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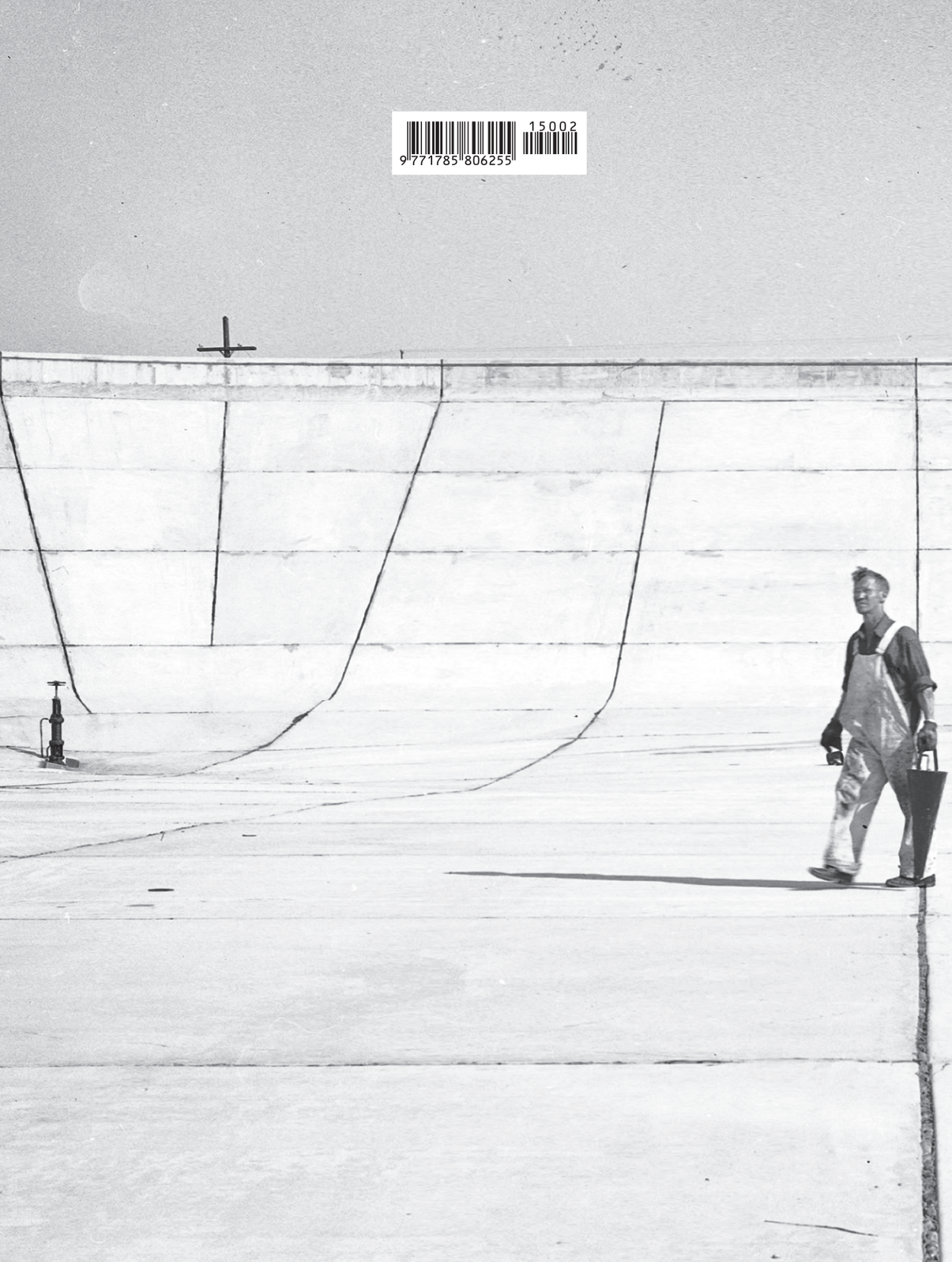

THE HUNGARIAN LABOUR MARKET, 2015 – IN FOCUS: PUBLIC WORKS

THE HUNGARIAN LABOUR MARKET 2015

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BUDAPEST, 2015

THE HUNGARIAN LABOUR MARKET
2015

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THE HUNGARIAN LABOUR MARKET 2015

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FOREWORD

The *Hungarian Labour Market Yearbook* series was launched fifteen years ago by the Institute of Economics of the Hungarian Academy of Sciences with support from the National Employment Foundation. The yearbook presents the main characteristics of the Hungarian labour market and of the Hungarian employment policy, and features an in-depth analysis of a topical issue each year. From the outset, the editorial board has striven to bring relevant and usable information on trends in the Hungarian labour market, the legislative and institutional background of employment policy, and up-to-date findings from Hungarian and international research studies to policy makers, civil servants, municipalities, NGOs, higher education and research institutions, the press and electronic media.

The research published in the yearbook series should provide a good source of knowledge for higher education on the topics of labour economics and human resources management. The yearbook presents the main characteristics and trends of the Hungarian labour market in an international comparison using available statistical information, conceptual research and empirical analysis in a clearly structured and easily accessible format. Continuing our previous editorial practice, we selected an area that we considered especially important from the perspective of understanding Hungarian labour market trends and the effectiveness of evidence-based policies. Thus, this year the focus is on public works in Hungary.

The yearbook has four main parts.

1. The Hungarian labour market in 2014

Economic trends were more favourable in 2014 than in previous years, the Hungarian gross domestic product increasing by 3.6 per cent in comparison to the preceding year. Household incomes rose leading to an increase in consumption, and consequently therefore, to the creation of new jobs. The labour market survey in 2014 found that, in comparison to the previous year, the employment rate increased by 208 thousand persons, which occasioned the total number of people in employment to rise above 4.1 million. The employment rate of the 15–64 age group improved by 3.7 percentage points, from 58.1 per cent to 61.8 per cent this being the best result in the past quarter-century. Some 0.6 percentage points of the improvement are explained by a demographic factor, namely, a decrease in the number of the observed age group. Factors in the internal regulatory environment that had a significant impact on the labour market include the increase of the minimum wage, the increase of public works expenditure,

the extension of the family tax credit, and the lifting of the employment ban on recipients of the insured maternity leave [*gyed extra*].

The rise in employment took place in a context of expanding labour supply. Due to the increased retirement age, the number of people on the labour market also increased year on year, although this effect was partly offset by the opportunity for women to retire after 40 years of employment. The labour supply of younger people was increased by the fact that the school leaving age was reduced to 16 years, and that fewer students decided to continue their studies in higher education in 2013 and 2014 than before. The introduction of 'gyed extra' typically motivated an earlier return to the labour market for those who were better educated and lived in settlements better equipped with day-care facilities for children. Finally, the labour supply was further increased by the extension of public works, which offered employment opportunities to some people who had previously been permanently excluded from the labour market.

First among the factors influencing the demand side is the extension of public works. In 2014, there were 182.4 thousand public workers as an annual average, but since public works typically do not last for 12 months, the number of people involved in this employment form was at least one and a half times more. The main employer of public works participants is still the public sector: 159.5 thousand people were employed here, however the number of people working in the private sector (typically at majority-state-owned enterprises) and at non-profit organisations increased at an above-average pace in 2014. All major data sources noted the improvement in the labour absorptive capacity of the private sector. Institutional labour statistics registered a 50 thousand increase in the number of enterprises with more than five employees, and data from the National Tax and Customs Administration show that 80 thousand more people were employed in enterprises than in the previous year (in addition to a 10 thousand increase in the number of private entrepreneurs and partnerships, and a 20 thousand increase in the number of public sector employees). The survey developed for the forecast of labour demand – pursuant to an EC regulation on job vacancy statistics – also registered a positive shift in 2014. There were 23 thousand job vacancies at the observed organisations in the private sphere, which is less by only 2.7 thousand than in 2007, the last year before the crisis, and almost twice as many as at the time of the deepest economic crisis in 2009.

The number of unemployed also significantly decreased in 2014. According to the ILO definition, it dropped from 441 thousand to 343.3 thousand, while the number of registered job seekers fell from 527.6 thousand to 422.4 thousand. The number of respondents identifying themselves as unemployed in a labour survey also dropped from 666.5 thousand to 538.8 in one year. Regarding educational attainments, the number of people with higher education was 35.4 thousand persons – representing the smallest group in 2014 – and fell short by 6.7 thousand than that of the previous year. The biggest winners of the improv-

ing unemployment situation were those with (lower and upper) secondary vocational education, the majority of whom had presumably found employment in the private sphere. The increase in the number of public works participants in 2014 could mostly mitigate unskilled unemployment.

After the crisis, the gross earnings within observed organisations in the private sphere increased significantly in nominal terms, although at a fluctuating pace: in 2012 they exceeded the level of the previous year by 7.3 per cent, in 2013 by 3.6 per cent, and in 2014 by 4.3 per cent. A significant contributing factor to the growth rate in 2014 was a greater than 10 per cent increase in irregular earnings (premiums, bonuses), which represented about 8 per cent of total earnings. The gross average wage in the public sector is 17 percent below wages in the private sector, but the gap reduces to 5 percent if public works participants are excluded from the comparison. Since there was no change in the rate of income tax or social security contributions in 2014, the growth rate of gross and net earnings had increased, and due to a 0.2 per cent fall in consumer prices, the growth rate of real earnings had exceeded that of nominal wages.

2. In Focus

This year, In Focus addresses the issue of public works. The scale of Hungarian public works is unique in Europe both in terms of the number of participants and expenditure. By 2015, the government has envisaged the employment of some 200 thousand participants from a 270 billion forints budgetary support. The public works programme has been the most important employment policy of the period since 2010 and therefore analysing its short- and long-term effects is an important task. This part consists of two chapters: the first summarises international experiences, the second presents the facts and available research findings pertaining to the Hungarian public works. In Chapter 1 *Judit Kálmán* gives an overview concerning the international experiences of public works. She presents the motives, goals and theoretical background of public works, and reviews the design and results of evaluations of some concrete public works programmes in terms of their efficiency and effectiveness.

The chapter is supplemented by three boxes which present in detail the programmes of countries or group of countries that run notable public works programmes. These texts summarise the results of evaluations of these programmes as well.

In box K.1.1 *Ágota Scharle* presents the most important characteristics of Slovak public works programmes, in box K.1.2 *Judit Kálmán* does the same for the Argentinian ones, and in box K.1.3 Tamás Bakó for the Scandinavian ones. The authors also summarise the most important evaluation results of respective programmes provided they are available.

Chapter 2 of Közelkép deals with the Hungarian public works programme. In section 2.1 *Katalin Bördős* sums up the *regulations* and amendments of certain

forms of public works that have been in place during different periods since the regime change. The section deals separately with the system before 2011, and the one after 2011 that has involved uniform public works. It covers the regulations and institutional changes of certain forms of public works as well as their respective implementations.

In section 2.2 *Irén Busch* and *Katalin Bördős* take account of the most important data sources on public works with regard to participation and cost figures. The section provides an overview of the types of territorial (national, local) or individual level data available in each period, evaluates each data source in terms of their reliability, and briefly addresses the possibilities of data analysis. In section 2.3 *Zsombor Cseres-Gergely and György Molnár* review the *basic facts* with regard to public employment. The authors assess public works participation as an episode of the customer journey in public employment services leading, possibly, to employment on the open job market. They analyse participation rates in the public employment service for each programme, including public works, and track the typical journey of the unemployed belonging to different groups and having different observable characteristics.

In section 2.4 *Luca Koltai* analyses the *values of public works employers.* It gives an account of the staff of organisations operating public works programmes by rendering their opinions, expectations, identified goals and perceived effects of the public works programmes. In section 2.5, based on a particularly large national administration panel data base, *János Köllő* provides an analysis on the rate of public workers at the end of 2011, and assesses to what extent these individuals worked before 2011 in "real", that is, non-public works related positions. The section examines the *extent to which real and public works contributed to the employment* of public workers, then analyses the frequency and length of real employment relationships.

In section 2.6 the study of *Zsombor Cseres-Gergely* describes the nature of the participants in public works programmes, and analyses the extent these programmes are implemented in line with their declared aims, whether they really reach out to the long-term unemployed and improve the employability of participants by temporary work opportunities.

In section 2.7 *Márton Czirfusz* addresses the territorial inequalities of public works, and seeks to answer the question of whether the transformed and extended system of public works after 2008 has reproduced spatial inequalities.

In section 2.8 *Irén Busch* reviews the most important data of winter public works that is aimed at decreasing the seasonality of public works. In section 2.9 *Zsombor Cseres-Gergely* and *György Molnár* examine the individual and environmental factors related to exit from public works. The authors take into account which factors are related to exit to the open, non-public works-related job market, and which are the ones impeding that. Furthermore, they also analyse the factors that lead to returning to public works,

registered or unregistered unemployment, in contrast to employment in the open labour market.

Finally, the paper by *János Köllő* in section 2.10 examines the potential reintegration of public workers from the perspective of their fellow workers: whether in genuine work organisations, with peers employed in the primary labour market, or in separate public works units. While the former may facilitate a situation whereby job seekers and employers find each other, separation does not provide an opportunity for employers to form an opinion regarding the skills and productivity of public workers in a genuine work environment and this can hinder the reintegration of public workers, and their transition from welfare to work.

The compiled analyses of In Focus examine public works from various angles. More detailed and evidence-based analyses are currently not available concerning public works in Hungary. The international overview enables us to assess the Hungarian programme also in the light of international experiences. We hope that this collection of studies will support a more evidence-based decision making in public policy and enable professionals in the field to use the research findings presented. Likewise, we hope that the non-professional audience interested in the topic may also acquaint themselves with the nature, results and problems of public works.

3. Instruments of labour market policy (February 2014 – April 2015)

The most important changes affected the institutional system of employment policy. On 1st of January 2015, the National Employment Office was dissolved without a successor entity, and its tasks and competences were distributed among other public agencies. Employment policy has since been managed by the minister responsible for employment policy, while vocational and adult training were entrusted to the National Institute of Vocational and Adult Education, which is a newly established agency by the Ministry of Economy. As of 1st of April 2015, the independent agencies have been converted – in the framework of reforming government agencies – to ministerial departments, where tasks and competencies are assumed by regional government agencies and their appointed government commissioners.

Co-financed by the European Union, new and comprehensive programmes for the 2014–2020 development phase have been launched. Projects on employment policy were primarily realised in the framework of the Economic Development and Innovation Operation Programme, and also according to two priorities (Improving the competitiveness of enterprises and encouraging employment, and Encouraging employment and developing corporate adaptability.) Furthermore, the Territorial and Settlement Development, Human Resources Development and Competitive Central Hungary Operational Programmes also had activities that aimed at increasing employment and the labour market integration of job seekers and the disabled.

The regulation of the development tax benefit intended to encourage employment was changed from July 2014, primarily in accordance with a development map defined by the European Commission for the 2012–2020 period, and the equality of opportunity dimensions thereof. Changes in the intensity of supports mainly favour small and middle enterprises. In the framework of employment protection, action plan recipients of the insured and flat rate parental benefits were affected by a positive change. In the regulation of the main job creating programme, which was public works, only minor changes were made during this period.

From 1st of January 2015, the pension system was amended in a way that abolished the possibility of early retirement in certain occupations. From 1st of March 2015, municipalities have increased autonomy in designing means-tested social benefits, except for the means-tested unemployment assistance, which will be administered by government agencies at the micro-region level. The regular social benefit was renamed as disability and childcare allowance and long-term unemployed persons aged over 50 are no longer eligible for this, but instead can apply for the means-tested unemployment assistance. Other allowances (e.g. for housing or medicine) were merged and renamed as local assistance and municipalities have considerable freedom in setting the conditions of entitlement.

4. Statistical data

This section gives detailed information on the main economic trends, population, labour market participation, employment, unemployment, inactivity, wages, education, labour demand, regional disparities, migration, labour relations, and social welfare assistance as well as an international comparison of selected labour market indicators. The data presented here have two main sources: on the one hand, the regular institutional and population surveys of the Central Statistical Office – Labour Force Survey, institutional-based labour statistics, labour force accounting census: on the other hand, the register of the National Labour Office and its data collections – the unemployment register database, short-term labour market forecast, wage tariff surveys, and the NLO's Labour Relations Information System. More information is provided on these at the end of the statistical section. In addition to the two main data providers, the Central Administration of National Pension Insurance has provided the data on old age and disability pensions and assistance. Finally, some tables and figures are based on information from the online databases of the CSOs, the National Tax and Customs Administration and the Eurostat.

All tables and figures can be downloaded in Excel format following the links provided. All tables with labour market data published in the Hungarian Labour Market Yearbook since 2000 are available to download from the following website: http://adatbank.krtk.mta.hu/tukor.

*

The editorial board would like to thank staff at the *Institute of Economics – Research Centre for Economic and Regional Studies – HAS*, *Central Statistical Office*, the *Human Resource Department of Corvinus University*, the *National Employment Service*, the *Ministry for National Economy*, *Ministry of Human Resources*, the *Budapest Institute for Policy Analysis*, the *National Bank of Hungary*, the *Budget Committee*, and members of the *Economics of Human Resources Committee of the Hungarian Academy of Sciences* for their help in collecting and checking the necessary information and preparing this publication. Last but not least, we would also like to thank the leadership of the *Hungarian Academy of Sciences* and the *Board of OTP Together for Future Jobs Foundation* for financially supporting the publication of the yearbook series.

THE HUNGARIAN LABOUR MARKET IN 2014

TAMÁS BAKÓ & JUDIT LAKATOS

ECONOMIC BACKGROUND

Changes in the external economic environment had complex impacts on the Hungarian economy in 2014. The performance of the main economic partner countries moderately increased in previous years (the European Union's performance was 1.4 percent while that of Russia 0.6 percent higher than in 2013). As a result of the long lasting fall in raw material prices, in particular of oil, and of low demand, inflation was universally moderate. The major central banks of the world pursued a lax monetary policy which created a favourable interests and liquidity environment throughout the year worldwide (*MNB,* 2015). However, at the same time, the escalating conflict between Russia and the Ukraine and the ensuing embargo had a negative effect on the Hungarian economy. Nevertheless, Hungary's gross domestic product grew by 3.6 percent in 2014 (*HCSO,* 2015a) since the previous year, which places Hungary among the top countries of the EU member states. This growth is predominantly due to the greater output in agriculture and industry – the latter driven by the growth in vehicle production and related supply chains (*HCSO,* 2015b). Furthermore, the economy grew as a result of a 14 percent increase in investments relative to the previous year, basically made possible by favourable interest rates as well as the Hungarian National Bank's lending program for growth and the accelerated transfer of EU funds. In terms of domestic regulatory efforts, raising the minimum wage, increased funding for public works programmes, raising the family tax allowance and introducing the supplementary child care benefit have had the greatest impact on the labour market. The purpose of the new child care benefit introduced as of 1st January 2014 is to encourage families to raise children and help mothers to return to the labour market.

LABOUR FORCE DEMAND AND SUPPLY

After a slow increase in employment between 2003 and 2007, a period of stagnation took place, followed by the number of employed dropping to the level of a decade earlier after the autumn of 2008, when the economic crisis hit the Hungarian labour market. While the loss of around 150 thousand jobs was incomparable to the labour market shock of the 1990s, and the impact of the crisis on the labour market in Hungary proved to be smaller than in the rest of the EU countries, it had implications other than just the drop in numbers. Most jobs ceased to exist in the industrial sphere, and the middle

aged with a secondary education were hit the hardest, i.e. those who earlier had taken their employment for granted. The two main ways of coping with the employment situation were going to work abroad and the inactive element returning to the labour market.

The main earner's losing his/her job or merely increasing bank debts forced many inactive household members to go back to the labour market to try and find a job. Using the EU–SILC database, this so called added worker effect was found in 28 European countries (see *Bredtmann at al.,* 2014): women with an unemployed husband are more likely to enter the labour market and find a full time job than those with an employed husband. As a result of increased activity, up until 2014 the increase in employment did not involve a similar drop in the rate of unemployment.

The employment level was the lowest in 2009 and 2010, which was followed by a short stagnation period. A favourable change started as late as in 2012. According to the findings of the Labour Force Survey, in 2013 the annual average employment was 3 million 892 thousand persons, basically the same number as in the years directly before the crises and nearly 160 thousand more than at the lowest level in 2009 and 2010. This increase had three sources:

- The number of persons commuting to work abroad grew by about 50 thousand, triggered by the crisis and made possible by Austria's and Germany's – the two main target countries – opening up of their markets to the Hungarian labour force in May 2011.
- From 2012, public works programmes grew significantly: the annual average shows that around 60 thousand more worked in these programmes in 2013 than in 2010. This is partly due the special winter public works programmes introduced in 2013 which helped keep the number of public works employees at the summer peak level over the latter months of the year. (Owing to the same programmes, the number of public works employees was equally high in the first quarter of 2014.)

New jobs were created in the private sector (for instance in vehicle manufacturing), and investments grew a little, bringing the loss of jobs in construction to an end.

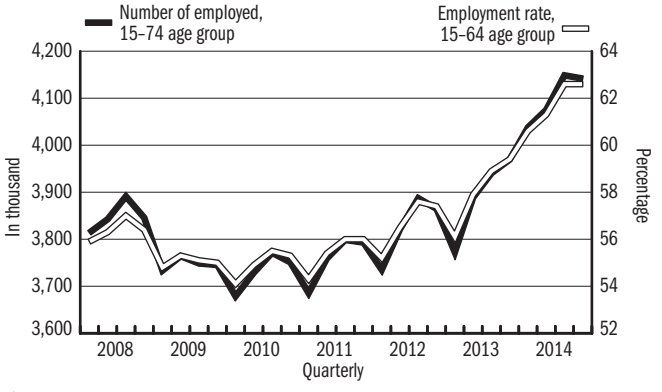
The Labour Force Survey of the Hungarian Central Statistical Office found a significant, 208 thousand growth in the number of employees in 2014 relative to a year earlier, of whom

- 45 to 50 thousand, about one quarter of the total increase, were employees in the expanded public works programmes;
- similarly, about 50 thousand more worked in enterprises employing 5 or more in the private sector;
- partly due to taking over some of the welfare responsibilities and partly to establishing new agencies, 20 to 25 thousand employees were added to the labour force of budgetary institutions;

- the numbers working abroad seemed to change only minimally, with daily about two thousand more persons reporting work outside Hungary, yet the unrecorded labour market migration probably grew at an even higher level.

In 2014 the number of employees was higher than 4.1 million, while the employment rate of those aged 15 to 64 grew by 3.7 percentage points in one year, from 58.1 percent to 61.8 percent, the latter being the highest of the past almost 25 years (*Figure 1*). Regarding this index, Hungary jumped to the 19th and 20th place in the European Union at the end of 2014, coming before Ireland, Poland and Slovakia. However, 0.6 percentage points of the increase is due to a demographic factor, notably the shrinking of this age group population.

Figure 1: The number of employees and the employment rate, 2008–2014*



* Inflated and weighted data based on the 2011 census.
Source: HCSO Labour Force Survey.

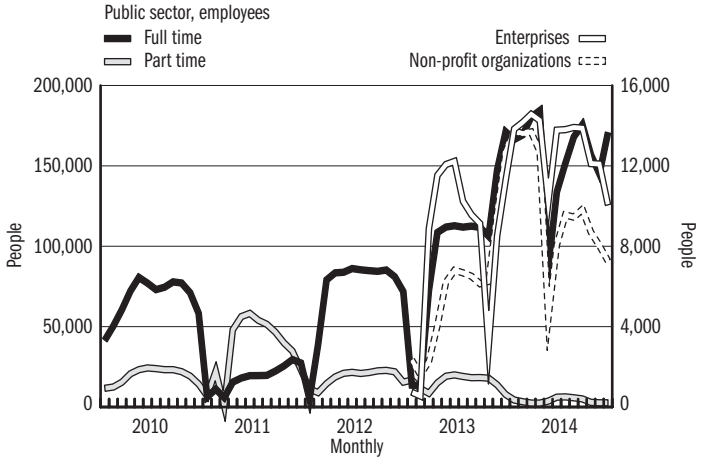
With the improving employment situation the labour force supply grew, too. With the gradual raising of the retirement age, the number of those in the labour market grows every year, which, however, is partially counterbalanced by the option for women to retire after 40 years of employment. At the same time, the labour force supply in young generations grew because of the lowering of compulsory education to 16 years and because of fewer students deciding both in 2013 and 2014 to go on to higher education after having earned a secondary school certificate. The introduction of the supplementary child care benefit appears to encourage typically those mothers to return to the labour market who have a higher education and live in communities with a relatively large number of day care institutions for children. The supply also increased with the expansion of the public works programmes which offer employment to the long term absentees from the labour market.

The most important factor influencing the demand side is the expansion of the public works programme, not only because they increase the number of employed but also because they offer work to people who otherwise have no

chance whatsoever in the open labour market (for instance persons living in depressed regions or having low education levels). Consequently public works programmes thus have implications for a wide range of employment indices. By 2014, the change of paradigm in addressing unemployment – ensuring public works employment instead of unemployment provisions – created a huge segregated labour market. In 2014 the annual average showed that 182.4 thousand worked in public works programmes; however, as such jobs typically do not last 12 months, at least one and a half times as many worked in public works programmes for some time.[1] Only 13.1 percent of persons having worked in public works programmes could later find a job in the open labour market, the rest live on social aid and wait for the next public works vacancies (see Cseres-Gergely Zsombor in Section 2.9 in *In Focus*). Public works employees are not paid based on performance, but earn the public work wage which is three quarters of the minimum wage.

In 2014 the number of public works employees ceased to heavily fluctuate within the year, with a sharp drop only in May as the winter season was over and new jobs were not yet launched. A further change is that public works jobs became almost exclusively full time (which, however, is hardly a solution for carers of elderly persons or of young children in the household). The main area of public works programmes remains the public sector with 159.5 thousand employees while in the organizations of the private sector (typically in enterprises with a majority state ownership) and in non-profit organizations (performing public duties) the number of public works employees grew more than the average rate in 2014 (*Figure 2*).

Figure 2: Monthly changes in the number of public works employees, 2010–2014*

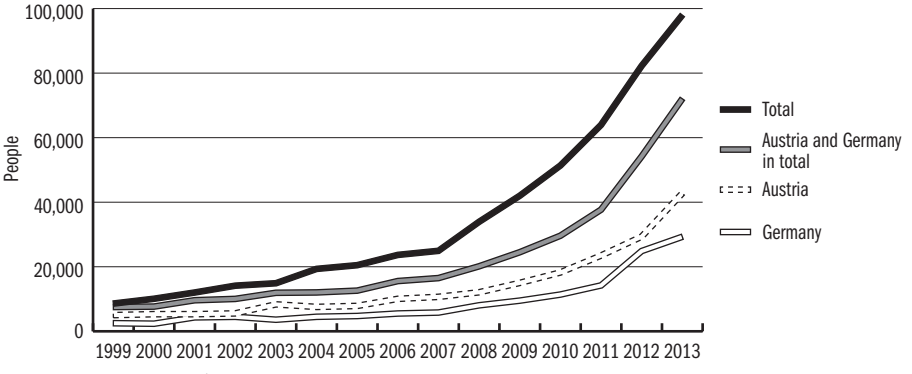


* Until 2012 information is only available on the public sector. Right axis: enterprises and non-profit organizations, left axis: public sector.
Source: Monthly Labour Reports.

1 Public works programmes starting between January 1, 2011 and December 31, 2012.

After dynamic growth between 2011 and 2013, there was no change in the number of persons working abroad in 2014 – at least of those covered by the Hungarian Labour Force Survey (*Lakatos,* 2015). The overwhelming majority of the nearly 100 thousand persons having reported working abroad on a daily basis commuted between their families in Hungary and the workplace abroad (*Figure 3*). That probably large numbers commute is corroborated by the fact that about half of the 43 thousand persons having reported to work in Austria in 2014 lived in neighbouring counties Győr-Moson-Sopron and Vas.

Figure 3: Number of employees reporting to be working in Austria and Germany, 1999–2013



Resource: HCSO Labour Force Survey.

It is difficult to estimate the actual number of persons currently working abroad, and the classical definition of migration is not really useful either in the environment of free movement of labour. In terms of workers in a foreign country, Hungarian surveys provide more or less reliable data only on those who are earners in Hungarian households, which however, appear to exclude young people supporting only themselves, even if their permanent address is still their parents' homes. Furthermore, there is no information available about people moving abroad with their families, even if only for a short period.

The aggregation of labour force surveys of EU member countries in 2013 found about 200 thousand Hungarian employees in EU countries, while a Hungarian project (SEEMIG) estimated the number of Hungarians living abroad at 350 thousand (*HCSO,* 2014). As the inflation of Labour Force Survey data is based on a population that excludes this kind of migration, those who work abroad but are not included in the Labour Force Survey count as employed due to the inflation. Furthermore, the above average employment rate of the so called labour market migrants can be a distorting factor. The further increase of the number of Hungarians working abroad in 2014 makes it highly probable that Hungary is one of the very few EU member states where

the migration rate in the working population had consistently been low and has only started to dynamically grow in recent years.

Even with the lack of accurate data it is certain that the increasing labour market migration of recent years improved the labour market prospects of those staying in Hungary; it is however a cause for worry that in a few occupations in high demand migration is threatening the proper functioning of services in Hungary. While currently this is only true for health care, several other services or occupations even in industry are likely to face labour force shortages in the future.

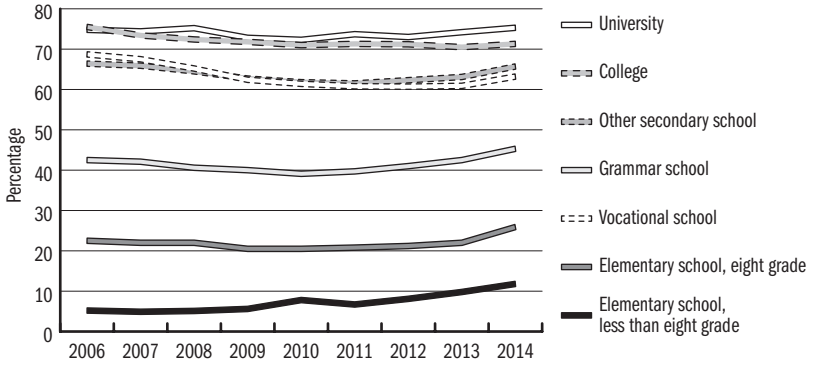
Economic trends were more favourable in 2014 than in earlier years. Household incomes grew, resulting in increased consumption and hence new jobs. The amelioration of the labour intake capacity of the private sector is confirmed by every important data source: the Institutional Labour Statistics found a nearly 50 thousand work force increase in enterprises employing 5 or more, while according to the data of the National Tax and Customs Administration 80 thousand more were employed in some form by enterprises than in the previous year, in addition to 10 thousand more employees in self-employment and in partnerships, and 20 thousand more in public institutions.

According to the labour statistics, the number of jobs grew by 20 thousand in the industrial sector, the greatest increase happening in energetics divisions and vehicle manufacturing. The Labour Force Survey, covering the entire employed population including employees of small enterprises, self-employed and partnerships as well as persons performing income earning activities in the reference week on an *ad hoc* basis, found a much greater, nearly 70 thousand increase in this section of the national economy. Similarly, both data sources indicate a growth in employment in construction, with the Labour Force Survey showing a more dynamic change, while both sources show little change in trade. In the area of non-financial services, institutional statistics clearly show a growth while according to the Labour Force Survey the increase did not take place in all service sections universally.

The survey designed to forecast labour market trends in compliance with the EC decree to record unfilled vacancies found a significant increase in 2014 too. In the private sector there were 23 thousand unfilled vacancies, only 2.7 thousand fewer than in 2007, the last year before the crisis and almost twice as many as in 2009 – the year showing the lowest level.

The overall increase of the employment rate involves a set of differences, depending on the variable. The various indices are heavily influenced by the substantial role of public works employment in the labour market. Thus, the differences in the employment rate by educational attainment diminished, though still being great, as in the majority of public works jobs lower educational attainment tends not to be a problem (*Figure 4*).

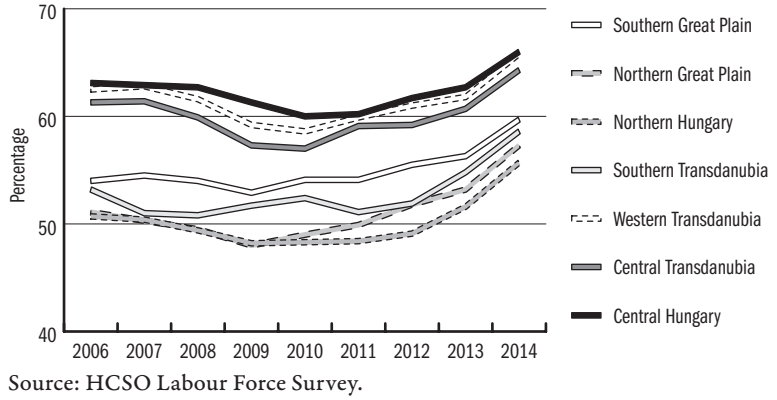
Figure 4: The breakdown of the employment rate by educational attainment, 2006–2014*



* Due to the specific age group, students currently in secondary education are included in the population with only primary education.
Source: HCSO Labour Force Survey.

In 2013, again owing to public works programmes, regional differences in the employment rate diminished (*Figure 5*), while in 2014 a growth in demand for non-subsidised jobs increased the difference in favour of the developed and industrialized regions of the country. Labour migration within the country remains low, migration or commuting motivated by better employment chances is typically transborder.

Figure 5: Employment rate in the various regions of Hungary, in the age group 15 to 64, 2006–2014

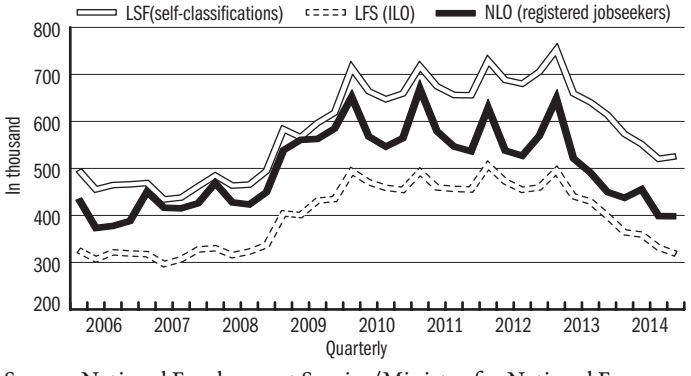


Source: HCSO Labour Force Survey.

UNEMPLOYMENT AND THE POTENTIAL ADDITIONAL LABOUR FORCE

While the number of employed steadily grew from 2010, and essentially reached the pre-crisis level in 2013, unemployment numbers did not change until as late as 2012 and the drop in 2013 was far smaller than expected given the growth in employment. The reason for this is that large numbers of inactive persons became unemployed (and employed), which is partly connected to the expanded public works programmes ensuring work for people who, knowing the constraints of the local labour market, had given up active seeking (and did not qualify as unemployed according to the ILO definition based on three criteria). In addition, escaping the inactive status was motivated by the increased importance of the multi-earner household model in the crisis. In 2014, however, the number of unemployed, as defined by ILO, also dropped significantly, from 441 thousand to 343.3 thousand, that of registered job seekers from 527.6 thousand to 422.4 thousand, and that of those reporting themselves unemployed in the Labour Force Survey from 666.5 thousand to 538.8 thousand in one year (*Figure 6*).

Figure 6: The number of registered job seekers, unemployed by the ILO definition and self-reported unemployed, 2006–2014



Source: National Employment Service/Ministry for National Economy/ HCSO Labour Force Survey.

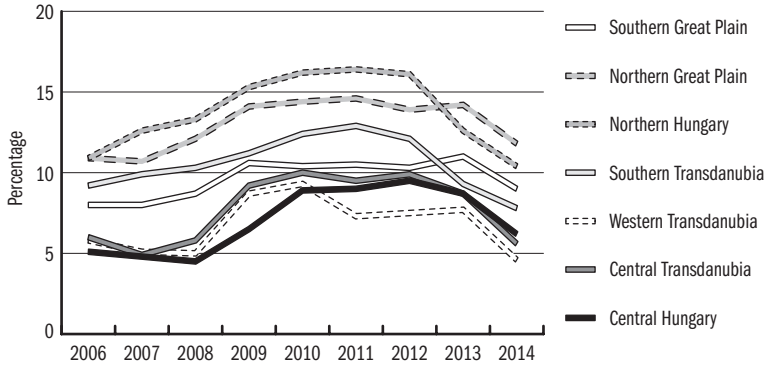
The number of ILO unemployed in the Labour Force Survey database decreased according to all main variables. In 2014 57.5 thousand fewer men and 40.2 thousand fewer women were unemployed by annual average than a year earlier. One of the consequences of the crisis was that the unemployment rate in men was higher than in women, but from 2013 it switched back to a higher female unemployment rate. In 2014 the difference between the two rates was 0.3 percentage points as opposed to 0.1 percentage points in 2013.

While the youth unemployment rate dropped from 23.5 percent to 20.1 percent, the 67.6 thousand unemployed aged 15 to 24 still make up nearly one fifth of all unemployed.

The number of unemployed with only primary education fell by 22.8 thousand, the number of persons with a secondary level final exam certificate – counting as unskilled in the labour market – by 7 thousand, that of persons having vocational education or apprentice training by 41.2 thousand and that of people with special vocational education by 20.2 thousand. There were 6.7 thousand fewer unemployed with higher education than a year earlier, who in 2014 made up the smallest, 35.4 thousand strong, group of unemployed. The improving employment situation benefitted those with vocational secondary education (both special and regular) the most, the majority of whom seem to have found a job in the private sector.

The expansion of the public works programme in 2014 primarily mitigated unemployment in the unskilled. While the unemployment rate in county Győr-Moson-Sopron was down at, and in county Vas near, 3 percent, which counts as full employment, in counties Hajdú-Bihar and Szabolcs-Szatmár-Bereg it was 13 percent or a little higher. Regional differences in the unemployment rate somewhat grew once again in 2014 because public works programmes played a smaller role in removing differences, and the larger part of the growth in employment took place in the private sector and was concentrated in the more developed industrial regions of the country. The relatively good indices of the Western border area and hence of the West-Transdanubia region are heavily connected to commuter job opportunities in Austria (*Figure 7*).

Figure 7: Regional unemployment rates in Hungary, 2006–2014

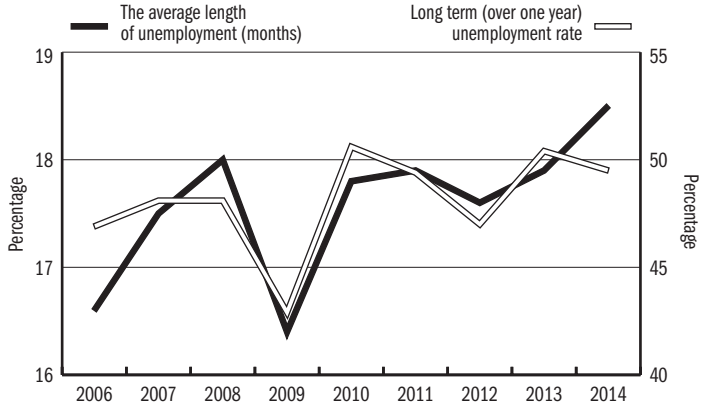


Source: HCSO Labour Force Survey.

The average unemployment time spell grew by 0.7 month, from 17.9 months to 18.6 months in one year (*Figure 8*), with the Central Hungary region having the longest period and the biggest increase. Due to their nature, public works programmes eliminated some of the long term unemployment by re-

ducing temporarily the average time requirement to find a job. However, this effect ceased to work in 2014 as participants in public work programmes were more or less the same persons. People spending a relatively short period as unemployed appear to be more eligible for the new jobs available in the private sector created recently in the growing economy because they still have their full employability potential. At the same time, however, persons who live in regions with scarce public works programme jobs (e.g. central region) and who have low education and obsolete or non-existing work experience making them largely unemployable in the private sector tend to get stuck in unemployment.

Figure 8: The average unemployment spell (left axis) and the rate of long term (over one year) unemployed in all unemployed (right axis), 2006–2014



Source: HCSO Labour Force Survey.

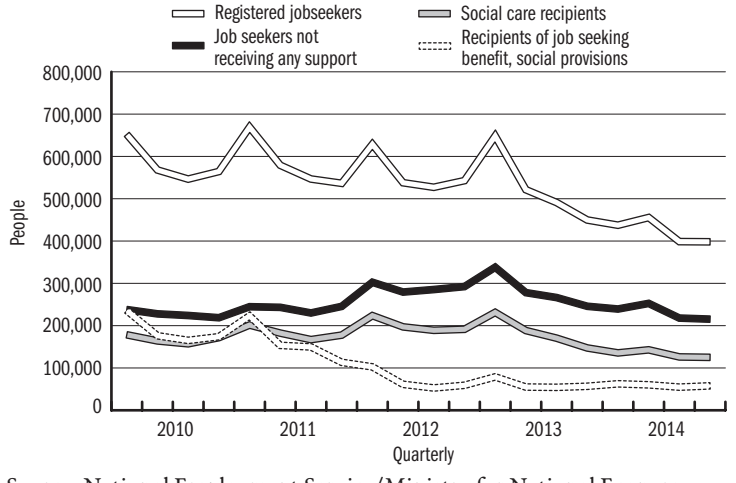
Public works programmes have a stronger and more direct impact on the number of registered job seekers than on the number of ILO unemployed. In May 2014, when there were 100 thousand fewer public works employees than in the previous month, the number of registered unemployed grew by about the same number. By July the number of public works employees was a steady 160 to 200 thousand while that of registered job seekers at around 400 thousand.

The share of first job seekers was 13 percent in 2014, which is higher, even if not substantially, than in the previous year despite the fact that a significant part of active tools designed to help the young to find work (for instance, the First Job Guarantee program, the state's taking over taxes and public dues in the framework of the job protection action plan, subsidising workplace scholarships from the central budget, a variety of start-up programs) were in place. One explanation is that 20 thousand of the first job seekers had only primary education (some even dropped out of primary school), with hardly any chance of finding a job in the open labour market. To avoid long term unemployment, they would need to be involved in personally-tailored train-

ing programmes, however the current labour market policy seems to concentrate on public works programmes rather than training.

The impact of the reform of the system of unemployment provisions (cutting back the job seeking benefit period to three months, limiting eligibility for job seeking aid to persons having not more than five years to work before retirement, linking income-tested benefits to participation in public works programmes and in other active programs) peaked in 2014. On average, 59 thousand persons per month were given job seeking provisions, of which nearly one third received the special pre-retirement allowance. As the job seeking benefit period was typically already three months in 2013 because earlier types of benefits were expiring, the number of recipients was essentially stable. In 2014 nearly 30 percent fewer registered job seekers received regular social assistance than a year earlier in line with the government's plans to replace the small amount of aid with better paid public works jobs. On an annual average 231 thousand of the registered job seekers were not given any pecuniary provision and another 132 thousand received HUF 22,800 as an employment substitution subsidy (*Figure 9*). (Recipients of this subsidy were typically involved in public works programmes and hence earned higher incomes in a part of the year.)

Figure 9: The number of recipients of job seeking benefit, social provisions and of job seekers not receiving any support, 2010–2014



Source: National Employment Service/Ministry for National Economy.

In addition to the unemployed meeting formal criteria (such as ILO unemployed or registered job seeker), a considerable number are on the labour market who could (would) become employed if certain conditions were in place. The Eurostat definition of potential additional labour force is the ILO unemployment definition supplemented by three further categories: underem-

ployed, i.e. persons wishing to go over from part time jobs to full time employment, job seekers not immediately available for work and persons available for work but not seeking it. In 2014 623.4 thousand persons met the definition of potential additional labour force, of which 96 thousand were underemployed. The 539 thousand persons reporting themselves unemployed is about the same magnitude as the number of unemployed within the potential additional labour force.

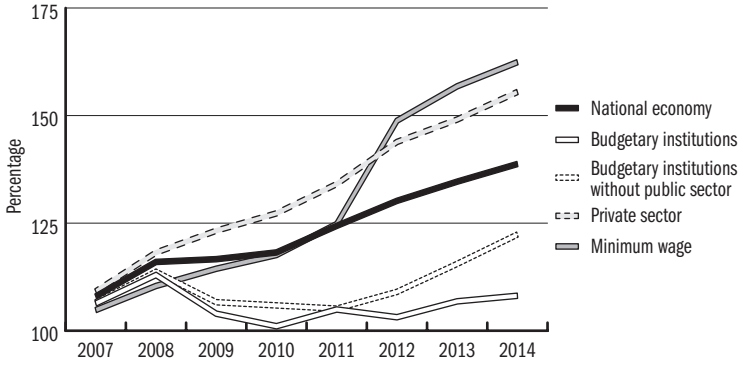
In addition to the 4 million 70 thousand employed and 3427 thousand unemployed in the age group 15 to 64 regarded as active age, there are 2 million 175 thousand who are inactive for various reasons, 7.5 percent less than a year earlier. In each inactive category a decreasing trend was recorded, however to a different extent. In the retired, which is the largest group, this was caused by the incremental increase of the retirement age while in pupils, in addition to demographic changes, by the lowering of compulsory education as well as by fewer of them going on to higher education than in earlier years; as for the recipients of child care support, measures to encourage the return to the labour market (child care benefit supplement) played a crucial role. Due to cut backs on pecuniary unemployment support, the number of inactive on such payments decreased dramatically, while the expansion of the public works programmes and the recovery of the economy made it possible for a larger number of so called other inactives to enter the labour market than before.

EARNINGS

Gross earnings in the private sector (and partly in the non-profit sector) are shaped by the wage policies and business profits of economic organizations, the only single central intervention being the setting of the minimum wage. As for employees of budget institutions, however, labour policy makers have a wider range of tools, which is reflected in the increase of earnings in these two major areas (public and private sectors) over the past few years.

While in the 2000s gross earnings in the private sector grew basically at an even pace, with some setbacks in the crisis years from 2008 to 2010, the raising of the mandatory minimum wage in 2012 well exceeding the wage growth in the private sector failed to exercise any major impact on the sector overall. At the same time, gross earnings in the public sector decreased between 2008 and 2010 (basically as a consequence of cancelling 13th month salaries and later the earning supplement too, originally designed to replace 13th month salaries); in the last four years, however, wage adjustments for various groups of employees produced some increase in earnings yet nominal gross earnings in 2014 were still lower than in 2008. Temporal comparison, however, is distorted by the ever growing number of public works employees in the public sector.

Figure 10: Gross earnings and the minimum wage, 2006 = 100 percent



Source: HCSO Institutional Labour Statistics.

While raising the minimum wage from HUF 78 thousand to HUF 93 thousand in 2012 had hardly any effect on the rate of growth of earnings, two consequences need be mentioned. The more important one is the "whitening" of wages in areas of the economy where employers tended to report only the minimum wage and paid employees the rest of their earnings in cash. This was found by *Reizer* (2011) also in his analysis of the "twofold minimum wage rule" introduced in 2006. Such divisions typically are retail trade, food service activities, some of the business services and construction where raising the minimum wage had a significant impact on the level of gross earnings and hence on the rate of earnings increase. Earnings statistics in the private sector cover only enterprises employing five or more, information on smaller organizations are accidental. However, data suggest that earnings in the latter are around the current minimum wage, i.e. the rate of growth of earnings follows the changes in the minimum wage. (Nevertheless, the increase in earnings shown in the statistics does not necessarily mean that employees actually receive higher salaries; their payment can even decrease if earlier the employer and the employee had split between themselves the amount they had not paid in taxes and contributions for the unreported part of the wage.)

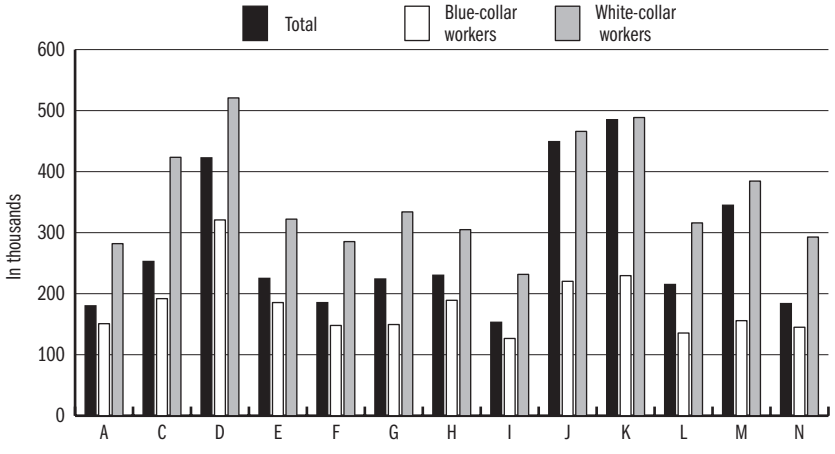
The other consequence of the relatively high minimum wage relative to average earnings is that it worsens the chances of unqualified labour to find a job as their labour is too expensive for the value they produce (*Kertesi–Köllő,* 2004). Consequently, in some respects, it was rightful and reasonable to set the threshold for public works wages some 25 percent lower than the normal minimum wage at the same time as the minimum wage was raised by nearly 20 percent in 2012.

The annual 3 to 5 percent of minimum wage increase over the last three years was more or less in harmony with the rate of increase of gross earnings in the private sector. The average gross earnings of minimum wage earners (excluding employees in jobs requiring vocational qualifications whose so

called guaranteed minimum wage threshold was HUF 118 thousand in 2014, about 16 percent higher than the normal minimum wage) was 40 percent of the average gross earnings in the private sector, and 58 percent of the average earnings in manual jobs in 2014.

In the observed organizations of the private sector, the nominal value of gross earnings grew considerably, though in a somewhat fluctuating fashion, after the crisis: by 7.3 percent in 2012, 3.6 percent in 2013 and 4.3 percent in 2014 compared to the previous year. The over 10 percent growth of the non-regular part of earnings (bonuses, premia), making up about 8 percent of earnings, made a large contribution to the increase of earnings in 2014. On the whole, the larger part of non-regular earnings accrued to non-manual employees; in terms of the individual amounts, differences in non-regular earnings by national economy sections and divisions are several times as big as in regular earnings (*Figure 11*). The average gross earnings of non-manual employees in the private sector is currently 2.2 times as high as in manual jobs, with the earning gap having somewhat narrowed over recent years. The relative distribution of earnings by sections of the national economy is 0.2 in non-manual jobs, which is smaller than the 0.3 percent in manual jobs which means that non-manual earnings are more homogenous than manual earnings – at least in the private sector.

Figure 11: Gross earnings in the major sections in the private sector, 2014

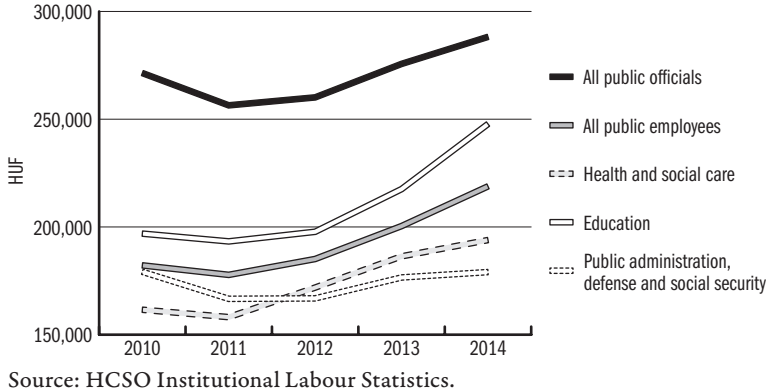


A: Agriculture, forestry and fishing, C: Manufacturing, D: Electricity, gas, steam and air conditioning supply, E: Water supply; sewerage, waste management and remediation activities, F: Construction, G: Wholesale and retail trade; repair of motor vehicles and motorcycles, H: Transportation and storage, I: Accommodation and food service activities, J: Information and communication, K: Financial and insurance activities, L: Real estate activities, M: Professional, scientific and technical activities, N: Administrative and support service activities.
Source: HCSO Institutional Labour Statistics.

In 2014 gross average earnings in the public sector were 17 percent lower than in the private sector (earnings in the private sector were 5 percent if the basis of comparison is average earnings excluding public works employees). While the latter difference does not seem too high it is to be noted that the share of non-manual employees in the public sector is much higher than in the private sector. The difference between average earnings in manual and non-manual jobs was 3 and over 30 percent, respectively, in 2014.

While no overall wage reform took place in the public sector after 2008, corrections were introduced in the various occupational groups and classes of the national economy. The most important measures were introduced in 2013, which had an impact on the earnings index through the basis in 2014 too. In 2013 wages were raised for those health care workers who were left out of the previous round (involving about 90 thousand employees); more important, however, was the wage adjustment in public education with salaries being raised in a differentiated way in September 2013 in conjunction with the introduction of the teachers' career model. In 2014 wages of employees in welfare services were raised, and a minor raise was introduced in the armed forces.

Figure 12: Gross earnings in the public sector, 2010–2014



Source: HCSO Institutional Labour Statistics.

While it is not part of gross earnings (they count as welfare costs), those employees in public institutions whose income would have decreased because of the tax reform in 2011 are paid a so called 'compensation'. The share of recipients of compensation in the sector excluding public works employees dropped from two thirds to under one third (around 210 thousand persons) in 2014 as the increase in earnings counterbalanced (or surpassed for the lucky ones) the negative impacts of the tax reform hitting low earning employees. The average amount of the compensation was HUF 9700 per month, which, if counted as income, would have resulted in an approximate HUF 4000 higher average gross monthly income in the public sector excluding public works employees.

Income from work outside the regular wages (i.e. remuneration in direct income or saving on expenditures, such as cafeteria) was an average HUF 14 thousand per month in the private sector and HUF 12 thousand per month in the public sector. In the latter, excluding public works employees, who do not get this type of remuneration, the monthly remuneration was on average a little over HUF 15 thousand, or HUF 180 thousand a year, which is slightly higher than that in the private sector.

In addition to the rate of increase of gross earnings, net earnings are shaped by the current regulations of taxation and contribution payments, which have greatly changed over the last three years. Contributions payable by the employer were raised by 0.5 percent in 2011 and by another 1 percent in 2012 to a total of 18.5 percent (of which 1.5 percent is solidarity contribution, 10 percent is pension contribution and 7 percent is health insurance fee). In 2013 rates of contributions did not change and the upper threshold of pension contribution was removed, which however, only applied to the highest earners and only to an extent which was set off by new personal tax rules favouring them. With the phasing out of the super gross income, the personal income tax became a truly flat rate tax, increasing net earnings for those making over HUF 200 thousand per month and proportionately with the gross income. As in 2014, quite uniquely, neither the tax rate nor the rate of contributions changed, gross and net incomes grew in the same way and, owing to the 0.2 percent decrease in consumer prices, real earnings grew more than nominal wages.

While raising the rates of contributions has the same effect on net earnings for all employees, making the personal income tax a flat rate in 2011 (although the super gross earning still worked as a kind of second bracket at that time) and phasing out the tax relief increased the net income only in the case of gross incomes higher than an annual HUF 3 million. For lower earning employees raising children "the loss" was set off by the introduction of the tax relief for dependents (*Table 1*). From 2011, HUF 62,500/months/beneficiary for one and two dependents and HUF 206,250/months/beneficiary for three or more dependents can be deducted from the tax base. Couples could share the benefit but not all families with many children could write off the full amount from their tax base. For them 2014 brought a positive turn with the write-off being made deductible from wage contributions. The micro simulation model used by HCSO suggests that the benefit introduced in 2014 resulted in an 11 percentage points higher net earnings increase for employees with three or more children, making up 6 percent of all employees, than for employees not entitled to the dependency benefit.

Table 1: Net and real earnings calculated with the family tax relief introduced in 2014

Number of dependent children	Net earning* (HUF/person/month)	Net earning change compared to 2013 Q1 to Q4 (percent)	Real earning** change compared to 2013 Q1 to Q4 (percent)	Share of employees by number of children (percent)
0 child	152,538	3.3	3.5	48.6
1 child	159,445	2.7	2.9	25.5
2 children	178,694	2.7	2.9	20.0
3 or more children	202,006	14.9	15.1	6.0
National economy total	162,485	3.8	4.0	100.0

* Net earning calculated including the family tax relief.
** Real earning calculated at the 99.8% consumer price index in 2014.
Source: Labour Market Trends, 2014 Q4, HCSO, March 2015.

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INTRODUCTION

JÚLIA VARGA

This year, *In Focus* addresses the issue of public works. The scale of Hungarian public works is unique in Europe both in terms of the number of participants and expenditure. By 2015, the government has envisaged the employment of some 200 thousands participants from a 270 billion forints budgetary support. The public works programme has been the most important employment policy of the period since 2010, and therefore analysing its short- and long-term effects is an important task. This part consists of two chapters: the first summarises international experiences, the second presents the facts and available research findings pertaining to the Hungarian public works. In *Chapter 1 Judit Kálmán* gives an overview about the international experiences of public works. She presents the motives, goals and theoretical background of public works, and reviews the design and results of evaluations of some concrete public works programmes in terms of their efficiency and effectiveness.

The chapter is supplemented by three *Boxes* which present in detail the programmes of countries or group of countries that run notable public works programmes. These texts also summarise the results of evaluations of these programmes.

In *Box* K.1.1 *Ágota Scharle* presents the most important characteristics of Slovak public works programmes, in *Box* K.1.2 *Judit Kálmán* does the same for the Argentinian ones, and in *Box* K.1.3 Tamás Bakó for the Scandinavian ones. The authors also summarise the most important evaluation results of respective programmes provided they are available.

Chapter 2 of *In Focus* deals with the Hungarian public works programme. In *Section* 2.1. *Katalin Bördős* sums up the *regulations* and amendments of certain forms of public works that have been in place in different periods since the regime change. The section deals separately with the system before 2011, and the one after 2011 that has involved uniform public works. It covers the regulations and institutional changes of certain forms of public works as well as their respective implementations.

In *Section 2.2 Irén Busch and Katalin Bördős* takes account of the most important data sources on public works with regard to participation and cost figures. The section provides an overview of the types of territorial (national, local) or individual level data available in each period, evaluates each data source in terms of their reliability, and briefly addresses the possibilities of data analysis. In *Section 2.3 Zsombor Cseres-Gergely and György Molnár* review the *basic facts* with regards to public employment. The authors assess

public works participation as an episode of the customer journey in public employment services leading, possibly, to employment on the open job market. They analyse participation rates in the public employment service for each programme, including public works, and track the typical journey of the unemployed belonging to different groups and having different observable characteristics.

In *Section 2.4 Luca Koltai* analyses the *values of public works employers*. It gives an account of the staff of organisations operating public works programmes by rendering their opinions, expectations, identified goals and perceived effects of the public works programmes. In *Section 2.5*, based on a particularly large national administration panel data base, *János Köllő* provides an analysis on the rate of public workers in the end of 2011, and assesses to what extent these individuals worked prior to 2011 in "real", that is, non-public works related positions. The *Section* examines the *extent real and public works contributed to the employment* of public workers, then analyses the frequency and length of real employment relationships.

In *Section 2.6* the study of *Zsombor Cseres-Gergely* describes who participates in public works programmes, and analyses the extent these programmes are implemented in line with their declared aims, whether they really reach out to the long-term unemployed and improve the employability of participants by temporary work opportunities.

In *Section 2.7 Márton Czirfusz* addresses the territorial inequalities of public works, and seeks to answer the question of whether the transformed and extended system of public works after 2008 has reproduced spatial inequalities.

In *Section 2.8 Irén Busch* reviews the most important data of winter public works that is aimed at decreasing the seasonality of public works. In *Section 2.9 Zsombor Cseres-Gergely and György Molnár* examine the individual and environmental factors related to exit from public works. The authors take into account which factors are related to exit to the open, non-public works-related job market, and which are the ones impeding that process. Furthermore, they also analyse the factors that lead to returning to public works, registered or unregistered unemployment, in contrast to employment in the open labour market.

Finally, the paper by *János Köllő* in *Section 2.10* examines the potential reintegration of public workers from the perspective of who they work together with: whether in genuine work organisations, with peers employed in the primary labour market, or in separate public works units. While the former may facilitate the opportunities for job seekers and employers to find each other, separation does not give an opportunity for employers to form an opinion regarding the skills and productivity of public workers in a genuine work environment, which can hinder the reintegration of public workers, and their transition from welfare to work.

The compiled analyses in *In Focus* examine public works from various angles. More detailed and evidence-based analyses are currently not available about public works in Hungary. The international overview enables us to assess the Hungarian programme also in the light of international experiences. We hope that this collection of studies will support a more evidence-based platform for decision making in public policy and enable professionals in the field to use the research findings presented. Likewise, we hope that the non-professional audience interested in the topic may also acquaint themselves with the nature, results and problems of public works.

1. THE BACKGROUND AND INTERNATIONAL EXPERIENCES OF PUBLIC WORKS PROGRAMMES

JUDIT KÁLMÁN

In this chapter we provide an overview of international experiences of public works. We present the motivation, goals and theoretical background of public works as a public policy intervention, the various designs of concrete public works programmes, and the main results of evaluations aimed at measuring the efficiency and effectiveness of these programmes. The chapter is supplemented with boxes which summarise the experiences of a few concrete cases in various countries (see *Boxes K1.1, K1.2* and *K1.3*).

Public works programmes were introduced in developed and less developed countries with a variety of motivations and goals. These included counter-cyclical measures or social policy, infrastructural development and disaster management aims. The programmes operated in various forms and with various target groups and programme structures. The experiences concerning their implementation and levels of success are also different.

The labour market background of public works – the problem of the long-term unemployed and their activation

The linkage of welfare provisions to public works (*workfare*) can only be understood in the context of activation *interventions* directed at the unemployed and the fight against poverty. Activation measures try to facilitate the return to the labour market of the long-term unemployed and other disadvantaged groups.

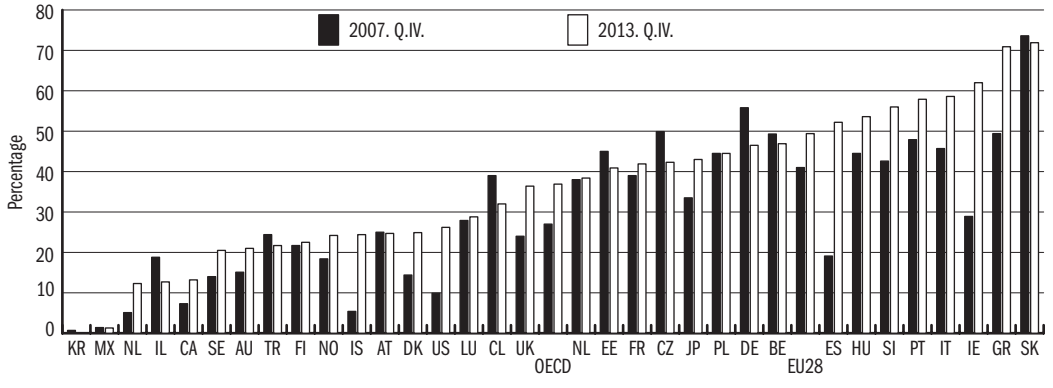
Earlier what was meant by activation – strictly speaking – was the size of expenditure for active measures, and in this respect, there were significant cross-country differences in public policy practices. The crisis has renewed attention to the importance of activation, as well as to the fact that different elements of the unemployment and social benefit systems were interrelated. Thus, the efficiency of active labour market measures depends on the generosity of insurance based and social benefits, eligibility conditions and the monitoring and enforcement of these conditions, as well as on the sanctions applied in the case of non-compliance (see more on this, for example, *Martin,* 2014, *Immervoll–Scarpetta,* 2012, and the OECD series: *Grubb–Tergeist,* 2006, *Duell–Grubb–Singh,* 2009, *Grubb–Singh–Tergeist,* 2009).

Since the outbreak of the economic and financial crisis, long-term unemployment has further increased (*Figure 1.1*) in most countries, including Hungary. This causes significant social tensions and puts a serious burden on the social and employment system, thus the activation of the unemployed involves significant challenges.

Following the rise in unemployment which accompanied the crisis, social spending has also risen in almost all countries. It is striking though that in

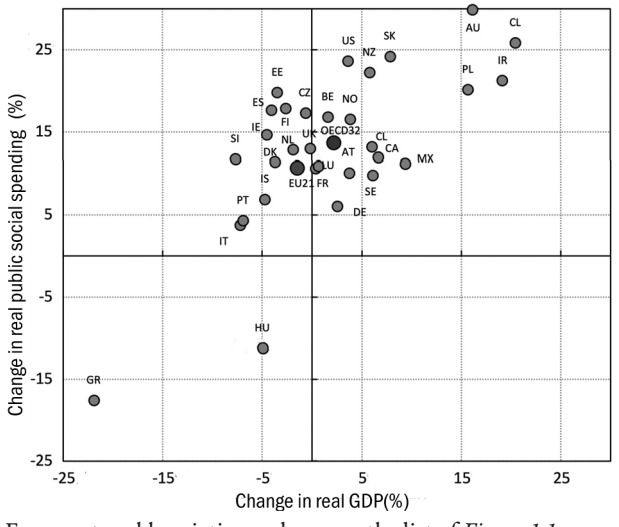
Hungary and Greece, both heavily affected by the crisis, social spending decreased, while in Spain and Ireland, which were also inflicted with high rates of long-term unemployment, this spending significantly increased (*Figure 1.2*).

Figure 1.1: The rate of long-term unemployed among the unemployed in OECD countries before and after the crisis, 2007, 2013 (percentage)



Abbreviations: AT: Austria; AU: Australia; BE: Belgium; CA: Canada; CL: Chile; CZ: Czech Republic; DE: Germany; DK: Denmark; EE: Estonia; ES: Spain; FI: Finland; FR: France; GR: Greece; HU: Hungary; IE: Ireland; IR: Israel; IS: Iceland; IT: Italy; JP: Japan; KR: Korea; LU: Luxembourg; MX: Mexico; NL: The Netherlands; NO: Norway; NZ: New-Zealand; PL: Poland; PT: Portugal; SE: Sweden; SI: Slovenia; SK: Slovak Republic; TR: Turkey; UK: The United Kingdom; US: The United States.
Source: *OECD* (2014a).

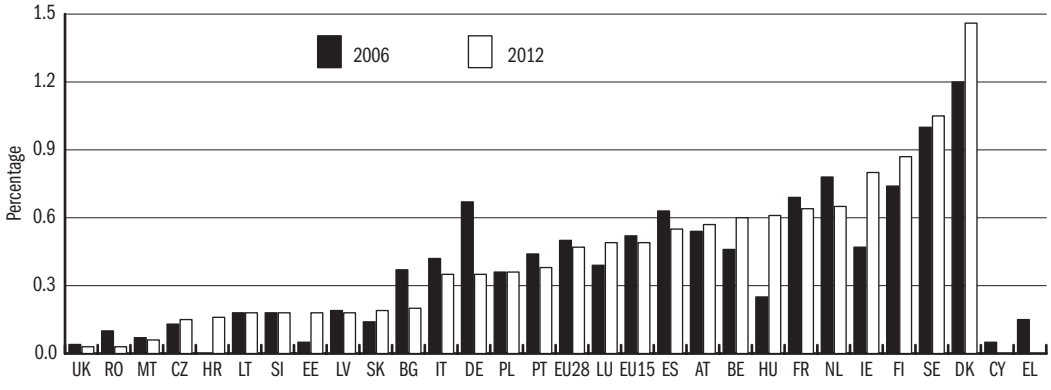
Figure 1.2: Changes in social spending and real GDP between 2007/2008 and 2012/2013 in OECD countries (percentage)



For country abbreviations, please see the list of *Figure 1.1.*
Source: *OECD* (2014b).

There are significant differences across countries in terms of their GDP-ratio expenditure allocated to active labour market measures, which are influenced by different public policy traditions, labour markets and macro-economic situations (*Figure 1.3*).[1]

Figure 1.3: Expenditures for active labour market interventions in GDP-ratio before and after the crisis in EU member states, 2006, 2012



Abbreviations: AT: Austria; BE: Belgium; BG: Bulgaria; CY: Cyprus; CZ: Czech Republic; DE: Germany; DK: Denmark; EE: Estonia; EL: Greece; ES: Spain; FI: Finland; FR: France; HR: Croatia; HU: Hungary; IE: Ireland; IT: Italy; LT: Lithuania; LU: Luxemburg; LV: Latvia; MT: Malta; NL: The Netherlands; PL: Poland; PT: Portugal; RO: Romania; SE: Sweden; SI: Slovenia; SK: Slovakia; UK: The United Kingdom

Source: Own calculations based on the Eurostat Labour Market Policy (LMP) database.

Increasing the rate of active labour market measures is unambiguously recommended by the OECD and the EU, since recent evidence supports the perception that these are much more efficient from a labour market perspective than passive measures. In this respect, Hungary is in the mid-range: it spends less as a share of GDP on active measures than the Scandinavian countries, but more than other East-Central European and especially, Mediterranean countries. One of the main reasons for the significant increase of these in Hungary after the crisis is attributable to the costs of its increasingly expanding public works programme.

Linking welfare benefits to work

The reform of the classical – primarily benefit based – welfare system, the practice of tying the provision of benefits to useful work for the public, and enforcement via financial sanctions, that is the development of the *workfare* (*work* and *welfare*) *system,* originates from the United States. The expression has been known since the 1970s but the use of these programmes has only spread in the developed and developing world since the 1990s.

1 *Hudomiet–Kézdi* (2011) and *Galasi–Nagy* (2012) write more extensively on the international experiences of public works.

In the United States, the Act that enabled member states to launch programmes linking benefits to work was introduced in 1981. After five years, these programmes were already in place in 29 states and, following the welfare reforms of the Clinton era [Personal Responsibility and Work Opportunity Act (PRWORA), 1996], their number increased sharply. At the same time, active labour market measures are used in the United States only to a very limited degree and the social welfare system is not as developed either as in European countries.

In the United Kingdom, it was also in the 1990s that connecting work with the welfare system became one of the main goals of the reforms (*welfare to work*). The New Deal programmes (*New Deal for Young People, New Deal* 25+, *New Deal for Lone Parents, New Deal for the Disabled, New Deal* 50+ *targeted those aged* 50+ etc.) and a tax reduction to support employment (*Working Families Tax Credit*) were introduced at this time. Several local welfare to work programmes were launched.

The introduction of welfare programmes linked to work and the emphasis on work elements also have traditions in the Scandinavian countries, although not necessarily in the form of extensive public works programmes (see *Box K1.2*). Welfare programmes linked to work are also prevalent in Australia (*mutual obligation*), Canada (*Canada Works* and other local programmes) and the Netherlands (*Work first*).

It is typical of workfare systems that beneficiaries have to comply with various conditions in order to be able to receive benefits. These conditions are such that an element of them is aimed at the improvement of the employability of the beneficiaries (training, rehabilitation, gaining work experience) and another element prescribes publicly useful activities (free or very low paid public works). The introduction of this system spurred heated social debates, as did the phenomenon of welfare dependency, which is often mentioned to justify the system.

There are two types of *workfare* programmes. While the first one is aimed at reducing benefit dependency and assisting a return to the primary labour market, the second one intends to improve skills and promote employment (training, qualifications) for recipients of social services and benefits, or among societal groups whose members have less opportunities to become employed in the primary labour market. In practice, the individual programmes usually incorporate both approaches: beyond changing income transfers they also seek to create incentives for employment (wages instead of withdrawn or reduced benefits).

Public works programmes in developed and developing countries

Specific public works programmes are known not only under the name of *workfare*, but as temporary community projects or work-intensive projects

– reflecting the idea that they are not only about infrastructure construction and maintenance projects organised by the government, but also about various useful activities beneficial to the public. These programmes are used in countries having different levels of development. In several less developed countries, they are virtually the only labour market interventions applied. In developed countries, however, their use is being retracted – due to the impact of negative evidence in analyses and evaluations –, for they are costly and other labour market interventions have proved to be more efficient, primarily due to substitution – and crowding-out effects.

The main macro-economic goals of public works programmes usually include: reduction of seasonal and/or cyclical unemployment, direct job creation, tackling regional and structural labour market problems, helping certain workforce-groups in disadvantaged situations, combating poverty, providing income transfers for the poor and a certain stimulus to the economy. The latter can be realised not only through rising consumption, but public works programmes can also encourage the creation of new jobs over the long term. Used as countercyclical measures during economic crises, jobs created by public works generate income and thus can increase aggregate demand.[2]

In developing countries the above goals are complemented or substituted by disaster management, reduction of seasonal unemployment and income losses following poor harvest years or slowdown in infrastructure construction etc. Most of these programmes tend to offer short-term (typically 3–12 months) employment for low wages typically in the construction, farming and regional development sectors as well as community (education, health, social) services (*Betcherman et al,* 2004). The organisers of public works can be municipalities, civil organisations or even private firms.

In countries with high and middle incomes – where there are no budget or administrative constraints to implement a rapid response programme – public works are primarily used for macro-economic reasons, most often as short-term shock therapies, or as temporary measures against high unemployment (the upper part of *Table 1.1*). The first and most well-known such public works programme implemented with a crisis-management purpose was the New Deal in the United States during the 1929–1933 crisis, but more current examples include the Argentinian, French, Chinese, South-Korean or even the Latvian, Slovenian, Portuguese programmes.

The targeted participants are usually special – less employable and/or long-term unemployed – social groups, and therefore, these programmes often involve re-employability (combined with training elements), or in some cases, welfare functions as well. Such an example is the reform of the Argentinian *Jefes* programme which transformed from a short-term intervention to a large-scale social safety net reaching the bottom 20 per cent of households (see *Box K1.2* on the Argentinian experiences). The South-African and Latvian public

2 **Among the EU countries, Latvia, Hungary, Slovenia, Portugal and the Czech Republic have restarted large-scale public works programmes in reaction to the crisis.**

works programmes were also similar, dedicated to reducing long-term poverty. Latvia, hit hard by the global financial crisis, introduced its programme as a reaction. Between 2008 and 2010, the county's GDP fell by 21 per cent, while from 2008 to 2009 the poverty rate increased from 10.1 per cent to 18.1 per cent, and the employment rate decreased by 11.2 per cent. In reaction to these problems Latvia spent an amount equivalent to 22 billion forints (or about 73 million EUR) for its public works program between 2009 and 2011, which comprised 0.25 per cent of the Latvian GDP and was 2.5 times the social and anti-poverty expenditure (*Azam et al*, 2013).

Table 1.1: Some examples of public works programmes in middle and low income countries

Country, programme	Start date	Main objective/root cause
Middle income countries		
Argentina (Trabajar)	1996	Tackling macroeconomic shocks
Argentina (Jefes de Hogar)	2002	Tackling macroeconomic shocks
Botswana	1978	Seasonal employment
Chile	1993	Tackling macroeconomic shocks
South-Africa	2004	Poverty reduction
Salvador (Programa de Antecion Temporal al. Ingreso)	2009	Poverty reduction
Latvia	2009	Tackling macroeconomic shocks
Poland	1992	Active labour market intervention
Mexico (Programa Empleo Temporal)	1995	Tackling macroeconomic shocks
Sri Lanka (Emergency Northern Recovery Project)	2009	Poverty reduction
Uruguay (Programa de Actividades Comunitarias)	2003	Tackling macroeconomic shocks
Low income countries		
Afghanistan	2002	Poverty reduction
Bangladesh (Rural Maintenance Program)	1983	Transition to re-employment
Ethiopia	2005	Poverty reduction
India (MGNREGS)	2006	Guaranteed employment
Yemen	1996	Tackling macroeconomic shocks
Kenya	2009	Poverty reduction
Madagascar (HIMO)	2000	Seasonal employment
Malawi (Central region, infrastructure programme)	1999	Transition to self-employment
Malawi (Social Action Fund)	2009	Seasonal employment
Ruanda (Vision 2020)	2008	Poverty reduction
Tanzania (Social Action Fund)	2000	Seasonal employment
Zambia	2002	Poverty reduction

Source: *Subbarao et al* (2013) Table 3.3 and 3.4.

In developing countries public works programmes can serve various short and long-term objectives (the bottom part of *Table 1.1*), however, these countries also face serious implementation challenges in a number of areas including administrative capacities, lack of information and budget sources. Due to such obstacles, the targeting of programmes is often combined: on the one hand, they are concentrated at the most disadvantaged settlements, which

is already some sort of selection, and, on the other hand, the public works wages are offered below the market wage (or if it exists, the minimum wage) usually accessed by the poor –, which has a self-selection effect, i.e. only those persons apply to the programmes who do not have other income opportunities (*self-targeting*). In these countries public works programmes serve the purposes of poverty reduction, guaranteed employment, perhaps transition to employment, in contrast to developed or middle income countries, where one-off tackling of macroeconomic shocks and active labour market character are more determinate.

Theoretical background – arguments for and against public works programmes

Linking welfare services to public works is based on the theoretical premise that the unemployment benefit, – allowances and other passive provisions decrease the willingness to work, which can be counter-balanced by the eligibility conditions and attached sanctions of active programmes – such as public works. So this is not about the eligibility criteria that determine benefit entitlement (such as that the claimant's income is below a certain level for means-tested benefits), but about further payment conditioned on behavioural requirements and the sanctioning of non-compliance (*OECD,* 2007, *Besley–Coate,* 1992, *Basu,* 2013).

Since access to information is asymmetric, this system helps the service to reach the target group. There is a screening effect that can operate through conditions which attract only those who are the most in need and keep the better-off away from the programme, which in turn, reduces the administrative costs for the government. The operation of this effect is confirmed by the study of *Dutta et al* (2012) who grouped the participants of the Indian workfare programme into income groups and demonstrated that the participation rate was virtually zero among the rich, but 35 per cent among those in the lowest income percentile.

Indirectly, a *deterrent effect* operates. The conditions cause such a degree of inconvenience (frequent visits to the public employment agency, compulsory public works, perhaps training, etc) which compels the leaving of the unemployment status as soon as possible, or the outright avoiding of benefits and the taking of individual steps against poverty. Nonetheless, *Besley–Coate* (1992) draws attention to the fact that the deterrence effect of public works can only function if the amount of work to be performed is much higher than the claimants usually work without the intervention. This, however, is very difficult to measure in countries with extensive grey and black economies.[3]

The following arguments are usually made *for* workfare type public works programmes:

3 Surveys (*Molnár et al,* 2014, *Koltai*, 2013c) in Hungary also confirm that those in the periphery of the labour market work a lot both in registered and unregistered employment, and public works is not a deterrent, but is perceived in some regions, quite contrarily, as an opportunity.

- *Political popularity* – programmes are visible and can be well communicated, the tax payers may feel that the beneficiaries provide something to the public in exchange for the benefits (*value for money*).
- Provision of *fresh work experience* to the participants. The lack of work experience is often one of the major obstacles of employment for the long-term unemployed.
- Well designed public works programmes can indeed create useful *infrastructure*, which can promote growth and reduce territorial inequalities, etc. (*OECD,* 2007, *Martin,* 2000).
- Wide-scale public works programmes *can have a wage-increasing impact* in the private sector. *Berg et al* (2012), for example, have shown that since most of the poor of India usually live and work in rural areas, one way in which the *Mahatma Gandhi National Rural Employment Guarantee Scheme* (*MGNREGS*) programme, involving some 54 million households, contributed to the reduction of poverty was an indirect effect, whereby market wages in the agricultural sector had increased in territories where many were involved in the programme. *Imbert–Papp* (2015) also found similar results in relation to this Indian programme.
- Strengthening social cohesion, pro-poor growth, reducing exclusion, combating unregistered employment (*OECD,* 2009, *Martin* 2014).

Against workfare type programmes the following arguments can be made:

- Programmes can stigmatise participants.
- The job opportunities offered in public works are usually simple tasks not requiring any qualifications, which do not help in gaining real work experience that is valued by employers and would increase subsequent chances of employment. In fact, by constraining the available time on job search, public works make employment chances even worse (*Kluve*, 2006).
- The *substitution effect* of these programmes, that is, if employees are laid off and then the given tasks are carried out by public workers, one cannot talk about real job creation.
- Too intensive use of the programmes can crowd out private employment, which can even contribute to the widening of the poverty gap and social inequalities, which may generate further public expense.
- There can be a *budget substitution effect* if public works programmes that are too long and involve expensive maintenance costs, draw away resources from more efficient public policy programmes; this effect has been shown by several evaluation studies in the United States with regards to directed job creation programmes. (*Roy–Wong*, 2000).
- A so-called *locking-in effect* takes place in public works when the engagement of participants in job search is limited or non-existent, whereby participation in public works makes people eligible again for unemployment benefits, which lead to a kind of public works-benefit spiral (on this see, for example,

Brown–Koettl, 2012, on the Hungarian situation *Csoba,* 2010, *Csoba–Nagy*, 2012, *Köllő,* 2009, *Köllő–Scharle,* 2011, *Molnár et al,* 2014). This effect can be increased or its development can be facilitated by the method of programme design: defining the number of working hours and other criteria.

- *Deadweight loss* can appear (as with all government interventions), that is, whether the given job would have also been created without the public works support.
- *Job replacement effect* can take place on the part of the individual, which means that there are even some employed in public works programmes who could otherwise find a job in the primary labour market.

Different forms of public works

As has been shown, public works are complex governmental interventions usually affecting multiple, even conflicting problem groups, which in turn can decrease their efficiency. The form of implementation and the structure of the programme depend on the declared objectives, size, characteristics and needs of beneficiary social groups. If these factors are not treated with due care, then the poverty reduction effect of public works deteriorates (*OECD*, 2009). The forms of public works programmes can be the following.

1) Fixed-term annual *employment guarantee programmes*, for example, providing guaranteed employment for a specific duration *outside the harvest season*. (An example of this are the Indian *National Rural Employment Guarantee Scheme,* later named the *Mahatma Gandhi National Rural Employment Guarantee Scheme*, and the *Employment Guarantee Scheme* operating in Maharashtra state.)

2) *Governmental employment programmes*, which mostly offer large-scale, long-term and continuous employment during economic, political or labour market tensions (the most well-known example is the *New Deal* programme implemented in the United States in the 1930s, or the *Jefes de Hogar* programme in Argentina, introduced in 2002). Typically, these larger-scale programmes are suspended or reformed following a change in the economic situation. These programmes in the United States have achieved some serious and long-lasting results in infrastructure development. Public works can mean not only the creation or maintenance of physical assets or infrastructure. Some experimental programmes employ public workers in social or health services – for instance, since 2010 in the United States public workers have been employed in home care for the elderly and people living with AIDS, or in day care for children, etc.

