

## 4. HOUSING AND MATERIAL CONDITIONS

## 4.1. Introduction

This chapter investigates the housing conditions of European households and the availability of household durable goods. Special emphasis is placed on comparing Hungary to the old and the new member states of the European Union.

In our analysis of housing conditions, in Section 4.2 we discuss the financial burdens of sustaining a home, the quality of housing and whether crowding is experienced by families and households. Durable goods are the subject of Section 4.3, where, in addition to presenting data on the availability of household appliances in the home (colour television, telephone, washing machine, computer), we also look at ownership of cars – one of the durable goods of the highest value.

## 4.2. Housing

### 4.2.1. Housing conditions – housing integration

Analysis of housing conditions is clearly important for social policy. The residential segregation of disadvantaged populations and the poor, and the emergence of city slums are subjects that are widely discussed in social research. Till (2002) investigates *housing integration* with reference to risk of homelessness. The author finds that different groups can be distinguished according to problems related to the *affordability, quality* and *size* of housing, and that the welfare systems of the various European countries included in the study handle the problem of those populations at risk of homelessness with varying degrees of efficiency. Our study also takes these three factors as the focus of inquiry. Our discussion centres on the position of Hungary, relative to the old and the new member states of the EU, with respect to housing conditions and integration.

Although housing integration is an uncommon notion in housing research, it has appeared in a number of studies since the 1960s. The concept usually appears in the context of the residential segregation of ethnic minorities, and is used as the opposite of the concept of segregation. It is used in this sense, for instance, by Phillips (2006) in her qualitative analysis of the housing conditions of refugees housed by local governments in the UK.

The most comprehensive discussion of the concept is found in the publications of the EUROHOME-IMPACT project, where it is used with a slightly more general meaning. The research was conducted under the aegis of the EU Fifth Framework Programme from 2000 to 2002. Till's paper (mentioned above) was written as part of the project. The researchers argue that three conditions all need to be met for housing integration to materialize: (1) if no problems are faced with regard to affordability, (2) if the housing standard is high and (3) if crowding is not experienced (Giorgi, 2003).

## 4.2.2. Dwelling type and tenure status

Looking at the data on dwelling type (*Figure 4.1*), we find a higher proportion (56 per cent) of detached houses in Hungary, compared to the average for the old EU-15 member states (41 per cent) or the new member states (29 per cent). Semi-detached and terraced houses are more frequent in the old member states (27 per cent), as are small apartment buildings (21 per cent).

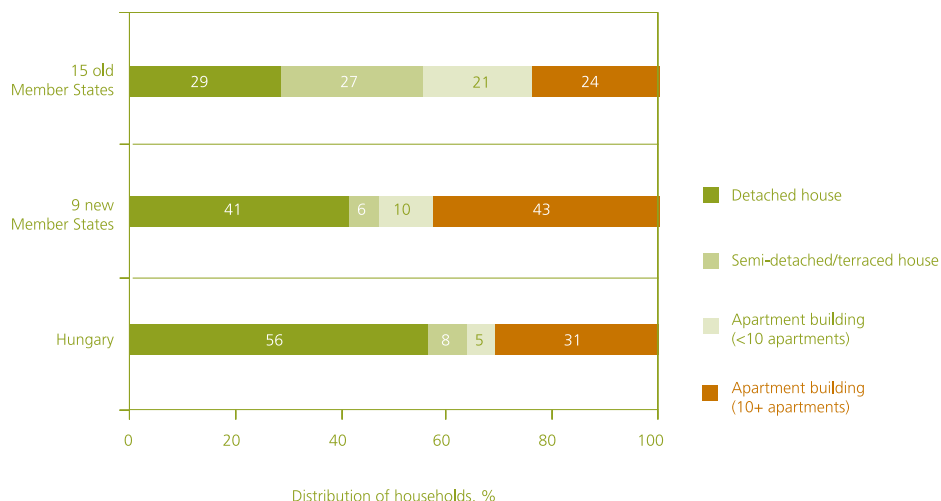


Figure 4.1: Distribution of households according to dwelling type in the old and new member states of the European Union and in Hungary (%)

Source: EU-SILC (2005)

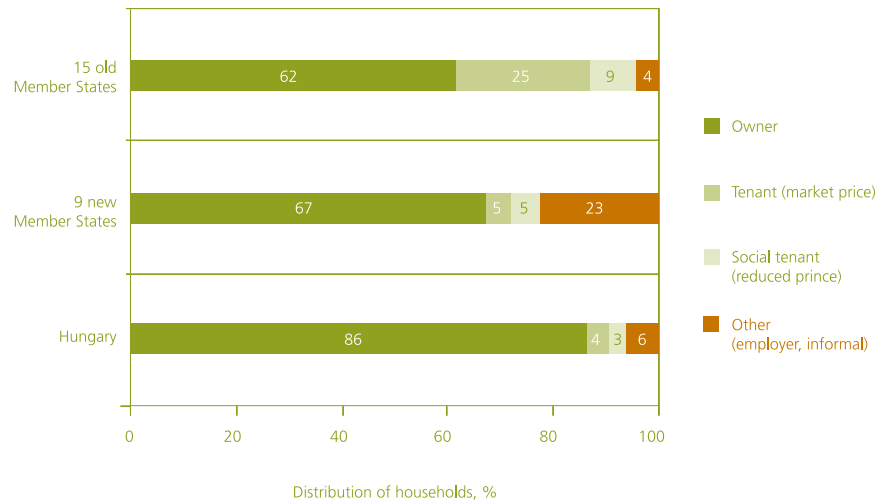
This is probably related to the characteristic (state-socialist) policies of industrial and urban development in the new member states, which are reflected in the fact that, in those countries, over two-fifths (43 per cent) of dwellings are to be found in apartment buildings containing 10 apartments or more. We should note here that Hungarian housing standards were found to be among the best in the former socialist countries at the end of the eighties and beginning of the nineties (Hegedűs et al., 1994).

Hungary stands out for its exceptionally high share (86 per cent) of owner occupiers (*Figure 4.2*). The value of this indicator rose to a high level in the nineties, after the regime change, when the housing stock in council or local government ownership was privatized. The proportion of council housing did not, however, fall to the level (3 per cent) observed in Hungary in every former socialist country. In the Czech Republic, for instance, every fifth household (20 per cent) lives in rented social housing, and a similar percentage is to be found in Finland. Subsidized social housing makes up a similar share of the housing stock in France (16 per cent) and the United Kingdom (14 per cent). An outstandingly high share of households rent their dwellings at market price in the Netherlands (45 per cent), Germany (44 per cent), Denmark (42 per cent) and Sweden (40 per cent). Other types of tenure (employer-provided housing, informal rent-free arrangements) are exceptionally frequent in Poland.

THE SHARE OF SOCIAL HOUSING HAS NOT DROPPED TO THE LEVEL OBSERVED IN HUNGARY (3 PER CENT) IN EVERY FORMER SOCIALIST COUNTRY.

Figure 4.2: Distribution of households according to tenure status in the old and new member states of the European Union and in Hungary (%)

Source: EU-SILC (2005)



### 4.2.3. Affordability of housing – sustainability of dwellings

THE COST OF KEEPING UP THEIR HOME IS A HEAVY BURDEN FOR 20–25 PER CENT OF HOUSEHOLDS IN HUNGARY. HOUSEHOLDS IN PORTUGAL, LITHUANIA, POLAND AND CYPRUS ARE THE MOST LIKELY TO REPORT THAT THEY ARE UNABLE TO KEEP THEIR HOMES SUFFICIENTLY WARM.

