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Comments to presentations in Session 1: Social and economic context

Hungary is among the countries in Europe for which very good data sets are available, in the form of regular large statistical surveys since many decades and through the fact that Hungary was one of the first members of the International Social Survey Programme (ISSP), collecting internationally comparable data on social and political attitudes already in the early 1980s. The Social Reports on Hungarian Society, edited by TARKI; are high-quality reports on social and economic research which present very valuable, reliable data on Hungarian society. In this regard, Hungary is at the forefront of empirically based, policy-relevant research in the post-communist central east European countries.

In the following, I first comment on two papers, then a conclusion for the final panel discussion is presented.

Comments on the chapter „Schooling ... Is it worth the effort?
by Tamás Kolosi and Tamás Keller

The chapter presents an empirical analysis of changes in the effects of social origin (father's occupation) on schooling and of schooling on occupational positions and income. Using path models, the authors find that the direct effect of social origin (father's occupation) on the occupational position attained remains constant, but the indirect effect via education become more important. Today, a higher education is a necessary, but not any sufficient precondition for a good job. Similar findings have been reported for many countries.

Findings peculiar for Hungary as a former communist country are found in regard to the effects of schooling on occupational position and earnings. Here a clear decline of the value of primary, vocational and technical education can be observed, while the opportunities of those with higher education did not change very much. However, what was changing strongly was the effect of occupational position on salaries: The salary differences between low and high positions clearly increased. The statistical methods the authors use are very sound, although sometimes (such as in Table 3) the basic numbers of respondents are not large. (Maybe, they should also report in the footnotes to each table the data source)

The authors related these findings to the ongoing political discussion about the value of a higher education for society in general. In Hungary, as they write, at present there are people who argue that there exists an over-education concerning general education and in subjects such as social and juridical sciences, liberal arts and the like. Instead of these topics, education in vocational and technical subjects should be increased more. This is also an argument which in many countries and periods comes to the fore; in the 1980s, for instance, an American researcher wrote a book with the title “The overeducated American” . The authors rightly point to the fact that higher education still is an asset at the labour market, showing that unemployment rates decrease with increasing levels of higher educations, while

salaries increase correspondingly. They recognise that the better chances of the higher educated may also be an effect of pushing out people with lower levels of education from the positions they formerly could occupy, I agree in principle with their argument that the real demands of the labour market are indicated by the spread of unemployment and of salaries. (Below, I will make a reservation in this regard). One could argue, in addition, that graduates who occupy positions formerly held by persons with lower education will also be able to perform the occupational tasks in a more efficient way than those were able. A good example are the university graduates from business administration which in most countries was the most strongly growing academic subject in terms of numbers of students. Most of the jobs that they occupy, formerly were held by yng people coming from middle vocational business schools (Handelsschulen).

In the final section, the authors relate their findings to international data. Here, they show that the effects of schooling on occupational attainment are particularly high in Hungary; they are lower in countries with a strong vocational system of education (such as in the German speaking countries) or in those countries where large propotions of young people attend higher education (as in the Scandinavian and Anglosaxon countries).

(Interestingly, their Fig. 6 shows that Austria has an exceptional position in this regard: A small rate of college degree holders and a relatively low effect of education on occupational attainment. A continuous complaint in Austria today is that the country has not enough university graduates – the reverse as the discussion in Hungary!)

I agree with the argument of the authors that in the 21st century lifelong learning and the convertibility of knowledge is an obvious basic requirement; therefore, “underestimating the functions of the school in providing general knowledge may be extremely harmful.” The authors conclude – and agree also in this regard – that an increase of the selective nature of the school system and a reduction of higher education in non-technical subjects should be avoided; and that the distinction between public and private schooling should be eliminated altogether. I think the experience of the German speaking countries where this distinction is practically inexistent, proves this thesis

In concluding, I would like to point shortly to three issues.

The first concerns the interpretation of the relation between educational level and labour market and income chances. Although I agree, as stated, with the general conclusion of the authors – that higher education is very useful for jobs and incomes – I would argue that this positive relation does not indicate that all graduates from higher education in fact have good opportunities. In Austria, were we observed the same fact, we also see that the risk of becoming unemployed has significantly increased for graduates over the last decades. We also know that many young people enroll in a university mainly in order to avoid open unemployment; this certainly is facilitated by the fact that they have to pay no fees at all in Austria. The conclusion from this is that as social researchers we should also carefully investigate the labour market chances of graduates from higher education.

A second remark concerns the differences in educational and occupational opportunities of male and female young people. As you well know, we can observe in all countries an extremely successful progress of females in higher education; in most academic subjects, they are already a majority. Maybe, the authors could include one-two basic tables on these trend?

