European Agency for Safety and Health at Work

# Safer and healthier work at any age

# Country Inventory: Hungary


Safety and health at work is everyone's concern. It's good for you. It's good for business.

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# Abbreviations

| | |
|---|---|
| EFTA: | European Free Trade Association |
| ENWHP: | European Network for Workplace Health Promotion |
| EU: | European Union |
| EU-LFS: | European Labour Force Survey |
| Eurofound: | European Foundation for the Improvement of Living and Working Conditions |
| EU-OSHA: | European Agency for Health and Safety at Work |
| EWCS: | European Working Conditions Survey |
| GDP: | Gross domestic product |
| GP: | General practitioner |
| HR: | Human resources |
| ILO: | International Labour Organization |
| MSD | Musculoskeletal disorder |
| NGO: | Non-governmental organisation |
| NMH: | National Labour Office |
| NRSZH: | National Office for Rehabilitation and Social Affairs |
| OECD: | Organisation of Economic Cooperation and Development |
| OSH: | Occupational Safety and Health |
| P.P. | Percentage points |
| RTW: | Return to work |
| WHO: | World Health Organisation |
| WHP: | Workplace Health Promotion |

# Introduction

This report is part of the project 'Safer and healthier work at any age', initiated and financed by the European Parliament[1][2]. The objective of the European Parliament was to further investigate possible ways of improving the health and safety of older people at work.

The project, which started in 2013,

- reviewed state of the art knowledge on ageing and work;
- investigated EU and Member States policies, strategies, and programmes addressing the challenges of an ageing workforce in the field of occupational safety and health (OSH) and policy areas that affect OSH, such as employment and social affairs, public health, and education;
- investigated EU and Member States policies, strategies, and programmes in relation to rehabilitation/return-to-work;
- and collected information on related workplace-level practices.

To review policy developments and initiatives taken in Europe to tackle the demographic change, country reports were prepared, with a specific focus on initiatives to improve the health and safety of an ageing workforce and on those aiming at promoting rehabilitation/return to work.

*Methodology*

The country reports were prepared in each of the 28 European Member States and EFTA countries (Iceland, Switzerland, Lichtenstein and Norway). In eight countries (Austria, Belgium, Denmark, Finland, France, Germany, the Netherlands and the United Kingdom), the research was carried out at a more in-depth level including additional resources and the consultation of relevant stakeholders via the organisation of expert workshops.

The **information** used to prepare the reports was collected between September 2013 and June 2014 and comes from international, European and national sources, referenced in the report's bibliography.

The **indicators** presented in the first section of the reports have been selected taking into account:

- *Relevance to the topic:* In addition to data on working conditions and health, indicators related to general contextual factors such as the demographic development, labour market and employment have also been included.
- *Availability of data by age groups:* As the focus of this work is to investigate activities in the context of an ageing workforce, it is central to the project to collect data by age groups.
- *Geographical coverage:* In order to be able to compare results across the Member States, it is important to use the same indicators in all country reports. For this reason, European and international sources were favoured.

**National expert workshops** took place in the eight countries subject to in-depth review as well as in two additional countries, Poland and Greece between March and June 2014.

The objectives of the workshops were to:

- Confirm the findings and interpret the results of the desk research;
- Stimulate discussions between intermediaries and experts in the field of occupational health and safety and rehabilitation/return-to-work, in order to collect additional information and examples of good practices;

[1] Official Journal of the European Union, '04 04 16 – Pilot project - Health and safety at work of older workers', Chapter 0404— Employment, Social Solidarity and Gender Equality, 29.02.2012, pp. II/230 - II/231. Available at:

http://bookshop.europa.eu/en/officialjournal-of-the-european-union-l-56-29.02.2012-pbFXAL12056/ (Accessed December 2014

[2] The activities carried out for the European Parliament's pilot project are coordinated by the European Agency for Safety and Health at Work (EU-OSHA) and implemented by a consortium led by Milieu Ltd (other consortium partners include: COWI, IOM, IDEWE, FORBA, GfK, NIOM).

- Exchange views and ideas on what works well, what could be improved, and what are1 the drivers, needs and obstacles to address the challenges of an ageing workforce.

Finally, in order to validate the findings of the desk research, EU-OSHA's network of **focal points** reviewed the country reports.

*Structure of the report*

The first section of the report provides background information on demographic developments, the labour market, working conditions and the health status of the older working population. The institutional and legal framework for occupational health and safety in Hungary, as of June 2014, is also described.

The second section of the report describes strategies, policies, programmes and activities initiated by the government or government-affiliated organisations, social partners and non-governmental organisations to tackle the challenges related to demographic change, and more specifically to the ageing of the workforce. These initiatives were identified primarily in the area of occupational health and safety but also in the areas of employment and public health and any other relevant policy areas.

The third section of the report focuses on the issue of the rehabilitation and return to work of workers following a health problem (accident or disease). The section starts by introducing the national system for the rehabilitation of workers following a long-term sick leave or work incapacity and considers the legal and policy framework, the actors involved and the main steps of the rehabilitation process. The second part of the section describes specific activities, programmes or strategies implemented by the government or government-affiliated organisations, social partners and non-governmental organisations for the rehabilitation of workers.

The present report describes policies and strategies in Hungary, addressing the ageing of workforce. Specifically, it focuses on initiatives to improve the health and safety of an ageing workforce and on those aiming at promoting the rehabilitation/return to work of workers following a health problem.

# 1 General context

Section I of this report starts with an overview of the most relevant facts and figures on the current situation in Hungary with regard to demographics, the labour market, working conditions and the health status of the older working population. It then provides background information on the institutional and legal frameworks in Hungary that pertain to safe and healthy work in the context of an ageing workforce. Finally, it provides a brief overview of the pension system, looking specifically at legal and actual retirement ages, early retirement opportunities and ongoing or upcoming reforms that would affect older workers.

## 1.1 Facts & Figures

In this sub-section on facts and figures, a number of indicators introduce the current situation in Hungary with regard to demographic factors, the labour market, working conditions and health status of the older working population.

The following definitions aim to provide clarity on a number of terms used frequently in this section:[3]

- "Median age" is the age that divides a population into two groups that are numerically equivalent.
- The "old age dependency ratio" is the ratio of the number of older people at an age when they are generally economically inactive (i.e. aged 65 and over), compared to the number of people of working age (i.e. 15-64 years old)
- "Old age pension" is payment to maintain the income of a person after retirement from employment at the standard age or payment made to support the income of older persons.[4]
- "Healthy life years", also called disability-free life expectancy (DFLE), is defined as the number of years that a person is expected to continue to live in a healthy condition.[5]

Table 1 provides a quick snapshot of selected indicators, some of which are further described in the rest of the section.

**Table 1: Overview table of main indicators**

| | Hungary | EU-28 |
|---|---|---|
| Median age 2013 (2060) | 41 (48) | 42 (46) |
| Share of population aged 55 to 64 years (2013) | 15% | 13% |
| Share of population aged 65+ (2013) | 17% | 18% |
| Old age dependency ratio 2013 (2060) | 25% (52%) | 28% (50%) |
| Employment rate of 55 to 64-year-olds (2013) (Δ since 2003) | 38% (+9 P.P.) | 50% (+10 P.P.) |
| Official Retirement age[6] | 62 | |
| Effective retirement age (2012) [7] | 59.6(f)/60.9(m) | 60.9(f)/62.3(m)*[8] |

3 Definitions extracted from the Eurostat glossary (unless stated otherwise): http://epp.eurostat.ec.europa.eu/statistics_explained/index.php/Thematic_glossaries (Accessed December 2014)

4 Eurostat, Methodologies and Working Papers, *The European System of integrated Social PROtection Statistics (ESSPROS), ESSPROS Manual and user guidelines*, 2012, p. 58. Available at: http://ec.europa.eu/eurostat/documents/3859598/5922833/KS-RA-12-014-EN.PDF/6da3b2bf-85ba-4665-b318-a41d6a2df37f?version=1.0 (Accessed December 2014)

5 This indicator is compiled separately for men and women, both at birth and at age 65. It is based on age-specific prevalence (proportions) of the population in healthy and unhealthy condition and age-specific mortality information. A healthy condition is defined as one without limitation in functioning and without disability.

6 OECD, Pension at a glance 2013, country profile – Hungary. Available at: http://www.oecd.org/els/public-pensions/PAG2013-profile-Hungary.pdf (accessed December 2014). This figure refers to 2013. The retirement age is gradually increasing in Hungary, see section 1.4 on Pension system.