The affordability of housing and the cost of home upkeep can be captured by several indicators. Our analysis relies on two subjective indicators: the share of households able to keep their homes sufficiently warm and the share of households where housing costs constitute a heavy financial burden.

Looking at the values of the former indicator in the EU-24 (*Figure 4.3*), we find that households are most likely to report being unable to keep their homes sufficiently warm in Portugal, Lithuania, Poland and Cyprus. Hungary is in the middle of the range: heating is not a problem in four out of five households, but it is a problem in the remaining one household. Similar figures apply to Greece, Belgium and Slovakia, while in the rest of the countries at most one household in ten experiences difficulties of this kind.

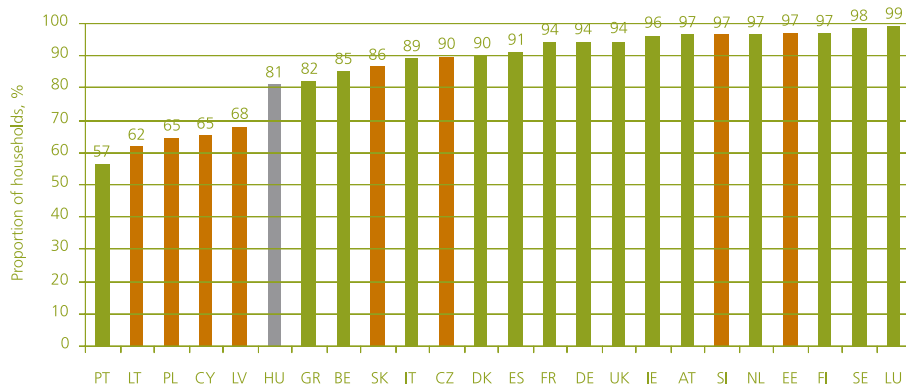


Figure 4.3: Share of households able to keep their homes sufficiently warm in the European Union, by country (%)

Source: EU-SILC (2005)

The countries with the highest share of households that struggle to meet housing costs are Cyprus (61 per cent), Italy (51 per cent), and Poland and Estonia (45 per cent each). Hungary is once again in the middle of the range: housing costs are a heavy burden for about a quarter (24 per cent) of Hungarian households, which places the country in the same league as Greece, the Czech Republic, Denmark, the United Kingdom, Germany and Portugal (Figure 4.4).

THE COUNTRIES WITH THE LARGEST SHARE OF HOUSEHOLDS THAT FIND HOUSING COSTS TO BE A SEVERE PROBLEM ARE CYPRUS (61 PER CENT), ITALY (51 PER CENT), POLAND AND ESTONIA (45 PER CENT).

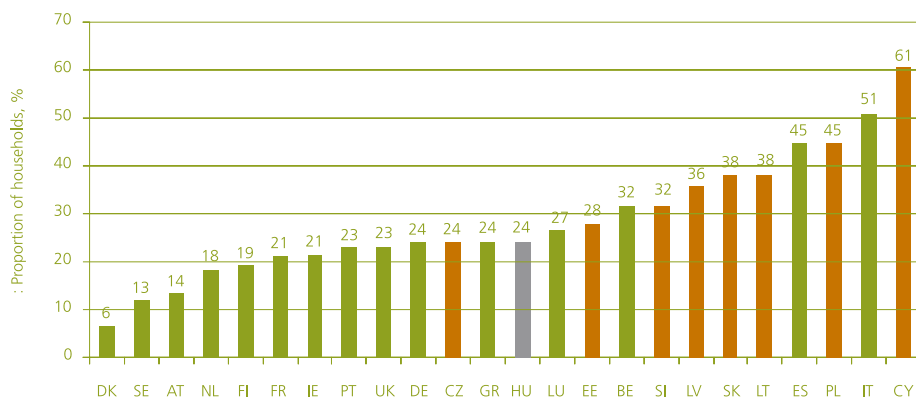


Figure 4.4: Share of households struggling to meet housing costs in the European Union, by country (%)

Source: EU-SILC (2005)

## 4.2.4. The size of dwellings

In terms of the average number of rooms in a dwelling, Hungary (2.54 rooms) falls behind both the member states that joined the EU in 2004 (2.76 rooms on average) and the older member states (3.84 rooms on average).

The EU-SILC database – unfortunately – does not record data on the size of the living area of dwellings, and thus we only have the number of rooms to use as an indicator of dwelling size. We know from other data sources, however, that dwellings in Hungary have an average surface area of 78 m<sup>2</sup>. Average living spaces below that are only recorded in the following countries: Slovakia (56 m<sup>2</sup>), Latvia (57 m<sup>2</sup>), Lithuania

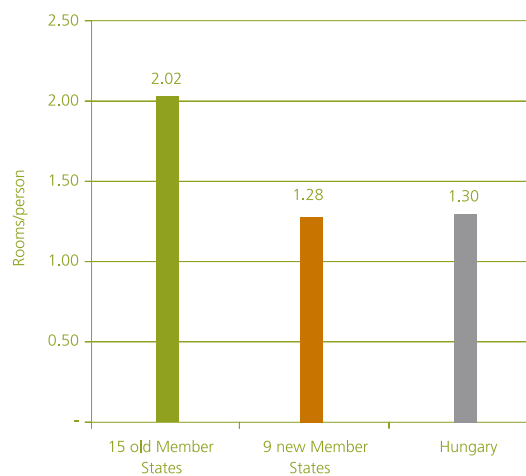
THE WORST LEVEL OF CROWDING IS OBSERVED IN LATVIA; BELGIUM HAS THE LEAST OVERCROWDING.

(60 m<sup>2</sup>), Poland (69 m<sup>2</sup>) and Finland (76 m<sup>2</sup>). The largest average living spaces in Europe are observed in Luxembourg (126 m<sup>2</sup>), Slovenia (114 m<sup>2</sup>) and Denmark (111 m<sup>2</sup>). For the sake of reference, the value of this indicator was 165 m<sup>2</sup> for the United States in 2003 (UNECE, 2006).

In terms of the *number of rooms per person*, however, Hungary keeps up with the countries in its group. The average number of rooms per person in Hungary is 1.3, as opposed to an average of 1.9 for the 24 countries under consideration. The indicator has a value of 2.02 for the old member states and 1.28 (equivalent to the Hungarian value) for the group of new member states (*Figure 4.5*). Crowding presents the greatest problem in Latvia (1.15 rooms per person) and the least problem in Belgium (2.64 rooms per person). The Hungarian figure therefore does not deviate significantly from the figures characterizing the new member states.

Figure 4.5: Average number of rooms per person in the old and new member states of the European Union and in Hungary

Source: EU-SILC (2005)



#### 4.2.5. Standard of housing

DWELLING STANDARDS IN HUNGARY LAG BEHIND THE EUROPEAN AVERAGE IN SEVERAL RESPECTS. A LARGE PROPORTION OF BUILDINGS HAVE STRUCTURAL DEFECTS, AND DWELLINGS THAT LACK BASIC SANITARY AMENITIES ARE FREQUENT. THE HIGHEST INCIDENCE OF DILAPIDATED BUILDINGS WAS REPORTED IN POLAND, LATVIA, CYPRUS AND HUNGARY.

