

# ASPECTS OF A SPECIAL GROUP OF HUNGARIAN LABOUR MARKET

© Tamás Vámosi  
(University of Pécs)

[vamosi@human.pte.hu](mailto:vamosi@human.pte.hu)

*The paper focuses on some macro level progressions that have influences on Hungarian labour-market and has developed important target groups of adult education. Since the early 90s unemployment is decreasing, but the average duration of being in this status has increased. A massive group of long-term unemployed has set, and adult education— especially vocational training – is the most effective resort of re-integration. The economic activity of population aged 50–64 is very low in Hungary, without marketable knowledge their application is hardly possible, and that compromises the objectives of Lissabon, too. Nearly one million people could not or could finish only elementary school, so the lack of specialized knowledge is a straight way to unemployment status or illegal labour relations.*

**Keywords:** labour market, adult education, vocational training, unemployment, disadvantageous status

The quality of life and employment categories show strong relation to the level of society and the individual as well. The rules of the market affect the man power in the market economy on the same way as they affect the other factors of production. Competition dominates the labour market, and in this competition countless factors can mean an advantage or a disadvantage. The social cohesion as an aim includes improving conditions necessary for equality for prospects and decreasing the social polarization. Certain fields of social politics, employment politics, educational politics, different segments of social expenditures, financial aids for the labour market, money spent on education and training in the system of redistribution take aim at reducing disadvantages.

The aim of the publication is to give a picture of the position of strata or focus groups of disadvantageous status with a low school qualification on the labour market and to treat them as a focus group of andragogy from the perspective of lifelong learning strategy. The presence of the highly qualified manpower can be an obstacle for economical improvement, in their case they are to face an even more serious problem. Improvement stabilizes the segmentation of people with an undervalued knowledge or even without any qualifications on the labour market. On the Hungarian labour market a steady stratum of permanently unemployed has evolved, whose reintegrating into the labour market is almost impossible, and in this stratum the main "source" are employees beyond 50 years of age in addition to the Roma minority.

## The equality of prospects in domestic and in EU documents

Aims of the full employment, the equality of prospects, the social cohesion appear in each and every comprehensive document, especially they show a stressed importance in documents relating to employment.

According to the Lisboa Aims, employment politics of the member-states should concentrate on three comprehensive and closely related aims:

- ❖ full employment,
- ❖ first-class and productive work,
- ❖ social cohesion and reception.

In the course of forming the employment politics the member states take these goals into consideration, giving equal prospects and providing equality for sexes is of vital importance from the perspective of accomplishing the three comprehensive goals.

In Hungary these principles appear in the National Employment Action Plan (above all in means of services, training possibilities, establishing enterprises, getting or keeping a job), in the strategy of lifelong learning (finance relating questions, forming trainings of modular structure, adapting competencies fitting to EUROPASS system, training action plan concentrating on focus groups, elaborating and providing learning materials), and in transformation of the support system on the labour market and emphasizing the use of active implements, respectively. It is important to mention, with a respect to our topic, that the support system of the adult education has been transformed, as a result of which the training institutes receiving adult educational norm must provide training for people older than 50 years of age, and a central fund can be obtained for receiving a second qualification as well, respectively. In addition, the opportunity to get a cost-free access to marketable knowledge is also provided for young and elder adults as a part of the "Take A Step Forward" programme.

## Characteristics of the focus group of people with low level or missing school qualifications

The school qualification structure of primary groups from the perspective of the population and the labour market must be taken as important makings from the point of view of the labour market and of planning the educational and training system. The national census in 2001 reported that 11.2% of the population group of those above 15 years of age (952 000 persons) have not finished even primary school. In population of those above 18 years of age 38.2% (3 097 000 persons) were granted a high school leaving certification, in population of those above 25 years of age 12.6% (888 ,000 persons) completed their college or university studies. In population of those above 15 year of age 18.6% (1 581 ,000 persons) do not have a high school leaving certificate but hold a professional qualification, meaning that they are skilled workers in the traditional meaning.

It is vital to compare these data with trends in employment. In 1990 38 % of employee completed primary school, 30% completed industrial secondary school (and became skilled workers), 20% graduated from high school and 12% was granted a college or university diploma, in 2005 these rates are 13, 40, 23 and 19 %, respectively, which gives us a clear picture showing that the development of processes in production also caused the revaluation of knowledge on the labour market.