7 Source: OECD estimates on the "average effective age of retirement versus the official age, 2007-2012"

8 These figures refer to the EU-27

| | Hungary | EU-28 |
|---|---|---|
| Share of pensioners (50-69) who quit working for health or disability reason (2012) | 18% | 21% |
| Pension expenditures (% of GDP) (2011*) | | |
| All pensions | 11.1% | 13.0% |
| Old-age pensions | 7.2% | 9.5% |
| Disability | 1% | 0.9% |
| Life expectancy at 65 years, in years (2011) | 16.6 | 19.7 |
| Women | 18.3 | 21.3 |
| Men | 14.3 | 17.8 |
| Healthy life years at the age of 65 ( and 50) (2011) | | 8.6 (17.7) |
| Women | 6 (14.2) | 8.6 (17.9) |
| Men | 6 (13.1) | 8.6 (17.5) |
| Employed persons aged 55 to 64 years reporting one or more work-related health problems in the past 12 months in 2007 (% from all employed aged 55 to 64 years) | 8.2% | 11%[9] |
| Share of employed people aged 55-64 yrs who perceive their health as in being in a bad or very bad status (and 45-54 yrs), 2012 | 7.8% (4.6%) | 5.7% (3.8%) |
| Share of employed people aged 55-64 yrs who have a long-standing illness or health problem (and 45-54 yrs), 2012 | 38% (26.3%) | 33.3%** (24.2%**) |
| Share of people aged 55-64 yrs who report MSDs as their most serious work-related health problem during the past 12 months (2007) | 61%[10] | 60%[13] |
| Women | 63%[11] | 64% |
| Men | 59%[12] | 56% |
| Share of workers above the age of 50 who think they could do their current job at the age of 60[14] (2010) | 55% | 71%[15] |
| Share of employed people with working experience who report that measures to adapt the workplace for older people have been put in place at their workplace[16] (2013) | 31% | 31% |

Sources: All figures are as published by Eurostat, unless mentioned otherwise. Sources used by Eurostat include: Eurostat population statistics, Eurostat population projections, the European Labour Force Survey (EU-LFS), the European Survey on Income and Living Conditions (EU-SILC), the European System of Integration Social Protection Statistics (ESSPROS).
*figure refers to 2011; ** estimated figures only (by Eurostat)

### *Demographic developments*

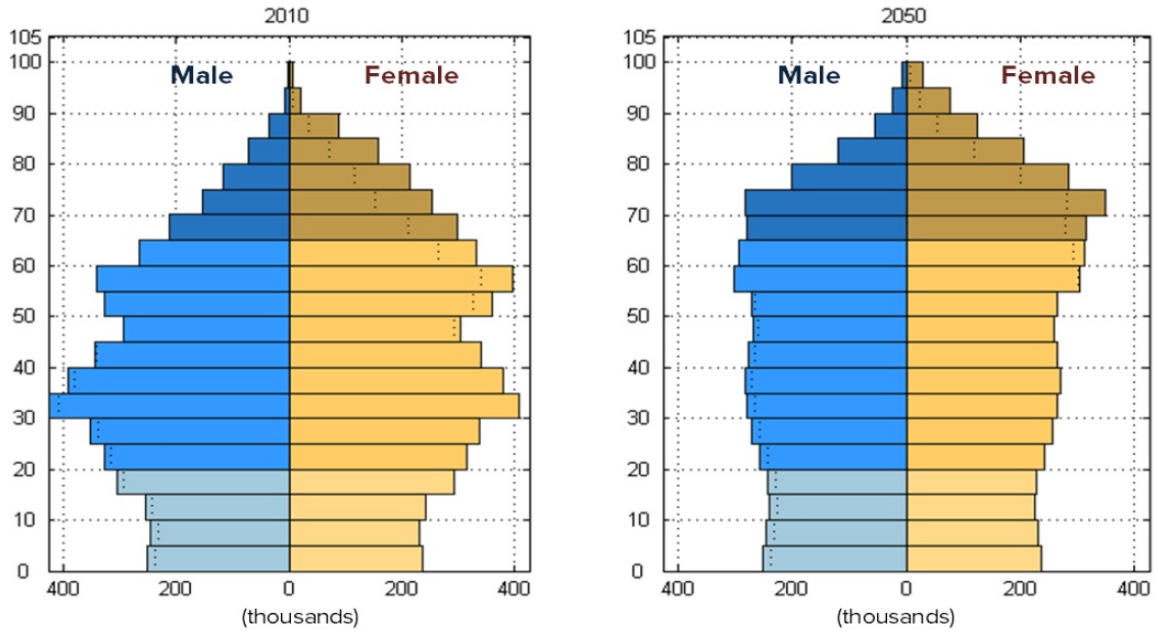
Since the 1960s, Hungary's population has been ageing. This trend has been accelerating since the 1980s. The median age in 1960 was 32 years and in 2013 it had risen to 41 years (compared to 42 years in the EU)[17]. This ageing trend is also reflected in the distribution of the population across the different age groups and their development between 1990 and 2012. The oldest age group (over 65)

[9] This figure is for the EU-26 without France. Due to different wording in the French version of the questionnaire, the results were very different in France and Eurostat recommends using the aggregate figures without France.
[10] Definition differs
[11] Definition differs
[12] Definition differs
[13] This figure is for the EU-26 without France. Due to different wording in the French version of the questionnaire, the results were very different in France and Eurostat recommends to use the aggregate figures without France.
[14] Source: European Working Conditions Survey 2010
[15] This Figure refers to the EU-27
[16] Source: European Commission, Flash Eurobarometer on Working Conditions, 2014. Fact sheet on Hungary. Available at: http://ec.europa.eu/public_opinion/flash/fl_398_fact_hu_en.pdf (accessed December 2014).
[17] Source: Eurostat population statistics 2013, structural indicators.

has increased from 13% in 1990 to 17% in 2013 (EU-28: 18% in 2013) and the share of the 55 to 64-year-old group has increased from 11% in 2000 to 15% in 2013 (EU-28: 13% in 2013).

The population ageing is predicted to continue. The age group 65+ is projected to grow from 17% in 2013 to 29% of the total population in 2060. This ageing is also shown in the age pyramid below (Figure 1) which shows that between 2010 and 2050, the age group of 20 to 65-year-olds is predicted to decrease while the age group of 65+ is predicted to increase. This is also reflected in the old-age dependency ratio (see Table 1).

**Figure 1: Total population by age group and gender, 2010 and 2050**



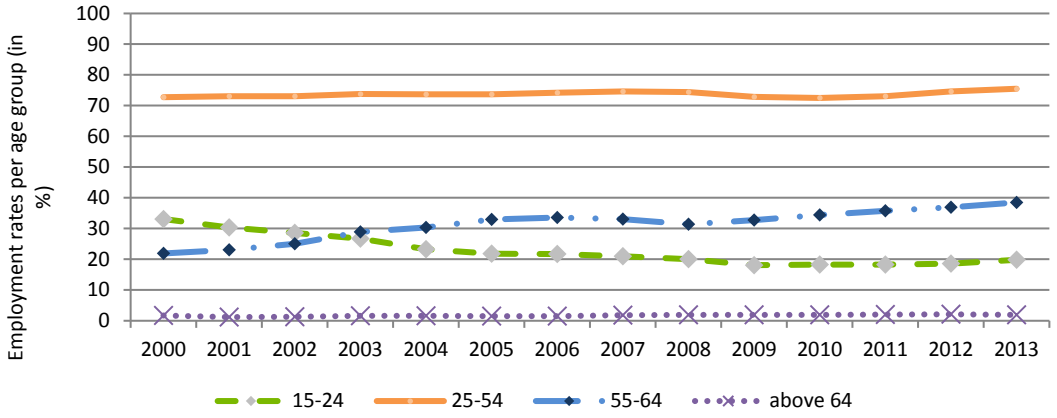

Source: International Conference on Population and Development Beyond 2014, Hungary Country Implementation Profile[18]

***Labour market participation:***

The employment rate of the 55 to 64 year olds has increased considerably in Hungary (twice as fast as the EU average), from around 22% in 2000 to around 38% in 2013. However it was still around 12 percentage points (P.P.) lower than the EU average in 2013.

[18] International Conference on Population and Development Beyond 2014, Hungary Country Implementation Profile. Available at: http://icpdbeyond2014.org/about/view/19-country-implementation-profiles (Accessed December 2014)

**Figure 2, Employment rates per broad age groups, trend 2000-2013, residents in Hungary, all nationalities**




Source: Eurostat 2013, EU-LFS, annual detailed survey results, Employment rates by sex, age and nationality (%) [lfsa_ergan]

### *Working conditions*

Based on the Fifth European Working Conditions Survey (5th EWCS), carried out by the European Foundation for the Improvement of Living and Working Conditions (Eurofound) in 2010[19], the following conclusions can be drawn with regard to the working conditions of older workers (aged 50 and above) in Hungary:

- The share of workers having to *carry heavy loads* decreased with age in 2010 (40% of workers under 30 years old compared with 29% of workers aged 50 and above have to carry heavy loads at least a quarter of the time). This age gap (11 P.P.) is slightly higher than the age gap at EU level (6 P.P.).
- The share of older workers[20] who work in *tiring or painful positions* (almost) all of the time and between ¼ and ¾ of the time was higher in Hungary (55%) than across the EU (47%).
- The share of workers exposed to *shift work* in Hungary decreases with age (20% of workers aged under 30 compared with 15% of workers aged 50 and above – similar to the EU average). The share of older workers who are exposed to *night work* is also similar to the EU average: it is 18% in Hungary and 16% in the EU-27.
- In Hungary, satisfaction with the *work-life-balance* among older workers is slightly lower than the EU-average: in 2010, 80.5% of the older Hungarian workers felt that their working hours fit in well or very well with their family or social commitments outside work, while the EU-average was 84.5% for that year.
- As in most other EU Member States, the number of people reporting *three or more external constraints on their work pace* (such as demand from people or production/performance targets) decreases with age in Hungary:[21] 57% of young workers report this while only 34% of older workers do. This is above the EU average for older workers (27%).
- In Hungary, a lower share of workers from all age categories receive *on-the-job training* compared to the EU average. For older workers, this is 24% compared to 26% respectively.

