

## THE EFFECTS OF TYPICAL FORMS OF EMPLOYMENT IN THE SOCIAL INTEGRATION IN THE SOUTH-TRANS-DANUBIAN REGION

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### Abstract

The progress of society set a completely new course in the second part of the twentieth century in Western Europe. The category of the welfare state was established which hadn't existed before. In those countries where the destruction by the two world wars were the most significant new social structures were born.

The social system is more developed in the prospering regions so the percentage of atypical forms of employment are higher there. The economic, geographical, demographical and ethnic characteristics of the different regions must be carefully mapped in order to let the social welfare and modern forms of employment develop. This research statement presents the revaluings above of the South-Transdanubian Regions of Hungary in the last some years.

**Keywords:** employment, unemployed, South-Transdanubian Region, self-employment, part-time employment

### Introduction

The progress of society set a completely new course in the second part of the twentieth century in Western Europe. The category of the welfare state was established which hadn't existed before. In those countries where the destruction by the two world wars were the most significant new social structures were born. After Europe was rebuilt, there were signs of unemployment because the economic improvement came to a sudden standstill. The percentage of active workers and full-time employees began to decrease in capitalist countries. More and more detailed atypical systems of employment were created by the economic policy. The reaction of Eastern Europe to the halt of the world economy was the appearance of internal, hidden unemployment since production here was not founded on the laws of market (profit) [1].

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### **Critical analysis**

During the years following the change of regime (from 1990) labour force management was completely subordinated to the demands of the market. The state supported self-employment and the founding of microenterprises. Employers, in this time, found such an ample choice on the labour market that they could lavishly choose from full-time employees, too. Atypical forms of employment was considered conceivable only through the introduction and increase of state subsidy (wages, rates and taxes) [2].

Part-time employment seems to be one of the most promising alternatives based on the results of the study of alternative forms of employments. Neither employers nor employees have the proper knowledge yet. Enterprises are afraid of the difficulties of organization of work, they prefer full-time employees because using human power can be planned better that way. Employees consider their existence uncertain when they work part-time, this is why a campaign similar to the BENELUX modell is necessary [4].

The role and also the importance of telework in Hungary is significantly behind of the level of the EU. It is also indicated by the fact that studies about it only has begun to appear relatively late, from the second half of the 1990s.

Self-employment is an important atypical form of employment. The rate of self-employment has been increasing since the '70s in Western-Europe which can be explained by the increasing demand on services. It began to reach a higher rate in East-Middle- Europe after the change of regime. It has become a very popular form of employment for those who lost their job due to the extensive reductions in companies. A major share of them can be regarded as forced entrepreneurs [6].

Among the countries of the European Union the most Romas live in Hungary. Most of them are unemployed. The target groups of those who are employed in an atypical form of employment in the Western countries supported from state subsidies (women, mothers, pensioners) have to be completed with Romas in Hungary [3].

The basis of the research is the study of the Péter Garai – Andrea Kuti – Klára Bank – Róbert Tésits workteam from 2004-2005 which made a survey of the opinions of the more important employers of the South-Transdanubian region on the possibility of part-time employment.

The purpose of the present study is to formulate and survey the possibilities of atypical forms of employment in promoting social welfare and social rise of the Roma minority in the South-Transdanubian region learning from the experiences of the much more developed Middle-Transdanubian region. Taking the results of the earlier studies as a starting point this study seeks answers for how to improve the professional skills and attitude to work of the Roma population, how to initiate them in telework and regular education.

A question in connection with the actuality of the topic is what the Roma safeguarding organizations think about labour market and state subsidy systems, how the Romas themself imagine their employment.

As a conclusion the study tries to find how the state could ensure social welfare within the scope of atypical forms of employment, above all the solution of the problem of the Roma population.

## Research methods

The most basic source of information was personal contact with 60 managers of private enterprises with a significant tradition, state-owned institutions and Roma safeguarding organizations in 2006.

The analysis of other important Hungarian studies also contributed to reveal the connections, the results. The evaluations and conclusions of the studies published so far were used as well. These studies mostly considered local characteristics.