With respect to the quality of residential buildings (*Figure 4.6*), Hungary fares badly compared to the majority of countries. Major structural defects in the condition of their building are reported by 34 per cent of households: these faults include a leaking roof, rotten window frames and damp walls. Similar or worse conditions are only recorded for Poland (42 per cent), Latvia (38 per cent) and Cyprus (36 per cent). Respondents in Finland, Sweden, Slovakia and Denmark report residential buildings to be in the best state of repair.

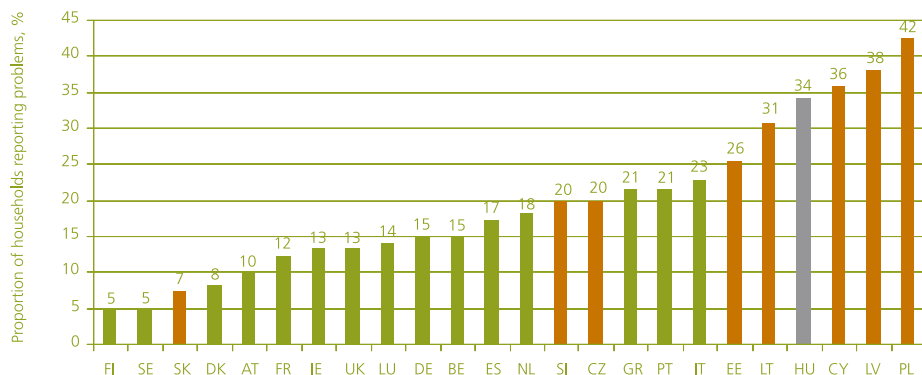


Figure 4.6: Percentage of households reporting 'leaking roof, damp walls/floors/foundation, or rot in window frames or floor' in the European Union, by country (%)

Source: EU-SILC (2005)

It may come as a surprise that a low proportion (7 per cent) of households in Slovakia report major defects in residential buildings. As there is substantial variation between the countries, the figure characterizing Hungary is not significantly different from the average for the nine new member states (Figure 4.7).

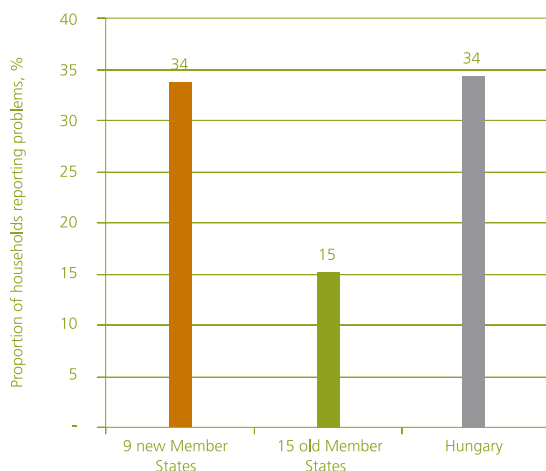


Figure 4.7: Percentage of households reporting 'leaking roof, damp walls/floors/foundation, or rot in window frames or floor' in the old and new member states of the European Union and in Hungary (%)

Source: EU-SILC (2005)

In terms of basic sanitary facilities, the Baltic states are in the worst position, with the highest proportion – over 20 per cent – of households lacking private access to a bath or shower (Figure 4.8) or a private flush toilet (Figure 4.9). Hungary and Poland, though in a far better position than the Baltic states, still lag behind the rest of Europe in this respect. In these two countries, about 10 per cent of households live in dwellings with no baths or flush toilets, while the corresponding figure is typically below 5 per cent in the rest of the countries of the EU.

WHEN IT COMES TO BASIC SANITARY FACILITIES, THE BALTIC STATES ARE IN THE WORST POSITION.

Figure 4.8: Share of households living in dwellings with no bath/shower in the European Union, by country (%)

Source: EU-SILC (2005)

Note: No data are available for the Netherlands.

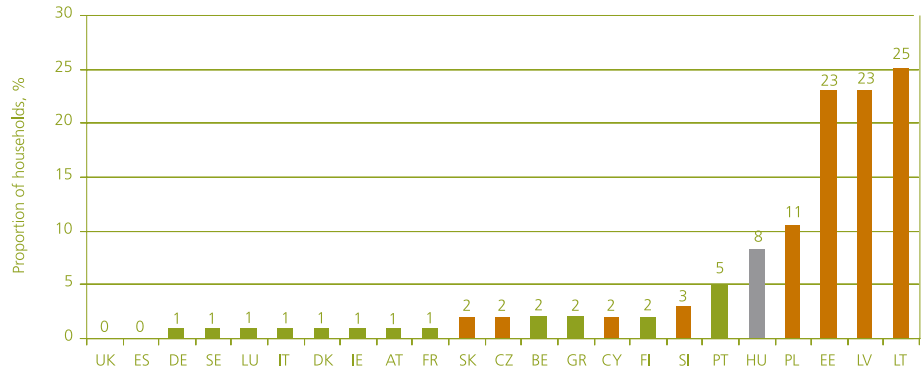
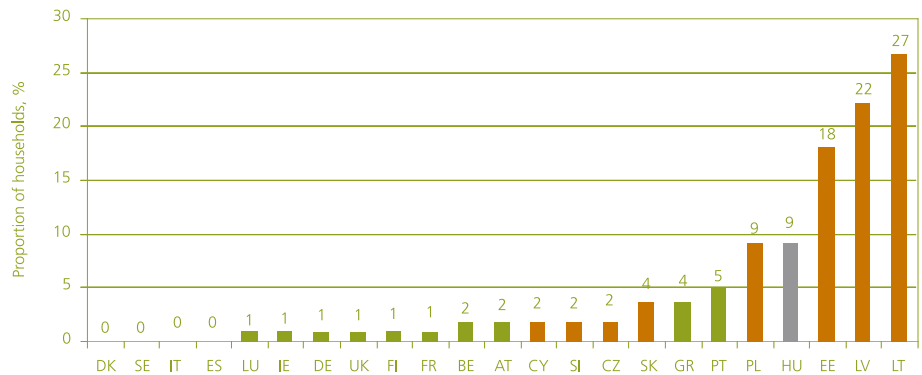


Figure 4.9: Share of households living in dwellings with no private flush toilet in the European Union, by country (%)

Source: EU-SILC (2005)

Note: No data are available for the Netherlands.



In addition to the above indicators, one further measure of housing standards (of the many available) is discussed here: the amount of light entering the home. This indicator also relies on the personal assessment of household survey respondents (Figure 4.10). This seemingly banal, insignificant factor has an effect on the market value of the property, as well as on the mental well-being of the residents. Psychological experiments demonstrate that having insufficient light is related to the development of symptoms of depression, and artificial lighting can only be a limited substitute for the biological effects of natural light, as is shown by research into well-being and the seasons of the year.<sup>48</sup>

<sup>48</sup> As with everything, there is a three-letter English acronym for this condition, which is not only short but – in this case – also witty. Seasonal Affective Disorder is abbreviated to SAD. See Rosenthal (1993).