[19] Unless mentioned otherwise, the figures in this paragraph relate to the EWCS from 2010. Available at: http://eurofound.europa.eu/surveys/ewcs/2010/european-working-conditions-survey-2010 (Accessed December 2014)

[20] The term "older workers" in this section refers to workers aged 50 years and above, the term "young workers" refers to workers below 30 years.

[21] The index measures if any of the following factors determine the worker's pace of work: work done by colleagues, demands from people, production or performance targets, speed of a machine, direct control of a boss. Shares refer to workers reporting that their work is determined by three or more of these factors.

- The share of older workers who reported that their *health was affected negatively by work* in 2010 was higher in Hungary (35%) than across the EU-27 (27%).
- The share of older workers in Hungary who are not *satisfied with their working conditions* increased from 21% in 2000 to 26% in 2010 and was considerably higher than the EU average in 2010 (16%).
- The share of older workers (aged 50 years and above) who think they will *be able to do the same job at the age of 60* was lower in Hungary (55%) as at EU-level (71%) in 2010.
- In Hungary, 31% of employed people and people with working experience indicated that *measures to adapt the workplace for older people* had been put in place at their workplace (the same as the EU-28 average). Five percent of those that responded did not know whether their workplace had been adapted to older workers[22].

### *Health*

In 2011, estimations showed that Hungarian men of the age of 65 years had a *life expectancy* of around 14.3 additional years[23] but only 6 were estimated as '*healthy life years'*, which is significantly lower than the EU average (life expectancy of 17.8 years including 8.6 'healthy life years')[24]. The same observation can be made for women. Women of the age of 65 had a life expectancy of 18.3 additional years (21 years in the EU) with also 6 'healthy life years' (compared to the 8,6 at EU level).

The *perceived health status* among employed persons in Hungary worsens with age, as demonstrated in Table 2 below.

**Table 2: Self-perceived health among employed in different age groups, 2012; shares of age group reporting 'very bad' or 'bad' health status**

| | 16-44 years | 45-54 years | 55-64 years | 65 years and above |
|---|---|---|---|---|
| **Employed** | 1.8% | 4.6% | 7.8% | 13.2%* |

Source: EU-SILC Self-perceived health by sex, age and labour status (%) [hlth_silc_01]
* Figures are of low reliability

As shown in Table 3, the share of Hungarian workers between the age of 55 and 64 years who reported that they suffered from *work-related health problems* was lower than the EU average for the same age group in 2007[25].

**Table 3: Self-reported work-related health problems by workers in Hungary and EU-27, by age group**

| | |
|---|---|
| HU 25-34 yrs | 2% |
| HU 35-44 yrs | 5% |
| **HU 45-54 yrs** | **8%** |
| **HU 55-64 yrs** | **8%** |
| **Men** | **9%** |
| **Women** | **7%** |
| ***EU-27* 55-64 yrs*** | ***11%*** |

Source: EU LFS ad-hoc module 2007 on accidents at work and work-related health problems, Persons reporting one or more work-related health problems in the past 12 months, by age - % [hsw_pb1]; according to Eurostat, 'minor wording, conceptual, or

[22] European Commission, *Flash Eurobarometer on Working Conditions, - Fact sheet for Hungary*, 2014. Available at: http://ec.europa.eu/public_opinion/flash/fl_398_fact_hu_en.pdf (Accessed December 2014)
[23] Eurostat 2013'Life expectancy by age and sex' [demo_mlexpec]
[24] Eurostat 2013 'Healthy Life Years (from 2004 onwards) (hlth_hlye).
[25] EU LFS ad-hoc module 2007 on accidents at work and work-related health problems "Persons reporting one or more work-related health problems in the past 12 months, by sex, age and education - % [hsw_pb1]"; shares from all employed in the respective age group; a work-related health problem is defined as covering all diseases, disabilities and other physical or mental health problems, apart from accidental injuries, suffered by the person during the last 12 months, and caused or made worse by the work. This is a broad concept that covers much more than the recognised occupational diseases.

cultural differences were identified' for data from this country; therefore, comparability with other countries has to be interpreted with caution[26].
*this figure is for EU-27 excluding France, since in France, the question wording was slightly different, causing a bias. Eurostat suggests using the aggregate without France.

The *most serious work-related health problems* reported among the 55 to 64-year-olds were – as in most other countries – musculoskeletal disorders (MSDs) (Table 4)[27]. The prevalence of cardiovascular disorders was also high in Hungary compared to the EU average. While the importance of physical illnesses (cardiovascular and pulmonary disorders) as most serious work-related health problems increases with age, the importance of stress, depression and anxiety decreases.

**Table 4: Most serious work-related health problem during the past 12 months, % of all employees who reported a work-related health problem during the past 12 months; by gender and by most prevalent types of diseases[28]**

| | | Cardiovascular disorders | Musculoskeletal disorders | Stress, depression, anxiety | Pulmonary disorders |
|---|---|---|---|---|---|
| **35-44 yrs.** | **Total** | 6.3 | 63.4 | 7.7 | 4.7 |
| | **(EU-27*)** | (2.9) | (60.9) | (16.4) | (4.9) |
| | Women | 5.2 | 61.1 | 8.7 | 4.1 |
| | Men | 7.2 | 65.2 | 6.8 | 5.3 |
| **45-54 yrs.** | **Total** | 12.8 | 62.5 | 6.9 | 4.2 |
| | **(EU-27*)** | (6.2) | (61.3) | (13.5) | (4.7) |
| | Women | 10.5 | 62.3 | 9.6 | 3.0 |
| | Men | 14.7 | 62.7 | 4.6 | 5.2 |
| **55-64 yrs.** | **Total** | 16.8 | 60.7 | 6.1 | 5.6 |
| | **(EU-27*)** | (11.3) | (59.9) | (9.2) | (5.8) |
| | Women | 16.0 | 62.6 | 6.3 | 3.9 |
| | Men | 17.5 | 58.8 | 5.9 | 7.3 |

Source: EU LFS ad-hoc module 2007 on accidents at work and work-related health problems, Persons reporting their most serious work-related health problem work in the past 12 months, by type of problem - % [hsw_pb5]; according to Eurostat, 'minor wording, conceptual, or cultural differences were identified' for data from this country; therefore, comparability with other countries has to be interpreted with caution[29].
*this figure is for EU-27 excluding France, since in France, the question wording was slightly different, causing a bias. Eurostat suggests using the aggregate without France.

### *Definition*

In Hungary, within the provisions of Decree No. 33 of the Minister of Welfare in 1998 on fitness-for-job, professional and personal hygienic medical examinations, older workers are those who are over the retirement age. The WHO considers people between 60-74 elderly and 75-89 old, but in Hungary, for employment policy purposes, workers over the age of 45 are already considered as seniors.

[26] See Eurostat Evaluation Report AHM 2007, p. 26, available at: http://ec.europa.eu/eurostat/documents/1978984/6037334/Evaluation-Report-AHM-2007.pdf
[27] EU LFS ad-hoc module 2007 on accidents at work and work-related health problems, Persons reporting their most serious work-related health problem work in the past 12 months, by type of problem - % [hsw_pb5]; the module distinguishes 8 different problems in total.
[28] More recent figures are available (EU-LFS ad-hoc module 2013); however, several countries have not delivered data for 2013, which is why no EU aggregates for this variable could be calculated. Due to these limitations, the 2007 data was used in this report. Data for 2013 can be obtained from Eurostat, available at: http://ec.europa.eu/eurostat/web/lfs/data/database
[29] See Eurostat Evaluation Report AHM 2007, p. 26, available at: http://ec.europa.eu/eurostat/documents/1978984/6037334/Evaluation-Report-AHM-2007.pdf

## 1.2 Institutional structure for health and safety at work

The following section presents the overall institutional structure related to occupational health and safety in Hungary.

