

**„On the good track – Developing and adopting good examples for labour market integration and the enhancement of equal opportunities”**

**Employment profile in the North Hungarian region**

**Factors which influence the employment profile of the region**

12.66% of the whole county's population lives in this region, mostly in Borsod-Abaúj-Zemplén County, which is the third most inhabited county after the counties of the Central region. Nevertheless, Nógrád County is our less inhabited county.

The region comprises distinctly developed areas. The centre of the region is Miskolc, but Eger, the region's other big town is in a more favorable position. The third biggest town, Salgótarján is stagnating. North Hungary is the region the most severely touched by the transformation of the political system which caused the collapse of its industry and agriculture.

Formerly, its GDP exceeded the national average but now it does not even reach the two-third of it. The DGP per capita in the North Hungary region was 404,000 Ft in 1995 (72% of the national value) and 1643 thousand Ft in 2008 (61% of the national value).

Tiszaújváros and the Southern hill area is the small region with the highest income. The most underdeveloped are the small regions at the Slovakian border. The small region with the lowest income on a national level is also situated in this region.

North Hungary is the least civic region, only half of the population lives in towns. This is mostly due to the economic underdevelopment. The region is characterized by a structure of small settlements.

The migration rate is the highest in the region. Educated young people move to the Western regions of Hungary in hope of better employment possibilities and a higher standard of living.

The number of small enterprises and shareholder groups decreases, almost 3000 small enterprises had ceased by 2008 compared to the situation in 2002.

There are important training potentials in the region (Miskolc University, the Gyöngyös College, the Salgotarján and Eger Colleges). Nevertheless, most graduated students find employment in the capital or in the Transdanubia region. In 2009 the amount spent on research and innovation was only 3.8% of the total national expenditure.

The employment situation of the region is declining. While in 2000 the employment rate was 43.7% (in the 15-74 age group), this rate was 42.9% in 2010. The employment rate of the region also declined compared to the national

rate of employment. In 2000 the region dropped behind the national employment rate by 5.9 pp, while in 2010 the rate of lagging behind was 6.3 pp.

#### Employment rate (15-74 age group)

%	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
North H.	43.7	43.8	44.1	45	44.6	43.6	44.3	44.7	43.7	43	42.9
Hun	<b>49.6</b>	<b>49.8</b>	<b>49.9</b>	<b>50.6</b>	<b>50.5</b>	<b>50.5</b>	<b>50.9</b>	<b>50.9</b>	<b>50.3</b>	<b>49.2</b>	<b>49.2</b>
Deviation from national rate (pp)	-5.9	-6	-5.8	-5.6	-5.9	-6.9	-6.6	-6.2	-6.6	-6.2	-6.3

Source: KSH Statat

#### Unemployment rate

%	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
North H.	<b>10.1</b>	<b>8.5</b>	<b>8.8</b>	<b>9.7</b>	<b>9.7</b>	<b>10.6</b>	<b>11.0</b>	<b>12.3</b>	<b>13.4</b>	<b>15.2</b>	16.0
Hun	<b>6.4</b>	<b>5.7</b>	<b>5.8</b>	<b>5.9</b>	<b>6.1</b>	<b>7.2</b>	<b>7.5</b>	<b>7.4</b>	<b>7.8</b>	<b>10</b>	<b>11.2</b>
Deviation from national rate (pp)	3.7	2.8	3	3.8	3.6	3.4	3.5	4.9	5.6	5.2	4.8

Source: KSH Statat

The unemployment rate decreased until 2002 but has been rising continuously since then, reaching 16% in 2010. The unemployment rate in the North Hungarian region has always been higher than – the otherwise rising – the national average: the deviation was almost 6 pp in 2008 and 5 pp in 2010.

In the last decade, the employment situation of the North Hungarian region has decreased, not only in comparison to its own situation but also compared to the national situation. We can state that the increase of territorial differences after the transition did not relieve in the years 2000 but had deepened by the second half of the decade.