It describes the transformation of economy and so the structures of employment as well that in the more developed EU countries are ahead of Hungary within the process of structural change, at the same time they have followed a path that started well earlier and which is also longer and more well balanced (Szép and Vámosi, 2007). A characteristic of the changing in the employment structure is that the market demand for more highly qualified manpower increases, which is mirrored in the fact that the school qualification of employees are getting higher and higher, and also that there is an enormous difference between the qualification structure of employees, unemployed and inactive. This shows a correlation with the fact that the service sphere rapidly widening within the whole economy by all means requires qualified manpower at a greater rate than the industry or the agricultural sectors do. In general, it is a characteristic feature that parallelly with the increase in GDP per person, the proportion of those employed in agriculture decreases permanently, the proportion of those employed in industry and in construction industry decreases, while the importance of the service sphere increases at the same time. Within each of the sectors the proportion of branches requiring manpower with lower level qualification decreases on the contrary to those requiring workforce with better qualifications. By degrading jobs in agriculture and those requiring more simple physical work it is definitely the field falls back where those with a lower qualification could have been employed. This raises the rate of unemployed within the focus group on one hand, providing a smaller chance for reintegration in the labour market, and has a stronger effect on elder people and on the Roma ethnic group. In 1990 15% of the Hungarian employee worked in the agricultural, 38 % in industrial and 47% in the tertiary sector. Today this rate is 5, 32 and 63 %, respectively, in addition the structure of the industry has been entirely changed, heavy industry has lost its importance, and production processes based on advanced technologies are came into the limelight.

### Unemployment characteristics within the focus group

In the last two years the Hungarian unemployment rate varied between 7-8%. As for school qualification, 41% of unemployed have no higher than basic level qualification, 32% hold a skilled worker's qualification, 21% have high school leaving (middle level) certificate and only 4% graduated from higher education. Other characteristics took part in forming this status as well, but the relation between holding a marketable school qualification and succeeding on the labour market is clear and evident enough.

The training can serve as a solution in most of the cases. However, the trend is frightening that from the view of the previous years the proportion of unemployed person holding maximum a basic level qualification has increased (an 8% increase in 2 years).

The other negative process – which is even more worse of higher importance –, is that the average period of time spent in unemployed status is increasing. Presently 19% of unemployed have not been able not find a job for 25 months, and an additional 22% have already exceeded 12 months. For these people getting back to the labour market is almost impossible, in their case even the training cannot be taken as an effective solution.

The presence of the permanently unemployment is the strongest in the depressive regions, which contributes to the regional segmentation of the labour market. In case of the four regions dropped behind the rate of permanently unemployed is 27 to 30% (in addition to a unemployment rate

much higher than the national average!), in the three prospering regions this rate is around 18-20%.

It is a unique correlation that by aging the chance of repeatedly getting a job is getting harder and harder. It can be observed that 30% of the age group of 40-49 years being unemployed, 40% of those of 50-59 years of age, and 80% of those beyond 60 years of age have been seeking for a job for at least 12 months.

## The adult education as an active tool on the labour market in the case of the focus group

When choosing the methods of training we must take the previous experiences into consideration. Permanently unemployed cannot be necessarily taken as a consistent group in terms of previous learning experiences, since from the low educated strata to the strata of those who has taken a diploma in an unmarketable major this group can be really heterogenic, with very different previous learning experiences. For permanently unemployed with low qualification, having only a little and usually negative learning experiences the most important task would be to lead them back to study. Total or partly lack of fundamental skills in the case of traditional, at-school type learning processes can definitely be an obstacle for efficient learning. For those with an unfavourable learning past and therefore with low school qualification studying in adulthood experiencing success is almost the most important compensating factor (Vámosi T. 2005). Since these people faced failures in school in the majority of cases, usually their self-confidence is not proper. One possible way of making self-confidence stronger in this stratum is using the existing knowledge (not scholar knowledge) and life experiences of the student.

An important principle in pedagogy, of which andragogy can draw sources as well, is the principle of leaning on positive things (Benke M. 2006). Positive elements can be found at each and every individual, but recognizing them needs time and an andragogist with adequate grounding. From this point of view completing team exercises or individual practice works indicating or offering solvable problems can be useful. Elder adults are socialized rather to traditional learning-teaching methods, many of them have not used computers before at all, they prefer the teacher's direction dominating in their learning processes. For them methods focusing on the teacher can be more advantageous, but it is very important for this age-group to have teaching processes based on their own experiences organized for them.

In general, the following facts can be told about adult education programmes offered for the focus group. Among trainings offered for individuals with low level qualification programmes orientating for attaining basic competencies (writing, reading, counting) play a central role. We must take it absolutely clear that without these competencies succeeding in society and on the labour market will be basically uncertain. Trends show that the minimally "acknowledged" school qualification more and more becomes the high school leaving certificate, which is indicated by the fact that an increasing number of professions are allocated with the high school leaving certificate. Just for this reason the adult education market needs to be prepared for making more and more available getting the high school leaving certificate for underprivileged groups.

According to the present law regulations no one can be accepted for vocational training or study at professional training programmes without basic level qualification – disregarding some very simple professions.

The programmes are almost exclusively based on physical activities, only a few professions belong to the field of classic service. Intellectual work is limited to only one or two professions. This strongly relates to the fact that among the unprivileged, above all among those with a low level qualification there are many with Roma origin, and for them professions with physical activities are the most attractive.