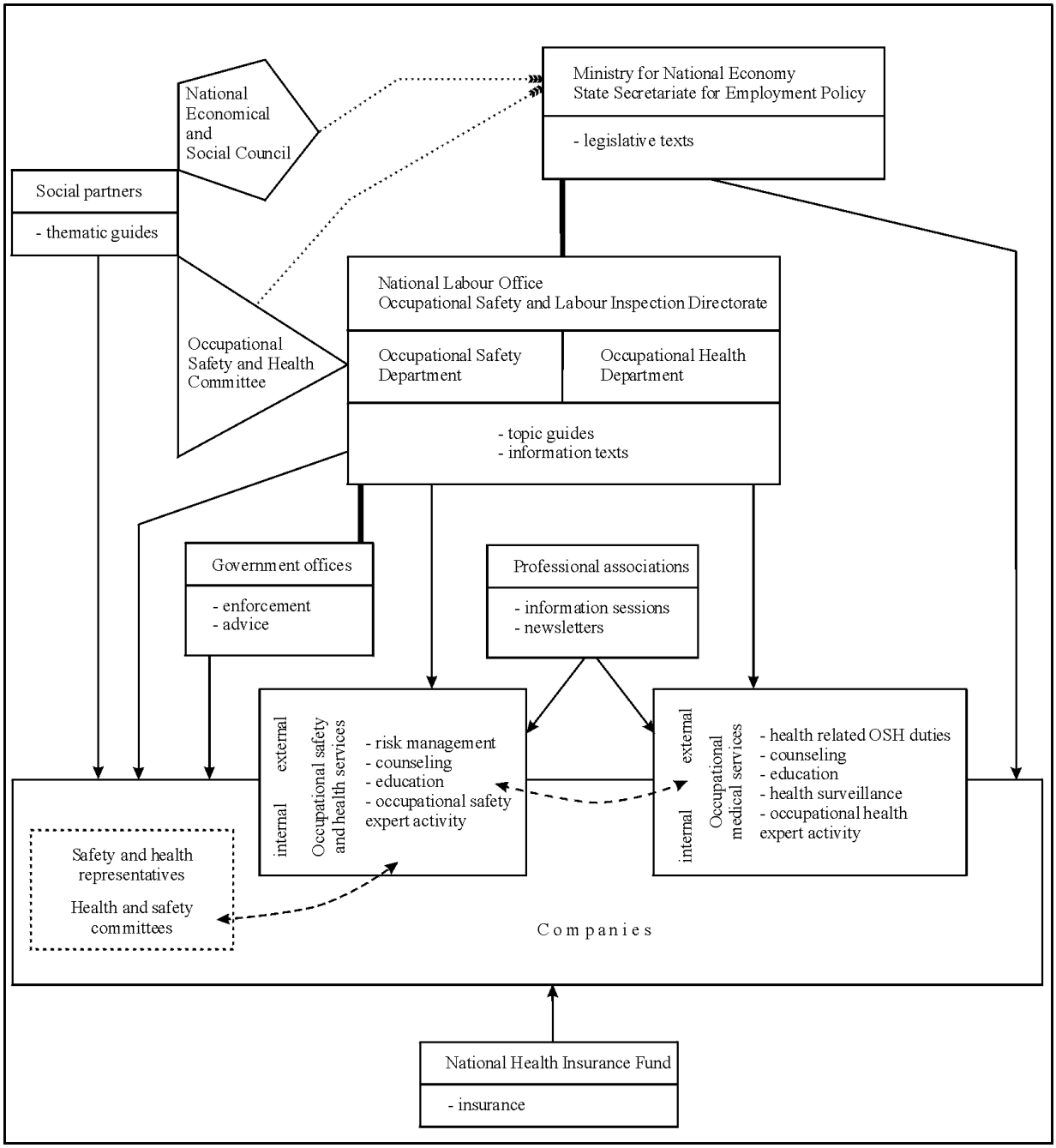
***Overall structure***

The institutional competences in Hungary related to health and safety at work are shared at governmental level between the Ministry of National Economy (and more specifically the National Labour Office within the Ministry) and the Ministry of Human Resources.

- **Ministry for National Economy** (*Nemzetgazdasági Minisztérium - NGM*) is responsible for the labour issues and is competent for the relevant employment and vocational education policies. The competences of the Ministry for National Economy include monitoring labour relations and OSH across all the Hungarian national economy, with the exception of mining activities.
- **Ministry of Human Capacities** (*Emberi Erőforrások Minisztriuma - EMMI*) is the ministry competent for pensions and health, social affairs and education. Social Services and benefits fall within its area of activity.
- The **OSH Inspection Department** (*Munkafelügyeleti Főosztály - NGM-MFF*) and the Department of Employment Inspection (*Foglalkoztatásfelügyeleti Főosztály - NGM-FFF*) of the Ministry for National Economy are under the State Secretariat for Labour Market and Training. The OSH Inspection Department is responsible for the professional guidance of OSH in Hungary via legislative, coordination and functional activities. Tasks of the OSH Inspection Department include: detection of new and emerging occupational risks, elaboration of a national OSH programme, support to the enforcement of OSH provisions, etc. Metropolitan and county government agencies fulfil their OSH and labour inspection tasks by the professional guidance of the above departments of the ministry. Priority areas for OSH inspection in 2007 included groups of workers in need of special protection, such as ageing workers. Since then, ageing workers have not been included as a specific priority area of labour inspection.
- The **Occupational Health Department** of the Office of the Chief Medical Officer (*Országos Tisztifőorvosi Hivatal Munkahigiénés és Foglalkozás-egészségügyi Főosztálya - OTH-MFF*) [30] , which is under the control of the Ministry of Human Capacities, participates in the preparation of government decisions and strategies related to occupational hygiene and occupational health activities, in carrying out scientific research, analysis, education, training, further education, information, organization and service tasks related to the improvement of the health of workers and the prevention of diseases.
- The **National Institute for Health Development** (*Nemzeti Egészségfejlesztési Intézet - NEFI*) is the head-office of national health promotion. Duties include professional, methodological and scientific research and training activities. The Institute, which is under the control of the Ministry of Human Capacities, also supports the work of other institutions (governmental and non-governmental) in the fields of health promotion and public health through technical guidelines for education, quality assurance, background studies and impact assessment. It is a member of the European Network for Workplace Health Promotion (ENWHP).

[30] Homepage of the Department of Occupational Health in the Office of the Chief Medical Officer: http://www.omfi.hu/index.php

**Figure 3: The OSH infrastructure in Hungary on an implementation level**




Source: EU-OSHA, OSHwiki "OSH system at national level – Hungary"[31]

*At the workplace*

The obligation to have **Workplace Safety Representative** in companies with more than 50 employees is defined in the law (OSH Act Chapter VI). They are elected by all employees of workplaces with 50+ employees and they have the right to inspect the implementation of OSH regulations, participate in the investigation of accidents and in risk assessment.

[31] EU-OSHA – European Agency for Safety and Health at Work, OSHwikil, "OSH system at national level – Hungary". Available at: http://oshwiki.eu/wiki/OSH_system_at_national_level_-_Hungary (accessed October 2014)

### *Social dialogue*

In 2011, the **National Economic and Social Council** (*Nemzeti Gazdasági és Társadalmi Tanács – NGTT*) was established, which includes a wide range of organisations, from national social partners and chambers of commerce to civil organisations, scientific research institutions and even churches. The government is not a member of the Council but its representatives attend the meetings. The the National Economic and Social Council is the widest-ranging forum of representatives of Hungarian society; it holds consultations, delivers opinions to the Parliament and the Government, makes proposals and discusses national strategies and comprehensive matters affecting the development of the economy and society[32]. The topics discussed over the first nine months included, among others, the following three topics:

- Consultation on consolidation and restructuring of the healthcare sector
- Report on situation of adult education
- Consultation on the reform of the Hungarian pension system

In 2012, a new tripartite body, the **Standing Consultative Forum for the Private Sector and the Government** (*Versenyszféra és a Kormány Állandó Konzultációs Fórum*) was also set up to discuss employment issues of the private sector. While this body is tripartite, only three employers' federations (MGYOSZ, VOSZ, KISOSZ) and three trade union confederations (LIGA, MOSZ, MSZOSZ) have been allowed to join. The aim of the Standing Consultative Forum is to ensure the constant consultation between government, workers and employers[33].

The **Occupational Health and Safety Committee** (*Munkavédelmi Bizottság*) operates as a specialised standing body under Article 78 and 79 of Act 93 of 1993 on Occupational Safety and Health). It consists of the representatives of the Government, the employers and the employees and it is the highest forum for reconciliation in the field of OSH. Among other activities, the Committee evaluates, supervises and participates in the creation of legal acts, reports, annual executive plans and policies and programmes that are part of the national OHS policy. The secretarial and administrative duties related to the Committee are the tasks of the Ministry for National Economy.

Workers in Hungary are represented by **trade unions** and, at the workplace, by **workplace unions** and **elected works councils** with distinct roles as set by law, i.e. unions have negotiating rights, works councils have information and consultation rights. The Labour Code regulates the election, the operating conditions, the tasks and scope of the authority of trade unions represented at the workplace. Their aim is the promotion and defence of employees' interests in labour relations.

There are six national trade union confederations in Hungary: MSZOSZ, ASZSZ, SZEF and ÉSZT, LIGA and MOSZ, representing different sectors of the economy. There are also a large number of independent unions. Trade union density[34] has strongly decreased in Hungary from 49.1% of employees in 1993 to 10.6% of employees in 2012 (compared to 17.1% as an OECD average in 2012)[35]. The 2009 ESENER survey confirmed that recognised workplace trade union representatives are scarce in small enterprises (10–16%) but more frequent among medium-sized enterprises (41.5%) and common in enterprises with 500 or more employees (82%)[36]. Despite efforts by the unions and the previous governments to strengthen bargaining at industry level, the main level of bargaining is at company/organisation level.

There are nine important employers' federations in Hungary, all of which are members of the National Economic and Social Council. They are organised on a sectoral basis, such as agriculture, manufacturing) consumers' cooperatives, craftsmen's corporations, retail trade, industrialists, private entrepreneurs and national economy industries. By being a member of the Council, they can take part in discussing national strategies and economic progress, reconciliation and proposal-making for policymaking in economic and social issues. However, as the National Economic and Social Council is only an advisory body, their power is quite limited.

