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

#### **Labour market situation in the South Great Plain region**

##### ***The labour market environment***

19.7% of the country's population lives in the region which means that this is the third most inhabited region in Hungary. The region is the biggest region of Hungary; it covers 20% of the country's territory. 40% of the region's population lives in Bács-Kiskun County, 32% lives in Csongrád, 28% in Békés County.

The region comprises areas of varied level of development. The income situation is more favorable than the average along the Western side of the Danube and at settlements linked with the most important transportation networks. The building of rout M44 would be vital in the catching up of Békés, a county struggling with economic and social disadvantages. Szeged has a significant importance in the region while Békéscsaba can be considered as one of the losers of the transition. The different economic potential of the counties is shown by the fact that concerning the gross national product Csongrád County stood at the 7<sup>th</sup> place while Bács-Kiskun stood at the 15<sup>th</sup> and Békés at the 18<sup>th</sup> place in the rank of counties (2009, KSH, Statat).

The region is in a favorable situation concerning research and innovation. In 2009 the total expenditure on research and innovation was 7% of the national amount which means that the region stood on the 2<sup>nd</sup> place among regions concerning this matter. Szeged University has an important training and research potential.

##### ***Characteristics of the labor market***

The employment situation of the region became more unfavorable than the national average during the crisis: between 2007 and 2009 employment rate decreased by 4% in the region. This decline was especially remarkable in Békés County where the number of employees decreased by 7% in 2009 compared to the number in 2007. In this respect, Csongrád County was in the best position where the number of employees decreased only by 1.6%.

Between 2000 and 2010 in the age group of 15-47 years the employment rate was the lowest in 2009 (46.9%) but increased somewhat in 2010 (48%, KSH Statat).

##### **Employment rate (15-74 year-olds)**

%	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
South Great Plain	48.7	49.0	47.8	47.0	47.3	47.4	47.7	48.4	47.9	46.9	48
Hun	49.6	49.8	49.9	50.6	50.5	50.5	50.9	50.9	50.3	49.2	49.2
Deviation from	-0.9	0.8	-2.1	-3.6	-3.2	-3.1	-3.2	-2.5	-2.4	-2.3	-1.2

national average (pp)											
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Source: KSH Stadat

The employment rate in the South Great Plain region was below the national employment rate which itself is also quite low.

### Unemployment rate

%	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
South Great Plain	5.2	5.4	6.2	6.5	6.3	8.2	7.8	7.9	8.7	10.6	10.6
Hun	6.4	5.7	5.8	5.9	6.1	7.2	7.5	7.4	7.8	10	11.2
Deviation from national average (pp)	-1.2	-0.3	0.4	0.6	0.2	1	0.3	0.5	0.9	0.6	-0.6

Source: KSH Stadat

The rate of unemployment has continuously increased in the region from 2002, it exceeded 10% in 2009 which was almost double of the 2000 rate. In 2010 the unemployment rate of the region was the same as in 2009 but was somewhat more favourable than the national average.

### *Employment rate: decreasing difference between counties*

#### Employment rates, %

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Bács-Kiskun	50.0	49.7	49.5	49.3	49.6	48.5	47.8	48.2	48.7	49.6	47.7
Békés	44.7	44.9	44.3	44.0	43.8	44.1	44.6	46.4	45.2	44.1	46
Csongrád	50.9	52.1	49.0	46.8	47.6	49.0	50.5	50.5	49.4	49.3	50

Source: KSH Stadat

The employment rate of Békés County was the lowest among counties between 2000 and 2010. In 2010 the difference was 4 pp compared to Csongrád which had the highest employment rate in the region and 1.7 pp compared to Bács-Kiskun County.

### Unemployment rate: a growing difference among counties

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Bács-Kiskun	5.7	6.4	6.2	7.3	7.1	8.5	9.4	9.3	8.6	10.9	10.8
Békés	5.8	6.0	6.9	7.1	6.5	8.4	7.8	8.1	10.2	13.4	12.5
Csongrád	4.0	3.7	5.5	5.0	4.9	7.5	5.9	6.0	7.7	7.8	8.9

Source: KSH Stadat

The rate of unemployment grew in all of the counties during the past ten years, most quickly in Békés County.