## Results

### *The situation and statistical characteristics of atypical form of employment in Hungary*

When talking about employment in Hungary, the major part of society immediately think of full-time employment. Even employers can think about using atypical forms employment only in special spheres of activity. The research mostly examines the national characteristics of telework, part-time employment and self-employment of the atypical forms of employment. The rates are much lower in Hungary in each case than in the EU. It has three major reasons. In the first place, the Hungarian economy is undeveloped, the economic achievements are small (therefore there is less money for welfare expenditures); in the second place the social system is bad; and in the third place wages are relatively low.

Another obstacle in the way of the expansion of atypical forms of employment is the attitude of employers. They are uninformed, distrustful and afraid of new forms of work organization which can be seen from the prevalent attitude to telework [7].

In the Western countries of the European Union one third of the employees work in some forms of atypical employment. In Hungary this rate is only 10-15% and regional differences are big, too. In the South-Transdanubian region the rate is around 10%, and 15% or more in the Middle-Transdanubian region and in Budapest [9].

In terms of economic importance and statistical accessibility part-time employment is the most important of atypical forms of employment. In Hungary, there were a total number of employees of 2 733 780 in 2005, out of which there were 2 518 183 full-time employees (1 347 123 physical workers and 1 171 060 intellectual workers); the number of part-time employees was 215 597 (KSH Statistical Yearbook 2005). The rate of part-time employees compared to the total number of employees is 7,5 %. The rate of part-time employment in the South-Transdanubian region is above national average (8,3%). In the Middle-Transdanubian region this rate is 5,9%.

As for self-employment, the number of enterprises and that of private contractors is quite big. 5,8% of the active population are self-employers as private contractors, one-man limited liability companies or members of a partnership. According to the statistical and tax records approximately 9,2% work in the above mentioned forms of employment in South-Transdanubia and about 5,4% in Middle-Transdanubia[9] .

The importance of telework is the least significant; it is the least known and adopted form of employment in Hungary. Telework, even in other countries of Europe, functions well only where the infrastructure, the informatics – telecommunication – and traffic system are more developed; typically in the case of professions that require qualifications. Based on the very few available data the proportion of telework can only be estimated but it certainly is very low even in national respect (approximately 1% of total employees) [5].

### *The inclination of enterprises for atypical forms of employment and the possible target groups*

It can be stated that part-time employment and self-employment are known and general forms of employment. Each of the state institutions have part-time employees, most of them former workers who are further employed as pensioners partly because of her/his experiences and partly as a recognition of her/his many years of work. In terms of teleworkers it can be said that they are employed mainly for book-keeping and wage accounting jobs and usually they are financial specialists.

In the case of privately-owned enterprises there is much less part-time employees and teleworkers but there are much more employees who were employed with state wage subsidy.

The majority of the interviewed managers mostly considered part-time employment and telework conceivable of the atypical forms of employment, so when answering who they think the target groups are of these types of employment they only considered the above mentioned two forms.

Career-starters were mentioned as the main target group of atypical forms of employment by the majority of private enterprises. Metallurgical (toolmaker, miller, turner, welder) and building industrial (carpenter, bricklayer, tiler) skilled workers are needed in any form

After career-starters, the retired are mentioned as a possible target group of atypical forms of employment. Mothers and those on maternity leave payment or child benefit were mentioned on the third place.

### *Characteristics of certain atypical forms of employment*

Telework is very insignificant in the South-Transdanubian region. According to employers working processes cannot be placed out, „brought home”, since continuous quality control would cease to exist in this way. One can find a much more up-to-date thinking in Middle-Transdanubia. Financial and book-keeping activities are done by telework in case of many enterprises so space, energy and money can be saved this way.

Part-time employment is much more boldly taken in the South-Transdanubian region too, mostly for career-starter skilled labourers. According to the opinion of managers this form allows a much more intensive and adjustable work than telework does. It can be stated on the basis of data that in the first place skilled labourers and in the second place semi-skilled workers or unskilled workers would be employed.

In social terms, both private enterprises and state institutions think that part-time employment is acceptable provided there is sufficient state subsidy with it. They consider women, the elderly and Romas as possible target groups. The rate of Roma population in Middle-Transdanubia is half of that of South-Transdanubia, moreover a much more

proportion of them are employed (60% in contrast with 10%) [9]. Part-time employment could obviously improve the standard of living of the Romas.

