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EUROPEAN SOCIAL CHARTER

Observation from the Government of Hungary
on the comments by NGOs
on the 5th national report
on the implementation of the revised European Social Charter

submitted by

THE GOVERNMENT OF HUNGARY

(Articles 7, 8, 16, 17
for the period
01/01/2010 – 31/12/2013)

Report registered by the Secretariat on 10 February 2016

CYCLE 2015

Remarks to the comments by the non-governmental organisations on the 11th National report on the implementation of the revised European Social Charter

Introductory remarks

We highly appreciate the comments of non-governmental organisations on the 11th National Report on the implementation of revised European Social Charter. All comments have of great significance in terms of evaluation of measures which have been recently taken and envisaged to take in the future in Hungary in order to ensure the social protection, the inclusive society and dignity of life for every citizen and person living in Hungary focusing on economic and social rights drafted in the Charter.

The Fundamental Law of Hungary highlights the importance of protection and dignity of families and human life as well as the obligation to work according to the individual abilities and opportunities in order to ensure the living. Various acts of Hungary strive to ensure proper housing and access to public services for all. In order to establish social security the Fundamental Law enshrines the system of social services and measures.

Hungary seeks to develop a labour-based society, where livelihood and social well-being of citizens of active age, who are in proper state of health, can be ensured by value-creating work appropriate to their skills. The state has a particular responsibility and role in creating opportunities and wishes to contribute to eliminate social differences by ensuring equal opportunities.

Taking all commitments into account, we are pleased to provide additional information and remarks to the comments of the NGOs as follows.

I. The social, legal and economic protection of families under Article 16 of the European Social Charter

A. General Introduction

Measures taken in Hungary treated the problems of poverty in long term instead of short-term solutions. The effects of reforms typically appear later in numbers. However, 2014 figures already show a considerable reduction in poverty especially in the critical severe material deprivation and in its sub-areas such as lack of leisure, food and meat consumption and housing maintenance difficulties.

B. Challenges in the provision of adequate social protection for low-income families in need

- **General comments**

Regarding the comment that all poverty indices developed by the Hungarian Academy of Sciences for monitoring the Child Poverty Strategy deteriorated between 2010 and 2013 we highlight the following.

A result of government measures to tackle poverty can only occur in longer term. The government aims to provide jobs to the working-age members of poor families that can

prevent the further transmission of poverty. The time of short-term measures has expired. Poverty data have deteriorated in other countries as well due to the crisis.

We would like to slightly correct the statement of INGOs according to which 41% of children and 36% of households with children are poor or live in deprivation in 2013 saying that they are only at risk poverty or social exclusion.

Thanks to recent changes, family tax allowance is more and more available for low income families as well. However, the state is committed to support families through the income (-related) tax system. Details of family tax allowance extension shall be given later.

- **Further comments from a legal aspect**

As of 2011 the personal income tax rate is 16% in Hungary, which will be reduced to 15% from 2016. The flat tax rate is at appropriate level as it does not discriminate the tax burden based on income level; everyone pays the same percent of income. The low level of flat tax rate reduced the tax burden, because in 2010 the rates were 17% and 32%. However, practically the rates were 21.6 and 40.6% due to the so-called 'half-supergrossing' arrangement. The flat tax rate also reduced the administrative burden, connecting to personal income taxation as for the tax payers it is easier to understand the rules, calculate the tax and report the income.

The abolishment of tax credit would have resulted in a decrease in after tax income for low income earners; therefore, the Government increased the minimum wage by 19 % and announced, in a decree, the rates of wage increase they expected employers to implement in each income bracket.

In addition the Government introduced a new social tax allowance, which could be claimed in 2012 and in 2013. In these years employers, who increased the salary of their low income workers with the expected level, could partly be exempted from the payment of the 27% social tax.

The flat rate was introduced together with the **family tax allowance**, which results that low income families with 3 or more children do not have to pay any tax liabilities provided their annual income does not exceed appr. HUF 7,5 million (in case of 3 children). In case of families with 1 or 2 children the full allowance can be claimed with an annual income level of HUF 1,5 million (in case of 2 children) or of HUF 750.000, so poor families can also apply for the complete family tax allowance. (Starting on 1 January 2015 through 4 years the extent of the allowance in case of families with 2 children will increase gradually to the double of current allowance.)

Family contribution allowance: In order to increase the number of people, who can apply for the family tax allowance, in 2014 the Hungarian government introduced the family contribution allowance. As a result, those persons whose income were not enough to claim all of the family tax allowance, can offset the allowance not only against their tax liabilities but also against their social security contributions [health insurance contribution (7%) and pension contribution (10%)]. This means that low income families with children do not have to pay both personal income tax and social security contributions.

The state also supports the low income workers with other out-of-tax-system measures, for example reduction of overhead expenses, free exercise books in the school for low income families, free meals for poor children in nurseries, kindergartens and schools.

- **Further comments from an economical aspect**

According to Eurostat Hungary was doing better in 2013 than most of the EU-28 countries in the most commonly accepted indicator, so called Gini-index that shows the extent of inequality. According to this indicator Hungary placed 11th out of the 28 member states. Moreover, from 2013 to 2014 Hungary's Gini-index improved, but for 2014 the Eurostat has data only for 10 EU countries among which Hungary is the only country that improved its Gini-index compared to 2013.

Poverty is relatively higher in families with children, especially those with 3 or more children. Therefore, the government made considerable steps to take into consideration the number of dependent persons in the household in the taxation of personal income by introducing the family tax allowance in PIT from 2011 (as opposed to the previous regime that gave only a meagre tax credit only for families with 3 children). Allowances are the most generous for those with at least 3 children. From 2014 the family tax allowance can be deducted also from the employees' social security contributions (SSC), so the tax wedge of families in the lower income brackets decreased further. From 2016 the family tax allowance for families with 2 children will rise, by 2019 gradually reaching the double of the current level. The table below shows the considerable amounts of family tax allowance drawn by families since its introduction.