#### Deepening differences among counties

##### Employment rates %

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
<b>Employment rate</b>											
Borsod-Abaúj-Zemplén	41.4	41.7	42.2	42.8	43.5	42.2	43.2	43.4	42.3	42.0	42.0
Heves	47.5	47.1	46.6	47.7	47.0	46.1	45.7	46.6	46.8	45.5	45.8
Nógrád	45.9	45.5	46.5	48.2	44.7	44.4	45.7	46.4	43.9	42.5	41.7
<b>Unemployment rate</b>											
Borsod-Abaúj-Zemplén	11.6	9.3	10.5	11.2	10.9	12.0	12.0	13.8	14.7	16.0	17.3
Heves	7.5	6.7	5.7	7.8	7.3	8.3	9.1	11.0	11.0	12.9	11.8
Nógrád	9.1	8.5	8.1	7.8	9.4	9.5	10.6	9.5	12.6	15.9	18.4

Source: KSH Statat

The employment situation of Nógrád county has particularly declined. Compared to situation in 2000 the employment rate fell behind by 4 pp in 2010 while the rate of unemployment rose from 9% in 2000 to 18.4% in 2010. In Borsod-Abaúj-Zemplén County the employment rate stagnates but the rate of unemployment increased from 16.6% in 2000 to 17.3% in 2010. We can find the most favorable labour market situation in Heves County where there was a 1.7 pp decrease in the rate of employment and the rate of unemployment increased from 7.5% in 2000 to 11.8% in 2010 which exceeds the national average only in an insignificant extent.

### Registered employment vacancies in the region , monthly average, 2000-2011

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011 (1st quarter)
North Hun	6720	5493	5183	6472	4925	4593	4458	3611	3097	4236	4842	6 978
Borsod-A.-Z. county	3924	2983	2968	4252	3180	2974	2632	2231	1942	2944	3545	5 078
Heves county	1149	1008	945	840	962	887	924	658	662	682	652	821
Nógrád county	1648	1502	1270	904	1259	733	901	721	493	610	646	1 079
<b>Hun total</b>	<b>50000</b>	<b>45194</b>	<b>44603</b>	<b>48223</b>	<b>48223</b>	<b>41615</b>	<b>41677</b>	<b>29933</b>	<b>25386</b>	<b>20740</b>	<b>22241</b>	<b>36 661</b>

Source: ÁFSZ (National Employment Service)

### Registered unemployed/registered jobseekers, monthly average, 2000-2011

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
North Hun	<b>84270</b>	<b>80527</b>	<b>78309</b>	<b>79817</b>	<b>81252</b>	<b>86269</b>	<b>82791</b>	<b>89799</b>	<b>93006</b>	<b>107960</b>	<b>108766</b>	<b>127212</b>
Borsod county	56050	53816	52893	54013	53844	56442	53532	58272	60060	68034	68038	79664
Heves county	15029	13890	13121	13134	13818	15014	14915	15859	16606	20939	21360	24541
Nógrád county	13191	12821	12294	12670	13590	14814	14345	15669	16340	18988	19368	23007
<b>Hun total</b>	<b>390492</b>	<b>364140</b>	<b>344715</b>	<b>357212</b>	<b>375950</b>	<b>409929</b>	<b>393465</b>	<b>426915</b>	<b>442333</b>	<b>561 768</b>	<b>582664</b>	<b>669288</b>

Source: ÁFSZ (National Employment Service)

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## Wages in the region according to surveys of „On the good track” and BérBarométer

The average gross wage of those 670 persons participating in the survey „On the good track” in the fall of 2010 was 117 872 Ft. This amount falls behind the 2007/2008 BérBarométer survey by 13%. This difference is due to the fact that there were more physical workers in the sample of „On the good track” survey and their wages are usually lower which decreases the average value.