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

	2005	2006	2007	2008	2009	2010	2011 I-V.
<b>S. Great Plain</b>	<b>6091</b>	<b>6705</b>	<b>5123</b>	<b>4302</b>	<b>2638</b>	<b>2597</b>	<b>6134</b>
Bács-Kiskun	1979	2404	1893	1792	954	914	2497
Békés	1669	1625	1452	1415	949	942	2031
Csongrád	2443	2676	1777	1094	735	741	1606

<b>National</b>	<b>41615</b>	<b>41677</b>	<b>29933</b>	<b>25386</b>	<b>20740</b>	<b>22241</b>	<b>42087</b>
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Source: ÁFSZ (National Employment Service)

### ***Wages in the region according to "On the good track" and BérBarométer survey***

At the fall of 2010 the gross average wage of the 614 persons participating in "On the good track" survey was 121 462 Ft. This falls behind the results of the 2007/2008 BérBarométer survey by 14%. The difference can be due to the fact that there were more physical workers in the sample of "On the good track" survey. Their average wage is lower which decreases the average value of the sample.

### **BérBarométer gross wage/"On the good track" gross wage according to sample**

	<b>BérBarométer average</b>	<b>On the good track average</b>	<b>On the good track BérBarométer =100</b>	<b>BérBarométer, national=100</b>	<b>On the good track, national=100</b>
<b>National</b>	154003	123675	80	100	100
Bács-Kiskun	166992	114107	68	108	92
Békés	120064	112750	93	78	91
Csongrád	152940	135098	88	99	109
South Great Plain	140050	121462	86	91	98

While in the BérBarométer sample the national average was exceeded by wages in Bács-Kiskun County, "On the good track" survey showed an excess in the wages in Csongrád County. The wages in Békés County approached the national average: in the BérBarométer survey these wages lagged behind by 22% while "On the good track" survey showed a 9% fallback from the national average.

### ***Wage gap***

In order to explore the labor market situation from the point of view of equal opportunities, the updating of data of the 2007/2008 Bérbarométer database has been realized.

In the South Great Plain region, based on the responses of 223 men and 391 women, the gross monthly average wage was 121462 Ft; the net monthly average wage was 88684 Ft based on the answers of 230 men and 393 women.

### **South Great Plain region, "On the good track", Sept. 2010**

	<b>Gross monthly average wage, Ft</b>	<b>Net monthly average wage, Ft</b>
Men	133532	96864
Women	114578	83897
Total	121462	88684
Wage gap between wages of men and women	14.2%	13.4%

### ***Bács-Kiskun County: wage gap***

During "On the good track" survey 154 persons (52 men and 102 women) responded about their net wages and 152 persons (52 men and 100 women) responded about their gross wages in Bács-Kiskun County.

**Gross wages by gender, Ft/month**

	<b>BérBarométer, 2006/2007</b>	<b>On the good track</b>
	2007	2010 Sept.
Men	162282	99985
Women	179747	141807
Both sexes	168959	114107
Wage gap between wages of men and women	10%	29.5%

**Net wages by gender, Ft/month**

	<b>BérBarométer, 2006/2007</b>	<b>On the good track</b>
	2007	2010 Sept.
Men	112098	74139
Women	119270	98188
Both sexes	114815	82366
Wage gap between wages of men and women	6%	24.5%

***Békés County***

In Békés county the BérBarométer sample comprised 502 persons (322 women and 180 men).

During "On the good track" survey 230 persons (103 men and 127 women) responded concerning their gross wages and 232 persons (103 men and 129 women) responded about their net wages.

**Gross wages by gender, Ft/month**

	<b>BérBarométer, 2006/2007</b>	<b>On the good track</b>
	2007	2010 Sept.
Men	116851	109858
Women	131596	116317
Both sexes	122106	112750
Wage gap between wages of men and women	11%	5.5%

**Net wages by gender, Ft/month**

	<b>BérBarométer, 2006/2007</b>	<b>On the good track</b>
	2007	2010 Sept.
Men	84949	80549
Women	94423	85678
Both sexes	88271	82826
Wage gap between wages	10%	5.9%

of men and women		
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### ***Csongrád County: wage gap***

In Csongrád County the BerBarométer sample comprised 294 persons, 182 women and 112 men.

During "On the good track" survey 230 persons (83 men and 162 women) responded about their gross wages and 239 persons (75 men and 164 women) answered the question about their net wage.