3) *Short-term employment* programmes following *natural disasters* or during temporary labour market tensions. This is the most typical form, for example, in Africa and South-Asia. These programmes have a dual aim: to eliminate damage and to provide temporary, one-off income transfers to the poor.

4) Explicitly *labour intensive employment programmes*: the aim of these, on the one hand, is to increase aggregated employment, and on the other, to

create valuable infrastructure. This form is often used by international donor organisations as well, in order to make sure that their organisational expenses also benefit the poor. An example of this could be the *AGETIP* programme in Senegal, the *Employment Intensive Infrastructure Programming* (*EIIP*) programme of the ILO, and a number of programmes financed by the World Bank.

The method of programme financing also varies. In Europe, the USA, Canada and South-Asia, these programmes are typically financed from national (and regional, local) government sources, while in Africa by multilateral organisations and donors. The latter usually provide only temporary employment and do not guarantee return to the primary labour market. The cost of programmes are influenced by capital intensity (especially, materials and assets in respect of high value infrastructure), but administrative, organisational and management costs are not negligible either. In public works that create physical infrastructure, the cost of the work force is usually around 30–60 per cent of total costs, while in programmes organised to provide services they can reach up to 80–90 per cent (*del Ninno et al,* 2009).

The *selection* of participants into public works programmes can occur by self-selection, by programmes focusing on disadvantaged local communities, by assessing the financial situation of applicants (means testing), or any combination of these. Since most of the time, the programmes provide temporary employment, participants are mostly registered as programme beneficiaries and not as public employees, hence, the employment regulations and respective wage levels do not apply for them either. In most of the public works programmes, payments are not accounted as wages but as compensations, which thus can be even lower than the official minimum wage, in fact, social security and health contributions are usually not deducted either. Some programmes however, – such as the Argentinian *Tarabajar* or the South-African public works programme – provide health and occupational accident-insurance to their participants, sick leave and maternity leave for those working more than four days per week, and so forth.

The regulation, organisation, practical implementation, administration and management of programmes are a complex task. Nevertheless, in the literature it is generally accepted that the *success and effectiveness of these programmes depend exactly on factors such as the timing, adequately determined wage levels* – motivation of participants –, and the quality of performed work and/or completed infrastructure (*Subbarao et al,* 2013, *Ravallion et al,* 2013).

Since public works programmes are often decentralised, the responsibility of the local municipalities must be stressed in the selection of projects and participants. In the literature a separate concept (*program leakage*) refers to public works-related fraud and corruption phenomena, which are unfortunately frequent, as opportunities arise at several points – but to date few aca-

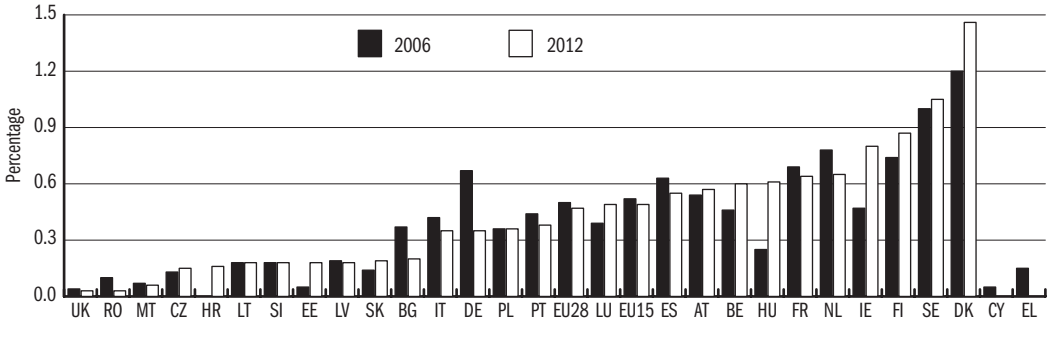
demic studies have examined these aspects in detail. Fraud and corruption can occur at the point of selection of participants/beneficiaries. Potential participants may provide false data regarding their household and personal incomes in order to get into the programmes. Selection might occur not only following predetermined eligibility criteria but also through acquaintances, bribed officials, on political grounds, etc and, therefore, the programme is less able to meet its original objectives in supporting the poorest. Furthermore, corruption cases can happen during the implementation phase as well: there are more public workers registered than actually employed, the performed job is over/under-estimated, or the actual payments differ from wages reported and reimbursed in the programme (*Subbarao et al,* 2013).

Expenditures and number of participants in European public works programmes

As we have seen in *Figure 1.3*, expenditures as a GDP percentage on active labour market interventions are very different in European countries. The Scandinavian countries are the forerunners, the Mediterranean ones are the laggards, and Hungary is situated somewhere in the middle. Within active labour market measures, it is *direct job creation* spending that indicates the resources allocated for public works programmes. The GDP ratio of these figures varies greatly in different countries as well (*Figure 1.4*). In 2014, Hungary (0.47 percentage points of GDP), Ireland (0.28 percentage points of GDP), Bulgaria (0.15 percentage points of GDP) and France (0.14 percentage points of GDP) spent the most on direct job creating public works programmes. Within the expenditure of active labour market measures the spending of Slovenia, Ireland, Lithuania and Latvia are relatively high (around 20–30 per cent, which translates to 0.07–0.14 percentage points of GDP). Together with Greece, these are the countries that operate more significant public works programmes.[4]

4 *Koltai* (2013c) offers more insight into the details, requirements and results of European public works programmes, which include several lessons for the Hungarian programme as well.

Figure 1.4: Expenditure on direct job creation in GDP percentage, 2006 and 2012

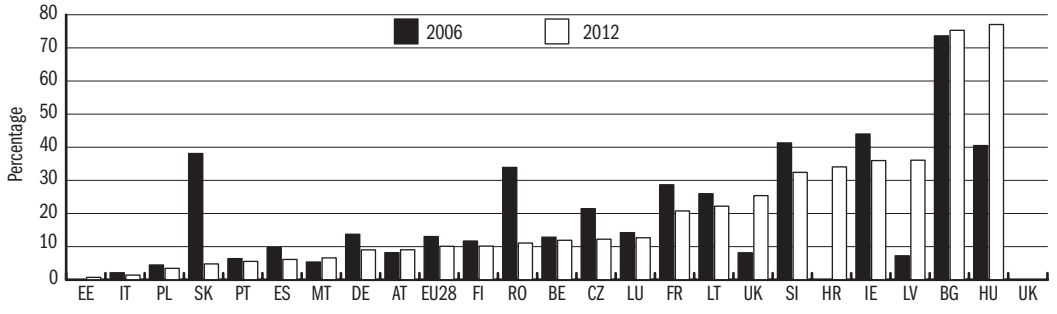


For country abbreviations, please see the list below *Figure 1.3*.
Source: Own calculation based on Eurostat Labour Market (LMP) database.

Figure 1.5 shows the rate of expenditure on direct job creation within active measures before and after the crisis. Strikingly, the expenditure was increased in only three countries in reaction to the crisis: in Bulgaria, Latvia and Hungary. Bulgaria and Latvia however belong to the group of countries that spend relatively little proportion of their GDPs on active measures (see *Figure 1.3*) but within active measures, Bulgaria devoted 75 per cent of its spending to public works in 2012.[5] The Hungarian public works programme achieved roughly a similar ratio within active measures by 2012.

5 Countries spending the most on ALMP measures in terms of their GDP ratios: Denmark, Sweden and the Netherlands do not even feature in *Figure 1.3,* which just shows how untypical it is for them to tackle unemployment by public works.

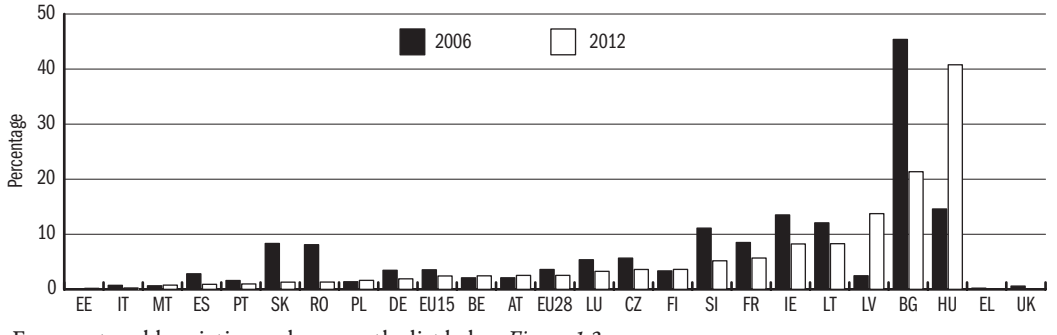
Figure 1.5: Expenditure on direct job creation within active labour market measures (percentage)



For country abbreviations, please see the list below *Figure 1.3.*
Source: Own calculation based on Eurostat Labour Market (LMP) database.

Looking at the ratio of expenditure on public works and direct job creation within total (active and passive) labour market expenditures (*Figure 1.6*), one can notice that even in Bulgaria – just as in any other countries – the rate of expenditure on public works programmes has fallen back to 20–21 per cent since the crisis.

Figure 1.6: Expenditure on direct job creation within total labour market expenditure (percentage)



For country abbreviations, please see the list below *Figure 1.3.*
Source: Own calculation based on Eurostat Labour Market (LMP) database.

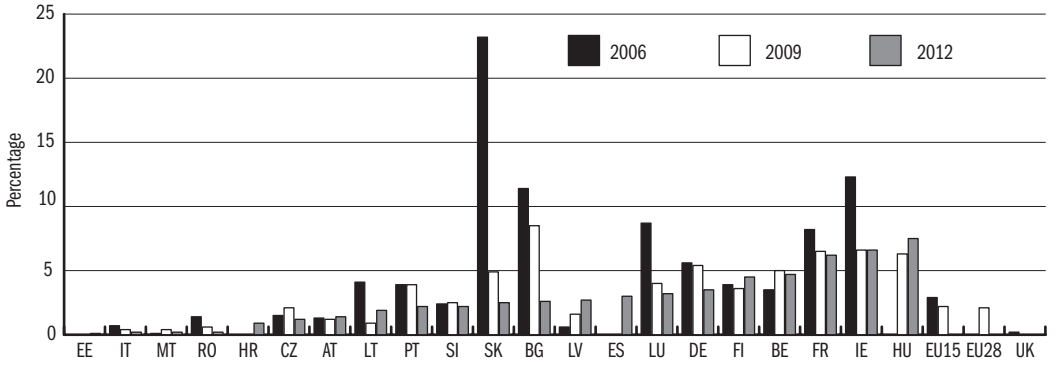
Thus, while the majority of European countries have reacted to the crisis with other types of labour market interventions, the increase of public works was striking in Latvia and especially Hungary (from 14 per cent in 2006 up to

40 per cent). The scale of the Hungarian public works programme shows that the degree of its application to manage the crisis and long-term unemployment are unrivalled in the whole of Europe.

Figure 1.7 provides a comparison on the number of participants in public works programmes before and after the crisis. These programmes were quite significant in Bulgaria, France, Luxemburg, Ireland and Slovakia, with 7–20 per cent of those seeking employment being public workers in 2006.

In most countries, however, the number of those involved in public works decreased during the crisis, even in the case of French, Luxembourgish and Irish programmes, which previously were characterised by high participation rates. In Slovakia the decrease was drastic, but even in Bulgaria, where the rate temporarily increased to 15 per cent between 2006 and 2008, yet by 2012, the proportion of public workers had fallen considerably, implying that after the crisis most of the unemployed were treated with other active and passive measures in that country too.[6] In 2012, the Hungarian public works programmes was the most extensive in respect of the rate of job seekers involved in public works, only the Irish and French public works programmes approximate this participation rate.

Figure 1.7: The rate of participants involved in direct job creation (public workers/100 job seekers) 2006, 2009, 2012



For country abbreviations, please see the list below *Figure 1.3*.
Source: Own calculation based on Eurostat Labour Market (LMP) database.

Evaluations of the efficiency and effectiveness of public works programmes

According to international evidence on active labour market measures the more a programme is tailor-made and targeted the better chances it has to achieve real results. Impact assessments and analyses of some programmes relying on micro-econometric tools found different impacts, and often not significant or negative effects for various labour market interventions (for de-

6 In this database there are no data with regards to Hungary in 2006. The Hungarian data on public works is presented in detail in Section 2.3.

tails on this and the applied methodology see, for example, *Kézdi,* 2011, *Hudomiet–Kézdi,* 2011, *Galasi–Nagy,* 2012, *Card et al,* 2010).

Evaluations addressing the *efficiency* of public works programmes have shown *negative* results on long term labour market effects (*Betcherman et al,* 2004, *Martin–Grubb,* 2001, *Card et al,* 2010, *Kluve,* 2010, *Rodriguez-Planas–Jacob*, 2010, *Hohmeyer–Wolff,* 2010, *Brown–Koettle,* 2012).

Analysing the active measures of the Swedish labour market reforms realised in the 1990s, *Calmfors et al* (2002) conducted a meta-analysis of a number of evaluations and found that the more job creations programmes imitated the situation of real employment, the more effective they were. Otherwise, the study depicts a rather negative picture in respect of all active employment policy measures. According to the authors, the scope and number of active measures that Sweden used in the 1990s was by no means efficient. Although these programmes have contributed to the reduction of Swedish unemployment they did not increase the employment rate. In their opinion, smaller but more concentrated programmes can be more efficient especially if they pertain to the long-term unemployed and less to the young. According to the Swedish experience, it is not a good idea to link active measures to regaining eligibility for unemployment benefits.

Card et al (2010) have carried out a meta-analysis on 97 evaluations involving 199 programmes (among them East-European and developing country ones) and concluded that it was not the size and time of introduction of active labour market programmes, nor the macro-economic situation that mattered, but *efficiency depended primarily on the type of programmes*. While individual counselling, job search assistance and job placements and wage subsidies (roughly in this order) could be efficient, *public works programmes were unsuccessful with respect to subsequent employment and earnings*. The success rate of training is mixed, small-scale, well targeted training may work well if the general growth prospects of the economy are also good. However, training in general is usually quite expensive and especially the programmes targeted at the young have a minimal positive effect both on subsequent employment and earnings. These findings are also supported by *Carling–Richardson* (2004) and *Sianesi* (2008), who have concluded that the closer public works are to the conditions of normal employment, the better their effect is on participants.

Another evaluation from the East-Central European region is the study of *Rodriguez-Planas–Benus* (2010) that examined the Romanian programmes running between 1999 and 2002 by the method of paired comparisons and using employment history variables. The results of individual program-types varied from each other, programmes assisting job search and small enterprises had a positive effect on the future employment chances of participants, while public works programmes were significantly ineffective. The Slovak public works programmes were analysed by *Ours* (2000) who, in contrast to other

evaluations, found the Slovak public works programmes to be effective – they significantly decreased the time participants spent on job search and increased the length of subsequent employment episodes. The high number of private entrepreneurs participating in the Slovak public works could have contributed to this extraordinary result (*Hudomiet–Kézdi,* 2011). At the same time, Ours' study found that the Slovak wage subsidy programmes and most of the training elements ineffective. Regarding the Latvian programme, *Azam et al* (2013) concluded that the targeting of the programmes was good. In a propensity score model the programme appeared successful in the short-term, the income of participants exceeded the income of non-participating households by 37 per cent, and forgone income due to participation in the programme was also quite low in comparison with other countries.[7] At the same time, the Latvian public works programme was very small compared to the weight of problems caused by the crisis (Latvia spent 0.25–0.5 per cent of its GDP on this in 2010–2011) which have limited the effect of the programme.

Public works programmes are popular in developing countries and have become standard measures to address poverty often used by governments and the World Bank[8] (see *Table 1.1*). Despite the extensive use, however, there have not been too many analyses prepared, and even the results of those are not positive. The targeting of programmes is in general good, the low income programmes reach the poor,[9] but often people with better incomes also enter the programmes. *Devereux–Solomon* (2006), and *McCord–Slater* (2009), evaluating public works in developing countries, concluded that in comparison with other development policy interventions, the results were quite meagre both in terms of reducing poverty as well as stimulating growth.

Analysing the world's biggest volunteer public works programme, the Indian NREGS programmes by counterfactual, regression discontinuity design, *Zimmermann* (2012) has shown that the programme mattered more in terms of combatting poverty, but it had no effects on the Indian rural labour market. Concerning NREGS, *Azam* (2012) has found that the programme had significant effects on the activation and wages of females, but the study could not demonstrate similarly significant results for males. Examining the same programmes, *Dutta et al* (2012) have also shown that there was a higher need for the programme in the poorer parts of India, but actual participation rates did not reflect this need. Thus, the NREGS did not guarantee employment to all the poor: on the one hand, it generated queues and rationing, on the other hand, there were territorial inequalities in its targeting and many families above the threshold could get access.

There are few empirical studies on the operation of local labour markets, and thus, it is not known to what extent public works programmes crowd out employment in the private sector. The general view of evaluators is that as long as public works programmes are well targeted, they can be effective

7 On one hand, because Latvia in this period was characterised by a very high level of unemployment, which is to say, that it was very difficult to find other, even temporary work too. On the other hand, the number of benefit recipients and the coverage of assistance was rather low, and hence, participants in public works did not forego serious alternative sources of income.

8 Since 2008, the World Bank has supported the financing of 24 public works programmes in several developing countries.

9 It is important for targeting to adequately define the wages in the programme. *Zimmermann* (2012) notes that while wages in the public works programmes of Burkina Faso, Bangladesh, Pakistan, Chilli, Senegal and Sri Lanka remained under market wage level, in the programmes of Botswana, India, Kenya, Tanzania and Philippines, it occurred that higher wages were provided resulting in a crowding out effect on employment in the private sector.

measures of poverty reduction and social safety net provision by offering temporary employment (*Subbarao et al,* 2013, *Betcherman et al,* 2004, *Ravallion et al,* 2013, *del Ninno et al,* 2009, *Spevacek,* 2009, *Martin,* 2000, 2014, *Dar–Tzannatos*, 1999, *Brown–Koettle,* 2012, *Zimmermann* 2014). But, according to evaluation results, even this effect is valid only in the short-term, in particular, when public works wages remain below the minimum wage applying to the unskilled workforce (*Ravallion,* 1999, *del Ninno et al,* 2009, *Ravallion et al,* 2013). However, *as active labour market measures promoting re-integration and opportunities in the labour market*, public works programmes do not function well, moreover they are quite costly.

Evaluation evidence shows that it is more in the case of special situations when public works programmes can be justified and successful. On the one hand, during crises even in middle income countries there might be a need for income transfers providing appropriate stimuli for the poor (*Brown–Koettl,* 2012). On the other hand, the programmes can be successful if they are aimed at regions or workforce groups in very disadvantaged situations, or if they also serve other goals besides increasing employment. Such temporary positive effect was shown, for example, by *Vodopivec* (1998) with regards to the Slovene programme, and the above statement is also valid for the Macedonian and Slovak programmes as well (see *Box K1.1*). The analyses however also highlight the fact that public work programmes only help the situation of participants temporarily, and do not contribute to long-term employment opportunities. The evaluations produced on more developed and transition countries have rather revealed an overall negative effect on the employment chances and future earnings of participants (*Card et al,* 2010, *Brown–Koettle*. 2012, *Betchermann et al,* 2004, *Kluve et al,* 1999, *Heckman et al,* 1999, *Walsh et al,* 2001, *Rodriguez-Planas–Jacob*, 2010, *O'Leary,* 1998).

Conclusions

Public works programmes are contested because they are highly expensive, and their benefits and success is uncertain, especially in the long run. Their use is often justified by economic and financial crises, when unemployment rises temporarily and aggregated demand decreases. It is for the mitigation of these causes that public works are introduced, but then they usually support re-employability and provide welfare functions, strengthening the social safety net. The latter objective is typical in developing countries, where – largely due to international donor organisations – the use of public works is increasingly prevalent.

Behind public works programmes, there is the workfare concept, according to which the provision of benefits and income transfers should be linked to publically beneficial work. These programmes have spread in developed countries especially since the economic and financial crises.

There are a number of arguments for and against public works programmes in the literature. Decisive elements in implementation and success are the following: good targeting (to what extent the programme reaches the poor), setting wage levels for adequate incentives, a clear and transparent regulation and institutional environment that help counter fraud and corruption opportunities.

Nevertheless, evaluation results are rather unfavourable. Public works programmes seem to be fairly unsuccessful in terms of subsequent employment and earnings, yet – if they are well targeted – they can fulfil the role of social safety net. It is worth noting that while the programme evaluations produced with micro-econometric methods provide very important information about the efficiency of these programmes, they usually examine output results (subsequent employment, wages) only. They do not include interactions among various labour market-oriented public policies (training, benefits, sanctions, other active measures, etc) important for activation. Very few evaluations have been done, for instance, on the effect of these programmes on inequalities or on the trade-off between efficiency and equity, which can be particularly interesting when stricter benefit sanctions increase employment and poverty at the same time.

Furthermore, it is important to point out that evaluations usually reveal only the short-term effects of the programmes, partly for lack of data, and partly for empirical estimation strategy reasons. In other words, the real, long-term (several years) impacts of public works programmes on poverty and unemployment are unknown. For the chronically poor, temporary employment is not a real and long-term solution and if their continuous employment is not possible then public works are not a feasible measure to manage the problem. If poverty is extremely widespread in a country, then large-scale public works programmes can offer some sort of a temporary social protection, but at the same time, they can also crowd out other, alternative and more cost-efficient social policy measures.

A brief analysis of the European data reveals that the scale and magnitude of the Hungarian public works programme, by allocating all available resources for labour market measures only to this type of intervention, is a public policy response to the problems of the crisis and long-term unemployment unrivalled in Europe. This is one of the reasons why the analysis of the programme's efficiency as well as its short and long-term impacts is a very important task.

K1.1. Public works programmes in Slovakia

ÁGOTA SCHARLE

In Slovakia, long-term unemployment is at a similar level as in Hungary: in 2012, it amounted to about 20 per cent of the working age population. Long-term joblessness is especially high among the uneducated: in Slovakia 61, while in Hungary 49 per cent of these were permanently unemployed.[1]

In the past twenty years, the Visegrad countries have used quite similar policies to tackle long-term unemployment, but centrally organised, state supported public works programmes have only reached a significant size in Hungary and Slovakia. *Table K1.1* summarises the magnitude of public works programmes, while their institutional characteristics are summarised in *Table K1.2.*

Table K1.1: Participants and spending on Public Works Programmes and PES staff in 2012

	Poland	Czech Republic	Slovakia	Hungary
Average number of public workers (head)	24,702	6,669	54,968	92,412
% of the registered unemployed	1.1	1.3	13.2	14.2
Government expenditure (million euro)	40.4	27.4	51.1	245.0–455.3*
Government expenditure (% of GDP)	0.01	0.02	0.07	0.22–0.47
Government expenditure on public employment agencies** (% of GDP)	0.08	0.11	0.07	0.12

* The higher value is the official one, the lower value was adjusted to be comparable with the Slovak figure: the latter excludes taxes and social security contributions paid on public works wages and exclude the potential cost of benefits as well, assuming that public workers would all be eligible for benefits.

** Job search assistance and administration pertaining to benefits and services.

Note: The data from Poland include public works and "socially useful work" (*odbywający prace społecznie użyteczne*) programmes. The data from Slovakia are from December 2012.

Source: Eurostat online, *Mýtna Kureková et al.* (2013) p. 27. *MPIPS* (2012), *Scharle* (2014a).

Governments have used large-scale public works programmes in Hungary and Slovakia since the mid-2000s, partly for the retention of work capacities and stimulation of active job search, partly for the mitigation of poverty. In both countries, there may have also been latent political aims beside the officially declared ones, such as the appeasement of the working poor and of the middle class receptive to prejudice towards benefit recipients (among them Roma), as well as the mitigation of social tensions in disadvantaged villages (*Guy–Gabal,* 2012, *Scharle et al,* 2011).

By 2012, the number of public works participants have reached an unprecedented size (13–14 per cent of the long-term unemployed). However, due to some differences in the regulations, the Slovak programme costs significantly less: the government allocates 0.07 per cent of the GDP from the central budget as opposed to 0.22 per cent in Hungary (*Table K1.1*). In the case of Slovakia, this is roughly equivalent to the amount the government spends on public employment services, while in Hungary, it is almost twice as much. The significant difference in the costs is largely attributable to the fact that the public workers in the Slovak system are not paid wages, but only a supplement (which is lower than the difference between the public worker wage and benefit in the case of Hun-

1 Calculations for the 15–59 age group by Anna Orosz and Flóra Samu, based on European Labour Force Survey (EU LFS) data for 2012. The uneducated were defined as having completed maximum lower-secondary education, the long-term unemployed were defined as non-employed (either unemployed or inactive) at the time of the interview and one year earlier.

Table K1.2: Design of public works programmes in 2013

Programme	Hungary	Slovakia
Explicit aims	Activate the unemployed, prevent losing contact with the labour market, prevent loss of work habits, provide temporary relief to alleviate poverty	
Latent aims	Appease population that social assistance recipients, many of whom are Roma, have to work in order to receive support. Discourage black work	
Who can participate?	All registered unemployed, also rehabilitation allowance recipients	Only minimum income benefit recipients
Do participants stay on the unemployment register?	No	Yes
Working time per week	20-40 hours	10-20 hours
Maximum duration (month)	11	18, renewal after 6 months (for municipal contracts)
Compensation of public workers	Wage	Higher benefit (activation allowance)
Is it insured?*	Fully (P, H, A, U)	Partly (H)*
Who pays the compensation of workers?	Central government reimburses employer via PES (up to 100% of wage costs)	Central government pays the higher benefit via PES
Who pays the other costs (organisation, materials, etc)	Employer but managers can be public workers, subsidies are available for other costs	Organiser**
Supervision of use of government subsidy	Very weak	Weak

* Participants are covered by pension (P), health (H), accidents (A) and unemployment (U) as well. Unemployment insurance would imply that they can earn eligibility for insured unemployment benefit after a certain period of public works. In the Slovak case the entitlement for health insurance is based on registered unemployed status not on participation in public works. LTU = long-term unemployed, PW = public works, SUW = socially useful work.

** In most cases this is the local government, but can also be the PES, in which case other costs are covered by the central budget.

gary) to their benefits and organisational costs are usually financed by the local municipalities.

In both countries, impact assessments conducted up to now have found that these large-scale public works programmes are not able to decrease long-term unemployment, but provide temporary relief to jobless households and may also help reduce social tensions at the local level (see the main text of this chapter, *Harvan,* 2011, *Duell–Mýtna Kureková*, 2013). Moreover, since the budget allocated for employment programmes is sparse, there are fewer resources for potentially more effective programmes, such as training.

According to international evidence, public works programmes can also decrease participants' chances of re-employment (see the main text of this chapter). This may arise, for instance, from the so-called lock-in effects. These may occur when jobseekers can expect to be recalled on public works, as some may tend to take less effort to look for a job in the open labour market. The intensity of job search can also be decreased by the fact that in public works participants have less time to look for permanent and regular work, or they cannot attend a job interview.[2] In the Slovak case, the latter effect is slightly smaller, since public workers can work a minimum of 10 and a maximum of 20 hours a week. As of January 2014, this has been slightly modified to 64–80 hours per month (which is approximately 15–19 hours per week).

The opportunity for corruption is lower in the Slovak system. Since public workers receive a benefit (not a wage), this is paid directly to them by the

2 Obviously, this effect is only significant in those regions where there are plenty of available jobs.

public employment agencies, without the involvement of municipalities. Thus there is no such incentive that, for example, the municipality might make the participants sign for more work days than they have actually worked and keep (or share with participants) the reimbursement received from the central budget. However, in both countries there exists an unlawful practice whereby municipalities increase their access to resources by replacing their employees in unskilled occupations (for instance, cleaners or kitchen assistants) by public workers (*Brutovská,* 2006, *Farkas et al,* 2014).

The incentives leading to the continuous enlargement of public works programmes are smaller in the Slovak case. This is because public workers are not removed from the unemployment register, but continue to receive a social benefit, which is not paid by the municipality, but the local public employment service. By contrast, in the Hungarian system, it is the municipalities which pay the wages of the public workers, and authorities check the use of sources only sporadically. As a result, local municipalities have a strong interest in organising public works and expanding the available budget. Moreover, in contrast to the Slovak system, public workers improve statistics in two ways: they decrease the number of the registered unemployed, and increase that of the employed. This means that any attempt by the central government to cut spending on public works programmes is likely to be met by a strong opposition from mayors, and will additionally attract bad publicity, since a mass layoff of public workers will immediately increase registered unemployment.

K1.2 Temporary public works programmes in Argentina: Lessons learned

JUDIT KÁLMÁN

Argentina underwent a very serious economic crisis in the 1990s. In 1996 the Argentinian government launched short-term public employment programmes (*Trabajar*) that provided temporary income transfers mostly to the poor, who did not receive other social assistance. By 2002, the deepening of the financial crisis further exacerbated unemployment, increased poverty and generated social tensions. Thus a newer, larger-scale programme (*Jefes de Hogar*) was initiated.

Trabajar programme, 1996–2001

The *Trabajar* programme was born as part of a series of labour market reforms planned for the longer-term, but mainly as a reaction to the problem of rising poverty related to the increase in unemployment caused by the effects of the 1995–1996 recession. The unemployment rate was 17 per cent on average but 40 per cent among the poorest in the lowest income-decile. The *Trabajar* programme replaced an earlier programme, called *PIT*, which had been proclaimed unsuccessful. *Trabajar* provided six hours per day public works temporary employment to the members of poorer households not receiving unemployment benefit, training or other assistance, primarily in small-scale local development projects, which were also to the benefit of the poor.

Since the primary goal was poverty reduction, the main filter mechanism was low wage level. Evidence has shown that the choice of an appropriate wage level is a critical element of the design and targeting of public works programmes so that they actually reach the poorest. The wages in the *Trabajar* programme were later decreased, roughly to two thirds of the average wage earned by the poorest 10 per cent in the country, so that the programme was attractive to only those with low income per capita and not very good employment prospectives. Besides this self-selection mechanism, the programme applied regional development perspectives as well: only municipalities of the poorest settlements and districts could apply to the project in order to ensure that the poor in these localities were provided with work opportunities.

Financed by the Argentinian government and supported later by the World Bank (financing approximately 15 per cent of the costs), the programme was implemented by the local and regional offices of the Employment and Social Affairs Ministry. The ministry compiled a "menu" from eligible projects, and provided a number of conditions, criteria and other instructions to the design, evaluation, selection and monitoring of projects. Eligible applicants were municipalities (66 per cent of total projects were run by them), civil organisations (15 per cent) and central agencies as well as private firms. The most important selection criterion was the disadvantaged situation of the region, but other factors, such as cost-effectiveness, social criteria as well as the administrative capacity of the implementer were also taken into account.

In the framework of the *Trabajar* programme typically smaller-scale (below 100 thousand dollars) construction and renovation projects were accomplished: renovation of smaller roads, bridges, dams, schools, health institutions, community centres and construction of social housing. These lasted 4–6 months on average and employed 20 to a maximum of 100 persons. There was great emphasis put on the involvement of implementers in decisions concerning the program, usage of well-defined selection criteria and continuously performed detailed monitoring. Part of the non-wage related project costs were financed by the participating municipalities themselves – but municipalities in disadvantaged regions received higher grants. Individual participants in Trabajar received health insurance and coverage for accidents while being in the programme.

The selection mechanism worked well, according to many international studies and credible impact

evaluations (*Jalan–Ravallion,* 1999, *Ravallion et al,* 2001, *Ronconi et al,* 2006) Trabajar has been one of the best targeted programmes[1] leading to considerable net income transfers: on average by 26 per cent, but in the case of the poor, it increased net income by 75 per cent. Due to the construction-type work far more males (cc. 80 per cent) than females worked in the programme, which created approximately 700 thousand jobs in 85 per cent of the country's settlements. Another frequently mentioned positive feature of Trabajar was its harmonisation with other programmes and systematic monitoring. At the same time, it must be noted that Trabajar offered only temporary employment that could mitigate but not solve the problem of rising unemployment. Later on, participating municipalities ran out of resources devoted to the measures, and especially after 1999, when the crisis intensified again, the program began shrinking for budgetary reasons and subsequently reached fewer participants.

Jefes de Hogar programme, 2002–2009

This programme was initiated as a quick response to evolving social problems in the name of "inclusive society". It focused on unemployed heads of poor households by providing them with below minimum wage cash benefits for usually 4–6 months. One condition of entry was that participants enrol their children in schools and take them for certain medical checks. In addition, participants had to perform community work and/or participate in training for 4–6 hours per day. The main goal of this programme was not infrastructural development but the provision of community services (community kitchen, handicrafts and other activities). Thus, the participation rate of women was above 70 per cent – much higher than in the *Trabajar* programme, and the local municipalities also assumed more important roles. In a short period of time, *Jefes* became a much larger programme than *Trabajar*. 15 per cent of the active labour force, i.e. two million people participated in it, which represented serious challenges in terms of expenditure, administration, fraud prevention and so on.

The *Jefes* programme was less progressive than *Trabajar*, yet it covered a large element of those in need and distributed the supports effectively. This although, is difficult to evaluate, since beside the 50 per cent unregistered employment, the government did not possess accurate income statistics of the poor (*Ronconi et al,* 2006). Extended with new elements, the programme provided useful community services and social infrastructure. Participants were categorised based on their chances of re-employment and long term needs for social support. Different programme modules (training, completion of education, local job placement, public works positions in services) were combined for these different groups. In each case, the programme prescribed that participants' children should also be beneficiaries of health and education services.

One of the main flaws of the programme was that it tried to find solutions for two problems – poverty and unemployment – at the same time. Furthermore, the very diverse local capacities also impeded programme implementation (inaccurate registers, ill-coordinated work conditions, difficulties of personal counselling, etc.). There are several methodologically adequate evaluations concerning the programme. According to the analysis of *Galasso–Ravallion* (2004), many people entered the programme who did not fulfil eligibility conditions, while some of the really poor were excluded. Nevertheless, the programme decreased aggregate unemployment, and in its first years, the existence of the programme saved about 10 per cent of the participants from sliding into extreme poverty. *Ronconi et al* (2006) followed participants of the Jefes pro-

1 Among others, *Ravaillon et al* (2001) analysed the impact of Trabajar in a way that compared the subsequent income of those who exited the programme (involuntarily) with those who stayed in, as well as with a control group of non-participants. According to the study, those who exited suffered from high initial income loss in comparison to those who stayed in, as well as in comparison to the control group. The study though does not address the subsequent employment episodes of those who exited.

gramme for two years in a rolling panel evaluation. Relying on the difference in difference method, the authors found short-term positive effects on the rise of income and therefore, on the decrease of poverty, but in the long-term they also observed some negative effects. Most of the participants were identified with very low productivity rates, and the selection mechanism was inefficient (many non-eligible individuals became beneficiaries, and many could stay in repeatedly for long periods), which raised issues about undue political influence. The evaluation also questioned the programme's effects on growth, as household consumption did not increase in the long-term. Moreover, a certain programme dependency had also developed. In relation to this, the authors raise some political economy considerations, according to which the votes of the 2 million participants dependent to such an extent on the programme naturally mattered for those politicians running it.

K1.3 Scandinavian public works programmes

TAMÁS BAKÓ

Until the end of the 1980s, the Scandinavian welfare states were characterised by a low unemployment rate and hence an easy to finance, generous, mainly passive unemployment service. As a result of a recession in the early 1990s, unemployment increased significantly (in Sweden, the unemployment rate was consistently below 2 per cent at the end of the 1980s, but increased to 8.2 per cent by 1993), and therefore, earlier generous transfers could no longer be afforded. In response to the situation, the Scandinavian states extended active labour market measures.

In the following we provide a brief overview of the Scandinavian active labour market measures, with particular emphasis on public works, a concept which we are going to use in a broader sense than we are used to in standard Hungarian practice, as we include all forms of subsidised employment that aim to support permanent re-employment in the primary job market.

First, *Sweden* introduced *social employment.* In this programme employers received support for a maximum of six months after providing temporary (usually six months) employment to the unemployed. The employees performed mainly social work for a wage corresponding to collective agreements in the public sector. Subsidised employment was abolished in this form in 1998.

Subsequent measures essentially promoted *work experience*. An important feature of these measures was that they were usually directed at performing such activities that otherwise would not have been undertaken. Participating unemployed persons received unemployment benefits, and work was organised by non-profit organisations, mainly local municipalities, ensuring that they did not crowd out any of the work force from the primary labour market.

Employee leasing was introduced in 1997 in the course of which employers received subsidies if they employed unemployed persons for six months (this could be extended by another three months). During this time the unemployed person had to work part time, but also participate in training and involve themselves in job search. The wage received for work was limited to 90 per cent of the unemployed person's previous wage.

The above mentioned measures were partially replaced by the *activity guarantee programme* introduced in 2000, whose main element was that eligibility for unemployment benefits was not prolonged following participation in active labour market programmes. This programme did not provide a single measure, but a framework system within which the unemployed could participate in various programmes. The target group of the programme was the long-term unemployed, and those unemployed who in all probability would become long-term unemployed. Participants were either looking for jobs or participating in special labour market programmes.

In *Finland,* the unemployed person, in cooperation with the public employment service, is required to prepare an *employment plan* that describes the active labour market measures that will be used by the job-seeker. A status report related to the employment plan must be sent each month to the Finnish social security office which then transfers the unemployment benefits based on this report.

The so called *work trial* is another noteworthy active labour market measure in Finland. The public employment service offers temporary placement in different positions (PES) in which the jobseeker can demonstrate their skills and motivation to potential employers. After the unemployed have tried their hands in the various tasks required in the desired position, they discuss together with the PES and the employer, what other help they need to be able to do the particular job. During a work trial, the unemployed receive unemployment benefit and also a reimbursement of the travel and accommodation costs that arise from employment.

In response to the crisis, further innovative labour market measures were introduced in Finland.

One of these was the *work exchange programme*, in which older employees with a long employment record are replaced by an unemployed person, on the basis of an agreement with the employer, for a maximum of one year. For this period, the older employees receive compensation – unemployment benefits corresponding to 70 per cent of their wage –, and they are basically on paid annual leave, not being obliged to search for a job. This measure has explicitly been used to tackle cyclical unemployment.

Another new programme is *social enterprises* that employ persons with multiple disadvantages or disabilities. The social enterprises are market-based (profit-oriented activity must make up at least 50 per cent of their revenue), but the wages of their employees are subsidised if they are members of one of the target groups mentioned above.

The *youth guarantee programme* provides internship and apprenticeship programmes in various job positions for the unemployed under 25 years of age and new graduates between 25 and 29 years of age, besides the previously mentioned work trial programme.

In *Denmark,* a cornerstone of labour market policy is that it compels all unemployed persons to participate in some sort of activity. The starting date of *compulsory participation* depends on the age of the unemployed, and upon their request it can also commence earlier. Declining cooperation or participation results in the withdrawal of unemployment benefits. The unemployed, in cooperation with the staff of the PES, choose a programme that they deem the most beneficial to themselves, thus, this can be a voluntary programme as well.

In the case of *Norway,* since unemployment is relatively low, active labour market measures have been focused on the hard-to-place unemployed. In theory, all basic active labour market measures are available to the unemployed in Norway, but a few special programmes are only available to the uneducated, immigrants and people living with disabilities.

The most important active labour market measure, besides training, is wage subsidies that are provided to employers who employ disadvantaged people. The programme aims to provide an opportunity to gain work experience and acquire basic skills for unemployed school leavers and immigrants at private and public enterprises. An action plan is drawn up for each participant, which has to be accepted by the representative of the employer. The employer has to declare that the intern will be regarded as a potential employee: the aim of these rules is to reduce the crowding-out effect. The employer receives an operational grant after each approved internship contract.

*

In spite of the apparent differences, these Scandinavian countries use subsidised work as an active labour market measure, according to the same principles. The measures that require job-seekers to work while on benefit are intended for well-defined target groups. A very important common principle is that work is an opportunity rather than an obligation, and the employment of the unemployed person cannot lead to losses of existing jobs. Although in the Scandinavian countries there is no similar programme to the Hungarian public works, it must be noted that in these countries the number of public employers is much higher than the OECD average. While in Hungary, public employers (e.g. forestry, water supply, public railway) employ public workers – now increasingly full time – for public sector wages lower than the minimum wage, in the Scandinavian countries analysed workers are hired for these positions as normal employees in the public sphere.

The following sources were consulted to prepare this paper:

DENMARK: www.ma-kasse.dk;
FINLAND: www.te-services.fi and www.suomi.fi;
NORWAY: *Duell–Singh–Tergeist* (2009);
SWEDEN: *Calmfors–Forslund–Hemström* (2004).

2 PUBLIC WORK PROGRAMMES IN HUNGARY

2.1 THE INSTITUTIONAL AND LEGISLATIVE CONTEXT OF PUBLIC WORKS SCHEMES: A HISTORICAL OVERVIEW

KATALIN BÖRDŐS

This subchapter describes the regulation details regarding the various types of public works programmes in Hungary, discussing the system before 2011 (in which basically three types of public works programmes existed) and the one after 2011 (the 'unified' system) separately. The subchapter also discusses institutional and legislation changes (including those concerning the funding mechanisms of public works programmes) as well as implementation issues.[1]

Types of public works programmes before 2011

Before 2011, public works programmes could take three distinct forms in Hungary (namely, organised by the PES, national authority, or by municipalities). These three types did not differ substantially in terms of content or types of activities they covered, but they did vary by the funding mechanisms and by who the responsible body was.

Although schemes under the name of 'közhasznú munka' (hereafter referred to as 'PES-managed public works') had been launched since as early as 1987 (*Csoba,* 2010), it was only first regulated by Act IV of 1991 Regarding this type, any decision about subsidising participation was made by the public employment services (PES): local offices were responsible for the placement of registered jobseekers who carried out public tasks (usually belonging to the responsibilities of municipalities) for a maximum of one year. A jobseeker could only be re-employed as a public worker within a two year period if they were not eligible for social insurance-based benefits, although this could be easily manipulated by employing someone on consecutive short periods with interruptions, enabling local PES offices to employ them for more than one year (*Szabó,* 2013). A maximum of 70 per cent[2] (after 1992, 90 per cent in the case of Roma participants or workers no younger than 45) of total wage costs and some direct costs (for example, transportation costs or protective equipment) could be financed by the decentralised part of the Employment Fund allocated by counties (*Firle–Szabó,* 2008, *Frey,* 2008). Funds for PES-managed programmes dramatically decreased after 2009; with the global economic crisis deepening, its role was taken over by municipal public works schemes.

The second type of public works programmes, those operated by national authorities [közmunkaprogramok] was first launched in 1996: these schemes were usually organised for seasonal jobs requiring heavy manual labour, such

1 I would like to thank *Márton Kulinyi, Ágota Scharle* and *Irén Busch* for the clarification on some details and their useful comments.

2 The level of intensity varied by county.

as flood control, maintenance works in transport infrastructure and public buildings, or environmental tasks (*Firle–Szabó,* 2008). One of the most significant of the national public works programmes was delivered under the framework of the '100 steps' government programme from November 2005 to the end of June 2006, involving 1024 (about every third) settlements nationwide and providing work for a total of 24,550 participants (Audit Report, *ÁSZ,* 2007).

Funding of national programmes was provided via tenders: before 2003, the responsible ministry, and from 2003 on, the Public Works Committee called for applications annually. The range of possible applicants covered local governments and other public bodies, such as public utilities, forest management plans, or national parks. Applicants who proposed employing disadvantaged groups or who operated in disadvantaged regions received preferential treatment during the tenders. Up to 60 per cent of all costs were covered by the central budget, a further 7–10 per cent had to be contributed by the applicant, and the rest was financed from other sources, most often by European Union funds (*Firle–Szabó,* 2008). The funding mechanism was regulated by the 49/1999 (III. 26.) government decree, which was modified several times over the years. These modifications included, for example, broadening the range of possible applicants; loosening the requirement of employing a minimum of 100 workers; providing more possibilities for training under the frameworks of the programme; and enabling a somewhat more flexible accounting for costs (Audit Report, *ÁSZ,* 2007). From August 2008 on, the applicants were required to ensure that at least 40 per cent of workers were persons eligible for regular social assistance (*Frey,* 2008).

The third type of public works programme, the municipal public works scheme [közcélú foglalkoztatás], was introduced from May 2000 by the modification of the Social Code in 1999. The main goal of the introduction was to provide temporary work opportunities for regular social assistance [rendszeres szociális segély] claimants: participation in municipal public works for at least 30 days was prescribed as an eligibility condition for social assistance. Beneficiaries were only exempt from this condition in the event that neither the municipality nor the local PES office could offer any public works. The requirement regarding the 30-day participation has remained in force during the whole period and was not affected by consecutive changes in the minimum income scheme, such as tightening the behavioural requirements in 2005, changing the formula for the amount in 2006, and introducing the unemployment assistance in 2009 (first under the name of 'rendelkezésre állási támogatás' [RÁT], later renamed as 'bérpótló juttatás' [BPJ], and later as 'foglalkoztatást helyettesítő támogatás' [FHT]). Municipal-type programmes were organised and operated by local governments or their partnerships.

Among the three types of public works programmes, the municipal one had the most generous subsidies for the municipalities from the central budget. Before 2009 (pre-'Road to Work'-period), the annual Public Budget Act determined an ear-marked budget for municipal public works. The central subsidy could be spent on the wage costs of the participants, material expenses or administration costs. The amount of the subsidy the municipality received depended on the number of participants and the number of days they were employed (for example in 2008, it was set as 3,900 HUF per participant per day). The annual overall amount by settlement was constituted by a fixed amount (in 2008, it was 50,000 HUF) and an additional amount that depended on the number of regular social assistance recipients and municipal public works participants in the previous year. This allocation mechanism proved to be inefficient and inflexible in the period between 2000 and 2002, as it did not allow for redeployment of resources between settlements: while in some cases settlements did not absorb all available funds, in other cases some settlements had a deficit (Audit Report, *ÁSZ,* 2007). From 2003 on, redeployment among settlements was enabled: settlements which absorbed more central funds during the first half of the year were allocated more resources for the second half of the year, whereas available funds for settlements which relied less on public works were cut. It was the Hungarian State Treasury which was responsible for administering and paying the subsidies.

Road to Work programme, 2009–2010

The main objective of the Road to Work programme (which was announced in 2008 and launched in 2009) was to provide additional funding resources for local governments, enabling them to provide work opportunities in municipal-type programmes to a substantially higher number of welfare recipients. Besides increasing the budget for local governments, some other changes regarding public works were introduced. First, those who were no older than 35 and had not finished elementary school were obliged to take part in formal education instead of participating in public works. Second, each municipality had to work out a so-called 'public works plan' which included calculations for the number and distribution of prospective public works participants, along with details on the nature of planned tasks, timing, and funding needs (*Scharle et al*, 2011). These annual plans had to be developed in cooperation with the local PES office in charge, and had to be finished prior to the 31st of January in each year.

At the same time the programme was launched, the social welfare system underwent a substantial change. The group of regular social assistance claimants were divided into two groups: those who were assessed as able to work and those who were not. The formal group of claimants became eligible for a new benefit, the unemployment assistance [rendelkezésre állási támogatás],

and became the main target group of public works schemes. The latter group (those who were assessed as incapable for work, due to ailing health status or other reasons) continued to receive social assistance. While unemployment assistance claimants had to register as jobseekers and were obliged to cooperate with the staff of the local PES office, social assistance claimants were subject to behavioural requirements set by the body appointed by the municipality, which was usually the family assistance centre.

The Road to Work programme provided a budget for municipal public works that was considerably larger than ever before. Furthermore, the government also tried to incentivise municipalities to expand public works through a change in the funding mechanism: in the case of municipal public works, the intensity of central funding increased to 95–100 per cent from the previous level of 90 per cent, whereas in the case of unemployment assistance, central funding was only 80 per cent (*Scharle et al,* 2011). Act CLXIX of 2007 (which set the public budget for the year 2008) defined a budget for municipal-type public works which was much larger than in the previous years. From this budget, the Treasury automatically reimbursed 95 per cent of wage costs for every public worker the settlements requested funding for in every month. Subsidies were also available for the rest of the wage costs (5 per cent): the annual public budget acts defined a formula for a grant that was differentiated by the social characteristics of the settlements, and the total amount of subsidies paid to municipalities depended on the total population of the settlement (in 2010, for example, it was 4,100–20,300 HUF per person). The formula for the unit cost depended on the number of regular social assistance claimants and on the number of public works participants in the previous year, among other factors.

The 'unified system' after 2011

Main changes

From September 2011 onwards, the three types of public works programmes described above were abolished and replaced by the 'unified system for public works schemes'. The new system is regulated by Act CVI of 2011, while the funding mechanism is described by the 375/2010 (XII. 31) government decree. Legal oversight was taken over from the Ministry for National Economy by the Ministry of the Interior from 1 July 2011.[3]

The new act has established a previously non-existent form of legal relationship, the so-called public works engagement, which has replaced the former legal relationship (employment) of public workers. This meant that since 1 September 2011, public workers can be hired at a wage lower than the statutory minimum wage set for those in a legal relationship of employment. The minimum wage set for public workers is declared via government decrees, and amounts to about

3 During the preceding government's rule between 2006 and 2010, the responsible governmental department was the Ministry of Social Affairs and Labour (SZMM).

76–88 per cent of the net minimum wage (depending on the year); for public workers employed in higher skilled jobs (requiring a certificate), it is about 84–86 per cent of the net minimum wage[4] (*Busch–Cseres-Gergely,* 2011, *Molnár et al,* 2014). In addition, public workers are now entitled to fewer days off (20 days per calendar year, irrespective of age) compared with those employed on the open labour market. Concerning other rights and responsibilities of public workers, the Labour Code (Act I of 2012) has remained in force.

In the new system, behavioural conditions applied to public workers also became stricter: unemployment assistance claimants are now obliged to accept any jobs offered, irrespective of their education level; before 2011, they were allowed to reject jobs for which they were overeducated (by more than one level) without any sanctions. Furthermore, finishing elementary school is no longer compulsory for uneducated jobseekers under 35 (a rule which was introduced at the launch of the Road to Work programme) (*Molnár et al,* 2014).

Behavioural conditions were tightened once again from January 2013: those who decline to participate in the public works programme that was offered not only face a reduction in benefit level but can also be erased from the unemployment register and excluded from all future public works opportunities. From September onwards, jobseekers who do not comply with local decrees that prescribe keeping their garden and surroundings clean, or whose child under the compulsory school-leaving age is frequently absent from school without a justified reason, can also be disqualified from participation (*Cseres-Gergely–Varadovics,* 2013).

Subtypes of public works schemes in the new system

Since 2011, potential subtypes of public works schemes are the following (based on *Molnár, et al,* 2014*, Kulinyi,* 2014, and *Tajti,* 2011):

– Short-term public works: these programmes last for 1–4 months and involve part-time work for a maximum of 4 hours per day. Participation is possible only for unemployment assistance recipients. This type of programme became extremely rare in 2012 and had become non-existent by 2013 (*Mód,* 2013).

– Long-term public works programmes: these programmes originally lasted for 2–11 months; from 2015 onwards, the maximum duration is 12 months. They involve full-time work for 6–8 hours per day. Since the beginning of 2015, rehabilitation benefit claimants (those with health impairments but assessed as able to work) have the opportunity to work for only 4 hours per day. The main target group of these programmes is the group of unemployment assistance claimants, although any jobseekers can participate.

– New national public works programmes: these programmes are organised by state-owned corporations (such as public utilities or forest management plans), for tasks including flood control or maintenance works in public transport infrastructure. The maximum duration is 12 months, and work

4 Since 1 January 2015, the full-time wage for public workers in unskilled occupations (that require no certificate) is HUF 79,155 per month, and HUF 101,480 per month for public workers in occupations requiring a certificate, as defined by the 376/2014 (XII. 31.) government decree. Since 2013, a public worker hired as the head of a working group is entitled to a somewhat higher wage: as of 2015, it is HUF 87,090 in unskilled occupations and HUF 111,660 in occupations requiring a certificate. Similarly to wages in the open labour market, wages of public workers are subject to personal income tax (16 per cent), social security contributions paid for pension (10 per cent), health insurance (7 per cent) and unemployment insurance (1.5 per cent); employer-side contributions are the social contribution (13.5 per cent) and the contribution for vocational education (1.5 per cent).

can be done for 6–8 hours per day (for rehabilitation benefit claimants, 4–8 hours per day).

– 'Value-generating public works' programmes: the objective of these programmes was to 'support activities that enable local governments to save costs or to accumulate revenues' (*Molnár et al,* 2014). They operated until 2012.

– Model programmes 'Start': these programmes operated under the long-term public works category until 2013, when they became a distinct subtype (*Mód,* 2013). Managers of these programmes receive additional professional assistance and consulting during the planning and implementation phases. Sub-categories include the 'micro-regional model programmes' (that are implemented in disadvantaged regions; *Kulinyi*, 2014) and the 'agricultural model programmes'. The long-term objective of agricultural model programmes is to encourage and establish self-sufficient economies by supporting social cooperatives and subsistence farming. From November 2013 on, the condition for receiving subsidies from the central budget is that revenues from these programmes must be spent on wage costs of public workers or on the management of the social cooperatives (*Cseres-Gergely–Varadovics,* 2013). The programmes are usually complemented by training for the participants: this training can only be offered by the state-owned Türr István Training and Research Institute, a background institution of The Ministry of Human Capacities (*Mód*, 2013). Besides the micro-regional and the agricultural model programmes, other subtypes of the Start programmes exist that can cover a wide range of activities: for example, 'special Start model programmes' can subsidise jobs for homeless jobseekers, or can finance cultural community development etc.

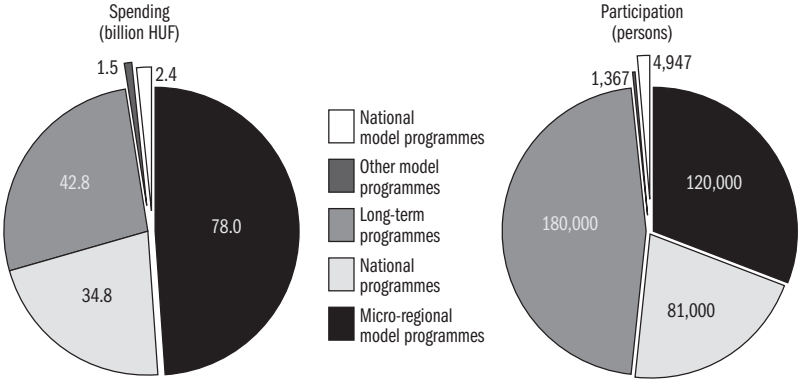
– Transitory programmes during winter: due to the strong seasonality of employment, these programmes try to counterbalance the usually lower employment rate during winter time. The first programme was launched in November 2013, and covered activities such as processing horticultural products, indoor maintenance works, or working in public administration, social services or public education institutions (*Kulinyi,* 2014). These programmes were most often linked with training for the participants.

– Mobility support for public workers: job exchange. Participation is possible exclusively for unemployment assistance recipients.

– Subsidies for small- and middle-sized enterprises to hire unemployment assistance or rehabilitation benefit claimants: these programmes are very similar to wage subsidy measures that subsidise hiring workers who increase the total workforce at the firm. The subsidy covers 70 per cent of wage costs and can be given for a maximum of 8 months. After the subsidy is used up, the employer receiving the subsidy is obliged to extend the contract of the subsidised worker for an unsubsidised period that is at least half as long as the subsidy lasted.

Figure 2.1.1 presents the distribution of programme types (implemented in 2014) by the amount of final costs and the number of participants.

Figure 2.1.1: Spending and participation in public works programmes by type, 2014



Source: Belügyminisztérium.

Funding

Managers of public works programmes can apply for funding from the central budget at the regional PES agency in charge. The source of funding is the Employment Insurance Fund (later renamed as the National Employment Foundation); complementary training is financed by ESF grants, such as SROP 1.1.2/1.1.4 (*Busch, Cseres-Gergely and Neumann* 2012) or SROP 2.1.6 (*Mód,* 2013). The intensity of central funding depends on the subtype of the programme: it can be up to 100 per cent of total wage costs (including social security contributions) in the case of long-term public works programmes. In certain cases, central funding can also be spent on direct costs other than wage costs or on administration costs: the level of intensity varies between 5–20 per cent of the total subsidy on wage costs (depending on subtype; see *Table 2.1.1*).

Table 2.1.1: Intensity of central funding since 2011 (per cent)

	Short-term	Long-term	National	Model programmes 'Start' (except for the 'special' variation)	'Special' model programmes 'Start'
Gross wage costs	95	70–100*	100	100	100
Direct costs	5	20	20	Depends on the no. of participants, piecewise linear***	A maximum of 30
Administration costs		1,5**	3		

* Depending on disadvantaged/non-disadvantaged status of the settlement.
** Since 2015 and only for municipalities with no independent town hall.
*** Programmes with 1–15 participants: up to 100 per cent; programmes with 16–45 participants: 100 per cent for the first 15 participants, 90 per cent for the rest (above 16); programmes with 46–135 participants: 100 per cent for the first 15 participants, 90 per cent for the second 15 participants (16–45), 80 per cent for the rest (above 45); programmes with more than 135 participants: 100 per cent for the first 15 participants, 90 per cent for the second 15 participants (16–45), 80 per cent for the third 15 participants (46–135), 70 per cent for the rest (above 135).

Summary: main changes in the institutional and legislative context concerning public works in the past 20 years

Since the transition in 1989/1990, the institutional and legal context of public works schemes in Hungary has undergone several transformations. Arguably, the Road to Work programme (launched in 2009) and the 'unification' of the system (introduced in 2011) brought about the most substantial changes. For an overview on the different types of programmes during the period of 1991–2015, see *Table 2.1.2.*

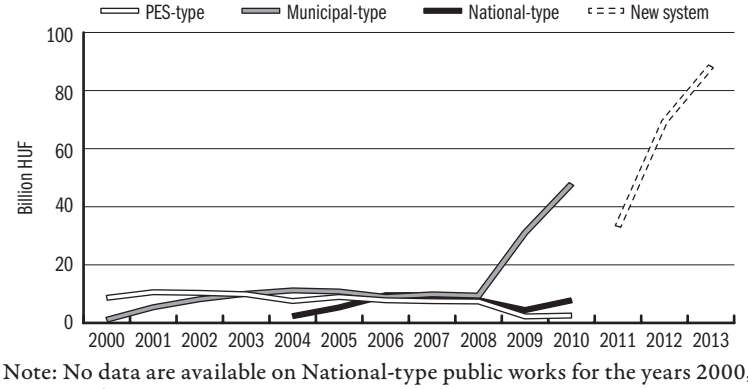
Table 2.1.2: Overview of public works types

	PES-type public works	National-type public works	Municipal-type public works	'Unified' system
Period	1991–2010	1996–2010	2000–2010	2011–
Type of activities	all kinds of municipal tasks	municipal communal, environmental tasks, or other public functions	all kinds of municipal tasks	all kinds of municipal tasks and tasks defined in Act CVI of 2011
Target group	any registered jobseeker	mainly long-term unemployed	2000–2009: RSA-claimants; 2009–2010: UA-claimants	registered jobseekers (UA-claimants), rehabilitation benefit-claimants
Potential employers	municipality, municipal company, public body, NGO	municipality, public authority, public company	municipality, municipal company, public body, NGO	municipality, public body, church, NGO, municipal or public company, etc.
Funding agency	PES (from the Unemployment Insurance Fund)	Public Works Committee (from the Unemployment Insurance Fund)	Hungarian State Treasury (from the Unemployment Insurance Fund & national budget)	PES (merged into the general government offices in 2015)
Way of application for central funding	reimbursement through the PES	through tenders	by normative funding	reimbursement through the PES / general government office
Intensity of central funding	up to 70 per cent	60 per cent	90–95 per cent	70–100 per cent
(Subsidised) wage paid for participants	statutory minimum wage	statutory minimum wage	statutory minimum wage	wage for those engaged in public works (set by gov. decree)
Duration of programme	max. 12 months	depends on programme (about 3–12 months)	min. 30 days – max. 12 months (in each year)	max 12 months, in 2014: max. 11 months (can be extended); since 1 January 2015: max. 12 months + can be extended by 6 months
Related legislation	Act IV of 1991 (Fltv.)	6/1996 (VII. 6.) MüM ministry decree; 49/1999 (III. 26.) gov. decree; Funding: 49/1999 (III. 26.) gov. decree; 199/2008 (VIII. 4.) gov. decree	Act III of 1993 ('Social Code'); Funding set in the annual public budget acts	Act CVI of 2011 (Kftv.); Funding: 375/2010 (XII. 31.) gov. decree; Wages declared by: 170/2011 (VIII. 24.) gov. decree

Notes: RSA – regular social assistance ('RSZS'), UA – unemployment assistance ('RÁT', 'BPJ' or 'FHT'). MüM – Ministry for Employment Policy.
Source: *Kulinyi* (2014), author.

Activities covered by the three types of programmes before 2011 did not differ significantly, although national-type programmes had a higher propensity to involve tasks that required heavy manual labour, whereas municipal-type and PES-type programmes covered all kinds of activities that usually belong to municipal responsibilities, including administration tasks. Concerning the characteristics of the target group, all three schemes targeted those not employed on the open labour market, specifically the long-term non-employed. The main objectives of all three types, as communicated by the governments (work test, providing income support for long-term unemployed and welfare recipients, supporting the least developed regions) were also similar. However, the intensity of funding from the central budget, as well as the reimbursement mechanisms differed among the three types. As municipal-type programmes provided the most generous incentives for local municipalities, after the introduction of this programme type in 2000, it became more and more prevalent, and total costs spent on this type gradually increased during the period (although total expenditures on national-type programmes exceeded the amount spent on municipal-type programmes in 2006, most likely due to the '100 steps' government programme in that year) (see *Figure 2.1.2*). The introduction of the Road to Work programme in 2009 brought about a drastic expansion of municipal-type programmes: the intensity of subsidies from the central budget as well as the allocation mechanism of subsidies became even more favourable for the municipalities, and the total budget appropriated for public works was also enlarged.

Figure 2.1.2: Cost of public works programmes by type (billion HUF at 2000 prices)



Note: No data are available on National-type public works for the years 2000, 2001 and 2003.

Sources: 2000–2003: *Scharle et al* (2011), 2004–2010: *Frey* (2010), 2011–2012: Employment and Public Works Database [Foglalkoztatási és Közfoglalkoztatási Adatbázis], 2013: Law on the state budget of Hungary.

By launching the Road to Work programme, the government intended to further strengthen the principle of 'work instead of benefits', a principle which

had become more and more dominant in governmental communication since the year 2000. This doctrine prevailed and also became more emphasised after 2011: besides the expansions of public works in volume and costs, the obligations of the long-term unemployed concerning job search behaviour and cooperation with the PES have become stricter. Former programme types (the municipal-, the national- and the PES-type schemes) were abolished and replaced by a 'unified' scheme; this reform aimed at reducing the fragmentation of the institutional system and the different funding mechanisms by programme type (however, the intensity of central government funding still differs by programme subtype). In the new system, the PES rather than the municipality alone allocates participants to programmes, somewhat reducing corruption risks. One of the most significant changes from 2011 was the introduction of a new legal relationship, applied to those engaged in public works: this provided legal bases for hiring public workers at a wage lower than the statutory minimum wage. Despite the name 'unified public works schemes', various subtypes exist that differ by length and other characteristics; the prevalence of these subtypes has varied over the last four years, with some of them fading into non-existence. To summarise, the budget appropriated for public works programmes has been expanding over the years, and this increase is likely to continue in the future, due to the fact that Hungarian employment policy is becoming more and more dependent on public works programmes as the main instrument among active labour market measures.

2.2 SURVEY-BASED AND ADMINISTRATIVE DATA ON PUBLIC WORKS

IRÉN BUSCH & KATALIN BÖRDŐS

This subchapter summarises and evaluates the most important available data sources on the size and costs of public works programmes in Hungary. Since the various types of programmes were organised and funded by different agents, available datasets might also differ by source, coverage and methodology of data collection. We provide here a short overview on the availability of data covering the different time periods by unit of observations (aggregate-, regional- or individual-level data) and assess the reliability of datasets and their potential for research purposes.

Official aggregate data on the number of participants

On the total number of public works participants, two official time-series datasets were available for public usage (*Cseres-Gergely–Molnár,* 2014a, *Molnár et al,* 2014) before 2015. The first one was included in an annual report published by the National Labour Office [Nemzeti Munkaügyi Hivatal; the office was dissolved on 31 December 2014] on the number of participants in active labour market measures (*Mód,* 2013). The relevant statistics are the *total* number of participants involved, which is the total number of people who were engaged in public works programmes for at least once (at least for one day) during the relevant period, thus it does not provide information on the number of days employed or intensity of work (part-time, full-time). Distributions by type of programme (municipal-, national or PES-type), county, gender and age group are available. The second relevant data source is a monthly report published by the Central Statistical Office of Hungary [Központi Statisztikai Hivatal] under the name 'Wages', which includes a table on its last page on the *average* number of participants (headcount) in public works programmes. This shows the daily number of participants averaged over the month (*KSH,* 2014). Data are published by month and by number of working hours.

A third official publication on total headcount exists since 2015, however it only includes data from the year 2013: these are published on the official website for public works programmes, launched in 2015 by the Ministry of the Interior. Available statistics cover both the total number of participants involved in a given month and the average number, and also the number of participants entering and exiting programmes per month. The source of data is the Integrated Information System maintained by the National Employment Service, and not the reports of the local jobcentres (as was the case in the annual reports of the Labour Office).

Settlement-level data

Treasury data on the number of participants in municipal public works programmes (unpublished)

The Hungarian State Treasury [Magyar Államkincstár] used to maintain two datasets on the number of participants and expenditures of municipal-type public works programmes, which existed until 2011. The source of the first database was the municipalities' (settlements) reports on local government spending and revenues. The information source consists of about 50 separate forms: it is not cleaned or assembled into a standardised and user-friendly dataset. In theory, data covers the total number of public works participants in every Hungarian settlement; however, item nonresponse is common, which limits the opportunities for analysis (see the methodological appendix of *Scharle et al,* 2011 for details).

The other dataset of the Treasury contains data on the amount of municipal-type public works subsidies paid from the central budget to the municipalities. This encompasses data on the amount requested by the municipalities, the amount transferred, the number of subsidised workers (by number of working hours), and days spent in programmes in every month. This data source seems to be the most reliable information on the headcount and total costs, as aggregating the settlement-level data on the national level is the best approximation of the published official aggregate statistics. Data are only available until 2010, as from 2011 on it is the local PES offices instead of the Treasury who administer the costs of the programmes. A disadvantage is that it only provides information on municipal-type programmes (during this period, a total of three types of programmes ran in parallel, one of which was the municipal-type), and it only contains information on subsidies spent on wages, thus no information is available on material or administration and management costs.

T-STAR

The Regional Statistics Database System (T-STAR) is a settlement-level collection of data covering various topics, maintained by the Central Statistical Office and published annually. The two relevant variables, 'total number of participants in municipal-type public works' and 'total spending on municipal-type public works' belong to the topic 'Municipal welfare system'. Data that belong to this topic are based on the No. 1206 form of the National Data Collection Programme (OSAP), which is a questionnaire filled in by local governments and sent to the KSH. Between 2003 and 2010, the first variable contained the number of unemployment assistance claimants who participated in municipal-type programmes, weighting part-time and full-time workers equally (that is, headcount was not full-time equivalent). The second

variable was total spending on municipal-type programmes in the given year, accounted by the municipality (including both wage costs and material and administration costs). From 2011 on, the variable on the headcount represents the number of unemployment assistance claimants who participated in any public works programmes, while the information on total spending is no longer available.

In the case of Budapest, both variables are constituted as the sum of the district municipalities' relevant variables, meaning that data on Budapest do not include spending and headcount in programmes organised by the municipality of the capital (which covers all districts but has an independent separate budget), resulting in an underestimation of the actual spending and headcount in the case of Budapest.

Although expenditure data of the Treasury and those in the T-STAR do not cover exactly the same elements (for example, the T-STAR includes all costs accounted for programmes, whereas the Treasury only has data on subsidies for wage costs), not unexpectedly, there is a strong correlation between the two series. However, there are some controversies as well: there are some settlements where T-STAR data is missing or zero, while according to the Treasury data, a positive amount was transferred as a subsidy (about 1–5 per cent of all settlements, depending on year), suggesting item nonresponse from the municipalities' part during the KSH's data collection for the T-STAR. There are also some settlements where the difference between the two series is substantial: the value of either variable is greater or smaller by 30 per cent than the other variable's value (about 13–18 per cent of settlements). Assuming that the Treasury's data is more reliable (since it is not based on self-reporting of the municipalities and is linked with actual cash transfer), one must treat T-STAR data concerning these settlements with caution.

Individual-level data

The Hungarian Labour Force Survey (Central Statistical Office)

The questionnaire for the Hungarian version of the Labour Force Survey (LFS) contains more than one question on public works participation. Before 2014, there were two questions that touched upon engagement in public works. Those who claimed that they were employed with a temporary contract (as opposed to an open-ended one) are asked about the reason for that, and one of the options is 'Because I am employed in a public works programme' (employment in public works schemes always come with a temporary contract). The other relevant question was about whether the respondent received any benefits for active-age persons: one of the options until 2013 was 'I do not receive any benefits at the moment but participate in a public works programme'. Based on these two questions, two distinct estimates could be made on the

number of participants for the years before 2014, but neither could distinguish the participants of the three types of public works programmes (that existed until 2010). Besides that, some inconsistencies arise when comparing the two estimates (see the methodological appendix of *Scharle et al,* 2011 on the details of this comparison and calculations). The yearly estimates based on the question about benefit receipt are more in line with trends based on other data sources, hence this variable seems to be more reliable for estimating the total number of public works participants, compared with the responses to the question about the reason of the temporary contract (*Scharle et al,* 2011).

Since 2014, a direct question about participation in public works has been added to the questionnaire, while the relevant option of the question about benefit receipt was dropped. Another question has been added, which is about whether the respondent participates in training related to a public works programme.

The main advantage of the H-LFS is that it contains a rich set of variables on the labour market characteristics of the respondents, enabling researchers to analyse participants by several aspects. Another strength is the rotational panel design and the fact that all individuals in the household are observed. On the other hand, since it is a survey based on the self-reporting of the respondents (or one of their family members), responses to the relevant questions are prone to measurement error: for example, some participants might not be aware of the exact nature of their legal status and might misreport it as regular employment; some others might feel stigmatised by their participation and thus may not admit it to the interviewer.

Unemployment register data by the National Employment Service

The datasets of the unemployment register – administered by the National Employment Service – include basic information (e.g. residence, date of birth, sex, education level etc.) on all registered jobseekers as well as benefit receipt and participation in active labour market programmes. Data on public works participation come from two sources. First, engagement can be registered as a reason for temporary suspension of registered unemployment status or unemployment benefit receipt. Second, it can also be coded among the active labour market programmes. Data for the years before 2011, however, is of questionable quality: national-type and municipal-type public works programmes were not always registered by the local PES offices, as these were not organised by the PES (as opposed to PES-type programmes). With the reform of the public works institutional system in 2011, a new information system called Employment and Public Works Database (FOKA) was introduced in September 2011 that replaced the previous system called Employment and Social System (EADAT). In the new system, claims for benefits for active-age persons (namely, the unemployment assistance and the regular social assistance) are

registered by the municipality (by the notary's office)[1], while participation in ALMPs (including public works) is administered by the PES via their own integrated system. In the previous system, if an assistance-type benefit claimant entered a public works programme, it was the notary's office's responsibility to register this action. However, since there are no sanctions defined in the relevant legislation against failing to register this information, municipalities do not have incentives to enter all data they are theoretically required to do (Audit Report, *ÁSZ,* 2013). Hence, data on participation in municipal-type public works for the years before 2011, as well as data on assistance-type benefit claims for the whole period is not necessarily reliable.

Another drawback is that the location (the settlement) of the programme in which the worker participated cannot be observed: the dataset only has information on the permanent address of the jobseeker (which is not necessarily the same as the location where they live or work) and on the location of the local PES office.

On the other hand, register data have the advantage of containing rather detailed information on all jobseekers registered, which offers a good opportunity for research. For example, *Molnár et al* (2014) analyse employment chances on the open labour market for those exiting public works programmes, using unemployment register data after the introduction of the new FOKA system.

Database on employment spells – data by the National Tax and Customs Administration

This database was created in May 2004, and originally only contained data on employment spells that were covered by the Labour Code. To assemble the dataset, initial data was provided by the National Health Insurance Fund of Hungary (OEP). On 1 January 2007, the Standardised Hungarian Employment Database ('EMMA'), managed by the PES, was terminated, and since then, employers are required to report all changes concerning employment spells to the tax administration agency. Since 1 September 2011, this reporting obligation also applies to the legal relationships of engagement in public works. Besides the start and end dates of the employment spell, the number of working hours as well as the code for the occupation [based on the Hungarian Standard Classification of Occupations (FEOR)] are registered.

The tax administration agency shares the contents of the dataset with the Central Office for Administrative and Electronic Public Services (KEKKH), which is a data managing authority that belongs under the responsibility of the Ministry of Interior; it is also the legal successor of the National Labour Office in managing the dataset. Based on this dataset, exits from public works programmes can be monitored: the Ministry of Interior calculates the ex-participants' rate of employment on the open labour market within the first 30 and on the 180th day after the end of the programme. The anonymised ver-

1 As of 1 April 2015, it is the general government office at the micro-region level.

sion of the dataset is also frequently used by researchers, as it can be linked with other administrative datasets through a special hash code generated for individuals based on their social security number. Although data is not always precisely reported by employers (missing data is not uncommon), the dataset is still rather well-suited for analysis purposes: it provides an opportunity for examining the history as well as the exit rates of participants of public works programmes.

Aggregate data based on this dataset is not published by the tax administration agency.

Further data sources on the characteristics of public works participants

There are some other data sources that focus explicitly on the characteristics or living conditions of public works participants; these are usually small-sample survey or interview data that are not necessarily representative of the whole population of public workers. For example, *Koltai* (2013a) examines the labour market attachment of a total of 283 participants in five micro-regions through a survey designed directly for this purpose. Another example is a report made by the Hungarian Anti-Poverty Network (*Farkas et al,* 2014), which is based on another survey on a total of 533 public workers (and in-depth interviews with 42 additional workers): it contains questions on the history, income status and employment prospects of the respondents. A third survey conducted by *Bass* (2010) is, contrary to the previous two surveys, a representative one, although it only covers the 33 least developed micro-regions of Hungary. The survey was conducted during June and July 2009, which is shortly after the Road to Work programmes were launched: the sample covers a total of 1,718 households (with 7,844 individuals) in 52 settlements.

On the deviations among statistics based on different data sources

As discussed in the beginning section of this subchapter, aggregate headcount statistics are published both by the Central Statistical Office and by the Ministry of the Interior. In addition, in the case of the Central Statistical Office [KSH], two different data sources provide a basis for the aggregate statistics: the Hungarian Labour Force Survey and the data collection through the institutional system. Due to methodological reasons and the peculiarity of each data collection process, aggregate statistics on the headcount might differ. These peculiarities are the following:

1) The KSH's data collection through the institutional system: data providers are all firms that employ at least 50 workers, a representative sample of firms with employees numbering between 5–49 and of non-profit organisations, and all public institutions financed by taxes or social security contributions. Deviations from other statistics might arise from the fact that not all employers are covered by this data collection, even though the number of

public workers hired by firms with less than 5 employees or by non-profit organisations is not significant (however, non-profit organisations show a slowly increasing trend in hiring public workers, especially since 2015).

Official statistics on the average stock headcount concerning those engaged in public works are published once a month. It is important to note that the headcount is not in full-time equivalent: all participants are considered with a weight of one who, at the time of the data collection, have a contract concerning engagement in public works for at least 60 working hours per month (even if the contract is terminated before the end of the month). Corrections by KSH on previously published statistics are frequent.

2) The Hungarian Labour Force Survey, conducted by the KSH. As previously described, the LFS is a regular household survey with questions on the economic activity of persons between the ages of 15 and 74. The objective of the survey is to monitor employment and unemployment trends using statistics that are comparable among countries and are not affected by changes in the Hungarian regulation and methodology. Statistics are therefor based on the standard definition of the International Labour Organisation (ILO): an employed person is defined as someone who, during the week before the questionnaire is conducted (reference period), performed some work for at least one hour and received compensation (wage or salary) for it, or who had a formal attachment to their job but were temporarily not at work (e.g., due to illness or vacation) during the reference period. In the case of public workers, those who participated in training related to a public works programme are also considered as public workers, regardless of whether they actually performed work or not during the reference period.

Data collected from the questionnaires are weighted using sampling weights and aggregated to the level of the population. Monthly statistics are not published, instead, the KSH calculates three-month averages. Since they are estimated on a sample, the headcount statistics are subject to sampling error on the one hand, and measurement error on the other. The smaller the sample is, the larger the sampling error is; measurement error can result from the fact that household members can respond to the questionnaire on behalf of their family members, and might not know the exact nature of the legal relationship the other is engaged in.

3) Statistics based on administrative data and published by the Ministry of Interior. The source of the data is the information system used by the PES[2] to keep track of clients (registered jobseekers); the database is managed by the Central Office for Administrative and Electronic Public Services. The relevant statistics concerning the number of public works participants is the monthly average stock headcount, which is the daily number of participants averaged over the month. During the calculations on the total headcount – contrary to the KSH's statistics based on its institutional data collection –

2 Before April 2015, the local PES offices; from April 2015 on, the micro-regional general government offices.

participants who exit from public works programme during the month are weighted by a number less than one. Since it is based on administrative data instead of a sample, the total population of participants can be observed. It is important to note that – consistently with the methodology used for other labour statistics – monthly headcounts are calculated by taking into account participants between the 20th day of the relevant month and the 20th day of the consecutive month. This can make a substantial difference, especially in months when a large-scale programme starts or ends. In statistical reports, new clients or events are feature in the period when they were recorded in the register. As of January 2015, data for a given month are recorded on the 20th day of the following month.

Summary

There are several data sources that can be used for the estimation of the number of participants or total costs of public works programmes in Hungary. However, they differ by exact content, methodology, the period for which they are available, and level of reliability. For the period before 2011, some of these datasets (for example the T-STAR or the expenditure data of the Treasury) solely relate to municipal-type programmes that existed until 2011, whereas other databases (such as the unemployment register data) have more reliable data on PES-type public works programmes. We summarise the most important data sources that are available on the settlement or at individual level in *Table 2.2.1.*

Comparing the data sources above, we can conclude that it is basically impossible to assemble a dataset that covers all types of public works programmes and calculates headcounts or costs based on a consistent methodology over a longer period. As pointed out by the State Audit Office of Hungary (Audit Report, *ÁSZ,* 2013), even headcount calculations that are supposed to refer to the same period and to the same programmes (but are based on different data sources) are not always consistent with each other. Since the changes of the institutional system and reduction of the fragmentation of the funding mechanism in September 2011, the reliability of the database managed by the labour institutions has improved. Official aggregate statistics on total headcount are published by both the Central Statistical Office and the Ministry of Interior; these statistics might differ due to the methodological details of the data collection process and ways of calculation.

Table 2.2.1: Overview of the most important data sources on public works programmes

Database	Source of data	Content	Unit of observation	Advantages	Disadvantages
Treasury data on municipal public works programmes	municipalities' requests for funding [62/2006 (III. 27.) gov. decree, appendix No. 6]	amount of subsidies requested and transferred to settlement, monthly headcounts	municipality (month)	supposedly reliable data on expenditure	only cover municipal-type programmes, only for the years before 2011
KSH T-STAR	OSAP form no. 1206 (obligatory reports from the municipalities' part)	number of participants & total expenditure on municipal-type public works	municipality (year)	consistent (harmonised) time series, available for a longer period	in some cases, less reliable data; only cover municipal-type programmes
KSH H-LFS	household survey	participation in public works at the time of response	individual (quarter)	rich data on individual characteristics	potential misreporting
PES register (Eadat, Foka)	unemployment register	reason for suspension of benefit or jobseeker status, participation in ALMPs	individual (spell)	rich data on individual characteristics; covers all registered jobseekers	not necessarily reliable data on public works for the years before 2011
NAV data	Form No. 15T1041 on employed persons covered by social security insurance	engagement in public works, FEOR-code, number of working hours	individual (spell)	rich data on individual characteristics; covers all public workers	occasionally missing data

Notes: KSH = Central Statistical Office, OSAP = National Statistical Data Collection Programme, NAV = National Tax and Customs Administration, PES = public employment service, FEOR = Hungarian Standard Classification of Occupations.

2.3. PUBLIC WORKS PROGRAMMES IN THE PUBLIC EMPLOYMENT SYSTEM, 2011–2013 – BASIC FACTS

ZSOMBOR CSERES-GERGELY & GYÖRGY MOLNÁR

Public works has been the most significant employment policy programme since 2010 both in terms of spending and the number of participants. For 2015 the Government has envisaged the participation of 200 thousand persons in public works and allocated 270 billion HUF from the national budget.

The public works portal of the Government[1] was launched on 25 March 2015, which provides, among others, basic statistical data from the beginning of 2013. However, it does not sufficiently describe the important features of the programme because of the period covered and the definitions applied. The situation is further aggravated by separation of the management of, and government data on, public works and related training as well as other labour market programmes.

There are two regularly published sources available on the preceding period (see also Sub-chapter 2.2.). One of these is the publication of the National Labour Office (NLO), closed on 31 December 2014, on the number of participants involved in active labour market policies (*Tajti,* 2012, *Mód,* 2013) and the other is the table included on the last pages of the report "Salaries" (entitled "Headcounts and Salaries" previously) of the Central Statistical Office (CSO).[2] The publication of the NLO is quite detailed but only uses the special term "headcount of participants involved" (or more specifically: net headcount of participants involved). The CSO publication uses the term "average monthly headcount", but the groups included change annually even after 2011, which strongly limits comparability. The CSO data, going back to 2013, have recently been re-published in a modified structure in the Stadat database.

Vertically consistent data on the average headcounts of Hungarian public works programmes between 2011–2013 were first published in the studies *Molnár et al* (2014) and *Cseres-Gergely–Molnár* (2014). In the present study public works programmes are examined from a broader aspect, as part of the client path, ideally approaching work on the open labour market, undertaken by the unemployed in the *public employment system*,[3] defined as the services, supports and programmes of the Public Employment Service and other governmental authorities. We made our calculations using the primary data set provided for us by the National Labour Office (NLO), stored in the Databank of the MTA KRTK.