Family tax allowance (HUF billion)

Year	Family tax allowance in PIT	Family tax allowance in SSC	Total
2011	180.2		180.2
2012	184.2		184.2
2013	185.3		185.3
2014 preliminary data	190.3	42.5	232.8

Source: Ministry for National Economy

The tax wedge of the standard family types reported by OECD decreased in the last 5 years:

Tax wedge (%)

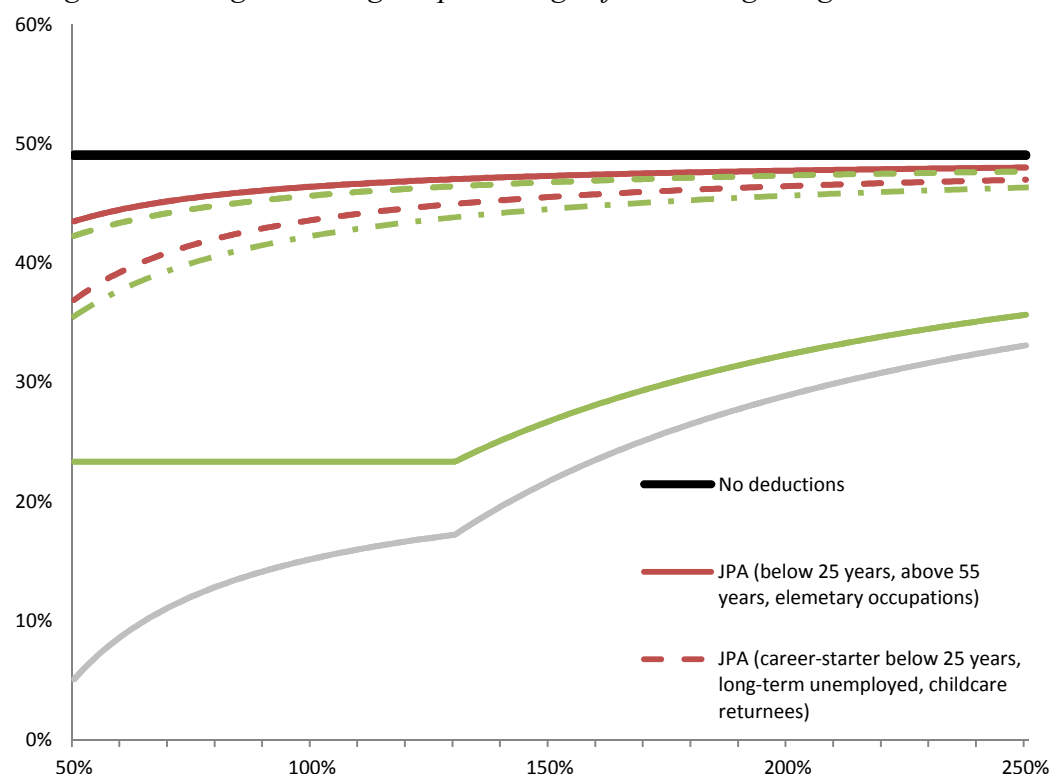
	2009	2014
Single person at 67% of average earnings, 2 children	29.8	26.1
One-earner married couple, one at 100% of average earnings, 2 children	43.2	34.6
Two-earner married couple, one at 100% of average earnings and the other at 33%, 2 children	42.1	38.2
Two-earner married couple, one at 100% of average earnings and the other at 67%, 2 children	44.4	40.4
Two-earner married couple, one at 100% of average earnings and the other at 33%, no children	49.5	49.0

Source: OECD

For the most disadvantaged socioeconomic groups a new system of employer SSC reliefs was introduced in 2013 under the name of the Job Protection Action (JPA). Assessments show that the JPA is a more cost effective way to increase the participation rate of low-productivity workers compared to a general in-work tax credit. In a general in-work tax credit system, in order to keep the budgetary costs of a general tax credit low, it has to be phased out above a certain income threshold. This will increase the marginal tax rates and it also encourages wage underreporting. However, these drawbacks can be reduced by a different design, if low- productivity workers are targeted by other observable characteristics than reported income. This allows a tax relief to be well targeted without increasing marginal tax rates. The Job Protection Act follows this approach. The tax credits are available both in respect of newly hired and current employees, thus they act as incentives for job creation and job retention at the same time. This also means that a large proportion of low-productivity workers are eligible for the targeted tax credits as the target groups cover 25-30% of the total workforce and half of those below 50% of the average wage. Since its introduction until June 2015, 287.2 billion HUF was claimed after the employment of those under 25 and above 55 years of age, those employed in elementary occupations, mothers returning from child-care leave and those in sustained unemployment.

The tax wedge, taking into account family allowances and JPA benefits as in the following examples in the graph, is significantly lower in the relevant categories than the headline 49%.

Hungarian average tax wedge in percentage of the average wage in 2014



Source: Ministry for National Economy

- **Number of children living in poverty**

Regarding the conclusion that the number of children living in poverty has been increasing our comment is as follows.

The Hungarian Government's primary and emphasizing objective is to ease the financial burdens of families with children and also to improve the quality and conditions of living. Since 2010 the Government has accomplished many reforms in order to change the demographic status from negative to positive and to create a society based on work and family. There are several acts in force which ease the financial burdens of families, and help mothers finding a job in order to support their parenthood.

The rules of the family tax allowance, coming into force since 2011, allow the eligible applicant to deduct at most 10.000 HUF/child after two children and at most 33.000 HUF/child after three or more children from the personal income tax. Thanks to these rules 950.000 Hungarian households could save 185 billion HUF – around 196.000 HUF/household – in 2013.

In order to make households with low incomes eligible, the allowance has been deductible from health care and pension contributions since 2014. With these reforms almost 240 billion HUF were saved by the Hungarian households in 2014.

In 2011-2014 the family tax allowance produced almost 790 billion HUF extra profit to the households which means an average 833.000 HUF/family.

From 2016 to 2019 the amount of allowance for families with two children will be doubled in four steps. Next year this will mean around 255 billion HUF savings for households and 300 billion HUF in 2019.

