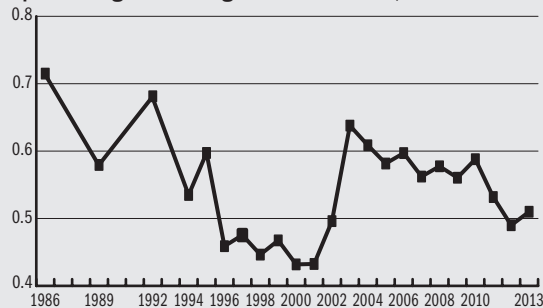


4.1.1 Teacher salaries in the public sector (1986–2013)

JÚLIA VARGA

Before the transition teachers earned about 70 per cent of other graduate salaries. After 1989, there was a dramatic decrease in the relative wages of teachers that was temporarily tempered by wage increases in some years: in 1992 and 1995. At the lowest point, in 1999–2000, the relative wages of teachers slightly exceeded 40 per cent of average graduate salaries. After the 2001 and 2002 year wage increase for public servants the wage lag of teachers ameliorated to a 1989 year level, but following that point the lag worsened once again from year to year. The increase in salary levels had lost its value within a few years. In 2012 the average teacher earned 49 per cent of average graduate salaries and, in 2013, 51 per cent (*Figure B4.1.1*).

Figure B4.1.1: Average teacher salaries as a percentage of other graduate salaries, 1986–2013

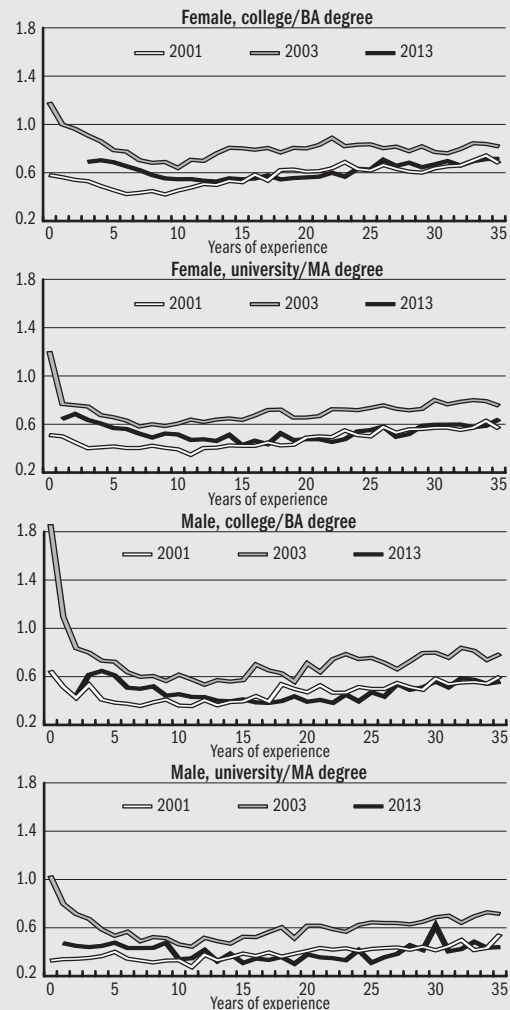


Source: Based on data of Wage Tariff Surveys of the *National Employment Service*.

There are marked differences in the relative position of teachers by educational level, years of experience and gender (*Figure B4.1.2*). The lag is larger for men than for women, larger for those teachers who have a master’s degree than for those who have a bachelor degree. By years of experience, the relative wage profile of teachers takes a U-shaped line. The relative wage lag for the youngest and oldest teachers is much smaller than for those who have 10–15 years of experience. In the first 10–15 years of experience, there are widening differentials. The reason for this is that the salary schedule of teachers is quite different from the structure of

compensation in the non-teaching labour market – the teachers’ pay scale rewards only degree level and experience.

Figure B4.1.2: Teachers’ relative salaries by years of experience and level of educational attainment 2001, 2003, 2011



Source: Based on data of Wage Tariff Surveys of the *National Employment Service*.

The wage increase was uniform for all teachers. The base salary was increased by 50 per cent. The sal-