First this data set is presented below as well as the relevant details of data processing. Then the share of beneficiaries of the public employment system

1 http://kozfoglalkoztatas.kormany.hu

2 http://www.ksh.hu/earnings

3 Note that this concept does not exist in the literature, but is our definition. Its similarity to the known concept "Public Employment Service" (PES) is partly a play on words, partly a deliberate choice: it is an extension of the PES by other related institutions.

in the individual programmes is examined. In this respect several statuses in the social welfare and public employment system are identified (only registered, participating in a programme or currently outside the system). The specific succession of these statuses is called "sequence". The final part of the Chapter provides an overview of the most frequent sequences and their main characteristics.

The labour micro-database of MTA KRTK and the process of data cleaning

The main characteristics of the micro-database

The research relied on the individual data of the Employment and Public Works Database (EPWD) of the (now closed down) National Labour Office.[4] The part of the database provided at our disposal contains the primary database of registered job seekers, participants of public works and other labour market programmes as well as beneficiaries of job seekers' allowance [álláskeresési járadék] and employment substitute allowance [foglalkoztatást helyettesítő támogatás] between 1 January 2011 and 31 December 2013.

The data sets are based on episodes. Episodes are events in an individual's life with duration of potentially more than one day. Episodes are defined by four pieces of information: the individual concerned (personal data), the starting and closing date of the episode as well as its nature (registration, public works, training and other programmes and type of support). Episodes with differing characteristics are considered individual episodes even if they are related in time. Episodes may overlap only if they are registration and programme episodes.

In accordance with data protection rules, individuals are indexed by an artificial identifier; the following personal data are available: sex, age group, educational attainment, and place of residence (municipality). The starting date of the ongoing episodes of individuals already included in one of the registries on 1 January 2011 is also known. Since the system of public works was transformed completely on 1 January 2011, there was no episode of this kind that had commenced prior.

Since data from the registry of employees held at the tax authority (previously called Unified Hungarian EPWD, see Section 2.2) was not available to us, it is not known whether individuals leaving the public employment system take up employment or not – except for a monitoring undertaken 180 days after the end date of public works (discussed in Sub-chapter 2.6 in detail). Because of regulations on benefits it is likely that the majority of participants leaving and re-entering the system take up work in between but it is not certain. In case of those leaving the system and not re-entering it during the period concerned, not even this may be assumed.

4 We wish express our thanks to the officials at the National Labour Office, especially to *József Tajti* Head of Department as well as *Attila Kicsi, Péter Mód, Miklós Németh* and *János Papp* for their valuable help.

Improving the consistency of the data set

Public works participants are in principle removed from the unemployment registry and are re-entered upon finishing their participation in public works. However, the registry was not in accordance with this procedure and included public works participants in most cases. This duplication was corrected.

The case was similar for several other active labour market programmes. As for active labour market programmes, participants of training programmes[5] and public benefit works programmes were included in the registry, while the participants of the following programmes were not: wage (cost) support, support for becoming an entrepreneur, support for internship of young professionals, housing allowance, supporting the employment of individuals entitled to availability allowance[6] [rendelkezésre állási támogatásra jogosultak foglalkoztatásának támogatása] and local transport allowance. (A summary table of the headcounts of these programmes in 2011 and 2012 is published – *Molnár et al,* 2014, p. 72.) Discrepancies were also corrected in these cases.

Occasionally, (public works or other) programmes or episodes overlapped in time. This was probably due to failing to close down the earlier programme in the registry. We merged overlapping or directly contiguous registration episodes. In case of programmes overlapping in time, we closed the earlier one on the starting date of the subsequent one. These changes only concerned less then 1 per cent of the episodes.

It was an important issue to decide what to do with programmes following one another in a very short time (often a few days). They accounted for a few per cent of the episodes. It was considered that they be merged. However, thorough analysis showed that they are not due to registration mistakes but individual programmes with different characteristics. It may have also happened that the break between the two programmes was actually longer than shown but the earlier programme was not closed on time – but it was not possible to correct it. The seemingly technical decision may have an impact on the proportions of participants entering the open labour market from public works (or other programmes).

For example, one day after the closure of a public works episode a new one is started, which lasts for more than six months, following which the participant concerned takes up employment on the open labour market. At the time of monitoring, in 180 days after the end of the first episode, the participant is not working on the open labour market, while in 180 days after the second he is, which gives a 50% rate of finding employment. If the two episodes are merged, monitoring only takes place after the second episode and this results in a success rate of 100%. Since the real issue is whether someone enters another public works programme after the first episode, we decided not to merge episodes following one another in a short time period.

5 Except for the training provided for public works participants and training support provided through employers.

6 The strangely named *availability allowance* is paid to the long-term unemployed whose health would enable them to participate in public works but they do not receive an offer at the moment. The name implies that they are available to public works. Later it was renamed as wage-substitute allowance [bérpótló juttatás] and then as employment substitute allowance [foglalkoztatást helyettesítő támogatás]. The monthly amount of 22,800 HUF (about 75 EUR) has been unchanged for years.

Public works in the public employment system

From 1 January 2011 to 31 December 2013 nearly 1.8 million persons were involved in the public employment system for some length of time (*Table 2.3.1.*). A little more than a million of these (59%) entered the public employment system during the three years, while the others had already been within the system on 1 January 2011. If someone left the public employment system and re-entered it (maybe several times) during the period of the research, they were taken into account as one person. The relationship with the public employment system is a broader concept than being registered as unemployed; it supposes the fulfilment of at least one of the following three requirements (overlaps are possible):

1. registered unemployed,
2. participant of a public works programme,
3. participant of another active labour market programme.

Table 2.3.1: The number of those involved in the public employment system between 2011 and 2013 and their share in the various programmes

	Headcount (thousand persons)	Share (percentage)
Number of those involved in the public employment system	1774	100.0
Only registered	1180	66.5
In public works (total)	449	25.3
– without training	331	18.7
– with training	118	6.7
Other programmes	202	11.4
Total[a]	1831	103.2

[a] The number exceeds the number of participants of the public employment system and 100 per cent, because 57 thousand persons (equalling 3.2 percentage point) participated in both public works and other programmes.
Source: Authors' calculations based on the EPWD.

In the following, the succession of various employment statuses of the participants of the public employment system (taking into consideration the above limitations) will be discussed. Since the main objective is to analyse public works, the other active labour market programmes are presented together. There are five different statuses:

1. registered unemployed, not participating in any of the programmes (hereinafter *only registered*),
2. public works participant, not receiving training,
3. public works participant receiving training,
4. participant of another active labour market programme,
5. is outside the public employment system but was involved in the system sometime during the three-year period of the research and re-entered it.

Occasionally, status 2 and 3 are merged.

Precisely two-thirds of the 1.77 million persons involved in the social welfare and public employment system did not participate in any programmes, one quarter of them participated in public works sometime during the three years and somewhat more than one-tenth participated in another programme (*Table 2.3.1.*).

More than one quarter of the 450 thousand persons participating in public works during the three years took part in two different years and slightly less than one quarter of them were "regulars" and participated in it in each of the three years (*Table 2.3.2.*). In case of the other programmes, the share of participants taking part in the programme in two different years is basically the same but the share of participants taking part in a labour market programme in three years is insignificant.

Table 2.3.2: Accumulation of participation in programmes in various years, 2011–2013 (percentage)

	One	Two	Three	Total
	years' participation			
Public works	48.6	28.1	23.3	100.0
Other programmes	69.0	29.4	1.6	100.0

Source: Authors' calculations based on the EPWD.

Taking a look at the individual years separately reveals that the number of those involved in the public employment system did not change – it was only in 2012 that figures were five per cent higher than in the other two years (*Table 2.3.3.*).

Table 2.3.3: The number of participants in the public employment system and the annual percentages of participants in the various programmes, 2011–2013

	2011		2012		2013	
Number of participants in the public employment system (thousand persons)	1174		1226		1164	
Number and share of participants of programmes	Thousand persons	%	Thousand persons	%	Thousand persons	%
Public works (total)	236	20.1	234	19.1	315	27.0
– without training	234	19.9	222	18.1	201	17.2
– with training	2	0.2	13	1.0	114	9.8
Other programmes	81	6.9	85	7.0	101	8.7

Source: Authors' calculations based on the EPWD.

The number of participants in public works did not change between 2011 and 2012 but then significantly increased in 2013 due to public works including training. Their share within the participants of the public employment sys-

tem grew from slightly below 20% to more than 25%. Public works including a training element had scarcely existed previously. In 2013 the number and share of participants of other programmes also increased but part of this increase may have been virtual: while in 2011 and 2012 the proportion of participants (of public works and other programmes) taking part in the programmes repeatedly within a year was below one percentage point, this figure doubled in 2013 (this is not presented in a separate table). The thorough analysis of microdata showed that for some participants of public works including training, periods of various lengths were registered as labour market training. In fact, these were most likely to be elements of the same programme.

The total of days spent in the public employment system did not change during the three years examined (*Table 2.3.4.*). Participants took part in any of the programmes on slightly less than one-fifth of their days spent in the public employment system. The proportion of days spent in programmes increased from 14 to 23 per cent mainly due to public works. The proportion of days spent in public works including a training element increased less than the proportion of days spent in the public employment system. The number and proportion of days spent in other (not public works) programmes increased slightly.

Table 2.3.4: The number and share of days spent in the public employment system, 2011–2013

	2011	2012	2013	Total
Number of days in the public employment system (million)	263	266	266	795
Share (percentage)				
Only registered	85.7	80.2	77.0	80.9
Public works (total)	10.5	15.5	18.3	14.8
– without training	10.4	15.3	15.6	13.8
– with training	0.0	0.3	2.7	1.0
Other programmes	3.9	4.3	4.6	4.3
Total	100.0	100.0	100.0	100.0
Share of days spent out of / in the public employment system (percentage)	16.5	24.6	13.1	18.1

Source: Authors' calculations based on the EPWD.

The share of days spent outside the public employment system is a distorted indicator, since it necessarily has lower values in the first and last year than in the middle year. In 2011 it does not contain those who were within the system in 2010 and also re-entered later but were outside the system at the beginning of 2011. The case symmetrically applies to 2014. There are two reasons the proportion of the days spent outside the public employment system was nevertheless included in *Figure 2.3.4*. Figures for 2012 indicate that the persons involved in the public employment system spend – compared to the time within the system – 25 per cent of the time outside the system. Since there are some who

are in the public employment system throughout the whole year, the proportion of the time spent outside the system in the case of those repeatedly leaving and re-entering is significantly higher. This will be discussed in detail later.

It is worth noting that in 2013 relatively fewer days were spent outside the public employment system than in 2011, although the distortion described above should be symmetrical. Thus the volume in this case is not interesting but the difference between the two proportions is. This difference is highly likely to be due to the increase in the time spent in public works.

The average length of participating in public works grew from less than four months in 2011 to nearly six months in 2012 (*Table 2.3.5.*). Since the number of participants did not increase during this two year period (*Table 2.3.3.*), the increase in the number of days spent in public works was the result of the increase in the average length of participating in public works. The length slightly decreased in 2013 but remained above five months. On average, public works participants took part in public works for slightly less than nine months in the three years examined.

Table 2.3.5: The average length of participation, 2011–2013 (number of days)

	2011	2012	2013	2011–2013
Public works (total)	117	177	155	262
– with training	35	53	62	66
Other programmes	126	133	123	168

Source: Authors' calculations based on the EPWD.

The average length of participation in other labour market programmes was about four months in each of the three years. Because of multiple participation, the average length throughout the three years was 5.6 months.

The length of training organised in public works was two months on average in 2013. This requires two remarks as explanation. Considering that this programme was launched as part of the public works programme that started in December 2013 (see Sub-chapter 2.8), the length of the programmes is longer but data are not available from 2014. On the other hand, there is only one month of public works with a training element in 2013 (see *Table 2.3.2.*). The average of 66 days results from the fact that some persons participate in six-month or even one-year-long public works programmes including training.

Average headcounts

The number of those involved in the public employment system did not change between 2011 and 2012 and basically the number of participants of other (not public works) programmes stagnated too. Redistribution of proportions was caused by public works, since the increase in public works participants was accompanied by a decrease (of the same extent) in the number of persons only registered but not taking part in any programmes (*Table 2.3.6.*). While in 2011

the number of public works participants was 2.7 times higher than the participants of other labour market programmes, by 2013 this figure increased to 3.9.

In 2011 more than half of the total headcount was employed four hours daily. This type of public works was discontinued in 2012 and only six- and eight-hour employment remained, with a strong predominance of the latter. Thus the full-time equivalent headcount for the three years increased even more between 2011 and 2012 (the final line of *Table 2.3.6.*).

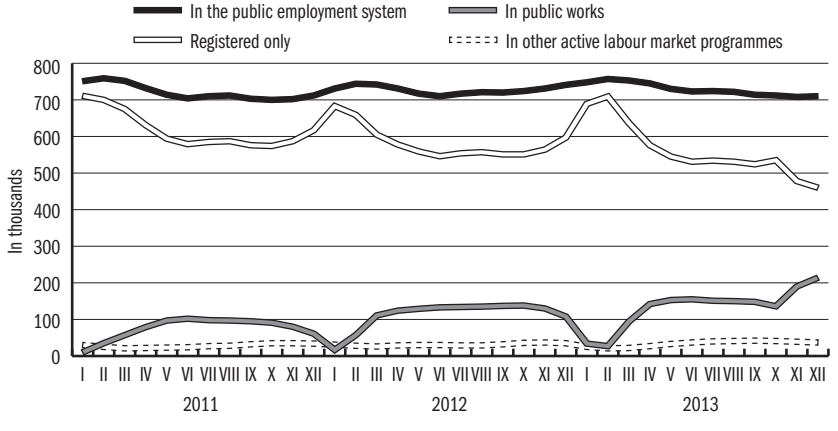
Table 2.3.6: Average annual headcounts in the public employment system, 2011–2013 (thousand persons)

	2011	2012	2013
Only registered	618	584	562
Public works (total)	75	113	133
– without training	75	111	114
– with training	0	2	19
Other programmes	28	31	34
Total	721	728	729
Full-time equivalent in public works	54	108	128

Source: Authors' calculations based on the EPWD.

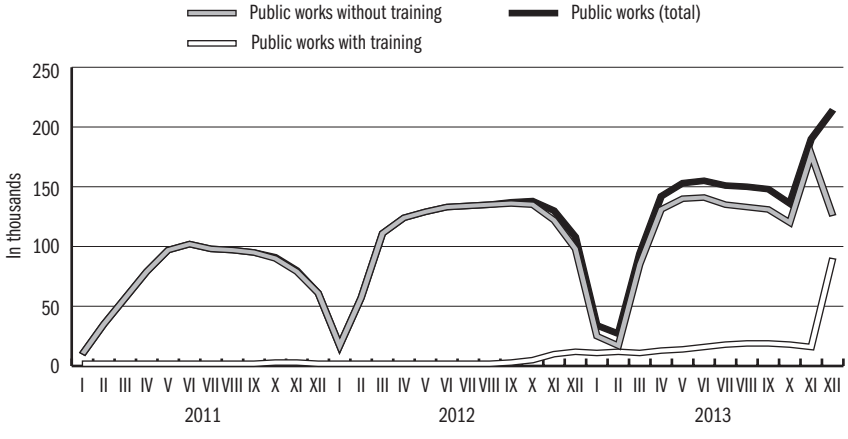
Monthly figures are similar to annual ones (*Table 2.3.1.*). Apart from seasonal fluctuation, the number of those involved in the public employment system is more or less stagnating, while the number of participants in programmes slightly increases without any fluctuation. Consequently, the headcounts of public works participants and those only registered mirror each other precisely. There is a strong seasonal decrease in the number of public works participants at the end of 2011 and 2012, which is offset by winter public works organised at the end of 2013.

Figure 2.3.1: Average monthly headcounts in the public employment system (thousand persons)



The proportion of public works including a training element or organised as training *per se* started to grow at the end of 2012 and then there was a sudden surge in November 2013. Although this increase was slightly at the expense of public works without training, it mainly entailed a net increase (*Figure 2.3.2.*).

Figure 2.3.2: Public works with and without training, monthly figures (thousand persons)



Characteristic individual paths in the public employment system

The definition of a sequence

When entering the public employment system, the majority of participants initially only become registered unemployed. After a while they either leave the system or receive some kind of "treatment": they participate in public works or other active labour market programmes. Upon completing the programme, they either leave the system or become registered unemployed again. Those leaving the system also sometimes re-enter.

This section examines the typical paths taken by participants in the public employment system between 2011 and 2013. Merging the two types of public works programmes, we continue to differentiate between four statuses indicated by the following letters:

R = registered unemployed,
W = public works participant,
P = participates in another programme,
O = currently outside the public employment system but was involved previously and re-enters later.

The path of a person entering the public employment system is defined by the series of the daily statuses. A *full sequence* is the series of 1096 letters corresponding to the 1096 days between 2011 and 2013. This would be unmanageably long; therefore the days spent in the same status are merged. The se-

ries created in this way, containing information from the various episodes is called a *sequence*. The path of an individual registering initially as unemployed, then leaving the system after receiving labour market training (because of e.g. finding employment) but re-entering and registering as unemployed again before participating in public works is described by the following sequence: *R–P–O–R–W*. Sequences end if an individual leaves the system for good or the final date of the data set available is reached. This representation only takes into account the succession of episodes but not their length; however, in some cases their length will also be discussed.

A sequence may be further simplified by examining only the episodes of a path but excluding their succession. The above sequence then contains the following episodes: *WOPR*. In this case the elements follow one another alphabetically and in order to differentiate it from a sequence, no hyphens separate the letters.

The most frequent sequences

The individual paths of the 1.8 million persons in the public employment system during the period examined is described by 4000 different sequences, the 20 most frequent of which are presented in *Table 2.3.7.*[7] These cover nearly 89 per cent of the people involved.

More than half of the participants entered into the register, did not participate in any programmes, left and did not re-enter. *Figure 2.3.3.* shows the length of the episode of those who entered and left the system during the period examined. The majority (53 per cent) leaves the system within 120 days. It is worth noting that the peak is on days 92–94, i.e. the days after the end of the disbursement of the job seekers' allowance. About one-third is still within the system after 180 days, without participating in any programmes – and after one year the number of participants with this status is still more than 40,000 persons.

Returning to the issue of sequences, the next large group includes the participants who left the public employment system and then re-entered but did not participate in public works or any other programmes. This may happen once or several times (see items 2, 4 and 15 in *Table 2.3.7.*). The variations of staying in the registry and out of the system once or several times account for less than 16 per cent of the sequences, as seen in line 2 of *Table 2.3.8.* (Please note that *Table 2.3.8.* – as opposed to *Table 2.3.7.* – lists episodes within the various combinations not in the order of their occurrence but alphabetically.)

70 thousand of the 450 thousand public works participants participated in public works once and then became registered unemployed again (*R–W–R*). 42 thousand of them participated in public works after registration and then either left the public employment system or were still in public works at the end of 2013 (*R–W:* see line 6 of *Table 2.3.7.*). Less than 7 per cent left the system as public works participants, while the others are still within the system.

7 Calculations related to sequences were made using the features of the Stata sq programme package. Authors: *Ulrich Kohler, Magdalena Luniak* and *Christian Brzinsky-Fay*.

Table 2.3.7: The most frequent sequences describing paths in the public employment system

		Headcount (thousand persons)		Proportion (percentage)	
Number	Type of sequence	total	not right-censored[a]	total	not right-censored*
1.	R	899,560	688,849	50.72	65.06
2.	R-O-R	212,808	144,599	12.00	13.66
3.	R-W-R	69,554	35,801	3.92	3.38
4.	R-O-R-O-R	52,271	31,824	2.95	3.01
5.	R-P	46,200	29,616	2.60	2.80
6.	R-W	41,747	2,806	2.35	0.27
7.	R-W-R-W-R-W	34,600	321	1.95	0.03
8.	R-W-R-W-R	33,576	11,539	1.89	1.09
9.	R-W-R-W	29,841	855	1.68	0.08
10.	R-W-R-W-R-W-R-W	24,256	107	1.37	0.01
11.	R-P-R	22,385	13,895	1.26	1.31
12.	R-W-R-W-R-W-R	21,007	4,160	1.18	0.39
13.	R-O-R-W	14,770	581	0.83	0.05
14.	R-W-R-O-R	14,439	7,141	0.81	0.67
15.	R-O-R-O-R-O-R	12,794	5,703	0.72	0.54
16.	R-O-R-W-R	12,224	6,133	0.69	0.58
17.	R-P-O-R	10,608	6,146	0.60	0.58
18.	R-O-R-P	9,123	3,945	0.51	0.37
19.	R-W-R-W-R-W-R-W-R-W	7,989	26	0.45	0.00
20.	R-W-R-W-R-W-R-W-R	6,293	1,227	0.35	0.12
1-20. total		1,576,045	995,274	88.85	94.00
Total of sequences observed		1,773,743	1,058,773	100.00	100.00

[a] Not right-censored data means the participant left the public employment system before 31 December 2013.

Source: Authors' calculations.

Figure 2.3.3: The length of staying in the public employment system of participants only registered who entered after 1 January 2011 and left before 2013 (N = 485,794)

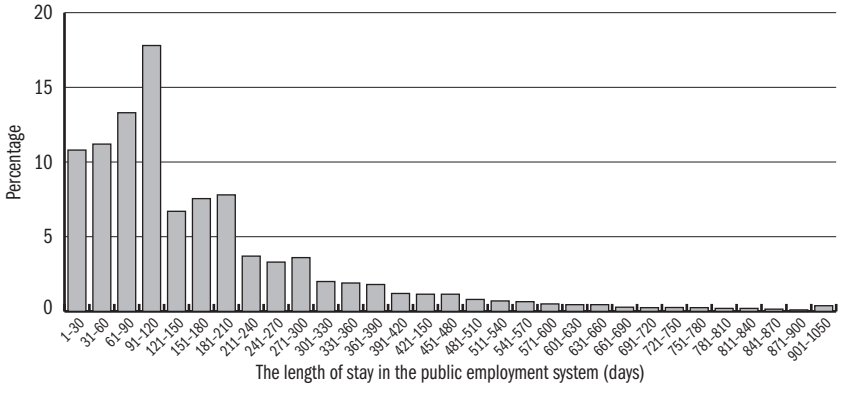


Table 2.3.8: The combination of episodes in the various sequences and their share (N = 1,173,743 persons)

Number	Type of sequence combination	Proportion (percentage)
1.	R	50.72
2.	OR	15.83
3.	WR	15.59
4.	WOR	6.48
5.	PR	4.62
6.	OPR	3.47
7.	WPR	1.83
8.	WOPR	1.39
9.	P	0.04
10.	W	0.02
11.	WP	0.00
12.	WOP	0.00
13.	WO	0.00
14.	OP	0.00
Total		100.00

Note: The episodes follow one another alphabetically in the combinations.
Source: Authors' calculations.

The situation is different for the sequence *R–P*. A relatively high number of participants, nearly 30 thousand, were registered as unemployed first and then left the system after one programme participation.

Sequences containing public works

Table 2.3.9. presents the combination of episodes of *Table 2.3.8.* as well as their share. There is practically no sequence containing public works exclusively or public works and another programme; the majority of participants enter public works after at least a short registered unemployment. There are four main types:

1. the most frequent one is alternating registered unemployment and public works participation;
2. in about one quarter of the cases the above combination is interrupted by one or more periods spent outside the public employment system;
3. in 7 per cent of the cases participants also take part in other programmes in addition to public works;
4. in addition to the above (type 3), there is also time spent outside the public employment system.

In view of quitting public works permanently, the case of those not within the public employment system on the last day of the period examined is especially important. There are only 100 thousand persons like this out of the 450 thousand involved in the public employment system during the three years (*Table 2.3.9.*). The others (*WOR, WOP* and *WOPR* types) also left the

system after a public works episode but they were within the system again on 31 December 2013.

Table 2.3.9: Share of combination of episodes containing public works

Number	Type of episodes	Share (percentage) total (N = 449,203)	Share (percentage) Not right-censored (N = 99,139)
1.	WR	61.55	58.59
2.	WOR	25.60	29.41
3.	WPR	7.24	6.58
4.	WOPR	5.51	5.22
5.	W	0.08	0.15
6.	WP	0.01	0.01
7.	WOP	0.01	0.02
8.	WO	0.01	0.02
Total		100.00	100.00

Source: Authors' calculations.

Only 7 per cent of the 58 thousand persons belonging to type *WR* and leaving the system in the three-year period finished their path via public works; the others left the system from registered unemployed status. This may have a technical reason, which will be discussed later. The most frequent sequence (62 per cent) participants of this type went through is *R–W–R*, followed by *R–W–R–W–R* (20 per cent) and *R–W–R–W–R–W–R* (7 per cent). It is only 5 per cent that exit after a sequence of *R–W*. There are individuals alternating between the two statuses ten times.

The proportion of *WOR* types, i.e. those who were also outside the system in addition to being registered and participating in public works, is somewhat higher among the permanent leavers than in the whole sample. It seems that individuals who already have been outside the system are more likely to leave it again. This type is very varied: it includes more than 500 sequences. It has two relatively frequent forms (among the not right-censored cases): *R–W–R–O–R* at 24 per cent and *R–O–R–W–R* at 21 per cent. Less than 5 per cent of them leave the system after a public works episode.

The less significant *WPR* type also includes more than 400 different sequences. Leaving the public employment system is the most common in the case of the *R–W–R–P* sequence; more than 20 per cent of the WPR category belongs here. Among the leavers the share of the sequences *R–P–R–W–R* and *R–W–R–P–R* is more than 20 per cent. As opposed to public works, the share of those exiting from a programme not from registered unemployment is relatively high.

And finally, the last of the more significant groups includes those who went through all of the four types of episodes. Logically, there are more combinations than in the case of the previous types: it contains more than 1000 dif-

ferent sequences, none of which is outstandingly frequent. The most typical are sequences containing six or seven episodes (including time spent outside the system), the average length being 7.6 sequences. Similarly to the previous type, four times as many participants leave the public employment system from another programme as from public works.

Analysis of all the sequences containing public works and ending before the last day of 2013 reveals that in 95 per cent of them *the final episode is registered unemployment*, in more them 4 per cent it is *programmes other than public works* and in only slightly more than 0.5 per cent it is *public works*. As mentioned before, this may have a technical reason: after a completed public works episode, participants enter registered unemployment automatically, which may last for a few days even if finding employment. And in fact, in the case of 20 per cent of sequences ending in *W–R* the length of the final *R* episode is a maximum of three days. However, on average, the length of this final *R* episode is extremely high – 170 days – indicating that public works does not lead to exiting the system in the majority of cases.

Table 2.3.10. indicates the share of sequences containing a varying number of public works episodes among all the sequences containing at least one public works episode. The figures show that the overwhelming majority of those who left the public employment system during the three years examined only had one or two public works episodes.

Table 2.3.10: The distribution of sequences according to the number of public works episodes

	Share (percentage)	
The number of public works episodes	Total sequences (N = 449,203)	Not right-censored (N = 449,139)
1	44.1	68.2
2	23.7	21.5
3	18.0	7.4
4	9.8	2.2
5	3.2	0.6
6	0.9	0.1
7	0.3	0.0
8	0.1	0.0
9	0.0	0.0
10	0.0	0.0
11	0.0	0.0
12	0.0	0.0
Total	100.0	100.0

Source: Authors' calculations.

Conclusions

Between 2011 and 2012 a total of 1.77 million persons were involved in the public employment system, including 1.37 million who spent more than 120 days in it. A surprisingly high number stay in the system for a considerably long time without participating in public works or other active labour market programmes. A total of 450 thousand participated in public works, including 100 thousand who exited the public employment system permanently during the three years. The others were within the system continuously or re-entered it after some time spent outside it.

The analysis of the path undertaken in the public employment system as well as the order and length of episodes shows that *it is less likely to exit the system from public works than from other programmes, and the more someone participates in public works, the less likely he/she is to leave the system*. Individuals who already spent time outside the system and then re-entered it are also more probable to leave it again. Please note that it is a concurrence of phenomena and not a cause and effect relationship: it does not ensue from the above that public works reduces the likelihood of leaving the system; it may as well hold true that individuals with no chance of exiting tend to become public works participants. Referenced earlier research, numerous micro level analyses and the findings of fieldwork indicate that it is not justified to think that long-term public works participants are not capable of doing productive work if they have the opportunity.

Sub-chapters 2.5. and 2.6. will address the issue of who tends to become a public works participant and Sub-chapters 2.9. and 2.10. will explore the factors related to entering the open labour market. As shown above, the time spent in the public employment system has a prominent role to play in this.

2.4 THE VALUES OF PUBLIC WORK ORGANISERS AND PUBLIC WORKERS*

LUCA KOLTAI

In this section, we rely on the results of a questionnaire to examine what are the values which appear in public works. Our intention is to give an overview of what the staff of organisations operating public works thinks about public works, what they expect, and what their opinions are concerning the impact of public works. After data collection, we examined[1] the opinions regarding the content, measurability and sustainability of "value-generating work" in in-depth interviews.

In the case of public works, even defining the aims is not an easy task. This is because public works can be used for (income-generating) poverty reduction, work test, activation, or additionally labour market reintegration aims (see *Chapter 1* on this). The national systems of public works have never identified with any of these aims, but rather have combined them (with various weights). Thus, we also used a broader approach to interpret the observed results and effects.

The aims of public works

The forms of public works are rather versatile. According to international experience, there are very different modelling approaches involved in terms of titles, aims and regulations: for example those prioritising social bonding or work, while other forms condition provisions on public works (workfare) (see *Chapter 1,* or *Betcherman et al,* 2004). The aims of public works can be categorised according to the following functions.

Poverty mitigation: The primary aim is, on the one hand, to temporarily mitigate income poverty by securing income generating activities for people living in profound poverty, and, on the other hand, to keep the permanently unemployed above the poverty threshold. The programmes aimed at these goals typically offer incomes that are widely accessible to the poorest for whom employment in the open labour market cannot be expected.

Development of workability, work test: these involve workability retention/development for those being most remote from the labour market. Creating or retaining propitious conditions for work can also be the aim of these public works programmes. These programmes are regulated and participants often have an obligation to cooperate in some form with the labour market institutions. Public works as a work test provide an opportunity for potential employers to select employees with adequate job skills and to employ them without risks.

Labour market integration: promoting labour market integration is the goal of many public works programmes. These programmes usually comprise per-

* **Hereby we would like to express our gratitude to the following individuals who have contributed to this research:** *Judit Ádler, Gusztáv Aladi, Gabriella Borsós, Judit Csoba, Márton Kulinyi, Éva Kuti, Zsuzsa Laczkó, Ildikó Lakatos, Péter Mód, Judit Nagy, Ilona Nagyné Varga, Éva Orsós, Ágota Scharle, Mária Szeder-Kummer, Zsolt Szulimán, Ildikó Tamási.*

1 For the description of the methodology used in the research see Annex 2.4.

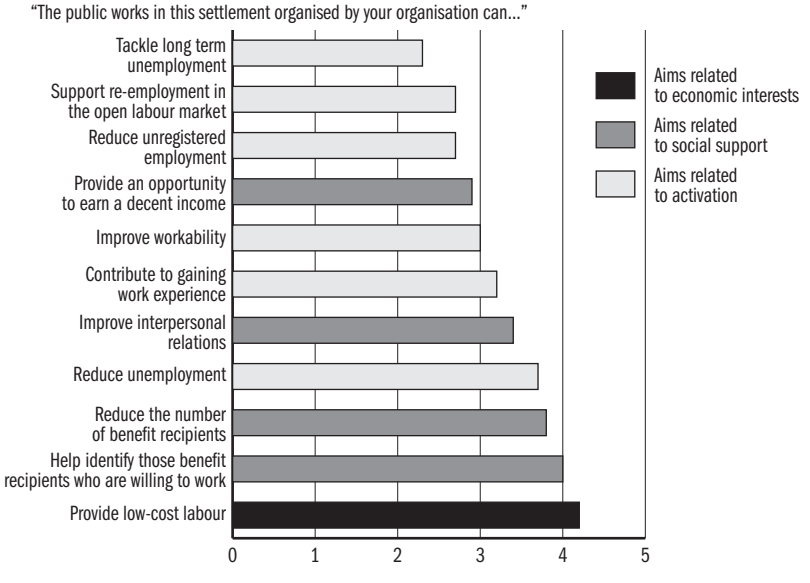
sonal development as well as training elements, and provide diverse work opportunities (*Koltai,* 2013a).

Most of the public works programmes do not neatly follow solely just one or the other aim, but some combination thereof. The national experience is also similar, over the past 20 years the aims of the public works programme varied, sometimes one, at other times another function would become paramount.

The aims of public works according to the examined organisations operating public works

One of the most important questions of our research was how public works participants evaluate the aims and results of the programme. To what extent do organisers help develop and revitalise the employment skills of public works participants and might facilitate their employment? In the study we approached 870 organisations operating public works (in 2012) which were primarily public, municipally owned entities. Participants of the survey were asked to provide their answers on a scale of 1 to 5 where 1 meant "strongly disagree" and 5 meant "strongly agree." The aggregate results are presented in *Figure 2.4.1.*

Figure 2.4.1: Perceptions of the aim of public works



The highest agreement emerged in the case of the organisers' contribution to the aims of *solving direct economic problems.* This was followed by aims of a *social nature,* in which the most widely shared aim was that concerning the work test function of public works.[2]

The *work test* function of public works is supported by more than two thirds of the respondents (68 per cent). Only 3 per cent of the respondents did not

2 The claim "Public works organised by your organisation provides a cost-effective workforce for the provision of municipal tasks" received 4.2 points on average. The claim "Public works filter out from among those on benefits who want to work" received 4 points on average.

believe that the public works organised "filters out among those on benefits the ones who do not want to work".

According to organisers, the aim of public works is primarily to provide a *cheap labour force for municipalities as well as to filter and activate beneficiaries*. 56 per cent of the respondents largely agree with the statement that "public works decrease the number of the unemployed and beneficiaries" (3.7 point average). Although organisers do not expect to tackle long-term unemployment, it is clear to them that while someone is in public works, the benefits payable to them can be saved. Certainly, this explains why the largest part (62 per cent) of respondents agreed with the evaluation according to which public works "decrease the number of beneficiaries" (3.8 point average).

To the question of whether public workers experience *participation in public works as an opportunity or an obligation*, the answers were strongly divided: 36 per cent said that it was an opportunity, 37 per cent said that it was an obligation. The negative replies however strongly differed: according to 12 per cent of the respondents one cannot talk about obligation at all, while only 5.7 per cent rejected the claim that participants experienced public works as an opportunity. A study published in 2010 which examined participants in public works found that it was less than half of participants who had voluntarily entered public works (*Csoba et al,* 2010).

There is no strong agreement regarding the *poverty mitigating effect* of public works, despite the fact that public works provide a higher income than the benefit. Only 28 per cent of the respondents agreed with the statement that "public works provide an opportunity for locals to gain an adequate income".

The answers given to the open questions of interviews and questionnaires yield us a more *subjective picture*. According to some respondents, income from public works "is more than the benefit," but elsewhere: "to carry out physical work all day long for a couple of thousand forints and travel back and forth, it's no wonder there is no work discipline". According to another respondent: "This little money is not what matters to them. Firewood, mushrooms, the products of community gardens, that is what matters." Elsewhere we heard the following: "It is a pity that only one person in a family can participate in public works and only for a couple of months".

62 per cent of the respondents did not agree with the statement that public works are "adequate to tackle long-term unemployment" (35 per cent did not agree at all, only 15 per cent found it an adequate measure, and the average point was 2.3). This was the most rejected aim. In a survey prepared during an earlier programme called 'Road to work' (in Hungarian: "Út a munkához") 6 per cent of the respondents found public works an adequate measure to tackle long-term unemployment, but some 67 per cent thought it could provide a temporary solution (*Petz,* 2011).

According to the respondents, 90 percent of the public workers in 2012 obtained entitlement for social benefits again, and 80 per cent of the programme participants became public workers again. The very high (80–100 per cent) and seasonally-dependent probability of return clearly shows the circular character of public works (benefits-public works-benefits). This phenomenon has already been observed over a 15 year period (*Csoba et al,* 2010). People who have participated in public works are in a particularly difficult situation. After the third event a so-called locking-in effect develops in the course of which the public worker's chances of employment are lower than they were before the person entered into public works (*Csoba et al,* 2010, *Hudomiet–Kézdi,* 2012). We should not forget that it is often in the interest of the organisers of public works to retain the good workers, to call them again and again, and that organisers might be reluctant to replace a workforce that proved successful. Thus, both the public workers and the organiser get used to the circular character of public works, in fact, they strive to stay in/retain that.

An important aim of public works can be the *maintenance and development of participants' employment skills* so they can start with better chances in the real job market. Thus, it can be considered as a result if the public works contribute to "employment skills" or "the acquisition of work experience". On average, the 870 respondents gave medium scores to this question, only about a quarter of them agreed with the aims/effects that are related to the development of the personal and employment skills of public workers.

According to 43 per cent of the respondents, public works have a positive effect on the participants' human relationships, only 19 per cent rejected this claim. Another survey, conducted in 2010 that asked the same question, found a much higher, 74 per cent consensus in this regard (*Petz,* 2011). The interviewees also emphasised this aspect: communities have evolved (in one settlement there was even a "public works holiday" held), "they came and went together", and "paid better attention to each other".

According to 33 per cent of the respondents, public works "contributes to the *revitalisation and development of employment skills* of participants", but the rate of respondents who disagreed with this statement was also the same (34 per cent). The accumulation of work experience is evaluated positively by more respondents: according to 39 per cent, public works contribute to the participants' acquisition of work experience.

This picture is further qualified by information from the interviews. According to many, there is an element in society for whom it is beneficial for them just to frequent a place, or a community daily. For many of them it is the first time that they have involved themselves in an employment relationship that "*provides work norms and experiences in which there are some expectations.*" There are some who have a profession in which it is possible to organise work

for them, but unfortunately this tends to apply to skilled workers only. For women and those with a weak physique there is little adequate work. There were only sporadic opportunities for education which were limited to training programmes for specific occupations, and the short programme phases did not allow enough room for that. One of the mayors said the following concerning this: "There is little sensible work, the quasi jobs and work experience gained here does not mean anything in the primary labour market", "this builds team-spirit only."

It is very often expected that *public works should provide a way* into the labour market, that is, they should contribute to the subsequent employment of the public worker. The aforementioned study from 2010, which questioned the organisers, has established that according to 2.7 per cent of the respondents, public works helped employment in many cases, while according to 37 per cent they had no bearing on employment (*Petz,* 2011). A 2010 study relying on control groups found that on average 4.6 per cent of public works participants became employed and the chances of re-employment increased depending on the degree of distance of the public works organisation from the municipality (*Csoba et al,* 2010).

In our research half of the respondents disagreed more with the statement that *public works contribute to subsequent employment* (50.9 per cent), while only every fifth respondent found this aim valid, and thus it received the second worst (altogether only 2.7) score.

In this area, personal interviews provide particularly interesting information. These also confirm the phenomenon already mentioned that employers are interested in keeping people with adequate skills at work, and to 'cream off' the target group. Many of the organisers, admittedly dissuade good workforces, craftsmen etc. from exiting to the primary labour market. "I told him that it was true, you get less here, but you don't have to travel; you're already at home at three pm..." Others have only said that they would do nothing to prevent a competent public worker leaving. A director of a public employment agency complained that "if they need to upload a 200 persons programme in three days, they call in all able-bodied persons" irrespective of whether they could perhaps be recommended for a job in the open labour market.

We also asked the organisers of public works regarding the proportion of participants who could in their view find employment in the primary labour market thanks to having participated in the programme. We did not differentiate between registered and unregistered jobs or between permanent or temporary jobs. Due to a very high standard deviation, we interpreted the results by calculating with the modus of data which was at a 10 per cent value. It must be noted that there was no difference between those who reported as measuring the indicators themselves, and those who did not do so but only hazarded a guess in their responses.

Value-creation

During the reform of public works, the government identified value-added work as the most important objective and highlighted agricultural production and the provision of utility services (sanitation, environmental management).

In terms of value-creation we found three areas of public works. The highest publicity was received by those value-added Start-model programmes which are aimed at animal husbandry, plant production and the creation of various products. Another area where public workers carry out some sort of public services typically include the maintenance of public and farming roads, weeding, eradication of ragweed and the maintenance of public spaces as well as public and private forests. The third area is the integrated organisation of public works. In this case, public workers only "help out" in providing public duties at some workplaces. Such are for instance delivery, portering, health, educational tasks at the municipality, maintenance, cleaning, kitchen, etc. duties at cultural institutions, and staff assistance functions at civil or church organisations. These three different areas provide divergent working conditions. In the first two, public workers can participate in separated groups, brigades in public works. Their number is often independent from the number of persons that would economically be optimal to carry out the given task.

Both in the case of production and public service in groups the results are the produced economic value. The effect of employment from the perspective of labour market reintegration is, however, highly questionable. The most important reasons for this were articulated by the president of the National Association of Local Municipalities (in Hungarian: *Települési Önkormányzatok Országos Szövetsége*) in the following way:

> "The Start work programme, however, significantly differs from other public works programmes, since the basis of agricultural programmes are *appropriate professional knowledge*. These programmes do not bring results if the management of planning, cultivation and livestock production are done by a staff without appropriate professional knowledge" (*Zongor*, 2013).

For public works integrated into existing organisations there is an operating organisation that ensures the work process. There is much more attention given to the integration of workers and the public works are also more valuable from a labour market perspective. According to one of the survey respondents:

> "Among public and municipal functions there are certain unserved or poorly served areas (cultural, social sphere, etc.) which represent a real market need and money needs to be allocated to them. Their utility and efficiency is clear, although cannot be measured in monetary-terms."

The report on case AJB-3025/2012 published by the Commissioner for Fundamental Rights also underpinned the finding of our research that the organisers of public works (typically municipalities) dispensed neither intel-

lectual (expertise and qualification) nor productive infrastructure. The organisers unequivocally complained about the unpredictability of timescales and the arbitrariness of the budget. The establishment of the necessary producer infrastructure and the development of needed market embeddedness can only be efficient as part of a more long-term, planned and consistent local (or even regional development) process. In many cases neither the procurement processes are organised nor the producer relationship clarified between the organisers of public works and the local market. Also, several questions arise when the product is for "internal use" (for example in public catering); it is unclear at what – cost or market – price this should be accounted. Another question concerns what the impact of public works is on local producer markets, for it is from there where the solvent demand will be missing. The most difficult question to answer though is how such a "production" could become sustainable.

For decades, the activation of those permanently distanced from the primary labour market and the achievement that at least some percentage can stand on their own feet have been one of the biggest challenges in Hungary. A multitude of countries have experimented with many-many models. Relying on these experiences the expert committee of the European Union regularly develops and publishes professional and methodological recommendations. The *organisations of* the *social-economy* (*in other words social enterprises*) that create new jobs or fulfil transit functions can operate in various legal forms.[3] Micro, small enterprises and non-profit limited companies are typical, but they can be civil organisations or even cooperatives. The selection of the optimal legal form suitable for the given enterprise and the local context are important for the establishment as well as the sustainability of the organisations' development capacity. Related to public works, there are also more and more such governmental initiatives that are aimed at involving public workers into social cooperatives. In this regard, the legal regulation pertaining to cooperatives has also been amended.

The aims of public works for the individual

In our panel research on public workers, conducted between 2012 and 2013, we examined what the aims of public works could be for individual participants. We tried to present how public workers experienced this form, and how we disregard the general aims and effects of the system.

Public works embodies for the participants various functions. We analyse these by relying on the theoretical work of Marie Jahoda (*Jahoda,* 1982).

For public workers, the most important functions were status-related: this type of work provided a sense of usefulness, and prominently, it provided a household income. *Livelihood and extra income* were highlighted as the biggest advantages of public works by participants. According to 61 per cent it

3 According to the definition of the Nonprofit Enterprise and Self-Sustainability Team (NESsT) it is such a purposefully planned entrepreneur activity that is created with the aim to offer innovative solutions to social problems. Social enterprises can be non-profit organizations which apply business models to fulfill their basic mission, and can be business enterprises which strive, in addition to their business objectives, to achieve significant social effects. Their basic principle is a dual optimalisation that is represented by keeping in balance and harmony both economic and social goals.

is important that with this income they have contributed to the household income. Nearly 50 per cent provides a livelihood with this income to their family, so in their case, public works strengthened their *breadwinner status* as well. Many of the respondents highlighted that public works qualify as pensionable time; hence, they can get closer to a retirement that offers security.

So the poverty mitigating function of public works was deemed the most important by respondents. It was also mentioned that 30 days employment was needed to qualify for entitlement to social assistance and this could be fulfilled by participating in public works.

> "Public works are good because my income is more than 22,500 forints and I accumulate pensionable years, and anyway, I don't have another job." "For me it's good like this because I don't have to live on benefits. The kids can be provided for. I can also pay the utilities."

Many (40 per cent) also agreed that they performed *useful* tasks as public workers. Additionally, it was an important aspect that these public works were *close by* and there was no need to commute.

The strengthening of a social network was perceived by approximately 20 per cent of the respondents, who noted that since participating in public works they had gained more acquaintances/friends.

The rate (18 per cent) of those to whom *activity* was important was roughly the same: they highlighted the fact that they had experienced more regularity in their days than they used to have before. These factors of public works (activation function, usefulness of tasks, and increase of social network or regular timetable) contribute mostly to the development or nourishment of employment skills.

Public workers saw only few long-term opportunities in these employment forms. Only 14 per cent expected the development of skills necessary for employment, and likewise very few (16 per cent) were those, according to whom public works contributed to subsequent employment; which is to say that the reintegration function of public works is perceived at a very low level. Moreover, some believed public works had an outright destructive effect.

Concerning the *shortcomings* of public works, most respondents (29 per cent) highlighted low wages, which needs to be interpreted carefully. For wages are indeed below the minimum wage, but without public works, for most respondents, there would only be social income available, compared to which the public works wage is still slightly higher. Compared to the falling amounts of benefits (and constrained access conditions) over recent years, public works can even represent a desired income. Therefore, many have highlighted that in this way they can earn more than by being on benefit. The fall of wages were mostly criticised by those who had had a longer public works history and they compared current incomes to earlier ones.

Regarding the questions on public works' reintegration role to the labour market, there were more negative than positive answers. 20 per cent of re-

spondents saw some sort of negativity in public works in this respect (less time for job search, it does not help in finding employment as one is excluded from temporary jobs, or is not hired because of one's public works past). The need for permanency appeared very strongly though: many noted that they could accept public works as a permanent job (in fact, there were some who would even wish that).

A large part of public workers perceive their future as rather hopeless, they do not think they will be able to find employment. Often they do not have long-term plans or ideas at all.

"We won't be able to find employment anywhere. Neither part-time nor full-time. For me there's only public work as an opportunity. Because I am Roma."

Summary

All prior forms of public works have received and still receive various criticisms. Sometimes it is the capacity of public works to lead back to the labour market, at other times it is organisation, participants' weak work performances, or wages below the minimum wage that are criticised. Others attack public works because of its high public costs, the degree of their own contribution, or the constantly changing administration. In the past 20 years, national public works programmes with various names and frameworks have tried to achieve various declared and undeclared aims, while there have been a number of aims and expectations which public works could obviously not live up to. Therefore, it is natural that, regarding public works, constant – and always justifiable – dissatisfaction and perceived indispensability are articulated simultaneously.

At the moment, the government wishes to push the primary aim of public works in a social direction (*HVG*, 2015), that is, the explicit aim of public works is that it should replace benefits. In other words, it is explicitly the poverty mitigating function that is placed at the forefront. This approach removes public works from the circle of labour market measures and places public works among social provisions, and does this in such a way that intensified obligation and local dependency criteria make people living in poverty more and more vulnerable. Parallel to this, the production goals of Start work programmes are still present.

> "In the case of participants in the micro-regional agricultural projects of the Start model programme, exit to the open labour market is an achievable aim after providing an opportunity for self-sufficiency, and then employment in a protected environment (social cooperative) with professional help" – the ministry informed Népszabadság (*NOL*, 2012).

Integration in the open market is increasingly sidelined, or even disappears as an aim among the organisers of public works and public workers. Due to the pressure of an increasing number of participants, the organisers try to involve as many locals as possible, and thus mitigate poverty and secure an inexpensive workforce for the provision of their public services. The labour market func-

tions of public works are not relevant and realistic to them. According to the organisers these types of public works do not develop such skills and competencies that might open the door to jobs in the open labour market. There are no resources available for labour market skills development either. The interest of the organisers of public works is basically the retention of well performing public workers, especially those in value-generating, productive public works.

The picture held by public workers is similar. Their future perspectives are in many cases bleak and few of them see a liberating opportunity in public works. They do however perceive public works as an easily accessible income that is higher than benefits. The highest demand is for permanence, which is to say that for most people, public works provide an acceptable income (as long as they are available) and they are still more predictable than, for example, grey employment in the primary labour market.

The tendencies presented in this study also underpin the change of function in public works. The actors do not perceive this measure anymore as that of employment policy, neither is the demand of employment in the open labour market brought to mind, rather poverty mitigation and activity in exchange for benefit become primary. This process decreases the demand of all actors to take active steps toward employment. This is also demonstrated by our research findings which revealed that the job search activity of public worker respondents drastically decreased during 2013–2014.

> During the last wave of the survey (February–March 2014) only 15 per cent searched for jobs (as opposed to 42 per cent in the previous year), 13 per cent checked job advertisements (earlier this rate was 42 per cent), just 8 per cent applied for some sort of a job (in contrast to the previous 33 per cent), and practically no one went to job interviews, although previously every fifth (19 per cent) respondent noted that they did so in the hope of a job in the labour market (*Koltai*, 2014).

2.4 Appendices

Research methodology

During the research on the organisers of public works, we based our work on qualitative as well as quantitative work.[4] Public workers had an option to fill out and return the organisational questionnaires via an online platform, email, or in a printed format. The population was composed of a database provided by the National Employment Service (in Hungarian: Nemzeti Foglalkoztatási Szolgálat) containing data on 8,537 organisations that received public works support in 2011–2012. The organisations of the population were typically contacted via email. Since our results would have been distorted by the low internet usage of employers in small and in the most disadvantaged settlements, we randomly selected 200 organisations among them to which we also sent the questionnaires in a hard copy. In this way we could ensure that 26 per cent of the respondents were operating in this quarter.

4 The full reports are accessible at: http://eselylabor.hu, *Koltai–Kulinyi* (2013), *Koltai* (2013a), (2014).

During the research, we could process a total of 870 questionnaires that predominantly arrived to us online. The responding organisations employed 52 thousand persons in 2011 and 40 thousand persons in 2012. This was nearly 20 per cent of the number of public workers nationwide in 2011 [256,607 persons (*Tajti,* 2012)]. Furthermore, in selected locations and organisations (national organisations, settlements of various sizes, the most disadvantaged micro-regions, etc) we conducted twenty in-depth interviews with the representatives of organisations affected in some way by public works, the directors of the public employment service, and experts. In the research, there were three focus-group discussions which were carried out with the involvement of affected organisations in public works of the relevant settlement and region.

The regional distribution of organisations responding shows a varying picture. Responses have been received from the whole country with the highest response rate of 11 per cent arriving both from Bács-Kiskun and Borsod-Abaúj-Zemplén county. In 2012, 20 per cent of public workers worked in these two counties. In the other counties we observed a response rate similar to the distribution of public workers. There was a somewhat higher willingness to respond in Veszprém and Győr-Moson-Sopron counties and a lower one in Szabolcs-Szatmár-Bereg county. With 67.5 per cent, local municipalities are in an overwhelming majority among respondents (just as in the population of organisers of public works). The remaining 13 per cent are municipal organisations and 4 per cent are municipal associations. Thus, 84 per cent of respondents organises public works as a public institution. In 2012, 75 per cent of public workers worked in these institutions (Employment and Public Works Database) – no wonder that their rate is so high among respondents as well.

In March–April 2013 during the research pertaining to public works participants our experts conducted structured interviews with 283 persons employed in public works in five selected micro-regions. The micro-regions were selected in a way that ensured we received the highest variability in their characteristics. Having said that we have to note that the mode of sampling in the research is not representative. Instead, are aim was to arrive at a picture regarding the situation and life of public workers. During the panel research we asked the involved participants four times: the first two times when public works were started, then when public works ended and participants exited, and the fourth time three months following the end date.

Our sample is representative in terms of gender distribution and, with a difference of 3–5 per cent, in terms of education as well. The sample was weighted by age, as the older age groups were slightly over-represented in the sample. Furthermore, we also organised focus groups and interviews where we invited participants affected by public works (experts, local employers, organisers of public works, municipality, etc).

2.5. PUBLIC WORKERS IN THE LEGAL LABOUR MARKET

JÁNOS KÖLLŐ

Information on the employment of public workers in market jobs had been missing until recently and has remained scarce. It is only the follow-up surveys of the National Labour Office (abbreviated in Hungarian as NMH) performed since 2011 that provide some information on their labour market status six months following the termination of their status as a public worker. The lessons learnt from these surveys (*Molnár et al,* 2014, *Cseres-Gergely–Molnár*, 2014) are summed up in chapters 2.3. and 2.6. of 'In Focus'.

However, the follow-up surveys tell only part of the story for two resons. First, the surveys are based on administrative data while the majority of the jobs taken by public workers before and after their public works spells are unregistered. (*Farkas et al,* 2014). Second, the entry of public workers into market jobs should not be viewed as arrival in a safe haven: in most cases it only means an episode in a hectic labour market career. This chapter seeks to draw attention to the latter problem using data on 25 thousand public workers observed on a monthly basis over an eight year wide time window. Lack of observations on off-book employment remains a problem that awaits future research.

Data

Our sample is drawn from a large longitudinal data set covering 50 percent of Hungary's population aged 5–74 in 2003. The data collects information from registers of the Pension Directorate, the Tax Office, the Health Insurance Fund, the Office of Education, and the Public Employment Service. Each person in the sample is followed from January 2003 until December 2011 or exit from the registers for reasons of death or permanent out-migration. We have information on whether the person observed was in employment in a given month, for how many days, in what jobs and contractual arrangements, with what employers and for what compensation.

Public workers can be distinguished in the database since the third quarter of 2011, though their numbers reached the level known from other sources of data only in the last quarter of the year. In October-December 2011, 97 thousand persons are indentified as an entrant to a public works programme at least once; on average, these persons worked three months as a public worker, performing a total of 195 thousand man months, which leads us to estimate the average stock at 65 thousand.[1] This figure is bigger than the 54 thousand published in the institutional labour market statistics of the Hungarian Central Statistical Office, but smaller than the calculations made by *Cseres-Gergely–Molnár* (2014) on the basis of the NMH register

1 The 195 thousand man months would have been accomplished by 65 thousand people, if they were at work for the entire period of the three months.

(77.6 thousand). Due to lack of further data no explanations can be made as to the reasons for these differences, however, it can be stated that our database covers the majority of persons involved in public works programmes in the period observed.

In the present study we will observe the labour market career between January 2003 and December 2010 of persons involved in public works programmes in the fourth quarter of 2011. The calculations presented are made on the basis of a 50% sample (that is a 25% sample of the whole population) drawn from the public administrative panel database. The sample is made up of 24,195 persons and as many as 2.323 million monthly observations. The constriction of the sample was necessitated by the limited computing capacities at the author's disposal.

The key question of the analysis is to what extent the persons involved in public works programmes at the end of 2011 formerly had market jobs. This cannot be observed directly, since public works – as mentioned before – was not listed among the available labour arrangements in the period between 2003 and 2010. Alternatively, we will rely on the fact that before 2011 the vast majority of public workers were *public employees* earning the *minimum wage*. Market jobs are defined as (i) employment in incorporated and unincorporated companies, business partnerships and self-employment including assisting family members (ii) employment in a public institution at a wage exceeding 110% or 150% of the daily minimum wage. The two cut-off points result in upper and lower estimates of market employment, respectively.

Of course, this approach of estimation is not free of mistakes because: i) public workers receiving a significant supplement from the local government above their standard compensation appear to have a market job; ii) persons in standard public sector jobs, who earn less than 110% or 150% of the daily minimum wage appear as public workers.

Since the bias from the second source is obviously larger, our calculations underestimate the share of market jobs.

In the rest of the chapter we first look at the roles that market jobs and public works participation played in the labor market careers of the 24,195 persons under examination. Second, we analyze the incidence and duration of market jobs. Finally, we are taking a look at how the *number* of market jobs held by members of the sample affected their average employment rate in 2003–2010.

Public works participation and market jobs – estimations

As shown in *Table 2.5.1* the employment rate of those involved in public works programmes at the end of 2011 was rather low in 2003–2010, 25% on average, well below the national average of those with a primary education attainment.[2] We estimate that 14–16% came from market jobs and 9–11% from public works participation. As expected, employment in market jobs

2 The rate of employment of the population aged 15–59, not in education, having finished 0–8 classes in primary education was 45.6 per cent in the spring of 2005. (The Author's calculation based on the April–June 2005 wave of the Labour Force Survey.)

declined in the period of the crisis, and public works employment made up for it only by 2009. In the year when the Orbán-government took office the rate of public works participation decreased for a while, recessing the employment rate of the population observed here below 20%.

Table 2.5.1: The rate of employment in 2003–2010 of those involved in public works programmes at the end of 2011 (estimates, yearly average of monthly observations, per cent)

Year	Employed in public works	Employed in a market job	Not employed in a legal job	Total of observations
	estimation		fact	
Upper estimates				
2003	7.0	17.0	76.0	100.0
2004	6.9	17.1	76.0	100.0
2005	8.2	16.1	75.7	100.0
2006	8.7	16.7	74.6	100.0
2007	8.4	16.3	75.3	100.0
2008	9.5	16.2	74.3	100.0
2009	17.4	13.1	69.5	100.0
2010	4.1	14.7	81.2	100.0
On average between 2003–2010	8.8	15.9	75.3	100.0
Lower estimates				
2003	8.6	15.4	76.0	100.0
2004	8.3	15.5	76.0	100.0
2005	9.8	14.5	75.7	100.0
2006	10.8	14.8	74.6	100.0
2007	10.4	14.3	75.3	100.0
2008	11.8	13.9	74.3	100.0
2009	20.4	10.3	69.5	100.0
2010	8.5	10.3	81.2	100.0
On average between 2003–2010	11.1	13.6	75.3	100.0

The number of observations: 2,322,720 man months, 24,195 persons. See the text for the definitions of market employment. Source: administrative panel data of persons involved in public works programmes in the fourth quarter of 2011.

Table 2.5.2 presents a range of indicators related to the persons observed. As shown, a majority of these people had a real, legal job at least once in the period between 2003 and 2010. Those entering a job at least once worked there for 17–20 months on average out of the 96 months observed and earned an income equal to 50–51% of the national daily average, as opposed to the income earned in a public works programme, which equals 37–41% of the national daily average.

Table 2.5.2: Selected indicators of persons involved in public works programmes in the fourth quarter of 2011, 2003–2010

	Lower estimation	Upper estimation
Employed in a market job at least once (percentage)	70.9	75.3
Months worked by those working in a market job at least once (average)	17.2	19.6
Average daily income in a market job[a] (percentage)	49.8	50.5
Average daily income in public works (percentage)	37.3	41.0

The number of observations: 24,195 persons.
[a] As a percentage of the daily amount of the national minimum wage.
Source: Administrative panel data of persons involved in public works programmes in the fourth quarter of 2011

The data presented contradict general public opinion that public workers "are unemployable" and "have no idea what a real job is": three quarters of them have already been in a real, legal job. Their labour market employment in the long run is still very low, which leads us on to the questions of the incidence and duration of market jobs.

The incidence and duration of market jobs[3]

As shown in *Table 2.5.3* persons entering the labour market at least once in 2003–2010 took up three market jobs on average over a period of eight years: a little less than one third of them are one-time entrants, a quarter of them are two-time entrants, another quarter are three- or four-time entrants, and one fifth of them entered even more times (18 times for the record-holder).

The average duration of market jobs amounted to 5.6 months. This is a downward biased estimate since it includes employment spells on-going as of 1 January 2003 and/or continuing beyond 31 December 2010. The completed duration of these left and right censored spells may be longer or in some cases considerably longer than their observed duration. Among the uncensored episodes that started and terminated within the eight years observed, short-term labour arrangements are, of course, over-represented: their average completed duration was 4.1 months.

We take a closer look at these labour arrangements in *Figure 2.5.1*, which shows the distribution of market work episodes by completed duration. The points of the curve show what percentage of these labour arrangements had a duration shorter than 1, 2, ..., 96 months. As we can see, 60% had a duration shorter than three months, almost 80% had a duration shorter than half a year, and 90% were shorter than one year.[4] The overall labour market employment of public workers is thus made up of many short episodes, and the duration of their market jobs is not longer than their public works episodes: according to *Cseres-Gergely–Molnár* (2014) the average completed duration of public works episodes was 3.4 months in 2011, 5.1 in 2012 and 5.9 in 2013.

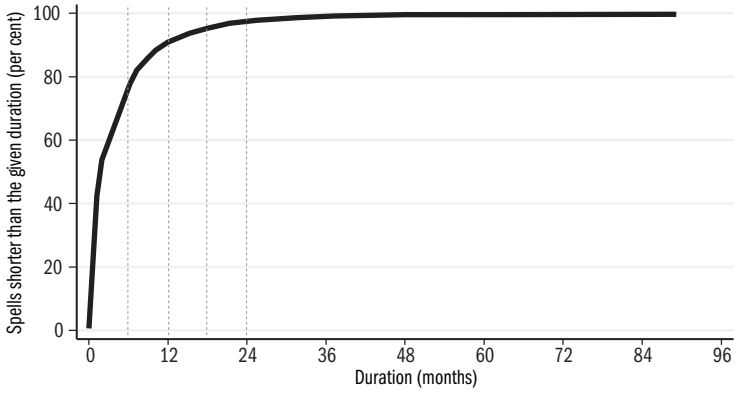
3 From this point onwards a wage limit of 110% will be applied to differentiate between market jobs and public works.
4 Note that in these calculations we make no difference between individual employers. It is possible that during a continuous employment spell the person observed had several employers. In the database the employment spells can be broken down by employers, a task left for future research.

Table 2.5.3: Employment episodes in market jobs of persons involved in public works programmes in the fourth quarter of 2011, 2003–2010

	Average/Percentage
Average number of employment spells	3.0
The distribution of workers by the number of employment spells in market jobs (percent)	
1	30.3
2	23.0
3	16.1
4	10.8
5	7.1
6	4.7
7 or more	8.0
The average duration of episodes (month)	5.6
The average duration of uncensored episodes (month)	4.1

The number of observations: 54,833 employment spells, which belong to 18,228 persons. The number of completed spells is 41,516, which belong to 14,599 persons.
Source: administrative panel data of persons involved in public works programmes in the fourth quarter of 2011.

Figure 2.5.1: The cumulated distribution of the duration of finished employment episodes, market jobs, 2003–2010

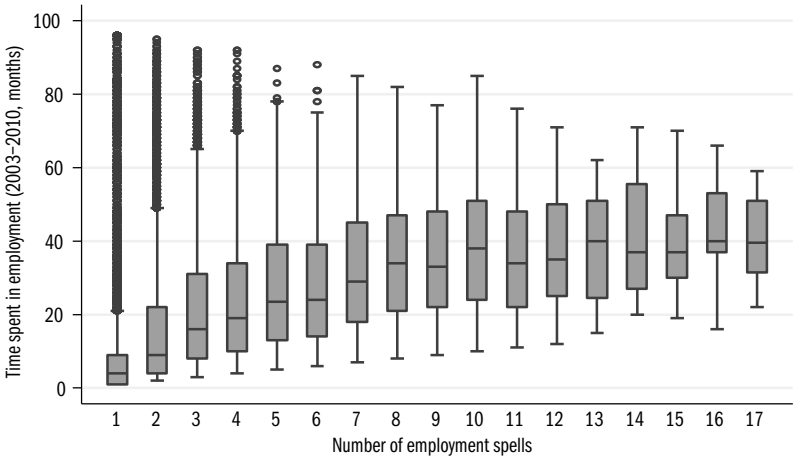


The figure refers to episodes which started beyond 1 January 2003 and terminated before 1 January 2011. The number of observations: 41,516 episodes, which belong to 14,599 persons.
Source: Administrative panel data of persons involved in public works programmes in the fourth quarter of 2011

Finally, we present a "box-and-whiskers" chart to illustrate how much the *number* of employment spells contributed to the total rate of employment in the entire period, and thus to the total income generated. On the horizontal axis of *Figure 2.5.2* we can see the number of market jobs, while on the vertical axis we have the total amount of time worked in market jobs in

2003–2010. The lower and upper edges of the boxes show the 25th percentiles, respectively. The line in the middle of the boxes is the median. The bottom and top "whiskers" show the lowest and the highest connected values, while the circles denote the heavy outliers.

Figure 2.5.2: The correlation between the number of employment episodes and the total amount of time worked, market jobs, 2003–2010



Source: Administrative panel data of persons involved in public works programmes in the fourth quarter of 2011

Persons working 30–40 months are those having more than eight employment spells in a period of eight years. The total amount of time worked in one single job is very low, even if there is a tiny minority of outliers who spent 80–90 months in one permanent job. In this respect, there is a striking contrast between the average Hungarian *employee* and the average *public worker*. According to the Labor Force Survey (wave 2005 Q2), the uncompleted duration of employment in respondents' current jobs amounted to 106 months on average, with a duration of 100 months for those who completed primary school and 63 months for those who completed less than that. Since the episodes observed at a given point in time are most likely to approach their half-time, average completed duration is about twice as long as the observed uncompleted duration. This compares to only four month's completed duration in the population examined in this chapter.

Conclusions

Persons pondering over the issues of public works, including the author of the present text, are most probably mistaken when they contrast public works to stable market employment as a desired alternative and consider the permanent labour market inclusion of public workers as a policy goal. Data shows that this is more of a dream, than a real objective.

A policy based on the actual characteristics of the labour market of public workers would do better to promote more frequent *entry* into market jobs. On the one hand such an approach demands far more patience: a clear understanding that public works used as a tool of discipline – except for labour markets in a very good condition – is dysfunctional. The unexpectedly delivered "notices" that call for public works of an incalculable duration hampers both informal work that is necessary for daily breadwinning and job seeking. On the other hand, the more people who have more frequently the opportunity to be employed in a real work organization, the greater is the chance that a number of them are selected for permanent employment. As shown in Chapter 2.10, the current practice of public works offers limited help as to the transition to real jobs. Until this situation remains unchanged, it would be advisable to terminate all elements of regulation that impede entry into market jobs – unstable, short-term and temporary as they typically are.

2.6 THE COMPOSITION OF ENTRANTS TO PUBLIC WORKS, 2011–2012*

ZSOMBOR CSERES-GERGELY

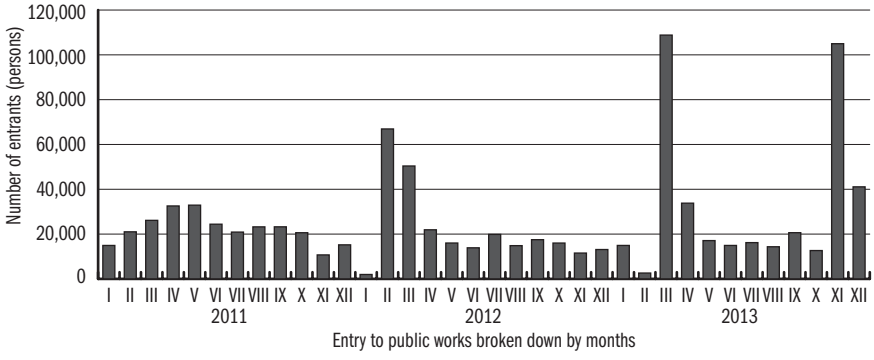
Since the most important stated aims of public works are to reach its target group and improve its employability by temporary work opportunities, a critical yardstick of its effectiveness is the fulfilment of these objectives. This subchapter examines the participants of public works and to what extent the first aim is fulfilled. The database of the Public Works portal [Közfoglalkoztatási Portál] provides information for 2013–2014 and *Mód* (2013) provides information for 2012 and 2013. A similar topic is studied by *Koltai* (2013) too but with a different methodology due to the small amount of data collected and the high number of criteria considered. The present subchapter uses the data and the concepts introduced in *Subchapter 2.3*.

The analytical framework considers the public employment system and its clients. The subchapter classifies the episodes of the public employment system into two categories: non public works (e.g. registration before a possible participation in public works, or participation in other programmes) and public works episodes. Relevant data are presented in *Subchapter 2.3:* the individual data of the National Labour Office were used to compile an episode-based micro-database. It contains a total of 2,278,036 non public works episodes in the years 2011–2012 and a further 833,769 episodes in 2013, compared to 685,935 and 245,882 public works episodes in the respective years.

As described in *Subchapter 2.1*, the Government introduced a unified system of public works at the beginning of 2011. We have seen 265,813 entrants in 2011, 263,931 in 2012 and 402,073 in 2013. There is a change in the annual distribution of entrants between 2011 and 2012: while the distribution of entries over the first year was relatively even, with a peak around April, in the following years most entries took place in February-March (see *Figure 2.6.1*) with a new peak at the end of 2013 due to training courses organised in winter public works (see *Subchapter 2.8*). Another striking change is that the length of time spent in public works significantly increased between 2011 and 2012. While the first year saw a majority of 2–4-month episodes, in episodes in all lengths emerged in similar proportions. It is worth noting that the length of episodes depends on their starting date: those starting at the beginning of a year are the longest (about 220-days long on average) and their length decreases towards the end of the year.

* I would like to express my thanks to *Borbála Lente* for her research assistance with data preparation.

Figure 2.6.1: The number of entrants to public works in respective months



Source: Author's calculations based on the complete Employment and Public Works Database (EPWD).

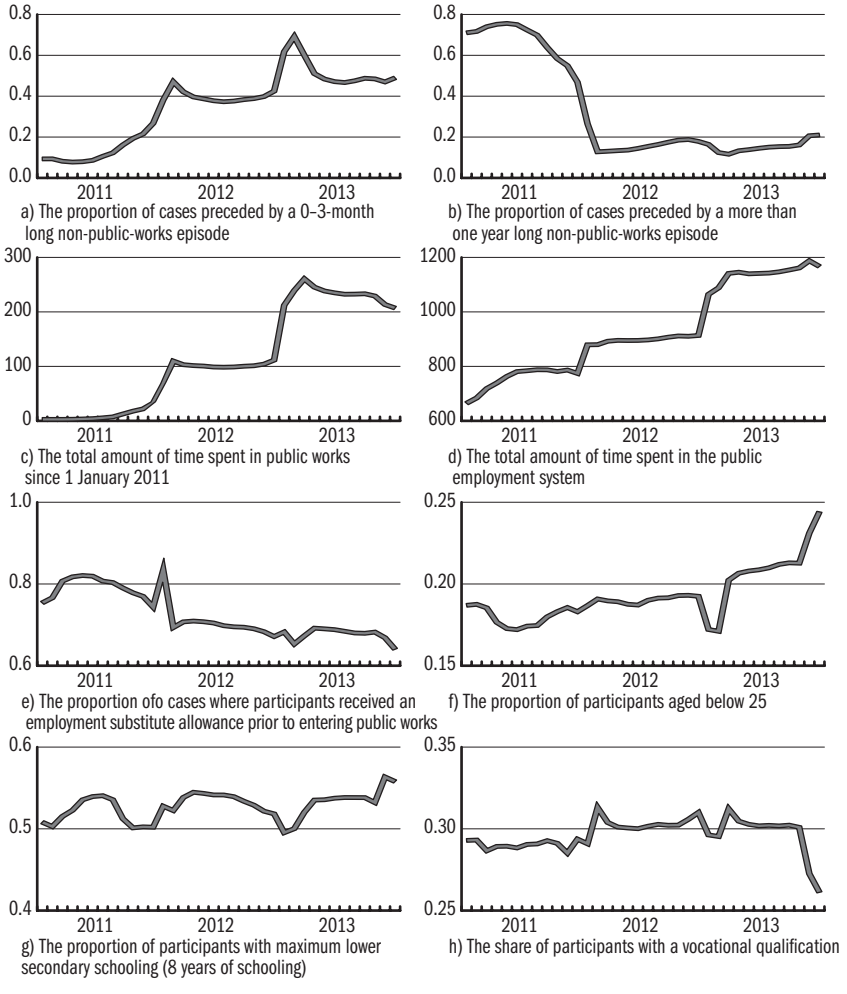
Both the length of episodes and the composition of the participants changed in the first two years of the operation of the new system. The eight panels of *Figure 2.6.2* show the change in key indicators of composition over time. Panels a) and b) indicate that the number of participants spending a short time in the public employment system before entering public works substantially increases over time, while the number of participants spending a long time there decreases. This implies that a large proportion of participants enter public works quite soon after entering the public employment.

Panel c) shows that the average cumulated time spent in public works also increases until 2013 but then decreases in 2013. It is only possible if the programme involved a considerable number of new participants who previously had not participated in public works.

According to panel d) the total time spent in the public employment system shows a similar pattern to what is seen in the case of public works in panel c) but it increases to a larger extent. It seems that *public works does not shorten time spent in the public employment system but may even, on the whole, increase it*. The slight decrease in 2013 shows that the new entrants had not previously participated in either public works or the public employment system. Meanwhile, the share of those receiving employment substitute allowance [foglalkoztatást helyettesítő támogatás] prior to participating in public works (see e) decreased significantly and this, similarly to panel b), indicates a decline in the share of the long-term unemployed. This tendency is underpinned by the increase in the share of clients aged under 25, as seen in panel f).

It is remarkable that the composition of the clients in terms of educational attainment was quite stable. The share of unqualified participants somewhat changed when seasonal work was available (panel g); however, it increased considerably in the winter of 2013–2014, probably because of an increase in headcounts related to public works with training.

Figure 2.6.2: Time series characteristic of the composition of public works participants in respective months



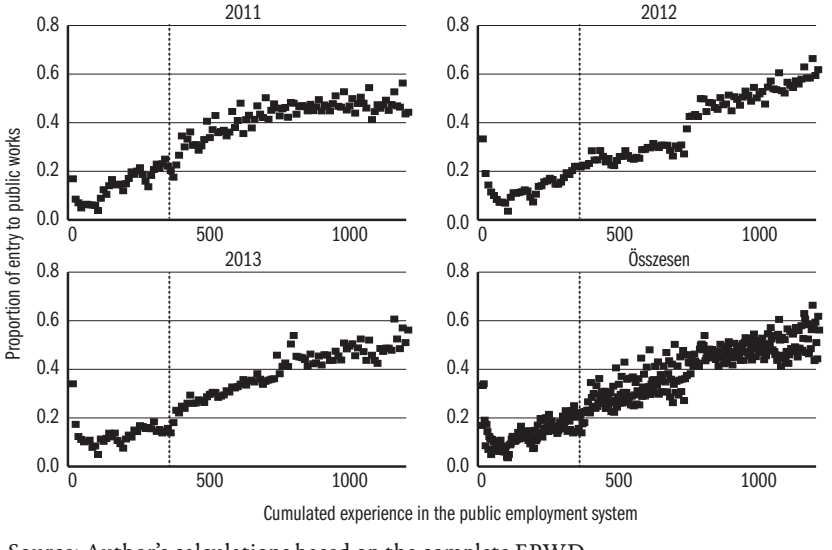
Source: Author's calculations based on the complete EPWD.

As mentioned before, public works aims at getting the long-term unemployed onto the open labour market sooner or later. Long-term unemployment cannot be measured properly by using the administrative data of the National Labour Office alone (since registration itself is already an approximation, and after leaving and re-entering the system a new registration commences). Therefore long-term unemployment herein is measured by the total time spent in the public employment system prior to participating in public works (i.e. "experience in the public employment system").

The time spent in the public employment system is connected to the non public works episode concerned. It is calculated by increasing the value related to the previous similar episode by the subsequent public works episode (if any) and by the non public works episode concerned. Consequently, this value is *ex post* in terms of the non public works episode and *ex ante* in terms of the potential subsequent public works episode. It is important to stress that information on the experience in the public employment system is only available if the participant was still within the system on 31 December 2010. In these cases the length of this episode is also included. If a participant exited the system on 30 December 2010 from a registration period and then re-entered on 2 January, his/her period of experience starts from scratch.

Achieving the first aim is shown in *Figure 2.6.3* as the relation between the share of entrants to public works and experience in the public employment system. The figure shows that the share of entrants increases evenly in each of the three years, suggesting that the targeting of public works is effective. However; contradicting the assumption of effective targeting, a significant share (5–20 per cent) of participants with an experience of less then one year in the public employment system enter public works. It is odd that there is entry to public works after a registration period of about 10 days in each of the three years, after which 17, 33 and 34 per cent of participants enter public works in the respective years. Nevertheless, targeting is less than perfect in the case of participants with a long track record in the public employment system too and it is also deteriorating. The peak of the graph characterising the relationship in 2011, around 500 days, later flattens out, indicating that fewer of such participants are involved. At the same time, the proportion of participants with the longest experience increases.

Figure 2.6.3: Proportion of entrants to public works from non public works episodes as a function of cumulated experience in the public employment system



Source: Author's calculations based on the complete EPWD.

By definition, experience in the public employment system also cumulates during public works episodes, thus it is generally true that public works participants later have a bigger chance of participating in it again. However, it is more than that, as seen in *Table 2.6.1*. The rows of the table contain the serial number of public works episodes of the same client (cumulated for all years), and the columns contain the year the episode is commenced. The individual cells indicate how frequent an episode of a certain serial number was. In 2011, although slightly more than one-tenth of participants took part in the programme twice (and a few of them even more times), the majority participated only once. In the following year, more than half of the clients participate in the programme for the second time and nearly one-fifth of them participate for at least the third time. They had either taken part also in the previous year or had participated several times in the year concerned. The trend continues in 2013; in that year only less than one-third of the entrants had not participated in public works earlier.

As a result of cumulating experience, the connection shown in *Figure 2.6.3* and repeated entries to the public employment system, an extremely large number of participants re-enter public works several times. This results in an increase in experience in public works and in the public employment system, as seen in *Figure 2.6.1*.

Table 2.6.1: Distribution of the serial number of public works episodes in the respective year of commencement

No.	2011	2012	2013	Total
1	87.6	37.0	28.4	47.7
2	11.3	44.6	25.0	26.6
3	1.0	14.0	25.9	15.4
4	0.1	3.5	13.7	6.9
5	0.0	0.9	7.0	3.3
Total	100.0	100.0	100.0	100.0

Source: Author's calculations based on the complete EPWD.

In addition to experience, other factors also have an impact on the likelihood of someone entering public works. The details are shown in *Table 2.6.2*, which indicates that men, older participants, the unqualified and participants who are not fresh graduates are more likely to enter public works. The proportion of entrants increases between 2011 and 2012 in the case of each group and then drops below the 2011 value in each group. The registered population is fairly stable in terms of gender and school attainment; however the increase in the share of older participants, young participants and fresh graduates is remarkable and exceeds the increase in the likelihood of entry to public works.

Table 2.6.2: Share of entrants to public works in the year of entry, broken down according to their characteristics and the distribution of the registered unemployed in the year of entry to public works

	2011	2012	2013	Average
Share of entry according to characteristics of entrants				
Total population	31.9	33.1	27.4	30.1
Demographic characteristics				
Female	31.4	29.1	25.6	28.0
Male	32.3	36.2	29.0	31.8
Age				
Below 25	26.9	27.1	25.0	26.0
Aged 25–44	32.1	31.6	26.7	29.5
Over 44	34.8	40.5	30.3	34.0
Educational attainment				
Max. eight years of schooling (lower-secondary level)	48.4	50.1	39.8	44.7
Vocational school	27.9	31.2	25.4	27.6
Min. secondary school leaving examination (Matura)	15.5	16.0	13.9	14.9
Fresh graduate	24.6	24.9	23.7	24.2
The history of participants in the preceding non public works episode				
Max. 3 months	17.0	37.3	36.9	32.8
4–9 months	17.2	29.9	23.8	24.0
10–12 months	19.6	35.1	27.4	27.9
More than 12 months	52.8	30.9	19.6	34.0
Did not receive unemployment benefits	39.2	42.8	31.6	36.3
Received unemployment benefits	21.9	19.4	19.9	20.4
Did not receive employment substitute allowance	6.5	15.1	15.5	12.9
Received employment substitute allowance	67.6	61.7	44.4	55.1
Did not participate in training	31.6	33.2	27.0	29.9
Participated in training	20.4	26.5	33.6	30.8
Did not participate in other programmes	32.1	34.5	28.3	30.9
Participated in other programmes	10.8	4.9	4.2	5.9
Proportions within the registered population				
Demographic characteristics (distribution)				
Female	44.4	43.1	46.0	44.8
Male	55.7	56.9	54.0	55.2
Age				
Below 25	18.8	20.5	21.2	20.4
Aged 25–44	54.3	52.3	49.0	51.3
Over 44	26.9	27.3	29.8	28.4
Educational attainment				
Max. eight years of schooling (lower-secondary level)	40.6	39.1	42.3	41.0
Vocational school	34.8	34.9	33.0	34.0
Min. secondary school leaving examination (Matura)	24.6	26.0	24.7	25.0
Fresh graduate	10.5	12.9	15.3	13.4

	2011	2012	2013	Average
The history of participants in the preceding non public works episode				
Max. 3 months	24.3	33.0	33.9	31.0
4–9 months	28.9	37.5	31.1	32.2
10–12 months	7.2	9.4	7.3	7.8
More than 12 months	39.6	20.1	27.7	29.0
Did not receive unemployment benefits	55.1	58.3	63.5	60.0
Received unemployment benefits	44.9	41.7	36.5	40.0
Did not receive employment substitute allowance	59.2	61.6	58.9	60.0
Received employment substitute allowance	40.8	38.5	41.1	40.0
Did not participate in training	98.5	98.1	95.1	97.0
Participated in training	1.6	1.9	4.9	3.0
Did not participate in other programmes	96.8	95.0	96.1	96.0
Participated in other programmes	3.2	5.0	3.9	4.0

Source: Author's calculations based on the complete EPWD.

As for the length of the non public works episode preceding public works, the composition of entrants changes considerably over time. While in 2011 more than half of the entrants had spent in excess of 12 months in a non public works episode, in 2013 only 20 per cent of them had done so. In parallel, the share of entrants from all shorter categories increased, especially of entrants with a length of less than three months. At the same time (probably partly due to the restart of the registration period following a public works episode) the proportion of participants registered for a long time decreases, while the proportion of those registered for a shorter time increases.