From 1 July 2015, another allowance has been introduced called Families Homemaking Allowance, which helps the families with children achieve success in finding a home. This incentive is available to families with one or more children for buying a new or used house or expanding the current. Child Care Fee Extra, accomplished in 2014, create the opportunity for mothers to return to their job after their child's first birthday. It also cares about mothers who are still students so that this allowance is also available for them for one year period. This reform has eased the way of life of at least 27.000 parents so far.

The families' main priority is to expand the children's day care places and also to modernise the already available places. Places of the nurseries and day cares were increased by 25% from 37.000 to 47.000 between 2010 and 2014. In 2015 and additional 4.000 places were accomplished and the nurseries' places will be increased from 47.000 to 60.000 by 2018.

Before amendment of applicable law only the most-disadvantaged children had been provided free of charge catering. Families with many children – more precisely 3 or more per household – or seriously ill or handicapped children (16%) had also got 50% price reduction of catering on daily basis based on that. However, the vast majority of children (57%) had to play full price. After amendment the scope of new free of charge catering rules cover the previously beneficiaries of those who got 50% price reduction as well as families not having net income of 130% of minimum wage (89.408 HUF). As a result, the number of potential beneficiaries has increased of 90% and hereupon only wealthiest families have to pay.

As regards the conclusion of INGOs that a series of measures (f. ex. inspection of the "cleanliness" of one's home) violate the universal human rights of poor and deprive them of

their dignity, while the lack of a clear definition of what is to be considered “cleanly” violates legal protection, we comment as follows.

By the legal amendments of 1st of March 2015, the regulations concerning the “cleanliness of habitation” were deregulated from Act III of 1993 on social administration and social welfare benefits (hereinafter: Social Act).

The regulations concerning the “cleanliness of habitation” could apply to home maintenance support or benefit for people in active age. New entitlement to maintenance support cannot be established from the 1st March 2015, because the regulation of support was repealed from Social Act. From 1st March the district office will be the competent authority regarding the benefit for people in active age (instead of the notary). Thus from this time, the local governments are not entitled to set the regulation of “cleanliness of habitation” concerning the eligibility criteria of benefit for people in active age.

Although the eligibility criteria of benefits provided by the state do not contain any condition regarding “cleanliness of habitation”, the local governments can set up this kind of regulation concerning the allowances belonging to their competence.

- **Labour market situation**

To the comments of INGOs concerning employment rate and labour market situation in Hungary we reflect as follows.

The statement that the unemployment rate in Hungary is one of the lowest in Europe is not correct based upon the latest Eurostat data (2015. Q1) Hungarian employment rate is about the EU average, and better than in 12 Member States. Hungarian employment rate is at 62,4% while the EU-average is 64,7%.

The INGOs declare that the employment rate has improved somewhat over the past few years; however, that is in connection with changes in the labour market statistics. We note that there were no methodical changes in the labour survey made by Hungarian Central Statistical Office. Data collecting is invariably occurred based on the international standards in Hungary as well as in every EU member states. Increasing of the employment has been befallen in the economic sector not by the public labour or working abroad.

We don't agree with the conclusion that the public labour program has noticeably improved the conditions only for some families, and in general it has not effectively helped families with children escaping poverty. People working in public labour have not “come down” from a higher earning job to a lower one, but they have got into the working life either from the state benefit system or from inactive status. So we can say that income of these people has been materially increasing.

The conclusion that about half of unemployed persons are now excluded from all benefits “due to the lack of eligibility” is not correct. The number of people without any benefit is continuously decreasing from 2013 because of economic growth and increasing of labour demand. At the moment number of people without any benefit is only 170.000 which has represented decreasing of 80 000 individuals since the change of Government. Ratio of people without any benefit is about 50%, but the trend is decreasing from 2014.

C. Lack of effective housing policy for the poor

The system of cash and in kind social benefits was significantly changed from 1st of March 2015. The competences of state and local governments regarding the system of social benefits were sharply divided. The benefits provided by state belong to the competence of district offices and financed by central budget.

The settlements gained opportunity to develop the local social welfare system in accordance with local needs, as the municipalities can define forms and eligibility criteria of social benefits belonging to their competence.

The regulation concerning the home maintenance support and debt management service was repealed from the 1st March 2015. Beyond this date new entitlement to support and service cannot be established.

The local governments can provide financial aid to support the housing costs and those who accumulated arrears in relation to their home maintenance expenditures in the frame of local benefit. The forms, eligibility criteria and amount of allowances provided in the frame of local benefit is determined by the local governments, thus the authorities have opportunity to support the needs of poorest households.

The Government supports the habitation of families with many various means, such as the reduction of utility costs and the measures helping families with arrears stemming from mortgage loans. As a result of these measures – according to the data of the Hungarian Central Statistical Office – the ratio of those who had arrears stemming from mortgage loans or other costs related to habitation decreased from 26,2% to 24,9% between 2012 and 2013. In 2012 the ratio of those who did not have proper heating in their flat was 13,7%, by 2013 this ratio moderated to 11,2%.

• Program Against Child Poverty

Only those calls for proposals regarding the provision of food during summer vacation under the Program Against Child Poverty do indirectly affect the items included in the report. Local governments provide a hot meal once day to those children who receive regular childcare support (from here on referred to as needy children), free of charge or at a discounted fee as provided for under Article 151 (1) point g of the Child Protection Act. Similar to previous years, the local municipalities provide meals between 16 June 2015 and 28 August 2015, according to the Program Against Child Poverty (Act C of 2014 on central budget of 2015, hereinafter: Kstv. Act). (This Aid can only be provided if local government also provides meals to needy children from 43 to 53 working days.)

3,000 million HUF is set aside for calls for proposals based on Kstv. Act under the legal title of financial support for local governments to insure meals to needy children during the summer months. The funds used for one needy child was 440 HUF/day.

In addition, under the legal title of Kstv. Act addendum 2, section III. 1. the Financial Social Support was amended as follows:

- 100 % support for funds paid to ensure daycare (kindergarten)

- it also provides 100% of the funds used for financial support of homeless persons, 90% for maintaining homes, all of which is to be paid posterior to the local municipality.