### Gross wages according to BérBarométer/On the good track sample

	BérBarométer average	On the good track average	On the good track BérBarométer r=100	Bérbarométer	On the good track national
National	154 003	123675	80	100	100
BORSOD	140 538	120251	86	91	97
HEVES	157 264	134034	85	102	108
NOGRÁD	108 497	89598	83	70	72
North Hun	135 483	117872	87	88	95

Compared to the Bérbarométer sample the results of “On the good track” sample are approaching the national average but the counties compared to each other still lag behind.

The wages in Nógrád County lag behind for the biggest extent compared to the national average in 2007/2008 and 2011 (30% and 27%). The national average was exceeded in Heves County by 2% in the BérBarométer sample and 8% in the sample of On the good track.

## Some factors shaping the employment profile of the North Hungarian region and their changes according to “On the good track” and BérBarométer

### *The sample*

The North Hungarian region participated in both surveys with about 900 persons, although the participation rate by county cannot be considered as a balanced sample as Heves County is strongly underrepresented in both cases. Gender analysis is well established except for Nógrád County where women were strongly underrepresented in both surveys. During analysis based on age groups it had to be considered that the group of young people in Heves and the group of people above 50 in Nógrád was underrepresented in “On the good track”.

Most of the respondents in both surveys have a secondary degree and the number of those with a high school end exam is particularly high.

It is remarkable that the rate of entrepreneurs is significantly higher in the “On the good track” survey than in BérBarométer. Changes were especially palpable

in Nógrád County where the rate of entrepreneurs increased from almost less than 1% to 13%, but their rate is more than 10% in the other two counties. It is worth mentioning that the rate of employed pensioners significantly decreased which shows that principally pensioners were dismissed during the financial crisis.

Employers of the North Hungarian region are mostly small enterprises according to "On the good track". Although actors of the non-profit sector forged ahead as employers during the crisis, the public sector remained the biggest employer.

The rate of physical employers increased and the rate of jobs not requiring vocational training also rose. The rate of the self-employed also rose compared to former samples.

Most people who had an employment found their job through acquaintances or family members: half or more than half of the respondents found their job this way according to both the BérBarométer and the "On the good track" survey. Among the open forms of labor market the most prevalent was seeking advertised jobs. The most remarkable difference between the results of the two surveys was that while most jobseekers tried to find help at employment centers before, "On the good track" survey found that this has changed by now.

The Hungarian employment practice is still characterized by full time employment although part time employment is also getting prevalence. The rate of part time workers is 11% in Borsod County according to "On the good track" survey which means that their number is doubled compared to the BérBarométer sample.

The structure of overtime work has rearranged. The frequency of work at the weekend (on Sunday) increased compared to 2007, both at a national level and in the North Hungarian region. The rate of those who do work on Sunday is especially high in Borsod County and the rate of people employed on Saturday is significant in Nógrád. Nevertheless, the rate of working in the evening and at home significantly decreased.

In counties (e.g. Borsod) where the employment situation is more critical we found a more frequent workplace change than in more stable counties such as Heves. We concluded that in workplace changes the number of changes by necessity increased and this is the cause of the increase in the workplace change rate.

"On the good track" survey found that respondents in the North Hungarian region were unemployed 1.3 times during their years in employment; this is somewhat worse than the national average (0.9) and than the BérBarométer value (0.5). The number of unemployment cases is the highest in Borsod County and the lowest in Heves County.

Both surveys found the most important expectation concerning the workplace is an adequate remuneration. Respondents mention an undefined term contract on the second place and good colleagues on the third place. In "On the good track" survey the importance of flexible working time and the distance from habitation

became more important compared to former surveys. Training possibilities are valued more, particularly in Heves County.

