. By 2003 only 2% of the over 60s received home help, whether from the local authorities or from contracted non-governmental services, in the same year, only 5% of this age group received meals at home.²⁵

Although it would be clear that the decline in familial support, the absence of local authority replacements would lead to an increase in socially isolated households, there is good evidence of the multiplier effect of ensuring some home based care. Giczi found that that the provision of services

21 Hungarian Central Statistical Office, (2004), *Agriculture in Hungary, Farm Structure Survey, Volume One*, Table 10.6 at page 161. Available at <http://www.ksh.hu>

22 Czegledy, Andre (2002) 'Urban peasants in a post-socialist world. Small-scale agriculturists in Hungary,' in Pamela Leonard and Deema Kaneff (eds.) *Post-socialist Peasant – Rural and Urban Constructions of Identity in East Europe, East Asia and the former Soviet Union*, Palgrave.

23 Ibid note 2

24 Bocz, János and Harcsa, István (2001), 'The characteristics of the inter-household transactions in Hungary in the mid eighties and the late nineties,' Paper presented at Sunbelt XXI – International Sunbelt Social Network Conference, Budapest, Hungary.

25 Bukodi, Erszebet *Társadalmi helyzetkép 2003*, Hungarian Central Statistical Office, Budapest, 2004

such as home help and day care offers an important bridge for elderly people into wider networks and neighborhoods, for example, almost 80% of the 51,500 people who used day care services in 2002, also used to part in the leisure clubs for the over 65s.²⁶

6. Conclusion

The picture offered above of changing social support networks in Hungary raises some profound challenges for policy makers. There appears to be increasing numbers of elderly people who cannot rely on their families nor the local authorities for support and care. As Sik and others have identified, there is an increasingly widespread phenomena of the self-welfare household, which relies principally on its own labor, may engage in subsistence production, will sometimes sell produce, but more likely engages in inter-household barter and exchange. The question for policy makers interested in social cohesion is whether these networks constitute a support that can be built upon for other purposes beyond household consumption?

In the context of weak local government provision and apparent decline in reciprocation across generations, government intervention may be able to nurture non-kin based community networks. This would be especially important in the smaller settlements, and 17% of the population live in settlements of less than 2000 people. Here, it is not so much a question of finding innovative and harmless ways of connecting the networks to the institutions, rather it might be to expand the remit of the few existing institutions, with schools being even more centres for community life and organization, for child care facilities being provided in the town hall and integrated into wider health and employment services. The problem of course is that such initiatives might place further burdens on the same public sector workers such as rural teachers and local authority officials. Cultivating mutually beneficial links between informal child care networks, the inter-household exchange networks or even the inter urban and rural settlements however might offer an alternative resources base to build upon to strengthen social cohesion and increase the stocks of social capital.

How far the state has been successful in nurturing the potential of such networks is unclear. Figures from Nagy in 2003 seem to point to a strategy of NGOization. In less than five years, there has been an almost twofold increase in the numbers of local development civic organizations, yet at the same time, there was a 10% drop in the numbers of both employees and active volunteers. This suggests that professional civic organizations are increasingly established as conditions for accessing central or EU funds, but that they are less able to sustain either full-time employees or encourage active involvement of volunteers.

The latest National Development Plan lays great store in the importance of building stronger communities to ensure that economic development will be sustainable over the long term. Schools and young people in particular are given an especially central role in this, whether as reducing the social exclusion of Roma, ensuring that schools are open to strong parental involvement and therefore foster local belonging. There are undoubted tensions between central direction and local autonomy, and one question is whether the links between different tiers of government will become stronger as Europeanization becomes more a feature of administrative culture. Whether this will translate into a stronger and more effective engagement with the informal provision of care remains to be seen.

26 Giczi, Johanna (ed.) (2004), *Ezüstkor, Időskorúak Magyarországon*, HCSO, Budapest.