On the basis of part III. sub 2. concerning the other funds for social responsibilities of the local governments, which differentially provides support for their various other social responsibilities to those local governments whose tax-leverage is lower than 32.000 HUF (100 % for tax-leverage of 0-18,000 HUF/person, 50 % for tax-leverage of 18.001-24.000 HUF/person, and 25 % for tax-leverage of 24.001-32.000 HUF/ person).

Part III.3. on provisional funds for support to various social welfare and child welfare responsibilities, the law provides for 55, 360 HUF for the maintenance of a soup kitchen.

Part III. 5. deals with aid to support children's meals, point b) referring to maintenance (usable for raw material of food and for equipment and facilities).

In addition to the abovementioned, Law 179 (Rights of National Minorities – Nektv) of 2011 elaborates on tasks concerning the personal and communal rights of national minorities. Among others, the section of law (Nektv.) concerning the need for organizing and maintaining kindergartens and schools for minorities where at least eight pupils' (child's) parents express their wish thereof and where kindergarten (day care) or school class can be organized in accordance with law concerning schooling of national minorities. This section of law further enhances the living standards of national minorities, e.g. the Roma population.

D. Failure to provide housing to families with children after eviction

It should be noted that – although outside of the period of reference – Act CV of 2015 on debt settlement of natural persons, which came into force on 1 September 2015, provides additional safeguards for families whose real estate is under judicial enforcement procedure. The aim of private bankruptcy procedure, regulated by the above Act, is to provide a legal framework for the debtor to achieve an agreement with his creditors concerning the settlement of his debts, thereby getting out of the debt trap, which would result in the deterioration of the living circumstances for the indebted families.

Together with the Act on debt settlement of natural persons, Chapter VII (Attachment of immovable property) of Act LIII of 1994 on judicial enforcement was also modified in such way, that it now requires that the judgment creditor shall notify the town clerk of the town where the real estate is located about the seizure, and shall send a certificate thereof to the bailiff. The aim of this amendment is that the municipality concerned – and its social welfare system – shall be notified in time of the fact, that there is a need for action in its social service system, due to a real estate (used as home) being assigned for sale (being seized). The town clerk issues a certificate about the notification, which the judgment creditor shall send to the bailiff. The bailiff may take any action towards the sale of the real estate in question only after 60 days calculated from the certified notice.

If the debtor does not leave the real estate voluntarily, the auction buyer may request at the bailiff that the real estate be evacuated. In this case it is necessary that the municipal social services are informed, in order to let them have enough time for preparation. Thus, the above amendment of the Act on judicial enforcement provides a further safeguard for families subject to eviction.

The comments made by INGOs state that „(r)esidents of an informal status are discriminated against in many ways, e.g. they cannot access social benefits because of lack of registered address” (para. four of point D.) . It is important to draw attention to the fact that according to Act LXVI of 1992 on Keeping Records on the Personal Data and Address of Citizens every person residing on the territory of Hungary shall have an address of residence, registered by the Central Authority tasked to keep records on addresses. By definition every building where the person concerned lives, even in case of necessity shall be covered by the term “address of residence”. Government decree No. 146/1993 implementing the provisions of the Act stipulates that even homeless people without a temporary accommodation have the possibility to register an address of residence. In such a case the address contains only the name of the settlement where the person lives. Furthermore, a number of amendments of the Act were enacted in 2012 (in force from March 2013) in order to facilitate registration of addresses.

Before the eviction takes place, the family support services can give information on possible accommodation facilities to the vulnerable families and also provide counselling. These families can apply for temporary family homes. Nevertheless, in case of municipal rented accommodation the local authorities inform professionally the family support service, and on the date of eviction a professional of the family support service is present who can help the family. Eviction moratorium is announced for the time interval of the winter months.

E. Failure to offer quality accommodation in form of temporary homes for families

The material conditions are defined for all temporary family homes in the Decree No. 15/1998 on vocational obligations and conditions in child welfare organisations and child care services and persons involved in these activities. Only those institutions can get operating license that meet the requirements. Temporary family homes provide care for 12 adults and children at least and 40 at most. If the temporary family home is part of another type of care, the material and personal conditions should be ensured respectively.

F. Failure to provide protection for families in poverty to keep custody of their children

De-institutionalisation, in a special sense in the field of special child protection services, started in the beginning of the 1990s and it is still on-going. The number of those receiving special child protection services was 23.120 on 31 December 2014 (including minors and adolescents as well), 14.349 of whom, that is 62 % of the total, were placed with foster parents. The proportion of those under 18 placed with foster parents is even better. On 31 December 2014, 63,72% of minors (12.832 persons) receiving special care lived in foster families. 36,28% of those cared for live in 625 family type care homes (up to 12 places each) and children's homes (up to 12 places in each group). In 15 counties in the country only low-capacity family type care homes and children's homes are in operation. There are still 4 large capacity children's homes left. It is essential to replace these with (split them into) family type care homes and low-capacity children's homes.

In the 2007-2013 planning period, crowded and high-capacity buildings were replaced, with those that could conform with the more family-centric requirements (maximum 12 places in family type care homes, and maximum 48 places in children's homes) were modernised. They may have admitted children for a long time (8-10 years or even longer), but at the time of their construction attention was not paid to child placement, professional and energy efficiency considerations.

The number of children needing special care is increasing every year, even in the age group 12-16, a lower proportion of whom can be placed with foster parents. In order to satisfy adequately the diverse and complex needs and to find integrated places for teenage children who cannot be placed with foster parents, it is of absolute necessity to have a differentiated care system in place - as is already the case in some Member States - that offers different forms of care and facilitates preparation for independent living. This, on top of places with foster parents, means places in different types of children's homes, in family type care homes and low-capacity children's homes in modern, energy efficient buildings with adequate infrastructure.