**Expectation concerning the workplace, value from 1 to 5**

	<b>adequate remuneration</b>	<b>Indefinite term working contract</b>	<b>Good colleagues</b>	<b>Distance from habitation</b>	<b>Flexible working time</b>	<b>Training possibilities</b>	<b>Reconciling work and family life</b>	<b>Workplace child care facilities</b>
On the good track	4.8	4.6	4.3	4.1	3.8	3.5	4.1	2.5
BérBarométer	4.7	4.5	4.3	3.8	3.2	3.3	4.0	3.1



## Wage gap in the North Hungarian region

To explore the labour market situation of equal opportunities and to identify problems the data of the 2007/2008 BérBarométer database comprising data of 1438 persons (531 men and 564 women) had been updated.

### North Hungarian region, Bérbarométer database, 2006/2007

	Gross monthly wage, Ft	Net monthly wage, Ft
<b>Men</b>	144485	102629
<b>Women</b>	126564	86382
<b>Total</b>	135194	94185
<b>Wage gap between men and women</b>	12%	16%

Within the frames of "On the good track" project, a total of 3500 persons were questioned. According to the survey in September 2010 based on the answers of 421 persons (211 men and 210 women) the average monthly gross wage was 117,873 Ft and the average net monthly wage was 86,284 ft.

### North Hungarian region, "On the good track", 2010 Sept.

	Gross monthly wage, Ft	Net monthly wage, Ft
<b>Men</b>	127491	88487
<b>Women</b>	108947	84071
<b>Total</b>	117873	86284
<b>Wage gap between men and women %</b>	14	5

The BérBarométer sample in Borsod-Abaúj-Zemplén County comprised 652 persons (362 women and 290 men).

For "On the good track" survey the answers of 375 persons (195 men and 180 women) are available concerning gross wages and that of 411 persons (211 men and 210 women) concerning net wages.

### Gross wage average divided by gender, Ft/month

	BérBarométer, 2006/2007	On the good track
	2007	2010 Sept.
<b>Woman</b>	128537	115883
<b>Men</b>	161915	124282
<b>Total of both sexes</b>	142866	120251
<b>Wage gap %</b>	21	6.7

### Net wage average divided by gender, Ft/month

	<b>BérBarométer, 2006/2007</b>	<b>On the good track</b>
	2007	2010 Sept.
<b>Woman</b>	88438	88488
<b>Men</b>	109443	84071
<b>Total of both sexes</b>	97440	86288
<b>Wage gap %</b>	19	-5.2

In Heves County, the BérBarométer sample comprises 131 persons (77 women and 54 men). In the course of "On the good track" survey 167 persons (74 men and 93 women) responded to question about gross and net wages.

#### **Gross average wage divided by gender, Ft/month**

	<b>BérBarométer, 2006/2007</b>	<b>On the good track</b>
	2007	2010 Sept.
<b>Woman</b>	151303	114378
<b>Men</b>	171839	158736
<b>Total of both sexes</b>	159770	134034
<b>Wage gap %</b>	12	28

#### **Net average wage divided by gender, Ft/month**

	<b>BérBarométer, 2006/2007</b>	<b>On the good track</b>
	2007	2010 Sept.
<b>Woman</b>	95157	115883
<b>Men</b>	142078	124282
<b>Total of both sexes</b>	115375	120251
<b>Wage gap %</b>	33	24

In Nógrád County the BérBarométer sample comprised 209 persons (176 women and 142 men). In the course of "On the good track" survey 145 persons (61 men and 84 women) responded to question about net wages and there were 127 responses (of 53 men and 74 women) about gross wages.

#### **Gross average wage divided by gender, Ft/month**

	<b>BérBarométer, 2006/2007</b>	<b>On the good track</b>
	2007	2010 Sept.
<b>Woman</b>	106377	85250
<b>Men</b>	75674	95670
<b>Total of both sexes</b>	110035	89598
<b>Wage gap %</b>	5	

#### **Net average wage divided by gender, Ft/month**

	<b>BérBarométer, 2006/2007</b>	<b>On the good track</b>
	2007	2010 Sept.
<b>Woman</b>	75674	69095
<b>Men</b>	81413	13313
<b>Total of both sexes</b>	79595	72538
<b>Wage gap %</b>	7	