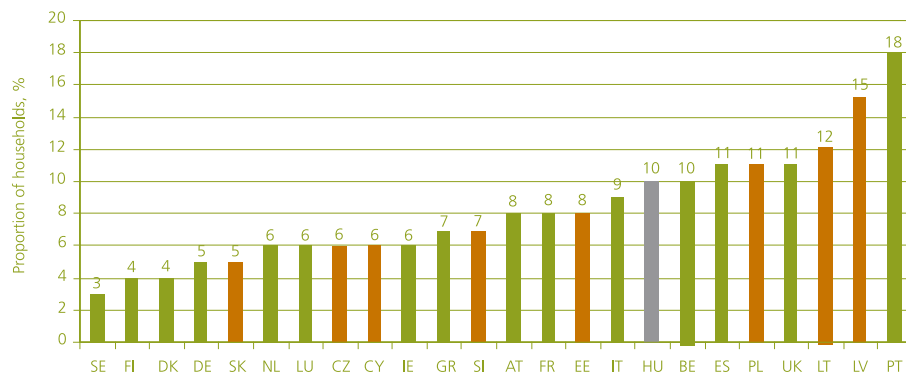


Figure 4.10: Proportion of respondents who find the dwelling ‘too dark, with not enough light’ in the European Union, by country (%)

Source: EU-SILC (2005)

A lack of light in the dwelling is most frequently reported in Portugal (18 per cent) and the Baltic states (11–15 per cent). The situation is not much better in the United Kingdom, Poland, Spain, Belgium or Hungary, but the indicator values characterizing these countries do not differ significantly from the European average (8 per cent).

#### 4.2.6. Degree of housing integration

If housing integration is to be captured by a single indicator, the factors considered above need to be mapped onto a single value, while preserving their information content relevant to the latent dimension under consideration – housing integration. This goal was achieved by factor analysis (principal components analysis). The following variables were included in the analysis:

- Affordability:
  1. housing costs are very difficult to secure (dichotomous, 1 if yes; 0 if no);
  2. there are no adequate heating facilities (dichotomous, 1 if yes; 0 if no).
- Standard of dwelling:
  1. there is no flush toilet (dichotomous, 1 if yes; 0 if no);
  2. there is no bathroom (dichotomous, 1 if yes; 0 if no);
  3. building has major faults (dichotomous, 1 if yes; 0 if no);
  4. dwelling is dark (dichotomous, 1 if yes; 0 if no).
- Space, crowding:
  1. there are over two people to each room (dichotomous, 1 if yes; 0 if no).

The outcome of the principal components analysis of the seven variables is shown in *Table 4.1*.

Table 4.1: Principal components analysis of factors measuring housing integration

Source: Authors' computations based on EU-SILC (2005)

\*Note: factor weight below 0.1. The factor analysis was run on unweighted data.

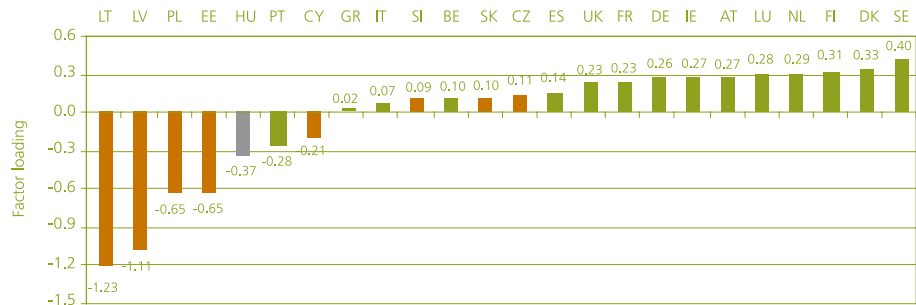
Explanatory variable	Principal component 1	Principal component 2
No bathroom	0.82	-0.43
No flush toilet	0.81	-0.45
Crowded	0.51	0.41
Building defects	0.38	0.31
Dark dwelling	0.33	*
Costs are difficult to pay	0.24	0.63
No heating	0.43	0.49
Eigenvalue	2.09	1.31
Explained variance	29.82	18.67

The first principal component corresponds to housing integration, the latent dimension to be measured, since each variable has a positive factor weight here. The factor loadings quantify the phenomenon under investigation in a standardized format (expected value of 0, standard deviation of 1). Finally, the inverse values of the factor loadings were taken to let higher values indicate a more integrated position and lower values signal a lack of integration. Since our factor loadings are standardized, a value close to 0 signals average European housing conditions.

Figure 4.11: Average housing integration factor scores in the European Union, by country

Source: Authors' computations based on EU-SILC (2005)

Note: Weighted data.



WITH RESPECT TO HOUSING INTEGRATION, LITHUANIA AND LATVIA FARE WORST, WHILE THE SCANDINAVIAN COUNTRIES COME OUT BEST.

As Figure 4.11 shows, Lithuania and Latvia are in the worst position with respect to housing integration, followed by Estonia and Poland. Cyprus, Portugal and Hungary fare slightly worse than the European average. Among the new member states, the Czech Republic, Slovenia and Slovakia are in line with the European average. The states with the most highly integrated housing conditions are the Scandinavian countries, Sweden, Denmark and Finland. Some other old member states also fare better than average: the Netherlands, Luxembourg, Austria, Ireland, Germany, France and the United Kingdom. The values of the factor loadings capturing housing integration show the greatest dispersion for disadvantaged countries: the Baltic states, Poland and Hungary (Tárki–UniCredit, 2008, Table F4.4), which indicates that these countries are characterized by heterogeneity and stratification with respect to housing standards and problems (crowding, upkeep).

## 4.2.7. Substandard dwellings, problems of quality and income conditions

Investigating one of the factors of housing integration in isolation – namely, the distribution of substandard dwellings or dwellings in need of renovation across the EU countries – a highly similar picture emerges (*Figure 4.12*). Substandard dwellings are defined as dwellings with no bathrooms or flush toilets, or that are in buildings with major structural defects. Almost 1 per cent of households (1.82 million) in the 24 European countries under study live in dwellings of this kind. Some 81 per cent of those housed in substandard dwellings (1.48 million households) live in the nine new member states. Among the old member states, substandard dwellings are effectively nonexistent in Denmark, Sweden, the Netherlands and the United Kingdom – none were recorded in the survey sample.

The residents of substandard dwellings live on incomes below the average in each of the countries, but there is substantial variation in the income gaps that exist between them and households living in standard accommodation (*Table 4.2*). The gap is 20 per cent in Italy at one end of the scale, and 54 per cent in the Czech Republic at the other end.

Housing that is dilapidated or in need of renovation is defined as dwellings where at least one of the quality problems discussed above are observed, i.e. lack of bathroom or toilet, or structural defects in the building. Almost one-fifth (19.1 per cent) of the European households that were studied live in housing of this kind. This proportion approaches 50 per cent in some of the countries, while it remains below 10 per cent in others, i.e. there are substantial differences between the countries (*Figure 4.12*). The order of the countries does not change, however, compared to the ranking observed for housing integration and the incidence of substandard dwellings. In Hungary, over one-third of dwellings are dilapidated and in need of renovation.

OVER A THIRD OF DWELLINGS IN HUNGARY ARE IN NEED OF RENOVATION. THE SHARE OF HOUSEHOLDS LIVING IN SUBSTANDARD OR RUN-DOWN HOUSING IS HIGHEST IN THE NEW MEMBER STATES OF THE EU.