[32] NGTT website (in Hungarian): http://www.ngtt.hu/index.html
[33] Webpage on VFK on the website of the trade union Munkastanacsok: http://munkastanacsok.hu/orszagos-szint-vkf/#
[34] Trade union density corresponds to the ratio of wage and salary earners that are trade union members, divided by the total number of wage and salary earners (OECD *Labour Force Statistics)*.Density is calculated using survey data, wherever possible, and administrative data adjusted for non-active and self-employed members otherwise (OECD)
[35] OECD (Online OECD Employment database: http://www.oecd.org/els/emp/onlineoecdemploymentdatabase.htm#union
[36] EU-OSHA – European Agency for Safety and Health at Work, *ESENER survey results*, 2009. Available at: https://osha.europa.eu/sub/esener/en/front-page (accessed October 2014)

## 1.3 Labour, OSH and antidiscrimination legislation

The following section provides a brief overview of the main pieces of legislation in the fields of occupational health and safety, labour and employment and antidiscrimination and whether they contain any provisions in relation to older workers.

***Occupational health and safety legislation***

- The **Act No. 93 of 1993 on *Occupational Safety and Health* (OSH Act)** is the basic OSH legal act in Hungary covering a whole range of OSH-related issues. It lays down the structure of national OSH management and inspection and also defines the State's obligation to cooperate with international bodies and national stakeholders. The Hungarian legislation in the area of health and safety covers all types and sectors, without distinction, including the public sector and SME. It should be noted that it does not cover the self-employed.
- **Decree No. 33 of the Minister of Welfare of 1998 *on fitness-for-job, professional and personal hygienic medical examinations*** focuses specifically on improving the health and safety of older workers. The decree lays down the health surveillance requirement of annual fitness-for-job medical examinations for older workers (by definition over the retirement age) and the occupational physician has the right to decide whether the age of the worker calls for any limitation in the job filled. The decree also stipulates that the employer must increasingly seek to align the working conditions with the ability of the older employee. It provides for special rules on jobs characterised by special workload or exposures where older workers cannot be employed or can be employed only under certain conditions. Annex 8 of the decree lists these loads and exposures and sets the prohibition or special conditions of employing workers over the age of 45 and over the retirement age in these jobs. For example: women over the retirement age cannot do manual handling and are prohibited to work in awkward postures; women over 45 and men over the retirement age are not allowed to work in heat or vibration exposed jobs unless special equipment is provided. The annual medical check is an opportunity to discover any illness of older workers in an early phase.

***Labour and employment legislation***

- The ***Labour Code*** **(Act No. 1 of 2012)** lays down the general working conditions in Hungary but it does not provide special rules on older workers (only on young workers and women). There is a dismissal protection for employees five years before the retirement age: regular dismissal needs specific reasons. On the contrary, in case of employees over the pension age the employer, does not have to justify the dismissal.
- The **Employer Benefit System – Job Protection Act**, enacted on 1 January 2013, aims to help the most disadvantaged employees to keep their jobs and access the labour market. It introduces tax exemptions, which specific target reducing the costs of labour for young people, new entrants to the labour market, persons returning from maternity/paternity leave, permanent job seekers, people with lower qualifications and older employees.
- The **Act on Vocational Training (Act No 187 of 2011)** laid down the foundations for a new vocational training system including through prescribing minimum training times (in hours) for adult vocational training. Training programmes that help to meet labour market needs will be prioritised in the new Act.

***Antidiscrimination Legislation***

- The **Act on *Equal Treatment and Promotion of Equal Opportunities*** **(Act No 125) of 2003** generally prohibits discrimination on the basis of – among others – age, disability or health status (Article 8). Under Article 5, employers are required to assure equal treatment in employment relationships.

## 1.4 Pension system

According to the recently adopted revision of Act on *Social Security Pension Benefits* (Act No 81 of 1997), the retirement age will gradually increase to 65 years up to 2022.

In Hungary, a full pension is attributed after 20 years of contributions. A partial pension is granted after 15 years of contributions. The notion of 'contribution' is different and wider than the actual employment period and also includes, for example, university studies and military service. Early retirement was widely available before the pension reform and the average effective age for leaving work was 55. According to the new legislation, as of 2010, rules have become stricter on the granting of anticipated pensions and the effective retirement age has increased. Early retirement will only be permitted for women after 40 years of work, including time spent on maternity leave.

Hungary has a large proportion of individuals on disability and early retirement benefits. Literature suggests that between 25% and 35% of the working-age population live on some kind of social benefit with many disengaged from the labour market for extended periods of time, or permanently. In 2009, almost 11% of GDP went towards pension benefits[37]. In particular in the 1990s, when heavy industry, which was also state-owned, collapsed, disability pensions were used as a refuge from unemployment especially for ageing workers in the less developed regions of Hungary. Later, reforms have been put in place to reduce the number of people receiving disability and early retirement benefits and have led to the adoption in 2011 of the Act on the Benefits for persons with modified working capacity (Act No 191 of 2011) (see Section 3.1 for more details).

[37] McGee, R., Bevan S., Quadrello, T., *Fit For Work? Musculoskeletal Disorders and the Hungarian Labour Market*, the Work Foundation, December 2010.

# 2 Overview of policies, strategies and programmes in relation to the occupational health and safety of older workers

As life expectancy rises, it is important to create working conditions that enable healthy and active ageing and ensure that workers reach pension age in good health. The following chapter provides an overview of the various policies, programmes and initiatives put in place by governmental and non-governmental organisations in Hungary to address the issue of work sustainability and healthier working lives.

## 2.1 Initiatives from government/government-affiliated organisations

***Occupational health and safety***

The **National Programme of Occupational Safety and Health** Resolution No. 20/2001 of the Parliament on the National Programme of Occupational Safety and Health (*A Munkavédelem Országos Programja*) laid down fundamental long-term strategic principles of workplace health improvement, including prevention and the principle of comprehensive partnership[38]. It was in force from 30 March 2001 to 10 June 2013. It set out an objective of addressing current occupational safety and health problems and preventing new and emerging risks. It did not refer specifically to the issue of the older workforce. A new strategy is under discussion but has not yet been adopted. One of the objectives of the strategy under discussion is the protection of certain vulnerable groups of workers, including older workers[39].

The aim of the **National Programme of the Decade of Health** (formerly called '*Johan Béla'*), adopted in 2003, was the improvement of the very poor current state of health of the Hungarian population. It focused on public health emphasises the most important sicknesses, medical risks and prevention measures. Its subtitle was 'health promotion in everyday life', which covered health promotion at the workplace. Under this programme, in 2003, 15 competitors were awarded financial support and the title 'Healthy Workplace' in the field of workplace health promotion. In 2012, three companies won the 'healthiest workplace' title in a competition organised by Nutrition with awareness (*Táplálkozz tudatosan!*) programme and HealthTrend Magazine (*EgészségTrend Magazin*).

***Employment policies***

The **Hungarian National Reform Programmes** (2012 and 2013) aim to increase the employment rate and improve the health status of the working age population.

The 2012 programme identified that the rate of employment of the 20-64 year old group in Hungary is amongst the lowest in the EU (68.1% in 2011). The Hungarian Government has therefore taken a number of measures to increase employment:

- a Hungarian Work Plan identifying the necessary structural interventions has been adopted
- access to early retirement has been restricted (see Section 1.4)
- the social benefit system has been reformed in such a way that it can serve active employment
- a new Public Employment Programme has been launched
- a new Labour Code has been passed.

The objective is to retain in the labour market individuals of working age who are at present inactive due to health problems but are still capable of working. Hungary has strengthened its active labour market measures, co-financed by the European Social Fund, which have delivered positive results. Important measures include decentralised programmes designed to improve the long-term employment chances of disadvantaged groups or promote their return to the labour market. This is done by arranging labour market services, such as consulting, training and other benefits to support business start-up. The target

[38] NOFER Institute, *Workplace Health Promotion in Enlarging Europe*, 2006, p.72.
[39] EU-OSHA – European Agency for Safety and Health at Work, OSH WIKI, "OSH system at national level – Hungary".

group is, among others, low-skilled individuals and persons over the age of 50.

One of the objectives of the following 2013 programme was the adoption of the *Employer Benefit System – Job Protection Act* (see Section 1.3), which was created to help the most disadvantaged employees to keep their jobs and access the labour market, contributing to an employment boost.

The **New Hungary Development Plan (National Strategic Reference Framework of Hungary 2007-2013)** (*Új magyarország fejlesztési terv (Magyarország Nemzeti Stratégiai Referenciakerete 2007–2013*)[40] – and particularly the part on Employment and growth – highlights the employment problems of the older generations, mainly of those who do not have a university degree.

The **Social Renewal Operational Programme 2007-2013** (*Társadalmi Megújulás Operatív Program* – TÁMOP), which set out in detail the implementing activities of the 'Social Renewal Priority' of the New Hungary Development Plan, carried out a nationwide Work Ability Index™ survey of ageing workers in the following sectors: health care, construction, education, agriculture and automotive industry. The results should provide input for policy making.

Between May 2011 and April 2015, decentralised labour market programmes were implemented by the **National Employment Service** to promote the employment of disadvantaged persons. With these programmes, people with few qualifications or non-marketable qualifications, career starters, people above 50 years of age, etc. received tailor-made support and service packages to gain, or regain, competitiveness in the labour market. Active labour market policies (ALMP) targeting older people mainly consist of training unemployed persons, providing wage subsidies and job opportunities (including in the public sector).

