

Country note - Hungary

MEXX Programme, 2004-2009

Description

In 2003 the Liz Claiborne Foundation was looking for Hungarian partners with civil projects which may be in line of the foundation's main mission - that is, awareness raising on violence against woman, achieving economic independence and fostering the job readiness of women. The Foundation for Small Enterprise Economic Development (hereinafter: SEED Foundation) had been active in the development of entrepreneurship in Hungary since the early 1990s. Their professional track record and reputation in designing and running business development programmes was a guarantee to being a competent host for two pilots projects in 2004. As a result of the positive outcomes of the pilots, the Liz Claiborne Foundation extended the sponsorship for additional five years, and the sc. MeXX training programme has been running in Hungary until 2009.

The main goal of the MeXX programme was to assist unemployed women to enter the labour market - primarily as self-employed, and to support female entrepreneurs in a disadvantaged position in the labour market. The explicit mission of the programme was to help participants to find the best answers to their questions related to their own career - be it self-employment or any other solution that would help them return to the labour market. The programme designers identified the following target groups: women with small children/ on maternity leave, pregnant women, and women older than 40 years. Originally, women with above characteristics, and in addition living in remote geographical areas have been also targets. At the end of the day, trainings could be organised only in Budapest (capital of the country). Consequently, the geographical targeting had to be revised, and narrowed down to women living in the agglomeration of Budapest.

The programme provided a comprehensive package consisting of different elements of personal and peer-based mentoring, consultancy services and training. All these elements were designed so as to build or re-strengthen the self-confidence and to develop the communication and business skills of the participants.

Problem addressed

The female employment rate in Hungary was (and still is) among the lowest in the EU (57% in 2005, 56% in 2012, *source: Eurostat database*), especially of mothers with small children. Empirical research suggest that important reasons for the low female participation rate are among others the unavailability of part-time employment options, the significant wage gap between man and woman, the limited access to child care services, the relatively generous maternity benefits and discrimination. (BI 2008, Lovász 2012, Köllő 2012)

At the same time, social attitudes on gender roles prove to be rather restrictive for women aiming at professional career and striving to find a balance between work and family life. Women with small and / or many children and senior women are especially affected by these challenges. (Nagy 2006, EC 2012, SEED 2007)

Starting a business and turning to self-employment is one of the exit options, however, for women. The macro-economic context in the middle of the last decade seemed to be rather favourable in this respect. The economic growth rate in Hungary was about the EU average (4,1% in 2006, *source: Central*

Statistical Office), inflation was low and public finances seemed to be sound, although public budget deficit was on the rise portending future austerity measures.

Starting a business was not unproblematic in Hungary regarding the time and costs of registering businesses and obtaining licenses (BI 2011; OECD 2005, 2007; WB 2006), but in 2005 a new government programme (so called Bureau Stop Programme) was launched with ambitious goals of reducing the administrative burden of registering new businesses, simplifying tax administration and introducing basic G2B electronic services (focusing mainly, on tax and HR administration).

Approach

The first element of the programme was a 12 days long training course delivered to 2-day thematic modules over six weeks. The first module was a motivation course, focusing on promoting pro-active thinking, self-reliant decision making, and taking risks. The subsequent modules covered skill development and transfer of essential business knowledge.

All participants had to have a business idea. If not, the trainers and the group helped the participant to create one for working with it during and after the course, taking into consideration her conditions, knowledge, competences, experiences and background. The personal outcome for each participant of the training was an updated or newly developed business plan presented and assessed by group members.

The special feature of the training was a combination of interactive methods - based on presentations, individual and teamwork, common discussions and role-plays. The intensive group work contained regular meetings and thematic discussions, and it relied on mechanism of peer learning. The trainings were personalised, focused especially on shaping business attitude and developing personal skills – such as improving self-awareness, collective trust building; strengthening team spirit, and last but not least changing the mindset, that is, improving situational thinking, as one of the former trainer emphasised in our expert interview.

After the training each participant had the option to receive free, tailor-made counselling, on two occasions any time during or after the training. The programme managers also offered online consultation possibilities in a continuous way - in the form of newsletters, forum, and blog. Besides, several networking events organised by the SEED Foundation were available for the participants.

In addition, in 2007 the foundation complemented the programme with an advanced level. They have extended their services and the training elements to ex-participants operating already their own businesses. Based on surveys among their alumni they identified specific needs for training and extended the curriculum of the advanced courses to cover areas such as risk- and crisis management, growth management, marketing, customer service, telework and e-business, negotiation training.

Overall, the programme was based on a problem-oriented approach: the (first) motivation module concentrated on self-knowledge and -confidence and basic social skills; the additional modules on more specific business-skills (e.g. strategy making, design and planning, risk management, market / consumer research techniques, marketing, HR management, leadership skills, finance and taxation, fundraising, networking, tendering and applications).