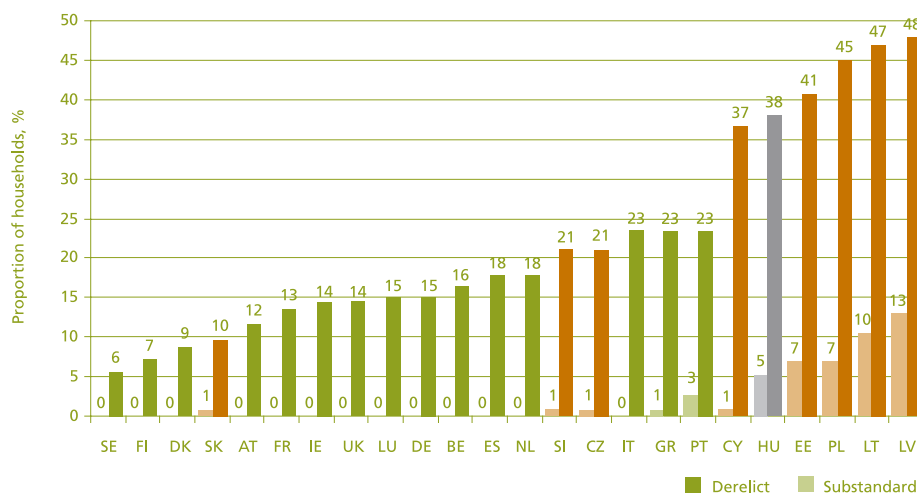


Figure 4.12: Share of households living in substandard or dilapidated housing in the European Union, by country (%)

Source: Authors' computations based on EU-SILC (2005)

Table 4.2: Average annual equivalent incomes of households living in standard and substandard dwellings in the European Union, by country

Source: Authors' computations based on EU-SILC (2005)

Note: Disposable income is the income remaining to a person after costs have been deducted. It is the portion of income available to spend.

Country	Average annual equivalent disposable income, Euros	Income of households living in standard housing, Euros	Income of households living in substandard housing, Euros	Income of households living in substandard housing, % (households in standard housing = 100)
AT	20 212	20 232	10 147	50.2
BE	18 634	18 671	10 500	56.2
CY	14 653	14 747	7 910	53.6
CZ	4 747	4 772	2 188	45.8
DE	16 684	16 687	9 435	56.5
DK	22 362	22 362	n.a.	n. a.
EE	3 444	3 549	2 029	57.2
ES	12 238	12 246	6 444	52.6
FI	18 704	18 714	11 482	61.4
FR	18 237	18 261	9 983	54.7
GR	10 990	11 047	5 568	50.4
HU	3 885	3 962	2 474	62.4
IE	21 387	21 418	12 244	57.2
IT	16 718	16 725	13 301	79.5
LT	2 467	2 594	1 371	52.8
LU	33 000	33 013	20 777	62.9
LV	2 649	2 812	1 535	54.6
NL	19 300	19 300	n.a.	n. a.
PL	3 158	3 261	1 772	54.4
PT	9 630	9 768	4 733	48.5
SE	18 173	18 173	n. a.	n. a.
SI	9 123	9 169	5 154	56.2
SK	3 041	3 049	1 920	63.0
UK	22 104	22 104	n. a.	n. a.

### 4.3. The availability of durable goods

The economic position of European households may be captured by the availability of certain durable goods in the household. The position of Hungary among the 24 countries of the European Union is analysed in our study in terms of the availability of cars, washing machines, colour televisions, telephones and computers.

This section looks at the 'minimum requirements' of living standards by examining the availability of widely used appliances (colour television, telephone, washing machine) in the household, with the aim of revealing what percentage of households in the individual EU member states lack these basic goods. It should be noted, however, that poverty may not be the only explanation for the absence of a colour TV, telephone or washing machine in a household, since households, even in the

developed Western states, may, on rare occasions, choose not to use these seemingly basic goods for cultural rather than financial reasons: they may decide not to watch television, use telephones or washing machines (because they use laundry services).

Cars and computers are assigned to a separate group of household goods in our analysis. Their availability introduces more variability between individual countries, as well as within them, and thus they are better suited to capturing differences in financial position between countries and households. The distinction between financial vs. lifestyle choices, of course, holds for this group of goods as well; that is, the decision to own certain kinds of equipment of high value may be influenced by the needs, lifestyle, skills or abilities and cultural standing of people in the household, in addition to their financial circumstances. At the same time, it seems self-evident that households in a better financial position are more likely to want and to acquire these goods. There may be further factors to account for the figures for car ownership in Hungary in comparison to the rest of Europe, which will be discussed briefly.

One way of measuring the financial standing of households is to look at the incidence of durable goods that are widely perceived to be basic components of everyday life and that are affordable to all but those in dire financial straits. However – as was mentioned above – it is also well known that there is a small section of the population that has a clearly high standard of living and that could easily afford to buy goods of relatively high value, and yet is disinclined to do so for reasons of lifestyle or cultural considerations. We also find goods that are genuinely beyond the means of a lot of households and that are not actually necessary; our analysis involves cars and computers in this category.

We now look at the availability of some basic household appliances – colour televisions, telephones and washing machines – in European households. We find that almost all EU households are equipped with television sets and some kind of phone: 97 per cent of households in the 24 EU countries under consideration have colour televisions, and the same percentage have landline and/or mobile phones (*Figures 4.13 and 4.14*).

The availability of colour televisions in Hungary is in line with the EU average, i.e. 97 per cent of Hungarian households are equipped with a colour television. Hungary is thus located in the middle of the range, but there is very little variation between countries (*Figure 4.13*). Across Europe, only 5 percentage points (within the margin of sampling error and thus essentially negligible) separate the two extremes of the ‘most advanced’ countries (where almost all households have a colour TV) and the ‘least advanced’ (where 94 per cent have). In summary, then, at least 94 European households in 100 have colour televisions, and this ratio can be as high as 99 households in 100 in some of the countries.

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THE ABSENCE OF DURABLE HOUSEHOLD GOODS DOES NOT NECESSARILY IMPLY POVERTY; IT MAY BE EXPLAINED BY CULTURAL OR LIFESTYLE CHOICES.