The expansion of all the atypical forms of employment could increase if the state would take away some amount from unemployment aid and redistribute it for wage subsidy – said the interviewed managers. All types of motivation of work have to be supported. It is strongly connected with the adjustment of education, retraining, vocational training and adult education to the market conditions. The socially disadvantaged classes, of whom the Roma population is the biggest and the poorest, can only be socially risen if they have more valuable knowledge. More up-to-date specialized knowledge can yield more profit and it is paid better both in the labour market and in the state sector.

### *The opinion of the Roma organizations about the atypical forms of employment of the Romas*

In social terms the Roma population is in the worst situation in Hungary. The Romas are the only nationality in Hungary whose number is increasing every year as well as their poverty. The most Romas can be found in Somogy and Baranya counties in the South-Transdanubian region (8-9%) [9].

The main aim of each Roma organization is to increase employment rates of the Roma population, to have them accepted by society and to improve their education and technical knowledge. They consider it very important that state subsidies should be given not only as social allowances but also in forms of employment. Of the possible forms of employment, naturally full-time employment is considered the best. At present, when unemployment rates are so high, this form of employment is hardly attainable for the Roma population. There are significant differences between the counties of Middle-Transdanubia and those of South-Transdanubia. The number of the Roma population and their unemployment ratio are much higher in South-Transdanubia than in Middle-Transdanubia, consequently the prejudices of the society and the negative attitudes are more significant in the former as well.

Roma leaders think that part-time employment would be the easiest to spread of atypical forms of employment because it would fit better the way of life of the Romas and their being got used to the long periods of unemployment. Self-employment and telework are considered impossible; the former one because of the lack of capital of their own and the latter one because of the extremely bad home circumstances. There are wealthier Roma families who are self-employees as contractors; they are mostly artists, musicians who work in the entertainment industry or retail dealers. Their number is insignificant compared to the total number of population.

## **Conclusions**

In both regions, the expansion of atypical forms of employment mainly serves social functions and not the demands of the economy. According to employers the expansion of part-time employment has more significant possibilities. Unemployment aid could be redistributed to partially subsidize the wages or taxes of part-time employees in the form of wage subsidy. Employees who work less than eight hours a day can be mainly employed for physical and skilled works, based on the experiences.

It is obvious that the Roma population has the worst conditions in Hungary. It is very difficult for them to find work due to their being uneducated. There are significant social prejudices against them which makes it even more difficult for them to be employed. Social tension in connection with them is rising especially in the South-Transdanubian region. The only rational possibility of the rising of their standard of living is to get them work. But first they have to learn some professions in higher rates to be able to do more valuable works. That's why continuous training and further training are inseparable from the expansion of atypical forms of employment. The Romas will be able to rise from their appalling poverty only if they have marketable technical knowledge. In this situation, when on the one hand much more students study in higher education than there is demand on, on the other hand there is a shortage of skilled workers. It is a historic opportunity for the Romas to get in vocational training and adult education in large numbers in this situation. According to Roma ethnic minority leaders part-time employment is the easiest to accept in terms of the gradual employment of the Romas. Enterprises and county labour centres agree; they would employ Romas as part-time employees even without subsidy in the cases of professions in shortage.

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## **A FOGLALKOZTATÁS TIPIKUS FORMÁINAK TÁRSADALMI INTEGRÁCIÓRA GYAKOROLT HATÁSAI A DÉL-DUNÁNTÚLI RÉGIÓBAN**

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### **Összefoglaló**

Nyugat-Európában a társadalom alakulása a 20. század második felében merőben új irányt jelölt ki. Létrejött a jóléti állam kategóriája, mely korábban nem létezett. Amely országokban a két világháború a legnagyobb pusztítást végezte ott alapjaiban új társadalmi struktúrák jöttek létre.

A prosperálóbb területeken fejlettebb a szociális rendszer, ott nagyobb arányú az atipikus foglalkoztatás is. Ahhoz, hogy a szociális jólét és a foglalkoztatás modern formái fejlődhessenek az egyes területek gazdasági, földrajzi, demográfiai, etnikai sajátosságait igen pontosan fel kell térképezni. Jelen tanulmány ezeket a jellemzőket kívánja bemutatni a Dél-dunántúli Régió esetében az elmúlt néhány év távlatában.

**Kulcsszavak:** foglalkoztatás, munkanélküli, Dél-dunántúli Régió, önfoglalkoztatás, részmunkaidő

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