The proportion of entry among participants who had not received unemployment benefits dropped more sharply than the proportion of those who had. During the three years the earlier small share of those who had not received employment substitute allowance increased three-fold, and the share of those who had received decreased. This is not in line with the changes in the related population, since the proportion of those who did not receive unemployment benefits increased in this period, and the proportion of those receiving and not receiving employment substitute allowance was nearly stable. A very small proportion of the registered unemployed participated in training or other active labour market programmes. While public works participation of the former increased one and a half times, public works participation of the latter decreased by half.

The independent effects of individual characteristics are not always compliant with what is seen in *Table 2.6.2* because of the correlation between them. In order to exclude these effects, a simple logit model was used for estimating the likelihood of entry to public works for each of the three years, at the end of a non public works episode: this is the time when entry to public works is realistic. The average marginal effects of the individual variables are shown

in *Table 2.6.3*, which is comparable to the differences between likelihoods in categories of a given variable indicated by *Table 2.6.2*. The findings are in line with earlier findings and mainly differ in their absolute value.

Table 2.6.3: Average marginal effects after logit estimation. Outcome variable: entry to public works from a non public works episode

	2011	2012	2013
Demographic characteristics			
Male	0.00484***	0.0347***	–0.000722
Aged 25–44	0.0165***	0.0166***	0.0138***
Over 44	0.0459***	0.0768***	0.0452***
Schooling: vocational school	–0.0552***	–0.0648***	–0.0500***
Schooling: min. secondary school leaving exam (Matura)	–0.0786***	–0.108***	–0.0878***
Fresh graduate	0.0223***	0.0457***	0.0516***
History of participant in registration			
Number of days spent in the public employment system	0.000125***	0.000151***	0.000108***
Number of unsuccessful placements	–0.0724***	–0.0414***	–0.0392***
Received unemployment benefits	0.0231***	–0.0603***	–0.0426***
Received employment substitute allowance	0.484***	0.245***	0.118***
Participated in training	–0.0377***	–0.0378***	0.0713***
Participated in another active labour market programme	–0.106***	–0.270***	–0.218***

Heteroskedasticity-robust and clustered standard errors.
Reference categories: female, aged below 25, with educational attainment of a maximum of eight years of schooling (lower secondary), not a fresh graduate, did not spend time in the public employment system, had no unsuccessful job placement, did not receive unemployment benefits or employment substitute and did not participate in any other active labour market programmes.
Logit coefficients were calculated using the total sample, while the average effects were calculated using a 5-per-cent sample due to being highly resource-intensive.
Significant at a level of ***1 per cent, **5 per cent, *10 per cent.
Source: Author's calculations based on the complete EPWD.

It appears that *the composition of public works participants changed* as a result of a shift in the programme structure of the public employment system. At first, predominantly clients with a long period of registration entered public works, which changed over time. This has happened partly because of the restart of the registration period, which in the case of repeated participation, decreases the time of the preceding registration but does not decrease the average time spent in the public employment system. The majority of participants continue to be unqualified and older. It is important to note, however, that among new entrants it is young people and fresh graduates who have an increasing share.

Thus there are significant changes behind the relative stability of headcounts, presented in *Subchapter 2.3*, which are partly beneficial, partly adverse.

It is beneficial that public works apparently reaches a number of clients registered for a long time but not yet previously involved in other programmes. This may provide more financial security than the small amount of employment substitute allowance or social benefit or in many cases the local labour market that is accessible without support and mobility. It is less favourable that over time the targeting of the programme deteriorates. As seen in *Subchapter 2.5*, a significant part of public works participants have considerable work experience, therefore the expedience of the programme in general should be examined. It is especially a serious cause for concern that the likelihood of young participants, usually with a short time spent in the public employment system, entering public works increases. The labour market prospects of young people may be improved by other support instead of public works (as indicated in the *Youth Guarantee* plan of the Government) (*Ministry for National Economy,* 2013). Still, their share within public works participants is growing. Since participants obviously become increasingly attached to public works in the public employment system, it is of special importance that the targeting of the programme be as effective as possible.

2.7 SPATIAL INEQUALITIES OF PUBLIC WORKS EMPLOYMENT

MÁRTON CZIRFUSZ

This chapter deals with the spatial inequalities of the public works scheme. The main question to be answered concerns which types of unevenness are present at the sub-national scale if we look at access to the programme and the distribution practices of quotas and funding.

Local or regional inequalities of the labour market and effects of labour policies have been covered in some of the former yearbooks of *The Hungarian labour market* and also the *In focus* sections of those (see for example *Kabai–Németh,* 2012, *Kertesi–Kézdi,* 2010, *Lőcsei,* 2011). These studies have made clear that spatiality is a crucial aspect if analysing the realm of labour. However, spatiality as such is not only a dimension of labour (or in the case of this yearbook, of the public works scheme) to be taken into account. Space (i.e. the fact that social relations are distributed over space) is constitutive of the public work scheme: the public works scheme is distributed geographically unevenly, and thereby public works as a social relation reproduces geographically uneven development. Spatial patterns to be discussed in this chapter are not a result of purely spatial causes; spatial forms have to be understood as a result of social relations occurring over space, as a result of the geographically uneven historical development of capitalism (see for example *Massey,* 1995). From this perspective, local variations of the public works scheme are not only 'local specificities' in-line with or diverging from processes at the national scale; the national level picture shown in other chapters of *In focus* are constituted exactly of these local processes.

This chapter is structured as follows. The first part is a literature review on how the public works scheme, and workfare in general reproduces socio-spatial inequalities. Secondly, data used for describing the spatial inequalities of the Hungarian public works scheme is discussed. The third part covers a description of spatial inequalities of the public works scheme, the main argument being that the programme funds are distributed unevenly not only socially, but also spatially.

Public works as spatial policy

At times of economic crises society reacts to the growing unemployment and the worsening of life conditions in different ways. On the one hand social movements (such as trade unions or other representations of class interests) call for direct job-creation by the (national) state. On the other hand, the state itself (mediating between economic processes and prevailing ideologies

of the political elites) also considers direct job-creation as an effective means of tackling the devastating effects of economic crises (cf. *Arrighi,* 1990, *Silver,* 2003). In other words, following Polanyi's (2001) idea of the 'double movement', in times when the self-regulating market fails (such as recently, during and after the 2008 crisis), social dislocations 'naturally' lead to social protectionism and different forms of political intervention.

In Hungary, these historical processes unfolded in a very similar way as in core countries of the world-system, following the waves of global capitalist development. During the downturn of the 1870s some suggested that the state should play a more active role in job-creation, but this idea was easily fobbed off in the heyday of economic liberalism (cf. *Rézler,* 2001). During the 1929–33 Great Depression, the government (both at the national, as well as on the municipal level) attempted to create jobs in public works programmes (*Baksay,* 1987), the 1930s also featured government policies offering social assistance only for those taking part in public works. Following the crisis of the 1970s the government put forward a rapid restructuring of the manufacturing industry and a raising of the standard of living, but controversial labour policies at national and at firm-level were also introduced (cf. *Fazekas–Köllő,* 1985). The public works programme widened after the 2008 crisis is, thus, not a significantly new phenomenon, and its explanation cannot be limited to shifts of ideologies or economic policy ideas of current governments or political elites.

The current public works programme as a public policy goes hand in hand with workfare policies of West European and North American core countries, introduced in the past decades. How these policies reproduce socio-spatial inequalities has been at the forefront of critical labour and political-economy studies since the 1990s. The following paragraphs summarise how and why workfare policies reproduce socio-spatial inequalities, as it is an inherent characteristic of them, and how the inequalities might be conceived as a result of inter-related economic processes at different geographical scales, from the local to the global (cf. *Peck,* 2002).

The transition from welfare to workfare is often described in an over-simplified way as a neo-liberal economic shift towards the hollowing-out of the state. This term means that both the national and the local state (in Hungary the more than 3200 municipalities) are losing power and their role in governing labour market processes. It might be self-evident from this perspective that social inequalities rise because of market processes – resulting in opportunities depending very much on *where* one lives. Employment opportunities differ, both as a consequence of variegated individual strategies in securing livelihoods, and the development trajectories of the local government. This latter means, for example, that some municipalities are better off in attracting firms and capital for job creation, and thus from the rising local taxes more money might be re-distributed as social benefits. In spite of these

processes, local governments are taking different positions in the competition for national or supra-national financial transfers, such as development funds (see, inter alia, *Kálmán,* 2012). Following that, one cannot simply say that the state is losing power under the political-economic formation of neoliberal capitalism, rather, the state both rolls out from, and rolls back into, certain realms of production of goods and services and social reproduction (*Peck–Tickell,* 2002).

From the 1970s on (following the economic downturn) 'First World' countries observed a triple transformation of the state, public works programmes being an integral part. Firstly, the Fordist mode of production declined, traditional wage relations having been substituted by deregulated, flexible forms of employment. (Flexibilisation is also typical for Hungarian – and more generally, for Eastern European countries' – labour policies since the 1990s, irrespective of which parties were in power.) Secondly, parallel to the change in the mode of production, workfare states replaced former welfare states; dismantling the collective rights of social assistance, and introducing the obligation to work (for a current overview of the Hungarian case, see *Cseres-Gergely–Molnár,* 2014). Thirdly, the penal apparatus of the state is widening, in a sphere where it is still possible (*Wacquant,* 2008). In Hungary, the punitive state and the public works programme is closely intertwined ideologically: for most of the public works programme the Ministry of the Interior is responsible (and not the Ministry for National Economy which oversees labour market policies in general).

The shift from the welfare state to the workfare state does not only transform the national scale. Overall, it might be conceived as a shift from a Keynesian welfare national state to a Schumpeterian workfare post-national regime (*Drahokoupil,* 2007, *MacLeavy,* 2010). In Hungary, the upsurge in public works employment is a complex structural change in public administration, affecting different scales of governance. For instance, the supra-national EU scale (from which financial transfers arrive in 'less-developed' countries and regions – cf. *Lendvai,* 2008) played an indispensable role in financing the public works programme shortly after the outbreak of the 2008 economic crisis (*Elek–Scharle,* 2011). The scale of the national and the local state will be analysed in detail in the following parts of this chapter.

Economic crises have always been played out unevenly geographically (cf. *Fazekas,* 1996, *Lőcsei,* 2011, *Boros–Pál,* 2011), and thus employment policies tackling crises have also led to spatially uneven outcomes: their direct effect is smaller in areas where the primary labour market and traditional wage labour play a larger role (*Czirfusz,* 2014). Declining manufacturing regions are typically locations in which the national state launches national programmes in order to attract investments which also boost employment (for a comparable Czech example see *Drahokoupil,* 2007). In other cases the state becomes the

direct employer, such as in the Hungarian public works scheme. In addition, inequality might also be analysed within localities: in larger settlements unemployment is concentrated in specific neighbourhoods (such as in quarters dominated by the working class or lower social classes in general). The local state reacts to spatial unevenness through the use of different local policies: for instance, Budapest's 23 autonomous district municipalities introduced highly different social policies in spring 2015. A further aspect to be considered in this differentiation is the combination of the public works programme with punitive policies (*Wacquant,* 2008). Seemingly this move decreases social inequalities, but in reality these policies reproduce intra-urban tensions. The public works programme fossilizes masses of people as the working poor – a primarily urban problematic situation throughout Eastern Europe (*Smith,* 2008).

In some countries, spatial unevenness of employment has led to overtly spatially focused policies. This has been the case in the United States in which welfare assistance was decentralised to the 50 states by the Clinton administration, or in the policies of the Labour governments in the United Kingdom after 1997 (*Peck–Theodore,* 2000). The aim of these policies is that they decentralise decision-making and financial resources (for example access to some funds are only available in designated 'backward' areas), and local needs are taken into account with spatially variegated development policies. Also important from a historical point of view, is that in the era of the neoliberal mode of regulation (since the 1970s in the Western world) local governments are able to show an increase of competencies, and are able to re-legitimise their jurisdiction by governing the realm of employment and unemployment locally (*MacLeavy,* 2008). This is a somewhat unique turn as the general public and the political discourse is about the growing constraints of local policy-making.

Despite these advantages, the disadvantages of the decentralisation of labour market policies are also visible. Rescaling responsibilities from the national level to the sub-national means growing competition for financial resources among regional and local governments. Rescaling is not a structural answer for the uneven development and is not an alternative to neoliberal economic policies (*Crisp,* 2012). In line with this argument, *Peck and Theodore* (2000), as well as *Artner* (2015) point out that workfare policies and welfare reforms are both part of the economic policies aiming to increase competitiveness – i.e. flexible, deregulated labour markets and public works programmes are two sides of the same coin, functionally complementing each other. What follows from this statement is – as shown in the following parts of the chapter – that a public works programme is inherently unable to decrease spatial inequalities – as it does not deal with structural causes of unevenness, i.e. capitalist development. What is more, in local labour markets where the primarily labour market is weak the public works scheme does not offer a solution for different groups of unemployed people according to educational at-

tainment or other social dimensions. Public works programme participants are expelled from the primary labour market and forced into low-wage and low-skilled workplaces (in the Hungarian case, public works employees get less than the minimum wage).

In the Hungarian version of the public works scheme the roles and responsibilities of the different scales brought about new hierarchies within public administration. The main regulatory changes have been discussed in *Chapter 2.1* of this book. Without repetition this chapter discusses how roles and power relations have been established between different spatial scales.

The public works scheme in Hungary is a national programme, directed by the minister responsible for public works,[1] who decides upon the allocation of the appropriation secured by the yearly state budgets. The planning is carried out jointly with the sub-national level institutions: the 20 government offices of 19 counties and the capital city of Budapest (*Figure 2.7.1*), as well as the government offices in 174 districts.[2] Spending the allocated funds is decided by the same government offices,[3] according to municipal and other employers' requests examined by the minister or the government office itself. Organising and the implementation of the public works at the local level are in the hands of the almost 3,200 municipalities.[4] Co-ordinating the public works scheme, its communication and compiling the requests for funding is dealt with by the district's government offices, as well as directly by the ministry.[5]

1 In some cases jointly with the minister responsible for employment policy – Act IV of 1991

2 Government decree 320 of 2014, § 8. In Hungary, the counties (NUTS 3 level – see *Figure 2.7.1*) have limited power, but possess an elected county council. They also seat government offices which are bodies of the executive authority at the sub-national level. The 174 districts (NUTS 4 level) serve mostly administrative purposes.

3 Government decree 320 of 2014, § 8. and government decree 375 of 2010, § 7.

4 Act CLXXXIX of 2011, § 13 and 15.

5 Government decree 320 of 2014, § 11; Government decree 66 of 2015, § 15.

Figure 2.7.1: Counties of Hungary

Spatial allocation of the budget available for the public works scheme might be based on two principles. The first one is the *equal access* to enter the programme which means that every unemployed person has equal rights and an equal chance to get a job under the scheme. This principle is important for the individual citizens, as availability of some of the social benefits is currently dependent on the fact of whether the person in need has taken part in the public works programme (this illustrates quite well that a workfare state is in formation in contemporary Hungary). The other principle which might be considered by policy-makers is *prioritizing 'backward' regions* with more available funding. In the yearly allocation of financial resources characteristics of the regional and the local labour market have to be taken into account, and municipalities and areas might be designated as prioritized ones 'in order to tackle social tensions and to offer a broad spectrum of public works'.[6] However, how concretely this consideration is actually taking place is not detailed in the legislative documents. As a result, funding of the programme is assumed to be distributed unevenly because of two factors: Firstly, municipalities' requests for public works quotas do not correlate with the number of unemployed people or with the social needs existing (some local municipalities do not organise public works at all). Secondly, the consideration as such at the regional or ministry level (vis-à-vis a normative allocation of funding) also opens up the possibility of bargaining and lobbying. The spatially uneven distribution of the budget and quotas of employment in the public works scheme is the topic of the following parts of this chapter.

Data

This chapter builds on official registry-based data on public works programme participants between 2011 and 2013. The data harmonised by the Databank of the Centre for Economic and Regional Studies, Hungarian Academy of Sciences was complemented by other municipal-level (in Budapest: district-level) datasets of the Regional Development and Spatial Planning Information System (Országos Területfejlesztési és Területrendezési Információs Rendszer, TeIR) concerning the population number and the number of unemployed.

Methodologically the main challenge in analysing the spatiality of public works is to locate the public works programme episodes geographically. Participants of the programme are registered according to their permanent place of residence (coded by the postcode).[7] The place of residence does not necessarily coincide with the actual place of work or the headquarters of the employer (this latter is the case for example at such employers as national forestry companies, national park or water management directorates covering larger areas).

6 Government decree 375 of 2010, § 7/A. See also the government resolution 1,044 of 2013.

7 The database contains 117.6 million rows which describe one day of a public works participant. Among those episodes the postcodes of permanent addresses were missing in 3,800 cases which were not included in this study. The verification of the database (sorting out mistypings, etc.) was not possible. All in all these constraints are not considered as significant, and do not modify the main tendencies to be described.

The database registers postcodes of employed persons and this is used for aggregating data to the scale of municipalities. If several postcodes are used in one municipality, data was aggregated to the municipal level.[8] As in some cases the same postcode is used in separate municipalities, several (administratively independent) municipalities were pulled together in order to ensure compatibility with other databases containing the number of inhabitants and unemployed.[9] In the case of Budapest, if possible, the district[10] was used as an analytical unit. In the end, the database consisted of 2,613 aggregated units. In the following parts of the chapter, these will be referred to as municipalities. The number of participants in the public works scheme was calculated by using the full-time-equivalent, in order to sort out the statistical effect of part-time work (cf. *Cseres-Gergely–Molnár* 2014).

Spatial inequalities of the public works scheme

Following the literature review of the preceding parts, it might be assumed that the spatial allocation of the public works in Hungary is highly uneven. In order to verify this assumption, the spatial distribution of the public works employment and unemployment was compared (*Figure 2.7.2*).

The two maps show 2013 municipal level data, the size of the circles is proportional to the number of public works employment and that of the unemployed persons, respectively. As other chapters in this book have demonstrated, after the reorganization of the public works scheme in 2011, 2013 featured a mostly solidified structure in terms of programme instruments and legislative background. Still, it is clearly visible from the comparison of the two maps that public works are not evenly distributed. More financial resources have been allocated to the Eastern parts of Hungary, but disproportionally more if the unemployment figures are taken into account. (It is clear that the public works scheme contributed to the fact that the number of unemployed in these Eastern counties of Hungary[11] is not as high compared to the Western parts of the country as it would be without the programme.) The fact that the distribution is highly uneven might be justified with county-level aggregated data. 17.4% of full-time-equivalent public works employment is concentrated in Borsod-Abaúj-Zemplén county (compared to an 11.7% share of the unemployed persons), a further 14.7% was allocated to Szabolcs-Szatmár-Bereg county (with 11% of the unemployed), followed by Hajdú-Bihar county (8.6%), Békés (7.3%), Jász-Nagykun-Szolnok (7.2%) and Baranya (7%). In Bu-

8 For example, four-digit postcodes 2241 and 2242 both refer to the municipality of Sülysáp, data of the two postcodes was combined.

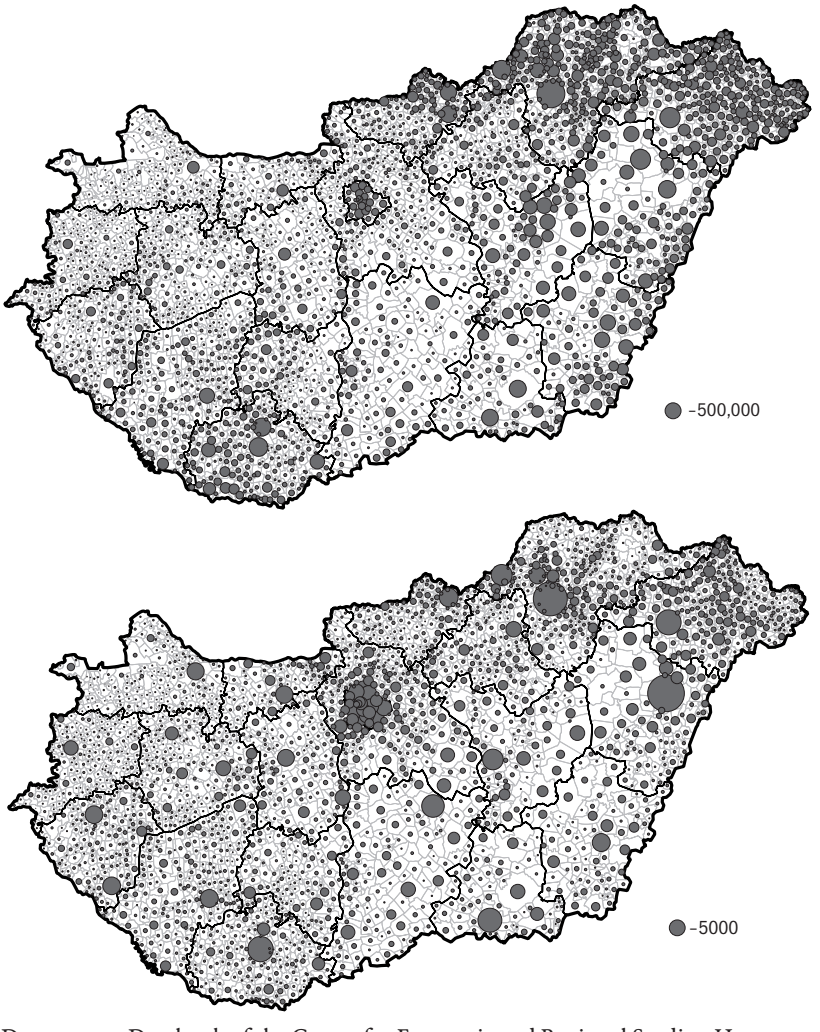
9 For example, postcode 7400 is used in the county seat Kaposvár, as well as two neighbouring municipalities. Postcodes 7451 and 7461 denote two (formerly independent) neighbourhoods of Kaposvár. The three postcodes were combined, as well as other statistical data of Kaposvár and the two other municipalities. As a result, the least common multiple of different databases was secured.

10 Budapest has a two-tier administrative system, responsibilities are shared between the Budapest municipal government and the governments of the 23 independent districts. As most of the social policies are delegated to the district governments in the city, and these social policies are highly different district-by-district, it is more meaningful to analyse those than the aggregated data of Budapest. (Budapest districts are not to be confused with Hungary's 174 sub-national districts – the administrative units referred to earlier.)

11 The most visible (and the most cited) differences within the county in terms of economic development is the East–West slope, apart from the Budapest–countryside divide. Western counties are often depicted as developed ones whose 'winner' economies are deeply integrated into global production networks (mostly in the manufacturing sector). The Northeast is characterised by an industrial decline starting during the 1970s global economic crisis and by a collapsing industry following the end of state socialism in 1989. Remaining parts of the East show a higher percentage of agricultural production, although most of the municipalities with several tens of thousands of inhabitants also have some companies in the manufacturing sector being in superior positions in global commodity chains. In the public discourse, social problems and tensions are often conceived as prevailing mostly in the easternmost counties, such as Borsod-Abaúj-Zemplén and Szabolcs-Szatmár-Bereg.

dapest 8.8% of the unemployment is concentrated, but the capital city only received 1.9% of the public works employment. The differences between the counties increased slightly between 2011 and 2013, primarily because of the growing share of Borsod-Abaúj-Zemplén.[12]

Figure 2.7.2: Full-time-equivalent person-days of public works employment (above) and the number of unemployed persons (below) at the municipal level (2013)



Data source: Databank of the Centre for Economic and Regional Studies, Hungarian Academy of Sciences; Regional Development and Spatial Planning Information System.

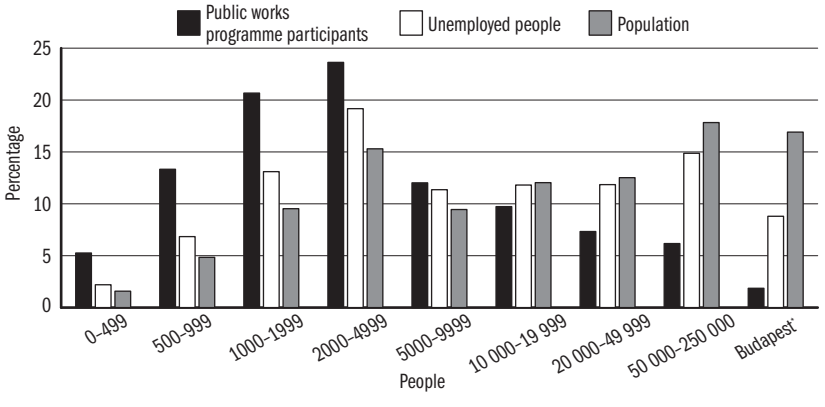
The map also reveals that county-level data obliterates considerable intra-county differences. It is striking that the allocation of funding within the counties often coincides with the assumed labour market position of the areas in the pub-

12 For the geographical location of counties referred to in this chapter, see *Figure 2.7.1.*

lic discourse and in the national media. The Southern part of Baranya county at the Croatian border is a disadvantaged area with complex social problems emerging in the past 25 years of capitalism, and it also received significantly higher public works employment quotas than other parts also affected by unemployment. Several stigmatized regions in the national public discourse which are often depicted as areas in which people are not working, lazy, or even welfare scroungers – such as the former industrial centre of Ózd and its vicinity (Northwestern part of Borsod-Abaúj-Zemplén county), or the middle part of Jász-Nagykun-Szolnok county – received higher proportions of public works employment, seemingly with the intention to discipline those regions.

It is also obvious from the comparison of the two maps that on the map below, larger cities with higher numbers of unemployment do not stand out from the upper map showing public works employment. Larger municipalities with larger (absolute) unemployment receive relatively smaller quotas of public works employment, or to put it differently, people living in larger settlements have a significantly lower chance of entering into the programme once they become unemployed. This tendency is also shown on *Figure 2.7.3* which compares the distribution of public works employment, unemployment and population according to settlement size categories.

Figure 2.7.3: Distribution of public works employment (full-time-equivalent person-days), unemployment and population according to settlement size categories (2013)



* Population: 1.7 million.

Data source: Databank of the Centre for Economic and Regional Studies, Hungarian Academy of Sciences; Regional Development and Spatial Planning Information System.

The public works employment scheme is primarily a programme running in smaller municipalities. The divide lies at settlements around 10 thousand inhabitants – in smaller municipalities than that unemployment is higher than in larger municipalities and this is not compensated for by a larger par-

ticipation in the public works scheme. The situation in cities above 50 thousand inhabitants is most striking: unemployment is present, but public work employment opportunities are scarce. Further qualitative studies are needed to find out whether the legislative environment (the responsibilities of the different scales of public administration) or the local government's management capacities limit the available public works in this category. For example, it might be assumed that large municipalities have neither personal resources, nor infrastructure, nor organisational knowledge of how to offer public works for several hundreds or thousands of unemployed people – the result being that these settlements do not apply for large quotas. The case of Budapest is unique in the sense that firstly, both the 23 districts and the city of Budapest offer public works employment, and secondly, the unemployment rate is rather low as there are more opportunities of waged labour on the primary labour market. It is also clear that in Budapest individual portfolios of securing livelihoods might be more diverse than in smaller settlements (cf. *Smith–Stenning–Rochovská–Świątek,* 2008). Despite these circumstances it is obvious that the public works scheme does not offer a viable policy solution for offering a large number of jobs for unemployed people in Budapest.

A larger scale public works programme has been organised and executed by the local governments since 2001. Unevenness of this public policy measure is not a new phenomenon emerging after the 2011 relaunch, but it is certainly true that broadening the programme in 2009 resulted in growing inequalities among municipalities (*Keller–Bódis,* 2012). These inequalities might be analysed in a breakdown according to different instruments of the programme. Full-time-equivalent person-days combined in public works employment were 19.7 million in 2011, 39.4 million in 2012 and rose to 46.8 million in 2013. The shares of different instruments have constantly changed during the three years: the short-term public works, the so-called value-producing public works and the wage subsidies offered to companies employing public workers were all ended in 2011. So-called Start model programmes were launched in 2013 (*Table 2.7.1*).

Different instruments of the programme contribute differently to change employment locally. In the following we analyse whether the person-days of public works employment correspond to the principle that counties and municipalities with higher unemployment should receive more funding and more public works quotas. To measure this question the distributions of public works employment and unemployment between municipalities were compared using the widely used inequality measure, the Hoover index.[13] If the distribution of public works employees and that of unemployed persons is similar (i.e. the Hoover index is small and decreasing) then the programme reduces spatial inequalities of unemployment.[14] Calculations were made both for the whole country (to measure the inequalities within the country), as

13 Hoover index (H) measures the deviations of two distributions (x_i, f_i):

$$H = \frac{\sum |x_i - f_i|}{2}$$

The range of the index is between 0 and 100%; the higher the index value, the higher is the difference of the two distributions. The measure also shows what percentage of one distribution has to be re-distributed throughout municipalities in order to achieve the same distribution as that of the other one.

14 There is a methodological problem, of course, inasmuch as public works employment and unemployment are in a complex causal relation. Growing public works employment decreases unemployment. If the distribution principles of quotas are followed, this decrease in unemployment also leads to decreasing public works employment.

well as for the counties. This latter might refer to the role of government offices at the county level in distributing public works employment within the counties. Results are shown in *Table 2.7.2.*

Table 2.7.1: Distribution of full-time-equivalent person-days among public works employment instruments (%)

Instrument	2011	2012	2013
Short-term public works	37.47	0.10	0.00
Long-term public works	26.46	64.97	28.42
Wage subsidies for companies	3.05	0.00	0.00
National programme	28.48	35.03	21.04
Value-producing public works	4.55	0.00	0.00
Start model programmes	0.00	0.00	50.64
Altogether	100.00	100.00	100.00

Data source: Databank of the Centre for Economic and Regional Studies, Hungarian Academy of Sciences.

Table 2.7.2: County level inequalities of public works employment and unemployment, according to the instruments (Hoover indices, %, 2011–2013)

	2011					
County	Public works employment total	Short-term public works	Long-term public works	Wage subsidies for companies	National programme	Value-producing public works
Budapest	16.3	18.5	19.6	31.3	43.7	73.9
Baranya	28.4	18.6	30.5	47.7	57.5	72.0
Bács-Kiskun	16.3	14.7	20.3	60.3	35.1	94.2
Békés	16.6	13.4	16.0	52.2	34.9	68.0
Borsod-Abaúj-Zemplén	20.8	16.6	19.8	34.9	52.5	73.2
Csongrád	25.1	18.7	21.1	57.1	35.2	79.0
Fejér	20.3	19.8	18.3	44.2	49.2	88.9
Győr-Moson-Sopron	25.8	21.5	23.7	55.4	50.6	60.3
Hajdú-Bihar	19.2	16.9	21.5	29.5	37.6	64.8
Heves	22.9	20.7	25.8	48.5	46.0	91.4
Komárom-Esztergom	17.7	18.0	18.8	45.6	31.3	75.9
Nógrád	11.5	12.2	19.9	38.9	37.3	79.2
Pest	28.9	25.1	26.1	59.2	47.2	81.5
Somogy	21.5	16.5	18.2	62.6	50.0	68.0
Szabolcs-Szatmár-Bereg	22.2	17.3	21.6	37.6	39.7	73.9
Jász-Nagykun-Szolnok	18.8	17.8	18.5	38.7	37.3	91.7
Tolna	24.8	17.9	20.2	55.9	45.1	60.0
Vas	25.4	19.2	20.0	48.2	48.7	77.5
Veszprém	20.7	22.1	20.7	41.3	47.1	87.0
Zala	25.2	20.0	16.0	47.9	54.5	93.9
Total Hungary	25.8	22.9	27.0	48.7	47.1	77.7

County	2012			2013			
	Public works employment total	Long-term public works	National programme	Public works employment total	Long-term public works	National programme	Start model programmes
Budapest	12.6	12.4	17.5	11.1	10.4	22.3	22.9
Baranya	39.2	40.2	50.6	32.3	25.9	44.9	37.4
Bács-Kiskun	26.3	30.1	32.7	27.9	17.8	34.1	54.8
Békés	24.7	27.5	30.9	23.5	15.0	30.2	30.9
Borsod-Abaúj-Zemplén	27.6	29.4	38.4	33.1	23.3	41.5	40.4
Csongrád	27.5	33.5	27.0	23.6	17.2	24.4	42.7
Fejér	27.8	34.3	32.1	26.3	12.0	27.9	72.4
Győr-Moson-Sopron	29.3	34.6	35.3	29.4	25.4	35.3	88.8
Hajdú-Bihar	32.4	35.7	31.8	34.1	21.9	29.9	46.7
Heves	33.3	41.7	35.6	28.9	16.2	31.2	63.8
Komárom-Esztergom	18.8	17.6	24.4	22.4	13.3	25.3	84.3
Nógrád	26.0	33.1	39.0	29.9	25.1	36.1	50.0
Pest	32.7	27.0	43.0	26.7	20.9	40.9	80.4
Somogy	29.2	33.5	39.0	25.4	22.1	34.5	39.5
Szabolcs-Szatmár-Bereg	27.4	28.8	35.0	26.3	19.7	31.2	35.6
Jász-Nagykun-Szolnok	26.6	32.1	30.1	31.4	22.6	29.7	45.5
Tolna	31.3	38.2	33.1	37.3	22.6	33.5	66.3
Vas	30.2	37.7	34.3	30.5	27.4	32.2	85.2
Veszprém	28.4	34.8	33.2	31.0	25.7	34.9	83.4
Zala	35.5	39.8	41.9	35.1	17.7	38.0	73.6
Total Hungary	32.9	37.6	38.2	34.7	22.4	37.5	53.8

Note: Grey background of cells indicates instruments with higher inequalities than the total public works of the respective year. Public works employment was measured by full-time-equivalent person-days.

Data source: Databank of the Centre for Economic and Regional Studies, Hungarian Academy of Sciences; Regional Development and Spatial Planning Information System.

Let us commence the analysis of the table with the yearly totals. It has already been shown that the distribution of the financial resources was highly uneven between municipalities in 2013. As the value of the Hoover index rose constantly between 2011 and 2013 (from 25.8 to 34.7 per cent), the programme was less and less successful in channelling public money to municipalities with higher unemployment – despite the successive reforms of the instruments and the changing legislation regarding the implementation of the programme. The Hoover index of 34.7 per cent means that out of 10 person-days in the country 3.5 were to be located elsewhere in order to concentrate resources into municipalities with higher unemployment. There have been large differences between specific instruments of the programme regarding the unevenness of their spatial distribution. The national programme (covering one-fifth to one-third of the person-days) was expected to fulfil the premise of even distribution (as it is co-ordinated at the national level, knowing

the socio-spatial trends of the whole country), but in fact, it has been more unevenly distributed than the total number of the public works employment (the Hoover index of the instrument exceeds that of the total).

Some of the instruments cancelled at the end of 2011 – such as the short-term programme – were allocated broadly evenly, in concordance with the spatial distribution of unemployment. Despite the even allocation, the instrument itself was not able to help those people in need in securing livelihoods, as it only offered employment for a very short period of time (*Cseres-Gergely–Molnár,* 2014).

Wage subsidies paid for companies employing public workers, and the so-called value-producing public works (the latter including municipal programmes) mobilised a small number of people (*Table 2.7.1*). Their spatial inequalities were high – in the case of the latter out of 10 person-days 8 were not in municipalities facing higher unemployment (*Table 2.7.2*). From this perspective, ceasing these instruments at the end of 2011 was a meaningful decision.

Long-term public works employment quotas differed significantly from year-to-year. For 2013, however (perhaps because of a more thoughtful planning of the instrument) a spatial distribution was found which resembled spatial patterns of unemployment. Further qualitative research is needed for figuring out whether the county and district government offices have played a role in this quite successful allocation of the financial resources.

Start model programmes were launched in designated 'backward' areas of the country in 2013. Although according to its name it is a model programme, its share became rather large in 2013, representing half of the total public works programme. The allocation of the financial resources is highly uneven (see the high Hoover index value). The cause of this unevenness might be that municipalities suffering from the most complex social problems have neither the organisational capacity, nor a viable agenda on how to tackle (mostly long-term) unemployment in their jurisdiction, thereby they were not applying for these financial resources. What follows then is that this instrument is biased towards municipalities which are more entrepreneurial (cf. *Harvey,* 1989) than others; not eliminating the uneven geographical development of capitalism, but actually reproducing it.

Looking at county-level data it becomes obvious that even within counties public works employment is not concentrated to municipalities in which unemployment is higher. In 2013 out of 10 person-days 2–4 (Komárom-Esztergom 2.24, Tolna 3.73) go to settlements non justifiably if we make a comparison with the actual unemployment numbers. There are only a few cases in which the distribution of the financial resources have become (slightly) better – such as in Csongrád county. The same is true for Budapest and the surrounding Pest county, in which low and decreasing public works employment have become more even (but the total number of public works partici-

pants is minimal compared to the number of unemployed). In some counties the spatial unevenness of the allocation has drastically increased, such as in Nógrád (11.5% to 29.9% between 2011 and 2013) – 3 out of 10 person-days were to be allocated elsewhere if a distribution fitting to the unemployment were to be considered. Among 'winner' counties of the programme (those with relatively high resources) it is only Szabolcs-Szatmár-Bereg in which the unevenness of the person-days did not increase – contrary to the situation in Borsod-Abaúj-Zemplén or Hajdú-Bihar.

Speaking of the specific instruments, the value-producing scheme and companies' wage subsidies were allocated by considerations of low efficiency. The short-term public works instrument was directed to settlements more in need in 2011 in a majority of counties, the long-term employment programme distribution, however, was rather uneven. In 2012 two instruments compensated for each other, except for four counties and Budapest. In 2013, Start model programmes were introduced. However, there was not a single county in Hungary in which funding was primarily allocated to settlements with higher unemployment. Apart from Budapest, 3–9 out of 10 person-days were utilised in municipalities in which it was not duly justified by unemployment figures. Long-term public works instrument runs smoothly, and unevenness has significantly decreased in the counties (inequalities are the highest in Vas county with a Hoover index value of 27.4%). The co-ordination of the national programme has led to a rather uneven spatial allocation – both among counties and within counties.

In sum, public works employment is unevenly distributed among counties, districts and settlements. One might conclude that this policy measure is unable to decrease unemployment differences within Hungary. The legislative-organisational environment involves sub-national level of governance in the implementation of the programme. It is clear, however, that these units of public administration have not been able to concentrate public works employment into settlements with the highest unemployment – thereby public money is used for maintaining uneven geographical development in the country. More detailed analysis would be needed to discover whether this inequality is a consequence of deficiencies in the hierarchical, power-laden allocation mechanisms or 'simply' a management problem. The first explanation might cover controversial causal relations: decentralisation might be the cause of uneven allocation of funding, but it might also represent a tool which would help in allocating the resources more evenly. The second explanation might result from the fact that all counties and districts are fighting for more public works employment, thus interests at different scales of the public works governance leads to spatial inequalities.

One cannot fail to consider the scale of the individual either. Local social hierarchies are reproduced through the public works programme; the em-

ployability criterion is decisive in establishing new tensions – in-line with current social policies making a distinction between deserving and undeserving poor. If unemployment exceeds the number of public works employment quotas (which is the case in most of the municipalities), it is the 'employable' people who get the jobs. Thereby, individual skills become more important in public policies than structural problems of the economy (cf. *Peck–Theodore,* 2000), reproducing neoliberal capitalism on the individual, the local and the national scale. Entrance and exit chances in relation to the programme are highly differentiated (*Cseres-Gergely–Molnár,* 2014) and social inequalities are reproduced. These trends are covered in other chapters of *In focus* in detail.

Conclusion

Public works employment broadened at the culmination of the 2008 crisis, and re-shaped in 2011, reproducing socio-spatial inequalities of labour. Public works employment is, however, not a single public policy intervention which might be analysed independently from other labour market policies (such as flexibilisation of the labour force) or social policies (shift from welfare to workfare). The public works programme is an important element in (and a symptom of) not only reproducing social inequalities, but also marginalising spaces and places. In spite of the legislation that resources should be concentrated on areas with more severe unemployment, data from 2011–2013 shows that this goal was not achieved – in fact, the allocation of the financial resources has become spatially more uneven. One critical reason for this unevenness is the nature of the legislation which does not provide a clear structure concerning how to deconcentrate funding and employment numbers to counties and municipalities. How allocation proceeds directly at certain spatial scales of public administration was not analysed in this paper; the main goal was to describe unevenness at different geographical scales. What follows from the analysis of the data is that public works employment seems to be a public policy tool in which public money is spent less efficiently. For example, re-allocating money from the programme to provide unemployment benefits for a longer period of time would mean a more just allocation of the funding, probably also needing less administrative capacities. However, it is certainly clear that public works employment is 'effective' in several other regards: in reproducing and increasing socio-spatial inequalities and effectively supporting subsequent governments' class politics.

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2.8 WINTER PUBLIC WORKS

IRÉN BUSCH

In this section we present the most important data pertaining to participants in the winter public works training programmes.

In 2013, the average number of participants in the new public works programmes introduced in 2011 increased to 127 thousand persons, which is one and a half times higher than two years previously. The average number of participants was not equally distributed in each month, but displayed significant seasonal variation. This was partly due to annual budget regulations defining financial support,[1] and partly the result of the fact that most public works are performed outdoors, which significantly constrains job opportunities in the winter. The aim of introducing winter public works was to mitigate this seasonality. The *temporary winter public works programme,* which was launched in November 2013, included employment in jobs that were also possible to carry out in the winter, and some training programmes. During the training programmes, just as in other public works-related training, participants received a public works wage. The declared aim of these training programmes was to provide an opportunity for public workers to increase their chances of employment on the primary labour market.

Up to now, two winter training programmes have been realised: the first one between November 2013 and April 2014, the second one between December 2014 and March 2015. In the second programme, there was an opportunity for those who successfully completed basic competency or remedial training for primary education to participate in the training once again.

The most important data pertaining to the number of participants in the winter public works training programmes are presented in *Table 2.8.1*.

Table 2.8.1: Number of participants in the training programmes related to winter public works

	Winter public works in 2013–2014[a]	Winter public works in 2014–2015
Total number	99,571	27,999
Number of dropouts from the training	5,052	1,101
Dropout rate (per cent)	5.1	3.9
Number of Roma involved in the training	22,107	6,908
Share of Roma involved in the training (per cent)	22.2	39.3

[a] The number of participants in the data warehouse supplied by the integrated information system of the Hungarian National Employment Service (PES) differ slightly, by 0.5 per cent from the data collected in SROP 2.1.6.

Source: based on the report of 16th March 2015 issued by the Project Implementation Department of the Deputy State Secretariat Responsible for Budgetary Management at the Ministry for National Economy.

1 The possibility of postponing to the next year was limited.

In the first training programme related to winter public works in 2013–2014, almost 100 thousand people took part, and in the second, 28 thousand people, that is, the number of participants in winter training programmes significantly declined. Participants of Roma origin made up 22 per cent of the first programme and almost 40 per cent in the second programme. The drop-out rate in these programmes was relatively small, and this rate has decreased from 5 per cent in the first programme to 4 per cent in the second programme. The distribution of participants of winter training programmes are presented in *Table 2.8.2–2.8.4*. In the first winter training, 15 per cent of the participants were below 25 years of age, in the second cycle this rate was 22 per cent (*Table 2.8.2*). Compared to the age composition of the total pool, the share of young participants in the first training programme was somewhat below the share of young participants among all public workers, while in the second cycle, young people were slightly over-represented.

Table 2.8.2: Age distribution of participants in winter training public works programmes and among all public workers by age (percentages)

	Distribution of participants in the winter public works training programmes[a]		Distribution of all public workers	
Age group	2013–2014	2014–2015	2013	2014
Under 25 years	14.8	21.8	17.0	16.3
26–50 years	59.6	58.3	59.0	60.6
Over 50	25.6	19.9	24.6	23.2
Together	100.0	100.0	100.0	100.0

[a] The number of participants in the integrated information system of NFSZ differ by 0.5 per cent from the manually gathered data by SROP 2.1.6.
Source: Based on the integrated information system of the PES.

In terms of education (*Table 2.8.3*) 62 and 64 per cent of the winter training participants had completed at least primary education in 2013 and 2014 respectively, which implies that the participation rate of those with lower education in the training was higher than their rate among all public workers. As regards residence, 66 and 77 per cent of participants in winter training lived in disadvantaged settlements, their share being slightly lower than among all public workers (*Table 2.8.4*).

In terms of course type, there has been a significant change inbetween the two training periods (*Table 2.8.5*). While almost half of the participants in the first training period took part in a basic skill development or elementary training this course type almost disappeared by the second training period. Subsequently, the share of registered courses (i.e. courses that are listed in the 'OKJ', the National Qualifications Register) has increased. While in the winter of 2013/2014, 22 per cent of successfully completed training modules were recognised OKJ training ones, in the winter of 2014/2015 this rate in-

creased to 62 per cent. The increase in the share of OKJ training modules was also related to the fact that participants successfully completing the basic skill development training in the previous year could participate again, but this time in vocational training.

Table 2.8.3: Educational distribution of participants in winter training public works programmes and among all public workers (percentages)

	Participants in the winter public works training programmes		All public workers	
Education	2013–2014	2014–2015	2013	2014
Less than primary education	10.2	8.5	7.7	7.2
Primary education	52.2	55.7	45.6	45.6
Lower secondary vocational school	22.8	22.5	28.2	30.7
Upper secondary vocational school	7.7	7.4	9.5	8.6
Secondary school	5.5	5.3	7.0	6.0
Higher education	1.5	0.7	2.1	2.8
Together	100.0	100.0	100.0	100.0

Source: Based on the integrated information system of the PES.

Table 2.8.4: Per cent distribution of participants in winter training public works programmes and among all public workers by their disadvantaged settlements

	Distribution of participants in the winter public works training programmes		Distribution of all public workers	
	2013–2014	2014–2015	2013	2014
Does not live in a disadvantaged settlement	30.7	23.1	22.8	17.8
Lives in a disadvantaged settlement	69.3	76.9	77.2	82.2
Together	100.0	100.0	100.0	100.0

Source: Based on data from the integrated information system of the PES.

Table 2.8.5: Distribution of participants in winter training public works programmes by course type (percentages)

	Winter public works in 2013–2014	Winter public works in 2014–2015
Basic competency, primary	47.8	0.3
Semi-skilled	30.2	35.3
Authority*	0.5	1.8
OKJ (National Qualifications Register)	21.5	62.7
Together	100.0	100.0

* Provided by an authority in charge of issuing a related license, e.g. for soil operators.
Source: Based on data from the integrated information system of the PES.

Evaluations on the change of employment opportunities following the winter public works and training are not available. As was shown earlier, the com-

position of participants in winter training programmes and that of all public workers differ. Based on the available data, it cannot be established whether the lower re-employment rate of former training participants is due to their different composition or to their participation in the training programmes.

Of those who exited public works in 2014, 10–11 per cent were employed in the open labour market 180 days after the programme, in November 2014. Among those who participated in the training, this rate is below 10 per cent: among other winter public workers the rate is slightly higher at 11–12 per cent.

A low employment rate (around 5 per cent) was recorded for those trainees who participated in basic competency or other types of primary training in order to establish their further participation in training or subsidised employment.

More than two thirds of those with secondary education received vocational OKJ training. The employment rates of trainees who had had secondary education and participated in lower secondary education and semi-skilled training was between 14 to 21 per cent, which reached, and even surpassed the rates of all public workers and of those who completed secondary education but did not participate in training.

In those counties (Vas, Veszprém, Budapest) where the economic and employment situation is more favourable, the employment indicators (12–18 per cent) of public workers participating in the training also reached and exceeded the rates that characterised non-participants. In counties with a better economic situation (Budapest, Győr-Sopron-Moson, Fejér, Komárom-Esztergom, Csongrád, Vas, Veszprém), the employment rates of participants in "skilled and semi-skilled training" exceeded the employment rate of the total pool of public works participants.

2.9 LABOUR MARKET SITUATION FOLLOWING EXIT FROM PUBLIC WORKS

ZSOMBOR CSERES-GERGELY & GYÖRGY MOLNÁR

This sub-chapter examines the individual and environmental factors related to exit from public works, relying on administrative data. The composition and characteristics of exiting participants have a major impact on exit prospects. We look into which factors are related to exit to the open labour market and which ones hinder it. Exogenous events and factors are not included in the analyses; therefore it will not establish causal links. The correlations presented may serve as a basis for further research.

The sub-chapter applies the same analytical framework as sub-chapter 2.3, the two major episode types of the public employment system: non public works and public works episodes. At the end of non public works episodes participants make a decision (albeit often with limited room for manoeuvre) on the direction in which to proceed. They may remain registered unemployed or search for jobs without registration but it is also possible that they find employment on the open labour market. Immediate entry to public works is excluded by the definitions used herein and neither does it happen in actual practice.[1] The result of this decision is measured, based on the monitoring system of the National Labour Office (NLO), on day 180 after exiting.

The public works section of the episode-based micro-database used in subchapters 2.3 and 2.6 is also used here. 517,730 public works episodes of the years 2011 and 2012 are analysed, which is less than the total 931,817 episodes started during 2011–2013. The reason for the constraint is that it is not only the monitoring variable of the NLO which is applied: it is corrected and information from the database is added to it (see Annex 2.9 for the method and the results). Since examining day 180 after exit was only possible by limiting the period to 2011–2012 in order not to misleadingly distort the sample,[2] this period was used throughout the study.

In addition to the employment on the open labour market and in public works included in the monitoring data of the NLO, registered job seeker as well as "unregistered and not in (declared) employment outside the system" statuses are also considered and the original monitoring data are adjusted. The four statuses – 1) in employment on the open labour market, 2) in public works, 3) registered unemployed, 4) unregistered, not in work – defined together as "day 180 after exit status" or briefly "day 180 status", already cover all major events relevant to movement in the public employment system.

The most important indicator of the various statuses is the *exit rate*. It is calculated by considering the size (number of participants) of a cohort at a

1 As presented in *Subchapter 2.3,* some overlapping and directly contiguous public works episodes have been merged. Only a small part of clients receive such an offer.

2 The constraint also takes into account other, technical considerations. Public works episodes longer than 365 days are excluded as well as those who died in the meantime and those who had spent more than 2200 days (about six years) in the public employment system at the beginning of the period. Two per cent of the 529,744 episodes constrained by the time limit, i.e. 11,403 episodes are excluded in this way.

particular time, then counting how many of them belong to a certain "day 180" status and finally dividing the latter by the former.

As for the total public works participant population of 2011 and 2012, nearly half of these have "registered unemployed" as a day 180 status (see *Table 2.9.1*). Slightly more than one-tenth of them work on the open labour market in a declared job. One-third of them are in public works again and one-twentieth of them are not in declared employment but are not registered unemployed either. On the whole, 80 per cent of participants appear in the public employment system within six months after leaving public works.

Table 2.9.1: Distribution of statuses on day 180 after leaving public works

Status on day 180	Number of cases	Percentage
Works on the open labour market	68,921	13.3
Public works participant	176,837	34.2
Registered unemployed	237,097	45.8
Unregistered; does not work	34,875	6.7
Total	517,730	100.0

Source: Authors' calculations based on the reduced Employment and Public Works Database (EPWD).

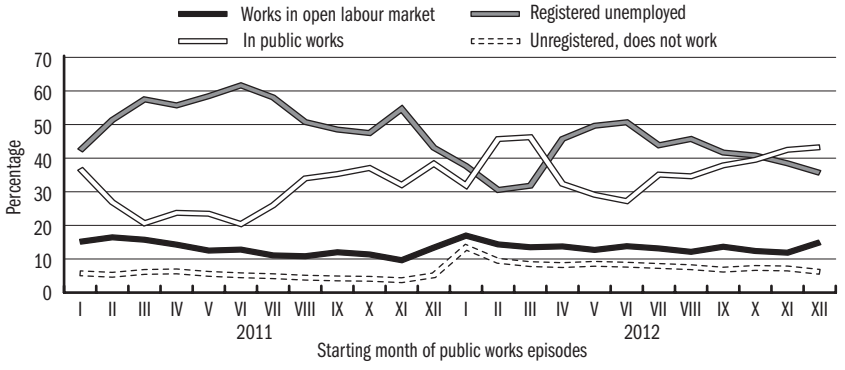
In the case of rapid calculations, the most suitable way of grouping exiting participants is to treat participants starting a public works episode approximately at the same time together.

It is because day 180 measuring involves lots of compromises that it may be best tackled in this way. In the case of unlimited data collection, it is not a specific day after leaving public works but after entering which should be designated for the examination of statuses, or rather a day after entering a related episode of the public employment system. In that way (and by statistically controlling other factors), the comparison of the results would be more realistic. Since it was not feasible in this study, the best choice is (without using multivariate methods) to compare participants starting out at the same time.

Day 180 statuses are broken down according to the month of start in *Figure 2.9.1*. During the two years examined the likelihood of entering the open labour market diverged very little from the average of 13.3 per cent. The better employment prospects of those starting public works at the beginning of the year deteriorates in the case of participants starting later (in accordance with the seasonal characteristics of entrants). The likelihood of entering public works increased strongly in winter and spring, mirrored by a decrease in registering as unemployed.

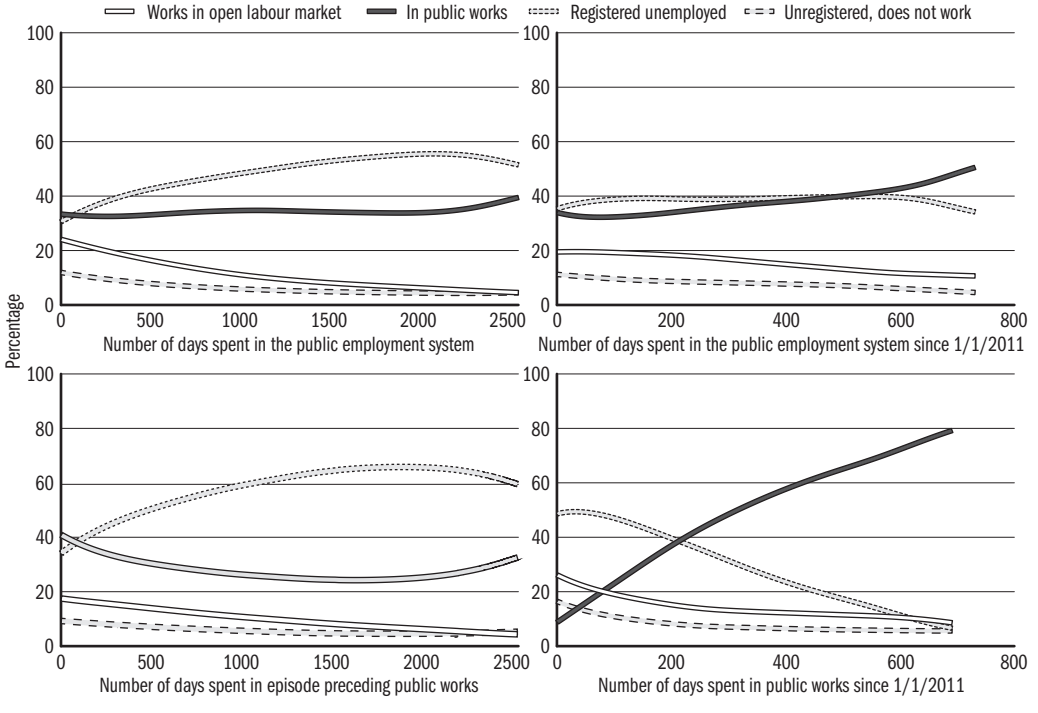
As presented in sub-chapter 2.6, the time spent in the public employment system is strongly related to entry to public works and the same holds for exiting it. *Figure 2.9.2* shows the occurrence of day 180 statuses as a function of four types.

Figure 2.9.1: Status of public works participants on day 180 after exiting, broken down by the months of entering public works



Source: Authors' calculations based on the reduced EPWD.

Figure 2.9.2: The raw rates of day 180 statuses after exiting public works as a function of the length of various episodes, non-parametric estimation, 2011–2012



Source: Authors' calculations.

The rate of *employment on the open labour market* decreases with a longer history, whichever indicator is used. That is, the longer the time spent either in the public employment system or in public works, the lower the rate of em-

ployment on the open labour market. The *likelihood of public works participation* increases with time spent in both the public employment system and public works. In the case of the long-term unemployed, it is mainly *re-entry to registered unemployment* that increases with a longer history, but it decreases with time spent in public works. The status *unregistered, not in work* is rare in itself and decreases with time spent in both the public employment system and public works.

Just as in the case of entry to public works, we now examine which characteristics of individuals and the work undertaken are related to the likelihood of day 180 statuses. In the interest of clarity, findings for 2011 and 2012 are merged in *Table 2.9.2*.

Table 2.9.2: The raw rates of day 180 statuses

Factor	Share in population	Works in open labour market	In public works	Registered unemployed	Unregistered, does not work
Total public works episodes	100.0	13.3	34.2	45.8	6.7
Demographic characteristics					
Female	40.5	14.7	29.2	50.7	5.4
Male	59.5	12.4	37.5	42.4	7.7
Age					
Below 25	19.9	16.8	29.0	45.8	8.4
Aged 25–44	52.0	13.6	33.6	46.3	6.5
Over 44	28.1	10.3	38.8	44.9	6.1
Schooling					
Max. eight years of schooling	57.6	8.9	33.6	51.0	6.4
Vocational school	30.4	14.9	37.4	40.7	7.0
Min. secondary school leaving examination (Matura)	12.0	25.6	30.4	36.6	7.4
Fresh graduate	9.1	16.0	27.9	47.3	8.9
Not fresh graduate	90.9	13.0	34.8	45.7	6.5
History of participants in the preceding non public works episode					
Max. 3 months	25.3	16.9	46.6	27.8	8.7
4–9 months	25.1	14.4	36.4	41.8	7.4
Over 12 months	42.4	10.8	26.2	57.9	5.2
Received unemployment benefit	28.0	16.9	39.2	37.8	6.1
Received employment substitute allowance	79.7	11.9	31.5	50.8	5.8
Participated in training	1.2	19.8	35.2	38.2	6.8
Participated in other programmes	1.0	17.8	42.1	34.1	6.0
Characteristics of public works episodes					
Number of work hours					
4 hours	34.5	11.8	19.3	64.3	4.6
6 hours	19.5	15.3	27.6	50.4	6.7
8 hours	46.1	13.7	48.1	29.9	8.3
Undertook undemanding work	51.4	8.7	34.7	50.2	6.3
Undertook demanding work	48.6	18.1	33.6	41.1	7.2

→

→ Factor	Share in population	Works in open labour market	In public works	Registered unemployed	Unregistered, does not work
Sub-programme					
Short	34.8	11.7	19.3	64.3	4.7
Long	45.6	14.8	38.3	39.5	7.4
Countrywide	18.4	12.4	51.7	27.7	8.2
Other	1.4	15.7	36.2	31.6	16.4
Employer					
Municipality	71.5	13.2	31.4	49.3	6.1
Other	28.5	13.6	41.1	36.9	8.4
Participated in training	2.8	8.0	81.5	6.2	4.3
Year of starting episode					
2011	50.1	13.1	28.3	53.4	5.2
2012	49.9	13.6	40.1	38.1	8.3
Exit					
Contract expired	19.4	10.6	37.2	47.1	5.1
Other	12.4	25.9	16.0	43.9	14.2
Unknown	68.2	11.8	36.6	45.8	5.8

Source: Authors' calculations based on the reduced EPWD.

The *likelihood of entering the open labour market* is stronger, while the *likelihood of entering public works* is lower in the case of women, younger participants, those with a higher level of schooling and fresh graduates. It is skilled workers (with a vocational school qualification) that re-enter public works in the highest proportion. *In registered unemployment* there are higher rates of women and the unqualified. The fresh graduate status has little, while age has no, correlation with entry to registered unemployment. In the *unregistered, not in work status* there are relatively more men, young people and those with at least an upper-secondary qualification (Matura).

There is a higher than average chance of entering the open labour market for those who spent a short time in registration, received unemployment benefits and are among the few who participated in an active labour market programme other than public works in the preceding non public works episode. The likelihood of entering public works is surprisingly similar: it only decreases with more than 12 months spent in registered unemployment. It is those in registered unemployment for over 12 months and who received employment substitute that return to registered unemployment in higher than average proportions. Participants spending a very short time – maximum of three months – in registered unemployment have the highest chances of getting into the *unregistered and not in work* group.

As for the characteristics of public works, it is mainly the number of work hours, the complexity of work undertaken, participation in training and the circumstances of exit that have an impact on the likelihood of entering the open labour market. Participants of six-hour public works are in the highest proportion in the open labour market; however, nearly half of people working eight hours a day in public works re-enter public works. While 64 per cent of participants working four hours a day in public works

become registered unemployed, this is the case for only 30 per cent of those working eight hours a day. The correlation is the opposite for those unregistered and not in work.

A similar proportion of participants undertaking simple, undemanding and more complex, demanding work enter public works. A higher proportion of the latter exit to the open labour market, while the former tend to return to registered unemployment. As for entering the open labour market, there is a smaller share of participants from short-term and countrywide programmes and a larger share of participants from long-term programmes. As for entry to public works, the situation is just the opposite. It is especially worth noting that three quarters of the few public work participants that also participated in training re-enter public works.[3] There is no significant difference according to the start of programmes. However, participants terminating their public works contract by mutual agreement before its expiry are extremely likely to find employment on the open labour market.

The raw effects presented earlier do not take into consideration the possible correlation between individual factors. For example there are more participants with an upper-secondary qualification among women than among men (17 per cent and 8 per cent respectively) and twice as many among those under 25 (20 per cent) as among the ones over 44. As seen earlier, women and young people have higher than average chances of finding employment on the open labour market soon after leaving public works and be there at the time of monitoring. Nevertheless, because of the above correlation it is possible that the good employment prospects are only applicable to the qualified participants and women and young people only perform well because of the *composition effect*.

In order to exclude this effect, a multivariate discrete choice model may be used and correlate the four different statuses of day 180 with the above characteristics. As the possibilities examined include all possible outcomes, but there being no information available on them concerning choices, a multinomial logit model was used for the sake of simplicity in order to calculate average marginal effects comparable to raw differences in likelihood.

Comparison of *Table 2.9.3* and *Table 2.9.2* reveals that the effects of many factors examined previously are similar to the earlier findings. These include individual characteristics such as gender, age and educational attainment (the latter is in interaction with the "Fresh graduate" status in the estimation). There is a strikingly strong likelihood of finding the younger participants, the more qualified ones and women in employment on the open labour market on day 180. It is remarkable that the raw advantage of fresh graduates becomes a disadvantage here – the apparent impact is due to age and better schooling.

3 In the two years of the research, the extensive training campaign characteristic of the winters of 2013–2114 and 2014–2015 had not yet started (see *Subchapter 2.8*).

Table 2.9.3.: Average marginal effects gained from multinomial logit estimation. Outcome variable: day 180 status

	Works in open labour market	In public works	Registered unemployed	Unregistered, does not work
Demographic characteristics				
Male	-0.0200***	0.0511***	-0.0432***	0.0121***
Age: 25–44	-0.00939***	0.0281***	-0.0163***	-0.00242**
Age: 44–	-0.0340***	0.0495***	-0.0106***	-0.00492***
Schooling: vocational	0.0300***	0.0148***	-0.0416***	-0.00315***
Schooling: min. upper-secondary qualification	0.0836***	-0.0114***	-0.0709***	-0.00126
Fresh graduate	-0.0116***	-0.0163***	0.0234***	0.00447***
History of participants in the preceding registration				
Registered for 4–11 months	0.0648***	-0.0784***	-0.0167	0.0304***
Registered for 12+ months	-0.198***	0.144***	0.178***	-0.125***
Number of days spent in the public employment system	-3.03e-05***	-2.47e-05***	5.90e-05***	-4.09e-06***
Number of days spent in public works	0.000188***	0.000569***	-0.000795***	0.0000377***
Participated in training	0.0462***	-0.00306	-0.0493***	0.00614*
Participated in other programmes	0.0183***	0.0848***	-0.0976***	-0.00553
Number of unsuccessful placements	0.00374***	-0.0191***	0.0106***	0.00480***
Received unemployment benefits	0.0372***	0.0442***	-0.0721***	-0.00936***
Received employment substitute allowance	-0.0139***	-0.0317***	0.0571***	-0.0114***
Characteristics of public works episodes				
Undertook undemanding work	-0.0360***	0.0148***	0.0211***	6.28e-05
Work hours: 6	0.00231	-0.00658***	-0.0117***	0.0159***
Work hours: 8	-0.0113***	0.0473***	-0.0587***	0.0227***
Length of episode, week	-0.00193***	0.00334***	0.000983***	-0.00239***
Employer: municipality	0.00456***	0.0177***	-0.0226***	0.000324
Attended training in public works	0.0258***	0.198***	-0.230***	0.00589**
Exit: other	0.0812***	-0.104***	-0.0110***	0.0340***
Exit: unknown	0.00994***	-0.00811***	-0.00603***	0.00420***

Heteroskedasticity-robust and clustered standard errors.
The multinomial logit coefficients were calculated using the complete sample, while average marginal effects were calculated using a 5-per-cent sample due to being highly resource-intensive.
The month of measurement and the number of participants exiting at the same time are included as control variables in the regression but are not presented in the table. Variables describing the client group of the registering employment centres at the time of the measurement in terms of educational attainment, long-term unemployment, and rate of cash benefits are also included.
Significant at a level of ***1 per cent, **5 per cent, *10 per cent.
Source: Authors' calculations based on the reduced EPWD.

As for the history of participants, the 4–11-month registration period has a positive correlation with the probability of finding employment in the open labour market and a negative correlation with entering public works – as opposed to longer and shorter registration periods. Logically, this implies that the only way of significantly increasing the probability of finding employment

in the open labour market and at the same time not increasing the probability of entering public works is not to increase the time spent in public works and to fix the time spent in the public employment system (as well as all other factors). If the time spent in public works does not change, longer episodes spent in the public employment system have a positive correlation with the probability of returning to registered unemployment, while the length of public works episodes has a negative correlation with entry to registered unemployment and a positive correlation with the other outcomes. Attending training has a positive correlation with leaving the public employment system and especially with employment on the open labour market, while participation in other programmes positively correlates with the probability of entering public works. It is the first time we are able to see that unsuccessful[4] job placements have a positive correlation with employment on the open labour market and negative correlation with public works. The length of the public works episode negatively correlates with the likelihood of finding employment in the open labour market and positively correlates with the likelihood of public works. When controlled for other factors, the effect of training received in public works is not selective: it only reduces the probability of registered unemployment but increases the probability of all other statuses. The rate of participants exiting before the expiry of their contract, for "other" reasons, in employment in the open labour market is significantly above the average and only a very small part of them re-enter public works. The month of measurement and the number of participants exiting at the same time are included in the regression but are not presented in the table. The former indicates a clear employment advantage in summer and a peak of entry to public works at the end of winter and in spring, partly at the expense of registered unemployment.

After leaving public works, participants have to make a decision on either trying their luck on the open labour market or returning to one of the branches of the public employment system, including public works.

*

Having observed the significant and slightly increasing rate of entry to public works, this sub-chapter has examined which individual and program-level factors correlate with the various statuses seen half a year after exiting.

The first observation has been that experience in the system is multiply related to the direction of exit. The likelihood of entry to public works correlates differently with times spent in the public employment system and in public works. In the case of participants who have been registered unemployed or within the employment system for years, the probability of entering public works decreases with the length of both experiences. However, similar experience gained between 2011 and 2013 clearly increases the probability of en-

4 Successful job placements also include public works participation, which has a positive effect on public works by definition, therefore they are excluded here.

try to public works and slightly reduces the probability of entry to the open labour market. Therefore it seems that *public works retains fresh entrants but does not retain the long-term registered unemployed*. At the same time, an active relationship with other (not public works related) sections of the public employment system (related to training and cash benefits) seem beneficial to entering the open labour market, while a passive relationship (which only increases the time spent in the system) only results in re-entering registered unemployment.

The second observation is that *certain individual factors have a strong positive impact on re-entering public works*. These include the lack of a higher-level qualification and age. The latter cannot be "improved" but schooling can be. However, this has a remarkable effect. In the current regime, some of the participants with vocational qualifications have better prospects not only in the open labour market but also in public works – the reasons for this are unclear. Although training programmes not necessarily raising educational attainment clearly encourage exit from registered unemployment, training provided during public works episodes is more closely related to entry to public works than to entry to the open labour market – the same holds true for other programmes except for apparently more efficient training unrelated to public works.

The third observation is that *the conditions of public works* have a considerable impact on the day 180 status. Participating in *public works for long hours and for a long time obviously have a negative impact on the probability of entry to the open labour market and a positive impact on the probability of return to public works*. Although work undertaken at municipalities correlates positively with both employment on the open labour market and with public works, its relationship with the latter is an order of magnitude stronger. On the whole, if someone enters public works, the weaker the attachment to it, the higher the chances of exit are. However trivial this observation seems, it is of significance because of the contradiction between the aim of public works and the way of its implementation.

As mentioned before, the findings herein are descriptive. They do not reveal cause and effect relationships and do not make suggestions on which currently implemented Hungarian active labour market programme would be able to more efficiently perform the social welfare, activating and developing tasks of public works. However, it is possible to conclude that, granting financial benefits to the unemployed, allowing them to search for jobs for nine months and providing training for them in the meanwhile as well as limiting the daily hours of work in and the length of public works have positive correlations with finding employment in the open labour market. And that is the stated aim of public works. Exploring the exact mechanism of the correlations may be a topic of future research.

Annex 2.9

In order to adjust and expand the day 180 status, the daily database described above has been used. It contains the status (within the public employment system) of all persons, who have at one time participated in a branch of the system. It enables identifying if someone was in public works or registered unemployment on a given day. Aligning this information with the end of the public works episode, it may be verified whether it corresponds to the result of the monitoring. There is complete correspondence in 2012, which proves that the monitoring procedure is reliable. For the whole of 2011, the day 180 statuses "works in the open labour market" and "in public works" were determined on the basis of the new information. The starting point was the latter, since it is completely reliable: if someone is in public works in the database, it supersedes the data contained in the monitoring system. Persons found in employment according to the monitoring and indicated as not in public works according to our data are classified as "works in the open labour market". Works mistakenly registered as employment in the open labour market are corrected as public works.

According to the rule and as seen in *Table A2.9.1*, only 2011 figures are adjusted: public works figures to a greater extent, while open labour market figures to a lesser extent. This is due to the nature of registration and adjustment. The differences in figures before 1 September 2011 are explained by the lack of public works status registered at the National Tax and Customs Administration – it was not registered as a separate piece of information whether or not someone was in public works. The reason for the errors occurring until the end of 2011 is unclear; however, sources of errors and uncertainties disappeared after 2012.

However, it does not hold true for work on the open labour market; its adjustment raises further questions. Apparently the increase in the number of public works participants is bigger than the decrease in the number of persons on the labour market. It is only possible if in the case of some public works participants the Tax and Customs Administration did not even register the fact that they were working. It draws attention to the fact that while public works figures may be completely adjusted (accepting the data of the National Labour Office and now the Central Office for Administrative and Electronic Public Services as reference data), it is not possible in the case of open labour market figures. As a result, the number of persons working on the open labour market is probably underestimated by the monitoring system (and our analysis).

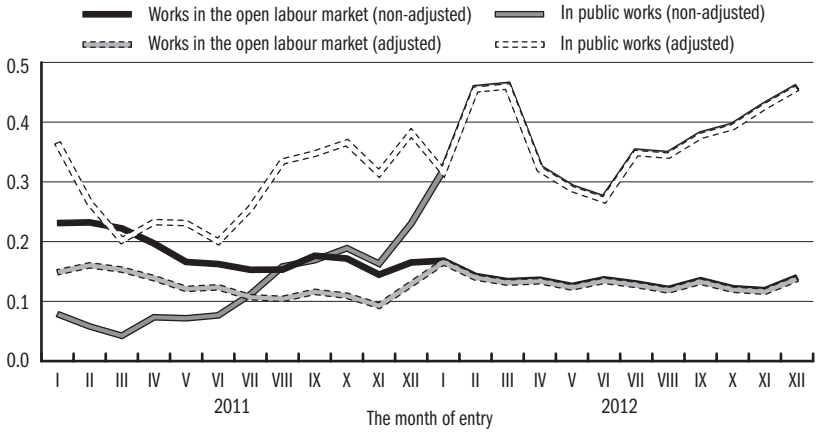
The impact of adjustment on relative indicators (exit rates) in the time series of the starting months of episodes is shown in *Figure A2.9.1*. It is conspicuous, that the trend and seasonal changes of earlier (erroneous) day 180 statuses of 2011 become realistic, similarly to 2012 (the adjusted data series are shown by a dashed line).

Table A2.9.1: Exit from public works and finding employment in the open labour market or in public works within 180 days after exiting – original and adjusted headcounts (persons)

Year/starting month	Number of exiting participants	On day 180 after exit				
		Works	In public works		In open labour market	
			original	adjusted	original	adjusted
2011						
I	14,928	4,624	1,175	5,490	3,449	2,257
II	21,011	6,097	1,219	5,621	4,878	3,422
III	26,130	6,914	1,109	5,345	5,805	4,068
IV	32,555	8,800	2,389	7,657	6,411	4,601
V	32,914	7,821	2,360	7,687	5,461	4,060
VI	24,413	5,834	1,868	4,947	3,966	3,076
VII	20,890	5,527	2,334	5,393	3,193	2,287
VIII	23,224	7,237	3,680	7,819	3,557	2,477
IX	23,242	8,022	3,924	8,137	4,098	2,753
X	20,604	7,429	3,893	7,593	3,536	2,306
XI	10,705	3,294	1,745	3,391	1,549	1,019
XII	15,197	6,008	3,499	5,841	2,509	1,997
2012						
I	1,969	960	629	629	331	331
II	66,924	40,113	30,585	30,585	9,528	9,528
III	50,394	30,032	23,290	23,290	6,742	6,742
IV	21,916	10,075	7,090	7,090	2,985	2,985
V	16,013	6,666	4,653	4,653	2,013	2,013
VI	13,876	5,676	3,777	3,777	1,899	1,899
VII	19,862	9,544	6,965	6,965	2,579	2,579
VIII	14,840	6,933	5,141	5,141	1,792	1,792
IX	17,501	9,009	6,640	6,640	2,369	2,369
X	15,998	8,257	6,305	6,305	1,952	1,952
XI	11,529	6,310	4,942	4,942	1,368	1,368
XII	13,109	7,859	6,021	6,021	1,838	1,838

Source: Authors' calculations based on the complete EPWD.

Figure A2.9.1: The difference between the adjusted and non-adjusted day 180 public works and open labour market statuses



Source: Authors' calculations based on the complete EPWD.

2.10 WHERE DO PUBLIC WORKERS WORK?

JÁNOS KÖLLŐ

One of the frequently mentioned objectives of public works is to reintegrate the unemployed into the labour market. As to what constructions serve this objective best, depends on whether the unemployed are capable of finding a job and able to integrate without external assistance. If labor demand is high and the unemployed – once they try – easily find their place in genuine work organizations, then the system should be constructed in such a way as to promote entry into market jobs, e.g. by public works remuneration set below the minimum wage, by enforcing active job-seeking and periodically testing readiness for work. If, on the contrary, no jobs are available and integration is hopeless, then public works should be offered as a program of poverty relief, with government-created jobs, offering respectable breadwinning.

However, these are extreme cases, disregarding the heterogeneity of unemployed people and of labour markets. Even if limited in numbers, market jobs are available also for public workers in most regions of the country.[1] Moreover, it is certainly true that there is an *élite* among public works participants whom the employers could profitably employ once they gained direct information about them. While a carrot-and-stick approach to public works and poverty relief need not require that public works participants work in genuine business organizations, together with co-workers employed on a market basis, a policy promoting transition from public to market work can hardly be successful without such a requirement.

According to the data analyzed below the vast majority of Hungarian public workers – especially the unskilled – work in separated public works units. This tendency is stronger in depressed labour markets, suggesting that the considerations mentioned above are put in practice by local governments and labor offices. At the same time the level of segregation depends not only on the state of the labour market, but strongly affected by the regional proportion of Roma people.

Data and estimation

Starting with 2011, the Wage Survey of the National Labour Office (abbreviated in Hungarian as NMH) differentiates public works participants from other employees. In the survey, the units of observation are the geographically distinct branches of firms, so the percentage share of public workers can be defined per site. The Wage Survey is a linked employer-employee data set providing information on the persons working in the firm. In this chapter we use year 2013 data on the public sector, where individual data is available for all employees working at the given site.[2] We observe 116,559 persons, 89%

1 The 24,195 public workers examined in Subsection 2.5 entered market jobs 54,833 times between 2003 and 2011.

2 This is true to institutions whose accounts are administered by the Treasury.

of the 131,104 public works participants reported by the Hungarian Central Statistical Office (*KSH,* 2013, p. 32). The deviation is due to slight differences between the sampling methods and the target groups covered.

Firstly we observe the percentage share of public workers per site, and repeat the analysis for unskilled employees (those with primary education or less). Secondly, we estimate – by limiting our calculations to unskilled workers – how the percentage of public workers at the site correlates with the rate of local unemployment.

The correlation between local unemployment and the share of public workers at the site is trivial if further factors are disregarded. If there are many unemployed people, then there are many potential public workers, and the expected share of public workers is high, especially if unemployment is high because few institutions in the settlement are suitable to employ public workers. Thus, besides the rate of local unemployment we will also control the equation for the percentage of public workers within the local population. The question is if we can still find a correlation between the rate of local unemployment and the percentage of public workers within a site.

Furthermore, we assume that the share of public workers within a branch depends on the size of the branch (a high percentage is less likely in an institution employing many people) and the size of the settlement (in a small village it is difficult or impossible to mix public workers with 'genuine' employees).

Finally, we have sufficient empirical knowledge to expect correlation between the extent of segregation and the percentage of Roma people in the population.

The data on the size of branches and the share of public workers is derived from the Wage Survey conducted in May 2013.

We measure unskilled unemployment by the percentage of unemployed and inactive people, aged 15–59, with a primary education background, within the respective population, taking into account that the majority of people with such an education, if non-employed, is not actively searching for a job.[3] The indicator defined in this way will be referred to as "unemployment", for the sake of brevity. Data of such detail is available only from the census, which reflects the situation in October 2011. The resulting bias is insignificant because big changes in the relative situation of settlements were unlikely to occur between October 2011 and May 2013. The same applies to the size of settlements, which is also taken from the 2011 census.

The occurrence of public works per settlement was measured using the register of the National Labour Office. The variable in the equation is the number of public works episodes started in 2013 per one thousand inhabitants.

The percentage of the Roma is also taken from the 2011 census. In this case we can rely only on district-level (NUTS-4) data because the Central Statistical Office prohibited the releasing of settlement-level indicators in

3 In the third quarter of 2013 only 25% of the unskilled population neither in employment nor in education were searching for a job actively, and thus considered unemployed in the Labour Force Survey (Author's calculation).

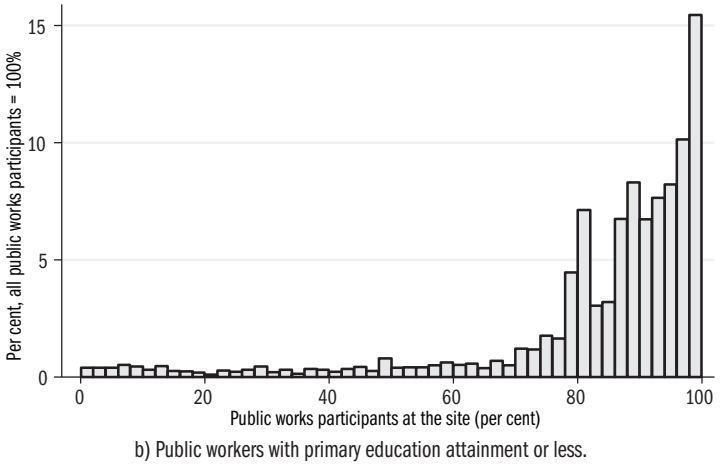
the form of a database. The changes over time must have been similarly insignificant.

With whom do public workers work?

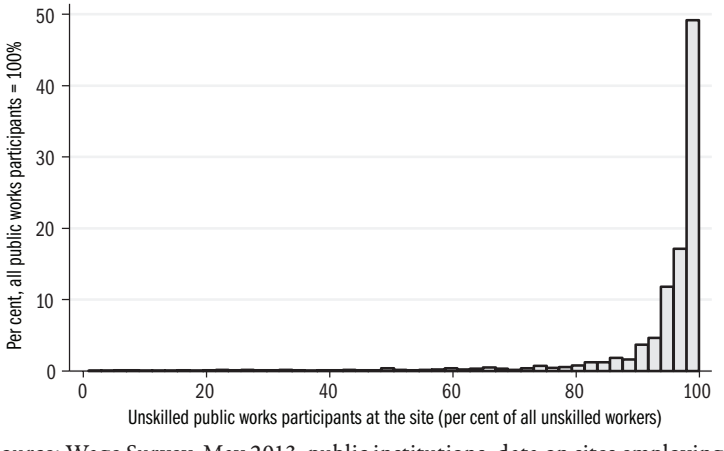
Histogram a) of Figure 2.10.1 shows the share of public works participants within public sector establishments. In the majority of cases the shares were above 80%, with an average of 79.8% and a median of 88.2%. Less than one quarter of the public workers were employed at a site where their share fell short of 75%. In 40% of the cases the percentage of public workers employed at the site exceeded 90%.

Figure 2.10.1: The share of public workers within public sector establishments, May 2013 (density function, per cent)

a) All public workers. Number of observations: 116,569 public workers at 4,532 sites



b) Public workers with primary education attainment or less.
Number of observations: 86,995 unskilled public workers at 3,459 sites



Source: Wage Survey, May 2013, public institutions, data on sites employing at least one public worker.

Data related to unskilled workers show an even more extreme picture: the average share of public workers working within the branch amounted to 93% with a median of 98%. In 36% of cases all unskilled employees observed at the site were public works participants.

The within-branch share of public workers and local unemployment

The regression results are shown in *Table 2.10.1*. The degree of segregation of unskilled public workers is, as expected, stronger in small settlements and small sites and in municipalities where there are many unskilled public workers. Local unemployment and the number of Roma has a strong influence even after controlling for these factors.