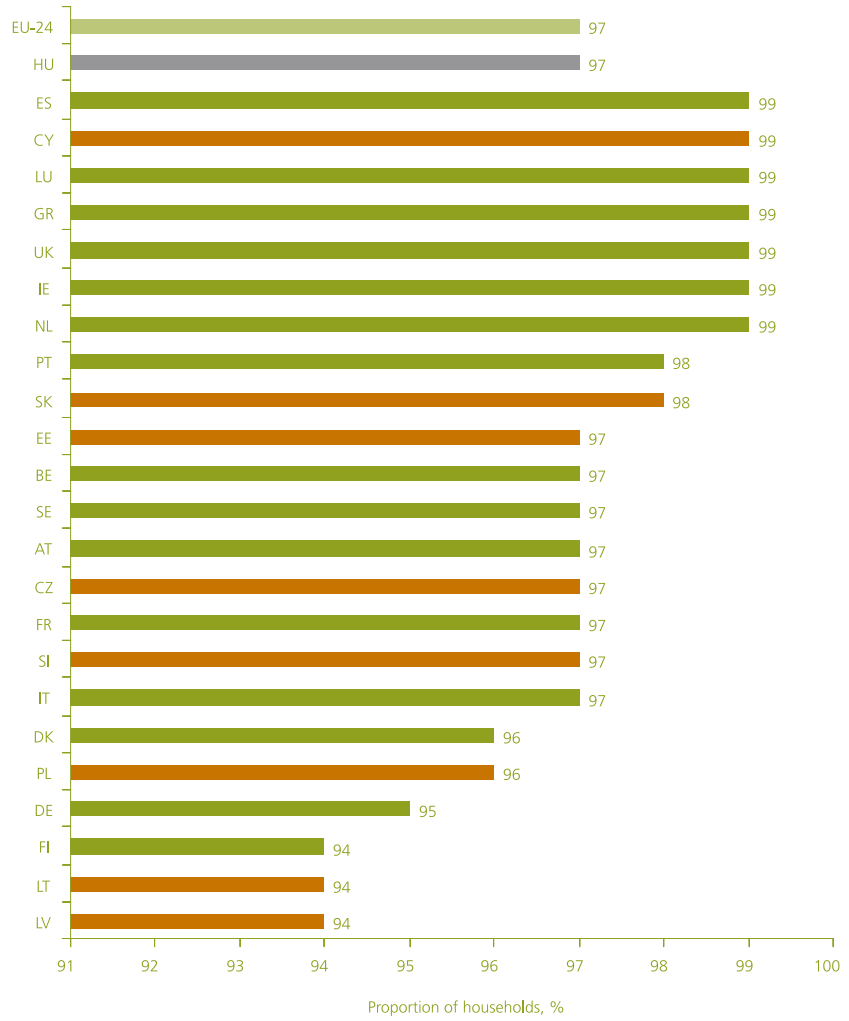
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BASIC HOUSEHOLD APPLIANCES ARE AVAILABLE IN ALMOST ALL EUROPEAN HOUSEHOLDS, INCLUDING COLOUR TVS...

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Figure 4.13: Share of households with colour television sets in the European Union, by country (%)

Source: EU-SILC (2005)



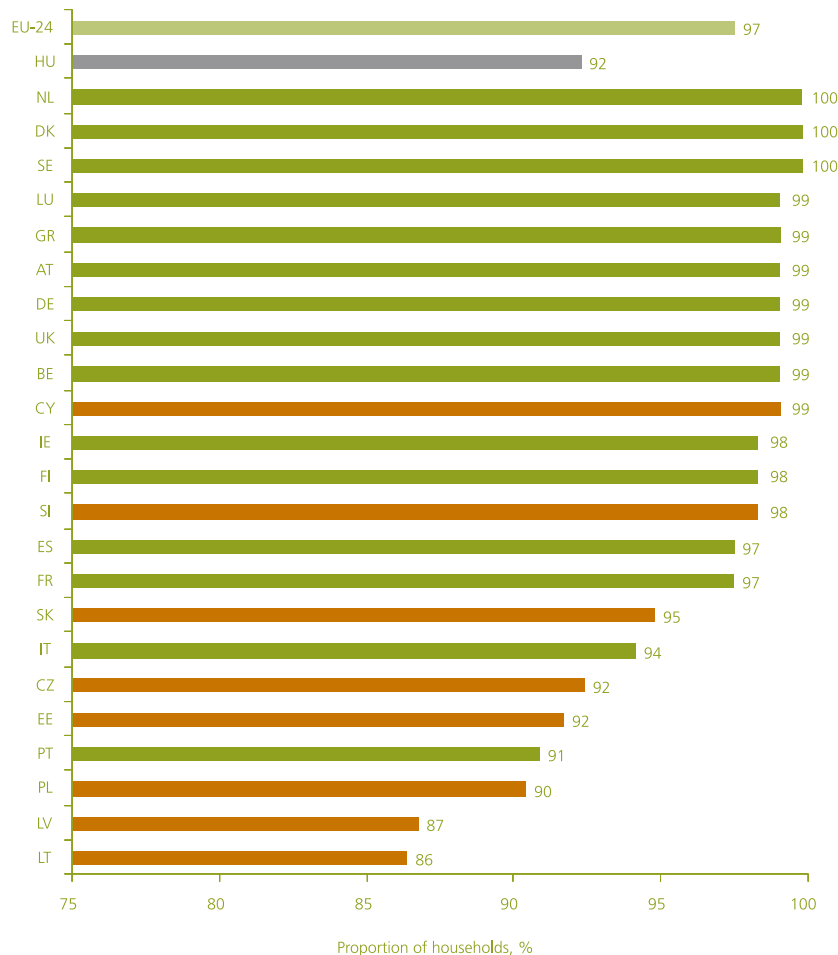


Figure 4.14: Share of households with (landline and/or mobile) telephones in the European Union, by country (%)

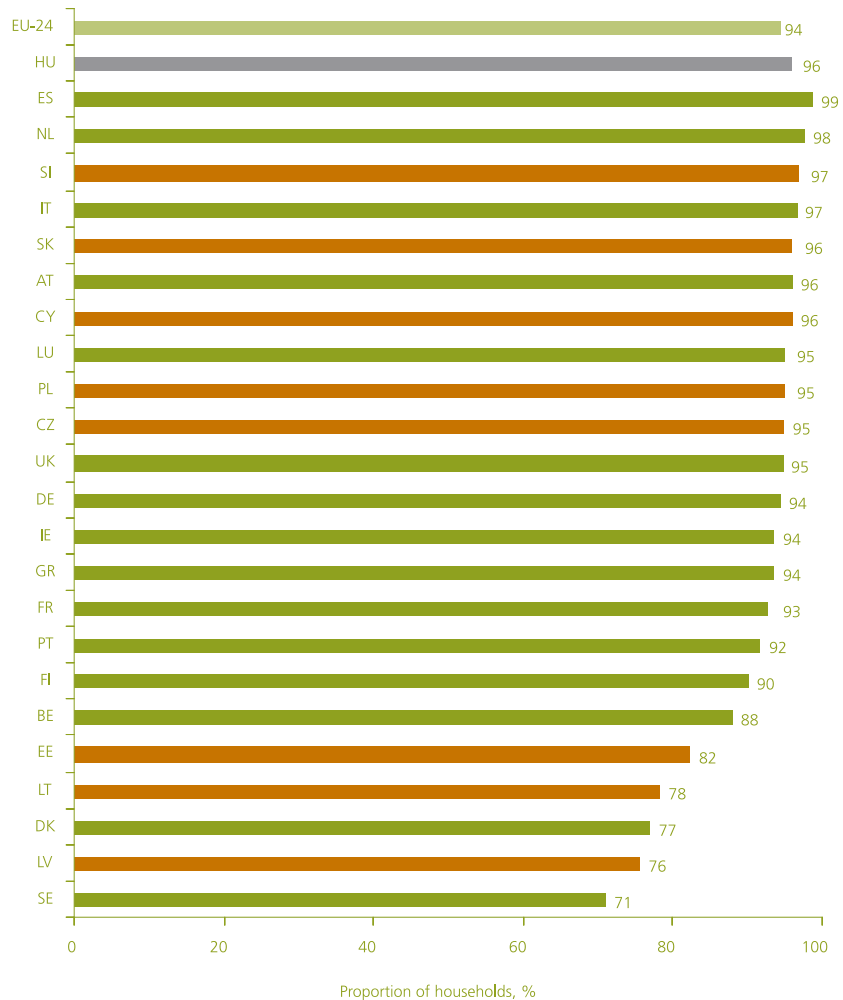
Source: EU-SILC (2005)

A similar level of availability, but with more substantial cross-country differences, is observed with respect to the most basic communication tool, the telephone, in the EU-24 member states (Figure 4.14). While the telephone penetration rate reaches or approaches 100 per cent in some of the countries (typically relatively small and affluent countries and those in the Northern European region: the Netherlands, Denmark, Sweden and Luxembourg, plus Greece as an exception), the proportion of households with phones can be around 90 per cent (or even lower), mostly in the new member states of the Eastern and Central European region (the three Baltic states, Poland and the Czech Republic, plus Portugal as an exception). Hungary also belongs in this latter group, ranking in the lowest third of the range, with 92 per cent of households having a landline and/or mobile phone – 4 or 5 percentage points lower than the EU-24 average.

