

## 22. Hungary

*This country profile presents self-employment and entrepreneurship data for women, youth, seniors and immigrants in Hungary and benchmarks the indicators against the European Union average. It also highlights current inclusive entrepreneurship policy issues and recent policy actions.*

### Key trends

Self-employment has declined over the past decade from 12.0% in 2009 to 9.7% in 2018, and was below the European Union (EU) average for the past decade. The gender gap in the self-employment rate is shrinking, but this is being driven by a decline in the self-employment rate for men rather than an increase in the rate for women. The proportion of people involved in starting and managing new businesses was above the EU average between 2014 and 2018 (8.6% vs. 6.7%). This proportion was relatively high among youth over this period (9.1% vs. 7.7%).

### Hot issue

Regulatory burden continues to receive attention from policy makers. Efforts at simplifying business regulations continue and an e-taxation system was introduced in 2018, complemented with technical assistance for new start-ups. Similarly, efforts are also ongoing to simplify administrative requirements for programmes receiving European Union support. The aim is to limit potential adverse incentives linked to grant-allocation mechanisms.

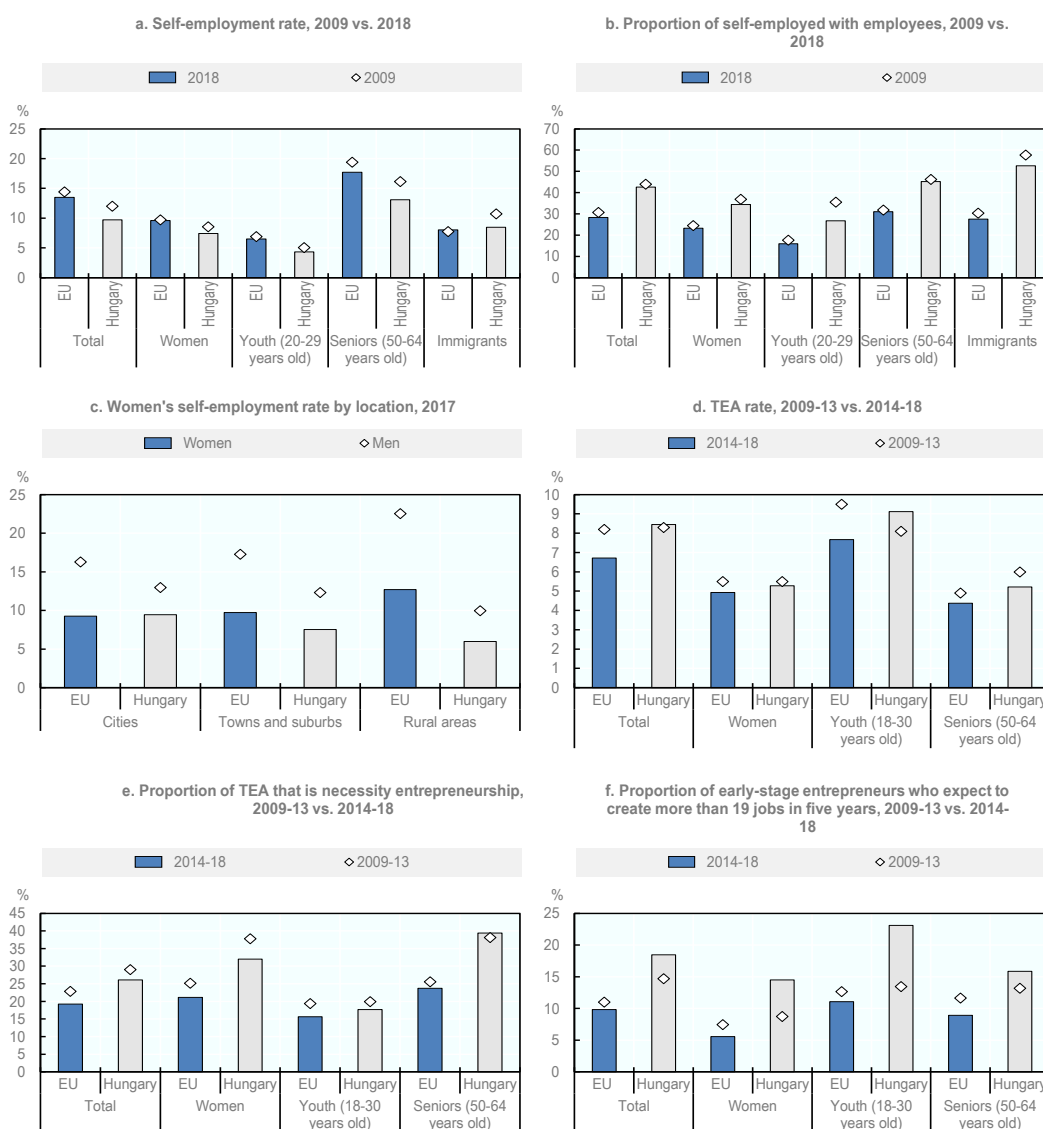
### Recent policy developments

Policy makers continue to boost support for youth entrepreneurs. The Ministry of Finance launched new calls in 2018 under updated measures in the Youth Entrepreneurship Programme. The programme is delivered as VEKOP in Central Hungary and GINOP in other regions, but they are essentially the same programme. They offer entrepreneurship training and start-up financing, and youth are now required to contribute at least 10% of the start-up financing needed. While implementation is done at the regional level to provide flexibility to adapt the programme's content to the local needs, the entry point is through the National Employment Service since the programmes are part of the Youth Guarantee scheme. The programmes are co-financed by the European Social Fund.

This profile is based on a recent country assessment report, which can be found at: [www.oecd.org/cfe/leed/inclusive-entrepreneurship.htm](http://www.oecd.org/cfe/leed/inclusive-entrepreneurship.htm).

## Key inclusive entrepreneurship data

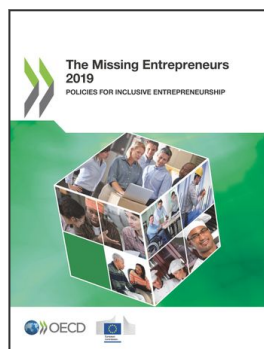
Figure 22.1. Entrepreneurship and self-employment data for Hungary



**Notes:** The self-employment rate is defined as the number of self-employed people (15-64 years old) divided by the number of people in employment. The TEA rate is the proportion of adults (18-64 years old) involved in setting up a business or managing a business that is less than 42 months old. Necessity entrepreneurship is defined as entrepreneurship activities that were launched because there were no other options in the labour market. Early-stage entrepreneurs are those who are in the process of setting up a business or managing a business that is less than 42 months old. The EU average in Panels D-F excludes Czech Republic and Malta for the period 2014-18 and Malta for the period 2009-13.

**Sources:** Panels A and B: Eurostat (2019), Labour Force Survey, <https://ec.europa.eu/eurostat/web/lfs/data/database>; Panel C: Eurostat (2018), Self-employment, Labour Force Survey ad-hoc module, <https://ec.europa.eu/eurostat/web/lfs/data/database>; Panels D-F: Global Entrepreneurship Monitor (2019), *Special tabulations of the GEM survey 2014-18*.

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