This fact leads, in addition, to two obvious questions. One is what the labour market chances of the female graduates are. My personal knowledge about the post-university jobs and careers is that it is particularly female graduates which often face serious difficulties in their

regard. The other question is what is happening with male youth who is dropping out too early from the school system. In this regard, some new forms of disadvantage and even discrimination might be at work. It is obvious that the school is a milieu in which girls feel better than boys. We should make careful research about this new problem.

The third point concerns the occupational, income and life chances of those with the lowest education who often are pushed out of the labour market altogether. This problem also arises because of technological progress and automatization which has eliminated many simple jobs which in former times offered good opportunities for people without vocational education. Two strategies might be necessary in their regard: One is to make sure that the proportion of those who leave the school system without the most basic knowledge and capacities, remains as low as possible; the other is to refrain from the assumption that the mechanization and automatization of work must be carried through everywhere where it is possible.

Comments on the paper "Demography, family households"
by Istvan Harcsa and Judit Monostori

This paper presents a very concise, informative summary of some main trends in regard to family formation, living together, and fertility. The main trends can be summarized as follows:

- A very strong trend is that young people live together longer with their parents in the common household;
 - a significant decrease of fertility has taken place; the one-child pattern becomes most frequent, the two-child family is no longer the norm; also childlessness increases;
 - living together without marriage increases;
- a polarization of these patterns in terms of stratification seems to take place; at the higher levels, well-educated women have fewer or no, at the lower levels, low-educated women have more children.

It is evident that most of these changes are similar in other advanced countries, although with different intensity. They can also be observed in strong form in South Europe, but less in the Scandinavian countries and the USA. What may be the main reasons? Maybe the authors could discuss that also shortly. I think the following were most important:

1. The postponement of forming one's own household, getting married and becoming children might be connected directly with the increasing problems young people face in finding employment. Looking at the aggregate level, there exists a clear negative relation between level of fertility and unemployment of youth: The first is now very low and the second high in east and south Europe; in spite of prevailing family norms, catholic countries like Poland and Italy today have very low fertility rates. (Haller/Ressler 2005).
2. Living together longer with one's parents may itself be a reason for marrying later and getting children later. ... theory of falling in love says that one looks for a steady partner in a situation where one is living alone and seeking personal support. In the parents' household, it is also very convenient and cheap for young people, since most of the household chores are done by one's own parents.
3. A factor contributing to the divergent fertility patterns among women in lower and higher social strata is certainly the success of women in the educational system; young women now attain higher levels of education than men in many countries. A side-effect of this is that the chances of these women to find partners with the same or a higher level of education (a pattern that was usual in the past) have diminished. Educated women expect more than their

partners contribute to household work; attitudes and behaviors of men might not (yet) have been adapted to these expectations.

4. The structures of the welfare state and labour markets may be important. In the Scandinavian countries, the welfare state supports young couples and parents very much, by providing affordable housing (a main problem for young couples), extensive parental leaves etc. In the USA, the labour market is much more flexible, opening job opportunities also for young women after periods of interruption of the career.

Contribution to the final panel discussion on “The Hungarian social and economic conditions”

I would like to discuss three issues in this regard, the issue of the countries with which Hungary should be compared, that of the reasons for the relative backwardness of falling back of Hungary in the last decade, and the issue of national identity.

1. It is certainly very important to compare Hungary in the Social Report to other European countries; this gives a normative anchorage with which Hungarian developments and patterns can be evaluated. I think, however, that one should also reflect somewhat about the countries with which Hungary should be compared; the conclusion from the comparisons certainly are dependent from that decision to a considerable degree. In general, I would argue that Hungary should be compared

a) not only with the EU as a whole, because these figures often conceal large differences between different EU-member states (unemployment, for instance, varies between 5% and 25%!);

b) also non-EU countries in the neighbourhood of Hungary should be included, at least in some regards.

In particular, I think that the following groups of countries can be used as comparison groups:

a) the most advanced, prosperous EU-member states, which now are the central European countries (Austria, Germany, Switzerland, Netherlands); to compare oneself with the most advanced others is certainly always important and happens in reality, because those present the best possibilities feasible at a certain point in time; moreover, at least one of them (Austria) is an immediate neighbor of Hungary and for centuries was part of the same empire.

b) Hungary should also be compared, however, with western EU-countries which are in a great crisis today; these are particularly the south European EU members Greece, Italy, Spain, Portugal with in part extremely high levels of unemployment, public deficits etc. From this point of view, the situation in Hungary does not look that bad.

c) A very important group of countries with which Hungary can be compared are the more advanced post-communist countries Poland, Czechia, Slovakia and Slovenia. They had similar structural and institutional problems to solve than Hungary after the transition in 1989/90; thus, out of their success or failure one could probably draw direct lessons for Hungary.

d) Finally, I think that one should also compare Hungary – at least at some points of the report – to the less developed EU member states in the east and south, such as Romania and Bulgaria, and the Ukraine. Out of these comparisons, Hungary’s achievement may appear much more clearly.