Pursuant to the rules of the Child Protection Act, children under 12 receiving special child protection services shall be placed with foster parents in a scheduled manner. In 2014, children under three living in children's homes were placed with foster parents. In 2015, the main task is to place children between the age of 3 and 6 with foster parents. And in 2016, children between the ages of 6 and 12 will be placed with foster parents.

The Child Protection Act had previously stated the priority of placing children with foster parents rather than placing them at children homes, irrespective of the child's age. The reason for setting the age at 12 was to reinforce the right to be brought up in a family within the field of professional child protection, based on a specific provision.

Article 7 (1) of the Child Protection Act states that the child shall be separated from his/her parents or other relatives only for his/her own interest, in cases and in the manner determined by law. The child shall not be separated from his/her family due to vulnerability resulting from financial reasons alone. Accordingly, the Child Protection Act entitles parents to receive information about the services aimed at helping them to raise their child and to receive actual help to raise their child. The system of child protection provides different services in cash and in kind in order to ensure for a child to be raised in their own family, and under basic child-welfare services it also provides services to the child and the family.

Temporary care is provided in three forms: substitute parent, temporary children's home and temporary family home.

The Child Protection Act gives special focus to siblings being placed together; however, in practice, it is a serious difficulty when a significant number of multiple siblings (4 siblings or more) come into the system of special care. The chances of being placed with foster parents are reduced significantly for multiple siblings of more than 5. In the period between 1 January 2012 and 30 September 2013 the total number of new cases with multiple siblings in the field of special child protection services was: 1,177, of which those coming from a family of 4 siblings (or more) numbered 334. Out of all siblings integrated into the system, in 828 cases the siblings were placed together, of which 54%, in 447 cases, were placed with foster parents.

In order to ensure the integrated placement of children with different care needs and joint placement of siblings, the amendment of the law coming into force on 1 July 2014 defines number of children with special and double care needs to be placed simultaneously in one group of children's home/one family type care home, as well as the options for reducing the total number of persons in the groups.

Costs relating to maintaining contact, which are not covered by full service and care provided to the child in the residential child institution or at the host parent, shall be borne by the person with the right to maintain contact. The local government may provide help with the

contact-related costs borne by the person with the right to maintain contact in the form of a local government allowance provided in accordance with the Social Services Act, especially travel costs, and the costs of the care provided to the child in case of contact in home of the person with the right to maintain contact. The regional child protection specialist service shall provide help with and support to the implementation of maintaining contact in accordance with the laws regulating contact.

When the guardianship authority determines the place of care, attention must be paid to the following:

- a) the age, health condition and degree of upbringing of the child,
- b) placing siblings together,
- c) the desired continuity of the child's upbringing,
- d) the child's religious conviction and conscience,
- e) the distance from the child's previous home and educational institution.

G. Failure to protect victims of domestic violence

Although we highly appreciate the comments given to the Governmental Report by the NGOs, it seems necessary to clarify some points regarding the national service system for the victims of domestic violence in Hungary:

- **National Crisis Telephone Information Service**

The National Crisis Telephone Information Service (NCTIS) was established at 2005 in Hungary. The Service can be reached from any location in Hungary in a 24/7 schedule, via a toll-free number. It provides information for the victims of domestic violence and human trafficking and - if it is necessary – coordinates the immediate emplacement of the victims to the Shelters.

The NCTIS reports to the Ministry about its work in annual reports. According to the latest report, in 2014 the NCTIS registered 2371 relevant calls in relation to domestic violence. (The Service is using the Manual of I.F.O.T.E.S. ((International Federation of Telephonic Emergency Service)) for classification of calls with some extensions for the characteristically national problems). The NCTIS directly initiated institutional emplacement in 448 cases towards shelters in 2014. From these initiatives in 294 cases actual emplacement has been realized (non-realized cases occur mainly because the victims disappear from the scope of the NCTIS during the process) effecting altogether 846 persons: 293 women, 2 men, 552 children.

A deeper monitoring of the NCTIS is being planned and we also would like to develop the services by using EU funds.

- **The Shelters and other services**

A network of shelters specifically for victims of domestic violence operates nowadays in Hungary. At these institutions the victims of domestic violence may receive accommodation and complex care in case they are forced to leave their homes – with their children if necessary – due to the fact of domestic violence for the duration of 30 days which can be extended for an additional 30 days. The Shelters provides:

- protected accommodation and full range of physical services if necessary

- services by relevant experts (legal experts, psychologists, social workers)
- complex care by the means of social work

During this period the professional staff of shelters is helping the victim to find the most adequate next step following short-term crisis management. These are characteristically the temporary family homes (that is why the institutional connection between homes and shelters has a great relevance), the natural protective environment (family or friends separated from the perpetrator) or the Halfway Houses (see later).

There are currently fourteen shelters. These shelters are institutionally connected to temporary family homes, but their place of operation is confidential in all cases.

A special element of the national system which provides services for the victims of domestic violence is the so-called Secret Shelter House which provides services for those who are in a direct life-threatening situation. The SSH operates with an elevated number of places to ensure that there is always open capacity for victims.

The fourth main element (after the NCTI, the Shelters and the Secret Shelter House) in the line of the services for the victims of domestic violence, are the Halfway Houses. The tasks of the Halfway Houses are to help the victim's reintegration into society after the initial service at the Shelter and prevent secondary victimisation. To achieve these goals, these institutions provide long-term (maximum 5 years) accommodation and professional (mainly legal and psychological help) assistance for the victims. Halfway Houses are operating in Hungary since 2006, currently with four members.

Considerable expansion of the national system of services is in preparation on the expense of both the national budget and EU funds (10 new shelters and 40 new Halfway Houses is expected to be opened in the near future).

- **Monitoring and professional work**

In 2014 a monitoring process of the service system has been implemented by the Ministry, which provides an empirically and statistically well-founded base for future improvements. The full report contains the location of shelters thus publishing it may severely violate the principle of confidentiality.