Table 2.10.1: The within-branch share of public workers and local unemployment –regression results

Dependent variable: The share of unskilled public workers within unskilled employees (logarithm)[a]

	Coefficient	t-value
The share of unemployed and inactive people, aged 15–59, with primary school attainment in the settlement (logarithm)[b]	0,2469	6.23
Public works episodes started by unskilled workers per thousand unskilled inhabitants in the settlement (logarithm)[c]	0,0035	2.50
Size of the site (persons)[a]	–0,0012	4.89
Square of the size of the site /1000	0,0004	2.18
Population of the settlement (thousand persons)[b]	–0,0366	9.26
Square of the population of the settlement	0.0006	8.45
The share of Roma (district-level, logarithm)[b]	0,0716	5.68
Constant	0.0979	3.60
R^2	0.1717	
Number of sites	3,378	

Sample: Public sector work-sites employing unskilled public workers
[a] Wage Survey 2013, public sector.
[b] Census, 2011
[c] National Labour Office public works register, 2013. In municipalities where no episode started (421 cases), we imputed a value of ln(0.5/1000)

The coefficient of local unemployment is a rounded 0.25, meaning that a 10% difference in unemployment shifts the share of public workers by 2.5%. The standard deviation of the unemployment rate is 12% around an average of 57%, which anticipates a difference of 3%. The predicted share of unskilled public workers employed in branches operating in the first (works) decile of municipalities is 87% while it is 64% in the tenth (best) decile. This is an economically significant difference: for the median site (21 persons) 3 and 8 "genuine" employees for 18 and 13 public workers, respectively.

A 10% increase of the share of Roma within the population implies a 0.7% higher share of public workers within the site. A one standard deviation difference in the percentage of Roma makes an effect of 0.8%.[4] However, this

4 For descriptive statistics of estimation sample see *Table A2.10.1* in Appendix 2.10.

effect is weak and statistically not significant where unemployment is high and public workers – either Roma or not – are in any event difficult to employ in market jobs (*Table 2.10.2*).

Table 2.10.2: The effect of the district-level share of Roma on the within-branch share of public workers at different levels of unemployment – regression results

Quintiles of work-sites by local unemployment levels	Coefficient	t-value	Number of sites
First and second quintiles (low unemployment)	0.061***	3.35	1,317
Third quintile (medium unemployment)	0.128***	4.02	682
Fourth and fifth quintiles (high unemployment)	0.036*	1.88	1,379

Dependent variable: Logarithm of the share of public workers at the work-site. Explanatory variables: logarithm of the district-level share of the Roma, and the control variables in Table 2.10.1.
Significant at the level of ***1%, **5%, *10%.
Source of data: see note to Table 2.10.1

The degree of segregation is significantly higher where low unemployment is coupled with a high percentage of Roma. The effect is strongest where unemployment is at a medium level, exactly the locations where it would be the most advisable that public workers get into direct contact with potential employers and co-workers, and this is particularly true in the case of a discriminated minority.

Conclusions

Less than one quarter of public workers are employed at a site where their percentage share remains below 75%. As much as 36% of unskilled public works participants work in an institution where their share is 100%. Their share amounts to a mean of 93% and a median of 98%. The vast majority of these people have no opportunity to meet colleagues employed with a work contract.

Segregation works against reintegration since it offers no opportunity to employers to gain first-hand information regarding the readiness to work and performance of the public works participants. This outcome is unavoidable in regions where finding a market job is hopeless. The question in these areas is rather how a remuneration below the minimum wage can be justified and why arbitrary calls to do public works are allowed. Efforts in these municipalities should clearly be targeted at poverty relief which presupposes a low but decent remuneration and access to temporary (illegal) work, household production, subsistence farming and gathering.

Data shows that in the more fortunate regions of the country segregation – as expected – is lower than the average, though also strong, which could hardly be changed without a revision of the whole concept of public works. Remuneration below the minimum wage seems dysfunctional in this case,

too, because in a work organization different payments for the same job cannot be sustained for longer periods of "probation".

Our estimations suggest that segregation is stronger in regions more densely populated by Roma people and shows that it is also true for identical levels of unemployment and identical numbers of public workers in the settlement. In a prosperous environment it hampers reintegration, while in a depressed environment it makes breadwinning more difficult for a minority whose primary interest would indeed be to cross the gateway "from the world of benefits to the world of work".

Appendix 2.10

Table A2.10.1: Descriptive statistics of the estimation sample

Variable	Mean	S.D.
The within-branch share of unskilled public workers (all unskilled workers=100)	81.6	25.4
The share of unskilled unemployed and inactive people in the settlement's unskilled population (aged 15–59, per cent)	58.2	12.3
Public works episodes started by unskilled public workers per thousand unskilled inhabitants in the settlement (head count)	293.3	979.9
Size of the site (number of workers)	58.3	147.9
Population of the settlement (thousand persons)	3.11	9.21
Percentage Roma (district-level, per cent)	16.7	11.5

Note: The calculation of logarithms is based on proportions instead of values expressed in per cent.

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LABOUR MARKET POLICY TOOLS
FEBRUARY 2014 – APRIL 2015

ZSOMBOR CSERES-GERGELY

&

KITTI VARADOVICS

SERVICES[1]

1. Labour market policy services

A) Services of the National Employment Service

Since September 2014 the National Employment Service has been assigned new tasks in relation to public works programmes. Labour centre branch offices have thus been involved in organizing and implementing related training courses, and also in public works-related job brokerage.

The institutional set-up of the public employment body was significantly changed in 2015, in two phases. However, these changes have had no direct impact on labour market services, so these were left unchanged and still available in the period in question in the labour offices – or as of April 2015, in the operational units – integrated in the employment and labour market bodies of the district-level offices of the government offices of the capital and the counties. For a detailed presentation of the changes to the institutional set-up, see Section 16 entitled "The institutional set-up of the central governance, finances and evaluation of employment policy".

B) Further activities of the National Employment Service

New tasks in relation to public works programmes

Since September 2014 the scope of additional activities performed by labour centres and their branch offices related to public works programmes has also been extended. Beyond the performance checks of work done and the financial implementation tasks of public works contracts, the labour centres have ever since:

- undertaken the professional management and coordination of branch office activities in relation to public works programmes and the professional training of their staff;
- participated in the process of planning financial allocations on public works programmes from the National Employment Fund, made decisions on how to use decentralized funds, signed official contracts on subsidies belonging to their scope of authority, and facilitated the checks concerning the use of funds;
- organised training in relation to public works programmes and coordinated the related activities of branch offices.

Branch offices have performed checks on the implementation of official contracts and the justification and validity of requests for public works subsidies.

Labour centres and their branch offices thus perform their tasks related to public works programmes in cooperation with local governments and further organizations.

1 This section was elaborated on the basis of the database of the Eurostat *Labour Market Policy* (LMP) and the *Directorate General for Economic and Financial Affairs, DG ECFIN* called LABREF. Interventions are analyzed by following the numbering of the list thereof (see *Busch–Cseres-Gergely–Neumann,* 2013, p. 275).

A further change in September 2014 was that the operational tasks of the Employment and Public Works Database were transferred from the National Employment Office to the Central Office for Administrative and Electronic Public Services.

Reallocation of former tasks not related to employment policy

The changes made to the institutional set-up of public employment also had a significant impact on the further activities of the National Employment Service The closure of the National Labour Office on 1 January 2015 led to a reallocation of former tasks which were not related to employment policy (for details see Section 16).

Major regulations: Government Decree 323/2011. (XII. 28.) on the roles and responsibilities of the National Labour Office and the bodies directed and professionally supervised by it; Ministerial Decree 44/2012. (XII. 22.) issued by the Minister for the Economy on the roles and responsibilities of the labour centre branch offices of the district-level (in Budapest: city district-level) branches of the Budapest and County Government Offices; Ministerial Decree 30/2000. (IX. 15.) issued by the Minister for the Economy on labour market services and related subsidies.
New regulations: Government Decree 221/2014 (IX. 4.) amending Government Decrees in relation to the structural reorganization of the Government; Government Decree 320/2014. (XII. 13.) on the designation of the public employment body and the labour and labour safety authority, and the official and further tasks of these authorities.

On-line source: http://munka.hu

ACTIVE LABOUR MARKET POLICIES (ALMPs)

2. Training

As of 15 March 2014 persons receiving a child-care allowance have also been entitled – beyond those receiving child-care support after their child reached the age of one (as opposed to the former limit of one and a half years) – to take part in training courses subsidized by the public employment service, provided that they have no income from a paid job.

Dual training at the level of secondary and higher education

Governmental policy put much more emphasis on dual training and its development both at the level of secondary and higher education.

In March 2014 the pilot project no. TÁMOP-2.2.7.B entitled *Model programme for piloting the transfer of vocational content in a dual system*, with a budget of over HUF 1 billion (cca EUR 3.2 million) was launched with the participation of the National Labour Office and the Budapest Chamber of Commerce and Crafts.

The objective of the programme is to develop dual vocational training based on the experience gained from the programme. New competence descriptions will be elaborated for 18 professions, of which 16 professions will be piloted in a way that participants in the vocational training course will finish their last training year in the form of adult training.

As of 5 September 2014 the Dual Training Council has been operational as a counselling body promoting the development of higher education. Its main task is to promote the dual form of training by elaborating the general and training-specific qualification and evaluation requirements for the curricula of both bachelor and master degrees, and also the qualification and evaluation requirements for organizations and professionals involved in practical training.

In the course of the changes made to the institutional set-up of the public employment service the National Vocational and Adult Training Office was established as an institution belonging to the Ministry for the National Economy to perform tasks related to vocational and adult training (for details see Section 16).

Regulation of training subsidies promoting job creation and of establishing and developing training workshops

A decree was issued to regulate in detail training subsidies based on the individual decision of the minister supervising vocational and adult training, more specifically subsidies (incl. their rate, conditions, accounting, checks) promoting job creation and subsidies for establishing training workshops and for improving the conditions of practical training implemented in training workshops. The source of these subsidies is the training sub-fund of the National Employment Fund.

For training subsidies the co-financing rate is a maximum of 50%, which can be increased by a further 10% on condition that the training participant is a person with a changed working capacity or a disadvantaged person, or the subsidy is disbursed to a middle-sized company. For small companies the co-financing rate can be increased by a further 20%. The rate of the subsidy per person is the HUF equivalent amount of EUR 3 thousand, and the subsidy must not exceed the HUF equivalent amount:

- of EUR 500 thousand for companies having 50–250 employees,
- of EUR 1 million for companies having 251–500 employees,
- of EUR 1.5 million for companies having 501–750 employees,
- of EUR 2 million for companies having more than 750 employees.

The employer is entitled to the subsidy on condition that at least 50 jobs are created and at least 70% of training participants remain in full-time employment for one and a half years following the end of the training.

The co-financing rate for the cost of establishing or developing training workshops is 73%. The rate of the subsidy per pupil is the HUF equivalent amount of EUR 8 thousand, and the total amount of subsidy must not exceed EUR 2 million. The condition for the subsidy is that at least 50 more pupils employed as apprentices get a placement beyond the total number of

practical training participants calculated as an average of the number of participants in the two years prior to the submission of the request for a subsidy. This condition must be met by the end of the second school year and sustained continually for at least five school years.

The rate of training subsidy requested by employers for employing job-seekers in job openings has changed. As of 31 March 2015 the rate of employers' own contribution to total costs must be at least 50% as opposed to the former 40%. The rules governing the increase of the co-financing rate are identical with the rules for subsidies promoting job creation.

Major regulations: Act IV of 1991 (Section 14) on promoting employment and unemployment benefits; Act CLV of 2011 on contributions to vocational education and promoting the development of training; Act CLXXXVII of 2011 on vocational education; Act LXXVII of 2013 on adult training; Government Decree 280/2011. (XII. 20.) on the amounts of practical training normative support and the calculation of amounts subject to reductions which can be accounted for as the cost of practical training incurred as vocational education contribution; Government Decree 150/2012. (VII. 6.) on the National Register of Qualifications and the procedure of its amendment; Government Decree 314/2013. (VIII. 28.) on the vocational training agreement; Government Decree 393/2013. (XI. 12.) on the detailed regulations stipulating the licensing procedure and requirements to be met, the registration and the system of checks concerning adult training institutions; Ministerial Decree 27/2012. (VII. 27.) issued by the Minister for the Economy on the professional and exam requirements for qualifications within the responsibility of the Minister for the Economy; Ministerial Decree 21/2013. (VI. 18.) issued by the Minister for the Economy for companies implementing practical training on accounting for the cost of training the company's own employees as vocational education contribution; Ministerial Decree 6/1996. (VII. 16.) issued by the Minister of Labour on financial support promoting employment and on tackling employment crisis situations from the Labour Market Fund; Ministerial Decree 3/2011. (II. 11.) issued by the Minister of Public Administration and Justice on the management and tasks of the regional training centres in charge of adult training and coordinating action tackling regional disparities.

New regulations: Act XVI of 2014 on collective forms of investment and their operators, and amending specific acts on finances; Government Decree 220/2014. (VIII. 29.) amending specific Government Decrees related to higher education; Government Decision 1418/2014. (VII. 23.) on the approval and the inclusion in the action plan of the central project no. TÁMOP-2.2.7.B-3-13/1-2014-0001. (entitled Model programme for piloting the transfer of vocational content in a dual system); Ministerial Decree 3/2015.

(II. 13.) issued by the Minister for the Economy regulating training subsidies and subsidies for establishing and developing training workshops, financed from the training sub-fund of the National Employment Fund based on the individual decision of the minister supervising vocational and adult training; Ministerial Decree 8/2015. (III. 30.) issued by the Minister for the Economy amending Ministerial Decree 6/1996. (VII. 16.) issued by the Minister of Labour on financial support promoting employment and on tackling employment crisis situations from the Labour Market Fund, and amending Ministerial Decree 30/2000. (IX. 15.) issued by the Minister for the Economy on labour market services and related subsidies;

3. Job rotation and job sharing

No change has occurred in the regulation of this active labour market policy tool.

Major regulations: Act CXXIII of 2004 on promoting the employment of career starters, unemployed persons over the age of 50 and those seeking employment after parental leave or taking care of a family member, and employment with an internship (Section 8/B).

4. Employment incentives

Among the changes introduced as part of the Job Protection Act in the field of employment incentives, as of January 2015 further changes were made – beyond those minor changes effected after January 2014 – to the most significant tool in favour of certain target groups: persons receiving or having received child-care allowances, child-care benefits or child-care support. Part-time employment is no longer taken into consideration when calculating the amount of social contribution tax credit for employees belonging to these target groups. Thus the tax credit can be effected up to the amount of HUF 100 thousand (approx. EUR 323)[2], and not in proportion to the duration of part-time employment.

Changes in the system of development tax credits

As of July 2014 the system of development tax credits was changed on the basis of the categorization of regions defined by the European Commission for the period 2014–20. Changes were primarily made with a view to equal opportunity considerations. For effecting tax credits the following conditions apply:

- starting investment by a small and middle-sized enterprise;
- starting investment by a large enterprise in the regions of North Hungary, North Great Plain, South Great Plain, South Transdanubia, Central Transdanubia or Western Transdanubia;
- starting investment by a large enterprise aimed at a new economic activity in eligible settlements in the region of Central Hungary.

2 An exchange rate of 1 EUR = 310 HUF is used throughout the chapter.

The co-financing rate (that is the percentage of subsidy in proportion to the total of eligible costs) for large enterprises is 50% in the regions of North Hungary, North Great Plain, South Great Plain and South Transdanubia, 35% in Central Transdanubia, 25% in Western Transdanubia, and either 20% or 35% in the eligible settlements in the region of Central Hungary. These rates reflect a 5% reduction in the central and western Transdanubian counties. Moreover, the change had a negative impact on large enterprises that had planned investment in non-eligible settlements in the region of Central Hungary – in Budapest and County Pest.

On top of the rates presented above a further 20% of co-financing is available for small companies and a further 10% for middle-sized companies. Provided that the planned starting investment is located in a non-eligible settlement in the region of Central Hungary the co-financing rate is set at 20% for small companies and at 10% for middle-sized companies.

A cap is set for big investments, inasmuch as the co-financing rate is set at 50% of the original rate for amounts ranging from EUR 50 to 100 million, and at 34% for amounts exceeding EUR 100 million.

A further change in favour of small and middle-sized enterprises is that the expected output values reflecting the conditions set for tax credits were halved.

In the four tax years following the first request for a subsidy the average number of staff should be increased by 10 instead of 20 employees for small enterprises and by 25 instead of 50 employees for middle-sized enterprises. Alternatively, the annual total personnel cost should be increased to the equivalent of 25 instead of 50 times the minimum wage for small enterprises, and to 50 instead of 100 times the minimum wage for middle-sized enterprises in comparison to the level prior to the launch of the investment.

Major regulations: Act IV of 1991 on promoting employment and unemployment benefits; Act CXXIII of 2004 on promoting the employment of career starters, unemployed people over the age of 50 and those seeking employment after parental leave or taking care of a family member, and employment with an internship; Government Decree 69/2012. (IV. 6.) amending the Government Decree on the subsidies available for preserving the net value of salaries and on the amount of pay-rise expected in 2012 to preserve the net value of salaries and the amounts of fringe benefits to be considered; Government Decree 27/2013. (II. 12.) on the establishment and operation of free enterprise zones and the rules stipulating tax credits; Ministerial Decree 6/1996. (VII. 16.) issued by the Minister of Labour on financial support promoting employment and on tackling employment crisis situations from the Labour Market Fund (Sections 11 and 18).
New regulations: Act XXV of 2014 amending specific acts on taxation and related acts; Act LXXIV of 2014 amending specific acts on taxation and related

acts, and amending Act CXXII. of 2010 on the National Tax and Customs Office; Government Decree 165/2014 (VII. 17.) on development tax credits.

5. Sheltered employment and vocational rehabilitation

As of 21 November 2014 accredited sheltered employers offering permanent or transit employment are required to employ disabled people (in Hungarian terminology: people with a changed working capacity) to the level of 30% instead of 50% of their staff. Beyond that employers are entitled to receive the full amount of subsidy if the working time of their employees in rehabilitation employment reaches a minimum of 4 instead of 5 hours on average per day.

A new decree was issued to reinforce the tasks and responsibilities of the National Office for Rehabilitation and Social Affairs as a body financed from the central budget and operating as a central office under the supervision of the minister responsible for social policy and pensions.

Major regulations: Act CXCI of 2011 on the allowances of people with a changed working capacity and the amendment of specific acts; Government Decree 327/2011. (XII. 29.) on the procedural rules related to the allowances of people with a changed working capacity; Government Decree 95/2012. (V. 15.) on the National Office for Rehabilitation and Social Affairs and on the roles and responsibilities of the bodies under its professional supervision; Government Decree 327/2012. (XI. 16.) on the accreditation of employers of people with a changed working capacity and on the central budget subsidies for the employment of people with a changed working capacity; Ministerial Decree 38/2012. (XI. 16.) of the Ministry of Human Resources on the rules governing the fees to be paid for the accreditation procedure by the employer of people with a changed working capacity; Ministerial Decree 7/2012. (II. 14.) of the Ministry of National Resources on the detailed rules related to comprehensive qualification; Ministerial Decree 8/2012. (II. 21.) of the Ministry of National Resources on vocational rehabilitation experts.
New regulations: Government Decree 221/2014. (IX. 4.) amending Government Decrees in relation to the structural reorganization of the Government; Government Decree 285/2014. (XI. 20.) amending Government Decree 327/2012. (XI. 16.) on the accreditation of employers of people with a changed working capacity and on the central budget subsidies for the employment of people with a changed working capacity; Government Decree 74/2015 (III. 30.) on the National Office for Rehabilitation and Social Affairs

6. Direct job creation

Public works programmes are still the number one tool for direct job creation. In this context a decision was made to cater for public works programmes from May to December 2014 for 200 thousand people, on a monthly average.

Two hundred thousand public works employees per month on average

The tasks of the minister responsible for public works programmes were reinforced in a decree by adding the analysis and evaluation of these programmes to the existing tasks of planning and management.

In comparison to those ones of 2013 the objectives of public works programmes were extended to include public works producing added value through jobs that are characteristic of the local labour market and public works leading to the establishment of a social cooperative.

In 2015 these objectives were further extended to provide for the widest possible accessibility to tools promoting the open labour market (re)integration of people involved in public works programmes, especially the disadvantaged target groups. New objectives include the promotion of development schemes based on local facilities such as small private gardens, improvement of the living conditions and social integration of the Roma population, smoothing territorial and seasonal labour market imbalances, and the creation of opportunities for the local country population to prevent their moving away from the area.

Changes to the duration of participation in public works programmes

As of December 2014 the number of months that one could spend as a participant in a short- or longer term, or national-level public works programme was no longer defined for the calendar year, but for each programme, separately. The duration of participation in longer term, or national-level public works programmes is again 12 months, which can be extended by a further 6 months following expiry. In longer term, or national-level public works programmes persons receiving rehabilitation subsidies are eligible to participate by working 4–8 instead of 6–8 hours per day. The organizational and material costs of longer term, or national-level public works programmes are also eligible.

The co-financing rate of the investment and material costs of model programmes and the further public works programmes built on them was differentiated depending on the number of public works employees.

The conditions for exclusion from public works programmes were extended

As of 1 January 2015 job-seekers refusing a job offer that was placed in line with the related rules are excluded from public works programmes for three months. Moreover, people employed in public works programmes are also obliged to accept job offers placed by the public employment service while still working in the public works programme.

Launching a website on public works programmes

As of 25 March 2015 the Ministry of the Interior launched a website on public works programmes at http://www.kozfoglalkoztatas.kormany.hu. The aim of the website is to widely publicise the system of public works programmes, training and services, current and planned public works programmes, news, events and research findings.

Major regulations: Act CVI of 2011 on public works and amending acts related to public works and other acts; Act I of 2012 on the Labour Code; Gov-

ernment Decree 375/2010. (XII. 31.) on the subsidies related to public works programmes; Government Decree 170/2011. (VIII. 24.) on setting the wage for public works and the guaranteed minimum wage for public works; Government Decision 1142/2013. (III. 21.) to transfer certain pieces of land by the National Fund of Land for free use to the local governments to implement public works programmes; Government Decision 1624/2013. (IX. 5.) to prepare for the implementation of training related to public works programmes. *New regulations:* Government Decree 221/2014. (IX. 4.) amending Government Decrees in relation to the structural reorganization of the Government; Government Decree 296/2014. (XI. 28.) amending Government Decree 375/2010. (XII. 31.) on the subsidies related to public works programmes and Government Decree 393/2013. (XI. 12.) on the detailed regulations stipulating the licensing procedure and requirements to be met, the registration and the system of checks concerning adult training institutions; Government Decision 1199/2014. (IV. 1.) on the 2014 objectives of public works programmes; Government Decision 1277/2014. (IV. 30.) on the issues related to public works programmes in the period May to December 2014; Government Decision 1082/2015. (III. 3.) on the 2015 objectives of public works programmes and amending Government Decision 1044/2013. (II. 5.) in relation to decisions concerning public works programmes.

On-line source: http://www.kozfoglalkoztatas.kormany.hu

7. Start-up incentives

In October 2014 the call for proposals entitled "Promoting entrepreneurship for young people" was published in the framework of the Economic Development and Innovation Operational Programme. The objective of the call was to help young people planning new individual or micro enterprises to launch their own enterprise. The programme has two pillars. On the one hand, organizations specializing in the promotion and development of enterprises offer related services to young people and help with the elaboration of business plans. On the other hand the programme provides for funds in the form of grants so that young entrepreneurs with an accepted and viable business plan can accomplish their business plans.

Major regulations: Act IV of 1991 on promoting employment and unemployment benefits (Section 17); Ministerial Decree 6/1996. (VII. 16.) issued by the Minister of Labour on financial support promoting employment and on tackling employment crisis situations from the Labour Market Fund (Section 10).

On-line source: http://palyazat.gov.hu/doc/4386

SUBSIDIES

8. Subsidies and support for the unemployed (job-seekers)

Up to 28 February 2015 no changes have occurred concerning the passive employment policy tools. The types and amounts of subsidies available throughout 2014 are shown in Table 1 of *Cseres-Gergely–Varadovics* (2014). In January and February 2015 only those subsidies increased which were calculated as a certain percentage of the minimum wage. The maximum amount of job-seekers' subsidy is HUF 105 thousand (EUR 338) per month or HUF 3.5 thousand (EUR 11.3) per day. The amount of unemployment benefit prior to receiving the old age pension is HUF 42 thousand (EUR 135) per month or HUF 1.4 thousand (EUR 4.5) per day.

The regular social benefit was terminated

On 1 March 2015 significant changes entered into force in the social welfare system (for details see Section 11). The regular social benefit as known before was abolished. In its place an employment substitution subsidy can be disbursed to people who reach pensioner age within a period of 5 years and those entitled to such a subsidy on the basis of a local government decree. Similarly to those entitled to an employment substitution subsidy these people are also obliged to register as job-seekers and to cooperate with the public employment service.

Another form of subsidy – instead of the regular social benefit – is the subsidy for health impairment and child supervision, which is disbursed to those suffering from health impairment or cannot provide for supervision for their child below 14 years of age.

Major regulations: Act IV of 1991 on promoting employment and unemployment benefits; Act III of 1993 on social administration and social benefits (Section 25).
New regulations: Act XCIX of 2014 on the central budget of Hungary for the year 2015.

9. Early retirement

Early retirement is still not an option since it was abolished as of 1 January 2012. The only exception from this stipulation is women having spent at least 40 years in a paid job – see Section 13.

COMPREHENSIVE INTERVENTIONS (COMPREHENSIVE PROGRAMMES)

The new comprehensive programmes in the EU's 2014–2020 programming period

In the programming period 2014–20 projects with an influence on employment policy and co-financed by the European Union will be launched in the framework of the Economic Development and Innovation Operational Programme (abbreviated EDIOP, in Hungarian as GINOP). Priority 1 and 2

of the former operational programme (abbreviated SROP, in Hungarian as TÁMOP) will be followed up by Priority 1 (Promoting the competitiveness and employment potential of enterprises) and Priority 5 (Promoting employment and adaptability of enterprises) in GINOP.

Eligible activities that promote employment and the labour market integration of job-seekers and disadvantaged people are also found in the Territorial and Settlement Development Operational Programme (abbreviated in Hungarian as TOP), the Human Resource Development Operational Programme (abbreviated in Hungarian as EFOP) and the Competitive Central Hungary Operational Programme (abbreviated in Hungarian as VEKOP).

The most important objectives of GINOP are the following:

- creating the conditions for boosting the employment opportunities offered by small and medium-sized enterprises;
- strengthening the employment capacities of social enterprises;
- improving access to apprenticeship opportunities, increasing the entrepreneurial spirit among young people;
- access for a large number of unemployed or inactive people to labour market programmes implemented by non-governmental organizations;
- integration of job-seekers, especially the low-skilled, to the labour market;
- improving access to training opportunities aimed at developing the labour market competences of the working age population, especially the low-skilled;
- improving the quality of education and training systems and their capacity to adapt to labour market needs.

According to the plans, the objectives mentioned above will be met primarily by subsidies. Such subsidies may involve training subsidies, subsidies for the employment of disadvantaged workers or disabled workers, or subsidies compensating the additional costs of disabled people, and the various forms of grants offered to small and medium sized enterprises.

As of October 2014, before the approval of the operational programme by the European Commission, three calls for proposals contributing to the objectives mentioned above were launched:

- Enhancing flexible employment in the 'convergence' regions: the programme aims at increasing the employment of groups that need to reconcile work with private life. Such groups are, in the first place, parents with small children, those who want to combine work with studying, and those who care for elderly or impaired family members.
- Helping the entrepreneurship of young people: this programme supports young people who intend to become an entrepreneur or start an enterprise, on the one hand by developing the knowledge and skills necessary for this, and, on the other hand, by helping them prepare their business plan by providing expertise and financial support.

- Youth Guarantee Programme: in the framework of this programme the employment service provides personalized help for young people aged 15–25 who are not in employment or education. The employment service has to offer within 6 months (in later times within 4 months) an opportunity to the unskilled to obtain a vocational qualification and to those with a qualification an opportunity to obtain work experience in the private sector. Hungary has made a specific commitment to introduce the Youth Guarantee Programme which is described in detail in the National Youth Strategy.[3]

Priority 1 of the Human Resources Development Operational Programme (EFOP) is active inclusion, which covers the objectives of the inclusion of marginalized communities and the incentives for the social economy and enterprises. In line with this, the projects to be financed under the priority axis called 'Cooperating society' will serve, among others, the improvement of the employability of people who face disadvantages in the labour market, the Roma and people with disabilities, as well as their integration into the labour market.

One of the objectives of this programme is to improve the employment opportunities and self-sustaining capacity in the social economy of people who are disadvantaged from a labour market perspective, primarily the Roma. To that end, financial support will be dedicated to social enterprises and social co-operatives that provide services aimed at improving the self-employment opportunities of disadvantaged people, especially the Roma.

The action plans linked to each of these operational programmes have not yet been drawn up, therefore there is no available information on the exact list and description of the planned interventions and the financial resources allocated to them.

Continuing SROP/ TÁMOP-programmes

In 2014 TÁMOP provided financial support to the following four programmes: 'Supporting the entrepreneurship of young people' (2.3.6), 'Back to learning' (2.1.6), 'Development of the social economy' (2.4.3.D), 'Comprehensive and environmentally conscious programme of employers for territorial development aimed at the enhanced employment of the disadvantaged and low-skilled labour force'.

The first programme is linked to the Youth Guarantee Programme and has already been described under section 7. The other programmes support the public work scheme in some form. Programme 2.1.6 supports the training of low-skilled adults in training adjusted to labour market needs, which is implemented practically through the training of those involved in public works programmes. Programmes 2.4.3.D and 2.4.3.F support social enterprises, primarily social co-operatives with the aim of creating pathways out of public works programmes and onto the open labour market. The budget available for these programmes amounts to HUF 6.12 billion.

3 Available as an annex to Parliament Decision 88/2009 (X. 29.).

In 2015, an additional HUF 7.39 billion will be made available for the following two schemes: 'Helping the rehabilitation and employment of people with disabilities' and 'Improving the employability of disadvantaged people (decentralised labour market programmes in the 'convergence' regions)'. Both of these will finance the regular comprehensive programmes for the prioritised target groups.

Major regulations: Government Decree 132/2009. (VI. 19.) on subsidies provided in the frameworks of measure 1.1.2 'Decentralised programmes for the employment of disadvantaged people' (Priority 1 of Social Renewal Operational Programme), and measure 1.1.1 'Helping the rehabilitation and employment of people with disabilities' (Priority 1 of Social Renewal Operational Programme); Government Decree 175/2010. (V. 13.) on subsidies provided in the frameworks of measure 1.1.4 "Improving the employment of disadvantaged people in the Central Hungary Region' (Priority 1 of the Social Renewal Operational Programme); Government Decision 1016/2013. (I. 18.) on the action plan for Priority 1 of the Social Renewal Operational Programme, and on the approval of specific calls for proposals.
New regulations: Government Decree 255/2014. (X. 10.) on the rules of state aid within the meaning of community law on competition concerning the financial resources allocated to the 2014–2020 period; Government Decision 1208/2014. (IV. 1.) on the amendment of the action plan for 2011–2013 of priority 2 of the Social Renewal Operational Programme; Government Decision 1254/2014. (IV. 18.) on the amendment of the action plan for 2011–2013 of priority 2 of the Social Renewal Operational Programme; Government Decision 1172/2015. (III. 24.) on the adoption of the action plan for 2011–2013 of the Social Renewal Operational Programme; Government Decision 1210/2015. (IV. 10.) on the adoption of the annual development framework for 2015 of the Human Resources Operational Programme.

On-line source: http://palyazat.gov.hu

POLICY TOOLS WITH AN EFFECT ON THE LABOUR MARKET

10. System of taxes and social security contributions

No significant changes occurred in the system of relevant taxes and social security contributions in the period in question. The extension of the scope of eligibility concerning family tax credits may have a positive impact on the net income. Tax credits may be applied also by the spouse of the family member eligible for a family allowance.

Now beyond the income generated from a paid job also the income generated from other individual economic activities is added to the tax base used for calculating the amount of tax credit. However, in order to apply the tax credit in relation to remunerations in kind, two thresholds were introduced, both of which is lower than the former threshold of HUF 500 thousand (EUR 1,613), and it may thus have a negative impact on the net salary.

The monthly amount of health service contribution is raised from HUF 6,810 (EUR 21.9) to HUF 6.930 (EUR 22.3), so its amount per day is HUF 231 (EUR 0.74) in 2015.

Major regulations: Act CXVII of 1995 on the personal income tax; Act LXXXI of 1996 on the corporate tax and the tax on dividends; Act LXXXI of 1997 on social security pensions; Act XCII of 2003 on the procedures of taxation; Act CXX of 2005 on the simplified contributions concerning public dues; Act CXXVII of 2007 on the value-added tax; Act LXXV of 2010 on simplified employment; Act CXLVII of 2012 on the tax for small taxpayers and the small enterprise tax; Act CLXXVIII of 2012 amending specific acts on taxation and related acts.

On-line source: http://www.nav.gov.hu/

11. Other transfers

Changes in the system of social transfers

On 1 March 2015 significant changes occurred in the system of social transfers. As of this date decisions concerning state-regulated mandatory transfers are made uniformly at district level. Such transfers are old-age subsidies, active age subsidies (employment substitution subsidy, subsidy for health impairment and child supervision), care-taker subsidy, individual and normative public health subsidy, and entitlement to public health services.

The regular social benefit was replaced by the employment substitution subsidy, and two new types of transfer, subsidy for health impairment and child supervision. The employment substitution subsidy can be disbursed to people who reach pensioner age within a period of 5 years and those entitled to such subsidy on the basis of a local government decree. The new types of subsidy can be disbursed to people who have health impairment or those unable to supervise their child below 14 years of age. The amount of subsidy is to be calculated similarly to the rules applied previously to calculate the amount of the regular social benefit, only the ceiling of the family income is changed. The amount of subsidy must not exceed 90% of the net amount of the public works wage, a maximum amount of HUF 46,662 (EUR 150.5) in 2015. Provided that a family member is also entitled to the employment substitution subsidy, the maximum amount of subsidy is HUF 23,862 (EUR 77).

Beyond that, local governments shall decide on the types and eligibility criteria of further transfers. The uniform name of such transfers shall be settlement-level transfers.

Child-care benefits

Up until 1 January 2015 child-care benefits were left unchanged, as presented in detail in Table 5 by *Busch–Cseres-Gergely* (2012).

As of 2015 the name of the pregnancy-puerperal benefit is changed to baby-care benefit. The scope of entitlement has been extended to both the baby-care and the child-care benefit, and the method of calculation in calendar days in order to set the base of the amount of the benefit has also changed.

Major regulations: Act LXXX of 1997 on the eligibility rules concerning social security benefits and private pensions, and the financial cover of these services; Act LXXXIII of 1997 on the services of mandatory health insurance; Act LXXXIV of 1998 on the support for families; Government Decree 328/2011. (XII. 29.) on the fees payable for basic child-care welfare services and professional child protection services and the evidence acceptable when applying for such services;
New regulations: Act CXI of 2014 amending specific acts on health-care and health insurance and related acts; Act CCXXIV of 2013 amending specific acts related to the modifications of child-care benefits and to the extension of the range of exemption from paying the social contribution tax; Act XCIX of 2014 on the central budget of Hungary for the year 2015.

12. Contractual terms of employment, labour law

The Labour Code was only slightly changed. As of 1 January 2015 employees having three or more children may request – until their child is 5 years of age – a modification to their work contract by halving the general daily number of full-time working hours, and continue work part-time.

Major regulations: Act LXXV of 2010 on simplified employment; Act I of 2012 on the Labour Code.
New regulations: Act XCIX of 2014 on the central budget of Hungary for the year 2015.

13. Old age and disability pensions – disability subsidies

Corrections as to the calculation of the 40-year period of entitlement for women

For women having spent at least 40 years in a legal or contractual arrangement that entitles them to a full amount of pension, regardless of their age, the time spent in the mandatory summer practical training of pupils learn-

ing in vocational training or vocational secondary education is considered eligible when calculating the period justifying entitlement to a pension. It was decided that this period of entitlement includes the periods when the person received child-care benefit, child-care allowance, pregnancy-puerperal benefit or child-care support for a child below the age of three, or a care-taker subsidy for a severely disabled person who is the person's own or adopted child below the age of twelve.

Within the 40-year period of entitlement the period spent in a paid working arrangement must be at least 32 years. Exceptions are the persons receiving a care-taker subsidy for a severely disabled child, which sets the minimum period of paid work at 30 years, and persons raising at least five children, which reduces the minimum period by one year, adding one further year for each following child, but the period of entitlement must not be reduced by more than 7 years.

On 31 December 2014 the opportunity in certain jobs to acquire entitlement for a pension prior to the statutory pension age by accounting for a reduced period of entitlement was abolished.

A new decree was issued to reinforce the tasks and responsibilities of the Central Administration of National Pension Insurance as a body financed from the central budget and operating as a central office under the supervision of the minister responsible for social policy and pensions.

Disability pensions – disability subsidies

No change has occurred in the regulation of disability and rehabilitation transfers in the period observed.

Major regulations: Act LXXXI of 1997 on social security pensions; Act CXCI of 2011 on the allowances of people with a changed working capacity and the amendment of specific acts; Government Decree 327/2011 (XII. 29.) on the procedural rules related to the allowances of people with a changed working capacity; ; Government Decision 1150/2013 (III. 22.) on the implementation in the public health sector of Government Decision 1700/2012 (XII. 29.) on the pension policy principles to be applied in the public sector; Government Decision 1599/2013 (IX. 3.) on the implementation in education and vocational education of Government Decision 1700/2012 (XII. 29.) on the pension policy principles to be applied in the public sector.
New regulations: Act XCIX of 2014 on the central budget of Hungary for the year 2015; Government Decree 90/2014 (III. 20.) amending Government Decree 168/1997 (X. 6.) on the implementation of Act LXXXI of 1997 on social security pensions and Government Decree 333/2011 (XII. 29.) on the rules governing entitlement to a pension prior to the statutory pension age, allowances based on a period of entitlement; ballet artists' allowances and

miners' transitional allowances, and amending specific related government decrees; Government Decree 73/2015. (III. 30.) on the Central Administration of National Pension Insurance.

14. Wage bargaining, wage regulation and interest representation

The system of minimum wages valid in 2014 is presented in Table 2 of *Cseres-Gergely–Varadovics* (2014). The amounts applicable in 2015 are summed up in *Table 1.*

Table 1: Amounts of minimum wages on 1 January 2015 (HUF/day)

	Minimum wage	Guaranteed wage minimum
Regular	4,830	5,620
Employed in a public works programme	3,639	4,666
Workgroup leader employed in a public works programme	4,004	5,134
Simplified employment	4,106	4,777

Major regulations: Act XCIII of 2011 on the National Economic and Social Council; Government Decree 170/2011. (VII. 24.) on setting the minimum wage and the guaranteed wage minimum to be applied in public works programmes; Government Decree 483/2013. (XII. 17.) on setting the mandatory minimum wage and the guaranteed wage minimum.
New regulations: Government Decree 347/2014 (XII. 29.) on setting the mandatory minimum wage and the guaranteed wage minimum; Government Decree 376/2014 (XII. 31.) on the amendment of Government Decree 170/2011. (VII. 24.) on setting the mandatory minimum wage and the guaranteed wage minimum to be applied in public works programmes, and the amendment of Government Decree 63/2006 (III. 27.) on the rules governing the request and decision procedures and disbursement of cash and in-kind social transfers.

15. Measures related to migration and mobility

The 31 December 2013 deadline for making a decision on the *de minimis* support of domestic travel and the transportation of groups of people was prolonged up to 30 June 2014.

The issue of a unified permit may be rejected along a set of further criteria

In order to issue a unified permit necessary for the employment of citizens from a third country, introduced as of January 2014, a set of employment criteria were defined that the labour centre may use to turn down the procedure. Such criteria are the following:

- the citizen from a third country would take up such work for which a training course – funded from the National Employment Fund – is either in progress or will finish prior to the envisaged start date of employment;

- the employer carried out mass redundancy in the year preceding the submission of the request;
- the kind of job for which the citizen from a third country would be hired is affected by a strike which is in progress with the employer;

the employer wishes to pay a basic salary and remuneration to the citizen from a third country whose amount is less than 80% of the national average basic salary.

Changes of rules in relation to the housing subsidy

As of 1 January 2015 the rules governing housing subsidies have slightly changed. Job-seekers become eligible if they are registered for one month as opposed to the former three months. If the job-seeker signs a work contract with their previous employer, the subsidy can be disbursed only if their new place of work is not the same as the former one. However, the former duration of the subsidy is decreased from 18 to 12 months. The former system where the amount of subsidy was linked to its duration was abolished. The amount was set at HUF 100 thousand (approx. EUR 323) for the twelve months. The amount of the subsidy is increased to HUF 150 thousand (approx. EUR 484) if requested by two close relatives for the same housing facility and both of them are entitled, and to HUF 200 thousand (approx. EUR 646) if requested by three or more persons. People having exhausted the subsidy become eligible to, and may request it again, within two instead of three years.

Major regulations: Act IV of 1991 on promoting employment and unemployment benefits; Government Decree 39/1998. (III. 4.) on support aimed at the reduction of burdens related to commuting to work, and on the support of labour force recruitment; Government Decree 355/2007. (XII. 23.) on the transitional rules related to the free movement of the labour force applied by the Republic of Hungary for persons having the right to free movement and residing in the country; Government Decree 355/2009. (XII. 30.) on the rules regulating the employment of citizens from third countries without a work permit in the territory of the Republic of Hungary; Government Decree 445/2013. (XI. 28.) on the issue of work permits for citizens from third countries on the basis of non-united request procedures, on the exemptions from the obligation for obtaining a work permit; on the tasks of the labour centre of the county (capital) government office on the issue of an opinion as an official authority in the united procedure, on reporting the employment of citizens from third countries who can be employed without a work permit in Hungary, and the reimbursement of remunerations.
New regulations: Government Decree 89/2014 (III. 20.) amending specific Government Decrees on employment; Government Decree 354/2014 (XII. 29.) amending specific Government Decrees on employment.

16. The institutions of management, financing and evaluation of employment policy

The transformation of the institutional set-up of employment policy was launched at the same time as the structural reorganization of the government. The most important change, as stipulated in the regulation on the tasks and responsibilities of the government, is that the National Labour Office ceased to be – as of June 2014 – a central government body under the supervision of the minister for the economy.

The national Labour Office was terminated, its tasks were reallocated

On 1 January 2015 the National Labour Office was terminated without a successor. As of this date the National Employment Service – headed by the minister responsible for employment policy – is made up of the employment and labour market bodies of the government offices of the capital and the counties – that is the labour centres – and the district-level offices of the employment and labour market bodies of the government offices of the capital and the counties – that is the branch offices of labour centres.

Upon its termination the tasks and responsibilities of the National Labour Office were reallocated. Its tasks related to employment policy are managed by the minister responsible for employment policy. The rules of operation of the Ministry for the Economy detail the organizational structure and the tasks and responsibilities necessary to implement the objectives of employment policy. The activities of the state secretary responsible for the labour market and training is supervised by the minister for the economy. The two deputy state secretaries supervised by the state secretary are the deputy state secretary responsible for the labour market and the deputy state secretary responsible for vocational training and adult training.

The deputy state secretary responsible for the labour market is in charge of directing the work of the Unit of the Labour Market, Unit of Labour Market Programmes, Unit of Labour Market Regulation, Unit of Labour Inspection, Unit of Employment Inspection, and the Unit of Job Brokerage and Coordination.

The deputy state secretary responsible for vocational training and adult training is in charge of directing the work of the Unit of Training Development and Institutional Supervision and the Unit of Vocational Training and Adult Training Regulation.

As of 15 December 2014 the tasks related to vocational and adult training are performed by the National Vocational and Adult Training Office, a new institution belonging to the Ministry for the National Economy. The Office is a body financed from the central budget and operates as a central office under the supervision of the minister responsible for vocational training and adult training.

Among others, the Office took the role of the National Labour Office of designing, elaborating and maintaining the National Register of Qualifications, of the procedure of licensing adult training activities, of elaborating the system of requirements, and the task of registering and checking institutions pursuing adult training activities. Accordingly, it is the responsibility of the Office to dispose of the funds available from the training sub-fund of the National Employment Fund.

The public administration tasks related to work safety and labour inspection belong to the minister responsible for employment policy, and these tasks are performed by the work safety and labour inspection body of the government offices of the capital and the counties, i.e the work safety and labour inspection offices.

The areas of health at work and work hygiene are taken over by the Office of the Chief Medical Officer.

As of 2015 the Office for National Economic Planning was also terminated. Its remaining tasks are taken over by the ministry headed by the minister responsible for the strategic planning of regional development, presently the Ministry for the National Economy.

Further changes for the sake of a unified organizational system of government offices

As of 1 April 2015 the institutional system was affected by further changes as a consequence of the reform targeting a uniform organizational structure for government offices. Thus the public employment body is made up of the ministry headed by the responsible minister, the employment and labour market bodies of the government offices of the capital and the counties, and the district-level offices of the employment and labour market bodies of the government offices of the capital and the counties. The main element of these changes is that the former employment and labour market bodies were turned into units, whose tasks and responsibilities belong now uniformly to the government office and its head, a designated government officer. Government offices are made up of district-level offices with a structure made up of units, and district-level offices are headed by district-level office managers.

Increased amount of allocation to public works programmes

The 2015 budget heading of the National Employment Fund in the central state budget is presented in *Table 2.* The direction of the budget of employment policy is still determined by two major areas: passive unemployment subsidies and public works programmes. As of 2012 the emphasis was shifted from passive subsidies and – to a lesser extent – active labour market programmes to public works programmes.

Regarding the structure of expenditure from the National Employment Fund the former proportions of 20% for public works programmes and 40% for passive subsidies turned around by 2012. In 2014 the planned budget of HUF 183.1 billion (EUR 0.59 billion) allocated to public works programmes was further increased by an amount of HUF 47.3 billion (EUR 0.15 billion), which represents a 35% increase as compared to the actual amount disbursed

in the previous year, while this latter is considered the base for a 60% increase in allocations for 2015. This way the planned budget allocations to public works programmes and to unemployment benefits (job seekers' assistance) take a share of 63% and 12% respectively, so these two will take 75% of the total expenditure of the Fund.

Major regulations: Act CXXX of 2009 on the 2010 central budget of Hungary; Act CLXIX of 2010 on the 2011 central budget of Hungary; Act CXXXIII of 2011 on the implementation of the 2010 central budget of Hungary; Act CLXXXVIII of 2011 on the 2012 central budget of Hungary; Act CLV of 2012 on the implementation of Act CLXIX of 2010 on the implementation of the 2011 central budget of Hungary; Act CCIV of 2012 on the 2013 central budget of Hungary; Act CXCIII of 2013 on the implementation of Act CLXXXVIII of 2011 on the implementation of the 2012 central budget of Hungary; Act CCXXX of 2013 on the 2014 central budget of Hungary; Act LXXII of 2014 on the implementation of Act CCIV of 2012 on the implementation of the 2013 central budget of Hungary; Act C of 2014 on the 2015 central budget of Hungary; Government Decree 169/2011. (VIII. 24.) on the Employment and Public Works Database; Government Decree 248/2011. (XII. 1.) on the establishment of the Office for National Economic Planning; Government Decree 323/2011. (XII. 28.) on the roles and responsibilities of the National Labour Office and the bodies directed and professionally supervised by it; 1426/2012. (X. 4.) on the approval of the special project no. TÁMOP 2.4.8-12/1 (entitled "Development of health and safety at work, development of labour inspection") and its inclusion in the action plan; Government Decision 1507/2012. (XI. 16.) on the approval of the special project no. TIOP-3.2.1-12/1-2012-0001 (entitled "Establishment of an integrated system by developing the infrastructure of the public employment service") and its inclusion in the action plan; Ministerial Decree 18/2013. (VI. 11.) of the Ministry for the Economy on the management and use of the National Employment Fund.
New regulations: Government Decree 152/2014 (VI. 6.) on the roles and responsibilities of the members of the government; Government Decree 221/2014 (IX. 4.) amending specific Government Decrees in relation to the structural reorganization of the Government; Government Decree 318/2014 (XII. 13.) amending specific Government Decrees in relation to the termination of the National Labour Office and the establishment of the National Vocational and Adult Training Office; Government Decree 319/2014 (XII. 13.) on the National Vocational and Adult Training Office; Government Decree 320/2014 (XII. 13.) designating the public employment body, the work safety and labour inspection office and on the official and other tasks of these bodies; Government Decree 326/2014. (XII. 15.) on the termination of the

Table 2: Income and expenditure related to employment policy in the central budget, 2011–2015 (in million HUF)

	2011		2012	
	allocated	disbursed	allocated	disbursed
Expenditure				
1. Active measures				
Employment and training subsidies	40,519.8	25,774.8	25,600.0	22,017.2
EU co-financing for employability (and adaptability)	4,820.7	3,970.7	6,967.0	6,967.0
Public works programmes[a]	64,000.0	59,799.8	132,182.5	131,910.7
Social Renewal Operational Programme (SROP/TÁMOP), Measure 1.1. Labour market services and assistance	30,925.2	19,754.4	37,900.0	29,772.3
Social Renewal Operational Programme (SROP/TÁMOP), Measure 1.2. Normative employment incentives	5,500.0	9,774.8	8,500.0	16,250.1
Reimbursement of contribution discount	5,800.0	5,147.7	6,000.0	4,784.1
Pre-financing of 2014–2020 labour market programmes				
2. Vocational training and adult training subsidies	33,091.1	27,921.1	23,483.0	16,516.0
4. Expenditure on passive measures				
Unemployment benefits (job seekers' assistance)	134,800.0	124,543.2	57,000.0	64,067.2
Transfer to Pension Insurance Fund	681.3	1,221.5	1,700.0	907.0
5. Wage guarantee payments	7,000.0	5,363.0	6,000.0	6,606.6
6. Operating costs	100.0	86.7	300.0	100.0
9. Technical expenses of debt release incurred upon equity		303.6		
13. Retention balance and risk management allocation	10,000.0		2,000.0	
15. Employers' supplemental support				5,222.9
16. Sectoral support to the increase in the minimum wage				
17. Other expenditure				
Total expenditure	337,238.1	283,661.3	307,632.3	305,121.1
Income				
25. Income from the Social Renewal Operational Programme (SROP/TÁMOP) measures	30,588.1	26,247.6	41,065.2	42,827.3
26. Other income				
Territorial other income	800.0	734.2	830.0	559.0
Central other income	2,600.0	1,316.8	1,000.0	1,113.6
Vocational training and adult training other income	1,000.0	781.2	1,000.0	1,020.1
31. Vocational training contribution	49,000.0	49,415.5	52,700.0	80,352.5
33. Redemption of wage guarantee support	1,000.0	977.8	1,000.0	792.0
34. Technical income from debt release incurred upon equity		303.6		
35. Share of the health insurance and labour market contribution payable to the Labour Market Fund	187,700.0	186,596.3	119,900.0	127,096.6
36. Central budget support	64,000.0	64,000.0	50,000.0	71,273.8
Share of the social contribution tax payable to the Labour Market Fund			73,630.0	67,284.5
Contribution related to the Job Protection Act				
Total income	337,238.1	330,373	341,125.2	392,319.4
Pending items[b]	550.0	202.0		270.3
Changes in deposits		46,913.7	33,492.9	87,468.6
Total:	337,238.1	330,596.9	341,125.2	393,040.4
Deflating by 3% per year at 2011 prices	337,238.1	330,596.9	331,189.6	381,592.5

[a] Including the expenditure on public works programmes in 2011 and the expenditure on the Start Employment Programme beyond 2011.
[b] In 2011 also including income from the European Globalisation Adjustment Fund.

	2013[c]		2014	2015
	allocated	disbursed	allocated	allocated
Expenditure				
1. Active measures				
Employment and training subsidies	27,000.0	25,105.9	27,000.0	14,000.0
EU co-financing for employability (and adaptability)	16,279.6	16,279.6	17,130.0	11,064.6
Public works programmes[a]	179,897.8	171,053.4	231,105.3	270,000.0
Social Renewal Operational Programme (SROP/TÁMOP), Measure 1.1. Labour market services and assistance	35,000.0	33,804.9	41,000.0	7,500.0
Social Renewal Operational Programme (SROP/TÁMOP), Measure 1.2. Normative employment incentives	11,000.0	14,477.3	3,200.0	
Reimbursement of contribution discount	6,000.0	3,277.5	5,000.0	
Pre-financing of 2014–2020 labour market programmes			10,000.0	49,200.0
2. Vocational training and adult training subsidies	27,500.0	18,736.2	26,400.0	16,000.0
4. Expenditure on passive measures				
Unemployment benefits (job seekers' assistance)	59,000.0	51,819.9	56,000.0	50,000.0
Transfer to Pension Insurance Fund	361.9	961.3	313.9	400.0
5. Wage guarantee payments	6,000.0	5,487.8	6,000.0	6,150.0
6. Operating costs	300.0	1,472.8	1,600.0	3,050.0
9. Technical expenses of debt release incurred upon equity				
13. Retention balance and risk management allocation	2,919.3			
15. Employers' supplemental support				
16. Sectoral support to the increase in the minimum wage	10,000.0	7,000.0		
17. Other expenditure		22.3		
Total expenditure	381,258.6	349,498.9	424,749.2	427,364.6
Income				
25. Income from the Social Renewal Operational Programme (SROP/TÁMOP) measures	39,000.0	51,276.1	46,000.0	43,000.0
26. Other income				
Territorial other income	850.0	602.3	750.0	1,000.0
Central other income	1,000.0	1,376.8	1,000.0	1,000.0
Vocational training and adult training other income	800.0	692.6	650.0	800.0
31. Vocational training contribution	54,814.6	60,398.7	57,071.1	63,134.0
33. Redemption of wage guarantee support	1,000.0	1,046.1	1,000.0	1,000.0
34. Technical income from debt release incurred upon equity				
35. Share of the health insurance and labour market contribution payable to the Labour Market Fund	120,133.3	125,614.6	125,041.5	141,772.9
36. Central budget support	20,000.0	20,000.0		8,449.0
Share of the social contribution tax payable to the Labour Market Fund				
Contribution related to the Job Protection Act	91,542.7	91,542.7	95,936.7	100,541.7
Total income	329,140.6	352,549.9	327,449.3	360,697.6
Pending items[b]		-964.6		
Changes in deposits	-52,118.0	-2,086.4	-97,300.0	
Total:	381,258.6	351,560.1	424,749.2	427,364.6
Deflating by 3% per year at 2011 prices	359,372.8	331,379.1	388,705.7	379,707.9

[c] Including interim amendments of the budget.

Source: Act on the central state budget (plan) and the implementation of the central state budget of the related year, 153,779.8 in 2013 amended by the stipulations of Government Decisions 1507/2013. (VIII. 1.) and 1783/2013. (XI. 4.) (HUF 26,118 million extra funds allocated to public works programmes); 183,805.3 in 2014 amended by the stipulation of Government Decision 1361/2014 (VI. 30.) (HUF 47,300 million extra funds allocated to public works programmes).

Office for National Economic Planning; Government Decree 66/2015. (III. 30.) on the government offices of the capital and the counties and the district-level (capital district) offices; Government Decree 66/2015. (III. 30.) on the exceptional scope of authority of district-level (capital district) government offices acting as the public employment body; Government Decree 70/2015. (III. 30.) amending specific Government Decrees in relation to the structural reorganization of the regional organizational system of public administration; Government Decision 1361/2014 (VI. 30.) on specific issues related to public works programmes; Ministerial Decree 1/2015. (I. 21.) issued by the Minister for the Economy on the Rules of Operation of the Ministry for the National Economy.

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STATISTICAL DATA

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Statistical tables on labour market trends that have been published in The Hungarian Labour Market Yearbook since 2000 can be downloaded in full from the website of the Research Centre for Economic and Regional Studies: http://adatbank.krtk.mta.hu

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DATA SOURCES

CIRCA	Communication & Information Resource Centre Administrator
KSH	Table compiled from regular Central Statistical Office publications [Központi Statisztikai Hivatal]
KSH IMS	CSO institution-based labour statistics [KSH intézményi munkaügyi statisztika]
KSH MEF	CSO Labour Force Survey [KSH Munkaerő-felmérés]
KSH MEM	CSO Labour Force Account [KSH Munkaerő-mérleg]
NAV	National Tax and Customs Administration [Nemzeti Adó- és Vámhivatal]
NEFMI	Ministry of National Resources [Nemzeti Erőforrás Minisztérium]
NEFMI EMMI STAT	Ministry of National Resources, Educational Statistics [Nemzeti Erőforrás Minisztérium, Oktatásstatisztika]
NFA	National Market Fund [Nemzeti Foglalkoztatási Alap]
NFSZ	National Employment Service [Nemzeti Foglalkoztatási Szolgálat]
NFSZ BT	National Employment Service Wage Survey [NFSZ Bértarifa-felvétel]
NFSZ IR	NFSZ integrated tracking system [NFSZ Integrált (nyilvántartási) Rendszer]
NFSZ PROG	National Employment Service Short-term Labour Market Projection Survey [NFSZ Rövid Távú Munkaerőpiaci Prognózis]
NFSZ REG	National Employment Service Unemployment Register [NFSZ regisztere]
NGM	Ministry of National Economy [Nemzetgazdasági Minisztérium]
NMH	National Labour Office [Nemzeti Munkaügyi Hivatal]
NSZ	Population Census [Népszámlálás]
NYUFIG	Pension Administration [Nyugdíjfolyósító Igazgatóság]
ONYF	Central Administration of National Pension Insurance [Országos Nyugdíjbiztosítási Főigazgatóság]
TB	Social Security Records [Társadalombiztosítás]

EXPLANATION OF SYMBOLS

(–)	Non-occurrence.
(..)	Not available.
(n.a.)	Not applicable.
(...)	Data cannot be given due to data privacy restrictions.

Table 1.1: Basic economic indicators

Year	GDP[a]	Industrial production[b]	Export[c]	Import[c]	Real earnings[d]	Employment[d]	Consumer price index[d]	Unemployment rate
1990	96.5	90.7	95.9	94.8	94.3	97.2	128.9	..
1995	101.5	104.6	108.4	96.1	87.8	98.1	128.2	10.2
2000	104.2	118.1	121.7	120.8	101.5	101.0	109.8	6.4
2001	103.7	103.7	107.7	104.0	106.4	100.3	109.2	5.7
2002	104.5	103.2	105.9	105.1	113.6	100.1	105.3	5.8
2003	103.8	106.9	109.1	110.1	109.2	101.3	104.7	5.9
2004	104.8	107.8	118.4	115.2	98.9	99.4	106.8	6.1
2005	104.3	106.8	111.5	106.1	106.3	100.0	103.6	7.2
2006	104.0	109.9	118.0	114.4	103.6	100.7	103.9	7.5
2007	100.5	107.9	115.8	112.0	95.4	99.3	108.0	7.4
2008	100.9	100.0	104.2	104.3	100.8	98.6	106.1	7.8
2009	93.4	82.2	87.3	82.9	97.7	97.4	104.2	10.0
2010	100.8	110.6	116.9	115.1	101.8	99.6	104.9	11.2
2011	101.8	105.6	109.9	106.7	102.4	100.7	103.9	11.0
2012	98.5	98.2	100.7	99.9	96.6	101.8	105.7	11.0
2013	101.5	101.1	104.2	105.0	103.1	101.7	101.7	10.2
2014	103.5	107.6	107.1	108.8	103.2	105.3	99.8	7.7

[a] Data adjusted for seasonality and variations in the number of workdays. After 1996 there was a change in the methodology for accounting the undivided service fee of financial intermediation. Previous year = 100.

[b] 1990–2000: those with more than 5 employees, 2001–: without water and waste management, including businesses with fewer than 5 employees. Previous year = 100.

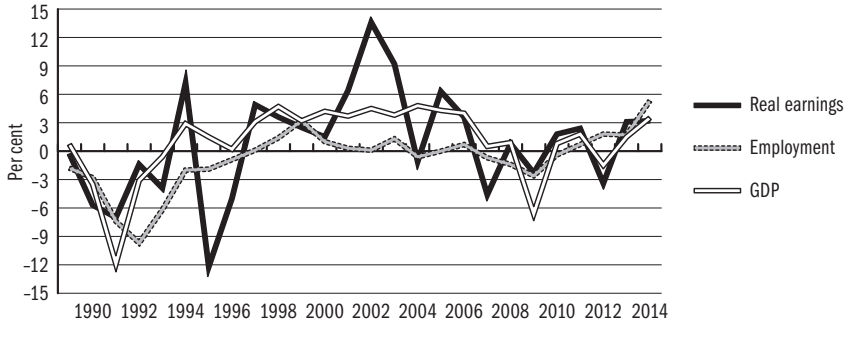
[c] Volume index. Previous year = 100.

[d] Previous year = 100.

Source: GDP: 1990–2013: *STADAT* (2014. 10. 08. version), 2014: preliminary data, *STADAT* (2015.02.13. version); Industrial production index: 2001–: *STADAT* (2015. 02. 13. version); Export and import: 2001–: *STADAT* (2015. 03. 05. version); Real earnings: 1995–: *STADAT* (2015.02.20. version); Employment: 1990: *KSH MEM*; 1995–: *KSH MEF*. Consumer price index: 1990–: *STADAT* (2015.01.14. version). Unemployment rate: 1990–: *STADAT* (2015.03.05. version). Other data: *KSH*.

Online data source in xls format: http://www.bpdata.eu/mpt/2015ent01_01

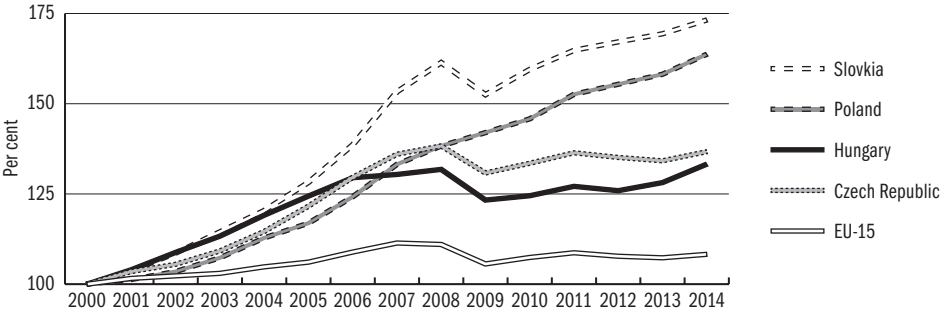
Figure 1.1: Annual changes of basic economic indicators



Source: *KSH*.

Online data source in xls format: http://www.bpdata.eu/mpt/2015ena01_01

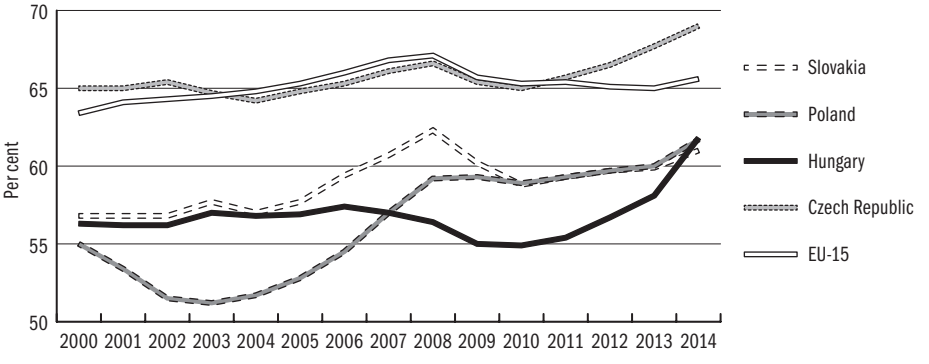
Figure 1.2: Annual GDP time series (2000 = 100%)



Source: *Eurostat*.

Online data source in xls format: http://www.bpdata.eu/mpt/2015ena01_02

Figure 1.3: Employment rate of population aged 15–64



Source: *Eurostat*.

Online data source in xls format: http://www.bpdata.eu/mpt/2015ena01_03

Table 2.1: Population[a]

Year	In thousands	1992 = 100	Annual changes	Population age 15–64, in thousands	Demographic dependency rate	
					Total population[b]	Old age[c]
1980	10,709	103.6	n.a.	6,918.9	0.54	0.21
1990	10,375	100.4	–0.2	6,870.4	0.51	0.20
2000	10,221	98.5	–0.3	6 961.3	0.47	0.21
2005	10,098	97.3	–0.2	6,940.3	0.45	0.23
2006	10,077	97.1	–0.2	6,931.8	0.45	0.23
2007	10,066	97.0	–0.1	6,932.4	0.45	0.23
2008	10,045	96.8	–0.2	6,912.7	0.45	0.24
2009	10,031	96.7	–0.1	6,898.1	0.45	0.24
2010	10,014	96.5	–0.1	6,874.0	0.46	0.24
2011	9,986	96.3	–0.2	6,857.4	0.46	0.24
2012	9,932	95.7	..	6,815.7	0.46	0.25
2013	9,909	95.5	–0.2	6,776.3	0.46	0.25
2014	9,877	95.2	–0.3	6,719.7	0.47	0.26

[a] January 1st. The data for 1980 and 1990 are based on the censuses of those years. Those for 2000–2011 are estimates based on the 2001 census and demographic data (reference date 2001.02.01.). Those for 2012–2014 are estimates based on the 2011 census (reference day 2011.10.01.) and demographic data.
[b] (population age 0–14 + 65 and above) / (population age 15–64)
[c] (population age 65 and above) / (population age 15–64)
Source: *KSH*.

Online data source in xls format: http://www.bpdata.eu/mpt/2015ent02_01

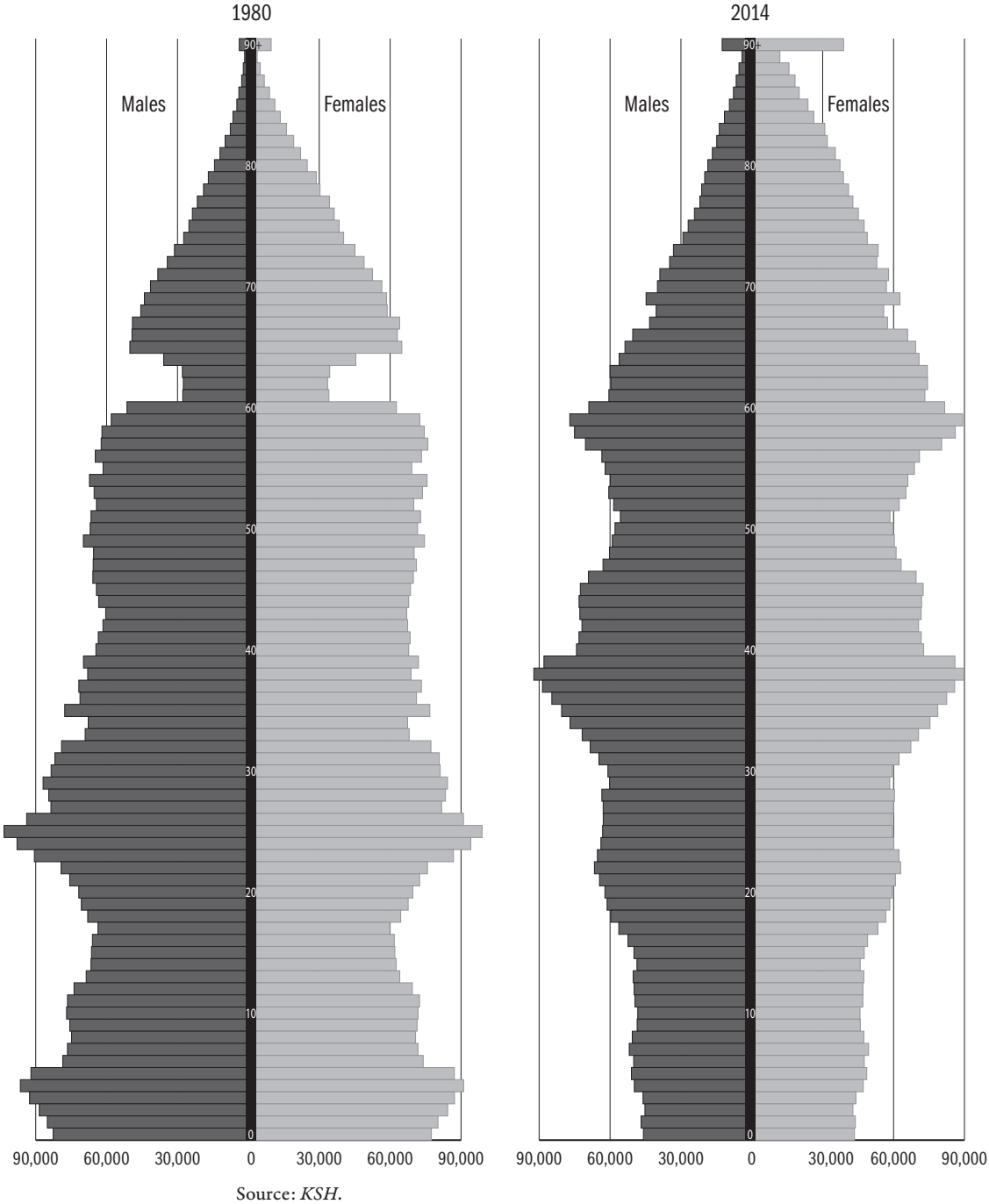
Table 2.2: Population by age groups, in thousands[a]

Year	0–14	15–24	25–54	55–64	65+	Total
			years old			
1980	2,341.2	1,464.4	4,399.8	1,054.7	1,449.4	10,709.5
1990	2,130.5	1,445.5	4,231.4	1,193.5	1,373.9	10,374.8
2000	1,729.2	1,526.5	4,291.4	1,143.4	1,531.1	10,221.6
2005	1,579.7	1,322.0	4,409.1	1,209.2	1,577.6	10,097.6
2006	1,553.5	1,302.0	4,399.8	1,230.0	1,590.7	10,076.6
2007	1,529.7	1,285.9	4,393.9	1,251.5	1,605.1	10,066.1
2008	1,508.8	1,273.3	4,377.1	1,262.3	1,623.9	10,045.4
2009	1,492.6	1,259.9	4,346.1	1,292.0	1,640.3	10,030.9
2010	1,476.9	1,253.4	4,293.7	1,326.9	1,663.5	10,014.4
2011	1,457.2	1,231.7	4,257.7	1,367.8	1,671.3	9,985.7
2012	1,440.3	1,214.1	4,164.6	1,437.0	1,675.9	9,931.9
2013	1,430.9	1,196.4	4,144.8	1,435.0	1,701.7	9,908.8
2014	1,425.8	1,172.8	4,123.8	1,423.2	1,731.8	9,877.4

[a] January 1st. The data for 1980 and 1990 are based on the censuses of those years. Those for 2000–2011 are estimates based on the 2001 census and demographic data (reference date 2001.02.01.). Those for 2012–2014 are estimates based on the 2011 census (reference day 2011.10.01.) and demographic data.
Source: *KSH*.

Online data source in xls format: http://www.bpdata.eu/mpt/2015ent02_02

Figure 2.1: Age structure of the Hungarian population, 1980, 2014



Source: *KSH*.

Online data source in xls format: http://www.bpdata.eu/mpt/2015ena02_01

Table 2.3: Male population by age groups, in thousands[a]

Year	0–14	15–24	25–59	60–64	65+	Total
			years old			
1980	1,205.4	749.9	2,475.6	170.5	587.3	5,188.7
1990	1,090.4	740.3	2,366.9	259.9	527.5	4,984.9
2000	885.0	780.9	2,403.8	224.8	570.8	4,865.2
2005	809.5	674.6	2,480.0	252.2	576.8	4,793.1
2006	796.7	664.0	2,493.7	249.3	580.9	4,784.6
2007	784.5	655.4	2,503.7	249.4	586.1	4,779.1
2008	773.9	649.2	2,501.3	252.5	592.8	4,769.6
2009	765.8	642.7	2,497.0	258.4	599.2	4,763.1
2010	757.7	640.4	2,488.8	261.7	608.3	4,756.9
2011	747.6	629.7	2,480.4	274.7	611.5	4,743.9
2012	739.5	623.1	2,449.9	294.1	617.9	4,724.6
2013	734.7	614.4	2,439.4	297.0	630.5	4,716.0
2014	732.2	602.1	2,419.1	305.3	644.7	4,703.4

[a] January 1st. The data for 1980 and 1990 are based on the censuses of those years. Those for 2000–2011 are estimates based on the 2001 census and demographic data (reference date 2001.02.01.). Those for 2012–2014 are estimates based on the 2011 census (reference day 2011.10.01.) and demographic data.
Source: *KSH*.

Online data source in xls format: http://www.bpdata.eu/mpt/2015ent02_03

Table 2.4: Female population by age groups, in thousands[a]

Year	0–14	15–24	25–54	55–59	60+	Total
			years old			
1980	1,135.8	714.5	2,232.8	365.3	1,072.4	5,520.8
1990	1,040.1	705.2	2,144.4	327.6	1,172.5	5,389.9
2000	844.3	745.6	2,170.5	334.8	1,261.3	5,356.5
2005	770.2	647.4	2,221.9	341.7	1,323.1	5,304.3
2006	756.8	638.6	2,213.0	356.6	1,327.0	5,292.0
2007	745.1	630.6	2,206.8	369.6	1,335.0	5,287.1
2008	734.9	624.1	2,194.5	373.2	1,349.1	5,275.8
2009	726.8	617.2	2,176.0	381.8	1,366.1	5,267.9
2010	719.2	613.1	2,145.5	396.8	1,382.8	5,257.4
2011	709.6	601.9	2,124.0	404.4	1,401.9	5,241.8
2012	700.8	590.9	2,079.5	416.2	1,419.9	5,207.3
2013	696.2	582.0	2,066.5	411.2	1,436.9	5,192.8
2014	693.6	570.7	2052.7	395.5	1,461.5	5,174.0

[a] January 1st. The data for 1980 and 1990 are based on the censuses of those years. Those for 2000–2011 are estimates based on the 2001 census and demographic data (reference date 2001.02.01.). Those for 2012–2014 are estimates based on the 2011 census (reference day 2011.10.01.) and demographic data.
Source: *KSH*.

Online data source in xls format: http://www.bpdata.eu/mpt/2015ent02_04

Table 3.1: Labour force participation of the population over 14 years, in thousands[a]

Year	Population of male 15–59 and female 15–54								Population of males over 59 and females over 54			
	Employed	Unemployed	Inactive					Total	Employed	Unemployed	Pensioner, other inactive	Total
			Pensioner	Full time student	On child care leave	Other inactive	Inactive total					
1980	4,887.9	0.0	300.8	370.1	259.0	339.7	1,269.6	6,157.5	570.3	0.0	1,632.1	2,202.4
1990	4,534.3	62.4	284.3	548.9	249.7	297.5	1,380.4	5,977.1	345.7	0.0	1,944.9	2,290.6
1991	4,270.5	253.3	335.6	578.2	259.8	317.1	1,490.7	6,014.5	249.5	0.0	2,045.2	2,294.7
1992	3,898.4	434.9	392.7	620.0	262.1	435.9	1,710.7	6,044.0	184.3	9.8	2,101.7	2,295.8
1993	3,689.5	502.6	437.5	683.9	270.5	480.1	1,872.0	6,064.1	137.5	16.3	2,141.2	2,295.0
1994	3,633.1	437.4	476.5	708.2	280.9	540.7	2,006.3	6,076.8	118.4	11.9	2,163.8	2,294.1
1995	3,571.3	410.0	495.2	723.4	285.3	596.1	2,100.0	6,081.3	107.5	6.4	2,180.6	2,294.5
1996	3,546.1	394.0	512.7	740.0	289.2	599.4	2,141.2	6,081.3	102.1	6.1	2,184.6	2,292.8
1997	3,549.5	342.5	542.9	752.0	289.0	599.9	2,183.8	6,075.8	96.9	6.3	2,189.0	2,292.2
1998	3,608.5	305.5	588.8	697.0	295.5	565.7	2,147.0	6,061.0	89.3	7.5	2,197.6	2,294.4
1999	3,701.0	283.3	534.7	675.6	295.3	549.8	2,055.4	6,039.6	110.4	1.4	2,185.2	2,297.0
2000	3,745.9	261.4	517.9	721.7	281.4	571.4	2,092.4	6,099.7	130.3	2.3	2,268.0	2,400.6
2001	3,742.6	231.7	516.3	717.9	286.6	601.6	2,122.4	6,096.7	140.7	2.4	2,271.8	2,414.9
2002	3,719.6	235.7	507.1	738.3	286.8	593.0	2,125.2	6,080.5	164.1	3.2	2,263.9	2,431.2
2003	3,719.0	239.6	485.0	730.7	286.9	595.0	2,097.6	6,056.2	202.9	4.9	2,245.6	2,453.4
2004	3,663.1	247.2	480.5	739.8	282.4	622.4	2,125.1	6,035.4	237.3	5.7	2,236.1	2,479.1
2005	3,653.9	296.0	449.7	740.8	278.6	590.3	2,059.4	6,009.3	247.6	7.9	2,258.3	2,513.8
2006	3,680.1	309.9	416.1	811.4	261.1	524.3	2,012.9	6,002.9	248.3	8.4	2,270.2	2,526.9
2007	3,649.5	303.7	413.2	822.7	273.9	519.7	2,029.5	5,982.7	252.5	8.4	2,292.9	2,553.8
2008	3,596.3	315.5	394.7	814.3	282.2	549.0	2,040.2	5,952.0	252.0	10.9	2,323.6	2,586.5
2009	3,480.9	403.0	360.3	805.7	282.0	578.4	2,026.4	5,910.3	266.9	14.8	2,345.7	2,627.4
2010	3,435.8	450.1	336.6	805.4	275.9	558.1	1,976.0	5,861.9	298.5	19.3	2,353.3	2,671.1
2011	3,430.1	440.9	296.4	783.8	280.7	557.9	1,932.0	5,789.8	328.9	25.1	2,366.3	2,720.3
2012	3,498.6	447.0	260.1	769.6	263.2	484.3	1,777.2	5,722.8	328.6	26.1	2,407.2	2,761.9
2013	3,551.1	415.7	249.1	737.3	255.4	464.9	1,706.7	5,673.5	341.6	25.2	2,424.5	2,791.3
2014	3,720.7	317.5	223.4	701.2	237.8	411.4	1,573.8	5,612.0	380.0	25.8	2,419.0	2,824.8

[a] Annual average figures.

Note: Up to the year 1999, weighting is based on the 1990 population census. From 2000 onwards the 2001 population census is used in its original form. After the 2011 Census the post-2000 population weights have been updated using the new census data.

Data on 'employed' includes conscripts and those working while receiving pension or child support. The data on students for 1995–97 are estimates.

'Other inactive' is a residual category calculated by deducting the sum of the figures in the indicated categories from the mid-year population, so it includes the institutional population not observed by MEF. The population weights have been corrected using the 2011 Census data.

Source: Pensioners: 1980–91: *NYUFIG,* 1992–: *KSH MEF*. Child care recipients: up to the year 1997 *TB* and estimation, after 1997 *MEF*. Unemployment: 1990–91: *NFSZ REG,* 1992–: *KSH MEF*.

Online data source in xls format: http://www.bpdata.eu/mpt/2015ent03_01

Table 3.2: Labour force participation of the population over 14 years, males, in thousands[a]

Year	Population of males 15–59							Population of males 60 and over				
	Employed	Unemployed	Inactive					Total	Employed	Unemployed	Pensioner, other inactive	Total
			Pensioner	Full time student	On child care leave	Other inactive	Inactive total					
1980	2,750.5	0.0	173.8	196.3	0.0	99.1	469.2	3,219.7	265.3	0.0	491.8	757.1
1990	2,524.3	37.9	188.4	284.2	1.2	80.3	554.1	3,116.3	123.7	0.0	665.5	789.2
1991	2,351.6	150.3	218.7	296.5	1.5	115.0	631.7	3,133.6	90.4	0.0	700.7	791.1
1992	2,153.1	263.2	252.0	302.4	1.7	174.8	730.9	3,147.2	65.1	3.2	722.1	790.4
1993	2,029.1	311.5	263.2	346.9	2.0	203.3	815.4	3,156.0	47.9	4.5	735.7	788.1
1994	2,013.4	270.0	277.6	357.1	3.7	239.6	878.0	3,161.4	41.6	3.8	740.0	785.4
1995	2,012.5	259.3	282.2	367.4	4.9	237.8	892.3	3,164.1	37.1	2.1	742.6	781.8
1996	2,007.4	242.4	291.9	372.8	3.3	248.3	916.3	3,166.1	28.9	1.3	746.3	776.5
1997	2,018.0	212.2	306.0	377.6	1.5	251.6	936.7	3,166.9	25.5	1.9	743.5	770.9
1998	2,015.5	186.5	345.4	350.4	1.0	264.2	961.0	3,163.0	26.2	2.8	737.3	766.3
1999	2,068.4	170.3	312.7	338.8	4.2	261.5	917.2	3,155.9	34.7	0.4	727.2	762.3
2000	2,086.0	158.2	315.2	358.2	4.1	261.7	939.2	3,183.4	39.8	0.7	758.8	799.3
2001	2,087.6	141.6	311.0	353.4	4.3	283.2	951.9	3,181.1	41.1	0.9	763.0	805.0
2002	2,080.4	137.3	307.5	370.3	5.0	273.4	956.2	3,173.9	45.2	0.7	764.4	810.3
2003	2,073.5	137.6	293.6	367.9	4.3	288.1	953.9	3,165.0	53.0	0.9	762.5	816.4
2004	2,052.7	136.2	293.5	371.2	4.6	300.2	969.5	3,158.4	64.6	0.6	758.8	824.0
2005	2,050.7	158.2	278.8	375.4	5.8	288.8	948.8	3,157.7	65.4	0.9	763.9	830.2
2006	2,078.4	163.4	258.9	404.1	4.0	249.6	916.6	3,158.4	60.2	1.1	771.5	832.8
2007	2,067.4	162.5	261.8	410.2	4.1	248.8	924.9	3,154.8	61.9	1.0	777.5	840.4
2008	2,033.6	172.7	261.2	408.3	4.7	264.6	938.8	3,145.1	60.0	1.0	790.4	851.4
2009	1,961.9	230.3	240.1	409.0	4.4	288.7	942.2	3,134.4	63.1	1.6	798.9	863.6
2010	1,929.5	259.5	228.7	410.3	4.6	287.1	930.7	3,119.7	63.0	2.2	812.9	878.1
2011	1,950.9	248.7	203.7	397.9	3.6	286.8	892.0	3,091.6	70.1	2.9	826.2	899.2
2012	1,979.2	257.9	187.7	395.6	4.2	238.8	826.3	3,063.4	69.6	4.1	846.1	919.8
2013	2,022.2	234.4	169.8	375.6	3.8	231.7	780.9	3,037.5	81.5	4.8	852.4	938.7
2014	2,120.3	173.1	151.5	352.5	3.0	200.7	707.7	3,001.1	100.1	8.6	855.6	964.3

[a] Annual average figures.