... LANDLINE OR MOBILE PHONES...

Figure 4.15: Share of households with washing machines in the European Union, by country (%)

Source: EU-SILC (2005)



... AND WASHING MACHINES.

COMPUTERS ARE AVAILABLE  
IN EVERY SECOND EUROPEAN  
HOUSEHOLD...

The countries studied are found to have the greatest variation in the availability of washing machines (*Figure 4.15*), even though the overall EU average penetration rate is at the fairly high level of 94 per cent. Hungary fares slightly better than average, with 96 per cent of households equipped with washing machines. Similarly high rates, above 90 per cent, are found in the majority of EU countries, with the exception of the Baltic states and some of the Scandinavian countries (Sweden and Denmark), where only 70–80 per cent of households are equipped with washing machines. The latter two countries may be examples of the phenomenon whereby a section of households that are comparatively affluent in an EU context and live in relatively rich countries choose, for reasons of lifestyle or habit rather than financial considerations, not to have appliances (such as washing machines) that are otherwise held to be a basic good.

Somewhat over half (55 per cent) of European households are equipped with a computer; the indicator shows a slightly poorer figure (39 per cent) for Hungarian households (*Figure 4.16*). The level of PC penetration registered in the Netherlands



(78 per cent) is twice as high as the Hungarian figure, which places the former country at the head of the list. Similarly high rates are to be found in Sweden and Denmark, where approximately three-quarters of households have computers. Interestingly, in those two countries, computers occur with about the same frequency as washing machines.

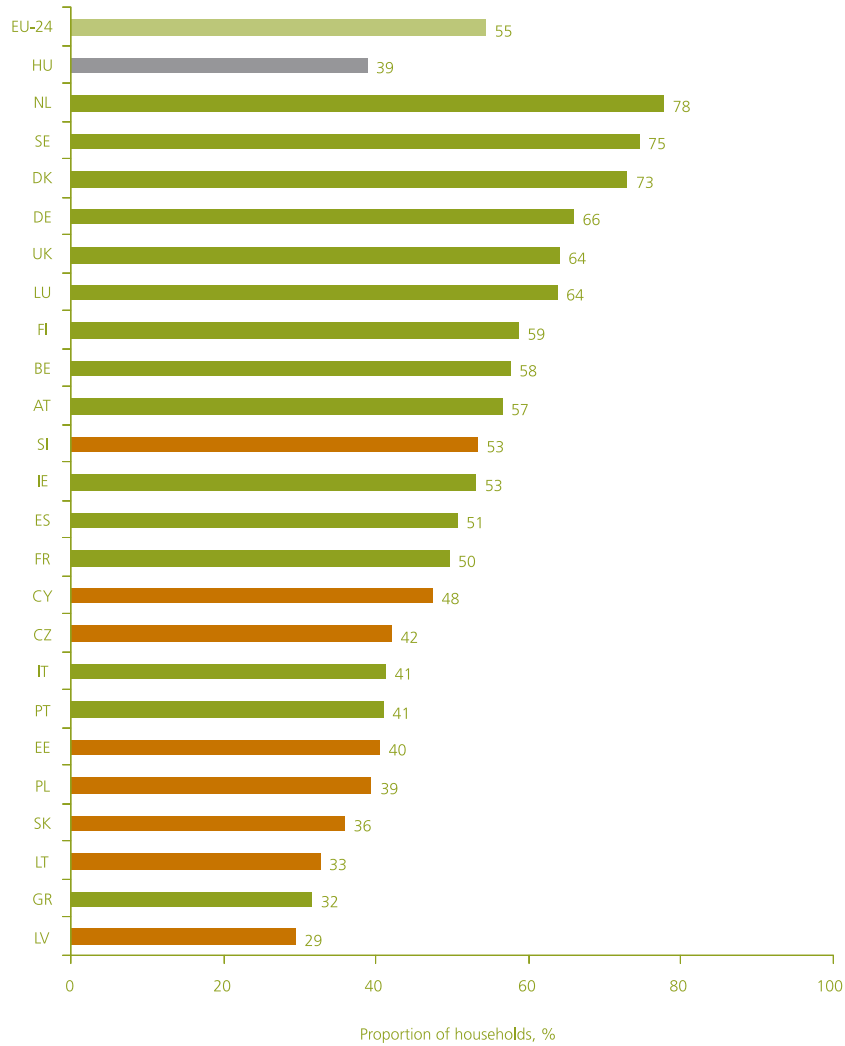


Figure 4.16: Share of households with computers in the European Union, by country (%)

Source: EU-SILC (2005)

**Information society in Hungary.** The annual report of the World Internet Project reveals that four Hungarian households in ten had computers in 2006. However, only two households in ten (21 per cent) had Internet access in the home, though the majority of these (71 per cent) had a broadband connection. Thus in 2006 a total of 15 per cent of households in Hungary could access the Internet via a broadband connection. The infrastructure of information technology showed a substantial growth in Hungary in the following year: the frequency of computers in the home increased by a quarter, so that in 2007 every second household (49 per cent) had a computer, which led to an increase in Internet penetration – that same year, one-third of Hungarian households (35 per cent) had access to the Internet, over 80 per cent of which via broadband technology. That is, 29 per cent of Hungarian households now have broadband Internet access. With the developments of the past year, Hungary has embarked on the process of closing the gap with Europe in terms of home IT infrastructure. The data suggest that computer, and especially Internet, penetration has begun a rising trend, and dynamic growth is expected in the next few years (WIP, 2007).

...WHILE IN HUNGARY ONLY FOUR HOUSEHOLDS IN TEN HAVE A COMPUTER, WHICH IS ONE OF THE WORST RATIOS IN EUROPE.

WHILE THREE-QUARTERS OF EUROPEAN HOUSEHOLDS HAVE A CAR, ONLY HALF OF HUNGARIAN HOUSEHOLDS DO.

As *Figure 4.16* shows, according to the EU-SILC survey, four households in ten in Hungary are equipped with a computer, which puts the country alongside the Czech Republic, Italy, Portugal, Estonia and Poland at the front of the last third of the European range. PC penetration levels lower than the Hungarian rate are only to be observed in the other two Baltic states, Slovakia and Greece.