The operation of the shelters and the halfway houses currently is being regulated by the so-called "Professional Guidelines" (came into effect in 2011 replacing the previous protocol form 2005 to respond changes and experiences in the system) which defines:

- the goals of the services
- the target groups
- the channels via which victims can get to the service
- the provided services and professional capacity
- the protocols and guaranteed elements of the service
- the process and schedule of crisis-management
- the relevant social work methods
- the relevant circle of institutions which may be involved into the process of crises management

In 2014 a new "Professional Protocol of the Shelters" has been prepared by Ministry of Human Capacities and the professional staff of the national network of shelters. In 2015 the

“Professional Protocol of Halfway Houses” and the “Professional Protocol of Secret Shelter House” is being prepared. These new protocols – which both reflect on international standards and national experiences of the service system accumulated since 2005 – will come into effect with new financial period from the beginning of 2016.

In relation of the AVM’s supposed experience on unprofessional behaviour by the staff of shelters, we strongly recommend and ask that in such cases they should turn to the supervisory bodies of the national provision system:

National Office for Rehabilitation and Social Affairs

H-1071 Budapest, Damjanich utca 48.

E-mail: nrszh@nrszh.hu

T: +36-80-205-236

Ministry of Human Capacities

Ministry of State for Family and Youth Affairs

Equal Opportunities Department

H-1054 Budapest, Akadémia street 3.

E-mail: ugyfelszolgalat@emmi.gov.hu

T: +36-1-795-1200

H. Failure to offer quality housing /inclusion to Roma families

• **General comments**

Latest research in 2013 shows considerable improvement in Roma housing conditions and a decrease of inequalities compared to the non-Roma. Centralised decrease in utility prices lead to a significant decrease in housing related costs. Derelict Roma settlements are either demolished or refurbished in a comprehensive manner thanks to the government programs.

As regards the National Social Inclusion Strategy (NSIS) we note that the first action plan had been lasted from 2012 to 2014.

As of 1 March 2015 the rules for housing allowance were removed from the social law. From that date, this aid cannot be given in this form for applicants. However, local governments may provide aid under the regular municipal support for expenditures related to housing.

On 18 August 2015, the Government adopted the "Strategy for managing slum-like housing", whose purpose is to improve the underdeveloped parts of settlements, and segregated living conditions according to uniform principles. The measures included in the Strategy are considerable milestones towards removing barriers of integrated living, improving the housing conditions and handling the emerging social problems.

Additionally, concerning the measures outlined in the NSIS we stress that all measures in the action plan have been formulated within the framework of a broad cross-sectoral consultation, and includes measures of various sectors to be implemented.

During the 2014-2020 programming period, an even greater emphasis is put on the fact that in addition to the Human Resources Development Operational Programme desegregation

elements for human resource development are also emphasized in the actions of the Regional Development Operational Program.

Additionally we note that the reason for the temporal offset in complex settlement programs between the human resource development (SROP) and the programs for infrastructure development (SIOP) was to ensure interdependence.

Drafting and adoption of the Integrated Urban Development Strategy (IVS) was required by towns if they applied for ROP funds. Preparation and adoption of local equal opportunity programs (HEPs) at the same time is a prerequisite to apply for a grant from any source by all local authorities from 2011.

According to EMMI Regulation 2/2012. (VI. 5) on the detailed rules for the preparation of local equal opportunity programs each municipality must examine the status of segregated settlements in the analytical part of HEPs (Annex 2, point 3.5.).

- **Measures taken in Hungary in order to improve the housing conditions of Roma people**

The primary directions of state action have been laid down in the Hungarian National Social Inclusion Strategy (hereinafter HNSIS), adopted in 2011 and updated in 2014. Measures implemented in the framework of the HNSIS focus on those areas which, based on situational analysis, require urgent intervention. These include child poverty, access to quality public services, labour market integration, improving the housing situation as well as discrimination against Roma. Programmes are linked to each other, apply a comprehensive and multidisciplinary approach, focus on the target groups taking into account individual responsibility and community participation.

The following results in housing can be reported from the previous years:

1. Access to public services was improved through comprehensive settlement rehabilitation programmes with an EU funding of 4 billion forints, which also improved access to community services. In the framework of the comprehensive settlement rehabilitation programmes (SROP 5.3.6.) 22 applicants received grant in a total of 3.1 billion forints in 2012 during the first round (implementation is still in progress), while 62 applications have been submitted during the second round, out of which 34 applications – after an increase in the allocated funds – received grants. Signing of the grant agreements is in progress, the projects are continuously starting.
2. In order to support the housing component of the SROP 5.3.6 settlement programme, a tender procedure titled SIOP 3.2.3/A. “Funding housing investments” (budget after increase: 2.6 billion forints) had been launched and 8 applications were received before the deadline, amounting to a total grant request of 1.96 billion forints. Tenders not only offer the establishment of social housings, but also include other living environment related investments (for example parks, playgrounds) which will become available for every resident in that part of the settlement. The programmes are expected to involve 2 520 persons (current number: 1.710), out of which 60%, 1.512 persons (current number: 700) also participate in training.

Linked to the comprehensive settlement programmes, in the summer of 2015 the Government adopted the “Policy strategy to manage segregated housing”, which defines its primary objective as to improve the underdeveloped parts of settlements and segregated neighborhoods in the 2014-2020 period. The strategy

- provides a framework for managing housing issues in underdeveloped parts of settlements with local peculiarities to be indicated and validated by local actors, local governments in the Community Intervention Plans which are mandatorily prepared during the utilization of the grants. In the case of underdeveloped parts of settlements, the management of the situation goes beyond borders of the settlements. In these cases it is necessary that the impacts and the opportunities of townships be taken into consideration and the problems of segregated housing should be managed in agreement with the other settlements in the region. The primary objective of housing interventions is to enable individuals to manage their own housing and life while taking mutual community interests into consideration on the basis of norms of everyday cooperation.
- The strategy also has a general objective that is to abolish segregated housing not suitable for human use, while in certain cases – absolutely taking individual circumstances into consideration – the rehabilitation of houses, integrating them into the settlement and providing the foundations for targeted policy directions and contents until 2020.