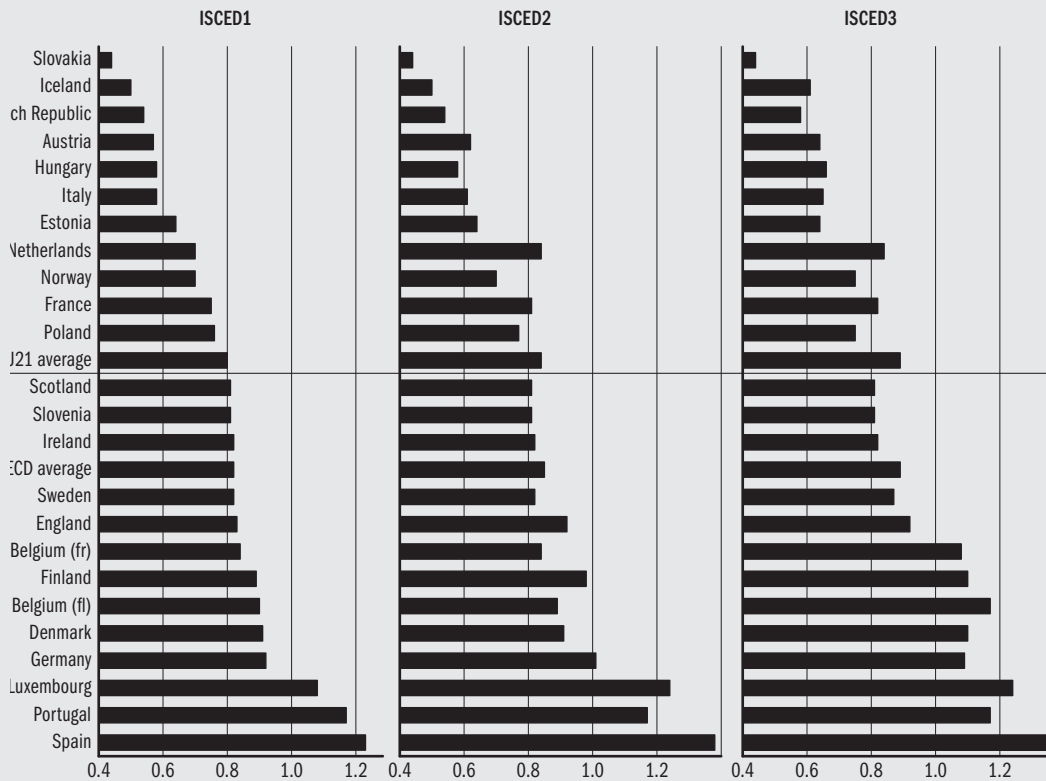
ary increase only lessened the widening lag behind other graduates' salaries during the first ten years of experience but did not correct it. (See the study of János Köllő János, in *In Focus*). In 2013 the relative wage lag was increasing by years of experience to a smaller extent than it was in 2003, but it still holds true that young teachers during the first 10–15 years of their career find themselves in a worse and worse relative position from year to year compared to other graduates.

Hungarian teachers' relative salaries compared to other graduates earnings are low by international comparison. Teachers' statutory salaries for those with 15 years of experience were much lower in 2011 at all educational levels compared to earnings for tertiary educated workers as the EU or OECD average shows (*Figure B4.1.3*).

International comparable statistics on teacher

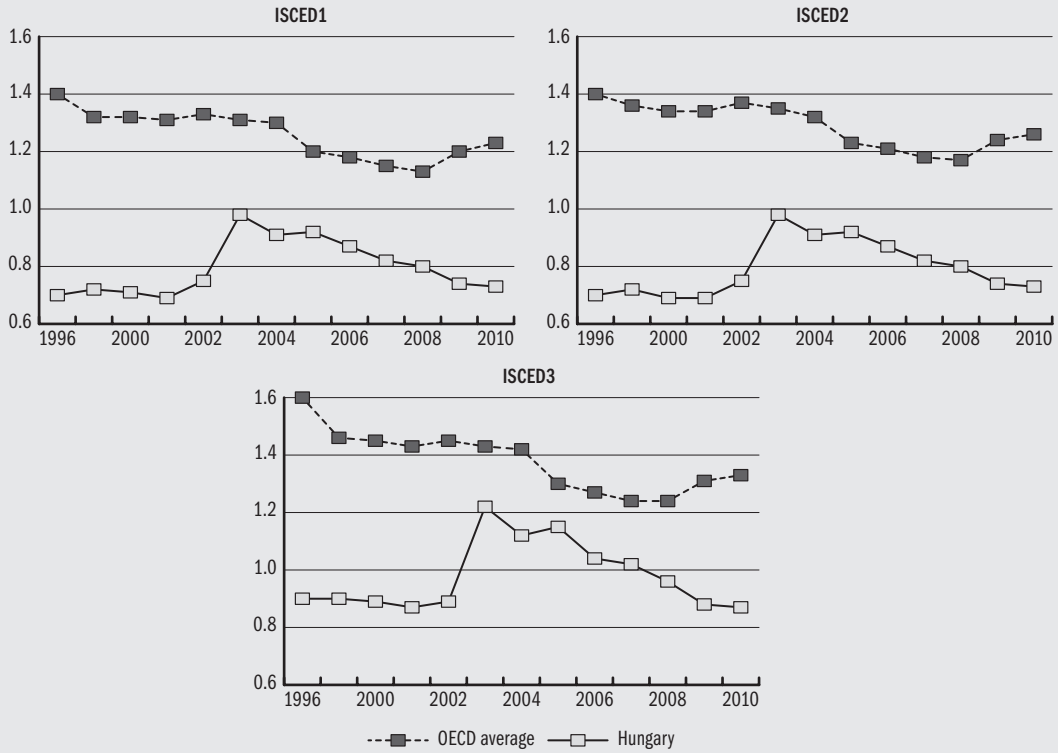
salaries relative to earnings for tertiary educated workers are available only for recent years so long-run changes cannot be tracked in this respect. Data are available for longer periods on teacher salaries relative to per capita GDP (*Figure B4.1.4*). Between 1996 and 2010 teacher salaries relative to per capita GDP were lower at all educational levels than the OECD average. In consequence of the public servants wage increase in 2002 the difference had decreased between Hungarian teacher salaries relative to per capita GDP and the OECD average, but thereafter the difference began to increase again. Between 2008 and 2010 the increase in the difference was due to the fact that between 2008 and 2010 in a part of the OECD countries teacher salaries increased relative to per capita GDP, in spite of the economic crises, while in Hungary teacher salaries decreased during the same period.

Figure B4.1.3: Teacher salaries relative to earnings for tertiary educated workers aged 25–64 (2011)*



* Teachers with 15 years of experience. ■ Source: Based on data of OECD *Education at a Glance 2013*. Table D.3.2.

Figure B4.1.4: Statutory salaries of teachers* compared to per capita GDP, 1996–2010



* Teachers with 15 years of experience. ■ Source: Based on data of OECD *Education at a Glance 2013*. D.3.4.