The programmes above all strive to attain strictly profession-related competencies, and the lack of modules raising general intellectuals can be observed. During the vocational examinations first of all they concentrate on questioning/examining practical knowledge, theoretical knowledge in most of the cases are examined restrictedly to the general knowledge.

Vocational practices are prevailed over theoretical training in every professions. In average this rate is 70-30 %, respectively.

In case of labour market trainings the proper establishment of training period is especially important, because the results of surveys justifies that one of the important decision making factor of taking part in training is the length of a programme. Attaining the professions at school typical of the focus groups usually takes 2 years, in the form of a labour market training it takes 6 to 8 months.

The efficiency of the training activity and the rate of participation increases to a high degree when the training is fully financed by the state, or in addition an allowance or other form of support is given for the applicant.

## Results of the survey focusing training demands

The author has accomplished a deep interview survey among the members of the focus group, which gave the following results. Quite different system of values can be found behind those decision-making factors that determined choosing of the content/topics and the nature of the training.

In case of the members of the focus group all of the respondents have stated that "it is important to get a job with it". This statement may seem to be much too simple, but from their point of view this one is the relevant. They are looking for the trainings - and in overwhelming majority of these cases it is about physical professions - which will give them the opportunity to get employed, whether legally or at the black market, sometimes only temporarily. For men it is mainly silviculture or construction work, for women it is a profession of a dressmaker, a cleaning women, an administrator or a nurse. The length of the training can be a relatively important point of view, because the time spent in school benches is considered as time lost only taking away the opportunity for making money (supposing the person is not given an allowance in addition to the training). So in their cases social circumstances are considered as important factors when choosing training by all means. Ab ovo they experience practical training as a chance, as many are given a job at the company providing place for the practical training and success of given people can serve as an example.

Motivations behind participating in a training show an even more mixed/complex picture. On one hand people want to study profession with which they can get a job, on the other hand they definitely look for such trainings which give them an allowance in addition to participating in the training. For them receiving the allowance (and maybe monthly ticket for

transport for free and other support) is a decisive point of view. The training itself is not a motivating factor, but the opportunity to make money. During the deep interviews we considered as a basic case that a person tries to reach the highest level of school system that is available within his/her social and financial circumstances, so the questions were directed towards trainings of out of the school system: first of all courses and labour market trainings. It does matter how the person gets in touch with the training opportunity, since "at the beginning" they show a lack of confidence / act with distrustfully towards them, and then after the second or third course they start directly looking for them. Most of these people can be influenced easily; in almost all cases they take encouragement and urge of friends and most of all of social helpers and mentors... This kind of system of relations will be decisive mainly during recruiting. They are proud if they succeed in overcoming difficulties, complete a given training, so this is something we can build on during recruitment.

We consider the question very important how people get to know of training possibilities. Both these possibilities and this activity show dispersion. Throughout the interviews a picture has been drawn that the greatest activity is shown by those with low level qualification, who are especially looking for trainings, they visit job offices, training centres, and they often ask for advices from social helpers and non-profit organisations (foundations, associations). That is exactly what we can build on, and what is actually already works, since the civil organisations visited reported that they get information from trainer companies on a regular basis. These people only need an impulse and encouragement. The chances of those living with some kind of deficiency are the narrowest, calling them is the hardest. As it turned out, the Internet is not the most suitable medium, their mobility is not efficient, so according to their opinion in the field of flow of information and recruitment we need to rely on social participants and civil organisations.

## Summary

The rate of Hungarian employment on European level is very low (57-59 %), but all this happens at a low rate of unemployment. At the moment partly the high level of inactivity is the main problem, partly the forming of the situation of unemployment, and its structural character, and its permanence, respectively. Disadvantages are added up, and we witness the reproducing and inheritance of the drawbacks; second and third generations are raising up not getting into touch with the world of work through their parents (Tésits R. 2004). Keeping the development of economy, the social integration and decreasing the significant differences among regions requires the effort what we can do on behalf of the success these focus group at the labour market.

## References

- BENKE, M. (Ed.) (2006): *A felnőttek foglalkoztathatóságának növelésére irányuló komplex képzési modellek, különös tekintettel a hátrányos helyzetű csoportokra*. Nemzeti Felnőttképzési Intézet, Budapest, 236 p.
- SZÉP, Zs. and VÁMOSI, T. (2007): *Szakképzés és felnőttképzés - makro-folyamatok, tervezés*. PTE FEEK, Pécs, 247 p.
- TÉSITS, R. (2004): *Characteristics of rural unemployment in South-Transdanubia*. In: *Geografski vestnik*, 76 (2), Zveza Geografskih društev Slovenije, Ljubljana, pp. 33-43.
- VÁMOSI, T. (2005): *Hátrányos helyzet újratermelődése a szakképzés rendszerében*. *Szoktatás*, 7, pp. 23-27.