After updating the strategy, in September 2015 the Government adopted the second action plan of the social inclusion strategy for the 2015-2017 period, which, in harmony with the *Policy strategy to manage segregated housing*, serves the implementation of HNSIS and this strategy by taking the following measures in housing:

1. Comprehensive programmes must be launched for social, economic inclusion of disadvantaged areas. For this reason, the implementation frameworks, the coordination mechanisms and the conditions of integration into local processes by coordinated interventions and services improving the opportunities of people living in townships requiring development through comprehensive programmes must be established.
2. Targeted programmes must be launched in order to stop and reverse exclusion of settlements.
3. Targeted programmes must be launched in order to prevent the exclusion of depopulated villages.
4. Inclusion programmes supported by continuous professional presence must be launched in settlements in very difficult situations where local communities, lacking own contribution, expertise and information, can only be motivated from the outside.
5. Comprehensive programmes must be launched in order to support human developments serving the social and regional integration of persons living in estate-like housing environments, as well as to ensure infrastructural developments, housing investments. Programmes implemented with the initiative and active contribution of persons living in estate-like housing environments must be supported.
6. The common professional and methodological support of comprehensive settlement programmes launched under various operative programmes must be ensured, thereby enabling peer learning. Innovative projects, trainings and community programmes in the area must also be supported.
7. Innovative programmes must be developed to support the integration of people living in extreme poverty, including Roma and people in disadvantageous situations, as well as to

improve the efficiency of organizations working with them, in particular with regard to regional disadvantages.

Further details and the entire text of the Strategy can be found at <http://romagov.kormany.hu/a-telepszeru-lakhatas-kezeleset-megalapozo-szakpolitikai-strategia-2014-23020>.

- **Reduction of public utility tariffs**

Reflecting to the conclusion of INGOs we highlight the following information on reduction of public utility tariffs.

The reduction of public utility tariffs means that regulated end user prices paid by the residential consumers who use public utility services have been with equal percentage reduced. Universal service prices of electric power, natural gas and district heating were reduced by 10% from 1 January 2013 (first step), LPG- price, water and sewage water price, waste management costs and chimney sweeping fee were cut down by 10% effective from 1 July 2013.

Furthermore, the residential electric power, natural gas and district heating prices were reduced by additional 11.1% from 1 November 2013 (second step).

As an additional measure (third step) (i) effective of 1 April 2014 the natural gas tariff was reduced by 6.5% equivalent to the price applied on 1 November 2013 (total reduction 25.2% since 1 January 2013); (ii) universal service prices of electric power were reduced by 5.7% from 1 September 2014 (total reduction 24.55% since 1 January 2013), and (iii) district heating prices were reduced by 3.3% from 1 October 2014 (total reduction 22,63% since 1 January 2013).

Substantial social and political aim is to ensure affordable residential energy and public utility prices. The reduction of household costs will result a higher standard of living for the Hungarian society. (As a result of the reduction of public utility tariffs, a four-member household with a detached house could have spared 85.000 HUF a year which equals to approximately 55.000 HUF saving on natural gas bills and approximately 30.000 HUF on electricity costs. With regard to the reductions related to other public utility service areas (district heating, water and waste management, PB-gas prices) this entailed additional 100.000 HUF utility cost saving per year.

According to the data of the Hungarian Energy and Public Utility Regulatory Authority, the residential consumers' saving amount to 334 billion HUF from 1 January 2013 to 31 December 2014. The saving was made up of the following items: electric power 160 billion HUF, natural gas 139 billion HUF and district heating 35 billion HUF. Due to the reduction of public utility tariffs significantly reduced not only the amount of the arrears but also the number of households who have arrears towards utility companies. The arrears beyond 30 days reduced considerably for electricity from 29 billion HUF to 19 billion HUF, for natural gas from 45 billion HUF to 32 billion HUF and for district heating 21 billion HUF to 17 billion HUF.

The Ministry of Interior supervises the Social program for coal and firewood for the launched for households who use these for heating.

II. Education of Roma children under Article 17 European Social Charter

B. Education of Roma children and its interpretation under Article 17 European Social Charter

INGO's expressed doubts whether the current wording of Article 28 (2) of Act CXXXV of 2003 on Equal Treatment and Promotion of Equal Opportunities (hereinafter: ETA) is in full conformity with Council Directive 2000/43/EC of 29 June 2000 implementing the principle of equal treatment between persons irrespective of racial or ethnic origin (RED) entirely excluding discrimination based on ethnic origin in the field of education.

Article 28 (2) of the ETA as a general rule enshrined in an Act of the Parliament is in full conformity with RED. Although the wording of the provision has remained unchanged such conformity has not been questioned by any circumstances or in any legal proceedings since the date ETA entered into force (January 27, 2004).

Concerning cases of a similar nature (providing the opportunity to participate in religious education, and parental consent to such participation), as to the best of the Hungarian Government's knowledge, there is no such well-established case-law of the Court of Justice of the European Union that would lead to a different interpretation on the question of such conformity.

We also would like to draw its attention to the fact that Article 28 (2) of the ETA is aimed at promoting the exercise of the fundamental rights enshrined in the Fundamental Law of Hungary, namely the freedom of thought, conscience and religion and the right of a person belonging to a nationality or ethnic group to freely declare and maintain his or her identity. Moreover, the provision takes due account of Articles 12 to 14 of Council of Europe Framework Convention for the Protection of National Minorities, ratified *inter alia* by Hungary, providing an opportunity to make effective use of rights arranged by those Articles. Such a way of exercising these fundamental rights has significant, decades-long tradition in the Hungarian legal and educational system. Besides, the opportunity to participate in religious or nationality education is a basic condition of the effective implementation of those rights.

As to the content of Article 28 (2) of the ETA it should be highlighted that fulfilment of the conditions listed therein (the lack of disadvantage for those participating in such an education and the conformity with the requirements approved, laid down and subsidized by the State) shall be thoroughly scrutinized in every case and the concerned methods of education can only be justified if those conditions are fully and jointly met. Furthermore, according to the wording of the provision parental consent is not only a formal criterion, it also requires an explicit and voluntary initiative of the parents that entails that their decision should be well-founded and made independently of any external influence. This is an important element of the regulation that should be adequately taken into consideration in the course of evaluating the concerned methods of education and thus it may be a decisive factor regarding the question whether such method is justifiable or not.