#### **Gross wages by gender, Ft/month**

	<b>BérBarométer, 2006/2007</b>	<b>On the good track</b>
	2007	2010 Sept.
Men	116851	127466
Women	131596	153279
Both sexes	122106	135098
Wage gap between wages of men and women	11%	16.8%

#### **Net wages by gender, Ft/month**

	<b>BérBarométer, 2006/2007</b>	<b>On the good track</b>
	2007	2010 Sept.
Men	84949	92481
Women	94423	111306
Both sexes	88271	98388
Wage gap between wages of men and women	10%	16.9%

### **Wage gap, %**

<b>Counties</b>	<b>BérBarométer</b>		<b>On the good track</b>	
	Gross	Net	Gross	Net
Bács-Kiskun	10	6	29.5	24.5
Békés	11	10	5.5	5.9
Csongrád	11	10	16.8	16.9

### ***Factors shaping the employment profile of the South Great Plain region and their changes according to "On the good track" and BérBarométer survey***

In the South Great Plain region both samples comprised 731 persons from which Bács-Kiskun County was represented by 177 persons, Békés County by 268 persons and Csongrád County by 286 persons. We can state that Csongrád and Békés County are overrepresented in the sample of "On the good track" compared to the data of the Central Statistical Office (KSH). Nevertheless, a gender based analysis can be considered valid due to the rate of men and women in the sample.

If we examine the age distinction of the database on a county level we can see that the sample of "On the good track" differs significantly from both the national and the county level sample, because the group of young adults (18-29 year-olds) is significantly underrepresented (7.5%) while those older than 50 years represent almost 40% of the sample.

In both samples, the majority of respondents have a secondary degree. In the sample of the "On the good track" survey – especially in Békés County – the rate of those having only a high school end exam, thus being in a disadvantaged state from an employment policy point of view is high. While in Bács-Kiskun County the rate of those finishing vocational school is significantly high, 45%.

It is remarkable that the rate of entrepreneurs is higher in the "On the good track" project than in the Bérbarométer project. The number of entrepreneurs augmented especially in Csongrád County, it almost doubled: from 5.3% to 11.9% and in Békés County their number increased by three times: from 3% to 9%. This increase signals a new wave of forced entrepreneurs.

The number of employed pensioners was practically zero, which shows that working pensioners had been dismissed in the first round during the crisis.

One third of "On the good track" sample work at micro-enterprises which is a significant difference compared to the BérBarométer sample where people working at micro-enterprises comprised 5% of the sample while the rate of those working at companies employing more than 250 persons reached 30%.

The number of manual workers increased in the sample of "On the good track", the rate of unskilled employees doubled (10%) compared to the BérBarométer sample. This was especially characteristic in the sample of Békés County.

### *Cutbacks*

In this region, we found less cutbacks: 30% of respondents of "On the good track" survey reported about cutbacks at their companies while this rate was 60% in the BérBarométer sample. We found the lowest rate in Bács-Kiskun County: 12%. This shows that bigger cutbacks had already been realized before the fall of 2010 and that they were less characteristic to small and middle enterprises than to bigger companies.

### *Training*

In 2007, those reporting about company training comprised 63% of the sample on regional level. This rate fell behind drastically. 27% of the sample of "On the good track" mentioned training possibilities in the South Great Plain region which is higher than the national level (23.5%)

### *Job seeking*

Most of the employees said that family and friend helped them to find a job: almost half of the "On the good track" sample in the South Great Plain region reported to have found their job this way. In the former BérBarométer sample this rate was also high: 43%. The role of family and friends was especially

important in Békés County where 55% of the sample chose this answer. Employment found through advertisements had the highest rate in Csongrád County: 25.5%.

### *Working time*

Hungarian employment practice is still characterized by full time employment. In the South Great Plain region 11% of "On the good track" sample is employed full time while this rate was 8% in the Bérbarométer survey.

The structure of overtime has rearranged. Compared to 2007, the frequency of week-end work increased also in the South Great Plain region. In Csongrád County, more than half of the "On the good track" sample reported that they work on Sundays. This high rate is connected to the structure of the sample, that is the high percent of those working in the commercial and service sphere.

### *Expectations about the workplace*

An adequate remuneration stands in the first place of expectations concerning the workplace in both surveys. We found having an indefinite term contract being the second most important expectation together with the reconciliation of work and family life in "On the good track" survey. Having good relationship with colleagues was on the third place.

The least important were workplace childcare facilities and training possibilities.

### **Expectations about the workplace, value from 1 (worse) to 5 (best)**

	<b>On the good track</b>	<b>Bérbarométer</b>
Adequate remuneration	4.6	4.8
Indefinite term working contract	4.5	4.5
Good colleagues	4.4	4.2
Distance from habitation	4.0	3.4
Flexible working time	3.8	3.2
Training possibilities	3.5	3
Reconciling work and family life	4.5	3.8
Workplace child care facilities	2	