### *Public health policies*

The **Semmelweis Plan and the National Public Health Programme** (applicable from 2011) aims to improve the quality of life of an older population that is continuously growing; to change how old age is viewed, to involve older people in the life of local communities and to establish different forms of health promotion. As a result of the health care system being limited and difficult to access, economic prosperity may be hindered as people's health deteriorates and their work ability decreases. The improvements of the national health system can help maintain employees' work ability.

### *Active ageing policy*

The **National Strategy concerning the Elderly** (Decision No 81/2009 (X.6.) of the Parliament)[41] (2009-2034) was drafted in line with the principles of active ageing of the WHO Active Ageing Policy.

The aims of the strategy are:

- to increase the number of healthy life years
- to maintain an active life
- to support life-long learning (including digital training)
- to support active ageing both in terms of physical activity – to make it possible to remain active in the labour market, and social activity – to enhance participation in social life.

The Strategy stresses the need to develop programmes for prevention, rehabilitation, health promotion and sports for senior people and underlines the importance of physical activity in the prevention of MSDs.

[40] New Hungarian Development Plan (National Strategic Reference Framework of Hungary 2007-2013), available at: http://pik.elte.hu/file/_j_Magyarorsz_g_Fejleszt_si_Terv___MFT_.pdf (accessed September 2014)

[41] National Strategy concerning the Elderly, available at (in Hungarian): http://www.complex.hu/kzldat/o09h0081.htm/o09h0081.htm (Accessed December 2014)

## 2.2 Initiatives from non-governmental organisations

***Workplace health promotion***

In 2004 the Ministry of Health (currently EMMI) addressed the following parties as the **Hungarian Forum for Workplace Health Promotion** (*Munkahelyi Egészségfejlesztés Magyarországi Fóruma*):

- the National Institute for Occupational Health (currently OTH-MFF)
- the National Institute for Health Development (currently NEFI)
- the Association for Healthier Workplaces (see below)
- the Hungarian Federation of Mutual Funds
- the Occupational Medicine Section of the Hungarian Medical Chamber
- the OSH Section of the Hungarian Chamber of Engineers.

The Forum granted the 'Health-friendly workplace' award. It has developed the Nationwide Strategy for workplace health promotion (*A Munkahelyi Egészségfejlesztés Országos Stratégiája*)[42]. The strategy's targets included:

- improving the cooperation of professionals in the area of WHP;
- improving the knowledge of workplace actors on WHP;
- harmonising the state systems related to WHP; and
- developing further legal and financial incentives.

Workplace Health Promotion (WHP) activities are carried out by the **Association for Healthier Workplaces** (*Egészségesebb Munkahelyekért Egyesület*)[43], a non-profit organisation that aims to raise awareness on WHP. The Association cooperates with the National Institute for Health Development.

The **American Chamber of Commerce** (AmCham) in Hungary launched the *Healthy Workplace National Programme*[44] in November 2002 (ended in 2010), and helped the promotion of WHP in Hungary by disseminating good practices from other countries. The Chamber also established the '*Healthy Workplace AmCham Award'* that was granted to AmCham members every year in three categories: corporations, medium-sized companies and small businesses. The award criteria were generally related to a comprehensive health-programme, which could help workers stay healthy and work longer. Age management was not a specific criterion. By fulfilling the requirements, the awarded members could display the 'Healthy Workplace Certificate'.

***Fighting stereotypes***

Eleven public figures in Hungary set up the **Great Generation Association**[45] (*Nagy Generáció*). The aim of the association is to bring together the 50+ generation of Hungary, to improve its image within Hungarian society and increase appreciation towards its Great Generation. Launched in November 2011, 'Nagy Generáció' also includes a successful radio show and an internet portal. Nearly 40% of Hungary's population is over 50, and the goal of this integral project is to change the view of ageing in the country, to rewrite the stereotypes and encourage seniors to live a creative and harmonious life. The Great Generation radio show analyses relevant problems, such as the unemployment rate of people over 50, senior volunteering, life-long learning, etc. The broadcast is enhanced with a not-for-profit web page, where users share their knowledge and comments about work, pensions and other topics.

***EU projects***

In addition, Hungarian organisations participate in a number of EU projects that focus on the older workforce, such as the *Central European Knowledge Platform for an Ageing Society* (CE-Ageing Platform), the project *Valuing older people's skills and experience* (SLIC II), the project *Facilitating the extension of working lives through valuing older worker*s (ESF, co-funding Interreg IVC) and the *Generations Project* (2011-2013).

[42] NOFER Institute, *Workplace Health Promotion in Enlarging Europe*, 2006, p.72.
[43] Emegy (Association for Healthier Workplaces) homepage: http://www.emegy.hu/hu/index.html (Accessed December 2014)
[44] Website of the Healthy Workplace National Programme: http://www.amcham.hu/healthy-workplace-program (Accessed December 2014)
[45] Nagy Generáció (Great Generation association) homepage: http://www.nagygeneracio.hu/ (Accessed December 2014)

In 2012, **Pandokrator Ltd**, a private educational and cultural organisation, together with the 12-Classes Greek School Of Hungary, launched a two year project financed by the EU called 'Acquiring and strengthening 'soft skills' for employment through models of supporting methods (peer coaching and mentoring)'[46]. The project involves nine European partners from eight countries and targets the 50+ generation. The overall objective of the initiative is to face the challenges of an ageing population and unemployment in Europe and to increase the number of adult learners. The partners are developing learning tools and environments for strengthening 'soft skills' and modelling support for learning and training while connecting generations in order to increase employability and motivation for all ages.

[46] 'Softskills' project homepage: http://www.gainingsoftskills.eu/Index.aspx (Accessed December 2014)

# 3 Overview of policies, strategies and programmes in relation to the rehabilitation/return to work of workers

Extending working lives in healthy, safe and sustainable working conditions also means ensuring that people who suffer from an illness or an accident that leads to prolonged sick leave have the necessary support to return to work in safe and adapted conditions. By promoting the return to work of those who are suffering from a health problem, and specifically in the older age group, a number of people who may otherwise have chosen early retirement or needed a disability pension will remain employed.

The effectiveness of the rehabilitation process is therefore another important factor related to prolonging healthy working lives. Although the issue of rehabilitation and return to work is particularly relevant for older workers, as they are more likely to suffer from work-related health problems than younger age groups, the chapter looks at rehabilitation for all workers.

In Hungary, rehabilitation is defined as all organised activities which have a primary aim of supporting the reintegration of temporarily or permanently disabled people into the community by restoring their work ability or preserving their remaining abilities. Rehabilitation does not only cover medical services, it also involves reintegration into the working community by providing people with reduced working capacity with training and advice to be able to reintegrate into the labour market or by ensuring 'sheltered jobs' for them[47]. The rehabilitation process is conducted in a complex manner, based on medical, professional and social rehabilitation. When a person gets sick or is injured (whether because of their work or not) and loses part of his/her work capacity, he/she has to undergo a review process to determine whether he/she is eligible to a disability pension or is fit for occupational rehabilitation.

The following chapter first describes the institutional system in Hungary for the rehabilitation/return to work of workers suffering from a health problem and then looks at specific initiatives from governmental and non-governmental organisations to promote rehabilitation and return-to-work.

## 3.1 The national system for the rehabilitation/return to work (RTW) of sick or injured workers

***The legal and policy framework***

The Act on the **Benefits for persons with modified working capacity** (Act 191 of 2011) lays down – among others – the rules for rehabilitation and amends the rules to receive disability benefits. It entered into force on 1 January 2012 (see below compensation system for more details).

The Decree on **fitness-for-job, professional and personal hygienic medical examinations** (Decree No. 33) of 1998 of the Minister of Welfare requires the employer to align the employees' working conditions with their ability.

The Act on the **Compulsory health insurance benefits** (Act 83 of 1997) lays down the rules of sick-leave (together with Act 1 of 2012 on the Labour Code).

In recent years, Hungarian regulations on occupational rehabilitation have been reviewed. Other acts related to the rehabilitation of workers with disabilities include:

- Government Decree No. 327/2012 on the accreditation of employers employing workers with changed working capacity and on the subsidies that may be given to employers employing workers with changed working capacity.
- Decree of the Minister of Human Capacities No. 38/2012 on the fee for rehabilitation accreditation.
- Decree of the Minister of Employment Policy and Labour No. 20/2005 amending Decree No. 11/1998 of the Minister of Labour on the Labour Council's rehabilitation programme for unemployed persons and on subsidies for disabled persons.

Over the past five years, a number of references to the rehabilitation and return to work of workers with reduced work ability have been made in many policy documents that define OSH, employment and

[47] "Sheltered jobs" in this context refers to jobs adapted to people with disabilities and that employ only people with disability.

public health policy in Hungary (see Section 2 for more details on these policy documents). However, many of the recommendations for the promotion of rehabilitation in these policy documents have not yet led to the implementation of practical measures on the ground.