2. Nevertheless, it may be true that Hungary’s development in the last decade was less than optimal. One could reflect about the reasons for this as well. The following main factors can be mentioned here:

a) Politics: It is straightforward to ascribe the modest achievement to politics. Yet, a short look at Austria – one of the most successful countries since 1955 – raises some doubts in this regard. In Austria, a wide-spread dissatisfaction with politics exists, due to the fact that the “grand coalitions” between the leading conservative party (ÖVP) and the Social Democrats, which now are in power since 20 years is unable to introduce necessary basic reforms in many regards (educational and health system, pension reform, constitutional reform). However, maybe we can conclude from this fact that it is better if politics does not interfere at all too much in social and economic affairs. One thing, however, is certainly fundamentally different between Austrian and Hungarian politics: In Austria, there was a high level of continuity of politics between successive governments, while in Hungary – as in most other post-socialist countries – there exists a high volatility in this regard. Thus, the establishment of a stable system of political parties with clear programmes and voter supports might be a very important aim to be achieved in the years to come.

b) Economic performance: One could argue that entrepreneurs and economic elites as well as workers and employees in the successful central EU member countries had the better educational and occupational skills and were able to perform their work more efficiently and thus achieve their aims and make use of the new opportunities offered after the breakdown of the Iron Curtain. There might be some truth in this hypothesis; for instance, the system of dual vocational education for manual occupations is unique to the German speaking countries and may contribute to low unemployment among youth and a skilled manual labour force.

However, comparable advantages in the systems of higher education can hardly be found. Here, a change in the political-economic environment might have been most decisive. We can say that the expansion of west European (particularly Austrian and German) banks and enterprises in east Europe was supported strongly by the fact that these countries were rather open to their investments, that the EU accession was connected to (Auflagne) which helped the western firms to take over eastern enterprises. Thus, a kind of a “dependent” economic relationship developed which enabled the western enterprises to get huge returns to their investments in East Europe (10 to 15% for considerable period). The fact that up to 50% of Hungarian banks now are owned by foreign companies illustrates this fact. It was a significant reaction of the Austrian banks, for instance, that they protested massively when the Orban government enacted a law imposing new taxes on foreign banks.

The fact that the EU imposed patterns of “unequal exchange” to its member states is also indicated by the present deep-going crisis of the south EU member states and the resulting Euro crisis. The Euro today appears as a “Trojan horse”: Instead of strengthening the economies of France, Italy etc. it in fact worked as a mechanism enforcing the economic power of Germany and the countries closely allied with the D-Mark (Austria, Luxembourg, Netherlands), depriving the south European countries of their capacity to carry through an independent currency policy which would have helped to come to grips with the economic crisis and the growing deficit in their trade balance. In this regard, Hungary is in a better situation since it can carry out such a policy.

c) This leads to the last point which I would like to discuss here, the issue of national identity and independence. It is one of the characteristics of Hungary in worldwide comparison that its population shows a high level of national identity and pride. (This was shown in several ISSP-surveys; see e.g. Haller 2010) This might be explained by its specific culture (in no other country Hungarian, a very peculiar language, is spoken), its old history as a distinct nation, and its continuous (albeit often unsuccessful) efforts to preserve or re-gain national independence from foreign powers. I think that a high level of national identity and pride is an

asset for politics and society. It makes it easier to arrive at common political aims, to carry through reforms, and to set equality as a main goal of politics.

Hungarians which has been noted also in several of the papers presented: A high level of depressions, low trust, low life satisfaction. The Journalist Andras Kirò with whom I had a short conversation during a break said that Hungarians are characterised by a “victim mentality” ascribing the reasons for all problems and expecting their solutions from others.

In this regard, I think also that the problem of the Romas is of utmost importance. The coming to power of a conservative-right party and the gaining of 10% of the votes by a proper right-wing party are closely related to this fact. There exists a parallel here to Austria (and other west European countries like Belgium or the NL): the right-wing FPÖ became so strong because it was able to instrumentalize the issue of immigration from Turkey not the least because the dominant parties were reluctant to discuss this at all.

My conclusion from this would be that the forthcoming Social Report should include at least one specific chapter to the issue of the Romas, showing that their problems have structural roots and cannot be ascribed to some innate characteristics, that is, explained by racist arguments.

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