



**MINISTRY OF ECONOMY AND TRANSPORT
HUNGARY**

Report of the Hungarian National Contact Point to the OECD IC

Budapest

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A/ Institutional Arrangements

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Composition of the Hungarian National Contact Point (HNCP)

The organizational structure is bilateral, the HNCP is an interdepartmental government body with permanent members. If needs arise the number of members can be temporarily increased by ministries affected in harmony with the nature of problem emerged.

Recent permanent members of HNCP

Ministry of Economy and Transport (MoET)
Ministry of Finance (MoF)

From the beginning of foundation of HNCP MoET and its legal predecessors worked as a Secretariat for the HNCP and a permanent member of HNCP at the same time. HNCP made decision on the basis of consensus.

The main supervisor and the person in charge of HNCP is the State Secretary for Economic Development of MoET.

B/ Information and Promotion

The main information source on the Guidelines is the home page of MoET and the HNCP itself in the MoET. The address of HNCP and other relevant information are as follows:

Guidelines

<http://www.gkm.gov.hu/feladataink/kulgazd/oecd/iranyelvek/iranyelvekoecd.html>

HNCP

<http://www.gkm.gov.hu/feladataink/kulgazd/oecd/kapcsolattarto.html>

The text of the Guidelines together with all relevant information (e.g. Commentaries, Declaration, etc) was translated to Hungarian language. The most important and essential documents are on the Internet Homepage (see below).

- Brief press release (summary) of Hungarian language on the Guidelines

<http://www.gkm.gov.hu/feladataink/kulgazd/oecd/osszefoglaloOECD.html>

- Procedural guide of Hungarian language on the Hungarian NCP (explains what and how to do in the case of enquiry)

In 2007-2008 special training or seminars on the Guidelines or related issues were not organised. Apart from the Internet the HNCP did not carry out direct activity in order to popularise the Guidelines. However the MoET which is in charge of HNCP and provides the operational territory of HNCP continued significant efforts to ease social standing position of roma minority and to improve chances of this ethnic group. In the MoET CSR director, Mr. Sándor Lakatos was appointed putting weight on the theme. Earlier Mr. Sándor Lakatos was dealing with roma affairs as a commissioner. In the capacity of CSR director Mr. Sándor Lakatos delivered a lecture on the joint conference of UNDP and MoET in June 2007. Antecedents of this event were that the UNDP launched its first regional project on CSR. Target was to transfer experience gained on enterprise CSR to the new member states of EU and the candidates. Besides Hungary Bulgaria, Poland, Slovakia, Croatia, Macedonia, Turkey and Lithuania participated in. Lithuania was the main coordinator of the project and the UNDP representatives of member states' also promoted the case. Among others on this conference you could have listening to that the CSR is not totally unknown for the Hungarian enterprises but they have to do a long way in order to be familiar with it as it is in the developed countries. Therefore their goal is to handle the topic as an organic part of business activity.

The project supported by EU Commission is being carried out by Budapest Office of UNDP together with MoET, KÖVET-INEM Hungária Association, the AIR Working Group and Association of Conscious Consumers in close co-operation. The finalised study after working up all proposals and requests was presented in Brussels by the eight countries in June 26, 2007 on a joint conference.

The basic study on Hungary was written by the TÁRKI and the experts of CORVINUS University. Research activity took place in March-April 2007 and approximately 60 enterprises and NGOs were involved in a long series of interviews. As a result of the research it was stated that though the enterprises could recognise the importance of CSR the civil sector itself is not strong enough in Hungary to take firm steps against irresponsible behaviour of enterprises.

Summarising experiences coming out from the examination the research group stated that bulk of enterprises were not able to precisely judge the cost of CSR activity within the normal business operations. However on the basis of the European experiences the players of the programme believe that the CSR can turn into a profit producing function in Hungary as well as.