- The objectives of the future **National Programme of Occupational Safety and Health** Resolution (not yet adopted – see Section 2) include the need to reintegrate into the labour market "*those rehabilitated due to workplace accidents or illnesses in connection with their occupation or due to disability*"[48]. The previous Resolution (No. 20/2001) was already referring to "*the creation of a complex and efficient system of occupational rehabilitation to utilise the remaining working capacity of employees and to foster co-operation between occupational health services and public employment services*"[49]. Concerning work ability, the document mentioned the need for "priority groups" (including workers with reduced working ability) to keep working. It encourages employers to hire more people with reduced working ability as these groups should not be excluded from work but their special needs and competencies should to be taken into account. However, no information is available regarding follow-up actions put in place to implement these objectives.
- The **Hungarian National Reform Programme** *(2012)* (see Section 2) aims to keep individuals of working age in employment who are currently inactive due to a deterioration in their health, but who are capable of engaging in gainful employment. By reducing the previous number of benefits available (see Section 1.4), the emphasis is being shifted from a passive benefits-based system to the reintegration into the workplace of individuals with varied degrees of health deterioration, by promoting their remaining abilities and skills. Review procedures are conducted in a complex manner, looking at medical, professional and social rehabilitation (see next section for the practical implementation of the procedures).
- The **New Hungarian Development Plan (National Strategic Reference Framework of Hungary from 2007 to 2013)** (see Section 2) considers the health status of Hungarian workers: employees are absent from because of sickness for 13% of their working lives and 6.8% of Hungarians of working age receive a disability pension. It highlights that as part of the reform of disability benefits, occupational rehabilitation should be strengthened. In particular, rehabilitation through a personalised service is necessary to promote the restoration of work ability and the development of skills, and to ensure that a higher proportion of people with reduced work ability can enter or return to the labour market. The implementation of the complex assessment procedure in 2012 (see below) aimed to address this point.
- The **Semmelweis Plan and the National Public Health Programme**[50] (see Section 2) aim to improve the quality of life of an older population that is continuously growing. Concerning rehabilitation, the documents state that the healing-recovery process has to be reinforced. Reintegration into the community, and providing the ability to work, can only be achieved in cooperation with other concerned areas.

The following programmes look at rehabilitation in the context of an ageing workforce and disability prevention:

- In the framework of the **National Programme for Mental Health (LEGOP)** (applicable from 2011), a complex, integrated system is being developed in the fields of both elderly care and rehabilitation (including occupational rehabilitation), to tackle the needs arising from disability and loss of functionality. This Programme considers the connection between the productivity and competitiveness of the company and the good health of the worker, thus contributing to the creation of a new culture of workplace health promotion. "Sheltered" workplaces are established to strengthen the employment of people with mental problems. From 2014 a new programme called Mental Health Policy Programme (*Mentális Egészség Szakpolitikai Programja* - MESZP) is planned to repeal LEGOP.
- The **National Strategy concerning the Elderly** (see Section 2) addresses the very low levels of retraining after a reduction in work ability and the low numbers of people returning to work after rehabilitation.

[48] EU-OSHA, OSH WIKI "OSH system at national level – Hungary", as above.
[49] EU-OSHA, *Work-related musculoskeletal disorders: Back to work report*, 2007, p62.
[50] National Institute for Strategic Health Research, *Hungarian Health System Scan Newsletter*, Vol. 4 No. 1, January 2011. Available at: http://www.eski.hu/new3/hirlevel_en/2011/health_system_scan_2011_1.pdf (accessed September 2014)

***Main actors and steps to rehabilitation***

Since 2012, major transformations and developments have been taking place in the field of complex rehabilitation and social services in Hungary. The reform of the system providing benefits for persons with disabilities has been requested for several decades due to the high number of individuals receiving these services, the high social security and budgetary costs of these and the low level of employment activity of persons with disabilities. In addition, prior to these changes, a person's disability was assessed only from a health impairment perspective and the preserved capacities and abilities of that person, relevant for their employability, were disregarded. Both the benefit system for persons with reduced working capacity and the organisational structure have been transformed, and new rehabilitation authorities have been established.

The **National Office for Rehabilitation and Social Affairs** (*Nemzeti Rehabilitációs és Szociális Hivatal – NRSZH*) (Government Decree No. 331/2004) has been designated by the Government as a medical expert and rehabilitation body, as well as the authority responsible for social affairs supervision. NRSZH is under the supervision of the Ministry of Human Resources. NRSZH defines and regularly reviews the criteria to assess the person's needs in respect of rehabilitation, social care and services. It sets up and oversees the whole system of complex rehabilitation and social services. NRSZH is supported at the local level by the **county-based administrative units** (or county-based government offices), which centralise at the county level administrative competencies on many different areas, including employment and OSH issues.

Since 2012, review procedures to receive rehabilitation (*rehabilitációs ellátás*) should be conducted in a complex manner, looking at medical, occupational and social rehabilitation[51]

- With regard to the medical assessment, instead of concentrating on health impairment, the new assessment system focuses on remaining capacities, mapping abilities that can still be used and issuing an opinion on the chances of successful occupational rehabilitation. This assessment is carried out by the person's doctor (GP) who then reports back to NRSZH's medical experts. They then make a decision on the basis of the GP's assessment and an additional a short face-to-face examination:
    - If the degree of impairment is below 40%, the individual is not eligible for any benefit (including rehabilitation) granted to persons with reduced working capacity.
    - Rehabilitation is recommended when the degree of impairment is between 40% and 69% and health-related circumstances do not prevent the employment of the given individual. In such a case the person receives a rehabilitation benefit. Such individuals may work 20 hours per week on a part-time basis concurrently to receiving the rehabilitation benefit. The benefit is suspended if employment exceeds this number of hours. In every case, the medical expert also states what factors may inhibit employment and what health circumstances need to be considered during the course of occupational rehabilitation.
    - Individuals who have a degree of impairment of more than 70% are exclusively eligible for disability benefit, i.e. cannot be recommended for occupational rehabilitation. The legislation referred to ensures the opportunity for restricted income-earning activity in the case of individuals receiving disability benefits. Benefits are suspended if the income earned during three consecutive months exceeds 150% of the current minimum wage.
- The social assessment is carried out by a social expert from the county-based administrative units, under the supervision and guidance of NRSZH. During the course of the interview, the social expert assesses whether any social need or circumstance prevents occupational rehabilitation and whether they can be eliminated by social rehabilitation. The social expert applies a wide range of evaluation criteria, such as: communication skills, motivation, lifestyle and problem-solving ability or factors potentially inhibiting emotional and family ties, life circumstances, as well as mobility.
- Finally, the employment rehabilitation expert (also from the county-based administrative units) evaluates the employment and educational history of the person; collects information on the field of interests and lifestyle of the person, or possibly characteristics of their disadvantaged situation and

[51] Website of NRSZH (in English): http://norsa.gov.hu/ (Accessed December 2014).

mobility capacity. When making a decision, this expert takes account of current employment opportunities, as well as employment benefits available. The assessment covers the evaluation of work load, the possible need of special employment conditions, as well as the person's attitude towards regular work.

Besides the medical expert, social and employment rehabilitation experts also assess eligibility for benefits, chances for employment rehabilitation or obstacles inhibiting this during the course of the complex assessment procedure. When the outcome of the assessment is positive for rehabilitation services, those undergoing rehabilitation are entitled to cash benefits and services necessary for their successful rehabilitation for a maximum of three years. During this period, the individual receiving this benefit takes part in custom-tailored trainings, skill development trainings and constantly keeps in contact with a counsellor with whom the claimant evaluates employment opportunities. NRSZH is responsible for the coordination of the rehabilitation process and directs the person in need of rehabilitation to the different services.

The actual rehabilitation process includes medical, social and occupational rehabilitation.

- *Medical rehabilitation* is delivered by health care services (including psychological services). Medical rehabilitation is typically underfunded and short-staffed, and access to services is subject to substantial regional disparities.
- *Social rehabilitation* is provided by the local government offices, which takes the form of advice on life management for the worker and his/her family, as well as cash and in-kind benefits, such as for well-being treatment options (after the end of the medical rehabilitation).
- *Occupational rehabilitation* aims to reintegrate the worker into the working community by providing advice and training and help with research for suitable jobs on the open labour market, or if it is not possible, in sheltered workplaces while receiving cash benefits. Vocational and occupational rehabilitation advice and training are delivered through NRSZH and the local government offices as well as through the **Public Employment Services** (*Nemzeti Foglalkoztatási Szolgálat*) offices.

As a final stage of the process, rehabilitated workers can either go back to their workplace (provided adaptations were made to allow them to work with their health impairments) or can be placed in other jobs, either on the open labour market or in 'sheltered jobs'. 'Sheltered jobs' are offered by accredited employers and mainly involve disabled people working together. Accreditations are provided by NRSZH. Eligible 'sheltered' employees can receive a subsidy of wages, while employers in sheltered workplaces can also receive a subsidy for investments related to the new and sustained employment of disabled people. In order to encourage employers to hire people with reduced working ability, employers with more than 25 employees have to pay a rehabilitation contribution in case the number of their employees with reduced working ability is under 5%[52].

*Support to employers*

To facilitate re-entry into the labour market, the employer can get wage subsidies and compensation of costs for the adaptation of the workplace for the person with reduced working capacity. The Government in 2012 introduced the Rehabilitation Card scheme. Rehabilitation cards may be provided to those who have a reduced working capacity. The employers of the recipients of the cards may then receive tax benefits and wage compensations.

### *Compensation system*

In Hungary, insurance against occupational accidents and diseases is part of the general public health system. There is no separate occupational accident or disease insurance system, as there is in many other EU Member States. Therefore the system for compensation and rehabilitation after an occupational accident or disease is not organised differently from compensation and rehabilitation after any other health problem; only the amount of the compensation is different.