According to participants' feedback, the curriculum had a good balance of theoretical and practical insights, and the whole programme provided them with useful examples of and solutions to ordinary business situations (notably, many of them taken from the business practice of the MeXX corporation, as well). Above all they appreciated the programme's commitment to focus on the importance of self-esteem and problem solving, and the opportunity to receive also personal counseling during and after

the training part. More than half of the participants used this option and kept regular contact with the SEED Foundation in the follow up phase. (SEED 2009, Horváth 2009)

Communication on and recruitment to the programme was primarily based on the broad network of the foundation. In the first period (till 2007), they advertised the programme among the clients of earlier programmes and among partner (non-profit) organisations and universities. Later they also launched promotions in newspapers (of highly female profiles). Nevertheless, as one of the programme mentor pointed out: with progress of the first waves of trainings ex-participants proved to be the best promotion agents. When facing excess demand, the foundation has usually increased the number of participants so that they can accept all applications. Due to budget and capacity constraint though in the last years they had to screen applications. No information is available on the selection criteria applied.

The number of trainers / mentors increased significantly during the programme period up to 11 trainers towards the final year (4 trainers were employees of the foundation and operated also as mentors), plus 3 permanent staff members supported the operation providing administrative and professional assistance. All the internal and external trainers were experienced experts in vocational training, business development, and had been working together with the foundation for a long time.

The communication and dissemination of programme results was based again on the broad network of the foundation. The programme managers were active in providing detailed information on the progress of the programme participants in organisational newsletters circulated among clients and partner organisations (mainly, NGOs), as well as on the online forum and attached blog launched especially for this programme. In 2009 they organised a closing conference with 130 participants - one third of them being former participants, another third clients of the foundation, and the last third being people with first contact to the foundation.

The programme's budget was designed with an inflow of new participants twice a year, and it was calculated on an annual basis. For the whole programme period the overall budget was HUF 26,15 million (appr. USD 110 000, calculated on the official exchange rate published by the Hungarian National Bank for 31 December 2009).

Impact

The total number of the participants was about 250 women, and the follow up monitoring covered 172 clients. Based on this monitoring data, among the overall entrants 37% was senior (older than 45), 21% having small children, 13 % coming from large families, and 8 % with fresh bachelor degree – at the date of entering the programme.

Monitoring data also suggest that the total share of employed women increased to 87% in 2009 (cf. 55% at the entry of the programme), and the share of women running stable, independent business approached 50% in 2009 (cf. 19% at the entry dates).

There is no information on the *ex post* evaluation of the programme, though most of former participants are still active in the alumni network and collaborates in various business support programmes, especially in the next-generation training and peer mentoring programmes (Springboard /'Dobbantó'/ Programme - for more details, see box below, and Shoulder to Shoulder programme which connects established, female entrepreneurs with new start ups and provides peer mentoring).

The ongoing evaluation of the training and mentoring elements was based on surveys among participants. After each training module, the participants were requested to complete an evaluation sheet consisting of questions related to the general aspects of the programme (goals, contribution of the programme, satisfaction with professional content and training/ counseling tools, organizational issues, etc.) and also to the assessment of the trainers' performance.

Some stylized facts on the labour market status of the participants:

- In the year entering the programme: 19% running business, 13 % start ups, 7% working in family business, 4% freelancer, 12% employed, 22% unemployed, 21% on maternal leave, 2% others.
- In 2009: 46% running business, 3 % start ups, 8% working in family business, 9% freelancer, 21% employed, 2 % unemployed, 9% on maternal leave, 2 % others.

Springboard ('Dobbantó')

This programme is co-financed by the Budapest Bank from Hungary, and it is an updated version of the MeXX programme. It is based on a 90 hours accredited training offering core business knowledge to the participants as well as group-based motivation course. Like the MeXX programme, it pays special attention to personalised services and tailor made counselling aimed at specific problems of the participants' undertakings. Peer learning is strongly encouraged. Budapest Bank as a sponsor

Conditions for success

The MeXX programme was not the first training programme targeted at female entrepreneurs and want-to-be entrepreneurs in Hungary, though it was a pioneer in combining training and counselling in a systematic way. Further innovative elements mentioned by national experts are the following:

- Applying situative framework, emphasising team work during the trainings,
- Demonstrating very hands-on, practical information and many real-life examples (the "Aha-effect"),
- Structuring experiences and self-reflections based on peer review and personal counselling,
- Finding good balance between theoretical and practical business knowledge and skills,

Although there was no *ex post* evaluation of the programme, some observations on good practices can be made:

- Both the sponsor and the programme designers had the patience to launch a long enough pilot phase and test the methods before starting the full-fledged programme
- Programme timeline was long so as to provide the possibility to develop and fine tune the training and counselling tools based on regular feedback from participants as well as from trainers/ mentors
- Programme managers were consistent in enforcing follow up activities
- Using mixed groups (established entrepreneurs with start ups) strongly supports peer learning
- In the case of female participants, transferring and exchanging business knowledge is necessary but not sufficient,
- Motivation and awareness raising on gender equality /equal opportunity are important, as well (if not even more important),
- Providing competent trainers / mentors with credibility in business consultancy.

Finally, we may identify some problems which shall be examined in the future based on more detailed programme monitoring data, and which might be common to similar programmes, as well:

- There may be a selection bias due to the fact that more engaged and motivated women might be over-represented among the applicants.

- The cost-effectiveness of the programme cannot be assessed as there was no control group, nor an *ex post* evaluation.
- Final geographic targeting of the programme (agglomeration of Budapest) might severely constrain mainstreaming, since training and counseling needs of potential participants in rural / remote areas may differ significantly.

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