Note: Up to the year 1999, weighting is based on the 1990 population census. From 2000 onwards the 2001 population census is used in its original form. After the 2011 Census the post-2000 population weights have been updated using the new census data.

Data on 'employed' includes conscripts and those working while receiving pension or child support. The data on students for 1995–97 are estimates.

'Other inactive' is a residual category calculated by deducting the sum of the figures in the indicated categories from the mid-year population, so it includes the institutional population not observed by MEF. The population weights have been corrected using the 2011 Census data.

Source: Pensioners: 1980–91: *NYUFIG,* 1992–: *KSH MEF*. Child care recipients: up to the year 1997 *TB* and estimation, after 1997 *MEF*. Unemployment: 1990–91: *NFSZ REG,* 1992–: *KSH MEF*.

Online data source in xls format: http://www.bpdata.eu/mpt/2015ent03_02

Table 3.3: Labour force participation of the population over 14 years, females, in thousands[a]

Year	Population of females 15–54							Population of females 55 and above				
	Employed	Unemployed	Inactive					Total	Employed	Unemployed	Pensioner, other inactive	Total
			Pensioner	Full time student	On child care leave	Other inactive	Inactive total					
1980	2,137.4	0.0	127.0	173.8	259.0	240.6	800.4	2,937.8	305.0	0.0	1,140.3	1,445.3
1990	2,010.0	24.5	95.8	264.7	248.5	217.3	826.3	2,860.8	222.0	0.0	1,279.4	1,501.4
1991	1,918.9	103.1	116.9	281.8	258.3	201.9	858.9	2,880.9	159.1	0.0	1,344.5	1,503.6
1992	1,745.3	171.7	140.8	317.6	260.4	261.1	979.9	2,896.9	119.2	6.6	1,379.6	1,505.4
1993	1,660.4	191.1	174.3	337.0	268.5	276.8	1,056.6	2,908.1	89.6	11.8	1,405.5	1,506.9
1994	1,619.7	167.4	198.9	351.1	277.2	301.1	1,128.3	2,915.4	76.8	8.1	1,423.8	1,508.7
1995	1,558.8	150.7	213.0	356.0	280.4	358.3	1,207.7	2,917.2	70.4	4.3	1,438.0	1,512.7
1996	1,538.7	151.6	220.7	367.2	285.9	351.1	1,224.9	2,915.2	73.2	4.8	1,438.3	1,516.3
1997	1,531.5	130.3	236.9	374.4	287.5	348.3	1,247.1	2,908.9	71.4	4.4	1,445.3	1,521.1
1998	1,593.0	119.0	243.4	346.6	294.5	301.5	1,186.0	2,898.0	63.1	4.7	1,460.3	1,528.1
1999	1,632.6	113.0	222.0	336.8	291.1	288.3	1,138.2	2,883.8	75.8	1.0	1,458.0	1,534.8
2000	1,659.9	103.2	202.7	363.5	277.3	309.7	1,153.2	2,916.3	90.5	1.6	1,509.2	1,601.3
2001	1,655.0	90.1	205.3	364.5	282.3	318.3	1,170.4	2,915.5	99.6	1.5	1,508.8	1,609.9
2002	1,639.2	98.4	199.6	368.0	281.8	319.6	1,169.0	2,906.6	118.9	2.5	1,499.5	1,620.9
2003	1,645.6	102.0	191.4	362.8	282.6	306.9	1,143.7	2,891.2	149.9	4.0	1,483.2	1,637.1
2004	1,610.2	111.0	186.8	368.6	277.8	322.2	1,155.4	2,876.6	172.8	5.1	1,477.3	1,655.2
2005	1,603.2	137.8	170.9	365.4	272.8	301.5	1,110.6	2,851.6	182.2	7.0	1,494.4	1,683.6
2006	1,601.7	146.5	157.2	407.3	257.1	274.7	1,096.3	2,844.5	188.1	7.3	1,498.7	1,694.1
2007	1,582.1	141.2	151.4	412.5	269.8	270.9	1,104.6	2,827.9	190.6	7.4	1,515.4	1,713.4
2008	1,562.7	142.8	133.5	406.0	277.5	284.4	1,101.4	2,806.9	192.0	9.9	1,533.2	1,735.1
2009	1,519.0	172.7	120.2	396.7	277.6	289.7	1,084.2	2,775.9	203.8	13.2	1,546.8	1,763.8
2010	1,506.3	190.6	107.9	395.1	271.3	271.0	1,045.3	2,742.2	235.5	17.1	1,540.4	1,793.0
2011	1,479.2	192.2	92.7	385.9	277.1	271.1	1,040.0	2,698.2	258.8	22.2	1,540.1	1,821.1
2012	1,519.4	189.1	72.4	374.0	259.0	245.5	950.9	2,659.4	259.0	22.0	1,561.1	1,842.1
2013	1,528.9	181.3	79.3	361.7	251.6	233.2	925.8	2,636.0	260.1	20.4	1,572.1	1,852.6
2014	1,600.4	144.4	71.9	348.7	234.8	210.7	866.1	2,610.9	279.9	17.2	1,563.4	1,860.5

[a] Annual average figures.

Note: Up to the year 1999, weighting is based on the 1990 population census. From 2000 onwards the 2001 population census is used in its original form. After the 2011 Census the post-2000 population weights have been updated using the new census data.

Data on 'employed' includes conscripts and those working while receiving pension or child support. The data on students for 1995–97 are estimates.

'Other inactive' is a residual category calculated by deducting the sum of the figures in the indicated categories from the mid-year population, so it includes the institutional population not observed by MEF. The population weights have been corrected using the 2011 Census data.

Source: Pensioners: 1980–91: *NYUFIG,* 1992–: *KSH MEF*. Child care recipients: up to the year 1997 *TB* and estimation, after 1997 *MEF*. Unemployment: 1990–91: *NFSZ REG,* 1992–: *KSH MEF*.

Online data source in xls format: http://www.bpdata.eu/mpt/2015ent03_03

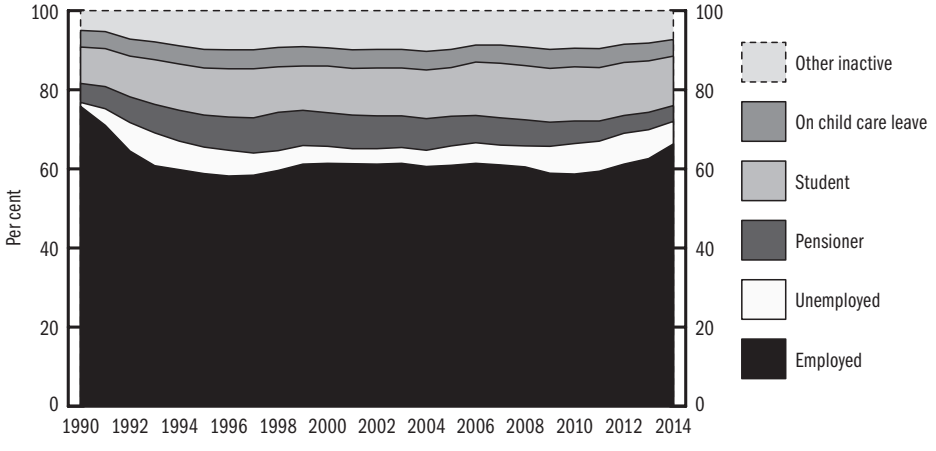
Table 3.4: Labour force participation of the population over 14 years, per cent

Year	Population of males 15–59 and female 15–54								Population of males over 59 and female over 54			
	Employed	Unemployed	Inactive					Total	Employed	Unemployed	Pensioner, other inactive	Total
			Pensioner	Full time student	On child care leave	Other inactive	Inactive total					
1980	79.4	0.0	4.9	6.0	4.2	5.5	20.6	100.0	25.9	0.0	74.1	100.0
1990	75.9	1.0	4.8	9.2	4.2	5.0	23.1	100.0	15.1	0.0	84.9	100.0
1995	58.7	6.7	8.1	11.9	4.7	9.8	34.5	100.0	4.7	0.3	95.0	100.0
2000	61.4	4.3	8.5	11.8	4.6	9.4	34.3	100.0	5.4	0.1	94.5	100.0
2001	61.4	3.8	8.5	11.8	4.7	9.9	34.8	100.0	5.8	0.1	94.1	100.0
2002	61.2	3.9	8.3	12.1	4.7	9.8	35.0	100.0	6.7	0.1	93.1	100.0
2003	61.4	4.0	8.0	12.1	4.7	9.8	34.6	100.0	8.3	0.2	91.5	100.0
2004	60.7	4.1	8.0	12.3	4.7	10.3	35.2	100.0	9.6	0.2	90.2	100.0
2005	60.8	4.9	7.5	12.3	4.6	9.8	34.3	100.0	9.8	0.3	89.8	100.0
2006	61.3	5.2	6.9	13.5	4.3	8.7	33.5	100.0	9.8	0.3	89.8	100.0
2007	61.0	5.1	6.9	13.8	4.6	8.7	33.9	100.0	9.9	0.3	89.8	100.0
2008	60.4	5.3	6.6	13.7	4.7	9.2	34.3	100.0	9.7	0.4	89.8	100.0
2009	58.9	6.8	6.1	13.6	4.8	9.8	34.3	100.0	10.2	0.6	89.3	100.0
2010	58.6	7.7	5.7	13.7	4.7	9.5	33.7	100.0	11.2	0.7	88.1	100.0
2011	59.2	7.6	5.1	13.5	4.8	9.6	33.1	100.0	12.1	0.9	87.0	100.0
2012	61.1	7.8	4.5	13.4	4.6	8.5	31.1	100.0	11.9	0.9	87.2	100.0
2013	62.6	7.3	4.4	13.0	4.5	8.2	30.1	100.0	12.2	0.9	86.9	100.0
2014	66.3	5.7	4.0	12.5	4.2	7.3	28.0	100.0	13.5	0.9	85.6	100.0

Source: Pensioners: 1980–90: *NYUFIG,* 1995–: *KSH MEF*. Child care recipients: up to the year 1997 *TB* and estimation, after 1997 *MEF*. Unemployment: 1990: *NFSZ REG,* 1995–: *KSH MEF*.

Online data source in xls format: http://www.bpdata.eu/mpt/2015ent03_04

Figure 3.1: Labour force participation of population for males 15–59 and females 15–54, total



Source: Pensioners: 1990–90: *NYUFIG,* 1992–: *KSH MEF*. Child care recipients: up to the year 1997 *TB* and estimation, after 1997 *MEF*. Unemployment: 1990–91: *NFSZ REG,* 1992–: *KSH MEF*.

Online data source in xls format: http://www.bpdata.eu/mpt/2013hua03_01

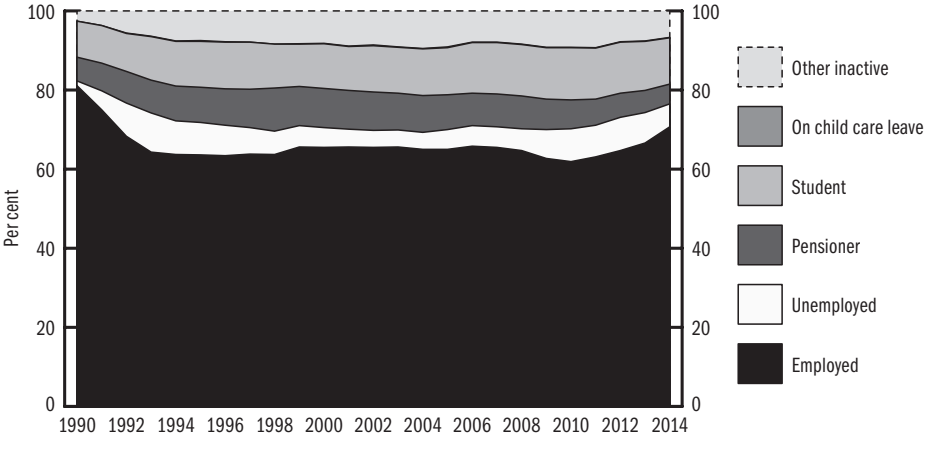
Table 3.5: Labour force participation of the population over 14 years, males, per cent

Year	Population of males 15–59								Population of males 60 and above			
	Employed	Unemployed	Inactive					Total	Employed	Unemployed	Pensioner, other inactive	Total
			Pensioner	Full time student	On child care leave	Other inactive	Inactive total					
1980	85.4	0.0	5.4	6.1	0.0	3.1	14.6	100.0	35.0	0.0	65.0	100.0
1990	81.0	1.2	6.0	9.1	0.0	2.6	17.8	100.0	15.7	0.0	84.3	100.0
1995	63.6	8.2	8.9	11.6	0.2	7.5	28.2	100.0	4.7	0.3	95.0	100.0
2000	65.5	5.0	9.9	11.3	0.1	8.2	29.5	100.0	5.0	0.1	94.9	100.0
2001	65.6	4.5	9.8	11.1	0.1	8.9	29.9	100.0	5.1	0.1	94.8	100.0
2002	65.5	4.3	9.7	11.7	0.2	8.6	30.1	100.0	5.6	0.1	94.3	100.0
2003	65.5	4.3	9.3	11.6	0.1	9.1	30.1	100.0	6.5	0.1	93.4	100.0
2004	65.0	4.3	9.3	11.8	0.1	9.5	30.7	100.0	7.8	0.1	92.1	100.0
2005	64.9	5.0	8.8	11.9	0.2	9.1	30.0	100.0	7.9	0.1	92.0	100.0
2006	65.8	5.2	8.2	12.8	0.1	7.9	29.0	100.0	7.2	0.1	92.6	100.0
2007	65.5	5.2	8.3	13.0	0.1	7.9	29.3	100.0	7.4	0.1	92.5	100.0
2008	64.7	5.5	8.3	13.0	0.1	8.4	29.8	100.0	7.0	0.1	92.8	100.0
2009	62.6	7.3	7.7	13.0	0.1	9.2	30.1	100.0	7.3	0.2	92.5	100.0
2010	61.8	8.3	7.3	13.2	0.1	9.2	29.8	100.0	7.2	0.3	92.6	100.0
2011	63.1	8.0	6.6	12.9	0.1	9.3	28.9	100.0	7.8	0.3	91.9	100.0
2012	64.6	8.4	6.1	12.9	0.1	7.8	27.0	100.0	7.6	0.4	92.0	100.0
2013	66.6	7.7	5.6	12.4	0.1	7.6	25.7	100.0	8.7	0.5	90.8	100.0
2014	70.7	5.8	5.0	11.7	0.1	6.7	23.6	100.0	10.4	0.9	88.7	100.0

Source: Pensioners: 1980–90: *NYUFIG,* 1995–: *KSH MEF*. Child care recipients: up to the year 1997 *TB* and estimation, after 1997 *MEF*. Unemployment: 1990: *NFSZ REG,* 1995–: *KSH MEF*.

Online data source in xls format: http://www.bpdata.eu/mpt/2015ent03_05

Figure 3.2: Labour force participation of population for males 15–59



Source: Pensioners: 1990–90: *NYUFIG,* 1992–: *KSH MEF*. Child care recipients: up to the year 1997 *TB* and estimation, after 1997 *MEF*. Unemployment: 1990–91: *NFSZ REG,* 1992–: *KSH MEF*.

Online data source in xls format: http://www.bpdata.eu/mpt/2015ena03_02

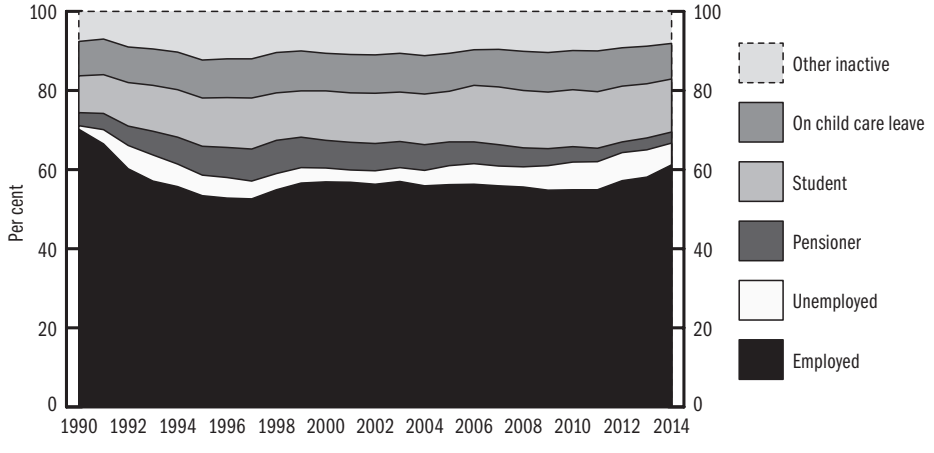
Table 3.6: Labour force participation of the population over 14 years, females, per cent

Year	Population of females 15–54								Population of females 55 and above			
	Employed	Unemployed	Inactive					Total	Employed	Unemployed	Pensioner, other inactive	Total
			Pensioner	Full time student	On child care leave	Other inactive	Inactive total					
1980	72.8	0.0	4.3	5.9	8.8	8.2	27.2	100.0	21.1	0.0	78.9	100.0
1990	70.3	0.9	3.3	9.3	8.7	7.6	28.9	100.0	14.8	0.0	85.2	100.0
1995	53.4	5.2	7.3	12.2	9.6	12.3	41.4	100.0	4.7	0.3	95.1	100.0
2000	56.9	3.5	7.0	12.5	9.5	10.6	39.5	100.0	5.7	0.1	94.2	100.0
2001	56.8	3.1	7.0	12.5	9.7	10.9	40.1	100.0	6.2	0.1	93.7	100.0
2002	56.4	3.4	6.9	12.7	9.7	11.0	40.2	100.0	7.3	0.2	92.5	100.0
2003	56.9	3.5	6.6	12.5	9.8	10.6	39.6	100.0	9.2	0.2	90.6	100.0
2004	56.0	3.9	6.5	12.8	9.7	11.2	40.2	100.0	10.4	0.3	89.3	100.0
2005	56.2	4.8	6.0	12.8	9.6	10.6	38.9	100.0	10.8	0.4	88.8	100.0
2006	56.3	5.2	5.5	14.3	9.0	9.7	38.5	100.0	11.1	0.4	88.5	100.0
2007	55.9	5.0	5.4	14.6	9.5	9.6	39.1	100.0	11.1	0.4	88.4	100.0
2008	55.7	5.1	4.8	14.5	9.9	10.1	39.2	100.0	11.1	0.6	88.4	100.0
2009	54.7	6.2	4.3	14.3	10.0	10.4	39.1	100.0	11.6	0.7	87.7	100.0
2010	54.9	7.0	3.9	14.4	9.9	9.9	38.1	100.0	13.1	1.0	85.9	100.0
2011	54.8	7.1	3.4	14.3	10.3	10.0	38.1	100.0	14.2	1.2	84.6	100.0
2012	57.1	7.1	2.7	14.1	9.7	9.2	36.0	100.0	14.1	1.2	84.7	100.0
2013	58.0	6.9	3.0	13.7	9.5	8.8	35.1	100.0	14.0	1.1	84.9	100.0
2014	61.3	5.5	2.8	13.4	9.0	8.1	33.2	100.0	15.0	0.9	84.0	100.0

Source: Pensioners: 1980–90: *NYUFIG,* 1995–: *KSH MEF*. Child care recipients: up to the year 1997 *TB* and estimation, after 1997 *MEF*. Unemployment: 1990: *NFSZ REG,* 1995–: *KSH MEF*.

Online data source in xls format: http://www.bpdata.eu/mpt/2015ent03_06

Figure 3.3: Labour force participation of population for females 15–54



Source: Pensioners: 1990–90: *NYUFIG,* 1992–: *KSH MEF*. Child care recipients: up to the year 1997 *TB* and estimation, after 1997 *MEF*. Unemployment: 1990–91: *NFSZ REG,* 1992–: *KSH MEF*.

Online data source in xls format: http://www.bpdata.eu/mpt/2015ena03_03

Table 3.7: Population aged 15–64 by labour market status (self-categorised), in thousands

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Together											
In work	3,834.4	3,852.2	3,862.5	3,831.6	3,769.3	3,681.5	3,660.3	3,690.1	3,748.4	3,824.5	4,039.5
Unemployed	451.0	488.2	470.4	450.2	476.7	591.3	670.7	675.8	700.4	666.5	538.8
Students, pupils	783.8	792.0	846.3	861.1	863.7	854.8	854.6	842.2	811.2	772.5	733.5
Pensioner	800.3	755.6	622.9	592.2	635.6	627.6	599.3	582.0	630.3	613.6	557.5
Disabled	370.4	359.7	506.8	554.4	525.8	498.9	488.4	455.1	356.7	335.7	317.7
On child care leave	274.7	272.4	275.5	286.2	295.0	293.0	289.3	290.2	265.0	259.1	237.0
Dependent	133.3	134.6	115.2	111.9	104.0	101.9	95.3	104.3	93.1	96.9	85.3
Out of work for other reasons	178.4	160.0	107.7	101.8	101.7	104.9	78.2	78.9	89.1	78.0	78.4
Total	6,826.3	6,814.7	6,807.3	6,789.4	6,771.6	6,753.8	6,736.0	6,718.5	6,694.1	6,646.8	6,587.7
Males											
In work	2,082.8	2,088.3	2,106.3	2,095.3	2,056.8	1,993.3	1,958.0	1,985.4	2,009.3	2,065.1	2,186.4
Unemployed	247.7	265.2	251.6	242.0	255.8	333.6	375.6	372.2	382.9	364.4	283.7
Students, pupils	391.1	398.5	418.3	428.4	431.7	430.6	432.7	427.2	416.1	393.4	366.9
Pensioner	322.5	304.5	234.9	217.4	243.4	246.2	245.6	243.7	254.9	236.7	209.7
Disabled	184.5	178.7	243.0	269.4	257.9	238.2	234.6	215.7	177.1	161.6	152.5
On child care leave	4.9	6.1	5.6	4.3	5.6	5.7	6.7	4.5	4.1	4.1	3.1
Dependent	6.0	7.0	5.4	6.3	6.8	6.8	9.6	10.0	7.0	9.8	8.3
Out of work for other reasons	89.6	80.1	55.1	51.8	51.6	49.8	36.1	35.8	40.8	37.1	36.0
Total	3,329.1	3,328.4	3,320.2	3,314.9	3,309.6	3,304.2	3,298.9	3,294.4	3,292.2	3,272.1	3,246.7
Females											
In work	1,751.6	1,763.9	1,756.3	1,736.3	1,712.4	1,688.2	1,702.2	1,704.7	1,739.1	1,759.4	1,853.1
Unemployed	203.3	223.0	218.8	208.3	220.9	257.6	295.1	303.6	317.5	302.1	255.0
Students, pupils	392.7	393.5	428.0	432.7	432.0	424.2	421.9	415.0	395.1	379.0	366.6
Pensioner	477.8	451.1	388.0	374.8	392.2	381.4	353.7	338.2	375.4	376.9	347.8
Disabled	185.9	181.0	263.9	285.0	267.9	260.7	253.8	239.5	179.6	174.1	165.2
On child care leave	269.8	266.3	269.9	281.9	289.4	287.3	282.6	285.7	260.9	255.0	233.8
Dependent	127.3	127.6	109.7	105.6	97.2	95.1	85.7	94.3	86.1	87.2	77.0
Out of work for other reasons	88.8	79.9	52.6	50.0	50.1	55.1	42.1	43.1	48.3	40.9	42.4
Total	3,497.2	3,486.3	3,487.1	3,474.5	3,462.1	3,449.6	3,437.1	3,424.1	3,401.9	3,374.7	3,341.1

Source: *KSH MEF*.

Online data source in xls format: http://www.bpdata.eu/mpt/2015ent03_07

Table 3.8: Population aged 15–64 by labour market status (self-categorised), per cent

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Together											
In work	56.2	56.5	56.7	56.4	55.7	54.5	54.3	54.9	56.0	57.5	61.3
Unemployed	6.6	7.2	6.9	6.6	7.0	8.8	10.0	10.1	10.5	10.0	8.2
Students, pupils	11.5	11.6	12.4	12.7	12.8	12.7	12.7	12.5	12.1	11.6	11.1
Pensioner	11.7	11.1	9.2	8.7	9.4	9.3	8.9	8.7	9.4	9.2	8.5
Disabled	5.4	5.3	7.4	8.2	7.8	7.4	7.3	6.8	5.3	5.1	4.8
On child care leave	4.0	4.0	4.0	4.2	4.4	4.3	4.3	4.3	4.0	3.9	3.6
Dependent	2.0	2.0	1.7	1.6	1.5	1.5	1.4	1.6	1.4	1.5	1.3
Out of work for other reasons	2.6	2.3	1.6	1.5	1.5	1.6	1.2	1.2	1.3	1.2	1.2
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Males											
In work	62.6	62.7	63.4	63.2	62.1	60.3	59.4	60.3	61.0	63.1	67.3
Unemployed	7.4	8.0	7.6	7.3	7.7	10.1	11.4	11.3	11.6	11.1	8.7
Students, pupils	11.7	12.0	12.6	12.9	13.0	13.0	13.1	13.0	12.6	12.0	11.3
Pensioner	9.7	9.1	7.1	6.6	7.4	7.4	7.4	7.4	7.7	7.2	6.5
Disabled	5.5	5.4	7.3	8.1	7.8	7.2	7.1	6.5	5.4	4.9	4.7
On child care leave	0.1	0.2	0.2	0.1	0.2	0.2	0.2	0.1	0.1	0.1	0.1
Dependent	0.2	0.2	0.2	0.2	0.2	0.2	0.3	0.3	0.2	0.3	0.3
Out of work for other reasons	2.7	2.4	1.7	1.6	1.6	1.5	1.1	1.1	1.2	1.1	1.1
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Females											
In work	50.1	50.6	50.4	50.0	49.5	48.9	49.5	49.8	51.1	52.1	55.5
Unemployed	5.8	6.4	6.3	6.0	6.4	7.5	8.6	8.9	9.3	9.0	7.6
Students, pupils	11.2	11.3	12.3	12.5	12.5	12.3	12.3	12.1	11.6	11.2	11.0
Pensioner	13.7	12.9	11.1	10.8	11.3	11.1	10.3	9.9	11.0	11.2	10.4
Disabled	5.3	5.2	7.6	8.2	7.7	7.6	7.4	7.0	5.3	5.2	4.9
On child care leave	7.7	7.6	7.7	8.1	8.4	8.3	8.2	8.3	7.7	7.6	7.0
Dependent	3.6	3.7	3.1	3.0	2.8	2.8	2.5	2.8	2.5	2.6	2.3
Out of work for other reasons	2.5	2.3	1.5	1.4	1.4	1.6	1.2	1.3	1.4	1.2	1.3
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Source: *KSH MEF*.

Online data source in xls format: http://www.bpdata.eu/mpt/2015ent03_08

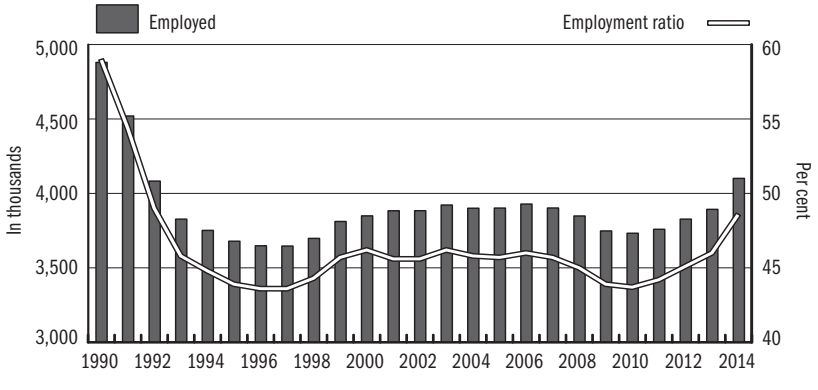
Table 4.1: Employment

Year	In thousands	1992 = 100	Annual changes	Employment ratio[a]
1980	5,458.2	133.7	..	65.3
1990	4,880.0	119.5	..	59.0
1991	4,520.0	110.7	–7.4	54.4
1992	4,082.7	100.0	–9.7	49.0
1993	3,827.0	93.7	–6.2	45.8
1994	3,751.5	91.9	–2.0	44.8
1995	3,678.8	90.1	–1.9	43.9
1996	3,648.2	89.4	–0.9	43.6
1997	3,646.4	89.3	0.0	43.6
1998	3,697.8	90.6	1.4	44.3
1999	3,811.4	93.4	3.2	45.7
2000	3,849.1	94.3	1.0	46.2
2001	3,883.3	95.1	0.3	45.6
2002	3,883.7	95.1	0.0	45.6
2003	3,921.9	96.1	1.2	46.2
2004	3,900.4	95.5	–0.5	45.8
2005	3,901.5	95.6	0.0	45.7
2006	3,928.4	96.2	0.7	46.0
2007	3,902.0	95.6	–0.7	45.7
2008	3,848.3	94.3	–1.4	45.0
2009	3,747.8	91.8	–2.6	43.9
2010	3,732.4	91.4	–0.4	43.7
2011	3,759.0	92.1	0.7	44.2
2012	3,827.2	93.7	1.8	45.1
2013	3,892.8	95.3	1.7	46.0
2014	4,100.9	100.4	5.3	48.6

[a] Per cent of the population over 14 years of age.
Source: 1980–91: *KSH MEM,* 1992–: *KSH MEF*.

Online data source in xls format: http://www.bpdata.eu/mpt/2015ent04_01

Figure 4.1: Employed



Source: 1990–91: *KSH MEM*, 1992–: *KSH MEF*.

Online data source in xls format: http://www.bpdata.eu/mpt/2015ena04_01

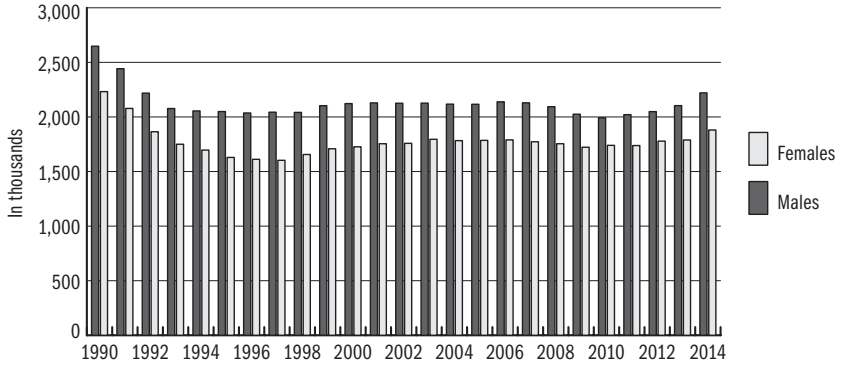
Table 4.2: Employment by gender

Year	Males		Females		Share of females (%)
	In thousands	1992 = 100	In thousands	1992 = 100	
1980	3,015.8	136.0	2,442.4	131.0	44.7
1990	2,648.0	119.4	2,232.0	119.7	45.7
1991	2,442.0	110.1	2,078.0	111.5	46.0
1992	2,218.2	100.0	1,864.5	100.0	45.7
1993	2,077.0	93.6	1,750.0	93.9	45.7
1994	2,055.0	92.6	1,696.5	91.0	45.2
1995	2,049.6	92.4	1,629.2	87.4	44.3
1996	2,036.3	91.8	1,611.9	86.5	44.2
1997	2,043.5	92.1	1,602.9	86.0	44.0
1998	2,041.7	92.0	1,656.1	88.8	44.8
1999	2,103.1	94.8	1,708.4	91.6	44.8
2000	2,122.4	95.7	1,726.7	92.6	44.9
2001	2,128.7	96.0	1,754.6	94.1	45.2
2002	2,125.6	95.8	1,758.1	94.3	45.3
2003	2,126.5	95.6	1,795.4	96.2	45.8
2004	2,117.3	95.5	1,783.1	95.6	45.7
2005	2,116.1	95.4	1,785.4	95.8	45.8
2006	2,138.6	96.4	1,789.8	96.0	45.6
2007	2,129.3	96.0	1,772.7	95.1	45.4
2008	2,093.6	94.4	1,754.7	94.1	45.6
2009	2,025.1	91.3	1,722.8	92.4	46.0
2010	1,992.5	89.8	1,739.8	93.3	46.6
2011	2,021.0	91.1	1,738.0	93.2	46.2
2012	2,048.8	92.4	1,778.4	95.4	46.5
2013	2,103.7	94.8	1,789.0	96.0	46.0
2014	2,220.5	100.1	1,880.4	100.9	45.9

Source: 1990–91: *KSH MEM*, 1992–: *KSH MEF*.

Online data source in xls format: http://www.bpdata.eu/mpt/2015ent04_02

Figure 4.2: Employment by gender



Source: 1990–91: *KSH MEM*, 1992–: *KSH MEF*.

Online data source in xls format: http://www.bpdata.eu/mpt/2015ena04_02

Table 4.3: Composition of the employed by age groups, males, per cent

Year	15–19	20–24	25–49	50–54	55–59	60+	Total
	years old						
1990	5.0	10.8	64.1	8.6	6.8	4.7	100.0
2000	1.5	12.4	67.3	10.6	6.4	1.8	100.0
2001	1.2	10.4	68.6	11.1	6.7	2.0	100.0
2002	0.9	9.4	69.4	11.3	6.9	2.1	100.0
2003	0.7	8.6	69.1	11.8	7.3	2.5	100.0
2004	0.7	7.4	69.5	12.0	7.3	3.0	100.0
2005	0.6	6.8	68.9	12.7	7.9	3.1	100.0
2006	0.6	6.7	71.1	10.3	8.5	2.8	100.0
2007	0.5	6.7	71.3	10.2	8.4	2.9	100.0
2008	0.5	6.4	71.2	10.6	8.5	2.8	100.0
2009	0.4	5.7	70.6	10.9	9.3	3.1	100.0
2010	0.3	5.8	70.5	10.8	9.8	2.8	100.0
2011	0.3	5.5	69.8	10.9	10.0	3.5	100.0
2012	0.3	5.5	69.4	10.7	10.7	3.4	100.0
2013	0.4	6.1	68.6	10.3	10.7	3.9	100.0
2014	0.5	6.4	68.2	9.9	10.5	4.5	100.0

Source: 1990: Census based estimates. 2000–: *KSH MEF*.

Online data source in xls format: http://www.bpdata.eu/mpt/2015ent04_03

Table 4.4: Composition of the employed by age groups, females, per cent

Year	15–19	20–24	25–49	50–54	55+	Total
	years old					
1990	5.2	8.6	66.2	10.0	10.0	100.0
2000	1.4	11.1	69.6	12.7	5.2	100.0
2001	1.1	9.6	70.5	13.1	5.7	100.0
2002	0.8	9.2	69.4	13.8	6.8	100.0
2003	0.5	8.2	68.8	14.0	8.5	100.0
2004	0.5	7.1	68.2	14.6	9.7	100.0
2005	0.4	6.3	67.7	15.4	10.2	100.0
2006	0.4	6.0	70.1	12.9	10.6	100.0
2007	0.3	5.8	70.0	13.1	10.8	100.0
2008	0.3	5.6	69.8	13.4	10.9	100.0
2009	0.2	5.4	69.1	13.5	11.8	100.0
2010	0.3	5.3	67.4	13.6	13.4	100.0
2011	0.2	5.1	66.4	13.4	14.9	100.0
2012	0.2	5.2	66.6	13.4	14.6	100.0
2013	0.3	5.1	67.1	13.1	14.4	100.0
2014	0.4	5.6	66.4	12.7	14.9	100.0

Source: 1990: Census based estimates. 2000–: *KSH MEF*.

Online data source in xls format: http://www.bpdata.eu/mpt/2015ent04_04

Table 4.5: Composition of the employed by level of education, males, per cent

Year	8 grades of primary school or less	Vocational school	Secondary school	College, university	Total
1990	37.6	30.5	20.1	11.8	100.0
2000	16.1	41.6	26.7	15.6	100.0
2001	15.6	42.8	26.0	15.6	100.0
2002	14.6	43.2	26.4	15.8	100.0
2003	14.0	41.3	27.7	17.0	100.0
2004	13.0	40.4	28.0	18.6	100.0
2005	13.0	40.8	27.7	18.5	100.0
2006	12.3	41.0	28.2	18.5	100.0
2007	11.7	40.7	28.8	18.8	100.0
2008	11.7	39.4	29.1	19.8	100.0
2009	10.9	38.7	30.1	20.3	100.0
2010	10.6	38.3	30.6	20.5	100.0
2011	10.7	37.2	30.2	21.9	100.0
2012	10.6	36.8	30.1	22.5	100.0
2013	10.2	37.1	30.1	22.6	100.0
2014	11.1	35.8	30.6	22.5	100.0

Note: Since 2000, slight changes have occurred in the categorisation system by highest education level.
Source: 1990: Census based estimates. 2000–: *KSH MEF*.
Online data source in xls format: http://www.bpdata.eu/mpt/2015ent04_05

Table 4.6: Composition of the employed by level of education, females, per cent

Year	8 grades of primary school or less	Vocational school	Secondary school	College, university	Total
1990	43.4	13.4	31.4	11.8	100.0
2000	19.1	20.9	40.8	19.2	100.0
2001	19.1	21.3	40.3	19.3	100.0
2002	18.5	21.5	40.2	19.8	100.0
2003	16.4	21.5	40.9	21.2	100.0
2004	15.9	20.5	40.2	23.4	100.0
2005	15.4	20.2	40.0	24.4	100.0
2006	14.2	20.7	40.0	25.1	100.0
2007	13.5	21.2	40.0	25.3	100.0
2008	13.3	20.3	39.2	27.2	100.0
2009	12.5	19.8	39.3	28.4	100.0
2010	12.3	20.3	38.8	28.6	100.0
2011	11.7	20.1	38.0	30.2	100.0
2012	11.0	19.5	38.4	31.1	100.0
2013	10.9	19.6	38.1	31.4	100.0
2014	11.4	19.4	37.8	31.5	100.0

Note: Since 2000, slight changes have occurred in the categorisation system by highest education level.
Source: 1990: Census based estimates. 2000–: *KSH MEF*.
Online data source in xls format: http://www.bpdata.eu/mpt/2015ent04_06

Table 4.7: Employed by employment status, in thousands

Year	Employees	Member of cooperatives	Member of other partnerships	Self-employed and assisting family members	Total
1998	3,088.5	55.8	132.5	397.9	3,674.7
1999	3,201.3	42.5	111.8	435.9	3,791.5
2000	3,255.5	37.1	129.4	407.1	3,829.1
2001	3,313.6	31.4	118.9	404.4	3,868.3
2002	3,337.2	22.5	109.9	401.0	3,870.6
2003	3,399.2	8.6	114.7	399.4	3,921.9
2004	3,347.8	8.1	136.6	407.8	3,900.3
2005	3,367.3	5.8	146.7	381.7	3,901.5
2006	3,428.9	4.8	128.0	366.7	3,928.4
2007	3,415.5	4.7	123.9	357.9	3,902.0
2008	3,378.4	2.6	120.9	346.4	3,848.3
2009	3,274.9	2.5	131.7	338.7	3,747.8
2010	3,272.7	2.9	137.6	319.3	3,732.5
2011	3,302.5	2.0	133.3	321.2	3,759.0
2012	3,378.1	2.3	144.3	302.5	3,827.2
2013	3,453.9	3.3	156.6	279.0	3,892.8
2014	3,652.0	3.6	157.3	288.0	4,100.9

Note: Conscripts are excluded.
Source: 1998–: *KSH MEF*.

Online data source in xls format: http://www.bpdata.eu/mpt/2015ent04_07

Table 4.8: Composition of the employed persons by employment status, per cent

Year	Employees	Member of cooperatives	Member of other partnerships	Self-employed and assisting family members	Total
1998	84.0	1.5	3.6	10.8	100.0
1999	84.4	1.1	2.9	11.5	100.0
2000	85.0	1.0	3.4	10.6	100.0
2001	85.7	0.8	3.1	10.5	100.0
2002	86.2	0.6	2.8	10.4	100.0
2003	86.7	0.2	2.8	10.3	100.0
2004	85.8	0.2	3.5	10.5	100.0
2005	86.3	0.1	3.8	9.8	100.0
2006	87.3	0.1	3.2	9.4	100.0
2007	87.6	0.1	3.1	9.2	100.0
2008	87.7	0.1	3.2	9.0	100.0
2009	87.5	0.1	3.6	8.8	100.0
2010	87.7	0.1	3.7	8.5	100.0
2011	87.9	0.0	3.5	8.5	100.0
2012	88.3	0.1	3.8	7.9	100.0
2013	88.9	0.1	4.0	7.0	100.0
2014	93.8	0.1	4.0	6.8	100.0

Note: Conscripts are excluded.
Source: 1998–: *KSH MEF*.

Online data source in xls format: http://www.bpdata.eu/mpt/2015ent04_08

Table 4.9: Composition of employed persons by sector[a], by gender, per cent

	2011			2012			2013			2014		
	Males	Females	Together	Males	Females	Together	Males	Females	Together	Males	Females	Together
Agriculture, forestry and fishing	5.7	2.0	3.9	5.6	1.9	3.8	5.1	1.9	3.5	5.0	1.7	3.5
Mining and quarrying	0.5	0.1	0.3	0.4	0.1	0.2	0.4	0.1	0.2	0.4	0.1	0.3
Manufacturing	27.0	18.8	23.0	26.4	17.9	22.3	26.7	18.0	22.6	28.1	18.0	23.3
Electricity, gas, steam and air conditioning supply	1.6	0.6	1.1	1.5	0.5	1.1	1.3	0.5	0.9	1.4	0.6	1.0
Water supply; sewerage, waste management and remediation activities	2.2	0.8	1.5	2.7	0.9	1.8	2.6	0.8	1.7	2.2	0.7	1.5
Construction	11.0	0.9	6.2	10.0	1.0	5.7	10.1	0.9	5.7	10.0	1.0	5.7
Wholesale and retail trade; repair of motor vehicles and motorcycles	11.4	15.8	13.5	10.7	15.9	13.2	10.3	15.6	12.8	10.2	15.5	12.7
Transportation and storage	9.5	4.1	6.9	9.8	3.8	6.9	9.7	3.8	6.9	9.1	3.8	6.6
Accommodation and food service activities	2.9	5.2	4.0	3.1	5.2	4.1	3.0	5.0	4.0	3.0	5.2	4.1
Information and communication	2.9	1.5	2.2	3.4	1.6	2.5	3.2	1.9	2.6	3.0	1.8	2.4
Financial and insurance activities	1.5	3.3	2.4	1.5	3.3	2.4	1.8	3.3	2.5	1.6	3.0	2.3
Real estate activities	0.5	0.5	0.5	0.6	0.5	0.5	0.5	0.5	0.5	0.4	0.4	0.4
Professional, scientific and technical activities	2.0	3.2	2.6	1.9	3.4	2.6	2.2	3.7	2.9	2.0	3.5	2.7
Administrative and support service activities	3.0	2.8	2.9	3.8	2.9	3.4	4.3	2.8	3.6	4.1	3.0	3.6
Public administration and defence; compulsory social security	8.9	9.7	9.3	9.2	9.8	9.5	10.1	11.1	10.6	10.5	11.6	11.0
Education	4.2	15.0	9.4	4.1	14.7	9.2	3.8	14.2	8.8	3.8	14.1	8.7
Human health and social work activities	2.8	11.8	7.1	2.6	12.5	7.3	2.6	12.2	7.2	2.5	11.9	7.0
Arts, entertainment and recreation	1.3	1.7	1.5	1.3	1.8	1.5	1.1	1.6	1.3	1.5	1.6	1.5
Other services	1.0	2.2	1.6	1.2	2.3	1.7	1.2	2.3	1.8	1.2	2.4	1.8
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

[a] By TEÁOR'08.
Source: *KSH MEF*.

Online data source in xls format: http://www.bpdata.eu/mpt/2015ent04_09

Table 4.10: Employed in their present job for 0–6 months, per cent

	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Hungary	8.5	6.8	7.2	6.3	6.6	7.2	6.8	7.0	6.8	7.5	7.6	7.4	7.9	7.3	8.4	9.1	8.9

Source: MEF, IV. quarterly waves.

Online data source in xls format: http://www.bpdata.eu/mpt/2015ent04_10

Table 4.11: Distribution of employees in the competitive sector[a] by firm size, per cent

Year	Less than 20	20–49	50–249	250–999	1000 and more
	employees				
2002	21.6	14.0	21.5	20.1	22.9
2003	23.0	15.3	20.5	19.3	21.8
2004	23.6	14.8	21.3	18.3	22.0
2005	27.0	15.0	20.5	17.5	20.0
2006	15.7	10.7	25.7	24.3	23.6
2007	25.2	14.2	20.0	18.4	22.2
2008	26.0	15.7	20.7	18.9	18.6
2009	23.4	15.7	19.7	18.4	22.8
2010	23.5	15.7	18.6	18.0	24.2
2011	24.9	15.6	18.5	17.7	23.4
2012	24.2	14.7	18.3	18.6	24.1
2013	23.2	14.5	18.1	19.0	25.2
2014	23.8	15.0	18.4	19.2	23.5

[a] Firms employing 5 or more workers.
Source: *NFSZ BT*.

Online data source in xls format: http://www.bpdata.eu/mpt/2015ent04_11

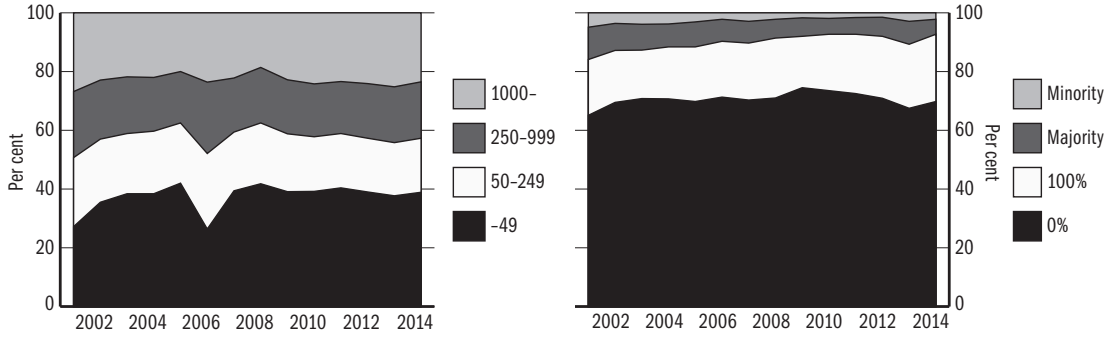
Table 4.12: Employees of the competitive sector[a] by the share of foreign ownership, per cent

Share of foreign ownership	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
100%	17.7	16.5	17.7	18.6	19.0	19.4	20.4	17.5	19.2	20.2	21.1	21.8	22.9
Majority	9.2	8.8	7.8	8.5	7.5	7.4	6.4	6.3	5.4	5.7	6.5	7.8	5.1
Minority	3.6	3.9	3.8	3.1	2.2	2.9	2.2	1.7	1.9	1.6	1.5	2.9	2.2
0%	69.5	70.8	70.7	69.8	71.3	70.3	71.0	74.6	73.5	72.4	70.9	67.5	69.9

[a] Firms employing 5 or more workers.
Source: *NFSZ BT*.

Online data source in xls format: http://www.bpdata.eu/mpt/2015ent04_12

Figure 4.3: Employees of the corporate sector by firm size and by the share of foreign ownership



Source: *NFSZ BT*.

Online data source in xls format: http://www.bpdata.eu/mpt/2015ena04_03

Table 4.13: Employment rate of population aged 15–74 by age group, males, per cent

Year	15–19	20–24	25–49	50–54	55–59	60–64	65–74	Total
1998	11.4	59.9	78.8	66.0	38.3	10.0	3.2	54.4
1999	10.6	60.3	80.5	69.0	44.0	10.4	3.8	56.2
2000	8.4	58.9	80.9	69.6	49.6	11.8	3.8	56.8
2001	7.9	56.7	81.6	68.2	51.3	13.1	3.1	57.1
2002	5.6	53.1	81.9	68.6	52.8	14.4	3.4	57.1
2003	4.8	51.8	82.2	69.7	55.2	16.8	3.8	57.6
2004	4.5	46.5	82.7	69.7	54.0	20.1	4.3	57.5
2005	4.0	43.6	82.5	70.1	56.6	20.9	4.2	57.4
2006	4.1	44.0	83.1	70.7	58.5	18.9	4.2	58.0
2007	3.7	44.0	83.4	71.0	57.3	18.0	4.7	57.8
2008	3.5	42.0	82.9	71.6	54.5	16.5	4.8	56.9
2009	2.4	36.7	80.5	70.5	56.1	16.7	5.0	55.1
2010	2.2	36.7	79.6	69.0	56.3	16.5	4.7	54.2
2011	2.4	36.1	81.0	71.2	56.9	17.4	4.4	55.0
2012	2.2	35.9	81.5	73.1	61.2	17.0	5.2	55.7
2013	2.8	40.8	82.6	74.2	64.9	21.1	4.9	57.4
2014	3.8	45.6	86.6	76.9	70.6	26.9	4.4	60.8

Source: *KSH MEF*.

Online data source in xls format: http://www.bpdata.eu/mpt/2015ent04_13

Table 4.14: Employment rate of population aged 15–74 by age group, females, per cent

Year	15–19	20–24	25–49	50–54	55–59	60–64	65–74	Total
1998	10.7	47.5	66.3	52.3	13.6	5.0	1.2	41.0
1999	8.7	48.1	67.3	59.4	16.2	5.5	1.6	42.3
2000	8.0	45.9	67.8	62.5	20.0	5.1	1.8	43.0
2001	6.3	44.2	68.0	62.1	23.2	5.5	1.3	43.1
2002	4.3	44.2	67.0	64.0	28.3	6.0	1.5	43.3
2003	3.1	41.9	67.8	65.8	35.1	7.3	2.0	44.3
2004	2.7	37.4	67.2	66.0	39.8	9.0	1.9	44.1
2005	2.6	34.7	67.4	66.6	41.7	9.6	1.5	44.2
2006	2.5	33.6	67.8	67.5	42.4	8.5	1.6	44.4
2007	2.0	32.4	67.8	68.1	40.0	9.4	2.2	44.1
2008	1.8	31.3	67.8	68.7	38.7	9.8	2.3	43.8
2009	1.5	30.0	66.7	68.3	40.7	9.7	2.2	43.1
2010	1.9	30.3	66.6	69.4	46.6	9.5	2.4	43.6
2011	1.5	30.0	66.2	68.8	49.9	11.0	2.6	43.7
2012	1.4	31.3	68.3	72.7	49.7	11.2	2.6	44.9
2013	1.7	30.5	69.3	74.0	51.4	11.1	2.4	45.4
2014	3.0	35.2	72.3	77.9	56.8	13.4	2.3	48.0

Source: *KSH MEF*.

Online data source in xls format: http://www.bpdata.eu/mpt/2015ent04_14

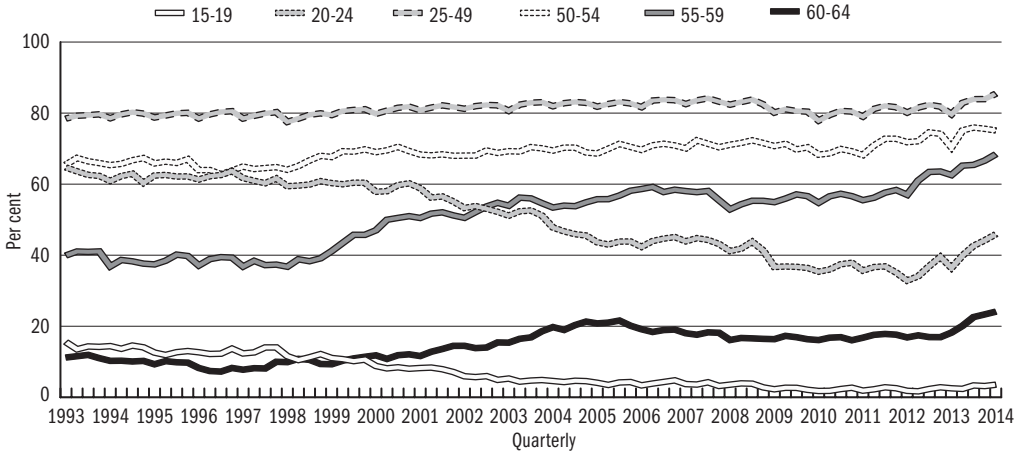
Table 4.15: Employment rate of population aged 15–64 by level of education, males, per cent

Year	8 grades of primary school or less	Vocational school	Secondary school	College, university	Total
1998	35.0	75.3	67.0	84.9	60.4
1999	33.6	76.8	68.3	86.8	62.4
2000	33.6	77.4	67.9	87.1	63.1
2001	33.0	77.6	67.3	87.4	62.9
2002	32.0	77.6	67.1	85.8	62.9
2003	32.4	76.5	67.8	86.4	63.4
2004	31.0	75.7	67.3	87.1	63.1
2005	31.6	74.7	66.9	86.9	63.1
2006	31.4	75.6	67.7	86.0	63.9
2007	31.0	74.4	67.3	85.6	63.7
2008	31.1	72.4	66.1	84.3	62.7
2009	28.8	69.5	64.6	82.8	60.7
2010	28.1	67.7	64.2	81.8	59.9
2011	29.0	68.0	64.5	83.7	60.7
2012	30.0	68.7	64.6	84.4	61.6
2013	30.8	70.9	67.1	85.3	63.7
2014	36.3	74.8	71.2	87.1	67.8

Source: *KSH MEF*.

Online data source in xls format: http://www.bpdata.eu/mpt/2015ent04_15

Figure 4.4: Activity rate by age groups, males aged 15–64, quarterly



Source: *KSH MEF*.

Online data source in xls format: http://www.bpdata.eu/mpt/2015ena04_04

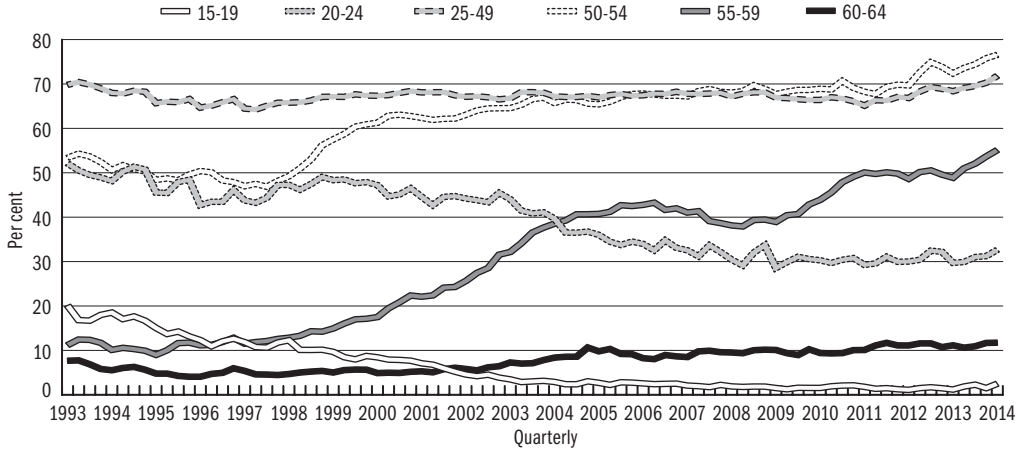
Table 4.16: Employment rate of population aged 15–64 by level of education, females, per cent

Year	8 grades of primary school or less	Vocational school	Secondary school	College, university	Total
1998	26.6	60.5	58.1	76.9	47.3
1999	26.1	61.4	59.0	77.5	49.0
2000	26.0	61.0	59.3	77.8	49.7
2001	26.1	60.8	59.2	77.8	49.8
2002	26.0	60.4	58.6	77.9	49.8
2003	25.3	59.7	59.5	78.3	50.9
2004	25.0	58.8	58.1	78.1	50.7
2005	25.1	57.6	57.9	78.9	51.0
2006	24.3	57.8	57.5	78.0	51.1
2007	23.6	57.2	57.2	75.5	50.7
2008	23.7	55.2	56.1	75.3	50.3
2009	22.7	54.0	54.6	74.2	49.6
2010	23.3	56.2	54.0	74.3	50.2
2011	22.5	56.1	53.9	74.6	50.3
2012	22.6	56.8	56.3	74.3	51.9
2013	23.7	57.1	56.6	74.2	52.6
2014	27.3	60.4	59.1	76.1	55.9

Source: *KSH MEF*.

Online data source in xls format: http://www.bpdata.eu/mpt/2015ent04_16

Figure 4.5: Activity rate by age groups, females aged 15–64, quarterly



Source: *KSH MEF*.

Online data source in xls format: http://www.bpdata.eu/mpt/2015ena04_05

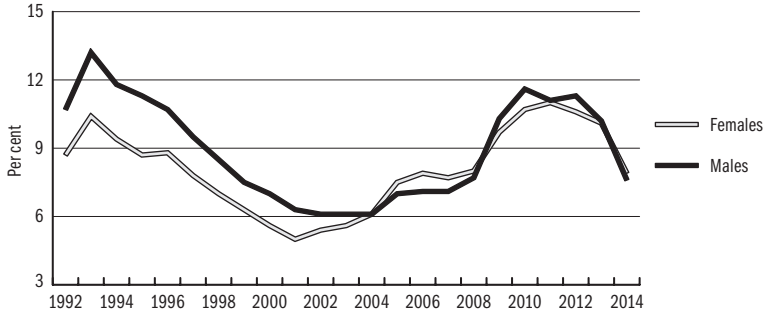
Table 5.1: Unemployment rate by gender and share of long term unemployed, per cent

Year	Unemployment rate			Share of long term unemployed[a]
	Males	Females	Total	
1992	10.7	8.7	9.8	..
1993	13.2	10.4	11.9	..
1994	11.8	9.4	10.7	43.2
1995	11.3	8.7	10.2	50.6
1996	10.7	8.8	9.9	54.4
1997	9.5	7.8	8.7	51.3
1998	8.5	7.0	7.8	48.8
1999	7.5	6.3	7.0	49.5
2000	7.0	5.6	6.4	49.1
2001	6.3	5.0	5.7	46.7
2002	6.1	5.4	5.8	44.9
2003	6.1	5.6	5.9	43.9
2004	6.1	6.1	6.1	45.0
2005	7.0	7.5	7.2	46.2
2006	7.1	7.9	7.5	46.9
2007	7.1	7.7	7.4	48.1
2008	7.7	8.0	7.8	48.1
2009	10.3	9.7	10.0	42.9
2010	11.6	10.7	11.2	50.6
2011	11.1	11.0	11.0	49.4
2012	11.3	10.6	11.0	47.0
2013	10.2	10.1	10.2	50.4
2014	7.6	7.9	7.7	49.5

[a] Long term unemployed are those who have been without work for 12 months or more, excluding those who start a new job within 90 days.
Note: Conscripted soldiers are included in the denominator.
Source: *KSH MEF*.

Online data source in xls format: http://www.bpdata.eu/mpt/2015ent05_01

Figure 5.1: Unemployment rates by gender



Source: *KSH MEF*.

Online data source in xls format: http://www.bpdata.eu/mpt/2015ena05_01

Table 5.2: Unemployment rate by level of education, males, per cent

Year	8 grades of primary school or less	Vocational school	Secondary school	College, university	Total
1999	14.3	8.2	5.0	1.5	7.5
2000	13.4	7.7	4.8	1.6	7.0
2001	13.6	6.4	4.3	1.2	6.3
2002	14.1	6.2	4.0	1.4	6.1
2003	13.6	6.6	3.9	1.6	6.1
2004	14.3	6.4	4.1	1.7	6.1
2005	15.6	7.4	4.9	2.3	7.0
2006	17.3	7.0	5.1	2.6	7.1
2007	18.7	6.8	5.1	2.4	7.1
2008	20.2	7.7	5.2	2.3	7.7
2009	24.6	10.7	7.6	3.6	10.3
2010	27.2	12.2	8.3	4.9	11.6
2011	25.5	12.1	8.3	4.1	11.1
2012	25.3	12.0	9.6	4.2	11.3
2013	24.5	10.8	8.4	3.4	10.2
2014	18.4	7.8	6.2	2.8	7.6

Source: *KSH MEF*.

Online data source in xls format: http://www.bpdata.eu/mpt/2015ent05_02

Table 5.3: Composition of the unemployed by level of education, males, per cent

Year	8 grades of primary school or less	Vocational school	Secondary school	College, university	Total
1999	34.5	45.3	17.4	2.8	100.0
2000	32.9	45.8	17.9	3.4	100.0
2001	36.5	43.2	17.5	2.8	100.0
2002	36.7	43.3	16.7	3.3	100.0
2003	34.0	44.7	17.2	4.1	100.0
2004	33.9	42.6	18.6	4.9	100.0
2005	32.1	43.1	19.0	5.8	100.0
2006	33.4	40.3	19.9	6.4	100.0
2007	35.1	38.6	20.4	5.9	100.0
2008	35.9	39.4	19.2	5.5	100.0
2009	31.2	40.5	21.7	6.6	100.0
2010	30.3	40.5	21.1	8.1	100.0
2011	29.4	41.1	21.9	7.6	100.0
2012	28.1	39.3	24.9	7.6	100.0
2013	29.2	39.3	24.4	7.1	100.0
2014	30.6	37.0	24.5	7.9	100.0

Source: *KSH MEF*.

Online data source in xls format: http://www.bpdata.eu/mpt/2015ent05_03

Table 5.4: Unemployment rate by level of education, females, per cent

Year	8 grades of primary school or less	Vocational school	Secondary school	College, university	Total
1999	10.5	8.0	5.2	1.3	6.3
2000	9.1	7.4	4.9	1.5	5.6
2001	8.4	6.4	4.0	1.6	5.0
2002	9.3	6.5	4.4	2.4	5.4
2003	10.5	7.2	4.4	1.9	5.6
2004	10.3	8.0	5.3	2.9	6.1
2005	13.0	9.8	6.7	3.1	7.5
2006	16.2	10.4	6.5	2.7	7.9
2007	16.3	9.7	6.2	3.2	7.7
2008	17.4	9.6	6.8	3.1	8.0
2009	21.6	12.6	7.8	4.1	9.7
2010	22.8	12.6	9.6	4.3	10.7
2011	24.5	12.9	9.9	4.4	11.0
2012	24.4	12.7	9.4	4.7	10.6
2013	22.7	12.8	9.0	4.3	10.1
2014	18.7	9.3	7.1	3.4	7.9

Source: *KSH MEF*.

Online data source in xls format: http://www.bpdata.eu/mpt/2015ent05_04

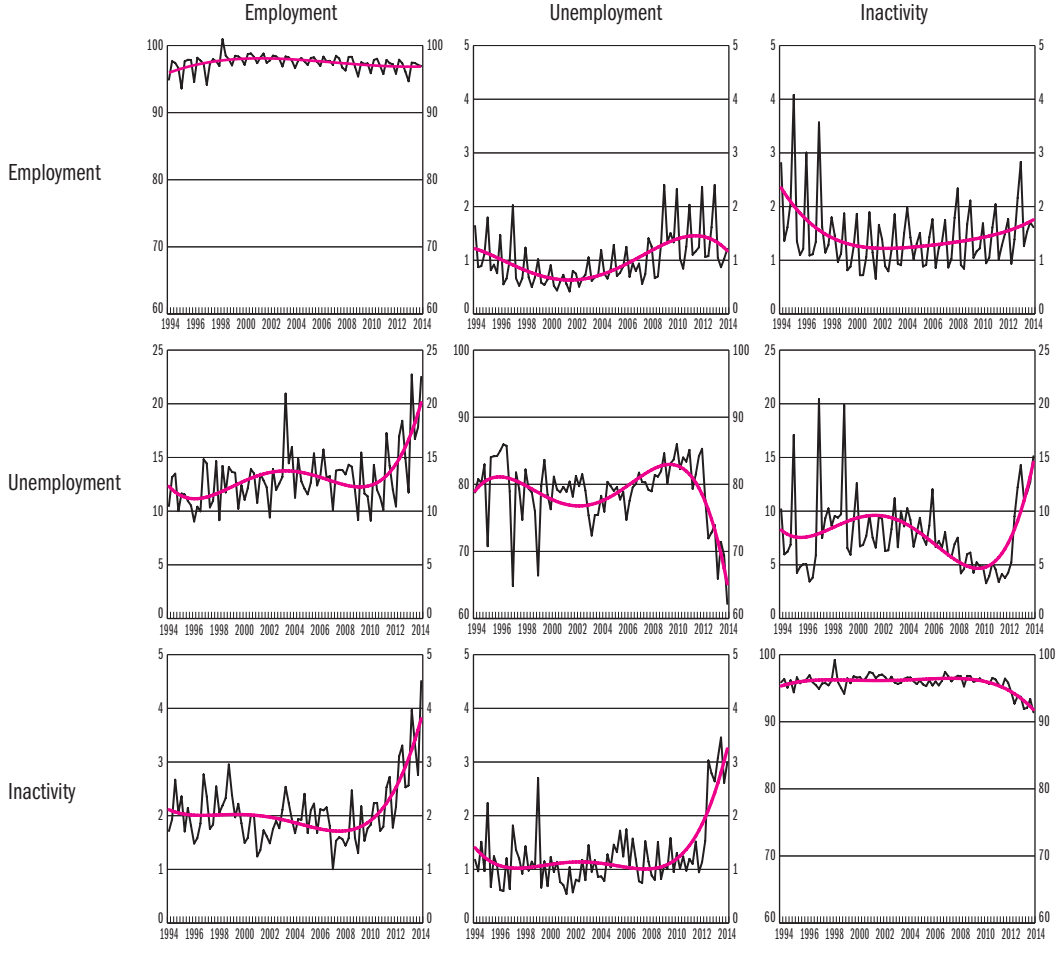
Table 5.5: Composition of the unemployed by level of education, females, per cent

Year	8 grades of primary school or less	Vocational school	Secondary school	College, university	Total
1999	36.2	26.2	33.8	3.8	100.0
2000	31.8	28.2	35.0	5.0	100.0
2001	33.7	28.0	32.2	6.1	100.0
2002	33.2	26.0	32.2	8.5	100.0
2003	32.7	28.3	32.0	7.0	100.0
2004	27.8	27.4	34.2	10.6	100.0
2005	28.2	27.1	35.2	9.5	100.0
2006	31.8	27.9	32.3	8.0	100.0
2007	31.3	27.2	31.6	9.9	100.0
2008	32.3	24.7	33.0	10.0	100.0
2009	31.8	26.4	30.6	11.2	100.0
2010	30.5	24.4	34.3	10.7	100.0
2011	30.8	24.1	33.9	11.2	100.0
2012	29.8	23.8	33.5	12.9	100.0
2013	28.5	25.6	33.4	12.5	100.0
2014	30.5	23.1	33.4	13.0	100.0

Source: *KSH MEF*.

Online data source in xls format: http://www.bpdata.eu/mpt/2015ent05_05

Figure 5.2: Intensity of quarterly flows between labour market status, population between 15–64 years



Note: The calculations were carried out for the age group between 15–64 based on KSH labour force survey microdata. The probability of transition is given by the number of people who transitioned from one status to the other in the quarter, divided by the initial size of the group in the previous quarter, which were then corrected to preserve the consistency of stock flows. The red curves show the trend smoothed using a 4th degree polynomial.
Source: KSH MEF.

Online data source in xls format: http://www.bpdata.eu/mpt/2015ena05_02

Table 5.6: The number of unemployed[a] by duration of job search, in thousands

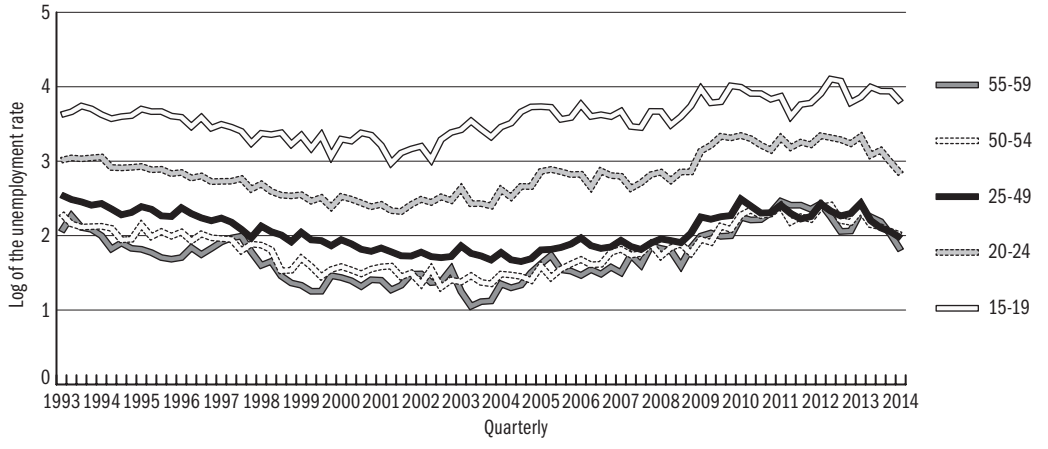
Year	Length of job search, weeks [month]								Total
	1–4 [<1]	5–14 [1–3]	15–26 [4–6]	27–51 [7–11]	52 [12]	53–78 [13–18]	79–104 [19–24]	105– [>24]	
1992	43.9	90.9	96.4	110.7	10.6	41.7	38.4	n.a.	432.6
1993	36.2	74.8	87.9	120.5	14.7	75.1	83.7	n.a.	492.9
1994	30.5	56.5	65.0	91.9	8.4	63.0	73.8	40.4	429.5
1995	23.0	51.0	56.5	69.4	20.2	57.2	34.3	93.2	404.8
1996	19.9	46.4	49.3	61.5	18.2	56.1	37.1	100.2	388.7
1997	16.1	43.7	45.9	54.4	15.7	44.5	31.1	77.3	328.7
1998	12.9	44.2	44.5	45.7	16.0	39.0	27.6	63.5	293.4
1999	15.4	44.1	38.8	46.0	13.2	38.1	26.8	62.3	284.7
2000	16.7	38.5	35.1	42.8	12.7	36.9	23.6	55.4	261.3
2001	14.9	37.0	33.2	38.6	11.5	31.6	20.9	44.2	231.9
2002	15.5	39.4	34.8	40.7	11.6	32.7	19.8	42.5	237.0
2003	15.9	42.1	38.9	42.0	14.5	27.6	17.6	43.0	241.6
2004	13.0	42.0	39.9	41.8	13.5	33.4	19.6	47.2	250.4
2005	14.8	48.9	44.1	51.3	14.1	41.0	27.4	54.3	295.9
2006	13.2	51.1	48.5	52.0	17.9	41.1	26.6	59.7	310.0
2007	13.9	49.5	44.2	50.5	12.8	42.8	26.2	65.1	304.9
2008	13.5	50.3	47.9	53.4	13.5	39.1	26.3	74.0	317.9
2009	18.7	71.4	66.6	77.5	18.4	51.3	27.1	79.0	410.0
2010	16.9	65.4	62.5	83.5	23.2	74.7	42.6	93.7	462.5
2011	28.9	70.7	62.8	70.0	18.0	64.7	40.1	103.7	458.9
2012	39.2	64.0	63.1	80.5	22.2	59.5	36.6	100.9	466
2013	48.2	49.4	53.7	62.1	25.3	49.8	45.0	97.1	430.7
2014	36.5	41.5	44.9	46.3	19.0	35.1	29.2	82.7	335.3

[a] Not including those unemployed who will find a new job within 30 days; since 2003: within 90 days.

Source: *KSH MEF*.

Online data source in xls format: http://www.bpdata.eu/mpt/2015ent05_06

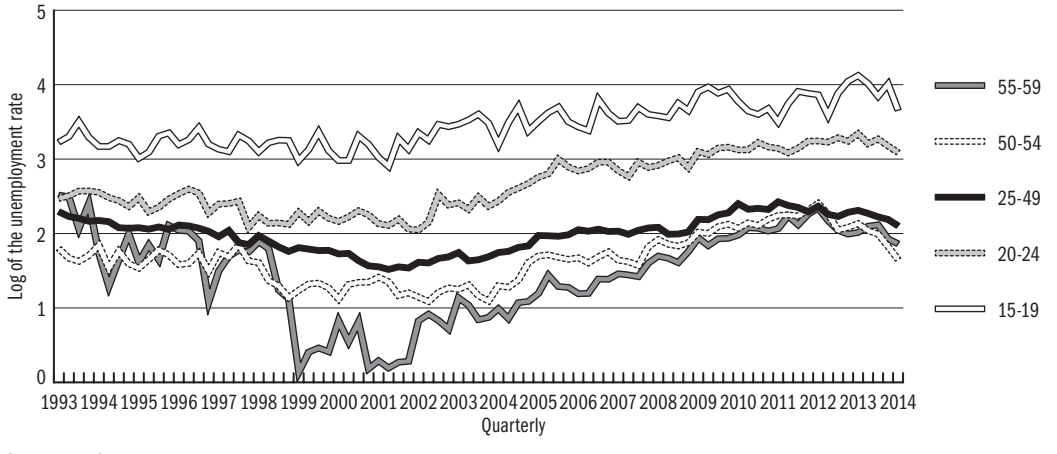
Figure 5.3: Unemployment rate by age groups, males aged 15–59, quarterly



Source: *KSH MEF*.

Online data source in xls format: http://www.bpdata.eu/mpt/2015ena05_03

Figure 5.4: Unemployment rate by age groups, females aged 15–59, quarterly



Source: *KSH MEF*.

Online data source in xls format: http://www.bpdata.eu/mpt/2015ena05_04

Table 5.7: Registered unemployed[a] and LFS unemployment

	Registered unemployed		LFS unemployed, total		LFS unemployed, age 15–24	
Year	In thousands	rate in %	In thousands	rate in %	In thousands	rate in %
1990	47.7	–	..	..	..	..
1995	507.7	10.6	416.5	10.2	114.3	18.6
1996	500.6	11.0	400.1	9.9	106.3	17.9
1997	470.1	10.5	348.8	8.7	95.8	15.9
1998	423.1	9.5	313.0	7.8	87.6	13.4
1999	409.5	9.7	284.7	7.0	78.6	12.4
2000	390.5	9.3	262.5	6.4	70.7	12.1
2001	364.1	8.5	232.9	5.7	55.7	10.8
2002	344.7	8.0	238.8	5.8	56.5	12.3
2003	357.2	8.3	244.5	5.9	54.9	13.4
2004	375.9	8.7	252.9	6.1	55.9	15.5
2005	409.9	9.4	303.9	7.2	66.9	19.4
2006	393.5	9.0	318.2	7.5	64.1	19.1
2007	426.9	9.7	312.1	7.4	57.4	18.0
2008	442.3	10.0	326.3	7.8	60.0	19.5
2009	561.8	12.8	417.8	10.0	78.8	26.4
2010	582.7	13.3	469.4	11.2	78.3	26.4
2011	582.9	13.2	466.0	11.0	74.5	26.0
2012	559.1	12.6	473.2	11.0	84.6	28.2
2013	527.6	11.9	441.0	10.2	83.5	26.6
2014	422.4	9.7	343.3	7.7	67.6	20.4

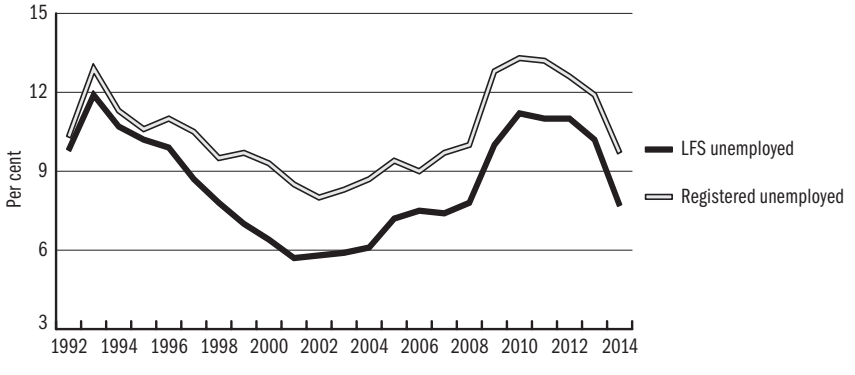
[a] Since 1st of November, 2005: database of registered jobseekers. From the 1st of November, 2005 the Employment Act changed the definition of registered unemployed to registered jobseekers.

Note: the denominator of registered unemployment/jobseekers' rate in the economically active population on 1st January the previous year.

Source: Registered unemployment/jobseekers: *NFSZ;* LFS unemployment: *KSH MEF*.

Online data source in xls format: http://www.bpdata.eu/mpt/2015ent05_07

Figure 5.5: Registered and LFS unemployment rates



Note: Since 1st of November, 2005: database of registered jobseekers.

Source: Registered unemployment/jobseekers: *NFSZ*; LFS unemployment: *KSH MEF*.

Online data source in xls format: http://www.bpdata.eu/mpt/2015ena05_05

Table 5.8: Composition of the registered unemployed[a] by educational attainment, yearly averages, per cent

Educational attainment	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
8 grades of primary school or less	40.4	41.0	42.0	42.4	42.7	42.3	41.9	42.0	42.4	43.3	40.1	39.3	40.3	40.3	40.5	41.0
Vocational school	35.7	34.9	34.1	33.5	32.9	32.3	32.4	32.1	31.5	30.9	32.5	31.4	29.8	29.2	29.0	28.3
Vocational secondary school	13.2	13.2	13.1	13.2	13.1	13.4	13.5	13.4	13.3	13.1	14.4	15.0	14.9	15.1	15.3	15.3
Grammar school	8.0	8.0	7.7	7.6	7.5	7.7	7.9	8.0	8.2	8.2	8.5	9.1	9.5	9.7	9.8	10.1
College	2.0	2.1	2.2	2.4	2.7	3.1	3.2	3.3	3.3	3.3	3.2	3.7	3.8	3.8	3.6	3.4
University	0.7	0.7	0.8	0.9	1.0	1.1	1.2	1.3	1.3	1.2	1.2	1.5	1.7	1.8	1.8	1.9
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

[a] Since 1st of November, 2005: registered jobseekers. From the 1st of November, 2005 the Employment Act changed the definition of registered unemployed to registered jobseekers.
Source: *NFSZ*.

Online data source in xls format: http://www.bpdata.eu/mpt/2015ent05_08

Table 5.9: The distribution of registered unemployed school-leavers[a] by educational attainment, yearly averages, per cent

Educational attainment	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
8 grades of primary school or less	25.3	26.8	31.1	33.7	34.7	35.2	36.1	38.2	40.1	41.3	37.7	35.2	35.6	34.9	35.5	39.4
Vocational school	30.9	27.8	23.7	20.6	20.4	20.2	20.5	19.7	18.1	17.3	18.9	18.9	18.5	19.8	20.1	18.3
Vocational secondary school	25.0	25.4	25.3	25.5	23.2	22.1	21.5	20.3	20.7	21.2	23.1	23.9	23.6	23.7	23.1	21.7
Grammar school	13.6	13.7	12.6	11.6	10.8	10.7	10.8	11.7	12.8	13.3	13.7	14.3	15.0	14.9	14.9	15.0
College	4.0	4.8	5.5	6.2	7.7	8.1	7.8	6.9	5.8	4.9	4.5	4.8	4.2	3.6	3.4	2.8
University	1.2	1.5	1.8	2.4	3.3	3.6	3.4	3.0	2.5	2.0	2.1	2.8	3.1	3.0	3.0	2.7
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

[a] Since 1st of November, 2005: registered school-leaver jobseekers. From the 1st of November, 2005 the Employment Act changed the definition of registered unemployed to registered jobseekers.
Source: *NFSZ*.

Online data source in xls format: http://www.bpdata.eu/mpt/2015ent05_09

Table 5.10: Registered unemployed by economic activity as observed in the LFS, per cent

Year	Employed	LFS-unemployed	Inactive	Total	Year	Employed	LFS-unemployed	Inactive	Total
1999	6.7	55.8	37.5	100.0	2007	3.7	62.2	34.1	100.0
2000	4.7	54.3	41.0	100.0	2008	3.9	62.8	33.2	100.0
2001	6.5	45.2	48.3	100.0	2009	3.7	67.1	29.2	100.0
2002	4.4	47.4	48.2	100.0	2010	3.2	70.4	26.4	100.0
2003	9.4	44.1	46.5	100.0	2011	3.5	66.7	29.8	100.0
2004	3.0	53.5	43.5	100.0	2012	3.4	64.9	31.7	100.0
2005	2.3	59.7	38.0	100.0	2013	4.9	61.6	33.4	100.0
2006	3.0	60.9	36.1	100.0	2014	6.2	60.5	33.2	100.0

Note: The data pertain to those who consider themselves registered jobseekers in the KSH MEF. From 1999 those who reported that their last contact with the employment centre was more than two months ago were filtered from among those who reported themselves as registered unemployed.
Source: *KSH MEF*.

Online data source in xls format: http://www.bpdata.eu/mpt/2015ent05_10

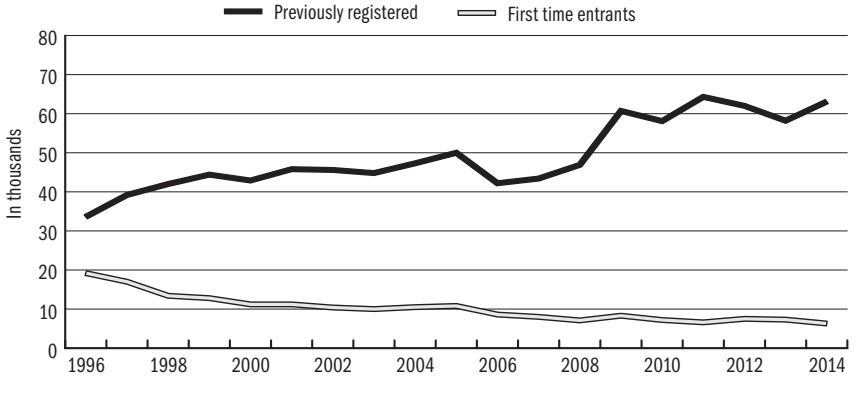
Table 5.11: Monthly entrants to the unemployment register[a], monthly averages, in thousands

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
First time entrants	12.8	11.2	11.2	10.4	10.0	10.5	10.8	8.6	8.0	7.1	8.3	7.2	6.6	7.5	7.3	6.3
Previously registered	44.4	42.9	45.8	45.6	44.8	47.3	50.0	42.2	43.4	46.9	60.7	58.1	64.3	62.0	58.2	63.1
Together	57.2	54.1	57.0	56.0	54.8	57.8	60.7	50.8	51.4	54.0	69.0	65.3	70.9	69.5	65.5	69.4

[a] Since 1st of November, 2005: database of jobseekers. From the 1st of November, 2005 the Employment Act changed the definition of registered unemployed to registered jobseekers.
Source: *NFSZ REG*.