In November 14, 2007 Mr. Sándor Lakatos who was invited by EU Interministerial Committee for roma affairs hold a presentation in Brussels on results in the field of roma affairs. He presented the Hungarian way of SME supporting and developing policies and practice and was speaking about the five year continuous effort targeting the roma minority of 700 000 heads. He pointed out that this community can have economic value for the very strict market. More and more foreign ventures settled in Hungary can take into consideration the roma people as consumers and economic factors.

Hungary was the first among the EU countries which could start her application system financed by state aids for SMEs owned by roma people gaining good practice and experience. Despite the problems the EU thinks that Hungary went ahead and her results were

appreciated. About the five year CSR activity international presentation was planned in the first half of 2008 involving the leaders of MNs.

In 2007 the MoET published its application system for the SMEs owned by roma people in order to improve their market chances and to develop their competitiveness and to support their investments by state aids. Target was to promote ventures initiated and carried out by roma people in the SME sector. Roma entrepreneurs could purchase machinery, equipment, IT means, and vehicles moreover they could develop their productive real estates. Applicants could gain support of max. 5 million HUF. Aid intensity could rise up to max. 65%. Applications could be submitted between April 2–June 4, 2007. Available funds were 250 million HUF. By the end of 2007 52 valid contracts were signed.

Beside the ministerial programme and within the New Hungary Development Program the Economic Development Operational Programme (EDOP) has got much bigger significance since it is dealing with equality of opportunities in a stressed way though the CSR as a phrase is not mentioned in this programme. The EDOP took into consideration that the employment of Roma population was very low in comparison with the national average. Estimates show that the employment level of the Romas is less than half of the employment data of the non-Roma population. Also their unemployment rate is three to five times higher than that of the rest of the nation, the number of dependents of one salary-earning member is three times higher. The national representative sample of the Roma population, taken in 2003, showed that the employment rate of the Roma population at employment age is only half of that of the nation's total population at employment age. The average unemployment rate of the Roma population is 40%, but in some highly undeveloped regions of the country it is as high as 90%.

The interventions planned are expected to have a positive effect on the equality of opportunities:

- Assistance to job creating investments in regions lagging behind. As the rate of the Roma population in the 25 small region that are most lagging behind is much higher than the national average, at the work places created with the assistance of the projects the rate of the Roma population among the employees will be higher than the average.
- Assisting the usage of ICT technologies and applications applicants will have a chance to utilise distance work opportunities, contributing to the employment of the disabled, or women. EDOP enables a higher involvement of women to high prestige professions and work places by creating jobs that are related to research & development or requiring other higher educational skills, as well as promoting them to establish enterprises, or supporting them to become entrepreneurs.
- At the micro-financing measures of EDOP women, Roma and disabled entrepreneurs can be preferred (enabling these to be included as separate aspects in the scoring).
- Free physical and communicational accessibility of public places as well as.

In accordance with the expectations of the European Union, fulfilment of requirements of sustainability, equality of opportunities and prohibition of discrimination have to be monitored both on programme and project level.

These lasting actions taking place for five years can prove that the joint efforts of the institutional and company background, the legislation itself are more decisive than the HNCP's lonely activity could be ever since all those principles, recommendations which are organic parts of the Guideline continuously went into practice directly.

It is remarkable that on Internet of Hungarian language on one of the best known Internet e-media (www.startlap.hu) anyone can find a sheet on CSR (see <http://csr.lap.hu/>). The largest MNEs have enterprise level business ethics issued publicly on another Internet sheet: <http://uzletietika.lap.hu/#top>

Some samples on enterprise level business ethics:

Bell ReEsearch Magyarország , British Petrol , Budapesti Távhőszolgáltatási Rt. , Dunaferr Rt., Johnson & Johnson , MOL Rt. , Nortel Networks , Novartis , Rockwell , Texas Instruments .

On the same Internet sheet numerous business ethics of the professional organisations and industrial branches can be read.

C/ Implementation in Specific Instance

Specific instance was not submitted to HNCP.

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