The terms of parental consent ensure and are required to ensure that Article 28 (2) of ETA could only be applicable in such cases where the effective implementation of fundamental rights are at stake and therefore, these rights and prohibition of violation of principle of equal

treatment shall be balanced in order to give way for certain modes of education designed to facilitate the exercise of those rights.

Finally, it should be emphasised that the development of the case-law of the Supreme Court is constantly monitored in Hungary. However, it should be noted that the decisions of the Court are delivered on a case-by-case basis, determined by the factual and legal circumstances of each and every case and thus without any general effect for subsequent cases with similar issues of facts.

C. Failure to ensure inclusive education of Roma children in Hungary

In connection with the statement of CFCF concerning the unjustified classification as disabled and the application of obsolete diagnostic tools, we would like to highlight the development of diagnostic tests and protocols which have recently taken place with the involvement of CFCF experts. We do not consider well founded the statement that the experts committees carrying out diagnostic investigation use the obsolete Budapest-Binet test. Additionally, in our opinion it does not correspond to the reality that there is no effective control over the experts committees carrying out examination of mental abilities.

Test-level developments and new, modern diagnostic protocols have been developed in 2013-2015 to serve the access to quality education of children with special educational needs and the prevention of unreasonable classification as disabled (ie. unreasonable classification and segregation of multiply disadvantaged (including Roma) children). Within the construction, 13 new assessment and development procedures were standardised and adapted.

In order to develop the access to quality education of children with special educational needs and the prevention of unreasonable classification as disabled (ie. unreasonable classification and segregation of multiply disadvantaged (including Roma) children), test-level developments are in progress and modern diagnostic protocols have been developed in 2013-2014. For the sake of replacing outdated IQ tests the WISC-IV test has been standardized, inter alia, the Hungarian adaptation of one of the tests of this internationally known and widely used group of tests. Experts (1,036 people) who conducted diagnostics have been prepared in trainings. The content of this scheme was determined with regards to remarks of civil partners and the recommendations of the UN Disability Committee. The developments to combat unjustified classification proceeded in cooperation with CFCF.

Professional control of mental ability examination:

Similar to other actors of public education the institutions of specialised pedagogical service are subjected to the career rating and the school inspection system, therefore, the professional control of employees is guaranteed. In addition, in 3.4.2.B project of the Social Renewal Operative Program professional protocols relating to some activities of specialised services including the activity of expert committees have been elaborated.

Apart from the professional protocols the procedures of expertise are also regulated in detail by law [Annex 2 of the Ministry of Human Capacities Regulation No. 15/2013. (II. 26.)].

In the school year 2014/2015 the use of Integrated Tracking System (INYS) has been introduced which records the details of specialised pedagogical services provided to the children and pupils. The INYS records that where, when and which service was given by what kind of professionals to the concerned children and what were their findings. The record system serves the process tracking, supporting therefore the diagnosis and individual development of children. The INYS shall manage also sensitive data, such as nationality and

ethnic data which will principally support the measures aiming at the prevention of unjustified rating of Roma children as disabled. The use of INYR is mandatory for all specialised services and it unified the various software and records previously used by these services.¹

Preparation and training connected to the application of modern methods:

Activity	Number of participants
Information days/workshops	851
Best practice workshops	174
Network workshops	375
Preparation for specialized protocols	1,074
Preparation for INYR	727
“Preparation of school inspection experts for the pedagogical controls” (30 lessons) and “Preparation of experts for teacher certification” (30 lessons) accredited trainings	19
Trainings based upon researches connected to the completion of pedagogical specialised service tasks	350 (in process)
Training aiming at the acquisition of pedagogical special exam	162 (in process)

Indices:

- a. Number of persons working for the pedagogical services: 5.131
- b. Number of specialized pedagogical institutions: 20 in counties (number of school district member institutions is around 200).

Elaborated protocols:

Basic protocol	1	completed
Specialised protocol	10	completed

Activities carried out within the framework of the priority project of SROP 3.1.1.II titled public education development coordination of 21st century

Activities	Quantity
Number of specific protocols developed for early childhood field	5 protocol
Number of experts participated in the probation of “Client-way” model in the early childhood field	42 experts
Number of trainings elaborated for the shortage areas of early childhood field (before accreditation)	3 trainings
Number of experts participated in Pilot training programs	61 experts
„Client-way model”	1 model
Number of programs supporting the labour market transition	8 transition program
Numbers of experts attended the probation of program aiming at the support of labour market transition	50 experts
Number of test tools for testing the standardised lingual	5 pedagogical diagnostic test

¹ Further details on INYR are included in the National Report of Hungary relating to the application of the Revised European Social Charter due in 2015. The relevant information are reported under 15§1 of the Revised Charter.

Reflecting to the conclusion of INGOs on segregation in education we add to the abovementioned measures the following information.

On 4 November 2014, several strategies were adopted including the mid-term strategy against school leaving without a qualification. Measures involved in the Strategy serve preventing and tackling early-school leaving, improving students' skills and competences, improving the rate of school success fostering smooth labour market transition and employability. The Strategy contains the analysis of the current situation and based on that, specifically targeted actions and policy measures have been defined to tackle the problem of early school leaving.

An obstacle to school success is segregation, therefore, the strategy deals with special pedagogical programmes that must support integrated, inclusive education at all level. One of the most important measures in the strategy is to introduce an ESL data-collection and early warning system. Emphasis has been put on reinforcing basic skills and competencies in primary school education in order to prevent retention, and form a strong basis for further education. Another focus of the Strategy is the improvement of low performing schools. This is an important element of increasing effectiveness of the school system and improving equity in education.

Developments regarding ESL including desegregation are involved in Human Resources Development Operative Programme 2014-2020. It is in preparatory phase; assessment regarding desegregation is in progress in Klebelsberg Institution Maintenance Centre.