Online data source in xls format: http://www.bpdata.eu/mpt/2015ent05_11

Figure 5.6: Entrants to the unemployment register, monthly averages, in thousands



Source: *NFSZ REG*.

Online data source in xls format: http://www.bpdata.eu/mpt/2015ena05_06

Table 5.12: Selected time series of registered unemployment, monthly averages, in thousands and per cent

	1999	2000	2001	2002	2003	2004	2005	2006
Registered unemployment[a]	409.5	390.5	364.1	344.7	357.2	375.9	409.9	393.5
Of which: School-leavers	29.9	26.0	26.8	28.5	31.3	33.8	40.9	38.7
Non school-leavers	379.6	364.4	337.4	316.2	325.9	342.2	369.1	354.7
Male	221.4	209.7	196.4	184.6	188.0	193.3	210.4	200.9
Female	188.1	180.8	167.7	160.1	169.2	182.6	199.5	192.5
25 years old and younger	85.4	79.1	75.6	71.1	71.6	71.4	78.9	75.8
Manual workers	336.8	321.2	302.0	286.3	296.2	308.5	336.2	321.9
Non manual workers	72.7	69.3	62.1	58.4	61.0	67.4	73.7	71.6
Unemployment benefit recipients[b]	140.7	131.7	119.2	114.9	120.0	124.0	134.4	151.5
Unemployment assistance recipients[c]	148.6	143.5	131.2	113.4	116.2	120.4	133.4	121.8
Unemployment rate[d]	9.7	9.3	8.5	8.0	8.3	8.7	9.4	9.0
Shares within registered unemployed, %								
School-leavers	7.3	6.7	7.3	8.3	8.8	9.0	10.0	9.8
Male	54.1	53.7	53.9	53.5	52.6	51.4	51.3	51.1
25 years old and younger	20.9	20.3	20.8	20.6	20.0	19.0	19.2	16.5
Manual workers	82.3	82.2	82.9	83.1	82.9	82.1	82.0	81.8
Flows, in thousands								
Inflow to the Register	57.2	54.1	57.0	56.0	54.8	57.8	60.7	50.8
Of which: school-leavers	9.3	8.0	7.8	7.8	7.7	7.6	8.2	7.0
Outflow from the Register	57.2	56.8	59.4	55.8	53.5	54.4	59.8	51.4
Of which: school-leavers	9.4	8.2	7.7	7.5	7.6	7.1	7.9	7.1
	2007	2008	2009	2010	2011	2012	2013	2014
Registered unemployment[a]	426.9	442.3	561.8	582.7	582.9	559.1	527.6	422.4
Of which: School-leavers	40.4	41.4	49.3	52.6	52.9	61.5	66.0	54.6
Non school-leavers	386.5	400.9	512.5	530.1	529.9	497.6	461.6	367.8
Male	219.9	228.3	297.9	305.0	297.1	275.8	267.7	214.2
Female	207.0	214.0	263.9	277.7	285.8	283.3	259.9	208.2
25 years old and younger	80.3	75.9	104.3	102.8	102.3	101.1	97.8	78.2
Manual workers	..	..	..	..	..	..	..	..
Non manual workers	..	..	..	..	..	..	..	..
Unemployment benefit recipients[b]	134.6	136.5[e]	202.1	187.7	159.9	71.1	61.2	56.4
Unemployment assistance recipients[c]	133.0	147.5	156.0	167.8	182.1	200.3	184.4	132.4
Unemployment rate[d]	9.7	10.0	12.8	13.3	13.2	12.6	11.9	9.5
Shares within registered unemployed, %								
School-leavers	9.5	9.4	8.8	9.0	9.1	11.0	12.5	12.9
Male	51.5	51.6	53.0	52.3	51.0	49.3	50.8	50.7
25 years old and younger	18.8	17.2	18.6	17.6	17.5	18.1	18.5	18.5
Manual workers	..	..	..	..	..	..	..	..
Flows, in thousands								
Inflow to the Register	51.4	54.0	69.0	65.3	70.9	69.5	65.5	69.4
Of which: school-leavers	6.2	6.3	7.5	7.9	8.2	10.0	10.8	11.2
Outflow from the Register	48.4	51.3	58.4	66.4	74.2	68.1	78.4	71.3
Of which: school-leavers	6.0	6.2	6.7	7.5	8.1	8.6	11.8	11.3

[a] Since 1st of November, 2005: registered jobseekers. (The data concern the closing date of each month.) From the 1st of November, 2005 the Employment Act changed the definition of registered unemployed to registered jobseekers.

[b] Since 1st of November, 2005: jobseeker benefit recepients. From September 1st, 2011, the system of jobseeking support changed.
[c] Only recipients who are in the NFSZ register. Those receiving the discontinued income support supplement were included in the number of those receiving income support supplement up to the year 2004, and in the number of those receiving regular social assistance from 2005 to 2008. From 2009, those receiving social assistance were included in a new support type, the on call support. This allowance was replaced by the wage replacement support from January 1, 2011, then from September 1, 2011, the name was changed to employment substitution support.
[d] Relative index: registered unemployment rate in the economically active population. From 1st of November, 2005, registered jobseekers' rate in the economically active population.
[e] The new IT system introduced at the NFSZ in 2008 made the methodological changes possible:
1) The filtering out of those returning after or starting a break from the number of those entering or leaving the different types of jobseeking support. The main reasons for a break are,
– work for short time periods, receipt of child support (GYES) or TGYÁS, or involvement in training.
2) Taking into account in the previous period the number of those entrants, for whom the first accounting of the jobseeking support was delayed due to missing documentation.
2008 data, comparable to 2009: 141.5 thousand people.
Source: *NFSZ REG*.

Online data source in xls format: http://www.bpdata.eu/mpt/2015ent05_12

Table 5.13: The number of registered unemployed[a] who became employed on subsidised and non-subsidised employment[b]

	2009		2010		2011		2012		2013		2014	
	Persons	Per cent	Persons	Per cent	Persons	Per cent	Persons	Per cent	Persons	Per cent	Persons	Per cent
Subsidised employment	170,464	40.0	198,974	38.5	282,673	48.5	261,631	50.0	359,962	60.2	351,550	63.2
Non-subsidised employment	255,356	60.0	317,622	61.5	299,716	51.5	261,581	50.0	237,795	39.8	204,887	36.8
Total	425,820	100.0	516,596	100.0	582,389	100.0	523,212	100.0	597,757	100.0	556,437	100.0

[a] Since 1st of November, 2005: registered jobseekers. From the 1st of November, 2005 the Employment Act changed the definition of registered unemployed to registered jobseekers.
[b] Annual totals, the number of jobseekers over the year who were placed in work. It reflects the placements at the time of their exit from the registry.
Source: *NFSZ*.

Online data source in xls format: http://www.bpdata.eu/mpt/2015ent05_13

Table 5.14: Benefit recepients and participation in active labour market programmes

Év		Unemployment benefit[a]	Regular social assistance[b]	UA for school-leavers	Do not receive provision	Public work[c]	Retraining[c]	Wage subsidy[c]	Other programmes[c]	Total
1990	In thousands	42.5	–	–	18.6	..	..	..	..	61.0
	Per cent	69.6	n.a.	n.a.	30.4	..	..	..	..	100.0
2000	In thousands	117.0	139.7	0.0	106.5	26.7	25.3	27.5	73.5	516.2
	Per cent	22.7	27.1	0.0	20.6	5.2	4.9	5.3	14.2	100.0
2001	In thousands	111.8	113.2	0.0	105.2	29.0	30.0	25.8	37.2	452.2
	Per cent	24.7	25.0	0.0	23.3	6.4	6.6	5.7	8.2	100.0
2002	In thousands	104.8	107.6	–	115.3	21.6	23.5	21.2	32.8	426.8
	Per cent	24.6	25.2	–	27.0	5.1	5.5	5.0	7.7	100.0
2003	In thousands	105.1	109.5	–	125.0	21.2	22.5	20.1	36.6	440.0
	Per cent	23.9	24.9	–	28.4	4.8	5.1	4.6	8.3	100.0
2004	In thousands	117.4	118.4	–	132.3	16.8	12.6	16.8	28.5	442.8
	Per cent	26.5	26.7	–	29.9	3.8	2.8	3.8	6.4	100.0
2005	In thousands	125.6	127.8	–	140.2	21.5	14.7	20.8	31.0	481.6
	Per cent	26.1	26.5	–	29.1	4.5	3.1	4.3	6.4	100.0
2006	In thousands	117.7	112.9	–	146.4	16.6	12.3	14.6	13.8	434.3
	Per cent	27.1	26.0	–	33.7	3.8	2.8	3.4	3.2	100.0
2007	In thousands	128.0	133.1	–	151.8	19.3	14.6	23.4	6.8	477.0
	Per cent	27.6	28.7	–	32.7	2.7	2.3	3.7	2.3	100.0
2008	In thousands	120.7[d]	145.7	–	158.2	21.2	21.2	25.0	14.1	506.1
	Per cent	23.8	28.8	–	31.3	4.2	4.2	4.9	2.8	100.0
2009	In thousands	202.8	151.9	–	215.0	135.3	13.6	17.8	54.1	790.5
	Per cent	25.7	19.2	–	27.2	17.1	1.7	2.3	6.8	100.0
2010	In thousands	159.6	163.5	–	222.4	164.5	17.8	26.7	40.3	794.8
	Per cent	20.1	20.6	–	28.0	20.7	2.2	3.4	5.1	100.0
2011	In thousands	122.8	168.2	–	239.8	91.6	13.6	20.4	39.9	696.3
	Per cent	17.6	24.2	–	34.4	13.2	2.0	2.9	5.7	100.0
2012	In thousands	56.3	185.6	–	281.1	92.4	15.4	30.0	2.2	663
	Per cent	8.5	28.0	–	42.4	13.9	2.3	4.5	0.3	100.0
2013	In thousands	55.3	169.3	–	264.0	149.5	42.0[e]	31.7	3.8	715.5
	Per cent	7.7	23.6	–	36.9	20.9	5.9	4.4	0.5	100.0
2014	In thousands	58.6	123.4	–	216.5	139.1	24.6	17.7	2.8	582.7
	Per cent	10.0	21.3	–	37.3	24.0	4.2	3.1	0.5	100.0

[a] Since 1st of November, 2005: jobseeker benefit recepients. From September 1, 2011, the system of jobseeking support changed.

[b] Only recipients who are in the NFSZ register. Those receiving the discontinued income support supplement were included in the number of those receiving income support supplement up to the year 2004, and in the number of those receiving regular social assistance from 2005 to 2008. From 2009, those receiving social assistance were included in a new support type, the on call support. This allowance was replaced by the wage replacement support from January 1, 2011, then from September 1, 2011., the name was changed to employment substitution support.

[c] Up to the year 2008 the number financed from the MPA Decentralized Base, since 2009 the number financed from MPA, TAMOP.

Public-type employment: community service, public service, public work programmes.

Wage subsidy: wage subsidy, wage-cost subsidy, work experience acquisition assstance to career-starters, support for employment of availability allowance recipients, part-time employment, wage support for those losing their job due to the crisis.

Other support: job preservation support, support to would-be entrepreneurs, contribution to costs related to commuting to work, job creation support, jobseeker's clubs.
[d] The new IT system introduced at the NFSZ in 2008 made the methodological changes possible:
1) The filtering out of those returning after a break or starting a break from the number of those entering or leaving the different types of jobseeking support. The main reasons for a break are work for short time periods, receipt of child support (GYES) or TGYÁS, or involvement in training.
2) Taking into account in the previous period the number of those entrants, for whom the first accounting of the jobseeking support was delayed due to missing documentation.
2008 data, comparable to 2009: 134.1 thousand people.
[e] In 2013, 18.1 thousand trainees were simultaneously involved in public works programmes.
Note: The closing numbers from October of each year. For the percentage data, the sum of those registered and those taking part in labour market programmes ≈100.0.
Source: *NFSZ*.

Online data source in xls format: http://www.bpdata.eu/mpt/2015ent05_14

Table 5.15: The ratio of those who are employed among the former participants of ALMPs[a], per cent

Active labour market programmes	2000[b]	2001[b]	2002[b]	2003[b]	2004[b]	2005[b]	2006[b]	2007[b]	2008[b]	2009[c]	2010[c]	2011[c]	2012[c]	2013[c]	2014[c]
Suggested training programmes[d]	48.4	45.4	43.3	43.0	45.5	43.8	41.1	37.5	42.2	40.4	49.4	42.6	44.9	55.1	61.4
Accepted training programmes[e]	52.0	49.3	45.8	46.0	45.6	51.4	50.9	47.6	48.0	41.9	48.8	41.6	56.7	65.9	58.8
Retraining of those who are employed[f]	94.9	94.2	92.7	93.3	92.1	90.4	..	92.3	93.9	..	59.9	75.0	65.7	72.7	61.4
Support for self-employment[g]	89.4	89.2	90.7	89.6	90.7	89.6	86.4	87.6	83.6	73.1	76.4	71.5	72.6	74.1	76.3
Wage subsidy programmes[h]	62.3	59.7	62.9	62.0	64.6	62.6	62.3	63.4	65.0	72.4	90.9	69.6	70.3	73.0	56.0
Work experience programmes[i]	57.9	64.5	66.9	66.1	66.5	66.8	66.6	66.3	74.6	..	..	72.0	69.9	68.5	–
Further employment programme[j]	73.8	71.6	78.4	78.2	71.5	70.9	65.0	77.5	–	–	–	–	–	–	–

[a] The data relate to people having completed their courses successfully.
[b] Three months after the end of programmes.
[c] Six months after the end of programmes.
[d] Suggested training: group training programmes for jobseekers organized by the NFSZ.
[e] Accepted training: participation in programmes initiated by the jobseekers and accepted by NFSZ for full or partial support.
[f] Training for employed persons: training for those whose jobs are at risk of termination, if new knowledge allows them to adapt to the new needs of the employer.
[g] Support to help entrepeneurship: support of jobseekers in the amount of the monthly minimum wage or maximum HUF 3 million lump sum support (to be repaid or not), aimed at helping them become individual entrepreneurs or self-employed.
[h] Wage support: aimed at helping the employment of disadvantaged persons, who would not be able to, or would have a harder time finding work without support. The data on wage subsidies and labour cost subsidies exclude the programs supporting job seeking school leavers and student work during summer vacation.
[i] Work experience-gaining support: the support of new entrants with no work experience for 6–9 months, the amount of the support is equal to 50–80% of the wage costs. The instrument was discontinued after December 31, 2006.. In 2009 they reintroduced the work experience gaining support for skilled new entrants, for employers who ensure employment of at least 4 hours a day and for 365 days. The amount of the support is 50–100% of the wage cost. Monitoring for the first exiters is available from 2011. The program supporting the school to work transition of skilled school leavers was abolished in 2014.
[j] Further employment programmes: to support the continued employment of new entrants under the age of 25 for 9 months. Discontinued from December 31, 2006.
Source: *NFSZ*.

Online data source in xls format: http://www.bpdata.eu/mpt/2015ent05_15

Table 5.16: Distribution of registered unemployed[a], unemployment benefit recipients[b] and unemployment assistance recipients[c] by educational attainment

Educational attainment	2006	2007	2008	2008[e]	2009	2010	2011	2012	2013	2014
Registered unemployed										
8 grades of primary school or less	41.5	42.8	43.8	–	40.0	39.2	39.9	40.1	40.1	42.4
Vocational school	32.3	31.5	30.7	–	33.1	31.4	29.8	29.1	28.9	27.6
Vocational secondary school	13.6	13.2	12.8	–	14.4	15.0	15.0	15.2	15.6	14.9
Grammar school	8.2	8.2	8.1	–	8.3	9.1	9.7	9.8	10.0	9.9
College	3.2	3.1	3.2	–	3.0	3.7	3.9	3.9	3.6	3.3
University	1.2	1.2	1.2	–	1.1	1.5	1.7	1.9	1.9	1.8
Total	100.0	100.0	100.0	–	100.0	100.0	100.0	100.0	100.0	100.0
	359.6	402.7	415.6	–	549.0	546.0	553.3	524.4	497.0	438.6
Unemployment benefit recipients[d]										
8 grades of primary school or less	25.4	25.4	24.4	26.3	25.7	24.1	23.4	20.2	21.8	27.8
Vocational school	39.5	37.4	37.0	39.2	39.4	36.2	34.5	34.5	34.8	33.3
Vocational secondary school	18.7	19.2	19.3	18.3	18.5	19.7	20.1	21.2	21.2	19.0
Grammar school	10.1	10.9	11.0	10.6	10.1	11.6	12.3	12.7	12.0	10.9
College	4.5	5.0	6.0	5.7	4.5	5.8	6.7	7.6	6.7	5.7
University	1.8	2.1	2.3	2.1	1.7	2.6	3.1	3.8	3.6	3.3
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
	91.5	119.3	92.5	126.9	200.5	165.8	145.9	53.1	53.0	60.0
Unemployment assistance recipients[c]										
8 grades of primary school or less	60.1	60.3	60.3	–	59.4	56.4	56.1	53.4	52.4	53.5
Vocational school	27.7	27.1	26.5	–	26.6	27.4	26.1	26.4	26.6	26.1
Vocational secondary school	6.5	6.8	6.8	–	7.5	8.6	9.0	10.3	10.9	10.5
Grammar school	4.5	4.4	4.7	–	4.8	5.6	6.3	7.1	7.3	7.2
College	1.0	1.1	1.2	–	1.2	1.5	1.8	2.1	2.0	1.8
University	0.3	0.3	0.4	–	0.4	0.5	0.6	0.8	0.8	0.8
Total	100.0	100.0	100.0	–	100.0	100.0	100.0	100.0	100.0	100.0
	116.5	130.9	145.8	–	144.1	161.7	174.7	193.5	177.4	138.8

[a] Since 1st of November, 2005: registered jobseekers. From the 1st of November, 2005 the Employment Act changed the definition of registered unemployed to registered jobseekers.

[b] Since 1st of November, 2005: those receiving jobseeking support. From the 1st of September 2011, the system of jobseeking support changed.

[c] Only recipients who are in the NFSZ register. Those receiving the discontinued income support supplement were included in the number of those receiving income support supplement up to the year 2004, and in the number of those receiving regular social assistance from 2005 to 2008. From 2009, those receiving social assistance were included in a new support type, the on call support. This allowance was replaced by the wage replacement support from January 1, 2011, then from September 1, 2011, the name was changed to employment substitution support.

[d] After 1st of November, 2005: jobseeking support. Does not contain those receiving unemployment aid prior to pension in 2004. From the 1st of September 2011 , the system of jobseeking support changed.

[e] The new IT system introduced at the NFSZ in 2008 made the methodological changes possible:

1) The filtering out of those returning after or starting a break from the number of those entering or leaving the different types of jobseeking support. The main reasons for a break are, – work for short time periods, receipt of child support (GYES) or TGYÁS, or involvement in training.

2) Taking into account in the previous period the number of those entrants, for whom the first accounting of the jobseeking support was delayed due to missing documentation.

The right-hand column of 2008 contains the 2008 data in a form comparable to the 2009 data.

Note: Data from the closing date of June in each year.

Source: *NFSZ*.

Online data source in xls format: http://www.bpdata.eu/mpt/2015ent05_16

Table 5.17: Outflow from the Register of Beneficiaries

Year	Total number of outflows	Of which: became employed, %	Of which: benefit period expired, %	Year	Total number of outflows	Of which: became employed, %	Of which: benefit period expired, %
1998	322,496	26.5	64.5	2007	251,889	33.4	46.9
1999	320,132	26.0	67.4	2008	232,151	40.0	48.7
2000	325,341	28.1	64.6	2008[a]	261,573	43.4	48.9
2001	308,780	27.2	65.1	2009	345,216	37.9	56.0
2002	303,288	27.6	66.7	2010	352,535	38.9	55.8
2003	297,640	26.7	65.2	2011	329,728	39.2	55.7
2004	308,027	27.4	64.6	2012	368,803	21.9	77.8
2005	329,738	27.2	63.0	2013	328,508	21.3	75.6
2006	234,273	33.2	53.7	2014	300,516	27.0	67.4

[a] The new IT system introduced at the NFSZ in 2008 made the methodological changes possible:

1) The filtering out of those returning after or starting a break from the number of those entering or leaving the different types of jobseeking support. The main reasons for a break are, – work for short time periods, receipt of child support (GYES) or TGYÁS, or involvement in training.
2) Taking into account in the previous period the number of those entrants, for whom the first accounting of the jobseeking support was delayed due to missing documentation.

The row of 2008[a] contains the data from 2008 in the form comparable to the 2009 data.
Source: *NFSZ*.

Online data source in xls format: http://www.bpdata.eu/mpt/2015ent05_17

Table 5.18: The distribution of the total number of labour market training participants[a]

Groups of training participants	1999	2000	2001	2002	2003	2004	2005	2006
Participants in suggested training	52,045	52,198	53,447	46,802	45,261	33,002	29,252	36,212
Participants in accepted training	28,311	30,949	32,672	31,891	28,599	19,406	9,620	7,327
One Step Forward (OFS) programme	–	–	–	–	–	–	–	–
Non-employed participants together	80,356	83,147	86,211	78,693	73,859	52,407	38,872	43,539
Of which: school-leavers	25,260	22,131	20,592	19,466	18,320	12,158	9,313	1,365
Employed participants	4,408	5,026	5,308	4,142	9,036	7,487	4,853	3,602
Total	84,764	88,173	91,519	82,835	82,895	59,894	43,725	47,141
	2007	2008	2009	2010	2011	2012	2013[b]	2014[b]
Participants in suggested training	32,747	48,561	41,373	50,853	32,172	43,438	22,574	10,900
Participants in accepted training	5,766	4,939	8,241	6,853	2,495	2,446	22,574	1,275
One Step Forward (OFS) programme	270	59,347	11,169	2,316	–	–	–	–
Non-employed participants together	38,783	112,847	60,783	57,706	34,667	45,884	132,587	200,466
Of which: school-leavers	1,111	18,719	21,103	12,030	7,935	9,976	106,333	31,083
Employed participants	3,467	37,466	12,496	336	908	716	631	827
Total	42,250	150,313	73,279	60,358	35,575	46,600	133,218	201,293

[a] The data contain the number of those financed from the NFA decentralized employment base, as well as those involved in training as a part of the HEFOP 1.1 and the TÁMOP 1.1.2 programmes.
[b] The data include public works participants simultaneously involved in training (88,004 public works participants in 2013, 143,275 public works participants in 2014).
Source: *NFSZ*.

Online data source in xls format: http://www.bpdata.eu/mpt/2015ent05_18

Table 5.19: Employment ratio of participants ALMPs by gender, age groups and educational attainment for the programmes finished in 2014[a], per cent

	Non-employed participants			Supported self-employment[b]	Wage subsidy programme
	suggested training	accepted training	total		
By gender					
Males	63.2	60.3	61.7	72.0	57.2
Females	59.5	57.5	61.5	79.8	54.9
By age groups					
–20	54.8	50.2	54.5	–	35.8
20–24	59.2	57.4	59.1	79.7	60.4
25–29	61.2	57.5	61.0	82.9	82.5
–29 together	59.5	56.6	59.3	54.9	47.7
30–34	62.0	58.3	61.8	78.0	83.6
35–39	62.5	60.5	62.4	79.7	81.6
40–44	63.4	60.5	63.2	72.0	82.2
45–49	62.2	59.6	62.0	73.1	83.5
50–54	62.1	62.0	62.1	67.8	92.4
55+	61.1	56.6	60.8	80.3	86.6
By educational attainment					
Less than primary school	55.9	56.0	56.0	–	51.0
Primary school	60.4	56.8	60.2	71.7	41.6
Vocational school for skilled workers	65.6	63.5	65.5	76.7	82.6
Vocational school	64.1	57.9	63.6	–	76.3
Vocational secondary school	62.5	64.1	62.6	77.8	68.0
Technicians secondary school	63.9	67.6	64.0	78.5	83.5
Grammar school	59.5	60.3	59.5	73.7	52.0
College	61.4	62.8	61.5	75.8	81.2
University	58.1	57.1	58.1	82.8	78.6
Total	61.4	58.8	61.2	76.3	55.9

[a] Includes all kinds of wage subsidies except financial support for student work during vacation.
[a] Survival rate.
Note: 6 months after the end of each programme.
Source: *NFSZ*.

Online data source in xls format: http://www.bpdata.eu/mpt/2015ent05_19

Table 5.20: Distribution of the average annual number of those with no employment status who participate in training categorised by the type of training, percentage

Types of training	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Approved qualification	79.6	78.8	78.7	77.6	78.3	75.1	72.9	71.5	69.0	65.8	63.6	65.2	68.6	71.6	50.2	53.3
Non-approved qualification	14.7	14.7	14.0	13.6	12.6	15.0	14.5	16.9	19.9	22.8	26.4	25.4	21.1	19.0	44.2	43.2
Foreign language learning	5.7	6.5	7.3	8.8	9.1	9.9	12.6	11.5	11.1	11.4	10.0	9.4	10.3	9.4	5.6	3.5
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Source: *NFSZ*.

Online data source in xls format: http://www.bpdata.eu/mpt/2015ent05_20

Table 5.21: The distribution of those entering training programmes by age groups and educational level

								2013			2014		
	2006	2007	2008	2009	2010	2011	2012	training	training for public works participants	together	training	training for public works participants	together
Total number of entrants	26,459	25,353	42,710	37,467	39,780	18,464[a]	33,540	28,089	78,052	106,141	24,137	68,518	92,655
By age groups, %													
–20	8.7	7.0	8.1	4.9	3.8	4.0	3.2	5.6	2.8	3.6	6.3	4.1	4.7
20–24	23.0	24.7	26.9	25.1	23.9	27.2	23.4	33.8	12.7	18.3	30.0	15.3	19.1
25–44	52.0	51.3	48.3	51.5	52.4	46.5	46.7	43.8	47.3	46.4	43.7	47.8	46.7
45–49	7.8	8.0	7.0	8.5	8.8	8.3	10.0	7.1	12.9	11.3	7.6	11.5	10.5
50+	8.4	9.2	9.7	10.0	11.0	14.0	16.6	9.7	24.3	20.4	12.4	21.4	19.0
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
By level of education, %													
Less than primary school	1.2	1.6	2.1	7.5	3.0	0.7	2.7	1.0	9.7	7.4	1.2	8.1	6.3
Primary school	25.1	24.0	28.1	22.8	24.5	28.2	34.4	24.9	53.3	45.8	28.7	49.8	44.3
Vocational school	26.8	24.5	21.9	22.0	25.5	24.8	26.2	22.3	25.6	24.7	22.7	23.3	23.2
Vocational and technical secondary school	23.5	23.9	22.6	24.8	23.7	24.2	19.0	27.1	6.5	11.9	24.9	9.7	13.6
Grammar school	15.0	16.3	15.9	15.3	15.8	15.7	12.9	19.0	4.2	8.1	17.6	7.0	9.8
College, university	8.4	9.8	9.4	7.6	7.5	6.4	4.8	5.8	0.7	2.0	4.9	2.1	2.8
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

[a] The drastic decrease in the number of training programmes offered was due to the centralization of decision-making regarding the financing of training programmes, and the concurrent new requirement according to which only training programmes with a verifiable direct effect on employment were approved. Due to these, the number of preventative and general knowledge training programmes among those supported decreased. The majority of training participants were enrolled within the framework of EU programmes.

The significant growth in the number of trainees, during and following 2012, was predominantly explained by the inclusion into training of public works participants. The data for 2013 and 2014 make a distinction between those and other trainees.

Source: *NFSZ*.

Online data source in xls format: http://www.bpdata.eu/mpt/2015ent05_21

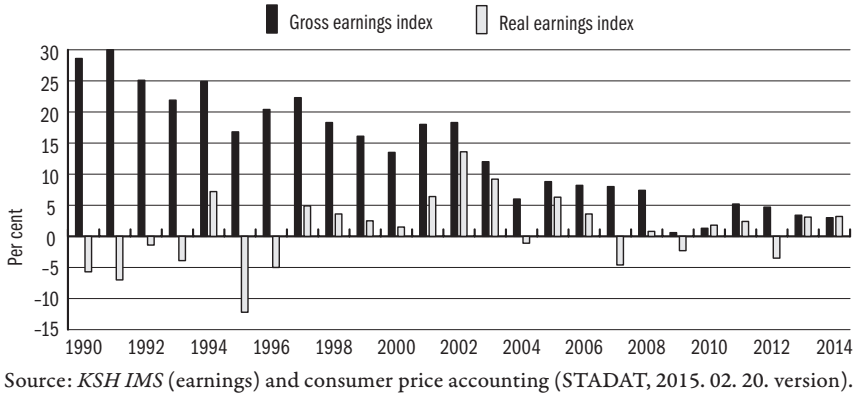
Table 6.1: Nominal and real earnings

Year	Gross earnings	Net earnings	Gross earnings index	Net earnings index	Consumer price index	Real earnings index
	HUF		previous year = 100			
1990	13,446	10,108	128.6	121.6	128.9	94.3
1995	38,900	25,891	116.8	112.6	128.2	87.8
1996	46,837	30,544	120.4	117.4	123.6	95.0
1997	57,270	38,145	122.3	124.1	118.3	104.9
1998	67,764	45,162	118.3	118.4	114.3	103.6
1999	77,187	50,076	116.1	112.7	110.0	102.5
2000	87,750	55,785	113.5	111.4	109.8	101.5
2001	103,554	64,913	118.0	116.2	109.2	106.4
2002	122,481	77,622	118.3	119.6	105.3	113.6
2003	137,193	88,753	112.0	114.3	104.7	109.2
2004	145,523	93,715	106.1	105.6	106.8	98.9
2005	158,343	103,149	108.8	110.1	103.6	106.3
2006	171,351	110,951	108.2	107.6	103.9	103.6
2007	185,018	114,282	108.0	103.0	108.0	95.4
2008	198,741	121,969	107.4	107.0	106.1	100.8
2009	199,837	124,116	100.6	101.8	104.2	97.7
2010	202,525	132,604	101.3	106.8	104.9	101.8
2011	213,094	141,151	105.2	106.4	103.9	102.4
2012	223,060	144,085	104.7	102.1	105.7	96.6
2013	230,714	151,118	103.4	104.9	101.7	103.1
2014	237,736	155,717	103.0	103.0	99.8	103.2

Source: *KSH IMS* (earnings) and *consumer price accounting*. Gross earnings, gross earnings index: 2000–: STADAT (2015. 02. 20. version). Net earnings, net earnings index: 2008–: STADAT (2015.02.20.version). Consumer price index: 1990–: STADAT (2015. 02. 20. version). Real earnings index: 1990–: STADAT (2015. 02.20. version).

Online data source in xls format: http://www.bpdata.eu/mpt/2015ent06_01

Figure 6.1: Annual changes of gross and net real earnings



Source: *KSH IMS* (earnings) and consumer price accounting (STADAT, 2015. 02. 20. version).

Online data source in xls format: http://www.bpdata.eu/mpt/2015ena06_01

Table 6.2.a: Gross earnings ratios in the economy, HUF/person/month

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Agriculture, forestry and fishing	97,219	103,190	112,388	122,231	133,570	137,101	143,861	153,301	164,136	171,921	180,110
Mining and quarrying	158,945	171,465	190,530	202,985	225,650	244,051	234,243	254,607	271,012	279,577	286,848
Manufacturing	136,354	145,997	158,597	172,277	183,081	190,331	200,692	213,281	230,877	241,170	252,860
Electricity, gas, steam and air conditioning supply	223,541	243,039	265,912	294,241	321,569	345,035	363,900	379,606	404,073	410,485	422,613
Water supply; sewerage, waste management and remediation activities	129,486	140,699	151,912	164,572	178,049	181,818	193,604	207,614	223,206	224,654	225,132
Construction	100,124	106,608	117,626	136,301	146,475	152,204	153,130	156,682	163,649	177,790	185,380
Wholesale and retail trade; repair of motor vehicles and motorcycles	122,538	131,068	145,243	158,077	171,780	175,207	185,812	196,942	212,521	218,936	224,087
Transportation and storage	137,526	149,068	162,091	173,776	186,376	196,350	200,129	210,146	217,794	223,410	230,253
Accommodation and food service activities	90,089	95,823	102,908	112,222	120,600	122,561	122,699	125,757	139,731	147,023	153,167
Information and communication	273,606	288,876	306,792	328,902	358,217	366,752	368,113	392,963	410,045	426,460	449,229
Financial and insurance activities	324,295	349,809	401,580	390,511	431,601	427,508	433,458	456,980	459,744	470,966	485,150
Real estate activities	126,388	134,409	145,550	159,225	169,845	177,747	182,903	184,829	219,287	212,391	215,129
Professional, scientific and technical activities	182,970	200,830	212,963	244,998	281,150	292,974	297,489	303,292	330,860	320,422	344,955
Administrative and support service activities	113,276	119,555	128,486	139,127	147,125	149,131	145,576	149,675	163,300	169,223	183,801
Public administration and defence; compulsory social security	184,357	207,356	223,009	253,335	267,657	234,696	242,958	252,848	247,139	258,803	262,057
Education	159,803	181,444	191,211	193,250	204,600	194,958	195,930	192,984	197,344	216,927	245,936
Human health and social work activities	130,509	144,100	151,889	160,050	169,977	161,265	142,282	153,832	151,446	151,287	143,051
Arts, entertainment and recreation	141,957	154,312	161,416	183,898	183,813	179,199	179,976	192,407	209,930	216,869	225,762
Other service activities	127,136	133,846	140,893	153,512	157,950	160,375	150,025	162,490	175,872	174,777	180,944
National economy, total	145,523	158,343	171,351	185,018	198,741	199,837	202,525	213,094	223,060	230,664	237,736
Of which:											
– Business sector	138,926	148,555	162,531	177,415	192,044	200,304	206,863	217,932	233,829	242,191	252,710
– Budgetary institutions	161,559	182,185	193,949	206,225	219,044	201,632	195,980	203,516	200,027	207,191	209,707

Note: The data are recalculated based on the industrial classification system in effect from 2008.

Source: *KSH* mid-year IMS.

Online data source in xls format: http://www.bpdata.eu/mpt/2015ent06_02a

Table 6.2.b: Gross earnings ratios in the economy, per cent

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Agriculture, forestry and fishing	66.8	65.2	65.6	66.1	67.2	68.6	71.0	72.0	73.6	74.5	75.8
Mining and quarrying	109.2	108.3	111.2	109.7	113.5	122.1	115.5	119.5	120.9	121.2	120.7
Manufacturing	93.7	92.2	92.6	93.1	92.1	95.2	99.1	100.0	103.4	104.6	106.4
Electricity, gas, steam and air conditioning supply	153.6	153.5	155.2	159.0	161.8	172.7	179.6	178.2	181.1	178.0	177.8
Water supply; sewerage, waste management and remediation activities	89.0	88.9	88.7	88.9	89.6	91.0	95.6	97.4	100.0	97.4	94.7
Construction	68.8	67.3	68.6	73.7	73.7	76.2	75.5	73.5	73.4	77.1	78.0
Wholesale and retail trade; repair of motor vehicles and motorcycles	84.2	82.8	84.8	85.4	86.4	87.7	91.7	92.4	95.3	94.9	94.3
Transportation and storage	94.5	94.1	94.6	93.9	93.8	98.3	98.9	98.6	97.8	96.9	96.9
Accommodation and food service activities	61.9	60.5	60.1	60.7	60.7	61.3	60.6	59.0	62.7	63.7	64.4
Information and communication	188.0	182.4	179.0	177.8	180.2	183.5	181.7	184.4	183.9	184.9	189.0
Financial and insurance activities	222.8	220.9	234.4	211.1	217.2	213.9	214.0	214.5	206.2	204.2	204.1
Real estate activities	86.9	84.9	84.9	86.1	85.5	88.9	90.2	86.8	98.3	92.1	90.5
Professional, scientific and technical activities	125.7	126.8	124.3	132.4	141.5	146.6	146.9	142.4	148.4	138.9	145.1
Administrative and support service activities	77.8	75.5	75.0	75.2	74.0	74.6	71.9	70.3	73.3	73.4	77.3
Public administration and defence; compulsory social security	126.7	131.0	130.1	136.9	134.7	117.4	120.2	118.7	110.8	112.2	110.2
Education	109.8	114.6	111.6	104.4	102.9	97.6	96.7	90.6	88.5	94.0	103.4
Human health and social work activities	89.7	91.0	88.6	86.5	85.5	80.7	70.3	72.2	67.9	65.6	60.2
Arts, entertainment and recreation	97.5	97.5	94.2	99.4	92.5	89.7	88.8	90.3	94.1	94.0	95.0
Other service activities	87.4	84.5	82.2	83.0	79.5	80.3	74.1	76.1	78.9	75.8	76.1
National economy, total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Of which:											
– Business sector	95.5	93.8	94.9	95.9	96.6	100.2	102.1	102.3	104.8	105.0	106.3
– Budgetary institutions	111.0	115.1	113.2	111.5	110.2	100.9	96.8	95.5	89.7	89.8	88.2

Note: The data are recalculated based on the industrial classification system in effect from 2008.
Source: *KSH* mid-year IMS.

Online data source in xls format: http://www.bpdata.eu/mpt/2015ent06_02b

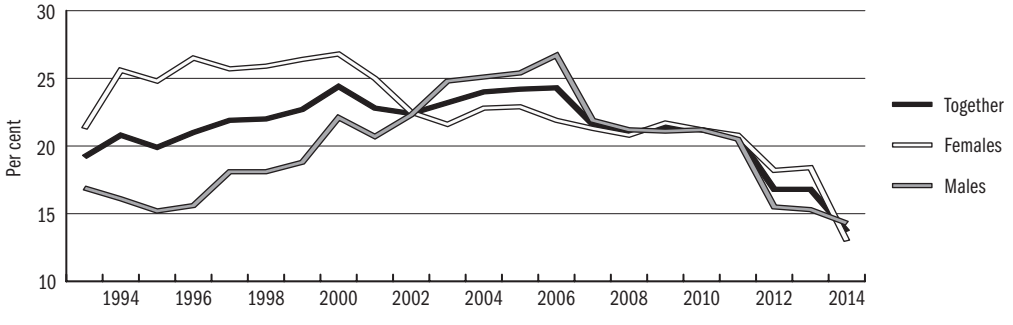
Table 6.3: Regression-adjusted earnings differentials

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Male	0.1480	0.1490	0.1500	0.1550	0.1790	0.1700	0.1500	0.1550	0.1570	0.1560	0.1330
Less than primary school	–0.4110	–0.3900	–0.4800	–0.4010	–0.4390	–0.3970	–0.5750	–0.5110	–0.5350	–0.4850	–0.5230
Primary school	–0.3550	–0.3670	–0.3730	–0.3800	–0.4170	–0.4010	–0.4540	–0.4280	–0.4220	–0.4160	–0.4140
Vocational school	–0.2550	–0.2650	–0.2750	–0.2840	–0.2920	–0.2770	–0.3050	–0.2810	–0.2640	–0.2660	–0.2260
College, university	0.6190	0.5870	0.5900	0.5810	0.5620	0.5580	0.6190	0.6220	0.6160	0.5750	0.6000
Estimated labour market experience	0.0216	0.0237	0.0238	0.0252	0.0255	0.0248	0.0259	0.0267	0.0257	0.0238	0.0244
Square of estimated labour market experience	–0.0003	–0.0004	–0.0004	–0.0004	–0.0004	–0.0004	–0.0004	–0.0004	–0.0004	–0.0004	–0.0004
Public sector	0.1120	0.1600	0.1130	0.0876	–0.0009	0.0257	–0.1260	–0.1440	–0.1670	–0.2790	–0.2590

Note: the results indicate the earnings differentials of the various groups relative to the reference group in log points (approximately percentage points). All parameters are significant at the 0.01 level. The region parameters can be seen in Table 9.6.
Reference categories: female, with leaving certificate (general education certificate), not in the public sector, working in the Central-Transdanubia region.
Source: *NFSZ BT*.

Online data source in xls format: http://www.bpdata.eu/mpt/2015ent06_03

Figure 6.2: The percentage of low paid workers by gender, per cent



Source: *NFSZ BT*.

Online data source in xls format: http://www.bpdata.eu/mpt/2015ena06_02

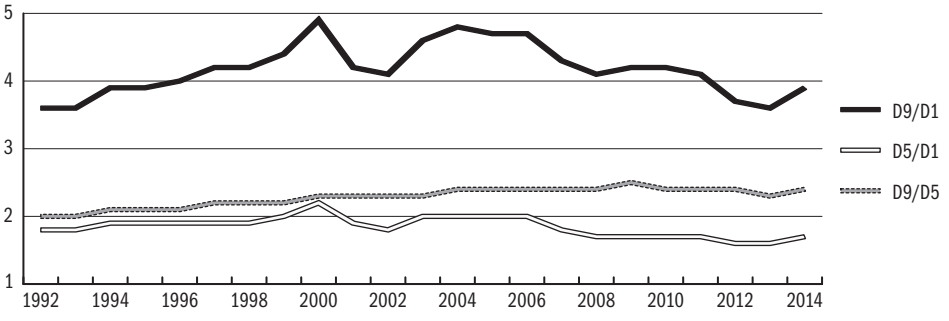
Table 6.4: Percentage of low paid workers[a] by gender, age groups, level of education and industries

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
By gender															
Males	22.1	20.7	22.3	24.8	25.1	25.4	26.7	21.9	21.2	21.1	21.2	20.5	15.5	15.3	14.3
Females	26.8	25.0	22.5	21.6	22.8	22.9	21.9	21.3	20.8	21.7	21.2	20.8	18.2	18.4	13.0
By age groups															
–24	37.0	35.5	37.6	39.9	43.9	44.2	46.3	40.1	34.6	38.9	38.2	36.6	26.4	31.7	28.6
25–54	22.8	21.9	21.8	22.3	23.6	24.0	24.2	21.4	20.6	21.0	20.9	20.4	16.3	16.4	13.0
55+	19.8	18.1	16.2	15.3	16.5	16.5	16.4	15.8	15.5	17.6	18.1	17.6	17.0	15.0	13.1
By level of education															
8 grades of primary school or less	43.4	40.4	38.3	37.1	39.6	41.2	40.1	41.4	41.3	47.4	43.4	45.4	38.6	41.1	49.7
Vocational school	31.2	29.4	32.1	35.4	35.7	36.8	37.9	32.9	32.1	33.5	33.3	31.3	25.2	24.7	15.1
Secondary school	18.8	18.0	16.5	17.7	18.6	18.6	19.7	16.1	15.4	16.4	17.3	17.2	13.7	15.1	7.3
Higher education	4.7	4.7	3.6	3.5	3.9	3.8	4.3	2.5	2.4	2.3	2.9	2.7	2.0	2.0	1.0
By industries[b]															
Agriculture, forestry, fishing	38.0	34.3	37.9	37.3	37.1	37.5	41.6	37.9	36.6	36.7	34.6	31.8	21.8	26.2	25.3
Manufacturing	20.0	19.1	19.4	25.4	24.7	22.1	24.1	20.8	23.5	23.0	20.5	19.4	13.7	15.1	8.3
Construction	42.9	41.7	44.8	49.8	51.2	50.2	55.2	43.1	37.5	38.1	43.0	41.9	31.8	34.1	15.3
Trade, repairing	42.8	41.3	44.0	49.0	49.3	51.5	49.4	40.9	35.9	35.2	36.4	35.2	24.2	27.7	11.1
Transport, storage, communication	11.3	10.6	10.5	13.6	12.6	13.8	15.1	13.2	14.6	11.2	13.3	13.1	10.1	10.2	5.4
Financial intermediation	25.3	22.6	20.7	23.1	23.9	24.6	26.2	20.9	20.0	20.5	20.7	19.6	15.0	16.6	9.9
Public administration and defence, compulsory social security	13.7	13.8	9.3	6.6	8.2	6.0	6.3	7.4	6.7	8.7	8.8	9.8	13.4	10.7	30.9
Education	21.5	22.6	16.0	4.8	6.9	8.8	6.1	9.0	7.2	11.9	10.6	11.2	16.3	17.9	4.6
Health and social work	26.7	19.9	16.1	6.3	8.4	10.3	8.6	12.6	11.1	14.5	13.8	14.3	18.2	15.6	7.0
Total	24.4	22.8	22.4	23.2	24.0	24.2	24.3	21.6	21.0	21.4	21.2	20.7	16.8	16.8	13.7

[a] Percentage of those who earn less than 2/3 of the median earning amount.
[b] 2000–2008: by TEÁOR'03, 2009: by TEÁOR'08.
Source: *NFSZ BT*.

Online data source in xls format: http://www.bpdata.eu/mpt/2015ent06_04

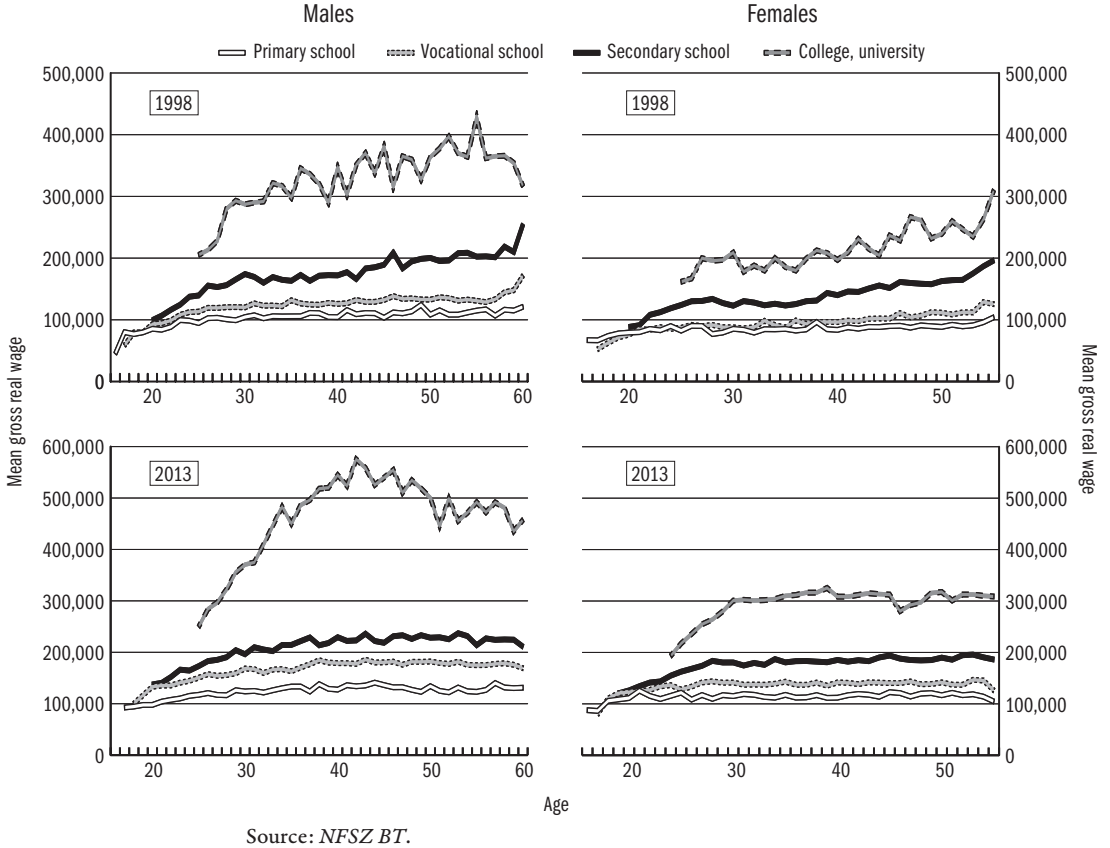
Figure 6.3: The dispersion of gross monthly earnings



Source: *NFSZ BT*.

Online data source in xls format: http://www.bpdata.eu/mpt/2015ena06_03

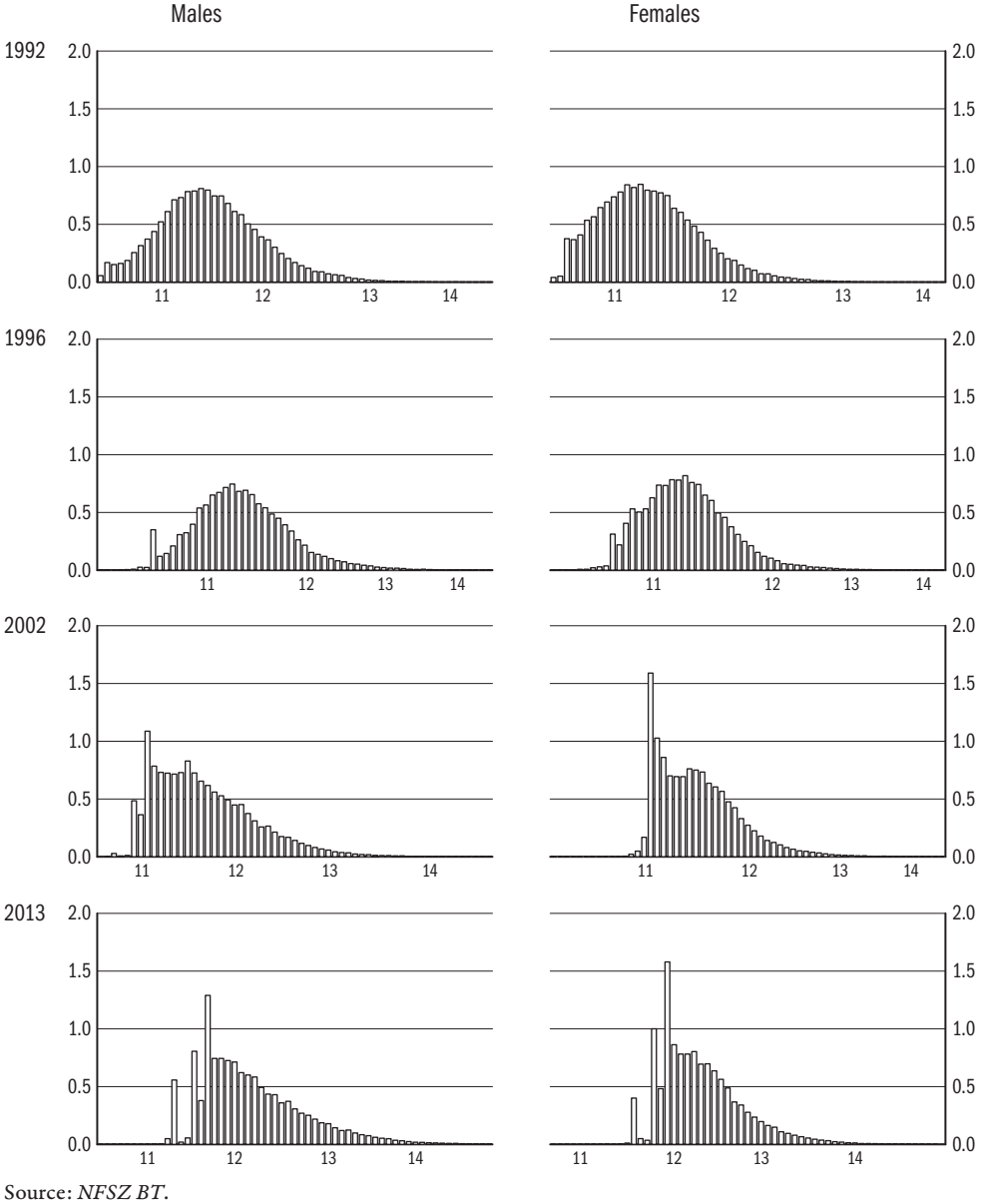
Figure 6.4: Age-income profiles by education level in 1998 and 2013, women and men



Source: *NFSZ BT*.

Online data source in xls format: http://www.bpdata.eu/mpt/2015ena06_04

Figure 6.5: The dispersion of the logarithm of gross real earnings (2013 = 100%)



Source: *NFSZ BT*.

Online data source in xls format: http://www.bpdata.eu/mpt/2015ena06_05

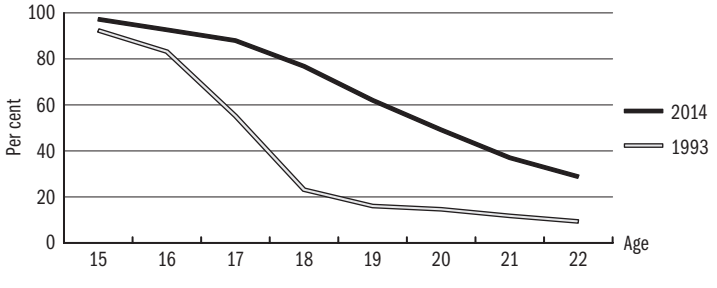
Table 7.1: School-leavers by level of education, full-time education

Year	Primary school	Vocational school	Secondary school	College, university
1980	119,809	49,232	43,167	14,859
1990	164,614	54,933	53,039	15,963
1995	122,333	57,057	70,265	20,024
1996	120,529	54,209	73,413	22,128
1997	116,708	46,868	75,564	24,411
1998	113,651	42,866	77,660	25,338
1999	114,302	38,822	73,965	27,049
2000	114,250[a]	35,500[a]	72,200[a]	29,843
2001	114,200[a]	33,500[a]	70,372	29,746
2002	113,923	26,941	69,612	30,785
2003	117,747	26,472	71,944	31,911
2004	113,179	26,620	76,669	31,633
2005	115,626	25,519	77,025	32,732
2006	114,240	24,427	76,895	29,871
2007	108,889	17,967	77,527	29,059
2008	106,426	19,289	68,453	28,957
2009	102,798	20,138	78,004	36,064
2010	103,643	20,693	77,930	38,456
2011	96,825	20,720	76,354	35,433
2012	92,254	29,299	73,802	36,262
2013	88,913	21,948	68,407	37,089
2014[b]	87,102	21,684	69,148	39,226

[a] Estimated data.
[b] Preliminary data.
Note: Primary school: completed the 8th grade. Other levels: received certificate. Excluding special schools, from the year 2000 excluding special education. College, university: from 2007 including graduates in BA/BSc, MA/MSc and undivided (joint bachelor and master courses) training.
Source: *EMMI STAT*.

Online data source in xls format: http://www.bpdata.eu/mpt/2015ent07_01

Figure 7.1: Full time students as a percentage of the different age groups



Note: Data for 2014 are preliminary.
Source: *EMMI STAT*.

Online data source in xls format: http://www.bpdata.eu/mpt/2015ena07_01

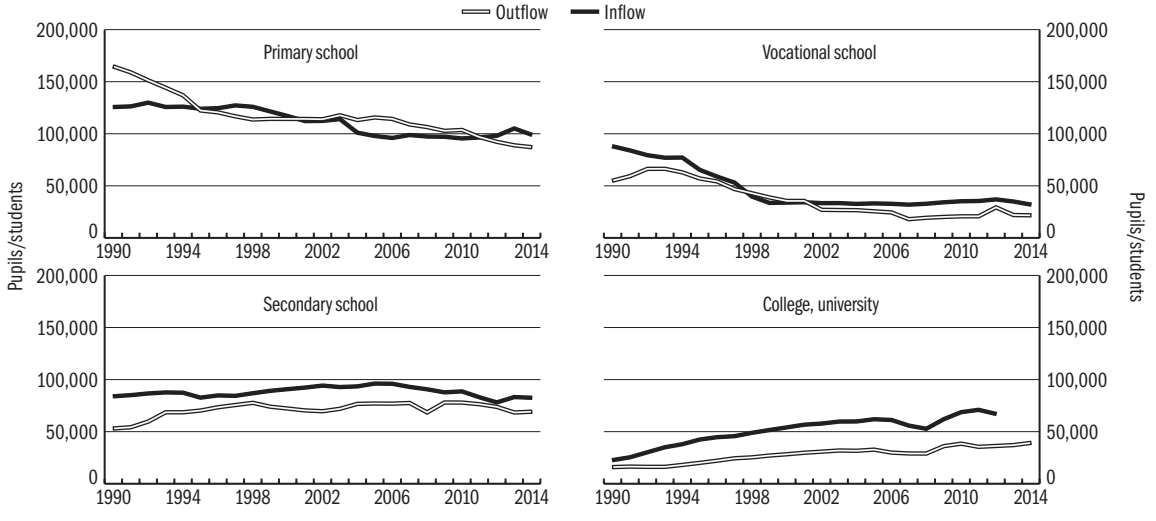
Table 7.2: Pupils/students entering the school system by level of education, full-time education

Year	Primary school	Vocational school	Secondary school	College, university
1990	125,665	87,932	83,939	22,662
2000	117,000[a]	33,900[a]	90,800[a]	54,100[a]
2001	112,144	34,210	92,322	56,709
2002	112,345	33,363	94,223	57,763
2003	114,020	33,394	92,817	59,699
2004	101,021	32,645	93,469	59,783
2005	97,810	33,114	96,181	61,898
2006	95,954	32,732	95,989	61,231
2007	98,766	31,897	92,957	55,789
2008	97,345	32,774	90,667	52,755
2009	97,083	34,177	87,731	61,948
2010	95,469	35,177	88,644	68,715
2011	96,455	35,420	83,025	70,954
2012	98,013	36,954	78,090	67,014
2013	105,075	34,927	83,198	96,775[c]
2014[b]	99,048	31,976	82,537	..

[a] Estimated data.
[b] Preliminary data.
[c] Students with less than 60 credits. The figure cannot be compared with earlier data.
Note: Excluding special schools, from the year 2000 excluding special education. College, university: from the 2005/2006 school year including students in BA/BSc, MA/MSc and undivided (joint bachelor and master courses) training.
Source: *EMMI STAT*.

Online data source in xls format: http://www.bpdata.eu/mpt/2015ent07_02

Figure 7.2: Flows of the educational system by level



Note: Data for 2014 are preliminary.
Source: *EMMI STAT*.

Online data source in xls format: http://www.bpdata.eu/mpt/2015ena07_02

Table 7.3: The number of full time pupils/students by level of education

Year	Primary school	Vocational school	Secondary school	College, university
2000/01	918,976[a]	120,330[a]	417,800[a]	176,046
2001/02	905,932	124,615	420,889	184,071
2002/03	893,261	123,069	426,384	193,155
2003/04	874,296	123,206	437,909	204,910
2004/05	854,930	123,008	438,496	212,292
2005/06	828,594	121,815	441,002	217,245
2006/07	800,635	119,520	443,166	224,616
2007/08	783,948	122,973	441,886	227,118
2008/09	765,822	123,640	439,957	224,894
2009/10	752,896	128,479	443,078	222,564
2010/11	736,977	129,076	438,892	218,057
2011/12	729,000	129,250	428,122	218,304
2012/13	725,068	117,356	413,531	214,320
2013/14	730,664	104,925	388,717	209,208
2014/15[b]	731,575	92,389	370,774	203,576

[a] Estimated data.
[b] Preliminary data.
Note: Excluding special education schools, from the 2000/2001 school year excluding special education. From the 2001/2002 school year, students in grades 5–8 who attend a 6 or 8 year secondary general school are included in the number of high school students. College, university: from the 2005/2006 school year, includes students in BA/BSc, MA/MSc and undivided (joint bachelor and master courses) training.
Source: *EMMI STAT*.

Online data source in xls format: http://www.bpdata.eu/mpt/2015ent07_03

Table 7.4: The number of part-time pupils/students by level of education

Year	Primary school	Vocational school	Secondary school	College, university
2000/01	2,940[a]	1,070[a]	91,700[a]	118,994
2001/02	2,793	2,453	95,231	129,167
2002/03	2,785	3,427	93,172	148,032
2003/04	3,190	3,216	93,322	162,037
2004/05	2,766	3,505	90,321	166,174
2005/06	2,543	4,049	89,950	163,387
2006/07	2,319	4,829	91,035	151,203
2007/08	2,245	5,874	83,008	132,273
2008/09	2,083	4,983	74,008	115,957
2009/10	2,035	6,594	70,124	105,511
2010/11	1,997	8,068	76,404	99,962
2011/12	2,264	10,383	74,204	98,081
2012/13	2,127	12,776	72,808	85,316
2013/14	2,587	12,140	70,588	73,088
2014/15[b]	2,548	9,946	66,522	67,904

[a] Estimated data.
[b] Preliminary data.
Note: College, university: from the 2005/2006 school year, including students in BA/BSC, MA/MSc and undivided (joint bachelor and master courses) training.
Source: *EMMI STAT*.

Online data source in xls format: http://www.bpdata.eu/mpt/2015ent07_04

Table 7.5: Number of applicants for full-time high school courses

Year	Applying	Admitted	Admitted as a percentage of applied	Applying as a percentage of the secondary school graduates in the given year	Admitted as a percentage of the secondary school graduates in the given year
1980	33,339	14,796	44.4	77.2	34.3
1989	44,138	15,420	34.9	84.0	29.3
1990	46,767	16,818	36.0	88.2	31.7
1991	48,911	20,338	41.6	90.2	37.5
1992	59,119	24,022	40.6	99.1	40.3
1993	71,741	28,217	39.3	104.6	41.1
1994	79,805	29,901	37.5	116.3	43.6
1995	86,548	35,081	40.5	123.2	49.9
1996	79,369	38,382	48.4	108.1	52.3
1997	81,924	40,355	49.3	108.4	53.4
1998	81,065	43,629	53.8	104.4	56.2
1999	82,815	44,538	53.8	112.0	60.2
2000	82,957	45,546	54.9	114.9	63.1
2001	84,380	49,874	59.1	119.8	70.8
2002	88,978	52,552	59.1	127.8	75.5
2003	87,110	52,703	60.5	121.1	73.3
2004	95,871	55,179	57.6	125.0	72.0
2005	91,583	52,863	57.7	118.9	68.6
2006	84,262	53,983	64.1	109.6	70.2
2007	74,849	50,941	68.1	96.5	65.7
2008	66,963	52,081	77.8	97.8	76.1
2009	90,878	61,262	67.4	116.5	78.5
2010	100,777	65,503	65.0	129.3	84.1
2011	101,835	66,810	65.6	133.4	87.5
2012	84,075	61,350	73.0	113.9	83.1
2013	75,392	56,927	75.5	110.2	83.2
2014	79,765	54,688	68.6	115.4	79.1

Note: Including students applying and admitted to BA/BSc, MA/MSc and undivided (joint bachelor and master courses) training. From 2008 students applying and admitted in repeated, spring and autumn admission procedures altogether.
Source: *EMMI STAT*.

Online data source in xls format: http://www.bpdata.eu/mpt/2015ent07_05

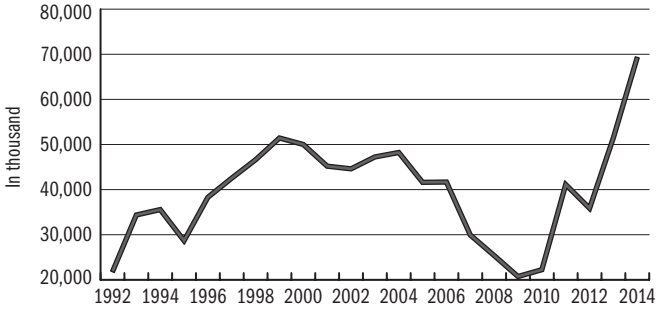
Table 8.1: The number of vacancies[a] reported to the local offices of the NFSZ

Year	Number of vacancies at closing date	Number of registered unemployed[b] at closing date	Vacancies per 100 registered unemployed[b]
1991	14,343	227,270	6.3
1992	21,793	556,965	3.9
1993	34,375	671,745	5.1
1994	35,569	568,366	6.3
1995	28,680	507,695	5.6
1996	38,297	500,622	7.6
1997	42,544	470,112	9.0
1998	46,624	423,121	11.0
1999	51,438	409,519	12.6
2000	50,000	390,492	12.8
2001	45,194	364,140	12.4
2002	44,603	344,715	12.9
2003	47,239	357,212	13.2
2004	48,223	375,950	12.8
2005	41,615	409,929	10.2
2006	41,677	393,465	10.6
2007	29,933	426,915	7.0
2008	25,386	442,333	5.7
2009	20,739	561,768	3.7
2010	22,241	582,664	3.8
2011	41,123	582,868	7.1
2012	35,850	559,102	6.4
2013	51,524	527,624	9.8
2014	69,316	422,445	16.4

[a] Monthly average stock figures.
[b] Since 1st of November, 2005: registered jobseekers.
Source: *NFSZ*.

Online data source in xls format: http://www.bpdata.eu/mpt/2015ent08_01

Figure 8.1: The number of vacancies reported to the local offices of the NFSZ



Source: *NFSZ*.

Online data source in xls format: http://www.bpdata.eu/mpt/2015ena08_01

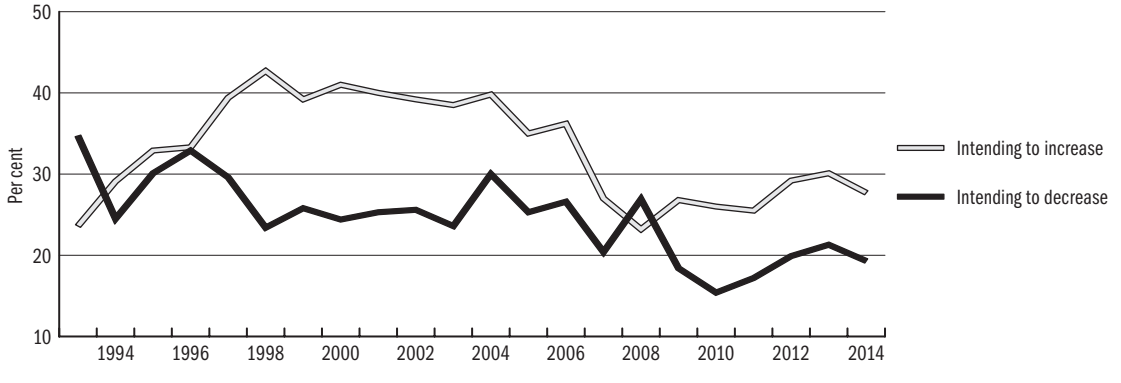
Table 8.2: Firms intending to increase/decrease their staff[a], per cent

Year		Intending to decrease	Intending to increase	Year		Intending to decrease	Intending to increase
1993	I.	34.7	23.6	2001	I.	25.3	40.0
	II.	28.5	22.3		II.	28.6	32.6
1994	I.	24.5	29.1	2002	I.	25.6	39.2
	II.	21.0	29.7		II.	27.9	35.4
1995	I.	30.1	32.9	2003	I.	23.6	38.5
	II.	30.9	27.5		II.	32.1	34.3
1996	I.	32.9	33.3	2004		30.0	39.8
	II.	29.4	30.4	2005		25.3	35.0
1997	I.	29.6	39.4	2006		26.6	36.2
	II.	30.7	36.8	2007		20.4	27.0
1998	I.	23.4	42.7	2008		26.9	23.2
	II.	28.9	37.1	2009		18.4	26.8
1999	I.	25.8	39.2	2010		15.4	26.0
	II.	28.8	35.8	2011		17.2	25.5
2000	I.	24.4	41.0	2012		19.9	29.2
	II.	27.2	36.5	2013		21.3	30.1
				2014		19.3	27.7

[a] In the period of the next half year following the interview date, in the sample of NFSZ PROG, since 2004: 1 year later from the interview date.
Source: *NFSZ PROG*.

Online data source in xls format: http://www.bpdata.eu/mpt/2015ent08_02

Figure 8.2: Firms intending to increase/decrease their staff



Source: *NFSZ PROG*.

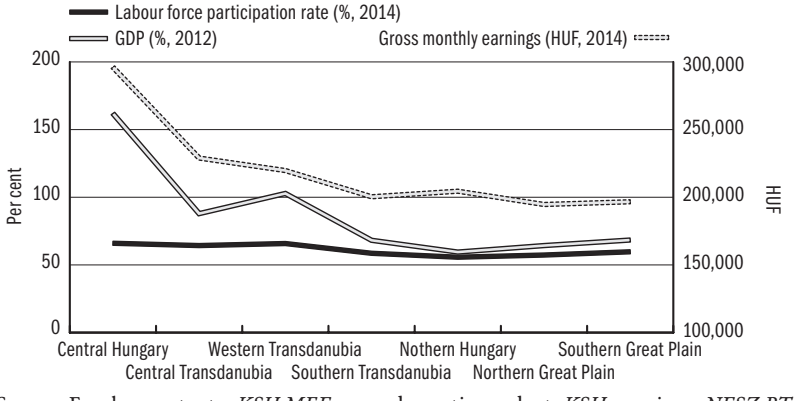
Online data source in xls format: http://www.bpdata.eu/mpt/2015ena08_02

Table 9.1: Regional inequalities: Employment rate[a]

Year	Central Hungary	Central Transdanubia	Western Transdanubia	Southern Transdanubia	Northern Hungary	Northern Great Plain	Southern Great Plain	Total
1993	58.4	55.2	60.5	52.9	49.3	48.4	53.4	54.5
1994	57.2	54.4	59.9	52.4	47.7	47.5	53.0	53.5
1995	57.1	53.1	58.5	48.8	46.3	46.4	53.0	52.5
1996	56.8	52.7	59.3	50.3	45.7	45.6	52.8	52.4
1997	56.8	53.6	59.8	50.0	45.7	45.2	53.6	52.5
1998	57.7	56.0	61.6	51.5	46.2	46.4	54.2	53.7
1999	59.7	58.5	63.1	52.8	48.1	48.8	55.3	55.6
2000	60.5	59.2	63.4	53.5	49.4	49.0	56.0	56.3
2001	60.6	59.3	63.1	52.3	49.7	49.5	55.8	56.2
2002	60.9	60.0	63.7	51.6	50.3	49.3	54.2	56.2
2003	61.7	62.3	61.9	53.4	51.2	51.6	53.2	57.0
2004	62.9	60.3	61.4	52.3	50.6	50.4	53.6	56.8
2005	63.3	60.2	62.0	53.4	49.5	50.2	53.8	56.9
2006	63.1	61.3	62.5	53.2	50.7	51.1	54.0	57.4
2007	62.9	61.4	62.8	51.0	50.4	50.3	54.5	57.0
2008	62.7	59.9	61.6	50.8	49.4	49.5	54.0	56.4
2009	61.3	57.3	59.2	51.7	48.2	48.0	52.9	55.0
2010	60.0	57.0	58.6	52.4	48.3	49.0	54.1	54.9
2011	60.2	59.1	59.9	51.1	48.4	49.9	54.1	55.4
2012	61.7	59.2	61.0	51.9	49.1	51.8	55.5	56.7
2013	62.7	60.7	61.8	54.8	51.6	53.2	56.3	58.1
2014	66.0	64.3	65.8	58.6	55.7	57.3	59.7	61.8

[a] Age: 15–64.
Source: *KSH MEF*.
Online data source in xls format: http://www.bpdata.eu/mpt/2015ent09_01

Figure 9.1: Regional inequalities: Labour force participation rates, gross monthly earnings and gross domestic product in NUTS-2 level regions



Source: Employment rate: *KSH MEF*; gross domestic product: *KSH*; earnings: *NFSZ BT*.
Online data source in xls format: http://www.bpdata.eu/mpt/2015ena09_01

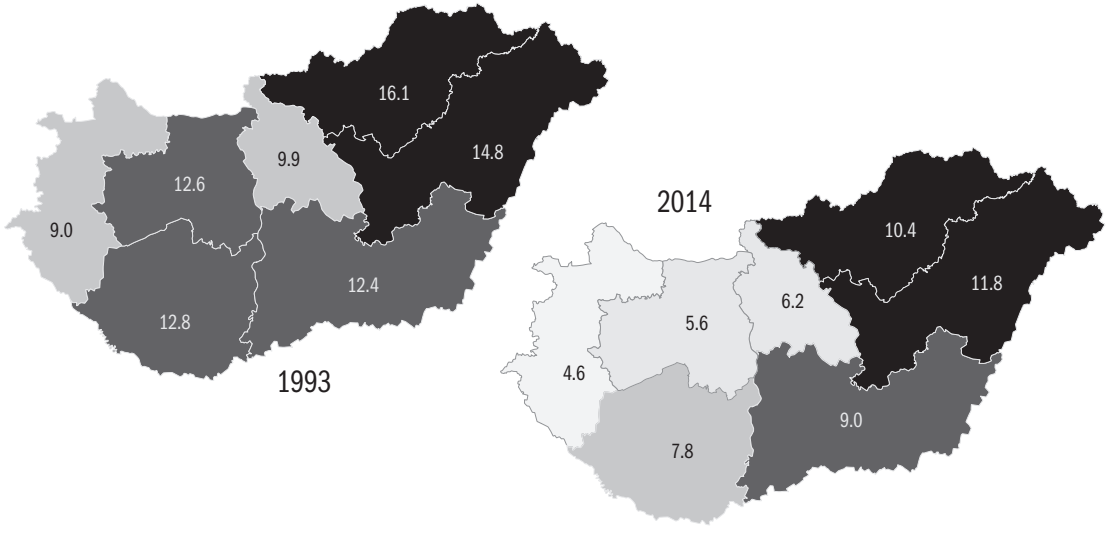
Table 9.2: Regional inequalities: LFS-based unemployment rate[a]

Year	Central Hungary	Central Transdanubia	Western Transdanubia	Southern Transdanubia	Northern Hungary	Northern Great Plain	Southern Great Plain	Total
1995	7.4	11.0	6.9	12.1	16.0	13.8	9.3	10.3
1996	8.2	10.4	7.1	9.4	15.5	13.2	8.4	10.0
1997	7.0	8.1	6.0	9.9	14.0	12.0	7.3	8.8
1998	5.7	6.8	6.1	9.4	12.2	11.1	7.1	7.8
1999	5.2	6.1	4.4	8.3	11.6	10.2	5.8	7.0
2000	5.3	4.9	4.2	7.8	10.1	9.3	5.1	6.4
2001	4.3	4.3	4.1	7.7	8.5	7.8	5.4	5.7
2002	3.9	5.0	4.0	7.9	8.8	7.8	6.2	5.8
2003	4.0	4.6	4.6	7.9	9.7	6.8	6.5	5.9
2004	4.5	5.6	4.6	7.3	9.7	7.2	6.3	6.1
2005	5.2	6.3	5.9	8.8	10.6	9.1	8.2	7.2
2006	5.1	6.0	5.8	9.2	10.9	10.9	8.0	7.5
2007	4.8	4.9	5.1	9.9	12.6	10.7	8.0	7.4
2008	4.5	5.8	5.0	10.3	13.3	12.1	8.7	7.8
2009	6.5	9.2	8.7	11.2	15.3	14.1	10.6	10.0
2010	8.9	10.0	9.3	12.4	16.2	14.4	10.4	11.2
2011	9.0	9.5	7.3	12.9	16.4	14.6	10.5	11.0
2012	9.5	9.9	7.5	12.1	16.1	13.9	10.3	11.0
2013	8.7	8.7	7.7	9.3	12.6	14.2	11.0	10.2
2014	6.2	5.6	4.6	7.8	10.4	11.8	9.0	7.7

[a] Age: 15–74.
Source: *KSH MEF*.

Online data source in xls format: http://www.bpdata.eu/mpt/2015ent09_02

Figure 9.2: Regional inequalities: LFS-based unemployment rates in NUTS-2 level regions



Source: *KSH MEF*.

Online data source in xls format: http://www.bpdata.eu/mpt/2015ena09_02

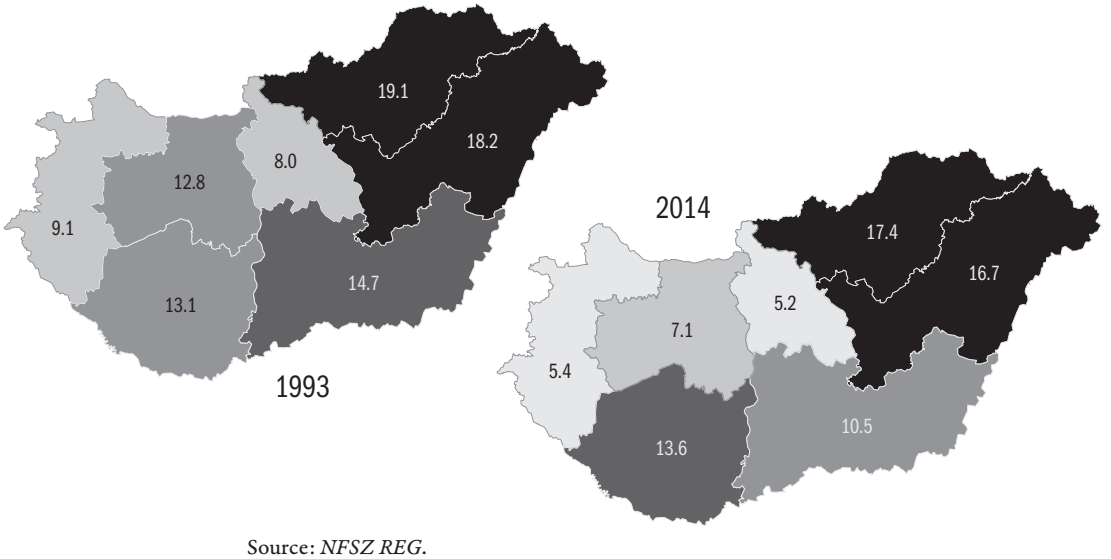
Table 9.3: Regional differences: The share of registered unemployed[a] relative to the economically active population[b], per cent

Year	Central Hungary	Central Transdanubia	Western Transdanubia	Southern Transdanubia	Northern Hungary	Northern Great Plain	Southern Great Plain	Total
2000	3.8	7.5	5.6	11.8	17.2	16.0	10.4	9.3
2001	3.2	6.7	5.0	11.2	16.0	14.5	9.7	8.5
2002	2.8	6.6	4.9	11.0	15.6	13.3	9.2	8.0
2003	2.8	6.7	5.2	11.7	16.2	14.1	9.7	8.3
2004	3.2	6.9	5.8	12.2	15.7	14.1	10.4	8.7
2005	3.4	7.4	6.9	13.4	16.5	15.1	11.2	9.4
2006	3.1	7.0	6.3	13.0	15.9	15.0	10.7	9.0
2007	3.5	6.9	6.3	13.6	17.6	16.6	11.7	9.7
2008	3.6	7.1	6.3	14.3	17.8	17.5	11.9	10.0
2009	5.4	11.5	9.5	17.8	20.9	20.2	14.4	12.8
2010	6.6	11.8	9.3	17.1	21.5	20.9	15.2	13.3
2011	6.8	10.9	8.0	16.6	21.5	22.0	14.5	13.2
2012	6.6	9.9	7.4	16.4	21.2	21.0	13.6	12.6
2013	6.4	9.5	7.4	15.4	19.5	19.4	19.0	13.0
2014	5.2	7.1	5.4	13.6	17.4	16.7	10.5	9.8

[a] Since 1st of November, 2005: the ratio of registered jobseekers. From the 1st of November, 2005 the Employment Act changed the definition of registered unemployed to registered jobseekers.
[b] The denominator of the ratio is the economically active population on January 1st of the previous year.
Source: *NFSZ REG*.

Online data source in xls format: http://www.bpdata.eu/mpt/2015ent09_03

Figure 9.3: Regional inequalities: The share of registered unemployed relative to the economically active population, per cent, in NUTS-2 level regions



Source: *NFSZ REG*.