Expenditure for health services is funded primarily through compulsory contributions made by employers, workers or by the government (from the state budget) for those who are not working. Participation in the health insurance scheme is compulsory for all citizens living in Hungary. Entitlement

[52] Act No 191 of 2011 (Article 23 (1)).

to benefits is based on these contributions.

The contributions themselves are pooled in the **Health Insurance Fund**, which is administered by the National Health Insurance Fund Administration (*Országos Egészségbiztosítási Pénztár – OEP*), the sole competent body. The Fund is under the direct control of the State. The central government exercises strict control over revenue collection, as well as in determining the benefits package, setting uniform requirements for provider reports, setting budgets, allocating financial resources, and engaging in contracting and payment.

*Compensation for sickness absence*

According to the Act on Compulsory health insurance benefits (Act No. 83 of 1997) the employer pays 70% of the employee's salary for the annual maximum of 15 working days of sick-leave (*betegszabadság*)[53]. After that period, the employee is entitled to sick-leave as a social security benefit. During this period the employee gets 60% of his/her average salary (or 50% in addition to medical inpatient care), one-third of which has to be paid by the employer. (*táppénz*) [54]. Sick-leave is available for a maximum of one year. In case of a recognised occupational accident or disease, accident sick-leave/sick-pay (*baleseti táppénz*) is 100% of the employee's salary and the injured person is also entitled to emergency medical services and receives all medicines, medical devices and medical supplies free.

*Compensation for disability or incapacity to work*

As per the 2011 Act on the benefits for persons with changed working capacity, disability benefits and rehabilitation benefits are provided to the worker with reduced work ability according to various criteria. As described above, to be eligible for disability benefits, a person must have a degree of impairment of 70% or more. Disability benefits (*rokkantsági ellátás*) are granted only to those who cannot be rehabilitated or they could be rehabilitated but they have less than 5 years until old age pension. To receive rehabilitation benefits, a person's degree of impairment must be between 40% and 69%. Rehabilitation benefits include payment for the necessary services required for the purpose of a successful rehabilitation and cash benefits. Rehabilitation benefits can be provided for a maximum of 3 years. For both disability and rehabilitation benefits, the person receiving it cannot be in receipt of any additional regular revenues.

## 3.2 Specific Initiatives or programmes

Under the **EQUAL initiative**, members of the Development Partnership, including the Local Government of Füzesabony as the leader of the Partnership, and the North Hungarian Regional Training Centre (ÉRÁK), Global-Sansz Ltd. and the "Spiritusz" Foundation, decided to establish a rehabilitation centre in the micro-region of Füzesabony, to improve the employability chances of disabled people, Roma people and women above 45 years of age. In addition to physical health and psychological medical treatment, a concurrent and interdependent system of mental and pedagogical development, training, education and employment has been set up. The main objectives of the Füzesabony rehabilitation centre are: to hold vocational retraining for 60 disadvantaged disabled workers by providing continuous psycho-social and rehabilitation support and to employ 30 persons in a new scheme[55].

Within the 2.4.8-12 programme of the **Social Renewal Operational Programme**, co-financed by the European Social Fund (see Section 2), guidelines are to be published on the assessment of fitness-to-job (including return to work) and the promotion of workability in workers with common health impairments and conditions like low back disorders, depression or surgery due to abdominal hernias.[56]

[53] Under Article 126 of Act 1 of 2012 on the Labour Code.
[54] Under Articles 43-48 of Act 83 of 1997 on the compulsory health insurance benefits.
[55] Page of the Füzesabony rehabilitation centre (in English) on the Equal Hungary website: http://equal.nfu.hu/main.php?folderID=1120&objectID=5003912 (Accessed December 2014)
[56] Webpage of TÁMOP 2.4.8-12: http://tamop248.hu/2/index.php/eredmenyek/kiadvanyok

# 4 Conclusions

***General context***

*Facts and figures*

- The demographic situation in Hungary is similar to that of the overall EU population with a median age of 40 in 2012 (42 in the EU). Ageing of the Hungarian population is predicted to continue and the old-age dependency ratio will increase from 25% in 2012 to 52% in 2060.
- Both *life expectancy* and the estimated "*healthy life years*" at the age of 65 in Hungary were lower by several years than those at EU level in 2011.
- The *employment rate* of 55-64 year olds has increased considerably in Hungary, from around 22% in 2000 to around 37% in 2012, but remains well below the EU rate of 49%.
- In 2010, Hungarian workers reported a slightly worse situation than on EU average in several aspects of *working conditions* (carrying heavy loads, tiring positions, work-life balance). Consequently, the share of older workers in Hungary who are not *satisfied with their working conditions* increased from 21% in 2000 to 26% in 2010 and was considerably higher than at EU level in 2010 (16%).
- Retirement age will increase to 65 years by 2022. Conditions for early retirement have also become stricter. Consequently the effective retirement age has increased from 55 to 60 for men in 2012.

*The legal and institutional framework*

Over the last couple of years the institutional system changed several times and it is therefore difficult to keep up-to-date with the authorities responsible for the coordination between the different OSH actors. The involvement of social partners has decreased too. The National Economic and Social Council (NESC) established in 2011, includes a wider range of organisations than before but without the membership of the government and with powers limited to giving advice. Thus, at present, the core negotiations on OSH issues usually take place at company/organisation level.

There is no general OSH legislation focusing on older workers or sustainable working conditions. The basic OSH act covers a wide range of OSH-related issues (e.g. the structure of national OSH management and the obligation to cooperate with international bodies and national stakeholders). Minor OSH rules concerning older workers are laid down by more specific legislation e.g. the Decree on fitness-for-job medical examination states that the employer must increasingly seek to align the working conditions with the ability of the older employee and provides for special rules in certain exposures where older workers cannot be employed or they can be employed under certain conditions.

***OSH and older workers***

Until recently, a major part of the working population took the possibility of early retirement (or disability pension) and therefore the issue of the working conditions of older workers was not high on the policy agenda. However, since the Hungarian social care (and pension) system is unable to finance itself, the government has taken radical steps to guarantee the viability of the pension system and to achieve the objective of increasing the employment rate of older workers. The government decided to encourage longer careers, particularly by reforming the pension system. The changes in the pension system were unexpected for certain workers around the – previous – retirement age. Changes were introduced in the legal system to oblige people to remain on the labour market longer, but comprehensive rules establishing appropriate working conditions for older workers (taking into account the sustainability of work or health aspects) were not developed in parallel.

Overall, initiatives taken by the government express rather broad, general objectives such as to increase the employment rate of older workers and improve their health status, to encourage health promotion at workplace level and support life-long learning. Only a few initiatives introduce concrete measures and they are all related to increasing the employability of older workers rather than focusing on their working conditions (among others, the National Reform Programme of 2013 introduces benefits which especially

target reducing the employment costs of older employees and new legislation on vocational training is currently under development).

As a general problem, the lack of dissemination and communication on these initiatives should be mentioned: it is very difficult to find up-to-date, accurate, publicly available information in this field. Moreover, (post hoc) impact assessment of the programmes are regularly missing, hence making it almost impossible to assess the effectiveness of their implementation.

### *Rehabilitation/return to work*

In Hungary compensation and rehabilitation after occupational diseases and accidents are part of the health system and there is no separate accident insurance system. This hinders transparency and creates conflicting interests in prevention and rehabilitation. The introduction of accident insurance has been on the government's agenda for decades but there has not been any concrete development in this regard recently.

To better understand the radical changes in the last couple of years in the rehabilitation system, it should be mentioned that in the last two decades disability pensions were often used as a refuge from unemployment especially for ageing workers in the less developed regions of Hungary. As financing the very expensive health system became impossible in the long term, some years ago the government introduced changes to increase the number of employed workers with reduced working ability. As a major change, applicants for a disability pension must first undergo a review process, following medical, employment rehabilitation and social criteria, on the basis of which it is determined whether the individual is fit for occupational rehabilitation or should get a disability pension. Rehabilitation includes medical services and reintegration into the working community by providing advice and training and help with research for suitable jobs on the open labour market, or if it is not possible, in sheltered workplaces while receiving cash benefits. However, activities offering concrete support to workers and employers for reintegration into the labour market after a health problem are rather limited.

As a result of the review procedures, numerous disability pensioners were re-classified. In 2013, the Government spent 25 billion HUF on supporting persons with changed working capacity. Employment has consequently been provided for over 30,000 individuals within at least 300 companies.[57] The numerous references to the reintegration on the labour market of people with reduced working capacity in the recent policy documents and programmes show the growing awareness of the need to change the way disability, work ability and work after a certain age are perceived by Hungarian employers and workers.

### *General conclusions*

In parallel to a major reform of the pension system in the recent years, the Hungarian government has put a major focus on increasing the employment rate of older workers in its main policy framework documents. However, very few concrete initiatives have been put in place to ensure good working conditions for older workers and safer and healthier work throughout the working life. Similarly, while the recent reform of the rehabilitation system encourages people with a reduction in work ability to go back to work rather than leave the labour market and live off disability benefits, the support actions (medical, social and vocational) to facilitate the return to work are rather limited. In addition, the criteria in terms of reduced work capacity to receive such support for rehabilitation are quite stringent, meaning that people with health problems but a work capacity of more than 60% are not receiving support to help them stay employed or go back to work.

[57] Website of NRSZH (in English): http://norsa.gov.hu/ (Accessed December 2014).

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