Almost three-quarters (73 per cent) of households in the 24 EU countries under consideration own cars (*Figure 4.17*), but less than half (46 per cent) of households in Hungary are in that position, which secures for it one of the last places in the European rankings, alongside Estonia, Slovakia and Latvia. Luxembourg has the largest share of households with a car, 88 per cent, with Cyprus next in line (85 per cent). Compared to Europe generally, the level of ‘motorization’ in Hungary is quite low – a feature that is also supported by data other than those presented above. The number of cars per one thousand people, for instance, is lowest in Hungary (together with Slovakia): in 2005, there were just 287 cars per thousand Hungarian citizens, which was half the EU-25 average (476 cars per thousand people) or the EU-15 average (503 cars per thousand people) (Tárki–UniCredit, 2008, Table F4.5).

The frequency of cars in a country is obviously related to the road infrastructure and transport structure of that country – that is, to the standards and affordability of travel options offered by various forms of public transport as an alternative to car travel. One indicator that is suitable for capturing this complex issue is the overall use of major types of land transport services by the local population and the use of each type relative to other types. Eurostat data from 2004 reveal (EC, 2006b) that of the EU-25 countries, Hungary has the lowest share of car travel: 60 per cent of all passenger kilometres on land are travelled by car (as opposed to 84 per cent for the EU-25 and 83 per cent for the EU-15), while it has the highest share of train journeys (13 per cent) and bus and coach journeys (24 per cent).<sup>49</sup>

<sup>49</sup> Although Cyprus and Malta are slightly ahead of Hungary with respect to the share of bus and coach journeys, there are no rail-based forms of transport (train, tram, underground) in those countries, i.e. buses and coaches are the only alternatives to car travel, which clearly distorts the distribution of passenger kilometres over all types of land transport (Tárki–UniCredit, 2008, Table F4.6).

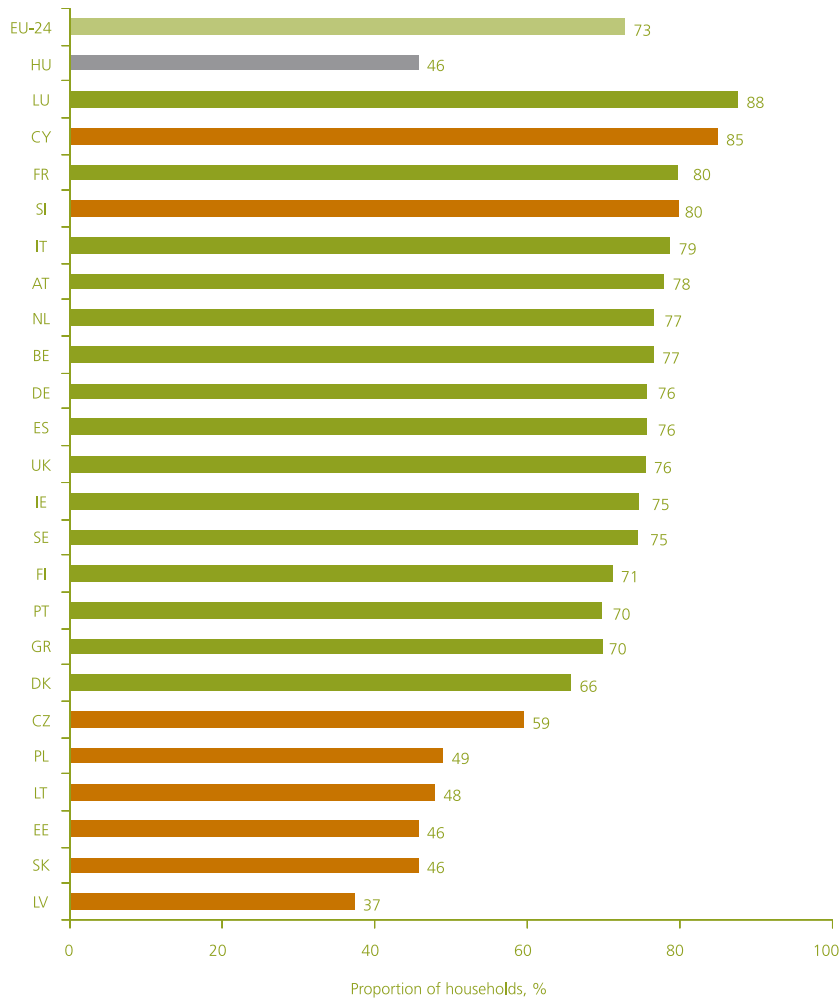


Figure 4.17: Share of households with cars in the European Union, by country (%)

Source: EU-SILC (2005)

Another notable finding, giving further evidence for the above conclusions, is that Hungary experienced the slowest growth in the number of passenger kilometres in the period 1990–2004 – an increase of just 2 per cent. Among the EU-25 countries, the average growth was 18 per cent over the same period. It is especially striking that those EU countries comparable to Hungary (in terms of their historical past, economic present and area and/or population size) registered increases several times greater: an increase of 84 per cent in Greece, 64 per cent in Portugal, and even in the Czech Republic, car travel increased by 24 per cent between 1990 and 2004.

THE LEVEL OF MOTORIZATION IS GENERALLY LOW IN HUNGARY COMPARED TO THE REST OF EUROPE: IT IS THE COUNTRY WITH THE LOWEST LEVEL OF CAR USE IN PROPORTION TO ALL TYPES OF LAND TRAVEL.

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## The European Social Fund in Hungary

The objective of the European Social Fund is to support the Member States in their policies working towards increasing employment, improving the quality of work and productivity, promoting social acceptance and reducing inequalities in employment at national, regional and local level. In other words, the Fund – established in 1957 – does not solely support employment but it also develops people's educational qualifications and skills.

The purpose of the ESF is to encourage employment in the EU, and it achieves its aims through the targeted allocation of European funds. It backs the Member States so that European employees and companies are better able to adapt to new global challenges. In the course of implementation the Member States and the regions draft their own ESF operational programmes, which are thus able to respond to the specific demands of the given area.

In Hungary, the National Development Plan (shortly to be wound up) and the New Hungary Development Plan covering the period 2007-2013 act as the frameworks within which grants from the Structural Funds are utilized. These programmes determine development policy goals and priorities.

Between 2004-2006, utilization of the European Social Fund in Hungary was based on the *Human Resources Development Operational Programme (HRDOP)*. The objectives of HRDOP include raising the level of employment and reducing unemployment. Within labour market reintegration the programme pays particular attention to assisting the entry onto the labour market of those in disadvantaged situations, thereby reducing their social exclusion. Furthermore, the operational programme backs development of the supply side of the labour market via training programmes arranged inside and outside the schooling system, reinforcing flexibility and entrepreneurial skills, as well as through the modernization of labour market services. Strengthening the infrastructural bases of training, education and labour market services represents one key area of intervention. From 2007, ESF developments are conducted within the frameworks of two New Hungary Development Plan operational programmes with a national remit. The goal of the *Social Renewal* programme is to boost growth and employment through measures which primarily concentrate on improving the quality of human resources. The aim of funding from the *State Reform* operational programme is to improve the standard of operation of public administration and the judiciary, as well as the working of governmental institutions supplying public administrative functions and non-governmental organizations.

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- minorities, immigrants, discrimination
- attitudes, opinions, satisfaction
- IT research
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