Online data source in xls format: http://www.bpdata.eu/mpt/2015ena09_03

Table 9.4: Annual average registered unemployment rate[a] by counties, per cent[b]

County	1990	1995	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Budapest	0.1	5.7	3.0	2.6	2.2	2.4	2.8	2.9	2.6	3.0	3.1	4.6	5.9	6.2	6.1	5.8	4.5
Baranya	1.1	11.8	11.6	11.1	11.2	11.9	11.6	13.4	13.3	12.9	13.6	14.7	17.1	16.6	16.4	15.0	9.1
Bács-Kiskun	1.1	11.0	10.0	9.3	8.8	9.4	9.9	10.4	10.2	11.4	12.0	17.9	15.6	14.8	13.7	13.3	15.8
Békés	1.1	14.0	13.1	11.9	11.2	11.5	12.0	13.0	13.5	15.0	14.8	17.3	18.1	17.8	15.8	14.8	12.0
Borsod-Abaúj-Zemplén	2.3	16.7	20.3	19.0	19.1	19.6	18.3	18.9	18.0	19.9	20.1	23.1	23.7	23.5	22.9	20.9	19.6
Csongrád	1.0	9.9	8.6	8.3	8.1	8.5	9.7	10.7	8.8	9.2	9.3	11.6	12.4	11.5	11.5	11.0	8.5
Fejér	1.0	10.6	7.2	6.4	6.4	7.1	7.3	7.4	7.3	7.1	7.5	11.5	12.4	12.1	10.8	10.1	7.6
Győr-Moson-Sopron	0.5	6.8	4.6	4.1	4.0	4.1	4.6	5.4	4.6	4.1	4.1	6.9	6.8	5.7	5.0	4.6	2.9
Hajdú-Bihar	0.9	14.2	14.7	13.6	12.8	13.1	12.9	14.0	13.9	15.6	16.5	19.1	20.3	20.7	19.9	18.6	16.1
Heves	1.6	12.5	12.0	10.6	9.8	10.0	10.6	11.3	11.1	12.2	12.7	15.8	16.1	16.1	15.7	15.0	11.9
Jász-Nagykun-Szolnok	1.6	14.6	13.4	11.5	10.2	10.7	11.2	12.0	11.4	11.8	12.2	15.5	16.4	18.1	16.8	15.4	13.4
Komárom-Esztergom	1.0	11.3	8.3	7.0	6.7	6.0	5.8	6.8	5.8	5.4	5.5	10.2	10.4	9.5	8.9	8.7	6.5
Nógrád	2.4	16.3	14.9	14.3	13.8	14.6	14.6	16.1	16.1	17.7	17.8	21.2	22.0	22.9	23.9	21.7	19.1
Pest	0.5	7.6	5.2	4.4	3.7	3.7	3.8	4.2	3.9	4.3	4.4	6.7	7.7	7.6	7.4	7.2	6.2
Somogy	1.4	11.2	11.9	11.6	11.5	12.2	13.4	14.5	14.6	16.2	16.9	19.4	18.9	18.3	18.2	17.1	16.1
Szabolcs-Szatmár-Bereg	2.6	19.3	19.5	17.8	16.7	17.7	17.5	18.6	18.8	21.0	22.4	24.7	24.8	26.0	25.0	23.0	19.5
Tolna	1.6	12.2	11.8	11.0	10.0	10.7	11.6	11.8	10.5	11.5	12.1	15.2	14.7	14.2	13.7	13.7	11.1
Vas	0.4	7.2	5.2	4.9	4.5	5.0	6.0	6.8	6.1	6.2	6.1	9.8	9.6	7.7	6.7	6.9	5.1
Veszprém	0.9	10.0	7.2	6.9	6.6	7.0	7.3	8.0	7.7	8.0	8.2	12.6	12.3	10.8	9.6	9.4	6.9
Zala	0.8	9.2	7.2	6.5	6.4	7.0	7.4	9.3	9.0	9.3	9.4	13.0	12.9	11.7	11.6	12.3	9.6
Total	1.0	10.6	9.3	8.5	8.0	8.3	8.7	9.4	9.0	9.7	10.0	12.8	13.3	13.2	12.6	11.9	9.8

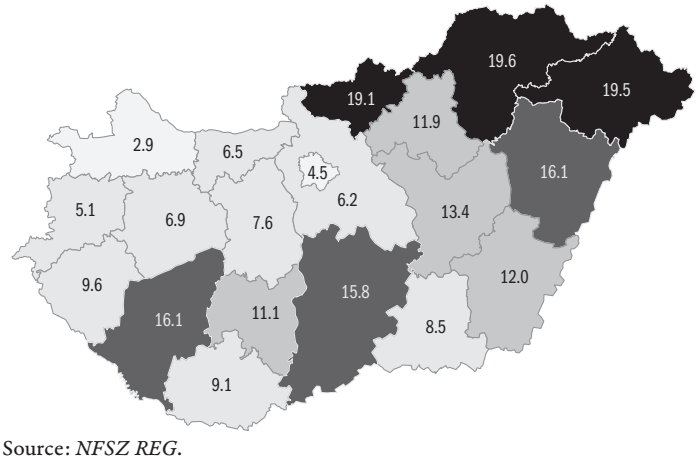
[a] Since 1st of November, 2005: the ratio of registered jobseekers. From the 1st of November, 2005 the Employment Act changed the definition of registered unemployed to registered jobseekers.

[b] The denominator of the ratio is the economically active population on January 1st of the previous year.

Source: *NFSZ REG*.

Online data source in xls format: http://www.bpdata.eu/mpt/2015ent09_04

Figure 9.4: Regional inequalities: Means of registered unemployment rates in the counties, 2014



Source: *NFSZ REG*.

Online data source in xls format: http://www.bpdata.eu/mpt/2015ena09_04

Table 9.5: Regional inequalities: Gross monthly earnings[a]

Year	Central Hungary	Central Transdanubia	Western Transdanubia	Southern Transdanubia	Northern Hungary	Northern Great Plain	Southern Great Plain	Total
1999	101,427	77,656	74,808	70,195	70,961	68,738	68,339	81,067
2000	114,637	87,078	83,668	74,412	77,714	73,858	73,591	90,338
2001	132,136	100,358	96,216	86,489	88,735	84,930	84,710	103,610
2002	149,119	110,602	106,809	98,662	102,263	98,033	97,432	117,672
2003	170,280	127,819	121,464	117,149	117,847	115,278	113,532	135,472
2004	184,039	137,168	131,943	122,868	128,435	124,075	121,661	147,111
2005	192,962	147,646	145,771	136,276	139,761	131,098	130,406	157,770
2006	212,001	157,824	156,499	144,189	152,521	142,142	143,231	171,794
2007	229,897	173,937	164,378	156,678	159,921	153,241	153,050	186,229
2008	245,931	185,979	174,273	160,624	169,313	160,332	164,430	198,087
2009	254,471	187,352	182,855	169,615	169,333	160,688	164,638	203,859
2010	258,653	194,794	183,454	171,769	173,696	162,455	169,441	207,456
2011	264,495	197,774	184,311	181,500	185,036	173,243	177,021	214,540
2012	279,073	215,434	202,189	208,895	196,566	191,222	187,187	230,073
2013	290,115	220,495	209,418	190,126	188,635	178,499	187,762	230,018
2014	296,089	228,974	219,727	200,359	204,472	194,654	196,667	240,675

[a] Gross monthly earnings (HUF/person), May.

Note: The data refer to full-time employees in the budgetary sector and firms employing at least 10 workers (1999), and at least 5 workers (2000–), respectively.

Source: *NFSZ BT*.

Online data source in xls format: http://www.bpdata.eu/mpt/2015ent09_05

Table 9.6: Regression-adjusted earnings differentials

Year	Central Hungary	Western Transdanubia	Southern Transdanubia	Northern Hungary	Northern Great Plain	Southern Great Plain
2000	0,0729	–0,0067	–0,1610	–0,1320	–0,1500	–0,1660
2001	0,0739	–0,0200	–0,1500	–0,1400	–0,1550	–0,1630
2002	0,0903	–0,0378	–0,1120	–0,0950	–0,1170	–0,1070
2003	0,0493	–0,0542	–0,1220	–0,1220	–0,1400	–0,1410
2004	0,0648	–0,0313	–0,1410	–0,0953	–0,1400	–0,1270
2005	0,0291	–0,0372	–0,1310	–0,1010	–0,1450	–0,1390
2006	0,0660	–0,0214	–0,1400	–0,0874	–0,1380	–0,1100
2007	0,0636	–0,0840	–0,1420	–0,1290	–0,1590	–0,1450
2008	0,0446	–0,0904	–0,1750	–0,1350	–0,1920	–0,1660
2009	0,0791	–0,0464	–0,1270	–0,1210	–0,1420	–0,1490
2010	0,0689	–0,0746	–0,1390	–0,1270	–0,1720	–0,1500
2011	0,1060	–0,0301	–0,0806	–0,0058	–0,0886	–0,0947
2012	0,0673	–0,0439	–0,0784	–0,1020	–0,1320	–0,1250
2013	0,0411	–0,0543	–0,1180	–0,1190	–0,1630	–0,1350

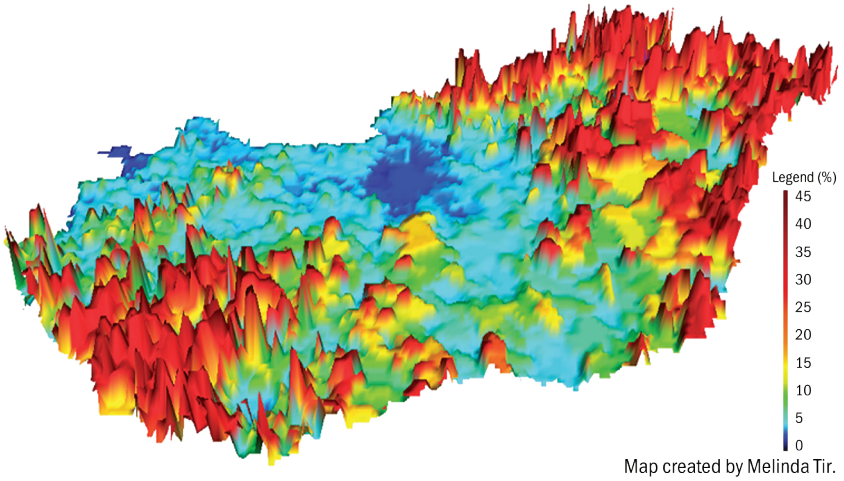
Note: the results indicate the earnings differentials of the various groups relative to the reference group in log points (approximately percentage points). All parameters are significant at the 0.01 level.

Reference category: women, with leaving certificate (general education certificate), not in the public sector, working in the Central-Transdanubia region.

Source: *NFSZ BT*.

Online data source in xls format: http://www.bpdata.eu/mpt/2015ent09_06

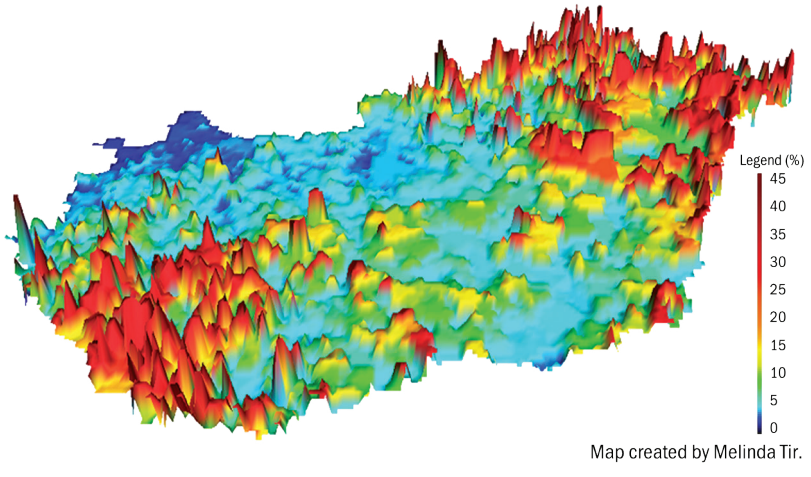
Figure 9.5: The share of registered unemployed relative to the population aged 15–64, 1st quarter 2007, per cent



Note: The ratio of registered unemployed was calculated using the following method: number of registered unemployed divided by the permanent population of age 15–64. The number of registered unemployed is a quarterly average. The permanent population data is annual.
Source: *Registered unemployed: NFSZ IR. Population: KSH T-Star.*

Online data source in xls format: http://www.bpdata.eu/mpt/2015ena09_05

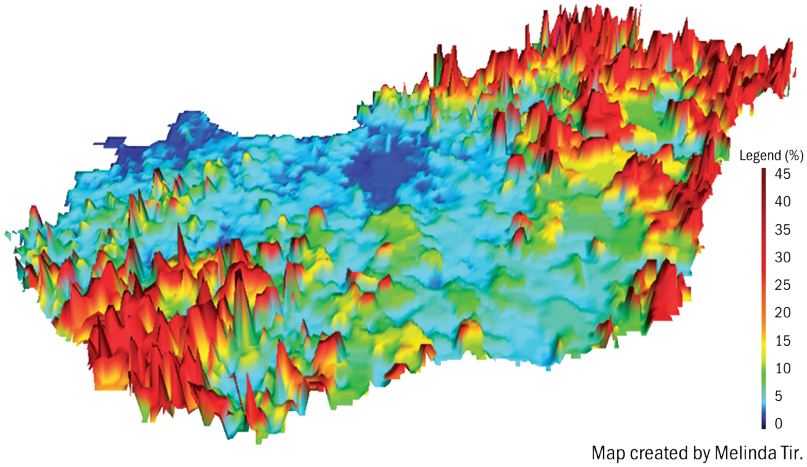
Figure 9.6: The share of registered unemployed relative to the population aged 15–64, 1st quarter 2014, per cent



Note: The ratio of registered unemployed was calculated using the following method: number of registered unemployed divided by the permanent population of age 15–64. The number of registered unemployed is a quarterly average. The permanent population data is from the year 2012 (since 2013 data is not yet available).
Source: *Registered unemployed: NFSZ IR. Population: KSH T-Star.*

Online data source in xls format: http://www.bpdata.eu/mpt/2015ena09_06

Figure 9.7: The share of registered unemployed relative to the population aged 15–64, 3rd quarter 2007, per cent

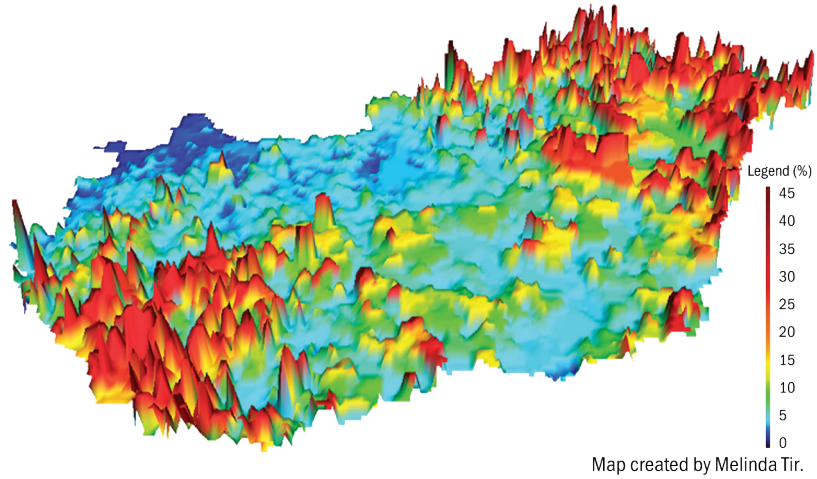


Map created by Melinda Tir.

Note: The ratio of registered unemployed was calculated using the following method: number of registered unemployed divided by the permanent population of age 15–64. The number of registered unemployed is a quarterly average. The permanent population data is annual.
Source: *Registered unemployed: NFSZ IR. Population: KSH T-Star.*

Online data source in xls format: http://www.bpdata.eu/mpt/2015ena09_07

Figure 9.8: The share of registered unemployed relative to the population aged 15–64, 3rd quarter 2014, per cent



Map created by Melinda Tir.

Note: The ratio of registered unemployed was calculated using the following method: number of registered unemployed divided by the permanent population of age 15–64. The number of registered unemployed is a quarterly average. The permanent population data is from the year 2012 (since 2013 data is not yet available).
Source: *Registered unemployed: NFSZ IR. Population: KSH T-Star.*

Online data source in xls format: http://www.bpdata.eu/mpt/2015ena09_08

Table 9.7: Regional inequalities: Gross domestic product

Year	Central Hungary	Central Transdanubia	Western Transdanubia	Southern Transdanubia	Northern Hungary	Northern Great Plain	Southern Great Plain	Total
Thousand HUF/person/month								
2000	2,009	1,246	1,455	972	837	855	966	1,302
2001	2,370	1,395	1,545	1,106	989	1,022	1,112	1,505
2002	2,794	1,499	1,754	1,237	1,088	1,124	1,207	1,710
2003	2,993	1,725	2,013	1,345	1,212	1,254	1,304	1,876
2004	3,309	1,952	2,142	1,454	1,353	1,357	1,449	2,069
2005	3,586	2,092	2,205	1,532	1,465	1,419	1,527	2,214
2006	3,925	2,178	2,418	1,605	1,539	1,514	1,603	2,386
2007	4,196	2,344	2,482	1,702	1,615	1,580	1,660	2,531
2008	4,441	2,430	2,617	1,824	1,670	1,679	1,799	2,685
2009	4,379	2,186	2,458	1,793	1,590	1,690	1,725	2,612
2010	4,450	2,349	2,698	1,821	1,624	1,709	1,746	2,695
2011	4,541	2,495	2,868	1,897	1,694	1,821	1,881	2,811
2012	4,681	2,543	2,917	1,951	1,720	1,841	1,951	2,878
Per cent								
2000	154.3	95.7	111.8	74.7	64.3	65.7	74.2	100.0
2001	157.5	92.7	102.7	73.5	65.7	67.9	73.9	100.0
2002	163.4	87.7	102.6	72.4	63.6	65.7	70.6	100.0
2003	159.5	91.9	107.3	71.7	64.6	66.8	69.5	100.0
2004	159.9	94.4	103.5	70.3	65.4	65.6	70.0	100.0
2005	162.0	94.5	99.6	69.2	66.2	64.1	69.0	100.0
2006	164.5	91.3	101.3	67.3	64.5	63.4	67.2	100.0
2007	165.8	92.6	98.1	67.2	63.8	62.4	65.6	100.0
2008	165.4	90.5	97.5	67.9	62.2	62.5	67.0	100.0
2009	167.7	83.7	94.1	68.6	60.9	64.7	66.0	100.0
2010	165.1	87.2	100.1	67.6	60.3	63.4	64.8	100.0
2011	161.5	88.7	102.0	67.5	60.2	64.8	66.9	100.0
2012	162.6	88.4	101.4	67.8	59.8	64.0	67.8	100.0

Source: *KSH*.

Online data source in xls format: http://www.bpdata.eu/mpt/2015ent09_07

Table 9.8: Commuting

	Working in the place of residence		Commuter	
Year	in thousands	per cent	in thousands	per cent
1980	3,848.5	76.0	1,217.2	24.0
1990	3,380.2	74.7	1,144.7	25.3
2001	2,588.2	70.1	1,102.1	29.9
2005	2,625.1	68.2	1,221.3	31.8
2011	2,462.8[a]	62.5	1,479.8	37.2

[a] Includes those working abroad but classified by the respondents of LFS as household members.
Source: NSZ, microcensus.

Online data source in xls format: http://www.bpdata.eu/mpt/2015ent09_08

Table 10.1: Strikes

Year	Number of strikes	Number of persons involved	Hours lost, in thousands
1995[a]	7	172,048	1,708
2000	5	26,978	1,192
2001	6	21,128	61
2002	4	4,573	9
2003	7	10,831	19
2004	8	6,276	116
2005	11	1,425	7
2006	16	24,665	52
2007	13	64,612	186
2008	8	8,633	..
2009	9	3,134	8.6
2010	7	3,263	133.1
2011	1	...	...
2012	3	1,885	4.6
2013	1	..	..
2014	0	0	0

[a] Teachers strikes number partly estimated.
Source: *KSH* strike statistics.

Online data source in xls format: http://www.bpdata.eu/mpt/2015ent10_01

Table 10.2: National agreements on wage increase recommendations[a]

	OÉT – from 2013 VKF – Recommendations			Actual indexes	
Year	Minimum	Average	Maximum	Budgetary sector	Competitve sector
2000	108.5	..	111.0	112.3	114.2
2001	..	..	..	122.9	116.3
2002	108.0	..	110.5	129.2	113.3
2003	..	4.5 % real wage growth	..	117.5	108.9
2004	..	107.0–108.0	..	100.4	109.3
2005	..	106.0	..	112.8	106.9
2006	..	104.0–105.0	..	106.4	109.3
2007	..	105.5–108.0	..	106.4	109.1
2008	..	105.0–107.5	..	106.2	108.4
2009	..	103.0–105.0	..	92.1	104.3
2010	..	real wage preservation	..	100.5[b]	102.6[b]
2011	..	104.0–106.0	..	103.8	105.3
2012	–	no wage recommendations	–	98.3	107.2
2013	..	real wage preservation	..	102.9[b]	103.4[b]
2014	..	103.5	..	105.9 [b]	104.3

[a] Average increase rates of gross earnings from recommendations by the National Interest Reconciliation Council (OÉT) and the Permanent Consultation Forum of the Business Sector and the Government (VKF, from 2013 onwards). Previous year = 100.
[b] Mean real wage index.
Source: *KSH, NGM*.

Online data source in xls format: http://www.bpdata.eu/mpt/2015ent10_02

Table 10.3: Single employer collective agreements in the business sector

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Number of agreements	1,277	1,272	1,295	1,025	1,033	1,032	1,027	962	966	959	942	951	951
Number of persons covered	667,634	649,861	637,508	513,118	489,568	532,065	467,964	432,086	448,138	448,980	442,723	448,087	443,543

Source: *NGM,* Employment Relations Information System.

Online data source in xls format: http://www.bpdata.eu/mpt/2015ent10_03

Table 10.4: Single institution collective agreements in the public sector

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Number of agreements	2,019	2,026	2,020	1,750	1,435	1,711	1,710	1,737	1,751	1,744	1,735	1,736	1,734
Number of persons covered	251,849	251,352	250,492	228,080	203,497	224,246	222,547	225,434	224,651	222,136	261,401	260,388	259,797

Source: *NGM,* Employment Relations Information System.

Online data source in xls format: http://www.bpdata.eu/mpt/2015ent10_04

Table 10.5: Multi-employer collective agreements in the business sector

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Number of agreements	66	71	79	71	75	74	78	80	82	81	81	83	83
Number of persons covered	206,729	261,848	263,752	92,196	86,079	83,117	80,506	222,236	221,627	202,005	204,585	173,614	219,050

Source: *NGM,* Employment Relations Information System.

Online data source in xls format: http://www.bpdata.eu/mpt/2015ent10_05

Table 10.6: Multi-institution collective agreements in the public sector

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Number of agreements	9	9	10	5	4	2	1	1	1	1	0	0	0
Number of persons covered	2,045	2,042	2,072	403	360	238	..	..	..	320	0	0	0

Source: *NGM,* Employment Relations Information System.

Online data source in xls format: http://www.bpdata.eu/mpt/2015ent10_06

Table 10.7: The number of firm wage agreements[a], the number of affected firms, and the number of employees covered

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Number of agreements	531	545	515	298	302	214	202	785	905	888	863	874	876
Number of persons covered	279,753	316,585	347,223	169,639	151,022	171,259	100,206	377,677	414,522	416,562	415,751	422,887	384,182

[a] Until 2008, the data relate to the number of 'wage agreements' concerning the next year's average wage increase, in the typical case. In and after 2009, the figures relate to resolutions within collective agreements, which affect the remuneration of workers (including long-term agreements on wage supplements, bonuses, premia, non-wage benefits and rights and responsibilities connected with wage payments).

Source: *NGM,* Employment Relations Information System.

Online data source in xls format: http://www.bpdata.eu/mpt/2015ent10_07

Table 10.8: The number of multi-employer wage agreements[a], the number of affected firms, and the number of covered companies and employees

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Number of agreements	18	22	19	40	44	40	45	62	68	68	73	74	74
Number of companies	172	243	145	145	162	147	150	2,350	2,460	2,199	2,219	1,096	2,886
Number of persons covered	76,129	88,855	25,175	35,039	42,817	33,735	40,046	191,258	211,753	180,131	191,013	160,092	208,128

[a] Until 2008, the data relate to the number of 'wage agreements' concerning the next year's average wage increase, in the typical case. In and after 2009, the figures relate to resolutions within collective agreements, which affect the remuneration of workers (including long-term agreements on wage supplements, bonuses, premia, non-wage benefits and rights and responsibilities connected with wage payments).

Source: *NGM,* Employment Relations Information System.

Online data source in xls format: http://www.bpdata.eu/mpt/2015ent10_08

Table 10.9: The share of employees covered by collective agreements, percent[a]

	Multi-employer collective agreements in the business sector[b]					Single employer collective agreements in the national economy				
Industries	2010	2011	2012	2013	2014	2010	2011	2012	2013	2014
Agriculture	27.28	27.80	21.93	23.08	21.12	12.82	12.47	9.81	11.71	9.87
Mining and quarrying	6.16	6.37	5.27	5.36	5.35	36.15	37.84	57.86	40.51	40.46
Manufacturing	11.95	11.40	12.78	11.95	11.94	24.35	23.36	25.94	25.95	25.86
Electricity, gas, steam and air conditioning supply	72.05	69.28	70.27	69.67	73.69	63.69	60.04	59.16	53.09	53.19
Water supply; sewerage, waste management and remediation activities	24.59	25.15	24.32	23.87	27.10	59.58	55.95	46.97	46.61	46.57
Construction	99.40	98.93	98.27	99.88	98.00	6.73	6.74	5.47	5.84	6.65
Wholesale and retail trade; repair of motor vehicles and motorcycles	3.36	3.41	6.71	6.83	6.88	11.07	11.22	7.74	7.82	7.71
Transportation and storage	15.07	15.27	15.69	14.82	37.38	57.57	56.26	58.68	56.65	54.40
Accommodation and food service activities	94.31	94.28	93.24	92.42	87.66	9.98	9.94	8.23	6.49	6.24
Information and communication	0.83	0.82	0.88	0.88	0.81	21.76	20.25	18.93	20.14	19.19
Financial and insurance activities	6.10	4.97	5.72	5.24	5.36	33.94	32.36	35.11	33.41	32.89
Real estate activities	38.06	39.78	16.37	15.73	17.36	30.95	29.30	25.69	24.61	26.14
Professional, scientific and technical activities	2.47	2.32	4.01	4.58	4.49	9.37	8.53	10.97	12.24	12.78
Administrative and support service activities	13.87	12.59	6.33	6.22	7.06	8.43	7.78	8.17	8.01	8.17
Public administration and defence; compulsory social security	..	..	..	..	..	51.22	6.89	14.48	14.52	15.55
Education	..	..	4.79	3.91	4.81	43.03	40.51	44.83	41.94	44.98
Human health and social work activities	..	..	..	..	..	50.35	35.88	38.24	34.48	36.38
Arts, entertainment and recreation	1.31	1.28	0.14	0.16	0.14	22.81	19.79	23.57	24.01	22.99
Other service activities	0.93	0.84	0.62	0.63	1.46	9.70	6.78	7.07	8.76	6.88
National economy, total	20.43	19.86	19.94	19.34	21.51	27.18	23.52	25.05	24.24	24.59

[a] Percentage share of employees covered by collective agreements.

[b] In the observed period only a single multi-employer collective agreement was in effect in the public sector.

Source: *NGM*, Employment Relations Information System, Register of Collective Agreements.

Online data source in xls format: http://www.bpdata.eu/mpt/2015ent10_09

Table 10.10: Single employer collective agreements in the national economy

Industries	Number of collective agreements					The number of employees covered by collective agreements				
	2010	2011	2012	2013	2014	2010	2011	2012	2013	2014
Agriculture	65	64	65	66	66	9,765	9,310	7,628	8,709	7,680
Mining and quarrying	10	10	9	9	9	1,474	1,491	2,142	1,475	1,498
Manufacturing	339	344	344	354	355	142,402	144,844	157,710	157,659	157,178
Electricity, gas, steam and air conditioning supply	50	48	47	45	44	16,003	14,581	13,807	12,194	12,414
Water supply; sewerage, waste management and remediation activities	70	69	67	68	68	24,236	23,737	19,175	19,010	19,010
Construction	49	48	45	45	46	7,917	7,800	6,153	6,190	7,488
Wholesale and retail trade; repair of motor vehicles and motorcycles	126	126	119	118	119	38,031	37,973	25,686	25,573	25,565
Transportation and storage	59	60	57	59	59	102,452	102,164	104,150	98,748	96,550
Accommodation and food service activities	38	37	36	35	35	8,337	8,342	6,576	4,944	4,986
Information and communication	15	15	14	15	15	14,256	14,256	13,540	13,727	13,727
Financial and insurance activities	26	27	27	26	26	22,729	20,997	22,300	20,892	20,892
Real estate activities	33	31	31	32	32	8,781	8,522	6,957	7,100	7,079
Professional, scientific and technical activities	54	55	53	54	54	6,822	6,795	8,628	10,047	10,047
Administrative and support service activities	24	25	24	25	24	10,507	11,359	11,080	11,206	11,080
Public administration and defence; compulsory social security	103	105	102	105	104	16,433	17,015	37,643	38,313	40,431
Education	1,293	1,292	1,295	1291	1,292	106485	106,233	113,995	102,582	114,377
Human health and social work activities	241	239	236	226	228	77,719	88,141	100,879	92,631	95,961
Arts, entertainment and recreation	92	94	92	91	91	7,242	7,109	7,786	7,637	7,592
Other service activities	19	18	18	19	18	1,422	1,482	1,515	1,514	1,474
National economy, total	2,706	2,707	2,681	2,683	2,685	623,013	632,151	667,350	640,151	655,029

Source: *NGM*, Employment Relations Information System, Register of Collective Agreements.

Online data source in xls format: http://www.bpdata.eu/mpt/2015ent10_10

Table 10.11: Multi-employer collective agreements in the business sector[a]

Industries	The number of firms covered by the multi-employer[b] collective agreements					The number of employees covered by multi-employer collective agreements				
	2010	2011	2012	2013	2014	2010	2011	2012	2013	2014
Agriculture	601	601	600	27	41	20,724	20,416	16,833	17,098	17,002
Mining and quarrying	5	5	5	3	4	251	251	195	195	195
Manufacturing	604	601	179	155	174	69,871	68,953	75,700	70,908	72,623
Electricity, gas, steam and air conditioning supply	36	36	34	35	35	18,096	16,818	16,393	15,991	17,142
Water supply; sewerage, waste management and remediation activities	23	23	23	22	28	9,769	9,769	9,229	9,229	9,283
Construction	489	491	486	484	510	116,745	113,936	110,173	105521	110,173
Wholesale and retail trade; repair of motor vehicles and motorcycles	127	125	68	47	192	11,538	11,551	22,258	22,316	22,827
Transportation and storage	197	155	157	155	1,209	26,780	26,780	26,867	24,972	63,934
Accommodation and food service activities	37	37	31	29	37	65,581	65,410	63,526	61,204	63,526
Information and communication	10	10	12	12	12	543	543	597	597	597
Financial and insurance activities	12	12	13	7	9	4,082	3,215	3,626	3,269	3,269
Real estate activities	56	56	47	28	34	10,579	10,579	4,048	4,048	4,055
Professional, scientific and technical activities	43	43	39	33	45	1,621	1,621	2,755	3,293	3,326
Administrative and support service activities	87	87	84	82	104	16,862	16,862	7,855	7888	10,013
Public administration and defence; compulsory social security	0	0	0	0	1	0	0	0	0	–
Education	17	17	17	20	24	..	..	171	171	172
Human health and social work activities	1	1	1	0	2	..	..	..	..	–
Arts, entertainment and recreation	1	1	1	1	4	127	127	13	13	13
Other service activities	8	8	7	2	2	133	121	88	83	204
National economy, total	2,354	2,309	1,804	1,142	2,467	373,302	366,952	360,327	346,796	398,354

[a] In the observed period only a single multi-employer collective agreement was in effect in the public sector.

[b] Multi-employer collective agreements are those concluded and/or extended by several employers or employer organizations.

Source: *NGM*, Employment Relations Information System, Register of Collective Agreements.

Online data source in xls format: http://www.bpdata.eu/mpt/2015ent10_11

Table 11.1: Family benefits

Year	Tax credit for families[a]		Child benefit[b]		Regular child protection allowance[c]		Wage related maternity benefit[d]		Flat rate maternity benefits[d]	
	Average monthly amount, HUF	Average number of recipient families	Average monthly amount per family, HUF	Average number of recipient families	Average monthly amount, HUF	Average number of recipient families	Average monthly amount, HUF	Average number of recipients	Average monthly amount, HUF	Average number of recipients
2004	6,941	969,512	11,971	1,290,200	5,236	670,000	54,322	83,678	24,174	210,509
2005	6,979	924,263	12,596	1,264,500	5,619	663,000	58,676	87,172	25,706	208,708
2006	9,392	122,883	21,637	1,269,000	–	–	63,221	91,678	27,102	212,741
2007	..	..	23,031	1,224,000	–	–	68,763	93,973	28,496	207,608
2008	..	..	24,521	1,246,600	–	–	74,518	94,514	30,880	208,652
2009	..	..	24,524	1,245,900	–	–	78,725	95,050	30,328	214,416
2010	..	..	24,442	1,224,000	–	–	83,959	94,682	30,041	217,807
2011	..	..	24,528	1,190,707	–	–	84,929	87,717	..	207,550
2012	..	..	24,491	1,167,640	–	–	91,050	81,839	..	206,645
2013	..	..	24,257	1,149,796	–	–	96,661	81,234	..	198,685

[a] Introduced in 1999. Beginning in 2006, this became a part of family benefits, only families with 3 or more children are entitled to tax credits to the amount of 4,000 HUF per child.
[b] Annual mean. From 1999 to November 8, 2002, the child care benefit includes the family allowance and schooling support. Beginning in 2002, the benefits paid in the 13th month are included as well.
[c] Annual average. Was in use from 1998 to 2005.
[d] Annual average.
Source: *NAV, KSH* Welfare Statistics.

Online data source in xls format: http://www.bpdata.eu/mpt/2015ent11_01

Table 11.2: Unemployment benefits and average earnings

Year	Insured unemployment benefit and other non-means tested benefits[a]		Means tested unemployment assistance[b]		Net monthly earnings, HUF[c]		
	Average monthly amount, HUF	Average number of recipients	Average monthly amount, HUF	Average number of recipients	Male	Female	Together
2004	37,107	109,654	15,864	144,853	98,101	87,710	93,233
2005	39,593	111,732	16,991	158,565	108,139	98,625	103,727
2006	43,344	109,095	23,771	160,426	..	..	110,951
2007	46,208	96,463	25,705	194,779	..	..	114,282
2008	49,454	97,047	27,347	213,436	..	..	121,969
2009	51,831	152,197	23,117	167,287	..	..	124,116
2010	50,073	125,651	27,574	174,539	..	..	132,604
2011	52,107	110,803	25,139	209,918	..	..	141,151
2012	63,428	62,380	21,943	236,609	..	..	144,085
2013	68,730	48,019	22,781	211,760	..	..	151,118
2014	..	..	..	..	..	..	155,717

[a] Average of headcount at the end of the month. Includes the pre-pension allowance (2000).
[b] This scheme changed substantially in July 2006, therefore figures for 2006 are given for the period July-December 2006.
[c] The average net wage refers to the entire economy, competitive sector after 2001: firms with at least 4 employees.
Source: KSH: *Welfare systems 2007, Welfare Statistics, Yearbook of Demographics. KSH Social Statistics Yearbooks. KSH* Stadat.

Online data source in xls format: http://www.bpdata.eu/mpt/2015ent11_02

Table 11.3.a: Number of those receiving pension[a], and the mean sum of the provisions they received in January of the given year

Year	Old age pension			Disability pension under and above retirement age		
	Number of recipients	Average amount before increase, HUF	Average amount after increase, HUF	Number of recipients	Average amount before increase, HUF	Average amount after increase, HUF
2002	1,664,062	43,368	47,561	789,544	37,369	40,972
2003	1,657,271	50,652	54,905	799,966	43,185	46,801
2004	1,637,847	57,326	60,962	806,491	48,180	51,220
2005	1,643,409	63,185	67,182	808,107	52,259	55,563
2006	1,658,387	69,145	72,160	806,147	56,485	58,935
2007	1,676,477	74,326	78,577	802,506	59,978	63,120
2008	1,716,315	81,975	87,481	794,797	65,036	69,160
2009	1,731,213	90,476	93,256	779,130	70,979	73,166
2010	1,719,001	94,080	98,804	750,260	73,687	77,500
2011	1,700,800	99,644	104,014	721,973	77,945	81,367
2012	1,959,202[b]	99,931	104,610	302,990[c]	..	..

[a] Pension: Excludes survivors pensions.
[b] From 2012 onwards, the disability pensions of persons older than the mandatory retirement age are granted as old-age pensions.
[c] Excludes persons older than the mandatory retirement age.
Source: *ONYF*.

Online data source in xls format: http://www.bpdata.eu/mpt/2015ent11_03a

Table 11.3.b: Number of those receiving pension[a], and the mean sum of the provisions they received in January of the given year, from 2012

Type of benefit	2012			2013			2014		
	Number of recipients	Average amount before increase, HUF	Average amount after increase, HUF	Number of recipients	Average amount before increase, HUF	Average amount after increase, HUF	Number of recipients	Average amount before increase, HUF	Average amount after increase, HUF
Old age pension	1,959,202	99,931	104,610	2,000,128	107,236	112,781	2,037,126	113,063	115,786
– Old age pension of persons above the mandatory retirement age[b]	1,884,583	102,332	107,138	1,900,661	109,841	115,521	1,925,103	112,700	115,416
– Pension for women entitled to retire before the mandatory age after having accumulated at least 40 accrual years	62,955	102,402	106,731	90,166	109,803	115,474	105,172	114,035	116,753
– Old age pension of persons younger than the mandatory retirement age	11,664	174,326	182,542	9,301	188,664	198,473	6,851	200,081	204,882

[a] Pension: Excludes survivors pensions. From 2012 onwards, no old-age pension is granted to persons younger than the mandatory retirement age. Exceptions are pensions for women having accumulated 40 or more accrual years.
[b] From 2012 onwards, the disability pensions of persons older than the mandatory retirement age are granted as old-age pensions.
Source: *ONYF*.

Online data source in xls format: http://www.bpdata.eu/mpt/2015ent11_03b

Table 11.4.a: Number of those receiving social annuities for people with damaged health, and the mean sum of the provisions they received after the increase, in January of the given year

Year	Temporary annuity		Regular social annuity		Health damage annuity for miners		Total	
	Number of recipients	Average amount, HUF	Number of recipients	Average amount, HUF	Number of recipients	Average amount, HUF	Number of recipients	Average amount, HUF
2002	11,523	26,043	200,980	17,645	3,348	59,558	215,851	18,744
2003	12,230	30,135	203,656	19,907	3,345	65,380	219,231	21,171
2004	11,949	33,798	207,300	21,370	2,950	69,777	222,199	22,681
2005	13,186	36,847	207,091	22,773	2,839	74,161	223,116	24,259
2006	14,945	40,578	195,954	23,911	2,786	77,497	213,685	25,776
2007	19,158	42,642	184,845	25,050	2,693	80,720	206,696	27,406
2008	21,538	46,537	170,838	27,176	2,601	85,805	194,977	30,096
2009	21,854	46,678	159,146	27,708	2,533	86,165	183,533	30,774
2010	20,327	47,060	148,704	27,645	2,448	86,252	171,479	30,783
2011	16,448	47,096	139,277	27,588	2,371	86,411	158,096	30,500

Disability pensions and temporary provisions for disability groups 1–2, granted prior to 2012, have been transformed to 'disability allotments'. The provisions for permanent social benefit recipients born before 1955 have also been transformed to 'disability allotments'. Disability pensions and permanent social benefits granted before 2012 to the members of disability group 3 have been transformed to 'rehabilitation allotment'. The conditions of these provisions will be set in the framework of a complex revision of entitlement and eligibility.

Source: *ONYF*.

Online data source in xls format: http://www.bpdata.eu/mpt/2015ent11_04a

Table 11.4.b: Number of those receiving social annuities for people with damaged health, and the mean sum of the provisions they received after the increase, in January of the given year, from 2013

Support for disabled persons	2013			2014		
	Number of recipients	Average amount before increase, HUF	Average amount after increase, HUF	Number of recipients	Average amount before increase, HUF	Average amount after increase, HUF
Disability and rehabilitation provision	444,014	62,780	66,035	418,617	64,811	66,364
– Disability provision for persons older than the mandatory retirement age	41,162	63,260	66,542	52,186	71,362	73,077
– Disability provision for persons younger than the mandatory retirement	209,264	70,753	74,422	198,312	71,783	73,503
– Rehabilitation provision	178,112	51,718	54,398	161,761	53,262	54,538
– Rehabilitation benefit	13,265	80,101	84,256	4,153	84,886	86,919
– Annuity for miners with damaged health	2,211	86,455	90,915	2,205	92,174	94,369

Disability pensions and temporary provisions for disability groups 1–2, granted prior to 2012, have been transformed to 'disability allotments'. The provisions for permanent social benefit recipients born before 1955 have also been transformed to 'disability allotments'. Disability pensions and permanent social benefits granted before 2012 to the members of disability group 3 have been transformed to 'rehabilitation allotment'. The conditions of these provisions will be set in the framework of a complex revision of entitlement and eligibility.

Source: *ONYF*.

Online data source in xls format: http://www.bpdata.eu/mpt/2015ent11_04b

Table 11.5: The median age for retirement and the number of pensioners

Pension	Age	Persons	Age	Persons	Age	Persons	Age	Persons	Age	Persons
	2005		2006		2007		2008		2009	
Females										
Old age and similar pensions	57.7	45,115	57.5	46,093	57.8	62,015	57.3	39,290	59.9	15,243
Pension for women entitled to retire before the mandatory age after having accumulated at least 40 accrual years	–	–	–	–	–	–	–	–	–	–
Disability and accident-related disability pension	49.1	19,250	49.3	18,488	49.8	15,837	50.5	8,565	51.1	9,065
Rehabilitation annuity	–	–	–	–	–	–	44.1	1,604	44.9	6,574
Total	55.1	64,365	55.2	64,581	56.2	77,852	55.7	49,459	54.1	30,882
Males										
Old age and similar	59.9	30,560	59.9	33,134	59.7	50,878	59.8	25,749	59.7	37,116
Disability and accident-related disability pension	50.5	24,565	50.6	23,045	51.1	19,032	51.9	11,069	52.3	11,992
Rehabilitation annuity	–	–	–	–	–	–	44.5	1,556	44.8	6,278
Total	55.7	55,125	56.1	56,179	57.4	69,910	56.9	38,374	56.4	55,386
Together										
Old age and similar pensions	58.6	75,675	58.5	79,227	58.7	112,893	58.3	65,039	59.7	52,359
Disability and accident-related disability pension	49.9	43,815	50.0	41,533	50.5	34,869	51.3	19,634	51.8	21,057
Rehabilitation annuity	–	–	–	–	–	–	44.3	3,160	44.9	12,852
Total	55.4	119,490	55.6	120,760	56.8	147,762	56.2	87,833	55.6	86,268
	2010		2011		2012		2013		2014[a]	
Females										
Old age and similar pensions	60.7	13,617	58.5	84,922	59.1	53,581	59.5	40,616	59.3	35,565
Pension for women entitled to retire before the mandatory age after having accumulated at least 40 accrual years	–	–	57.6	54,770	57.8	27,588	57.8	24,633	58.2	26,512
Disability and accident-related disability pension	50.8	10,478	50.7	8,667	–	–	–	–	–	–
Rehabilitation annuity	47.6	6,789	47.2	4,386	..	..	..	..	..	..
Total	54.4	30,884	57.3	97,975	..	..	..	..	..	..
Males										
Old age and similar pensions	60.2	37,219	60.3	43,240	62.0	21,996	62.2	21,639	62.2	14,751
Disability and accident-related disability pension	52.1	13,345	51.9	10,673	–	–	–	–	–	–
Rehabilitation annuity	47.4	6,123	47.0	4,102	..	..	..	..	..	..
Total	56.9	56,687	57.8	58,015	..	..	..	..	..	..
Together										
Old age and similar pensions	60.3	50,836	59.0	128,162	60.0	75,577	60.5	62,255	60.1	50,316
Disability and accident-related disability pension	51.5	23,823	51.3	19,340	–	–	–	–	–	–
Rehabilitation annuity	47.5	12,912	47.1	8,488	..	..	..	..	..	..
Total	56.0	87,571	57.5	155,990	..	..	..	..	..	..

[a] Preliminary data.

Note: The source of these statistics is data from the pension determination system of the ONYF (NYUGDMEG), so these do not include the data for the armed forces and the police. Data on MÁV is included from 2008.

Source: *ONYF*.

Online data source in xls format: http://www.bpdata.eu/mpt/2015ent11_05

Table 11.6: The number of those receiving a disability annuity and the mean sum of the provisions they received after the increase, in January of the given year

Year	Disability annuity		Year	Disability annuity	
	Number of recipients	Average amount, HUF		Number of recipients	Average amount, HUF
2001	25,490	18,220	2008	30,677	32,709
2002	26,350	20,931	2009	31,263	33,434
2003	27,058	23,884	2010	31,815	33,429
2004	27,923	25,388	2011	32,314	33,429
2005	28,738	27,257	2012	32,560	33,426
2006	29,443	28,720	2013	32,463	33,422
2007	30,039	30,219	2014	32,497	33,422

Source: *ONYF*.

Online data source in xls format: http://www.bpdata.eu/mpt/2015ent11_06

Table 11.7: Newly determined disability pension claims and detailed data on the number of newly determined old-age pension claims

Year	Disability and accident-related disability pensions	Old-age and old-age type pensions[a]			From the total: at the age limit			From the total: under the age limit		
	Total	Male	Female	Together	Male	Female	Together	Male	Female	Together
1998	42,975	12,908	17,841	30,749	385	882	1,267	11,461	15,244	26,705
1999	46,701	15,181	24,418	39,599	2,601	5,808	8,409	11,494	16,922	28,416
2000	55,558	18,071	29,526	47,597	613	813	1,426	16,089	26,859	42,948
2001	54,645	28,759	14,267	43,026	2,200	4,882	7,082	25,175	7,396	32,571
2002	52,211	30,209	25,719	55,928	2,593	646	3,239	26,346	23,503	49,849
2003	48,078	32,574	13,574	46,148	3,058	5,098	8,156	28,064	6,537	34,601
2004	44,196	35,940	36,684	72,624	3,842	989	4,831	30,234	33,817	64,051
2005	41,057	33,175	48,771	81,946	4,035	6,721	10,756	27,719	40,142	67,861
2006	36,904	34,207	47,531	81,738	4,013	732	4,745	29,025	45,675	74,700
2007	34,991	51,037	62,168	113,205	3,722	6,660	10,382	45,731	54,177	99,908
2008	19,832	25,912	39,423	65,335	3,154	288	3,442	22,180	38,761	60,941
2009	21,681	37,468	15,468	52,936	4,193	6,692	10,885	32,452	8,289	40,741
2010	24,094	37,394	13,719	51,113	6,350	7,213	13,563	29,990	5,801	35,791
2011	19,340	43,240	84,922	128,162	9,058	7,938	16,996	32,400	76,019	108,419
2012	–	21,996	53,581	75,577	11,054	9,471	20,525	8,317	42,624	50,941
2013	–	21,639	40,616	62,255	18,906	13,439	32,345	344	25,659	26,003
2014[b]	–	14,751	35,565	50,316	11,963	7,672	19,635	749	26,616	27,365

[a] Before 2012 old-age type pensions include: old-age pensions given with a retirement age threshhold allowance (early retirement), artists' pensions, pre-pension up until 1997, miners' pensions. From 2012 onwards the data include the recipients of allowances substituting (abolished) early retirement pensions.

[b] Preliminary data.

Note: Pensions disbursed in the given year (determined according to the given year's rules). The source of these statistics is data from the pension determination system of the ONYF (NYUGDMEG), so these do not include the data for the armed forces and the police.

Source: *ONYF*.

Online data source in xls format: http://www.bpdata.eu/mpt/2015ent11_07

Table 11.8: Retirement age threshhold

	Calendar year																					
Birth year	2009	2010	2011	2012	2013	2014 I.	2014 II.	2015 I.	2015 II.	2016	2017 I.	2017 II.	2018 I.	2018 II.	2019	2020 I.	2020 II.	2021 I.	2021 II.	2022	2023	2024
1948	61	62	63	64	65	66	66	67	67	68	69	69	70	70	71	72	72	73	73	74	75	76
1949	60	61	62	63	64	65	65	66	66	67	68	68	69	69	70	71	71	72	72	73	74	75
1950	59	60	61	62	63	64	64	65	65	66	67	67	68	68	69	70	70	71	71	72	73	74
1951	58	59	60	61	62	63	63	64	64	65	66	66	67	67	68	69	69	70	70	71	72	73
1952 I.	57	58	59	60	61	62	62.5	63	63.5	64	65	65.5	66	66.5	67	68	68.5	69	69.5	70	71	72
1952 II.	57	58	59	60	61	61.5	62	62.5	63	64	64.5	65	65.5	66	67	67.5	68	68.5	69	70	71	72
1953	56	57	58	59	60	61	61	62	62	63	64	64	65	65	66	67	67	68	68	69	70	71
1954 I.	55	56	57	58	59	60	60	61	61.5	62	63	63.5	64	64.5	65	66	66.5	67	67.5	68	69	70
1954 II.	55	56	57	58	59	59.5	60	61	61	62	62.5	63	63.5	64	65	65.5	66	66.5	67	68	69	70
1955	54	55	56	57	58	59	59	60	60	61	61	62	63	63	64	65	65	66	66	67	68	69
1956 I.	53	54	55	56	57	58	58.5	59	59.5	60	61	61.5	62	62.5	63	64	64.5	65	65.5	66	67	68
1956 II.	53	54	55	56	57	58	58	59	59	60	60.5	61	61.5	62	63	63.5	64	64.5	65	66	67	68
1957	52	53	54	55	56	57	57	58	58	59	60	60	61	61	62	63	63	64	64	65	66	67
1958	51	52	53	54	55	56	56	57	57	58	59	59	60	60	61	62	62	63	63	64	65	66
1959	50	51	52	53	54	55	55	56	56	57	58	58	59	59	60	61	61	62	62	63	64	65
1960	49	50	51	52	53	54	54	55	55	56	57	57	58	58	59	60	60	61	61	62	63	64

Those persons are entitled to receive an old age pension who are at least of the age of the old age pension threshold indicated in the legislature – marked grey in the table – relevant to them (uniform for men and women), who have fulfilled the required number of years of service, and who are not insured. In the case of old age pension, the minimum service time is 15 years. The table displays the old age pension age threshold in the case of a "representative person". The cells show the age, based on the calendar year, of a person born in the given year.

Women who have accumulated at least 40 accrual years are entitled to a full old age pension, regardless of their age. Following December 31, 2011 (legislature number CLXVII/2011) no pension can be granted prior to the old-age threshold. At the same time, the legislature continues to provide previously determined allowances under different legal titles (pre-retirement age provision, service salary, allotments for miners and ballet dancers).

Prior to 2012, early retirement pensions included the following allowances : early and reduced-amount early retirement pensions, pensions with age preference, miner's pension, artist's pension, pre-retirement age old age pension of Hungarian and EU MPs and mayors, pre-pension, service pension of professional members of the armed forces.

Source: 1997. legislature number LXXXI.; 2011. legislature number CLXVII., http://www.ado.hu/rovatok/tb-nyugdij/nyudijkorhatar-elotti-ellatasok.

Online data source in xls format: http://www.bpdata.eu/mpt/2015ent11_08.

Table 12.1: The mean, minimum, and maximum value of the personal income tax rate, per cent

Year	Mean tax burden, per cent	The personal income tax rate projected on the gross wage	
		minimum	maximum
1988	..	0	60
1989	..	0	56
1990	..	0	50
1991	..	0	50
1992	..	0	40
1993	..	0	40
1994	..	0	44
1995	..	0	44
1996	..	20	48
1997	..	20	42
1998	..	20	42
1999	..	20	40
2000	..	20	40
2001	..	20	40
2002	..	20	40
2003	..	20	40
2004	..	18	38
2005	18.89	18	38
2006	19.03	18	36
2007	18.63	18	36
2008	18.86	18	36
2009	18.10	18	36
2010[a]	16.34	21.59	40.64
2011[a]	13.78	20.32	20.32
2012[b]	14.90	16	20.32
2013	..	16	16
2014	..	16	16
2015	..	16	16

[a] In 2010 the nominal tax rate was 17% for annual incomes lower than 5,000,000 HUF. For incomes higher than 5,000,001 HUF it was 850,000 HUF plus 32% of the amount exceeding 5,000,000 HUF. In 2011, the nominal tax rate was 16%. The joint tax base is the amount of income appended with the tax base supplement (equal to 27%).

[b] In 2012 the nominal tax rate was 16%. The joint tax base is the amount of income appended with the tax base supplement.

The amount of the tax base supplement:

– does not need to be determined for the part of the income included in the joint tax base that does not surpass 2 million 424 thousand HUF,

– should be determined as 27 % of the part of the income included in the joint tax base that is over 2 million 424 thousand HUF.

Source: Mean tax burden: http://nav.gov.hu/nav/szolgaltatasok/adostatisztikak/szemelyi_jovedelemado/szemelyijovedelemado_adostatiszika.html. Other data: http://nav.gov.hu/nav/szolgaltatasok/adokulcsok_jarulekmertekek/adotablak.

Online data source in xls format: http://www.bpdata.eu/mpt/2015ent12_01

Table 12.2: Changes in the magnitude of the tax wedge in the case of minimum wage and the temporary work booklet (AMK)

Year	Minimum wage				Total wage cost in the case of minimum wage		Minimum wage tax wedge, %	AMK public burden[a], HUF/day		Total wage cost[a], HUF/day		AMK tax wedge, %[a]	
	gross, HUF/month	gross, HUF/day	net, HUF/month	net, HUF/day	HUF/month	HUF/day		general	registered unemployed	general	registered unemployed	general	registered unemployed
1997	17,000	783	15,045	693	26,450	1,196	43.1	500	500	1,193	1,193	41.9	41.9
1998	19,500	899	17,258	795	30,297	1,369	43.0	500	500	1,295	1,295	38.6	38.6
1999	22,500	1,037	18,188	838	34,538	1,546	47.3	500	500	1,338	1,338	37.4	37.4
2000	25,500	1,175	20,213	931	38,963	1,746	48.1	800	800	1,731	1,731	46.2	46.2
2001	40,000	1,843	30,000	1,382	58,400	2,638	48.6	1,600	1,600	2,982	2,982	53.6	53.6
2002	50,000	2,304	36,750	1,694	71,250	3,226	48.4	1,000	500	2,694	2,194	37.1	22.8
2003	50,000	2,304	42,750	1,970	70,200	3,191	39.1	1,000	500	2,970	2,470	33.7	20.2
2004	53,000	2,442	45,845	2,113	74,205	3,376	38.2	1,000	500	3,113	2,613	32.1	19.1
2005	57,000	2,627	49,305	2,272	79,295	3,572	37.8	700	500	2,972	2,772	23.6	18.0
2006	62,500	2,880	54,063	2,491	85,388	3,910	36.7	700	700	3,191	3,191	21.9	21.9
2007	65,500	3,018	53,915	2,485	89,393	4,095	39.7	700	700	3,185	3,185	22.0	22.0
2008	69,000	3,180	56,190	2,589	94,065	4,310	40.3	900	900	3,489	3,489	25.8	25.8
2009	71,500	3,295	57,815	2,664	97,403[b]	4,464	40.6	900	900	3,564	3,564	25.3	25.3
2010	73,500	3,387	60,236	2,776	94,448	4,352	36.2	900	900	3,676	3,676	24.5	24.5
	Minimum wage				Total wage cost in the case of minimum wage		Minimum wage tax wedge, %	Simplified employment[c], Ft/day		Total wage cost, HUF/day		Tax wedge, simplified employment, %	
	gross, HUF/month	gross, HUF/day	net, HUF/month	net, HUF/day	HUF/month	HUF/day		temporary work	seasonal agricultural/tourism work	temporary work	seasonal agricultural/tourism work	temporary work	seasonal agricultural/tourism work
2011	78,000	3,594	60,600	2,793	100,230	4,619	39.5	1,000	500	3,793	3,293	26.4	15.2
2012	93,000	4,280	60,915	2,803	119,505	5,500	49.0	1,000	500	3,803	3,303	26.3	15.1
2013	98,000	4,510	64,190	2,954	125,930	5,795	49.0	1,000	500	3,954	3,454	25.3	14.4
2014	101,500	4,670	66,483	3,059	130,428	6,001	49.0	1,000	500	3,600	3,100	24.6	14.0
2015	105,000	4,830	68,775	3,164	134,925	6,207	49.0	1,000	500	3,689	3,189	24.0	13.6

[a] Wage paid at the amount in accordance with the gross daily minimum wage column and in the case of work performed with a temporary work booklet. The basis for the comparison with the minimum wage is the assumption that employers pay temporary workers the smallest possible amount.

[b] According to regulations pertaining to the first half of 2009.

[c] From April 1st, 2010. the temporary work booklets and the public contribution tickets were discontinued, these were replaced by simplified employment.

Note: The tax wedge is the quotient of the total public burden (tax and contribution) and the total wage cost, it is calculated as: tax wedge = (total wage cost – net wage)/total wage cost.

Source: Minimum wage: 1990–91: http://www.ksh.hu/docs/hun/xstadat/xstadat_eves/i_qli041.html. Public contribution ticket: 1997. legislation number LXXIV. Simplified employment: 2010. legislation number LXXV. Data for 2014–2015: http://www.afsz.hu/engine.aspx?page=allaskeresoknek_ellatasok_osszegei_es_kozterhei, http://officina.hu/gazdasag/93-minimalber-2015, http://nav.gov.hu. Based on calculations of Ágota Scharle.

Online data source in xls format: http://www.bpdata.eu/mpt/2015ent12_02

Table 12.3: The monthly amount of the minimum wage, the guaranteed wage minimum, and the minimum pension, in thousands of current-year HUF

Date	Monthly amount of the minimum wage, HUF	As a percentage of mean gross earnings	As a ratio of APW, %	Guaranteed skilled workers minimum wage, HUF	Minimum pension, HUF
1990. II. 1.	4,800	..	40.9	–	4,300
1991. IV.1.	7,000	..	..	–	5,200
1992. I. 1.	8,000	35.8	41.4	–	5,800
1993. II. 1.	9,000	33.1	39.7	–	6,400
1994. II. 1.	10,500	30.9	37.8	–	7,367
1995. III. 1.	12,200	31.4	37.0	–	8,400
1996. II. 1.	14,500	31.0	35.8	–	9,600
1997. I. 1.	17,000	29.7	35.1	–	11,500
1998. I. 1.	19,500	28.8	34.4	–	13,700
1999. I. 1.	22,500	29.1	34.6	–	15,350
2000. I. 1.	25,500	29.1	35.0	–	16,600
2001. I. 1.	40,000	38.6	48.3	–	18,310
2002. I. 1.	50,000	40.8	54.5	–	20,100
2003. I. 1.	50,000	36.4	51.5	–	21,800
2004. I. 1.	53,000	37.2	50.7	–	23,200
2005. I. 1.	57,000	33.6	49.2	–	24,700
2006. I. 1.	62,500	36.5	52.3	68,000	25,800
2007. I. 1.	65,500	35.4	49.3	75,400	27,130
2008. I. 1.	69,000	34.7	49.5	86,300	28,500
2009. I. 1.	71,500	35.8	50.0	87,500	28,500
2010. I. I.	73,500	36.3	48.6	89,500	28,500
2011. I. I.	78,000	36.6	49.8	94,000	28,500
2012. I. I.	93,000	41.7	54.3	108,000	28,500
2013. I. I.	98,000	42.5	55.1	114,000	28,500
2014. I. I.	101,500	42.7	..	118,000	28,500
2015. I. I.	105,000	..	..	122,000	28,500

Notes: Up to the year 1999, sectors employing unskilled labour usually received an extension of a few months for introducing the new minimum wage.
The guaranteed wage minimum applies to skilled employees, the minimum wage and the skilled workers minimum wage are gross amounts.
The minimum wage is exempt from the personal income tax from September 2002. This policy resulted in a 15.9% increase in the net minimum wage.
APW: mean wage of workers in the processing industry, based on the NFSZ BT. In 1990, the data is the previous year's data, indexed (since there was no NFSZ BT conducted in 1990).
Source: Minimum wage: 1990–91: http://www.mszosz.hu/files/1/64/345.pdf, 1992–: CSO. Guaranteed wage minimum: http://www.nav.gov.hu/nav/szolgaltatasok/adokulcsok_jarulekmertekek/minimalber_garantalt. Minimum pension: http://www.ksh.hu/docs/hun/xtabla/nyugdij/tablny11_03.html. APW: NFSZ BT.

Online data source in xls format: http://www.bpdata.eu/mpt/2015ent12_03

Table 12.4: The tax burden on work as a ratio of tax revenue and earnings

Year	Tax burden on work as a ratio of tax revenue[a], %	Implicit tax rate[b]	Tax wedge on 67% level of mean earnings	Tax wedge on the minimum wage[c]
1990		..	..	38.2
1991	52.4	..	..	40.4
1992	54.8	..	..	40.9
1993	54.4	..	..	42.3
1994	53.7	..	..	41.2
1995	52.1	42.3	..	44.2
1996	52.5	42.1	..	41.8
1997	54.2	42.5	..	43.1
1998	53.1	41.8	..	43.0
1999	51.5	41.9	..	47.3
2000	48.7	41.4	51.4	48.1
2001	49.8	40.9	50.9	48.6
2002	50.3	41.2	48.2	48.4
2003	48.8	39.3	44.6	39.1
2004	47.8	38.3	44.8	38.2
2005	48.9	38.4	43.1	37.8
2006	49.1	38.9	43.3	36.7
2007	49.7	41.0	46.1	39.7
2008	51.4	42.3	46.8	40.3
2009	48.2	40.2	46.2	40.6[d]
2010	47.3	38.4	43.8	36.2
2011	47.3	38.2	45.2	39.5
2012	46.4	39.8	47.9	49.0
2013	..	..	49.0	49.0
2014	..	..	49.0	49.0
2015	..	..	..	49.0

[a] Tax burden on work and contributions as a ratio of tax revenue from all tax forms.
[b] The implicit tax rate is the quotient of the revenue from taxes and contributions pertaining to work and the income derived from work.
[c] The tax wedge is the quotient of the total public burden (tax and contribution) and the total wage cost, it is calculated as: tax wedge = (total wage cost – net wage)/total wage cost.
[d] The tax wedge of the minimum wage is the 2009 annual mean (the contributions decreased in June).

Source: 1991–1995: estimate of Ágota Scharle based on Ministry of Finance (PM) balance sheet data. 1996–2009: http://ec.europa.eu/taxation_customs/taxation/gen_info/economic_analysis/tax_structures/index_en.htm. 2010: Eurostat online database. Implicit tax rate: Eurostat online database (gov_a_tax_itr). Tax wedge on the 67 percent level of the mean wage: OECD: Taxing wages 2010, Paris 2011, tax wedge at the level of the minimum wage: calculations of Ágota Scharle.

Online data source in xls format: http://www.bpdata.eu/mpt/2015ent12_04

Table 13.1: Employment and unemployment rate of population aged 15–64 by gender in the EU, 2014

	Employment rate			Unemployment rate		
Country	males	females	together	males	females	together
Austria	75.2	66.9	71.1	5.9	5.4	5.6
Belgium	65.8	57.9	61.9	9.0	7.9	8.5
Bulgaria	63.9	58.2	61.0	12.3	10.4	11.4
Cyprus	66.0	58.6	62.1	17.1	15.1	16.1
Czech Republic	77.0	60.7	69.0	5.1	7.4	6.1
Denmark	75.8	69.8	72.8	6.4	6.8	6.6
United Kingdom	76.8	67.1	71.9	6.4	5.8	6.1
Estonia	73.0	66.3	69.6	7.9	6.8	7.4
Finland	69.5	68.0	68.7	9.3	8.0	8.7
France	67.6	60.9	64.2	10.1	9.6	9.9
Greece	58.0	41.1	49.4	23.7	30.2	26.5
Netherlands	78.6	69.1	73.9	7.0	6.6	6.8
Croatia	59.1	50.0	54.6	16.5	18.3	17.3
Ireland	66.9	56.7	61.7	12.9	9.4	11.3
Poland	68.2	55.2	61.7	8.5	9.6	9.0
Latvia	68.4	64.3	66.3	11.8	9.8	10.8
Lithuania	66.5	64.9	65.7	12.2	9.2	10.7
Luxembourg	72.6	60.5	66.6	5.9	5.8	5.9
Hungary	67.8	55.9	61.8	7.6	7.9	7.7
Malta	74.9	49.3	62.3	6.2	5.4	5.9
Germany	78.1	69.5	73.8	5.3	4.6	5.0
Italy	64.7	46.8	55.7	11.9	13.8	12.7
Portugal	65.8	59.6	62.6	13.7	14.5	14.1
Romania	68.7	53.3	61.0	7.3	6.1	6.8
Spain	60.7	51.2	56.0	23.6	25.4	24.5
Sweden	76.5	73.1	74.9	8.2	7.7	8.0
Slovakia	67.6	54.3	61.0	12.8	13.6	13.2
Slovenia	67.5	60.0	63.9	9.0	10.6	9.7
EU-28	70.1	59.6	64.9	10.1	10.2	10.2

Source: Eurostat http://epp.eurostat.ec.europa.eu.

Online data source in xls format: http://www.bpdata.eu/mpt/2015ent13_01

Table 13.2: Employment composition of the countries in the EU[a], 2014

Country	Self employed[b]	Part time	Fixed term contract	Agriculture	Industry	Market services	Non market services[c]
Austria	11.2	27.7	9.1	4.7	25.8	41.5	28.0
Belgium	13.6	24.0	8.7	1.2	21.4	40.4	37.0
Bulgaria	11.8	2.6	5.3	7.0	30.1	40.3	22.5
Cyprus	15.9	14.0	18.9	4.3	16.4	47.8	31.4
Czech Republic	17.4	6.2	10.1	2.8	38.1	35.2	24.0
Denmark	8.7	25.5	8.5	2.5	19.2	39.3	38.7
United Kingdom	14.7	26.6	6.4	1.2	18.9	43.7	35.4
Estonia	8.9	9.6	3.2	3.9	30.1	39.2	26.7
Finland	13.5	15.4	15.5	4.2	21.8	39.2	34.3
France	11.0	18.9	15.8	2.8	20.5	39.0	36.7
Greece	31.2	9.4	11.6	13.5	15.0	43.8	27.7
Netherlands	16.1	50.5	21.6	2.1	14.9	42.5	32.7
Croatia	14.0	6.0	16.9	9.3	27.0	38.5	25.0
Ireland	16.3	23.4	9.3	5.4	18.3	45.1	31.1
Poland	18.2	7.6	28.4	11.4	30.5	34.4	23.4
Latvia	10.7	7.4	3.3	7.5	23.8	42.0	26.6
Lithuania	10.8	9.0	2.8	9.1	24.5	39.5	26.4
Luxembourg	8.2	18.9	8.2	1.4	10.8	43.8	41.9
Hungary	10.6	6.4	10.8	4.7	30.4	36.7	27.9
Malta	13.8	16.4	7.7	1.3	21.3	45.6	31.6
Germany	10.4	27.5	13.1	1.4	28.1	39.6	30.9
Italy	23.1	18.3	13.6	3.6	26.9	41.0	28.5
Portugal	18.0	12.1	21.4	7.5	24.2	38.2	30.1
Romania	20.5	10.0	1.5	28.3	28.9	27.7	15.1
Spain	17.0	15.9	24.0	4.2	19.5	45.8	30.5
Sweden	10.1	26.2	17.5	2.0	18.5	40.9	38.1
Slovakia	15.3	5.2	8.9	3.5	35.4	34.5	26.5
Slovenia	12.5	10.8	16.6	8.9	31.0	35.0	24.5
EU-28	15.0	20.3	14.0	4.6	24.1	40.0	30.7

[a] Per cent of employment, except for employees with fixed-term contracts: per cent of employees.
[b] Includes the members of cooperatives and business partnerships.
[c] One-digit industries O-U.
Source: *Eurostat* (Newcronos) Labour Force Survey.

Online data source in xls format: http://www.bpdata.eu/mpt/2015ent13_02

DESCRIPTION OF THE MAIN DATA SOURCES

The data have two main sources in terms of which office gathered them: the regular institutional and population surveys of the Hungarian Central Statistical Office (CSO, in Hungarian: Központi Statisztikai Hivatal, KSH), and the register and surveys of the National Employment Service (in Hungarian: Nemzeti Foglalkoztatási Szolgálat, NFSZ).

MAIN DATA SOURCES OF THE KSH

Labour Force Survey – KSH MEF

The KSH has been conducting a new statistical survey since January 1992 to obtain ongoing information on the labour force status of the Hungarian population. The MEF is a household survey which provides quarterly information on the non-institutional population aged 15–74. The aim of the survey is to observe employment and unemployment according to international statistical recommendations based on the concepts and definitions recommended by the International Labour Organization (ILO), independently from existing national labour regulations or their changes.

In international practice, the labour force survey is a widely used statistical tool to provide simultaneous, comprehensive, and systematic monitoring of employment, unemployment, and underemployment. The survey techniques minimise the subjective bias in classification (since people surveyed are classified by strict criteria), and provide freedom to also consider national characteristics.

In the MEF, the surveyed population is divided into two main groups according to the economic activity performed by them during the reference week (up to the year 2003, this was always on the week containing the 12th of the month): economically active persons (labour force), and economically inactive persons.

The group of economically active persons consists of those in the labour market either as employed or unemployed persons during the reference week.

The definitions used in the survey follow ILO recommendations. According to these, those designated employed are persons who, during the reference week worked one hour or more earning some form of income, or had a job from which they were only temporarily absent (on leave, illness, etc.).

Work providing income includes all activities that:
– result in monetary income, payment in kind, or
– that were carried out in the hopes of income realized in the future, or
– were performed without payment in a family business or on a farm (i.e. unpaid family workers).

From the survey's point of view the activities below are not considered as work:
– work done without payment for another household or institution (voluntary work),
– building or renovating of an own house or flat, internships tied to education (not even if it is compensated),
– housework, including work in the garden. Work on a person's own land is only considered to generate income if the results are sold in the market, not produced for self-consumption.

Persons on child-care leave are classified – based on the 1995 ILO recommendations for transitional countries determined in Prague – according to their activity during the survey week.

Since, according to the system of national accounting, defense activity contributes to the national product, conscripts are generally considered as economically active persons, any exceptions are marked in the footnotes of the table. The data regarding the number of conscripts comes from administrative sources. (The retrospective time-series based on CSO data exclude conscripted soldiers. This adjustment affects the data until 2003, when military conscription was abolished.)

Unemployed persons are persons aged 15–74 who:
– were without work, i.e. neither had a job nor were at work (for one hour or more) in paid employment or self-employment during the reference week,
– had actively looked for work at any time in the four weeks up to the end of the reference week,
– were available for work within two weeks following the reference week if they found an appropriate job.

Those who do not have a job, but are waiting to start a new job within 30 days (since 2003 within 90 days) make up a special group of the unemployed.

Active job search includes: contacting a public or private employment office to find a job, applying to an employer directly, inserting, reading, answering advertisements, asking friends, relatives or other methods.

The labour force (i.e. economically active population) comprises employed and unemployed persons.

Persons are defined economically inactive (i.e. not in the labour force) if they were neither employed in regular, income-earning jobs, nor searching for a job, or, if they had searched, had not yet started work. Passive unemployed are included here – those who would like a job, but have given up any active search for work, because they do not believe that they have a chance of finding any.

The MEF is based on a multi-stage stratified sample design. The stages of sampling are defined as follows: primary sampling units (PSUs) are enumeration districts (EDs) and secondary sampling units (SSUs) are dwellings in settlements with 15,000 or more inhabitants, while PSUs are settlements, SSUs are EDs and ultimate sampling units are dwellings in all other cases. In the MEF sample design strata are defined in terms of geographic units, size categories of settlements and area types such as city centres, outskirts, etc.

The size of the sample means that the main indicators of the labour market are representative in terms of regions (NUTS2) as well. The quarterly MEF sample includes a sample of three randomly selected dwellings, and labour market information is collected from one household each month. From 1998, the quarterly sample contains about 33,000 households and 66,000 persons. The sample has a simple rotation pattern: any household entering the sample at some time is expected to provide labour market information for six consecutive quarters, then leave the sample permanently. The intersection of the samples of two consecutive periods tend to be less than the 5/6th that would be obtained at a 100 per cent response rate.

Since 2003, the weights used to make the sample representative are based on the 2001 census population record base. At the same time, the 2001–2002 data was recalculated and replaced as well. The LFS-based time series published in this volume use the following weighting schemes: (i) in 1992–1997 the weights are based on the 1990 Census (ii) in 1998–2001 the weights based on the 1990 Census have been corrected using data of the 2001 Census (iii) in 2002–2005 the weights are based on the 2001 Census (iv) from 2006 onwards the weights based on the 2001 Census have been corrected using the 2011 Census.

Institution-Based Labour Statistics – KSH IMS

The source of the earnings data is the monthly (annual) institutional labour statistical survey. The sample frame covers enterprises with at least 5 employees, and public and social insurance and non-profit institutions irrespective of the staff numbers of employees.

The earnings data relate to the full-time employees on every occasion. The potential elements of the prevailing monthly average earnings are: base wage, allowances (including the miner's loyalty bonus, and the Széchenyi and Professor's scholarships), supplementary payments, bonuses, premiums, and wages and salaries for the 13th and further months.

Net average earnings are calculated by deducting from the institution's gross average earnings the employer's contributions, the personal income tax, according to the actual rates (i.e. taking into account the threshold concerning the social security contributions and employee deductions). The personal income tax is calculated based on the actual withholding rate applied by the employers when disbursing monthly earnings in the given year.

The size and direction of the difference between the gross and the net (after-tax) income indexes depends on actual annual changes in the tax table (tax brackets) and in the tax allowances. Thus the actual size of the differences are also influenced by the share of individuals at given firms that fall outside the bracket for employee allowances.

The indexes pertain to the comparable sample, taking changes in the definitions, and of the sample frame into account. The KSH traditionally publishes the main average index as the earnings growth measure. Thus the indicator of change in earnings reflects both the changes in the number of observations and the actual earnings changes simultaneously. The change of net real earnings is calculated from the ratio of net income index and the consumer price index in the same period.

Non-manual workers are persons with occupations classified by the standardized occupational code (FEOR) in major groups 1–4., manual workers are persons with occupations classified in major groups 5–9.

KSH Strike statistics

The CSO data cover strikes with at least 10 participants and token strikes lasting for at least 2 hours.

Labour Force Accounting Census – KSH MEM

Before the publication of the MEF, the annual MEM gave account of the total labour force in the time period between the two censuses.

The MEM, as its name shows, is a balance-like account that compares the labour supply (human resources) to the labour demand at an ideal moment (1 January). Population is taken into account by economic activity, with a differentiation between statistical data of those of working age and the population outside of the working age. Source of data: Annual labour survey on employment since 1992 of enterprises and of all government institutions, labour force survey, census, national healthcare records, social security records, and company registry. Data on unemployment comes from the registration system of the NFSZ.

Other data sources

Census data were used for the estimation of the employment data in 1980 and 1990. The aggregate economic data are based on national account statistics, the consumer's and producer's price statistics and industrial surveys. A detailed description of the data sources are to be found in the relevant publications of the KSH.

MAIN NFSZ DATA SOURCES

Unemployment (Jobseekers') Register Database – NFSZ-REG

The other main source of unemployment data in Hungary – and in most of the developed countries – is the huge database containing so called administrative records which are collected monthly and include the individual data of the registered unemployed/jobseekers.

The register actually includes all jobseekers, but from these, at a given point of time, only those are regarded as registered unemployed/jobseekers, who:

– had themselves registered with a local office of the NFSZ as unemployed/jobseekers (i. e. he/she has no job but wishes to work, for which they seek assistance from the labour market organisation).
– at the time of the examination (on the final day of any month), the person is not a pensioner or a full-time student, does not receive any rehabilitation provision or benefit, and is ready to co-operate with the local employment office in order to become employed (i. e. he/she accepts the suitable job or training offered to him/her, and keeps the appointments made with the local employment office's placement officer/counsellor/benefit administrator).

If a person included in the register is working under any subsidised employment programme on the closing day, or is a participant of a labour market training programme, her/his unemployed/jobseeker status is suspended.

If the client is not willing to co-operate with the local office, he/she is removed from the register of the unemployed/ jobseekers.

The data – i. e. the administrative records of the register – allow not only for the identification of date-related stock data, but also for monitoring flows, inflows as well as outflows, within a period.

The database contains the number of decrees pertaining to the removal or suspension of jobseeking benefits, the number of those receiving monetary support based on accounting items, support transactions, the exact date of entry and exit and the reason for the exit (for example, job placement, the end of entitlement, disqualification, entry into a subsidized employment programme, etc.), as well as the financial data of jobseeking benefits (for example, average monthly amount, average support paid for the number of participants on the closing date, for exiters, and those who found placement).

The jobseeking benefit register can also monitor the average duration of the period of benefit allocation and the average monthly amount of the benefits allocated.

For the period between 1991 and 1996, the register also contains the stock and flow data of the recipients of new entrant's unemployment benefit. Between 1997–2005, the system also contained the recipients of pre-retirement unemployment benefit.

Jobseeking allowance recipients: from September 1, 2011 the conditions for determining and disbursing the jobseeking allowance changed. The two phases of the jobseeking allowance were discontinued and the period of entitlement decreased from 270 days to 90 days. Jobseekers needed to have at least 360 days of worktime counting towards entitlement in the 5 years prior to becoming a jobseeker (prior to September 1, 2011, this was 365 days in the previous 4 years). Its amount is 60% of the allowance base, but maximum the amount of the smallest mandatory wage on the first day of the entitlement (allowance base: the monthly average amount from the four calendar quarters preceding the submission of the application).

Jobseeking assistance recipients: from September 1, 2011 the conditions for determining and disbursing the jobseeking assistance changed. The "a" and "b" type of benefit were discontinued, jobseekers can still request

the "c" type of benefit under the title of pre-retirement jobseeking benefit, but the period of entitlement (and depletion) of at least 140 days decreased to 90 days.

Regular social assistance recipients: those from among the regular registered jobseekers who are of active age and are in a disadvantaged labour market position, and who receive social assistance to complement or substitute their income. From January 1, 2009, those receiving regular social assistance were included in two categories: regular social assistance recipients, and recipients of on call support. This support was replaced by a new type of assistance, the wage replacement support from January 1, 2011, then from September 1, 2011, the name was changed to employment substitution support. (Legislation III. of 1993 pertaining to social management and social assistance).

Based on the records of labour demand needs reported to the NFSZ, the stock and flow data of vacancies are also processed and published for each month.

Furthermore, detailed monthly statistics of participation in the different active programmes, number of participants, and their inflows and outflows are also prepared based on the assistance disbursed.

The very detailed monthly statistics – in a breakdown by country, region, county, local employment office service delivery area and community – build on the secondary processing of administrative records that are generated virtually as the rather important and useful "by-products" of the accomplishment of the NFSZ's main functions (such as placement services, payment of benefits, active programme support, etc.).

The NFSZ (and its predecessors, i. e. NMH, OMK – National Labour Centre, OMMK and OMKMK) has published the key figures of these statistics on a monthly basis since 1989. The denominators of the unemployment rates calculated for the registered unemployed/jobseekers are the economically active population data published by the KSH MEM.

The figures of the number of registered unemployed/jobseekers and the registered unemployment rate are obviously different from the figures based on the KSH MEF. It is mainly the different conceptual approach, definition, and the fundamentally different monitoring/measuring methods that account for this variance.

Short-Term Labour Market Projection Surveys – NFSZ PROG

At the initiative and under the coordination of the NFSZ (and its legal predecessors), the NFSZ PROG has been conducted since 1991, twice a year, in March and September, by interviewing over 7,500 employers. Since 2004 the survey is conducted once a year, in the month of September.

The interviews focus on the companies' projections of their material and financial processes, their development and human resource plans, and they are also asked about their concrete lay-off or recruitment plans, as well as their expected need for any active labour market programmes.

The surveys are processed from bottom up, from the service delivery areas, through counties, to the whole country, providing useful information at all levels for the planning activities of the NFSZ.

The survey provides an opportunity and possibility for the regions, the counties and Budapest to analyse in greater depth (also using information from other sources) the major trends in their respective labour markets, to make preparations for tackling problems that are likely to occur in the short term, and to effectively meet the ever-changing needs of their clients.

The forecast is only one of the outputs of the survey. Further very important "by-products" include regular and personal liaison with companies, the upgraded skills of the placement officers and other administrative personnel, enhanced awareness of the local circumstances, and the adequate orientation of labour market training programmes in view of the needs identified by the surveys.

The prognosis surveys are occasionally supplemented by supplementary questions and sets of questions to obtain some further useful information that can be used by researchers and the decision-makers of employment and education/ training policy.

From 2005, the surveys are conducted in cooperation with the Institute for Analyses of the Economy and Entrepreneurship of the Hungarian Chamber of Industry and Commerce (in Hungarian: Magyar Kereskedelmi és Iparkamara Gazdaság- és Vállalkozáskutató Intézet, MKIK GVI), with one additional benefit being that with the help of the surveyors of the Institute, the sample size has increased to nearly 8,000.

Wage Survey Database – NFSZ BT

The NFSZ (and its legal predecessors) has conducted since 1992, once a year, a representative survey with a huge sample size to investigate individual wages and earnings, at the request of the Ministry of National Economy (and its legal predecessors).

The reference month of data collection is the month of May in each year, but for the calculation of the monthly average of irregularly paid benefits (beyond the base wage/salary), 1/12th of the total amount of such benefits received during the previous year is used.

In the competitive sector, the data collection only covered initially companies of over 20 persons; it was incumbent on all companies to provide information, but the sample includes only employees born on certain dates in any month of any year.

Data collection has also covered companies of 10–19 since 1995, and companies of 5–9 have been covered since 2000, where the companies actually involved in data collection are selected at random (ca. 20 per cent), and the selected ones have to provide information about all of their full-time employees.

Data on basic wages and earnings structure can only be retrieved from these surveys in Hungary, thus it is, in practice, these huge, annually generated databases that can serve as the basis of the wage reconciliation negotiations conducted by the social partners.

In the budgetary sector, all budgetary institutions provide information, regardless of their size, in such a way that the decisive majority of the local budgetary institutions – the ones that are included in the TAKEH central payroll accounting system – provide fully comprehensive information, and the remaining budgetary institutions provide information only about their employees who were born on certain days (regarded as the sample).

Data has only been collected on the professional members of the armed forces since 1999.

Prior to 1992, such data collection took place in every third year, thus we are in possession of an enormous database for the years of 1983, 1986 and also 1989.

Of the employees included in the sample, the following data are available:

– the sector the employer operates in, headcount, employer's local unit, type of entity, ownership structure
– employee's wage category, job occupation, gender, age, educational background.

Based on the huge databases which include the data by individual, the data is analysed every year in the following ways:

– Standard data analysis, as agreed upon by the social partners, used for wage reconciliation negotiations (which is received by every confederation participating in the negotiations).
– Model calculations to determine the expected impact of the rise of the minimum wage.
– Analyses to meet the needs of the Wage Policy Department, Ministry of National Resources, for the analysis and presentation of wage ratios
– Analyses for the four volume statistical yearbook (total national economy, competitive sector, budgetary sector, and regional volumes).

The entire database is adopted every year by the KSH, which enables the Office to also provide data for certain international organisations, (e. g. ILO and OECD). The NGM earlier the NMH also regularly provides special analyses for the OECD.

The database containing the data by individual allows for a) the analysis of data for groups of people determined by any combination of pre-set criteria, b) the comparison of basic wages and earnings, with special regard to the composition of the different groups analysed, as well as c) the analysis of the dispersion of the basic wages and earnings.

Since 2002, the survey of individual wages and earnings was substantially developed to fulfill all requirements of the EU, so from this time on it serves also for the purposes of the Structure of Earnings Survey (SES), which is obligatory for each member state in every fourth year. One important element of the changes was the inclusion of part-time employees in the sample since 2002.

SES 2002 was the first, and recently the databases of SES 2006 and 2010 were also sent to the Eurostat in anonymized form in accordance with EU regulations.

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FIGURES

HUNGARIAN LABOUR MARKET

IN FOCUS

STATISTICAL DATA